

NSX Market Announcement
28 February 2017

Phase 4 – Trenching Programme

Consolidated Africa Limited (NSX: CRA) advises that over the last 12 months, Consolidated African Resources (U) Ltd (CRA), (Plot 7 Kampala Road, 10th Floor (East) Commercial Plaza, P.O. Box 29117, Kampala, Uganda, Registered Number 133327), has undergone an extensive exploration programme. Following up on the initial trenching and drilling programmes (2015). In 2016 the following exploration activities were undertaken:

- (i) 1078 km airborne VTEM survey was conducted (Figure 1).
- (ii) 4.2 km trenching program, included the collection and assay of 271 samples (Figure 2, Figure 3, & Figure 4).

Air Borne VTEM Survey

The air borne VTEM geophysical survey was conducted by GeoTech which commenced 1 May 2016 and was completed by 20 May 2016. The survey totaled 1078 km of geophysical lines (245 within EL1173 and 833km within EL1025). Results confirmed the lateral extent of the graphite rich exploration target on the EL1025 licence area.

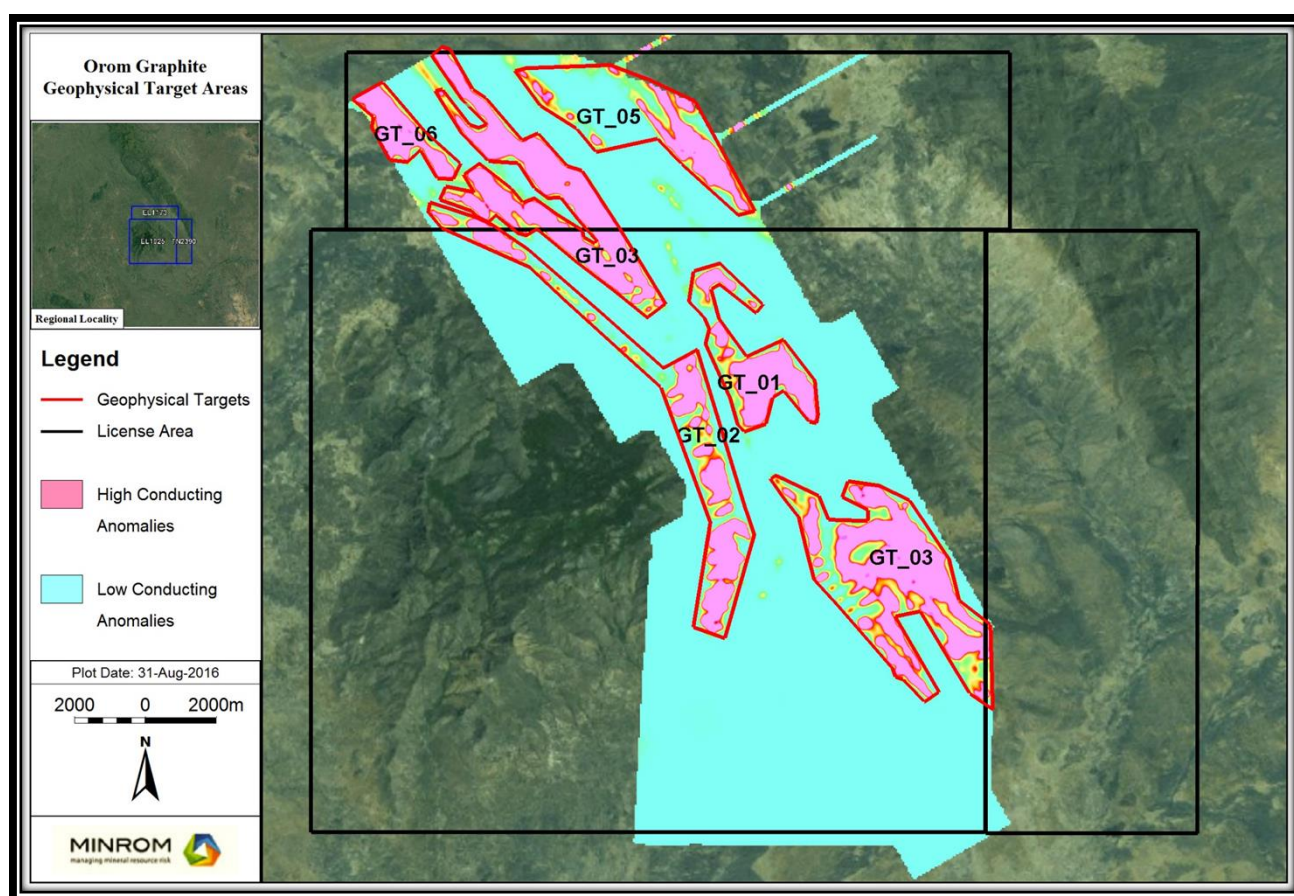


Figure 1 – VTEM Geophysical Survey Target Areas

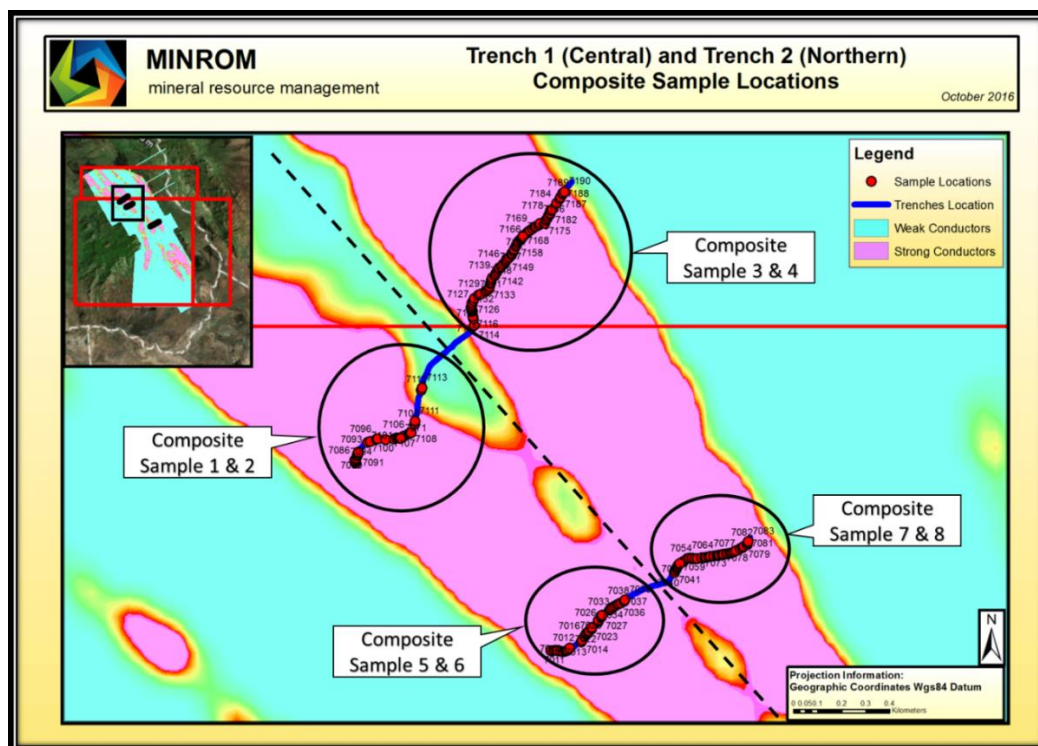


