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Alexander Mining PLC
25 September 2014

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ALEXANDER MINING PLC

INTERIM REPORT FOR SIX MONTHS ENDED 30 JUNE 2014

Alexander Mining plc ("Alexander", the "Company"), the AIM quoted mining and mineral processing technologies company, announces its results for the six months ended 30 June 2014.

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 (post period end)

- Option agreement signed with mid-tier mining company towards the development of the AmmLeach® technology for zinc production in a jurisdiction to be agreed.
- Continuing mining industry interest in using AmmLeach® for base metals' recovery from amenable deposits.

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Chairman's Review

I am pleased to report on the Company's results for the six months ended 30 June 2014.

During the period, the Company explored a potential partnership with the commodity hedge fund Ebullio Group ("Ebullio"), which resulted in the signing of a commercial licence, financing and consultancy agreement ("Licence Agreement") in February 2014. The Agreement was established in conjunction with discussions for Ebullio's proposed acquisition of the assets of Red Crescent Resources Limited ("RCR"), a mining group with base metals assets in Turkey. It was envisaged that these Turkish assets would see the first commercial adoption of Alexander's leaching technology.

Although discussions between Ebullio and the Company progressed positively, unfortunately due to unforeseen circumstances beyond its control, in April 2014 Ebullio terminated its agreement to acquire the assets of RCR. This termination also brought discussions regarding the Licence Agreement between Ebullio and Alexander to a close. Alexander retained the non-refundable cash payments totaling £400,000. Both parties continue to explore possible opportunities to work together in the future.

Despite a disappointing outcome to discussions with Ebullio, whilst in preparation for the proposed full scale pilot plant testing of zinc oxides from the Turkish assets, breakthrough testwork was conducted on samples at the commercial facilities of Simulus Laboratories in Perth, Western Australia, under the supervision of Alexander and Simulus personnel. The production of high grade zinc cathode represented the first successful demonstration of the Company's AmmLeach® technology for zinc and the first solvent extraction of zinc from primary oxide ores; which have hitherto been considered largely untreatable.

Finally, during the period the Company continued to add granted patents to its portfolio of intellectual property, including a method for extracting zinc from aqueous ammoniacal solutions in Canada in March 2014.

Separately, we are actively pursuing the use of our leaching technology for zinc and other metals in those countries of potential application. This includes working with Phoenix Global Mining, which in July 2014 confirmed its interest in investigating the use of Alexander's technology for zinc oxide properties in Turkey.

The most important recent news was the announcement in mid-September, post period end, of a major development towards the establishment of an AmmLeach® zinc oxide processing plant with the signing of an option agreement ("Agreement") with a mid-tier mining company (the "Entity"). The Agreement is with a highly regarded mid-tier multi-commodity mining group with exploration, development and operational experience and is a significant step towards the commercial use of AmmLeach® technology.

Under the Agreement, the Entity has been granted an exclusive three months' option period to complete due diligence on the AmmLeach® zinc processing technology. The Entity has paid Alexander a non-refundable option cash payment of US$360,000 and the exclusivity period may be extended for up to three further months by further non-refundable payments to Alexander of US$120,000 per month.

If, upon successful completion of due diligence, the Entity chooses to exercise the option, it will subscribe for 60,000,000 new ordinary shares in Alexander at a price of 3.00 pence per share, providing the Company with £1,800,000 in cash (the "Option Payment"). Of the Option Payment, half would be applied to a work programme, including pilot plant testwork, for the AmmLeach® technology, to be agreed between Alexander and the Entity. The remainder of the funding would be used by Alexander for working capital purposes.

The Entity would be granted an effectively exclusive licence for the use of AmmLeach® technology for zinc production in a jurisdiction to be agreed by the parties. The licence terms would comprise the payment to Alexander of a 2.0% gross sales revenue royalty on all metal production by the Entity using the AmmLeach® technology.

Financial

The Company has been strict in keeping its overheads under tight control, while maintaining required expenditures on research and development and intellectual property protection. Despite being terminated, the discussions with Ebullio provided Alexander with additional capital early in the period. As described above, the funds already received under the Agreement with the Entity, together with those to potentially be received, are an important source of working capital for the Company.

Outlook

The global economy has been buffeted by numerous geopolitical headwinds and the outlook is certainly not settled. However, base metals' prices have been mixed, with some showing recent price strength. Pleasingly, the price of zinc, one of our key metals of interest, has been strong, indeed hitting recent three year highs. We are encouraged that forecasters' consensus in the next couple of years is for a strengthening in the price as supply/demand fundamentals come into play. In such a scenario, the advancement into commercial use of our technology would be most fortuitous.

