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Paternoster Resources PLC
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Paternoster Resources plc
("Paternoster" or the "Company")

Announcement by Alecto Minerals plc

Paternoster notes the announcement by Alecto Minerals plc ("Alecto") this morning, an investee company of Paternoster, the highlights of which is set out below:

Alecto Minerals plc (AIM: ALO), the Africa-focussed gold and base metal exploration and development company, announced that, following positive results from a feasibility study ('FS') on its wholly-owned Matala gold project in Zambia ('Matala' or the 'Matala Gold Project'), it has signed an agreement pursuant to which the company is working with Yantai Xinhai Machinery Co. Ltd ('Xinhai') and PenMin (Pty) Ltd ('PenMin') with respect to the proposed construction and financing of mining operations at Matala. This latest milestone is in line with Alecto's stated strategy to deliver gold production from the project as quickly as practicable.

Highlights:

- PenMin has delivered a FS on Matala demonstrating positive economics for a 400,000 tonnes per annum ('tpa') oxide and transitional open pit operation with a mine life of approximately 4 years 8 months at \$1,200/oz Au with exploration upside and underground potential:
 - Estimated capital cost for plant and infrastructure of US\$14.4 million
 - Project NPV of US\$28.6 million at an 8% discount rate
 - Unlevered project IRR of 52%
- Agreement of all parties to enter into a proposed Design, Build and Operate ('DBO') contract under International Federation of Consulting Engineers ('FIDIC') 'Gold Book', 2008, standards for the process plant and associated infrastructure
 - FIDIC contracts have been developed over 50 years as the international standard for the Consulting Industry. They are recognised and used globally in many jurisdictions, on all types of projects (www.fidic.org)
- Xinhai has agreed to arrange Vendor Financing for the DBO contract having confirmed that it is satisfied with the technical and financial outcomes of the FS

- PenMin shall be appointed Employer's Representative under a FIDIC 'White Book' Client / Consultant Agreement
- During the operational phase, Xinhai and PenMin will jointly manage the plant's operations, the control of which will be transferred to Alecto on conclusion of the term of the contract
- Proposed Vendor Financing will be by way of a loan - Alecto will therefore remain the sole owner of the project
- Financing, asset procurement and operating agreements remain subject to agreement on pricing and detailed contractual terms

The full announcement can be found on Alecto's website.

Nicholas Lee, Chairman said: "We are very pleased to note the continued progress being made with the Matala project in general and, in particular, this arrangement of vendor financing. This is a significant step towards the ultimate achievement of gold production from this asset."

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