



# NEWS RELEASE

**FOR IMMEDIATE RELEASE – January 18, 2008**

**FOR: Alhambra Resources Ltd.**

**SUBJECT: 2008 Objectives, Preliminary Capital Program & Operational Targets**

**CALGARY**, Alberta – Alhambra Resources Ltd. (TSX-V: ALH) (“Alhambra” or the “Corporation”) is pleased to announce its preliminary 2008 capital budget related to its Uzboy Project located in north central Kazakhstan. The Uzboy Project covers 11,000 km<sup>2</sup> (2.7 million acres). Within the Uzboy Project, the Corporation has identified 125 exploration targets, six being advanced exploration areas.

Stated John J. Komarnicki, Alhambra’s Chairman and CEO, “The year 2008 will be a year in which Alhambra will continue to lay the foundation for continued growth.”

## **2008 OBJECTIVES**

A number of the Corporation’s more important 2008 objectives include:

- **Updating the current NI 43-101 compliant resource and reserve report for the Uzboy gold deposit before the end of the first quarter of 2008.** The update is being done by the Corporation’s independent geological consultant, A.C.A. Howe International Limited (“Howe”). The current Howe report is effective as of January 1, 2007. In 2007, four successful drilling campaigns were completed on the Uzboy gold deposit. The drill results from these drilling campaigns are being incorporated into the updated report which will be effective January 1, 2008.
- **Advancing the Uzboy Scoping Study to a pre-feasibility study.** Howe has been retained to complete a Scoping Study of the Uzboy gold deposit. The result of the Scoping Study will be the first step towards assessing the economic potential of the Uzboy sulphide gold mineralization and will be used to identify additional work necessary to complete a pre-feasibility study on the Uzboy gold deposit.
- **Completing a NI 43-101 compliant resource estimate for the Dombraly gold deposit.** Howe has been provided with technical information for the Dombraly gold deposit and has been requested to confirm if the data will enable Howe to generate a NI 43-101 compliant resource estimate in 2008.
- **Installing a crushing unit at the Uzboy heap leach mine to maximize gold recovery.** Alhambra currently produces gold from two open pits, the West and East pits. The West pit has been in operation since 2004. As the West pit reached a depth of approximately 30 metres, mining operations were suspended on a temporary basis in the third quarter of 2007. This action was taken as at this depth, the ore was harder and could not be optimally fragmented by drilling and blasting operations alone. To ensure optimal fragmentation to maximize gold recovery, crushing of the ore from the West pit is required. Hence a crushing unit is anticipated to be installed in 2008. Once the crushing unit is operational, ore from both pits will be stacked on heap leach pads and it is expected that the blended ore will be of higher grade than the lower-grade East pit.
- **Drilling advanced exploration targets.** Alhambra currently has approximately 125 mineral targets within its Uzboy Project license area. Of these targets, six are categorized as advanced exploration areas. In 2008, the Corporation will be focused on continuing to drill out the zones of gold mineralization at the Uzboy and Dombraly deposits and at the same time, advancing the work of getting a NI 43-101 compliant resource estimate completed for the Shirotnaia zone in 2009.

## **2008 PRELIMINARY CAPITAL & OPERATIONAL TARGETS**

Alhambra's preliminary 2008 capital budget is C\$6.0 million. Of this amount, approximately C\$3.5 million will be spent on exploration and the remaining C\$2.5 million on capital items, including a crushing unit.

John J. Komarnicki stated, "At this time we are only introducing a preliminary budget for 2008. We are still awaiting three very important pieces of information which will impact our final expenditures in 2008. Those outstanding items include an updated NI 43-101 Uzboy resource and reserve report, the Uzboy Scoping Study and the outstanding test results for the 2007 drilling programs. Once these items have all been received, then we will be in a position to analyze and reassess our capital budget for the remainder of 2008."

Operationally, Alhambra is anticipating that 1.1 million tonnes of oxide ore will be stacked for leaching, up marginally from 2007. Gold production and sales from the Uzboy heap leach mine are forecasted to be 20,000 and 18,500 ounces ("ozs"), respectively in 2008. This forecast is in line with the 2007 actuals of 20,665 and 18,762 ozs, respectively.

## **ABOUT ALHAMBRA**

Alhambra is a Canadian based gold exploration and production corporation engaged in the exploration of and production from its 100% owned Uzboy Project. Alhambra is currently in its sixth year of operations in the Republic of Kazakhstan.

Alhambra common shares trade on The TSX Venture Exchange under the symbol ALH and in Germany on the Frankfurt Open Market under the symbol A4Y. The Corporation's website can be accessed at [www.alhambraresources.com](http://www.alhambraresources.com).

Elmer B. Stewart, MSc. P. Geol., technical consultant, is the Corporation's nominated Qualified Person responsible for monitoring the supervision and quality control of the programs completed within the Uzboy Project. Mr. Stewart has reviewed and verified the technical information contained in this news release.

**The TSX Venture Exchange Inc. has neither approved nor disapproved the information contained herein.**

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*This news release contains statements about expected or anticipated results that are forward looking in nature and, as a result, are subject to certain risks and uncertainties, such as technical issues, new legislation, competitive and general economic factors and conditions, uncertainties resulting from potential delays, changes in plans, the occurrence of unexpected events and the Corporation's capability to execute and implement its future plans. Actual results may differ materially from those projected by management. For such statements, we claim the safe harbor for future.*