



NEWS RELEASE

FOR IMMEDIATE RELEASE – December 1, 2009

FOR: Alhambra Resources Ltd.

**SUBJECT: Financial and Operating Results for Third Quarter ending September 30, 2009,
and a One Time Provisional Earnings Gain of \$76 million**

CALGARY, Alberta – Alhambra Resources Ltd. (“Alhambra” or the “Corporation”) is pleased to announce that, as a result of the successful re-acquisition of its operating subsidiary in Kazakhstan, Saga Creek Gold Company LLP (“Saga Creek”), and the revaluation of those assets, the Corporation is reporting an unaudited one-time provisional earnings gain of \$76 million (or \$1.00 per share) related to the revaluation of those assets for the quarter ended September 30, 2009. **All amounts related to the financial results are expressed in United States dollars unless otherwise indicated.**

BACKGROUND

On September 15, 2009 the ownership of Saga Creek was officially re-registered back into the name of Alhambra as a result of the Supreme Court of the Republic of Kazakhstan’s decision on August 12, 2009 to overturn the decisions of the lower courts of Kazakhstan which had invalidated the original agreement under which Alhambra had purchased Saga Creek. This decision effectively dismissed the plaintiff’s claim that had originally been filed on September 26, 2008.

As a result of this re-registration, Alhambra re-acquired the ownership of Saga Creek for a consideration of \$nil. Alhambra had taken a \$30.6 million write down in the fourth quarter of 2008 based on a decisions made by the lower courts of Kazakhstan that had determined that the purchase agreement by which Alhambra had acquired Saga Creek was invalid.

In recording the gain, Alhambra undertook a review of the net identifiable assets and liabilities at the date of re-registration and, where available, third party information (including the 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 prepared by ACA Howe International Ltd. available on SEDAR at www.sedar.com, see News Release dated June 5, 2008) was utilized in determining these provisional fair values (see Table 1). In determining the fair value of Saga Creek’s assets upon re-registration, the Corporation made assumptions about reserves, recovery rates, prices, operating, general and administration costs and capital costs and future income tax rates as well as made assumptions in determining the Corporation’s weighted average cost of capital used to discount the annualized cash flows that were derived from the modeling work done. These values are management’s best estimates based on current information and are preliminary in nature. The Corporation anticipates there will be changes once the calculations are finalized. Those changes may be material.

Accounting standards permit up to 12 months for provisional acquisition accounting to be finalized following the re-registration date if any subsequent information provides better evidence of the item’s fair value at the date of re-registration.

Alhambra's results for the three and nine month periods ended September 30, 2009 include the operations of Saga Creek for the 15 day period of September 15 to 30, 2009.

HIGHLIGHTS

- The re-acquisition of Saga Creek assets results in a one-time provisional earnings gain of \$76.0 million
- Mining operations at Saga Creek contributed positive funds flow of \$0.3 million
- Revenue from gold sales amounted to \$1.1 million based on the sale of 1,104 ozs of gold
- Operating costs were \$378.67/oz of gold sold
- The estimated recoverable gold classified as work in progress was approximately 25,000 ozs as at September 30, 2009

TABLE 1 – Summary of Net Identifiable Assets and Liabilities of Saga Creek

	Book Value Reflected by Saga Creek on September 15, 2009	Provisional fair value adjustments at September 15, 2009	Provisional fair values recognized on re-acquisition at September 15, 2009
Cost of re-acquisition	\$ –	\$ –	\$ –
Fair value of assets and liabilities:			
Cash	234,904	–	234,904
Accounts receivable	3,785,007	(2,384,896)	1,400,111
Prepays	579,104	–	579,104
Inventories	1,218,778	(130,379)	1,088,399
Work in progress	8,894,412	(3,027,361)	5,867,051
Mineral properties	24,159,751	60,546,475	84,706,226
Accounts payable and accrued charges	(3,775,682)	–	(3,775,682)
Asset retirement obligation	(165,618)	–	(165,618)
Future income taxes	(1,310,512)	(12,283,400)	(13,593,912)
	33,620,144	42,720,439	76,340,583
Gain recognized on re-acquisition of Saga Creek	\$ 33,620,144	\$ 42,720,439	\$ 76,340,583
Net cash acquired	\$ 234,904	\$ –	\$ 234,904

FINANCIAL HIGHLIGHTS

Since the operations of the Corporation's gold producing assets effectively "began again" on September 15, 2009, the financial statements for the Corporation only include the operations of Alhambra gold mining operations for fifteen days. As such they are not comparable with the relevant periods in 2008.

