



CONSOLIDATED AFRICA LIMITED
ACN 605 659 970

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Friday, 21 October 2016

Time of Meeting:
10.00AM (AEDT)

Place of Meeting:
Radisson Blu Hotel
Sir James Fairfax Room
27 O'Connell Street
Sydney NSW 2000

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional advisor without delay*

CONSOLIDATED AFRICA LIMITED

ACN 605 659 970

Registered office: Level 28, 1 Market Street, Sydney, NSW, 2000

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Consolidated Africa Limited (the "Company") will be held at the Radisson Blu Hotel, Sir James Fairfax Room, 27 O'Connell Street, Sydney, NSW, 2000 at 10.00am (AEDT) on Friday, 21 October 2016.

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2016.

Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2016 be adopted."

Resolution 2: Election of Mr Philip Lindsay as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Philip Lindsay, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."

Resolution 3: Election of Mr Adriaan van den Bergh as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Adriaan van den Bergh, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."

Resolution 4: Election of Mr Douglass Cahill as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Douglass Cahill, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."

SPECIAL BUSINESS

Resolution 5: Ratification of Prior Issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of NSX Listing Rule 6.25 and for all other purposes, Shareholders ratify the allotment and issue of 5,966,098 fully paid ordinary shares and 3,601,116 unlisted options, details of which are set out in the explanatory statement accompanying this notice of meeting."

Resolution 6: Issue of new shares in the Company

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purposes of NSX Listing Rule 6.25, and all other purposes, Shareholders approve the issue and allotment of up to 7,000,000 fully paid ordinary shares at an issue price of \$0.10 per share to raise up to \$700,000, on the terms and conditions set out in the explanatory statement accompanying this notice of meeting.'

Resolution 7: De-listing from NSX

To consider, and if thought fit, to pass the following resolution as a special resolution:

'That, for the purposes of NSX Listing Rule 2.25 and for all other purposes, conditional on the Company being admitted to the official list of ASX, Shareholders approve the Company's removal from the official list of NSX with effect from the date that the Company is admitted to the official list of ASX or such later date as agreed with NSX and, that the Directors of the Company be authorised to do all things reasonably necessary to give effect to the de-listing of the Company from NSX.'

Resolution 8: Adoption of new constitution

To consider, and if thought fit, to pass the following resolution as a special resolution:

'That, for the purposes of section 136(2) of the Corporations Act 2001 (Cth), conditional on the Company being admitted to the official list of the ASX, Shareholders approve the adoption of the new constitution, attached to this notice of meeting, as the constitution of the Company in place of the current constitution, with effect from the date that the Company is admitted to the official list of ASX.'

Resolution 9: Issue of new shares in the Company

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purposes of NSX Listing Rule 6.25, and all other purposes, Shareholders approve the issue and allotment of up to 30,000,000 fully paid ordinary shares at an issue price of \$0.20 per share to raise up to \$6,000,000, on the terms and conditions set out in the explanatory statement accompanying this notice of meeting.'

DATED this 22nd day of September 2016 at Melbourne.

By order of the Board



Philip Lindsay
Company Secretary

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each Shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a Shareholder of the Company.
 - d. If a Shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
 - e. Where a Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a Shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the Shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, Proxy Forms must be received by the Company's Share Registry (Boardroom Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 10.00am (AEDT) Melbourne time on Wednesday 19 October 2016. Any proxy received after that time will not be valid for the scheduled meeting.

Completed Proxy Forms (and the powers of attorney or other instruments or authorities, if any, under which each Proxy Form is signed) or a copy of a facsimile which appears on its face is to be an authentic copy of the Proxy Form (and the power of attorney or other instrument or authority) can be submitted to the Share Registry:

By Mail – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

In Person – Boardroom Pty Limited, Level 12, 225 George Street NSW 2001 Australia

Alternatively, these documents may be faxed to the Share Registry on + 61 2 9290 9655

4. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a Closely Related Party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the Proxy Form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2

There are no voting exclusions on this resolution.

