



NEWS RELEASE

FOR IMMEDIATE RELEASE – June 5, 2008

FOR: Alhambra Resources Ltd.

SUBJECT: Alhambra Increases Proven and Probable Reserves by 16% at its 100% Owned Uzboy Heap Leach Mine

CALGARY, Alberta – Alhambra Resources Ltd. (“Alhambra” or the “Corporation”) announces that its updated National Instrument 43-101 (“NI 43-101”) compliant report entitled “Resource and Reserve Estimation Study on the Uzboy Gold Deposit, Akmola Oblast Kazakhstan” with an effective date of December 31, 2007 (the “Report”) prepared by its independent geological consultants, A.C.A. Howe International Limited (“Howe”) has been received and filed on SEDAR at www.sedar.com.

STUDY HIGHLIGHTS

The highlights of the current Report for the estimated Proven and Probable reserve categories in the oxide and transitional portions of the West and East zones of the Uzboy gold deposit are as follows:

- Proven and Probable reserves increased by 16% over 2006 to 168,000 ounces (“ozs”)
- Proven and Probable recoverable reserves are estimated to be 95,500 ozs at a 0.20 grams per tonne (‘g/t’) cut-off
- The net present value (“NPV”) resulting from mining these reserves is estimated at approximately US\$42 million using a discount rate of 10%
- The Proven and Probable mineral reserves in the oxide and transitional zones is unchanged at an average gold grade of 1.12 g/t

“The two most important aspects of this updated study are that the economics of the Uzboy gold deposit remain very robust and that we have been able to replace the ounces produced in 2007, resulting in the addition of another year onto the mine life for our Uzboy heap leach mine”, said John J. Komarnicki, Alhambra’s Chairman and CEO.

As of December 31, 2007, the Proven and Probable recoverable reserves combined with Work In Progress were estimated to be 118,500 ozs.

DETAILED RESERVE INFORMATION

The Uzboy gold deposit consists of an upper oxidized zone which is underlain by a transitional zone. The transitional zone is that portion of the deposit where the change over from oxidized to primary gold mineralization occurs. The transitional zone comprises both oxidized and non-oxidized gold mineralization.

Pit optimizations were completed on the oxide and transitional resource block models for the West and East zones of the Uzboy gold deposit using Micromine Pit Optimization Module software. A total of 41 pit optimizations were completed in order to generate the optimal pit to identify which blocks should be mined and reserve reported.

The following table summarizes the Proven and Probable reserves for the optimal pit (#41) (using a 0.20 g/t cut-off) estimated by Howe as at December 31, 2007.

| Zone | Reserve Category | Mineralization | Tonnes | Grade (g/t) | Ounces (gold) |
|---------------------------|-------------------------|-----------------------|------------------|--------------------|----------------------|
| <i>West</i> | Proven | oxide | 1,749,000 | 1.17 | 65,800 |
| | Probable | oxide | 215,000 | 1.65 | 11,400 |
| <i>East</i> | Proven | oxide | 1,268,000 | 0.72 | 29,200 |
| | Probable | oxide | 501,000 | 0.77 | 12,400 |
| Total Oxide | | | 3,733,000 | 0.99 | 118,800 |
| <i>West</i> | Proven | transitional | 574,000 | 1.45 | 26,700 |
| | Probable | transitional | 242,000 | 2.01 | 15,600 |
| <i>East</i> | Proven | transitional | 51,000 | 1.66 | 2,700 |
| | Probable | transitional | 93,000 | 1.41 | 4,200 |
| Total Transitional | | | 960,000 | 1.59 | 49,200 |

* Keeping with best practice principles, rounding errors may occur

Proven and Probable reserves are included in the current Measured and Indicated resource categories as set out below.

Recoverable gold after taking into account estimated percentage gold recovery, mining losses and dilution are estimated to be 71,000 ozs for the oxide zone and 24,500 ozs for the transitional zone for a total estimated amount of 95,500 ozs. In 2006, the Transitional zone was included in the oxide category.

