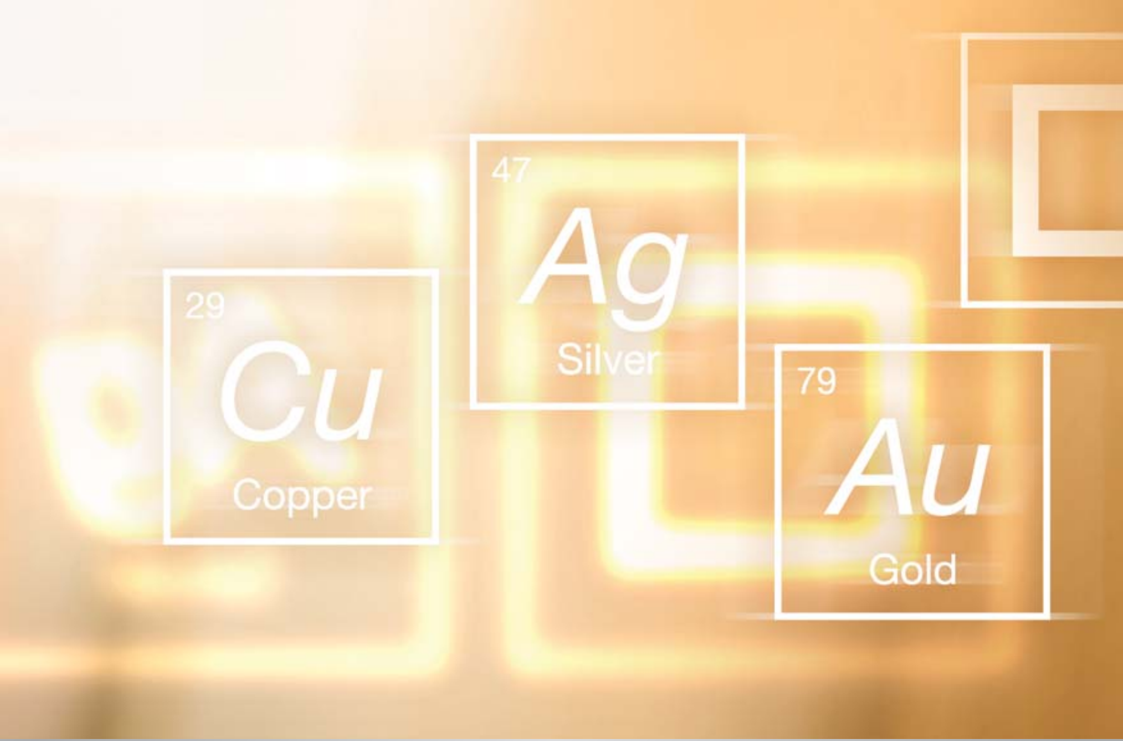


Interim Report 2005

Alexander Mining plc

Excellent progress in our objective of growing into a mid-tier mining company in a favourable market for base and precious metals.

- Listing on AIM in conjunction with a successful and over-subscribed equity placement raising £20m
- Establishment of the main office in London and a regional office in northwest Argentina
- Good progress with projects in Argentina and Peru
- New senior management appointments
- Strong financial position

Contents

Chairman's Review

It gives me great pleasure to report on Alexander Mining plc's ("Alexander", "the Company" or "the Group") interim results for the six months ended 30 June 2005. During the period, the Company listed on the AIM market of the London Stock Exchange on 4 April 2005. In conjunction with the AIM listing, a successful and oversubscribed equity placement, predominantly to UK investment institutions, which raised gross proceeds of £20 million, was completed.

In the course of our transformation from being a private to public company, we have established our main office in London, a regional office in the City of Salta, Salta Province, northwest Argentina and made key staff appointments.

Operations

Encouraging progress has been made in the last few months with our South American projects. The Company's focus has been its Leon copper/silver project in northwest Argentina, where a major technical and 10,000m diamond core drilling programme, designed to delineate the mineable resources of the Leon deposit to the JORC Code standard, is underway. At the Rachaite property, drilling will commence in early October 2005. The Sulcha project in Peru is progressing towards drilling.

