

Regulatory Announcement

Company Hambledon Mining PLC
TIDM HMB
Headline Drilling Report
Released 07:00 19-Jan-05
Number 5191H

RNS Number:5191H
Hambledon Mining PLC
19 January 2005

HAMBLEDON MINING PLC

Interim Drilling and Feasibility Study Results

Hambledon Mining Plc ("Hambledon") is an AIM-listed mining and exploration company developing precious metal deposits in Kazakhstan. It holds rights to the Sekisovskoye gold and silver deposit, on which a feasibility study is at an advanced stage. Hambledon is pleased to announce the results of its recently completed diamond drilling programme at Sekisovskoye.

Highlights:

- Overall resource grades and continuity at Sekisovskoye confirmed: open pit resources expected to show significant increase
- Discovery of additional dilation zones containing large tonnages of mineralised resource
- Potentially significant gold mineralisation to North and West of deposit intersected
- Geotechnical study complete, showing high degree of pit wall stability
- Environmental base-line study completed
- Hydrogeological study nearing completion
- Mine planning commenced
- Metallurgical programme and process design in preparation

Nicholas Bridgen, Chief Executive, Hambledon Mining Plc, commented:

"The drilling programme at Sekisovskoye has disclosed unexpectedly wide ore zones within the open pit which open up new strategic options for Hambledon Mining beyond those outlined in the initial prospectus.

"We now have a greater opportunity to accelerate the project by focusing on the open pit project to provide cash flow more quickly and to a greater level than expected. Planning for the underground mine is now also on a firmer basis and this should significantly enhance Hambledon's progress in the years ahead."

19th January 2005

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Drilling programme

Assay results from the recently concluded diamond drilling programme show overall increases in contained gold mineralisation.

The objectives of the diamond drilling programme were:

- Demonstrate continuity of the gold zones, as previously delineated from more widely spaced drill holes.
- Obtain core samples for additional metallurgical test work.
- Geotechnical core sampling for slope stability studies of the planned open pit, including some holes that were also used as infill holes to validate delineated zones of mineralisation.
- Drilling to assess possible extensions to the limits of the current resource model.

An additional 1,140 metres of sterilisation drilling was carried out in order to ensure that the facilities will not be built over recoverable gold deposits. Planning for additional in-fill and sterilisation drilling is already underway for an early spring start.

Forty surface diamond drill holes were completed, representing 4,100m of core drilling with depths ranging from 24m to 400m. Gold assay results for 3,292 core samples, totalling over 3000 linear metres, have so far been received. The outstanding assays relate mainly to the geotechnical and infill programmes and will be reported on later. Assaying for silver and other base metals will be completed in the next few weeks. An update of the modelling and overall resource statement is now being carried out, with completion scheduled for mid-February.

Twenty holes on a 10m wide grid pattern were drilled to detail the continuity characteristics of the gold mineralisation, as defined by relatively widely spaced historical drilling, along 40 metres of strike. Assay results showed gold ranges up to a maximum of 64.2g/t and confirmed that the zones of mineralisation are continuous.

Detailed comparison with the resource model has indicated a new subsurface zone of dilation, which is a wide zone of mineralisation representing a focal point for high grade gold. One drill intersection, hole CONT14, shows an extensive thickness of 23m, at 3.6g/t within which one 7 metre wide subzone contains a weighted grade of 7.5g/t. This drilling demonstrates that such zones of dilation tend to contain large tonnages of higher grade gold though with more limited continuity than the normal planar zones of mineralisation. Overall, the results within this area show a marked increase in the contained gold accessible from open pit mining.

Although the geotechnical drilling was primarily for the study of slope stability, additional zones of mineralisation were intersected. There are still a number of assay results outstanding and a full

assessment will be concluded later. Gold grades of up to 18.4 g/t confirm the resource estimates. Drill hole GEO97 defined a new subsurface 7 metre wide zone grading at 2.4 g/t. Drill hole GEO92 intersected a zone of dilation, representing a drilled thickness of 11 metres, though the original resource model only indicated 2 narrow zones of gold mineralisation.

The three metallurgical drill holes, dipping vertical to sub vertical, were targeted at clusters of mineralised zones at depth. Generally, assay results supported the validity of the resource model but a few intersections exhibited more erratic gold distributions than normal.

Assay results from the extension drilling show noteworthy gold mineralisation trends beyond the currently defined deposit limits. On the west side of the deposit, drill holes INF1 and INF2 intersected new zones of gold mineralisation in an area where historical drilling was absent. However, many assay results are still outstanding and additional zones can be expected. Drill hole INF4, drilled from the east wall of the old open pit, intersected an unexpected 15 metre zone grading 2.66g/t (including a 5 metre subzone grading 5.9g/t) and, only 5 metres distant, a further 16 metres at 3.5g/t where only several narrower zones had been expected. These intersections are immediately below the existing pit and suggest that the pit limit could be extended. INF3 drilled 100 metres NW of the pit and confirmed historical drill results that additional mineralisation exists beyond the northern limits of the deposit.

