



NEWS RELEASE

FOR IMMEDIATE RELEASE – October 5, 2011

FOR: Alhambra Resources Ltd.

SUBJECT: 2011 Drilling and Exploration Updates

CALGARY, Alberta – Alhambra Resources Ltd. (TSX Venture: ALH) (“Alhambra” or the “Corporation”), an international gold producer and explorer, announces today an update for the Corporation’s 2011 drilling and exploration activities on its 100% owned Uzboy Project in Kazakhstan (see Figure 1).

HIGHLIGHTS

- The Shirotnaia 2011 core drilling program has been completed; 49 core holes totaling 6,000 m were drilled, and assay results for four core holes have been received,
- Eighteen core holes, of a planned 31 core hole drilling program at Dombraly, have been completed and drilling continues,
- The anticipated drill program at Zhanatobe began in late September and has been increased by 5% to roughly 12,600 metres (“m”) from 12,000 m,
- Assay results for three of the seven deep Uzboy 2010 core holes have been received,
- The soil sampling programs for Zhusaly and Kontacktovy have been completed; analytical results are pending.

DRILLING AND EXPLORATION UPDATES

1. Shirotnaia

At Shirotnaia, the planned 2011 core drill program has been completed. Forty-nine core holes (totaling 6,000 m) were drilled (see Figure 2). Two additional holes situated in a swampy area won’t be drilled until winter. A total of 7,676 drill samples were collected and are at the Stewart Labs in Kyrgyzstan being assayed. Assay results for the first four core holes (930 samples) have already been received and are being interpreted. A press release announcing drill results will be issued once all assays have been received and interpreted.

2. Dombraly

At Dombraly, 19 core holes (totaling 3,700 m) of a planned 32 core hole program (totaling 5,360 m) have been completed (see Figure 3). Drill samples from five completed holes are currently awaiting assaying at the Stewart Lab in Kyrgyzstan. Drill samples from the remaining 14 holes are being prepared for export. Two core rigs continue drilling at Dombraly.

The Corporation anticipates initiating the planned 10 hole (1,550 m) reverse circulation (“RC”) drilling program at Dombraly once the core drilling program has been completed and an RC rig is available.

3. Zhanatobe

Rotary air-blast (“RAB”) drilling began at Zhanatobe in late September. The planned 2011 drilling program has been increased by 5% from 12,000 m to 12,600 m. This increase is due to the positive drilling results achieved in 2010 which lead to the discovery of two possible Carlin-style zones of gold mineralization. Planned are 9 core holes (1,450 m), 13 RC holes (1,950 m) and 856 RAB holes (9,200 m).

4. Uzboy

Assay results for the 7 deep core holes drilled in 2010 (totaling 2,838.2 m) have begun to be received. To date, 1,600 assay results from four holes (three complete, one partial) (see Figure 4) have been received and are being interpreted. Upon assay receipt and interpretation of the remaining 1,684 drill samples, a press release will be issued announcing drill results.

The final details for the 2011 drilling program anticipated at Uzboy will be determined once all assay results from the 7 deep holes are received. The objective of the Uzboy drilling program is to further delineate additional oxide and sulphide gold mineralization along strike and depth. This includes more core drilling at the NE and SW flanks of East Uzboy as well as the SW flank of West Uzboy.

5. Other Project Areas

North Balusty

An expanded second phase, 42 hole (6,300 m), RC drilling program is planned at North Balusty. The objective of this second phase drilling program is to determine the exact shape of the mineralization and its continuation to depth.

Kerbay

At Kerbay, a three hole (450 m) RC drill program is anticipated to be conducted. The objective of this phase of drilling is to check in depth, the Eastern (Main) gold mineralization zone established earlier by trenching.

Vasilkovskoe East

The planned drilling program for Vasilkovskoe East is a 17 hole (1,700 m) program comprised of two core holes (200 m) and 15 RC holes (1,500 m) focused on the Akshasor gold anomaly established as a result of the 2010 soil sampling program.

Zhusaly and Kontaktovy

The soil sampling programs for 2011 have been completed over grids of 500 by 50 m and 250 by 50 m. 831 soil samples were taken. Fire assay and ICP analysis results are still outstanding.

The Corporation's 2011 planned exploration capital budget is subject to sufficient cash flow and suitable financing.

