HAMBLEDON MINING PLC

Interim results to 30 June 2011

27 September 2011

Hambledon Mining Plc ("Hambledon" or the "Company"), the AIM quoted gold mining company based in Kazakhstan, announces today its unaudited interim results for the six months to 30 June 2011.

Highlights:

- Gold production from Sekisovskoye was 9,769 ounces (six months to 30 June 2010: 9,669 ounces).
- Operating loss was £1,431,000 (profit for six months to 30 June 2010: £73,000).
- Costs relating to the exceptional clearance of waste from the open pit mine, estimated at £900,000, are included in cost of sales.
- Processing plant ran smoothly throughout the period.
- Cash at 30 June 2011 was £4.1m (30 June 2010: £1.1m).
- Capital expenditure in the period was £4.2m.
- Jeff O'Leary appointed as new non-executive director to replace Chris Thomas who has retired.
- Acquisition of Akmola Gold. Reproduced below in the "Akmola Gold" section of the Chief executive's review is an extract of the announcement made on 15 September 2011.

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CHAIRMAN'S STATEMENT

I am pleased to report to shareholders for the six months to 30 June 2011.

Review of 2011 to date
Although the year started relatively well with a much better first quarter than in 2010, the second quarter proved difficult as we began to remove excess waste from the open pit at Sekisovskoye. This adversely impacted our mined ore output and caused us to treat previously stockpiled low-grade ore from which lower metallurgical recoveries are obtained. The high stripping ratio is expected to decline substantially next year.

The process plant has worked smoothly throughout the period due to both the upgrades we have put in place, and the increased spare parts inventory, which have reduced down time considerably.

We raised £8.6m net of expenses in March 2011 in a placing and open offer to all shareholders. The cash raised has been used to upgrade and modernise parts of the operation and waste management so that we are well placed to face the future. The underground mine development is continuing to plan.

Directorate changes
We recently announced the retirement from the board of Chris Thomas. His role as chairman of BBDO Asia expanded and it became more difficult for him to devote the time to Hambledon's affairs that he wished. He has been a great supporter of Hambledon's development in so many ways and we shall miss his valuable input.

We were delighted though to announce the appointment of Dr Jeff O'Leary as a non-executive director in August 2011. He has a wealth of gold mining experience which he will bring to Hambledon's board.

Outlook
The acquisition of Akmola Gold was announced on 15 September 2011. Upon completion, it will provide shareholders with increased future growth and strategic diversification of our asset base.

Two further senior staff have been recruited to provide engineering and technical support to the Group.

George Eccles
26 September 2011

CHIEF EXECUTIVE'S REVIEW

SEKISOVSKOYE

Mining

Open pit operations performed well with record levels of extraction being achieved in the first six months of 2011. A programme of improved maintenance and the re-organisation of open pit mining activities, together with an enhanced incentive scheme, has seen monthly waste extraction sometimes exceed 400,000 tonnes, a 25 per cent. improvement over 2010.

Increased waste extraction has been necessary to ensure access to all mine working areas of the open pit. Commensurate improvements have been made to drill and blast, grade control and reductions in wear and tear of the tyres, suspension and chassis of the mining fleet. Due to the world-wide mining boom at present, spares for these are increasingly hard to source.

The 7.3:1 stripping ratio of waste to ore seen so far in 2011 will remain at high levels until the end of the year, with significant reductions to a level of 4:1 expected in the first quarter of 2012. The result of this has been a much higher overall cost of production but this will return to a lower level once normal open pit extraction schedules are resumed. It is estimated that approximately £900,000 was spent in the six months removing this excess waste. Lower stripping in 2012 will also allow for part of the mining fleet to be used in the construction of tailings dam four.

The tailings dam complex is being expanded with a fourth dam to be constructed over the next 18 months. A fifth and final tailings dam will be built in tandem and is designed to impound all process plant effluent for the open pit and underground operations. The design of tailings dam five is such that it enlarges all the site tailings dams by raising all the dam complex embankments.

