



NEWS RELEASE

FOR IMMEDIATE RELEASE – December 14, 2009

FOR: Alhambra Resources Ltd.

SUBJECT: ALHAMBRA ANNOUNCES POSITIVE RESULTS FROM ITS UZBOY GOLD DEPOSIT SCOPING STUDY

CALGARY, Alberta – Alhambra Resources Ltd. (“Alhambra” or the “Corporation”) is pleased to announce the results of a Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) compliant Preliminary Assessment or Scoping Study (the “Study”) on the Uzboy gold deposit, one of six advanced exploration areas located within Alhambra’s 100% owned Kazakhstan Uzboy Gold Project (the “Uzboy Project”). The Study results demonstrate that the Uzboy gold deposit generates positive Net Present Value (“NPV”) at gold prices well below that of current gold prices and recommends completion of a pre-feasibility study on the Uzboy gold deposit. The Study will be filed on Sedar at www.sedar.com.

The Study titled “Updated Scoping Study On The Oxide, Transitional, and Primary Resources at the Uzboy Gold Deposit, Akmola Oblast, Kazakhstan” dated December 10, 2009, was independently conducted and prepared by ACA Howe International Limited (“ACA Howe”) and is based on the Canadian National Instrument (“NI”) 43-101 compliant resource estimate established by ACA Howe in its Technical Report titled, “Resource and Reserve Estimation Study on the Uzboy Gold Deposit, Akmola Oblast, Kazakhstan for Alhambra Resources Ltd”, dated June 2, 2008, having an effective date of December 31, 2007 (see TABLES 3 & 4).

As background to the timing, completion and delivery of the Scoping Study, in September 2008, Alhambra was served with a legal claim filed in Kazakhstan that sought to invalidate the original Purchase and Sale Agreement dated March 2002, whereby Alhambra purchased 100% of Saga Creek Gold Company LLP (“Saga Creek”), its Kazakhstan operating subsidiary. Even though Alhambra disagreed with this claim from the outset, various levels of courts within Kazakhstan upheld this claim resulting in the re-registration of Saga Creek into the names of the claimants in February 2009. A subsequent appeal to the Supreme Court of Kazakhstan led to the Supreme Court reversing the decision of the lower courts and dismissing the plaintiffs’ claim. In September 2009, the Corporation was successful in re-registering the units of Saga Creek back into Alhambra’s name. The successful resolution of the law-suit enabled Alhambra to complete the Scoping Study.

HIGHLIGHTS OF THE SCOPING STUDY INCLUDE

- A gold price of US\$850 per ounce was used for all scenarios,
- Open pit optimization was completed for 16 scenarios, with positive NPV being generated for all input and operating scenarios. Each scenario tested a range of resource, capital, cut-off grades and geotechnical inputs. A number of these scenarios included Inferred mineral resources and a 60 degree pit slope angle for mining the sulphide resources and to establish the potential for further improvements in NPV. All scenarios were positive, however, eight scenarios were excluded from the analysis as they were completed at a 0.0 grams per tonne (“g/t”) gold cut-off grade,
- The NPV for the remaining eight pit optimizations, based on a 0.4 g/t gold cut-off, discounted at 10%, ranged in value from US\$90 million (“M”) to US\$203 M,
- The most feasible pit design, optimized without engineering factors, Scenario 2.2.1, generated a 10% discounted NPV of US\$130 M over a 6 year mine life, gold production of 636,000 ounces (“ozs”) at an average gold grade of 1.50 g/t,
- The subsequently enhanced engineered pit design, derived from an optimized pit shell, Scenario 1.2.1, generated a 10% discounted NPV of US\$90 M over a 3-4 year mine life, optimized gold production of 431,000 ozs (engineered gold production of 420,700 ozs) at an average gold grade of 1.75 g/t,

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- Scenario 2.2.2, which is based on an optimized pit without engineering factors, highlighting the potential at Uzboy, generated a 10% discounted NPV of US\$203 M over an 8 year mine life, gold production of 914,000 ozs at an average gold grade of 1.50 g/t,
- Significant quantities of primary resources (gold mineralization that has been classified as CIM compliant mineral resources) exist below the optimized designed pit shell. Only 50.4% of the established December 31, 2007 gold resources (as set out in TABLES 3 & 4) was included in the generation of the optimal pits,
- A recommended future work program to advance the Study to pre-feasibility.