Financial

During the six months ended 30 June 2005, the Company made a consolidated net loss after taxation of £436,000, compared to a loss for the period ended 31 December 2004 of £296,000. Interest earned during the period totalled £241,000 due to our strong cash position, which totalled £21.5 million at the end of June. During the period, £482,000 of exploration costs have been capitalised, representing costs associated with the acquisition and initial exploration on the Company's projects in South America.

Outlook

The mining sector continues to enjoy strong investment interest, reflecting strong precious and base metals markets. The strength in base metals has been largely fuelled by the extraordinary growth of the Chinese economy and, of mounting importance, increasing demand for commodities from India. This favourable scenario, as well as our significant cash position, provides the Company with an excellent outlook.

On behalf of the board, I would like to thank our shareholders for their strong support and to thank my fellow directors and employees for their hard work and dedication during what has been an excellent and satisfying period of progress for the Company. We look forward to reporting on our activities in due course.

M.I. Sutcliffe

Matt Sutcliffe
29 September 2005

Independent Review Report to Alexander Mining plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2005, which comprises the profit and loss account, the balance sheet, the cash flow statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company and in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2005.

PKF (UK) LLP

PKF (UK) LLP
Chartered Accountants
London, UK
29 September 2005

Consolidated Profit and Loss Account

Unaudited, pro-forma for the six months ended 30 June 2005

	Notes	Six months ended 30 June 2005 £000	Period ended 30 June 2004 £000	Period ended 31 December 2004 £000
Administrative expenses		**(604)**	(39)	(309)
Operating loss		**(604)**	(39)	(309)
Share of operating loss of Associate		**-**	-	-
Provision against investment in Associate	1	**(73)**	-	-
Net interest receivable		**241**	1	13
Loss on ordinary activities before taxation		**(436)**	(38)	(296)
Tax on loss on ordinary activities		-	-	-
Loss on ordinary activities after taxation and retained for the period		**(436)**	(38)	(296)
Basic and diluted loss per share (pence)	2	**(0.44)p**	(0.06)p	(0.44)p

All amounts relate to continuing activities
All recognised gains and losses are included in the profit and loss account.

Consolidated Balance Sheet

Unaudited, pro-forma as at 30 June 2005

	Notes	As at 30 June 2005 £000	As at 30 June 2004 £000	As at 31 December 2004 £000
Fixed assets				
Intangible fixed assets		**507**	5	25
Tangible fixed assets		**17**	-	-
Investment in associated undertaking		**-**	-	41
		524	5	66
Current assets				
Debtors		**203**	37	51
Cash at bank and in hand		**117**	84	39
Short term bank deposits		**21,407**	601	520
		21,727	722	610
Creditors: amounts falling due within one year		**(167)**	(683)	(178)
Net current assets		**21,560**	39	432
Total assets less current liabilities		**22,084**	44	498
Capital and reserves				
Called up share capital	6	**13,453**	6,787	6,787
Share premium account	6	**11,850**	-	-
Adjustment for shares in subsidiary not yet issued		**-**	(4,218)	(3,506)
Merger reserve		**(2,487)**	(2,487)	(2,487)
Profit and loss account		**(732)**	(38)	(296)
Shareholders' funds	5	**22,084**	44	498

Consolidated Cash Flow Statement

Unaudited, pro-forma for the six months ended 30 June 2005

	Notes	Six months ended 30 June 2005 £000	Period ended 30 June 2004 £000	Period ended 31 December 2004 £000
Net cash outflow from operating activities	3	**(658)**	(49)	(210)
Returns on investment and servicing of finance				
Interest received		**224**	1	13
Interest paid		**(5)**	-	-
Net cash inflow from returns on investment and servicing of finance		**219**	1	13
Taxation		**-**	-	-
Capital expenditure and financial investment				
Purchase of tangible fixed assets		**(55)**	-	-
Purchase of intangible fixed assets		**(397)**	(5)	(25)
Investment in associated undertaking		**(32)**	-	(41)
Net cash outflow from capital expenditure and financial investment		**(484)**	(5)	(66)
Management of liquid resources				
Transfer to short term bank deposits		**(20,887)**	(601)	(520)
Net cash outflow before financing		**(21,810)**	(654)	(783)
Financing				
Issue of shares by Alexander Mining plc	6	**20,000**	-	-
Issue of shares by Alexander Gold Group Limited	6	**3,372**	738	822
Share issue costs	6	**(1,484)**	-	-
Net cash inflow from financing		**21,888**	738	822
Increase in cash	4	**78**	84	39
Cash brought forward		**39**	-	-
Cash carried forward		**117**	84	39

Notes to the interim financial information

for the six months ended 30 June 2005

1 Basis of preparation

The interim financial information set out on pages 3 to 9 has been prepared on a going concern basis under the historical cost convention in accordance with applicable accounting standards.

