

10 December 2014

African Consolidated Resources plc

("AFCR" or the "Company")

Placing and Subscription of up to 318,418,000 New Ordinary Shares at a price 0.5 pence per share

Details of Proposed Acquisition

Capital Reorganisation

Grant of Conversion Rights

Change of Name to Vast Resources plc

Notice of General Meeting

African Consolidated Resources plc, the AIM listed resource and development company, is pleased to announce that it has raised £1.59m (approximately \$2.50m) via a Placing of and Subscription for New Ordinary Shares, conditional on Shareholder approval for the issue of sufficient New Ordinary Shares and the Capital Reorganisation required to effect the Placing and Subscription, to be sought at the General Meeting to be convened for 11.00 a.m. on 30 December 2014 at the offices of Daniel Stewart & Company plc, Becket House, 36 Old Jewry, London EC2R 8DD.

The General Meeting will also be asked to consider and, if thought fit, approve, *inter alia*, the issue of New Ordinary Shares to satisfy the grant of Conversion Rights, a change in the Company's name to Vast Resources plc and the replacement of the Company's existing allotment authorities and the disapplication of pre-emption rights up until the next Annual General Meeting.

Capitalised terms in this announcement carry the same meaning as those ascribed to them in the circular, which will shortly be sent to Shareholders (the "**Circular**") and which will also be available on the Company's website at www.afcrplc.com.

The Placing and the Subscription

Further to the announcement on 4 December 2014 of its interim results for the six months ended 30 September 2014 (the "Interim Results"), the Company has conditionally raised £1.59m (approximately \$2.50m) via the Placing and the Subscription at a price of 0.5p per New Ordinary Share. The Placing and the Subscription are not underwritten.

As disclosed in the Interim Results, the Company has been advancing discussions regarding a number of opportunities in Romania and has already secured a \$1.0 million loan from Grayfox Investments (Pvt) Ltd, on the terms announced on 17 October 2014, to advance this aim.

The purpose of the Placing and Subscription is to provide additional funds for furthering these opportunities in Romania.

Romanian Opportunities

The Company has been investigating opportunities in Romania since late 2012 and, as announced on 21 May 2013, has had a period of effective exclusivity in order to carry out due diligence and evaluation of the entire polymetallic mineral interests, which include copper and gold, of the Romanian State mining company Remin SA ("Remin"). Discussions with Remin are ongoing regarding future opportunities.

Romania

The Carpathian Mountains in Romania have a significant mineralisation footprint which has been well established since Roman times. Since the breakup of the Soviet Union, and in particular since Romania's admission to the European Union ("EU") on 1 January 2007, the Romanian

mining industry has been largely inactive as a result of state aid being withdrawn from it, in line with EU rules. Because of the work that the Company has now carried out in the country over a two year period, considerable knowledge has been acquired by the Company, both with regard to the specific mining opportunities and the business culture of the country. The Board believes that as a result the Company now has a significant 'first mover advantage'.

Romania has low sovereign risk, an established mining culture and a pro-mining government, including a highly skilled but relatively low cost residential workforce. It has an excellent power and transport infrastructure to support development and a strategic location, with access to Europe, the Middle East and Africa. Geologically it has, in the Directors' opinion, the potential for significant new discoveries.

Mineral Mining and Baita Bihor

As an example of possibilities outside the Remin discussions, a specific near term opportunity to undertake the proposed acquisition of the Baita Bihor mine (the "**Proposed Acquisition**") has arisen, in which the Company has obtained an option to acquire a 68 per cent. interest in Mineral Mining, subject to the completion of due diligence to AFCR's satisfaction. The Directors believe, subject to the completion of due diligence, that Mineral Mining is the 100 per cent. owner of a well-developed polymetallic underground mine, Baita Bihor, and its associated mining rights.

Mineral Mining is currently the subject of insolvency proceedings in Romania, which are expected to be concluded shortly. Once such proceedings have been completed, it is anticipated that title to the Baita Bihor mining licence will be confirmed.

