



REPLACEMENT PROSPECTUS

CONSOLIDATED AFRICA LIMITED

ACN 605 659 970

PROSPECTUS FOR THE ISSUE OF UP TO 15,000,000 FULLY PAID ORDINARY SHARES AT AN ISSUE PRICE OF \$0.10 PER SHARE TO RAISE UP TO \$1,500,000.00. THE MINIMUM SUBSCRIPTION UNDER THE OFFER IS \$700,000

UNDERWRITER
H K SECURITIES PTY LTD
ACN 126 862 057
AFSL 320533

This Replacement Prospectus replaces the Original Prospectus dated 3 November 2003

IMPORTANT INFORMATION:

This Prospectus provides important information to assist prospective investors in deciding whether or not to invest in the Company. It should be read in its entirety. If you do not understand it, you should consult your professional advisers.

THE SECURITIES OFFERED UNDER THIS PROSPECTUS ARE OF A HIGHLY SPECULATIVE NATURE

CORPORATE DIRECTORY

DIRECTORS

Mr Philip Lindsay (Non - Executor Chairman)
Mr Adriaan Gerhardus van den Bergh (Non-Executive Director)
Mr David Percival (Non-Executive Director)

REGISTERED OFFICE

Level 28
1 Market Street
Sydney NSW 2000
Ph: (02) 9265 3000
Fax: (02) 9261 5918

NOMINATED ADVISOR

Eakin McCaffery Cox
Level 28,1 Market Street
Sydney NSW 2000
Ph: (02) 9265 3000
Fax: (02) 9261 5918
www.eakin.com.au

INVESTIGATING ACCOUNTANT

Connect Audit
Level 13
636 St Kilda Road
Melbourne, VIC 3004
Ph: +61 03 8508 7800
Fax: +61 03 8508 7859
www.connectaudit.com.au/

SOLICITORS TO THE OFFER

Eakin McCaffery Cox
Level 28, 1 Market Street
Sydney NSW 2000
Ph: (02) 9265 3000
Fax: (02) 9261 5918
www.eakin.com.au

COMPANY SECRETARY

Mr David Percival

SHARE REGISTRY

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Ph: (02) 1300 737 760
Fax: (02) 1300 653 459
www.boardroomlimited.com.au

INDEPENDENT GEOLOGISTS

Minnelex Pty Ltd
283 Huntingdale Street
Pullenvale QLD 4069
Ph: +27(0) 12 664 7427
Fax: +27(0) 86 240 5515

SOLICITOR REPORTING ON TENEMENTS

Adukule & Company Advocates
Plot No: 1-3D Fumu Close
Wampewo Avenue Kololo
Ph: +256 392 176 273
Email: clients.aca@gmail.com

UNDERWRITER

H K Securities Pty Ltd ACN 126 862 057
AFSL 320533
202/4 Clarke St
Crows Nest NSW 2065
Ph: (02) 9460 8887
Fax: (02) 9460 8857
www.hksecurities.com.au

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IMPORTANT INFORMATION

This Replacement Prospectus is issued by Consolidated Africa Limited ACN 605 659 970 (the "**Company**") This Replacement Prospectus is dated 10 November 2015 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. This Prospectus replaces the Original Prospectus that was lodged by the Company with ASIC on 3 November 2015. ASIC and the National Stock Exchange of Australia Limited (**NSX**) and their respective officers take no responsibility for the contents of this Prospectus.

The expiry date of this Prospectus is 5pm AEST on that date which is thirteen (13) months after the date the Original Prospectus was lodged with ASIC ("**Expiry Date**"). No New Shares will be issued on the basis of this Prospectus after the Expiry Date.

Application will be made to NSX within seven (7) days of the date of this Prospectus for Quotation of the New Shares the subject of this Prospectus.

The Directors of, and advisers to the Company do not guarantee the success of the Company, the repayment of capital, the payment of dividends or the price at which New Shares will trade on NSX.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Shares should be considered speculative.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Disclaimer

Application has will be made for listing of the New Shares offered by this Prospectus to the NSX.

The fact that the NSX may list the New Shares is not to be taken in any way as an indication of the merits of the Company or the listed New Shares.

The NSX takes no responsibility of the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed on the internet at www.boardroomlimited.com.au/consolidatedafrica. The Offer of New Shares pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of the Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company.

Foreign Jurisdictions

This Prospectus does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make an offer. Distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Exposure Period

The Original Prospectus was circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the

Prospectus and, in those circumstances any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for New Shares will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.

Photographs and Diagrams

Items and undertakings depicted in photographs and diagrams in this Prospectus are not assets of the Company, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

Definitions

Throughout this Prospectus abbreviations and defined terms are used. Those relevant to mineral exploration are contained in the Glossary located in the Independent Geologists' Report in Section 7 of this Prospectus, and other abbreviations and legal terms are contained in the Glossary in Section 16 of this Prospectus. Defined terms are generally identified by the uppercase first letter.

1. INVESTMENT OVERVIEW

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in the New Shares.

Question	Response	Where to find more information
Who is issuing this Prospectus?	Consolidated Africa Limited (ACN 605 659 970) (the Company) was incorporated on 5 May 2015.	Section 8
What is the Company's business?	The Company has entered a Share Sale Agreement to acquire the entire shareholding of the Consolidated African Resources (Uganda) Ltd (a duly incorporated company of Uganda) which holds the exploration licence EL 1025. This Share Sale Agreement is conditional upon the listing of the Company on the NSX.	Section 8

The key focus of the Company is to explore and exploit:

- (a) (The **Orom Project**): On completion of the Share Sale Agreement the Company will explore and exploit the potential of the graphite deposits that are found within the exploration licence 1025 (**EL 1025**) which covers an area in the vicinity of Kitgum, Uganda (the **Orom Project**). The tenement covering the Orom Project has been evaluated by the Independent Geologist's Report (refer to Section 7 of the Prospectus) which outlines the following key characteristics:

- EL 1025 is a tenement which covers an area of approximately 323sq km located near Kitgum, Uganda. Kitgum is approximately 660 km north-east of Kampala, Uganda.
- The tenement covers the rights to graphite and other mineral deposits.
- Maiden pit sampling was conducted at the site between December 2013 – January 2014 where results had indicated that:
 - The exposures within the tenement had revealed three (3) primary rock types being either (i) graphite gneiss; (ii) quartzo-felspathic rocks; or (iii) acid to intermediate pyroxene and hornblende granulites.
 - Sampling had averaged results of above 10% in relation to total graphitic carbon.

The Orom Project is supported by limited infrastructure.

- (b) (**Other Projects**): the Company has entered a non-binding memorandum of understanding to conduct a due diligence to acquire shares in African Quest Resources Ltd (a Ugandan company) which owns the following exploration licences:

- Ugandan Exploration Licence 1366; and

Question	Response	Where to find more information
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- Ugandan Exploration Licence 1368.

(Minerals covered under these exploration licences are gold, cobalt, copper, graphite, nickel and other base metals).

- (c) The Company also has entered into a Mining Licence Sale Deed to acquire Ugandan Exploration Licence (EL) 1173 over the tenement which covers an area in the region Karamoja, Uganda. (Refer to Section 13.3 of this Prospectus for further details). This licence covers a graphite prospect which lies directly alongside the strike identified in EL1025 and covers an area of 93.508 sq km where graphite has been found. The aim of the Company will be to consolidate the two licences.

The Company has a management team skilled in the evaluation, procurement and advancement of mineral projects. The management team has a primary focus in the field of mining exploration and advancement of mineral deposits in Uganda.

The Company will also monitor other African resource opportunities with the view of adding and maximising Shareholder value.

What is the Company's business model?

The Company's primary focus is the exploration and the development of resources and mining opportunities in Africa.

Section 8

The following strategies will be adopted by the Company for its business model:

- The Company intends to firstly commence with the development of EL1025 to establish a JORC resource with the possibility of the Company commercialising the tenement or on-selling the project to a third party.
- The Company will consider the sale of any exploration licence it may hold to achieve cashflow and Shareholder return. As at the date of this Prospectus the Company has no means to derive in the foreseeable future a cashflow/revenue nor the ability to distribute dividends.
- The key risk to the business model is the completion of the Share Sale Agreement.

Business Strategy for initial phase:

Upon completion of the Share Sale Agreement which involves the Company's listing on the NSX, the Company intends to exploit and develop the Orom Project to achieve its main objective to move the exploration forward towards achieving a JORC compliant resource. In addition, the Board believes that the Orom Project offers an opportunity to have investment access to an entry level graphite mining project with potential for future growth.

Question	Response	Where to find more information
	<p>In order to meet the Company's main objective it intends to implement the following strategy:</p> <ol style="list-style-type: none"> 1. Acquire from Consolidated African Resources Ltd the rights in connection with the EL1025. 2. Employ African consultancy companies to undertake further trench work, geological evaluation, and sampling to confirm mineralisation is of a grade suitable for further evaluation. (Refer to Independent Geologist's Report in Section 7 of this Prospectus). <p>Investors are cautioned that the Independent Geologist's Report is limited as it focuses on a specific mineralised zone and at this stage the mineral resource cannot be estimated.</p> <p>Following the completion of this Offer, the Company intends to:</p> <ul style="list-style-type: none"> • commence a Phase 1 exploration geological evaluation program (including geo-physical analysis) to confirm the extent of the mineralisation within the defined area of EL1025; and • determine the future requirements to establish a JORC resource. • If the Minimum Subscription is achieved, the Company will limit its activities for geological work and engage in soil sampling, further trenching, geologic evaluation and modelling. If the Minimum Subscription is only achieved, then no drilling or extensive geo-physical work will be undertaken. The project will be enhanced through limited geological work which can be achieved in Uganda where these costs are very low. <p>On the conclusion of Phase 1 the Company will subsequently commence the Phase 2 drilling in order to establish whether it is a JORC resource.</p> <p>A summary of:</p> <ul style="list-style-type: none"> • the Orom Project is set out in Section 4 of this Prospectus and more detailed information is contained in the Independent Geologist's Report in Section 7 of this Prospectus; and • The terms of the Share Sale Agreement are set out in Section 13 of this Prospectus 	

Question	Response	Where to find more information
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What is the Capital Structure of the Company?

Section 3

Shares	Minimum Subscription		Fully Subscribed Subscription	
	Number of Shares	%	Number of Shares	%
Shares on issue as at date of Prospectus	39,855,482	70.10	39,855,482	61.45
New Shares to be issued under the Offer (assuming the Minimum Subscription and the Offer being fully subscribed)	7,000,000	12.32	15,000,000	23.13
Consideration Shares	10,000,000	17.58	10,000,000	15.42
Total Shares on issue following completion of the Offer	56,855,482	100	64,855,482	100

What are the Company's Objectives?

Section 8

The Company's main objectives at the completion of the Offer:

- Undertake a program to advance the Project Orom to determine and define the mineral resources for commercialisation. The majority of funds will be used for this purpose.
- Acquire options over other Ugandan mining tenements to diversify the asset portfolio of the Company.
- Facilitate the listing of the Company onto the NSX.
- Meet ongoing administration costs of the Company.

What are the key risks of investing in the Company?

Sections 7 and 11

There are a number of key risks to the business which may adversely affect overall returns for an investor.

The key risks of investing in the Company include:

- **Contract Risk** – Completion of the Share Sale Agreement is subject to the Company's Shares being listed on the NSX within three (3) months of the Company being able to accept an application for New Shares pursuant to a disclosure document lodged with ASIC.
- **Tenement Risk** – The Exploration Licence (EL1025) will expire on 9 August 2017 which imposes a defined timeframe for the Company to meet its objectives. This risk may be mitigated by the Company as it may be able to renew the licence subject to it relinquishing 50% of the project area (the subject of EL1025).
- **Exploration/Development Risk** - The Company's Projects have been subject to limited exploration and presently do not have any JORC Code compliant mineral resource estimates. Mineral exploration and development are high-risk undertakings with no assurances that exploring the Orom Project will result in the discovery of any mineral deposits which can be economically exploited. Potential investors should understand that mineral exploration and development are high risk undertakings. There can be no assurance that the exploration and development of the

Question	Response	Where to find more information
	<p>Tenements, or any other tenement acquired in the future, will result in the discovery of an economically viable mineral deposit.</p> <ul style="list-style-type: none"> Reliance on key personnel - The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel as identified in Section 5 of this Prospectus. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. Limited operating history – The Company was only recently incorporated (5 May 2015) and has no operating history and limited historical financial performance. Exploration has been conducted in the past with respect to the land the subject of EL1025, however, no assurances may be given that the Company will achieve commercial viability through the exploration, development and mining of the Orom Project. Until such a time that the Company is in a position to realise value from its projects, it is anticipated that it will incur ongoing operating losses. Currency risk – The Company will be subject to AUS/USD currency fluctuations as commodity trading is ordinarily facilitated via USD currency. Potential investors ought to note that a number of factors may affect the currency including but not limited to Australia's and the USA's economic conditions and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities. Liquidity risk – Where investors wish to divest of their interest in the Company they may be limited or restricted by reason that the market for those securities (being a small-cap company) will be (a) regarded as being highly speculative and (b) the general market perception of a lack of liquidity may limit the trading opportunities available to the investor and the ability to realise their invested capital. Additional requirements for capital - There is a risk that any additional funding required for its activities may not be obtained or, if obtained, on terms detrimental to existing Shareholders through dilution. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations, scale back its exploration programs and/or dispose or relinquish some of its Tenements, as the case may be. Sovereign Risk – Due to the fact that the Orom Project will be conducted in a foreign jurisdiction this imposes investor risks including but not limited to the effect of opening a business within a foreign legal and regulation framework but also the particular political, social and economic circumstances relating to Uganda <p>The above risks are not exhaustive and prospective applicants should refer to the additional risks in Section 11.</p>	

Question	Response	Where to find more information
What is the financial position of the Company?	<p>The Company currently holds \$484,345.00 in assets.</p> <p>The Company has \$512,173.00 in liabilities.</p> <p>This is a net liability of currently \$27,828.00</p>	Section 8
Who are the Directors of the Company?	<p>Mr Philip Lindsay (Non-Executive Chairman)</p> <p>Mr Adriaan Gerhardus van den Bergh (Non-Executive Director)</p> <p>Mr David Percival (Non-Executive Director)</p>	Section 4
What benefits are being paid to Directors?	The Directors are each paid \$2,000 per month (excluding superannuation and GST, if applicable) as fees for holding office as a Director of the Company.	Sections 8 and 12
What important contracts has the Company entered into?	The Company has signed a number of important agreements which relate to the operation of the Business and the Offer which are described Section 13, which includes the Share Sale Agreement.	Sections 3 and 12
How will the proceeds of the Offer be used?	<p>The Company intends to utilise funds raised from the Offer as follows to:</p> <ul style="list-style-type: none"> meet the ongoing working costs of the Company in developing the Business; and pay the expenses of the Offer. 	Section 3

At Minimum Subscription:

Activity	Year 1	Year 2
Working capital	434,265	174,000
Estimated cost of Offer	91,735	0
Total Funds Applied	526,000	174,000

At Fully Subscribed Subscription:

Activity	Year 1	Year 2
Working capital	756,135	650,000
Estimated cost of Offer	93,865	0
Total Funds Applied	850,000	650,000

Will the Company pay dividends?	<p>The Company's focus will be on generating capital growth. The Company has no immediate plans to declare or distribute dividends. Payment of future dividends will depend on the future profitability and financial position of the Company.</p> <p>The Company does not foresee that it will be in a position to generate revenue in the foreseeable future.</p>	Sections 8 and 13
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Question	Response	Where to find more information
Where will the Shares be quoted?	It is proposed to list the Shares including the New Shares on the NSX.	Section 3
How can I obtain further advice?	By speaking to your accountant, stockbroker or other professional investment advisor.	
Is the offer underwritten?	Yes. H K Securities Pty Ltd ACN 126 862 057 AFSL 320533 is the underwriter to this Prospectus and has underwritten the Offer to the Minimum Subscription amount	Section 3

2. CHAIRMAN'S LETTER

10 November 2015

Dear Investor,

As Chairman of Consolidated Africa Limited (the **Company**), I am pleased to present this Prospectus on behalf of the Board and invite you to subscribe for New Shares in the Company.

The principal activity of the Company is graphite exploration in Africa. The Company is focused on taking advantage of the opportunity to continue the geophysical exploration, development and commercialization of a graphite mineral project in the Republic of Uganda, Africa.

This Prospectus seeks to issue a maximum of 15,000,000 New Shares at \$0.10 cents per New Share to raise up to \$1,500,000.00 to develop the opportunity under the Exploration Licence 1025 (**EL1025**), subject to completion of the Share Sale Agreement. It is a condition of completion of the Share Sale Agreement that the Company's Shares are listed with the NSX within three (3) months of this Prospectus being able to accept applications for New Shares. This opportunity has afforded the Company the potential to identify and potentially commercialise a commercial grade graphite deposit in the area of Kitgum, Uganda (the **Orom Project**).

The Board advise potential investors that this investment is speculative and should carefully consider their decision to invest with reference to the risks outlined and explained in this Prospectus.

In the relation to the Orom Project, the Company has commenced the first phase exploration program where soil sampling, geophysical and drilling work is underway to determine the extent and value of the mineral resource which may be generated pursuant to the tenement under EL1025. The Exploration Licence covers an area of nearly 323 sq km and the Company aims to focus its exploration priorities with respect to the lease on large high grade flake graphite. Furthermore, the Exploration Licence is currently valid for a period of 2 years, ending 9 August 2017. The Company is of the view that both the demand and the price for high grade graphite has increased dramatically over the last ten years, especially as it has been driven in the last few years by Asian demand from China, South Korea and Japan.

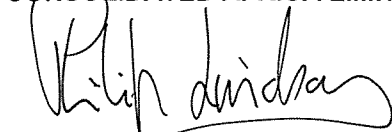
The funds raised pursuant to this Prospectus will primarily be utilised in the Company's follow-up program concentrating on proving up that it holds a JORC resource. This phase two program is planned to complete much of the drilling as well as analysis and technical lab confirmation that aims at concluding much of the work towards the existence of a JORC resource. We believe this focus and a cost conscious approach should provide the best opportunity to both identify deposits and to increase shareholder value.

This Prospectus contains information about the Offer to raise funds to aggressively explore the opportunity presented under EL1025.

The Board and I look forward to welcoming you as a Shareholder.

Yours sincerely,

CONSOLIDATED AFRICA LIMITED



Mr Philip Lindsay
Chairman

3. DETAILS OF THE OFFER

This Section is intended as an introduction and not as a summary of this Prospectus. It should be read in conjunction with the remainder of this Prospectus.

3.1 Risk factors

Prospective investors should read this Prospectus in its entirety before deciding on whether to apply for New Shares under this Prospectus, and also consider the risk factors identified in Section 11 of this Prospectus.

The fundamental risk factor affecting the Company's listing is the completion of the Share Sale Agreement for the acquisition of the tenement (EL 1025) which requires the Minimum Subscription being satisfied.

The future investment performance of New Shares may also be influenced by a number of other factors outside the control of the Board including, but not limited to, the following: Continuity of new investment opportunities:

- Demand for the Company share offerings;
- Future demand for graphite;
- Ability to maximise returns over in light of fluctuations and volatility in the business and listed securities market;
- Ever changing and unexpected demands for particular mineral resources;
- Exploration risks;
- Reliance on key personnel;
- Limited operating history;
- Additional requirements for capital; and
- Operating a business in a foreign jurisdiction.

The Board, where possible, has implemented safeguards and appropriate systems in order to mitigate the impact of such risks. Examples of how the Company has implemented policies and procedures to mitigate the risks to the business of the Company include, but are not limited to, the following:

- Regular review by the Board of developments affecting the mining sector particularly with respect to developments affecting the Ugandan Mining Industry; and
- Incentives to ensure key personnel are retained and striving towards the Company's purpose and goals.

The risk factors identified in this Section and Section 11 of the Prospectus are not exhaustive. The specific risk factors set out in Section 11 of the Prospectus and other general risks which may or may not have been referred to in this Prospectus may in the future materially affect the financial performance of the Company and the value of the New Shares. Accordingly, an investment in the Company should be considered highly speculative in nature.

3.2 Offer

This Prospectus constitutes an Offer by the Company to issue up to 15,000,000 New Shares at an issue price of \$0.10 per New Share to raise up to \$1,500,000.00. The Company has the right to accept minimum subscriptions of 7,000,000 New Shares at \$0.10 per New Share to raise the minimum amount of \$700,000.00 ("**Minimum Subscription**").

All New Shares issued will rank equally in all respects with the Shares already on issue.

Applications must be for a minimum of **20,000** New Shares ("**Minimum Subscription Investment**"), representing **\$2,000.00** and thereafter in multiples of **2,000** New Shares, and can only be made by completing the Application Form located at the back of this Prospectus.

The Company reserves the right to reject any Application or to allocate any investor fewer New Shares than the number applied for by that investor.

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, the Directors will not allot any New Shares and the Company will repay all Application Monies received, without interest, as soon as practicable. The Company notes that the Minimum Subscription has been underwritten. A summary of the Underwriting Agreement is set out in Section 12 of this Prospectus.

3.3 Indicative Dates

Activity	Indicative Date
Date of Lodgment of Prospectus with ASIC	3 November 2015
Opening Date	10 November 2015
Closing Date (5pm AEST)	10 January 2016
Issue of New Shares	2 February 2016
Dispatch of Shareholders' Holding Statements	2 February 2016
Commence trading on the NSX	3 February 2016

**The above dates are indicative only and may vary without notice. The Company reserves the right to vary the Closing Date without prior notice, which may have a consequential effect on other dates.*

3.4 Purpose, and Use of Proceeds, of the Offer

The primary purpose of this Offer is to raise funds to meet the costs establishing and developing the Business.

It is intended to apply the funds raised from the Offer as follows:

- (a) To meet the ongoing costs of the Company in developing the Business; and
- (b) To pay the expenses of the Offer as detailed in Section 3 of the Prospectus.

These costs are detailed in the tables below.

It is intended to apply funds raised from the Offer as follows.