Optimization and reserve reporting methodology used the current Measured and Indicated resource categories for the oxide and transitional portions of the West and East zones of the Uzboy gold deposit. Howe used the following parameters to estimate reserves:

| Parameter | Oxide | Transitional |
|----------------------------|---------------|---------------------|
| Mining Method | Open Pit | Open Pit |
| Processing Method | Heap Leaching | Heap Leaching |
| Mining Cost/tonne | US\$1.95 | US\$2.01 |
| Mining Losses (%) | 6.2 | 6.2 |
| Mining Dilution (%) | 8.4 | 8.4 |
| Processing Costs/tonne | US\$3.85 | US\$4.17 |
| Processing Recovery (%) | 70 | 58 |
| Gold price/ounce (US\$/oz) | 850 | 850 |
| Payment (%) | 99.05 | 99.05 |
| Royalty (%) | 3.5 | 3.5 |
| Pit Slope (degrees) | 45 | 45 |

The Micromine Open Pit Optimiser is based on the Lerchs Grossman algorithm and 3D graph theory and relies on the input of an ore body block model file plus cut-off grades, metal prices and cost parameters to determine the proportion of ore to waste in each block and the value of each block. Based on the pit optimization study, optimal pit #41 was selected for reporting purposes resulting in the following: strip ratio of 1.26, waste: 5.90 million tonnes, ore: 4.60 million tonnes and average grade: 1.12 g/t gold.

After selecting the optimal pit, actual pit design for the West and East zones of the Uzboy gold deposit was completed by Howe using the following parameters: pit slope 45 degrees, bench height 5 metres ("m"), bench width 3.2 m, ramp width 15 m, and ramp slope 8 degrees. The pit design using the above parameter inputs, optimum pit outlines and optimum pit shell wireframes was completed in Micromine v. 11 Opencut Pit Design function.

Reserves were estimated using the minimum mining (processing) grade applied. Statistical analysis was run on oxide and transitional grades. The minimum processing grades for oxide ore was found to be 0.22 g/t

gold and for transitional ore was 0.29 g/t gold. Measured and Indicated Blocks within optimal pit #41 which had a grade equal to or greater than the minimum process grade for the respective material were considered for mineable reserve estimation.

The sensitivity study shows that the NPV for the pit of approximately US\$42 million, net of mining and processing costs, would result from mining the oxide and transitional ore based upon optimal pit #41 over a four year period using a discount rate of 10%.

The Uzboy heap leach mine is processing the Proven and Probable reserves contained in the oxide portion of the West and East zones of the Uzboy gold deposit. The Uzboy heap leach mine has been in commercial operations since May 1, 2006. Prior to that date, all environmental, permitting, legal, title and taxation aspects of the Uzboy heap leach mine were established with the various department of the government of the Republic of Kazakhstan prior to commencing commercial operations. Saga Creek Gold Company LLP (“Saga Creek”), a 100% owned subsidiary of the Corporation, is responsible for the mining and exploration activities conducted on the Uzboy gold project. Saga Creek employs 319 people in its mining, leaching, resin processing and exploration related activities and contributes significantly to the local economy. Saga Creek produces cathodic sediment as a product that is shipped to Europe for refining and marketing. As such, the estimate of the mineral resources for the Uzboy gold deposit and the mineral reserve for the oxide portion of the Uzboy gold deposit are not expected to be affected by the above mentioned issues.

RESOURCES

The current Measured and Indicated mineral resources (previously reported) for the West and East zones of the Uzboy gold deposit estimated by Howe as at December 31, 2007 are set out below:

