NSX Market Announcement
6 July 2016

Phase 4 Exploration Programme

Consolidated Africa Limited (NSX: CRA) advises this release stipulates the proposed next phase of exploration to be undertaken by Consolidated Africa within leases EL1025 and EL1173.

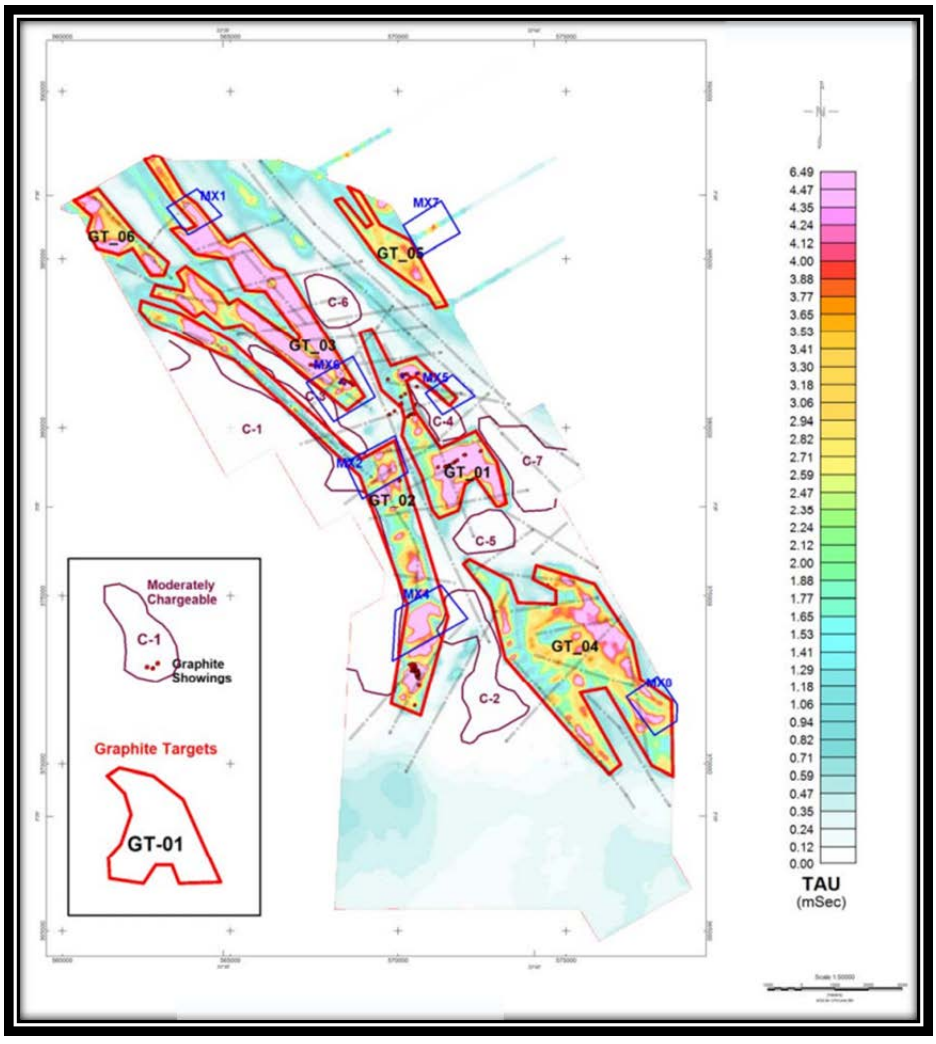


Figure 1 - Geophysical Results and Proposed Target Areas

Figure 1 illustrates the results of the geophysical survey (VTEM) conducted within the licence areas and indicates multiple zones of subsurface conductors (indicated by the warm colours on the map i.e. reds and yellows). These conductors are interpreted as being related to graphite occurrences.

The geophysical interpretation identified three (3) are primary targets (GT_01, GT_02, GT_03) and three (3) are secondary targets (GT_04, GT_05, GT_06), Figure 1.

The graphite targets (GT_01 and GT_03) form the focus for a forth Phase investigation due to the accessibility (Figure 3) of the terrain and vegetation. Three (3) individual trenches are to be excavated over the target areas. The trenches will strike perpendicular to the graphite trend and will be excavated to a depth of 1.5m. The trench numbers, length and target area of investigation are listed in the table below and illustrated in Figure 2:

Table 1 - Phase 4 Detailed Trenching

Trench Number	Length	Graphite Target to be investigated
Trench 1	2 Km	GT_03
Trench 2	1.1 Km	GT_03
Trench 3	1.6 Km	GT_01

