

HAMBLEDON MINING PLC
(AIM: HMB)

Interim Results

Two producing assets before year end

Hambledon Mining plc (“Hambledon” or the “Group” or the “Company”), an AIM-listed mining and exploration company on the cusp of gold and other metal production from two operations in Kazakhstan, announces its results for the half year ended 30 June 2007.

Highlights

- **Grade control data shows 79 per cent. increase in contained gold compared with the geological model at 480 metre level**
- **Sekisovskoye processing facility completion expected in 4th Quarter 2007**
- **Ecological and operating permits received**
- **Start-up of Ognevka processing plant expected in October**
- **US\$16 million raised**
- **Exploration activities continue: over 5,000 metres drilled**

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

“The increase in contained gold shown by our grade control sampling is even more dramatic than previously announced. This reinforces our geologists’ conviction that the out-turn at this complex deposit will be far better than we have so far been able to demonstrate and, if so, it will extend the life of the open pit, reduce the stripping ratio and cut the cash costs per ounce.

Despite the late delivery of some of our equipment and the slow working of some contractors, we still expect our first gold production before the end of the year.

The Ognevka processing plant refurbishment is on schedule with production expected to commence in late October and the first revenues expected before the end of the year.”

Enquiries

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Note to editors

Hambledon Mining plc is an AIM-listed gold mining and exploration company which is developing the Sekisovskoye gold deposit and owns the Ognevka processing plant, both of which are close to Ust Kamenogorsk in East Kazakhstan.

At Sekisovskoye, the Company is mining from an open pit and constructing an 850,000 tonnes per year treatment plant. Production from the open pit will average over 40,000 ounces per annum. After the start of open pit processing, the Company plans to develop the much larger underground resource that is expected to lead to a combined production rate of around 100,000 ounces per year.

The Ognevka processing plant is being refurbished and will produce concentrates containing gold, silver, copper, iron and coke from the re-treatment of zinc smelter residues.

All references to “£” are to the British pound and “ounces” are to troy ounces.

CHAIRMAN'S STATEMENT

Review

The first half of the year has been as eventful as previous periods, with good progress towards the completion of the refurbishment of the Ognevka processing plant and construction of the processing facility at Sekisovskoye.

At the Sekisovskoye deposit a 79 per cent. increase in contained gold, as shown by some extensive grade control drilling, compared with our previous geological model reinforces our geologists' conviction that the out-turn at this complex deposit will be far better than we have so far been able to demonstrate.

Mining operations have been carried on for more than a year now and, although the initial target was pre-stripping waste for use in construction of the tailings dam, a significant quantity of ore has now been stockpiled.

Construction of the processing facility is well advanced. All major components are now in place, but a shortage of workers and qualified supervisors is slowing the final electrical and piping stages. Nevertheless, the crushing plant is now operating to produce crushed material for roads and the remainder of the plant is expected to start operating in the final quarter of this year.

All important permits have now been received, except for the final reagent use permits which are expected shortly following the completion of the associated reagent handling facilities.

In January, we announced that the Company had raised US\$16m to fund two acquisitions and, although one of them was subsequently abandoned, the other is proving to be every bit as good as we had hoped.

Completion of the legal registration of our ownership of Ognevka was only completed in May but very good progress in the plant refurbishment means that the planned start-up date is the second half of October and we are reasonably confident of first revenues before the end of the year. Very interesting opportunities for further development of this operation are being examined.

Outlook

The outlook for the Company is extremely healthy. Although full operations at Sekisovskoye have not yet started, we are already working on the next stage of expansion. We have passed our plans for the development of the underground mine at Sekisovskoye to Australian Mining Consultants of Perth for them to appraise our ideas and bring them to feasibility study standard. Our plan is to move ahead with the underground development as soon as possible. The profitability of this operation will be far greater than the open pit due to the higher grade and consequent higher production from the current treatment facility. The initial production from open pit will be some 40,000 ounces per year but is expected to rise to over 100,000 ounces when underground ore is partially substituted. An expansion of the processing facility will be considered at that stage which could potentially take production even higher.

