

26 September 2017

## **ALEXANDER MINING PLC**

### **INTERIM REPORT FOR SIX MONTHS ENDED 30 JUNE 2017**

Alexander Mining plc ("Alexander" or "the Company"), the AIM quoted mining and mineral processing technologies company, announces its unaudited results for the six months ended 30 June 2017.

The Company's objective is to become a low cost, highly profitable and diversified mining company that is focused on leveraging its wholly owned innovations and patented technologies. 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 £750,000 to fund working capital
- Accudo Metals Pty Ltd. commitment to proceed with a detailed feasibility study ("DFS") on the potential use of Alexander's leaching technology under the existing licence agreement
- Continued granting of important patents in key mining jurisdictions
- Continuing and increasingly broad mining industry interest in using AmmLeach<sup>®</sup> for base metals recovery from amenable deposits as focus on limiting capital deployment and reduction in AISC ("All in Sustaining Costs") for mines remains a priority for the global mining industry
- Company investigating exciting potential to use its leaching technologies for the recovery of cobalt, a key component of most electric vehicle lithium ion batteries
- New research and development ("R&D") initiatives for the recovery of high technology metals lithium and vanadium

#### **Chairman's Review**

Dear Shareholders and Investors, herewith I take pleasure on behalf of your Board of Directors in presenting for your consideration the Company's results for the six months operating period ended 30 June 2017, along with commentary on the operating environment and related outlook.

The period under review was filled with mixed sentiment in the global mining sector and was compounded by resource nationalism in some countries, in particular in Latin America and Africa. Generally, though, the mining and natural resources investment market remained positive. Even within the volatile economic and political environment, with precious metal prices, including gold and silver increasing on demand for risk hedging against government and public debt levels, US dollar weakness and fear of Fiat currency failure.

Base metals, Alexander's main area of activity and related base metals equities continued to rise on LME stock depletion, stronger than expected economic demand and continued significant capital inflows. Increased exploration and development

activity in the infrastructure commodities and energy storage or battery metals have underwritten this further.

Some key environmental features of our operating half-year that are expected to impact in the second half and beyond are as follows:

- Junior mining company valuations are generally positive, in particular in the precious metals, infrastructure commodities, energy fuels and battery metals
- AISC improvements, ongoing productivity initiatives and capital investment in technologies is also a continuing global trend of management teams
- Exploration programmes, project developments, and old mines are being restarted, in particular in the base & precious metals commodities, but also in energy fuels (uranium & coal) or related energy storage metals (cobalt) & mineral salts (lithium)

Regardless of sentiment in general, at Alexander we have remained focussed on our core activity of seeking and/or acquiring commercialisation opportunities for our technologies to release the embedded value in your Company.

During the period, the Company continued to add granted patents to its portfolio of intellectual property, as well as continuing with its research and development activities under various agreements and, where appropriate, make additional applications.

The Company broadened its range of metals of interest with its joint venture ("JV") project for the recovery of lithium from hard rock sources. This has generated significant industry interest, including the provision of samples, from several companies in the mining industry. Pursuant to this interest, the JV agreement between Alexander and Dr. Nicholas Welham was varied to include the testing of the potential process on a wider range of lithium bearing minerals, ores and concentrates.

With the receipt of suitable samples, the research and development laboratory work has started.

In February 2017, the Company's joint broker Turner Pope Investments released a comprehensive research note on Alexander for the general market which is to be found on the Company website. This was key as we seek to broaden and deepen the understanding of investors to the potential embedded within the Company's intellectual property and business in general.

The Company was granted in March an important patent for the leaching of zinc in Canada, one of the world's foremost mining sector jurisdictions. The patent, the Australia and USA equivalent of which was granted on 30 August 2012 and 3 February 2015 respectively, describes a method for leaching zinc from zinc-bearing carbonate ore.

Accudo's commitment in June to proceed with a DFS on the potential use of our leaching technology under the existing licence agreement between us is highly significant. We look forward to working together closely on this first copper project opportunity in Australia.

Post period, in September, Alexander announced that it had agreed a significant new R&D joint venture project ("Project") to investigate the potential recovery of vanadium

from amenable ores ("Vanadium Leaching Technology"). The Project is between Alexander, Australian company Multicom Resources Pty Ltd ("Multicom"), and John Webster Innovations Proprietary Limited.

If the JV is successful, the potential use of a new Vanadium Leaching Technology would initially be focused on Multicom's Saint Elmo vanadium project in North Queensland, Australia.

## **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 February, the Company raised £750,000 in a placing (the "Placing"). The net proceeds of the Placing were for general working capital purposes and also for a potential strategic mining corporate investment opportunity.

With the net proceeds from the Placing, the Company should have adequate working capital through until the end of June 2018.

## **Outlook**

Alexander will, we believe, begin to benefit significantly from its technological and market positioning as we move into 2018 and beyond. In our view, there is a clear investment trend in physical and tradeable commodities. This includes infrastructure and energy related commodities, i.e. copper and zinc, both of which are already in or close to supply/demand deficit, battery metals (cobalt and lithium) and/or the junior mining equities that hold such assets or the technologies to enhance them, like Alexander. This therefore continues to offer you, our shareholders and potential investors strong fundamentals in the Alexander business and in the progressive project developments we are engaging.

