

Regulatory Announcement

Company Hambledon Mining PLC
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HAMBLEDON MINING PLC

Drilling results and project progress

Hambledon Mining Plc ("Hambledon" or the "Company"), an AIM-listed mining and exploration company developing precious metal deposits in Kazakhstan, announces the results from the recent drilling programme.

Highlights:

- Excellent results indicate significant mineralisation to the south-east of the planned main pit including 23m at 3.06 grammes per tonne (g/t) and 11m at 2.65 g/t at shallow depths
- The above results indicate the presence of additional dilation zones which are likely to further increase the size of the planned open pit
- So far this year, 3,400 metres of core have been drilled. Drilling is on schedule for a further 700 metres to be drilled at Sekisovskoye and 2,000 metres at Tserkovka to complete the 2005 exploration programme
- Open pit preliminary design nearing completion
- Optimisation studies show open pit potential for up to 260,000 ounces, at an average mill feed grade of 1.7 g/t and a stripping ratio of 2.5:1, a further increase of 42% over the uplift announced in March 2005
- Final mill design and associated regulatory submissions nearing completion
- Procurement of major process equipment initiated
- Site offices procured and project staff recruited
- Work commenced on preparing site and upgrading access roads
- Underground resource estimate nearing completion

Nick Bridgen, Chief Executive of Hambledon Mining Plc, commented:

"We are making good progress on all fronts. The open pit project is getting larger, more profitable, and more imminent. This will give us a very easy start, but we must not lose sight of the fact that the long term future, and most of our value, lies in the much greater underground resource at Sekisovskoye and the excellent exploration territory surrounding it. The new drilling and the modelling of both the underground and upper, open pitable, levels have shown that the project is capable of growing into a major deposit."

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Exploration

Hambledon Mining is pleased to announce latest results from the 2005 diamond drilling programme for the Sekisovskoye Project. The highlight of this drilling so far is diamond hole GEO108 which yielded assay results of 23.1 m @ 3.06 g/t including an intersection of 4.0 m @ 11.56 g/t.

The 2005 diamond drilling programme was planned to achieve four objectives: to test extensions to the known existing orebodies; to carry out continuity drilling along the mineralisation trend; to increase the level of confidence of the known orebodies by carrying out in-fill drilling and to ensure that the planned site of the process plant for construction is not covering any exploitable mineralisation.

Hole GEO108 was planned to test for extensions to Orebodies 3 and 8 along a strike to the south east. As well as the above intersection in Orebody 3, an additional intersection of 11.0 m @ 2.65 g/t including 5.0 m @ 4.37 g/t was achieved in Orebody 8. These intersections will extend the strike of these orebodies and will result in an enlargement of the planned open pit.

Drill highlight results received so far are:

Diamond Drill Hole	Depth down hole from. (m)	Depth down hole to (m)	Intersection length (m)	Assay grade (g/t)
GEO108	31.5	54.6	23.1	3.06
including			4.0	11.56
GEO108	81.6	92.6	11.0	2.65
including			5.0	4.37
GEO099	16.2	21.2	5.0	2.11
including			1.0	6.11
GEO107	70.0	74.0	4.0	2.98
GEO114	95.8	97.5	1.7	7.15
including			1.0	10.50
GEO126	53.6	51.6	8.0	4.71
including			3.0	9.06
GEO105	61.0	65.0	4.0	3.84
GEO105	84.2	86.0	1.8	8.08
GEO121	95.2	96.2	1.0	8.61
GEO122	123.5	125.5	2.0	5.02
GEO123	7.3	8.3	1.0	20.50
GEO122	111.0	115.1	4.1	2.09

Drill hole GEO099 was planned to test the northern extent of Orebody 2. Additional holes are currently being drilled to test for extensions of this orebody to the south.

GEO107 and GEO114 were testing the continuity of Orebody 10. GEO126 was testing the continuity of Orebody 8. GEO105 was targeted to gather in-fill data on Orebody 11. Holes GEO121, GEO122 and GEO123 were drilled to provide infill data on Orebodies 6 and 8.

The current drilling programme is continuing with additional assay results expected in September. Currently, planning is under way for an underground drilling programme from the existing underground workings. This drilling will

target the area in the region of the interface between the planned open pit and planned underground workings and is a necessary part of the regulatory mine approval process.