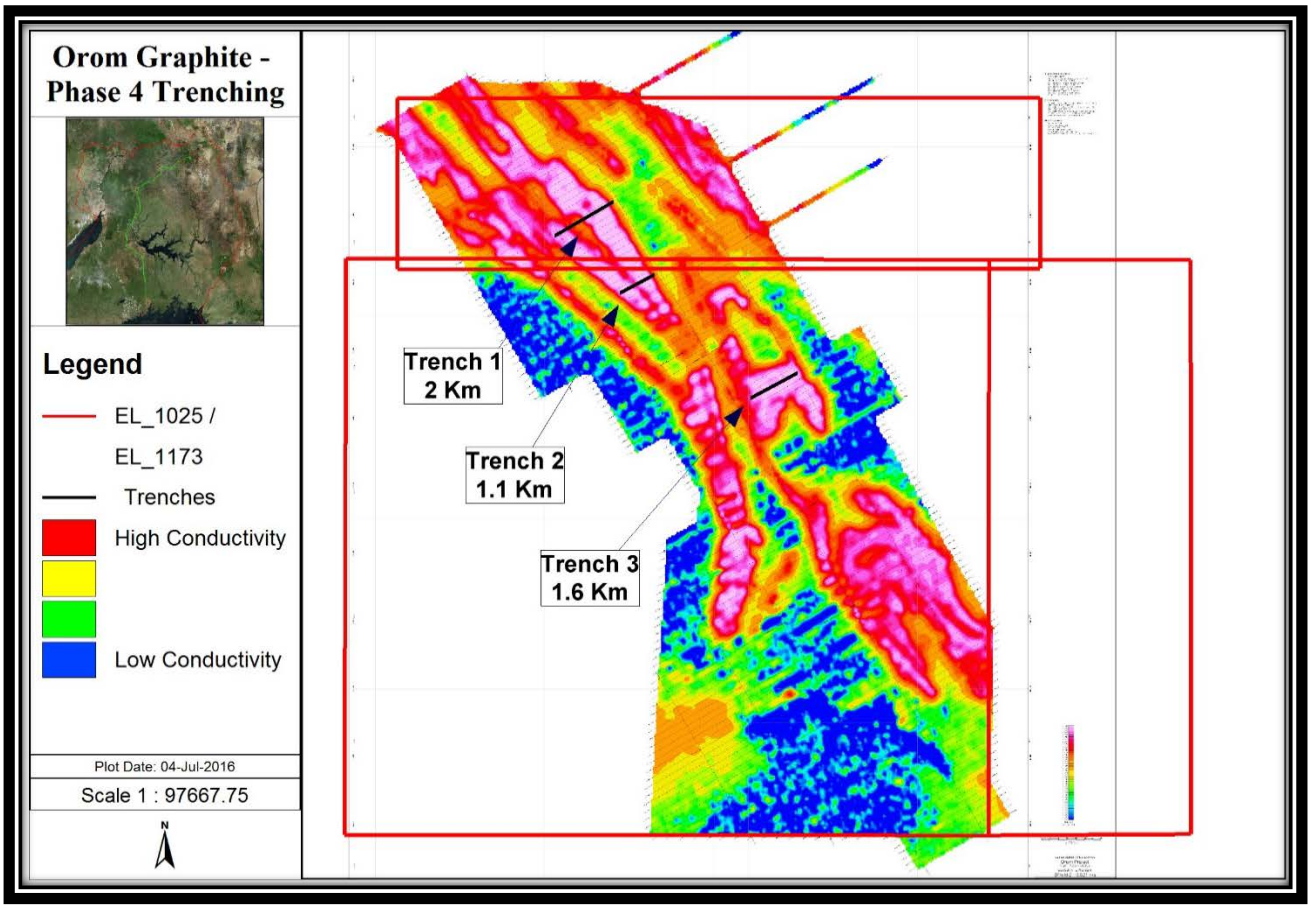


Figure 2 - Trench Locations

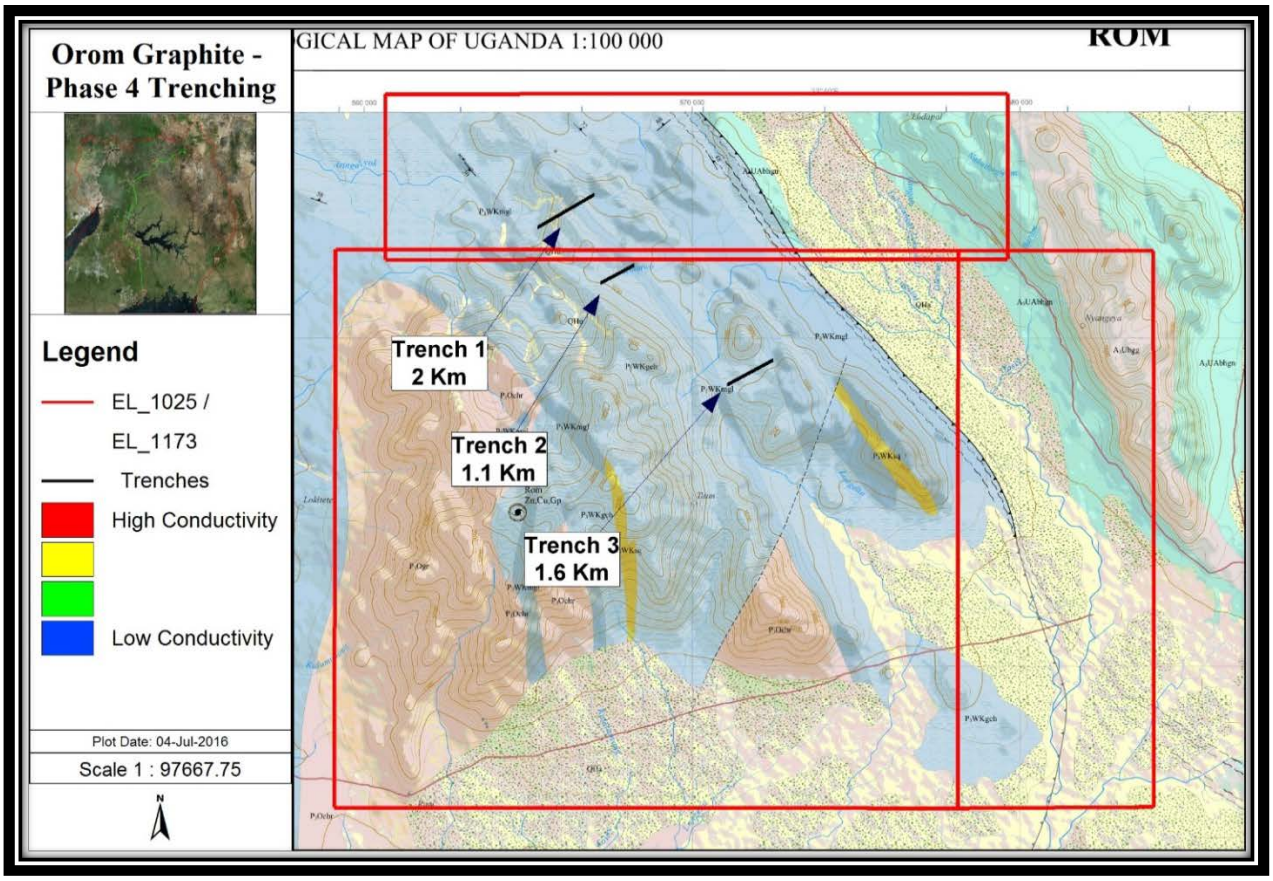


Figure 3 - Phase 4 Trenching Locations, Geological and Contour Map

The following trenching programme is proposed, in which trenching will be performed under the supervision of a geologist who will:

- Map, describe and sample the trenches and be onsite to manage the trenching programme,
- All trenches are be to lithologically mapped in detail,
- Channel samples are to be extracted from the graphite intersections within trenches,
- Samples will be submitted to UIS for analysis of graphitic carbon content,
    - Channel samples – are composite samples of a predetermined volume, that is collected inclusive of waste material, in order to determine an unbiased potential grade for the subsurface material,
- A grade distribution is to be determined throughout the trenches and across the target areas,
- The Phase 4 Detailed Trenching programme is estimated to cost approximately US$ 150 000,
- The programme is expected to commence mid-July and be completed by the end of September.

For more information please contact:

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 Fellow of the Australian Institute of Geoscientists and is a Consultant to Consolidated Africa Limited. 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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Diamond drilling was conducted to produce HQ and NQ sized core for the sampling programme, • Sample sizes were at 1m intervals as no Geostatistical analysis has been conducted to determine variability and optimum sample size. • Core was split with a core cutter for sampling of one half of the core while the other half remained behind for reference purposes, • The 1m samples were crushed and pulverized by SGS Johannesburg down for assay test work via LECO, XRF and Fire assay (SGS Johannesburg), • Assay test work reported on the graphitic carbon content, organic carbon and total carbon by LECO, major mineral content by XRF and gold by Fire assay, • Mineralogical test work was conducted by SGS Johannesburg on the samples for head grade analysis, major mineral assemblages, grading analysis and optical flake size distribution,
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling (core), • Core size included HQ (60mm diameter) and NQ (40mm diameter), • Standard tube, • Core is not orientated,
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core loss/gain measurements were taken on each drill run, minimal core loss was observed, • Drilling was monitored by a geologist to maximize ore intersection as well as to transport the core material, • Grade may have been affected in the unconsolidated material through the loss of fine material. Special care were taken during the logging and sampling to preserve the integrity of the sample
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical*	• Core samples were logged at a high level first followed by detail logging of the identified lithologies, structures and mineralization. • Methods included: lithological logging, geotechnical logging, core

Criteria	JORC Code explanation	Commentary
	studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	loss/gain record, meter marking and sample interval recording, • Logging was qualitative, • Photographic records were taken of all the core material produced from the drilling programme, • All core was logged by all the methods mentioned above, • A standard nomenclature was developed and facilitated between two geologists working together on the project to eliminate interpretation errors,