Figure 2 - Trench 1 & 2 Composite Sample Locations

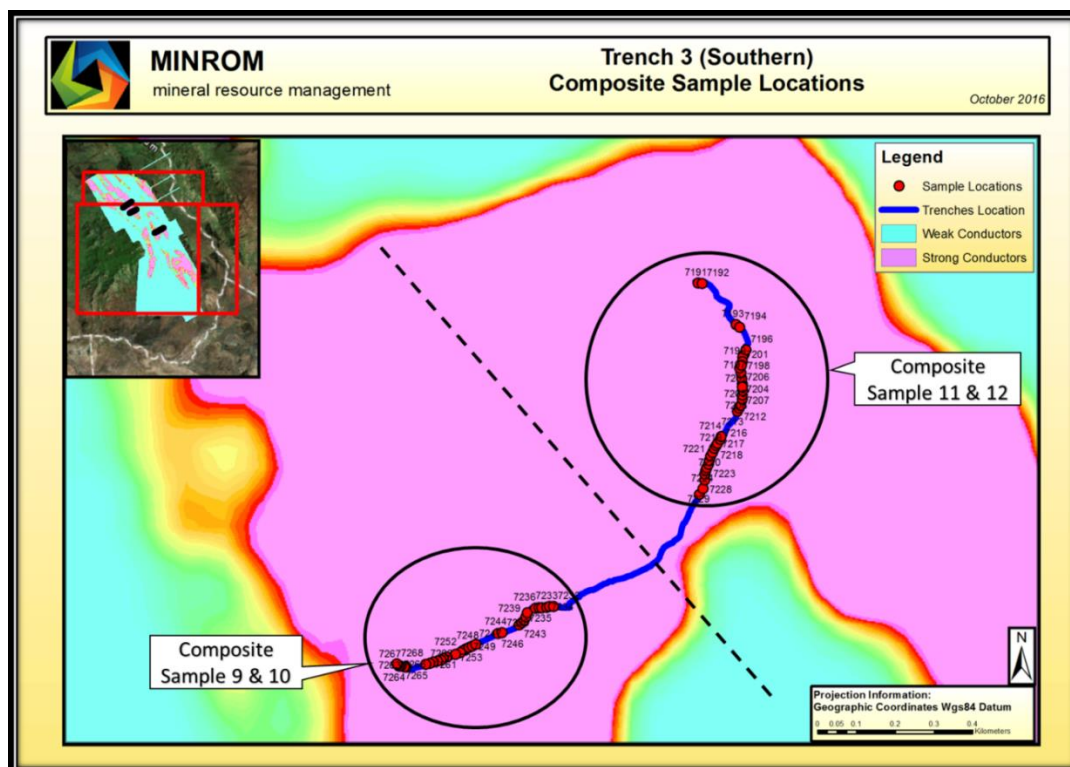


Figure 3 - Trench 3 Composite Sample Locations

Trenching Program

The latest trenching program extracted 271 samples from three trenches excavated to a maximum depth of three meters. It was noted from the Vtem survey that the high geophysical anomalies occurred in the valleys while the low geophysical anomalies occur over the high ground. This correlation assists the company in a very positive manner for potential mine planning for graphite extraction.

