

29 October 2010

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

Technical and Operational Update

African Consolidated Resources Plc, the AIM listed resource company focused in Zimbabwe, is pleased to announce a technical and operational update in respect of its extensive portfolio of primarily gold, nickel, platinum, diamond and rock phosphate projects.

OVERVIEW:

- Since the last technical report in May 2010, reverse circulation and diamond drilling programmes totalling over 11,000 metres have been completed at the **Gadzema gold project and the Chishanya phosphate project**.
- At **Gadzema**, over 5,504m of Reverse Circulation ('RC') drilling has been completed at Blue Rock extensions, and 2,459m of RC drilling and 2,070m of diamond drilling was completed at the Giant Mine, 5km to the north. Drilling of a parallel mineralised trend about 500m NE of Blue Rock continues to intersect broad, low to medium-grade gold intercepts over approx 500m of strike in felsic volcanic stockworks. Best intercepts include **24m @ 1.7g/t, 8m @ 4.2g/t, 12m @ 3.2g/t and 7m @ 3.1g/t**.
- The withdrawal of JV partner TWP from the Pickstone dump project, as announced on 9 June 2010, has meant that some larger drilling projects have been suspended in order to conserve exploration funds pending definition of timescale and plans leading to a feasibility study and mining.
- In particular, drilling at the Horseshoe nickel project, has been scaled back. However, despite delays in laboratory assay turnaround, and the import of suitable core-cutting machinery, the drilling at the Giant gold mine is completed and will allow a Resource upgrade once all assays are available. Good results from extensions of the Blue Rock gold project means infill drilling will be planned to add further JORC Resources.
- At **Pickstone** the SSSB group (see 2010 Annual Report Chief Executive Officer's Report) have determined that pursuant to the MOU signed with them the open pit potential of Pickstone Peerless does not meet their internal rate of return hurdle but they have stated they remain interested in reviewing the potential for treatment of the dump and for underground mining. Talks with other interested parties are now also underway for this project. The SSSB group is continuing to evaluate the Giant Mine potential within the context of the MOU.
- Pit sampling and detailed mapping at the **Horseshoe nickel** project has determined that the thicker and higher grade portions of the near surface laterite mineralisation is localised in remnant weathering surfaces capping the prominent hills in the ranges. Drilling is required to assess these thicker horizons, and a trial tracked rig capable of working in the steep terrain is planned for November.
- At the **Chishanya phosphate** project, initial mineralogy tests indicate that the apatite ore is well liberated by grinding, and should be amenable to flotation. Float tests however were inconclusive due to oxide coatings on the surface samples. A two hole diamond drill programme totalling 600m was completed to investigate the distribution of the phosphate veins within the intrusive pipe, and to obtain un-oxidised core for flotation tests. The first hole hit mainly fenite country rock and only thin veins of

phosphate. The second hole intersected very encouraging phosphate grades at depth, with the bottom 166m of the hole averaging 8.6% P₂O₅ using a hand-held Niton XRF analyser, which reads conservatively compared to laboratory assay comparisons. Best intercept was **24.9m @ 11.6% P₂O₅**. Further drilling will be required to assess vein geometries and potential tonnages. In addition, the greater carbonatite intrusion has never been assessed for its magnetite content, which in surface outcrop often appears to meet the 30%-40% Fe grades which are the world average for magnetite iron ore deposits prior to concentration. Bulk sampling is planned.