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was cut and half of each sample interval was taken for sampling, • All samples were crushed, dried and pulverized before assay test work. SGS performed all sample preparation activities, • QA/QC methods included using a graphite field standard (no standard for the current project is available, a field duplicate/standard were prepared by SGS from previous mapping and sampling programmes). Silica blank standards were deployed. Duplicate test work on some of the samples was performed by SGS as part of their QA/QC. • The sample lengths utilized incorporated the internal waste if occurring within the sample between graphite bands. Sample intersections and lengths were guided by lithological boundaries but were not optimized for grade, consistence in sample methodology were deployed, 1.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• SGS Johannesburg tested organic carbon and graphitic carbon by LECO, • Major mineral content was tested by XRF, • Gold content was tested by fire assay, • The techniques above are considered total, • No geophysical tools have been used thus far, • Quality control procedures included blanks and field standards incorporated in to each sample batch as well as internal QA/QC by the lab using blank, duplicates and standards, • The machinery accuracy levels have been determined to be within an acceptable level and declared under ISO certification from SGS,

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Data entry was conducted by a Minrom geologist and verified to present errors and duplication • Hard and soft copies of the captured logging data were stored,
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Downhole reflex readings were conducted to record variations, • No significant reflex reading deviations were observed, • Grid system deployed was: WGS_1984_UTM_Zone_36N, • Longitude, latitude and elevation was recorded by hand held GPS, • Collars were not surveyed by a differential survey instrument but will be recorded and surveyed during phase 2.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drillhole spacing was approximately 50m to 70m, • Drillholes were placed along strike to determine horizontal and vertical continuation of the ore zones, • The aim of the drill hole spacing in this very early stage exploration phase was to investigate the trend, dip and internal qualities of the mineralized graphite zones, for that particular section of the deposit, • Sample compositing was not applied as no forma; resource estimation could be performed at this stage of the project,
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The lithological units dip at a 70° angle to the south west, drilling was conducted at a 60° angle to the north east to insure the most perpendicular intersection of the ore body, • Duplication of the mineralized zones in one borehole were not observed based on the knowledge of the area,
Sample security	• *The measures taken to ensure sample security.*	• Samples have been kept in safe locations under constant supervision and have been stored within locked containers for preservation,
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been performed to date

