



Hambleton Mining

(HMB)

BUY

Maintained

5 July 2010

52-wk Range: 3.88-7.88p

Market Cap (M): £38.1

12 month target £0.18

EV (M): £36.4

Mining

Revised Commodity and Currency forecasts

Summary

Hambleton Mining is an emerging gold producer, with its gold mine located in Kazakhstan. It has also acquired a plant to recycle zinc smelter residues, to produce a variety of products including gold, copper and silver. Both operations commenced production in late 2007, but the recycling of zinc smelter slags has been shut down since early 2008



Event

Fox-Davies has reviewed its commodity and currency forecasts. For full details please see today's daily.

Comment

The higher gold prices now being forecast have had a significant impact on Hambleton. Perhaps more importantly, the production figures released at the AGM indicated that Hambleton could beat our expectations for both tonnes milled and gold produced for the June quarter. In addition, good tonnages of purchased ore were processed in both April and May. These are all very positive indicators.

Recommendation

We have adjusted the model accordingly, and the target price has been increased to £0.18 from £0.13/share previously. We have upgraded the recommendation to Buy from Hold.

Key Metrics

Shares Outstanding (M):	516.1
Current Price (GBP):	7.38p
Fully Diluted Shares (M):	519.3

Contact

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FYE Dec	2008	2009	2010E	2011E	2012E
Revenue (£M):	5.6	12.8	21.8	58.6	77.6
EBITDA (£M):	-5.5	3.1	4.5	39.2	59.5
NPAT (inc significant items):	-7.6	0.0	1.4	23.3	36.7
EPS (GBP):	-1.6	0.0	0.3	4.5	7.1
Cash Flow/Share (GBP):	-1.2	0.5	0.9	6.1	8.8
Gold Price (US\$/oz):	872.6	973.7	1217.0	1400.0	1520.0
Production per '000 shares:	0.02	0.04	0.05	0.12	0.15
Reserves per '000 shares:	0.87	0.75	0.71	0.59	0.44

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Peter Rose

Peter Rose has 20 years experience in equities as a resources analyst, most recently having spent 11 years with Deutsche Bank in Australia. Prior to this he spent three years with Prudential Bache and five years with James Capel. Peter's industry experience includes 16 years as a metallurgist, three years with De Beers in South Africa and eight years in the uranium industry, five of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Mining & Metallurgy and a chartered engineer.

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Research disclosure as of 05 July 2010

Company Name	Disclosure
Hambledon Mining (HMB)	7

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Fox-Davies corporate client & coverage universe as of 05 July 2010:

Company	Ticker	Recommendation	Date	Target Price	Last Price
Mining					
African Barrick Gold	ABG LN Equity	SELL	27.05.10	£5.18	£6.02
Angel Mining	ANGM LN Equity	BUY	03.03.10	£0.16	£0.06
Antofagasta	ANTO LN Equity	BUY	28.05.10	£10.33	£7.66
Atlantic Coal	ATC LN equity	BUY	21.01.10	£0.025	£0.004
Discovery Metals	DME LN Equity	BUY	05.07.10	£1.04	£0.37
EMED Mining	EMED LN Equity	BUY	05.07.10	£0.34	£0.08
Exco Resources	EXS AU Equity	BUY	05.07.10	A\$0.77	A\$0.24
Gippsland Limited	GIP LN Equity	BUY	06.10.09	£0.02	NA
Hambledon Mining	HMB LN Equity	BUY	20.05.10	£0.18	£0.07
Highland Gold	HGM LN Equity	BUY	05.07.10	£1.71	£1.21
Hochschild Mining	HOC LN Equity	BUY	05.07.10	£3.68	£3.03
KEFI Minerals	KEFI LN Equity	Spec. BUY	06.10.09	NA	£0.01
Kryso Resources	KYS LN Equity	BUY	21.04.10	£0.14	£0.14
Lydian International	LYD CN Equity	BUY	18.03.10	C\$1.22	C\$1.29
Minera IRL	MIRL LN Equity	BUY	05.07.10	£1.28	£0.59
Oxus Gold	OXS LN Equity	BUY	21.04.10	£0.30	£0.06
Randgold Resources	RRS LN equity	BUY	02.06.10	£67.43	£61.45
Stratex International	STI LN Equity	BUY	03.03.10	£0.07	£0.03

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