

## **HAMBLEDON MINING PLC**

### **Interim Results**

Hambledon Mining plc ("Hambledon" or the "Group" or the "Company"), an AIM-listed mining and exploration company developing precious metal deposits in Kazakhstan, announces its interim results for the six months ended 30 June 2005.

#### **Highlights:**

- Open-pit project approved by the board in March
- £5 million raised for the project; production expected later in 2006
- Resource uplift 45% (JORC) - June
- Exploration of Tserkovka licence area commenced
- Senior staff recruited

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

*"The first half of 2005 brought significant improvements to the Sekisovskoye project. In January we announced our very successful 2004 drilling results which demonstrated greater open-pit resources. As a result we have progressed the open-pit as a stand alone project. The open-pit mine provides an efficient, viable and rapid route to production.*

*"Recent drilling results from Sekisovskoye have been very encouraging. Further good dilation zones have been intercepted. Exploration of the newly acquired Tserkovka licence area has started and a further 20 drill-holes are planned for the remainder of this season.*

*"Whilst our current focus is on the open-pit, the Company continues with preparations for the underground mine.*

*"We remain on track to enter production later next year and we fully expect to expand our resource base as new territories are added and further exploration results are received."*

#### **Notes to Editors**

##### **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 is expected to 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 deposit. Any ore from these areas will be treated in an expanded plant at Sekisovskoye.

#### **ENQUIRIES:**

##### **Hambledon Mining Plc**

Nicholas Bridgen, Chief Executive

Tel: +00 7 300 733 8915

##### **Bankside Consultants**

Michael Spriggs / Michael Padley

Tel: +44 207 367 8888

## Chairman's statement

I am pleased to announce our financial results for the six months to 30 June 2005.

The first half of 2005 brought significant improvements to the Sekisovskoye project. In January we announced our very successful 2004 drilling results which demonstrated greater open-pit resources than previously anticipated and led, in March, to our board's approval of the open-pit project on a stand-alone basis. In March we raised £5 million towards the project costs and in June we announced a 45% uplift in our resource estimate, presented on the internationally recognised JORC basis.

Since then, we have made good progress in the development of the open-pit project. Optimisation is now complete and pit design and scheduling are underway. Both the specification of the process plant and equipment, and the siting of the major surface infrastructure, have been finalised. In common with the mining industry in general, our projected capital costs have been escalating, but the impact is being partially mitigated by successful sourcing of good second-hand equipment.

One of the greatest challenges in the development process has been to recruit the key senior staff with the skills and experience necessary to bring the project into production. I am pleased to report that good progress has been made. In August, Neil Stevenson joined the group as Operations Manager bringing considerable international experience of both open-pit and underground operations. Neil was responsible for bringing on line the open-pit operations at First Dynasty Mines, Armenia and the expansion of open-pit and underground operations at Golden Star Resources, Ghana. In addition, Ian Petts joined as Group Financial Controller in June. It is, of course, the Kazakh staff and workforce that will ultimately make the project a success and it is satisfying that many of the key positions have now been filled with very high calibre employees. Of the group's 46 employees, only four are expatriates and all of these live and work in Kazakhstan.

Exploration of the newly acquired Tserkovka licence area has started and a further 20 drill-holes are planned for the remainder of this season. Recent drilling results from Sekisovskoye have been very encouraging and this programme continues the 2004 successes. Further good dilation zones have been intercepted which, when fully analysed, are likely to result in an even larger open-pit than suggested by the current optimisation process. The high rate of discovery at Sekisovskoye, even from drill-holes intended for technical, rather than exploration purposes, bodes well for the future. When we start mining, we can expect to encounter more mineralisation than had been discovered at the outset.

## Hambledon Mining plc

The experience gained in the modelling of the open-pit is being applied to the underground levels and it indicates that cheaper bulk-mining methods may be more appropriate than those assumed at the pre-feasibility stage. SRK will commence the underground mining study in the fourth quarter of this year once the underground model has been finalised. Owing to the shortage of suitable underground contract drillers, the Company has purchased an underground drill-rig so that drilling can be carried out from the existing underground development before the start of open-pit mining precludes its further use.

