

African Consolidated Resources News Announcement

African Consolidated - AGM Statement

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African Consolidated Resources Plc
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African Consolidated Resources Plc
("ACR" or the "Company")

Annual General Meeting Statement

At African Consolidated Resources Plc's first Annual General Meeting held at 11.00am today, all resolutions put to Shareholders were duly passed.

Ian Fisher, Chairman, made the following comments regarding the Company's progress on its lead projects.

"2006 has been a significant year for the Company which has seen us achieve the milestone of Admission to AIM, raising funds to carry out the work programme on our exciting portfolio of assets.

Major drilling programmes have continued to delineate further Inferred Resources at the Pickstone-Peerless and Giant projects and are expected to be completed in early October. ACR also intends to complete an incremental Resource update in late November once all assay results have been assessed.

ACR's June 2006 AIM listing accompanied a major Resource upgrade from drilling carried out on the Peerless and Pickstone (Concession Hill) orebodies, with Resources at listing totalling 820,500 ounces of gold.

Drilling since the last Resource assessment in early April has concentrated on:

- * Duchess Hill, a Banded Iron Formation (BIF) ridge immediately east along strike from the Pickstone mine. The Duchess Hill has no historical drilling over much of its 1500m strike length;
- * Peerless Far East trend, an extension of the Peerless mine; and
- * Giant Mine, northern and southern extensions of old workings.

Since the mid-April Resource upgrade, over 29,000 metres of drilling has been completed at the Pickstone-Peerless projects, and over 7,000 metres at the Giant project. Drill hole line spacing is mostly 50-80m along strike, and hole depth is generally designed to test the steeply-dipping mineralised targets to a nominal 120m below surface. However, we have also tested areas of the Pickstone mine with 200m deep holes.

Highlights to date include:

* The discovery of a southern extension to the Giant Mine, continuing for at least 100m south of previous drilling. Thick sulphide alteration zones are seen in a diorite intrusive, which has good potential for large-tonnage, medium-grade mineralisation. The full extent of the mineralisation is not yet defined, but results include:

- * 32m @ 1.7 g/t (including 11m at 3.0 g/t)
- * 5m @ 5.0 g/t
- * 3m @ 2.7 g/t

* At Pickstone, confirmation of gold lodes on Duchess Hill, where 80m spaced drill-lines over 880m of strike has intersected ore-grade mineralisation (>1 g/t) on every line. While surface leaching appears to have lowered the gold grades in the uppermost 30-50m of the hill, significant intersections have been encountered, including

- * 16m @ 4.1 g/t from 44m depth
- * 16m @ 2.7 g/t from 78m depth
- * 2m @ 10.6 g/t from 38m depth

These results indicate that Concession Hill and Duchess Hill form a semi-continuous body of BIF-hosted mineralisation approximately 3km long. Within this trend the old Pickstone mine produced over 400,000 ounces of gold, and was developed to 750m below surface.

ACR has also carried out further work on various other prospects:

* On Peerless, Reverse Circulation Drilling over 1500m of strike at Peerless Far East, following up good RAB drill intercepts, has intersected generally only low-grade mineralisation. However, restricted areas of mineralisation including 8m at 2.02 g/t suggest there are localised higher grade sections worth pursuing in the future. Drill line spacing is 80-160m.

* On Pickstone-Peerless, RAB Drilling through shallow cover in valleys between the Peerless and Pickstone mine trends has intersected encouraging gold mineralisation in quartz-veined mafic volcanics, including 6m @ 23.6 g/t from 9m in PPRA 337 (3m composite samples). This indicates the potential for the existence of further gold resources in the intervening 400-800m of volcanic and volcanoclastic rocks between the main Peerless and Pickstone mine trends. An infill drilling programme is continuing.

Results are awaited from deeper drilling beneath Concession Hill (the Pickstone Mine Crown Pillar), to increase the Resource down to approximately 200m below surface. Drilling efforts at the Giant mine will also be increased to fully explore the diorite intrusive target and northern extensions. SRK Consultants have been contracted to carry out orebody block-modelling and Resource updates in November.

The Board is delighted with the progress that ACR has made to date. We continue to acquire prospective ground and we will be producing a full resource update in November."

New Chairman

It was also announced at the AGM that Peter van der Spuy has agreed to become Non-Executive Chairman of the Company subject to normal due diligence requirements. Ian Fisher will continue as an executive director of the Company.

Peter van der Spuy, 65, BSc (Geology) Stellenbosch, MSc (Geology) Colorado School of Mines, Fellow of the Australasian Institute of Mining and Metallurgy, has been active in mineral discovery, development and mining for over 40 years in southern Africa, Australasia, south-east Asia and North America. In Zimbabwe he has been responsible for identifying, developing and bringing to fruition the platinum mining operations of Zimplats, the world's largest platinum operations outside South Africa and Russia. In Australia, Peter founded and led the Delta Gold Group of companies which discovered and developed the Granny Smith and Kanowna Belle Gold Mines, each of which ranks among Australia's significant gold producers.

Peter was a founding shareholder and chairman of four Australian Stock Exchange-listed exploration and mining companies (Austminex, Delta Gold, Mumbil Mines and Zimplats), a founding shareholder and Deputy-Chairman of a New Zealand-listed mining company (Sigma Resources) and is a founding shareholder and chairman of AIM-listed subsea-explorer, Neptune Minerals.

Peter is resident in Zimbabwe and is active in the search for minerals in the Southern African region.

This announcement has been reviewed by Mike Kellow, technical director, who is a qualified person for the purpose of the AIM Guidance Note for Mining, Oil and Gas companies, being a member of the Australian Institute of Geologists and having over 25 years of relevant experience.

Unless otherwise stated, drill intercepts are calculated from riffle-split, 1metre Reverse Circulation samples with a cutoff grade of 0.5 g/t and including up to 2m of internal waste. No upper grade cutoff has been applied.

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