Alexander Mining plc

Revolutionising the hydrometallurgical extraction of base metals at the mine for the global mining industry

About Us

Alexander Mining is an AIM listed mining and mineral processing technology company with a reputation for strong technical management, allied with financial markets expertise and experience.

The Company's activities are directed towards the objective of becoming a highly profitable and diversified mining technology company.

This will be achieved from the commercialisation of its proprietary mineral processing technologies, partnerships in producing mines and the acquisition of equity positions in advanced projects.

Highlights

Further advancement of our proprietary leaching technologies

Continued interest from mining companies in leaching technologies

Continued success in registration of patents

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Chairman's Statement & Review of the Year

After an encouraging start, the Company's progress during 2014 was not as rapid as we envisaged. Although significant technical achievements were made, our commercialisation efforts, due to third party business circumstances and related decisions beyond our control, were frustrated.

However, after an indifferent year, I am delighted with the results of the management team's efforts late in the reporting year which enabled the release of the most recent news announced in February 2015 regarding the potentially transformative commercialisation opportunity with Compass Resources Limited ('Compass'). Subject to the execution of a definitive agreement, which is currently under negotiation, this will provide for the granting of an AmmLeach® licence and certain technical and management services for use at Compass' Browns Oxide copper-cobalt mine. This agreement would bring significant revenue to Alexander by way of upfront and ongoing services fees, plus a future production royalty.

Technical work

There was notable research and technical development success, which underwrites our commercialisation programme. This included the major development announced in April 2014 of the breakthrough testwork to produce the world's first zinc cathode using our AmmLeach® technology. That work used conventional leaching, solvent extraction and electro-winning equipment in the test facility available for hire at Simulus Engineers ('Simulus'), Perth, Western Australia. Importantly, supporting one of the most attractive benefits of the AmmLeach® technology, i.e. significantly lower capital and operating costs, and operating conditions at ambient temperature and pressure. This represents the first successful demonstration of AmmLeach® technology for zinc at this scale and the first solvent extraction of zinc from primary oxide ores using ammoniacal leaching.

We believe that this confirmed our AmmLeach® process as the only economically viable method to unlock the value of hitherto problematic zinc oxide deposits. The Company has built up an extensive database of all of the world's major zinc oxide deposits and has now conducted favourable AmmLeach® amenability testwork on samples from a significant number. The Republic of Turkey is a particular country of interest.

Zinc oxide deposits are highly attractive in terms of their tendency to have high average zinc grades both absolutely and relatively when compared with world averages for sulphide ores. In addition, the fact that most of the known deposits are at or near surface generally makes for easier mining. However, the inherent processing challenges have meant that almost all remain unexploited except those with grades high enough to justify direct shipment (+20-25% zinc) to smelters. Those deposits found in the Tethyan orogenic belt of Turkey are especially prospective.

Commercialisation activities

The results of our commercialisation efforts during the year were disappointing. In particular, this was due to the unravelling of the commercial licence, financing and consultancy agreement ('Agreement') announced in February with the Company's large shareholder the Ebullio Group ('Ebullio'). This was not due to any technology considerations but with Ebullio's commercial decision to terminate its agreement to acquire all of the assets in Turkey of Red Crescent Resources Limited. As this was a condition precedent the Agreement was terminated. Nevertheless, we continue to have a close relationship with Ebullio and to support its interest in developing mining opportunities in Turkey.

In July, the Company announced that Phoenix Global Mining ('PGM') had confirmed its interest in investigating the use of AmmLeach® for highly prospective zinc oxide properties in Turkey. At that time PGM had an earn-in Agreement with a Turkish industrial group, to develop their base metals exploration and mining licences. PGM subsequently decided to drop this opportunity for commercial reasons.

Alexander announced in September that it had signed an option agreement ('Option Agreement') with a mid-tier mining company (the 'Entity'). The Entity was a highly regarded mid-tier, multi-commodity mining company with exploration, development and operational experience. Under the Option Agreement, the Entity had been granted an exclusive three months' option period to complete due diligence on the AmmLeach® zinc processing technology. This was in exchange for the cash payment to Alexander of US$360,000. (£217,000). Exercise of the option would have resulted in further cash payments in exchange for Alexander equity, as well as a licence with a gross sales revenue royalty on all metals production by the Entity using the AmmLeach® technology.

Although a highly detailed and favourable technical due diligence was conducted, unfortunately the Entity had a change in its corporate plans due to a need to focus more on its domestic growth strategy. Accordingly, in December the Entity informed the Company that it would not exercise its option. It advised that its due diligence on the use of the AmmLeach® process for zinc production was favourable and it had formed the view that there is value in the technology. It also said that it remained interested in continuing to build its relationship with Alexander.

Chairman's Statement & Review of the Year

Intellectual property

The results of the programme, in conjunction with Wrays, the Company's patent attorney, to protect our leaching technology intellectual property ('IP'), measured by patents granted by method and country have been excellent. This includes patents granted in Mexico, Canada, Mongolia, Botswana, Mozambique, Namibia, Tanzania and Zambia

Developments in 2015

In late February 2015, the Company was delighted to announce that it had signed a non-binding Heads of Agreement ('HoA') with Compass, a listed Australian public company (ASX:CMR), for executing a definitive agreement ('Agreement') covering an AmmLeach® licence and certain technical management services for Compass in the Northern Territory, Australia. These arrangements should significantly accelerate the first commercial adoption of Alexander's proprietary AmmLeach® technology with particular relevance to copper/cobalt resources.

We greatly look forward to working closely together with Compass under this transformative agreement. Assuming the completion of a positive AmmLeach® feasibility study and production go-ahead, the mine would partner our AmmLeach® technology with existing high quality mining assets.

The plan is to generate significant economic value from the Browns Oxide mine and the first step is the completion of an AmmLeach® feasibility study, with a pilot plant programme funded by Compass. This pilot plant programme would be carried out at the independent commercial facilities of Simulus, under the supervision of Alexander's technical personnel. This would lead to the completion of a feasibility study into commercial production and is dependent upon statutory approval and obtaining all necessary permits required to recommence production.

Compass is currently working to complete a financing facility with sophisticated institutional investors as the first stage in a proposed major refinancing and relisting of the company. The proceeds of their financing will be used for various purposes, including payments due under the Agreement to Alexander and for the third party AmmLeach® pilot plant and feasibility study costs. Moreover, Australia is one of the world's leading mining countries and together with Alexander's metallurgical team based in Perth, Western Australia, it provides an exemplary project to work on together with Compass.

Compass and Alexander believe that market conditions are the most favourable for several years for growth by attractively priced corporate acquisitions. Accordingly, the companies expect to form a strategic alliance in Australia to investigate the acquisition by Compass of copper resources which can be exploited using the proprietary Leaching Technologies of Alexander. This will be on terms to be agreed in respect of each such project.

Financial

The Company has maintained its very tight rein on costs whilst ensuring the protection of its intellectual property through patent applications. In January 2015, the Company raised £360,000 (gross) through the issue of 72,000,000 new ordinary shares to institutional and other investors. The net proceeds of the Placing were for general working capital purposes. In conjunction with the expected revenue from the agreement with Compass, this should ensure adequate funding for the next twelve months on the current budget.

Outlook

In these uncertain economic times, especially for the mining business, I believe that Alexander is better placed than most in the junior sector. Although global economic recovery is volatile and commodity prices have fallen significantly of late, the Company will continue to work hard to succeed with the commercialisation of its technology. Indeed the weakness in most base metals prices during the last year and the deleterious impact on operating margins has led to an imperative for companies to cut costs wherever possible. In this environment, we believe that the scope for major operating and capital cost savings for existing and potential mines using our technology should be of ever greater interest. Particularly as the opportunity offered has significant environmental benefits.

The exciting opportunity with Compass offers Alexander a most encouraging start to 2015 and I look forward with considerable optimism.

As always, I would like to thank the Company's shareholders for their support and also our employees, consultants and directors for their highly-valued effort during the last year.

Matt Sutcliffe
Executive Chairman
10 April 2015

Review of Operations

Business Objective

Alexander's corporate objective is the profitable commercialisation of its proprietary leaching technologies ('Leaching Technologies') to achieve long-term capital growth and revenue from licences and royalties. This is based on the potential for major operating and capital cost savings for suitable mines using Alexander's Leaching Technologies as the principal mineral processing method to produce base metals at the mine site. In addition, the Leaching technologies may offer significant operating and environmental benefits. The base metals of most commercial importance are copper, zinc and cobalt.

Business Strategy

Alexander has adopted a flexible dual approach to the commercialisation of its technology. It has held discussions and signed confidentiality agreements with a significant and growing number of mining companies, metals traders and specialist investment institutions. In addition, it has been proactive in identifying mining properties, and their owners, with potential for the use of the Leaching Technologies. As a result, Alexander has built up a comprehensive database and also conducted amenability testwork on the many samples provided. Discussions have taken place and continue with interested parties, the purpose of which is to negotiate issuing to owners a licence to use the Leaching Technologies in exchange for royalties, cash fees and/or minority equity interests in projects.

Key Financial and Other Performance Indicators

At this stage in its development, Alexander is focused on the commercialisation of its Leaching Technologies. As and when it is successful in realising this stage production, financial, operational, health and safety and environmental key performance indicators will become relevant and will be measured and reported upon as appropriate.

Business Risks

Alexander's main business risk is related to the possibility of it not be able to successfully commercialise its technology. Inherent risk diversification is offered geographically, by technology and by metal. When compared with conventional exploration-driven mining companies, the business risks differ markedly. The stages at which Alexander's technology is of interest to a potential user is from the project feasibility study stage, through to existing mining operations. As such, the inherent technical risks of the mining industry in discovering a potential new mine do not apply as a deposit has already been found.

Development risks

Alexander's strategy to commercialise its proprietary Leaching Technologies, either through third party licensing agreements or direct equity interests in amenable deposits, is subject to specific technical risks relating to the technologies and wider technical risks like final engineering, which are relevant to the mining industry as a whole.

There is a risk that Alexander will be unable to negotiate suitable licensing arrangements with third parties for the use of its proprietary Leaching Technologies. Alexander may also be unable to negotiate as an alternative the acquisition of equity interests in amenable deposits at commercially attractive prices, or finance the acquisition thereof. Third party aspects beyond the control of Alexander remains a risk.

Alexander's proprietary Leaching Technologies have not yet been applied on an industrial scale. The results of testwork performed to date, both in the laboratory and at pilot plant scale, although significant and positive may not be reproducible at an industrial scale in an economically efficient manner.

Alexander mitigates and manages the developmental risk for the commercialisation of the technologies by holding discussions with a wide range of companies representing a number of target projects and mines with a diversification of both metals and countries. In addition, it is likely to work with suitably experienced third parties, including independent metallurgical and process engineering experts in the partnering of its technologies with mineral deposits and/or mines.

Loss of key personnel from Alexander

The commercialisation of Alexander's leaching technologies is dependent upon the continuing application of skills provided by highly qualified and experienced employees, directors and consultants. There is a risk that Alexander's management, employees, directors and consultants will be targeted by competitors. The loss of any such key personnel may adversely affect the ability of Alexander to achieve its objectives. Alexander mitigates this risk by ensuring that all key employees, directors and consultants are rewarded appropriately and participate in Alexander's share option scheme, further details of which are set out in note 20 to the Financial Statements.