Processing

Processing operations for 2011 have continued smoothly and without interruption. Process plant throughput was 361,000 tonnes for the six months, with the average grade of gold being 1.03 grammes per tonne. The grade was lower due to the feedstock being comprised of ore from both the open pit mine and the low grade stockpile. The treatment of low grade ore was necessitated by the exceptionally high level of waste being extracted from the open pit mine.

A new jaw crusher has been installed and the first stage of the refurbishment of the cone crushers completed. A second and more significant refurbishment and replacement programme for the cone crushers is due for completion at the end of 2011.

The engineering workshops situated adjacent to the mineral processing plant have been expanded and improved.

A second high voltage electrical line to the Sekisovskoye mine and mineral process plant has been designed and tenders for its construction will be issued once necessary permits are received from the local authorities.

Export of precious metals from Kazakhstan was interrupted during June, July and August as a result of a delay in implementation in Kazakhstan of the regulations required by the Russian, Kazakhstan and Belarus customs union. The higher gold price at the time of eventual export and sale resulted in higher revenue for the doré produced during this period.

Underground project

Development of the surface decline to the 320 mrl level is progressing on schedule and within budget. The decline has intersected the upper zones of Orebody number 11 and drilling to delineate the ore zones prior to mining has commenced. Explosives magazines, dewatering stations, ventilation raises, low voltage transformer stations, labour refuge bays and small work bays have also been constructed.

The decline is due to intersect the 320 mrl tunnels at the end of 2011. This will enable flow-through ventilation and an improved mine environment necessary for underground mine extraction. In addition, this connection provides a secondary means of egress from the mine for safety.

Some mining machinery for extraction has been ordered and delivered, with the second phase of procurement scheduled once the mineral resource estimates and mine engineering studies are completed at the end of 2011. This should ensure that the equipment size optimally matches the mine design.

Geological works on the 320 mrl are progressing well, with approximately 8,000 metres of diamond drilling completed. The results confirm the grade of the underground ore and have shown that there are wider zones of gold mineralisation which will allow lower cost bulk mining operations. This work will continue into 2012, with a 25,000 metre drill programme scheduled.

Safety and training

The Company's sound safety performance during 2011 continued with no significant accidents or incidents reported. Training of personnel through in-house and external trainers continues with a focus of improved maintenance of plant machinery and site infrastructure.

Environmental

The Company's good environmental performance during 2011 continued with no significant incidents reported. With the construction of the fourth tailings dam underway, significant quantities of good quality topsoil and clay are being stockpiled in readiness for rehabilitation works of the overall tailings dam complex.

Community

The Company has excellent community relations which were further developed with a national TV broadcast highlighting the Company's employment and positive contribution to the local economy in the Sekisovskoye region. A commitment was made by the Company to the local region for the construction of a playing field for school children.

AKMOLA GOLD

The following is an extract from our announcement on 15 September 2011:

"Hambledon Mining plc ("Hambledon Mining" or "Company")(AIM: HMB), the Kazakhstan gold mining and development company, today announces that it has entered into an agreement for the purchase of 100% of Akmola Gold LLP ("Akmola Gold"), subject to certain government waivers and consents.

Highlights

- *Acquisition of two wholly owned precious metals projects, Tellur and Stepok, both situated in central Kazakhstan, some 140 km North of Astana;*
- *Combined resources of some 440,000 ounces of gold plus silver and other metals, with considerable up-side potential after further drilling;*
- *Total consideration is US$5 million, payable fifty per cent in cash and fifty per cent. in ordinary shares of the Company;*
- *Tellur is an underground mine with a resource totaling over 140,000 ounces of gold at an average grade of over 17 g/t and is expected to be in production before the end of Q2 2013;*
- *Stepok is an advanced exploration project with estimated resources of some 300,000 ounces of gold together with significant quantities of copper, lead and zinc"*

FINANCIAL

Sekisovskoye produced 9,769 ounces of gold in the six months to 30 June 2011. After adjustment for work-in-progress at the start and end of the period, 9,595 ounces were poured. 8,410 ounces were sold to the refiner for an average of £896 per ounce in the six months to 30 June 2011. Sales of silver totaled £348,000. 1,097 ounces of gold with a sale value of approximately £1 million were on the refiner's premises at 30 June 2011. This doré was included in finished goods at 30 June 2011 and valued at cost of production. Previously, minimal amounts of gold doré were held at the refinery. There were no other material sources of revenue.

