

African Consolidated Resources Plc Update

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

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

Overview:

- * Aggressive resource development plan initiated following circa US\$16m fund raising in November 2009
- * Over 38,000m have this week been awarded to Zimbabwean drilling companies
- * Aiming to significantly increase existing gold resource base at the Giant (300,000 oz Au) and Pickstone (513,000 oz Au) mines
- * 18-month drilling campaign with a target to bring four projects up to maiden JORC Resource status by December 2010
- * Blue Rock maiden JORC Au resource targeted for April
- * 14 sq km target area at Horseshoe Project to determine the near surface nickel laterite resource - JORC resource by late Q4 2010
- * Chishanya JORC resource planned for late 2010 - average P205 grade currently 14% from initial testing
- * 1,400m strike of surface copper mineralisation over the old Cedric mine workings being evaluated
- * Heli-borne electromagnetic programme VTEM system is planned to cover the 35km long nickel prospective horizon of the Perseverance Greenstone Belt
- * Production from the Peerless Sulphide Dump (200,000t at 4.2 g/t) targeted late May 2010
- * Additional initial 53,500 oz Resource calculations on the Oxide and Transitional cap on the Peerless Mine

African Consolidated Resources CEO Andrew Cranswick said, "We are making rapid progress in implementing our development plan, since raising approximately US\$16m of new funding in November 2009. ACR has planned an aggressive 18-month drilling campaign and a target to bring four projects up to a maiden JORC Resource status by December 2010, and to increase the Resource base at the Giant and Pickstone gold mines which already have a cumulative JORC resource of over 800,000 oz Au.

"Work since the publication of the Company's last technical report has primarily focussed on progressing the Peerless Sulphide dumps towards production and assessing the mining economics of the Peerless oxide cap, infill Reverse Circulation drilling at Blue Rock to define a maiden JORC Resource, and further surface sampling of the Chishanya rock phosphate deposit. Surface mapping and pitting has also defined drill targets at the Cedric copper project.

"With a highly prospective multi mineral portfolio of projects, a defined and active development plan, a strong treasury, near term production from our gold tailings project and significant political progress in Zimbabwe, highlighted by returning foreign investment, we are extremely excited about the potential of ACR. We have been operating in Zimbabwe for many years and are positioned well to develop the huge and recognised mineral potential of Zimbabwe."

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DEVELOPMENT DRILLING

The Company has implemented an extensive drilling programme aimed at advancing the value of its assets. Drilling contracts totalling over 38,000m have this week been awarded to Zimbabwean drilling companies. The summary programme for the next 12 months includes:

- * 19,000m of Reverse Circulation ('RC') drilling at the Gadzema and Pickstone-Peerless projects (gold), and the Chishanya phosphate project
- * 9,500m of diamond drilling at Gadzema and Pickstone-Peerless projects (gold), the Chishanya phosphate project, the Cedric copper project, and the Snakes Head Platinum Group Elements ('PGE') project
- * 10,000m of exploration Rotary Air Blast ('RAB') drilling on the Chakari gold project and on other current greenfield projects as surface results dictate

Gadzema Belt - gold

Blue Rock: The discovery is currently being assessed by RC infill drilling to a depth of 150m over a strike of 600m, on 40m line spacing. Since 1 December 2009, 2,400m has been drilled; no assays are available due to the Christmas break but broad visible alteration logged downhole is promising. The remainder of the 4,000m programme should be completed late February. The Company expects to declare a maiden indicated JORC resource in April 2010.

Giant Mine: A 2,000m diamond drilling programme is planned to commence in March, aimed at extending the orebody at depth. A further 3,000m of infill RC drilling will follow the diamond programme targeting an increase in the current JORC resource of 300,000oz.

Gadzema Belt Extensions: Encouraging RAB drill intersections over 5km strike length between the Blue Rock and Giant Mine projects were obtained in late 2009. These areas will be followed up by 5,000m of RC drilling in the first half of 2010. Dependent on these results, a further 3,000m will be drilled to determine a JORC resource before the end of the year.

Pickstone-Peerless - gold

A 2,000m diamond drilling programme will be undertaken in the second half of 2010, to test under the Peerless oxide gold resource, and to investigate the Pickstone deep.

Chishanya Carbonatite - phosphate

Channel chip sampling and in-house assaying using a Niton XRF analyser has delineated extensive outcropping phosphate-rich ankerite rock. The latest analysis has, as reported on 1 December 2009, returned an average P2O5 grade of 14%. This was as a result of assaying by SGS Laboratories, Johannesburg who returned grades P2O5 grades ranging between 6-27% with a 2% cut off grade. Further detailed channel chip sampling and mapping is currently being undertaken to locate extensions to the phosphatic rocks.