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 2.4 million acre (9,800 km²), 100% owned, license called the Uzboy Project, located in the Northern Kazakhstan Metallogenic Province which hosts numerous world-class gold deposits. Over 100 mineral targets, including three 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 Pink Sheets 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.

Elmer B. Stewart, MSc. P. Geol., a technical consultant, is the Corporation's nominated Qualified Person as defined by National Instrument 43-101, and has reviewed the technical information contained in this news release.

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 concerning pending assay results, anticipated news releases, planned drilling programs, 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, receipt of assay results, issuance of news releases announcing drill results, completion of drill programs, availability of capital to fund exploration; political, social and other risks inherent in carrying on business in a foreign jurisdiction 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.

Figure 1 - Uzboy Project – Project Locations

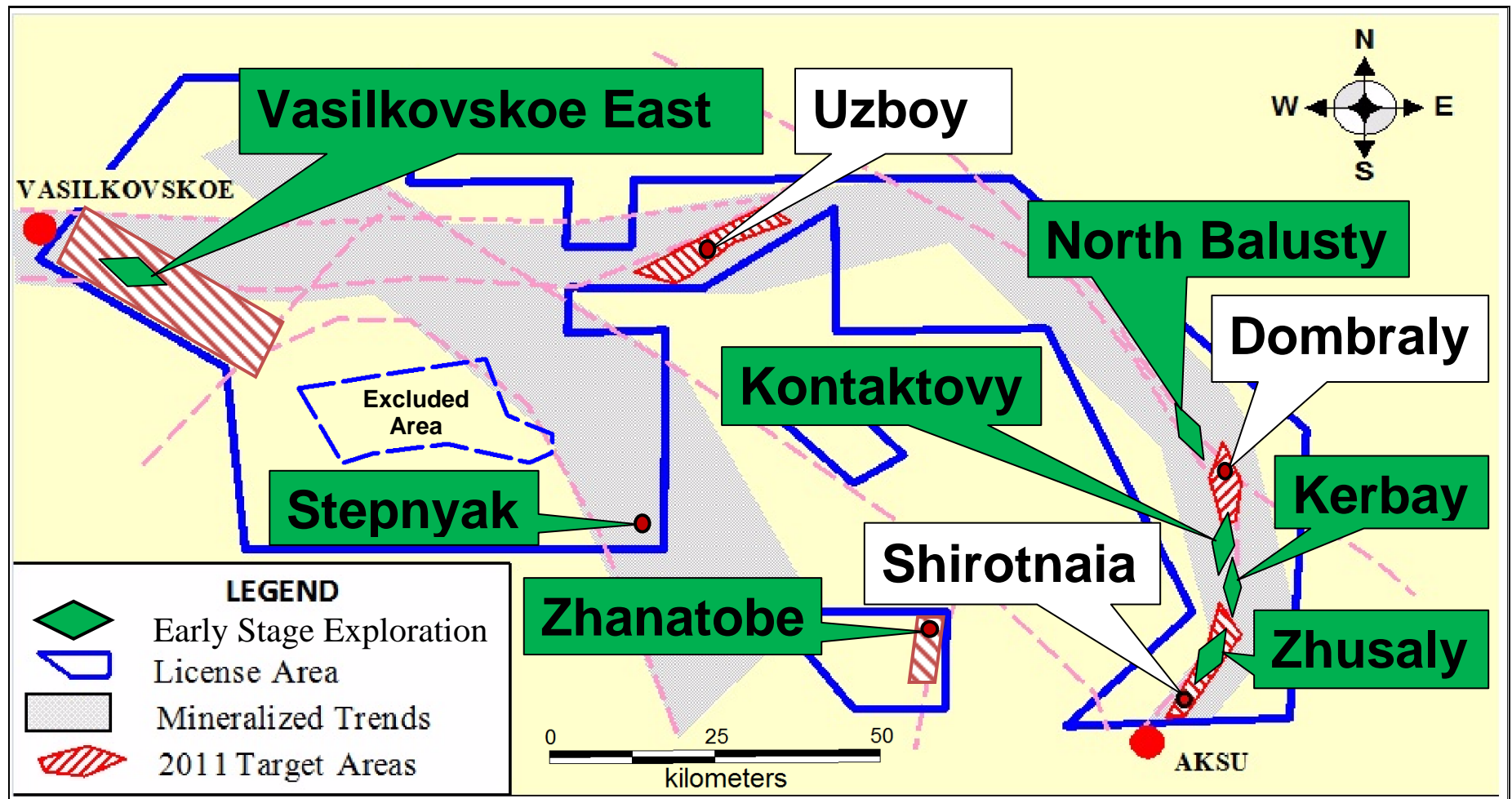


Figure 2 - Shirotnaia Core Drilling Locations

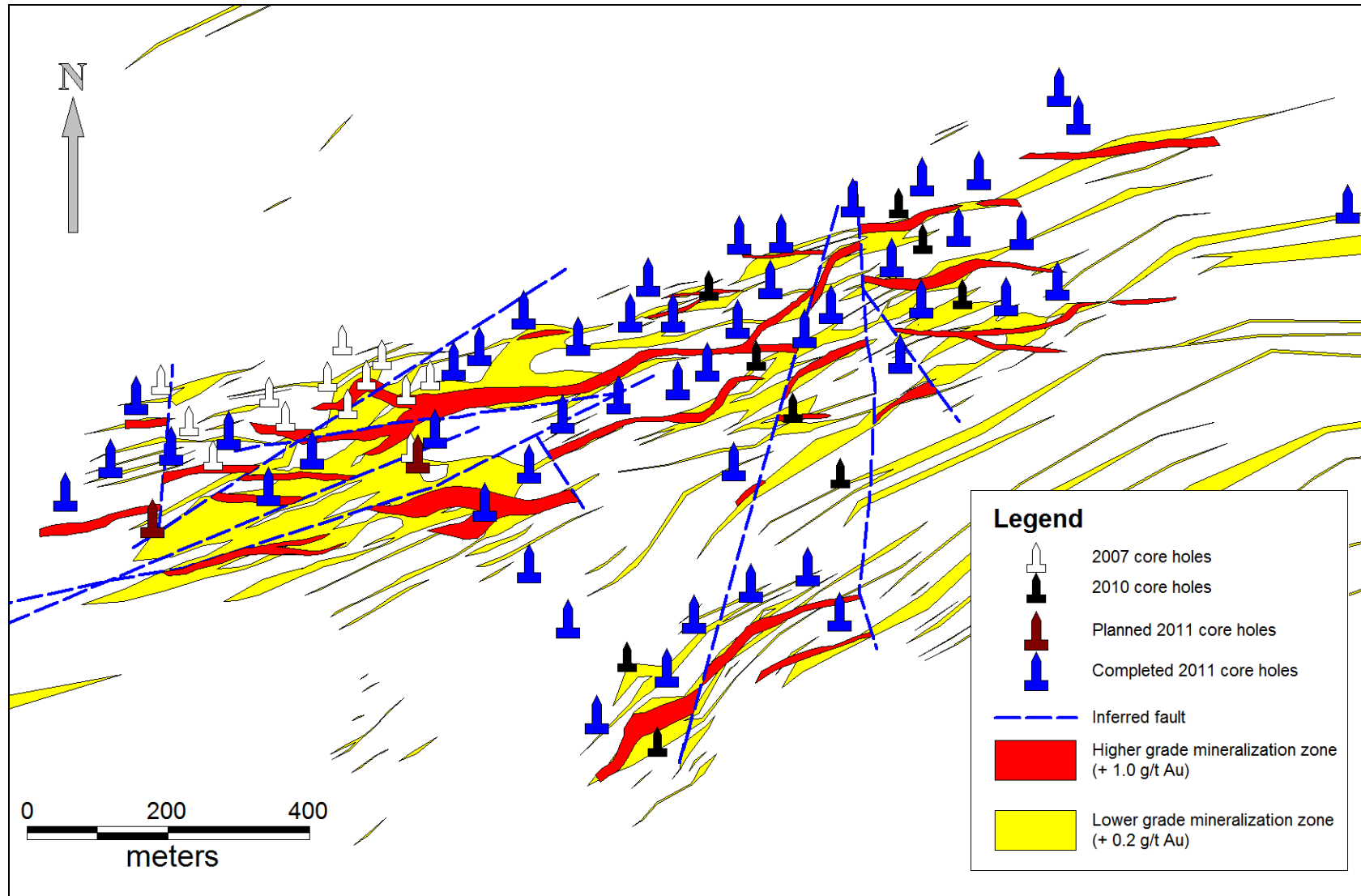


Figure 3 – Dombraly Core Drilling Locations