Resolution 3

There are no voting exclusions on this resolution.

Resolution 4

There are no voting exclusions on this resolution.

Resolution 5

The Company will disregard any votes cast on Resolution 5 by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6

The Company will disregard any votes cast on Resolution 6 by a person who may participate in the relevant proposed issue or an associate of a person who may participate in the proposed issue and by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the relevant resolution is passed. However the Company need not disregard a vote if:

- It is cast, in accordance with the directions on the Proxy Form, by a person as proxy for a person who is entitled to vote; or
- It is cast, in accordance with the direction on the Proxy Form to vote as the proxy decides, by the person chairing the meeting as proxy for a person who is entitled to vote.

Resolution 7

There are no voting exclusions on this resolution.

Resolution 8

There are no voting exclusions on this resolution.

Resolution 9

The Company will disregard any votes cast on Resolution 9 by any person who may participate in the proposed issue of securities described in the Explanatory Statement or any person who might obtain a benefit, except solely in the capacity of a holder of ordinary shares, or any associate of such person.

However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Philip Lindsay on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2016 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report and the Auditors Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all Shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively you may access the annual report at the Company's website: www.consolidatedafrica.com or via the Company's announcement platform on NSX. Except for as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(3) of the Corporations Act requires that a resolution to adopt the remuneration report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2016 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that, in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the remuneration report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for this Annual General Meeting.

Directors Recommendation

The Directors encourage all eligible Shareholders to cast their votes in favour of Resolution 1 (Remuneration Report).

Voting Exclusions

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a Closely Related Party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the Proxy Form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2: Election of Mr Philip Lindsay as a Director of the Company

Background

Mr Philip Lindsay was appointed as a Non-Executive Director on 29 September 2015 as a casual vacancy and is eligible for election.

Mr 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.

Directors Recommendation

The Board (with Mr Lindsay abstaining), recommends that shareholders vote in favour of the election of Mr Lindsay. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Lindsay's election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 3: Election of Mr Adriaan van den Bergh as a Director of the Company

Background

Mr Adriaan van den Bergh was appointed as a Non-Executive Director on 7 September 2015 as a casual vacancy and is eligible for election.

Mr van den Bergh has over 40 years' experience in the mining and construction industry. In the last twenty years Mr van den Bergh 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 Mr van den Bergh has overseen the expansion of this business throughout South Africa.

Directors Recommendation

The Board (with Mr van den Bergh abstaining), recommends that shareholders vote in favour of the election of Mr van den Bergh. The Chairman of the meeting intends to vote undirected proxies in favour of Mr van den Bergh's election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 4: Election of Mr Douglass Cahill as a Director of the Company

Background

Mr Douglass Cahill was appointed as a Non-Executive Director on 1 June 2016 as a casual vacancy and is eligible for election.

Mr Cahill is an admitted Solicitor who has practiced in Bendigo for his entire career and has a long and studied knowledge of the gold industry in Victoria commencing in 1974. He is a former, original director of the Prospectors Mines Association and has been past director of the Bendigo Stock Exchange and Bendigo Mining N.L. of which he was a founding director. He was also a founding director of Greater Bendigo Gold Mines Ltd. Mr Cahill brings with him an in-depth understanding of the gold mining industry from a legal, regional and hands-on perspective.

Directors Recommendation

The Board (with Mr Cahill abstaining), recommends that shareholders vote in favour of the election of Mr Cahill. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Cahill's election.

Voting Exclusions

There are no voting exclusions on this resolution.

As Resolutions 2 – 4 are ordinary resolutions, it must be approved by more than 50% of the total number of votes cast by Shareholders entitled to vote on the resolution.

SPECIAL BUSINESS

Resolution 5: Ratification of Prior Issue of Shares and Options

NSX Listing Rule 6.25 restricts the number of securities which a listed entity may issue in any 12 month period without the approval of shareholders to 15% of the number of shares on issue at the start of the period subject to certain adjustments and permitted exceptions. The passing of this resolution will mean that the shares described below do not count towards the 15% limit, thereby providing the Company with considerable flexibility in meeting any short-term requirements for raising additional capital should it be necessary.

