

# African Consolidated Resources News Announcement

## African Consolidated Resources Plc - Final Results

### Final Results

African Consolidated Resources Plc ('African Consolidated' or the  
'Company')

### Final Results

African Consolidated is pleased to announce its final results for the year ended 29 February 2008.

The Company's Annual Report is available for download from the Company's website [www.acrplc.com](http://www.acrplc.com). Copies will be distributed to shareholders shortly.

### Chief Executive Officer's report

Considerable progress has been made with our on-going exploration since the publication of our interim report in November. I will not dwell on this in any detail in this report however in view of our recent technical 'Exploration Update' which was published on 8 April 2008 and is available to download from the Investor Relations section of our website ([www.acrplc.com](http://www.acrplc.com)).

### ZIMBABWE

#### General

Politics continues to be the overriding factor affecting the perception of Zimbabwe particularly following the recent events associated with the Parliamentary and Presidential elections. We have no control over this factor and it is a reality we have lived with to date. As always I will point out that we work with the Government of the day.

The lead-up to the elections, while initially quiet, created some unrest and violent activity in parts of Zimbabwe although our latest information is that this is subsiding in most areas. These problems had the effect of disrupting some of our operations particularly in the north of the country where we suspended exploration and infrastructural work in the interests of employee and contractor safety as well as the security of company assets. We have now reviewed the situation on the ground and I am pleased to say that as of this week we now feel secure to return to all areas.

More specifically the problems created a delay in the road-development work taking place at the Snakes Head PGE project which was being prepared for the development of a sample-gathering decline adit for metallurgy testing purposes. Likewise, considering its proximity, sampling work at the Horseshoe nickel laterite project was postponed. We are now returning to site.

In Chakari, electromagnetic survey of the Perseverance Nickel project was suspended for 10 days in early May. It was possible to re-commence work for several weeks but work was suspended again until very recently. Geochemical sampling for gold and base metals in southern Zimbabwe near Zaka was also postponed.

The hyper-inflationary environment presents difficulties and the company is making every effort to minimise the negative effects thereof on the company and its staff. However the bulk of the Company's expenditure is incurred by reference to Sterling, United States dollars or other hard currencies. Therefore the on-going inflation-driven devaluation of the Zimbabwe dollar has only a modest effect on the Sterling budget of ACR and the risk is being satisfactorily managed by our financial department.

I commend all our staff and management for their stoically successful effort to retain the highest possible degree of normality and morale in trying circumstances.

We continue to support the local communities in which we work in terms of infrastructural development and practical assistance.

#### Exploration

As noted above an 'Exploration Update' was published in April. Since then reverse circulation ("RC") drilling has commenced and continues at the Blue Rock gold prospect while rotary air blast ("RAB") exploration drilling continues elsewhere on the Gadzema gold belt.

In-fill electromagnetic survey over the five already-defined conductors at Perseverance should be complete within two to four weeks. Post interpretation, these results will enable final drill-target definition for the exploratory intersection of these conductors and we hope to commence diamond-core drilling in late July. Negotiations for the contracting of a suitable drill-rig are under way. Detailed, closely-spaced airborne magnetic survey lines will most likely be flown over the Perseverance region in a July/August timeframe. This will provide additional data for further target definition.

Discussions continue on the resumption of activities in the Marange diamond field and I remain hopeful of an outcome that satisfies both national and corporate interests. The related legal dispute over claim ownership still awaits a court hearing date.

Throughput at both in-house and independent assay / sorting labs has improved and we are processing some 5,000 samples per month. In addition, we have increased our sampling teams and hence are constantly looking for ways to improve throughput even further.

#### ZAMBIA & MOZAMBIQUE

It remains the Company's philosophy to ameliorate political risk by being active in other regional countries.

Progress has been made on the application for significant exploration ground in Zambia and ACR is hopeful of a successful outcome on several of these applications. Legalities for formation in Mozambique are nearing finality and the company anticipates imminent discussions with the Mozambique Government at a high level.

First-pass evaluation is complete over large tracts of ground in both countries, much of which is unallocated or due for relinquishment in the not too distant future. This is very much a work-in-progress which I expect will gather momentum in the second half of the year.