At Minimum Subscription:

Activity	Year 1	Year 2	Total
Working capital	434,265	174,000	608,265
Estimated cost of Offer	91,735	0	91,735
Total Funds Applied	526,000	174,000	700,000

At Fully Subscribed Subscription:

Activity	Year 1	Year 2	Total
Working capital	756,135	650,000	1,406,135
Estimated cost of Offer	93,865	0	93,865
Total Funds Applied	850,000	650,000	1,500,000

The Directors consider that following the completion of the Offer, the Company will have sufficient funding to achieve the objectives set out in this Prospectus for a period of at least two (2) years.

3.5 Capital Structure

The capital structure of the Company immediately following the completion of the Offer is set out below:

(a) Share Capital

Shares	Minimum Subscription		Fully Subscribed Subscription	
	Number of Shares	%	Number of Shares	%
Shares on issue as at date of Prospectus	39,855,482	70.10	39,855,482	61.45
New Shares to be issued under the Offer (assuming the Minimum Subscription and the Offer being fully subscribed)	7,000,000	12.32	15,000,000	23.13
Consideration Shares	10,000,000	17.58	10,000,000	15.42
Total Shares on issue following completion of the Offer	56,855,482	100	64,855,482	100

Note: Pursuant to the Share Sale Agreement the Company will issue on completion 10,000,000 fully paid ordinary Shares to John Michael Cross and/or his nominee company, Vintage Nominees Pty Ltd ACN 607 965 033 (the **Consideration Shares**). Vintage Nominees Pty Ltd is a company where its shareholding is wholly owned by John Michael Cross. In addition the one (1) share owned by Winfred Adukule Meuter in Consolidated African Resources (Uganda) Ltd (a duly incorporated company of Uganda) is held in her capacity as trustee for John Michael Cross.

(b) Options

The Company currently has no Options on issue.

The Company will only issue options pursuant to the conditions of the Service Agreements entered into with Chief Executive Officer and Directors of the Company. Please refer to Section 12 of this Prospectus for further details.

3.6 Interests of Directors in the Company

The Voting Power of each of the Directors of the Company at the date of this Prospectus and where either the Minimum or Fully Subscribed Subscription is achieved is as follows:

The Voting Power of each Director at the date of this Prospectus and where either the Minimum or Fully Subscribed Subscription is achieved is as follows:

Director	Current % of Shares held	% of Shares held if Minimum Subscription met	% of Shares held if Fully Subscribed Subscription met
Mr Phillip Lindsay (Non-Executive Chairman)	Nil	Nil	Nil
Mr Adriaan Gerhardus van den Bergh (Non-Executive Director)	7,625,227	13.41%	11.75%
Mr David Percival (Non-Executive Director)	1,000,001	1.76%	1.54%
TOTAL	8,625,228	15.17%	13.29%

As noted in the above table, if the Minimum Subscription is achieved the Directors will, on a combined basis hold 15.17% of all Shares on issue immediately post completion of the Offer. If the Offer is fully subscribed, they will hold 13.29% of all such Shares.

3.7 Issue of New Shares

New Shares will be issued only after all Application Monies have been received and NSX has granted permission for the New Shares to be quoted on the NSX.

All Application Monies received before New Shares are issued will be held in a special purpose account in accordance with Section 722 of the Corporations Act. Once the New Shares are issued to Applicants, the funds in this account plus any accrued interest will be received by the Company.

Application will be made for the New Shares to be granted Official Quotation by the NSX. If such an application is not so made or Official Quotation of the New Shares is not granted by NSX within three months of the date of this Prospectus, the Company will not issue any New Shares and all Application Monies received pursuant to this Prospectus will be refunded to Applicants in full as soon as practicable, without interest. In addition, if the Company is not admitted to the Official List of the NSX within three (3) months of the Company being able to accept New Shares the subject of a disclosure document lodged with ASIC then the Share Sale Agreement will terminate.

Where the number of New Shares issued is less than the number applied for, the surplus monies will be returned by cheque within three (3) Business Days of the issue of the New Shares. Where no issue is made in these circumstances, the amount tendered on Application will be returned in full within three (3) Business Days of the issue of the New Shares. Interest will not be paid on monies refunded.

The NSX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

The fact that the NSX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or subscribing for New Shares. Official Quotation, if granted, will commence as soon as practicable after the issue of Holding Statements to Shareholders including those persons receiving New Shares.

Subject to Official Quotation taking place, the issue of New Shares to Applicants will occur as soon as possible after the Closing Date, following which Holding Statements will be dispatched. Trading of the New Shares on the NSX is expected to commence shortly after that date. It is the responsibility of Applicants to determine their allocation prior to any trading of the New Shares.

Applicants who sell New Shares before they receive their Holding Statements will do so at their own risk. Pending the issue of the New Shares, or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

3.8 Restricted Securities

Subject to the Listing Rules, all or some number of the Shares including the Consideration Shares, may be classified by the NSX as being Restricted Securities and such may be required to be held in escrow for up to twenty four (24) months from Official Quotation and may not be transferred, assigned or otherwise disposed of during that period. If the NSX classifies certain Shares as being Restricted Securities, prior to Official Quotation, the holders of those Shares that are to be classified as Restricted Securities will be required to enter into appropriate restriction agreements with the Company, if so required.

Directors with a Shareholding have entered into Restriction Agreements for Shares that were issued to them prior to the date of the Prospectus. The Shares issued to the Directors are in consideration for establishing and services to the Company and providing initial working capital which has been capitalised.

These Restriction Agreements cover all Shares owned by the Directors are for a period of 24 months from the date of Official Quotation ("**Restriction Period**").

Whilst these Restriction Agreements provide comfort for would-be investors in knowing that the applicable Shareholders cannot sell their Shares during the Restriction Period, investors should be aware that the Shares being the subject of these agreements total 8,625,228 Shares out of 39,855,482 Shares representing 21.64% of all Shares currently on issue. This percentage will decrease by 6.47% should the Minimum Subscription be achieved and will decrease by 8.34% should the offer be fully subscribed.

Even so, a considerable number of Shares during the Restriction Period will not be available for sale which may impact on the liquidity of the New Shares.

3.9 Applicants Outside of Australia

The distribution of this Prospectus outside Australia may be restricted by law.

The Prospectus does not constitute an Offer of Shares in any jurisdiction where, or to any person whom, it would not be lawful to issue the Prospectus or make the Offer. It is the responsibility of the Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to the Application, and any such Applicant should consult their professional advisers as to whether any government or other consent is required, or whether any formalities need to be observed to enable them to apply for and be issued New Shares. The failure to comply with any applicable restrictions may constitute violation of securities law in those jurisdictions.

No action has been taken to register or qualify the New Shares of the Offer to permit a public offering of the Shares in any jurisdiction outside Australia.

3.10 Tax File Number

An Applicant is not obliged to quote, its, his or her Tax File Number ("**TFN**"). However, in the case where no TFN is quoted, the Company must deduct tax from any dividends payable (to the extent that they are unfranked) at the top personal marginal tax rate plus Medicare levy.

There are special rules relating to the quotation or non-quotation of TFNs applying to different categories of Applicants such as non-residents of Australia, tax exempt bodies, joint holders and other special categories. Applications by individuals, companies and trustees, amongst others are largely unaffected by the special rules and therefore may quote a TFN by simply completing the TFN details on the Application Forms. The above does not purport to be an exhaustive statement of the law relating to TFNs and is provided as a guide only. If you are in any doubt you should consult your professional adviser.

3.11 CHESS

The Company will apply to the NSX to participate in CHESS. On admission to CHESS the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders in respect of Shares. Instead, the Company will provide Shareholders with a Holding Statement that sets out the number of Shares issued to that Shareholder under this Prospectus and their total holding of Shares in the Company.

This statement will also advise investors of either their Holder Identification Number ("**HIN**") in the case of a holding on the CHESS sub-register or Security Holder Reference Number ("**SRN**") in the case of a holding on the issuer-sponsored sub-register.

3.12 Enquires in relation to the Offer

The Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

If you have any enquiries about the Application Form, please contact the Company's Share Registry.

3.13 Forward Looking Statements

The forward looking statements in this Prospectus are based on the Company's current expectations about future events. They are however subject to known and unknown risks, uncertainties and assumptions many of which are outside the control of the Company and which could cause actual results, performance or achievements to differ materially from future results performance or achievements expressed or implied by the forward looking statements. No person named in this Prospectus, nor any other person, guarantees the performance of the Company or the return of capital or the payment of a return on the New Shares.

3.14 Photographs

Photographs used in this Prospectus which are not described are for illustration only and should not be interpreted to mean that any person endorses this Prospectus or that the assets shown in them are owned by the Company.

3.15 Commissions on Application Forms

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed to any licenced securities dealer or Australian Financial Services Licencee in respect of valid applications lodged and accepted by the Company and bearing the stamp of the licenced securities dealer or Australian Financial Services Licencee. Payments will be subject to the receipt of a proper tax invoice from the licenced securities dealer or Australian Financial Services Licencee.

3.16 How to Apply

An Application constitutes subscribing for New Shares on the terms and conditions as contained in the Offer. An Application to subscribe for New Shares can only be made on the Application Form contained in this Prospectus.

Applications must be for a minimum of **20,000 New Shares** representing a minimum investment of **\$2,000.00** and thereafter in multiples of **2,000 New Shares**.

If you decide to apply for New Shares, you must:

- (a) complete the enclosed Application Form; and
- (b) pay the Application Monies by direct debit or cheque drawn on and payable at any Australian bank in Australian dollars.

An Application for New Shares can be made by:

- (a) completing and lodging the Application Form for Shares contained at the end of this Prospectus; or
- (b) completing a paper copy of the relevant Application Form which accompanies the electronic version of this Prospectus, both of which can be downloaded from:

www.boardroomlimited.com.au/consolidatedafrica

The Application Form must be completed in accordance with the instructions set out on the back of the Application Form. An Application Form must be accompanied by a bank remittance advice or cheque in Australian dollars. Cheques must be made payable to "**Consolidated Africa Limited Share Offer Account**" and crossed "**Not Negotiable**". Payment for the New Shares must be made in full at the issue price of **\$0.10** for each New Share subscribed for.

Applications received by the Company that do not meet the above requirements may be refused at the discretion of the Directors.

An Application for New Shares may be accepted in full or any lesser number or rejected by the Company. If any Application is rejected, in whole or in part, the relevant Application Monies will be repaid without interest.

Completed Application Forms with any accompanying cheques or bank remittance advices should be, at any time after the Opening Date delivered to the following address:

Boardroom Pty Limited
GPO BOX 3993
SYDNEY NSW 2001
Ph: (02) 1300 737 760
Fax: (02) 1300 653 459

Completed Application Forms and cheque(s)/bank remittance advice(s) must be received at the above addresses before 5.00pm (AEST) on the Closing Date though investors should be aware that the Directors may close the Offer before then.

No stamp duty is payable by the Applicants in respect of the Applications.

4. THE BOARD

The Company's Board of Directors has extensive experience in the exploration industry in Australia, Africa and other parts of the world and is well placed to implement the Company's strategies and achieve the Company's financial objectives. It is the Company's view that the Directors global network of contacts should provide further opportunities to develop the Company's business.

4.1 Directors

Details of the qualifications and experience of the Board are set out in this Section as follows:

Mr Philip Lindsay - (Non-Executive Chairman)

Philip Lindsay has extensive experience and a distinguished career in the financial markets commencing in 1980. He has worked for numerous financial institutions including Mercantile House Holdings, Oppenheimers, Credit Lyonnais, Banque National De Paris and Ord Minnett. His experience covers various aspects and roles relating to finance including manager of treasury, Forex and derivatives dealing, commodity futures trading, money market, fund raising and stock broking .

Mr. David Percival - (Non-Executive Director)

David Percival began his career in finance in 1984 with MLC Insurance. His role at MLC related to sales and marketing of life, superannuation and domestic insurance. David's other finance experience includes: North's Stock Broking as a client adviser in 1985. He was responsible for giving advice on equity trading, floats, takeovers, acquisitions, options trading and cash management accounts. From 1987, David continued to work as a client adviser with two other stock broking firms. Further David has been a valued consultant to various mining companies, including both listed and listed companies in relation to matters such as sovereign risk and cost viability. David's recent activities have centred on contacts with business brokers in China with a view to Australian Wine Exports and reciprocal investment with Australian small capital mining companies.

Mr. Adriaan Gerhardus van den Bergh - (Non-Executive Director)

Adriaan has over 40 years experience in the mining and construction industry. In the last twenty years Adriaan has overseen a number of mining projects on the African continent and has extensive local knowledge of the political and regulatory framework to undertake such projects.

In addition he has specialised knowledge in the supply of parts for heavy equipment and machinery and has also founded a successful importing and distribution business, in which Adriaan has overseen the expansion of this business throughout South Africa.

4.2 Key Management

In view of the present level of operations of the Company and its state of affairs it has been determined that the activities of the Company will be managed by the Chief Executive Office, Mr. Kevin Nichol.

Mr. Kevin Nichol - (Chief Executive Officer)

Kevin Nichol has a B Com (Hons) CFA . After finishing his Honours thesis in the energy sector, Kevin worked as a Financial Analyst in Consolidated Press Holdings Pty Ltd. In the mid 80's he joined North's Stockbrokers where he held the position of private clients' advisor. Kevin also spent several years on the trading floor of the Sydney Futures Exchange and traded commodities as well as interest rate futures for several banking houses. He has also held the position of Managing Director in several ASX listed start up mining exploration companies over the last eight years.

4.3 Agreements with Directors or Related Parties

The Company's policy in respect to related party arrangements is:

- (1) A Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board;
- (2) For the Board to consider such a matter, the Director who has a material personal interest is not present at a meeting of the Board whilst the matter is being considered and does not vote on the matter; and
- (3) Adopt the requirements outlined in ASIC Regulatory Guide 76 to ensure the terms under which the Company engages a related party constitute an arm's length transaction.

Please refer to Section 12 of the Prospectus for details in connection with any arrangement entered into with a Director or Related Party.

5. CORPORATE GOVERNANCE

5.1 Corporate Governance Material

The Directors are responsible for protecting the rights and interests of the Shareholders through the implementation of sound strategies and action plans and the development of an integrated framework of controls over the Company's resources, functions and assets.

To assist in its corporate governance responsibilities, the Board has adopted a Corporate Governance Charter. An extract of this Charter is made available from the Company Secretary.

The following are documents related to the Corporate Governance of the Company:

- (a) Corporate Governance Charter;
- (b) Constitution; and
- (c) Certificate of Incorporation.

5.2 General

The Company has not formally constituted committees of the Board of Directors.

The Directors consider that the Company is not of a size and that its affairs are not of such complexity as to justify the formation of special or separate committees. The Board as a whole is able to address the governance aspects of the Company's activities and ensure that it adheres to appropriate ethical standards.

This information below outlines the main corporate governance policies which the Directors have adopted.

5.3 Composition of the Board

The Board currently comprises three (3) Directors. The names qualifications and relevant experience of each Director is set out in Section 4 of this Prospectus. There is no requirement for any Director's Company shareholding qualification.

Board policy is that the Board will constantly review and monitor its performance. As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the Board may seek to appoint persons who, in the opinion of the Board, will provide specialist expertise required for the Board to adequately perform its role.

5.4 Board Membership

Members of the Board have been brought together to provide a blend of qualifications, skills and national and international experience required for managing a company operating within the mining exploration industry.

5.5 Appointment and Retirement of Directors

The Constitution provides that Directors are subject to retirement by rotation, by order of length of appointment. Retiring Directors are eligible for re-election by Shareholders at the annual general meeting of the Company.

5.6 Duties of Directors

Directors are expected to accept all duties and responsibilities associated with the running of a public company, to act in the best interests of the Company and to carry out their duties and responsibilities with due care and diligence.

Directors are required to take into consideration conflicts when accepting appointments to other Boards. Accordingly, Directors wishing to accept appointment to other Boards must first seek approval from the Board, approval of which may not be unreasonably withheld.

5.7 Independent Professional Advice

The Board has determined that individual Directors may, in appropriate circumstances, engage outside advisers at the Company's expense. The engagement of an outside adviser is subject to the prior approval of the Board, which will not be unreasonably withheld.

5.8 Remuneration, Nomination and Diversity Policy

The maximum aggregate amount payable to Non-Executive Directors as Directors' fees has been set at \$2,000 per month exclusive of any GST or superannuation, if applicable. The Constitution provides that Director's fees can only be increased by resolution at a general meeting of its Shareholders.

Due to the size of the current Board, the Company has decided that the entire Board will be responsible for maintaining and reviewing the Company's remuneration, nomination and diversity policies and practices.

The Board will be responsible for reviewing and negotiating the compensation arrangements of senior executives and consultants.

5.9 Audit and Risk Policy

Due to the size of the current Board, the Company has decided that the entire Board will be responsible for maintaining and reviewing the Company's audit and risk practices.

5.10 Internal Management Controls

Control over the day to day operations of the Company will be exercised by the Company's Chief Executive Officer.

The Board also monitors the performance of outside consultants engaged from time to time to complete specific projects and tasks in the manner described in their respective engagements.

5.11 Identifying Significant Business Risks

The Board regularly monitors operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's Shares.

5.12 ASX Corporate Governance

Pursuant to the NSX Listing Rules for Issuers, the corporate governance disclosure obligations of the listed entity will be met with a "principled" rather than prescriptive approach. To this end the Issuer will formulate policies and policies on a self-reporting basis which are specific to its own circumstances and relevant to its adherence to the principles of good corporate governance.

Furthermore in relation to this issue of corporate governance, the listed entity will be guided and apply the principles as enunciated by the ASX Corporate Governance Council ("**CGC**") which was established for the purpose of setting an agreed set of corporate governance standards of best practice of Australian listed entities. The CGC released its Principles of Good Corporate Governance and Best Practice Recommendations 2nd Edition (**ASX Guidelines**) in August 2007 which will apply to the Company's financial statements upon listing on the NSX. The ASX Guidelines articulate eight (8) core principles that CGC believes underlie good corporate governance.

The information below outlines the main corporate governance policies of the Company which the Board has adopted as well as addressing in some detail the ASX Guidelines.

Before referring to the specific principles set out in the ASX Guidelines and the steps being taken by the Company to comply with those, the following factors should be noted:

- Each of the Directors dedicates considerable time and effort to the affairs of the Company. The Directors manage to do so within busy schedules for other work and business commitments and as a consequence, the principal focus of their endeavours (while operating within a sound base for corporate governance) must necessarily be promotion of the Company's activities and improving Shareholder value; and
- The Company is committed to adopting corporate governance policies commensurate with its business activities and as mentioned earlier has adopted a formal Corporate Governance Charter, setting out the roles and responsibilities of the independent committees described above.

It is within the above context that the Directors are establishing the appropriate processes to ensure that they are compliant with the ASX Guidelines on being admitted to the Official List, should that occur. In the context those Guidelines, the Directors make the following observations in relation to the Company's corporate governance status.

ASX Guidelines	Summary of the Company's position
Principle One <i>Lay solid foundations for management and oversight</i>	The Company's Directors are subject to contracts regulating their roles with the Company and management.
Principle Two <i>Structure Board to Add Value</i>	The Company's Directors have extensive public company experience and the Company is looking to complement the existing Directors with different skills and experience to enhance to Board.
Principle Three <i>Promote Ethical and Responsible Decision Making</i>	The Company has adopted: <ul style="list-style-type: none"> • Directors and Executive Officers Code of Conduct; • Share Trading Policy; and • Disclosure Policy.
Principle Four <i>Safeguard Integrity in Financial Reporting</i>	The Company's Directors will be responsible for management of the audit and financial reporting processes of the Company.
Principle Five <i>Make Timely and Balanced Disclosure</i>	The Company has defined, under its Share Trading Policy and Disclosure Policy, an internal protocol for the reporting of material information to Shareholders and the NSX.
Principle Six <i>Respect the Right of Shareholders</i>	The Company is committed to all Shareholders and stakeholders having equal and timely access to material information regarding the operations and results of the Company. The Company makes, and will continue to make, regular NSX announcements and make these available on its website.
Principle Seven <i>Recognise and Manage Risk</i>	The Board of Directors has under its role reviewing and ratifying systems of risk management and internal compliance and control.

Principle Eight <i>Renumerate fairly and Responsibly</i>	The Board of Directors has under its role reviewing and ratifying ratifying renumeration agreements and conditions for employees.
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6. INDEPENDENT GEOLOGISTS' REPORT



MINNELEX PTY. LTD.

GEOLOGICAL CONSULTING SERVICES & VALUATIONS

ABN 99 096 513 276

R. C. W. Pyper
Principal, Minnelex Pty Ltd
283 Huntingdale Street
Pullenvale, Qld 4069

Ph/Fx 07 33742443 M 04-19661342

10 November 2015

The Directors
Consolidated Africa Limited
(ACN 605 659 970)

INDEPENDENT GEOLOGICAL REPORT, THE OROM GRAPHITE PROJECT HELD UNDER EL1025

At the request of the directors of Consolidated Africa Ltd (CAL), Minnelex Pty Ltd (Minnelex) has prepared an Independent Geological Report (IGR) of the Orom Graphite Project EL1025, held by CAL for the purpose of listing on the National Stock Exchange of Australia (NSX). The company has confirmed that it has provided Minnelex with all available material information and that it will indemnify Minnelex for liability arising from its reliance on the information provided, or for available information not provided. A status report is available showing ownership and that the lease is in good standing.

Minnelex and Robert Pyper have prepared a wide range of Independent Expert and Specialist's reports relating to the requirements of the ASX and ASIC. A list of Minnelex Independent Reports is available.

The IGR has used the information provided in updates to the ASX since 31/12/2013 and in the technical report by Minrom South Africa, however no site visit for the assessment has been carried out and Minnelex has not carried out an independent check of the tenement status or agreements (if any) with landholders. The IGR has been carried out to be generally in accordance with the relevant requirements of the JORC Code 2012, and the Australian Securities and Investments Commission (ASIC) Regulatory Guides, 111 and 112. Regulatory Guide 111 provides guidance on how an expert can help security holders make informed decisions about transactions. Regulatory Guide 112 explains how ASIC interprets the requirement that an expert is independent of the party that commissions the expert report (commissioning party) and other interested parties. The JORC Code in this case covers guide lines for the reporting of Exploration Results.