The following information is provided to Shareholders for the purposes of Listing Rule 6.25:

- (i) The total number of securities issued was 5,966,098 ordinary shares and 3,601,116 unlisted options.
- (ii) As announced to the NSX on various dates prior to the date of the meeting the following equity securities have been issued:

Date of Issue	Equity Security	Number Issued	Issue Price	Terms
28 June 2016	Ordinary Shares	1,855,890	\$0.10	Pari passu with ordinary shares already on issue.
	Unlisted Options	1,400,000	Nil	Exercise price \$0.05 with expiry date 30 September 2020
22 July 2016	Ordinary Shares	750,000	\$0.10	Pari passu with ordinary shares already on issue.
11 August 2016	Ordinary Shares	335,000	\$0.10	Pari passu with ordinary shares already on issue.
12 September 2016	Ordinary Shares	2,908,308	\$0.10	Pari passu with ordinary shares already on issue.
	Unlisted Options	2,201,116	Nil	Exercise price \$0.05 with expiry date 30 September 2020
14 September 2016	Ordinary Shares	116,900	\$0.10	Pari passu with ordinary shares already on issue.

- (iii) The Shares have been issued on the same terms as the Company's existing ordinary shares. The issued ordinary shares will rank equally in all respects with the Shares already on issue. The unlisted options were granted with an exercise price of \$0.05 and an expiry date of 30 September 2020 and further terms and conditions set out in Appendix A.
- (iv) The Shares were allotted to various professional and sophisticated investors. No Shares were issued to any related parties or associates of the Company.
- (v) The Company successfully applied for listing of the 5,966,098 ordinary fully paid Shares.
- (vi) The Company has used the funds raised from these share placements to provide general working capital for the Company and settle outstanding liabilities where the Shares have been issued for the settlement of those liabilities.

As Resolution 5 is an ordinary resolution, it must be approved by more than 50% of the total number of votes cast by Shareholders entitled to vote on the resolution.

Voting Exclusions

The Company will disregard any votes cast on Resolution 5 by any person who subscribed for securities the subject of the Resolution and their associates.

However, the Company need not disregard a vote if it is cast by:

- a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6: Issue of new shares in the Company

Resolution 6 seeks approval for the Board to allot and issue up to 7,000,000 fully paid ordinary shares at an issue price of \$0.10 per share to raise up to \$700,000 in order for the Company to seek additional funding for its exploration activities and working capital requirements (**Immediate Capital Raising**).

NSX Listing Rule 6.25 provides that a listed company must not, without shareholder approval, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (subject to specified exceptions).

Accordingly, in accordance with NSX Listing Rule 6.25, Shareholder approval is sought to allow the Company to issue up to 7,000,000 fully paid ordinary shares at an issue price of \$0.10 per share pursuant to the proposed Immediate Capital Raising. As a result, the new shares to be issued by the Company under the Immediate Capital Raising will not be included in the Company's 15% annual capacity for the purposes of NSX Listing Rule 6.25.

In accordance with NSX Listing Rule 6.48, the Company provides the following information to ensure that Shareholders are informed of all substantial matters relevant to Resolution 6:

- a) the maximum number New Shares to be issued by the Company is 7,000,000;
- b) the issue price for the New Shares will not be less than \$0.10 per New Share to raise a maximum of \$700,000;
- c) the New Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing fully paid ordinary shares;
- d) the New Shares will be allotted to parties that are not known to the Company at the date of this Explanatory Statement but will be those who subscribe for the New Shares under the Immediate Capital Raising;
- e) the Company intends to use the amounts raised from the Immediate Capital Raising to carry out its exploration objectives and for working capital purposes.

On the basis that the Company raises the maximum \$700,000 (and ignoring the effect of the ASX Capital Raising noted below:

- a) the total issued share capital of the Company would increase to 76,776,748 fully paid ordinary shares on issue; and
- b) existing Shareholders would hold approximately a 90.88% interest in the total issued capital of the Company.

