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Press Release - 29th December 2004

Peter Hambro Mining Terminates Ametistovoye Acquisition Process

Peter Hambro Mining ("PHM") announces that it has informed the vendors of the Ametistovoye deposit that it will not be progressing with its proposed acquisition.

PHM announced in June 2004 that it had signed a memorandum of understanding in relation to the proposed acquisition of the Ametistovoye deposit in Kamchatka, in the Russian Far East, subject to further due diligence and contract. Following this announcement, PHM's technical and geological teams have undertaken substantial analysis of the deposit and subsequently reviewed additional data acquired from another party.

The decision to now conclude due diligence and not proceed with the acquisition follows the Board's analysis of the results of PHM's internal economic evaluation which does not support PHM's further involvement at Ametistovoye.

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Registered in England Number 2924450