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

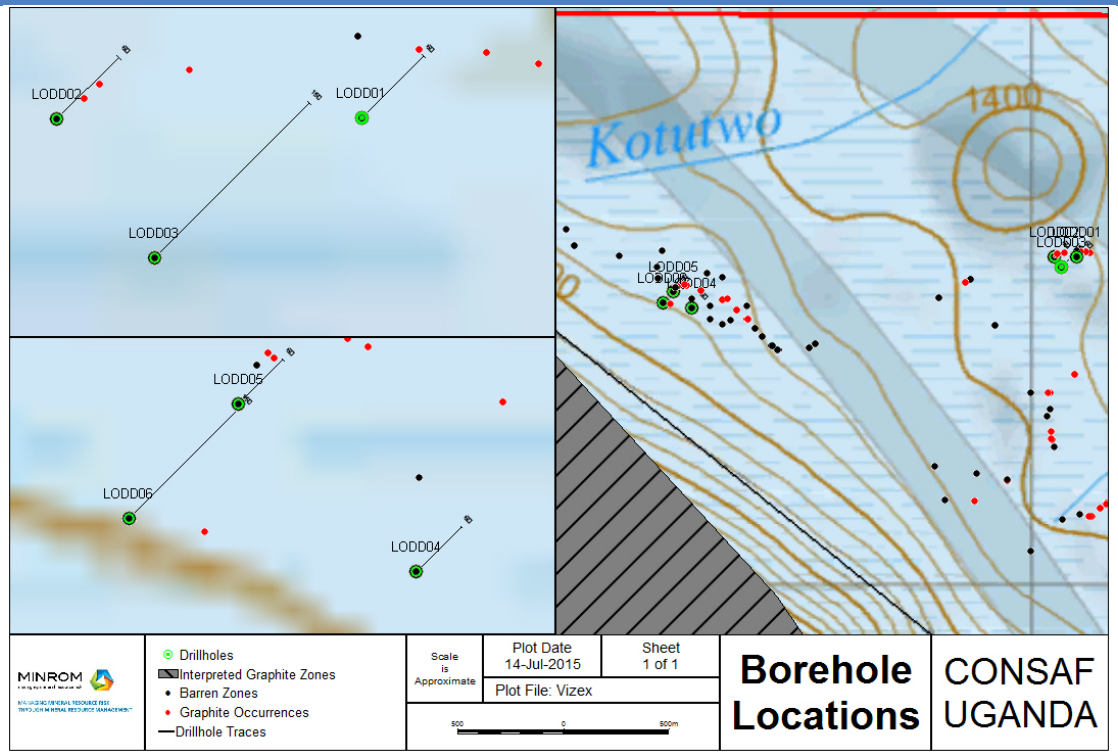
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration license 1025, Kitgum/Kaabong district, Northern Uganda, • Renewal granted to Consolidated African Resources Limited on 9th August 2015 until the 9th August 2017, for the prospecting of Graphite, Gold, Zinc and Micas', • The license is secure, valid and in full conformance with the Ugandan Mineral Law, • Exploration License 1173, Kitgum/Kaabong district, Northern Uganda, • Granted to Frontier Exploration Limited from the 8th July 2013 until the 8th July 2016, the Exploration License was then transferred to Consolidated African Resources Limited with effect from 29th April 2016 for the prospecting of Graphite, Gold, Zinc and Micas', • The license is secure, valid and in full conformance with the Ugandan Mineral Law, • Exploration License TN 2390, Kitgum/Kotido/Kaabong District Northern Uganda, • Granted to Consolidated African Resources Limited on the 20th of June 2016 until the 20th June 2018, for the prospecting of Graphite, Gold, Zinc and Micas', • The license is secure, valid and in full conformance with the Ugandan Mineral Law,
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration was conducted by W.H. Morton in the Lochomo and Rom south areas within the license during 1969, • TMT mining and discovery Africa conducted a pitting and trenching programme, (2014),
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Graphite Flake deposit, • Located within a metamorphic region composed of graphitic gneisses, alternating with barren zones of pyroxene gneisses containing garnets, amphibolites and quartzo-feldspathic bands, • The mineralisation style includes the banding of large to jumbo sized graphite flakes,

Criteria	JORC Code explanation	Commentary
		• pyrite and mica associations are common with the graphite,
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the*	

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°

Criteria	JORC Code explanation	Commentary
	understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any*	• Weighted averaging was determined by multiplication of the grade by the sample interval length for each sample, the result of each sample was then added to form a combined total and divided by the total sample interval length, • Minimum grade was determined to be 0.5% graphitic carbon and was used as the bottom limit in grade determinations and basic statistical analysis, • Three boreholes have been tested for low, medium to high grade with the latter three boreholes only tested for high grade characterization. The sample scheduling were performed as result of time constraints, • Both high and medium grade samples have been utilized during flake size analysis and grading analysis, • Sample lengths were consistently utilized during the sampling program,

Criteria	JORC Code explanation	Commentary
	reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The mineralisation nature has been determined to be dipping at a 70° angle to the south west, interpreted from surface measurements and downhole intersections, • Mineralisation occurred down to a depth of 120m below surface, • The down hole length, drilling angle and dip of the deposit was used to determine the true thickness, • True thickness calculations were utilized to declare mineralization zone thickens, • Weighted average calculations were deployed to calculate the grade distribution of the ore body,