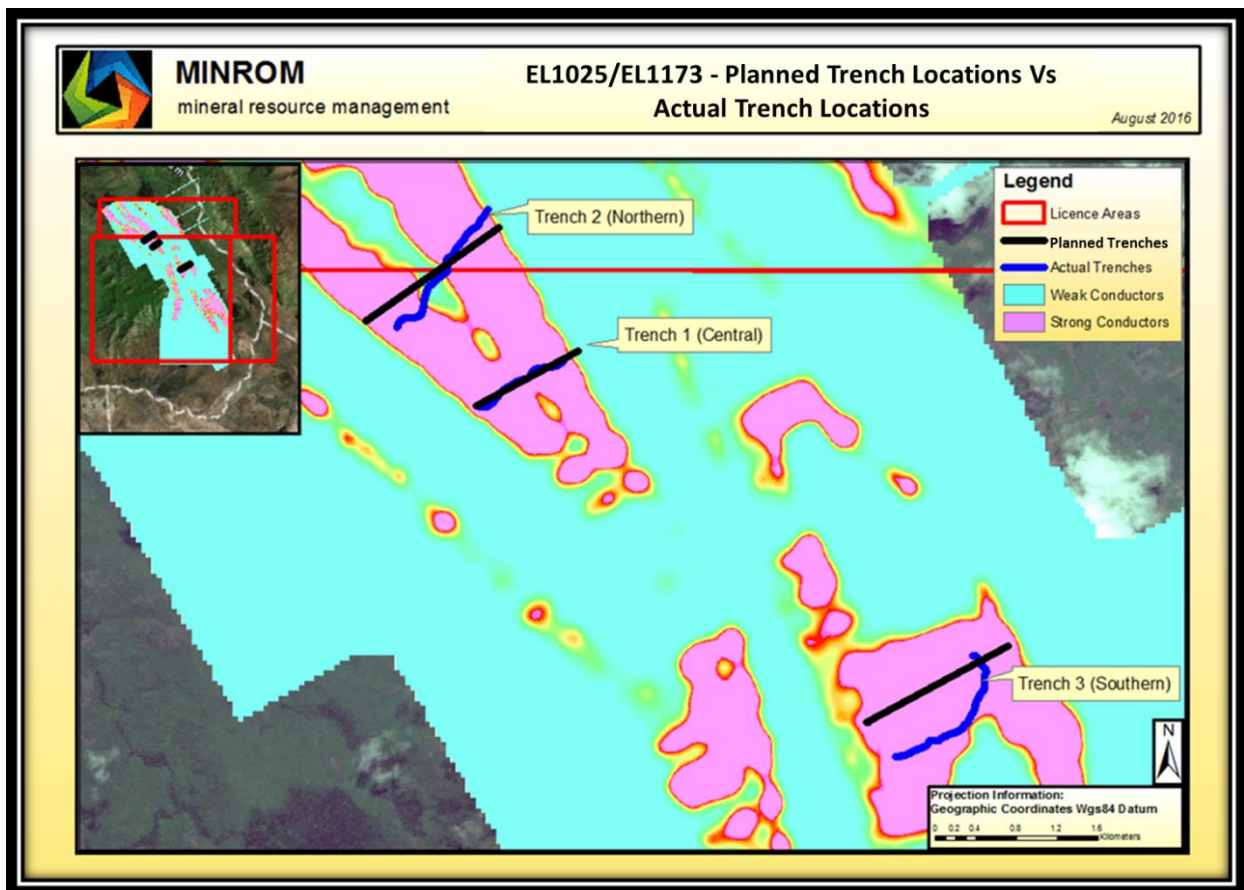


Figure 4 - Original Trench Locations vs Actual Locations

From the metallurgical test work the samples obtained graphite sizes of Large to Super Jumbo flakes of between +125um to +500um and higher. The flake size distribution indicated that approximately 76% of the graphite flakes are categorised as Jumbo to Super Jumbo flake graphite. Some of the largest flake graphite recovered measured more than 0.5 mm in length.

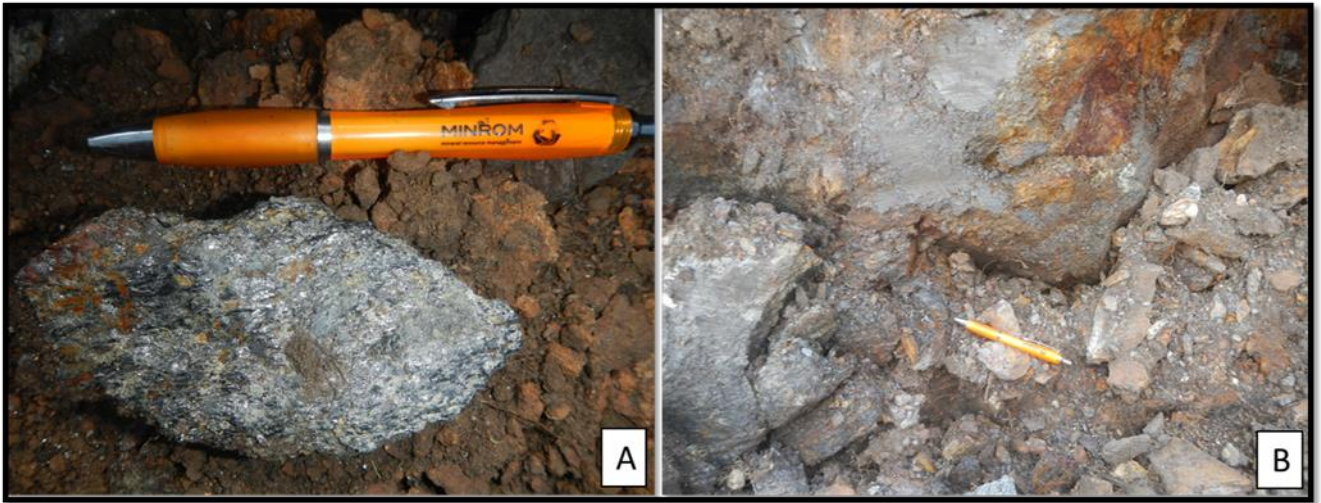


Figure 5 - A) Large rock fragment of high-grade graphite bearing ore, approximately 10-15cm in length.
B) High grade section of graphite bearing ore exposed within the trench.