Mr. John Komarnicki, Chairman and CEO of Alhambra stated, “The ACA Howe Scoping Study has confirmed that the Uzboy gold deposit is potentially a development project of significant merit with robust economics. After further diamond drilling anticipated during 2010 to establish additional gold mineralization and upgrade our mineral resources, we plan to proceed with a pre-feasibility study as the next step towards production development. We believe that the Uzboy gold deposit has the potential to develop in to a long life mine, one that will be the corner stone to our growth and to the future of the Corporation.”

SUMMARY - PIT OPTIMIZATIONS

Open pit optimization was completed for 16 scenarios, with positive NPV being generated for all input and operating scenarios. Each scenario tested a range of resource, capital and geotechnical inputs. A number of these scenarios included Inferred mineral resources (Scenarios 2.x.x) and a 60 degree pit slope angle (Scenarios x.x.2) in order to establish the potential for further improvements in NPV.

All scenarios were positive, however, eight scenarios were excluded from the analysis as they were completed at a 0.0 grams per tonne (“g/t”) gold cut-off grade.

A summary of major parameters for the selected discounted optimal pits generated at a cut-off of 0.4 g/t gold, discounted at 10%, ranged in value from US\$90 to US\$203 M as summarized in TABLE 1.

TABLE 1 - Summary of Discounted Optimal Pits

Scenario	Pit #	Life of Project (years)	Total pit tonnage (M t)	Mineable tonnage (M t)	Gold Grade (g/t)	Recoverable Gold (000' oz)	Gold Produced (000' oz)	NPV (M\$)
1.1.1	33	5	62.9	9.1	1.79	525	410	90
1.1.2	34	7	91.5	12.4	1.74	690	549	126
1.2.1	35	3-4	71.0	9.8	1.75	550	431	90
1.2.2	35	5	134.6	15.5	1.63	812	651	143
2.1.1	34	9	105.2	16.5	1.50	800	625	113
2.1.2	32	12-13	161.3	23.0	1.52	1,122	896	165
2.2.1	32	6	109.8	16.9	1.50	813	636	130
2.2.2	31	8	173.3	23.7	1.50	1,143	914	203

Of the eight scenarios completed at the 0.4 g/t gold cut-off, Scenarios 1.2.1, 2.2.1 and 2.2.2 were chosen as being representative of the range of values of the discounted optimal pits.

A summary of the input parameters to determine the discounted optimal pits shown in TABLE 1 are shown in TABLE 2.

TABLE 2 - Summary of Input Parameters

Parameter	Unit	Scenario x.1.x	Scenario x.2.x
Initial data			
<i>Mining method</i>		open pit	open pit
<i>Types of mineralization</i>		oxide, transitional and sulphide	oxide, transitional and sulphide
<i>Processing method</i>			
oxide		heap leaching	heap leaching
transitional and sulphide		grinding and vat leaching	grinding and vat leaching
<i>Capex for Primary Plant</i>	\$US	\$60 million	\$80 million
<i>Annual Replacement Costs</i>	\$US	\$500,000	\$500,000
<i>Extracted Element</i>		gold	gold
<i>Resource Category</i>			
block model - 1.x.x		Measured and Indicated	Measured and Indicated
block model - 2.x.x		Measured, Indicated and Inferred	Measured, Indicated and Inferred
Mining			
oxide	\$/t	1.95	1.95
transitional	\$/t	1.11	0.95
sulphide	\$/t	1.11	0.95
<i>Mining Losses</i>			
oxide	%	6.2	6.2
transitional and sulphide	%	7.0	7.0
<i>Mining Dilution</i>			
oxide	%	8.4	8.4
transitional and sulphide	%	8.0	8.0
Processing			
<i>Processing Costs</i>			
oxide	\$/t	3.85	3.85
transitional	\$/t	6.57	5.92
sulphide	\$/t	6.57	5.92
<i>Processing Recovery</i>			
oxide	%	70.00	70.00
transitional	%	74.74	74.74
sulphide			
West Zone	%	90.20	90.20
East Zone	%	92.05	92.05
Pricing			
Gold price	\$/oz	850.00	850.00
Payment	%	99.05	99.05
Royalty	%	3.0	3.0
Kazakhstan Royalty	%	0.5	0.5
Pit Slopes			
scenario x.x.1	degrees	45	45
scenario x.x.2			
oxide and transitional	degrees	45	45
sulphide	degrees	60	60

The processing rate for the oxide mineralization in all scenarios is 1.2 million tonnes per annum and the processing rate for the sulphide gold mineralization is 3.6 million tonnes per annum.