The cost of gold production in the six months was £881 per ounce. This was high in the six months due to the backlog of stripping work in the open pit which has been carried out and the refurbishment of much old machinery. The cost of the backlog of waste removal added approximately £92 per ounce.

Capital expenditure in the six months was £4.2 million. The main items of capital expenditure were £1.9 million for underground development and associated equipment, £0.5 million for tailings dam construction, £0.2 million for a new jaw crusher and £0.7 million for mobile equipment for the open pit mine including a new excavator.

Corporate administration costs in the six months to 30 June 2011 were £0.8 million. These comprised directors and other staff salaries, professional fees, the cost of maintaining the Group's listing on London's Alternative Investment Market.

The Group prepares its financial statements in pounds sterling but the functional currency of the companies in Kazakhstan is the Kazakhstan tenge ("KZT"). The rates used to convert Kazakhstan tenge and United States dollars into pounds sterling in these financial statements are as follows:

	30 June 2011	***31 December 2010***
£1 = US$	1.60	1.55
£1 = KZT	234.01	231.44
US$1 = KZT	146.25	149.60

This is the last time that the Company will report in pounds sterling. The results for the year ended 31 December 2011 will be reported in United States dollars.

Condensed group income statement
Six months ended 30 June 2011

	Note	Six months to 30 June 2011 (unaudited) £000	Six months to 30 June 2010 (unaudited) £000	Year ended 31 December 2010 (audited) £000
Continuing operations				
Revenue		7,947	7,224	18,795
Cost of sales		(7,761)	(5,666)	(13,230)
Gross profit		186	1,558	5,565
Administrative expenses		(1,617)	(1,485)	(2,963)
Operating (loss) / profit		(1,431)	73	2,602
Investment revenues		6	3	8
Other gains / (losses)		128	(135)	(124)
Finance costs		(85)	(120)	(339)
(Loss) / profit before taxation		(1,382)	(179)	2,147
Taxation charge		(67)	(125)	(181)
(Loss) / profit from continuing operations		(1,449)	(304)	1,966
Discontinued operations				
Loss for the period		-	-	(48)
(Loss) / profit attributable to equity shareholders	4	(1,449)	(304)	1,918
(Loss) / profit per ordinary share Continuing operations				
Basic	5	(0.23)p	(0.06)p	0.38p
Diluted	5	(0.23)p	(0.06)p	0.38p
(Loss) / profit per ordinary share From continuing and discontinued operations				
Basic	5	(0.23)p	(0.06)p	0.37p
Diluted	5	(0.23)p	(0.06)p	0.37p

Condensed group statement of comprehensive income
Six months ended 30 June 2011

	Six months to 30 June 2011 (unaudited) £000	Six months to 30 June 2010 (unaudited) £000	Year ended 31 December 2010 (audited) £000
(Loss) / profit for the period	(1,449)	(304)	1,918
Currency translation differences on foreign currency net investments	292	1,179	535
Total comprehensive (loss) / profit for the period attributable to equity shareholders	(1,157)	875	2,453

Condensed group balance sheet
30 June 2011

	30 June 2011 (unaudited) £000	30 June 2010 (unaudited) £000	31 December 2010 (audited) £000
Non-current assets			
Property, plant and equipment	17,847	15,339	15,231
Inventories	3,796	-	3,776
Restricted cash	154	80	104
	21,797	15,419	19,111
Current assets			
Inventories	6,502	6,684	3,763
Trade and other receivables	3,568	2,372	3,066
Cash and cash equivalents	4,074	1,056	620
	14,144	10,112	7,449
Total assets	35,941	25,531	26,560
Current liabilities			
Trade and other payables	(3,426)	(1,834)	(1,518)
Other financial liabilities	(174)	(155)	(182)
Provisions	(172)	-	(126)
Borrowings	-	(524)	-
	(3,772)	(2,513)	(1,826)
Net current assets	10,372	7,599	5,623
Non-current liabilities			
Trade and other payables	-	(470)	-
Other financial liabilities	(992)	(740)	(1,107)
Deferred taxation	(318)	(137)	(318)
Provisions	(832)	(841)	(833)
	(2,142)	(2,188)	(2,258)
Total liabilities	(5,914)	(4,701)	(4,084)
Net assets	30,027	20,830	22,476

The amounts above for “Other financial liabilities” incorporate the restatement of certain prior year comparatives for 30 June 2010 as set out in note 3.

