

African Consolidated Resources News Announcement

African Consolidated - Final Results

RNS Number:4174Y
African Consolidated Resources Plc
15 June 2007

Embargoed for 7.00am

15 June 2007

African Consolidated Resources plc

Preliminary Results for year ended 28 February 2007

Report from Chief Executive

It is almost half way through 2007 and ACR has been listed on the AIM market for nearly a year.

It has been such an event-filled year that it seems like a decade. We have achieved much. We have remained consistently focused on our original strategy, and the next 18 months promises to be as interesting and rewarding as the last. The equity markets have awoken to the enormous driving force that is the development of China, India, Brazil and others. This has driven commodity prices and will continue to pass investment through to the resource sector.

Our strategy is a long-term one and our ambition to be a major mineral development company remains unbridled. We have selected Zimbabwe, a country rich in geological variety, mineral wealth and mining history. We chose to gain first mover advantage in Zimbabwe several years ago and today ACR is by far the largest investor in mineral exploration in that country. We believe the country will one day be viewed more positively by investors than it is today, and when that time comes ACR's assets shall surely receive a more realistic valuation from the market.

Your investment coupled with our skills, staff and management have procured substantial holdings of resources and prospective tenements. The current drilling results on our gold projects are now all in and we have engaged SRK to provide a JORC Resource upgrade. The results of this exercise are to be released in the near future and we hope to release them at the same time as our 2007 Annual Report. At that point I will also provide highlights of some exploratory drilling on properties outside the scope of the JORC exercise.

We continue to advance our gold projects. The One-Step gold project has shown great promise and discussions are underway for consolidating ground with our neighbours and forming a Joint Venture in this regard.

In the past twelve months, we have undertaken very large scale sampling exercises to develop detailed geochem maps over large areas of tenements. This exercise has begun to show very promising results and many targets are now marked for follow-up geochem and geophysics with a view to defining drill targets. The first phase sampling continues to target ground for gold, PGE's, nickel and diamonds.

We continue to acquire ground that is prospective for large nickel deposits. The first of these is along strike from a known ore body and historical mine (Perseverance). This is absorbing most of our energy within the Nickel Division but first phase sampling continues at our other Nickel targets. The Snakes Head region of the Great Dyke continues to interest us, so mapping and sampling continues to seek new zones of PGE mineralisation other than those already identified.

Diamonds have become very topical post our discovery of the Marange deposit. While this title remains in dispute, it is important to note that neither ACR as a company nor Zimbabwe as a country are unique in encountering such disputes and it is the very nature of business that more than one interpretation of facts or of law can arise in complex situations. ACR has referred the matter to the High Court of Zimbabwe in order that clear, unambiguous title may be established. We

remain confident of a fair judicial outcome and hopeful that the case may be settled in our favour in accordance with the legal advice we have received to date.

ACR remains very willing to enter into a joint venture on the Marange deposit with the Zimbabwe Government and is continuing its efforts at dialogue in that regard. It is essential to understand that ACR is very willing to work with the Government in all matters and neither seek confrontation nor see the Government as hostile to the Company.

Following some arms length research, the Company now feels that it is equipped to begin exploration within specific targets in Mozambique and Zambia as originally stated in our AIM Admission document. As these new ventures take shape, we will keep you abreast of related news.

I look forward to providing a more comprehensive update on the state of affairs very shortly in our 2007 Annual Report.

A. N. Cranswick
Chief Executive

Enquiries:

African Consolidated Resources Plc

Andrew Cranswick	+44 7920 189010
Roy Tucker	+44 1622 816918
	+44 7920 189012

Evolution Securities	
Simon Edwards	+44 20 7071 4300

Consolidated income statement (unaudited)
for the year ended 28 February 2007

	Notes	For the year ended 28 February 2007
For the period from 5 April 2005 to 28 February 2006		Group £
Turnover		-
Administrative expenses (401,961)	3	(1,809,334)
Operating loss (401,961)		(1,809,334)
Finance Income 61,242		102,077
Loss on ordinary activities before and after taxation (340,719)		(1,707,257)
Loss per share - basic and fully diluted (0.35) pence	4	(0.96)pence