At Ognevka, the tailings dam from the previous operations is currently being sampled so that testwork can be carried out to assess the potential profitability of re-treating those tailings. Information from previous operations shows that they contain valuable feldspar and various metals.

George Eccles
Chairman
17 September 2007

REVIEW OF OPERATIONS

Sekisovskoye

Permitting

All necessary approvals for mining and milling operations, including the Overall Environmental Approval, have now been received, with the exception of the licences for dangerous goods (sodium cyanide and acids). These approval processes are well-advanced with final granting of licences expected in October following the completion of the handling facilities. We have pre-purchased first fill quantities of these reagents and are storing them in nearby licensed facilities until the licences are received.

Status of plant construction and commissioning

The 850,000 tonnes per annum ore processing facilities are now in the early stages of commissioning. The crushing plant has begun crushing ore for initial milling operations and waste rock for road construction and stemming material for blasting. The carbon-in-pulp process plant and related facilities are nearing completion after delays caused mainly by late delivery of the 1.2 MW main ball mills from Russia. Poor local contractor performance and a shortage of construction workers and supervisors have been off-set by Group employees taking over most of the construction activities.

The initial tailings storage facility has been constructed and geomembrane lining of the Stage 1 section is underway. The Company took advantage of the delay in mill construction to increase the capacity of the “starter dam” to allow for longer operation while the Stage 2 section is completed.

The facilities constructed on site include a 16 MW substation and related infrastructure, a 220 tonne per hour 3-stage crushing plant, a crushed ore stockpile reclaim system, the main milling facilities including a gold-room, warehouse and reagent storage buildings, change-rooms, mine offices and maintenance facilities, security buildings, access roads, and fencing. Water for processing and drinking will be supplied from the existing underground mine shaft and from recycling of tailings return water.

The recovery process is a relatively standard carbon-in-leach (CIL) plant but includes regrinding and intensive leaching of a pyrite concentrate. A gold / silver doré will be produced for sale to Metalor Technologies Group in Switzerland for refining. Cyanide tailings are neutralised before pumping to the storage dam. Process equipment in the crushing and milling circuits has been sourced from a mix of western and local suppliers.

Approximately 148,000 tonnes of open pit ore has been mined and stockpiled on the ROM pad. Ore is segregated into oxide and primary ore types that will be blended for initial milling operations. Ore grade to date has averaged 1.6 g/t Au with some higher grade zones (+2.0 g/t Au) to be targeted after commissioning is completed.

Mining operations

The mining group continues to lead the way at Sekisovskoye. The open pit ramp system is now fully developed to the point of ensuring on-going ore supply from the North Pit and from the top of

Sedukha Hill – the main orebody. Importantly, all major earthworks and construction activities were either all or in part provided by the mining team.

Up to the end of August 2007, 0.92 million m³ of waste rock have been mined and another 0.52 million m³ of in situ materials were moved as part of the construction activities (topsoil, subsoils and clay). Ore mined to the end of August 2007 totals some 148,000 tonnes.

As with the milling equipment, the mining fleet is from a mix of western and former Soviet Union or Chinese suppliers, with key equipment supplied from high quality manufacturers including Atlas Copco and Hitachi. In addition to the open pit mining fleet (haul trucks, excavators, dozers, loaders and service vehicles), a small earthmoving fleet has been purchased to conduct on-going tailings dam construction. This will provide significant savings over contractor costs during the life of the project.

The open pit mining reserve amounts to some 4.2 million tonnes of ore. However, the bulk of the Sekisovskoye mining reserve will be accessed by underground mining. Australian Mining Consultants of Perth has been commissioned to prepare a feasibility study for the development of the initial phases of the planned underground mine. The study is due to be completed in October and will form the basis for detailed underground mine design which will be conducted in house. Development activities will begin in early 2008 at Orebody 11, a high-grade near-surface ore zone which will be accessed via a decline roadway.