Intellectual property risk

Alexander's success depends in part on its ability to obtain and maintain protection for its intellectual property, so that it can ensure that royalties or licence fees are payable for the use of its proprietary leaching technologies. Alexander has applied for patents covering its Leaching Technologies in most countries of commercial interest. Although some have been granted, there is a risk that other patents may not be granted and Alexander may not be able to exclude competitors from developing similar technologies.

However, Alexander actively manages its intellectual property rights portfolio, which includes significant proprietary knowhow in addition to the patent pending innovations. When dealing with potential clients, Alexander ensures that confidentiality agreements are signed acknowledging the full range of Alexander's intellectual property. In addition, contracts are in place with all relevant employees, consultants, contractors and advisers to ensure that all intellectual property rights arising in the course of their work on behalf of Alexander vest with Alexander, and that such intellectual property can only be used for the benefit of Alexander.

Environmental risk

Following the sale of its Peruvian subsidiary, the Company is no longer exposed to environmental risks.

Financial risks are referred to in the Directors' Report under Risk Management and Financial Risks on page 8.

MetaLeach®

MetaLeach Limited ('MetaLeach®') is Alexander's subsidiary for the ownership and commercialisation of its proprietary hydrometallurgical mineral processing technologies. These technologies have the potential to revolutionise the extraction processes for many base metal deposits, reducing costs, and/or improving recoveries, and hence enhancing operating margins at the mine site. Being capable of producing metal on-site greatly enhances the mine gate economics compared to conventional concentrators. In addition, in many cases the technologies will enable the treatment of base metals deposits which hitherto have not been possible to treat. The technologies are especially suitable for high-acid-consuming carbonate hosted ores.

MetaLeach® owns the intellectual property to two ambient temperature, ambient pressure hydrometallurgical technologies, namely AmmLeach® (patents granted and pending) and HyperLeach® (patents granted and pending). These technologies are environmentally friendly, cost effective processes for the extraction of base metals at ambient temperature and pressure from amenable ore deposits and concentrates allowing the production of high value products at the mine site (i.e. metal powder or sheets).

Review of Operations

continued

Comparison of AmmLeach® with acid leaching of copper

Parameter	Acid	AmmLeach®
Mineralogy	Oxides, carbonates, silicates, some sulphides	Almost any – dependent upon pre-treatment stage
Selectivity	Low: iron, manganese, calcium and silica are likely problems	High: no iron, manganese, calcium or silica dissolution
Rate of extraction	Limited by acid strength and diffusion	Ammonia concentration in leach solution matched to leaching rate
Recovery	80% of leachable metal	>80% in ~130 days
Heap lifetime	~55-480 days	~80-130 days
Sulphate precipitation	Reduced permeability in heap, break down of clays and plant scaling due to precipitation of gypsum and jarosite	Calcium and iron solubilities too low for precipitation, also low sulphate levels in leach solution
Leachant consumption	Depends upon carbonate content but 30 to over 100kg/t reported for operating heaps	Depends on concentration used but range of 3-5kg/t measured at former Leon copper project; <1kg/t in second pilot run
Safety	Large volumes of concentrated acid required to be transported to site	On demand ammonia / carbon dioxide systems using hydrolysis of urea minimises risks. Anhydrous ammonia NOT required
Precious metals	Heap to be neutralised before cyanidation. Needs to be 100% effective to prevent cyanide release	Neutralisation not required, potential for simultaneous recovery using thiosulphate or sequential leaching using cyanide
Decommissioning	Heap requires washing, neutralisation and long term monitoring of acid mine drainage (AMD)	Heap can be washed and left, residual ammonia acts as fertiliser for vegetation regrowth, minimal likelihood of AMD

The AmmLeach® Process

Developed for the extraction of base metals, especially copper, zinc and cobalt from ore deposits and concentrates. The process utilises ammonia based chemistry to selectively extract metals from ores under ambient temperature and pressure conditions. The target ores will typically be high acid consuming making them uneconomic using conventional processes. AmmLeach® is a viable alternative to acid leach processes as it is far more selective for valuable metals whilst rejecting unwanted metals. This selectivity offers a considerable number of technical and economic benefits through simplification of the flow sheet.

AmmLeach® uses the same three major stages as acid processes - leaching, solvent extraction (SX) and electro-winning (EW). Leaching occurs in two steps, an ore specific pre-treatment which converts the metals into a soluble form and the main leaching step, which uses barren solution recycled from the SX stage. AmmLeach® requires no special purpose built equipment and it can directly replace acid leaching in an existing operation. It is suitable for both low grade heap leaching and higher grade tank leaching.

The AmmLeach® process has an extremely high selectivity for the target metal over iron, silica, aluminium and manganese, which are insoluble under AmmLeach® conditions. Calcium and magnesium solubilities are also significantly suppressed by the presence of carbonate.

Decommissioning of the heap is extremely simple as no neutralisation is necessary and the potential for acid mine drainage is virtually eliminated. After final leaching the heap is simply washed to recover ammonia and then left to vegetate, with the residual ammonia acting as a fertiliser. The alkaline residue allows immediate application of cyanide leaching of gold and silver in ores where there is an economic precious metal content after removal of high cyanide consuming metals such as copper.

Copper

Copper is the world's most important base metal by value and its price is a bellwether of world industrial production. Approximately 20% of global mined copper production is produced from oxide ores using leaching, solvent extraction and electrowinning (SX-EW) hydrometallurgy. Alexander believes that its proprietary leaching technology has the potential to increase significantly the share of global copper produced using hydrometallurgical processes. Hydrometallurgical recovery of copper is much more attractive to mine owners than the production of concentrates from sulphide ores as it results in the production of high value cathodes at the mine. When sold these realise almost 100% of the copper content, compared to concentrates where owners may receive as little as 60% of the copper value.

The capability of tailoring the rate of recovery is an important feature of the AmmLeach® process and allows the plant to operate more flexibly with the rate of leaching matched to the operating capacity of the solvent extraction plant. A scoping study indicated that it is possible to convert an acid heap leach operation directly to an AmmLeach® with minimal capital expenditure.

Zinc

The vast majority (~95%) of world zinc metal production uses smelting to recover and refine zinc metal from zinc-containing feed material such as zinc concentrates or zinc oxides. Development of a new hydrometallurgical process route for zinc oxides has the potential to simplify zinc refining.

MetaLeach® has developed a novel (patents granted and pending) process for the solvent extraction of zinc from ammoniacal solutions. Test work has shown that zinc can be very efficiently extracted using commercially available reagents and stripped with acid solutions, with better efficiency and greater selectivity than has previously been reported.

The general flow sheet for the zinc process is straightforward and consists of leaching, purification and recovery stages. The nature of the leach stage depends upon a number of factors, notably the grade of ore and leaching kinetics. High grade, fast leaching ore would be readily accommodated by an agitated tank leach, whilst low grade, slow leaching ores would be better suited to heap leaching. Depending upon the product desired, there may be no need for a solution purification stage, considerably simplifying the overall process flow sheet.

A wide range of different oxide zinc mineralogies can potentially be treated by AmmLeach®, including those with significant hemimorphite content which presently can only be treated using acid. In AmmLeach® solutions, the leaching can be extremely rapid provided the conditions are appropriately matched to the ore. The acid route requires ore containing >10% zinc to be economically viable. The co dissolution of silica and iron in the acid results in a very complex flow sheet, as typified by that used at the Skorpion mine in Namibia.

Copper process economics

An analysis of the economics of the AmmLeach® process compared with conventional acid leaching for high acid consuming copper ores is dependent upon a multitude of parameters specific to the mineralogy of the deposit and its location. Suffice it to say that the capital and operating cost savings can be major, particularly for high acid consuming ore bodies located in remote locations with long transport distances. This is because the safe supply of sulphuric acid is logistically difficult and expensive as the transport costs of bulk chemicals in-country to site can be as much again as, or more than, the free-on-board cost.

In many instances, economics will dictate that the mine will have to build an expensive sulphur burning sulphuric acid plant for the supply of acid. In addition, to regulate supply variations and for acid plant maintenance, acid storage tanks for around one month's consumption, whether the mine makes its own or buys in acid, will be required, significantly adding to the capital cost. As well as a substantial capital cost saving, this is where AmmLeach® has a major operating cost advantage too, due to an order of magnitude reduction in reagent consumption per tonne of ore processed.

Review of Operations

continued

For example, for even a moderately high acid consuming ore, ten to fifteen times as much acid (50kg/t) as ammonia will be consumed. This is due to the fundamental difference between the two leaching processes in that whereas acid is consumed by gangue minerals during leaching, ammonia is not. The reagent is recycled and only relatively small losses of ammonia need to be made up.

Capital cost comparisons for the AmmLeach® technology and conventional acid leaching assume that certain aspects are common to both leach systems i.e. mining, mine infrastructure, mine waste disposal, process plant residue disposal, project buildings (administration, laboratories, workshop, warehouse etc.), site access roads, the power transmission line and the water supply line. Hence any comparison is limited to the process plant itself.

Typically for copper only oxide ores, process plant capital costs for AmmLeach® and acid heap leach operations of the same size are similar as, excluding reagent production and storage/handling costs on site, essentially the same equipment is used for both processes. However, importantly, where economics dictate that sulphuric acid is made on site, there can be a major differential associated with reagents and, in particular, the differential costs of ammonia and sulphuric acid.

The AmmLeach® process can achieve much higher copper solution concentrations in the pregnant leach solution (PLS) than are typically seen in acid plants. Typical copper concentrations for an acid leaching operation are of the order of 1-2g copper (Cu)/L compared to PLS concentrations for the AmmLeach® process of 6-12g Cu/L. This, coupled to the much greater copper transfer in solvent extraction, allows the efficient handling of high copper tenors in PLS (in acid plants this would necessitate larger volume mixer-settlers due to the higher volume of PLS and lower transfer between aqueous and organic phases); i.e. more metal produced per unit size of plant than in a corresponding acid leach-SX-EW plant.

Moreover, in ores where cobalt is a valuable by/co-product (e.g. DRC and Zambia), AmmLeach® offers additional significant capital and operating cost savings. This is because in the case of the acid leach circuit the cobalt recovery circuit is complex in that the main leach solubilises a range of metals. The raffinate bleed will therefore contain unextracted copper, iron (both ferrous and ferric), manganese and aluminium. Other species may also be present and these will need to be examined and potentially dealt with as well. Such metals include nickel and cadmium. For the production of metal a multiplicity of unit operations are required ahead of cobalt metal production.

In the case of the alkaline leach circuit, the requirements for purification ahead of final cobalt recovery are much less complex. The leach itself is highly selective for copper and cobalt since not all metals are soluble in ammoniacal solutions. In this respect there is negligible iron, silica, calcium, aluminium and manganese present in the liquor. A number of possibilities exist for recovery of cobalt from the ammoniacal solution.

Commercialisation of AmmLeach®

The following metal ores are particular targets for the commercialisation of the AmmLeach® process:

- Copper and copper/cobalt oxide deposits
- Zinc oxide deposits
- Copper-gold and zinc-silver ores (AmmLeach® followed by cyanide leaching)

Geographic diversification is offered as the countries with the most prospective geology for hosting high acid consuming copper (Cu), cobalt (Co) and zinc (Zn) oxides are Chile (Cu), Peru (Zn), Mexico (Zn), Central America (Zn), USA (Cu), Democratic Republic of the Congo (Cu, Cu/Co), Zambia (Cu), Turkey (Zn, Cu) and Australia (Cu).

