

30 September 2016

ALEXANDER MINING PLC

INTERIM REPORT FOR SIX MONTHS ENDED 30 JUNE 2016

Alexander Mining plc ("Alexander" or "the Company"), the AIM quoted mining and mineral processing technologies company, announces its results for the six months ended 30 June 2016.

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 with producing mines and the acquisition of equity positions in advanced projects.

Highlights

- Successful placing to raise £500,000 and Bonus Warrant issue in May to fund working capital
- Continued granting of important patents
- Continuing mining industry interest in using AmmLeach® for base metals' recovery from amenable deposits
- Post period end – Licence agreement with Accudo Metals in Australia to investigate a range of opportunities
- Company investigating exciting potential to use its leaching technologies for the recovery of cobalt, a key component of most electric car lithium ion batteries

Chairman's Review

I am pleased to report on behalf of your Board of Directors the Company's results for the six months ended 30 June 2016.

It has remained a challenging business environment for the company, however there are tentative signs that we may have seen the mining industry's fortunes bottom out and can expect improving conditions ahead. It is therefore pleasing to report on some positive progress in our commercialisation efforts.

As we have often stated, Alexander's technologies are pertinent in a low metals' price environment due to the significant potential benefits offered from capital and operating cost savings. In addition, the unique environmental and operational efficiency attributes of our technologies for the recovery of specific metals are of interest regardless of metals' prices.

The licence granted to Accudo Metals in August is a significant development. Accudo is funded by sophisticated investors and clients of BlueMount Capital ("BlueMount"), a national mid-tier Australian investment bank. Pre-funding for test work and a full Scoping Study on the first targeted opportunity has been committed.

Subject to the Scoping Study being positive, Accudo foundation funders and BlueMount clients will fund a detailed feasibility study.

Accudo has initiated laboratory testing on various samples of ore from a project in Australia with target oxide and transitional ores. The tests have been conducted and are being analysed. Results to date are within expected performance and are encouraging. Further details of the licence granted to Accudo are in the announcement released by the Company on 25 August 2016.

Regarding other exciting opportunities, there is the potential to use Alexander's leaching technologies to process certain cobalt minerals for the recovery of cobalt metal at the mine site. This is an especially interesting opportunity given the strong growth forecast for electric vehicles sales and the batteries they need. Many of the preferred batteries used, as well needing lithium, also require significant quantities of cobalt. There is an industry problem in obtaining supply using ethical production methods, in particular from countries such as the Democratic Republic of the Congo ("DRC"). With such a restriction, the key challenge, given the DRC's dominance of world cobalt production and reserves (circa over 50% for each), will be securing supply from such acceptable sources.

Finally, during the period the Company continued to add granted patents to its portfolio of intellectual property as well as make additional applications.

Financial

The Company has been assiduous in keeping its overheads to the minimum necessary, whilst maintaining required expenditure on business development and intellectual property protection.

In May, the Company raised £500,000 in a placing (the "Placing"). The net proceeds of the Placing were for general working capital purposes.

Due to the impact of the Placing on existing shareholders, in order to partially alleviate the impact of dilution and provide existing shareholders at the time with some ability to subscribe, the Board decided to issue new warrants ("Warrants") to existing shareholders on the record date ("Qualifying Shareholders") on a pro rata basis of one Warrant for every four Ordinary Shares ("Qualifying Shares") held (the "Warrant Bonus Issue").

With the net proceeds from the Placing, potential cash proceeds from the Warrant Bonus Issue exercise (of which 32,494,811 out of a total of 90,477,572 have been exercised to date) and also potential revenue from the commercialisation of our proprietary leaching technologies, the Company should have adequate working capital through until at least the end of the May 2017.

Outlook

The global economy and world stock markets remain volatile. Nevertheless, there is a general tone of cautious optimism returning to the mining sector, which we subscribe to. Accordingly, we remain confident about commercial interest in using our technologies to capitalise on its benefits for cost savings, operational efficiency and strongly positive environmental benefits.

Given the background of the Company's directors and senior employees, we are also reviewing several complementary opportunities of interest in the mining sector.

Finally, I would like to thank Alexander's valued shareholders for their continuing support and our employees, directors, consultants and advisers for their commitment during difficult times.

Matt Sutcliffe
Executive Chairman
30 September 2016

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Consolidated income statement

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000	Year ended 31 December 2015 £'000
Continuing operations			
Revenue	-	8	8
Cost of sales	-	-	-
Gross profit	-	8	8
Administrative expenses	(189)	(377)	(608)
Research and development expenses	(89)	(151)	(249)
Operating loss	(278)	(520)	(849)
Finance income	-	-	-
Finance cost	(46)	35	-
Loss before taxation	(324)	(485)	(849)
Income tax expense	-	-	-
Loss for the period from continuing operations	(324)	(485)	(849)
Loss for the period from discontinued operations	-	-	-
Loss for the period	(324)	(485)	(849)
Basic and diluted (loss) per share (pence)			
from continuing operations:	(0.07)p	(0.19)p	(0.30)p
from continuing and discontinued operations	(0.07)p	(0.19)p	(0.30)p
from discontinued operations	-	-	nil