- Assay results for the five diamond drill holes completed at the Cedric copper project are not fully complete, but assays from the first hole intersected oxide mineralisation of **18m @ 1.3% Cu from 31-49m (includes 10m @ 2% Cu)**.
- Heli-borne electromagnetic surveys (TEM system) are planned to cover the 30km long nickel prospective horizon of the **Perseverance** Greenstone Belt for massive nickel sulphides, plus the **Cedric copper** deposit for mineralisation below the oxide cap and the **Mphoengs nickel** project for sulphide nickel-PGE (Botswana Tati belt extensions into Zimbabwe). The survey has been delayed by lack of available equipment, but all efforts are being made to source a contractor before year end.
- In Zambia, Rare Earths International Ltd ('REI'), pursuant to its Rare Earth Minerals JV Agreement with ACR on the Nkombwa Hill project announced on 11 June 2010, has completed the due diligence on the project to its satisfaction. As a result of this REI will be committed to a minimum spend of \$750,000 in order to define an initial Inferred Resource in exchange for a 30% equity interest in the project. Historical drill core from the project, phosphates as well as rare earths, has been retrieved, logged and re-sampled.
- Final data compilation on the Kasempa Cu-Gold licence in the centre of the country has revealed extensive soil geochemical anomalies for copper, and historical diamond drill holes are reported intersecting Iron-Oxide copper-gold (IOCG) style mineralisation. Claim beaconing and environmental reporting is underway and an airborne magnetic/radiometric survey is being costed over the IOCG targets.

ACR CEO Andrew Cranswick said, "While we have had some frustrating delays in delivery of service and availability of suitable equipment, excellent progress and consistently mineralised results continue to emanate from our Gadzema gold projects and ground consolidation has met our best expectations on the area. Gold understandably forms the main focus of our resource definition efforts for the near future as target definition continues on other projects. We continue to work towards a gold production phase at Pickstone Peerless and hope to make further announcements in this regard."

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DEVELOPMENT DRILLING**Gadzema Belt – gold*****Blue Rock:***

Further prospective ground to the immediate north of Blue Rock (the Rainbow Claims) has now been purchase- optioned and this together with the Berks claims to the east and the Red Hat claims to the south cover 440 ha (4.4 sq km) in total and more than treble the original strike length available. Work has commenced on the Berks and Red Hat options.

Since the Company's last technical update in May 2010, 34 holes for 5504 m of RC drilling has been completed over a parallel mineralised trend about 500m NE of the original Blue Rock discovery, within the Berks claims. Here the option allows ACR to purchase the claims in full at any time before February 2013. Lines were drilled on 80m spacings across 1km of strike, angled 60 degrees west. The central 500m of the drilled area has returned encouraging results, similar to the main Blue Rock area, and results for the last 15 holes, mainly southern extensions, are awaited.

Table 1 – Drilling Summary

Drill Hole Type	Total no of holes	Metres drilled since last report (May 2010)	Metres drilled total on project
Blue Rock & extensions			
RAB	657	-	9,810- ongoing
RC	108	5504	14,832-on-going
Diamond Core	4		676 on-going
Giant Mine			
RC	108	2459	15,994
Diamond Core	11	2070	2070

Table 2 – Significant intercepts in RC holes, Blue Rock extensions

Hole ID	From (m)	To (m)	Intercept
BRRC 79	22	34	12m @ 3.2 g/t Au
including	22	25	3m @ 11.3g/t Au
BRRC 80	86	91	5m @ 1.6 g/t Au
BRRC 82	51	59	8m @ 4.2 g/t Au
BRRC 83	38	43	5m @ 1.5 g/t Au
ditto	50	65	15m @ 1.0 g/t Au

ditto	74	77	3m @ 2.8 g/t Au
BRRRC 84	102	109	7m @ 3.1 g/t Au
BRRRC 85	88	91	3m @ 9.6 g/t Au
BRRRC 87	87	98	11m @ 1.5 g/t Au
ditto	107	113	6m @ 3.1 g/t Au
ditto	122	127	5m @ 1.2 g/t Au
BRRRC 88	138	148	10m @ 1.2 Au
ditto	151	175	24m @ 1.7 g/t Au
BRRRC 89	132	136	4m @ 2.2 g/t Au
ditto	149	157	8m @ 2.6 g/t Au