The principal accounting policies applied on a consistent basis in the preparation of the interim financial information are set out below.

Basis of consolidation and pro-forma information

The interim financial information includes the financial information of Alexander Mining plc (the "Company") and all its subsidiaries (together, the "Group") for the period from 8 December 2003 to 30 June 2005.

The Company was incorporated on 8 February 2005. On 22 March 2005 the Company acquired Alexander Gold Group Limited ("AGGL"), a company incorporated in the British Virgin Islands on 8 December 2003, by way of a share for share exchange. This acquisition has been consolidated in accordance with the merger accounting principles set out in Financial Reporting Standard 6 and Schedule 4(A) to the Companies Act 1985.

In the Company's balance sheet, the investment in AGGL is stated at the nominal value of the shares issued in consideration for that company. As permitted by the Companies Act 1985, no premium has been recorded on the shares issued in consideration. On consolidation, the difference between the value of the shares issued and received has been debited directly to the merger reserve.

Merger accounting requires consolidated financial information to be presented as if the companies had been combined throughout the current and previous periods and at the previous balance sheet dates. Accordingly, the interim financial information includes the results of AGGL from 1 January 2005. The comparative information set out with the interim financial information represents the assets, liabilities, results and cash flows of AGGL for the period from its incorporation to 30 June 2004 and 31 December 2004, adjusted to reflect the capital structure of the Company immediately after the share for share exchange. This is presented as pro-forma information because the periods differ from the accounting reference date of the Company.

The consolidated financial information includes the financial information of the Company's other subsidiary undertakings using the acquisition method of accounting. Under this method the results of the acquired entity are included in the consolidated profit and loss account from the date of acquisition. During the period the Group established two wholly owned subsidiary companies in Peru.

The Group's share of the profits less losses of associates is included in the consolidated profit and loss account and its interest in their net assets is included in investments in the consolidated balance sheet. During the period the Group acquired a 45% interest in an associate, TMAP Investments Limited ("TMAPI"), a company registered in the British Virgin Islands. Since acquisition TMAPI has operated on a break even basis and at 30 June 2005 its net assets are estimated at nil. Consequently, the cost of investment totalling £73,000, which represents goodwill, has been fully provided for.

Intangible fixed assets

Intangible fixed assets represent costs associated with mineral exploration and investments, which are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a project is relinquished, abandoned, or is considered to be of no further commercial value to the Group, the related costs are written off.

The recoverability of these deferred exploration costs is dependent upon the discovery of economically recoverable ore reserves, the ability of the Group to obtain necessary permitting and financing to complete the development of ore reserves and future profitable production or proceeds from the disposition thereof.

2 Loss per share

The calculation of loss per share is based on a loss of £436,000 for the period ended 30 June 2005 (30 June 2004: loss of £38,000; 31 December 2004: loss of £296,000) and the weighted average number of shares in issue in the period to 30 June 2005 of 99,719,852 (30 June 2004 and 31 December 2004: 67,868,000). There is no difference between the diluted loss per share and the loss per share presented.

Notes to the interim financial information
for the six months ended 30 June 2005

3 Net cash outflow from operating activities

	Six months ended 30 June 2005 £000	Period ended 30 June 2004 £000	Period ended 31 December 2004 £000
Operating loss	**(604)**	(39)	(309)
Depreciation and amortisation charge	**3**	-	-
(Increase) in debtors	**(43)**	(10)	(24)
(Decrease)/increase in creditors	**(19)**	-	123
Non-cash expenditure	**5**	-	-
Net cash outflow from operating activities	**(658)**	(49)	(210)

4 Reconciliation of net cash flow to movements in net funds

	Six months ended 30 June 2005 £000	Period ended 30 June 2004 £000	Period ended 31 December 2004 £000
Increase in cash in the period	**78**	84	39
Increase in short term bank deposits	**20,887**	601	520
Increase in funds in the period	**20,965**	685	559
Net funds at start of period	**559**	-	-
Net funds at end of period	**21,524**	685	559
Represented by:			
Cash at bank and in hand	**117**	84	39
Short term bank deposits	**21,407**	601	520
Net funds at end of period	**21,524**	685	559

