



8 October 2010

Cambridge Mineral Resources plc (“CMR” or “the Company”)

SALE OF SPANISH INTERESTS

Cambridge Mineral Resources plc, the mining exploration and development company, is pleased to announce the completion of the sale of its Spanish subsidiary Recursos Metalicos SL, which holds the mining exploration and exploitation rights to the Lomero-Poyatos project in southern Spain, to Harrogate Group plc (“Harrogate”).

The consideration for the sale is 280,000,000 Harrogate ordinary 1p shares, held by means of a Renounceable Letter of Allotment and convertible loan notes, which represents an economic interest in 92.5 per cent. of Harrogate’s current issued share capital. 40,000,000 of the above consideration shares are to be held in escrow until certain warranties by CMR are completed.

Harrogate intends to change its name to Iberian Gold plc and has undertaken to seek admission to the stock market as soon as practicable but no later than 31 March 2012. The flotation share price will be determined at the point of listing.

Under the terms of the shareholder agreement between CMR and Harrogate, which has been approved by the Takeover Panel who have granted Harrogate a waiver in respect of Rule 9 of the Code, following Harrogate’s flotation, CMR and its concert parties may hold up to 49% of the issued share capital of Harrogate. The balance of CMR’s entitlement to shares will be held in convertible loan notes.

Harrogate is committed to advancing Lomero-Poyatos towards production. A mining plan and an environmental restoration plan have been prepared by consultants Golder Associates in Madrid, which have been submitted to the Spanish authorities and are awaiting approval. The consultants Wardell Armstrong International have completed a site visit and prepared an updated report on the project and its economics. It is expected that a full environmental study and a full bankable feasibility study will be prepared in due course.

Michael Burton, Managing Director of Cambridge Minerals, commented:

“The board of CMR is very pleased to have finally completed the sale of its Spanish interests to Harrogate, whose management team will include considerable mining experience. CMR looks forward to Harrogate’s progress towards production at Lomero-Poyatos, which hosts the highest known gold-grades in the Iberian Pyrite Belt. At this time of record increases in precious and base-metal prices, this transaction adds value for your Company, and Harrogate’s eventual flotation will provide CMR with a ready market for its shares.

The Company has experienced a very difficult period following the loss of its Colombian interests in 2009 and its subsequent de-listing from AIM. Also in 2009, the Company received several approaches for its Spanish interests, none of which completed for various reasons. These events incurred substantial costs which contributed to the significant cash flow issues that continue to impact operations and also administration, such that our reporting timetable has been further delayed and the overdue AGM is now expected to be held by the end of this year. However, following the completion of the sale of our Spanish interests, the Company is now in the process of raising essential funds to meet its working capital requirements which include those for its ongoing projects in Peru and Bulgaria.”

ENDS

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NOTES TO EDITORS:

1. CMR is a mineral exploration and development company with over 2,400 individual and institutional shareholders.
2. The Company's principal focus is on precious and base metal projects in South America and Europe, which include:
 - * Peru: a wholly-owned silver mine at pre-production stage with feasibility study completed.
 - * Bulgaria: various gold/copper exploration projects under joint-venture with the international exploration group Electrum Limited, who are funding all project costs and have to date earned-in to 51% of the joint-venture.
3. The Company intends to return value to shareholders from the sale of its projects and if appropriate seek admission to a recognised investment exchange. In the meantime the Company's shares may be traded through its broker Keith, Bayley, Rogers & Co. Ltd via a matched-bargain trading facility (telephone: +44 (0)20 3100 8300).