A 2,000m diamond drilling programme to test the phosphate mineralisation to 200m depth will be initiated in March. Dependent on these results a 5,000m RC infill drilling programme will commence in July, with a view to producing an initial JORC resource by late Q4 2010.

Horseshoe Nickel

Pitting on a 50 to 100m grid is being planned to cover the 14 sq km target area to determine the near surface nickel laterite resource with a view to presenting a JORC resource before the end of the year. Concurrent column leach metallurgical testing will be undertaken to determine leach characteristics and recovery. As previously announced, preliminary metallurgical trials indicate good recoveries (>90%), short residence times (<40 days), and low acid consumption.

EXPLORATION PROGRAMMES

Regional gold exploration

Chakari Gold: Soil sampling undertaken by ACR has outlined a number of anomalous targets lying on splays of the well-mineralised Lily Shear Zone, northwest of the major Dalny mine. Further mapping, sampling and RAB drilling will be conducted throughout 2010 to identify economic gold mineralisation hosted in Archean metasediments and volcanics.

Regional Diamonds

A combination of ACR's historical diamond database and recent regional exploration has defined two broad areas containing significant clusters of kimberlite indicator minerals.

Commencing February, 10,000 line kilometres of aeromagnetics and radiometrics will be flown over these areas to detect buried kimberlite bodies.

Cedric Copper

Ongoing mapping has identified approximately 1,400m strike of surface copper mineralisation over the old Cedric mine workings. This area was last explored in the 1960's, and lies in the Proterozoic Makonde copperbelt. Four diamond drillholes totalling 1,000m will commence late Feb to test the down dip extensions to a depth of 150m. Extension drilling will be planned following the first phase results.

Perseverance Nickel

A heli-borne electromagnetic programme (VTEM system) is planned to cover the 35km long nickel prospective horizon of the Perseverance Greenstone Belt, commencing March. Conductors will be identified and drill tested as part of ongoing exploration during 2010.

Snakes Head PGE

It is proposed that the recently identified Fundumwi Block of this northern subchamber of the Great Dyke will be drill tested once access becomes available in the dry season. 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. Four short diamond holes are planned to intersect the P1 platinum reefs below the oxide zone.

PEERLESS SULPHIDE DUMP - GOLD PLANT PROGRESS

In line with previous guidance, the ACR joint venture with TWP Engineering (South Africa) is progressing towards production from the Peerless Sulphide Dump (200,000t at 4.2 g/t) late May 2010. Site works have commenced, with the office block completed and transportable accommodation and other site infrastructure under construction. Contracts for earthmoving, onsite laboratories and tailings deposition are underway. Orders for equipment have been placed with vendors locally and in South Africa, to be onsite in the first quarter.

Pilot scale metallurgical testing of the sulphide dump is complete with gold recoveries in the range 65 - 70% observed. This result is within management expectations and is close to the target previously reported of 73% less an allowance of 10% for operations scale losses as compared with laboratory bench test conditions. The pilot testing also demonstrated significantly reduced reagent consumptions compared with laboratory tests.

In addition to the high-grade sulphide dump, scoping studies have commenced to investigate the economics of treating the Peerless oxide cap through the same cyanide leach plant.

Initial Resource calculations on the Oxide and Transitional cap on the Peerless Mine by Hellman and Schofield consultants, Perth, WA, returned the following estimates (yet to be verified to JORC standard).

Peerless Mine near-surface mineralisation (non-JORC)

Zone	Tonnes	Grade (g/t)	Contained Gold (oz)	Depth approx (m)
Peerless Oxide Cap	739,935	1.16	27,693	0-40m
Peerless transition Ore	748,640	1.07	25,795	40-60m
TOTAL	1,488,575	1.12	53,500	

Economic modelling studies are underway to assess treating the deposit in parallel with the sulphide dump.

For a map showing the location of the Company's projects please paste the following link into your internet browser <http://hugin.info/138338/R/1378916/339228.pdf> <<https://inpublic.huginonline.com/exchweb/bin/redirect.asp?URL=http://hugin.info/138338/R/1378916/339228.pdf>> or access the version of this announcement on the Company's website: www.acrplc.com <<http://www.acrplc.com/>>:

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.

ENDS

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;
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;

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Full version incl. map (PDF): <http://hugin.info/138338/R/1378919/339231.pdf>

(END) Dow Jones Newswires

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