Baita Bihor is located in the Apuseni Mountains, Transylvania, an area which hosts Romania's largest polymetallic and uranium mines, 50km NW from Romania's largest Au-Cu mine, Rosia Montana (>10Moz Au) and also 52km NW of Rosia Poiena, which contains over one billion tonnes of porphyry copper ore.

Baita Bihor is a skarn deposit comprising several veins in calcareous sediments in eight distinct pipes. It is estimated, by the Company, to contain 1,800,000 tonnes of polymetallic ore (gold, silver, copper, zinc, lead, tungsten and molybdenum) at 6% copper equivalent or 10g/tonne gold equivalent, at current prices, (estimated in accordance with the Russian Reserves and Resources Reporting System) within the licensed area. It has unmeasured resources in other pipes and substantial exploration upside. Due to lack of capital investment and modernisation the mine became uneconomic and was put on care and maintenance in 2013. Plant and equipment for the mine are in place but require some rehabilitation.

Resource estimation has been calculated, by AFCR, on two different grade assumption bases - the 'AFCR Model' and the 'Production Model'. The AFCR Model is based on official records which show an in situ resource based on the Russian Reserves and Resource Reporting System of 1.8 million tonnes at 2.19% Cu, 128g/t Ag, 3.46% Zn, 3.07% Pb and 1.41g/t Au. Mine laboratory records and underground inspections with a Niton XRF cross correlate. The Production Model grades are back calculated from actual historical production records but are thought to produce conservative results on account of known inefficiencies in previous production methods.

Included in this resource is a 400,000 tonne copper/silver/zinc/lead/gold/tungsten/molybdenum ore body identified within the current mine workings (non JORC but conservative estimations by AFCR geologists) which is ready to mine.

Two high level financial models have been prepared for Baita Bihor (both on a 100 per cent. basis), one on the AFCR Model grade basis reduced to take account of processing losses and one on the Production Model grade basis, to demonstrate possible results over the life of the mine on the basis of a production rate of 10,000 tonnes per month.

Ore modelled using AFCR Model compared to Production Model provides the following indications:

	AFCR Model	Production Model
Ore Resource tonnage	1,8m tonnes	1,8m tonnes
Production rate	10,000 tpm	10,000 tpm
Life of Mine	15 yrs	15 yrs
Capex over life of Mine:	\$40.4m	\$40.4m
Startup, retire debt to end 2014	\$3.3m	\$3.3m
Upgrading to design capacity	\$3.6m	\$3.6m
Development deeper levels	\$15m	\$15m
Closure	\$5m	\$5m
Stay in business capital	\$13.5m	\$13.5m
Revenue discount on LME \$	15%	15%
Peak cash flow per annum after tax	\$14.7m pa over 11 yrs	\$7.6m pa over 12 yrs
Cash flow NPV 0%	\$217m	\$101m
NPV 10%	\$100m	\$41m
Opex	\$81/tonne	\$81/tonne
IRR	563%	92%

Financial models using geological AFCR 'industrial' (diluted) head grade vs production figures. Note in the Production Model, Ag head grades have been dropped from a back-calculated 264 g/t to the AFCR Model of 109 g/t as Ag assays are problematical. Au \$1,250/Oz. Ag \$20/Oz, Cu \$3/lb (\$6700/t) Pb & Zn \$0.90/lb

Further information concerning the Baita Bihor mine is appended to this announcement.

An 85 per cent. equity interest in Mineral Mining is beneficially owned by AFCR's Romanian senior management and other AFCR group employees, led by the President and Executive Director of the Company's Romanian subsidiary African Consolidated Resources Srl ("AFCR Romania"), Mr. Andrew Prelea (the "AP Group"). The members of the AP Group include, *inter alios*, Mr. Andrew Prelea (50 per cent. beneficial interest), Mr. Mike Kellow, a former Director of the Company and currently director of exploration for AFCR (30 per cent. beneficial interest) and Mr. Roy Tucker, Finance Director of the Company (10 Per cent. beneficial interest). The shares of Mineral Mining are currently registered in the name of AFCR Romania which holds them on trust for the AP Group.

