

Regulatory Announcement

Company Hambledon Mining PLC
TIDM HMB
Headline Issue of Equity
Released 07:00 29-Mar-05
Number 2318K

RNS Number:2318K
Hambledon Mining PLC
29 March 2005

HAMBLEDON MINING PLC £5m Fundraising Completed

Issue of new equity

Hambledon Mining Plc, an AIM-listed mining and exploration company developing precious metal deposits in Kazakhstan, announces that, it has placed 62,500,000 new ordinary shares of 0.1p at 8p per share raising gross funds of £5 million. The funds raised will be used for the development of the Sekisovskoye/Tserkovka complex which is currently estimated to contain 2.8 million ounces of gold.

The funds, together with a small amount of bank finance, will be used to commence mining from the open pit area of Sekisovskoye, construct a treatment plant and to explore the newly acquired Tserkovka licence area that covers 29 square kilometres, adjacent to Sekisovskoye. The open pit project accounts for less than 10% of the estimated resource.

The feasibility study into the development of the much larger underground mine is continuing, and a further announcement is expected to be made in June 2005.

Application has been made for the admission of 62,500,000 new ordinary shares to trading on the AIM market. The new ordinary shares will rank pari passu with the existing ordinary shares of the Company and dealings in the new ordinary shares are expected to commence on 1st April 2005.

Nicholas Bridgen, Chief Executive of Hambledon Mining plc, commented:

"These funds will enable us to start work on developing what is proving to be a much bigger resource than originally thought. We expect to be in production in the first half of 2006."

"We plan to start drilling the newly acquired Tserkovka territory, which contains several extensions of the Sekisovskoye mineralisation, in April and we expect to be able to report the initial results in the second half of the year. Once the programme is completed we should begin to demonstrate the enormous potential of the whole complex."

"With the additional funding we can now move forward and develop Hambledon into a significant gold producing company."

29th March 2005

ENQUIRIES:

Hambledon Mining Plc
Nicholas Bridgen, Chief Executive

Tel: +44 870 111 8778
or + 7 300 733 8915

Bankside Consultants
Michael Spriggs / Michael Padley

Tel: 0207 444 4140

About Hambledon Mining Plc

Hambledon Mining plc is an AIM listed mining and exploration company developing precious metal deposits in Kazakhstan. It holds the rights to the Sekisovskoye gold and silver deposit, on which the feasibility study is at an advanced stage, and to the adjacent Tserkovka deposit and exploration areas.

Project Development

Two significant factors identified have resulted in a change in the approach to the development of the deposit. Originally, it was believed that the open pit and underground ores from Sekisovskoye would be developed simultaneously, with the open pit material being only a short-term stopgap whilst the underground ore was developed. Since then, the Company has announced, in November 2004, the acquisition of the 29 square kilometre area surrounding Sekisovskoye known as Tserkovka. This contained several significant extensions of the Sekisovskoye mineralisation. In January, the Company announced its 2004 drilling results, which were excellent and led to a plan to fast-track the development of the open pit project on a stand-alone basis and on March 9th it was confirmed that this was to go ahead.

The open pit is a profitable, low risk, way of starting the project, but also allows the Company to take the time to develop a coordinated plan for the whole Sekisovskoye/Tserkovka complex whilst benefiting from the cash flow and experience that open pit production will bring.

ENDS

This information is provided by RNS
The company news service from the London Stock Exchange

END