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

Consolidated statement of comprehensive income

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000	Year ended 31 December 2015 £'000
Loss for the period	(324)	(485)	(849)
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Exchange differences realised on disposal of subsidiary	-	-	-
Total comprehensive loss for the period attributable to equity holders of the parent	(324)	(485)	(849)

Consolidated balance sheet

	As at 30 June 2016 £'000	As at 30 June 2015 £'000	As at 31 December 2015 £'000
Assets			
Property, plant & equipment	-	-	-
Total non-current assets	-	-	-
Trade and other receivables	50	48	41
Cash and cash equivalents	415	46	165
Total current assets	465	94	206
Total assets	465	94	206
Equity attributable to owners of the parent			
Issued share capital	14,325	13,719	13,825
Share premium	13,780	13,598	13,822
Translation reserve	-	-	-
Accumulated losses	(28,260)	(27,686)	(27,971)
Total equity	(155)	(369)	(324)
Liabilities			
Current liabilities			
Trade and other payables	620	463	530
Provisions	-	-	-
Total current liabilities	620	463	530
Total liabilities	620	463	530
Total equity and liabilities	465	94	206

Consolidated statement of cash flows

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000	Year ended 31 December 2015 £'000
Cash flows from operating activities			
Operating loss – continuing operations	(278)	(520)	(849)
Operating loss – discontinued operations	-	-	-
(Increase) / decrease in trade and other receivables	(9)	19	26
Increase / (decrease) in trade and other payables	91	25	92
Increase / (decrease) in provisions	-	(18)	(18)
Shares issued in payment of expenses	-	51	57
Share option charge	26	10	32
Net cash outflow from operating activities	(170)	(434)	(660)
Cash flows from investing activities			
Interest received	-	-	-
Net cash inflow from investing activities	-	-	-
Cash flows from financing activities			
Proceeds from the issue of share capital	466	328	709
Proceeds from issue of share options	-	-	-
Net cash inflow from financing activities	466	328	709
Net increase / (decrease) in cash and cash equivalents	296	(105)	49
Cash and cash equivalents at beginning of period	165	116	116
Exchange differences	(46)	35	-
Cash and cash equivalents at end of period	415	46	165

Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Translation reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 January 2015	13,639	13,298	-	-	(27,211)	(274)
Accumulated loss for period	-	-	-	-	(485)	(485)
Total comprehensive loss for the period attributable to equity holders of the parent	-	-	-	-	(485)	(485)
Share option costs	-	-	-	-	10	10
Shares issued	80	331	-	-	-	411
Share issue costs	-	(31)	-	-	-	(31)
At 30 June 2015	13,719	13,598	-	-	(27,686)	(369)
Accumulated loss for period	-	-	-	-	(364)	(364)
Total comprehensive loss for the period attributable to equity holders of the parent	-	-	-	-	(364)	(364)
Share option and Warrant costs	-	-	-	-	79	79
Shares issued	106	264	-	-	-	370
Share issue costs	-	(40)	-	-	-	(40)
At 31 December 2015	13,825	13,822	-	-	(27,971)	(324)
Accumulated loss for period	-	-	-	-	(324)	(324)
Total comprehensive loss for the period attributable to equity holders of the parent	-	-	-	-	(324)	(324)
Share option and Warrant costs	-	-	-	-	35	35
Shares issued	500	(8)	-	-	-	492
Share issue costs	-	(34)	-	-	-	(34)
At 30 June 2016	14,325	13,780	-	-	(28,260)	(155)

Notes to the interim financial information

1. Basis of preparation

The interim financial information has been prepared in accordance with International Financial Reporting Standards (“IFRSs”) in force at the reporting date and their interpretations issued by the International Accounting Standards Board (“IASB”) as adopted for use within the European Union. 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 2015.

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 2016 and 30 June 2015 is unaudited. The comparative information for the year ended 31 December 2015 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 financial statements received an unqualified audit report, but contained an emphasis of matter in respect of going concern.

Going Concern

In common with many mining, exploration and intellectual property development companies, the Company has raised finance for its activities in discrete tranches to finance its activities for limited periods. On 20 May 2016 the Company raised £500,000, before expenses, by way of an equity placing. It is anticipated that further funding will be required in the next twelve months and the

Directors believe that the Company currently has a range of corporate development opportunities which could give rise to significant funding in the next twelve months.

On this basis, the Directors have concluded that it is appropriate to prepare the interim financial information on the going concern basis. However, there can be no certainty that the corporate development opportunities will be secured and give rise to the further funding in the necessary timescale. This indicates the existence of a material uncertainty that may cast significant doubt on the ability of the company and the group to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company and Group were unable to continue as a going concern.