Open Pit Project Status

Sekisovskoye Mining Company (SMC), the wholly owned subsidiary of Hambledon Mining, is progressing with other aspects of the feasibility study and process design for the 600,000 tonne per annum Open Pit Project. The work was predicated on preliminary studies of milling and mining methods conducted in 2003 as well as geological models prepared by Computer Resource Services (Almaty and UK).

Initially a 500,000 tonne per annum mining/treatment rate was envisaged but this has increased to 600,000 tonne per annum, based on updated resource modelling. The annual gold production (including silver equivalent) will be 30,000 to 35,000 ounces based on an open pit mill feed grading from 1.6 to 2.0 g/t Au at a stripping ratio of approximately 2.5 to 1. The current status of the Project is described below.

Open pit preliminary design

The open pit planning is progressing well with South African mining consultant, GeoMine Solutions, having completed the initial pit optimisation using Whittle pit optimisation software. Geotechnical analysis was carried out by the Karaganda Technological Institute to determine appropriate pit slopes. Metallurgical and cost data generated from laboratory test work, first principles, quotes from local contractors and estimates from similar mining operations in the region were input into Whittle to generate the optimised pit. Optimisation studies are continuing and the largest pits under consideration show the potential for mining three pits with a total resource of 4.8 million tonnes at 1.7 g/t (260,000 ounces). However, the smallest of the proposed pits, the West pit, is almost certainly more easily mined from underground so this has been eliminated from consideration at this stage, leaving two main pits known as Main pit and North pit on which further optimisation studies are continuing. Final pit design will be carried out on the selected optimum shell. Intermediate grade ore may be stockpiled for later treatment, allowing a higher profit to be made in the earlier years. Although optimisation is continuing, a preliminary optimum shell has been identified. Using a cut off grade of 0.5 grammes per tonne this shell yields 4.63 million tonnes at a mined grade of 1.58 g/t Au and a waste to ore ratio of 1.8 : 1. At a cut off grade of 1.0 g/t Au the shell contains 3.39 million tonnes at 1.88 g/t Au and an initial stripping ratio, before detailed design of 2.8 : 1. Incorporation of the latest drilling results, further optimisation work and detailed design are continuing.

Current and future work will involve the development of an open pit mine design from this optimised shell, a cost benefit analysis on the use of mining contractor versus purchase and operation of mining fleet by Hambledon, and an assessment on the interface and interaction of the open pit design with the proposed underground operation.

Processing and infrastructure

Final mill facilities design is progressing in Perth, Australia by Internet Engineering in Perth. SMC has set up a procurement department in Ust Kamenogorsk office for sourcing process and related equipment. In the meantime, a mine and exploration office building in Sekisovskoye village is being remodelled with the Project design team expected to relocate from current facilities in Ust Kamenogorsk in 2 to 3 months. Work has begun at

site including upgrading access roads in and around the processing and mining areas. Fortunately all road construction materials can be found within the exploration lease boundary.

Preparation of the requisite Kazakhstan "project process design plan" is nearing completion. This will facilitate all on-going permitting requirements.

Local metallurgical testwork results completed earlier in the year supported previous Soviet-based testing programmes, but Western testwork at AMMTEC (Perth) identified an incongruity in the Soviet testing technique. It has been shown that, although the majority of the gold is "free-milling", some 5% to 10% of the contained gold occurs as solid solution with pyrite thus requiring regrinding of a gravity concentrate followed by intensive cyanidation leaching. Optimisation of the modified gravity and leach circuits is nearly complete along with additional design-related ore characterisation studies, including tailings settling behaviour and neutralisation requirements.

A preliminary assessment of tailings storage facility (TSF) requirements were prepared by Australian Tailings Consultants (Melbourne). Final determination of TSF design requirements is currently underway utilising a local engineering institute.

A full-scale design for a 4.5 km high voltage (110 kV) power line is to be commissioned within the next few weeks after final grinding power requirements have been determined.