#### GENERAL

The Company's cash resources remain adequate at current spend rates especially since our exploration expenditure is discretionary. However, should the political situation allow and the Board elects to commence further drilling programmes, we would expect to need to raise further funds before the end of 2008.

We hope for a sustainable and equitable solution to the current political impasse in Zimbabwe.

Andrew N. Cranswick  
CEO

Consolidated income statement  
for the year ended 29 February 2008

	2008 Group £	2007 Group £
Revenue	-	-
Administrative expenses	(1,152,861)	(1,809,334)
Operating loss	(1,152,861)	(1,809,334)
Finance income	160,813	102,077
Loss before and after taxation	(992,048)	(1,707,257)

Notes

Loss attributable to the equity holders of the parent company		(992,048)	(1,707,257)
Loss per share - basic and diluted	2	(0.48) pence	(0.96) pence

All amounts above relate to continuing operations.

Group Statement of Changes in Equity  
for the year ended 29 February 2008

Group	Share capital account £	Share premium account £	Share option reserve £	Available for sale reserve £	Retained earnings/(losses) £	Total £
At 28 February 2006	1,456,270	2,442,790	53,000	-	(340,719)	3,611,341
Available for sale investments	-	-	-	(10,866)	-	(10,866)
- valuation losses	-	-	-	(10,866)	-	(10,866)
Net income recognised directly in equity	-	-	-	-	(1,707,257)	(1,707,257)
Loss for the year	-	-	-	-	(1,707,257)	(1,707,257)
Total recognised income and expense for the year	-	-	-	(10,866)	(1,707,257)	(1,718,123)
Share options	-	-	434,194	-	-	434,194
Issue of share capital (net of issue costs of £336,831)	443,671	3,991,863	-	-	-	4,435,534
At 28 February 2007	1,899,941	6,434,653	487,194	(10,866)	(2,047,976)	6,762,946
Available for sale investments	-	-	-	16,157	-	16,157
- valuation gain	-	-	-	16,157	-	16,157
Net income recognised directly in equity	-	-	-	-	(992,048)	(992,048)
Loss for the year	-	-	-	-	(992,048)	(992,048)
Total recognised income and expense for the year	-	-	244,458	-	-	244,458
Share options	-	-	244,458	-	-	244,458
Issue of share capital (net of issue costs of £135,000)	310,345	4,054,655	-	-	-	4,365,000
At 29 February 2008	2,210,286	10,489,308	731,652	5,291	(3,040,024)	10,396,513

Group balance sheet  
As at 29 February 2008

	Note	29 February 2008 Group £	28 February 2007 Group £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	3	5,841,604	4,962,150
Property, plant and equipment		403,419	372,749
Available for sale investments		34,655	6,606
Investment in subsidiaries		-	-
		6,279,678	5,341,505
<b>Current assets</b>			
Inventory		25,499	32,608
Receivables		162,945	84,632
Available for sale investments		37,038	20,891
Cash and cash equivalents		4,142,105	1,514,548
Total current assets		4,367,587	1,652,679
Total Assets		10,647,265	6,994,184
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Called-up share capital	4	2,210,286	1,899,941
Share premium account	4	10,489,308	6,434,653
Available for sale reserve		5,291	(10,866)
Share option reserve		731,652	487,194
Retained earnings		(3,040,024)	(2,047,976)
Total equity		10,396,513	6,762,946
<b>Current liabilities</b>			
Trade and other payables		250,752	231,238
Total current liabilities		250,752	231,238
Total Equity and Liabilities		10,647,265	6,994,184

