

# PETER HAMBRO MINING PLC

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07 May 2009

## Production Report for Q1 2009 and Interim Management Statement

Peter Hambro Mining plc (“PHM” or the “Company”) today issues its interim management statement for the period from 1 January 2009 to date, in accordance with the UK Listing Authority’s Disclosure and Transparency Rules.

### Gold Production Report for Q1 2009

Gold Produced ('000 oz)	Q1 2009	Q1 2008	Q1 2009 vs. Q1 2008
Pokrovskiy deposit	40.8	46.3	(12%)
Pioneer deposit*	66.6	16.2	311%
<b>Total**</b>	<b>107.4</b>	<b>62.5</b>	<b>72%</b>

\* In Q1 2008 all of the gold produced from Pioneer was processed through the Pokrovskiy mill. In Q1 2009 only 10,800oz of the gold produced from Pioneer was processed through the Pokrovskiy mill. Pioneer gold processed at Pokrovskiy is included in the Pioneer deposit figures.

\*\*Total attributable gold production, in the above tables and elsewhere in this document, is comprised of 100% of production from the Company’s subsidiaries. PHM’s direct and indirect interest in Pokrovskiy Rudnik, and any interest held by Pokrovskiy Rudnik, is 98.61%.

### Highlights

#### Production

- First quarter attributable gold production was 107,400 oz, an increase of 72% on the first quarter of 2008 principally due to the effective operations of the Pioneer processing facilities. Pioneer’s Stage 1 process facility worked at full capacity. The Group’s expected total attributable gold production for 2009 remains between 460,000 oz and 510,000 oz;
- As highlighted in the Company’s previous statements, production from the Pokrovskiy mine is expected to decline in 2009 to a total of c.177,000 oz. Q1 production fell by 12% relative to the first quarter of 2008 to 40,800 oz;
- Equipment installation for the Pioneer plant’s second line is ongoing with commissioning expected in July and thereafter ramping up to its full capacity by September;
- Preparation for commissioning of seasonal production in June from the Company’s alluvial operations and joint ventures is on schedule;
- Operating costs in the first quarter benefited from rouble devaluation against the US\$.

#### Gold Price and Sales

- The average realised gold price for the first quarter of 2009 was US\$910/oz (Q1 2008 - US\$909/oz);
- The amount of gold sold in the first quarter of 2009 reached 99,053 oz, up 95% on the first quarter of 2008’s sales of 50,723 oz.



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### *Project update*

- Further exploration works in the first quarter of 2009 at Pioneer have yielded very promising results, establishing continuation of the eastern enriched area at Andreevskaya zone to a depth of 120m, hitting some occurrences of very high grades of up to 600g/t. To the west of Yuznaya zone, a new ore zone, Vostochnaya, was discovered and trench samples established gold mineralisation with grades of 20 – 30 g/t, similar to the Andreevskaya zone. Enriched mineralisation was also encountered at the eastern part of the Bakhmut area yielding average grades of 10g/t for 5m thickness;
- At Malomir, infrastructure construction is continuing with the road to the mine completed and the power line on track to be completed in the near future. The delivery of mining equipment is on schedule;
- At Kuranakh, work is continuing on the Olekma beneficiation plant with the project on track to be completed towards the end of the year;
- Work is continuing on the completion of the design and feasibility study options for the K&S and Garinskoye projects. . The Board is considering the development options available for both deposits in the light of current iron ore and project finance markets. Positive momentum continues at a project level and discussions regarding financing for the projects are ongoing.

### *Corporate update*

- In February the Company raised c.US\$105 million gross through issuing 16m shares at £4.50, and purchased a total of US\$87 million nominal of its 7% US\$180 million Gold Exchangeable Bonds due 2012 at an average price of US\$95 plus accrued interest from a number of investors. In addition, the Company purchased a further US\$40 million nominal amount at an average price of US\$95 plus accrued interest from a number of investors in May, leaving US\$53 million nominal Gold Exchangeable Bonds outstanding.
- In March PHM subscribed c.CAD 3.7 million for 6,166,666 new shares in Rusoro Mining Limited (“Rusoro”) as part of an equity placing by Rusoro. As a result, the Company now has a c.1.1% stake in the enlarged share capital of Rusoro;
- On 22 April 2009, the Company announced the completion of the merger with Aricom plc and its move from AIM to the London Stock Exchange plc’s Main Market;
- Save for the effects of the above transactions, the financial position of the Company at the end of April was not materially changed from that reported at 31 December 2008.

There will be a conference call to discuss the announcement on 07 May 2009 at 14:00 (BST).

Details to access the conference call are as follows:

UK Free Call: **08006940257**  
UK Standard International: **+44 (0) 1452555566**  
USA Free Call: **18669669439**  
Russia Free Call: **81080020972044**

Conference ID: **98212734**

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## **PETER HAMBRO MINING PLC**

### ***Forward-looking statements***

This Interim Management Statement contains forward-looking statements. Such forward-looking statements, which reflect management's assumptions made on the basis of information available to it at this time, involve known and unknown risks, uncertainties and other important factors which could cause the actual results, performance or achievements of PHM or the market and economies in which PHM operates to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this Interim Management Statement are made as at the date of this statement, and PHM undertakes no obligation to update any of its forward-looking statements.