PETER HAMBRO MINING PLC
11 GROSVENOR PLACE, BELGRAVIA, LONDON, SW1X 7HH
TELEPHONE +44 20 7201 8900 FACSIMILE +44 20 7201 8901
Website: www.peterhambro.com Email: corporate@peterhambro.com

6 March 2009

Production Plan Update
WAI review of Andreevskaya and Quartzitovoye deposits

Peter Hambro Mining PLC ("PHM" or the "Group") announces its annual Production Plan Update for the period 2009 to 2012.

The Summary of the Wardell Amstrong International ("WAI") Technical Reports on the Andreevskaya and Quartzitovoye zones can be found on the Group's website at www.peterhambro.com.

Highlights

- The Group's total attributable production for 2008 was 393,600oz, up by 36% on the 2007 number;
  - 25% above the original WAI estimate;
  - 10% above the original Group estimate;
- Production is forecasted to grow strongly in 2009 to between 460,000oz and 510,000oz;
- Two production plan development scenarios for the period of 2010 to 2012:
  - Low case scenario anticipates production of 685,000oz in 2010, 793,000 oz in 2011 and 855,000oz in 2012;
  - High case scenario where projects are accelerated anticipates production of 769,000oz in 2010, 903,000oz in 2011 and 1,021,000oz in 2012 and correspondingly accelerated capital expenditure;
- Drivers of production growth are expected to be:
  - Ramp up of high grade Pioneer project, with produced grades at Andreevskaya significantly in excess of PHM and WAI estimates,
  - Malomir phasing optimised to maximise value, with high-grade non- refractory Quarzitovoye zone scheduled for early development,

    - Albyn expected to start production in 2012;

- Five additional projects to be in production within 3-5 years. These projects are Zeltunak, Tokur, Aprelskaya, Yamal and Osipkan, of which the latter three are the most promising;

- The Group remains one of the world's lowest cost producers at US$215/oz in H1 2008;

- Going forward, recent rouble devaluation, falling input costs and increasing production are expected to offset the effects of Russian inflation.

Chairman's comments

Peter Hambro, Executive Chairman of Peter Hambro Mining plc, commented:

"Our growth has always been about producing profitable ounces; as well as producing more ounces. Particularly in the current climate we are focused on achieving that growth, whilst simultaneously keeping a tight control over the Group's capital expenditure and operating costs.

The discovery of the high grade, non-refractory Quartzitovoye zone at Malomir has allowed us to review our development plans for this deposit, leading to a significant increase in this project's value and, pleasingly, without a corresponding increase in planned operating costs or capital expenditure. This optimisation of capital expenditure has been a key area of focus for the Group as we seek to maximise our profitable growth.

At Andreevskaya (Pioneer) we continue to produce high grades well in excess of both JORC Code (2004) and Russian classification reserves and resource estimates but in line with our expectations given the "nuggety" nature of the ore body.

In addition to our core operations and projects we are also progressing a number of other promising assets, including Albyn, that we believe also have the potential to become significant producing assets in future.

Already one of the world's lowest cost gold producers, our cost profile has been enhanced by the recent rouble devaluation and falling input costs. In the future we will also benefit from increased production which we expect to offset the negative impact of inflation and depleting grades.

Our objective is to deliver on our targets and become one of the world's fastest growing gold producers."

Production Plan Update for 2009-2012

The Production Plan Update is for the period between 2009 and 2012 and supercedes the forecast made in February 2008.

In 2009, PHM expects to produce 460,000oz - 510,000oz of gold. The 2009 production level reflects the completion of the second line at the Pioneer mine and stable operations at Pokrovskiy, alluvial and joint venture operations.

Set out below are two production development plan scenarios, a low case and a high case. The high case scenario is based on the bringing forward of certain projects, albeit with additional and accelerated capital expenditures.