**80m linespacing. In fire assays at 0.5g/t lower cut, includes up to 2m internal waste, no top cut.*

Results available to hole 93 of 108

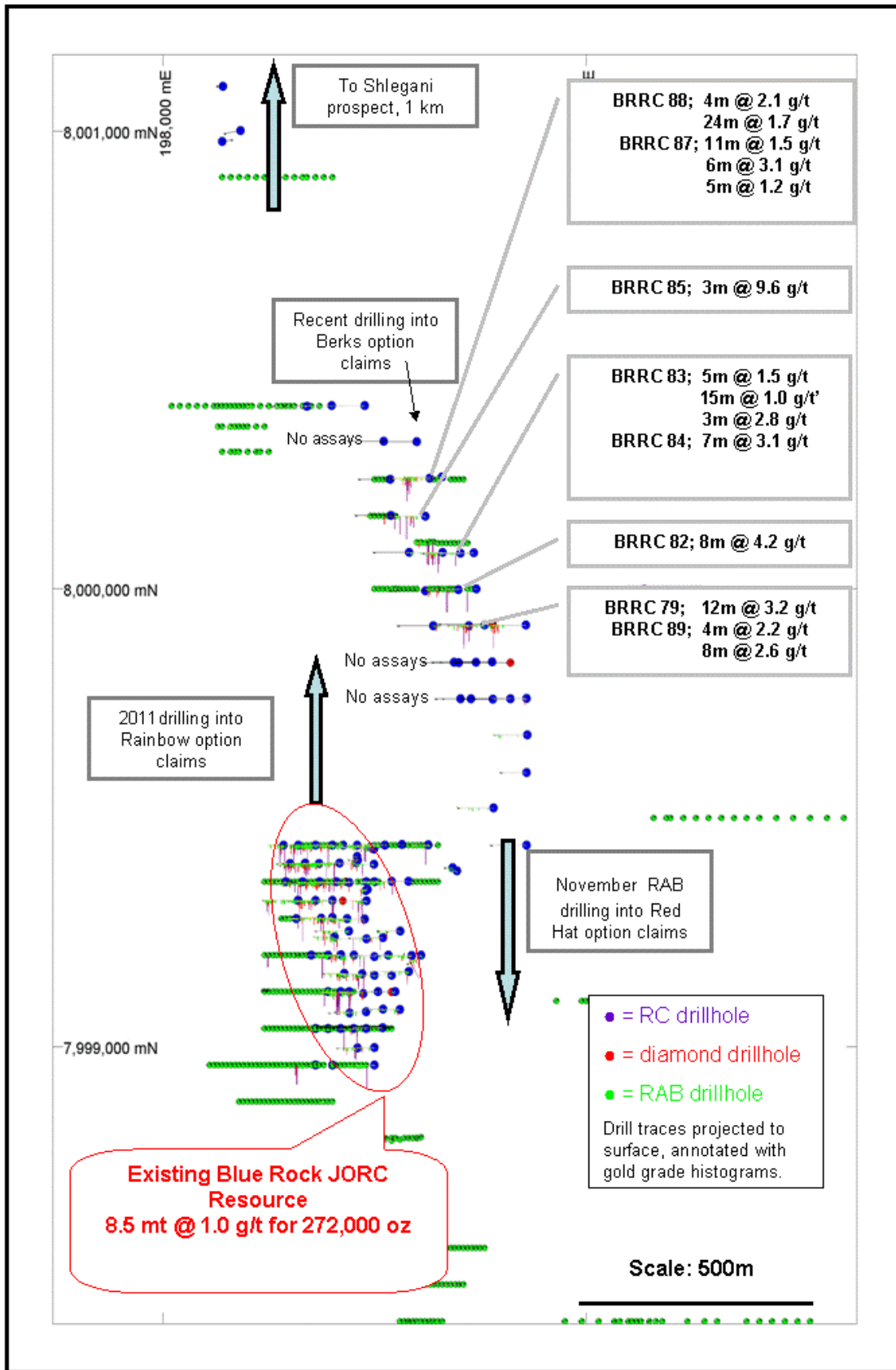


Figure 1: Blue Rock extension drilling and proposed further exploration

The geology in the new extensions is similar to Blue Rock – dominated by stockwork mineralisation in felsic bodies intruded into talc schists and minor banded iron formations. Numerous targets exist along strike, defined using potassium-channel radiometrics, aeromagnetics, and detailed field mapping.