The Company has an option to acquire 68 per cent. of Mineral Mining, leaving the AP Group interested in 17 per cent of the equity. It is the Board's opinion that the remaining 15 per cent. of the equity of Mineral Mining, which will initially be retained by Mr. Dong Quosheng and Mr. Ni Jin Ming its former owners (the "**Former Owners**"), could be acquired in the future, on favourable terms and in the same ratio of ownership between AFCR and the AP Group as in the Proposed Acquisition.

Due to the way in which the AP Group has brought the opportunity to the Company, initially funding diligence work when AFCR had decided that it did not wish to pursue the Proposed Acquisition, it will neither be required to fund the acquisition of its interest in Mineral Mining, nor the initial development costs.

It is expected that following completion of the Proposed Acquisition, equity owned by the AP Group will revert to its individual participants.

Due to the participation of Mr. Roy Tucker, Mr. Andrew Prelea and Mr. Mike Kellow in the AP Group, the Proposed Acquisition will be deemed a related party transaction under the AIM Rules and the independent directors of the Company for these purposes (being all of

the Directors except for Mr. Roy Tucker) will be required to consult with Strand Hanson, as the Company's Nominated Adviser, and opine that the Proposed Acquisition is fair and reasonable insofar as Shareholders are concerned.

Should it complete, the Proposed Acquisition will be deemed a substantial transaction under the AIM Rules and all the information required by Schedule Four to the AIM Rules will be included in the announcement to be made at that time.

In order to consummate the Proposed Acquisition, AFRCR would have to pay up to \$3.6 million which would be applied as follows:

	\$,000
Retire existing debt in the Company (€900,000)*	1,224
A payment on account of obligation to the Former Owners (€250,000)	340
Improve mine infrastructure, ventilation and floatation circuits, plus develop incline shaft to access next level	1,468
Operational overhead (3 months pre-production)	367
Pre-acquisition costs (including due diligence)	200
	3,599

** This figure is being audited and is believed by management to be substantially lower*

This expenditure is expected to result, within four months from deployment of funds, in commencement of production at a rate of 5,600 tpm and within a further two months, a production rate of 10,000 tpm. There will likely be future costs after positive net cash flow has been achieved which might be funded from cash flow from existing operations or debt or both. It is estimated as follows:

	\$,000
Balance due to the Former Owners (€950,000)*	1,292
Exploration costs	1,333
Mine development to deeper levels	934
	3,559

** Based on currently available information, the Board is confident that this payment will only become payable out of future operating cash flows from Baita Bihor.*

It is anticipated that this further expenditure would sustain production at a rate of 120,000 tpa and provide the basis for further expansion at Baita Bihor.

It is believed by the Directors that the funds used to upgrade mine infrastructure, ventilation and floatation circuits will:

- improve plant recoveries from the previous 65 per cent. or worse;
- upgrade float circuit to capture wolfram and molybdenum by-products that are not currently included in the concentrate sales;
- upgrade the 1970s vintage ore-loaders, which are expected to cause a current bottleneck;
- improve ventilation and hoisting for safety and productivity; and
- reduce production costs per tonne.

The Company emphasises that due diligence is yet to be completed and the Placing proceeds will not therefore necessarily be applied to the Proposed Acquisition. In the event

that it does not complete, the funds may instead be applied towards other opportunities in Romania.

The Capital Reorganisation

As the Issue Price is lower than the nominal value of the Company's Existing Ordinary Shares it is proposed to subdivide each Existing Ordinary Share into one New Ordinary Share of 0.1p each and one deferred share of 0.9p each. The Deferred Shares will have very limited rights and be effectively valueless, with the result that the New Ordinary Shares will effectively have the same rights as the Existing Ordinary Shares. **The Capital Reorganisation is necessary in order to complete the Placing and Subscription at the Issue Price.**

Change of Name

In order to take account of the change in the Company's geographical focus, it is proposed that its name be changed to Vast Resources plc.