The report has been prepared by R C W Pyper, BSc. FAusIMM, GAICD. Consultant Geologist.

Yours faithfully

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1. Introduction

CAL has acquired EL1025 and has an option over EL1173 located near Kitgum in Uganda covering a graphite project. In early 2014 the previous owners of the property (Discovery Africa Limited) ("DAF"), initially undertook a maiden exploration program on EL1025 and 29 pits tested the deposit. Preliminary exploration over the adjacent EL1173 has shown that it is along strike from EL1025 and contains similar graphitic horizons.

In 2015, Minrom South Africa conducted a much more comprehensive program on EL1025 to determine the graphite localities and distribution and to investigate the quality and layer thickness by drilling. The work included an initial mapping phase followed by six diamond drillholes.

Minrom's work indicated that three zones were present that contain graphite bearing units,

The zones vary in width on the surface from 150 metres (m) to an estimated 500m. Zones have an interpreted strike length of approximately 18km

- Zone 1 – 18 319m
- Zone 2 – 18 774m
- Zone 3 – 18 542m

The 184 samples (of a total 218) obtained a graphitic carbon content of > 5 wt. %.

- 68% of those samples were above 7 wt. % graphitic carbon with the highest grade attained of 15.1 wt. % graphitic carbon (from LODD01).
- On average a total of 56% of each drillhole has been classified and subsequently sampled as a graphite bearing unit. A relatively uniform good quality graphitic concentration was found throughout the graphite intersections.
- The intersection of the graphite bearing units confirmed the horizontal and vertical continuation of the layers, with individual graphite bearing units having down-hole widths that range between 8.0m to 37.9m, (close to true widths) and have a general dip of 70°.

Drilling and surface mapping has defined target* mineralisation of 1.7 Bt (billion tonnes) at a grade of about 8% graphitic carbon to a depth of 50m. The inferred continuous 18 km strongly indicates that the veins will also extend well below 50m the target is likely to increase significantly with further exploration. Extending the depth to 100 m would double the target size to 3,4 similar grade.

****Target:** A target is an estimate only, is conceptual in nature and is based preliminary testing results. There has been insufficient exploration to define a Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

2. Location

The tenements are located in the Orom district of northern Uganda. The site is located approximately 28km by road, northeast of the Orom and is accessible via gravel roads. The town of Orom is approximately 75km east of Kitgum in northern Uganda. The site is via the Kidepo-Gulu road from Orom to site. Travel time from to site is approximately two and a half hours.



Figure 2.1. Location of project

strike
depth and
Bt at
purely on
Mineral
Uganda.
town of
located
accessible
Kitgum

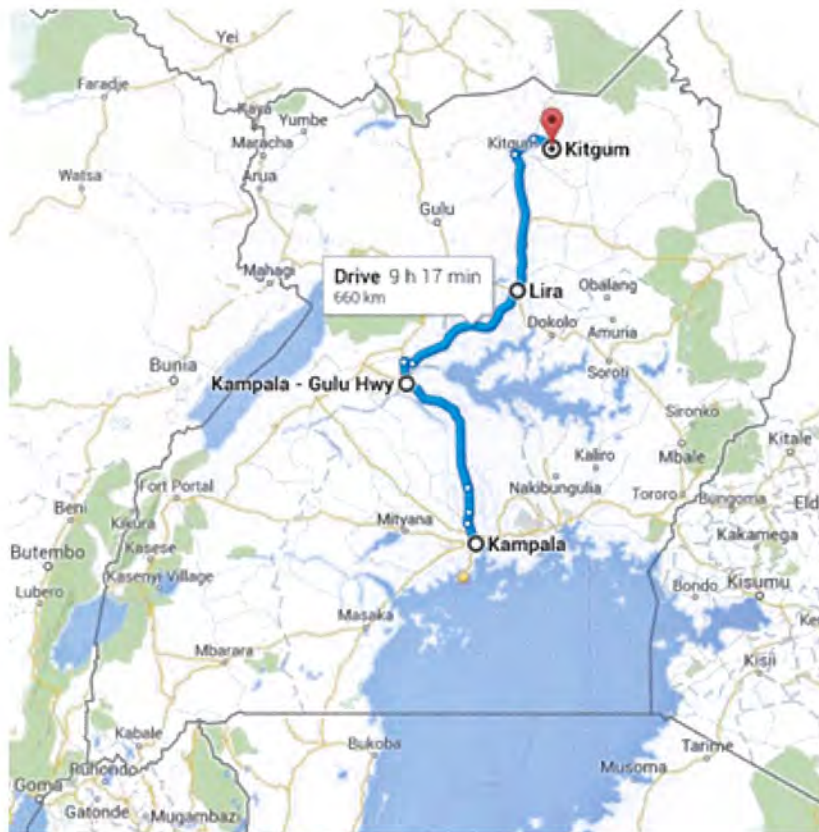


Figure 2.2. Orom Project Location

3. Property

EL1025 of 323sq km was granted on the 8/9/2012. Exploration Licence Renewal often requires the Relinquishment of 50% of the EL area however, 100% EL renewal was granted by the commissioner based on a site visit to review the current progress on the exploration programme at the time and has been renewed to 9 August 2017. It is held 100% by vendors Consolidated African Resources Ltd (Uganda), which has the rights to graphite and other minerals. An option is held over EL1173 which covers an area of 93.508 sq km.

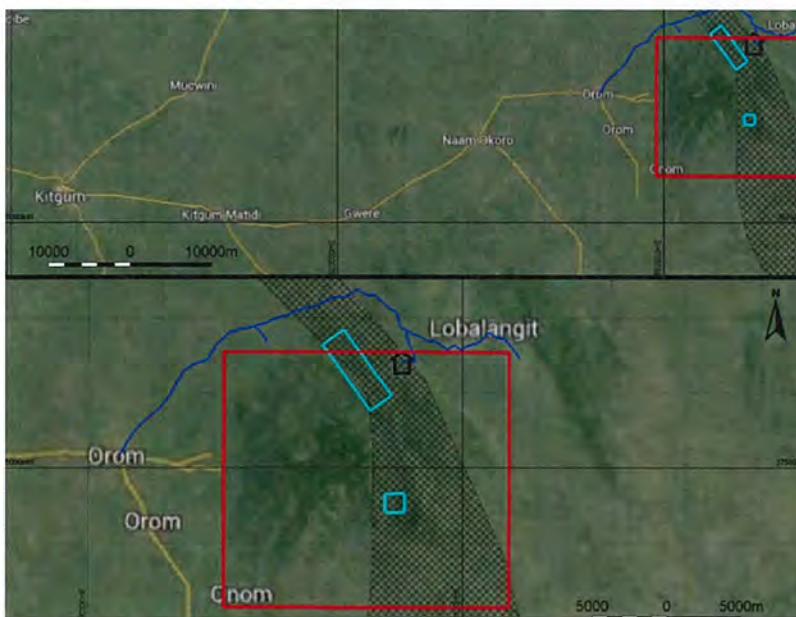


Figure3. 1. Orom Exploration Licence EL_1025 and Morton mapped areas

4. Historical Work

One borehole and some trenching was completed in 1969 which was carried out by the Department of Geological Survey, Entebbe. The deposit was observed to have an 18 km strike trending NNW which was traceable over 18 km with an expected width of 1 km. Minimum overburden was noted. Later on 29 pits were dug averaging 2.5 m

deep on three prospective areas which indicated a prospective zone extending 3.5 km along strike and 1.5 km wide within the 18 km graphite trend. Disseminated graphite is visible and 9 out of 16 samples collected by DAF averaged above 10% total graphitic carbon (TGC).

Pits were designed to sample across a small section of the known strike of the mineralisation.

5. Geology

The Orom graphite deposit is hosted within the Neoproterozoic West Karamoja Group (Morton, 1969) which consists of dominantly basic garnet-bearing granulites, and graphitic granulites. This Neoproterozoic group were thrust over the Neoarchean Amuru Group, consisting of gneisses and amphibolites, during the Pan-African Orogeny. Younger intrusive bodies are scattered throughout the area and are generally associated with the Okaka Suit and the Lamwo Suite intrusives.

The deposit is described as gneiss hosted flaky graphite. The mineralisation is hosted within rocks of Rom Mountain that are granulite or retrograde granulite facies, regionally metamorphosed rocks belonging to the Karamoja Group. The regional strike is to the NNW.

6. Drilling

Six (6) drillholes were drilled in the northern portion of the exploration license, each with a dip of 60 degrees. Assaying is completed and the results to date are summarised as follows:

- 184 samples (of a total 218) obtained a graphitic carbon content of > 5 wt. %,
- 68% of these were above 7 wt. % graphitic carbon,
- The highest grade was 15.1 wt. % graphitic carbon (from LODD01)
- A high number of graphite bands make up the graphite bearing units, and were intersected throughout the drilling program,
- On average a total of 56% of each drillhole has been classified and subsequently sampled as a graphite bearing unit,

A relatively uniform good quality graphitic concentration was found throughout the drillhole graphite rich intersections. Boreholes LODD 1, 5 and 6 were split out to determine high grade, medium grade and low grade intersections, the remainder three boreholes were optimised to sample the high grade first followed by the medium and low grade zones. The intersection of the graphite bearing units confirmed the horizontal and vertical continuation of the layers.

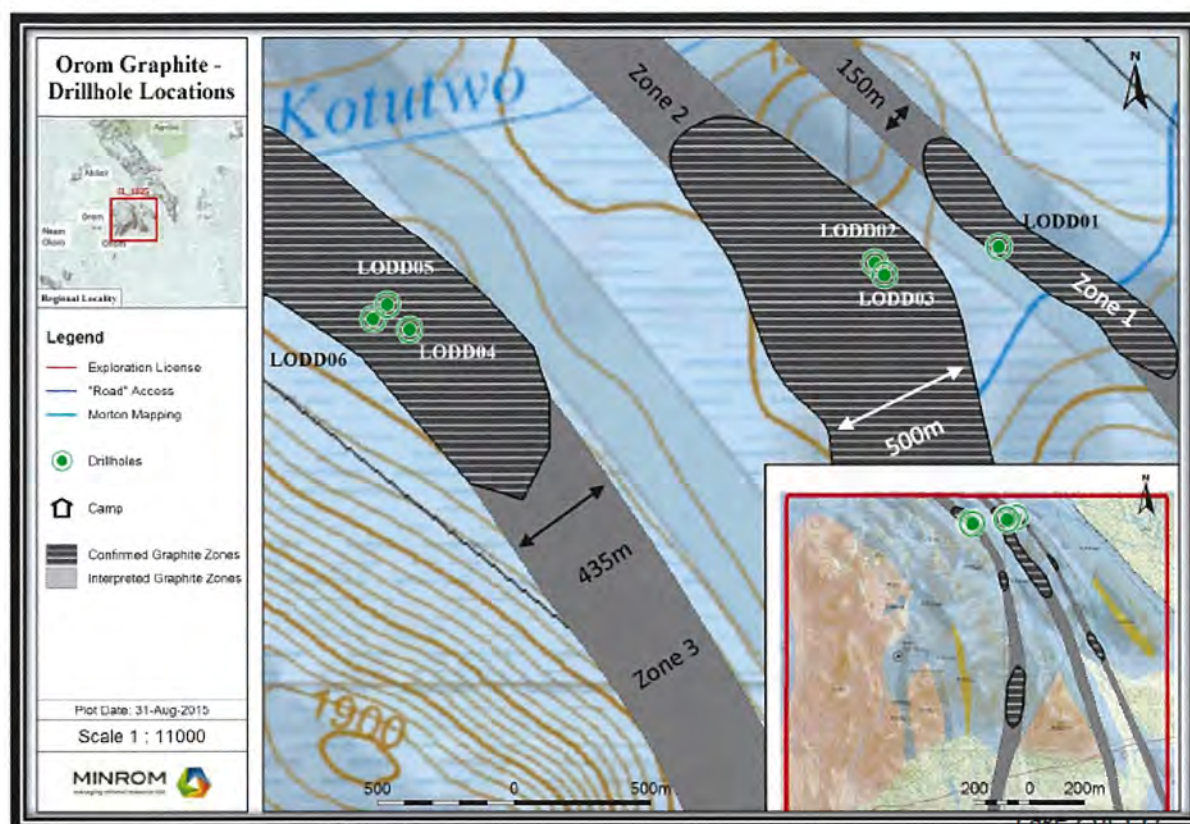


Figure 6.1 Location of drill holes

Table 6.1 Drill hole details

Hole_ID	Easting	Northing	RL	End-Depth	Azimuth	Inclination
LODD01	570557.0170	381585.9710	1307.0000	63.40	045°	-60°
LODD02	570101.9570	381527.9630	1323.0000	112.10	045°	-60°
LODD03	570136.9770	381483.0030	1312.0000	125.50	045°	-60°
LODD04	568402.0160	381284.9950	1414.0000	73.00	045°	-60°
LODD05	568319.9760	381376.0210	1414.0000	84.60	045°	-60°
LODD06	568267.0320	381324.0350	1414.0000	154.00	045°	-60°
Total Meters Drilled				612.6 m		

Table 6.2 Logged characteristics of graphitic horizons.

Lithology	Subdivision	Description
Graphitic Gneiss	High to medium grade Graphite Gneiss	Alternating layers of light and dark medium- to coarse-grained minerals. Dark bands contain dominantly ferromagnesian minerals with graphite whereas the light bands contain dominantly quartz and feldspars. The dark bands are well foliated, and contain thin graphitic stringers clustered into bands displaying lens-shaped textures around coarser grained quartz and feldspar nodules. The light bands consisting dominantly of medium- to coarse-grained quartz and feldspar with minor medium- to fine-grained ferromagnesian minerals displaying a granoblastic polygonal texture.
Graphitic Gneiss	Medium to low grade Graphite Gneiss	Similar banding observed as with the high- to medium-grade graphite gneiss but contains less graphite flakes and more ferromagnesian minerals. Bands alternate between light, medium grained quartz and feldspar, dark medium- to fine-grained ferromagnesian dominant with varied amount of graphite and dark greenish, fine grained, poorly-foliated amphibole and pyroxene dominant bands.

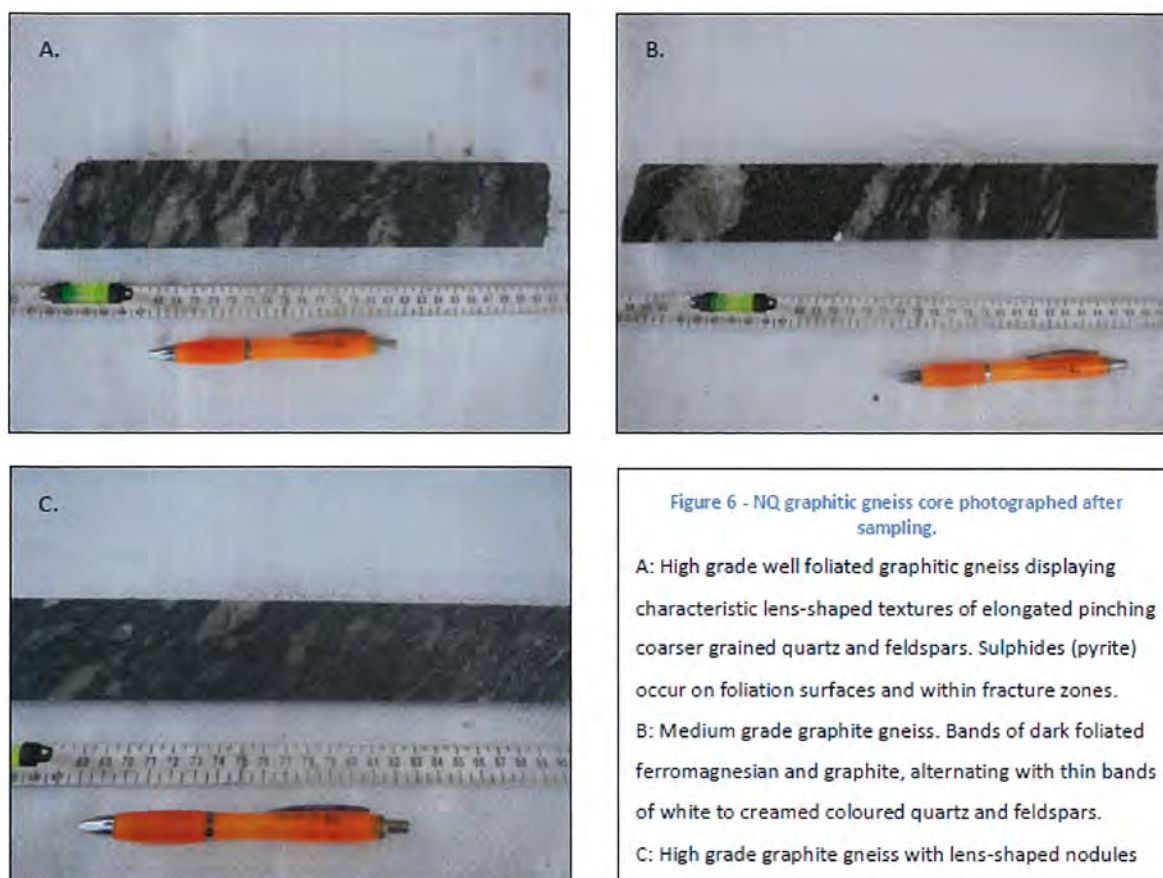


Figure 6.2 Graphitic gneiss in core

The sampling program was established based on identifying and sampling all the potential graphite bearing units intersected by each drillhole. All lithological units containing no potential graphite, copper, or zinc mineralisation were excluded from sampling program. Contacts between the graphite bearing gneisses, barren gneisses, amphibolites and quartzo-feldspathic bands were sharp and thus provided an optimal method for separation. On average approximately 56% of each drillhole was sampled and analysed for graphitic carbon. Sample interval length was set at one meter intervals

The sampling percentage of each drillhole is listed in the table below:

Table 6.3 Drill hole sampling percentages.

Hole_ID	Total Drillhole Depth (m)	Accumulated Sample Thickness (m)	% of drillhole sampled
LODD01	63.40	51.88	81.8
LODD02	112.10	51.40	45.9
LODD03	125.50	55.86	44.5
LODD04	73.00	41.81	57.3
LODD05	84.60	52.84	62.5
LODD06	154.00	70.54	45.8
Average			56.3

A typical cross section of the drilling is shown in Figure 8. The graphite bearing units are displayed in red with the barren and amphibolite units being displayed in yellow and green respectively. The rounded circles located within any of the lithologies indicates a unit comprised predominantly of rubble like

material. It can be seen that there are a number of graphitic bearing units that interfinger with the barren and amphibolite units. The alternation between unit types does not occur in a predictable pattern and tends to be randomised in most instances. Contacts between the different individual units are sharp and can easily be defined visually.

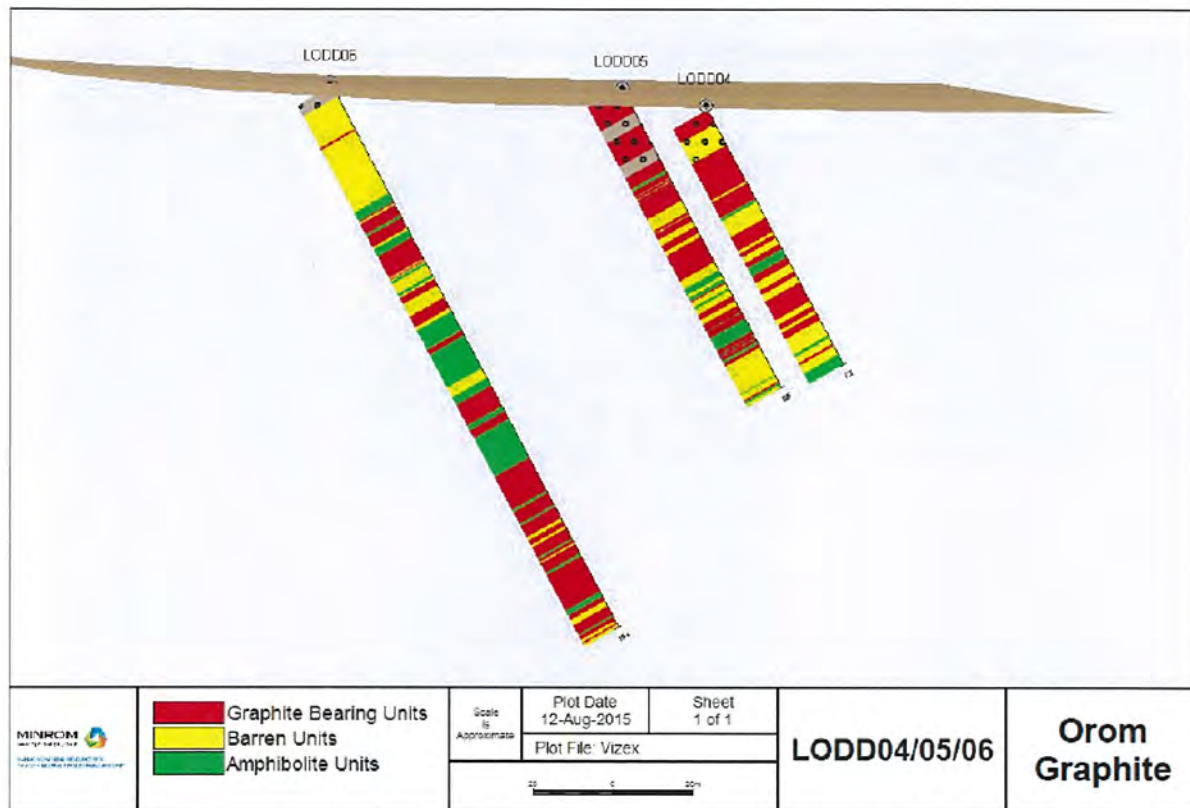


Figure 6.3 Cross-section LODD04/05/06

The assay results show that the graphite intersections, on average, maintain a relatively similar grade throughout the length of each hole with only slight variations present. In the upper portion of the drillhole, the graphite values have a slightly elevated concentration in relation to the lower portion of the drillhole. This can be seen by the number of samples in hole LODD05 which are above 7 weight % (wt%) graphitic carbon. In hole LODD01 all but one sample have a graphitic carbon content of above 7 wt%.