The mineralised trend NW of Blue Rock appears to run north for about 1.5km to join the Shlegani prospect, where five historical RC holes returned some significant intercepts (best 12m @ 2.06 g/t in SHRC 03 and 7m @ 2.5 g/t in SHRC 06), and 500m to the south the mineralisation trends into the Red Hat option claims, which contains the old Red Hat mine.

While awaiting all RC assay results on the current drilling, ACR is pattern RAB drilling the large Red Hat block (27 ha), to focus in on the mineralised trends prior to RC drilling.

Further RC infill drilling to 40m linespacing on the Berks option after the Red Hat programme will allow a JORC Resource to be calculated.

Giant Mine: The current JORC compliant Inferred Resource at Giant Mine stands at 300,000oz. The recent RC and diamond drilling has extended the mineralisation to depth and has also penetrated a thick diorite intrusion at the south end of the mine, where earlier RC drilling was unable to penetrate the hard formation at depth. The diorite contains broad gold intersections where it cuts the main shear zone of the Giant Mine. Cutting of core and assaying is underway, ahead of an incremental Resource upgrade.

Pickstone-Peerless - gold

Six large-diameter core holes for approximately 1,200m were drilled into the Peerless orebody for metallurgical and geotechnical test work. Processing of the core is in progress.

Chisanya Carbonatite – phosphate

Recent mineralogy studies by SGS laboratories using a scanning electron microscope (QUEMSCAN) and XRD analysis for modal mineral assemblages has indicated that >85% of the apatite crystals are well liberated by grinding, and should be amenable to flotation. Subsequent flotation tests however were complicated by iron oxide weathering in the surface samples and a float upgrade to an apatite concentrate was difficult to obtain. SGS recommended that un-oxidised samples should be obtained by drilling before carrying out any detailed float tests.

Two core holes totalling 602m were completed in September. They were drilled at 45 degrees dip into the base of Baradanga Hill to obtain fresh rock for metallurgical flotation testwork on the apatite (P₂O₅) ore, and to investigate the geometry and thickness of the sub-vertical veins hosting the phosphate mineralisation.

As the vein systems appear to form semi-concentric rings around the outer edge of the Baradanga intrusion, the holes were oriented east-west and north-south to bisect the target zones at right angles. The first hole, CNDD01, oriented 270 degrees, intersected only thin carbonatite veins in a predominant mass of altered country rock

(syenite and fenite). However the second hole, CNDD02, oriented at 200 degrees, intersected thick zones of mineralised carbonatite from 134m downhole until end-of-hole at 300m. In this section, apatite mineralisation was strongly developed and of significantly higher grade than current southern African carbonatite deposits (Dorowa 6.5% to 8%, Palabora 6.9 to 8.6%). The initial assays have been taken using a hand-held Niton XRF analyser, at 20cm intervals down the core, and averaged to 1m intervals. Assays on un-crushed material are likely to be erratic but ACR has run correlation tests comparing coarse-crushed Chishanya phosphate mineralisation against laboratory assays on pulps, where the Niton reads up to 50% below the laboratory value. Hence the values below are likely to err on the conservative. Twenty-five surface samples of apatite material previously submitted to SGS laboratories, Johannesburg, ranged from 0.26% to 25.3% P₂O₅, averaging 12.3%.

Table 3: Significant Phosphate intersections, Chishana project

Hole ID	From (m)	To (m)	Intercept
CNDD02	134.3	161	26.7m @ 6.4 % P ₂ O ₅
	187.4	205.9	18.5m @ 20.6 % P ₂ O ₅
	228.3	238	9.7m @ 19.8 % P ₂ O ₅
	275.6	300.3	24.9m @ 11.6 % P ₂ O ₅

Further drilling is required to establish that the volume of phosphate mineralisation reaches economic thresholds. This will be deferred until next year due to the wet season and budget constraints. Meanwhile mineralogy and flotation tests can be carried out on the fresh core.

EXPLORATION PROJECTS

Regional gold exploration

Chakari Gold:

No field work was done in the period, and trenching or drilling is deferred to conserve cash burn.

Basemetals/PGE

Cedric Copper

The Cedric project covers approximately 1,400m strike of surface copper mineralisation over the old Cedric mine workings. This area was last explored in the 1960s, and lies in the Proterozoic Makonde copperbelt. Five diamond drillholes previously reported have been submitted for assay.