PHM has undertaken a comprehensive business planning, geological and engineering analysis for each project. The expected production profile is reflected in the table below:

Projects	2009 000'oz	2010 000'oz	2011 000'oz	2012 000'oz
Pokrovskiy				
Low case	177	177	177	152*
High case	177	177	220*	180*
Pioneer				
Low case	250	308	337	277
High case	250	337	337	299
Malomir				
Low case		136	187	193
High case		181	187	240
Albyn				
Low case				50
High case			50	100
Tokur				
Low case	3	5	26	52
High case	3	8	26	52
Alluvials				
Low case	29	29	36	36
High case	29	36	36	36
Yamal				
Low case				17
High case			17	36
JV's and others				
Low case	28	30	30	78
High case	28	30	30	78
PHM Total				
Low case	487	685	793	855
High case	487	769	903	1,021

**Includes Pokrovskiy flanks*

The Group expects that in 2010 its total attributable gold production, which includes its share from Joint Ventures, will be between 685,000oz and 769,000oz, and that production will increase to between 793,000oz and 903,000oz in 2011 and 855,000oz and 1,021,000oz in 2012.

The Group plans for three new projects, Malomir, Albyn and Yamal, to come on stream by the end of 2012 and three additional potential projects to be in production within three to five years' time.

Summary of 2008 performance

It is useful to compare the level of actual production for 2008 with the earlier WAI estimate and Company guidance. In February 2008 the original WAI estimate for the Group's total production in 2008 was 316,100oz. This compares with the Company's own guidance in February 2008 of 358,800oz. The actual figure produced of 393,600oz, is 25% higher than the original WAI estimate and 10% higher than Group's own guidance.

Pokrovskiy Rudnik

In 2008 Pokrovskiy enjoyed another successful year, with gold production from the mine increasing 13% over the 2007 figure to 267,100oz. In view of the mine depletion the focus at Pokrovskiy is on cautious cost control and on preparation of reserves to be processed through the plant after 2012.

Processing harder material from deeper horizons has put upward pressure on costs which were offset primarily by significant rouble depreciation and a drop in input costs. The close proximity of the operations to China and other Asian countries gives the Group a high degree of flexibility when purchasing consumables, spare parts and reagents.

In the course of 2008 the Group finalised exploration works at Pokrovka-2 flanks, establishing reserves which are planned to be processed through the Pokrovskiy mill from 2012 together with Pokrovskiy main pit material. The Group intends to approve a feasibility study identifying Russian classification reserves and resources with the Russian authorities by the end of 2009. Intensive exploration works are being carried out at other flanks with the most promising results coming from the Zeltunak area which is planned to become a feeder of ore for the Pokrovskiy mill.

As part of the Group's rehabilitation plan for Pokrovskiy and within the programme of optimisation of mining works and cost control, the Group backfills overburden rock in exhausted areas of the pit which also reduces the Group's mining expenses.

Pioneer

After the successful ramping up of the first milling line at Pioneer and exceeding the Group's production forecast for the deposit in 2008, the Group is constructing the second line for commissioning in the second half of 2009. Currently the Group is finalising installation of the mill and construction of the sorption/desorption complex. It is expected that the mill will ramp up to 3.2m tonnes of annual capacity by the end of 2009. The construction of the third line is also ongoing and it is expected to be commissioned in the second half of 2010. It is expected that the plant will achieve its full designed capacity of 5.4m tonnes of oxide material in 2011.

Currently the Russian reserves and resources base supports production from the Andreevskaya ore body at approximately similar grades until 2012, after which it is planned to include in production increased tonnages of lower grade material.

The exploration works at Andreevskaya are still ongoing. The same high grade mineralisation has been encountered at the eastern 800m extension of the Andreevskaya ore zone.

The Group expects to publish a new set of reserves and resources for this 800m extension by the end of 2009. Initial findings also show the same high grades achieved further west including visible gold. These new discoveries could significantly extend the life of the mine for Andreevskaya.