Your Board has remained focussed in executing its clearly defined investment plans at all levels. However, we have remained cautious with regards to the deployment of the Company's financial resources.

Post the reporting period, the Board of Alexander announced the resignation of Matt Sutcliffe from his position as Executive Chairman and director with immediate effect due to health reasons.

Matt founded Alexander and has been a valued member of the board since the Company's admission to AIM in 2005. The board expresses its sincere appreciation to him for his tremendous contribution over the years, and wishes him all the very best. Matt remains a supportive shareholder of the Company.

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

Finally, I would like to thank you, Alexander's valued shareholders, for your continuing support and our employees, directors, consultants and advisers for their commitment during difficult times past and for the bright future we see ahead.

Alan M. Clegg Pr. Eng  
Non-Executive Chairman

26 September 2017

For further information, please contact:

Martin Rosser	Alan M. Clegg
Chief Executive Officer	Non-Executive Chairman
Mobile: + 44 (0) 7770 865 341	Mobile: +27 82 469 8378

Northland Capital Partners Limited

Matthew Johnson / Gerry Beaney

+44 (0) 20 3861 6625

(Corporate Finance)

John Howes

(Corporate Broking)

Turner Pope Investments (TPI) Limited

James Pope / Ben Turner

+44 (0) 20 3621 4120

## Consolidated income statement

	<b>Six months ended 30 June 2017 £'000</b>	Six months ended 30 June 2016 £'000	Year ended 31 December 2016 £'000
<b>Continuing operations</b>			
Revenue	-	-	-
Cost of sales	-	-	-
<b>Gross profit</b>	-	-	-
Administrative expenses	(196)	(189)	(435)
Research and development expenses	(65)	(89)	(144)
<b>Operating loss</b>	<b>(261)</b>	(278)	(579)
Finance income	-	-	-
Finance cost	-	46	(4)
<b>Loss before taxation</b>	<b>(261)</b>	(324)	(583)
Income tax expense	-	-	-
<b>Loss for the period from continuing operations</b>	<b>(261)</b>	(324)	(583)
Loss for the period from discontinued operations	-	-	-
<b>Loss for the period</b>	<b>(261)</b>	(324)	(583)
Basic and diluted (loss) per share (pence) from continuing operations:	<b>(0.02) p</b>	(0.07)p	(0.08)p

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

## Consolidated statement of comprehensive income

	<b>Six months ended 30 June 2017 £'000</b>	Six months ended 30 June 2016 £'000	Year ended 31 December 2016 £'000
<b>Loss for the period</b>	<b>(261)</b>	(324)	(583)
<b>Other comprehensive income:</b>	-	-	4
<b>Total comprehensive loss for the period attributable to equity holders of the parent</b>	<b>(261)</b>	(324)	(579)

## Consolidated balance sheet

	As at 30 June 2017 £'000	As at 30 June 2016 £'000	As at 31 December 2016 £'000
<b>Assets</b>			
Property, plant & equipment	-	-	-
<b>Total non-current assets</b>	-	-	-
Trade and other receivables	36	50	39
Cash and cash equivalents	672	415	259
<b>Total current assets</b>	708	465	298
<b>Total assets</b>	708	465	298
<b>Equity attributable to owners of the parent</b>			
Issued share capital	14,951	14,325	14,404
Share premium	13,932	13,780	13,772
Translation reserve	-	-	-
Accumulated losses	(28,749)	(28,260)	(28,501)
<b>Total equity</b>	134	(155)	(325)
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	574	620	623
Provisions	-	-	-
<b>Total current liabilities</b>	574	620	623
<b>Total liabilities</b>	574	620	623
<b>Total equity and liabilities</b>	708	465	298

## Consolidated statement of cash flows

	Six months ended 30 June 2017 £'000	Six months ended 30 June 2016 £'000	Year ended 31 December 2016 £'000
<b>Cash flows from operating activities</b>			
Operating loss – continuing operations	(261)	(278)	(579)
(Increase) / decrease in trade and other receivables	2	(9)	(14)
Increase / (decrease) in trade and other payables	(50)	91	93
Increase / (decrease) in provisions	-	-	-
Shares issued in payment of expenses	-	-	-
Share option & Warrant charge	12	26	49
<b>Net cash outflow from operating activities</b>	<b>(297)</b>	<b>(170)</b>	<b>(451)</b>
<b>Cash flows from investing activities</b>			
Interest received	-	-	-
<b>Net cash inflow from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	710	466	549
Proceeds from issue of share options	-	-	-
<b>Net cash inflow from financing activities</b>	<b>710</b>	<b>466</b>	<b>549</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>413</b>	<b>296</b>	<b>98</b>
Cash and cash equivalents at beginning of period	259	165	165
Exchange differences	-	(46)	(4)
<b>Cash and cash equivalents at end of period</b>	<b>672</b>	<b>415</b>	<b>259</b>