Of these, the copper process has already been demonstrated at pilot plant scale for heap leaching and at bench scale for agitated leaching. The cobalt (or copper and cobalt oxide ore) process has been small pilot scale tested successfully for agitated leaching and at bench scale for heap leaching.

Further development of the zinc process has led to a new solvent extraction process for zinc from ammoniacal solutions, for which several patents have been granted and further patents are pending. This patent application is for the recovery of zinc from ores which do not require pre-treatment before ammoniacal leaching. A patent covering a process allowing selective leaching of zinc from sideritic zinc ores has also been granted.

Because of the tailored pre-treatment step, almost any ore type is amenable to the AmmLeach® process. Thus far, it has been demonstrated on predominantly oxide ores but many sulphide ores have also been shown to leach after appropriate pre-treatment. This advance allows the treatment of mixed oxide-sulphide ores which are often present in the transition from weathered to un-weathered ore. As a project proceeds, the AmmLeach® process can be modified to cope with the changing mineralogy from oxide to sulphide without substantial capital expenditure.

Polymetallic ores can also be processed by AmmLeach® with separation achieved using solvent extraction to separate metals and produce multiple revenue streams. The minimisation of ammonia transfer allows these metals to be recovered directly from their strip solution by precipitation, crystallisation or electro-winning.

The alkaline conditions used in the AmmLeach® process allow precious metals to be recovered from the base metal depleted heap using a secondary leach step. The heap can simply be washed to recover ammonia and subjected to standard alkaline cyanidation to recover gold and silver. The incorporation of precious metals recovery within the AmmLeach® process is being investigated and preliminary work on the leaching of cyanide consuming metals prior to precious metal leaching with cyanide looks highly promising.

HyperLeach® process

The HyperLeach® process (patents granted and pending), although less advanced, has significant potential. HyperLeach® may be suitable for the extraction of metals, especially copper, zinc, nickel, cobalt, molybdenum and rhenium from sulphide ore deposits and concentrates. The process utilises chlorine based chemistry to solubilise metals from ores under ambient temperature and pressure conditions. The HyperLeach® process can be operated as either heap leach or tank leach.

Great promise has been shown for molybdenum–rhenium sulphide ores with low reagent consumption which could make heap leaching of such ores economically feasible for the first time. Low grade nickel sulphide ores have also shown great promise with high metal recoveries being achieved during agitated leaches. Preliminary work has indicated that heap leaching may be possible for some ores. This allows the treatment of ores which are too low grade to process via the conventional, grind, float and smelt route.

Work in an independent laboratory has resulted in further scale-up data on the leaching of copper sulphide concentrates to produce copper metal at the mine site. These results have shown that it is possible to leach the majority of copper from chalcopyrite concentrates whilst leaving a residue which is saleable as a smelter feed. Further work on heap leaching low grade copper sulphide ores is planned.

HyperLeach® can be used as a pre-treatment for AmmLeach® to provide the best of both processes. HyperLeach® solubilises and mobilises target metals from sulphides with AmmLeach® leaching the target metals selectively. This combination would allow processing of a whole ore body from the oxide cap through the transition zone to the sulphide basement in a single plant with only small changes during the lifetime of the orebody.

The Strategic Report, as set out on pages 01 to 06, has been approved by the Board.

On behalf of the Board

T A Cross
Company Secretary
10 April 2015

Corporate and Social Responsibility

The Group's core values are:

- **To be a good corporate citizen, demonstrating integrity in each business and community in which we operate**
- **To be open and honest in all our dealings, while respecting commercial and personal confidentiality**
- **To be objective, consistent and fair with all our stakeholders**
- **To respect the dignity and wellbeing of all our stakeholders and all those with whom we are involved**
- **To operate professionally in a performance-orientated culture and be committed to continuous improvement**

Our Stakeholders

We are committed to developing mutually beneficial partnerships with our stakeholders throughout the life cycle of our activities and operations. Our principal stakeholders include our shareholders; employees, their families, and employee representatives; the communities in which we operate; our business partners and local and national governments.

Environmental Policy

The Group is aware of the potential impact that its operations may have on the environment. It will ensure that all of its activities and operations have the minimum environmental impact possible.

The Group intends to meet or exceed international standards of excellence with regard to environmental matters. Our operations and activities will be in compliance with applicable laws and regulations. We will adopt and adhere to standards that are protective of both human health and the environment. For our operations we will develop and implement closure and reclamation plans that provide for long-term environmental stability and suitable post-mining beneficial land-uses at all relevant sites.

Each employee (including contractors) will be held accountable for ensuring that those employees, equipment, facilities and resources within their area of responsibility are managed to comply with this policy and to minimise environmental risk.

Ethical Policy

The Group is committed to comply with all laws, regulations, standards and international conventions which apply to our businesses and to our relationships with our stakeholders. Where laws and regulations are non-existent or inadequate, we will maintain the highest reasonable standards appropriate. We will in an accurate, timely and verifiable manner, consistently disclose material information about the Group and its performance. This will be readily understandable by appropriate regulators, our stakeholders and the public.

The Group complies and will continue to comply to the fullest extent with current and future anti-bribery legislation.

We will endeavour to ensure that no employee acts in a manner that would in any way contravene these principles. The Group will take the appropriate disciplinary action concerning any contravention.

Community Policy

The Group's aim is to have a positive impact on the people, cultures and communities in which it operates. It will be respectful of local and indigenous people, their values, traditions, culture and the environment. The Group will also strive to ensure that surrounding communities are informed of, and where possible, involved in, developments which affect them, throughout the life cycle of our operations. It will undertake social investment initiatives in the areas of need where we can make a practical and meaningful contribution.

Labour Policy

The Group is committed to upholding fundamental human rights and, accordingly, we seek to ensure the implementation of fair employment practices. The Group will also commit to creating workplaces free of harassment and unfair discrimination.

Health and Safety Policy

The Group is committed to complying with all relevant occupational health and safety laws, regulations and standards. In the absence thereof, standards reflecting best practice will be adopted.

Corporate governance

The Board intends that, so far as is relevant for a group of its size and stage of development, it will continue to maintain best practice governance.
The Board has established appropriately constituted Audit and Remuneration Committees with formally delegated responsibilities.

The Board of Directors

The Board of Directors currently comprises six members, including two executive directors and four non-executive directors. The Board has a wealth of both corporate finance and mining experience, from exploration, development and through to production. The structure of the Board ensures that no one individual or group dominates the decision making process. Board meetings are held regularly to provide effective leadership and overall management of the Group's affairs through the schedule of matters reserved for Board decisions. This includes the approval of the budget and business plan, major capital expenditure, acquisitions and disposals, risk management policies and the approval of financial statements. All directors have access to the advice and services of the Company's solicitors and the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any director may take independent professional advice at the Company's expense in the furtherance of their duties.

The Audit Committee

The Audit Committee, which meets not less than twice a year, considers the Group's financial reporting (including accounting policies) and internal financial controls. The Audit Committee, which comprises Mr E Morfett (Chairman) and Mr R Davey, receives reports from management and the external auditor to enable it to fulfil its responsibility for ensuring that the financial performance of the Group is properly monitored and reported on. In addition, it keeps under review the scope, cost and results of the external audit, and the independence and objectivity of the external auditor.

The Remuneration Committee

The Remuneration Committee, which meets when necessary, is responsible for making recommendations to the Board on directors' and senior executives' remuneration. The Committee comprises Mr R Davey (Chairman) and Mr J Bunyan. Non-executive directors' remuneration and conditions are considered and agreed by the Board.

Financial packages for executive directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievement of recognised job qualifications and skills. The Committee will also have regard to the terms which may be required to attract the equivalent experienced executive to join the Board from another company.

Internal Controls

The directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst the directors acknowledge that no internal control system can provide absolute assurance against material misstatement or loss, they have reviewed the controls that are in place and are taking the appropriate action to ensure that the systems continue to develop in accordance with the growth of the Group.

Relations with Shareholders

The Board attaches great importance to maintaining good relations with its shareholders. Extensive information about the Group's activities is included in the Annual Report and Accounts and Interim Reports, which are sent to all shareholders. Market sensitive information is regularly released to all shareholders concurrently in accordance with stock exchange rules.
The Annual General Meeting provides an opportunity for all shareholders to communicate with and to question the Board on any aspect of the Group's activities. The Company maintains a corporate website where information on the Group is regularly updated and all announcements are posted as they are released. The Company welcomes communication from both its private and institutional shareholders.

Share dealing

The Company has adopted a share dealing code for directors and relevant employees in accordance with the Rules of the Alternative Investment Market ('AIM') of the London Stock Exchange and will take proper steps to ensure compliance by the directors and those employees.

Directors

Matt Sutcliffe
Executive Chairman

Matt Sutcliffe graduated from the University of Nottingham in 1990 with a PhD in mining engineering. He is also a chartered engineer and worked as a mining engineer in underground nickel mines from 1990 to 1994 with Inco Limited, within its Manitoba division. He has additional experience in operating gold and coal mines gained whilst working with Gencor and British Coal.

For 10 years before founding Alexander, he worked in the City of London as a mining analyst and corporate financier specialising in the resources sector. During this time he was a mining analyst at T Hoare & Co, head of mining at Williams de Broe and a director of corporate finance at Evolution Beeson Gregory (now Evolution Securities). At Evolution Beeson Gregory, he advised a large number of public natural resources companies, as well as arranging a number of equity listings for junior and mid-tier mining and oil and gas companies on AIM. Whilst at both Williams de Broe and Evolution Beeson Gregory, he was recognised as one of the industry pioneers for listing mining companies on AIM.

Martin Rosser
Chief Executive Officer

Martin Rosser is a chartered mining engineer and FIMMM who has 33 years' practical industry and financial markets experience since graduating with a degree in mining engineering from the Camborne School of Mines in 1981. Initially, he spent five years working as a mining engineer in Australia, both on underground and surface gold mines, including time with Western Mining Corporation at Central Norseman. In 1987, he returned to the UK and worked as a mining analyst with two City stockbrokers.

He then joined the natural resources industry specialist firm of David Williamson Associates Limited in 1989 as a founder employee, and subsequently Managing Director. During this time, until joining Alexander in June 2005, he provided extensive corporate finance advisory and arranger services to the firm's worldwide natural resources industry clients.

From 2002, until its takeover by Lonmin plc in January 2007, he was a non-executive director of TSX listed AfriOre Limited.

Roger Davey
Non-Executive Director

Roger Davey is a chartered mining engineer and a graduate of the Camborne School of Mines, with over 30 years' experience in the mining industry. For 13 years, until the end of 2010, he was an Assistant Director and the Senior Mining Engineer at N M Rothschild (London) in the Mining and Metals project finance team, where he had responsibility for the assessment of the technical risks associated with project loans.

Mr Davey was appointed to the board of Alexander in August 2006. Prior to this, his experience covered the financing, development and operation of both underground and surface mining operations in gold and base metals at senior management and director level in South America, Africa and the United Kingdom. This includes, from 1994 – 1997, being the General Manager of Minorco (AngloGold) subsidiaries in Argentina, where he was responsible for the development of the US$270m Cerro Vanguardia gold-silver mine.

Emil Morfett
Non-Executive Director

Emil Morfett, who joined the board in 2007, has over 30 years' of relevant, experience, with eight years in the mining industry and twenty years in mining finance. He graduated with a B.Sc. in geology from the University of London and worked for Rio Tinto in Saudi Arabia. As a mature student, he completed an M.Sc. in mineral exploration at Queens University, Ontario, Canada.