Optimizations using Inferred mineral resource blocks proved extremely useful in highlighting the potential at Uzboy. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Preliminary Assessment includes mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Preliminary Assessment will be realized.

RESOURCE ESTIMATE

The resource estimate for the Uzboy gold deposit completed by ACA Howe has an effective date of December 31, 2007 (see News Release dated April 8, 2008). The resource estimate was completed for oxide, transitional and sulphide gold mineralization at various cut-off grades ranging from 0.0 g/t to 5.0 g/t gold. The Study incorporates the diamond drilling, trenching and pit channel sampling results to December 31, 2007. The Measured, Indicated and Inferred mineral resource categories for the Uzboy gold deposit are set out in TABLES 3 and 4 (at various cut-off grades).

TABLE 3 – Summary of Measured and Indicated Mineral Resource Estimates for the West and East zones of the Uzboy Gold Deposit at Various Cut-off Grades

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 0.40 g/t cut-off grade is used as the base case for the resource estimate. TABLE 3 demonstrates the sensitivity of the tonnes, average grade and contained ounces of gold in the Measured and Indicated mineral resource categories to the other cut-off grades shown.

TABLE 4 – Summary of Inferred Mineral Resource Estimate for the West and East zones of the Uzboy Gold Deposit at Various Cut-off Grades

Style of Mineralization	Cut-off grade (g/t)	Inferred Resource		
		Tonnes	Gold grade (g/t)	Ounces
Oxide	0.20	3,141,600	0.57	57,200
	0.40	1,521,700	0.86	42,100
	0.60	775,200	1.22	30,400
Transitional	0.20	3,566,100	0.82	93,500
	0.40	2,199,300	1.14	80,500
	0.60	1,497,900	1.45	69,800
Sulphide	0.20	12,007,100	0.88	340,500
	0.40	7,537,200	1.23	299,100
	0.60	5,509,000	1.50	266,500

The 0.40 g/t cut-off grade is used as the base case for the Inferred mineral resource category estimate. TABLE 4 demonstrates the sensitivity of the tonnes, average grade and contained ounces of gold within the Inferred mineral resource category for the other cut-off grades shown.

Notes:

- (1) Measured and Indicated resources estimated for the oxide gold mineralization include previously reported oxide reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. See “Cautionary Note Concerning Reserve and Resource Estimates”.
- (2) Rounding differences may occur from those numbers presented in the ACA Howe report following “best practice” principals.
- (3) The updated current mineral resource estimate set out above for the oxide, transitional and sulphide gold mineralization in the Uzboy gold deposit is based on a 3D geologic model and wireframe restricted block model that integrated the exploration work on the Uzboy gold deposit up to December 31, 2007. The block model used a cell size of 5 m by 10 m by 5 m (and sub cell to 1 m along each axis where necessary) and Ordinary Kriged interpolation technique was performed at different search radii and ellipsoid orientations.
- (4) High-grade outlier values were capped (“top-cut”) at 32 g/t for the West zone and 20 g/t for the East zone gold prior to compositing based on a review of distribution table analysis (histograms, cumulative frequency plots), and data decomposition analysis.
- (5) The Measured, Indicated and Inferred mineral resource categories for the Uzboy gold deposit set out in TABLES 3 and 4 (at various cut-off grades) comply with the resource definitions of the CIM and NI 43-101: *Standards of Disclosure for Mineral Projects*.
- (6) The Uzboy heap leach mine is processing the Proven and Probable oxide reserves contained in the West and East zones of the Uzboy gold deposit. The Uzboy heap leach mine has been in commercial operations since May 1, 2006. The primary gold mineralization would be processed using fine grinding and vat leaching with expected gold recovery to average 91%. Prior to that date, all environmental, permitting, legal, title and taxation aspects of the Uzboy heap leach mine were established with the various departments of the government of the Republic of Kazakhstan. Saga Creek, a 100% owned subsidiary of the Corporation is responsible for the mining and exploration activities conducted on the Uzboy Project 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.