Related Party Transaction

The Directors and their associates have, in aggregate, subscribed for 76,819,400 New Ordinary Shares in the Placing and Subscription. Due to their participation in the Subscription and the Placing these are deemed to constitute a related party transaction in accordance with the AIM Rules and the independent director of the Company for these purposes (being Mr. Eric Diack) having consulted with Strand Hanson, as the Company's Nominated Adviser, considers that the Placing and Subscription are fair and reasonable insofar as Shareholders are concerned.

The General Meeting

The General Meeting is to be held at the offices of Daniel Stewart & Company plc, Becket House, 36 Old Jewry, London EC2R 8DD at 11.00 a.m. on 30 December 2014. Full details of the Resolutions are included in the Circular and accompanying Notice of General Meeting.

Directors' Recommendation

For the reasons set out above, the Board considers that the Placing and Subscription, the Capital Reorganisation and the change of the Company's name are in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board recommends that Shareholders vote in favour of the Resolutions at the General Meeting as the Directors each intend to do in respect of their own shareholdings of in aggregate 29,295,892 Ordinary Shares, representing approximately 3.39 per cent. of the issued Ordinary Shares at the date of this announcement.

****ENDS****

Roy Pitchford, Chief Executive Officer, said:

"Following the successful funding of the Pickstone-Peerless Mine in Zimbabwe, the mine development opportunities available to AFCR in Romania provide the company with expansion and growth possibilities. The Baita Bihor Mine is targeted to process a similar monthly tonnage as Pickstone-Peerless, but is a multi-metal mine with a higher equivalent grade sourced from underground instead of by open-cast mining methods. It would therefore be a significant step up in terms of mining and processing. AFCR is therefore fortunate that it has very good local Romanian mining expertise available to meet this challenge.

"On the basis that the Proposed Acquisition completes, the funding from the Placing would enable AFCR to start its first mining operation in Romania, which in turn would be expected to provide the base for the development of the very much larger mines that are part of the Remin Group. Baita Bihor would complement the development of the Pickstone-Peerless Mine in Zimbabwe and would be a further step in the process of transforming AFCR from an exploration company to a mining

company. AFCR looks forward to having two operating mines in H2 2015".

For further information, please contact:	
African Consolidated Resources plc	www.afcrplc.com
Roy Tucker (Finance Director)	+44 (0) 1622 816918 +44 (0) 7920 189012 +263 (0) 7721 69833
Roy Pitchford (Chief Executive Officer)	+40 (0) 7411 11900 / +44 (0) 7793 909985
Strand Hanson Limited - Financial & Nominated Adviser	
James Spinney Ritchie Balmer James Bellman	www.strandhanson.co.uk +44 (0) 20 7409 3494
Daniel Stewart and Company - Broker	
Martin Lampshire	www.danielstewart.co.uk +44 (0) 20 7776 6550
Colin Rowbury	
St Brides Media & Finance Ltd	
Susie Geliher	www.stbridesmedia.co.uk +44 (0) 20 7236 1177

Review by a qualified person

This announcement has been reviewed by Mr. Mike Kellow BSc, and by Mr. Vasile Pop.

Mr Kellow, Director of Exploration for AFCR, has reviewed this announcement in his capacity as a qualified person under the AIM Rules. Mr Kellow is a member of the Australian Institute of Geologists and has 34 years' experience of in the metals and mining industry.

Mr Pop has been certified, since 1988, by the Attestation Commission of the Romanian National Agency for Mineral Resources (ANRM) as fulfilling all the criteria to qualify as an expert with technical and professional skills for groundworks, geological, technical and techno-economical documentation for mining activity, geological research and exploitation of mineral resources.

