

**African Consolidated Resources plc ('ACR' or 'the Company')**  
**Update on Zambia Portfolio & Resource Upgrade at Gadzema**

African Consolidated Resources Plc, the AIM listed southern African focussed resource development company, is pleased to announce the commencement of a comprehensive exploration programme at the Nkombwa Hill Project. The Nkombwa project is located in the north east of Zambia, 22km east of the major T2 paved national road between Lusaka (Zambian capital) and the Tanzanian border. The project includes the prominent Nkombwa Hill which is a Rare Earth Element ('REE'), niobium, phosphate enriched carbonatite intrusion. This exploration programme, which will be conducted by ACR's joint venture partners and REE experts Rare Earth International ('REI'), follows a re-assaying exercise by REI of historic data which has further underpinned the prospectivity of the area, demonstrating Total Rare Earth Oxide ('TREO') in the region of 5-8%. REI have the right to earn up to 50% through expenditure which will be dependent on corporate activity currently under way between REI and Southern Crown resources Limited, an ASX-listed company.

The following is an excerpt of a report from Dr Jock Harmer, CEO of REI and recognised carbonatite / REE expert:

"Following completion of the re-assaying of the historic REE intervals conducted by Roan Selection Trust ('Roan Selection') from two holes drilled in the 1960s (NB-1 and NB-2), a comprehensive exploration campaign is anticipated to commence immediately in order to further define the mineralisation of the project area. Details of this re-assaying exercise are listed in the table below:

Hole	Northing	Easting	Azimuth	Dip	from	To	Width	%TREO
			(deg)	(deg)	metres	metres	metres	
NB-1	8878565	483200	180	-45	69.68	75.9	6.22	7.98
					84.56	85.5	0.94	7.58
					183.49	185.6	2.11	7.78
					398.9	402.8	3.9	2.59
NB-2	8878622	483200	180	-60	298.3	302.4	4.1	5.47
					377.2	380.06	2.86	6.37

The holes drilled by Roan Selection inclined into the northern edge of the complex and did not penetrate very far into the complex (estimated at no more than 250-300m from the rim) and into an area that would not be the prime target, highlighting the potential for further mineral definition in the project area. The re-assaying also showed that the Roan Selection cuts were not well taken (it is not clear what criterion they used) in that

all the wider zones stop or start in grade, demonstrating the potential may be wider and possibly at a higher grade than previously reported.

In late November 2010, REI completed a geo-chem grid sampling exercise over the hill and these samples have been submitted for assay and the results are expected in May 2011.”

It is relevant to note that phosphorus figures may be converted in to P<sub>2</sub>O<sub>5</sub> (rock phosphate) by a applying a multiplication factor of 2.29. That yields an average Phosphate grade of 4.1% on these cores.

Conversion	
%P to	%P <sub>2</sub> O <sub>5</sub>
1.88	4.3
1.54	3.5
2.02	4.6
1.23	2.8
2.58	5.9
1.42	3.3
<b>Average</b>	<b>4.1</b>

Note that historical work (which postulated a potential resource of 200 million tonnes of low-grade Rock Phosphate) suggest that the drill-holes were not necessarily sited at the zones most prospective for phosphate.

ACR has mineral rights to a larger carbonatite complex in south-eastern Zimbabwe (‘Chishanya’) where they expect to define a higher grade phosphate resource in the future, and where REE prospectivity has yet to be researched.

Chairman of ACR, Mr Roy Tucker commented: “These are indeed encouraging results on the REE front and bode well for our developing strategy in Zambia and the region.”

### **Resource Upgrade on Gadzema Gold Project**

The Company also announces a resource upgrade on its Gadzema Gold Project in the greenstone belt in the northern midlands of Zimbabwe (‘Gadzema’). The greater project area which is now referred to by ACR as the “Gadzema Gold Project” incorporates the Giant Mine Project and extensions, the Blue Rock Gold Project, additional mineral rights claims held by ACR subsidiaries and several acquisition options over the strike zone. The now consolidated project includes strikes of two parallel and related mineralised, geological structures. This latest JORC resource

upgrade at Gadzema of 174,000 Inferred troy ounces of gold at an average of 1.5 g/t Au using a cut-off of 0.5g/t is a part result of the drilling programme undertaken since ACR's last fund-raising. The section of the project pertaining to this upgrade has been the subject of an approximate average drill density of 50 x 25 metres, testing mineralisation to an average depth of 150 metres. Assays were completed on samples at 1 metre intervals using gold fire assay method. Drilling method comprised predominantly reverse circulation drilling with diamond core drilling employed for deeper holes. The upgrade brings the total JORC compliant resource at Gadzema to a total of 746,000 troy ounces of gold ('tr oz Au') and ACR's total JORC compliant gold resource inventory, which includes a 513,000 tr oz Au resource from the proximal Pickstone Project, to over 1.2 million tr oz Au.

ACR Technical Director Michael Kellow said, "This latest resource upgrade further underpins the prospectivity of our Gadzema Gold Project and we remain confident of further resource upgrades from this, a significant new emerging gold project."

*The technical elements of this report have been reviewed by Mr. Michael Kellow (the Company's Technical Director). Michael Kellow (BSc) is a member of the Australian Institute of Geoscientists (AIG) and a full-time employee of African Consolidated Resources Plc. Mr Kellow has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves' (JORC Code) and as a "qualified person" as defined in the AIM Note for Mining, Oil and Gas Companies. Michael Kellow consents to the publication of this report.*

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## **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;
lobes	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;
REE	Rare Earth Element

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;
TREO	Total Rare Earth Oxide