We previously reported that during the course of mining over the past 15 months, blast hole sample assays have confirmed an increase in contained gold in the areas mined as compared to the approved geological model. This is consistent with 2004 - 2006 exploration and extension drilling programmes which indicated increases in contained gold of 17 per cent. to 21 per cent. compared with results based on Soviet drilling. Our independent geological consultant has verified the result and believes it is likely that overall gold gains will be encountered for the whole deposit. More recent grade control sampling shows even higher increases. An extensive contiguous blasthole grade control sampling pattern at Sedukha Hill, representing 572 blastholes on a 3m x 3m grid, shows that at this 480m horizon, the resource model substantially underestimates the actual contained gold and these results are tabulated below:

Table showing increase in contained gold compared with resource model

Model	Mean Au g/t	Percentage increase g/t	Tonnes	Oz	Percentage increase oz
Resource *	1.33	-	42,625	1,823	-
Bench 480m	1.56	17.3	65,015	3,261	79

Troy oz = 31.10348 grams * extracted blocks from resource model of September 2006.

In the North Pit, blasthole sampling on the 430m bench only encroaches the marginal areas of orebody 2, and at this stage there is insufficient coverage to make a meaningful statistical assessment. However, interactive reviews of the limited blasthole results with the resource model indicate a good correlation trend.

Financial

At 30 June 2007 the Group had cash balances of £6 million. These were considered to be sufficient to put both the Sekisovskoye processing facility and the Ognevka treatment plant into production, but as reported in our last press release, a facility with a local Kazakhstan bank is being finalised in order to fund any cost over-run, delay, or other working capital requirements. In view of the currently projected start-up date, a small drawdown under this facility is likely.

EXPLORATION

The analytical laboratory at Sekisovskoye has recently received accreditation from the Kazakhstan Standards Authority, so in-house analyses are now approved for use in ore reserve calculations.

Exploration activities have continued throughout the year. In total some 5,088 metres of diamond core were drilled from 1 May 2006 to 31 August 2007. This represents 65 drill holes, 56 of which were drilled in the area of the Tserkovka deposit. The remaining holes were drilled around the base of Sedukha Hill as part of an investigation into extensions of the known ore zones - in particular around Orebody 11 which is the initial target for underground mining.

All 815 core sample results from the 9 Diamec drillholes that targeted updip ore extensions west of Sedukha Hill have been received. Results confirm the overall integrity of the geological resource model.

Overall, the Tserkovka drilling has been less encouraging. Only minor zones of mineralization have been encountered so far. Our exploration team have several more deep holes planned in the near future but, nevertheless, we have decided to write off the expenditure to date. Other areas of interest within the exploration lease will be targeted beginning in early 2008. These include extensions to the Sekisovskoye ore zones to the south-southwest and possibly at a polymetallic deposit which was discovered in Soviet times.

MINERAL RESOURCES

Resource statement

This mineral resource estimate for the Sekisovskoye deposit has been prepared under the JORC Code and is unchanged since the update reported in September 2006.

Location	Resource Category	Tonnes (millions)	Au g/t	Contained Metal Au oz *	Ag g/t	Contained Metal Ag oz *	Au g/t Cut-off
Open pit area	Indicated	9.55	1.8	552,671	3.0	921,119	0.5
	Inferred (b)	6.06	1.8	350,700	2.0	389,667	
Underground	Indicated	2.21	5.1	362,371	6.2	440,529	2.0
	Inferred (b)	7.16	5.2	1,197,036	7.1	1,634,415	
Marginal underground (a)	Indicated	3.40	0.7	76,519	1.4	153,037	0.5
	Inferred	0.96	0.6	18,519	1.2	37,038	
Totals	Indicated	15.16	2.0	991,561	3.1	1,514,685	
	Inferred	14.18	3.4	1,566,255	4.5	2,061,120	
Total	Indicated & Inferred	29.34	2.7	2,557,816	3.8	3,575,805	

*Troy oz = 31.10348 grams

(a) underground low grade material associated with high grade gold zones.

