26 September 2012

ALEXANDER MINING PLC
INTERIM REPORT FOR SIX MONTHS ENDED 30 JUNE 2012

Alexander Mining plc ("Alexander", the "Company"), the AIM and TSXV-listed mining and mineral processing technologies company, announces its results for the six months ended 30 June 2012.

The Company's objective is to become a low cost, highly profitable and diversified mining technology company. This will be achieved by the commercialisation of its proprietary mineral processing technologies, partnerships in producing mines and the acquisition of equity positions in advanced projects.

Highlights

- Continued strong interest from companies in using AmmLeach® for copper, cobalt and zinc oxide/non-sulphide projects

- Agreement with Metalvalue Limited

- Altona Mining to evaluate the mining and treatment of several of its deposits containing native copper ores for heap leaching using AmmLeach®

- Several important new patents granted

Chairman's Review

I am pleased to report on Alexander Mining plc's results for the six months ended 30 June 2012.

Although the world economy's travails mean that these are testing times for the mining industry, we remain resolute about the value and benefits of our mineral processing technology and its commercial adoption. Our progress during the period has been steady, with several significant developments.

Notably, Alexander announced an agreement (the 'Agreement') with Metalvalue Limited ('Metalvalue') for the use of the Company's mineral processing technology ('Leaching Technology'). Metalvalue is a successful private business focused on the commercialisation of leading edge technologies in the natural resources industry. Under the Agreement, Metalvalue has been granted a non-exclusive and non-transferable licence to use and sub-licence the Leaching Technology. It is the intention that Metalvalue will identify new targets for the Leaching Technology and will assist in bringing these into production, using the Leaching Technology, thereby creating a new royalty stream for Alexander.

The agreement with Metalvalue is a significant step for Alexander as it gives the Company the opportunity to capitalise on Alain Honnart's (Metalvalue's Managing Director), extensive industry expertise and a proven record in commercialising intellectual property. In addition, we have been able to pursue introductions to his worldwide contacts at the highest executive level and we continue to work on significant opportunities with Metalvalue in three countries.

The Democratic Republic of Congo ('DRC') continues to be a core target area for our AmmLeach® technology, given the clear competitive advantage offered for the production of cobalt through to metal cathode as well as offering a way to treat high-acid-consuming carbonate copper ores that hitherto have been uneconomic to treat. As such, the commissioning of our AmmLeach® copper/cobalt demonstration pilot plant in South Africa, leading to the successful production of copper and cobalt cathode metal, has been invaluable in advancing discussions with third parties about a commercial scale AmmLeach® operation in the country.

In Australia, initial AmmLeach® testwork for Altona Mining Limited ('Altona') on certain *native copper* samples from the Roseby Project gave excellent recoveries. Subsequently, Altona has announced that an options study will be undertaken to evaluate the mining and treatment of several of its deposits containing native copper ores and that potential options for treatment include heap leaching using AmmLeach®.

We have reported favourable AmmLeach® amenability testwork results for the recovery of zinc from samples provided by Red Crescent Resources Limited ('RCR') from its Hakkari Zinc Project in south-east Turkey. The Hakkari testwork has shown that zinc recoveries of at least 80% should be possible once the pre-treatment and leaching conditions are optimised. The findings of this testwork and next steps are being considered by RCR.

The Company's core asset is its intellectual property ('IP') and know-how. In my last statement, I said that we expected regular news about our suite of patents as specific applications progressed. Pleasingly, there has been a steady flow of patents granted or approved, encompassing copper, cobalt and zinc. The most recent being a patent granted in Australia for a *Method for leaching cobalt from a non-lateritic oxidised cobalt ore*, and for a *Method for extracting zinc from aqueous ammoniacal solutions* granted in Australia and approved in the USA.

Financial

The company has sustained expenditures on research and development whilst working on new patent applications to protect and broaden its IP. Management has completed a comprehensive review of costs to reduce overheads and cut back non-essential expenditure. Following discussions with potential industry partners, funding requirements are under consideration to commercialise our technology at a number of projects. In addition to the previously announced put option with Metalvalue Limited, in recognition of corporate funding requirements, management is currently reviewing a number of non-dilutive financing options.

Outlook

Mining and base metals markets have been subdued, reflecting uncertainties in the world economy. Nevertheless, the inherent challenges that the industry faces in replenishing resources, or optimising the economics of existing mining operations, remain to the fore. Within this environment, Alexander is highly optimistic about the value of its breakthrough mineral processing technologies and achieving the commercial potential therein. Recent progress has been significant, especially in securing patent protection for our IP, and we are hopeful about material developments for several advanced business opportunities in different parts of the world for copper, cobalt and zinc.

As always, I would like to thank the Company's shareholders for their continuing support and our employees, directors, consultants and advisors for their commitment.