He then worked in Johannesburg for Goldfields of South Africa. In 1987, he moved to London to work as a mining analyst. In 1993 he became the Global Head of Mining Research at Bank Paribas and left in 1997 to become Vice President and Head of Mining Research for J P Morgan in London.

In 2001, he founded his own consulting business (Millstone Grit Limited, of which he is Managing Director), providing both equity and debt focused mining research and strategic advice. He continues to provide independent, bespoke research and financial analysis of mining companies and projects to select hedge funds, merchant banks and mining companies.

James Bunyan
Non-Executive Director

James Bunyan, who joined the board in April 2005, holds an MBA from Warwick University and a BSc in Biochemistry from Heriot-Watt. He specialises in corporate development with international business development across a broad range of industrial and commercial sectors worldwide.

He has proven business skills in strategic business planning, mergers, acquisitions, disposals, turnarounds and fundraising, with particular experience in mining. He was for five years a director of Tiberon Minerals Ltd, which developed the Nui Phao deposit in Vietnam from an exploration concept to one of the largest tungsten polymetallic deposits in the world. Nui Phao, together with a bankable feasibility study, was sold to Dragon Capital for over US$350m. It is now a successful operating mine.

Alan Clegg
Non-executive Director

Alan Clegg is a mining engineer with British and South African citizenship and is a resident of Turkey. He has over 35 years' experience gained from working in mining and minerals projects in more than 160 countries. This has been as team leader or a member of teams that have completed feasibility studies and/or constructed over sixty mining and mineral projects with a combined value in excess of US$8bn over the last twenty years. He was a founder, Executive Manager and Chief Consulting Engineer of the Mining Engineering Consulting group within the TWP Holdings Ltd Consulting engineering consultancy practice, a major provider of engineering design, procurement, construction management and asset services largely within the mining sector. The TWP Holdings group was recently acquired and is now part of the Worley Parsons Group, one of the leading global providers of technical, project and operational support services to the mining and energy sectors.

He is a registered Professional Mining Engineer (Pr.Eng), a registered Professional Construction Project Manager (Pr.CPM) and a registered Project Management Professional (PMP). He has professional Fellowship status with the South African Institute of Mining & Metallurgy (FSAIMM) and the Institute of Quarrying (FIOQ), as well as professional memberships of most of the major mining institutes globally. He is a recognised mining technical assessment, reporting and mining project valuation expert, with key experience in stock exchange listings and the requirements for successful capital raising having sat on the boards of several international and multinational mining, engineering, mining equipment and construction sector companies.

Directors' Report

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2014.

Principal activities

The principal activity of the Group is the commercialisation of the Group's proprietary mineral processing technologies, either through licensing to third parties and/or the acquisition of equity stakes in amenable deposits.

Results

The Group made a consolidated net loss for the year of £910,000 (2013: £1,365,000). The directors do not recommend the payment of a dividend (2013: nil).

Research and development

The Group, through its wholly owned subsidiary MetaLeach Limited is involved in the ongoing research and development of its proprietary mineral processing technologies, AmmLeach® and HyperLeach®. Further details thereof are set out in the Strategic Report on pages 01 to 06.

Risk Management and Financial Risks

The successful commercialisation of the Group's proprietary mineral processing technologies is subject to a number of risks, both in relation to third party licensing opportunities and the acquisition of equity interests in amenable deposits for the Group. In addition, like all businesses, the Group is exposed to financial risks. The Board adopts a prudent approach to minimise these risks as far as practicable, consistent with the corporate objectives of the Group. These risks are summarised below, together with the disclosures set out in note 18 to the Financial Statements.

Currency exchange risk

The Group reports its financial results in Sterling, while a proportion of the Group's costs and revenues are incurred in US Dollars, Australian Dollars, and New Zealand Dollars. Accordingly, movements in the Sterling exchange rate with these currencies could have a detrimental effect on the Group's results or financial position.

Liquidity risk

The Group has to date relied upon shareholder funding of its activities. Development of mineral properties, the acquisition of new opportunities, or the recovery of royalty/licensing income from third party assets, may be dependent upon the Group's ability to obtain further financing through joint ventures, equity or debt financing or other means. Although the Group has been successful in the past in obtaining equity financing, there can be no assurance that the Group will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

Credit risk

The Group has no material credit risk at the date of this report.

Commodity price risk

The Group's proprietary leaching technologies have the potential to reduce costs and enhance margins at the mine site. The level of interest from mining companies in commercialisation of the Group's proprietary leaching technologies may be affected, for better or worse, by future movements in global metal prices.

Strategic and business risks are described in the Strategic Report on pages 01 to 06.

Going concern

Based on a review of the Group's budgets and cash flow forecasts, the directors have identified that if current and near-term corporate development opportunities are unsuccessful in providing adequate funding then the Company will need to raise finance within the next twelve months in order to continue its operations and to meet its commitments.

In common with many mining, exploration and intellectual property development companies, the Company needs to raise finance for its activities in discrete tranches to finance its activities for limited periods. The Directors are confident that the Company currently has a range of corporate development opportunities, which could include significant funding outcomes and moreover that, if necessary, any further funding can be raised as and when required. (Accordingly, attention is drawn to Note 24, Post Balance Sheet events, where details of potential significant business development funding opportunities are provided). On this basis, the Directors have concluded that it is appropriate to draw up the financial statements on the going concern basis. However, there can be no certainty that either development opportunities or alternative funding will be secured in the necessary timescales. 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.

Directors

The directors of the Company who held office during the year and their beneficial interests in the shares of the Company at the year-end were as follows:

	Shares held at 31 December 2014 Number	Shares held at 31 December 2013 Number
M L Sutcliffe - Executive Chairman	**10,906,000**	10,906,000
M L Rosser - Chief Executive Officer	**925,000**	925,000
J S Bunyan - Non-Executive Deputy Chairman	**-**	-
A M Clegg - Non-Executive	**-**	-
R O Davey - Non-Executive	**-**	-
E M Morfett - Non-Executive	**450,000**	450,000
	12,281,000	12,281,000

In accordance with the Company's Articles of Association, Mr M L Rosser and Mr R O Davey will retire by rotation at the Annual General Meeting. Being eligible, Mr Rosser will offer himself for re-election. Mr Davey has indicated that he will not stand for re-election. Other than their service contracts, no director of the Holding Company has a material interest in a contract with the Company. Details of directors' remuneration are set out in note 6 to the financial statements.

During the year, directors' and officers' liability insurance was maintained for directors and other officers of the Group as permitted by the Companies Act 2006.

Indemnity granted to Directors and officers by Company's Articles of Association

Subject to the provisions of Companies Act 1985 (also applicable under Companies Act 2006) but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under Companies Act 2006.

Directors' Report
continued

The directors' interests in share options are as follows:

Executive Directors hold options to subscribe for ordinary shares in the Company as follows:

		At 31 December 2014		At 31 December 2013	
Price	Exercise period	M L Sutcliffe	M L Rosser	M L Sutcliffe	M L Rosser
4.92p	01/06/13 - 22/12/20	1,500,000	2,700,000	1,500,000	2,700,000
Total		1,500,000	2,700,000	1,500,000	2,700,000

Non-executive Directors hold options to subscribe for ordinary shares in the Company as follows:

		At 31 December 2014				At 31 December 2013			
Price	Exercise period	J S Bunyan	A M Clegg	R O Davey	E M Morfett	J S Bunyan	A M Clegg	R O Davey	E M Morfett
4.92p	01/06/13 - 22/12/20	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Total		800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000

	At 31 December 2014	At 31 December 2013
	All directors	All directors
Total - all directors	7,400,000	7,400,000

Details of the Company's substantial shareholders are set out on the Company's website at www.alexandermining.com.

Share capital and share options
Details of the share capital of the Company at 31 December 2014 are set out in note 15 to the financial statements. Details of the share options outstanding at 31 December 2014 are set out in note 20 to the financial statements.

Post Balance Sheet Events
Details of post balance sheet events are set out in note 24 to the financial statements.

Stock Exchange
The Company's shares are quoted on the AIM market of the London Stock Exchange (symbol AXM).

Annual General Meeting
The Notice convening the Company's Annual General Meeting, to be held on 13 May 2015, is set out in pages 29 to 30 of this report. Full details of the resolutions proposed at that meeting may be found in the Notice.

Provision of information to auditor
In the case of each of the directors who are directors of the Company at the date when this report is approved:

- So far as they are individually aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each of the directors has taken all the steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

Auditor
A resolution to re-appoint BDO LLP as auditor of the company will be put to the Annual General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication
The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.
The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By Order of the Board

Terence Cross
Company Secretary
10 April 2015

Independent auditor's report

to the members of Alexander Mining plc

We have audited the financial statements of Alexander Mining plc for the year ended 31 December 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the group and company statement of cash flows, the consolidated and company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 2(a) to the financial statements concerning near-term corporate developments and the possibility that the company may need to raise further finance within the next twelve months in order to continue its operations and to meet its commitments. If the company is unable to secure such additional funding, this may have a consequential impact on the company's and the group's ability to continue as a going concern.

The outcome of any corporate developments or fundraising cannot presently be determined. These conditions, along with the other matters explained in note 2(a) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's and the Groups' ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company and Group was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Jason Homewood (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
10 April 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement

For the year ended 31 December 2014

	notes	2014 £'000	2013 £'000
Continuing operations			
Revenue	4	**507**	26
Cost of sales		**-**	-
Gross profit		**507**	26
Administrative expenses		**(989)**	(1,010)
Research and development expenses		**(367)**	(390)
Profit on disposal of property, plant and equipment		**-**	4
Operating loss	4	**(849)**	(1,370)
Finance income	7	**1**	5
Loss before taxation		**(848)**	(1,365)
Income tax expense	8	**-**	-
Loss for the year from continuing operations		**(848)**	(1,365)
Loss for the year from discontinued operations	12	**(62)**	-
Loss for the year		**(910)**	(1,365)
Basic and diluted loss per share (pence):			
from continuing operations	9	**(0.48)p**	(0.84)p
from continuing and discontinued operations	9	**(0.52)p**	(0.84)p
from discontinued operations	9	**(0.04)p**	-

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

Consolidated statement of comprehensive income

For the year ended 31 December 2014

	2014 £'000	2013 £'0 N00
Loss for the year	**(910)**	(1,365)
Other comprehensive income:		
Items that will or may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**-**	(1)
Exchange differences realised on disposal of subsidiary	**61**	-
Total comprehensive loss for the year attributable to equity holders of the parent	**(849)**	(1,366)

Consolidated balance sheet

As at 31 December 2014

	notes	**2014 £'000**	2013 £'000
Assets			
Property, plant and equipment	10	**-**	-
Total non-current assets		**-**	-
Trade and other receivables	13	**67**	60
Cash and cash equivalents	14	**116**	398
Total current assets		**183**	458
Total assets		**183**	458
Equity attributable to owners of the parent			
Issued share capital	15	**13,639**	13,633
Share premium	15	**13,298**	13,020
Translation reserve		**-**	(61)
Accumulated losses		**(27,211)**	(26,423)
Total equity		**(274)**	169
Liabilities			
Current liabilities			
Trade and other payables	16	**439**	289
Provisions	17	**18**	-
Total current liabilities		**457**	289
Total liabilities		**457**	289
Total equity and liabilities		**183**	458