| Style of Mineralization | Cut-off grade (g/t) | Measured Resource | | | Indicated Resource | | | Measured + Indicated Resource | | |
|-------------------------|---------------------|-------------------|------------------|---------|--------------------|------------------|---------|-------------------------------|------------------|---------|
| | | Tonnes | Gold grade (g/t) | Ounces | Tonnes | Gold grade (g/t) | Ounces | Tonnes | Gold grade (g/t) | Ounces |
| Oxide | 0.20 | 3,733,300 | 0.86 | 103,500 | 1,784,300 | 0.71 | 40,600 | 5,517,600 | 0.81 | 144,100 |
| | 0.40 | 2,310,400 | 1.21 | 90,100 | 997,600 | 1.04 | 33,300 | 3,308,000 | 1.16 | 123,400 |
| | 0.60 | 1,587,600 | 1.54 | 78,700 | 604,200 | 1.40 | 27,100 | 2,191,800 | 1.50 | 105,800 |
| Transitional | 0.20 | 1,102,200 | 1.15 | 40,700 | 1,415,200 | 0.98 | 44,600 | 2,517,400 | 1.05 | 85,300 |
| | 0.40 | 799,900 | 1.47 | 37,800 | 903,100 | 1.36 | 39,600 | 1,703,000 | 1.41 | 77,400 |
| | 0.60 | 599,700 | 1.80 | 34,700 | 638,400 | 1.72 | 35,400 | 1,238,100 | 1.76 | 70,100 |
| Sulphide | 0.20 | 15,626,900 | 1.22 | 614,200 | 7,270,000 | 0.96 | 223,600 | 22,896,900 | 1.14 | 837,800 |
| | 0.40 | 11,206,900 | 1.59 | 572,100 | 5,108,800 | 1.23 | 202,600 | 16,315,700 | 1.48 | 774,700 |
| | 0.60 | 8,186,400 | 2.00 | 526,100 | 3,599,400 | 1.55 | 179,600 | 11,785,800 | 1.86 | 705,700 |

The Measured and Indicated resource categories for the oxide and transitional portions of the West and East zones of the Uzboy gold deposit were used to estimate the Proven and Probable Mineral Reserves and are not in addition to such Proven and Probable reserves. Inferred mineral resources in the oxide portion of the Uzboy gold deposit and the Measured, Indicated and Inferred resources for the sulphide portion of the Uzboy gold deposit do not have demonstrated economic viability.

Howe used an Ordinary Kriging wireframe restricted linear block model to estimate the gold resources contained in the Uzboy gold deposit. Classification methodology used to assign a level of confidence to the mineral resources conforms to the Canadian Institute of Mining and Metallurgy (“CIM”) mineral Resource definitions referred to in NI 43-101 - *Standards of Disclosure for Mineral Deposits*.

QUALIFIED PERSONS

The Report containing the updated reserve estimate was prepared by Mr. J.N. Hogg MSc., MAIG senior geologist with section contribution and study supervision from Mr. Neil Holloway, C. Eng., Howe's associate process engineer, Mr. Julian Bennett, C. Eng., Howe's associate mining engineer and Mr. Oleg Nesterov, Howe's contract mining engineer and are all Qualified Persons pursuant to NI 43-101.

Elmer B. Stewart, MSc. P. Geol., a director of Alhambra, is the Corporation's nominated Qualified Person. Mr. Stewart has reviewed and verified the technical information contained in this news release.

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.

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

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Cautionary Note Concerning Reserve and Resource Estimates

This news release by Alhambra uses the terms "resources", "measured resources", "indicated resources" and "inferred resources". United States investors are advised that, such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission (the "SEC") does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time a reserve determination is made. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Inferred resources are in addition to measured and indicated resources. Inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. United States investors are cautioned not to assume that all or any part of an inferred resource exist, or that it can be mined legally or economically.

NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The requirements of NI 43-101 are not the same as those of the SEC.

This news release contains forward - looking information including but not limited to comments regarding the timing and content of upcoming work programs and geological interpretations and timing of mine life. Forward - looking information includes disclosure regarding possible future events, conditions or results of operations that is based on assumptions and courses of action, and therefore, involves inherent risks and uncertainties. For any forward looking information given, management has assumed that the analytical results it has received are reliable, and has applied geological interpretation methodologies which are consistent with industry standards. Although management has a reasonable basis for the conclusions drawn regarding the estimation of oxide and transitional ore reserves as accurate, actual results may differ materially from those currently anticipated in such statements. For such statements, we claim the safe harbor for future.