The updated resource estimate was prepared by Mr. J. N. Hogg, MSc., MAIG, senior geologist from ACA Howe, who is an independent qualified person within the meaning of NI 43-101. Mr. Hogg has reviewed and verified the technical information that forms the basis of and has been used in the preparation of the current mineral resource estimate and this news release. Mr. Hogg reviewed all analytical data, diamond drill hole logs, QA/QC data, density measurements, and sampling, diamond drilling and analytical techniques. The analytical results and other technical information included in the current resource estimate have been previously announced by way of news releases and are available on Sedar.

Basis for the Reserve Estimate:

As part of the Study, Micromine Consulting was commissioned in August 2008 by ACA Howe to complete a Pit Optimization and Analysis study on the gold resources contained in the oxide, transitional and primary (sulphide) portions of the East and West zones of the Uzboy gold deposit using the December 31, 2007 resource estimate. Micromine Consulting subsequently undertook selected pit design and mineable reserve estimation as part of the Study during the period September to October, 2008.

On completion of the pit optimization study, Scenario 1.2.1 was selected and the actual pit designs for the West and East zones of the Uzboy gold deposit was completed by Howe. This pit design yielded the following results:

CIM Class	Type	SG	Volume ([^]000 m3)	Mineable ([^]000 t)	Grade Au, (g/t)	Metal Au, (kg)	Metal Au, (oz)
East Uzboy Total Reserves	OX	2.54	500	1,300	0.93	1,200	39,500
	TR	2.67	100	300	1.21	400	11,500
	PR	2.73	400	1,000	1.27	1,200	40,000
West Uzboy Total Reserves	OX	2.54	600	1,500	1.55	2,300	74,500
	TR	2.61	400	1,200	1.62	1,900	60,000
	PR	2.72	1,600	4,300	2.27	9,700	312,500
East and West Total Reserves	OX	2.54	1,100	2,800	1.26	3,600	114,500
	TR	2.62	600	1,400	1.54	2,200	71,500
	PR	2.72	1,900	5,300	2.08	11,000	352,500
Total	Ore	2.65	3,600	9,500	1.76	16,800	538,500

* Scoping study mineable classification is based upon CIM/JORC compliant mineral resource classification categories. Measured resource blocks which are situated within the pit design are classified as Proven reserves, and Indicated blocks which are situated within the pit design are classified Probable. Inferred blocks are classified along with waste.

The Micromine Open Pit Optimiser is based on the Lerchs Grossman algorithm and 3D graph theory and relies on the input of; an orebody block model file, plus cut-off grades, metal prices and the parameters set out in TABLE 2 to determine the proportion of ore to waste in each block and the value of each block.

Optimization and reserve reporting methodology used the Measured and Indicated mineral resource categories for the oxide, transitional and primary (sulphide) portions of the West and East zones of the Uzboy gold deposit. Howe used the parameters set out in TABLE 2 to estimate mineable tonnes of oxide, transitional and primary gold mineralization for the east and West zones of the Uzboy gold deposit.

Total mineable proven and probable oxide, transitional and primary reserves at West and East Uzboy, for the above operating scenario 1.2.1 optimal Pit #35 as of December 31, 2007 are **9.5 Mt @ 1.76 g/t Au for 538,500 oz Au**. Total recoverable gold after mining and process losses for this scenario equals approximately 420,700 oz Au. All inferred mineral resources included within this optimized pit shell are classified as waste under this scenario.

Optimization scenarios using the same input parameters but including Inferred resources, returned significantly higher NPV. This indicates the importance of future exploration to upgrade Inferred mineral resources to the Measured and Indicated categories.

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 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 exists, or that it can be mined 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.

ABOUT ALHAMBRA

Alhambra is a Canadian based international production and exploration company celebrating its eighth year of operations in the Republic of Kazakhstan. It is engaged in the exploration and development of gold properties and commenced gold production in late 2004.

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

Alhambra common shares trade in Canada on The TSX Venture Exchange Inc. 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

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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 the strategy of advancing the Uzboy project towards pre-feasibility, the formalization of a development plan, converting Inferred resources to mineral reserves by conducting additional exploration 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, advancing the project towards pre-feasibility, formalizing a development plan, lack of financing in order to convert Inferred resources to mineral reserves through additional exploration, 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.

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