Shares	Number	Interest (%)
Existing fully paid ordinary shares on issue as at the date of this Explanatory Statement	69,776,748	90.88
Immediate Capital Raising (\$700,000 at \$0.10 per share)	7,000,000	9.12
Total fully paid ordinary shares on issue following completion of the Immediate Capital Raising	76,776,748	100.00

As Resolution 6 is an ordinary resolution, it must be approved by more than 50% of the total number of votes cast by Shareholders entitled to vote on the resolution.

Voting Exclusions

The Company will disregard any votes cast on Resolution 6 by any person who may participate in the proposed Immediate Capital Raising and any other person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and any of their associates.

However, the Company need not disregard a vote if it is cast by:

- c) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- d) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Background information for Resolutions 7, 8 and 9

Over the last 6 months since listing on the NSX, the Board has worked towards increasing shareholder value. Shareholder value is usually based on the value of the underlying share price. The shares have traded once since listing and went up 40% at that point. There has been a number of technical results released since this trade and the shares remain bid at 14 cents but still no sellers.

Because of the lack of trading, the market has not acknowledged the increased value in the Company drawn out by these results. The Board is now proposing the Company list on a more liquid market, the ASX. The number of shareholders will increase dramatically allowing the opportunity for a more widespread interest to develop in a sector that is increasingly being written up by the media and stockbrokers research departments.

The Board sees the move to ASX and delisting from NSX as a positive for all Shareholders. The Board will encourage increased interest in the Company and seek to raise demand for the shares which should result in increased market capitalisation and share price growth as a matter of priority while developing the graphite project.

Resolution 7: De-listing from NSX

The Company proposes to apply to ASX for admission to the official list of ASX, with all ordinary shares to be quoted on the official list following such admission. If the Company's application is approved by ASX, the Company withdraw its listing on NSX.

NSX Listing Rule 2.25 requires a listed company to obtain shareholder approval by way of a special resolution prior to voluntarily withdrawing its listing. Accordingly, in accordance with NSX Listing Rule 2.25, Shareholder approval is sought for the voluntary withdrawal by the Company from its listing on NSX. The Company will not seek to withdraw its NSX listing unless and until ASX approves the Company's application for admission to the official list of ASX (or such later date as agreed with NSX).

The proposed de-listing of the Company from NSX is considered by the Board to be in the best interests of the Company in light of the low level of trading of the Company's shares on NSX and the Board's view that the current market capitalisation of the Company doesn't reflect the underlying asset value of the business.

The Board believes that the Company's admission on ASX will improve the level of trading of the Company shares and provide better liquidity for shareholders.

Resolution 7 is conditional on the Company being admitted to the official list of ASX. The Company presently proposes to apply to ASX in late 2016. The Company notes that ASX may not approve the application.

As Resolution 7 is a special resolution, it must be approved by at least 75% of the total number of votes cast by Shareholders entitled to vote on the resolution.

Resolution 8: Adoption of new constitution

As described in Resolution 7, the Company proposes to apply to ASX for admission to the official list of ASX.

The Company's current constitution is compliant with the NSX Listing Rules. On admission to the official list of ASX, the Company will need to adopt a constitution that is compliant with ASX Listing Rules. The constitution attached to this Explanatory Memorandum is compliant with the ASX Listing Rules. The new constitution will not be adopted until the Company is admitted to the official list of ASX.

Section 136(2) of the Corporations Act requires a company to obtain shareholder approval by way of a special resolution to modify or repeal its constitution. Accordingly, in accordance with section 136(2) of the Corporations

Act, Shareholder approval is sought to repeal the current constitution of the company and replace it with the new constitution, in the form tabled at the meeting.

As Resolution 8 is a special resolution, it must be approved by at least 75% of the total number of votes cast by Shareholders entitled to vote on the resolution.