7. Graphite Quality

The assay results for all the submitted samples are displayed below in the following histogram (Figure 9).

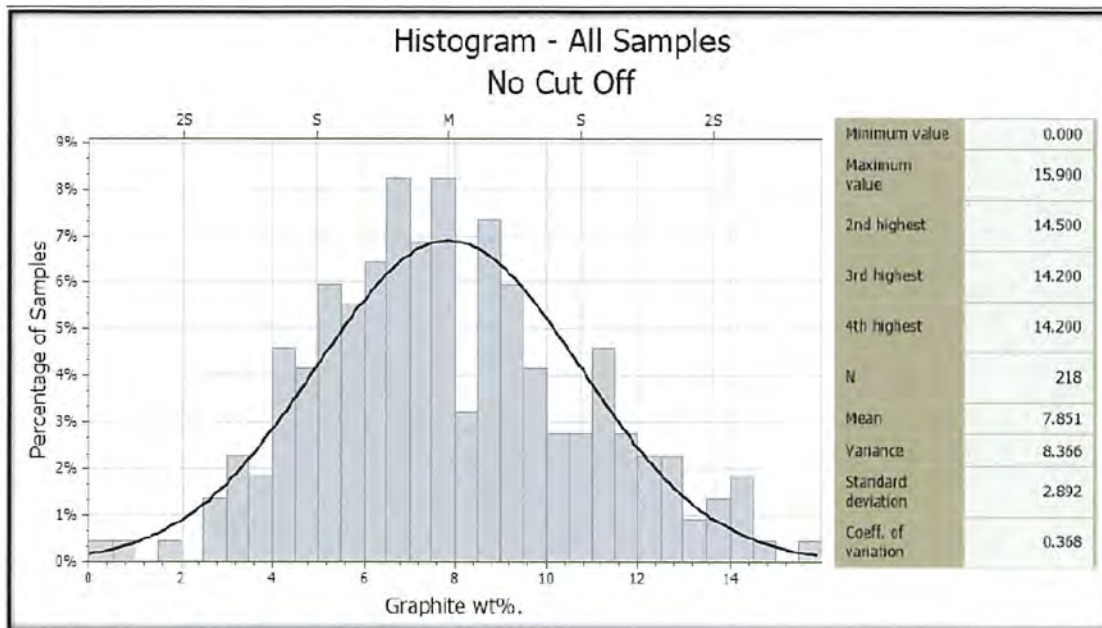


Figure 7.1 Histogram of all samples

The average grade 7.85% graphitic carbon with a maximum grade of 15.9% and a minimum of 0.025% graphitic carbon. The majority of the samples fall within the 4% to 8% graphitic carbon category with the bulk of the assay results being within one standard deviation of the mean.

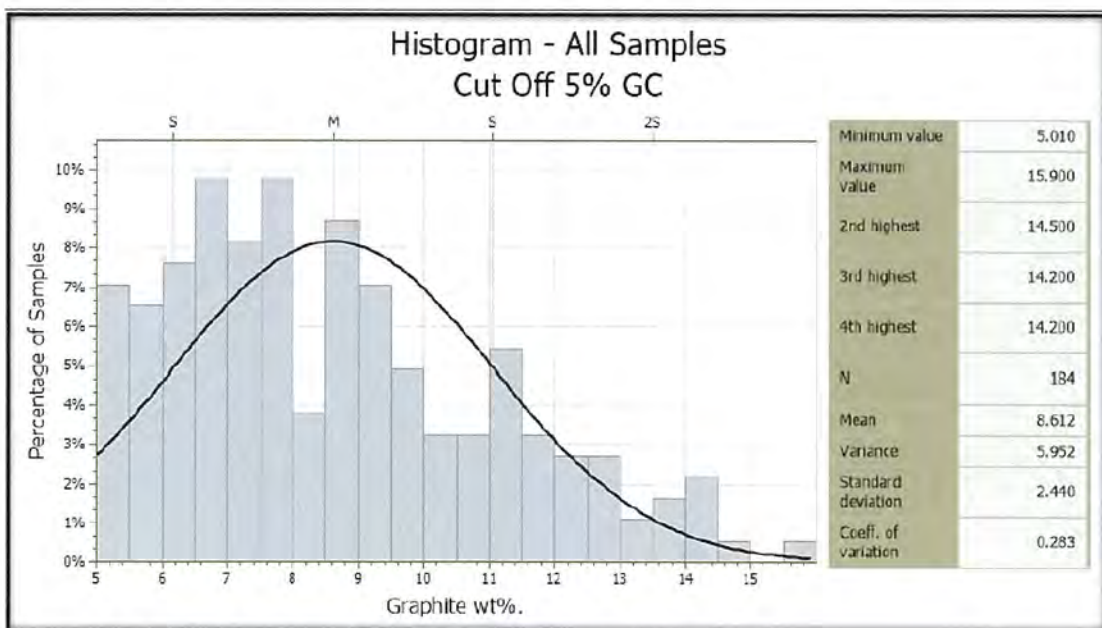


Figure 7.2 Histogram of all samples with 5% GC cut off

Using a 5% cut off the average grade increases to 8.61% graphitic carbon with 184 samples having graphitic carbon assay results above the cut-off grade.

8. Target Potential

Three zones were identified that contained graphite bearing units, varying in width from 150m to an estimated 800m, and on average approximately 170m. They have an interpreted strike length of approximately 18km. Drilling indicated that individual graphite bearing units have thicknesses that range between 8m to 37.9m (downhole thickness) with a general dip of 70°.

The exploration potential of the three graphitic horizons is shown in the table below to determine the conceptual tonnage to a depth of 50m. Currently there is insufficient exploration to define an Inferred Resource.

Table 8.1 Target* potential of main graphite zones to a depth of 50m

Zone ¹	Area ² x 1000	Volume ³ x 1000	SG	Mt	Internal waste	Target Mt
1	4,809	240,436	2.59	623	50%	300
2	9,606	480,307	2.73	1,311	50%	650
3	11,068	553,402	2.68	1,311	50%	750
Total						1,700 Mt[#]

Rounded

Zone¹ refers to the graphite bearing zones and represent areas where graphite mineralisation was observed during mapping. A minimum of one drillhole was drilled in each zone.

2 Deepest drillhole is LODD06 and was drilled in zone 3 to a depth of 154 metres.

3 Conservative estimated dilution, downhole drilling indicates a range of 13-50% internal dilution between graphite units within the graphite bearing zones.

**Target: A target is an estimate only, is conceptual in nature and is based purely on preliminary testing results. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

The Minimum case indicates a total of **1 709 Mt** of graphite rich material at a grade of 7.98% Graphitic Carbon. Extending the depth to 100 m would of course double the target size to **3,418 Mt** at similar grade.

9. Other graphite Projects Comparison

The conceptual tonnage estimates of the Orom Graphite project, which are based on potential target size only, were compared with a number of established graphite mines and projects around the world.

Orom's the exploration target tonnages suggest that it has good potential to develop a significant resource with further exploration but its final size is speculative. The weighted average graphitic carbon grade for the Orom graphite project is approximately 2% lower than that of Triton's and Syrah's projects, however it is still among the higher grades in comparison to projects in Madagascar, Tanzania, Alaska, Canada, and Malawi.

10. Metallurgy

Preliminary metallurgical flake size screening of three samples (two high grade and one medium grade) has indicated that the size distribution is as follows:

Table 9.1 Size distribution

Graphite Flake Size Distribution (Area %)			
Flake length class	M6152 (High Grade)	M6204 (Med-High Grade)	M6244 (High Grade)
+1.18mm	0	9.24	0
+850µm	21.64	7.96	36.30
+425µm	30.35	46.69	15.65
+212µm	27.42	17.72	31.41
+106µm	13.85	14.45	11.04
-106µm	6.73	3.94	5.59
Total	100	100	100

The graphite flake size distribution results in terms of the industry size fractions is tabled below:

Table 9.2 Flake classification

Graphite flake size distribution (Area %)				
Flake size classification	M6152	M6204	M6244	Flake Length Class (µm)
Jumbo flake	74.33	59.07	23.74	>300 µm
Large flake	14.60	17.10	14.07	180 µm - 300 µm
Medium flake	2.66	5.85	30.40	150 µm - 180 µm
Small flake	6.59	12.49	25.74	75 µm - 150 µm
Fine flake / Amorphous	1.82	5.49	6.05	<75 µm
Total	100.00	100.00	100.00	

Table shows that the majority of the graphite flakes occur within the large and jumbo size categories for samples M6152 and M6204 but in sample M6244, which had the highest grade, the graphite flakes occurred predominantly in the small and medium size fractions.

Beneficiation

Beneficiation differs slightly based on the type of natural graphite. “Low-grade graphite” generally refers to flake graphite, which has a natural grade of between 5-15% graphite, while “high-grade graphite” refers to vein graphite with natural grades of around 60-90%. Graphite has good floatability and is commonly concentrated by flotation.

11. Graphite; General Overview

Currently a select few countries contain the majority of the world’s graphite reserves. According to USGS (2014), the worlds inferred resources exceed 800 million tons of recoverable graphite. The most notable graphite projects and mining operations around the world are shown below:

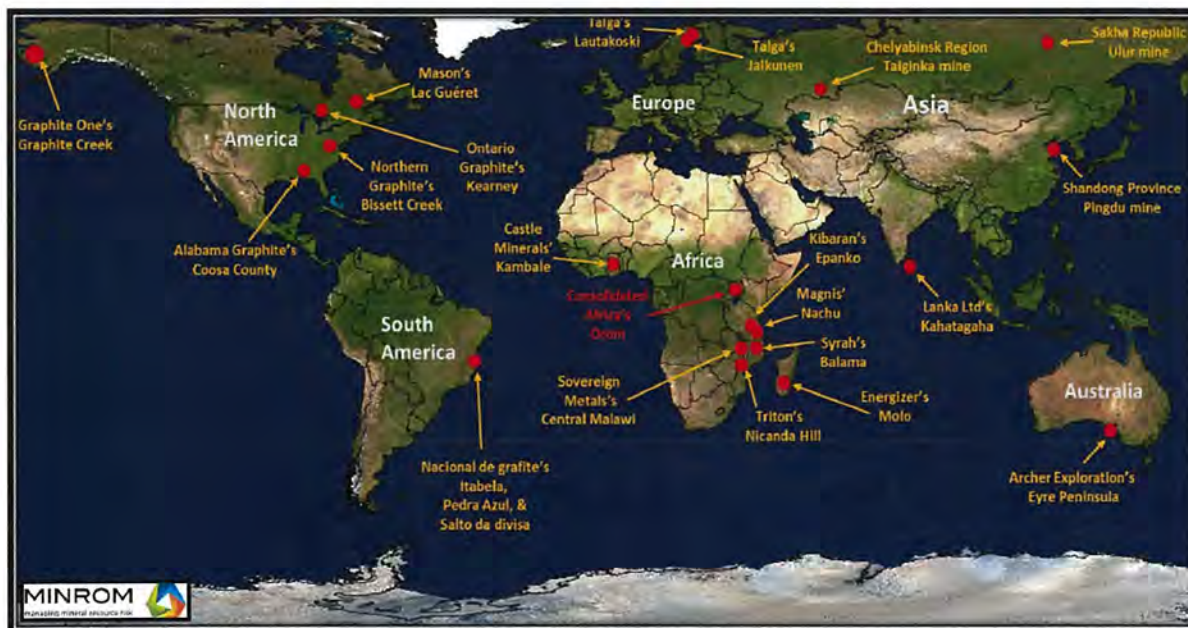


Figure11.1 Notable graphite occurrences around the world

Graphite, the hexagonal crystalline form of carbon, occurs naturally as disseminated crystal flakes in high-grade metamorphic rocks, as veins, and as microcrystalline ‘amorphous’ graphite associated with metamorphosed coal seams. Natural graphite is an important industrial mineral which finds applications in almost every facet of manufacturing including electronics, atomic energy, hot metal processing, friction, coatings, aerospace, powder metallurgy, etc. However not every form of natural graphite is suitable for every application to which natural graphite is applied. Differences in bulk and particle morphology, purity, and constraints on processing (grinding, screening, etc) make certain varieties more suitable for certain applications than others. Graphite is generally

classified into three types known as flake graphite, vein graphite, and amorphous graphite. These three types of natural graphite occur in distinct geologic environments.

The consumption of natural graphite by the various industries can be seen in the chart below, where the majority of natural graphite (irrespective of flake size) is used by the steel industry.

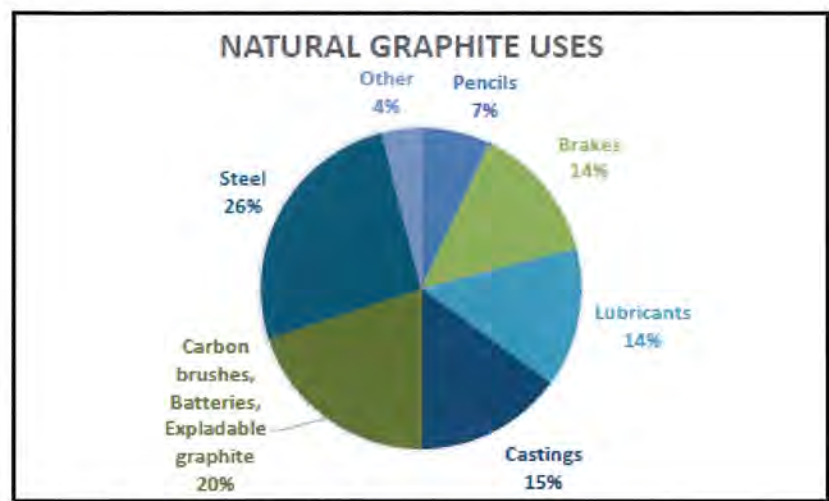


Figure 11.2 Graphite Industry usage

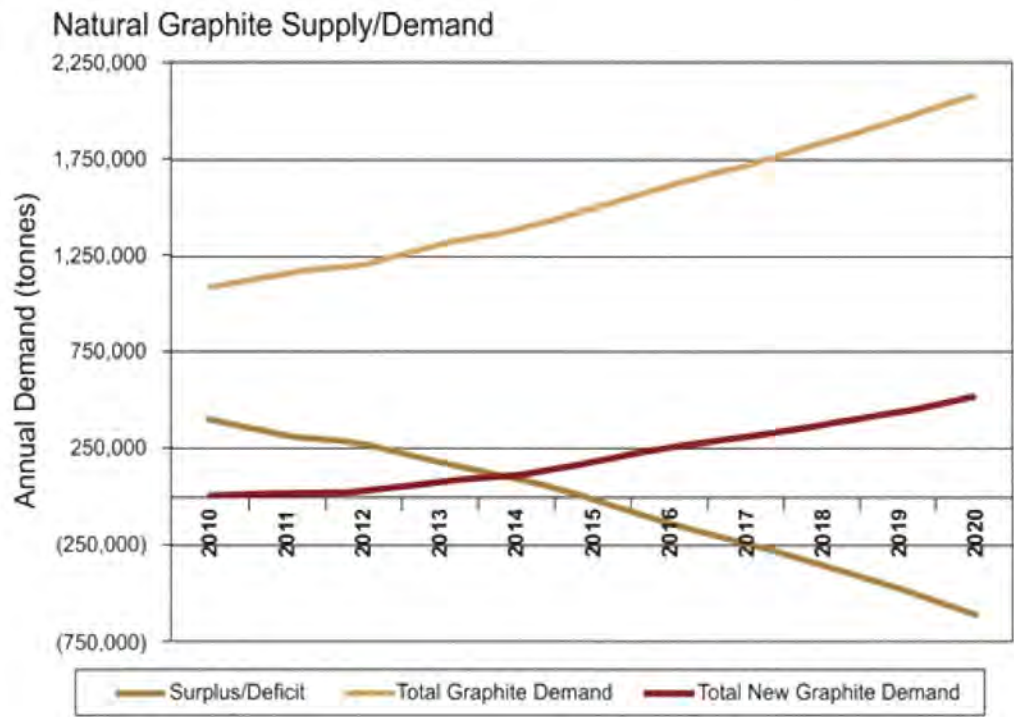


Figure 11.3 Supply/Demand graphs
Graphite producers

Worldwide the majority of natural graphite produced annually is by China, followed closely by India, Brazil, and Canada, respectively. China is by far the largest producer of natural graphite (Amorphous - 55 % and flake - 45 %).

Table 11.1 Major countries in worldwide graphite mine production from 2010 to 2014 (in 1 000 metric tons)

Country	2010	2011	2012	2013	2014
China	600	800	800	750	780
India	140	150	160	170	170
Brazil	76	73	110	95	80
Canada	25	25	25	20	30
Turkey	-	10	5	5	30
North Korea	30	30	30	30	30
Russia	-	-	-	14	14
Mexico	7	7	8	7	8
Zimbabwe	-	-	6	4	6
Ukraine	6	6	6	6	6
Madagascar	5	4	4	4	5
Sri Lanka	8	4	4	4	4
Norway	2	2	2	2	2

*Source USGS 2015

Graphite prices

Like uranium, there is a posted price for graphite which provides a guideline with respect to longer term trends but transactions are largely based on direct negotiations between the buyer and seller. Prices exceeded US\$1,300/t in the late 80s but crashed to US\$600-750/t in the 90s as Chinese producers dumped product on the market. During this period there was essentially no exploration and as a result there are very few projects in the development pipeline.

Graphite prices are a function of two factors, namely: flake size and purity, where the large flake (+80 mesh) with a high graphitic carbon content (+94%) commands a premium price. The industry standard for pricing of flake sizes is based on the following size fractions:

Market terminology	Microns	Mesh Size
Extra-large or Jumbo Flake	>300	+48
Large Flake	180 to 300	-48 to +80
Medium Flake	150 to 180	-80 to +100
Small Flake	75 to 150	-100 to +200
Fine Flake / Amorphous	<75	-200

Table 11.2 Market terminology for graphite flake sizes

Graphite prices did not start to recover until 2005 and have surpassed US\$1,300/t with premium product rumoured to be selling at close to \$3,000/t as the supply of large flake, high carbon graphite is tight. Price appreciation is largely a function of the commodity super cycle and the industrialization of emerging economies as new, high growth applications such as Li ion batteries have not yet had a substantial impact on demand and consumption. Graphite prices have still not yet experienced anywhere near the price appreciation of other commodities and graphite must still be considered an overlooked and undervalued commodity in the context of the current super cycle.

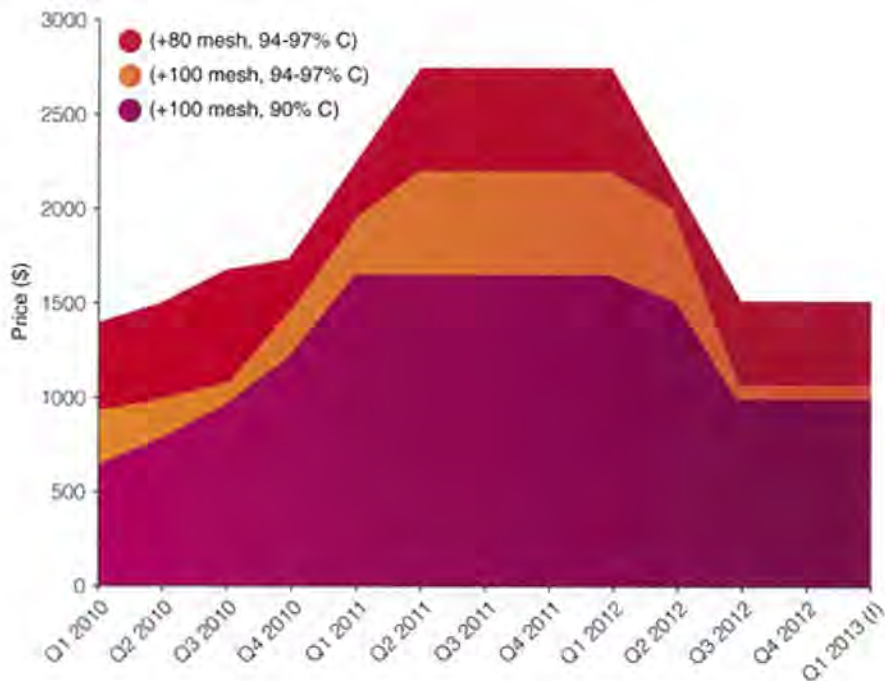
The flake graphite market today is around 500,000 tonnes a year, and the price is around \$3,000 for premium product making it roughly a +\$1.2 billion industry. But this figure is rising with growing demand. Flake graphite deposits are usually strata bound, with individual beds or lenses from 30 cm to more than 30 m thick and extend for lengths of 2 km or more. Ore bodies are normally tabular, occasionally lenticular, and occur locally as irregular bodies in the hinge zones of folds. Most economic deposits of flake graphite are of Archean to late Proterozoic age. These rocks may contain up to 90% graphite, although 10 - 15% graphite is a more typical ore body grade. Graphite flakes range in size from 1 to 25 mm, with an average size of 2.5 mm.

Prices are a function of flake size and purity with large flake (+80 mesh), 94% carbon varieties commanding premium pricing. In 2011, US\$ per tonne (94 - 97% Carbon) were:

- Large Flake - \$2,500 - 3,000 (+80 mesh)

- Medium Flake - \$2,200 - 2,500 (+100-80 mesh)
- Fine Flake - \$2,000 - 2,400 (-100 mesh)

Flake graphite price trend comparison



Source: Industrial Minerals Data

**Figure 11.4 Price trend comparison
Graphite Production**

The market for graphite now exceeds one million tonnes per year (“Mtpy”) of which 60% is amorphous and 40% flake. Only flake graphite which can be upgraded to 99.9% purity suitable for making Li ion batteries. The graphite market is almost as large as the nickel market (1.3 Mtpy), far larger than the markets for magnesium (429 Mtpy), molybdenum (180 Mtpy) or tungsten (55 Mtpy), and more than 50 times the size of the lithium or rare earth markets.

Spherical graphite is a high purity milled product of around 20 microns, used for the production of lithium ion batteries (used for everything from mobile phones to electric cars) which sells for around \$3500 per tonne. Research by the South Australian government has shown demand for large to jumbo flake graphite required for such products will continue to grow.