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	

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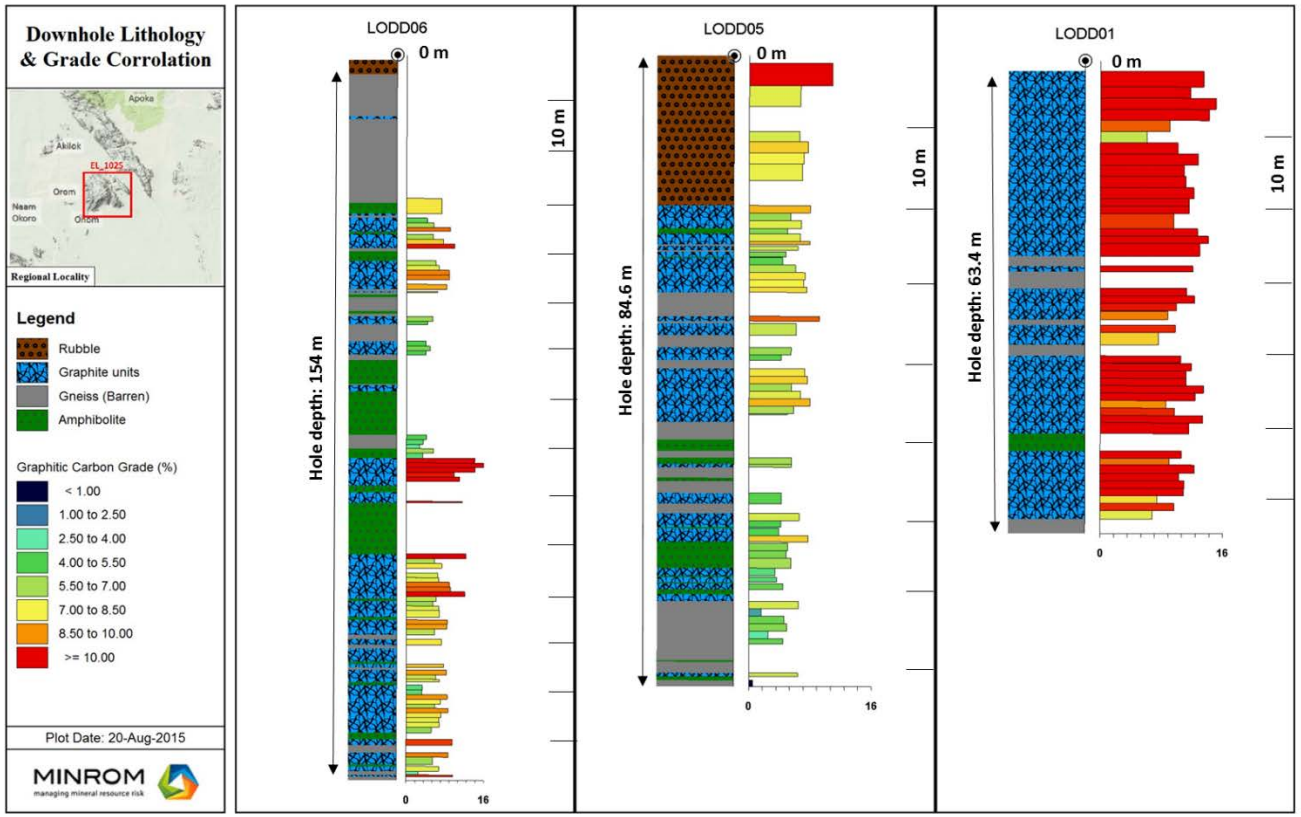