## 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
<b>At 1 January 2016</b>	<b>13,825</b>	<b>13,822</b>	-	-	<b>(27,971)</b>	<b>(324)</b>
Accumulated loss for period	-	-	-	-	(324)	(324)
Total comprehensive loss for the period attributable to equity holders of the parent	-	-	-	-	(324)	(324)
Share option costs	-	-	-	-	35	35
Shares issued	500	(8)	-	-	-	492
Share issue costs	-	(34)	-	-	-	(34)
<b>At 30 June 2016</b>	<b>14,325</b>	<b>13,780</b>	-	-	<b>(28,260)</b>	<b>(155)</b>
Accumulated loss for period	-	-	-	-	(259)	(259)
Translation Difference	-	-	-	-	4	4
Total comprehensive loss for the period attributable to equity holders of the parent	-	-	-	-	(255)	(255)
Share option and Warrant costs	-	-	-	-	14	14
Shares issued	79	(8)	-	-	-	71
Share issue costs	-	-	-	-	-	-
<b>At 31 December 2016</b>	<b>14,404</b>	<b>13,772</b>	-	-	<b>(28,501)</b>	<b>(325)</b>
Accumulated loss for period	-	-	-	-	(261)	(261)
Translation Difference	-	-	-	-	-	-
Total comprehensive loss for the period attributable to equity holders of the parent	-	-	-	-	(261)	(261)
Share option and Warrant costs	-	-	-	-	12	12
Shares issued	547	214	-	-	-	761
Share issue costs	-	(54)	-	-	-	(54)
<b>At 30 June 2017</b>	<b>14,951</b>	<b>13,932</b>	-	-	<b>28,749</b>	<b>134</b>

### 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 2016.

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 2017 and 30 June 2016 is unaudited. The comparative information for the year ended 31 December 2016 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. In February 2017 the Company raised £750,000, 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 net cash inflows over 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 2017 of 1,161,843,581 (six months to 30 June 2016: 474,547,651 and year to 31 December 2016: 698,151,985) and computed on the respective loss figures as follows:

	<b>6 months 2017</b>		6 Months 2016		Full year 2016	
	<b>£'000 Per share</b>		£'000 Per share		£'000 Per share	
(Loss) - continuing operations	<b>(261)</b>	<b>(0.02)p</b>	(324)	(0.07)p	(583)	(0.08)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 2017, there were 56,200,000 (at 30 June 2016: 12,900,000; at 31 December 2016: 56,200,000) share options in issue that could have a potentially dilutive effect on the basic earnings per share in the future.

At 30 June 2017, there were 42,359,373 (at 30 June 2016: 186,436,945; at 31 December 2016: 107,101,856) 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:

<b>Ordinary shares</b>	<b>Number of shares</b>	<b>Share capital</b>	<b>Share premium</b>
Balance at 1 January 2017	941,245,377	941,245	13,771,710
01 February– shares issued for cash at 0.2p each	1,769,772	1,770	1,770
01 February– shares issued for cash at 0.1p each	10,000,000	10,000	-
15 February– shares issued for cash at 0.14p each	359,000,000	359,000	143,600
28 February– shares issued for cash at 0.14p each	176,715,000	176,715	70,686
15 & 28 February – Cost of share issue			(53,655)
30 June – Subscriber Warrant charge			(1,677)
<b>Balance at 30 June 2017</b>	<b>1,488,730,149</b>	<b>1,488,730</b>	<b>13,932,434</b>

<b>Deferred shares</b>	<b>Number of shares</b>	<b>Deferred share capital</b>
Balance at 1 January 2017	135,986,542	13,462,667
<b>Balance at 30 June 2017</b>	<b>135,986,542</b>	<b>13,462,667</b>

#### **4. Share options and Warrants**

All Share Option costs incurred are allocated to Accumulated Losses.

The Company had a total of 56,200,000 Share Options in issue during the period (12,900,000 with exercise prices of 4.92p per share, 43,300,000 with an exercise price of 0.22p 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 2017 amounted to £8,265 (2016: £8,021).

The Company had a total of 20,959,375 warrants in issue during the period for the provision of Broker services (3,600,000 with an exercise price of 0.5p per share - now expired, 7,359,375 with an exercise price of 0.4p per share and 10,000,000 with an exercise price of 0.1p per share - now exercised. Warrant charges for the six months to 30 June 2016 amounted to £3,546 (2016: £18,726).

The Company had 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 51,142,483 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 (1,769,772 - now exercised, 49,372,711 - now expired. A charge of £1,677 was made to equity for the six months ending 30 June 2017 (2015: £8,109).

#### **5. Post balance sheet events:**

The Executive Chairman, Matt Sutcliffe resigned his position as Executive Chairman on the 29 August 2017.

Mr Alan Clegg was appointed the Non-Executive Chairman of the Company on the 29 August 2017.

On the 8 September 2017, Alexander announced that it had agreed a significant new R&D joint venture project to investigate the potential recovery of vanadium from amenable ores ("Vanadium Leaching Technology"). The Project is between Alexander, Australian company Multicom Resources Pty Ltd, and John Webster Innovations Proprietary Limited.

Copies of these announcements are available to view on the Company's website at [www.alexandermining.com](http://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.