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Mineral Resources plc

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Company Update

Shareholders will have read my Chairman's Report in connection with the draft 2011 Financial Statements, and seen my comments that I am wholly committed to seeking success for Cambridge Mineral Resources Plc ("CMR and the Company") as a mineral exploration company focussed on southern Spain. I am a major shareholder in CMR and, like many others, I have been appalled with the performance of the company, and the situation at the beginning of this year. It seemed clear to me that the board should dedicate itself to moving the business forward after the mistakes of the last two years.

Since agreeing to become Chairman in May 2012, the plan for CMR is to create a focused, complaint business with a clear strategic future. Shareholder interests are at the forefront of my mind, and I intend to communicate regularly with shareholders as news flows and key decisions are made. All this will take time but the new interim board is making progress and I hope to report more fully to you during an AGM to be held this autumn.

Summary

- The board has been reshaped, and has a unified focus on compliance and future strategy covering both existing and new opportunities.
- 2010 accounts have been filed; draft 2011 accounts are now available on our website and are with our auditors Littlejohn LLP. It is anticipated that the audited accounts will be issued during September 2012.
- The sale of the Company's Peruvian subsidiary Minera Peru Gold SAC to Laconia Resources Limited ("Laconia") was completed in July 2012.
- The Company has been informed by Iberian Gold Plc ("Iberian") that its subsidiary Recursos Metalicos SL ("Recursos") has lost its mining permits for the Lomero-Poyatos mine in Spain.
- The Company has been funded over the last 8 months by the directors, and all remuneration is under review until we have clarity of the situation in Spain.

The board

- Tim Greatrex, who is also a shareholder, and myself were appointed to the board as non-executive directors in May 2012, alongside Michael Burton and Venny Mateeva.
- In July 2012 I invited Mark Slater to rejoin the board. Mark's constructive contribution to the business over the last 6 months as a consultant has been vital to maintaining our contacts and prospects as a mining company in Spain and I welcome his focus, energy and continued involvement.

- Additionally Mark has:
 - Completed the sale of our Peruvian subsidiary Minera Peru Gold SAC to Laconia.
 - Negotiated positions with all creditors providing us with a sounder financial footing.
 - Facilitated a constructive dialogue with Iberian over the future of Recursos and the Lomero-Poyatos mine.
- As future strategy and projects evolve experienced mining and finance executives will be invited to join and or replace current board members.

Compliance

- 2010 accounts were filed in April 2012 after an extensive audit by Littlejohn LLP.
- Littlejohn LLP has been reappointed to audit the 2011 accounts, they are in receipt of draft accounts and we expect to have the audit completed and the Report and Accounts filed by the end of September 2012.
- The Annual Return was filed in May 2012.
- Having got back on track we expect and are committed to filing future accounts in a timely manner.

Sale of Peru subsidiary: Minera Peru Gold SAC

- The delayed completion of the sale of the Company's Peruvian subsidiary to Laconia, a listed mining company on the Australian Securities Exchange focused on projects in Australia and Peru, was completed in July 2012.
- The proceeds have enabled the business to settle with the vast majority of creditors, giving us a sounder financial footing for the future.

Iberian Gold and the Lomero-Poyatos project in Spain

- In March 2012 the Iberian board informed us that the mining permits held on Lomero-Poyatos by Recursos were being terminated by the mining authorities in Andalucía.
- Recursos appealed this decision but was informed in June 2012 that its appeal had been rejected.
- The international law firm Herbert Smith has been engaged by CMR to review our options and represent us where required. This is an on-going situation and we will update shareholders as regularly as is appropriate.
- The performances of Iberian and Recursos are being reviewed in the light of events and all options are being considered.

Shareholders will be kept informed of all future developments by further postings on the company website, and I encourage you to look there for the latest updates regarding your company and its management. I am a major shareholder, and our interests are aligned.

Geoffrey Hall
Chairman