

RNS Number : 9319X
African Consolidated Resources Plc
25 August 2009

African Consolidated Resources Plc (the 'Company')

**Establishment of Employee Benefit Trust (EBT) and issue of shares to EBT and to directors and executives
(the Individuals) under a Joint Ownership Agreement**

African Consolidated Resources plc, the Zimbabwe focused mineral exploration company announces that it has executed a trust deed constituting the African Consolidated Resources Employee Benefit Trust ('the Trust') with African Consolidated Resources (PTC) Limited, a wholly owned subsidiary of the Company, appointed as trustee ('the Trustee'). The establishment of the Trust enables the Trustee to acquire shares in the Company and to make interests in those shares available for the benefit of current and future employees of the Company and its subsidiaries ('the Group') as part of the Group's employee incentivisation strategy.

On 21 August 2009, the Trustee subscribed for 12,000,000 ordinary shares of 1p each in the Company ('Shares') at a price of 8.75p per Share (the 'Subscription Price'). These Shares were acquired jointly with a number of directors and executives of the Group ('the Individuals') pursuant to certain conditions set out in Joint Ownership Agreements ('JOA's'). Purchase of all of the Shares was initially funded in full by way of loan contributions from the Company and from a subsidiary to the Trustee. The Individuals have subsequently repaid to the Company a nominal sum attributable to their initial interest in the jointly owned Shares and in addition have the obligation to pay a further sum to the Trustee ('the Additional Contribution'). The Additional Contribution is a sum due to be fixed shortly by BDO Stoy Hayward LLP and which is to be calculated to reflect an arms length purchase consideration for the rights of joint ownership obtained.

Rights of joint ownership obtained by an Individual, including rights to dividends and other distributions of capital, will vary over time and equate to any future increase in the value of the Shares less an amount equal to interest at 5% per annum on the Subscription Price. An Individual is entitled to instruct the Trustee to sell the Shares over which he has joint ownership rights, but subject to the condition that in most instances an Individual will only be able to direct that the Trustee sell the Shares over which he has joint ownership rights in equal tranches on or after each of 31 July 2010 and 31 July 2011 and provided the Individual has not ceased his relationship with the Group on or before the date of sale notification. The Individuals are also, under certain circumstances, able to direct that the Trustee sell the Shares on a takeover, change of control, scheme of arrangement or a voluntary winding-up of the Company. Where these conditions are not met, the Trustee has an option to acquire the Individual's interests in the Shares at the lower of market value or a price equal to the Additional Contribution paid by the Individual so that none of any increase in the value of the Shares will accrue to the Individual.

Pursuant to the terms of the JOA's, the Trustee shall consult with the Individuals and exercise voting rights attributable to Shares over which the Individual has ownership rights from time to time in accordance with the Individual's wishes. Voting rights will otherwise be exercised by the Trustee.

Application has been made for admission of 12,000,000 Shares to trading on the AIM Market of the London Stock Exchange which is expected to occur at 08.00 a.m. on 28 August 2009.

Following the issue of Shares described above the total number of Shares in issue at the date of this notice is 280,025,173 with each Share carrying the right to one vote.

Notification of Directors' Interests in Shares

Directors of the Company on 21 August 2009 acquired interests in 8,000,000 ordinary Shares as set out below and which were subscribed for by the Trustee as part of the arrangements set out above. These Shares were acquired jointly by the Trustee and the directors pursuant to the JOA's as set out above.

Director	No of shares	Earliest sale date	
		31/7/2010	21/7/2011
A. N. Cranswick	3,000,000	1,500,000	1,500,000
M. W. Kellow	2,000,000	1,000,000	1,000,000
R. C. Tucker	1,500,000	750,000	750,000
H. S. Bottomley	1,500,000	750,000	750,000
	8,000,000	4,000,000	4,000,000

Enquiries:

African Consolidated Resources plc

Andrew Cranswick

+44 7920 189010

Roy Tucker

+44 1622 816918 / +44 7920 189012

Ambrian Partners Limited

Richard Greenfield

+44 20 7634 4700

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

RNS news service provided by Hemscott Group Limited.