The Company continues to evaluate further exploration territory adjacent to our existing site and several applications are pending.

Subject to timely regulatory approvals, we remain on track to enter production later next year. We fully expect to expand our resource base as new territories are added and further exploration results are received.

A handwritten signature in black ink that reads "George Eccles". The signature is written in a cursive, slightly slanted style.

George Eccles  
Chairman  
29 September 2005

## Hambledon Mining plc

### Resource statement

	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
Feodulikha, 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)

This resource table was issued on 29 June 2005 and has not been updated in respect of the 2005 drilling results or the continuing remodelling of the lower levels.

An updated resource estimate will be issued in October 2005.

# Hambledon Mining plc

## Consolidated profit and loss account

For the six month period ended 30 June 2005

	<b>6 month period to 30 June 2005</b>	<b>6 month period to 30 June 2004</b>	<b>12 month period to 31 December 2004</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Administrative expenses			
Exceptional expenditures	-	-	(96)
Other administrative expenses	(358)	(189)	(331)
<b>Operating loss</b>	<b>(358)</b>	<b>(189)</b>	<b>(427)</b>
Net interest and similar charges	55	(4)	(11)
<b>Loss on ordinary activities before and after taxation and transferred to reserves</b>	<b>(303)</b>	<b>(193)</b>	<b>(438)</b>
<b>Retained loss for the financial period</b>	<b>(303)</b>	<b>(193)</b>	<b>(438)</b>
Loss per ordinary share (UK pence per share)	(0.13)	(0.10)	(0.22)

# Hambledon Mining plc

## Consolidated balance sheet

As at 30 June 2005

	<b>30 June 2005</b> <b>(unaudited)</b> <b>£000's</b>	<b>30 June 2004</b> <b>(unaudited)</b> <b>£000's</b>	<b>31 December 2004</b> <b>(audited)</b> <b>£000's</b>
<b>Fixed assets</b>			
Intangible assets	-	307	672
Tangible assets	<u>988</u>	<u>2</u>	<u>19</u>
	<u>988</u>	<u>309</u>	<u>691</u>
<b>Current assets</b>			
Debtors	107	99	13
Cash at bank and in hand	<u>5,418</u>	<u>2,078</u>	<u>1,263</u>
	<u>5,525</u>	<u>2,177</u>	<u>1,276</u>
<b>Creditors: amounts falling due within one year</b>	<u>(450)</u>	<u>(686)</u>	<u>(418)</u>
<b>Net current assets</b>	<u>5,075</u>	<u>1,491</u>	<u>858</u>
<b>Net assets</b>	<u><u>6,063</u></u>	<u><u>1,800</u></u>	<u><u>1,549</u></u>
<b>Capital and reserves</b>			
Called up equity share capital	262	200	200
Share premium account	6,813	2,069	2,069
Merger reserve	(148)	(148)	(148)
Profit and loss account	(864)	(321)	(572)
<b>Equity shareholders' funds</b>	<u><u>6,063</u></u>	<u><u>1,800</u></u>	<u><u>1,549</u></u>

# Hambledon Mining plc

## Consolidated cash flow statement

For the six month period ended 30 June 2005

	<b>6 month period to 30 June 2005</b>	<b>6 month period to 30 June 2004</b>	<b>12 month period to 31 December 2004</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Net cash (outflow) / inflow from continuing operating activities</b>	<u>(400)</u>	<u>22</u>	<u>(428)</u>
<b>Returns on investments and servicing of finance</b>			
Interest received	61	3	27
Interest paid	<u>(12)</u>	<u>(13)</u>	<u>(16)</u>
	<u>49</u>	<u>(10)</u>	<u>11</u>
<b>Capital expenditure and financial investment</b>			
Purchase of fixed assets	<u>(300)</u>	<u>(69)</u>	<u>(453)</u>
<b>Net cash (outflow) before financing</b>	<u>(651)</u>	<u>(57)</u>	<u>(870)</u>
<b>Financing</b>			
Issue of ordinary share capital (net of share issue expenses)	<u>4,806</u>	<u>2,121</u>	<u>2,119</u>
<b>Increase in net cash in the period</b>	<u><u>4,155</u></u>	<u><u>2,064</u></u>	<u><u>1,249</u></u>