Market Development

Graphite production has held steady for several years at approximately 1.1 Mt as China appears to have reached the limit of its productive capacity and the commodity super cycle has used up excess supply. Since 2005 prices have tripled and graphite supply is tight on the world market (Lifton, 2012). The price appreciation of graphite is largely a function of the commodity super cycle and the industrialization of emerging economies as new, high growth applications such as Li-ion batteries are only beginning to have an impact on demand and consumption. Graphite prices have still not yet experienced the price appreciation of other commodities and graphite must still be considered an overlooked and undervalued commodity in the context of the current super cycle.

According to the United States Geological Survey (USGS, 2015) the worldwide demand for graphite has steadily increased throughout 2012, 2013, 2014, and into 2015.

U.S. automobile manufacturers predict that by 2020, they will require 93 000 tons of flake graphite for use as anode material to manufacture lithium-ion electric vehicle batteries. Advances in thermal technology and acid-leaching techniques that enable the production of higher purity graphite powders are likely to lead to

development of new applications for graphite in high-technology fields. Such innovative refining techniques have enabled the use of improved graphite in carbon-graphite composites, electronics, foils, friction materials, and special lubricant applications. Flexible graphite product lines, such as graphoil (a thin graphite cloth), are likely to be the fastest growing market. Additionally it is forecast that large-scale fuel-cell applications are being developed that could consume as much graphite as all other uses combined. (USGS, 2015).

Graphite demand is expected to dramatically increase during the next ten years, due in part to the increasing production of the Li-ion batteries. As a result, the question of graphite supply in the future has become a source of concern for the industry. Firstly, it is not sure if the current producers will be able to meet the expected future demand and secondly, China experiences a rapid growth in demand for raw material, causing changes in the world graphite supply. Although China is still an important graphite exporter (74% in 2008), it is expected that exports from the country will drop over the next decade (Feytis, 2010). It should, however, be taken into consideration that it is not easy as a newcomer to the graphite market, to enter the supply market.

According to Stormcrow (2014) there is strong reason to believe that the graphite market can tolerate the entry of at least 300 000 tonnes of new production by 2020. Even at these production levels, new entrants are likely to continue to make a profit as the prices for jumbo and large flake graphite is expected to grow rapidly.

12. 1 Proposed Exploration

In order to prove the lateral continuation of the rest of the graphitic zones across the inferred 18km strike, further drilling is required in conjunction with geophysical surveys of the total licence area. The estimations in the tables above are indicative, high level and conceptual assumptions. The quality characterization will be finalised once the remaining four (4) downhole assays have been obtained.

Initial work will include:

- Completion of the sample analysis by SGS South Africa and receiving of the final assay results,
- Incorporation of the results into the database,
- Correlation of the lithological units, horizontally and vertically, between the individual drillholes,
- Updating of the high level exploration tonnage estimation,
- Metallurgical test work will be performed on the medium to high grade samples,
- Report finalisation of the phase 1 exploration project.

Following this, geophysical analysis (EM) of the valley region within the licence area is recommended in conjunction with:

- Closer grid surveys of the anomalies to define drilling targets,
- Phase 2 drilling,
- Improvement of access,
- Upgrade camp and core yard facilities.

13. Proposed Budget

Two year budget –if minimum subscription achieved - \$700,000

	Year 1	Year 2
Geological Assessment	\$76,444	\$75,244
Administration	\$357,821	\$98,756
Total Costs of the Offer	\$91,735	-
Total	\$526,000	\$174,000

Two year budget – if Fully Subscribed Subscription achieved -\$1,500,000

	Year 1	Year 2
Geological Assessment	\$319,976	\$115,000
Drilling	-	\$220,000
Chemical Analysis	-	\$50,000
Supporting Services	-	\$80,000
Geophysics	\$78,338	-
Administration	\$357,821	\$185,000

Total Costs of the Offer		\$93,865	-
Total		\$850,000	\$650,000

Minnelex estimates that the proposed budget for year 1 will:

Provide sufficient information on the geology and mineralisation of the deposit to give much greater confidence on target grade and potential size

Minnelex estimates that the proposed budget for year 2 will:

Define the likely limits to the overall potential of the very large area currently under consideration to contain economic graphite.

Define the main area or areas in which infill drilling is warranted to move towards establishing an Inferred Resource.

If only the minimum capital is achieved, the company will limit its activities for geological work and engage in soil sampling, further trenching, geologic evaluation and modelling. Such work can be easily achieved in Uganda where field costs are very low.

14.

Qualifications and Experience

Minnelex is a geological consultancy, which has had considerable experience in the valuation of exploration properties. The person responsible for this report is:

R.C.W. Pyper. BSc. (geol.). GAICD. FAusIMM. Consulting Geologist

Mr Pyper is the Principal of Minnelex and is a geologist with 50 years of industry experience and 30 years of consulting practice in precious metals, base metals, coal, bauxite, gemstones, industrial minerals, iron ore, dimension stone and mineral sands.

Disclaimer of Interests

At the date of this report and currently, Minnelex does not have, nor has had any relationship with CAL other than as may have occurred as a result of providing consultancy services in the ordinary course of business. Minnelex and R C Pyper have neither relevant interest in, nor any interest in the acquisition or disposal of any securities of Consolidated Africa Ltd. Minnelex has no pecuniary or other interest that could be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the acquisition of the mineral interests of Consolidated Africa Ltd.

Neither Minnelex nor Mr Pyper has received or may receive any pecuniary or other benefits, whether direct or indirect or in connection with the preparing of this report other than normal consultancy fees based on fee time at normal professional rates plus out-of-pocket expenses. The fee charged for this report is \$4000.

Competent Person Statement

The report is based on and fairly represents information and supporting documentation originally prepared by Mr Brendon Cummins and released to the ASX on 19 February, 2014 (**Announcement**). Mr Cummins is a member of the Australian Institute of Geoscientists and qualifies as a competent person under the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (**JORC Code**). Mr Cummins is a Member of the Australian Institute of Geoscientists and is a Consultant to Consolidated Africa Ltd.

The details contained in this document that pertain to exploration results or estimates of mineral resources or ore reserves are based upon information (**Information**) compiled by Mr Robert Pyper. Mr Pyper is a Fellow of the AusIMM and is a Consultant to Consolidated Africa Ltd. Mr Pyper 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 2012 edition of the JORC Code. Mr Pyper has consented to the inclusion in the report of the matters based on the Information in the form and context in which it appears. CAL is not aware of any new information or data that materially affects the information in the Announcement and all assumptions and technical parameters underpinning the estimates in the Announcement continue to apply and have not materially changed.

Minnelex and Robert Pyper consent to the use of this IGR in the Prospectus.

15. References

Asbury Carbons

<http://asbury.com/materials/graphite/>

ASX submissions by Discovery Africa Limited:

31/12/13

22/1/14

28/1/14

7/2/14

19/2/14

www.discoveryafrica.com.au

Australian Mining 6 May 2015

<http://www.miningaustralia.com.au/features/the-new-australian-graphite-hub>

Bedford Graphite Project: <http://www.megagraphite.com/assets/files/newbedforddetailedsummary.pdf>

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http://www.minerals.dmitre.sa.gov.au/geological_survey_of_sa/commodities/graphite

Graphite One Resources: http://graphiteoneresources.com/investors/graphite_101/

Introduction to Natural Graphite:

<http://www.asbury.com/Natural-Graphite.html>

Stormcrow, Hykawy, J. & Chudnovsky, T., 2014. *Industry Report - Graphite*, s.l.: Stormcrow.

16. Glossary

Acid	A rock with high content of quartz
Amphibolites	A metamorphic rock consisting mainly of amphibole, especially the species hornblende and actinolite.
Archean	Geologic eon before the Proterozoic Eon, before 2.5 Ga (billion years), or 2,500 million years ago.
Facies	The character of a rock expressed by its formation and composition.
Feldspar	K, Na and Ca aluminium silicates
Gneiss	A foliated rock formed by regional metamorphism
Group	A lithostratigraphic unit, a part of the <i>geologic</i> record or rock column that consists of defined rock strata.
Granulite	A class of high grade metamorphic rocks of the <i>granulite</i> -facies that have experienced high-temperature and moderate pressure metamorphism.
Graphite	Soft native carbon, occurring in black to dark-gray foliated masses, with metallic lustre and greasy feel:
Hornblende	The most common mineral in the amphibole group, (CaNaAl,Fe,Ti) silicate, commonly green to black, found in igneous and metamorphic rocks .
Metamorphosed	Alteration of rocks by heat and pressure
Protolith	The original, unmetamorphosed rock from which a given metamorphic rock is formed. For example, the protolith of a slate is a shale or mudstone. Metamorphic rocks can be derived from any other rock and thus have a wide variety of protoliths.
Proterozoic	Period of Earth's history that began 2.5 billion years ago and ended 542.0 million years ago
Pyroxene	A group of important rock-forming inosilicate minerals found in many igneous and metamorphic rocks
Quartz	Crystalline silica.
Quartzo-felspathic	Rich in quartz and feldspar
Resource	A concentration of naturally occurring solid, liquid, or gaseous material in or on the Earth's crust in such form and amount that economic extraction of a commodity from the concentration is currently or potentially feasible. (Jaskula 2013: USGS Appendix C).
Resource Inferred	<p>That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.</p> <p>An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.</p> <p>An estimate of mineral resources made from geological evidence as defined by the JORC standard for reporting ore reserves and resources. Means a mineral resource inferred from drill holes or other sampling procedures where the lack of data is such that continuity cannot be predicted with confidence and the geological data may not be known with reasonable level of reliability.</p>
Retrograde	<i>Retrograde</i> metamorphism, the response of mineral assemblages to decreasing temperature and pressure.
Target	An estimate only, is conceptual in nature and is based purely on preliminary testing results. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

7. INVESTMENT SUMMARY

7.1 Introduction

The Company was incorporated on 5 May 2015 with the objective of taking advantage of the opportunity to continue the geophysical exploration, development and commercialization of a graphite mineral project in the Republic of Uganda, Africa.

A key component of the Company's business model is to exploit its current portfolio of tenements and licences for graphite exploration.

When considering the Company's offering it is important to have an understanding of the global graphite mining industry and the unique opportunity that it presents.

7.2 Background

The mining of graphite has become an integral part of global resources markets.

Graphite is a metallic mineral, composed entirely and occurring naturally in a crystallized form as elemental carbon. Graphite is a good conductor of heat and electricity. Having a naturally high lubricity and the highest natural strength of any known material, it also a light metal. Graphite is found in metamorphic rocks and can be found in igneous rocks.

Demand for graphite has increased globally since late 2009. The steady growth of demand for graphite since this period can be largely attributed to:

- Emergence of new developing economies and industries in China, India and Brazil;
- Restrictions placed on Chinese producers of Graphite that reduced supply of graphite; and
- Potential of use of graphite as graphine in technological advancements, such as solar cells, flexible electronics, flexible batteries and conductive films.

The Company has identified graphite exploration as an activity that is expanding and characterised for future growth.

7.3 Industry Analysis

Global Graphite Resource Industry

The global demand for graphite resources has rapidly increased due to the tightening of supply opportunities for the carbon based commodity graphite – due to a number of reasons:

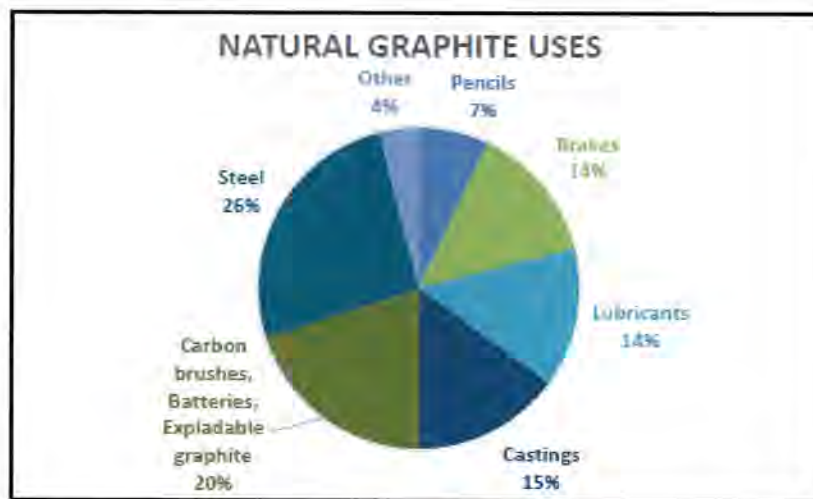
- New technologies demand for graphite
- Reduction on graphite exports by China

The Company has identified that future demand for the commodity will only increase due to its use in high level technologies and strategic applications such as electronics, ceramics, computers and super-high strength composites which are used increasingly in aircraft and automotive manufacturing. Its use is expanding with a myriad of applications including but not limited to its application as a replacement for silicon in semi-conductors, replacing carbon-fibres in composite materials, and its use to increase the efficiency in electric batteries. In considering the breadth of this commodity in today's high – tech world, the Company has identified an opportunity to seek and identify commercially viable graphite resources.

The use of graphite and the limited number of world produces is further examined and displayed following extract from the Independent Geologists Report:

"Graphite, the hexagonal crystalline form of carbon, occurs naturally as disseminated crystal flakes in high-grade metamorphic rocks, as veins, and as microcrystalline 'amorphous' graphite associated with metamorphosed coal seams. Natural graphite is an important industrial mineral which finds applications in almost every facet of manufacturing including electronics, atomic energy, hot metal processing, friction, coatings, aerospace, powder metallurgy, etc. However not every form of natural graphite is suitable for every application to which natural graphite is applied. Differences in bulk and particle morphology, purity, and constraints on processing (grinding, screening, etc) make certain varieties more suitable for certain applications than others. Graphite is generally classified into three types known as flake graphite, vein graphite, and amorphous graphite. These three types of natural graphite occur in distinct geologic environments.

The consumption of natural graphite by the various industries can be seen in the chart below, where the majority of natural graphite (irrespective of flake size) is used by the steel industry.



Worldwide the majority of natural graphite produced annually is by China, followed closely by India, Brazil, and Canada, respectively. China is by far the largest producer of natural graphite (Amorphous - 55 % and flake - 45 %)."

(Source: R Pyper, Minnelex Pty Ltd Report dated 30 October 2015)

Looking forward, the Company and its management team are of the view that it may be in a position to exploit the commercial opportunities in identifying graphite resource deposits and the limited number of producers.

7.4 Project

Orom Project

In line with the principal activity of the Company, the Company's efforts and commercial business are directed to the project of graphite exploration made possible by the Exploration Licence 1025. The Licence gives the Company a permit to map, traverse and explore the area marked in the licence. The Company has successfully renewed the Licence and it is valid until 9 August 2017. The area is contained in the Kitgum district of Northern Uganda. Covering approximately 323 square kilometres, surface-mapping of the area had commenced in May 2015. From this mapping phase, the Company determined with reference to both experts and locals of the area, that graphite bearing formations were predominantly hosted within the project area.

The Directors have prepared a cash flow forecast which indicates that the company will have sufficient cash flows to meet minimum operating overheads and committed exploration expenditure,

Exploration History

The area had undergone pitting, trenching and drilling of one borehole from a previous exercise carried out by the Department of Geological Survey and Mines, Entebbe.

Early in 2014, a field trip was carried out by Discovery Africa Limited (“DAF”) on the exploration area (the subject of EL1015) which is prospective for graphite. Twenty eight exploration pits (trenches) were dug by local labourers and graphite was reported by DAF along an 18km strike.

DAF, in their ASX announcement on 19 February 2014, refer to sample trench results of up to 25.3% graphite with 9 out of 16 samples containing above 10% total graphitic carbon.

Visible graphite cited during the recent field trip along at the 18km, 1pm wide graphitic trend.

The project exhibits scale potential as it is largely open within the tenement and has not been drill tested to determine depth extents.

Proposed Budget and Expenditure for the Orom Project

The range proposed was \$700,000 to \$1,500,000 capital raising is as follows:

Two year budget –if minimum subscription achieved - \$700,000

	Year 1	Year 2
Geological Assessment	\$76,444	\$75,244
Administration	\$357,821	\$98,756
Total Costs of the Offer	\$91,735	-
Total	\$526,000	\$174,000

Two year budget – if Fully Subscribed Subscription achieved -\$1,500,000

	Year 1	Year 2
Geological Assessment	\$319,976	\$115,000
Drilling	-	\$220,000
Chemical Analysis	-	\$50,000
Supporting Services	-	\$80,000
Geophysics	\$78,338	-
Administration	\$357,821	\$185,000
Total Costs of the Offer	\$93,865	-
Total	\$850,000	\$650,000

7.5 Business Model & Opportunity

The business model of the Company has been designed to exploit the early stage of growth in the graphite mining industry. The Company will provide assistance, operation support and administration of the exploration in tenements focusing on graphite discovery, exploitation and commercialisation. The Company intends that the tenements and the access to those tenements granted by the licences of the Company will facilitate future investor returns.

A key component of the Company’s business focus at this stage is to exploit EL 1025 and identify future tenements for exploitation.

With respect to the Company’s acquisition of tenements, the Company envisages that it will seize on the opportunity to target locations and tenements where graphite exploration has not been undertaken or undertaken by businesses with limited resources to capitalize on the deposits.

The Board of Directors in the Company are of the view that their experience and expertise in mining, business development, coupled with their considerable networks in mining, corporate finance and investment finance ill place the Company in good stead to secure mining licences soon after the Company’s listing on the NSX. Whilst the size, nature and duration of the licences of tenements cannot be predicted at the date of this Prospectus, the Company is confident that it will be successful in its endeavours in procuring tenement licences.

7.6 Company's Revenue Model

The Company envisages that it will not generate a revenue stream in the foreseeable future.

7.7 Tenement Acquisition Strategy

The Company's will seek to acquire tenement licences in Africa to investigate, exploit and capitalize on graphite deposits.

The Company seeks to invest in these licences as to aid the growth of the business and will regularly look to acquire more licences that will grow the Company's tenement licence portfolio. In such instances, the extent of direct investment for the leasing or purchases of any such licences is likely to vary on a case to case basis but will generally be limited to the amount necessary for the Company to acquire an interest in the preliminary discovery of graphite.

The Ugandan Exploration Licence /Permit (EL) 1025 poses such an opportunity for the Company. EL 1025 is owed by Consolidated African Resources (Uganda) Ltd (Registration no: 133327). In pursuing its Tenement Acquisition Strategy, the Company has considered, ratified and entered into a Share Sale Agreement to acquire the entire share capital of Consolidated African Resources (Uganda) Ltd so that the Company may capitalize on the benefits of EL 1025. Further detail with respect to transaction can be found in Section 12 of this Prospectus.

7.8 Risks to the Business model

The success of the Company's business is dependent on the successful implementation of its business model, however a plethora of factors may adversely impact the Company's business and financial position. In addition, the Company's value proposition may also be impacted by reason of its relation on key personnel to execute its business model and activities.

Such key risks to the business model are:

- General risks – e.g. changes in law and legislation;
- Key assets located in a foreign jurisdiction;
- Geo-political issues;
- Operating risks;
- Resource estimation;
- Global demand for commodities;
- Demand for graphite.

Accordingly, the Company's value proposition may be effected and impacted by these circumstances and risks.

The Company has identified additional risks which may affect your investment to the Company. Please refer to Section 11 of this Prospectus for further details.

8. FINANCIAL INFORMATION

8.1 Introduction

The financial information for the Company ("**Financial Information**") contained in this Section 8 includes:

- pro-forma consolidated historical balance sheet as at **31 August 2015** "**Pro-forma financial information**"; and
- key accounting policies of the Company relevant to the Financial Information.

All amounts presented in this Section 8 are presented in Australian dollars unless otherwise noted.

8.2 Basis of Preparation & Presentation of Financial Information

The Financial Information has been reviewed by **Connect Audit Chartered Accountants** ("**Connect Audit**") as set out in the Investigating Accountant's Report ("**IAR**") in Section 9 of this Prospectus. Applicants should note the scope and limitations of the IAR (Refer to Section 9).

The Financial Information included in this Section 8 has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act. The Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures, statements or comparative information as required by Australian Accounting Standards as applicable to annual financial reports prepared in accordance with the Corporations Act. A summary of the key accounting policies of the Company relevant to the Financial Information are set out in Section 8.4.

1 Basis of Historical Financial Information

The Pro-forma Historical Balance Sheet has been derived from the following information:

- the reviewed financial statements of Consolidated Africa Limited for the year ended **31 August 2015**
- the impact of pre-Offer capital raisings undertaken by the Company;
- the impact of the Offer; and
- the impact of other material transactions which have taken place subsequent to **31 August 2015** and up to the date of this Prospectus including the acquisition of investments.

Where indicated above, the reviewed financial statements of the Company for the year ended **31 August 2015** have been reviewed by Connect Audit.

STATEMENT OF COMPREHENSIVE INCOME OR PROFIT AND LOSS

Set out below is the consolidated statement of comprehensive income for Consolidated Africa Limited for the 26 days and 3 month period ended 31 August 2015 with the proforma statement of comprehensive income for the 26 days and 3 month period ended 31 August 2015 based on the proforma assumptions in Section 9.3 (Note 2).

	Reviewed Historical 31/08/15	Reviewed Proforma Minimum 31/08/15	Reviewed Proforma Maximum 31/08/15
Interest Received	-	-	-
Other Income	-	-	-
Administration Expenses	(11,018)	(11,018)	(11,018)
Loss for the period before tax	(11,018)	(11,018)	(11,018)
Income tax benefit	-	-	-
Other comprehensive income	(11,018)	(11,018)	(11,018)

	-	-	-
Total comprehensive income for the period	(11,018)	(11,018)	(11,018)

The Statement of Comprehensive Income should be read in conjunction with the Notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Set out below is the consolidated statement of financial position for Consolidated Africa Limited as at 31 August 2015 with the proforma statement of financial position as at 31 August 2015 based on the proforma assumptions in Section 8.3 (Note 2).