(b) includes resources that have been defined beyond the current limits of the grade model. Note: "Inferred" resources cannot be used for ore reserves until they have been upgraded.

The updating of the resource estimate (announced in September 2006) was based upon the analysis of the Diamec drilling results from the underground 441m level and the remodelling at that time was confined to the open pit area at +250m elevation. There was a slight increase in contained gold within the “indicated” category but lower in the “inferred” category. The Diamec drilling supported a better understanding of the gold distribution trends and continuity, and the model reflected this greater confidence. This model update contained 244 separate gold zones indicating the complexity of the gold distributions above the 0.5g/t Au cut-off level. This complexity was also exhibited by the occurrence of gold intersections that could not be modelled because of limited continuity problems and these zones will add additional contained gold within the planned open pit.

Blasthole grade control sampling continues to show overall increases in contained gold compared with the resource model and the expected global increase may be higher than the 18 per cent. previously reported. This increase in gold is believed to be associated with the relatively poor core recoveries from the historical Soviet drilling compared with the results from Hambledon’s drilling using modern hydraulic drill rigs. Although the resource model was last updated in September 2006, the new grade control information is limited and therefore insufficient to justify an updating of the current model.

Results so far from the exploration of the Tserkovka licence area have been discouraging, but it is quite possible that some of the declared Soviet-based resources totalling 740,000 ounces of gold in the C2 and P1 categories could be categorised under the JORC Code after additional target results and assessment.

Reserve estimate

This ore reserve estimate for the Sekisovskoye open pit deposit has been prepared under the JORC Code.

Location	Reserve Category	Tonnes (million)	Au g/t	Contained		Au g/t Cut-off	
				Metal Au oz	Ag g/t		Metal Ag oz
Open pit area	Probable	4.19	1.6	213,352	2.6	346,665	0.5
Underground	Probable	0.083	5.1	13,384	7.4	19,615	0.2
Total				226,736		366,280	

*Troy oz = 31.10348 grams

The Sekisovskoye Open Pit ore reserve model is based on the ordinary kriging of the mineral resource model using a 0.5 grams per tonne cut-off, taking into consideration the expected dilution and losses. In the absence of underground mining considerations, Whittle optimisations would have resulted in a pit shell containing 7.25 million tonnes of ore representing a conversion of 76 per cent. of the indicated resource to probable reserve in this area. However, development of this pit shell would have resulted in the loss of the existing underground infrastructure and made the process of bringing the underground operation into production much more difficult and on a much longer timeframe. It has therefore been decided to leave the existing 320 level intact and access this level from a decline developed from outside the pit limit. This will allow the western ore bodies to be mined from underground concurrent with the open pit and other ore zones below the pit bottom at the 340 level, which might otherwise have been included in the open pit mine plan.

The resultant reserve estimate is calculated by applying mining costs, mining dilution (4 per cent.) and recoveries (97.5 per cent.) to that portion of the Indicated Resource falling entirely within the optimised open pit design. The area of this open pit reserve is contained within the mineral resource as reported above.

The Sekisovskoye underground ore reserve has been determined from the mine design work carried out as a part of the approval of the General Resource Estimate by the Kazakh authorities using a 2.0 gram per tonne cut-off. The General Resource Estimate covered both the open pit resource and underground resource. Mine designs were therefore required for both the open pit and the underground areas. The underground design was carried out in detail on the resources from Elevation 250 up and in less detail in the lower areas. The design of some of the orebodies, notably Orebody 11, included stope design down to detailed stope blast ring design. This level of design and financial analysis has allowed for the ore tonnages in these orebodies to be classified as a probable reserve. It is anticipated that as further detailed design and financial evaluation is carried out on the indicated resources in these areas then these too will be convertible to reserves.