In conclusion, this drilling has shown that additional gold mineralisation within and beyond the limits of the deposit can be significant. Dilation zones appear to be important targets for exploitation and these sources are likely to be major contributors to the reserve. The overall resource grades have been confirmed and appreciable increases in the gold resource amenable to open pit mining can be expected when detailed modelling has been carried out.

Tserkovka licence area

Following the successful tendering of the Tserkovka licence area in November, the geological staff (now numbering nine geologists and technicians) has been augmented to locate, assess and digitise information from previous Soviet exploration efforts on Tserkovka, Area 4, Area 5 and Feodolikha deposits. As previously reported, these deposits are thought to be extensions of Sekisovskoye and are likely to provide ore for treatment in the same Sekisovskoye treatment plant.

A Minimum Work Programme has been prepared for submission to the Ministry of Geology as part of the procedure for agreeing a full subsoil-use contract.

Geotechnical study

A full assessment of the geotechnical aspects of open pit mining of the Sekisovskoye deposits has been undertaken. The results indicate that the highly competent rock associated with the Sekisovskoye ore and waste will allow for much steeper pit walls than had been assumed in the pre-feasibility study. This will result in reduced stripping ratios and associated mining costs.

Assessment of geotechnical aspects from an underground mining perspective is continuing but preliminary indications suggest that there will be minimal requirements for support structures for ground control in shafts, tunnels and stopes.

Ecology and Social

The Project environmental and social baseline study has been completed by AsiaEcoLink (a local environmental firm) and reviewed by Wardell Armstrong International (UK), whose recommendations are now being addressed. Additional baseline and other pertinent data are being obtained and/or collected on a continuing basis to ensure that the overall Project will meet or exceed Western environmental standards. Initiation of the next step in the local permitting process will occur in February as input from other aspects of the feasibility study become available.

Hydrogeology

An assessment of available hydrogeological data has indicated that sufficient data are available from previous exploration activities for design and permitting purposes. The hydrogeological system is now understood and requirements for underground dewatering will be low. Pumped water, plus other available ground water, will be sufficient for process water make-up requirements.

Mining Engineering

The mining study is underway by GeoMine Solutions of Johannesburg after completion of site visits and meetings with various suppliers, contractors, etc. Final development of open pit mining plans is contingent on completion of the orebody modelling.

Processing and Infrastructure

Metallurgical testwork is currently underway both in Kazakhstan and Australia. The programs will develop all process parameters based on standard carbon-in-pulp (CIP) or carbon-in-leach (CIL) technology. Gravity recovery of coarse gold will also be evaluated. Preliminary indications suggest that the ore will be highly amenable to such processing, with gold recoveries of over 95%. Additional testwork will focus on environmental and related parameters for use in tailings storage facility design and environmental considerations.

Process design has been instituted using Barrier Mining Services (Perth). An in-house investigation into power supply options is currently underway.

About Hambledon Mining plc

Hambledon Mining Plc was formed in 1997 to acquire mining rights and develop precious metal deposits in Kazakhstan. Currently, it holds the rights to the Sekisovskoye gold and silver deposit in the Altai region of East Kazakhstan. In November it won the tender for the mining rights to the adjacent territory known as Tserkovka, which includes not only the Tserkovka deposit itself but also three other mineralised zones known as Feodolikha, Area 4 and Area 5, contained within a territory of some 29 square kilometres. These additional areas are thought to be extensions of the Sekisovskoye mineralisation and the likelihood of further such areas subcropping between Sekisovskoye and Tserkovka is thought to be high.

The resources contained in the main mineralised zones at Sekisovskoye have been assessed on a western JORC basis, but the resources for the other areas, and extensions of Sekisovskoye, are based on the former Soviet classifications. No account has yet been taken of the latest drilling results referred to above.

	JORC Indicated	JORC Inferred	Soviet C2	Soviet P1	Total Resource (ozs)
Sekisovskoye open pit	90,000	21,000	-	-	111,000
Sekisovskoye underground	751,000	97,000	-	1,100,000	1,948,000
Tserkovka	-	-	145,000	241,000	386,000
Feodulikha, Areas 4 & 5	-	-	-	354,000	354,000
Total	841,000	118,000	145,000	1,695,000	2,799,000

Note:

Troy oz = 31.10348g

All figures rounded

Silver included at gold equivalent (1/60)

Previous Soviet studies and work carried out by Hambledon have previously indicated that the ore is free milling and easily treated by conventional gravity and CIL processing, giving over 95% recovery. The ore is environmentally clean. Mining will take place initially from open pit and subsequently from underground. The site is 40 kilometres from the regional capital, Ust Kamenogorsk and is well served by road and other infrastructure. Initial economic analysis estimated gold cash production costs at US\$150 - US\$200 per ounce, and a very low initial capital cost reflecting the high degree of existing infrastructure, the simplicity of the proposed process plant and the lack of any overburden requiring pre-stripping.

In June 2004, Hambledon Mining raised 2.5 million and was listed on AIM, enabling the Company to carry out the feasibility study at Sekisovskoye which is ongoing.

Dependent upon the speed at which certain permits and approvals can be obtained, construction is expected to start in 2005 and production in 2006. Further expansions are anticipated once the Tserkovka and other new areas have been explored.

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