

**African Consolidated Resources plc ('ACR' or 'the Company')**

**Pickstone Sulphide Dump**

African Consolidated Resources plc, the AIM listed resource development company focussed on Zimbabwe, announces that TWP Investments (PTY) Ltd ('TWPI') has stated that following its acquisition by Basil Read Holdings Limited and a subsequent review of its group's policy on country risk regarding Zimbabwe it is no longer prepared to risk the substantial capital investment in building the plant for the Company's Sulphide Dump recovery at the Company's Pickstone Mine ('the Plant'), at least in terms of the existing agreement.

As previously announced the Company and TWPI entered into this agreement in November 2009, under which TWPI or its subsidiary and associate companies, was to build and pay for the Plant and to treat the material from the dump on a tolling basis. It had been hoped that the Plant would be commissioned by May 2010 and reach full production capacity by June 2010.

Following detailed discussions with the TWP group at the highest level, TWPI has informed ACR that it considers that the risk of financing the construction of the Plant exceeds acceptable levels for TWPI in the light of a policy review of country risk for Zimbabwe. Although TWPI's sister company TWP Projects has stated that it is willing to build the Plant, TWPI has stated that it will not proceed with the existing contract..

ACR is actively considering all its options including the possibility of signing a new contract with TWP Projects, which may involve either external or internal financing. TWP Projects has indicated a willingness to guarantee the same extraction percentages and production levels as previously agreed by ACR with TWPI if a new construction contract is entered into. ACR expects to make a further announcement as and when firm arrangements are in place including details of a proposed new timetable.

END

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