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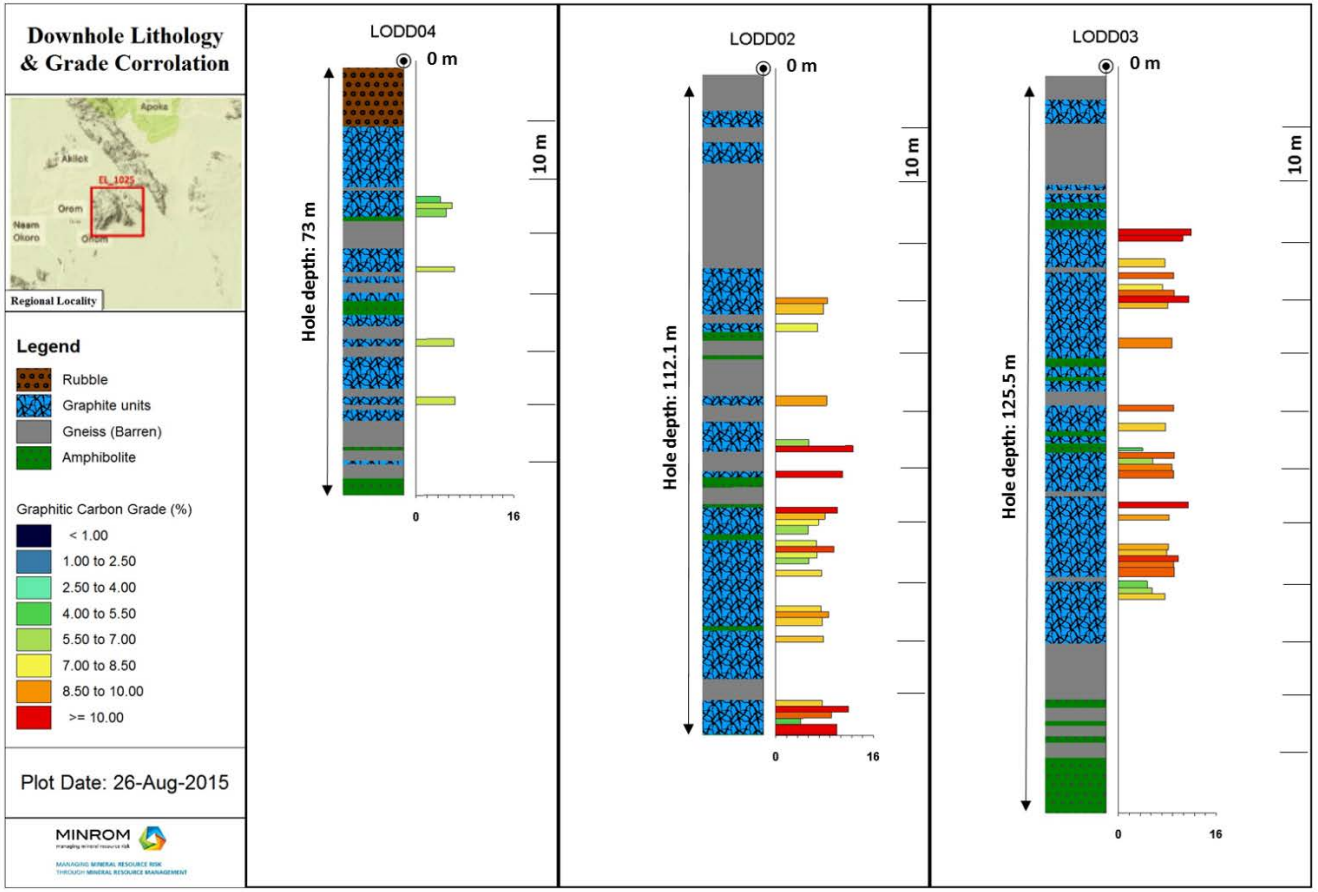
		• 
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative*	• Minimum grade: 0.55% graphitic carbon, • Maximum grade: 15.9% graphitic carbon, • Weighted Average grade: 8.01% graphitic carbon,

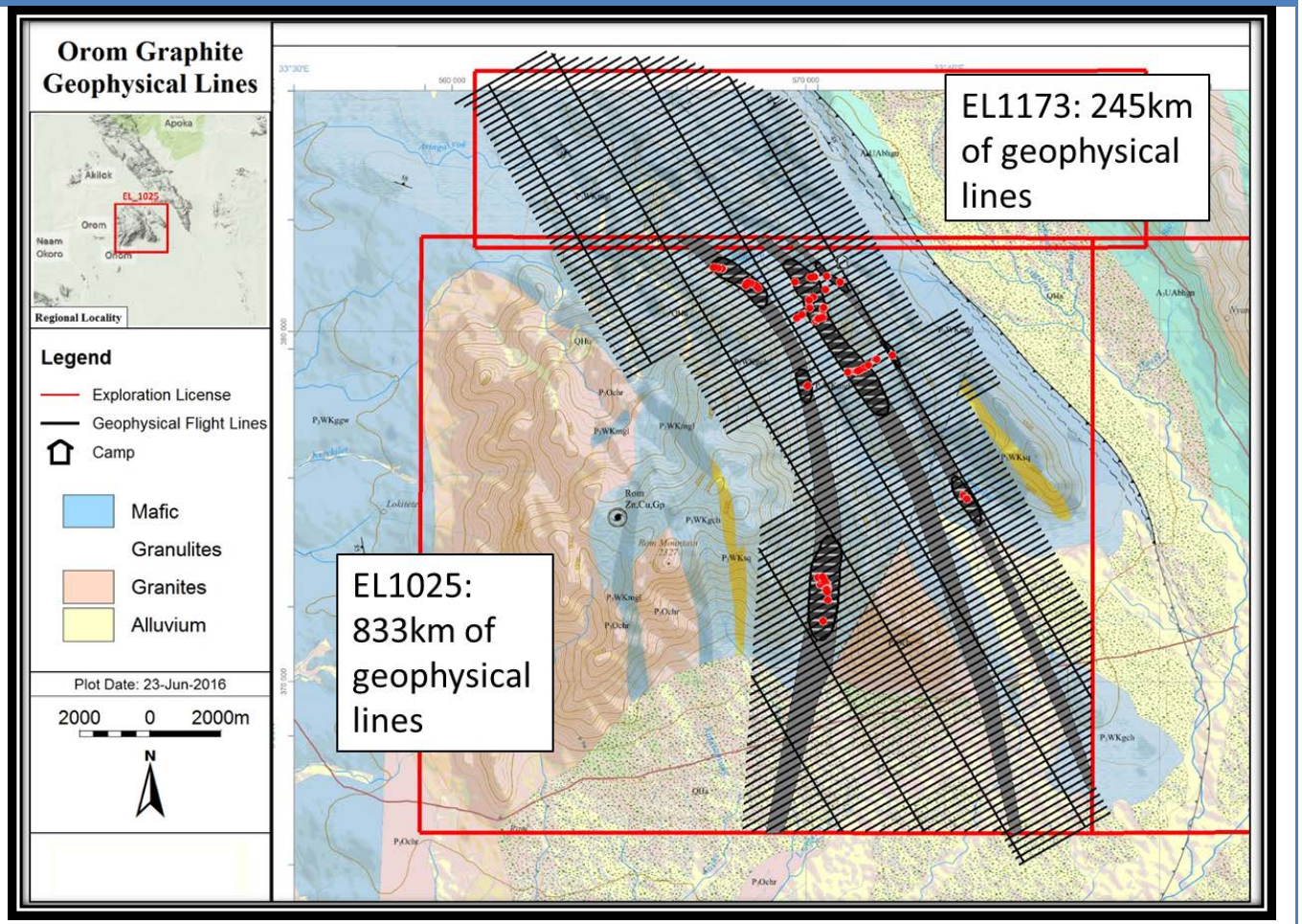
<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</td><td></td></tr>
<tr><td>Other substantive exploration data</td><td>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</td><td>• Mineralogical test results:
• (Flake Size Distribution)
<table><tr><th colspan="5">Graphite flake size distribution (Area %)</th></tr><tr><th>Flake size classification</th><th>M6152</th><th>M6204</th><th>M6244</th><th>Flake Length Class (µm)</th></tr><tr><td>Jumbo flake</td><td>74.33</td><td>59.07</td><td>23.74</td><td>>300 µm</td></tr><tr><td>Large flake</td><td>14.60</td><td>17.10</td><td>14.07</td><td>180 µm - 300 µm</td></tr><tr><td>Medium flake</td><td>2.66</td><td>5.85</td><td>30.40</td><td>150 µm - 180 µm</td></tr><tr><td>Small flake</td><td>6.59</td><td>12.49</td><td>25.74</td><td>75 µm - 150 µm</td></tr><tr><td>Fine flake / Amorphous</td><td>1.82</td><td>5.49</td><td>6.05</td><td><75 µm</td></tr><tr><td>Total</td><td>100.00</td><td>100.00</td><td>100.00</td><td></td></tr></table>• (Chemical Analysis)
<table><tr><th></th><th>Total Sulphur</th><th>Graphitic Carbon</th></tr><tr><td>Method</td><td>CSA06V</td><td>CSA05V</td></tr><tr><td>LDetection</td><td>0.01</td><td>0.05</td></tr><tr><td>UDtection</td><td>100</td><td>100</td></tr><tr><td>Units</td><td>%</td><td>%</td></tr><tr><td>M6152</td><td>1.74</td><td>6.10</td></tr><tr><td>M6204</td><td>3.07</td><td>8.98</td></tr><tr><td>M6244</td><td>1.10</td><td>12.50</td></tr></table>• (XRD Analysis)</td></tr>
</table>