Resolution 9: Issue of new shares in the Company

As described in Resolution 7, the Company proposes to apply to ASX for admission to the official list of ASX. Resolution 9 seeks approval for the Board to allot and issue up to 30,000,000 fully paid ordinary shares at an issue price of \$0.20 per share to raise up to \$6,000,000 pursuant to a prospectus to be lodged by the Company with ASIC (**ASX Capital Raising**) to coincide with the admission to the official list of ASX.

NSX Listing Rule 6.25 provides that a listed company must not, without shareholder approval, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (subject to specified exceptions). The ASX Capital Raising will involve more than 15% of the issues capital of the Company.

Accordingly, in accordance with NSX Listing Rule 6.25, Shareholder approval is sought to allow the Company to issue up to 30,000,000 fully paid ordinary shares at an issue price of \$0.20 per share pursuant to the proposed ASX Capital Raising. As a result, the new shares to be issued by the Company under the ASX Capital Raising will not be included in the Company's 15% annual capacity for the purposes of NSX Listing Rule 6.25.

In accordance with NSX Listing Rule 6.48, the Company provides the following information to ensure that Shareholders are informed of all substantial matters relevant to Resolution 9:

- a) the maximum number New Shares to be issued by the Company is 30,000,000;
- b) the issue price for the New Shares will not be less than \$0.20 per New Share to raise a maximum of \$6,000,000;
- c) the New Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing fully paid ordinary shares;
- d) the New Shares will be allotted to parties that are not known to the Company at the date of this Explanatory Statement but will be those who subscribe for the New Shares under the ASX Capital Raising;
- e) the Company intends to use the amounts raised from the ASX Capital Raising to carry out its exploration objectives, for working capital purposes and paying the costs of the ASX Capital Raising and listing on ASX. Further details on the use of funds will be set out in the prospectus that will be issued in respect of the ASX Capital Raising.

If Resolution 9 is passed and the New Shares issued, the likely dilution for existing Shareholders is set out below.

On the basis that the Company raises the maximum \$6,000,000 (and ignoring the effect of the Immediate Capital Raising noted above:

- c) the total issued share capital of the Company would increase to 99,776,748 fully paid ordinary shares on issue; and
- d) existing Shareholders would hold approximately a 69.93% interest in the total issued capital of the Company.

Shares	Number	Interest (%)
Existing fully paid ordinary shares on issue as at the date of this Explanatory Statement	69,776,748	69.93
ASX Capital Raising (\$6,000,000 at \$0.20 per share)	30,000,000	30.07
Total fully paid ordinary shares on issue following completion of the ASX Capital Raising	99,776,748	100.00

As Resolution 9 is an ordinary resolution, it must be approved by more than 50% of the total number of votes cast by Shareholders entitled to vote on the resolution.

Voting Exclusions

The Company will disregard any votes cast on Resolution 9 by any person who may participate in the proposed ASX Capital Raising and any other person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and any of their associates.

However, the Company need not disregard a vote if it is cast by:

- e) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- f) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

GLOSSARY

The following terms have the following meaning in the Explanatory Statement and Notice:

“\$” means Australian Dollars;

“AEDST” means Australian Eastern Daylight Savings Time.

“Annual Report” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect of the year ended 30 June 2016;

“ASX” means ASX Limited ACN 008 624 691 or Australian Securities Exchange, as the context requires;

“ASX Capital Raising” means in respect of the proposed capital raising of the Company involving the issue of up to 30,000,000 fully paid ordinary shares of the Company at an issue price of \$0.20 per new share to raise a maximum of \$6,000,000 pursuant to the prospectus to be lodged by the Company with ASIC, further details of which are contained in Resolution 9:

“Auditor’s Report” means the auditor’s report on the Financial Report;

“Board” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“Chairman” means the person appointed to chair the Meeting of the Company convened by the Notice;

“Closely Related Party” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“Company” means Consolidated Africa Limited ACN 605 659 970;

“Constitution” means the constitution of the Company as at the date of the Meeting;

“Convertible Security” means a security of the Company which is convertible into shares;

