

African Consolidated Resources plc / Ticker: AFCR / Index: AIM / Sector: Mining
21 June 2011

African Consolidated Resources plc ('ACR' or the 'Company')
Placing to Raise £4.7 million to Advance Gadzema Gold Project

African Consolidated Resources plc, the AIM-listed southern African focused resource development company, is pleased to announce that it has placed 78,334,000 shares at a price of 6 pence per share (the 'Placing Shares') to raise gross proceeds of £4.7 million.

The Company will make an announcement of the issue of the Placing Shares once the placing is completed save only for admission. The Placing Shares will rank *pari passu* in all respects with the Company's existing ordinary shares in issue.

Following admission of the Placing Shares to trading on AIM, the Company's total issued share capital will be 453,336,451 ordinary shares. The Placing Shares will represent approximately 17% of the enlarged issued share capital of the Company.

Background to and Reasons for the Placing

ACR has over 12 key projects covering gold, nickel, platinum, copper and phosphate and is focussed on developing these assets up the development curve. The Company's key projects include:

Gadzema Gold Project

The Gadzema Gold Project ('Gadzema') is located on a 30km Greenstone Belt with 900 registered historical workings, and has a current JORC resource of 912,000 troy ounces of gold ('troz Au'). ACR controls the greater part of a total of 10km of this Greenstone Belt of which some 8km exhibits extensive mineralisation. ACR's Gadzema project area also includes the Giant Mine, which has had past production of 560,000troz Au at grades of in excess of 8g/t until the mine's collapse and closure in 1967.

The Company has completed some 25,000 metres of drilling since May 2010. A JORC resource upgrade was published in June 2011 and a further upgrade is expected in July 2011, which is expected to take Gadzema's JORC resource to a level in excess of 1 million troz Au. The Company has a longer term target of defining a JORC resource in excess of 2 million troz Au by December 2012.

Pickstone-Peerless Gold Project

The Pickstone-Peerless Gold Project ('Pickstone-Peerless') is a brownfield site with past production in excess of 400,000troz Au, which has a current JORC compliant resource of 513,000troz Au, including 63,000troz Au of tailings. An internal feasibility study has

demonstrated the potential for near-term cash flow from 28,000t of sulphide high grade tailings, and the metallurgy and design is now complete. The site also benefits from a partially constructed plant and the infrastructure is near completion. In addition further elements of the plant have been constructed by the TWP Investment Ltd Group ('TWP') pursuant to a tolling agreement with the Company which was aborted as explained in an announcement of 9 June 2010, and discussions are in process about the possible purchase of this plant from TWP. The study results showed that \$7.5 million and a six month development schedule would be required to bring the sulphide tailings dump into production and a projected EBITDA of \$18 million over a 13 month project life was estimated. The internal feasibility study also covered Phase 1 of developing the main mining operation towards production, and demonstrated that the capital injection of \$7.5 million for the sulphide dump would also leave the main mining project largely funded. The Company are currently in discussions with several parties regarding a strategic investment into the Pickstone-Peerless project, and it is hoped that indigenous capital would be utilised.

Additional Projects

The Company's other key projects include:

- Perseverance Nickel Sulphide Project: a sulphide-rich body with a 30km strike – down-hole EM commenced
- Chishanya Rock Phosphate Project: first phase drilling completed on carbonatite complex and flotation analysis pending
- Great Dyke PGM Project: exploration drilling to define resource drilling targets to commence once EIA is completed
- Zambian Rare Earth Elements ('REE') and Iron-Ore-Copper-Gold ('IOCG') Projects: joint venture agreement signed on REE project and core and rock chip analysis results showed 4% to 22% TREO. IOCG target currently undergoing geophysics and exploration holes being drilled
- The Chakari Gold Project & additional Greenfield and brownfield sites

Zimbabwe

The Company, or its predecessor, has operated in Zimbabwe since 2003 and the Company has built strong local relationships and a first-mover advantage. However operating in Zimbabwe does pose unique challenges due to the improving, yet still uncertain, political stability of the country. The use of the US dollar and ability to sell gold at the international spot price continues to improve the working and economic environment in Zimbabwe. However a lack of clarity regarding the indigenisation legislation as promulgated on 25 March 2011 has proved problematic for all mining and development

companies operating in the country. In the case of ACR it has been advised that the 25 March 2011 Regulation does not affect the Company at present as all of its Zimbabwean subsidiaries companies are in exploration phase financed by loans from the parent company and so individually all have a net asset value of less than one dollar. As developments regarding this legislation are released, ACR will keep shareholders abreast of any material disclosures which may affect the Company.

