



NEWS RELEASE

FOR IMMEDIATE RELEASE – July 4, 2013

FOR: Alhambra Resources Ltd.

SUBJECT: Financial and Operating Results for First Quarter ending March 31, 2014

CALGARY, Alberta – Alhambra Resources Ltd. (“Alhambra” or the “Corporation”) announces its financial and operating results for the quarter ended March 31, 2014. All amounts related to the financial results are expressed in thousands of United States dollars unless otherwise indicated.

HIGHLIGHTS FOR THE QUARTER:

- The suspension of mining operations continued in the quarter; no fresh ore was stacked on the heaps
- No gold sales were realized in the quarter
- Kazakhstan mining operations recorded a net loss of \$4.1 million (\$0.04/share)
- The Corporation recorded a net loss of \$4.5 million (\$0.04/share) primarily the result of a \$3.7 million foreign exchange loss attributable to mining operations
- The estimated recoverable gold in work in progress (“WIP”) as of March 31, 2014 was 30,000 ounces
- No field work was carried out in the quarter due to financial constraints
- Continued pursuing various financing alternatives

FINANCIAL HIGHLIGHTS

(in US\$000 except per share amounts)	Three Months ended March 31	
	2014	2013
Revenue from gold sales	\$ -	\$ 541
Net income (loss)	(4,519)	(561)
Per share (basic and diluted)	(0.04)	(0.01)
Weighted average shares outstanding		
(Basic and Diluted)	104,132,059	104,132,059
Shares outstanding at end of period	104,132,059	104,132,059

Due to the suspension of operations, the Corporation did not sell any gold and consequently there was no gold sales revenue in the first quarter of 2014. This compares to \$0.5 million in revenue from the sale of 339 ounces (“ozs”) of gold at an average price of \$1,599/oz during the first quarter of 2013.

Kazakhstan mining operations recorded a net loss of \$4.1 million for the first quarter of 2014 of which \$3.7 million was the result of a large foreign exchange loss due to an approximate 19% devaluation of Kazakhstan’s currency in February 2014. This compares to a net loss of \$0.1 million for the first quarter of 2013. The Corporation recorded a net loss of \$4.5 million (\$0.04 per basic and diluted share) for the first quarter of 2014. This compares to a net loss of \$0.6 million (\$0.01 per basic and diluted share) for the first quarter of 2013.

OPERATING HIGHLIGHTS

During the first quarter of 2014, no fresh ore was stacked on its heap leach pads nor was any waste mined during the same period. As of March 31, 2014, the estimated recoverable gold classified as WIP was 30,000 ozs.

As previously announced, the Corporation is pursuing a number of financing alternatives. Should a financing be successfully concluded, a portion of the proceeds will go towards resuming the mining of ore.

OPERATING EXPENSES

Despite having suspended operations, the Corporation does incur some fixed operating costs. Under normal operating conditions these costs would be charged to WIP and expensed as per the Corporation's accounting policy. These fixed operating costs totaled \$0.2 million for the three months ended March 31, 2014. In the three months ended March 31, 2013 the Corporation expensed \$0.4 million in cost of sales or \$1,210/oz of gold sold.

The 2013 figure includes \$0.1 million (\$311/oz) of mining costs charged directly to operating costs for the months in which there was no new ore mined. Also included in cost of sales for the three months ended March 31, 2013, was \$0.025 million or \$74/oz of costs related to the amortization of the bump-up to fair value from the estimated cost of WIP on re-valuation on September 15, 2009. Cash operating costs were therefore \$1,136/oz.

CAPITAL EXPLORATION PROGRAMS

During the three months ended March 31, 2014, no field work was carried out in Kazakhstan. This was as a result of the Corporation's lack of financial resources.

FINANCING

During the three months ended March 31, 2014 the Corporation completed the issue of C\$5.4 million in convertible notes (the "Notes") and 5.4 million warrants (the "Warrants"). In consideration for issuing the Notes and Warrants, the Corporation received C\$0.4 million in cash and 2,764,500 ordinary shares of Global Resources Investment Trust plc ("GRIT") at a deemed price of £1 per GRIT share. At the time the Corporation sells the 2,764,500 of GRIT ordinary shares, the terms related to C\$0.4 million in Notes that were issued for cash require that the Corporation repay any principal balance plus accrued interest outstanding plus C\$0.02 million in early redemption fees. Upon repayment, any Warrants then outstanding related to the C\$0.4 million in Notes will expire.

The Notes were classified as long-term liabilities on the consolidated statement of financial position with \$1.4 million and \$0.3 million allocated to the fair value of the conversion feature and the Warrants, respectively. The carrying values of the Notes are being accreted to the original face values of the obligations over the three year term of the Notes.

OUTSTANDING LEGAL CHALLENGES

As of March 31, 2014 there were a number of outstanding creditor actions which had been filed against Saga Creek and there were unpaid salaries which had been securitized by the property of the Corporation.

For details related to these legal challenges, see the Corporation's first quarter 2014 financial statements and MD&A.

2014 OBJECTIVES

Currently Alhambra's efforts are focused on arranging financing, the use of proceeds from which will be directed towards the settlement of outstanding accounts payable, the re-initiation of the stacking of ore on the heap leach pads and the resumption of exploration and development programs. The Corporation has identified a number of exploration targets it wishes to drill once funds have been raised. In addition the Corporation plans to begin a pre-feasibility study directed towards bringing into production the transitional and sulphide zones of Uzboy.

However, these programs as well as the Corporation's ability to continue on as a going concern are dependent on Alhambra completing one or more of the financing transactions it is currently investigating. While the Corporation has been successful in the past, there is no guarantee that the Corporation will be successful in the future in raising sufficient funds to continue as a going concern.

UNAUDITED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")

The Corporation's first quarter 2014 financial statements and MD&A are available on the Corporation's website, can be obtained on application from the Corporation and are available under the Corporation's profile on SEDAR at www.sedar.com.

ABOUT ALHAMBRA

Alhambra is a Canadian based international exploration and production corporation in Kazakhstan.

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.

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

For further information please contact:

Ihor P. Wasyliw VP & Chief Information Officer +1 (403) 508-4953	Donald D. McKechnie VP Finance & 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 regarding the formalization of a financing, re-initiation of the stacking of ore on the heap leach pads, the resumption of exploration and development programs, initiating the Uzboy pre-feasibility study, availability of capital to fund ongoing 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, the formalization of a financing, the re-initiation of the stacking of ore on the heap leach pads, the resumption of exploration and development programs, initiating the Uzboy pre-feasibility study, the availability of capital to fund exploration and production development; 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.