These financial statements were approved by the Board of Directors and authorised for issue on 10 April 2015 and were signed on their behalf by:

M L Rosser
Director

Company balance sheet

Company number 5357433 in England and Wales

As at 31 December 2014

	notes	2014 £'000	2013 £'000
Assets			
Property, plant and equipment	10	**-**	-
Total non-current assets		**-**	-
Trade and other receivables	13	**67**	61
Cash and cash equivalents	14	**116**	396
Total current assets		**183**	457
Total assets		**183**	457
Equity attributable to owners of the parent			
Issued share capital	15	**13,639**	13,633
Share premium	15	**13,298**	13,020
Accumulated losses		**(26,955)**	(26,309)
Total equity		**(18)**	344
Liabilities			
Trade and other payables	16	**183**	113
Provisions	17	**18**	-
Total current liabilities		**201**	113
Total liabilities		**201**	113
Total equity and liabilities		**183**	457

These financial statements were approved by the Board of Directors and authorised for issue on 10 April 2015 and were signed on their behalf by:

Martin Rosser

M L Rosser
Director

Statements of cash flows

For the year ended 31 December 2014

	notes	Group 2014 £'000	Group 2013 £'000	Company 2014 £'000	Company 2013 £'000
Cash flows from operating activities					
Operating loss – continuing operations		**(849)**	(1,370)	**(304)**	(776)
Operating loss – discontinued operations		**(1)**	-	**-**	-
Depreciation and amortisation charge		**-**	8	**-**	8
Decrease / (Increase) in trade and other receivables		**(7)**	7	**(6)**	(8)
Increase in trade and other payables		**150**	95	**70**	1
Increase in provisions		**18**	-	**18**	-
Shares issued in payment of expenses		**52**	69	**52**	69
Share option charge		**21**	21	**21**	21
Profit on disposal of property, plant and equipment		**-**	(4)	**-**	(4)
Inter-company recharges		**-**	-	**(10)**	(10)
Net cash outflow from operating activities		**(616)**	(1,174)	**(159)**	(699)
Cash flows from investing activities					
Amounts remitted to subsidiary companies		**-**	-	**(457)**	(466)
Interest received		**1**	1	**1**	1
Proceeds from sale of subsidiary		**-**	101	**-**	101
Proceeds from sale of property, plant and equipment		**-**	12	**-**	12
Net cash inflow/(outflow) from investing activities		**1**	114	**(456)**	(352)
Cash flows from financing activities					
Proceeds from the issue of share capital		**232**	935	**232**	935
Proceeds from lapsed share issue, net of costs		**62**	-	**62**	-
Proceeds from issue of share options		**39**	-	**39**	-
Net cash inflow from financing activities		**333**	935	**333**	935
Net decrease in cash and cash equivalents		**(282)**	(125)	**(282)**	(116)
Cash and cash equivalents at beginning of year		**398**	519	**396**	518
Exchange differences		**-**	4	**2**	(6)
Cash and cash equivalents at end of year	14	**116**	398	**116**	396

Consolidated statement of changes in equity

For the year ended 31 December 2014

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Translation reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 January 2013	**13,606**	**12,043**	**-**	**(60)**	**(25,079)**	**510**
Accumulated loss for year	-	-	-	-	(1,365)	(1,365)
Translation difference	-	-	-	(1)	-	(1)
Total comprehensive loss for the year attributable to equity holders of the parent	-	-	-	(1)	(1,365)	(1,366)
Share option costs	-	-	-	-	21	21
Shares issued	27	977	-	-	-	1,004
At 31 December 2013	**13,633**	**13,020**	**-**	**(61)**	**(26,423)**	**169**
Accumulated loss for year	-	-	-	-	(910)	(910)
Realisation of foreign exchange losses upon sale of subsidiary	-	-	-	61	-	61
Total comprehensive loss for the year attributable to equity holders of the parent	-	-	-	61	(910)	(849)
Share option costs	-	-	-	-	21	21
Share issue subscription (note 15)	-	-	100	-	-	100
Costs of share issue subscription	-	-	(38)	-	-	(38)
Share issue lapsed	-	-	(62)	-	62	-
Share option issued (note 20)	-	-	-	-	39	39
Shares issued	6	278	-	-	-	284
At 31 December 2014	**13,639**	**13,298**	**-**	**-**	**(27,211)**	**(274)**

Company statement of changes in equity

For the year ended 31 December 2014

	Share capital £'000	Share premium £'000	Share to be issued £'000	Accumulated losses £'000	Total equity £'000
At 1 January 2013	**13,606**	**12,043**	**-**	**(25,073)**	**576**
Accumulated loss for year	-	-	-	(1,257)	(1,257)
Total comprehensive loss for the year attributable to equity holders of the parent	-	-	-	(1,257)	(1,257)
Share option costs	-	-	-	21	21
Shares issued	27	977	-	-	1,004
At 31 December 2013	**13,633**	**13,020**	**-**	**(26,309)**	**344**
Accumulated loss for year	-	-	-	(768)	(768)
Total comprehensive loss for the year attributable to equity holders of the parent	-	-	-	(768)	(768)
Share option costs	-	-	-	21	21
Share issue subscription (note 15)	-	-	100	-	100
Costs of share issue subscription	-	-	(38)	-	(38)
Share issue lapsed	-	-	(62)	62	-
Share option issued (note 20)	-	-	-	39	39
Shares issued	6	278	-	-	284
At 31 December 2014	**13,639**	**13,298**	**-**	**(26,955)**	**(18)**

Notes to the Financial Statements

For the year ended 31 December 2014

1 General Information

Alexander Mining plc (the "Company") is a public limited company incorporated and domiciled in England and its shares are traded on the AIM Market of the London Stock Exchange. Alexander Mining plc is a holding company of a group of companies (the "Group"), the principal activities of which are the commercialisation of the Group's proprietary mineral processing technologies, either through licensing to third parties and/or the acquisition of equity stakes in amenable deposits.

These consolidated financial statements were approved for issue by the Board of Directors on 10 April 2015.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

a) 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 preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in note 2(o).

A separate income statement for the parent company has not been presented, as permitted by section 408 of the Companies Act 2006.

The financial statements are prepared in accordance with IFRS and interpretations in force at the reporting date. The Company has not adopted any standards or interpretations in advance of the required implementation dates.

Going Concern

Based on a review of the Group's budgets and cash flow forecasts, the directors have identified that if current and near-term corporate development opportunities are unsuccessful in providing adequate funding then the Company will need to raise finance within the next twelve months in order to continue its operations and to meet its commitments.

In common with many mining, exploration and intellectual property development companies, the Company needs to raise finance for its activities in discrete tranches to finance its activities for limited periods. The Directors are confident that the Company currently has a range of corporate development opportunities, which could include significant funding outcomes and moreover that, if necessary, any further funding can be raised as and when required. (Accordingly, attention is drawn to Note 24, Post Balance Sheet events, where details of potential significant business development funding opportunities are provided). On this basis, the Directors have concluded that it is appropriate to draw up the financial statements on the going concern basis. However, there can be no certainty that either development opportunities or alternative funding will be secured in the necessary timescales. 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.

Standards, Amendments and Interpretations issued but not yet effective

No Standards and Interpretations that have been issued but are not yet effective, and that are available for early application, have been applied by the Group in these financial statements. There are no Standards or Interpretations issued, but not yet effective, which are expected to have a material effect on the financial statements in the future.

b) Basis of consolidation

i) **Subsidiaries**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is recognised where the Company has the power to direct relevant activities, exposure to variable returns and a right to use the power to affect those returns.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group.

ii) **Transactions eliminated on consolidation**

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Notes to the Financial Statements

For the year ended 31 December 2014

c) Foreign currency

The Company's functional and presentational currency is Sterling rounded to the nearest thousand and is the currency of the primary economic environment in which the Company operates.

i) **Foreign currency transactions**
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

ii) **Financial statements of foreign operations**
On consolidation, the assets and liabilities of the Group's overseas operations that do not have a Sterling functional currency are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the year. Exchange differences arising are recognised in other comprehensive income through the Group's translation reserve. Such translation differences are recognised in the income statement in the year in which the operation is disposed of.

iii) **Net investment in foreign operations**
Exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income through the Group's translation reserve. They are released into the income statement upon disposal of the foreign operation.

d) Property, plant and equipment

i) **Owned assets**
Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see note 2e) below).

ii) **Subsequent costs**
The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

iii) **Depreciation**
Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The estimated useful lives of all other categories of assets are three years.

The residual value is assessed annually. Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in the income statement.

e) Impairment

i) Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable the asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

ii) Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement for the year.

f) Financial instruments

i) **Investments**
Investments in subsidiary undertakings are stated at cost less provision for impairment.

ii) **Trade and other receivables**
Trade and other receivables are not interest bearing and are stated at amortised cost.

iii) **Cash and cash equivalents**
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

iv) **Trade and other payables**
Trade and other payables are not interest bearing and are stated at amortised cost.

Notes to the Financial Statements

For the year ended 31 December 2014

g) Share based payment transactions
Directors, senior executives and consultants of the Group have been granted options to subscribe for ordinary shares. All options are equity settled. The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted, at date of grant, and is expensed to the income statement on a straight line basis over the estimated vesting period. This estimate is determined using an appropriate valuation model considering the effects of the vesting conditions and the expected exercise period.

Shares issued in settlement of expenses are recognised at the fair value of the services received.

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

h) Operating lease payments
Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

i) Share capital
The Company's ordinary shares are classified as equity.

j) Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

k) Revenue
Revenue comprises the fair value of the consideration received or receivable for the provision of services to or from external customers (net of value-added tax and other sales taxes).

Sale of testwork services
The group sells services to other mining companies. These services are generally provided on fixed-price contracts, with contract terms usually less than one year. Revenue is recognised under the percentage-of-completion method, based on the services performed to date as a percentage of the total services to be performed.

Royalty income
Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

l) Research and development costs
Research costs are recognised in the income statement as an expense as incurred. Development costs are recognised in the income statement as an expense as incurred unless the development project meets specific criteria for deferral and amortisation. No development costs have been deferred to date because there is insufficient information at the balance sheet date to quantify the expected future economic benefits from the proprietary leaching technologies.

m) Taxation
The charge for taxation is based on the profit or loss for the year and takes into account deferred tax. Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet method.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available in the foreseeable future against which the temporary differences can be utilised.

n) Segment information
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Chief Operating Decision Maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

o) Critical accounting estimates and judgements
The preparation of financial statements under the principles of IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgements and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below. The only area of judgement that has a significant effect on the amounts recognised in the financial statements is:

- Estimation of share based payment costs – notes 2(g) and 20.

Notes to the Financial Statements

For the year ended 31 December 2014

3 Segmental information

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segment based on the reports reviewed by the Board.

The Board considers that there is only one operating segment. This incorporates similar activities and services, namely Head Office, including the development and management of intellectual property rights. The results and assets of Peruvian operations, prior to their disposal, were deemed to be immaterial and were therefore included within the single segment. The analysis has been prepared on the basis that prevailed and was reported to the Board until 31 December 2014.

As the group is in the early stages of developing and licensing a new product, the Board assesses the performance of the business based on the segment's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), and overall loss before tax.

The Head Office and Intellectual Property segment recognises all costs and revenues. This segment is not further sub-divided to different geographical regions due to its knowledge and services being offered to a broad geographical spread of clients, often indirectly through multinational groups.