Group cash flow statement  
for the year ended 29 February 2008

	2008 Group £	2007 Group £
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the year	(992,048)	(1,707,257)
Adjustments for:		
Depreciation	116,861	59,910
Write-off of deferred expenditure/intangible assets	31,984	-
Finance income	(160,813)	(102,077)
Profit on sale of available for sale investments	2,186	(38,607)
Profit on sale of property, plant and equipment	(353)	-
Share option charges	244,458	409,461
	234,323	328,687
Changes in working capital:		
Increase in receivables	(78,313)	(30,647)
Decrease in inventories	7,109	18,167
Increase/(Decrease) in payables	19,514	(752,207)
	(51,690)	(764,687)
Cash generated from operations	(809,415)	(2,143,257)
<b>Investing activities:</b>		
Payments to acquire intangible assets	(911,438)	(2,632,939)
Payments to acquire property, plant and equipment	(152,248)	(305,279)
Payments to acquire available for sale investments	(59,432)	(120,000)
Payments to acquire investment in subsidiaries	-	-
Proceeds on disposal of property, plant and equipment	5,070	14,996
Proceeds on disposal of available for sale investments	29,207	163,517
Interest received	160,813	102,077
	(928,028)	(2,777,628)

Financing Activities:

Proceeds from the issue of ordinary shares, net of issue costs	4,365,000	4,460,267
(Decrease)/Increase in cash and cash equivalents	2,627,557	(460,618)
Cash and cash equivalents at beginning of year	1,514,548	1,975,166
Cash and cash equivalents at end of year	4,142,105	1,514,548

Notes to preliminary report

1	Basis of preparation
	The financial information for the year ended 29 February 2008 and for the year ended 28 February 2007 contained in this statement do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. It is, however, derived from the statutory accounts for those years. The auditors' report for both 2007 and 2008 was unqualified, but draws attention by way of emphasis without qualifying to the political and economic instability in Zimbabwe, and did not contain statements under section 235 or sections 237 (2) or (3) of the Companies Act 1985. Statutory accounts for the year ended 28 February 2007 have been approved by members in General Meeting and delivered to the Registrar of Companies.

2	Loss per share	2008 Group	2007 Group
	Loss per Ordinary Share has been calculated using the weighted average number of Ordinary Shares in issue during the relevant financial period.		
	The weighted average number of Ordinary Shares in issue for the year is.	208,614,788	177,289,260
	Losses for the Group for the year are (£)	(992,048)	(1,707,257)
	Loss per share basic and diluted	(0.48p)	(0.96p)
	The effect of all potentially dilutive share options is anti-dilutive.		

3	Intangible assets	Deferred exploration costs	Mining options	Licence acquisition costs	Total
	Group				
		£	£	£	£
	Cost at 28 February 2007	2,882,595	47,661	2,031,894	4,962,150
	Additions during the year	891,041	-	20,397	911,438
	Disposals during the year	(1,873)	(30,111)	-	(31,984)
	Cost at 29 February 2008	3,771,763	17,550	2,052,291	5,841,604
	Group				
	Cost at 28 February 2006	554,689	14,178	1,760,344	2,329,211
	Additions during the year	2,327,906	33,483	271,550	2,632,939
	Cost at 28 February 2007	2,882,595	47,661	2,031,894	4,962,150

4 Share capital	Number of shares	Nominal value £	Share premium £
Authorised Ordinary shares of £0.01 each	1,000,000,000	10,000,000	-
Issued Called up, allotted and fully paid			
As at 28 February 2006	145,626,980	1,456,270	2,442,790
Issued during the year	44,367,118	443,671	3,991,863
As at 28 February 2007	189,994,098	1,899,941	6,434,653
Issued during the year	31,034,482	310,345	4,054,655
As at 29 February 2008	221,028,580	2,210,286	10,489,308

5 Contingent liabilities and capital commitments

There is a contingent liability, which in the opinion of the directors is not likely to exceed £63,650, in respect of the Giant acquisition made in the period to 28 February 2006 relating to resource ounces still in the process of being quantified.

6 Litigation

Amongst intangible assets for the Group is included £256,314 (2007 : £95,307) representing costs of title acquisition and of exploration over a diamond deposit near Marange. On 28 September 2006, the Group received notification from the Zimbabwe Minister of Mines that he intended to challenge the group's legal title with respect to Marange. The Group has initiated proceedings in the Zimbabwe High Court in order to confirm this title. Counsel has advised that in his opinion the Group's title is good and therefore no provision against loss of this asset has been made.

There is no other litigation involving any group company.

Enquiries:

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