

Hambleton Mining plc

("the Company")

PRODUCTION UPDATE

The Company reports its production for the three months from 1 October 2009 to 31 December 2009.

	October	November	December	Total
Milled tonnes (dry)	75,596	70,352	55,246	201,194
Gold grade (g/t)	1.01	1.02	1.13	1.05
Contained gold (gms)	76,352	71,759	62,152	210,263
Contained gold (oz)	2,455	2,307	1,998	6,760
Gold recovery %	79.0%	80.3%	80.98%	80%
Recovered gold (oz)	1,940	1,851	1,618	5,409
Recovered silver (oz)	4,194	4,538	4,746	13,478

Operation of the process plant ran very smoothly in October and November. Lower tonnages were processed in December due to mill relines and a major rebuild of the crushing facility, resulting in 5 days milling lost. Extreme (-45C) weather conditions in the second week of December also impacted the production for December. Currently, temperatures are even lower, which will have an impact on January figures.

The new mobile crushing facility has arrived in Ust Kamenogorsk, having been long delayed by customs. It is expected to be commissioned in early February. This machine will initially be used to re-crush frozen ore that has caused blockages in the circuit and low milling rates during the winter period. It will also be able to act as a back-up unit for the main jaw crusher, albeit with reduced capacity. During the summer period when the re-crushing of frozen ore is not required, it will be used to produce aggregates for own use or sale.

An engine failure on one of our two Hitachi excavators in October put the machine out of operation for seven weeks resulting in lower mining rates than planned and requiring low grade stockpiled ore to be blended with the higher grade ore mined during the quarter. This resulted in the overall grade of ore being processed being 1.05 g/t instead of the 1.27 g/t planned.

Negotiations for a renewal of the Alpha Bank stand-by loan facility of \$2m. have been concluded and agreed.

UNDERGROUND DEVELOPMENT

Approval for the first phase of the underground development was received in late December. A contract with a local underground contractor was signed at the end of December to commence work on the development of the underground project. This work is expected to commence in mid January.

A tender process for supply of underground equipment has been completed. It is expected that orders will be placed for this equipment in the first quarter of 2010 which would result in delivery of equipment in time to allow commencement of stoping operations in late 2010.

Surface infrastructure construction for the underground operation started in the December quarter with a road being constructed to the portal site, surface sedimentation ponds being constructed and power lines and surface transformers being installed.

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