As the Company has only a single activity and there is also only one geographical segment, the disclosures for this segment have already been given in these financial statements.

4 Operating loss

Operating loss is stated after charging/(crediting):

	2014 £'000	2013 £'000
Depreciation	**-**	8
Exchange (gain)/loss on foreign currency	**-**	(4)
Operating lease expense	**46**	41
Share option charge (note 20)	**21**	21
Shares issued in payment of expenses (note 15)	**56**	69
Research and development expenses	**367**	390

Revenue is comprised of:

	2014 £'000	2013 £'000
Sales of services to third parties	**29**	26
Inducement fee received (see below)	**300**	-
Standstill fee received from unnamed 'mid-tier mining company'	**178**	-
	507	26

The inducement fee of £300,000 was a non-refundable payment received from Ebullio Commodities Limited in consideration for entering into a series of agreements with them. Those agreements subsequently lapsed.

A fee of £217,000 was received from an unnamed 'mid-tier mining company' in contemplation of a further series of agreements. The £217,000 was allocated as to a non-refundable standstill fee of £178,000 in respect of a period of exclusivity granted for the period during which it considered entering into the further agreements, while £39,000 was allocated in respect of the related option to subscribe to the Company's shares. (See also Chairman's Statement and review of the year for details of the option agreement and note 20 for details of the related option payment of £39,000 received in conjunction with the standstill fee).

5 Auditor's remuneration

	2014 £'000	2013 £'000
Fees payable to the Company's auditor for the audit of parent company and consolidated financial statements	**19**	20
Tax compliance services	**3**	6
	22	26

Notes to the Financial Statements

For the year ended 31 December 2014

6 Staff costs and directors' emoluments

Directors' remuneration is set out below:

	Annual salary £'000	Fees £'000	Other benefits £'000	Total £'000
2014				
M L Sutcliffe	**191**	**-**	**3**	**194**
M L Rosser	**128**	**-**	**2**	**130**
J S Bunyan	**-**	**40**	**-**	**40**
A M Clegg	**-**	**25**	**-**	**25**
R O Davey	**-**	**25**	**-**	**25**
E M Morfett	**-**	**25**	**-**	**25**
	319	**115**	**5**	**439**
2013				
M L Sutcliffe	197	-	4	201
M L Rosser	128	-	2	130
J S Bunyan	-	40	-	40
A M Clegg	-	21	-	21
R O Davey	-	25	-	25
E M Morfett	-	25	-	25
	325	111	6	442

The directors' fees detailed above include amounts that remain unpaid and deferred or subordinated in favour of third party creditors (refer to notes 16 and 23).

The aggregate staff costs for the year were as follows:

	2014 £'000	2013 £'000
Directors' remuneration	**324**	331
Other staff wages and salaries	**196**	211
Social security costs	**28**	28
Share based payments	**21**	21
	569	591

On average, excluding non-executive directors, the group employed 3 technical staff members (2013: 3) and 2 administration staff (2013: 2).

7 Finance income

	2014 £'000	2013 £'000
Interest on short term bank deposits	**1**	1
Exchange differences on foreign currency	**-**	4
	1	5

Notes to the Financial Statements

For the year ended 31 December 2014

8 Income taxes

No liability to income taxes arises in the year.

The current tax charge for the year differs from the credit resulting from the loss before tax at the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £'000	2013 £'000
Loss before tax	**(848)**	(1,364)
Current tax at 21.5% (2013: 23.25%)	**(182)**	(317)
Effects of:		
Expenses not deductible for tax purposes	**147**	195
Qualifying depreciation in excess of capital allowances on which no deferred tax has been provided	**(1)**	(6)
Unrelieved tax losses arising in the year	**36**	128
Income tax expense	**-**	-

Unrecognised deferred tax assets

	2014 £'000	2013 £'000
Cumulative tax losses	**1,375**	1,384
Unrelieved exploration expenditure arising in overseas subsidiaries	**-**	149
Accelerated capital allowances	**5**	-
Unrecognised deferred tax asset at end of year	**1,380**	1,533

Deferred tax assets carried forward have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

9 Loss per share

The calculation of loss per share is based on the weighted average number of shares in issue in the year to 31 December 2014 of 175,087,554 (31 December 2013: 162,053,428) and computed on the respective profit and loss figures as follows:

	2014		2013	
	£'000	**Per share**	£'000	Per share
Loss - continuing operations	**(848)**	**(0.48)p**	(1,365)	(0.84)p
Loss - discontinued operations	**(62)**	**(0.04)p**	-	-
Loss - continuing and discontinued operations	**(910)**	**(0.52)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 are anti-dilutive for the year presented. See note 20 for further details.

Notes to the Financial Statements

For the year ended 31 December 2014

10 Property, plant and equipment

Company and Group

	Office equipment and furniture £'000	Leasehold improvements £'000	Motor vehicles £'000	Total £'000
Cost				
As at 1 January 2013	37	35	35	107
Disposals	-	-	(35)	(35)
As at 31 December 2013	**37**	**35**	**-**	**72**
As at 31 December 2014	**37**	**35**	**-**	**72**
Depreciation				
As at 1 January 2013	(36)	(35)	(20)	(91)
Charged in year	(1)	-	(7)	(8)
Disposals	-	-	27	27
As at 31 December 2013	**(37)**	**(35)**	**-**	**(72)**
As at 31 December 2014	**(37)**	**(35)**	**-**	**(72)**
Net book value				
As at 31 December 2014	**-**	**-**	**-**	**-**
As at 31 December 2013	-	-	-	-
As at 1 January 2013	1	-	15	16

11 Investments

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Subsidiary undertakings (a)	**-**	-	**-**	-

(a) Company subsidiary undertakings

As at 31 December 2014, the Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

Name	Holding	Business Activity	Country of Incorporation
MetaLeach Limited	100%	Leaching technology development	British Virgin Islands
Molinetes (BVI) Limited	100%	Dormant	British Virgin Islands
Alexander Mining Katanga s.p.r.l.	100%	Dormant	Democratic Republic of Congo

12 Disposal of subsidiary – Discontinued operation

On 10 September 2014, the Company's subsidiary, Molinetes (BVI) Limited, completed the sale of its entire interest in its subsidiary, Compania Minera Molinetes SAC for the nominal sum of Peruvian Nuevos Soles 100 (approximately £21). The value of net assets disposed was nil.

The net loss for the year attributed to the discontinued business comprised as follows:

	2014 £'000	2013 £'000
Administrative expenses	**(1)**	-
Realisation of translation reserve transferred to income statement on disposal of the subsidiary (IAS21)	**(61)**	-
Loss for the year on discontinued operations	**(62)**	(9)

Other comprehensive income relating to the discontinued and disposed of subsidiary

The cumulative amount transferred to translation reserve in respect of the disposed subsidiary amounted to a debit of £61,000 at 31 December 2013. This translation reserve was realised by its transfer to the Income Statement on disposal of the subsidiary during the year ended 31 December 2014.

13 Trade and other receivables

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Current assets				
Other receivables	**25**	24	**25**	24
Other taxes and social security	**2**	3	**2**	3
Prepayments and accrued income	**40**	33	**40**	34
	67	60	**67**	61

Amounts due to the Company from its subsidiary companies have been fully provided for as detailed in note 23.

Notes to the Financial Statements

For the year ended 31 December 2014

14 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short term deposits. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Cash on hand and demand deposits	**116**	398	**116**	396

15 Share capital

	2014	2013
Issued and fully paid ordinary shares with a nominal value of 0.1p (2013 0.1p)		
Number of shares	**176,319,379**	170,496,861
Nominal value (£)	**176,319**	170,497
Issued and fully paid deferred shares with a nominal value of 9.9p		
Number of shares	**135,986,542**	135,986,542
Nominal value (£)	**13,462,667**	13,462,667
Total nominal value (£)	**13,638,986**	13,633,164

Details of share options issued during the year and outstanding at 31 December 2014 are set out in note 20.

Changes in issued Share Capital and Share Premium:

For the year ended 31 December 2014

Ordinary shares	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Balance at 1 January 2014	170,496,861	170	13,020	13,190
Shares issued for cash at 5.25p each, on 19 February	4,604,762	5	237	242
Share issue costs charged to share premium, on 19 February	-	-	(14)	(14)
Shares issued at average of 5.16p each - in settlement of expenses, on 19 February	487,387	-	25	25
Shares issued at 3.375p each - in settlement of expenses, on 24 September	311,111	-	10	10
Shares issued at 5.068p each - in settlement of expenses, on 24 September	419,258	1	20	21
Balance at 31 December 2014	176,319,379	176	13,298	13,474

Deferred shares	Number of shares	Deferred share capital £'000
Balance at 1 January 2014 and 31 December 2014	135,986,542	13,463

Lapsed share issue

During February 2014 the Company received a non-refundable payment of £100,000 on account of the proposed issue of shares to Ebullio Commodities Limited. That agreement subsequently lapsed. After deduction of the Company's legal costs of £38,000 related to the proposed issue, the balance of £62,000 was transferred directly to accumulated losses (see statements of changes in equity on page 15 of this report).

Capital and reserves

The Consolidated and Company statements of changes in equity are set out on page 15 of this report.

- The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that do not have a Sterling functional currency. The prior year reserve balance of £61,000 related entirely to the operations of Compania Minera Molinetes SAC and was transferred to the Income Statement upon the sale of that subsidiary on 10 September 2014 (see note 12).

Notes to the Financial Statements

For the year ended 31 December 2014

16 Trade and other payables

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Trade payables	**46**	31	**46**	31
Other taxes and social security	**2**	5	**2**	5
Accruals and deferred income	**391**	253	**135**	77
	439	289	**183**	113

Accruals and deferred income included £331,000 (2013: £206,000) owed to directors of the Company (see note 23) and £11,582 (2013: £nil) owed to senior staff members, in respect of directors' fees or remuneration. In terms of subordination agreements signed during August 2014 between the Company and the individuals concerned, these and similarly remaining future balances may not be claimed for payment at any time when the Group's third party creditor liabilities exceed its cash or liquid assets.

Fee deferral agreements signed between the Company and the directors on 1 January 2015 deferred amounts owed to directors, totalling £314,000, which may not be claimed for payment before 1 July 2016.

17 Provisions

Office dilapidation and redecoration

The office redecoration provision represents the directors' estimate of the costs expected to be incurred by the Company in removing its additions and improvements and redecorating the Company's office premises prior to the end of the office lease in June 2015.

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Office redecoration provision	**18**	-	**18**	-

18 Financial risk management

The Group's and Company's principal financial assets comprise cash and cash equivalents and other receivables. In addition, the Company's financial assets include amounts due from subsidiaries. The Group's and Company's financial liabilities comprise: trade payables; other payables; and accrued expenses.

All of the Group's and Company's financial liabilities are measured at amortised cost. The Group's and Company's financial assets are classified as loans and receivables.

The Board of Directors determines, as required, the degree to which it is appropriate to use financial instruments, commodity contracts or other hedging contracts or techniques to mitigate financial risks. The main risks for which such instruments may be appropriate are interest rate risk, liquidity risk and foreign currency risk, each of which is discussed below. All non-routine transactions require Board approval. During 2014 the Group has not used derivative financial instruments.

The Board consider that the risk components detailed below apply to both the Group and Company. Financial risks are managed at Group rather than Company level.