Criteria	JORC Code explanation	Commentary

Minerals	M6152	M6204	M6244
Quartz	25 - 50%	25 - 50%	25 - 50%
Mica (Biotite)	15 - 25%	15 - 25%	15 - 25%
Plagioclase	25 - 50%	5 - 15%	15 - 25%
Graphite	5 - 15%	5 - 15%	5 - 15%
Calcite	Tr	Tr	Tr
Garnet	Tr	-	-
Amphibolite	-	Tr	-
Chlorite	-	-	Tr

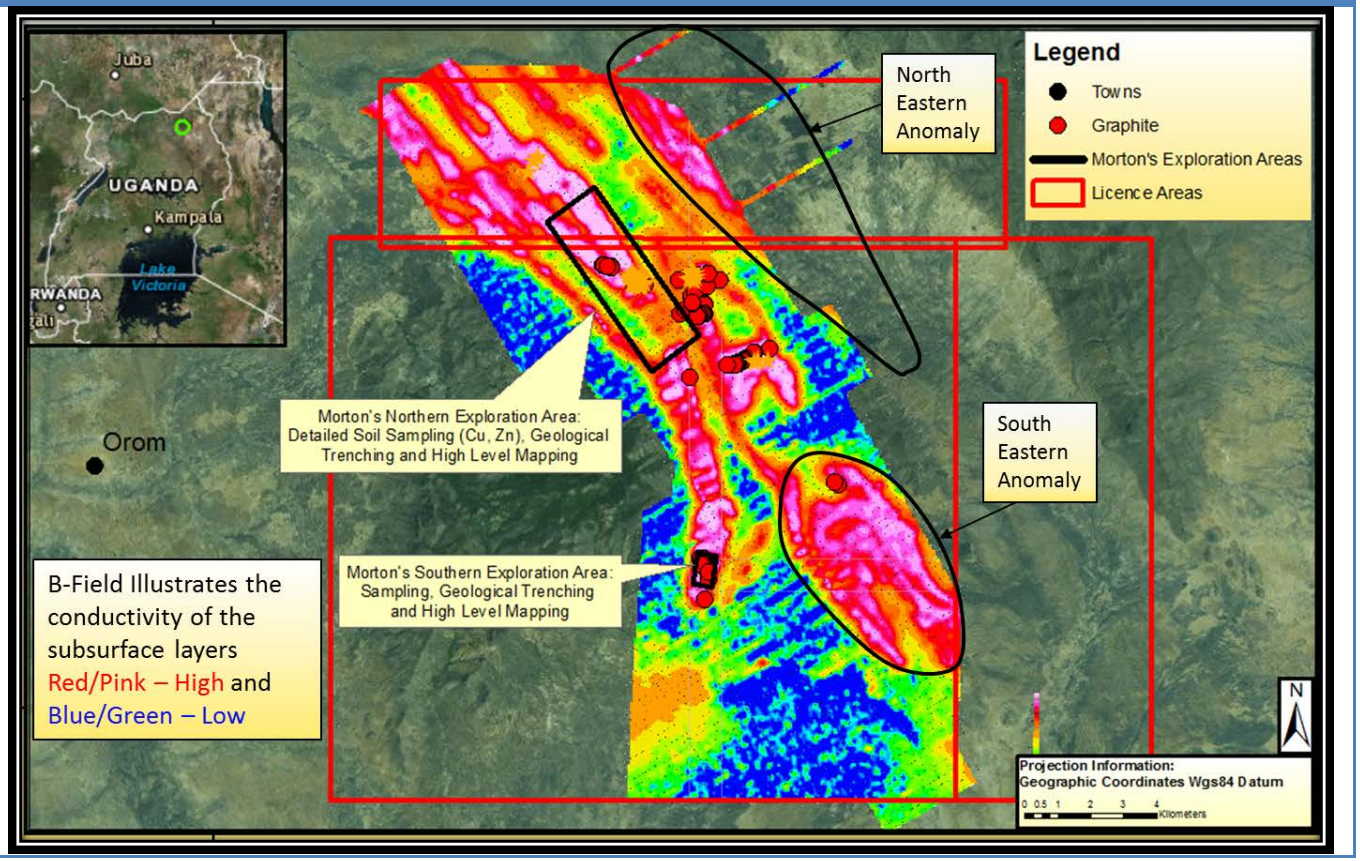
- Geophysical Survey (VTEM)
- The geophysical survey totaled 1078 km in geophysical lines. 245 km were located within EL1173 and 833 km were located within EL1025,