The graphite samples were submitted for initial flotation test work (SGS, 2014). Several measures were experimented with which included crushing, grinding and milling of the material followed by flotation with two additional cleaner stages. The results were dependent on the experimental stage of processing and indicated a good potential for recovery (93% achieved in the test work). The potential upgradability of the material in this study was 84%-86% graphitic carbon. Further work on concentrating the graphite will be performed as the next step in developing the process of a consistent high concentration will be targeted.

The company's geological team (Minrom Consulting South Africa) specified that the top 20 meters of surface material was weathered allowing for an easier separation process to liberate the graphite. Less grinding and milling would enable a larger distribution of the Jumbo and Super Jumbo flakes to be produced from the flotation process. The project area would also be conducive for strip mining.

A weighted average grade of 8.01% graphitic carbon is estimated from 20m to 100m below surface for the potentially mineralised material and an average grade of 6.08% graphitic carbon is estimated for the top 20m meters of potentially mineralised material. The grades combined represent a total of 3.8 billion tonnes of potentially mineralised material.

Looking Forward:

This week, CRA is commencing with the process of applying for a mining license covering a total area of 20.96 km², costing approximately US\$100,000 per year in rental fees. The balance of the project area is to be retained for future extensions of the mining license.

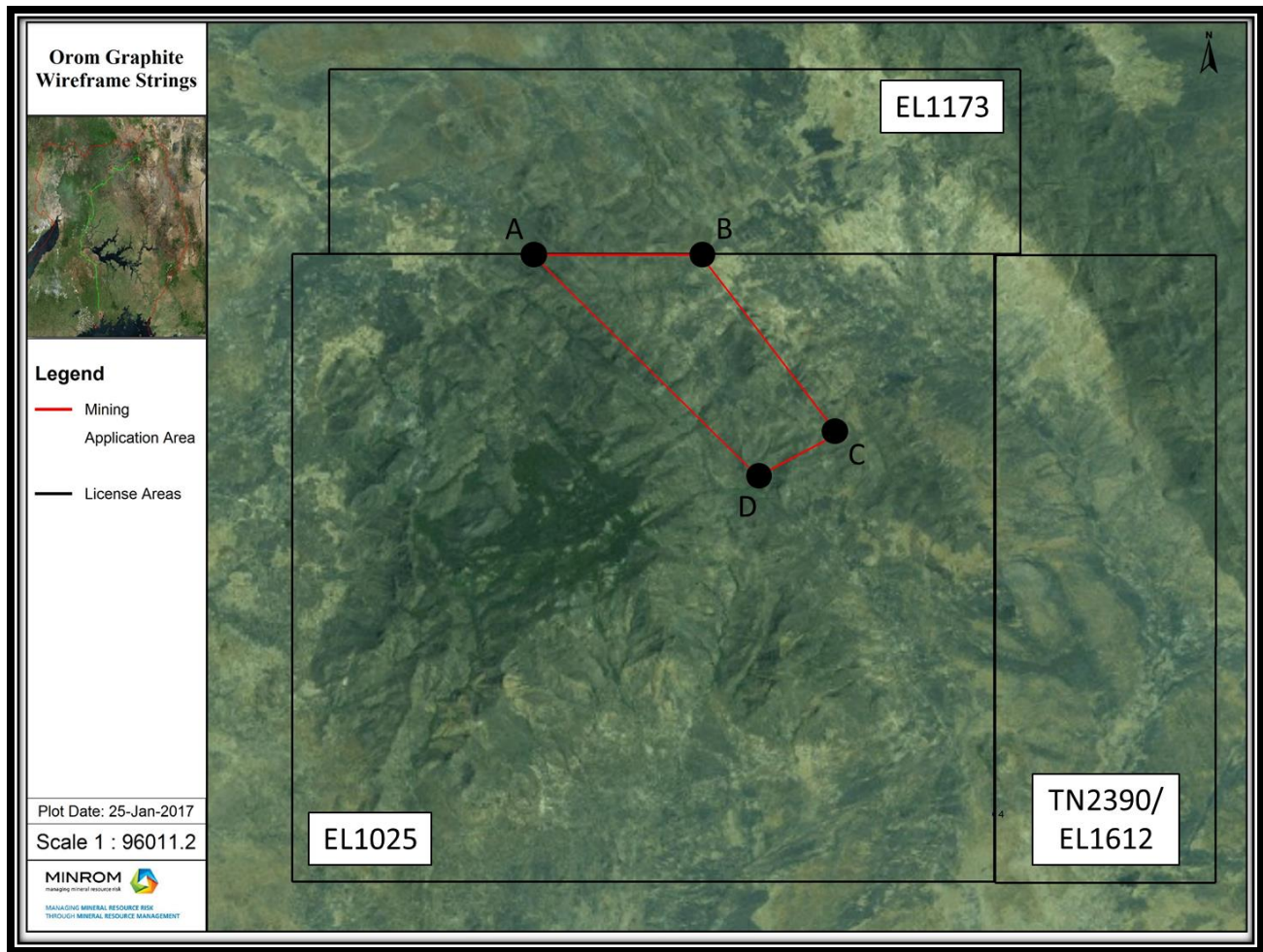


Figure 6 – Mining Application Area

CRA will aim to develop a JORC resource. Initially, an indicated classification of the top 20 meters and an inferred classification below 20 meters would be anticipated.

