

11th March 2003

PETER HAMBRO MINING PLC

Placing and Open Offer to raise approximately £16.8 million

Peter Hambro Mining PLC (“**the Company**” or “**PHM**”) announces that Canaccord Capital (Europe) Limited (“**Canaccord**”), as agent for the Company, has conditionally placed a total of 9,596,919 new ordinary shares of 1p each of the Company (“**New Shares**”) at 175p per share (“**Placing Price**”) to raise approximately £16.8 million before expenses. The number of New Shares is equivalent to 20 per cent. of the Company’s existing issued share capital. As agent for certain existing shareholders (being two directors and their affiliated holders and another shareholder) Canaccord has also conditionally placed a total of 2,000,000 existing ordinary shares (“**Sale Shares**”) at the Placing Price. These shareholders comprise a company associated with Peter Hambro (500,000 shares) and Pavel Maslovsky (500,000 shares), both directors of the Company, and Mr G R Durham (1,000,000 shares).

The Company also announces that it intends to effect an Open Offer in respect of all the New Shares pursuant to which shareholders in the Company (save for certain overseas holders) will be entitled to subscribe for the New Shares at the Placing Price on the basis of 1 New Share for every 5 existing Shares held.

The Placing is conditional on *inter alia* the Open Offer being made and on admission of the relevant shares to trading on AIM (“Admission”). Certain Shareholders (comprising three directors, Peter Hambro, Pavel Maslovsky and Sir Rudolph Agnew and, in the case of Peter Hambro and Pavel Maslovsky, their respective related interests, and Mr G R Durham) have given irrevocable undertakings in relation to the Open Offer which will enable a total of 7,578,078 New Shares to be allocated to placees on a firm basis. It is intended that Admission will be sought for these New Shares shortly following the issue of the circular and for the remaining 2,018,841 New Shares following close of the Open Offer.

The estimated net proceeds are intended to be applied in funding (as to an estimated £3.6 million) the cash element of the consideration in respect of the proposed Tokur acquisition and (as to an estimated £9 million) PHM’s investment in the proposed Magadan joint venture. If either or both of these transactions do not proceed, the relevant funds will be applied, together with the balance of the proceeds, in reduction of the Group’s debt and financing of additional work on its existing interests.

Shareholder Documentation

It is intended that a circular containing the Open Offer and the Application Forms will be despatched to shareholders by the end of March 2003.

Enquiries:

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