



NEWS RELEASE

FOR IMMEDIATE RELEASE – December 14, 2015

FOR: Alhambra Resources Ltd.

**SUBJECT: Actions By Kazakhstan Government Leads To Bankruptcy of Alhambra's
Subsidiary**

CALGARY, Alberta – Alhambra Resources Ltd. (NEX: ALH.H) (“Alhambra” or the “Corporation”), an international gold explorer and producer, announces that on December 7, 2015, the Specialised Interdistrict Economic Court of the Akmola Oblast in Kazakhstan ordered that Alhambra’s wholly-owned Kazakhstan subsidiary Saga Creek Gold Company JV LLP (“Saga Creek”) be declared bankrupt (the “Bankruptcy Order”). As a matter of Kazakhstan law, the Bankruptcy Order came into legal effect immediately on December 7, 2015. A copy of the Bankruptcy Order became available to Saga Creek on December 14, 2015. The Bankruptcy Order provides, among other things, that the management of Saga Creek, including its property and affairs, shall be vested in a bankruptcy trustee from the date of the Bankruptcy Order. The trustee will now commence the bankruptcy procedure of Saga Creek in accordance with the bankruptcy law of Kazakhstan.

The Bankruptcy Order has been issued at the time when Alhambra has been trying to complete a financing to provide the Corporation with the working capital it requires to continue its mining operations in Kazakhstan. Alhambra has suspended those operations for some time due to a series of actions and omissions of the Government of Kazakhstan (the “Government”) against Saga Creek, that Alhambra and its legal counsel believe are both unfair and inequitable including, without limitation, the assessment of taxes on the company in the amount of tens of millions of dollars and, the withholding of required mining and financing approvals, all in breach of the company’s investment contract with the Government and the applicable law. Alhambra’s attempts to seek improvement of the situation with the Government, including numerous petitions to and meetings with the relevant Government officials, have been unsuccessful. This conduct by the Government has frustrated Alhambra’s investment activities in Kazakhstan, drained the Corporation’s resources and culminated in the bankruptcy of Saga Creek.

To defend its position, Alhambra has put the Government on notice that it intends to submit the matter to arbitration at the International Centre for Settlement of Investment Disputes (ICSID) if an amicable resolution to the matter is not promptly achieved. To represent Alhambra in this matter, the Corporation has retained Jones Day, one of the world's leading law firms in investor-State arbitration.

John J. Komarnicki, Chairman and Chief Executive Officer of Alhambra, commented, “*We are considering all available legal options to vigorously defend our position, including starting an international arbitration procedure against the Government seeking full compensation of all losses suffered in Kazakhstan if the Government does not take immediate action to resolve the situation. We intend to vigorously press the process to its conclusion and ensure that Alhambra’s rights are fully vindicated.*”

The Corporation will provide further updates as the matter progresses.

ABOUT ALHAMBRA

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

Alhambra's common shares are listed in Canada on The NEX Board under the symbol ALH.H; 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 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.

For further information please contact:

John J. Komarnicki Chairman & Chief Executive Officer +1 (403) 606-2120	Donald D. McKechnie VP & Chief Financial Officer +1 (403) 561-6221 dmckechnie@alhambraresources.com
--	---

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, actions related to the bankruptcy process in Kazakhstan and the arbitration process against the Government of Kazakhstan, 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 including 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. There is no assurance actions related to the bankruptcy process in Kazakhstan and the arbitration process against the Government of Kazakhstan will be successful. 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.