The Group is pleased to report a significant uplift in gold contained at Andreevskaya proved in production from the deposit. This is due to the high "nuggety" nature of the deposit. Blasthole drilling on a tighter grid identified c.45.6% uplift against the original wireframe model.

Reconciliation of JORC Code (2004) reserves and resources against production carried out by WAI showed c.30% increase in the gold produced compared to initial JORC Code (2004) estimates.

Approximately 350,000 tonnes of ore at an average grade of 15.3g/t Au, containing 172,000 oz of gold, have been extracted from the open pit at Andreevskaya up to 1 January 2009, estimated by blast hole grade control samples. The modelled resources, according to WAI, at the same cut-off grade to 1 January 2009 within the open pit are 268,000 tonnes at a grade of 14.9g/t Au, containing 128,000oz of gold. Although there is good reconciliation for the average grade between the extracted material and the model, the tonnage and contained metal extracted is some 30% more than that estimated in the model.

In addition the Group recorded the favourable discrepancy between in-pit estimation and production data (through the plant) is around 3% in terms of contained metal and at a similar grade.

Review of the production measurements (pit outlines) reveals that volume discrepancy, and thus tonnage, stems from differences between the thicknesses recorded in the exploration intersections (drill holes and trenches) as used for the resource model and those established from the blast hole data.

The situation at Andreevskaya is further compounded by the fact that the relatively small, but very high grade, ore columns remained undetected during exploration works have a huge impact on the total metal content of the ore body. The outcome of this is that current production grades are in excess of predicted grades and it is likely that this will continue, particularly in the higher grade ore zones where there is a greater likelihood of uncovering additional bonanza grade ore.

The latest estimates of Russian reserves and resources (C1+ C2) for Andreevskaya is 1.5m tonnes of ore at an average grade of 13.3g/t containing 642,000oz of gold, with potential for uplift from conversion of P1 reserves of 160,000oz at 6.0g/t from deeper horizons.

The updated WAI report highlights that:

- "Significant potential exists to improve the resource base at Andreevskaya by upgrading *Inferred* resources to *Measured* and *Indicated* status at the Western Sector of Andreevskaya zone by in-fill drilling", and

- "Reconciliation between the WAI estimated resource model and actual open pit production, up to 1 January 2009, has shown that, although the average grade achieved is comparable, the tonnage and contained metal produced from the pit is some 25-30% more than that estimated in the resource model."

Table: Andreevskaya mineral resources on 1 January 2009 as estimated by WAI

JORC Code (2004) Resource Category	Tonnage (kt)	Gold Resource			Silver Resource		
		Grade g/t	kg metal	oz metal	Grade g/t	kg metal	oz metal
Andreevskaya resources at 0.4g/t cutoff							
Measured	223.7	11.99	2,681.4	86,211	32.0	7155.7	230,062
Indicated	2,340.1	4.34	10,145.4	326,183	11.8	27,689.8	890,247
Measured+Indicated	2,563.8	5.00	12,826.9	412,393	13.6	34,845.5	1,120,309
Inferred	3,866.9	1.15	4,429.5	142,412	4.2	16,403.3	527,377
Andreevskaya resources at 0.8g/t cutoff							
Measured	172.3	15.38	2,649.6	85,187	40.0	6,898.4	221,787
Indicated	1,600.2	6.07	9,718.9	312,470	15.3	24,537.1	788,887
Measured+Indicated	1,772.5	6.98	12,368.5	397,657	17.7	31,435.5	1,010,675
Inferred	662.4	4.10	2,714.3	87,267	12.3	8,166.0	262,543

Malomir

The Group undertook a substantial review of its development plans for the Malomir deposit following a new discovery in 2008 which increases Malomir NPV by c.40%. In 2008 the high grade non refractory ore zone Quartzitovoye was discovered in close proximity to the deposit. This area differs from the main Malomir zone in that visible gold is evident. Initial Group estimates of the deposit's reserves and resources according to the Russian classification system are shown below.