Assays from the first hole intersected thick mineralisation at moderate grades;

18m @ 1.3% Cu from 31-49m (includes 10m @ 2% Cu)

Results from the remaining four holes are awaited.

A heli-borne VTEM survey is planned over the Cedric trend as soon as possible, subject to equipment availability.

Horseshoe Nickel

Pitting has now been completed over most of the claims area (14 sq km) Pits were dug on a 100m x 100m grid and channel samples taken at 20cm intervals down the pits. Over 750 pits have been hand-dug and channel sampled to date.

Although mineralisation appears to form a fairly consistent horizontal sheet at surface, 1-3m thick and grading 0.5-1.5% Ni, the pitting and recent detailed regolith mapping has identified thicker and higher grade laterite development on remnant weathering surfaces related to Post-Gondwana and Pan-African planation surfaces, developed at ca. 1700ma and ca. 1550ma, respectively. Although restricted in area to siliceous cappings (known as birbirite), these are more favourable targets due to increased thickness and grade. Pitting can only test these horizons to about 3m before safety becomes an issue, hence a track has been constructed into the area to allow a small tracked RAB rig to test an initial area.

Column leach metallurgical testing, planned for this quarter, has been deferred until the drilling obtains full-depth intersections beneath the birbirite caps. RAB drilling should commence this month, but many areas are too steep for easy access and a portable rig may have to be imported to test the higher areas.

Should the birbirite caps become the principal target, ground consolidation in the area may be required to amass a critical tonnage.

Perseverance Nickel

A heli-borne electromagnetic (EM) programme, planned to cover the 30km long nickel prospective horizon of the Perseverance Greenstone Belt, is awaiting availability of EM equipment in the country. Discussions are underway with two companies who may be able to source a suitable EM system in Dec-January. EM conductors will be identified and drill tested for nickel sulphides as part of ongoing exploration during 2011.

Mphoengs NI-PGE

ACR holds approximately 11km of strike of extensions of the Tati nickel belt into Zimbabwe, which is prospective for mafic/ultramafic hosted nickel and PGE models such as the Phoenix and Selkirk mines in Botswana. Data reviews of previous exploration indicates that no significant surface mineralisation has been found, hence deeper search methods are required. Electromagnetic surveys proved very effective on the Botswana Ni-PGE deposits, hence an EM survey is planned as soon as a suitable contractor is available.

Snakes Head PGE

As previously announced, four short diamond holes have been planned and sited to intersect the P1 platinum reefs on the recently identified Fundumwi Block of this northern subchamber of the Great Dyke. The mineralogy and ultramafic stratigraphy of the Fundumwi Block suggests that the PGE reefs in this area may be higher grade than elsewhere in the chamber. Due to the very rugged terrain man-portable or heli-portable drills are required. These have proved difficult to obtain and quotes for these continue to be sought.

Regional Diamonds

A combination of ACR's historical diamond database and recent regional exploration has defined areas containing significant clusters of kimberlite indicator minerals. Geophysical surveys are continuing to be delayed by equipment malfunction but are expected to resume in November.

Zambia – Nkombwa Hill, Rare Earths, Phosphate

Environmental permits and claim beaconing is complete, historical data has been comprehensively compiled into a GIS database, and reconnaissance visits have been carried out by ACR and REI. Both commodities (Phosphate and REE) can have complex extractive metallurgy so initial sampling and research is focussing on the metallurgy and mineralogy of the deposit.

In June ACR announced that it had signed a joint venture heads of agreement with Australian-based private exploration company, Rare Earth International Ltd ('REI'), to explore the Project specifically for Rare Earth elements (REEs). REEs reported from the carbonatite include Cerium, Lanthanum, Neodymium, Praseodymium and Gadolinium.

This project complements ACR's Chishanya Hill phosphate project in Zimbabwe, where considerable expertise has already been developed investigating the geology and metallurgy of a similar carbonatite intrusion. ACR will be exploring the phosphate potential of Nkombwa Hill as a 100% owned project.

