

12 June 2003

## **PETER HAMBRO MINING SIGNS TOKUR ACQUISITION**

and

### **VENDOR PLACING OF 6 MILLION SHARES**

The Board of PETER HAMBRO MINING PLC announces that it has today entered into a conditional agreement with Reagrove Services Limited (“the Vendor”) for the acquisition of the Tokur Deposit mining licence (the “**Licence**”) on terms substantially the same as those set out in the Heads of Agreement dated 7 March 2003 and disclosed in the circular to shareholders dated 24 March 2003.

The consideration for the acquisition is a payment of US\$6 million in cash and the issue of 6,000,000 Shares (with a deemed aggregate value of US\$24,000,000), which are being placed. Under the acquisition agreement the Vendor has additionally agreed to deposit part of the consideration with the Company for 12 months as surety for any claim against the Vendor. Subject to drilling on the Tokur Deposit satisfying a pre-agreed test within the 12 month period from the date of Admission and to there being no claims against the Vendor, the Company will repay this deposit to the Vendor.

On the second anniversary of the date of Admission (or earlier at the sole discretion of the Company and subject to satisfaction of the pre-agreed test and only if the relevant evaluation has been completed), the Company will issue an additional 1,500,000 Shares to the Vendor provided that it is established that the Tokur deposit contains at least 60 tonnes of gold in category C2 reserves available for open pit exploitation under the Tokur Licence.

Commenting on the announcement, Peter Hambro, Executive Chairman said:

*“For some time now there has been a move to consolidate the gold mining business in Russia and our acquisition of the Tokur deposit is part of this process. Tokur is an important gold mining asset in the Amur Region, where our subsidiary Pokrovskiy Rudnik is a major producer, and the acquisition fits with our limited programme of non-organic growth.*

*I hope that the placing of the vendor shares with institutional investors will further increase liquidity in the Company’s shares and am pleased to see new institutions joining our share register.”*

#### **Notes to Editors:**

The Tokur Deposit is located in the Amur Region (far East Russia) some 450 kms from the Pokrovskiy mine and is served by road and rail connections. Independent resource estimates for the deposit indicate reserves and resources 8.1 million ounces. On this basis, completion of the acquisition takes the Group’s estimated total Category P and C resources and reserves for the Group to approximately 19 million ounces.

Enquiries:

Peter Hambro

Peter Hambro Mining PLC

+44 20 7393 0102

David Simonson/Nicola Davidson

Merlin Financial

+44 20 7606 1244/+44 7711 70 91 70