Ore body 12	Ore, 000't	Grade, g/t	Gold, 000'oz
Reserves C_1+C_2	**3,800**	**5.6**	**682**
Resources P_1	**220**	**5.0**	**35**

Metallurgical studies have indicated that 80% of the gold can be recovered using gravitation and 88% using direct leaching. This shows that the Group can postpone the capital intensive autoclave investment needed for the treatment of refractory ore, and instead focus the Group's expenditure more cost effectively in the short term on the non-refractory material. Based on current estimates of reserves and resources in Russian classification system (including P1 resource) the Group expects three and a half years of production from non-refractory material which is later expected to be substituted by refractory material from the main deposit. Processing costs of non refractory material are expected to be significantly lower than anticipated by the feasibility study for the main refractory ore body.

The reviewed plans reflecting new results from Quartzitovoye N12 provide for Malomir to be commissioned in the second half of 2010 with production in that year of between 136,000oz and 181,000oz. This production level is expected to ramp up to 187,000oz in 2011 and between 193,000oz and 240,000oz in 2012.

WAI undertook the Mineral Resource estimation for the Quartzitivoye ore zone in January - February 2009. The results of optimisation at a US$850/oz gold price for COG of 0.30 and 0.80g/t Au are shown in Table 5.3 below.

Table 5.3: WAI Optimised Conceptual Reserve Estimate for

Quartzitivoye No. 12 Ore Zone as at 08.02.09 using US$850/oz Au Price

JORC Code (2004) Classification	Tonnage (t)	Grade (g/t)	Contained Metal	
			(kg)	(oz)
COG of 0.30g/t Au (ECOG)				
Measured	59,918	1.51	90.5	2,910
Indicated	197,607	1.60	316.2	10,166
Inferred	3,039,677	2.63	7,994.4	257,026
COG of 0.80g/t Au				
Measured	33,188	2.31	76.7	2,466
Indicated	121,945	2.26	275.6	8,861
Inferred	1,672,380	4.29	7,174.5	230,665

Further exploration works are being carried at The Quartzitivoye,ore body where other similar ore zones have been identified. Visible gold has been encountered in the form of coarse single grains.

Albyn

The Albyn deposit which is located in the north-east of the Amur Region on the same geological fault and thrust belt as Malomir is one of the most promising projects of the Group which could be put into production as early as 2011.

The currently established Russian classification reserves and resources at Albyn are 668,000oz at 2,0g/t at category C2 and a further 969,000oz of gold at category P1 with an average grade of 2.0g/t. Ore at Albyn contains large particles of visible gold making assay testing and as a result exploration works challenging. However, these ores are very easily treatable. Metullurgical studies have shown the following: by gravity separation it is possible to recover between 79.3% – 95.2%, by sorption cyanidation between 92.0% – 97.3% and by heap-leaching between 50.3% – 89.1%. This has led the Group to plan to construct a 1.5 mtpa RIP plant for gravity separation at Albyn.

Costs

The Group remains one of the lowest cost producers in the world, with cash costs in H1 2008 of US$215/oz. The cost position has subsequently been enhanced through the depreciation of the rouble and by falling input prices. For example, unit savings on diesel fuel and average wages in USD terms for 2009 are expected to be 32% and 18% lower respectively versus Q4 2008. Going forward, the cost position will also benefit from increased production. Somewhat offsetting these positive cost drivers will be Russian inflation and declining grades at the Pokrovskiy deposit. The table below outlines the cost breakdown in 2008 by segment as well as the breakdown of rouble versus USD costs.