	Note	Reviewed Historical 31/08/15	Reviewed Proforma Minimum 31/08/15	Reviewed Proforma Maximum 31/08/15
Current Assets				
Cash and cash equivalents	3	1,511	470,887	1,268,757
Trade and other receivables		912	912	912
Total Current Assets		2,423	471,799	1,269,669
Non-Current Assets				
Plant and equipment		-	-	-
Bonds and deposits		-	-	-
Exploration expenditure		481,922	1,755,758	1,755,768
Total Non-Current Assets		481,922	1,755,758	1,755,768
Total Assets		484,345	2,227,557	3,025,427
Current Liabilities				
Trade and other payables		512,173	-	-
Total Current Liabilities		512,173	-	-
Total Liabilities		-	-	-
Net Assets		(27,828)	2,227,557	3,025,427
Equity				
Issued capital	4	(16,810)	2,238,575	3,036,445
Option reserve		-	-	-
Retained earnings/(Accumulated losses)		(11,018)	(11,018)	(11,018)
Total Equity		(27,828)	2,227,557	3,025,427

The Statement of Financial Position should be read in conjunction with the Notes.

8.3 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND THE STATEMENT OF FINANCIAL POSITION

8.3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the measurement and recognition (but not all disclosure) requirements of applicable Australian Accounting Standards. The financial information is presented in abbreviated form insofar as it does not comply with all disclosure requirements set out in the Australian Accounting Standards and Interpretations and the Corporations Act 2001. Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards ("AIFRS").

The financial information has been prepared on the basis of historical cost and on a going concern basis. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated. In the view of the Directors of

Consolidated Africa Limited, the omitted disclosures provide limited relevant information to potential investors.

The following significant accounting policies have been adopted in the preparation and presentation of the historical and pro forma financial information (collectively referred to as the “financial statements”):

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation

b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest Revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination

d) Exploration and evaluation expenditure

Exploration and evaluation costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where the right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities are continuing in the area of interest and activities have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Where an area of interest is abandoned, any accumulated costs in respect of that area are written off in the financial period the decision is made.

e) Trade and other payables

Trade and other payables are stated at cost.

f) Trade and other receivables

Receivables are stated at their costs less impairment losses. Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

h) Impairment

The carrying amounts of the consolidated entity's assets, other than deferred tax assets (see accounting policy (c)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as follows:

The recoverable amount is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) Acquisition of assets

All assets acquired, including property, plant and equipment, are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value, except where the notional price at which they could be placed in the market is a better indication of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

j) Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

k) Share Capital Issue Transaction Costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

m) Critical Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report of the Company based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the business.

Key Estimates – Valuation of Capitalised Exploration Costs

No impairment testing has been recognised in respect of exploration expenditure capitalised at reporting date as the exploration activities are at an early stage and no indicators of impairment have arisen at the reporting date or since.

8.3.2 ASSUMPTIONS USED IN PREPARING THE PRO FORMA STATEMENT OF COMPREHENSIVE INCOME AND THE STATEMENT OF FINANCIAL POSITION

The pro forma statement of financial position for Consolidated Africa Limited as at 31 August 2015 has been prepared as if the following transactions have taken place at that date:

- The issue of 13,657,952 Seed Capital shares at a deemed issue price of \$0.0375 (3.75 cents) per share, in relation to the satisfaction of previous liabilities.
- The issue of 1,080,000 shares at a deemed issue price of \$0.05 (5 cents) per share, in relation to the satisfaction of geological services rendered.
- The issue of 559,470 shares at a deemed issue price of \$0.10 (10 cents) per share, in relation to the satisfaction of geological services rendered.
- The issue of 10,250,000 shares at a deemed issue price of \$0.10 (10 cents) per share, and payment of US\$100,000 in relation to the satisfaction of acquisition costs for exploration licences as noted in Section 13.2 and 13.3.
- The minimum issue of 7,000,000 fully paid shares at a price of \$0.10 to raise \$700,000. The maximum issue of 15,000,000 fully paid shares at a price of \$0.10 to raise \$1,500,000.

- The payment and recognition directly in equity, as a reduction of the share proceeds received, the total cost expected to be incurred in connection with the Prospectus of approximately \$91,735 for the minimum raise and \$93,865 for the maximum raise.

8.3.3 CASH AND CASH EQUIVALENTS

	Reviewed Historical 31/08/15	Reviewed Proforma Minimum 31/08/15	Reviewed Proforma Maximum 31/08/15
Cash at bank and on hand	1,511	1,511	1,511
Adjustments arising in the preparation of the pro forma cash balance are summarised as follows:			
Proceeds from shares issued pursuant to capital raising	-	700,000	1,500,000
Payments for acquisition costs of exploration licences (US\$100,000 at a conversion rate of 0.72 cents)	-	(138,889)	(138,889)
Payment of capital raising	-	(91,735)	(93,865)
	1,511	470,887	1,268,757

8.3.4 ISSUED CAPITAL

Issued Capital	224	224	224
Adjustments arising in the preparation of the pro forma issued capital balance are summarised as follows:			
Issue of seed capital	-	512,173	512,173
Issue of shares for satisfaction of services rendered	-	109,947	109,947
Issue of shares for vendors	-	1,025,000	1,025,000
Issue of shares pursuant to the capital raising	-	700,000	1,500,000
Share issue expenses	(17,034)	(108,769)	(110,899)
	(16,810)	2,238,575	3,036,445

Shares on Issue

	No. of shares	No. of shares	No. of shares
Issued Capital as at 31 August 2015	22,000,003	22,000,003	22,000,003
Adjustments arising in the preparation of the pro forma issued capital balance are summarised as follows:			
Issue of seed capital shares	-	13,657,952	13,657,952
Issue of shares for satisfaction of services rendered	-	1,639,470	1,639,470
Issue of shares for vendors	-	10,250,000	10,250,000
Issue of shares at \$0.10 pursuant to this Prospectus	-	7,000,000	15,000,000
	22,000,003	54,547,425	62,547,425

8.3.5 DIRECTOR'S REMUNERATION

For details on director's remuneration refer to Section 13.8 of the prospectus.

8.3.6 COMMITMENTS

For details of capital expenditure commitments refer to Section 10 of the prospectus

8.3.7 SUBSEQUENT EVENTS

Other than the above, no matter or circumstance has arisen since the date of this report which has significantly affected, or may significantly affect, the operations of the entity, the results of those operations or the state of affairs of the entity in future financial years.

9. INVESTIGATING ACCOUNTANT'S REPORT



Level 13,
636 St Kilda Road,
Melbourne,
VIC 3004

Tel: +613 8508 7800
Web: www.connectaudit.com.au

November 10, 2015

The Board of Directors
Consolidated Africa Limited
6 ASCOT AVENUE,
AVOCA, NSW 2577

Dear Sirs

Investigating Accountant's Report for Consolidated Africa Limited

Introduction

We have prepared this Investigating Accountant's Report ("Report") at the request of the Directors of CONSOLIDATED AFRICA LIMITED ("CAL") for inclusion in a Replacement Prospectus dated November 10, 2015 relating to the proposed issue by the Company of a minimum of 7,000,000 shares and up to 15,000,000 shares at an issue price of \$0.10 each to raise a minimum of \$700,000 and up to \$1,500,000 before the costs of the issue (the "Replacement Prospectus").

Expressions defined in the Replacement Prospectus have the same meaning in this report.

This report has been prepared for inclusion in the Replacement Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

Basis of Preparation

This report has been prepared to provide investors with information on the Historical and Pro forma Financial Information as detailed in the scope below. The Historical and Pro forma Financial Information is presented in an abbreviated form in this report and does not include all of the disclosures required by Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

This report does not address the risks associated with the investment in the shares to be issued in accordance with the Replacement Prospectus nor the risks associated with the investment and has been prepared based on the Offer being achieved. Connect Audit has not been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, have not done so. Connect Audit accordingly takes no responsibility for these matters or for any matter or omission in the Replacement Prospectus, other than responsibility for this report.



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Scope

You have requested Connect Audit to perform a limited assurance engagement in relation to the pro forma and historical information described below and disclosed in the Replacement Prospectus.

The pro forma and historical financial information is presented in the Replacement Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma and Historical Financial Information

You have requested Connect Audit to perform a limited assurance engagement in relation to the pro forma and historical financial information (the "Pro Forma and Historical Financial Information") of Consolidated Africa Limited included in the Replacement Prospectus:

- The reviewed historical Statement of Financial Position as at 31 August 2015.

The proforma statement of financial position for Consolidated Africa Limited as at 31 August 2015 has been prepared as if the following transactions have taken place at that date:

- The issue of 13,657,952 Seed Capital shares at a deemed issue price of \$0.0375 (3.75 cents) per share, in relation to the satisfaction of previous liabilities.
- The issue of 1,080,000 shares at a deemed issue price of \$0.05 (5 cents) per share, in relation to the satisfaction of geological services rendered.
- The issue of 559,470 shares at a deemed issue price of \$0.10 (10 cents) per share, in relation to the satisfaction of geological services rendered.
- The issue of 10,250,000 shares at a deemed issue price of \$0.10 (10 cents) per share and payment of US \$ 100,000, in relation to the satisfaction of acquisition costs for exploration licences as noted in Section 13.2 and 13.3.
- The minimum issue of 7,000,000 fully paid shares at a price of \$0.10 to raise \$ 700,000. The maximum issue of 15,000,000 fully paid shares at a price of \$0.10 to raise \$1,500,000.
- The payment and recognition directly in equity, as a reduction of the share proceeds received, the total costs expected to be incurred in connection with the Replacement Prospectus of approximately \$91,735 for the minimum raise and \$93,865 for the maximum raise.



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The Pro Forma and Historical Financial Information has been derived from the historical financial information of Consolidated Africa Limited, after adjusting for the effects of pro forma adjustments described in section 9.4.2 of the Replacement Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 9.2 of the Replacement Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information.

Due to its nature, the Pro Forma and Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

The Pro Forma Financial Information has been compiled by Consolidated Africa Limited to illustrate the impact of the event(s) or transaction(s) described in Section 9.4.2 of the Replacement Prospectus on Consolidated Africa Limited's financial position as at 31 August 2015.

Directors Responsibility

The directors of Consolidated Africa Limited are responsible for the preparation and presentation of the Pro Forma and Historical Financial Information, including the selection and determination of pro form adjustments made to the historical financial information and included in the Pro Forma Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Pro Forma and Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the Pro Forma and Historical Financial Information, based on our limited assurance engagement. We have conducted our engagement in accordance with the Standard on Assurance Engagement, *ASAE 3000 Assurance Engagements Other than Audits, or Reviews of Historical Financial Information*. Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.



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Statement on historical information

Based on our limited assurance engagement of the reviewed 31 August 2015 results, nothing has come to our attention which causes us to believe that the Historical Financial Information, as set out in this report:

- (a) Does not fairly represent the Historical Consolidated Statement of Financial Position at 31 August 2015.
- (b) Does not fairly represent the Consolidated Statement of Profit and Loss and other Comprehensive Income for the period ended 31 August 2015.
- (c) Has not been prepared in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) prescribed in Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Statement on pro forma information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention which causes us to believe that the Pro forma Financial Information, as set out in this report:

- (d) Does not fairly represent the Pro forma Consolidated Statement of Financial Position and Pro forma Consolidated Statement of Profit or Loss and Other Comprehensive Income adjusted for the effects of the Offer and material events occurring subsequent to 31 August 2015;
- (e) Has not been prepared in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) prescribed in Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Subsequent events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

Independence

Messrs George Georgiou and Bernard Ee do not have any interest in the outcome of this issue other than in their capacity as Investigating Accountants for which normal professional fees will be received. George Georgiou and Bernard Ee do not hold nor have any interest in the ordinary shares of the Company.



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George Georgiou and Bernard Ee were not involved in the preparation of any other part of the Replacement Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Replacement Prospectus.

General Advice Warning

This report has been prepared, and included in the Replacement Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make any specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to the Replacement Prospectus, which describes the purpose of the financial information, being for inclusion in the Replacement Prospectus. As a result, the financial information may not be suitable for use for another purpose.

George Georgiou and Bernard Ee from Connect Audit consent to the inclusion of this report in the Replacement Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310

Bernard Bong Pong Ee
Registered Company Auditor
ASIC Registration: 16195



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10. SOLICITORS' REPORT ON TENEMENTS

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Solicitors
Attorneys
Tax Consultants
Company Secretaries

Plot No: 1-3D Fumu Close
Wampewo Avenue, Kololo
P.O. Box 25649, Kampala
Tel: +256 392-176 273
Email: clients.aca@gmail.com

19th August, 2015

**The Directors,
Consolidated Africa Limited
Level 28, 1 Market Street
SYDNEY NSW 2000
AUSTRALIA**

Dear Sirs,

SOLICITORS REPORT ON MINING TENEMENTS

1. INTRODUCTION

1.1 Consolidated African Resources Limited ("**the Company**") is a legal entity established in the form of a Limited Liability Company incorporated on 6th July 2011 having the right to deal with financial-economic activity in accordance with its foundation documents and the laws of the Republic of Uganda.

1.2 Consolidated Africa Limited (ACN 605 659 970) of Level 28, 1Market Street, Sydney NSW 2000, Australia, has engaged M/S Adukule & Co. Advocates to prepare a solicitor's report of tenements in Uganda as held by the Company . This report is, therefore prepared for inclusion in a prospectus to be issued by Consolidated African Limited (ACN 605 659 970) for its planned listing on the National Stock Exchange of Australia Limited ABN 11 000902 063 ("NSX") or the financial market it operates as the context determines.

1.3 This Solicitor's Report on the Tenements sets out the results of our investigations (subject to the assumptions and qualification herein) into the corporate standing of the Company as well as investigations into the holding, tenure and legal standing of the Exploration Licence (EL) 1025 held by the Company.

Winfred Adukule - Meuter
LL.M (ONU) LL.B (MUK)
Dip.L.P (LDC)
Advocate
0772/0794 - 485 380

Lillian Drabo
LL.B (MUK) Dip.L.P (LDC)
Senior Associate
Advocate
0752 -992 540

Gerald Owiny
LL.B (MUK) Dip.L.P (LDC)
Advocate
0774-410 012

Terry Mumia - Adukule
LL.B (UPU)
Legal Assistant
0776 - 484 565

2. SEARCHES AND REPORTS

2.1 For purposes of this report and in so far as we could gain access to the information and/or documents reasonably within our reach, we have reviewed and reported on the following:

2.1.1 public documents filed and kept at the Uganda Registration Services Bureau ('the Companies Registry');

2.1.2 public documents filed and kept at the Geological Survey and Mines Department ('the Mines Department');

2.1.3 public documents filed and kept at Registries of the Commercial Court, High Court and Industrial court; and

2.1.4 the relevant statutes and regulations issued in relation thereto including but not limited to the Companies Act No.1 of 2012 and the Mining Act of 2003 Laws of Uganda.

3. CORPORATE STANDING

3.1 The Company is a private company limited by shares, duly registered and validly existing under the laws of Uganda for an indefinite duration. It is a legal entity with full corporate power and authority to own property, assets, to carry on business and has the capacity to sue or be sued in its own name and right.

3.2 The Company according to its foundation documents is engaged in the business of all aspects of exploration, mining, research and development and to buy, sell, deal, crush prepare for market and/or use mineral and/or stone of all kinds among other objects.

3.3 The Company was incorporated on 6th July 2011 and has a nominal share capital of UGX 10,000,000 (Uganda shillings Ten Million) divided into 1,000 (One Thousand) ordinary shares of UGX 10,000 (Uganda Shillings Ten Thousand) each. The share capital is fully paid as evidenced by the Company's return of allotment and is unencumbered.

3.4 The current shareholding structure stands as follows:

3.4.1. John Michael Cross - 999 shares

3.4.2 Winfred Adukule-Meuter - 1 share

Document1

3.5 The officers of the Company include Mr. John Michael Cross as director with Ms. Winfred Adukule-Meuter as the Company Secretary.

3.6 According to the laws of Uganda, under the Company's Act No. 1 of 2012, section.125; a Company duly registered in Uganda is required at least once every year to make a return containing the situation of the registered office of the company and registered postal address of that office, register of members and debenture holders, shares, indebtedness, past and present members and directors and secretary. Our investigation revealed that this requirement has been complied with and that the returns have been filed up to date. Therefore to the best of our knowledge and belief, the Company is compliant and has legal standing with respect to satisfying the corporate requirements as provided in the Companies Act.

3.7 To the best of our knowledge and belief, there are no actions, suits, proceedings or claims or arbitrations or administrative or other proceedings by or before any governmental entity pending or threatened against the Company.

3.8 To the best of our knowledge and belief, no proceedings are pending for the winding-up of, or dissolution of the Company.

3.9 There are no impediments or encumbrances against the assets of the Company, including the tenements herein.

4. MINING TENEMENTS HELD BY CONSOLIDATED AFRICAN RESOURCES LIMITED AND COMPLIANCE

4.1 Pursuant to Ugandan laws, ownership of all mineral resources is vested in the state to be held in trust for the people of Uganda and their use and exploitation is regulated by the Mining Act, 2003 ('Mining Act') and the regulations made thereunder. Accordingly, the right to prospect, mine or explore mineral resources is granted by the State subject to terms and conditions in the Mining Act.

Document1

4.2 In this regard, the Company, upon application and fulfilment of the terms and conditions prescribed in the Mining Act, was granted an Exploration Licence (EL) No. 1025 covering an area of 323.00 Sq. Km. in Kitgum District, on 9th August 2012 for a duration of three (3) years to prospect for Graphite, Gold, Zinc and Mica.

4.3 In terms of the Mining Act, an Exploration Licence maybe renewed for a further period not exceeding two years on more than one occasion by the Commissioner of the Mines Department at the request of the licence holder. A renewal will be subject to the Commissioner being satisfied that the applicant has met all the requisite conditions as set out in the Mining Act.

4.4 An application made by the Company to renew Exploration Licence (EL) 1025 was granted and the same was renewed for a period of two (2) years effective 9th August 2015, after payment of Ugx 7,650,000 (Uganda Shillings Seven Million Six Hundred and Fifty thousand as rent and renewal fees. The Exploration Licence was renewed with the same terms and conditions as relating to the area and size (323.00 Sq. Km.). Annexure "A" is a verified copy of the grant of the extension of the Exploration Licence (EL) 1025 dated 5th August, 2015.

4.5 It is a requirement of the law that the holder of a mineral right shall lodge in triplicate, quarterly reports concerning the licence(s) held by the holder in respect of the mineral rights. As far as we can establish the Company has taken all the necessary steps to obtain, maintain and file appropriate registrations and/or returns for the Exploration Licence it currently holds. This has been verified by a search conducted at the Department of Mines.

5. ASSUMPTIONS

5.1 While the status of the Tenement held by the Company is dealt with in above, the Firm has made the following assumptions in conducting the mining Tenement due diligence, namely:

5.1.1 The accuracy and completeness of all the Tenement searches and other information and responses which were obtained from the Mines Department. We cannot comment on any of the obligations of the Company that may arise

from agreements not registered as a dealing encumbrances or otherwise noted in the searches of the Tenements; and

- 5.1.2 The accuracy and completeness of information which we have received from the Company or any of its officers and representatives.

6. QUALIFICATIONS

- 6.1 While the status of the mining Tenements is dealt with above we point out by way of summary that:

- 6.1.1 This report is solely based on the search and extracts obtained from the Mining Register with respect to the Exploration Licence held by the Company granted by the Mines Department;
- 6.1.2 The report provides the results of our due diligence as at the date of issue. Unless otherwise indicated, this Report is solely based on the information provided to us on the date and manner described above, and is limited to legal matters that directly concern the Exploration Licences held by the Company;
- 6.1.3 The holding of the Tenements is subject to compliance with the terms and conditions as provided for in the Mining Act and the Regulations made thereunder;
- 6.1.4 With respect to any application for the grant of a Mining Lease, the Firm expresses no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although the Firm has no reason to believe that any application will be refused nor unreasonable conditions will be imposed;
- 6.1.5 Where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;
- 6.1.6 Where consent to any agreement or dealing referred to in the agreements is being or will be sought, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we have no reason to believe that any application for such consent will be refused;
- 6.1.7 The information with respect to the mining Tenement is accurate as at the date the relevant searches were obtained. We cannot comment on whether any

changes have since occurred in respect of the Tenement between the date of the searches and the date of submission of the final report;

- 6.1.8 We have not commented on nor were we asked to look into the tax affairs of the Company and hence, we have not advised on the tax aspects concerning the subject matter of this report. The Firm specifically disclaims any skills or expertise in any other capacity, whether financial, statistical, accounting, geological operational or otherwise.

7. CONCLUSION

- 7.1 On the strength of our investigations and findings above and subject to such qualifications as set out herein, we are of the considered legal opinion that the Company is a duly established and validly existing company and as such enjoys and is accorded all the protection accruing to an incorporated entity. On the basis of the various searches and to the best of our knowledge, belief and information, there are no litigation matters or insolvency proceedings pending or threatened against the Company.

- 7.2 Further, based on the assumptions and subject to the qualifications set out herein, we are of the considered opinion that the Company has taken all necessary steps to obtain and manage its Exploration Licence in good order and standing pursuant to the provisions of the Mining Act. We are of the view therefore that Company is in good standing and generally compliant with the provisions of the Mining Act.

- 7.3 Based on the results of the searches and information obtained from the Mines Department, we are satisfied that the information contained in this report is an accurate statement of the status of the Tenements as at the date of the searches conducted.

8. CONSENT

8.1 This report is given solely for the benefit of the Company and the Board of Directors of **Consolidated Africa Limited** in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person to be used for any other purpose or quoted or referred to in any public document or filed with any Government body or other person without prior consent.

Yours Faithfully,



*Adukule
& Co. Advocates*

M/S ADUKULE & CO. ADVOCATES

DATE OF REGISTRATION
★ 05 AUG 2015 ★
SIGNED BY: *[Signature]*
COMMISSIONER, GEOLOGICAL
SURVEY AND MINES



Sec.30
Reg. 17.

**THE MINING ACT.
THE MINING REGULATIONS.**

RENEWAL OF EXPLORATION LICENSE NUMBER EL 1025.

In accordance with requirements of section 30 of The Mining Act, 2003 and compliance to requirements under regulation 17 of The Mining Regulations, 2004, **Exploration License Number EL 1025** is hereby renewed for a period of **two years** effective from the 9th day of **August**, year **2015**.