Zambia – Kasempa Cu-Au

The Kasempa project lies in central Zambia in Proterozoic sediments and granites at the root zone of the Zambian copperbelt. In recent years the potential for large Iron oxide copper-gold (IOCG) deposits have been recognised, similar to Olympic Dam in Australia.

Geoquest consultants, Zambia, have compiled all historical data on copper and gold exploration over the lease area into a GIS database, and have identified several copper-gold targets where soil geochemistry coincides with magnetic highs possibly linked to mineralised intrusive granites.

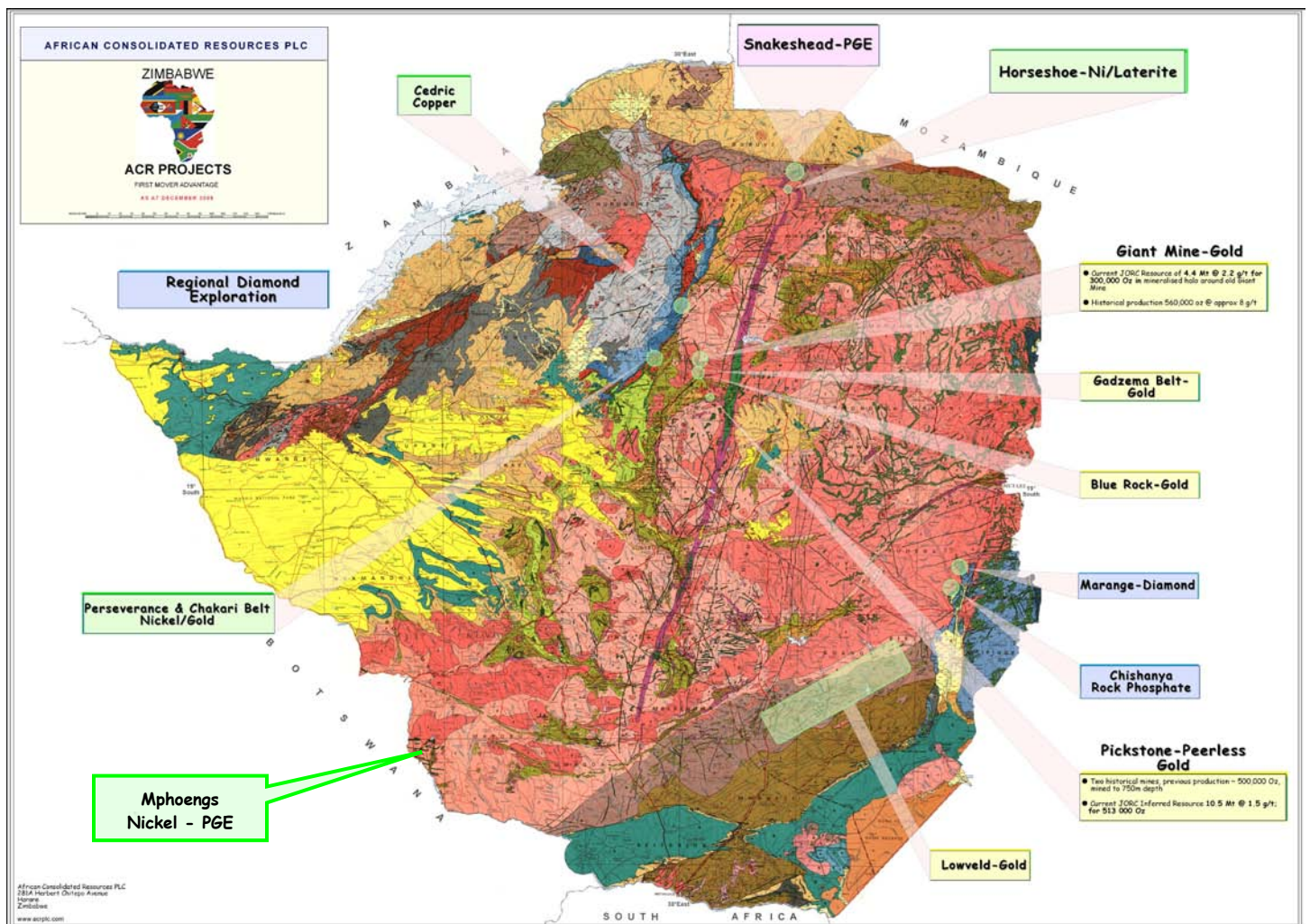
Claims beaconing and environmental permitting is underway, prior to field visits and planning of geophysics/drilling.