	RUR	**USD**
Diesel	100%	0%
Power	100%	0%
Chemicals	20%	80%
Consumables - RIP	50%	50%
Explosives	100%	0%
Spare parts - Mining	40%	60%
Payroll	100%	0%

Capital Expenditure Forecast

In line, with the focus on cash generation and preservation, capital expenditures in 2008 were substantially below the estimated US$158 million. Capital expenditures are expected to total US$100 million in 2009 including US$61 million on the development of Pioneer and US$29 million on Malomir, and lesser expenditure on Pokrovskiy. The major planned capital expenditures by project are as follows:

Projects		**2009 $m**	**2010 $m**	**2011 $m**	**2012 $m**
Pokrovskiy					
	Low case	**5***	**5***	**19***	**10***
	High case	**5***	**19***	**10***	**3***
Pioneer					
	Low case	**61**	**14**	**28**	**-**
	High case	**61**	**14**	**28**	**-**
Malomir					
	Low case	**29**	**13**	**20**	**27**
	High case	**29**	**13**	**20**	**27**
Albyn					
	Low case	**2**	**2**	**16**	**7**
	High case	**2**	**16**	**7**	

Tokur				
Low case	**-**	**5**	**7**	**3**
High case	**-**	**5**	**7**	**3**
Alluvials				
Low case	**3**	**4**	**5**	**1**
High case	**3**	**4**	**5**	**1**
Yamal				
Low case	**-**	**-**	**54**	**118**
High case	**-**	**54**	**118**	**20**
PHM Total				
Low case	**100**	**43**	**149**	**166**
High case	**100**	**125**	**195**	**54**

**Includes Pokrovskiy flanks*

The Low case capital expenditure forecast totals US$458m from 2009 to 2012 versus US$474m for the High case. Whilst the High case is only modestly larger in expenditure terms, it would involve accelerated spend in the years 2010 and 2011.

The Company's current intention is to achieve and surpass the Low case production plan. The Group will continue to review its options to pursue the High case plan, but this will depend on a range of considerations including gold price, cost dynamics, actual grades and financing conditions.

The development and production plans set out herein represent the current views of the Company's management. The Company's Board reviews the production plans on an ongoing basis and the plans will be reviewed by the new Board of the Company following the expected successful completion of the Aricom transaction. All planning is subject to available funding and capital allocation decisions.

The full year results of the Group are expected to be published at the end of April 2009.

Conference Call and Analysts' Workshop

The Company will be holding today an Analysts' Workshop to discuss its production schedules in the light of WAI's technical report. In attendance will be members of the Peter Hambro Mining Plc Board of Directors, members of Management Company Peter Hambro Mining and a Director from WAI.

In addition, there will be a conference call at 10:00 GTM today. Details to access the call are as follows:

The Dial-in numbers:

In the UK: 0800 953 0102/ +44 (0) 1452 561 394
In the US: 1866 295 3947
In Russia: 8108 002 097 2044

The conference ID: 88510958.

Enquiries:

Peter Hambro Mining Plc	+44 (0) 20 7201 8900
Alya Samokhvalova / Rachel Tuft	
JPMorgan Cazenove	+44 (0) 20 7155 2828
Patrick Magee	
Merlin	+44 (0) 20 7653 6620
David Simonson/ Tom Randell/ Maria Suleymanova	

Disclosure

The contents of this announcement have been approved for release by Dr. P. Newall, BSc, PhD, CEng, FIMMM, of Wardell Armstrong International. Dr. P. Newall has consented to the inclusion of the material in the form and context in which it appears.

This release has been reviewed by Dr. Stephen Henley, who is an independent geological advisor to the Board of Directors of Peter Hambro Mining Plc. Dr. Henley is qualified to act in the capacity of a Competent Person for the purposes of this statement.

Dr. Stephen Henley holds a PhD in Geology (University of Nottingham, 1970). He is a Fellow of the Geological Society, a Fellow of the Institution of Materials, Minerals and Mining, and a Chartered Engineer. He is also a Charter Member of the International Association for Mathematical Geology. He has been employed in exploration, mining, academic and geological consultancy posts since 1970 and has participated in Competent Person studies on a variety of different minerals and types of deposit, including gold, polymetallic and chromite projects.

- Ends -