The exploration licence deed plan has been amended and attached also the approved proposed programme of exploration operations to be carried out during the renewed period is herewith appended as required under section 30(7) of The Mining Act, 2003.

Special conditions on grant of the exploration licence apply including that the Government shall retain the right to have unlimited access to this exploration area in the course of carrying out scientific investigations into geological or mineral resources.

Rent and fees of: Shs. 7, 560,000/= paid; vide PRN 2160000163084 and 2160000261738 of 21st July, 2015 and 4th August, 2015 respectively.

Dated this 5th day of August, 2015

[Signature]

Edwards Katto
Commissioner

[Signature]
22/09/2015

CERTIFIED TRUE COPY

COMMISSIONER
GEOLOGICAL SURVEY & MINES DEPARTMENT
P. O. BOX 9 ENTEBBE - UGANDA

Cc: Chief Administrative Officer, **Kitgum District**.

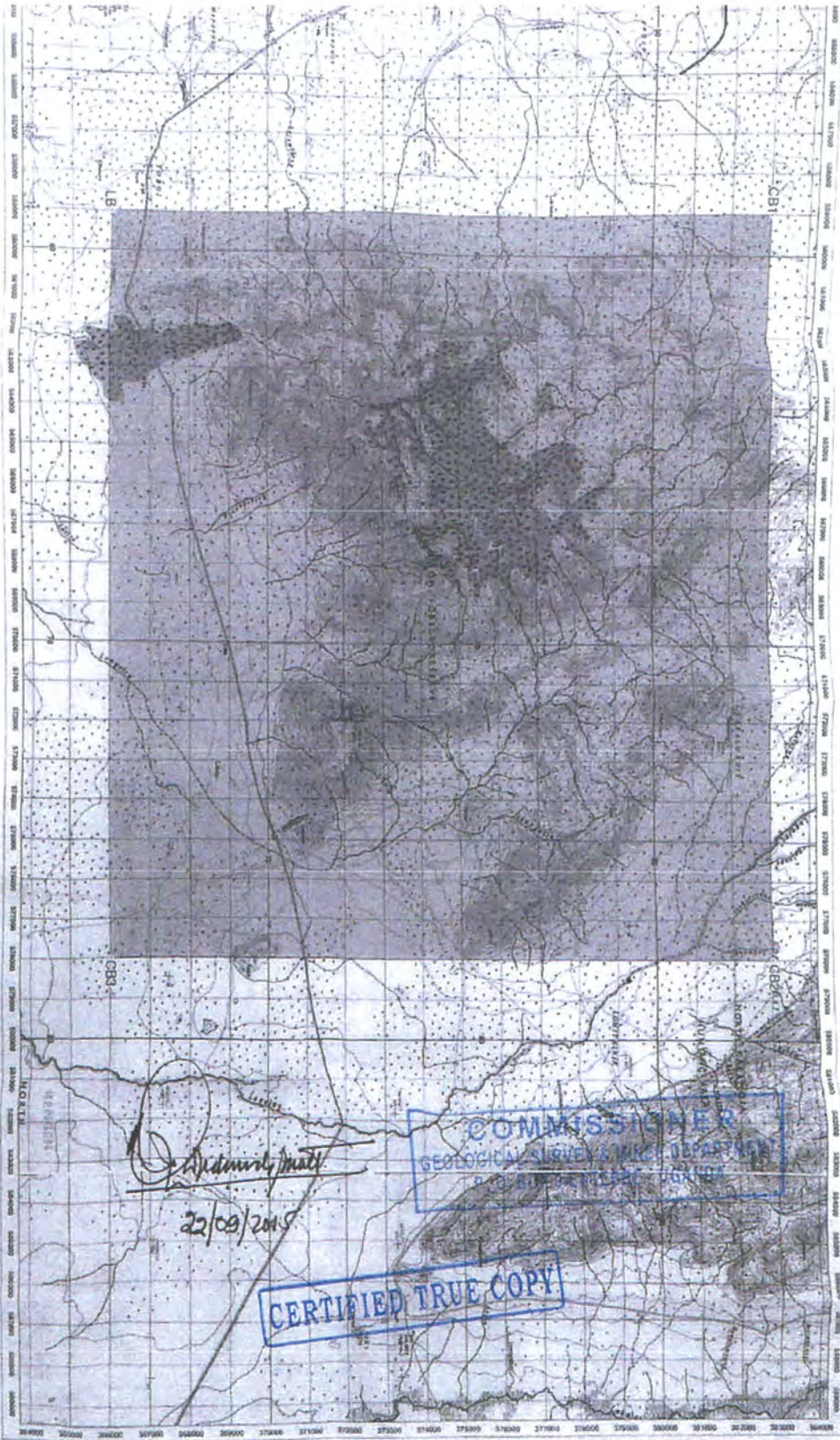
Cc: Uganda Land Commission, **Kampala**.



EXPLORATION LICENCE(Renewal)

18/2015
 Licence Number: 0907
 Mica and Zinc

1. Number: 1420
 Sheet No: 17/1



COMMISSIONER
 GEOLOGICAL SURVEY & MINES DEPARTMENT
 KAMPALA, UGANDA

CERTIFIED TRUE COPY

22/09/2015

AREA : 323.00Sq.Km
 District: KITGUM

Prepared by: *[Signature]* Date: *18/09/15* Sign: *[Signature]*
 Checked by: *[Signature]* Date: *18/09/15* Sign: *[Signature]*
 Department of Geological Survey and Mines

LB is on UTM Grid: 559 000.00mE, 366 000.00mN
 CB1: 559 000.00mE, 383 000.00mN
 CB2: 578 000.00mE, 383 000.00mN
 CB3: 578 000.00mE, 366 000.00mN

M/s CONSOLIDATED AFRICAN
 RESOURCES LIMITED,
 P.O. Box 7142,
 Kampala, Uganda.



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11 RISK FACTORS

11.1 Introduction

The operating and financial performance of the Company may be affected by a range of risk factors. While certain risks to which a company is normally subject can be mitigated by the company's plans and actions, many are beyond the control of any company.

Whilst the Directors commend the Offer, potential investors should consider the risk factors described in this Section, together with the information contained elsewhere in this Prospectus before deciding whether the New Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances.

This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in doubt consult their professional advisor before deciding whether to participate in the Offer.

11.2 Reliance on Personnel

The Company is dependent on the continued services of each of the Directors. The Board is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company.

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on the Board. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these Directors cease their employment.

11.3 General Risks

- Changes in legislation and government policy (including taxation and monetary policies and corporation laws) could materially affect the operating results of the Company.
- Changes in short term and long term interest rates, exchange rates, commodity prices, the strength of the equity markets or the general economic climate (both in Australia and internationally) could materially affect the operating results of the Company.
- The value of investments acquired by the Company can fall as well as rise, due to any number of circumstances that may be beyond the control of the Company, including market conditions, and such investments may not generate the returns or capital growth expected.
- The markets for small cap companies are historically more volatile with greater or lesser degrees of liquidity depending on the nature of the investment and the period of the investment cycle in which the investment is acquired or sold.
- The success of the Company may be affected by the ability of the Company to raise adequate, debt or equity capital to meet its commitments in respect of its investment activities.
- There is no guarantee that an active market will develop in the Shares.
- The ability of the Company to pay dividends to its shareholders will in part depend upon the ability of the Directors to make profits through the acquisition and realisation of investments. It is not possible to predict at what point profits will be generated or at what point in time the Company will generate sufficient earnings to cover its operating expenses.
- Once the existing investments held by the Company are developed and/or realised the success and profitability will depend on the ability of the Directors to identify other opportunities to acquire investments and then realise such investments to generate profits for the Company. Any such investments may not generate the expected returns or capital growth.

11.4 General Economic Risks and Business Climate

Share market conditions may affect the Shares regardless of operating performance. Share market conditions are affected by many factors such as:

- General economic outlook;
- Movements in international stock markets;
- Movements in or outlook on interest rates and inflation rates;
- Currency fluctuations;
- Global Demand for Commodities
- Commodity prices;
- Trends in the mining industry;
- Changes in investor sentiment towards particular market sectors; and
- The demand and supply for capital

11.5 Exploration, Development, Mining and Processing Risks

The business of mineral exploration, project development and mining by its nature contains elements of inherent risk. Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- successful conclusions to bankable feasibility studies
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- securing and maintaining title to tenements and compliance with terms of those tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity process affect successful project development and mining operations.

Mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of the Company

11.6 Resource Estimation

Resource estimates are inherently imprecise as they are expressions of judgment at a particular time based on available information, interpreted using experience and resource modelling techniques. The estimates, while made by qualified professionals, may change over time as other information becomes available which differs from information known or predicted by past drilling, sampling and geological interpretation. Estimates remain subject to change and no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

11.7 Limited Operating History

The Company was incorporated in 5 May 2015 and its operational and financial performance is limited. The Company's future prospects must be considered in light of the difficulties commonly encountered in the early stages of a company's development, particularly those companies involved in the exploration for mineral resources.

11.8 Risks Specific to the Company Projects and Investments

The Company's projects represent the main business activity and focus of the Company. Risks specific to these Projects include the following:

(a) Operating Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- limitations on activities due to seasonal weather patterns and cyclone activity;
- alterations to joint venture programs and budgets;
- unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- mechanical failure of operating plant and equipment;
- adverse weather conditions, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- occupational health and safety in a potentially dangerous workplace;
- industrial action, dispute or disruptions;
- unavailability of manpower or appropriately skilled manpower;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals

(b) Commodity Prices

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world-wide and regional supply and demand for the specific commodity, commodity trading on the future markets, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have

a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(c) **Currency**

The USD/AUD exchange rate is affected by numerous factors beyond the control of the Company. These factors include Australia's and the USA's economic conditions and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(d) **Environment**

The Company's projects are subject to Ugandan laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the applicable laws and regulations.

(e) **Title**

The exploration licences comprising some of the tenements which the Company holds or in which it has an interest may be the subject of applications for extension in the future.

If a tenement is not extended, the Company may suffer significant damage through loss of the opportunity to discover and/or develop any mineral resources on that tenement.

In addition, the Company cannot guarantee that those tenements that are applications for tenements will ultimately be granted in whole or in part.

Access permission has been obtained in respect of some but not all of the Company's tenements. Access permission may not be granted in respect of those tenements for which the Company has not already obtained access permission.

The Company may extend the lease (subject to approval by the relevant Ugandan authorities) by relinquishing 50% of the project area (the subject of EL1025) which will be the area that the Company determines has insufficient graphite for further examination.

(f) Insurance Risks

The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with minerals exploration and production is not always available and where available the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage which is in accordance with industry practice. The Company will insure the risks it considers appropriate for the Company's need and for its circumstances.

(g) Change in Government Policy and Legislation

The Company's business may be affected by new and changing Government policies, including taxation, royalties, environmental regulation, land access and economic regulation relating to the minerals industry in Uganda.

(h) Tenement Risk and Contractual Risk

Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company may be, or may become, a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity. Any such failure could adversely affect the operations and performance of the Company.

The Company's interests in some of its tenements and rights are governed by virtue of the Company having contractual rights. As in any contractual relationship, the ability of the Company to ultimately benefit is dependent upon the Company's ability to comply with its obligations, and the relevant counterparty complying with its contractual obligations to deliver title. Accordingly, a key risk to the Company in this instance is the completion of the Share Sale Agreement.

(i) Country/Sovereign Risk

The operations of the Company will be subject to the particular geo-political and legislative framework of Uganda. This risk imposes unique challenges to the Company as it needs to engage local experts to advise and ensure compliance for the operations of the Company. Accordingly, this may result in additional costs and compliance obligations on the Company.

11.9 Future Requirements for Capital

The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of this Offer will be adequate to fund its business development activities, exploration program and other objectives in the short term as stated in this Prospectus.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

11.10 Stock Market Risk

There are risks associated with any investment in a company listed on the NSX. The value of the company's shares may rise above or below the current price depending on the financial and operating performance of the company and external factors over which the Company's Directors have no control. These external factors include:

- Economic conditions in Australia and overseas, which may have a negative impact on equity capital markets.
- Changing investor sentiment in the local and international stock markets.
- Changes in domestic or international fiscal, monetary, regulatory and other government policies.
- Developments and general conditions in the markets in which the company proposes to operate and which may impact on the future value and pricing of shares.

11.11 Tax Issues

There may be tax implications arising from the acquisition of Shares, any possible receipt of dividends (both franked and un-franked) and the disposal of Shares. All prospective investors should carefully consider these tax implications and if uncertain as to the relevant taxation issues, obtain further advice from a qualified professional adviser. Tax liabilities are the responsibility of each individual investor and the Company will not be responsible for any tax or related penalties incurred by investors.

11.12 Summary

Any combination of the above factors may materially affect the operations or financial performance of the Company and value of its securities. To that extent the New Shares offered in this Prospectus are subject to significant risk and uncertainty with respect to return or preservation of capital, the price (if any) at which the Shares may trade and the payment of dividends at any future time.

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to invest in the Company.

12. MATERIAL CONTRACTS

12.1 General

It is considered that each of the documents described below is an arrangement to which the Company is a party and which is either material to the operations and affairs of the Company or are such that a prospective investor (or their respective advisers) would reasonably expect that such information ought to be disclosed in this Prospectus to enable them to make an informed decision regarding the Offer.

The information supplied below is only a summary of the terms of each contract and to gain a complete understanding of a particular contract it would be necessary to read it.

12.2 Share Sale Agreement

The Company has entered into a Share Sale Agreement dated 1 July 2015 with John Michael Cross (**Cross**) and Winfred Adukule Meuter (**Meuter**) (in her capacity as trustee for Cross) to acquire the entire share capital of Consolidated African Resources (Uganda) Ltd (Registration no: 133327) ("**CARL**") which is the legal and beneficial owner of the Ugandan Exploration Licence /Permit (EL) 1025 (**Share Sale Agreement**).

Pursuant to the Share Sale Agreement (and the Deed of Variation dated 27 October 2015) the consideration for the purchase of the shareholding held by Cross and Meuter is as follows:

- Cash in the amount of \$AUD125,000.00 (which has already been paid);
- On listing on the NSX the Company will:
 - (a) Pay Cross and Meuter the amount USD50,000.00 and a further USD50,000.00 six (6) months after listing; and
 - (b) issue 10,000,000 fully paid ordinary shares in the Company at the issue price of \$0.10 (Australian Dollars) in the following manner:
 - (i) 7,000,000 fully paid ordinary shares to Vintage Nominees Pty Ltd ACN 607 965 033; and
 - (ii) 3,000,000 fully paid ordinary shares to John Michael Cross.

Note: Vintage Nominees Pty Ltd ACN 607 965 033 is a company controlled by John Michael Cross and is the sole shareholder of this company.

The transfer of shares in CARL in the Share Sale Agreement is subject to the Company gaining approval for Official Quotation on the NSX within three (3) months of the Company being permitted to accept applications for New Shares pursuant to a disclosure document lodged with ASIC.

12.3 Mining Licence Sale Deed

The Company and Frontier Exploration Uganda Ltd had entered into a Mining Licence Sale Deed dated 4 September 2015 to acquire Ugandan Exploration Licence (EL) 1173 (**Mining Licence Deed**). The respective licence is over the tenement located in the region Karamoja, Uganda. A summary of the key terms of that agreement are as follows:

- Consideration for the signing of the Mining Licence Deed was the issue of 250,000 fully paid ordinary shares in the Company to Frontier Exploration Uganda Ltd.

- Subject to Frontier Exploration Uganda Ltd evidencing that it has absolute legal and beneficial ownership over the licence an additional 1,600,000 fully paid ordinary shares will be issued to Frontier Exploration Uganda Ltd.
- Completion must be by 30 September 2016.

12.4 Underwriter Agreement

The Company has engaged the services of **H K Securities Pty Ltd** (AFSL 320533) to act as the Underwriter to this Offer. The Offer is underwritten pursuant to the terms and conditions of the Underwriting Agreement between the Company and H K Securities Pty Ltd dated 28 October 2015 (**Underwriting Agreement**).

Subject to the terms and conditions H K Securities Pty Ltd has agreed to underwrite the Offer for the Minimum amount of \$700,000 in consideration for the following fees:

- Fixed fee of **\$12,000.00** inclusive of GST.

Under the terms of the Underwriting Agreement, H K Securities Pty Ltd may appoint sub-underwriters on such terms and conditions as it determines, to sub-underwrite up to the total amount of the underwritten proportion of the Offer. The Company shall have no obligation to make any payment to any sub-underwriter.

The Company has given certain representations and warranties regarding the position of the Company. A key provision of the Underwriting Agreement is the Underwriter's right to terminate the agreement if the Company has misled the Underwriter about the position of the Company or a Director is charged with an indictable offence or the Company is subject to any form of external management including but not limited to the appointment of an administrator, liquidator or receiver.

12.5 Nominated Adviser (NSX) Agreement

This Agreement between the Company and Eakin McCaffery Cox is dated 25 September 2015 (**NOMAD Agreement**) records the terms and conditions upon which the parties have agreed to provide services with respect to acting as the Company's Nominated Adviser or NOMAD. Pursuant to the NOMAD Agreement the key responsibility of the NOMAD is to advise and guide the Directors and the Company in relation to their respective responsibilities and obligations in complying with the Listing Rules and related matters.

Key features of the NOMAD agreement are:

- Commences upon Listing and for a term of one (1) year.
- The agreement may be extended for periods of one (1) year unless a party does not wish this to occur.
- Where Listing does not occur this agreement automatically terminates without penalty.
- This Agreement may also be terminated if a party is in default and does not remedy such default within 10 Business days of being notified on the default or a party becomes subject to external management including but not limited to the appointment of an administrator, liquidator or receiver.

In consideration for performing these services, Eakin McCaffery is entitled to a retainer of \$1,000 per month plus GST payable monthly, with the first payment due at Listing.

12.6 Share Registry Services Agreement

Boardroom Pty Limited has agreed to provide share registry services to the Company on an ongoing basis in accordance with the schedule of fees and services provided to the Company dated 24 July 2015. The services to be provided are similar to those provided to listed companies elsewhere in Australia and the fees relating to the provision of such services will vary depending on time spent, services provided and the requirements of the Company from time to time.

12.7 CEO Consultancy Agreement

The Company has entered into a Service Agreement with Consaf Pte Ltd, a company incorporated in Singapore. Under the CEO Consultancy Agreement Consaf Pte Ltd makes available its employee Kevin Nichol, to hold the position of Chief Executive Officer (**CEO**) of the Company.

In summary, the CEO's Service Agreement has the following key terms:

- The CEO is appointed subject to the Company's Corporate Governance Principles, Corporations Act and NSX Listing Rules;
- The CEO is appointed from 7 September 2015;
- The CEO may receive remuneration as either:
 - (a) An monthly fee (exclusive of Superannuation entitlements or equivalent Singaporean Superannuation base) as from the date of Listing being US \$20,200 plus expenses in accordance with the Constitution; or
 - (b) Where the Board deems (at its absolute discretion) that all or some of the Total Service Fee would not be supported by cash available at any given time, then a share based payment may be made in lieu of the monthly salary component of an amount up to US \$20,200.00 to be paid an amount equivalent in shares in the Principal (Consolidated Africa Limited) (at the deemed price of \$0.10 Australian Dollars per share), with an option attached to each issued share at the exercise price of \$0.05 (Australian Dollars) payable by the expiry date being 30 September 2020;
- The CEO is subject to a 12 month non-competition covenant (that may be altered in accordance with the Consultancy Agreement) from the date of the termination of their Service Agreement;
- Where the Company terminates the Consultancy agreement, the Company must pay the CEO an amount equivalent to twelve months of service fees except where the CEO:
 - (a) Is guilty of dishonesty and engages in serious or gross misconduct; or
 - (b) Flagrantly or persistently fails to observe and perform any of its obligations under the Consultancy Agreement or which are imposed by law;
 - (c) Is unable or unwilling to properly to perform his or her duties for a continuous period of 180 days during the term of the Agreement; or
 - (d) is convicted of a criminal offence which results in the imposition of a term of imprisonment; and
- The Service Agreement is subject to the laws of New South Wales.

If the Minimum Subscription is raised, the CEO has agreed to take shares in lieu of salaries for two (2) years

12.8 Non-Executive Director Agreement

David Percival has signed a Non-Executive Director Service Agreement with the Company (**Service Agreement**) and is continuing his appointment to the Board following listing.

In summary, the Service Agreement contains the following key terms:

- The Director is appointed subject to the Company's Corporate Governance Principles, Corporations Act and NSX Listing Rules;
- The Director's appointment was effective from 5 May 2015 (fees payable from this date);

- The Director may receive remuneration as either:
 - (a) An annual fee of \$24,000 (exclusive of GST and superannuation entitlements) as from the date of Listing as set out below plus expenses in accordance with the Constitution; or
 - (b) Where the Board deems (at its absolute discretion) that all or some of the funds to be paid for this salary on a long term basis would not be supported by the cash available, then a share based payment in lieu of the salary component of AUD \$2,000.00 per month will be paid in shares in the company at a deemed price of \$0.10 (Australian Dollars) per share, with an option attached to each issued share at the exercise price of \$0.05 (Australian Dollars) payable by the expiry date being 30 September 2020;
- If the Company terminates the Service Agreement with the Director, it must provide twelve months written notice or payment in lieu of the notice period;
- The Director is subject to a 12 month non-competition covenant from the date of the termination of their Service Agreement; and
- The Service Agreement is subject to the laws of New South Wales.

If the Minimum Subscription is raised, all Board members agree to take shares in lieu of fees for two (2) years

The remaining Non-Executive Directors do not have Service Agreements with the Company, but the Company has issued Letters of Appointment and have been accepted by Adriaan van den Bergh and Philip Lindsay. Refer to Section 13.9 for further details.

As each Director is considered to be a Related Party of the Company, the following statements are made for the purposes of ASIC Regulatory Guides 76.148 and 228.134:

(a) the value of the financial benefit;

Mr David Percival (Non-Executive Director), Mr Adriaan van den Bergh (Non-Executive Director and Director) and Mr Philip Lindsay (Non-Executive Chairman) each receive \$24,000 remuneration per annum (excluding superannuation and GST) as directors fees

plus superannuation and expenses as so approved.