5 Reconciliation of movements in shareholders' funds

	Notes	Six months ended 30 June 2005 £000	Period ended 30 June 2004 £000	Period ended 31 December 2004 £000
Loss for the period		**(436)**	(38)	(296)
New share capital subscribed - Alexander Mining plc	6	**18,516**	-	-
New share capital subscribed - Alexander Gold Group Limited	6	**3,506**	82	794
Movement in shareholders' funds		**21,586**	44	498
Shareholders' funds at start of period		**498**	-	-
Shareholders' funds at end of period		**22,084**	44	498

6 Issue of share capital

In the period from January to April 2005 AGGL raised approximately £3.4 million in cash by the issue of 455,000 ordinary shares. During this period AGGL issued a further 21,000 ordinary shares for non cash consideration at a fair value of £5 per share.

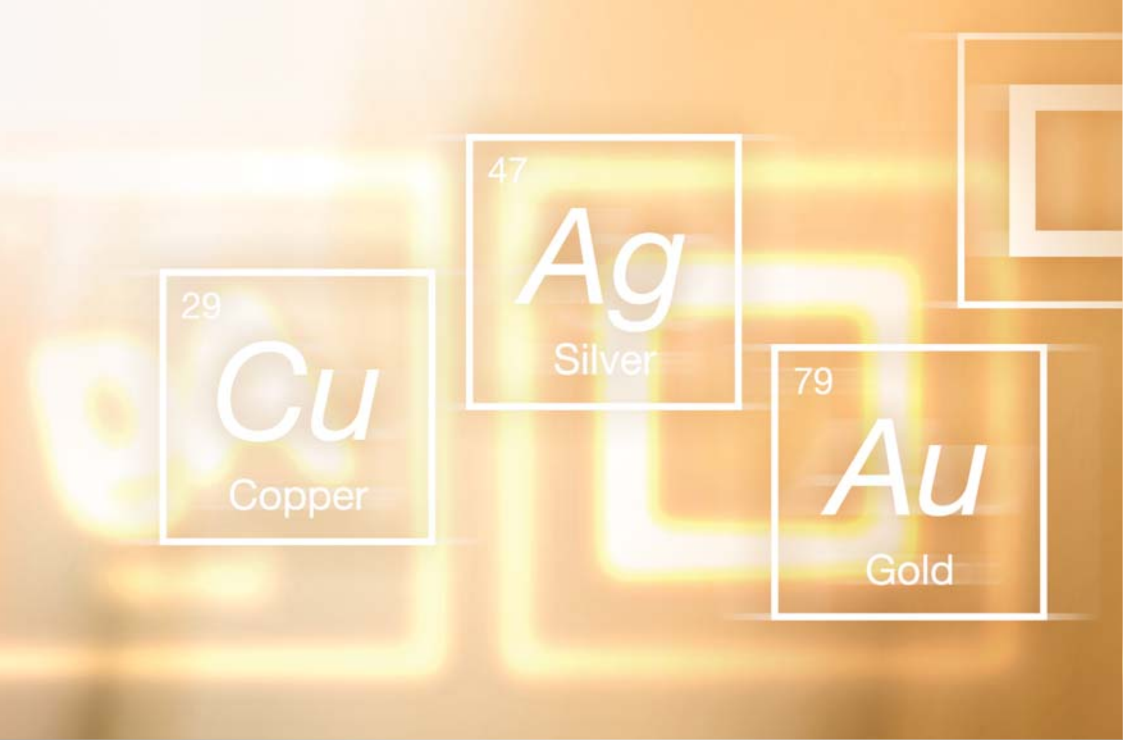
In April 2005, at the time of admission of the Company's shares to trading on AIM, the Company raised approximately £18.5 million in cash, net of expenses, from a placing of 66,666,667 ordinary shares at 30p per share.

7 Publication of non-statutory accounts

The financial information set out in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The Company was incorporated on 8 February 2005 and has not yet prepared statutory accounts for filing with the Registrar of Companies.

Copies of this report are being sent to all shareholders. Additional copies are available from the Company's office at 35 Piccadilly, London, W1J 0DW or the Company's website.



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