# Hambledon Mining plc

## Other primary statements

For the six month period ended 30 June 2005

### Statement of total recognised gains and losses

	<b>30 June 2005</b>	<b>30 June 2004</b>	<b>31 December 2004</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Statement of total recognised gains and losses</b>			
Loss for the financial period	(303)	(193)	(438)
Currency translation differences on foreign currency net investments	11	2	(2)
	<u>11</u>	<u>2</u>	<u>(2)</u>
<b>Total recognised gains and losses relating to the financial period</b>	<b><u>(292)</u></b>	<b><u>(191)</u></b>	<b><u>(440)</u></b>

### Reconciliation of movements in shareholders' funds

	<b>30 June 2005</b>	<b>30 June 2004</b>	<b>31 December 2004</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Reconciliation of movements in Group shareholders' funds</b>			
Total recognised gains and losses	(292)	(191)	(440)
New capital subscribed (net of costs)	4,806	2,121	2,119
	<u>4,806</u>	<u>2,121</u>	<u>2,119</u>
<b>Net change in shareholders' funds</b>	<b>4,514</b>	<b>1,930</b>	<b>1,679</b>
<b>Opening shareholders' funds</b>	<b>1,549</b>	<b>(130)</b>	<b>(130)</b>
	<u>1,549</u>	<u>(130)</u>	<u>(130)</u>
<b>Closing shareholders' funds</b>	<b>6,063</b>	<b>1,800</b>	<b>1,549</b>
	<u>6,063</u>	<u>1,800</u>	<u>1,549</u>

Notes to the interim financial statements

1. The calculations of loss per share have been based on the retained loss before taxation for the period and on a weighted average of ordinary shares in issue during the period.

At 1 January 2005 there were 199,765,328 shares in issue and on 1 April 2005 62,500,000 shares were issued at par resulting in 262,265,328 shares in issue at 30 June 2005.

The weighted average number of shares is 231,187,980 shares, and the diluted weighted average number of shares taking account of share options granted is 232,885,051 shares.

2. Exploration costs are capitalised as intangible assets until the decision is made to proceed to development. During the period the Board made the decision to proceed with development resulting in a transfer of capitalised intangible assets to tangible fixed assets.
3. The unaudited interim financial information complies with the relevant financial reporting standards and the accounting bases and policies are applied on a basis consistent with those set out in notes 1 to 3 in the Annual Report and Accounts 2004.

The financial information for the year ended 31 December 2004 has been extracted from the Group's statutory accounts for the period, which have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statement under section 237 of the Companies Act 1985.

4. The interim report is unaudited and does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.
5. No dividend is proposed.
6. The interim report for the six months to 30 June 2005 was approved by the Directors on 29 September 2005.

# Hambledon Mining plc

## Company information

Directors	George William O'Neale Eccles, <i>Non-executive Chairman</i> Nicholas John Bridgen, <i>Chief Executive</i> Randall Alan Pyper, <i>Technical Director</i> Alzhan Aytimbetovich Shomaev, <i>Non-executive Director</i> Christopher James Thomas, <i>Non-executive Director</i>
Secretary	Ian Robert Petts
Registered office	179 Great Portland Street London W1W 5LS
Nominated adviser and broker	Seymour Pierce Limited Bucklersbury House 3 Queen Victoria Street London EC4N 8EL
Registrars	Neville Registrars 18 Laurel Lane Halesowen West Midlands B63 3DA

Hambledon Mining plc

Hambledon Mining plc  
Registered office  
179 Great Portland Street  
London W1W 5LS  
T: 0870 111 8778  
[www.hambledon-mining.com](http://www.hambledon-mining.com)