Finally, I would like to thank the Company's valued shareholders for their continuing support and our employees, directors, consultants and advisers for their commitment.

Matt Sutcliffe
Executive Chairman
25 September 2014

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Consolidated income statement

	Six months ended 30 June 2014	Six months ended 30 June 2013	Year ended 31 December 2013
	£'000	£'000	£'000
Continuing operations			
Revenue	**320**	6	26
Cost of sales	**-**	-	-

Gross profit	**320**	6	26
Administrative expenses	**(526)**	(542)	(1,010)
Research and development expenses	**(220)**	(208)	(390)
Profit on disposal of property, plant and equipment	**-**	-	4
Operating loss	**(426)**	(744)	(1,370)
Finance income	**1**	16	5
Finance cost	**(14)**	-	-
Loss before taxation	**(439)**	(728)	(1,365)
Income tax expense	**-**	-	-
Loss for the period	**(439)**	(728)	(1,365)
Basic and diluted (loss) per share (pence) from continuing operations:	**(0.25)p**	(0.47)p	(0.84)p

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

Consolidated statement of comprehensive income

	Six months ended 30 June 2014	Six months ended 30 June 2013	Year ended 31 December 2013
		£'000	£'000
Loss for the period	**(439)**	(728)	(1,365)
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	-	-	(1)
Total comprehensive loss for the period attributable to equity holders of the parent	**(439)**	(728)	(1,366)

Consolidated balance sheet

	As at 30 June 2014	As at 30 June 2013	As at 31 December 2013
	£'000	£'000	£'000
Assets			
Property, plant & equipment	**-**	10	-
Total non-current assets	**-**	10	-
Trade and other receivables	**86**	82	60
Cash and cash equivalents	**285**	956	398
Total current assets	**371**	1,038	458

Total assets	**371**	1,048	458
Equity attributable to owners of the parent			
Issued share capital	**13,638**	13,632	13,633
Share premium	**13,267**	12,980	13,020
Translation reserve	**(61)**	(60)	(61)
Accumulated losses	**(26,788)**	(25,796)	(26,423)
Total equity	**56**	756	169
Liabilities			
Total current liabilities			
Trade and other payables	**315**	292	289
Total liabilities	**315**	292	289
Total equity and liabilities	**371**	1,048	458

Consolidated statement of cash flows

	Six months ended 30 June 2014 £'000	Six months ended 30 June 2013 £'000	Year ended 31 December 2013 £'000
Cash flows from operating activities			
Operating loss - continuing operations	**(426)**	(744)	(1,370)
Depreciation and amortisation charge	**-**	6	8
(Increase) / decrease in trade and other receivables	**(26)**	(14)	7
Increase / (Decrease) in trade and other payables	**21**	98	95
Expenses settled through issue of equity	**25**	28	69
Share option charge	**12**	11	21
Net cash outflow from operating activities	**(394)**	(615)	(1,174)
Cash flows from investing activities			
Interest received	**1**	-	1
Proceeds from sale of subsidiary	**-**	101	101
Proceeds from sale of property, plant and equipment	**-**	-	12
Net cash inflow from investing activities	**1**	101	114
Cash flows from financing activities			
Proceeds from the issue of share	**232**	935	

capital			935
Lapsed share issue	**100**	-	-
Costs of lapsed share issue	**(38)**	-	-
Net cash inflow from financing activities	**294**	935	935
Net increase / (decrease) in cash and cash equivalents	**(99)**	421	(125)
Cash and cash equivalents at beginning of period	**398**	519	519
Exchange differences	**(14)**	16	4
Cash and cash equivalents at end of period	**285**	956	398

