

African Consolidated Resources plc ("AFCR" or "the Company")

Completion of Joint Venture Finance to Commence Mining at Pickstone-Peerless, Zimbabwe and of Loan and Option Agreement

Joint Venture Financing

African Consolidated Resources plc, the AIM listed resources and development company, is pleased to announce that the joint venture finance announced on 30 September 2014 as being secured in principle, and which will enable the Company to start mining at Pickstone-Peerless with a local partner, has now been confirmed in a signed Joint Venture Agreement with Grayfox Investments (Pvt) Ltd, a Zimbabwean incorporated company owned by a consortium of local persons ('Grayfox') ('Joint Venture Agreement'). The terms of the Joint Venture Agreement provide that AFCR, through its wholly owned subsidiary Canape Investments (Pvt) Limited ('Canape'), transfer its interest in Pickstone-Peerless and in the Giant Mine to a jointly owned company ('NewCo') over which the Company will have management control and into which Grayfox will contribute US\$4 million in cash for a 50 per cent equity holding in NewCo. AFCR will also contribute the plant it already owns at Pickstone-Peerless to Newco on a free loan basis and Grayfox will contribute plant of approximately equal value to Newco on a similar free loan basis.

The 50 per cent equity holding in Newco held by Grayfox may at Grayfox' election be converted into 288,333,333 ordinary shares of 1 penny each ('Ordinary Shares') in the issued share capital of AFCR (the 'Newco Conversion Shares') at any time within eighteen months from the date of signature of the Joint Venture Agreement. The Newco Conversion Shares would represent approximately 25.3 per cent. of AFCR upon exercise, based on the current issued share capital of the Company. The issuance of Newco Conversion Shares will be subject to shareholder approval that the Company will shortly seek.

The Joint Venture Agreement also makes specific detailed provision for compliance with Zimbabwe's indigenisation laws on a basis which is acceptable to the Company and which the Directors anticipate being sanctioned by the Government.

The Company remains of the opinion as previously announced that the finance introduced into the Joint Venture will be sufficient to commence production at Pickstone-Peerless within eight months at a provisionally targeted run-rate of ore production of 10,000 tonnes per month.

Loan and Option Agreement

Grayfox has also entered into an agreement to grant a US\$2 million loan facility to the AFCR group (the 'Loan Facility') secured on AFCR's 50 per cent equity holding in NewCo ("The Loan Facility") which if drawn down by the Company is to be used US\$1 million for working capital requirements of the Company's projects in Romania and US\$1 million for general corporate purposes.

Interest is to be charged at 1.0 per cent per month. Interest for the first year will be rolled up and added to the capital amount. Thereafter the Loan Facility plus the rolled up interest (the 'Loan Capital') will be repayable in four equal six monthly instalments, the first instalment being on 15 April 2016. In the event of failure to repay the Loan Capital, or of any interest due thereon, Grayfox may at its election opt to repay to itself the Loan Capital outstanding by the conversion of the outstanding Loan Capital into AFCR Ordinary Shares at an exercise price of 1 penny per Ordinary Share.

General

An announcement of and the publication of a circular calling for a General Meeting of the Company will shortly be made in order to ask shareholders to pass resolutions to authorise the Directors to do all things necessary to allot the Newco Conversion Shares.

As announced on 30 May 2014, Sapi River Investments Limited, a Company of which William Battershill, Chairman of AFRCR, is an associate, agreed in March 2014 to lend the Company US\$1.2 million, which amount is now fully drawn. The security for that loan was stated in the announcement of 18 June 2014 to have been a charge over the Company's assets at Pickstone-Peerless. The security has now been amended consequent upon the Joint Venture Agreement to a charge over the Company's shareholding in Canape.

Roy Pitchford, Chief Executive Officer, said "As I stated on 30 September, raising new investment finance for Zimbabwe has proved extremely difficult. I am delighted that finance for Pickstone-Peerless has now been achieved. We can finally look forward to active gold production in Zimbabwe in the short term and the positive cash flow that should follow from that."

****ENDS****

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