Financial Overview

Year End 31 March 2011 – Summary:

Exploration costs	\$5,507,338
Administrative costs (includes \$232,185 of share option expense)	\$3,844,408
Loss for the period	\$3,803,177
Cash at year end	\$4,913,173

Notes:

The above numbers are provisional and subject to confirmation in the release of final results for the year ended 31 March 2011.

There are 1 million outstanding options remaining for gold acquisition, with an exercise price of 7 pence.

28 million options with exercise prices between 12 pence and 18 pence will expire in June; no further Board options outstanding thereafter.

An issue of 25 million options with an exercise price of 10 pence is dependent on a successful resolution of issues relating to the Marange diamond asset.

Cash Position & Use of Proceeds

Cash reserves:

Projected Cash Balance as at 1 August 2011 (before Placing funds)	\$2,240,000
Gross Proceeds of Placing	\$7,500,000
Cost of Placing	\$320,000
NET AVAILABLE FUNDS AUGUST 2011 (post Placing and cost of Placing)	\$9,420,000

The majority of the proceeds will be used to fund the Company's on-going exploration programme with the greater part of that being used to fund the Gadzema Gold Project drilling programme and ground consolidation.

Use of funds through to July 2012:

Gadzema drilling and assay	\$3,560,000
Ground consolidation – acquisition costs in Gadzema Gold Belt	\$400,000

Perseverance Nickel Sulphides – limited drilling and detailed geophysics	\$300,000
Zambian Iron Oxide Copper Gold – geophysics, exploratory drilling, ground consolidation	\$300,000
PGM projects – drilling and geophysics	\$350,000
Other commitments including phosphate metallurgy and tenure protection	\$940,000
Working capital; overhead; Pickstone mine-build project management / cash reserve	\$3,570,000
Total	\$9,420,000

Note EXCLUDES projected cash flow from 2012 gold production

Issue of Warrants

13,125,000 of the Placing Shares were placed with investors in Canada ('the Canadian Placing Shares'). The arrangement of this tranche of the Placing Shares was co-ordinated by PowerOne Capital Markets Limited ('PowerOne'), who, on admission, will receive in return:

- 6% of the gross proceeds raised from Canadian subscribers in cash and
- warrants over 787,500 shares in the Company (being equal to 6% of the Canadian Placing Shares) ('the Warrants').

Each Warrant shall entitle PowerOne to acquire one ordinary share of the Company at an exercise price of 6 pence per share for a period of two years from admission.

Director Participation

- Stuart Bottomley, Director of the Company, purchased 750,000 Placing Shares
- Julian Emery, Director of the Company, purchased 166,700 Placing Shares

The Directors' resultant holdings following the above transactions are as follows:

Director	Ordinary Shares	%	Outstanding Options	%
Stuart Bottomley	4,876,000	1.08	2,650,000	8.3%
Julian Emery	166,700	0.04	-	-

The holdings shown in the table above do not include interests over Shares held through contracts with the Company's Employee Benefit Trust.

Roy Tucker, Chairman of ACR, said, "We are pleased to announce the £4.7 million Placing that will allow the Company to strengthen its working capital and cash positions and to continue developing the highly promising Gadzema site in accordance with our long term strategy. We are delighted to have received significant demand for the Placing Shares both from our existing investor base and from new shareholders in the UK and in Canada."

Expected timetable of principal events

Applications will be made for the Placing Shares to be admitted to trading on the Alternative Investments Market of the London Stock Exchange (together, 'Admission'). It is expected that Admission will take place at 8.00 a.m. on 27 June 2011.

****ENDS****

For further information visit www.acrplc.com or please contact:

Roy Tucker	African Consolidated Resources plc	+44 (0) 1622 816918
Andrew Cranswick	African Consolidated Resources plc	+44 (0) 7920 189 010
Andrew Godber	Panmure Gordon (UK) Limited	+44 (0) 207 459 3600
Callum Stewart	Panmure Gordon (UK) Limited	+44 (0) 207 459 3600
Abhishek Majumdar	Panmure Gordon (UK) Limited	+44 (0) 207 459 3600
Susie Geliher	St Brides Media & Finance Ltd	+44 (0) 20 7236 1177