Matt Sutcliffe
Executive Chairman
26 September 2012

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Consolidated income statement

	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
	£'000	£'000	£'000
Continuing operations			
Revenue	**23**	-	20
Cost of sales	**-**	-	-
Gross profit	**23**	-	20
Administrative expenses	**(655)**	(789)	(1,386)
Research and development expenses	**(291)**	(230)	(464)
Operating loss	**(923)**	(1,019)	(1,830)
Finance income	**26**	48	150
Finance cost	**(7)**	(26)	-
Loss before taxation	**(904)**	(997)	(1,680)
Income tax expense	**-**	-	-
Loss for the period from continuing operations	**(904)**	(997)	(1,680)
Profit / (loss) for the period from discontinued operations - Note 2	**-**	1,487	1,487
Profit / (loss) for the period	**(904)**	490	(193)
Basic and diluted profit / (loss) per share (pence):			
from continuing operations	**(0.66)p**	(0.73)p	(1.24)p
from continuing and discontinued operations	**(0.66)p**	0.36p	(0.14)p
from discontinued operations	**-**	1.09p	1.10p

All components of profit or loss are attributable to equity holders of the parent.

Consolidated statement of comprehensive income

	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
	£'000	£'000	£'000
Profit / (loss) for the period	**(904)**	490	(193)
Other comprehensive income:			
Exchange differences on translating foreign operations	**-**	(11)	-
Exchange differences realised on disposal of subsidiary	**-**	(1,403)	(1,403)
Total comprehensive profit / (loss) for the period attributable to equity holders of the parent	**(904)**	(924)	(1,596)

Consolidated balance sheet

	As at 30 June 2012 £'000	As at 30 June 2011 £'000	As at 31 December 2011 £'000
Assets			
Property, plant & equipment	22	36	29
Total non-current assets	22	36	29
Trade and other receivables	474	908	661
Cash and cash equivalents	557	1,655	1,257
Total current assets	1,031	2,563	1,918
Total assets	1,053	2,599	1,947
Equity attributable to owners of the parent			
Issued share capital	13,599	13,599	13,599
Share premium	11,850	11,850	11,850
Share option reserve	552	590	535
Translation reserve	(60)	(71)	(60)
Accumulated losses	(25,004)	(23,482)	(24,100)
Total equity	937	2,486	1,824
Liabilities			
Total Current liabilities			
Trade and other payables	116	113	123
Total liabilities	116	113	123
Total equity and liabilities	1,053	2,599	1,947

Consolidated statement of cash flows

	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
		£'000	£'000
Cash flows from operating activities			
Operating loss – continuing operations	**(923)**	(1,019)	(1,830)
Depreciation and amortisation charge	**7**	1	8
Decrease in trade and other receivables	**17**	(9)	60
(Decrease) in trade and other payables	**(7)**	(166)	(229)
Expenses settled through issue of equity	**-**	50	50
Share option charge	**17**	27	37
Net cash outflow from operating activities	**(889)**	(1,116)	(1,904)
Cash flows from investing activities			
Interest received	**3**	3	5
Acquisition of Property, Plant and Equipment	**-**	(37)	(37)
Proceeds from sale of subsidiary	**192**	388	736
Net cash inflow / (outflow) from investing activities	**195**	354	704
Net decrease in cash and cash equivalents	**(694)**	(762)	(1,200)
Cash and cash equivalents at beginning of period	**1,257**	2,454	2,454
Exchange differences	**(6)**	(37)	3
Cash and cash equivalents at end of period	**557**	1,655	1,257

Consolidated statement of changes in equity

	Share capital	Share premium	Merger reserve	Share option reserve	Trans-lation reserve	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2011	**13,549**	**11,850**	**(2,487)**	**563**	**1,343**	**(21,485)**	**3,333**
Retained loss for period	-	-	-	-		(913)	(913)
Realisation of foreign exchange gains upon sale of subsidiary	-	-	-	-	(1,403)	1403	-
Exchange difference on translating foreign operations	-	-	-	-	(11)	-	(11)
Total comprehensive income for the period attributable to equity holders of the parent	-	-	-	-	(1,414)	490	(924)
Share option costs	-	-	-	27	-	-	27
Shares issued	50	-	-	-	-	-	50
Transfer between reserves	-	-	2,487	-	-	(2,487)	-
At 30 June 2011	**13,599**	**11,850**	**-**	**590**	**(71)**	**(23,482)**	**2,486**
Retained loss for period	-	-	-	-	-	(687)	(687)
Exchange difference on translating foreign operations	-	-	-	-	11	-	11
Total comprehensive income for the period attributable to equity holders of the parent	-	-	-	-	11	(687)	(676)
Share option costs	-	-	-	14	-	-	14
Share options cancelled in period	-	-	-	(69)	-	69	-
At 31 December 2011	**13,599**	**11,850**	**-**	**535**	**(60)**	**(24,100)**	**1,824**
Retained loss for period	-	-	-	-	-	(904)	(904)
Exchange difference on translating foreign operations	-	-	-	-	-	-	-
Total comprehensive income for the period attributable to equity holders of the parent	-	-	-	-	-	(904)	(904)
Share option costs	-	-	-	17	-	-	17
At 30 June 2012	**13,599**	**11,850**	**-**	**552**	**(60)**	**(25,004)**	**937**

Notes to the interim financial information

1. Basis of preparation

The interim financial information has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and implemented in the UK. The accounting policies, methods of computation and presentation used in the preparation of the interim financial information are the same as those used in the Group's audited financial statements for the year ended 31 December 2011.