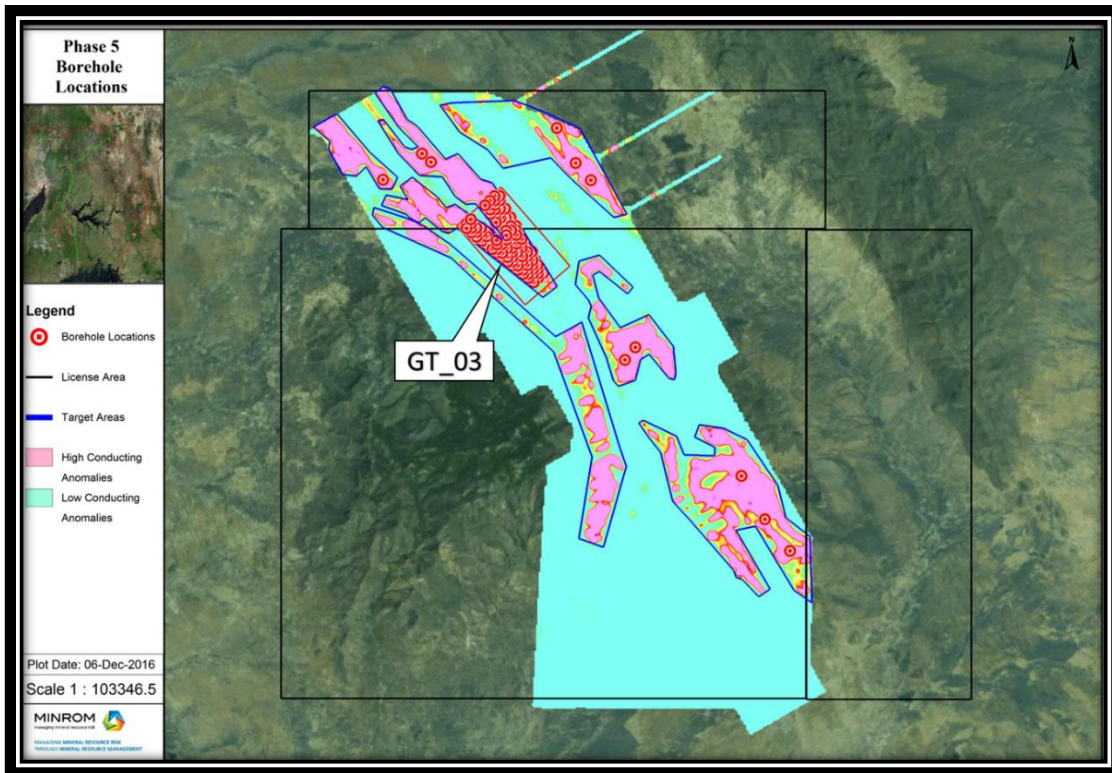


Figure 7 - Planned Drillhole Locations

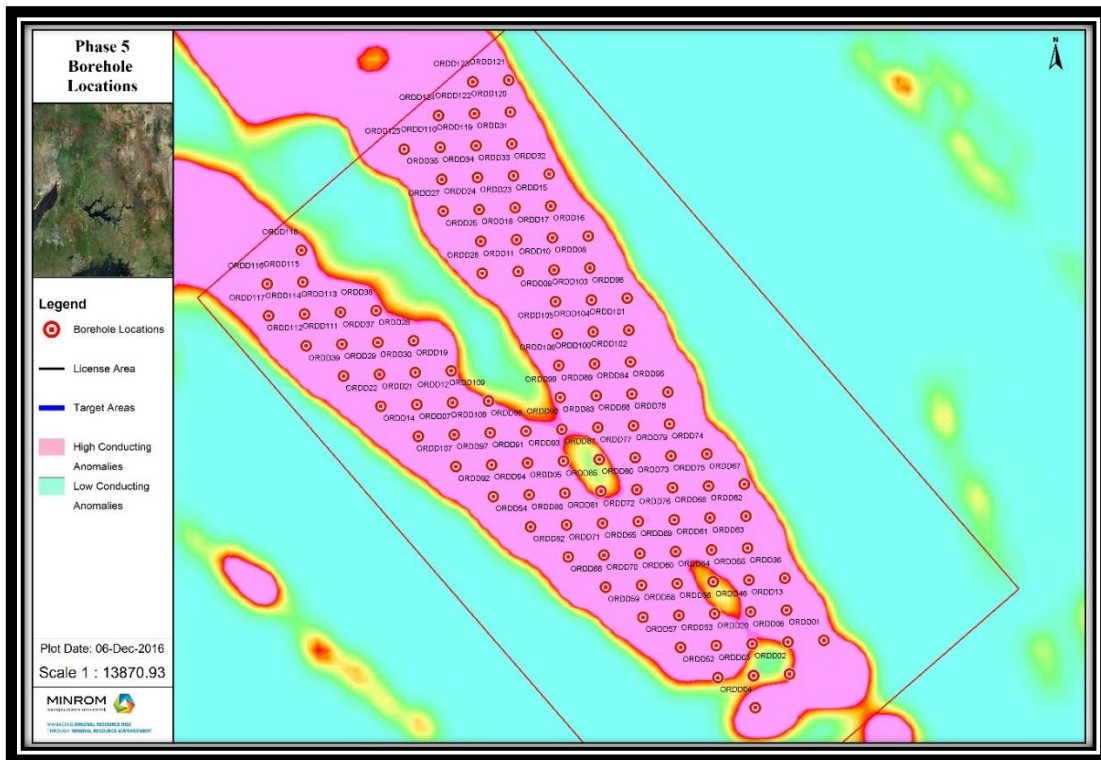


Figure 8 - Planned Drillhole Locations

Currently CRA is planning to discuss with end users and financiers the potential development of what the company believes is a world class flake graphite deposit in terms of the scale and grade.

On behalf of the board:

Philip Lindsay
Chairman

Competent Person's Statement

The details contained in the document that pertains to exploration results, ore and mineralisation is based upon information compiled by Mr Oscar van Antwerpen, Mr Antwerpen is a member of the Geological Society of South Africa and a Registered Natural Scientist at the Council for Natural Scientific Professions, Membership Number 400094/97. Mr Antwerpen 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Antwerpen has consented to the inclusion in the report of the matters based on the information in the form and context in which it appears.