“Corporations Act” means the *Corporations Act 2001 (Cth)*;

“Director” means a Director of the Company;

“Directors Report” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“Equity Security” has the same meaning as in the Listing Rules;

“Explanatory Statement” means the explanatory statement which forms part of the Notice;

“Financial Report” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“Immediate Capital Raising” means the proposed capital raising of the Company involving the issue of up to 7,000,000 fully paid ordinary shares of the Company at an issue price of \$0.10 per new share to raise a maximum of \$700,000, further details of which are contained in Resolution 6;

“Key Management Personnel” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“Listing Rules” means the Listing Rules of the NSX;

“Meeting” has the meaning given in the introductory paragraph of the Notice;

“New Shares” means in respect of:

- (a) Resolution 6: up to 700,000 fully paid ordinary shares proposed to be issued by the Company pursuant to the relevant Capital Raising;
- (b) Resolution 9: up to 30,000,000 fully paid ordinary shares proposed to be issued by the Company pursuant to the relevant Capital Raising;

“Notice” or “Notice of Meeting” means the notice of meeting accompanying this Explanatory Statement;

“NSX” means National Stock Exchange of Australia Limited ABN 11 000 902 063 or the National Stock Exchange, as the context requires;

“Proxy Form” means the proxy form attached to the Notice;

“Remuneration Report” means the remuneration report which forms part of the Directors’ Report of Consolidated Africa Limited for the financial year ended 30 June 2016 and which is set out in the 2016 Annual Report;

“Resolution” means a resolution referred to in the Notice;

“Share” means a fully paid ordinary share in the capital of the Company;

“Share Registry” means Boardroom Pty Limited; and

“Shareholder” means a registered member of the Company.

APPENDIX A

TERMS AND CONDITIONS OF UNLISTED OPTIONS

The terms and conditions of the options granted pursuant to Resolution 5 are as follows:

Exercise price: Each option entitles the holder to subscribe for 1 fully paid ordinary share in Consolidated Africa Limited at a subscription price of \$0.05 (5 cents) per share.

Manner of exercise: The options are exercisable at any time prior to 5:00pm (AEDST) on 30 September 2020 by completing an option exercise form and delivering it to the Company's Share Registry together with payment for the number of Shares in respect of which the options are exercised and the option holding statement for those options.

Transferability of options: Subject to the *Corporations Act 2001*, the NSX Listing Rules and the Company's Constitution, the options are freely transferable and the Company may apply to the NSX for the options to be admitted to quotation.

Ranking and quotation of shares: All Shares issued upon exercise of options will rank equally in all respects with the Company's then existing fully paid ordinary shares. Within 10 business days after the issue of Shares upon exercise of options, the Company will apply to the NSX for those Shares to be admitted to quotation.

Participation rights: Holders of options may only participate in a new issue of securities to holders of ordinary shares in the Company if an option has been exercised and a Share issued in respect of that option before the record date for determining entitlements to the new issue, and the participation shall only be in respect of such Share issued. The Company must give holders of options at least 6 business days' notice of the record date for determining entitlements to that new issue in accordance with the NSX Listing Rules.

No change to option terms: There will be no change to the exercise price of an option or the number of Shares over which an option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to holders of ordinary shares in the Company (other than a bonus issue in which case the exercise price of an option will be adjusted down accordingly).

Reorganisation of capital: In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, all of the options will be reorganised as required by the NSX Listing Rules, but in all other respects the terms of exercise will remain unchanged.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEDT) on Wednesday, 19 October 2016.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEDT) on Wednesday, 19 October 2016.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐ **Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of Consolidation Africa Limited (Company) and entitled to attend and vote hereby appoint:

☐

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Radisson Blu Hotel, Sir James Fairfax Room, 27 O'Connell Street, Sydney NSW 2000 on Friday, 21 October 2016 at 10:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr Phillip Lindsay as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Adriaan van den Bergh as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Douglass Cahill as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of new shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Special Resolution De-listing from NSX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Special Resolution Adoption of new constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of new shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2016