

Company Hambledon Mining PLC
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Hambledon Mining Plc

Equity Fundraising of £10.4 million

Hambledon Mining Plc ("Hambledon" or the "Company"), the AIM-listed mining and exploration company developing gold and silver deposits in Kazakhstan, is pleased to announce that it has raised a total of £10.4 million (before expenses) by way of a conditional placing to new and existing investors of 104,000,000 new ordinary shares of 0.1p each ("Ordinary Shares") at an issue price of 10p per Ordinary Share ("the Placing").

The capital raised will provide the Company with additional funds to develop the mine and process plant at Sekisovskoye, where substantial reserves have been discovered. The additional funding will enable the Company to extend its original proposals, reflecting the rises of over 40% in the projected ore and gold content of the planned open pit since the earlier plans were formulated.

The planned open pit mine output and the capacity of the processing facility will be increased from 600,000 tonnes per annum to 850,000 tonnes per annum, giving over 40% increase in gold production. The Company plans to buy its own mining fleet, reflecting the longer open pit mine life now envisaged and the reduced operating costs available. The schedule for the commencement of production in the fourth quarter of 2006 remains unchanged.

A circular has today been dispatched to shareholders providing further information on the Placing, which is being carried out on a non pre-emptive basis, and to convene the EGM for the purpose of granting the directors of the Company the necessary authority to effect the Placing. The Notice of EGM to be held on 2 March 2006 will be set out in the circular.

Application has been made for the admission of the new Ordinary Shares to trading on AIM and dealings are expected to commence on 3 March 2006, subject to shareholders' approval at the EGM.

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

"Since the original project was designed further discoveries have been made at Sekisovskoye. We are still finding more gold and we expect to

increase our resources further with the underground drilling programme that will be carried out over winter.

"As a result, the scale of the project has become larger and the Board has therefore taken the decision to expand the projected production rate. This will provide greater cash flow to accelerate the development of the whole complex of deposits, including the underground mine at Sekisovskoye and the more recently acquired extensions at Tserkovka and Krugliachka which offer excellent expansion opportunities to add to our ever growing resources at Sekisovskoye."

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