

African Consolidated Resources News Announcement

African Consolidated - Update

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African Consolidated Resources Plc
06 July 2007

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African Consolidated Resources Plc (the 'Company')

Update

African Consolidated Resources plc, an AIM listed exploration company, notes the recent rise in its share price and wishes to update shareholders as follows:

Further fundraising

At admission to AIM in June 2006 the Company reduced its initial fundraising from Â£8 million to Â£4 million as a result of market conditions. Accordingly, anticipating that further funding would be required in due course in order to finance general exploration with a particular emphasis on further exploration of the extensive prospective nickel ground held by the Company, the Company has sought and received indications of support from some existing shareholders and a limited number of other parties for a fundraising.

The Company therefore intends to pursue a fundraising of Â£4.5 million at or around 14.5p per share and will make a further announcement in this regard in due course.

Marange

Following the announcement of ongoing dialogue with relevant parties on 2 July 2007, there have been no further developments with respect to the hearing in the Zimbabwe High Court of its civil action in order to recover the Marange deposit. The fundraising noted above is not conditional on the outcome of the civil action.

Should there be a successful outcome to the Marange issue then the Company will aggressively pursue the exploitation of that deposit as a priority. Accordingly, a substantial part of the funds raised through the subscription would be utilised as initial production finance for the Marange operation.

Should there be an unsuccessful outcome to the Marange action, then there is a possibility that the Company may itself be the subject of a charge under Zimbabwe law for illegal possession of diamonds. Whilst the Company has taken legal advice and is comfortable that such a charge would be without foundation, it is an illustration of the potential risks of the environment in which it operates.

The Company would like to re-iterate that at this point there can be no certainty as to the outcome of the civil action or any agreement on the ownership and operations of the Marange deposit prior to that action. Accordingly, shareholders are advised to exercise caution when dealing in the Company's securities until a further announcement is made.

Enquiries:

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