Further Information on Baita Bihor Mine

Official records show an in situ Resource (based on the Russian Reserves & Resources Reporting System) of 1.8m tonnes at 2.19% Cu, 128g/t Ag, 3.46% Zn, 3.07% Pb and 1.41g/t Au. Mine laboratory records and underground inspections with a Niton XRF analyser cross-correlate very closely

Polymetallic mix equates to a copper equivalent grade of 6% or a gold equivalent grade of over 10g/t

400,000 tonne copper-silver-zinc-lead-gold-tungsten-molybdenum ore body identified within the

current mine workings on the Antonio 1 and Antonio 2 skarn pipes (non-JORC but conservative estimations by AFCR and Mineral Mining Geologists) - ready to mine

A molybdenum orebody exists on the Blidar Fault, about 150m west of Shaft 1 - it has been mined out to level 18 (bottom of mine) but below that depth it is untouched, but is not included in Ore Reserves or cash flow models

Below are the in-house grades and flotation recovery factors together with back calculations of grades from actual production records

** AFCR ore reserve grades (based on official records on the Russian Reserves & Resources Reporting System) vs production figures. Head grade is diluted or 'industrial grade' presented to the concentrator. Recovered grade is that achieved after flotation losses. Management has reason to suspect that inefficiencies and incorrect recording of value of past metal production render the calculation of recovered grade in the concentrate back calculations very conservative.*

Confirmation of in-situ grades throughout the mine will be a critical task for future planning of mining and exploration. Once these grades are established, a reconciliation against production can be instigated, applying factors for ore loss, dilution and flotation recovery.

Considerable exploration potential within the mine and in satellite targets in licence area

Depth potential below the deepest Level 18 has only been drill tested for about 90m - it is not yet certain how deep the skarn mineralisation will persist before being cut off by an underlying granite intrusion - see below

The branching skarn geometry suggests the mine is currently in the shallow upper levels of the system and the deep roots could persist for at least several hundred metres - a previous Russian drill hole in the 1970s indicated +350m from base of mine to granite

Orebody is zoned vertically with Au-Ag caps and Pb-Zn being richer at upper levels

Copper grades increase with depth from ~ 0.8% Cu near surface to >2% Cu below Level 18, with spectacular Ag and Au grades (200-2,000g/t and 1-4 g/t respectively) associated with copper on thin veined contacts with the host dolomite

Antonio 2 pipe lies approximately 300m north of Antonio 1, both have good access from drives (galleries) down to Level 18 at Antonio 1 and Level 15 at Antonio 2

Postulated that the Antonio 1 and 2 pipes may merge at depth forming a substantially larger orebody representing a priority drilling target

Rights to mine polymetallic minerals (Cu, Pb, Zn, Ag, Au), molybdenum, bismuth, wolfram, boron, and wollastonite on exploitation licence LE 999/1999 until 2019, renewable thereafter in 5 year periods

A processing plant comprising crushing, milling and flotation circuits to produce Cu, Pb, Zn and Mo concentrates with Au and Ag credits - current design capacity is ~ 20,000 tonnes per month

A tailings dam in good operational order for waste disposal, current tonnage approximately 4.6Mt with all appropriate environmental approvals

Underground mining infrastructure at Antonio 1 including three access shafts, and active mine levels 16-18 (base of mine)

Access above those levels is shared with state and private groups who have sub-permits to mine limestone and dolomites

Above-ground infrastructure including railway and rail wagons

Current mining is at mine levels 16-18 at depths from 260m to 350m from surface

Ore is loaded from mine face into 1m³ rail cars

Electric hoist to surface

3 silos holding 250 tonnes at surface

Rail cars of 3m³ move ore 1km to concentrate plant

Concentrate plant crushes and floats ore to a concentrate of ~26% Cu, 10g/t Au, and 800-1,000 g/t Ag, plus separate Zn and Lead concentrates with high Ag (~2,000 g/t)

Concentrate transported by rail or truck for export

Production costs before closure have been stated by Mineral Mining at \$45/tonne, with overheads running at approximately €80,000 per month

Using OPEX figures from comparable Australian underground mines, the models herein are calculated at a base case of \$81/t

Romanian labour costs are at least five times lower than Australia, so the OPEX estimates are considered conservative

OPEX is broken down into:

OPEX	\$/tonnes
Mining	\$56.00
Processing	\$15.00
Overheads	\$10.00
Total OPEX	\$81.00