The underground reserve estimate is calculated by applying mining costs, mining dilution (8 per cent.) and recoveries (96 per cent.) to that portion of the Indicated Resource falling entirely within the stope design. The area of this underground reserve is contained within the underground mineral resource as reported above.

Qualified person

These resource and reserve estimates have been prepared by Roger Rhodes BSc, MSc, MIMMM, independent geological consultant with Computer Resource Services. He has over 35 years of relevant experience and is a qualified person for the purpose of reporting resources under the JORC Code and the AIM rules.

HAMBLEDON MINING PLC
Consolidated income statement
Six months ended 30 June 2007

		Six months to 30 June 2007 (unaudited) £000s	Six months to 30 June 2006 (unaudited) £000s	Year ended 31 December 2006 (audited) £000s
	Note			
Administrative expenses		(846)	(395)	(774)
Exploration costs written off		(174)	-	-
		<hr/>		
Operating loss		(1,020)	(395)	(774)
Net finance revenue	3	26	354	94
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Loss on ordinary activities before and after taxation retained for the financial period	6	(994)	(41)	(680)
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Loss per ordinary share				
Basic	5	(0.24)p	(0.01)p	(0.19)p
Diluted	5	(0.24)p	(0.01)p	(0.19)p
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HAMBLEDON MINING PLC
Consolidated statement of recognised income and expense
Six months ended 30 June 2007

	Six months to 30 June 2007 (unaudited) £000s	Six months to 30 June 2006 (unaudited) £000s	Year ended 31 December 2006 (audited) £000s
Currency translation differences on foreign currency net investments	263	(8)	(1,107)
Net income / (loss) recognised directly in equity	263	(8)	(1,107)
Loss for the financial period	(994)	(41)	(680)
Total recognised expense for the financial period	(731)	(49)	(1,787)

HAMBLEDON MINING PLC
Consolidated balance sheet
30 June 2007

	30 June 2007 (unaudited) £000s	30 June 2006 (unaudited) £000s	31 December 2006 (audited) £000s
Non-current assets			
Intangible assets	-	61	152
Property, plant and equipment	16,229	5,571	10,416
	<u>16,229</u>	<u>5,632</u>	<u>10,568</u>
Current assets			
Inventories	922	30	201
Other current assets	1,304	2,059	165
Cash and cash equivalents	5,977	9,753	4,352
	<u>8,203</u>	<u>11,842</u>	<u>4,718</u>
Total assets	<u>24,432</u>	<u>17,474</u>	<u>15,286</u>
Current liabilities			
Trade and other payables	(1,632)	(643)	(503)
Net current assets	<u>6,571</u>	<u>11,199</u>	<u>4,215</u>
Non-current liabilities			
Trade and other payables	(536)	-	-
Long term provisions	(834)	(1,118)	(789)
	<u>(1,370)</u>	<u>(1,118)</u>	<u>(789)</u>
Total liabilities	<u>(3,002)</u>	<u>(1,761)</u>	<u>(1,292)</u>
Net assets	<u>21,430</u>	<u>15,713</u>	<u>13,994</u>
Equity			
Called up share capital	424	366	366
Share premium account	24,777	16,690	16,690
Merger reserve	(148)	(148)	(148)
Accumulated losses	(3,623)	(1,195)	(2,914)
Total equity	<u>21,430</u>	<u>15,713</u>	<u>13,994</u>

HAMBLEDON MINING PLC
Consolidated cash flow statement
Six months ended 30 June 2007