Condensed group balance sheet (continued)
30 June 2011

	30 June 2011 (unaudited) £000	30 June 2010 (unaudited) £000	31 December 2010 (audited) £000
Equity			
Called-up share capital	743	516	516
Share premium	42,407	33,996	33,996
Merger reserve	(148)	(148)	(148)
Other reserves	399	290	329
Currency translation reserve	(214)	138	(506)
Accumulated losses	(13,160)	(13,962)	(11,711)
Total equity	30,027	20,830	22,476

Condensed group cash flow statement
Six months ended 30 June 2011

	Six months to 30 June 2011 (unaudited) £000	Six months to 30 June 2010 (unaudited) £000	Year ended 31 December 2010 (audited) £000
Net cash (outflow) / inflow from operating activities	(910)	5	2,386
Investing activities			
Interest received	6	3	8
Proceeds on disposal of property, plant and equipment	7	35	2
Purchase of property, plant and equipment	(4,227)	(924)	(3,180)
Restricted cash	(50)	(39)	(63)
Net cash used in investing activities	(4,264)	(925)	(3,233)
Financing activities			
Proceeds on issue of shares	8,638	-	-
Drawdown of bank loans	-	524	-
Net cash inflow from financing activities	8,638	524	-
Increase / (decrease) in cash and cash equivalents	3,464	(396)	(847)
Cash and cash equivalents at beginning of the period	620	1,462	1,462
Effect of foreign exchange rate changes	(10)	(10)	5
Cash and cash equivalents at end of the period	4,074	1,056	620

Notes to the interim condensed group financial statements
Six months ended 30 June 2011

1 General information

These interim group financial statements are for the six months ended 30 June 2011 and are unaudited. The information for the year ended 31 December 2010 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The financial information for the year ended 31 December 2010 has been extracted from the statutory accounts of Hambledon Mining plc ("the Group") for that year that were prepared under United Kingdom Law and International Financial Reporting Standards (IFRS) adopted by use by the European Union. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under Section 498(2) or (3) of the Companies Act 2006.

2 Accounting policies

The interim group financial statements have been prepared using the accounting policies set out in the statutory accounts for Hambledon Mining plc for the year ended 31 December 2010. These accounting policies comply with International Financial Reporting Standards (IFRS) adopted by use by the European Union

3 Restatement of comparative

Prior to 2010, the Group's liability for historic cost was classified in its balance sheet as a provision. From 2010, the liability has been classified as an other financial liability and the comparative amount for 30 June 2010 has been reclassified accordingly. The reclassification was as a result of an amendment to the Kazakhstan tax code in 2009, following which there was no longer any uncertainty as to the timing or amount of the payments. The amended classification would not have had a material impact on the income statement for the six months ended 30 June 2010.

4 Dividend

The directors do not recommend the payment of a dividend.

5 (Loss) / profit per ordinary share

The calculation of basic and diluted earnings per share from continuing and discontinued operations is based upon the retained (loss) / profit for the financial period.

The weighted average number of ordinary shares for calculating the basic (loss) / profit per share and diluted (loss) / profit per share after adjusting for the effects of all dilutive potential ordinary shares relating to share options are as follows:

	Six months to 30 June 2011 (unaudited)	Six months to 30 June 2010 (unaudited)	Year ended 31 December 2010 (audited)
Basic and diluted	630,382,153	516,089,233	516,089,233

6 Approval of interim group financial statements

The interim group financial statements for the six months to 30 June 2011 were approved by the directors on 26 September 2011.

Company Information

Directors	George Eccles *Non-executive chairman* Timothy Daffern *Chief executive* Nicholas Bridgen *Non-executive director* Jeff O'Leary *Non-executive director* Baurzhan Yerkeyev *Executive director*
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