The Open Pit Project has been subject to the recent inflationary pressure on capital costs experienced by the resource industry generally. In particular, steel and petroleum-based product costs have increased significantly, along with engineering services costs. These increases have impacted on local Kazakhstan construction costs. The Project capital costs were prepared some time ago and are now being updated. Some uplift is expected, though the overall costs are expected to remain comparatively very low due to the proximity to local infrastructure, the simplicity of the metallurgical process and plant, the lack of pre-stripping requirement and the availability of good quality local or CIS equipment and labour.

Ecology

Acid rock drainage (ARD) testing on samples of waste and ore have verified that neither the ore nor waste materials will generate acid, thus eliminating one of the key problems experienced by the mining industry in general.

The next step in the environmental assessment process has been initiated using a local environmental institute to conduct the "pre-OVOS" (environmental assessment) for the Project. A complete OVOS or environmental impact statement should be completed before the end of the year.

Hydrogeology

Extensive hydrogeological investigations were conducted in Soviet times. A small verification programme is required and its scope is being prepared.

A local water engineering group has been commissioned to assist in permitting of all water-related issues before the end of 2005.

Staffing

Hambledon and SMC staff has increased from 5 in June 2004 to over 45 currently. These include full geological, survey and mining groups, as well as procurement and engineering staff. We expect to further bolster this team with additional procurement, process engineering, project management and construction personnel. A project design team is being assembled using mainly local engineers but under the direction of an experienced Western project manager familiar with fabrication capabilities in the Ust Kamenogorsk area as well as local engineering institutes and pertinent regulatory authorities.

Project timing

Final overall approvals for mining are expected in Q1 2006. Specific site works will be completed before the onset of the 2005 winter (roads, clearing of facilities areas, topsoil stockpiling, etc). Completion of the final mill and facilities design is expected within the next few months.

Purchasing of major process equipment has been initiated and will continue over the next six to eight months. Fabrication of tanks, support structure and other items will be completed over the winter. Foundations for the mill building, crushers and substation are planned for April / May 2006, along with initiation of tailings dam construction. A high voltage power line will be constructed in June 2006. The existing 10 kV lines will be employed for all construction activities. Installation of plant equipment and the mill building is expected to proceed over the summer months with mill commissioning expected in Q3 of 2006, a small delay from earlier plans caused primarily by the slower pace of obtaining regulatory approvals but which will also allow more time for optimisation of the new geological data and less haste in ensuring the optimum balance between project speed, quality and cost.

Underground resource

The lessons learned from the 2004 drilling programme lead to a reassessment of the upper levels (to 240m depth) of the Sekisovskoye Project on the basis of a 0.5 g/t cut-off. The same technique is now being applied to the underground resource to show the shape and characteristics of the ore-zones surrounding the higher grade (>2 g/t) zones which had already been modelled. The lower grade model, together with the improved methods of interpretation, have resulted in a more robust high grade model as well. The results show that at lower cut-off grades, orebody widths can become very large suggesting that bulk underground mining methods may be appropriate, resulting in a lower average grade but much lower mining costs and a larger quantity of contained gold. A preliminary mining study will be carried out by SRK as soon as the resource model is complete.

About Hambledon Mining plc

Hambledon Mining Plc is an AIM listed mining and exploration company which has announced the development of an open pit project at its Sekisovskoye deposit in East Kazakhstan, prior to the development of the much larger underground resources.

Initial production from the open pit will be around 30,000-35,000 ounces per annum, rising to around 100,000 ounces when the higher grade underground ore is processed. The Company also holds the rights to and is exploring the adjacent Tserkovka licence territory which includes several areas of interest including the Tserkovka deposit itself. Any ore from these areas will be treated in an expanded plant at Sekisovskoye.

The current resource statement, which has not been updated for the 2005 drilling results, is set out below:

	JORC Indicated	JORC Inferred	Soviet C2	Soviet P1	Total Resource (ounces)
Sekisovskoye open pit & underground	1,110,304	248,528	-	1,400,000	2,758,832
Tserkovka	-	-	145,000	241,000	386,000
Feodolikha, Areas 4 & 5	-	-	-	354,000	354,000
Total (ounces)	1,110,304	248,528	145,000	1,995,000	3,498,832

Troy oz = 31.10348g
All figures rounded

Silver included at gold
equivalent (1/60)

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