Consolidated statement of changes in equity

	Share capital	Share premium	Shares to be issued	Translation reserve	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2013	**13,606**	**12,043**	**-**	**(60)**	**(25,079)**	**510**
Accumulated loss for period	-	-	-	-	(728)	(728)
Total comprehensive loss for the period attributable to equity holders of the parent	-	-	-	-	(728)	(728)
Share option costs	-	-	-	-	11	11
Shares issued	26	937	-	-	-	963
At 30 June 2013	**13,632**	**12,980**	**-**	**(60)**	**(25,796)**	**756**
Accumulated loss for period	-	-	-	-	(637)	(637)
Translation difference	-	-	-	(1)	-	(1)
Total comprehensive loss for the period attributable to equity holders of the parent	-	-	-	-	(637)	(637)
Share option costs	-	-	-	-	10	10
Shares issued	1	40	-	-	-	41
At 31 December 2013	**13,633**	**13,020**	**-**	**(61)**	**(26,423)**	**169**
Accumulated loss for period	-	-	-	-	(439)	(439)
Total comprehensive loss for the period attributable	-	-	-	-	(439)	(439)

to equity holders of the parent						
Share option costs	-	-	-	-	12	12
Shares issued	5	247	-	-	-	252
Subscription for shares to be issued	-	-	100	-	-	-
Share issue costs	-	-	(38)	-	-	-
Transfer to accumulated losses upon lapse of share issue	-	-	(62)	-	62	62
At 30 June 2014	**13,638**	**13,267**	**-**	**(61)**	**(26,788)**	**56**

Notes to the interim financial information

1. Basis of preparation

The financial statements have 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 2013.

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 2014 and 30 June 2013 is unaudited. The comparative information for the year ended 31 December 2013 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. 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 2014 of 174,182,339 (six months to 30 June 2013: 154,088,825 and year to 31 December 2013: 162,053,428) and computed on the respective loss figures as follows:

		6 months 2014		6 Months 2013		Full year 2013	
		£'000	**Per share**	£'000	Per share	£'000	Per share
(Loss) continuing operations	-	**(439)**	**(0.25)p**	(728)	(0.47)p	(1,365)	(0.84)p

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 were anti-dilutive for the period presented.

At 30 June 2014 there were 12,900,000 (at 30 June 2013: 12,900,000; at 31

December 2013: 12,900,000) share options in issue that could have a potentially dilutive effect on the basic earnings per share in the future.

3. Note to the Consolidated Income Statement

Revenue for the six months ended 30 June 2014 included an amount of £300,000 in respect of a non-refundable inducement fee received for the signing of a share subscription and associated royalty agreement for the use of the Group's AmmLeach technology. The agreement, with Ebullio Commodities Limited, subsequently lapsed.

4. Subscription for shares to be issued

During the six months ended 30 June 2014, a non-refundable down payment of £100,000 was received from Ebullio Commodities Limited in respect of shares to be issued under a share subscription agreement. Upon lapse of the agreement, after recognition in administrative expenses of £38,000 legal and accounting costs associated therewith, the balance of £62,000 was transferred to accumulated losses.

5. 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 2014	170,496,861	170,497	13,019,860
19 February - shares issued for cash at 5.25p each	4,604,762	4,605	237,145
19 February - share issue costs charged to share premium	-	-	(14,355)
19 February - shares issued at an average of 5.16p each, in settlement of expenses	487,387	487	24,662
Balance at 30 June 2014	175,589,010	175,589	13,267,312

Deferred shares	**Number of shares**	**Deferred share capital**
		£
Balance at 1 January 2014	135,986,542	13,462,667
Balance at 30 June 2014	135,986,542	13,462,667

6. Share options

All Share Option costs incurred are allocated directly to Accumulated Losses.

On 12 May 2014, following approval from the employee share option holder, the Board cancelled a total of 500,000 existing share options with an average exercise price of 11p per share and approved the issue of new replacement share options, on a one-for-one basis, with an exercise price of 4.92p per share (the "New Exercise Price).

The New Exercise Price represents a 27 per cent premium to the closing mid-market share price on 12 May 2014. The New Share Options will vest in three equal tranches on 1 June 2014, 1 June 2015 and 1 June 2016 and will expire on 22 December 2020.

Following the above changes, the Company has a total of 12,900,000 Share Options in issue (all with exercise prices of 4.92p per share), representing 7.35 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 2014 amounted to £11,079 (2013: £10,651).

7. Post balance sheet event:

On 11 September 2014 the Company entered into an exclusivity agreement whereby, in return for an immediate payment of US$360,000, it granted a three months option (extendable for a further three months for US$120,000 per month) for subscription to 60,000,000 ordinary shares in the Company at £0.03 per share. During the option period, the option holder will conduct due diligence investigations which, if successful, will lead to entering a Strategic Alliance with the Company and exercising of the share option upon payment of £1,800,000. The alliance will provide for the processing of zinc, utilising the Company's AmmLeach technology.

Copies of this announcement 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.

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