Credit risk

Credit risk refers to the risk that the Group's financial assets will be impaired by the default of a third party. The Group is exposed to credit risk on its cash and cash equivalents as set out in note 14, with additional risk attached to other receivables set out in note 13. Credit risk is managed by ensuring that surplus funds are deposited only with well-established financial institutions of high quality credit standing.

At 31 December 2014 the Group had no significant trade receivables. The Group's focus on commercialising its technologies may result in significant trade receivables during 2015, the credit risk on which will be managed by assessing the credit quality of each customer, taking into account its financial position and any other relevant factors. The Company is exposed to credit risk through receivable balances from Group companies. See Note 23 for further detail.

Notes to the Financial Statements

For the year ended 31 December 2014

Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group reports its financial results in Sterling and is therefore exposed to foreign currency risk as a result of financial assets, future transactions and investments in foreign companies denominated in currencies other than Sterling.

Exchange gains and losses on financial assets or future transactions are recognised directly in the income statement. A proportion of the Group's costs are incurred in US Dollars, Australian Dollars and New Zealand Dollars. Accordingly, movements in the Sterling exchange rate against these currencies could have a detrimental effect on the Group's results and financial condition. Such changes are not considered likely to have a material effect on the Group's financial position at 31 December 2014.

Foreign exchange risk is managed by maintaining some cash deposits in currencies other than Sterling. The table below shows the currency profiles of cash and cash equivalents:

	2014 £'000	2013 £'000
Sterling	**54**	162
US Dollars	**58**	233
Australian Dollars	**4**	3
	116	398

The table below shows an analysis of net monetary assets and liabilities by the Sterling functional currency of the Group:

	2014 £'000	2013 £'000
Balances denominated in		
Sterling	**(71)**	100
US Dollars	**58**	232
Australian Dollars	**(31)**	(26)
New Zealand Dollars	**(241)**	(169)
	(285)	137

Commodity price risk

Commodity price risk is the risk that the Group's future earnings will be adversely impacted by changes in the market prices of commodities. The Group is exposed to commodity price risk as its future revenues may be determined by reference to market prices of metals.

In addition to any new projects acquired by the Group, future revenue streams may include royalties from the development of third party assets. The Group's revenue from such royalty streams will be dependent on future commodity prices, both in terms of the absolute value of the royalty and the commodity price required for the successful economic development of such assets.

Liquidity risk

Liquidity risk relates to the ability of the Group to meet future obligations and financial liabilities. The Group monitors its risk to a shortage of funds using cash flow models, which consider existing financial assets, liabilities and projected cash inflows and outflows from operations.

The table below sets out the maturity profile of financial liabilities at 31 December.

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Due in less than one month	**415**	53	**159**	47
Due between one and three months	**6**	44	**6**	44
Due between three months and one year	**18**	192	**18**	22
	439	289	**183**	113

31 December 2014 balances due in less than one month, include amounts owed to directors. Fee deferral agreements signed between the Company and the directors on 1 January 2015 deferred amounts owed to directors, totalling £314,000, which may not be claimed for payment before 1 July 2016.

To date the Group has relied upon shareholder funding of its activities. Development of intellectual property, the acquisition of new opportunities, or the recovery of royalty income from third party assets, may be dependent upon the Group's ability to obtain further financing through joint ventures, equity or debt financing, corporate developments or other means. Although the Group has been successful in the past in obtaining equity financing there can be no assurance that the Group will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

Based on a review of the Group's budgets and cash flow forecasts, the directors have identified that if current and near-term corporate development opportunities are unsuccessful in providing adequate funding then the Company will need to raise finance within the next twelve months in order to continue its operations and to meet its commitments.

In common with many mining, exploration and intellectual property development companies, the Company needs to raise finance for its activities in discrete tranches to finance its activities for limited periods. The Directors are confident that the Company currently has a range of corporate development opportunities which could include significant funding outcomes and moreover that, if necessary, any further funding can be raised as and when required.

Notes to the Financial Statements

For the year ended 31 December 2014

Interest rate risk profile of financial assets
Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Group uses. Interest bearing assets comprise cash and cash equivalents. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does not therefore incur interest on overdue balances.

At 31 December 2014 and 2013 the Group had short term deposits which attracted interest as follows:

	2014		2013	
	Interest £'000	**Interest rate**	Interest £'000	Interest rate
Sterling deposits	**1**	**0.2%**	1	0.50%
Australian dollar deposits	**0**	**0.75%**	0	0%

The value of the Group's assets at 31 December 2014 and 2013 and the result for the year would not be materially affected by changes in interest rates.

Fair values of financial assets and liabilities
It is the directors' opinion that the carrying values of the Group's and the Company's financial assets and liabilities as at 31 December 2014 and 31 December 2013 are not materially different from their fair values. They have therefore not been shown separately.

19 Capital management

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern, and develop its activities to provide returns for shareholders and benefits for other stakeholders.

The Group's capital structure comprises all components of equity (i.e. ordinary share capital, share premium, retained earnings and other reserves). At 31 December 2014 the Group had no debt. When considering the future capital requirements of the Group and the potential to fund specific project development via debt the directors consider the risk characteristics of all of the underlying assets in assessing the optimal capital structure.

20 Share based payments and share options

(i) Executive Share Option Plan

The Group operates an Executive Share Option Plan, under which directors, senior executives and consultants have been granted options to subscribe for ordinary shares. All options are share settled.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. This estimate is based on a Black-Scholes model which is considered most appropriate considering the effects of the vesting conditions, expected exercise period and the payment of dividends by the Company.

The following inputs were used in the calculation of the fair value of the share options re-issued or awarded during the period:

Date of Grant	12 May 2014
Fair value (p) [1]	1.5p
Share price (p)	3.875p
Exercise price (p)	4.92p
Expected volatility [2]	68%
Option life	3 years
Expected dividends	0.0%
Risk-free rate of return	0.5%

1 The fair value of options re-issued or awarded on 12 May 2014 was 1.5p per share.
2 Volatility for options granted was estimated based on the Company's daily closing share price during the 12 months prior to the issue of the share options.

(ii) Other share options or warrants

On 15 May 2013 the Company granted 12,000,000 share options to Metalvalue Capital Holdings, exercisable at £0.05 per share until 30 April 2014, at which date the options lapsed, unexercised.

On 15 September 2014 the Company granted 60,000,000 share options to an unnamed "mid-tier mining company", exercisable at £0.03 per share until 15 December 2014, at which date the options lapsed unexercised. The non-refundable fair value of £39,000 received for those options was transferred directly to accumulated losses.

Total contingently issuable shares

	2014	2013
Executive share Option Plan	**12,900,000**	12,900,000
Other share options	**-**	12,000,000
Total contingently issuable shares	**12,900,000**	24,900,000

Notes to the Financial Statements

For the year ended 31 December 2014

The number and weighted average exercise prices of share options are as follows:

	2014		2013	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**5.08p**	**24,900,000**	10.10p	10,175,000
Lapsed during the year (Metaleach Capital Holdings)	**5.00p**	**(12,000,000)**	10.00p	-
Cancelled during the year	**11.0p**	**(500,000)**	10.00p	(9,675,000)
Re-issued during the year	**4.92p**	**500,000**	4.92p	9,675,000
Granted during the year (employees)	**-**	**-**	4.92p	2,725,000
Granted during the year (Metaleach Capital Holdings)	**-**	**-**	5.00p	12,000,000
Granted during the year (un-named "mid-tier mining company")	**3.0p**	**60,000,000**	-	-
Lapsed during the year	**3.0p**	**(60,000,000)**	-	-
Outstanding at the end of the year	**4.92p**	**12,900,000**	5.08p	24,900,000
Exercisable at the end of the year	**4.92p**	**4,300,000**	5.21p	12,416,666

Share options outstanding at 31 December 2014 had a weighted average exercise price of 4.92 pence (2013: 5.08 pence) and a weighted average contractual life of 5.98 years (2013: 3.76 years). To date no share options have been exercised. There are no market based vesting conditions attaching to any share options outstanding at 31 December 2014. All options outstanding at the end of the year have a final exercise date of 22 December 2020.

On 1 January 2013, the 31 December 2012 balance of £558,371 held in the Share Option Reserve was transferred to Accumulated Losses. This represented a change only in balance sheet presentation and had no net effect on total shareholders' equity. All Share Option costs incurred thereafter are charged directly to Accumulated Losses.

On 12 May 2014, 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 4.92p exercise price represented a 27% premium over the closing mid-market share price on 12 May 2014.

21 Commitments

Future commitments for the Group under non-cancellable operating leases are as follows:

	2014 £'000	2013 £'000
Payable within one year	**11**	41

The Group does not sub-lease any of its leased premises. Payments under operating leases recognised in operating loss in the year are set out in note 4.

22 Contingent liabilities

There were no contingent liabilities at 31 December 2014 or 31 December 2013.

23 Related parties

The Group's investments in subsidiaries have been disclosed in note 11.
During the year the Company entered into the following transactions with other Group companies:

	Sale of good and services	**Amounts owed by group companies**			
	£'000	At 1 January £'000	Increase in year £'000	Provisions in year £'000	**At 31 December £'000**
MetaLeach Limited - 2014	**10**	-	467	(467)	**-**
MetaLeach Limited - 2013	**10**	-	467	(467)	-

On 10 September 2014, the Company's subsidiary, Molinetes (BVI) Limited, completed the sale of its entire interest in its subsidiary, Compania Minera Molinetes SAC for the nominal sum of Peruvian Nuevos Soles 100 (approximately £21). Outstanding receivables of £439,339 due from these subsidiaries were written off against provisions. At 31 December 2013 the Company had an outstanding amount receivable from Molinetes BVI Limited of £437,905 and a provision of £437,905 against that balance.

At 31 December 2014 the Company had an outstanding amount receivable from MetaLeach Limited of £2,591,858 (2013: £2,124,138). The Company has recognised a provision of £2,591,858 (2013: £2,124,138) against that balance, which has been assessed as impaired due to the uncertainty of success, over extended timeframes, surrounding the subsidiary's operations. The amount owed is unsecured, interest-free, and has no fixed terms of repayment. The balance will be settled in cash. No guarantees have been given or received.

Notes to the Financial Statements

For the year ended 31 December 2014

Details of directors' emoluments are set out in note 6. Compensation for key management personnel was as follows:

	2014 £'000	2013 £'000
Short-term employee benefits	**597**	616
National Insurance contributions	**31**	24
Other benefits	**5**	6
Share-based payments	**20**	19
	653	665

During the year, MetaLeach Limited paid £nil (2013: £15,000) to consulting metallurgist Dr Katherine Malatt in respect of AmmLeach® testwork supervision. Dr Malatt is the spouse of Garry Johnston, a senior Group employee.

During the year Alexander Mining plc received £18,924 (2013: £16,000) from Equest Limited in respect of office services provided to Global Oil Shale Limited. Mr Matthew Sutcliffe is a director of Alexander Mining plc and was a director of Global Oil Shale Limited until 31 January 2014.

