

**HAMBLEDON MINING PLC**  
(AIM: HMB)

**Sekisovskoye exports first gold**  
**Operational Update**

Hambledon Mining plc ("Hambledon" or the "Group" or the "Company"), the AIM-listed gold mining and processing company operating in Kazakhstan, is pleased to report its first export of gold from Sekisovskoye and the positive results of the study into the underground resource.

**Highlights:**

**Sekisovskoye**

- 32.3 kilogrammes of doré, containing 8.2 kilogrammes of gold, has been exported and sold
- All aspects of the processing plant operating well
- Study confirms economic viability of underground mining
- Combined annual output (open pit and underground) of around 100,000 ounces per year expected
- Underground mining potential of 2.9 million tonnes at 4.70 g/t (433,000 ounces) based on all resource categories

**Ognevka**

- Production initially disappointing but outlook positive

*Sekisovskoye processing operations*

Some 32 kilogrammes of doré, containing 8.2 kilogrammes of gold, have been poured at Sekisovskoye since the start of operations and these have been exported to Metallor's refinery in Switzerland and sold.

The plant has been operating well since the restart of processing in April. Production has been limited by the impact of very wet weather on the clay-like material, however, for the last few days, weather conditions have been excellent and the ore has dried out. This problem is not expected to recur once the clay-containing near-surface ore has been mined and processed. The mills have now been tested at full capacity and are requiring lower power than expected, indicating that they are comfortably capable of operating at the planned level. They are currently being operated at 80% of capacity but will be turned up to full power as the remaining parts of the plant are fully tested.

All other parts of the plant have been operating normally and metallurgical recoveries are in the region of 85% - 90%, as expected. Upon the achievement of steady-state operations, the Falcon concentrator and associated regrind mill will be started, whereupon recovery can be expected to rise to the planned 92%.

### *Sekisovskoye underground study and reserve*

The Company has completed a preliminary study into the feasibility of underground mining, using the resource model compiled by the Company's independent geological consultants, design and costing input from AMC Consultants and other internally generated inputs.

The underground Resource is made up of over 200 distinct mineralised zones containing 4.5 million tonnes @ 5.1 g/t. For the purposes of the study, it was decided to focus on the largest 34 zones only, which contain 74% of the ore tonnes and 76% of the gold content. The remaining smaller zones will be incorporated into future mine plans when more detailed mine planning is undertaken.

AMC developed a mine design system utilizing a twin decline system to access the western and central mineralized zones. These two zones are approximately 200m apart and the declines are connected at 100m vertical intervals for operational simplicity. The geo-technical study showed that it is possible to utilize a mass mining technique and sub-level open stoping was chosen with stopes subsequently backfilled to provide long term stability. These methods should allow for an annual mining tonnage of up to 500,000 tonnes of ore during the peak years of mining.

Although a detailed mining reserve has not yet been formalised, from the 34 ore-bodies within both Indicated and Inferred categories of resource, an estimated total of 2.9 million tonnes could be mined at a diluted grade of 4.7 grammes per tonne, for a total of 433,371 contained ounces of gold (plus additional silver which was not included in the study).

The cost analysis carried out as a part of the study determined that total Mine Operating Cost (total cost of mining, processing and administration) will be some \$64 per tonne of ore, though this is only partially based on the lower costs of operating in Kazakhstan compared with Australia. The total cash investment, including working capital, necessary to get the underground mine into production, would be \$22m, though the Company is working on a development schedule that will proceed in stages to suit the approvals system operating in Kazakhstan and will use more local, FSU and Chinese equipment. The likely up-front investment, including working capital, will be just \$3.0 million, which will be financed by local borrowing and internally generated profits.

At its maximum output of some 500,000 tonnes per year, some 70,000 ounces per annum of gold could be recovered from the underground mine in addition to any further tonnages from the existing open pit. If the well established indications in the open-pit zones of a grade increase of some 20% (compared with Soviet era exploration) continue underground, this can be expected to increase to some 84,000 ounces per year, giving a total of over 100,000 ounces per year when feed from the existing open pit is limited to the amount required to fill the mill capacity of 850,000 tonnes per year. In practice, means of de-bottlenecking the process plant will be investigated and provision has already been made within the mill building for an additional leach tank. Production from the open pit may therefore be maintained at a higher rate and combined production may be higher.

Initial planning work has commenced to produce the documentation required to obtain approval from the Kazakhstan Government to start the development.

### *Ognevka*

Metallurgical recoveries and resulting concentrate grades from the treatment of clinkers at Ognevka have been poor, and only limited output of saleable material has been produced. This was initially attributed to over-activity of the magnetiser and the already fine-ground physical

properties of the clinkers. However, the results of initial modifications to correct these defects were disappointing. Further testwork has since been carried out to see why the initial testwork results are not being replicated and this has led to further modifications, involving a further gravity-table separation of the carbon using the existing shaking tables. These modifications have now been installed and are being commissioned, though it will take some time before commissioning will be completed and the results known.

However, improved commercial terms have been provisionally agreed with a Russian smelter which will have the effect of allowing shipment of lower grade concentrates. This will both make it easier for Ognevka to meet the required specification, and enable a higher metallurgical recovery of copper, gold and silver to be achieved. The sales prices for the main components of the concentrate are likely to be slightly better than those previously expected.

Negotiations have started with the government owned, special-purpose organisation for the holding and exploitation of sub-surface rights known as SPK. The SPK has the power to take the rights to additional government-owned clinkers with a view to creating a joint venture with the Company that will mine such clinkers and supply them as raw-material to TOO Ognevka.

TOO Ognevka has obtained the documents proving ownership of some 1.65 million tonnes of pegmatite tailings from previous operations, containing good grades of lithium, niobium, tantalum and other high value metals. These tailings have been surveyed and assayed, and bulk samples sent to a process testing facility in Ukraine. Customs and other factors have delayed the start of this testwork and the Company is considering other process testing options. Until such testwork has been carried out, it is not possible to be certain of economic recoverability and the Company has therefore decided not to place this resource on its statement of estimated resources. The Company's pegmatite tailings lie above much larger quantities of older government-owned tailings that the Company will seek to obtain rights to if the testwork proves successful. An existing but shut-down pegmatite mine lies underneath the Ognevka factory, and the Company may also apply for the rights to this.

In the event that the testwork shows the pegmatite operation to be feasible, the decision will then be made whether to convert the process plant back into pegmatite treatment or to create a second product line, for which there is already adequate space within the factory building.

**Nick Bridgen, Chief Executive of Hambleton, said:**

*“Sekisovskoye is operational and is going very well and we've made our first gold sales. The underground study looks good and we'll start on the first stage as soon as we get the required permits.*

*“The initial production levels at Ognevka are disappointing but steps have been put in place to upgrade the performance and we've secured a better sales contract.*

*“The next two big events for Hambleton to look forward to are the start of underground development and the proving up of the pegmatite resource at Ognevka.”*

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## **Note to editors**

Hambleton Mining plc is an AIM-listed gold mining and exploration company, which is operating the Sekisovskoye gold mine and 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 has constructed an 850,000 tonnes per year treatment plant. Production from the open pit will average over 40,000 ounces per annum. As soon as steady production has been achieved, 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 producing concentrates containing gold, silver, copper, iron and coke from the re-treatment of zinc smelter residues.