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If you have sold or otherwise transferred all of your shares in Cambridge Mineral Resources Plc, you should pass this document and the accompanying acceptance form without delay to the purchaser or transferee, or to the stockbroker, bank or other person who arranged the sale or transfer so they can pass this document to the person who now holds the shares, but not if such person is in a jurisdiction other than the United Kingdom.

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Your attention is drawn to the letter from the Chairman of Cambridge Mineral Resources Plc in this document which explains why the Placing is being proposed. Before deciding on what action to take you should fully consider all the information in this document.

CAMBRIDGE MINERAL RESOURCES PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02255996)

Proposed placing of new Ordinary Shares at 5p per share to raise up to £250,000 (before expenses)

This document should be read in conjunction with the accompanying acceptance form.

This document includes statements that are, or may be deemed to be, "forward-looking statements". These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Company's future prospects, developments and business strategies.

These forward-looking statements can be identified by their use of terms and phrases such as "anticipate", "believe", "could", "envisage", "estimate", "expect", "intend", "seek", "target", "may", "plan", "predict", "project", "will" or the negative of those variations, or comparable expressions, including references to assumptions.

The forward-looking statements in this document, including statements concerning projections of the Company's future results, operations, profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements.

Save as required by law, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

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PLACING STATISTICS

Placing Price	5 pence
Existing Ordinary Shares	106,126,289
Number of Placing Shares	5,000,000
Number of Ordinary Shares in issue on completion of Placing (assuming full take up by Shareholders if all Placing Shares are issued)	111,126,289
Estimated gross proceeds of the Placing receivable by the Company	£250,000

Date of publication of this Document 21 June 2013

LETTER FROM THE CHAIRMAN

CAMBRIDGE MINERAL RESOURCES PLC

(Registered in England and Wales with Company No. 02255996)

Directors:

Geoffrey Hall (*Director and Non-Executive Chairman*)
Michael Burton (*Director*)
Mark Slater (*Director*)
Jose Navalon (*Director*)
Timothy Greatrex (*Non-Executive Director*)

Registered Office:

9 Greenleaf House
128 Darkes Lane
Potters Bar
Hertfordshire
EN6 1AE

21 June 2013

Dear Shareholder

1. Introduction

The Company intends to raise £250,000 before expenses by way of a placing of 5,000,000 new Ordinary Shares.

The purpose of this letter is to provide you with details of the background to and reasons for the Placing, and provide you with an update on the Company's plans.

The actions that you should take if you wish to participate in the Placing are set out in paragraph 6 of this letter.

2. Company Overview

The Company has made progress in its corporate and financial affairs during the last 12 months and those of you who were either present at the last Cambridge AGM, held on 5 December 2012, or have read the Chairman's report of that meeting within the Chairman's blog on the Company's website www.cambmin.co.uk, will be aware that under the current management team the Company's prospects have improved.

The Directors intend to seek a listing of the Ordinary Shares on a stock exchange at the earliest opportunity consistent with progress towards the Company's objectives.

3. Current Interests

The Company wholly-owned Spanish subsidiary Cambridge Minería España SL has recently been the successful bidder for the governmental mining permits for the Masa Valverde copper-zinc project in Andalucía, Spain. Masa Valverde is estimated to contain in excess of 50 million tonnes of mineable ore. The Company plans to explore and develop Masa Valverde in partnership with one of the largest mining and commodity trading groups in the industry and for which the Company has already signed a heads of agreement. The Company is also considering other new mineral exploration permits and mining concessions in Spain.

The Company's main other interest is its joint venture with Electrum Limited ("Electrum") in Bulgaria which commenced in 2007 and into which the Company's wholly-owned subsidiary Hereward Ventures Bulgaria EAD vested its mineral exploration projects. The objectives of the joint venture are to discover and develop major gold projects. Electrum has completed its original earn-in expenditure requirements under the joint venture and the Company has converted its interest to a 10% net profit

share arrangement. Current projects include Tashlaka Hill, a deposit of approx 433,226 troy ounces of gold on which a feasibility study has been completed. To date the joint venture has undertaken various exploration activities, however no projects have yet been identified for further development. Tashlaka Hill is currently being marketed for sale.

Iberian Gold plc (Iberian) is a subsidiary of the Company for accounting purposes due to the Company's control of Iberian's board. Iberian wholly-owns its Spanish subsidiary Recursos Metalicos SL, which is currently seeking compensation for the loss of its former mining interests in Andalucia.

The Company also has an entitlement to 2 million shares in Laconia Resources Limited (ASX:LCR), an Australian mineral exploration company, following the completion of the sale of its Rasuhilca silver mine in southern Peru in 2012. The Company has already received 13.8 million Laconia shares and approximately US\$ 670,000 in cash, and the before mentioned 2 million shares are the balance of the deferred consideration due from Laconia to the Company. The shares are to be issued to the Company subject to various performance criteria being met at the mine.

4. Finance and strategy

From the end of 2011 to the date of this document the Company has been funded from the proceeds of sale of the Company's Peruvian assets and also by way of a £190,000 loan from the Chairman. The result is that the Company is now largely debt free and has a stable position with a few small outstanding trade creditors.

