

06 December 2013

**Hambledon Mining plc**  
("Hambledon" or the "Company")

**Strategic Review of Mining Operations**

Hambledon Mining plc (AIM: HMB), the gold mining and development company, today announces the results of its recent strategic review and details of its long-term mine development plan.

Following completion of the strategic review and in light of the operational improvements in the mining operations, the board of directors of Hambledon (the "Board") believes that the Company's prospects will be significantly improved by adopting a new Sekisovskoye mine development plan which is designed to better exploit existing infrastructure and the large resource base.

**Key highlights**

- Significant increase in management's estimate of underground resources from 1.8 million ounces ("Moz") to approximately 6 Moz of gold with average grade of 5.34 grammes per tonne ("g/t"), using a 3 g/t cut-off grade. This revised estimate results from an extensive underground drilling programme of over 53,000 metres
  - A full independent Competent Person's Report ("CPR") is currently being prepared by Venmyn Deloitte with publication expected in early 2014
  - The existing processing plant, surface and underground infrastructure together with an underground operating transport decline combine to support a robust economic case for the expansion of underground mining operations
- 22 year Life of Mine ("LOM") with robust economics and projected to generate in the region of US\$1 billion in free cash flow, according to management estimates
- Expected gold production of 27,500 ounces ("oz") for the year ended 31 December 2013 which is forecast by management to increase to more than 100,000 oz per year by 2017, a compound annual growth rate of 35 per cent
- Management's total LOM production cost forecast to be around \$560/oz of which the cash cost is anticipated to be around \$500/oz - underpins the economic viability of the mine, even if gold prices were to fall significantly
- Estimated total remaining mine development capital expenditure of approximately US\$130 million, with the bulk of spend forecast to occur over the next three years. The majority of this capex is forecast to be met through internally generated cash flow, with the balance to be funded through a combination of debt and, if appropriate, equity.

**Aidar Assaubayev, CEO of Hambledon Mining, commented:**

*“Following a process that began a year ago, the Board and senior management of Hambledon have developed a long-term plan with the goal of becoming Central Asia’s leading gold miner in terms of both production and reserves.”*

### **Detailed summary of the strategic review and new mine development plan**

#### ***Update on Resource Estimate and CPR timing***

Following an extensive underground diamond drilling program, totalling over 53,000 metres, management has increased its internal resource estimate from 1.8 Moz to approximately 6 Moz of gold with an average gold grade of 5.34 g/t, using a 3 g/t cut-off grade. It is expected that an independent CPR, scheduled for release in early 2014, will convert a significant portion of this internal resource estimate into a JORC compliant resource category.

In total of 258 holes were drilled, comprising of:

- 53,804 metres of underground exploration drilling from the +250mrl
- Over 28,000 metres of underground exploration drilling is in progress from the 0mrl level to -400mrl

The maximum depth of the zone tested was 870 metres and drilling was generally conducted at intervals of 20 to 40 metres.

#### ***Capital Expenditure Budget***

The Board has approved a capital expenditure budget of approximately US\$130 million for the underground mine development over the life of mine. The key areas of capital spend are:

- Construction of two shafts to a depth of 1,000 metres
- Main ore-handling and ancillary equipment
- Commercial discovery bonus, contingency reserve, and increased working capital requirement

The peak of capital expenditures is scheduled to occur in 2014-2015, with shaft construction to be completed by 2016 and the mine reaching its full design capacity by 2017. During the period of shaft construction, underground mining will continue with the existing transport decline used to deliver ore to surface.

### ***Production Forecast***

Production is forecast by management to increase from 22,470 oz in 2012 to over 100,000 oz per annum by 2017, after completion of the two shafts. Management is forecasting production for the year ended 31 December 2013 to be approximately 27,500 oz.

The presence of existing surface and underground infrastructure, a modern processing plant, operating transport decline, and a gold grade of approximately 5.34 g/t, significantly enhances the project economics.

### **Investor Presentation**

An investor presentation which provides supplemental information regarding our capital expenditure budget and our long-term mine development plan, may be found on our website <http://www.hambledon-mining.com/> under the heading "Hambledon Mining: Growing Central Asia Gold Producer" link.

### **Review by Qualified Person**

Oleg Leonidovich Gorozhanin, senior consultant, has reviewed and approved the technical information contained within this announcement in his capacity as a qualified person under the AIM Rules. Mr. Gorozhanin holds a Ph.D. in geological and mineralogical sciences, is a member of the Association of Geological Organizations, is a member of the Russian Academy of Science (Geological and Mineralogical Division) and has over 40 years of relevant mining industry experience.

### **Enquiries**

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