This announcement has been reviewed by Mike Kellow BSc, a member of the Australian Institute of Geologists and Technical Director of ACR. Mr Kellow meets the definition of a "qualified person" as defined in the AIM Note for Mining, Oil and Gas Companies.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

****ENDS****

ACR Project Locations



GLOSSARY OF TECHNICAL TERMS

Term/ Acronym	Explanation
aeromagnetics	magnetic survey carried out with a sensor in an aircraft;
archaean	rocks greater than 2,600 Ma in age;
argillaceous	a sedimentary rock dominated by clay and silt-sized particles;
Au	chemical symbol for gold;
carbonatite	intrusive or extrusive igneous rocks defined by mineralogic composition consisting of greater than 50 percent carbonate minerals, generally calcium carbonate. They usually occur as pipelike intrusions;
concentrate	normally of metallic minerals such as pyrite and arsenopyrite after removal of gangue;
Cu	chemical symbol for copper;
DDH	diamond drill hole
diamond drilling	drilling method using a diamond-impregnated cutting bit to obtain a core sample of rock;
dolomites / dolomitic	dolomite is the name of a sedimentary carbonate rock and a mineral, both composed of calcium magnesium carbonate $\text{CaMg}(\text{CO}_3)_2$;
electromagnetic survey	geophysical technique using electrical currents to detect conductive bodies below surface. Conductive bodies include massive-sulphides that may contain base metals;
EM survey	see electromagnetic survey;
fault	a fracture or break within a body of rock across which some movement has occurred;
felsic intrusive	an igneous rock of granitic composition that is intruded into surrounding strata;
fold	geological term for a curve or bend of planar surfaces in rocks;
geophysics	mineral prospecting systems designed to detect mineralisation using the

	physical properties of rocks;
igneous rock	originally molten can be volcanic or intrusive;
IP survey	"Induced Potential" - a geophysical technique to detect disseminated sulphide mineralization;
JORC	Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy;
lodes	a discrete, rich portion of an orebody that has a distinct spatial orientation, often controlled by faults and folds;
magnetic survey	measurements of the perturbation in the earth's magnetic field caused by magnetic minerals in rocks;
mineralisation	metallic minerals such as gold, base metals, pyrite and arsenopyrite incorporated in rocks;
mineralised zones	hydrothermally altered structural features containing potentially valuable minerals;
orebody	economically viable portion of a mineralised zone;
phoscorite	calcium phosphate mineral occurring in carbonatite lavas;
pyroxenite	an ultrabasic rock rich in pyroxene - a silicate mineral;
quartz	silicon oxide mineral very common in hydrothermal deposits;
radiometrics	the measurement by spectrometer of radiation energy given off by radioactive rock-forming minerals, usually Uranium, Thorium, Potassium;
resource	mineral resource as defined by the JORC Code 2004;
reverse circulation (RC) drilling	rotary percussion drilling whereby the RC sample is returned from the cutting head inside the rod string to surface thereby avoiding contamination from the walls of the hole;
rotary air blast (RAB) drilling	Open-hole drilling whereby drill RAB cuttings are returned to surface by compressed air in an un-lined hole; contamination is possible from

	the walls of the hole;
schist	metamorphic rock with well developed foliation;
shear zone	zone of multiple fractures or discontinuities in rock, either ductile or brittle;
siltstone	fine grained usually quartz rich sedimentary rock; where calcareous contains calcium or magnesium carbonate;
stockworks	zone of multiple quartz filled fractures with individual veins often of random orientation;
strike	the horizontal orientation of a planar geological feature;
sulphide	sulphur bearing metallic mineral;
thrust	shallow dipping fault where the upper body of rock overrides the lower portion;