2. 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 2016 of 474,547,651 (six months to 30 June 2015: 249,945,195 and year to 31 December 2015: 279,185,132) and computed on the respective loss figures as follows:

	6 months 2016		6 Months 2015		Full year 2015	
	£'000	Per share	£'000	Per share	£'000	Per share
(Loss) - continuing operations	(315)	(0.07)p	(485)	(0.19)p	(849)	(0.30)p
(Loss) - discontinued operations	-	-	-	-	-	-
(Loss) – continuing and discontinued operations	(315)	(0.07)p	(485)	(0.19)p	(849)	(0.30)p

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

At 30 June 2016 there were 12,900,000 (at 30 June 2015: 12,900,000; at 31 December 2015: 12,900,000) share options in issue that could have a potentially dilutive effect on the basic earnings per share in the future.

At 30 June 2016 there were 186,436,945 (at 30 June 2015: 3,600,000; at 31 December 2015: 45,959,373) share warrants in issue that could have a potentially dilutive effect on the basic earnings per share in the future.

3. Share Capital

Changes in issued share capital and share premium during the reporting period occurred as follows:

Ordinary shares	Number of shares	Share capital	Share premium
Balance at 1 January 2016	361,910,288	361,910	13,822,084
20 May– shares issued for cash at 0.5p each	500,000,000	500,000	(34,200)
24 May - Warrant issue to Shareholders	-	-	(8,109)
Balance at 30 June 2016	861,910,288	861,910	13,779,775

Deferred shares	Number of shares	Deferred share capital
Balance at 1 January 2016	135,986,542	13,462,667
Balance at 30 June 2016	135,986,542	13,462,667

4. Share options and Warrants

All Share Option costs incurred are allocated to Accumulated Losses.

The Company has a total of 12,900,000 Share Options in issue during the period (all with exercise prices of 4.92p per share), representing 1.22 per cent of the issued share capital of the Company on a fully diluted basis. Share option charges for the six months to 30 June 2016 amounted to £8,021 (2015: £9,626).

The Company had a total of 60,959,375 warrants in issue during the period for the provision of Broker services (3,600,000 with an exercise price of 0.5p per share, 7,359,375 with an exercise price of 0.4p per share and 50,000,000 with an exercise price of 0.1p per share. Warrant charges for the six months to 30 June 2016 amounted to £18,726.47 (2015: £nil).

The Company has a total of 34,999,998 warrants in issue during the period granted to subscribers of the 2 October 2015 placing with an exercise price of 0.45 pence per share.

The Company had a total of 90,477,572 warrants in issue granted to existing shareholders of the Company at 4.30 pm on the 24 May 2016 on the basis of 1 warrant per every 4 qualifying shares held by shareholders. A charge of £8,109 was made to equity for the six months ending 30 June 2016 (2015: £nil).

5. Post balance sheet events:

Exercise of Warrants

On the 21 July 2016, the Company issued 15,000,000 new ordinary shares of 0.1p per ordinary share following the exercise of 15,000,000 broker warrants held by Cornhill Capital Limited at 0.1p per share, following the admission of the shares the Company had 876,910,288 shares in issue.

On the 28 July 2016, the company issued 32,494,811 new ordinary shares of 0.1p per ordinary share following the exercise of 32,494,811 warrants issued pursuant to the Warrant Bonus issue announced on 20 May 2016 at 0.1p per share, following the admission of the shares the Company had 909,405,099 shares in issue.

On the 31 August 2016, the Company issued 11,741,665 new ordinary shares of 0.1p per ordinary share following the exercise of 11,741,665 broker warrants held by Cornhill Capital Limited at 0.1p per share, following the admission of the shares the Company had 921,146,764 shares in issue.

On the 29 September 2016, the Company issued 13,258,335 new ordinary shares of 0.1p per ordinary share following the exercise of 13,258,335 broker warrants held by Cornhill Capital Limited at 0.1p per share, following the admission of the shares the Company will have 934,405,099 shares in issue.

Issue of Share Options

On the 29 July 2016, the Board approved the grant of an additional 43,300,000 new share options at an exercise price of 0.22p ("exercise Price) to directors, employees and a consultant.

Copies of these announcements are available to view on the Company's website at www.alexandermining.com.

Disclaimers

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

This news release contains forward looking or future-oriented financial information, being information which is not historical fact, including, without limitation, statements regarding potential results of metallurgical testwork, anticipated applications for the Company's intellectual property and discussions of future plans and objectives. Although the Company believes that the expectations reflected by such information are reasonable, these statements are based on assumptions and factors concerning future events that may prove to be inaccurate. Such statements are necessarily based upon a number of estimates and assumptions based on information available to the Company about itself and the business in which it operates. Information used in developing forward-looking information

has been acquired from various sources including third party consultants, suppliers, regulators and other sources and is 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 the continuing availability of capital resources to fund the commercialisation of Alexander's technologies; continued positive results from trials and applications of Alexander's AmmLeach[®] and HyperLeach[®] technologies and other factors as disclosed in Company documents filed from time to time. Management uses forward-looking statements because it believes they provide useful information to the shareholders with respect to proposed transactions involving Alexander, and cautions readers that the information may not be appropriate for other purposes and should not be read as guarantees of future performance or results. The Company disclaims any intention or obligation to revise or update such statements unless required by law.