Group and company balance sheet (unaudited)
As at 28 February 2007

	28 February 2007 Group £	28 February 2006 Group £
Assets		

Non-current assets		
Intangible assets	4,962,150	2,329,211
Property, plant and equipment	372,749	142,376
Fixed asset investments	38,363	43,273
	5,373,262	2,514,860
Current assets		
Inventory	32,608	50,775
Receivables	84,632	53,985
Cash and cash equivalents	1,514,548	1,975,166
Total current assets	1,631,788	2,079,926
Total Assets	7,005,050	4,594,786
Equity and Liabilities		
Capital and reserves attributable to equity holders of the company		
Called-up share capital	1,899,941	1,456,270
Share premium account	6,434,653	2,442,790
Profit and loss account	(2,047,976)	(340,719)
Share option reserve	487,194	53,000
Total equity	6,773,812	3,611,341
Current liabilities		
Trade and other payables	231,238	983,445
Total current liabilities	231,238	983,445
Total Equity and Liabilities	7,005,050	4,594,786

Group and company cash flow statement (unaudited)
for the year ended 28 February 2007

	For the year ended 28 February 2007 Group £	For the period from 5 April 2005 to 28 February 2006 Group £
CASH FLOW FROM OPERATING ACTIVITIES		
Loss on ordinary activities	(1,707,257)	(340,719)
Adjustments for:		
Depreciation	59,910	10,243
Finance income	(102,077)	(61,242)
Share option charges	409,461	53,000
	367,294	2,001
Changes in working capital:		
Increase in receivables	(30,647)	(53,985)
Decrease/(Increase) in stock	18,167	(50,775)

(Decrease)/Increase in payables	(752,207)	983,445
	(764,687)	878,685
Cash generated from operations	(2,104,650)	539,967
Investing activities:		
Payments to acquire intangible assets	(2,632,939)	(2,329,211)
Payments to acquire property, plant and equipment	(305,279)	(152,619)
Proceeds on disposal of fixed assets	14,996	-
Interest received	102,077	61,242
	(2,821,145)	(2,420,588)
Financing Activities:		
Decrease/(Increase) in investments	4,910	(43,273)
Issue of ordinary shares	4,460,267	3,899,060
	4,465,177	3,855,787
(Decrease)/Increase in cash and cash equivalents	(460,618)	1,975,166
Cash and cash equivalents at beginning of period	1,975,166	-
Cash and cash equivalents at end of period	1,514,548	1,975,166

Preliminary Report notes

1. Preliminary report

The information relates to the period from 1 March 2006 to 28 February 2007, together with comparatives for the prior year.

The preliminary report was approved by the Directors on 14th June 2007.

The preliminary report is unaudited.

2. Basis of Accounting

The report has been prepared using accounting policies that the Group and its subsidiaries adopted for prior periods. The information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

These preliminary financial statements consolidate the financial statements of the Company and all its subsidiaries.

3 Administrative Expenses

Group administrative expenses includes employee share option expenses of £409,461 (2005/6 : £53,000).

4 Loss per share

period	For the year ended	For the period from 5 April 2005
April		

to 28

2006

28 February

February

2007

96,567,209 Losses per Ordinary Share have been calculated using the weighted average number of Ordinary Shares in issue during the relevant financial period. The weighted average number of Ordinary Shares on issue for the relevant period is:

177,289,260

Group

Group

£

£

(340,719) Losses for the Group for the relevant period

(1,707,257)

5 Consolidated Statement of Changes in Equity

28 February

2007

Group

£

28 February

2006

Group

£

Opening Shareholders' funds

3,611,341

-

Loss for the period

(1,707,257)

(340,719)

Share option reserve charge

434,194

53,000

Issue of shares

4,435,534

3,899,060

Closing Shareholders' funds

6,773,812

3,611,341

This information is provided by RNS
The company news service from the London Stock Exchange

END

FR SFWEELSWSESM