Directors, Officers & Advisors

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Non-Executive Chairman
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Managing Director
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Republic of Ireland

Incorporation Number
02255996

Interim Report & Accounts

2008

Chairman's Statement

It gives me great pleasure to report on the progress we have made as we advance and add value to our portfolio of mineral projects primarily focused in South America. I believe we are entering a transitional period, as we approach production at our first project, the Quintana gold mine in Colombia, later this year and we remain committed to achieving our objective of producing circa 100,000 oz gold per annum from our South American assets.

2008 is shaping up to be a milestone year for CMR with the expected shift from pure exploration to production. To achieve this objective, it has been necessary for the Company to secure financing to develop its Colombian assets. The Company announced in January that it had secured up to US$15 million project finance under a pre-payment agreement (the 'Agreement') under which CMR is obliged to deliver gold (or the cash equivalent of such gold) over a set period of time following the commencement of each mine. The first tranche of US$5.5 million of the project finance was called by the Company in January to cover the funding costs associated with bringing the Quintana gold mine into production. These funds have been put towards the commencement of site preparation, mine infra-structure development and the construction of the processing plant. Once in production, it is estimated that the mine will be producing at an initial rate of ~15,200 ozs of gold and 6,000 ozs of silver per annum. Drilling, which is currently underway, may lead to further resources being defined with a commensurate increase in the mining production rate.

The remaining two prepayments, totalling US$9.5 million, will become available to CMR once it has successfully completed feasibility studies on two of the further gold mine projects, which it currently holds under option in Colombia.

In Peru, the Company has completed an in-house feasibility study on the Rasuhuilca silver-gold project, which has concluded that it has the potential to yield 1,000,000 oz silver and 15,000 oz of gold over a five year initial mine life. The study has indicated that Rasuhuilca could generate, at the spot metal prices used at the time of the study (US$14.50/oz silver, US$900/oz gold) after tax profits of approximately US$9 million. The study also indicates that mine development could be completed within 12 months and concludes that the project is capable of generating a small but rewarding return on investment. CMR is currently examining the options for how best to advance the project.

In Bulgaria, CMR completed an earn-in JV agreement in Q4 2007 whereby Electrum Gold Inc. can earn up to an 80% interest in a number of existing exploration permits presently held by the Company in Bulgaria. To earn this interest Electrum is required to spend US$2.25 million over five years. The Company has recently announced the acquisition of a further three copper-gold Bulgarian permits for an initial three year period. These new permits, which cover 180 km², are covered under the existing JV. Also in Europe, the Company continues to discuss with third-parties the possible opportunities to finance and advance these projects by way of divestment or JV.

Our Strategy

To acquire and develop a portfolio of high-grade gold mines in South America, and to increase production to economic levels by the implementation of modern mine methods and technologies.

To finance operations by the most cost-effective means available.

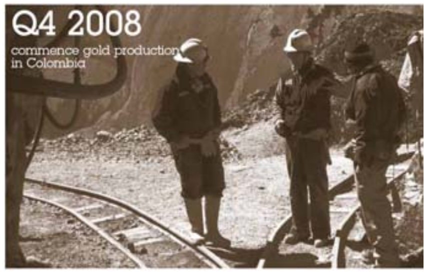
During the period, the Company raised £400,000 before expenses through a placing with Allianz Equity Investments Ltd with such funds being used for general business development, including funding the initial capital requirement needed for the advancement of the Company's silver mine in Peru. The Company has since announced in September that it has raised a further £360,000 for general working capital. While CMR strives towards achieving its goal of bringing Quintana into production by the end of 2008, the Company may require further funding and may return to the market in Q4 2008.

The loss for the period was £541,316 (2007: loss of £603,735). CMR continues to seek to minimise administration expenditure, notwithstanding the increasing burden of regulatory compliance costs.

Moving forward, the Company remains confident in the development of its South American assets and we look forward to reporting our maiden production at Quintana. Despite current market conditions, the Company remains enthusiastic about its prospects of joining the ranks of junior gold and silver producers in the near future.

To conclude, I would like to thank our shareholders for their ongoing support and, as always, our staff for their continued dedication and hard work.

Neil Maclachlan
Chairman
25 September



Condensed Unaudited Consolidated Interim Income Statement

For 6 months ended 30 June 2008

Continuing operations	**Unaudited 30 June 2008** £	Unaudited 30 June 2007 £	Audited 31 December 2007 £
Other income	**9,413**	4,238	7,005
Administrative costs	**(550,729)**	(588,773)	(774,467)
Impairment of exploration costs	-	-	(413,020)
Forgiveness of loan	-	-	459,477
Disposal of available for sale investment	-	(19,200)	(22,400)
Excess of acquirer's interest in the net fair value of acquiree's identifiable net assets over cost	-	-	94,000
Loss before and after tax	**(541,316)**	(603,735)	(649,405)
Loss after tax	**(541,316)**	(603,735)	(649,405)
Attributable to:			
Equity holders of the parent	**(541,316)**	(603,735)	(646,399)
Minority interest	-	-	(3,006)
	(541,316)	(603,735)	(649,405)
Loss per share:			
Basic loss per share	**(0.18p)**	(0.29p)	(0.24p)
Diluted loss per share	**(0.18p)**	(0.29p)	(0.24p)

All transactions arise from continuing operations.

