



NEWS RELEASE

FOR IMMEDIATE RELEASE – August 19, 2010

FOR: Alhambra Resources Ltd.

SUBJECT: Alhambra Closes US\$4.6 Million First Tranche of US\$6.0 Million Equity Financing

CALGARY, Alberta – Alhambra Resources Ltd. (TSX-V: ALH) (“Alhambra” or the “Corporation”) is pleased to announce that it has closed the first tranche of its equity private placement of units (“Units”) for aggregate proceeds of US\$4,634,273.40 of the previously announced US\$6,000,000 private placement (see News Release dated July 30, 2010).

To date, the Corporation has issued 10,777,380 Units, consisting of 10,777,380 common shares and 5,388,690 share purchase warrants.

The offering is at a price of US\$0.43 per Unit. Each Unit is comprised of one (1) common share of Alhambra and one-half (1/2) of a common share purchase warrant. Each whole warrant shall entitle the holder to purchase one (1) additional common share of Alhambra at an exercise price of US\$0.72 per common share on or before February 19, 2012. The Units, together with any securities into which the Units will be converted are subject to a four (4) month hold period expiring on December 19, 2010 as per TSX Venture Exchange policies and applicable securities laws.

The Corporation anticipates that the balance of the private placement offering will be fully subscribed for and completed prior to the end of August 2010.

Proceeds from this private placement shall be used for further exploration and development of Alhambra’s Uzboy Project in Kazakhstan and for general working capital purposes.

The Corporation will pay a commission to Pinnacle Capital Ltd. (“Pinnacle”) in the amount of US\$278,056.40 in connection with the first tranche of the offering.

Mr. John J. Komarnicki, Alhambra’s Chairman and Chief Executive Officer stated, "We are very happy to announce the closing of our first tranche of capital which has been raised primarily in Hong Kong. We look forward in expanding our relationship not only with Pinnacle Capital, but also with other key investors in this part of the world. As China continues to make significant investments in Kazakhstan’s resource sector, we are very excited to be part of that process and to have new investors who believe in the upside potential of our assets and in our ability to increase shareholders’ value by increasing resources, reserves and gold production."

ABOUT PINNACLE

Pinnacle is a financial company based in Hong Kong focused on fund raising and transactions on the natural resources, energy, agriculture and technology sectors.

ABOUT ALHAMBRA

Alhambra is a Canadian based international exploration and gold production corporation celebrating its eighth year of operations in the Republic of Kazakhstan. Alhambra holds exploration and exploitation rights to a 2.7 million acre (11,000 km²), 100% owned, license called the Uzboy Project, located in the prolific Charsk Gold Belt which hosts numerous world-class gold deposits. Over 100 mineral targets, including 5 advanced exploration plays are contained within the Uzboy Project.

Alhambra common shares trade in Canada on The TSX Venture Exchange under the symbol ALH, in the United States on the Over-The-Counter Market under the symbol AHBRF and in Germany on the Frankfurt Open Market under the symbol A4Y. The Corporation’s website can be accessed at www.alhambraresources.com.

Neither the TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the Policies of the TSX Venture Exchange Inc.) accepts responsibility for the adequacy or accuracy of this release.

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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 that Alhambra will conclude the balance of the private placement offering and anticipated use of proceeds 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, ability to raise the total equity funds as proposed, 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.