The Chairman's loan of £190,000 has been converted into Ordinary Shares together with two warrants for each Ordinary Share. Each warrant entitles the holder to acquire one new Ordinary Share at 5p. The Chairman's loan therefore converted into 3,800,000 new shares, and 7,600,000 warrants. The Ordinary Shares and warrants will rank pari passu with existing shares and warrants. The warrants have an exercise period of two years.

As mentioned previously, the Directors intend to seek a listing of the Company's Ordinary Shares on a stock exchange at the earliest opportunity consistent with progress towards the Company's objectives. However there is no guarantee that an application to a stock exchange for the Ordinary Shares to be traded will be made, or if made, will be successful.

5. Background to and reasons for the Placing

The net proceeds of the Placing will be used to supplement the working capital of the Company. In order to be in a position to do this, the Company seeks to raise approximately £250,000 before expenses.

The short term working capital requirements of the Company include payments for technical services (estimated at £104,500), legal fees (estimated at £36,216), corporate costs (estimated at £53,190), general administration expenses (estimated at £34,680) and a contingency of approximately £22,414.

Details of the Placing

The Placing will involve the subscription of up to 5,000,000 new Ordinary Shares at a Placing Price of 5 pence per Placing Share. There is no minimum requirement and Placing Shares will be issued to shareholders who have subscribed for them even if the offer of Placing Shares is not fully subscribed.

Each shareholder is invited to subscribe for a minimum of 20,000 Placing Shares. The cost of taking up 20,000 Placing Shares is £1,000. Thereafter shareholders may subscribe for Ordinary shares in lots of 10,000. The cost of taking up 10,000 Placing Shares is £500.

The Placing is expected to raise approximately £250,000 before expenses, although the Board has full discretion to extend the monies raised through the Placing if the Placing is oversubscribed. If the Placing is over subscribed, the Board will (at its discretion) reject or accept subscriptions in excess of £250,000. If your Board rejects your subscription due to an oversubscription your cheque will be returned unbanked. All subscriptions will be dealt with strictly on a first come, first served basis.

If you wish to participate in the Placing please complete, sign and return by 19 July 2013 the enclosed acceptance form together with your cheque in favour of Cambridge Mineral Resources Plc. No application for Ordinary Shares will be accepted after 19 July 2013.

The Placing Shares will, when issued and fully paid, rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends or other distributions declared or made after the date of their issue.

6. Recommendation

The Directors, who take responsibility for the contents of this document, consider that the Placing is in the best interests of the Company and its Shareholders as a whole.

Yours sincerely

Geoffrey Hall
Chairman

RISK FACTORS

AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK.

An investment in the Ordinary Shares may not be suitable for all recipients of this document. Shareholders are therefore strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on investments of this nature before making their decision to invest.

The Directors consider the following risks and other factors to be most significant for potential investors, but the risks listed do not necessarily comprise all those associated with an investment in the Ordinary Shares and the risks listed below are not set out in any particular order of priority. Shareholders should carefully consider the risks described below before making a decision to invest in the Ordinary Shares. If any of the following risks actually occurs, the Company's business, financial condition, results or future operations could be materially adversely affected. In such a case Shareholders may lose all or part of their investment.

1. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. The Ordinary Shares are not listed or dealt on any stock exchange. In the event that the Ordinary Shares are subsequently listed on a stock exchange, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. In addition, there is no guarantee that an application to a stock exchange for the Ordinary Shares to be traded will be made, or if made, will be successful.
2. The Company's capital requirements depend on numerous factors, including its ability to develop, maintain and expand partnership or joint venture arrangements for the exploitation of its products. It is difficult for the Directors to accurately predict the timing and amount of the Company's capital requirements. If the costs anticipated by the Directors for the proper financing of its business or joint venture arrangements change or prove to be inaccurate, or if the Company makes any material acquisitions, the Company may require further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.
3. The price which Shareholders may realise for their holding of Ordinary Shares, if and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others which are extraneous.
4. The value of the Ordinary shares may go down as well as up. Shareholders may therefore realise less than their original investment.
5. The Company's business must be considered in light of the risks, expenses and problems frequently encountered by other companies at the same stage of development as the Company.
7. The market for the Company's product and services may not develop at anticipated rates. If this is the case then the Company's revenues will be adversely affected.
8. Current and potential competitors may establish co-operative relationships among themselves or with third parties to enhance their services, accordingly, it is possible that new competitors or alliances among competitors may emerge and rapidly acquire significant market share.
9. Certain statements in this document may constitute forward-looking statements relating to such matters as projected financial performance, business prospects, new products, services and similar matters, a variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Company”	Cambridge Mineral Resources Plc, a company limited by shares incorporated in England & Wales with company number 02255996 and whose registered office is at 12 Greenleaf House, Darkes Lane, Potters Bar, Hertfordshire, EN6 1AE
“Directors” or “Board”	The directors of the Company as at the date of this Document, whose names are set out on page 4 of this Document
“Ordinary Shares”	the ordinary shares of 5p each in the capital of the Company
“Placing”	The placing by the Company of the Placing Shares at the Placing Price
“Placing Price”	5 pence per Placing Share
“Placing Shares”	new Ordinary Shares to be issued and allotted by the Company pursuant to the Placing
“Shareholder”	a holder of Ordinary Shares

In this Document, all references to times and dates are in reference to those observed in London, United Kingdom.

In this Document the symbols “£” and “p” refer to pounds sterling and pence sterling respectively.