At 31 December 2014, the following amounts were owed to directors of the Company in respect of deferred payments of directors' fees. These amounts, totalling £331,000 (2013:£206,000), are included in Trade and Other Payables (note 16):

Mr M L Sutcliffe	£242,000 (2013:£169,000)
Mr M L Rosser	£ 44,000 (2013:£ 37,000)
Mr J S Bunyan	£ 13,000 (2013: nil)
Mr A M Clegg	£ 2,000 (2013: nil)
Mr R O Davey	£ 15,000 (2013: nil)
Mr E M Morfett	£ 15,000 (2013: nil)

24 Post balance sheet events

Post balance sheet issue of shares:

On 13 January 2015, the Company issued 72,000,000 new shares of 0.1p each for cash at 0.5p each to raise £360,000 (gross). In connection with that placing, the Company issued 3,600,000 warrants, valid for two years, to subscribe for ordinary shares at 0.5p per share

On 13 January 2015 the Company also issued 1,090,909 new shares of 0.1p each, at a price of 0.825p per share, in lieu of £9,000 in fees due to the Company's nominated advisor and 1,500,000 new shares of 0.1p each at a price of 0.80p per share in lieu of £12,000 in fees due to a consultant for investor relations and advisory services.

On 22 January 2015, the Company issued 5,000,000 new shares of 0.1p each, at a price of 0.6p per share, to Cove House Investments Limited, in respect of consultancy and advisory services.

Following admission of the above shares, the Company has a total of 255,910,288 ordinary shares in issue.

On 23 February 2015 the Company announced a non-binding Heads of Agreement ("HoA") signed with Compass Resources Limited ("Compass") a listed Australian public company, for an AmmLeach® licence and certain technical and management services relating to a feasibility study planned for the use of AmmLeach® at Compass's treatment plant and mine in Australia for copper, cobalt and nickel production.

Compass and Alexander are currently working to finalise the definitive agreement ('Agreement'), conditional on completion of Compass' proposed financing. The key commercial terms agreed in the HoA are:

On completion of the definitive agreement, the Company will grant to Compass a licence to use Alexander's leaching technologies (AmmLeach®). The principal terms of the licence and technical consultancy and management services will include:

I. Cash payments by Compass totalling A$1,100,000 to Alexander on commencement of the Agreement;
II. Compass will also pay to Alexander:
    a. A$400,000 three months after the initial fee payment; and
    b. A$425,000 upon delivery of the feasibility study.;
III. A$550,000 during the construction and commissioning stage, dependent on a construction go-ahead decision; and
IV. A royalty of 2.6077% on saleable metal production after capped third party royalties.

Conditional upon the Agreement being executed, and subject to Alexander shareholders' approval at the 2015 AGM, the Company will grant to Compass the following share options:

I. options over 5 million ordinary shares of 0.1p each at an exercise price of 7.5p per share for 18 months from issue; and
II. options over 5 million ordinary shares of 0.1p each at an exercise price of 10.0p per share for 24 months from issue.

Notice of Annual General Meeting

(incorporated and registered in England and Wales under number 5357433)

Notice is hereby given that the Annual General Meeting of Alexander Mining plc will be held at the East India Club, 16 St James's Square, London, SW1Y 4LH at 10:30am on Wednesday 13th May 2015 in order to consider and, if thought fit, pass resolutions 1 to 4 as ordinary resolutions and resolution 5 as a special resolution:

Ordinary Resolutions

1. To receive, consider and adopt the Directors' Report and Accounts for the year ended 31st December 2014, together with the Auditor's report thereon.

2. To re-elect as a director Mr M L Rosser who retires by rotation in accordance with Article 93 of the Company's Articles of Association and who, being eligible, offers himself for re-election.

3. To re-appoint BDO LLP of 55 Baker Street, London W1U 7EU, as auditors of the Company and to authorise the Directors to determine their remuneration.

4. That the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the '2006 Act') to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ('Rights') up to an aggregate nominal amount of £150,000 provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company following the date of the passing of this resolution or (if earlier) 12 months from the date of passing this resolution, but so that the directors may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of that offer or agreement as if the authority hereby conferred had not expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with Section 80 of the Companies Act 1985, or Section 551 of the 2006 Act.

Special Resolution

5. That, subject to the passing of Resolution 4, the Directors be given the general power to allot equity securities (as defined by Section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by Resolution 4 or by way of a sale of treasury shares, as if Section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

5.1 the allotment of equity securities in connection with an offer by way of a rights issue:

5.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

5.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

5.2 the allotment (otherwise than pursuant to paragraph 5.1 above) of equity securities up to an aggregate nominal amount of £150,000.

The power granted by this resolution will unless renewed, varied or revoked by the Company, expire at the conclusion of the next Annual General Meeting of the Company following the date of the passing of this resolution or (if earlier) 12 months from the date of passing this resolution, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply, but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

The Board of Alexander Mining plc recommends that shareholders vote in favour of all the proposed resolutions.

Members or their appointed Proxies are entitled to ask questions of the Board at the Annual General Meeting. The Board will answer any such questions unless (i) to do so would interfere unduly with the conduct of the meeting or involve the disclosure of confidential information; or (ii) the answer has already been given on the Company's web-site; or (iii) to answer such questions is contrary to the Company's best interest or the good order of the meeting.

By order of the Board

T A Cross
Company Secretary
10 April 2015

Registered Office:
1st Floor, 35 Piccadilly, London, W1J 0DW

Notes to the Notice of Annual General Meeting

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting, using the attached Form of Proxy. A proxy need not also be a member. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy and so requires additional proxy forms, the member should contact Capita Asset Services on 0871 664 0300 (calls cost 10p per minute plus network extras, lines are open 9.00am – 5.30pm Mon - Fri). Completion and return of a Form of Proxy will not preclude a member from attending and voting at the meeting should the member so decide.

2. To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be completed and returned so as to reach: (i) the Company's Registrars in accordance with the reply paid details or (ii) by hand to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for the Annual General Meeting or any adjournment thereof.

3. A corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in respect of the same shares.

4. The Company, pursuant to resolution 41(1) of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company at 6:00pm on 11th May 2015 (or, if the meeting is adjourned, at 6:00pm on the day two days prior to the adjourned meeting) be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the number of votes a member may cast). Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

5. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

6. The following documents will be available for inspection during normal business hours on any week day at the Company's registered office up until the date of the Annual General Meeting and at the place of the meeting from 30 minutes before the start of the meeting on 13th May 2015 until the end of the meeting:

   i) a copy of the Memorandum and Articles of Association of the Company;

   ii) the contracts of service and letters of appointment between the Company or its subsidiary undertakings and its Directors.

7. To appoint proxies or give/amend an instruction to an appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID: RA10) by 6:00pm on 11th May 2015 and time of receipt will be taken as the time (as determined by the timestamp applied by the CREST Applications Host) that the issuer's agent is able to retrieve the message. CREST Personal Members or other CREST Sponsored Members, and CREST Members who have appointed voting service providers, should refer to their sponsor/voting service provider for advice on appointing proxies via CREST. Regulation 35 of the Uncertificated Securities Regulations 2001 will apply to all proxy appointments sent by CREST. For information on CREST procedures and system timings, please refer to the CREST Manual.

Form of Proxy

Proxy Form for use by holders of ordinary shares at the Annual General Meeting (the 'AGM') to be held on Wednesday 13th May 2015.
Please read the Notice of the Meeting and the accompanying explanatory notes to this Proxy Form carefully before completing this Proxy Form.

I/We .... **(block capitals please)**

of ....

being a member/members of Alexander Mining plc, appoint the Chairman of the AGM or (see Explanatory Note 2)*

....

as my/our proxy to exercise all or any of my/our rights to attend, speak and vote in respect of my/our voting entitlement on my/our behalf as indicated below at the AGM and at any adjournment thereof (see Explanatory Notes 3, 4 and 5).

☐ Please tick here if this proxy appointment is one of multiple appointments being made.

* For the appointment of more than one proxy, please refer to Explanatory Note 4. Please clearly mark the boxes below to instruct your proxy how to vote.

Resolutions	For	Against	Vote withheld	Discretionary
Ordinary Resolutions				
1. Adoption of Report and Accounts	☐	☐	☐	☐
2. Re-election of Mr M L Rosser	☐	☐	☐	☐
3. Re-appointment of BDO LLP	☐	☐	☐	☐
4. Authority to allot new shares	☐	☐	☐	☐
Special Resolution				
5. Dis-application of pre-emption rights	☐	☐	☐	☐

Signature (see Explanatory Note 6) .... Date ....

Explanatory Notes to the Proxy Form:

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM on your behalf. You should appoint a proxy using the procedure set out in these Explanatory Notes.

2. A proxy need not be a member of the Company but must attend the meeting to represent you. If you wish to appoint as a proxy a person other than the Chairman of the AGM, please delete the words "the Chairman of the AGM" and insert the full name of the other person in the box provided on this Proxy Form. If you sign and return this Proxy Form with no name inserted in the box, the Chairman of the AGM will be deemed to be your proxy. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this Proxy Form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).

3. The completion and return of this Proxy Form will not prevent you from attending in person and voting at the AGM should you subsequently decide to do so. However, if you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

4. You are entitled to appoint more than one proxy provided that each proxy is appointed to exercise rights attached to a different share or shares held by you. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please use a photocopy of this form or contact Capita Asset Services on 0871 664 0300 (calls cost 10p per minute plus network extras, lines are open 9.00am – 5.30pm Mon - Fri). Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided, if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

5. If you wish your proxy to cast all of your votes for or against a resolution you should insert an "X" in the appropriate box. If you wish your proxy to cast only certain votes for and certain votes against, insert the relevant number of shares in the appropriate box. The "Vote Withheld" option is provided to enable you to instruct your proxy to abstain from voting on a particular resolution. A "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" or "Against" a resolution. The "Discretionary" option is provided to enable you to give discretion to your proxy to vote or abstain from voting on a particular resolution as he or she thinks fit. In the absence of instructions, your proxy may vote or abstain from voting as he or she thinks fit on the specified resolutions and, unless instructed otherwise, may also vote or abstain from voting as he or she thinks fit on any other business (including on a motion to amend a resolution, to propose a new resolution or to adjourn the AGM) which may properly come before the AGM.

6. This Proxy Form must be signed by the member or his/her attorney. Where the member is a corporation, the Proxy Form must be executed under its common seal or signed by a duly authorised representative of the corporation, stating their capacity (e.g. director, secretary). In the case of joint holders, any one holder may sign this Proxy Form. The vote of the senior joint holder (whether in person or by proxy) will be taken to the exclusion of all others, seniority being determined by the order in which the names stand in the register of members in respect of the joint holding.

7. To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be completed and returned so as to reach
(i) the Company's Registrars in accordance with the reply paid details,
(ii) or by hand to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not less than 48 hours before the time appointed for the meeting.

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the AGM and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6pm on the day which is two days before the day of the AGM or adjourned meeting. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

9. All alterations made to this Proxy Form must be initialled by the signatory.

10. If you submit more than one valid proxy appointment in respect of the same share or shares, the appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which was received last, none of the proxy appointments in respect of that share or shares shall be valid.

11. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

Second fold

BUSINESS REPLY
Licence No. RLUB-TBUX-EGUC

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PXS 1
34 Beckenham Road
Beckenham
BR3 4ZF

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First fold

Company Information

Company Information

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Website: www.alexandermining.com

Company registration number: 5357433

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Company Secretary
T A Cross

Directors
M L Sutcliffe
M L Rosser
J S Bunyan
A M Clegg
R O Davey
E M Morfett

Registrars

Capita Asset Services
40 Dukes Place, London, EC3A 7NH

Auditor

BDO LLP
55 Baker Street, London, W1U 7EU

Nominated Adviser and Broker

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