(in US\$ except per share amounts)	Three Months ended September 30		Nine Months ended September 30	
	2009	2008	2009	2008
Revenue from gold sales	\$ 1,126,030	\$ 4,251,565	\$ 1,126,030	\$ 10,079,347
Net Income (loss)	76,041,953	(196,476)	74,954,515	(1,986,139)
Per basic share	1.00	(0.01)	0.99	(0.03)
Weighted average shares outstanding				
Basic	75,774,147	75,774,147	75,774,147	75,676,658
Shares outstanding at end of period	75,774,147	75,774,147	75,774,147	75,774,147

Due to the re-acquisition of Saga Creek assets effective September 15, 2009, the Corporation recorded a one-time provisional net income gain of \$76.0 million (\$1.00 per basic share) related to the revaluation of those assets. **These values are management's best estimates based on current information and are preliminary in nature. The Corporation anticipates there will be changes once the calculations are finalized. Those changes may be material. Accounting standards permit up to 12 months for provisional acquisition accounting to be finalized following the re-registration date if any subsequent information provides better evidence of the item's fair value at the date of re-registration.**

Funds flow used in operating activities was \$0.6 million for the nine months ended September 30, 2009. Mining operations at Saga Creek contributed positive funds flow of \$0.3 million for the 15 day period from re-registration on September 15, 2009.

OPERATING EXPENSES

It should be recognized that the operating costs of \$378.67/oz of gold sold in 2009 are only for the period September 15 to 30, 2009 and may not be reflective of actual operations over a longer period. It should, however, be expected that costs will be lower during this period due in part to a 20% devaluation in early 2009 of the Kazakhstan Tenge as compared to the US dollar in early 2009. The fair values that were determined at September 15, 2009 were based on the current exchange rate thus giving effect to a lower US dollar value of work in progress value in 2009. In addition, Alhambra decided to write down the quantity of gold being carried on the heap effective September 15, 2009. The combined effect of these two adjustments resulted in a \$3 million decrease in the carrying value of work in progress thus lowering the per unit costs reported in 2009.

GOLD SALES AND WORK IN PROGRESS

During the fifteen day period following re-registration on September 15, 2009, the Corporation recognized \$1.1 million in revenue from the sale of 1,104 ozs of gold at an average price of \$1,019.98/oz. This compares to the average prices of \$858.56/oz and \$886.95/oz received for the three months and nine months ended September 30, 2008, respectively.

At September 30, 2009 the estimated recoverable gold classified as work in process was approximately 25,000 ozs of recoverable gold that Alhambra estimates it will sell in the next year.

2010 OUTLOOK

With the re-registration of its ownership in Saga Creek now completed, Alhambra has regained control and resumed management of its Kazakhstan operations. Since regaining control, the Corporation's focus has been to review what has transpired during the last year while control was held by a third party. The Corporation's initial assessment is that the operations of Saga Creek appear to have been handled in a manner similar to the way that Alhambra managed the operations, however, there has been little or no attempt to advance any of the exploration or development projects that Alhambra considered to be of high potential.

Alhambra is now turning its attention to looking at the future of its Kazakhstan operations with the view of resuming an aggressive exploration program and examining the possibility of expanding its current operation and bringing into development other highly prospective areas. Part of the planning process will include financing alternatives as necessary. Once these plans are developed, they will be communicated with investors.

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A") AND FINANCIAL RESULTS

A full MD&A and Financial Report of the Third Quarter of 2009 is available on the Corporation's website, can be obtained on application from the Corporation and is available under the Corporation's profile on SEDAR at www.sedar.com.

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 eighth 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.

Elmer B. Stewart, MSc. P. Geol., a 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.

For further information please contact:

Ihor P. Wasylikiw Chief Information Officer +1 (403) 508-4953	Donald D. McKechnie Chief Financial Officer +1 (403) 228-2855
--	--

Forward-Looking Statements

Certain statements contained in this news release constitute "forward-looking statements" as such term is used in applicable Canadian and US securities laws. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. In particular, statements concerning operating costs not being reflective of actual operations over a long period, the estimate that Alhambra will sell the recoverable gold classified as work in progress in the next year, the strategy of resuming an aggressive exploration program and examining the possibility of expanding the current operation or bringing into development other highly prospective areas, availability of capital to fund these projects and other factors and events described in this news release should be viewed as forward-looking statements to the extent that they involve estimates thereof. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and should be viewed as "forward-looking statements". Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, costs and timing of exploration and production development, availability of capital to fund exploration and production development; political, social and other risks inherent in carrying on business in a foreign jurisdiction, the effects of a recessionary economy and such other business risks as discussed herein and other publicly filed disclosure documents. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could vary or differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this news release.

Forward looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Corporation undertakes no obligation to update forward-looking statements and if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.

This news release contains forward-looking statements based on assumptions, uncertainties and management's best estimates of future events. When used herein, words such as "intended" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on assumptions by and information available to the Corporation. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Actual results may differ materially from those currently anticipated. The forward-looking statements contained herein are expressly qualified by this cautionary statement.