The financial information in this statement does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial information for the six months ended 30 June 2012 and 30 June 2011 is unaudited. The comparative information for the year ended 31 December 2011 was derived from the Group's audited financial statements for that period as filed with the Registrar of Companies. It does not constitute the financial statements for that period. Those accounts received an unqualified audit report.

2. Discontinued operations

Components of discontinued operations in the Income Statement and Balance Sheet are in respect of the Company's subsidiary Alexander Gold Group Limited, sold during 2011, as follows:

Income Statement:	**Six months ended 30 June 2012**	Six months ended 30 June 2011	Year ended 31 December 2011
Gain on disposal of discontinued operation	**-**	84	84
Realisation of translation reserve, transferred to Income Statement on disposal of the subsidiary (IAS 21).	-	1,403	1,403
Profit for the period from discontinued operation	-	1,487	1,487

Balance Sheet:

Other receivables at 30 June 2012 includes £365,000 (June 2011: £780,000 and December 2011: £534,000) in respect of the remaining instalments due from the sale of Alexander Gold Group Limited.

3. Loss per share

The calculation of loss per share is based on the weighted average number of shares in issue in the six months to 30 June 2012 of 135,986,542 (six months to 30 June 2011: 135,605,327 and year to 31 December 2011: 135,797,501) and computed on the respective profit and loss figures as follows:

	6 months 2012		6 Months 2011		Full year 2011	
	£'000	**Per share**	£'000	Per share	£'000	Per share
(Loss) - continuing operations	**(904)**	**(0.66)p**	(997)	(0.73)p	(1,680)	(1.24)p
Profit / (Loss) - continuing and discontinued operations	**(904)**	**(0.66)p**	490	0.36p	(193)	(0.14)p
Profit - discontinued operations	**-**	**-**	1,487	1.09p	1,487	1.10p

There is no difference between the diluted loss per share and the basic loss per share presented. Share options granted to employees could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the period presented.

At 30 June 2012 there were 10,175,000 (30 June 2011: 10,225,000; at 31 December 2011: 10,175,000) share options in issue that could have a potentially dilutive effect on the basic earnings per share in the future.

4. Share Capital

In June 2012, at a General Meeting of the Company, shareholders approved capital restructure proposals whereby each of the existing issued shares of 10p each in the capital of the Company were subdivided and converted into one new ordinary share of 0.1 p and one deferred share of 9.9p.

The new ordinary shares have the same rights and benefits of the previously existing ordinary shares. The number of new ordinary shares in issue following the capital re-organisation was unchanged from the number of existing ordinary shares in issue immediately prior to the capital re-organisation.

The deferred shares will not be admitted to trading on AIM, have only very limited rights on a return of capital and are effectively valueless and non-transferable. The Directors consider that the deferred shares have no effect on the respective economic interests of the shareholders. No share certificates have been issued for the deferred shares.

The change in the Company's share capital structure during the reporting period occurred as follows:

Ordinary shares	Number of shares	Share capital £	Share premium £
Balance at 01 January 2012	135,986,542	13,598,654	11,849,590
Value transferred to deferred share capital	-	(13,462,667)	-
Balance at 30 June 2012	135,986,542	135,987	11,849,590

Deferred shares	Number of deferred shares	Deferred share capital £
Balance at 01 January 2012	-	-
Transferred from share capital account	135,986,542	13,462,667
Balance at 30 June 2012	135,986,542	13,462,667

Copies of this announcement are available to view at the Company’s website at www.alexandermining.com.

Disclaimers

This news release may contain forward looking statements, being statements which are not historical facts, including, without limitation, statements regarding potential mineralization, exploration results, resource or reserve estimates, anticipated production or results, sales, revenues, costs, "best-efforts" financings or discussions of future plans and objectives. There can be no assurance that such statements will prove accurate. Such statements are necessarily based upon a number of estimates and assumptions that are subject to numerous risks and uncertainties that could cause actual results and future events to differ materially from those anticipated or projected. Important factors that could cause actual results to differ materially from the Company's expectations are in Company documents filed from time to time with the TSX Venture Exchange and provincial securities regulators, most of which are available at www.sedar.com. The Company disclaims any intention or obligation to revise or update such statements unless required by law. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.