	Six months to 30 June 2007 (unaudited) £000s	Six months to 30 June 2006 (unaudited) £000s	Year ended 31 December 2006 (audited) £000s
Net cash outflow from continuing operating activities	(1,048)	(2,038)	(1,312)
Investing activities			
Interest received	160	153	280
Payments to acquire intangible fixed assets	(22)	(5)	(100)
Purchases of tangible fixed assets	(4,987)	(2,496)	(8,790)
Net cash (used in) investing activities	(4,849)	(2,348)	(8,610)
Financing activities			
Net proceeds on issue of shares	8,145	9,974	9,974
Interest paid	(6)	(12)	(24)
Repayments of borrowings	(290)	-	-
Net cash inflow from financing activities	7,849	9,962	9,950
Increase in cash	1,952	5,576	28
Cash at beginning of the period	4,352	4,021	4,021
Effect of foreign exchange rate changes	(327)	156	303
Cash at end of the period	5,977	9,753	4,352

HAMBLEDON MINING PLC
Notes to the interim consolidated financial statements
Six months ended 30 June 2007

1 General information

These interim consolidated financial statements are for the six months ended 30 June 2007 and are unaudited. The information for the year ended 31 December 2006 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.

The financial information for the year ended 31 December 2006 has been extracted from the statutory accounts of Hambledon Mining plc ("the Group") for that year that were prepared under United Kingdom Law and Accounting Standards ("UK GAAP"). A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statement under Section 237(2) or (3) of the Companies Act 1985.

2 Accounting policies and adoption of International Financial Reporting Standards

The Group adopted International Financial Reporting Standards ("IFRS") on 1 January 2007. These interim consolidated financial statements have been prepared using accounting policies consistent with all applicable IFRS Standards. There are no material differences between applicable IFRS and applicable UK GAAP under which the Group's financial statements were prepared up to 31 December 2006.

The accounting policies under which these interim consolidated financial statements have been prepared have been published on the company's web-site, www.Hambledon-mining.com on 17 September 2007. These will be the principal accounting policies used for Hambledon Mining plc's future financial statements.

The presentation of the interim consolidated financial statements has been changed to conform to IFRS.

3 Net finance revenue

	Six months to 30 June 2007 (unaudited) £000s	Six months to 30 June 2006 (unaudited) £000s	Year ended 31 December 2006 (audited) £000s
Interest payable to related party	(6)	(12)	(23)
Other interest expense	(45)	-	-
Bank interest receivable	165	153	282
Foreign exchange (loss) / gain	(88)	213	(165)
	<u>26</u>	<u>354</u>	<u>94</u>

4 Dividend

The directors do not recommend the payment of a dividend.

5 Basic and diluted loss per share

The calculation of basic and diluted earnings per share is based on the retained loss for the financial period.

The weighted average number of ordinary shares for calculating the basic loss per share and diluted loss per share after adjusting for the effects of all dilutive potential ordinary shares are as follows:

	Six months to 30 June 2007 (unaudited)	Six months to 30 June 2006 (unaudited)	Year ended 31 December 2006 (audited)
Basic and diluted	<u>414,005,611</u>	<u>314,265,328</u>	<u>348,931,995</u>

6 Acquisition of TOO Ognevka

In January 2007, the Group acquired 100 per cent. of TOO Ognevka ("Ognevka"). Ognevka owns a processing facility in East Kazakhstan to treat up to 350,000 tonnes per year of copper, gold and silver containing residues (slag) from Zinc smelters. The facility had been closed and the company had not traded for two years and Ognevka was undergoing a process of rehabilitation under court protection from its creditors which had a total debt outstanding of £1.9 million. The Group acquired the debt of the principal creditor with a nominal value of £1.4 million for a cash payment of £0.9 million and then acquired 100 per cent. of the share capital of Ognevka for a nominal amount. This transaction has been accounted for by the acquisition of assets method of accounting and not as a business combination in accordance with "IFRS 3 – Business Combinations".

7 Approval of interim financial statements

The interim report for the six months to 30 June 2007 was approved by the Directors on 13 September 2007.

Company Information

Directors

George William O’Neale Eccles
Non-Executive Chairman

Nicholas John Bridgen
Chief Executive

Randall Alan Pyper
Technical Director

Christopher James Thomas
Non-Executive Director

Baurzhan Yerkeyev
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