(b) the nature of the relationship;

Section 228(2)(a) of the Corporations Act states that a director of a public company is a Related Party of that company which applies to the current Directors

(c) whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;

The Board considers that each Service Agreement is on arm's length and constitutes reasonable remuneration. The Board is sufficiently knowledgeable and experienced to have formed a sound judgment in respect of the terms of each Service Agreement, which was prepared by the Company's lawyers who have experience in such matters.

(d) whether member approval for the transaction has been sought and, if so, when;

Shareholder approval is not required for the Service Agreements given that they are, in the view of the Board, on arm's length and constitute reasonable remuneration and as such constitute exemption for such approval under Sections 210 and 211 of the Corporations Act, respectively.

(e) the risks associated with the Related Party arrangement;

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole.

(f) the existence of any policies and procedures in place for entering into Related Party transactions;

The Board has adopted a Related Party Policy which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved. Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter which includes a duty to avoid conflicts. Non interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board maintains it has complied with such policy when executing the Service Agreements as such applies to the Directors.

12.9 Non-executive Directors' Letters of Appointment

The Company has issues Letters of Appointment to the following Non-Executive Directors:

- Philip Lindsay; and
- Adriaan Gerhardus van den Bergh.

In summary, the Letters of Appointment contain the following key terms:

- The Director is appointed subject to the Company's Corporate Governance Principles, Corporations Act and NSX Listing Rules;
- The Director is appointed from 25 September 2015 (fees payable from this date); and
- the Director may receive remuneration as either:
 - (a) An annual fee of \$24,000 (exclusive of GST and superannuation entitlements) as from the date of Listing as set out below plus expenses in accordance with the Constitution; or
 - (b) Where the Board deems (at its absolute discretion) that all or some of the funds to be paid for this salary on a long term basis would not be supported by the cash available, then a share based payment in lieu of the salary component of AUD \$2,000.00 per month will be paid in shares in the Company at a deemed price of \$0.10 (Australian Dollars) per share, with an option attached to each issued share at the exercise price of \$0.05 (Australian Dollars) payable by the expiry date being 30 September 2020.

If the Minimum Subscription is raised, all Board members agree to take shares in lieu of fees for two (2) years.

12.10 NSX Restricted Securities Agreement

The Company has entered into NSX Restricted Securities Agreements with the following parties:

- David Percival; and
- Adriaan Gerhardus van den Bergh.

As the Company wishes to list and in compliance with the NSX Listing Rules, the Restricted Securities Agreements have been entered into where each party have agreed not to dispose of, create and interest in or omit to do anything that would have an effect on the security interest over or to so omit to do any act that would effect of transferring ownership or control of their Shares or Options to any other party. The escrow arrangement will be supported by a holding lock on their Shares, the subject of the agreements. The escrow lasts 24 months after the Shares in the Company are quoted on the NSX. The agreements otherwise contain provisions standard for agreements of their nature.

12.11 Consulting Agreement

The Company has entered into a Consultancy Agreement with John Cross for services to be provided to Company subsequent to Listing. The key features of the contract are as follows:

- **Term:** Twelve months from Listing.
- **Services:** Company Project Manager in Uganda
- **Remuneration:** USD20,000/mth

To be paid on the following basis:

On min subscription (\$700,000 raised):

- USD\$10,000 cash USD10,000 equivalent in shares

\$700,000 - \$900,000 raised:

For every \$50,000 raised thereafter

- Cash component will increase USD\$3,000 per month and the remaining amount will be paid in shares

On \$900,000 being raised

USD20,000/mth

13. ADDITIONAL INFORMATION

13.1 Rights Attaching to Shares

A summary of the rights which relate to all New Shares which may be issued pursuant to this Prospectus are set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of the Shareholders. Additional information on the rights attaching to Shares may be found in the Constitution.

(i) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution

(ii) **Voting**

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(iii) **Dividends**

The New Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends. Under Section 254T of the Corporations Act dividends can only be paid if the Company's assets exceed its liabilities and such excess is sufficient to make payment of a dividend, the payment of the dividend is fair and reasonable to the Shareholders as a whole and such payment not materially prejudice the Company's ability to pay its creditors.

Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the amounts paid up on such Shares at the dates of declaration of a dividend. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(iv) **Winding Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, distribute among the Shareholders the whole or any part of the property of the Company and decide how to distribute property as between the Shareholders or different classes of shareholders.

(v) **Transfer of Shares**

Subject to the Constitution, a Shareholder may transfer one or more Shares held by:

- (a) ASTC transfer;
- (b) an instrument of transfer in compliance with the Constitution; or
- (c) any other method permitted by the applicable law.

(vi) **Variation of Rights**

The Company may vary or cancel rights attached to Shares or convert Shares to another class by a special resolution of the Company and:

- (a) a special resolution passed at a meeting of Shareholders of the affected class; or
- (b) the written consent of Shareholders who are entitled to at least 75% of votes that may be cast in respect of the Shares on issue of the affected class.

13.2 Limitation on Foreign Ownership

The Foreign Acquisitions and Takeovers Act, 1975 (**FATA**) regulates acquisitions giving rise to ownership of substantial holdings of an Australian company's shares.

FATA prohibits:

- any natural person not ordinarily resident in Australia; or
- any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA); or
- two (2) or more such persons or corporations, from entering into an agreement to acquire shares if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two (2) or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval or receiving no response in the forty (40) days after such application was made.

A holder of shares will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than fifteen percent (15%) of the Voting Power in the corporation or holds interests in not less than fifteen (15%) of the issued shares in the corporation. Two (2) or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than forty percent (40%) of the voting power in that corporation or hold not less than forty percent (40%) of the issued shares in that corporation. These restrictions apply to share acquisitions in Australian businesses or corporation exceeds a monetary threshold of \$248M.

However, given the current value of the Company is less than the monetary threshold, approval by FIRB to investment in the Company is not required. Also, the Constitution contains no limitation on a non-resident's right to hold or vote the Shares.

13.3 Dividend Policy

Subject always to the Corporations Act, any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

The Company's focus will be on generating capital growth. The Company has no immediate plans to declare or distribute dividends. Payment of future dividends will depend on the future profitability and financial position of the Company.

13.4 Financial Year

The financial year of the Company will end on 30 June annually.

13.5 Litigation

The Company is not the subject to any, or threatened, legal action.

13.6 Subsequent Events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (i) the operations of the Company;
- (ii) the results of those operations; or
- (ii) the state of affairs of the Company.

13.7 Liability of other persons named in this Prospectus

Notwithstanding that they may have been referred to elsewhere in this Prospectus:

Eakin McCaffery Cox Lawyers are named in the Corporate Directory as the solicitors to the Company. They have been involved in the process of reviewing this Prospectus for consistency with the material contracts and advising the Company on those material contracts formed in Australia. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any other statement in this Prospectus. Eakin McCaffery Cox Lawyers will be paid for work performed in accordance with usual time based in charge out rates and estimate their professional costs at \$25,000 plus GST at the date of this Prospectus.

Connect Audit is named in the Corporate Directory as Investigating Accountants to the Company. They are involved in the preparation of the Investigation Accounts Report and review of the Financial Information in Section 9 of this Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any other statement in this Prospectus. Connect Audit will be paid for work performed in accordance with usual time based charge out rates and estimated their professional costs at \$10,000 plus GST as at the date of this Prospectus. Connect Audit has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

13.8 Consent of Experts

Each of the parties referred to in this Section 13:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that the Boards specified in this Section.

Connect Audit has given its written consent to being named as the Auditor and Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 10 in the form and context in which the report is included. Connect Audit has not withdrawn its consent prior to lodgment of this Prospectus with the ASIC.

Adukule & Company Advocates has given its written consent to being named as the solicitors reporting on tenements to the Company in this Prospectus. Adukule & Company Advocates has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Eakin McCaffery Cox Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. Eakin McCaffery Cox has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Boardroom Pty Limited has given its written consent to being named as the Share registry for the Company in this Prospectus. Boardroom Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

H K Securities Pty Limited has given and not withdrawn its written consent to be named herein as the Underwriter, to the Company in the form and context in which they are so named. In addition, they it has given and not withdrawn their written consent to the lodgment of this Prospectus. H K Securities Pty Limited have had no involvement in the preparation of this Prospectus and have not given any professional or other advice in respect of any other part of this Prospectus. H K Securities Pty Limited do not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

13.9 Inspection of Documents

Copies of following documents may be inspected free of charge at the registered office of the Company or at the offices of Eakin McCaffery Cox Level 28, BT Tower, 1 Market Street, Sydney NSW 2000 during normal business hours:

- (a) Material Contracts in Section 13 of this Prospectus;
- (b) The Constitution; and
- (c) The consents referred to in this Section 15.

13.10 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$91,735 (Minimum Subscription) and \$93,835 (Fully Subscribed Subscription), excluding GST and are expected to be applied towards the items set out in the table below:

	Note	Minimum Subscription	Fully Subscribed Subscription
Legal Fees		25,000	25,000
Investigating Accountant		10,000	10,000
Share Registry Costs		4,400	4,400
Independent Geologist's		5,000	5,000
Printing		2,000	2,000
ASIC Fees		2,320	2,320
NSX Listing Fees / CHES Fees		26,015	28,145
Underwriting Fees and Sponsoring Broker Fees & Commissions	1	12,000	12,000
Other Costs		5,000	5,000
Total Costs of the Offer	2	91,735	93,865

Note 1: The Underwriter will be entitled to a fixed fee of \$12,000 to any amounts directly raised by the Underwriter irrespective of any amount raised. The table above assumes that no commissions will be payable on all amounts raised under Minimum Subscription and Fully Subscribed Subscription scenarios respectively.

As at the date of this Prospectus, the Directors believe that a significant portion of amounts raised under the Offer will not be the result of the Underwriters' efforts. Therefore the total costs of the Offer will not be significantly impacted under Minimum Subscription or the Fully Subscribed Subscription scenarios respectively.

Note 2: Costs of the Offer set out in the table above represent 100% of costs paid and payable by the Company. As at the date of this Prospectus, the Company had already paid approximately \$20, 242.05. Accordingly, the balance of costs payable by the Company, to be funded from the proceeds of the Offer, will amount to \$91,735 and \$93,865 under Minimum Subscription and Fully Subscribed Subscription scenarios respectively.

13.11 Directors' Fees

Under their respective Service Agreements and Letters of Appointment, each Non-Executive Director is entitled to remuneration of \$2,000 per month (exclusive of GST and superannuation). The payments commence upon the Company being admitted to the Official List. Non-Executive Directors are entitled to be reimbursed for properly incurred expenses.

Where the Board deems (at its absolute discretion) that all or some of the funds to be paid for the remuneration salary on a long term basis would not be supported by the cash available, then a share based payment in lieu of the salary component of AUD \$2,000.00 per month will be paid in shares in the company at a deemed price of \$0.10 (Australian Dollars) per share, with an option attached to each issued share at the exercise price of \$0.05 (Australian Dollars) payable by the expiry date being 30 September 2020.

At present the Board is constituted by (3) Directors. If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to Non-Executive Directors.

A Non-Executive Director is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the Company.

The remuneration of any Executive Director may from time to time be fixed by the Directors, subject to his or her service contract. The remuneration may be by way of salary or commission or participation in profits but may not be by commission on, or a percentage of operating revenue.

13.12 Interest of Experts and Advisers

The nature and extent of the interest (if any) that:

- a person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- a promoter of the Company; or
- a stockbroker or underwriter (but not as a sub-underwriter) to the Offer;

hold, or held at any time during the last two (2) years in:

- the formation or promotion of the Company;
- property acquired or to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer,

is set out in this Section.

The amount that anyone has paid or agreed to pay, or the nature and value of any benefit anyone has given or agreed to give for services provided by:

- a person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- a promote of the Company; or
- a stockbroker or underwrite (but not a sub-underwriter) to the Offer,

in connection with;

- the formation or promotion of the Company;
- property acquired or to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer,

is set out in this Section 13 .

13.13 Directors' and Top 4 Shareholder interests

The nature and extent of the interest (if any) that the Directors of the Company hold, or held at any time during the last two (2) years in;

- the formation or promotion of the Company;
- property acquired or to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer,

is set out in this Section 13 .

The amount (if any) that anyone has paid or agreed to pay or the nature and the value of any benefit anyone has given or agreed to give to a Director of the Company, or proposed Director of the Company:

- to induce them to become, or to qualify as, a Director of the Company; or
- for services provided by a Director in connection with:
 - the formation of the Company; or
 - the Offer,

is set out in the table found in this Section and in the Section 3 of this Prospectus and repeated in the table below.

The table below details the interest of the Directors in the securities of the Company immediately prior to lodgment of the Prospectus with ASIC, including those securities held directly and indirectly.

Director	Number of Shares	%	Number of Options	%
Mr Phillip Lindsay (Non-Executive Chairman)	0	0%	NIL	0%
Mr Adriaan Gerhardus van den Bergh (Non-Executive Director)	7,625,227	19.13%	NIL	0%
Mr David Percival (Non-Executive Director)	1,000,001	2.51%	NIL	0%
TOTAL		21.64%	NIL	0%

The table below details the top 4 Shareholders of the Company immediately prior to lodgement of the Prospectus with ASIC:

Shareholder	Number of Shares	%	Number of Options	%
Blue Number 4 Ltd	11,340,782	28.45%	NIL	0%
Ms Aletta Nel	8,000,000	20.01%	NIL	0%
Adriaan van den Bergh	7,625,227	19.13%	NIL	0%
Beny Manuru	5,950,000	14.81%	NIL	0%
TOTAL		82.40%	NIL	0%

The table below details the top 4 Shareholders of the Company on the **Minimum Subscription of \$700,000** being raised:

Shareholder	Number of Shares	%	Number of Options	%
Blue Number 4 Ltd	11,340,782	19.94%	NIL	0%
Ms Aletta Nel	8,000,000	14.07%	NIL	0%
Adriaan van den Bergh	7,625,227	13.41%	NIL	0%
Beny Manuru	5,950,000	10.47%	Nil	0%
TOTAL		57.89%	NIL	0%

The table below details the top 4 Shareholders of the Company on the **Fully Subscribed Subscription of \$1,500,000** being raised:

Shareholder	Number of Shares	%	Number of Options	%
Blue Number 4 Ltd	11,340,782	17.48%	NIL	0%
Ms Aletta Nel	8,000,000	12.33%	NIL	0%
Adriaan van den Bergh	7,625,227	11.76%	NIL	0%
Beny Manuru	5,950,000	9.17%	Nil	0%
TOTAL		50.74%	NIL	0%

13.14 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under this Prospectus.

13.15 Forecasts

The Company intends to operate a mining exploration business with a focus on Ugandan graphite resources. Given there is no business track record and inherent risks of running overseas operations, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that reliable forecasts cannot be prepared and accordingly have not included forecasts in this Prospectus.

13.16 Privacy

By submitting an Application Form you are providing to the Company personal information about you. If you do not provide complete and accurate personal information, your Application may not be able to be processed.

The Company maintains the register of members of the Company through the Share Registry to comply with the National Privacy Principles while performing these services. The Company's register is required by law to contain certain personal information about you such as your name and address and number of Shares held. In addition, the Company collects personal information from members including contact details, bank accounts, membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, send announcements and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- when you agree to the disclosure;
- when used for the purpose for which it is collected;
- when disclosure is required or authorised by law;
- to your broker;
- to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and the Share Registry except in limited circumstances. If you wish to access, update or correct your personal information held by the Company or the Share Registry, please contact those respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

13.17 Electronic Prospectus

An electronic version of this Prospectus is available from the Company at World Wide Web URL address www.boardroomlimited.com.au/consolidatedafrica.

The Application Form may only be distributed attached to a complete and unaltered copy of this Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form.

The Company will not accept a completed Application Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or a financial adviser.

13.18 Supplementary Information

The Company will issue a supplementary Prospectus if the Company becomes aware of any of the following between the issue of the Prospectus and the date the Company's Shares are quoted:

- A material statement in the Prospectus is misleading or deceptive.
- There is a material omission from the Prospectus.
- There has been a significant change affecting a matter included in the Prospectus.
- A significant new circumstance has arisen and it would have been required to be included in the Prospectus.

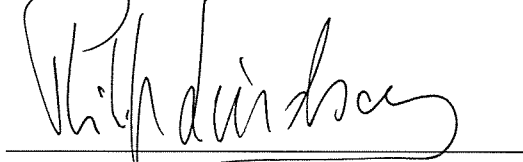
14. DIRECTORS' STATEMENT AND CONSENT

Directors' consent to lodgment

This Prospectus is issued by the Company and its issue has been fully authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgment of this Prospectus with the ASIC.

Signed on behalf of the Company by

A handwritten signature in black ink, appearing to read 'Philip Lindsay', is written over a horizontal line.

Philip Lindsay
Chairman

15. GLOSSARY

These definitions are provided in this Glossary to assist investors in understanding some of the expressions used in this Prospectus:

AEST	Australian Eastern Standard Time
AIM	Alternative Investment Market which is the London Stock Exchange's international market for smaller growing companies
Applicant	means a person or other entity who submits an Application Form
Application Form	means the Application Form accompanying this Prospectus in Section 17
Application Monies	means monies received from an Applicant pursuant to an Application Form
ASIC	means Australian Securities & Investments Commission
Associate	has the meaning given to this term as in the Corporations Act
ASX Settlement and Transfer Corporation Pty Limited or ASTC	means ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532)
ASX	means ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange, as the context requires.
Board	means the Board of Directors of the Company.
Business	means the business to be conducted by the Company as stated in Section 4 of this Prospectus.
CHESS	means Clearing House Electronic Sub Register System.
Closing Date	means 10 February 2016 or such other date as determined by the Board.
Company	Consolidated Africa Limited (ACN 605 659 970).
Consideration Shares	means 10,000,000 Shares to be issued to the Vendors equally as per the Share Sale Agreement
Constitution	means the constitution of the Company.
Corporations Act	means the Corporations Act, 2001 (Cth).
Directors	means a Director of the Company at the date of this Prospectus.
Dollars or \$	means lawful currency of the Commonwealth of Australia.
Expiry Date	means 5pm on a date that is 13 months from the date this Prospectus was lodged with ASIC.
Exposure Period	means the seven (7) day period beginning on the day when this Prospectus is lodged with ASIC, as may extended by ASIC under Section 727 (3) of the Corporations Act.
Fully Subscribed Subscription	means 15,000,000 New Shares at \$0.10 per New Share to raise \$1,500,000
HIN	means Holder Identification Number
Holding Statements	means statement of holdings as distributed by the Share Registry.
Issue Price	means the issue price for the New Shares being \$0.10 per New Share
Issuer	means a company listed on the Official List.
Listing	means listing of the Company's Shares including the New Shares on the Official List.
Listing Rules	means the official listing and business rules of the NSX.

Managing Director	means the Managing Director of the Company
Minimum Subscription	means 7,000,000 New Shares at \$0.10 per New Share to raise \$700,000.
New Share	means a Share offered under this Prospectus
Non-Executive Directors	means the Company's non-executive Directors as at the date of this Prospectus, namely Messrs Phillip Lindsay, Adriaan van den Bergh and David Percival.
NSX	means National Stock Exchange of Australia Limited (ABN 11 000 902 063) or the financial market which it operates, as the context so determines.
Official List	means the Official List of the NSX
Official Quotation	means the official quotation by the NSX in accordance with the Listing Rules.
Opening Date	means 10 November 2015
Option	means an option to acquire a Share
Original Prospectus	means the Prospectus lodged with ASIC dated 3 November 2015.
Prospectus	means this Prospectus dated 9 November 2015.
Related Party	has the meaning given to this term in Section 228 of the Corporations Act and the Listing Rules
Section	means a section of this Prospectus
Share	means an ordinary fully paid shares in the capital of the Company
Shareholder	means a holder of Shares
Share Registry	means Boardroom Pty Limited.
Sophisticated Investor	has the meaning given to this term as in Section 708(8) of the Corporations Act
Special Resolution	means a resolution requiring 75% of the Shareholders to approve such resolution
Underwriter	means H K Securities Pty Ltd ACN 126 862 057 AFSL 320533
Vendors	means those persons described as vendors under the Share Sale Agreement
Voting Power	has the meaning given to this term as in Section 610 of the Corporations Act

CONSOLIDATED AFRICA LIMITED

HOW TO COMPLETE THE APPLICATION FORM

Please complete all relevant Sections of the Application Form using BLOCK LETTERS.

Enter the NUMBER OF SHARES you wish to apply for. Applications must be for the minimum of 20,000 shares as set down in section 3.3 of this Prospectus and thereafter in multiples of 2,000 shares.

Enter the TOTAL AMOUNT of application money payable.

Enter the FULL NAME(S) and TITLE(S) of all legal entities that are to be recorded as the registered holder(s).

Enter the POSTAL ADDRESS for all communications from the Company. Only one address can be recorded.

Enter telephone numbers and a contact person the registry can speak to if they have any queries regarding this application.

Enter the tax file number(s) of the applicant(s). With a joint holding, only the tax file numbers of two holders are required.

Payment must be made in Australian Currency and cheques must be drawn on an Australian Bank. Cheques or bank drafts must be payable to CONSOLIDATED AFRICA LIMITED and crossed Not Negotiable. Cheques not properly drawn will be rejected. Cheques will generally be deposited on the day of receipt. If cheques are dishonoured the application may be rejected.

Before completing the Application Form the applicant(s) should read this Prospectus. The applicant(s) agree(s) that this application is for Ordinary Shares in Consolidated Africa Limited upon and, subject to the terms of this Prospectus, agree(s) to take any number of shares equal to or less than the number of shares indicated that may be allotted to the applicants pursuant to this Prospectus and declare(s) that all details and statements made are complete and accurate.

Ensure that the Application form is signed by all applicants. In case of a company (where still applicable) two Directors should sign.

Forward your completed application together with the application money to:

Consolidated Africa Limited

C-/ Boardroom Pty Limited

GPO BOX 3993

SYDNEY NSW 2001

Ph: (02) 1300 737 760

Fax: (02) 1300 653 459

Any enquiries should be referred to the Company on Telephone (02) 1300 737 760

Applications must be received by no later than 5:00pm AEST 10 January 2016 or such other date to be determined by the Directors.