

April 30, 2013

**Hambleton Mining Company  
("Hambleton" or "Company")**

**Activities Report for the Quarter Ended March 31, 2013**

Hambleton Mining plc (AIM: HMB), the gold mining and development group, today provides its first operational and corporate report since the closing of the partial tender offer by the African Resources (investor consortium) and the appointment of its new chief executive, Aidar Assaubayev. This report covers the three months from January 1 to March 31, 2013 and provides a production update for the year ended December 31, 2012. A copy of this report will be available on the Company's website [www.hambleton-mining.com](http://www.hambleton-mining.com)

**GENERAL**

Since the successful partial tender offer, there has been a complete overhaul of the senior management team of the Company, including the appointment of a new chief executive and new chief financial officer. Under the leadership of the new CEO, Aidar Assaubayev, Hambleton has embarked on a comprehensive review of its operations and strategy with a view to transforming itself into a world class gold mining company and enhancing the return to shareholders. Key elements of this operating and strategic review are:

- Preparation of revised mining plans and optimization of existing operations as well planning for organic and, potentially, inorganic growth
- Design and implementation of initiatives leading to cost rationalization and greater operational efficiency, including reduction of corporate overheads in the UK
- Resolution of legacy issues

The Company expects to complete this review in the near term and will provide a comprehensive update to shareholders at that time. Nonetheless, many of the benefits have already materialized and are reflected in the companies' results and improvements in its financial health and cash generation.

**PRODUCTION FIGURES**

Production figures for three months from January 1 to March 31, 2013:

	January	February	March	Total
Milled tonnes (dry)	37,669	40,209	55,999	133,877
Gold grade (g/t)	1.50	1.41	1.28	1.38
Contained gold (oz)	1,810	1,819	2,298	5,928
Gold recovery (%)	92.1%	82.2%	83.6%	85.8%
Total recovered gold (oz)	1,667	1,495	1,921	5,084
Total recovered silver (oz)	1,703	1,631	3,113	6,448

**Production Highlights**

Jan-Mar 2013 Jan-Mar 2012 YoY Change

Gold production (oz) 5,084 4,870 4.4%

Silver production (oz) 6,448 5,029 28%

Gold recovery rate (%) 85.8% 78.0% 10%

**Production figures for the calendar year ended December 31, 2012.**

	Q1	Q2	Q3	Q4	Total
Milled tonnes (dry)	146,080	179,156	167,242	136,253	<b>628,731</b>
Gold grade (g/t)	1.33	1.28	1.35	1.58	<b>1.37</b>
Contained gold (oz)	6,240	7,388	7,270	6,905	<b>27,803</b>
Gold recovery (%)	78.0%	79.0%	80.8%	83.7%	<b>80.4%</b>
Total recovered gold (oz)	4,870	5,840	5,875	5,778	<b>22,363</b>
Total recovered silver (oz)	5,029	6,856	7,469	7,195	<b>26,549</b>

**MINING AND PROCESSING**

During the quarter ended March 31, 2013, mining activities continued to be centered on open pit mining, which was the sole source of material for the processing plant. 133,877t of ore with an average gold grade of 1.38 g/t was milled during the quarter. This represents a slight increase over the comparable quarter of last year when 131,576t of ore with an average grade 1.18 g/t was milled from the open pit.

Despite lower overall amount of ore milled during the quarter, the processing plant produced 5,084oz of gold and 6,448oz of silver compared to 4,870oz of gold and 5,029oz of silver in comparable quarter of last year. The increase in gold production was driven by higher recovery rate of 85.8%, which resulted from the optimization of the processing flow and efficiency measures implemented by the new management team. The processing plant recovery rate was 83.7% in the October-December quarter of last year and averaged 80.4% for the full year 2012.

**PROCESSING PLANT IMPROVEMENT**

The processing plant recovery rate increased from 83.7% to 85.8% within the quarter and is one of the early benefits of the strategic review and a complex of measures aimed at the improvement of the technological process implemented this year:

- Operation of the crushing plant was stabilized following the installation of the oversize rock removing facility at the jaw crusher, significantly reducing down time, increasing throughput capacity and overall efficiency.
- New high capacity tailings and recycled water pumps have been installed, achieving a more stable sorption process positively effecting recovery rate.
- New heat-exchange elusion units and second elusion column were installed, ensuring a stable temperature and a 20%-25% reduction of the elution time, thus reducing operating expense and improving gold and silver recovery rates.
- A number of other efficiency measures were undertaken to improve overall technological process.

Management is looking to effect further improvements in the processing plant.

**INFRASTRUCURE**

All repair works at the Tailings Dam 3 (TD3) have been completed. All required permits were obtained in December 2012. TD3 was commissioned in January 2013 and is operating in accordance with its design parameters.

The Company is engaged in active dialogue with all the principal interested parties, including the Ministry of Environment and various local authorities regarding the environmental claims arising out of the spillage at the Tailings Dam (TD3) that arose in October 2011 to ensure that its activities are consistent with not only law but also environmental best practices in Kazakhstan. Significant progress has been made in mitigating the concerns raised by various regulatory and

local authorities and the Company has prepared and submitted a completely revamped environmental study to the Kazakh authorities and courts. While no assurance can be given, the Company is optimistic that a final resolution of the ongoing environmental litigation that is acceptable to all parties will be achieved in the near future.

### **UNDERGROUND**

Under the previous management, underground operations were suspended. Capital spending on the underground mine was stopped and the mining contractor ceased underground operations in the zones of access and left the site in October 2012.

The new management is committed to the development of the underground mine and work was restarted in January. Following the strategic review by the new management team, a new mining plan for the underground mine has been prepared:

- Construction of the decline access to the underground deposit is in progress;
- Preproduction work commenced and 180m of multiple underground tunnels mined during the quarter enabling access to mining zones for ore bodies #11 and #3;
- Design for underground monitoring station completed and design for the development of new underground levels is in progress;
- Additional dewatering facility built at the +327m level allowing the start of drilling and mining at levels +295m, +285m, and +275m;
- New explosives storage facility built at +390m level; and
- Tender conducted and underground mining works subcontractor selected.

### **UNDERGROUND DRILLING**

The Company continued the diamond drilling program in accordance with the strategic plan. Following very encouraging drilling results, the new management accelerated the drilling program and an additional 8,950m were drilled during the quarter. In total, 30,650m have been drilled as of March 31, 2013. The drilling program continues with additional drilling focused on the deeper ore bodies reaching to the +20m level. The entire drilling program was increased from 25,000m to 38,000m. Management is encouraged by early drilling results and is targeting a considerable increase in underground gold resources following completion of the drilling program in 2013.

### **ACQUISITIONS AND AKMOLA GOLD**

The Company continues to examine a number of acquisitions and other inorganic growth opportunities. These are at very early stages and at the present the principal focus remains improvement and growth in the current operations.

The vendors of the Akmola Gold deposit have given the Company notice of termination and Hambledon is discussing a potential restructuring of the Akmola Gold acquisition which will take into account changed market conditions as well the monies already advanced to Akmola Gold and the vendors.

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