Unaudited consolidated Statement of Recognised Income and Expenses

For 6 months ended 30 June 2008

	Unaudited 30 June 2008 £	Unaudited 30 June 2007 £	Audited 31 December 2007 £
Exchange differences on translation of foreign operations	**427,529**	19,524	668,211
Transfers:			
Transferred to profit and loss on sale of available for sale investment	-	-	48,500
Net income recognised directly in equity	**427,529**	19,524	716,711
Loss for the period	**(541,316)**	(603,735)	(649,405)
Total recognised income and expense for the period	**(113,787)**	(584,211)	(67,306)
Attributable to:			
Equity holders of parent	**(113,787)**	(584,211)	(69,560)
Minority interest	-	-	2,254

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Cambridge Mineral Resources plc

Condensed Unaudited Interim Consolidate Balance Sheet

For 6 months ended 30 June 2008

	Unaudited 30 June 2008	Unaudited 30 June 2007	Audited 31 December 2007
Assets	£	£	£
Non-current assets			
Exploration expenditure	**10,253,371**	7,367,278	8,342,698
Property, plant and equipment	**325,901**	99,780	172,626
Goodwill	**1,191,706**	1,115,241	1,191,706
Investment in joint venture	-	934,025	-
	11,770,978	9,516,324	9,707,030
Current assets			
Cash and cash equivalents	**489,391**	36,481	40,862
Trade and other receivables	**629,742**	512,919	456,393
	1,119,133	549,400	497,255
Total assets	**12,890,111**	10,065,724	10,204,285
Liabilities			
Non-Current Liabilities			
Borrowings	**(1,507,381)**	-	(86,303)
Current liabilities			
Short term borrowings	**(812,044)**	-	-
Trade and other payables	**(1,115,065)**	(731,404)	(931,995)
	(1,927,109)	(731,404)	(931,995)
Total liabilities	**(3,434,490)**	(731,404)	(1,018,298)
Net assets	**9,455,621**	9,334,320	9,185,987
Equity			
Equity attributable to equity holders of the parent			
Share capital	**2,911,156**	2,173,322	2,711,156
Share premium account	**11,341,207**	10,623,474	11,160,040
Revaluation reserve	-	45,300	-
Merger reserve	**2,116,435**	2,116,435	2,116,435
Translation reserve	**1,045,945**	-	618,416
Accumulated loss	**(7,959,122)**	(5,624,211)	(7,417,806)
Equity attributable to equity holders of the parent	**9,455,621**	9,334,320	9,188,241
Minority interest	-	-	(2,254)
Total equity	**9,455,621**	9,334,320	9,185,987

Unaudited Cash Flow Statement

For 6 months ended 30 June 2008

	Unaudited 30 June 2008	Unaudited 30 June 2007	Audited 31 December 2007
	£	£	£
Loss before taxation	**(541,316)**	(603,735)	(649,405)
Depreciation	**4,529**	(7,004)	38,566
Amortisation	-	2,254	
Interest Received	**(1,475)**	-	-
(Increase) / Decrease in debtors	**(154,235)**	290,399	(43,364)
Increase in creditors	**288,983**	319,219	353,128
Impairment	-	-	413,020
Foreign exchange movements	**11,685**	13,427	1,816
Forgiveness of loan	-	-	(459,477)
Loss on disposal of property, plant and equipment	-	-	34,973
Excess of acquirer's interest in the net fair value of acquiree's identifiable net assets	-	-	(94,000)
Loss on disposal of available for sale asset	-	-	22,400
Net cash (outflow) / inflow from operating activities	**(391,829)**	12,306	(380,089)
Investing Activities			
Exploration costs	**(1,626,718)**	(818,197)	(1,578,955)
(Purchase) / Proceeds of sale of property, plant and equipment	**(153,275)**	29,406	(87,952)
(Loss) / Profit from sale of available for sale investment	-	(19,200)	57,600
Interest received	**1,475**	4,238	4,973
Acquisition of investments	-	(48,645)	-
Net cash used in investing activities	**(1,778,518)**	(852,398)	(1,604,334)
Financing Activities			
Proceeds from issue of share capital	**400,000**	250,000	1,411,500
Share issue costs	**(18,833)**	-	(87,100)
Proceeds from borrowings	**2,233,122**	-	79,493
Net cash from financing activities	**2,614,289**	250,000	1,403,893
Increase / (Decrease) in cash	**443,942**	(590,092)	(580,530)
Cash at the beginning of the period	**40,862**	626,573	621,392
Effect of Exchange Rate Movements	**4,587**	-	-
Cash and Cash Equivalents at the end of the period	**489,391**	36,481	40,862

Notes to the Financial Statements

The accompanying accounting policies and notes form an integral part of these financial statements.

1. Basis of Preparation

The financial information contained within this interim report is unaudited. It does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The auditor's report on the accounts for the year ended 31 December 2007 was unqualified, however, it did contain an emphasis of matter on the adequacy of the disclosure made in the significant accounting policies to the financial statements concerning the group's ability to continue as a going concern, and it did not contain statements under section 237(2) or (3) of the Companies Act 1985.

2. Significant Accounting Policies

The interim results have been prepared in accordance with IFRS accounting rules. The Accounting Policies used in the preparation of these results were the accounting policies used in the preparation of the results for the year ended 31 December 2007 and detailed in the notes to those results (see Annual Report 2007 issued 18 July 2008).

3. Going Concern

These consolidated financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons:

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only.

In the period the Company has raised £400,000 before expenses through an equity placing and secured a project finance facility of which US$5.5m has been drawn upon. The Company has since announced in September that it has raised a further £360,000 for general working capital.

Management expects that there will be sufficient funding to meet their needs on the basis of the funding that has been raised, or is planned to be raised.

To advance our production of precious metals

To expand our business development programme

To establish the company as an institutional investment asset

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