Criteria	JORC Code explanation	Commentary



- The results of the survey produced an excellent correlation between the subsurface conductors (illustrated in the figures below by the warm colours i.e. reds and pinks), the areas investigated by Morton in 1969, and the surface graphite occurrences obtained during the phase 1 mapping programme,

Criteria	JORC Code explanation	Commentary



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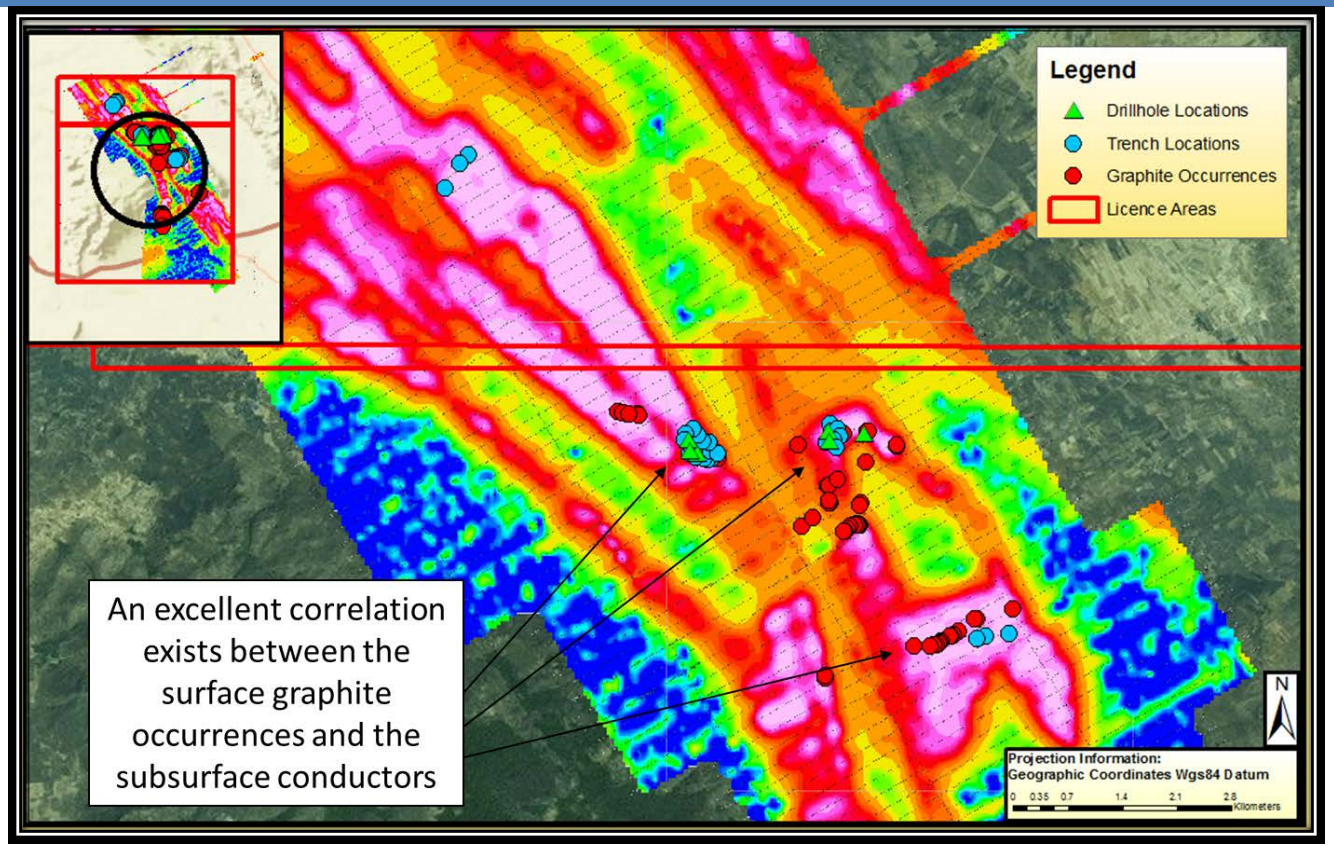
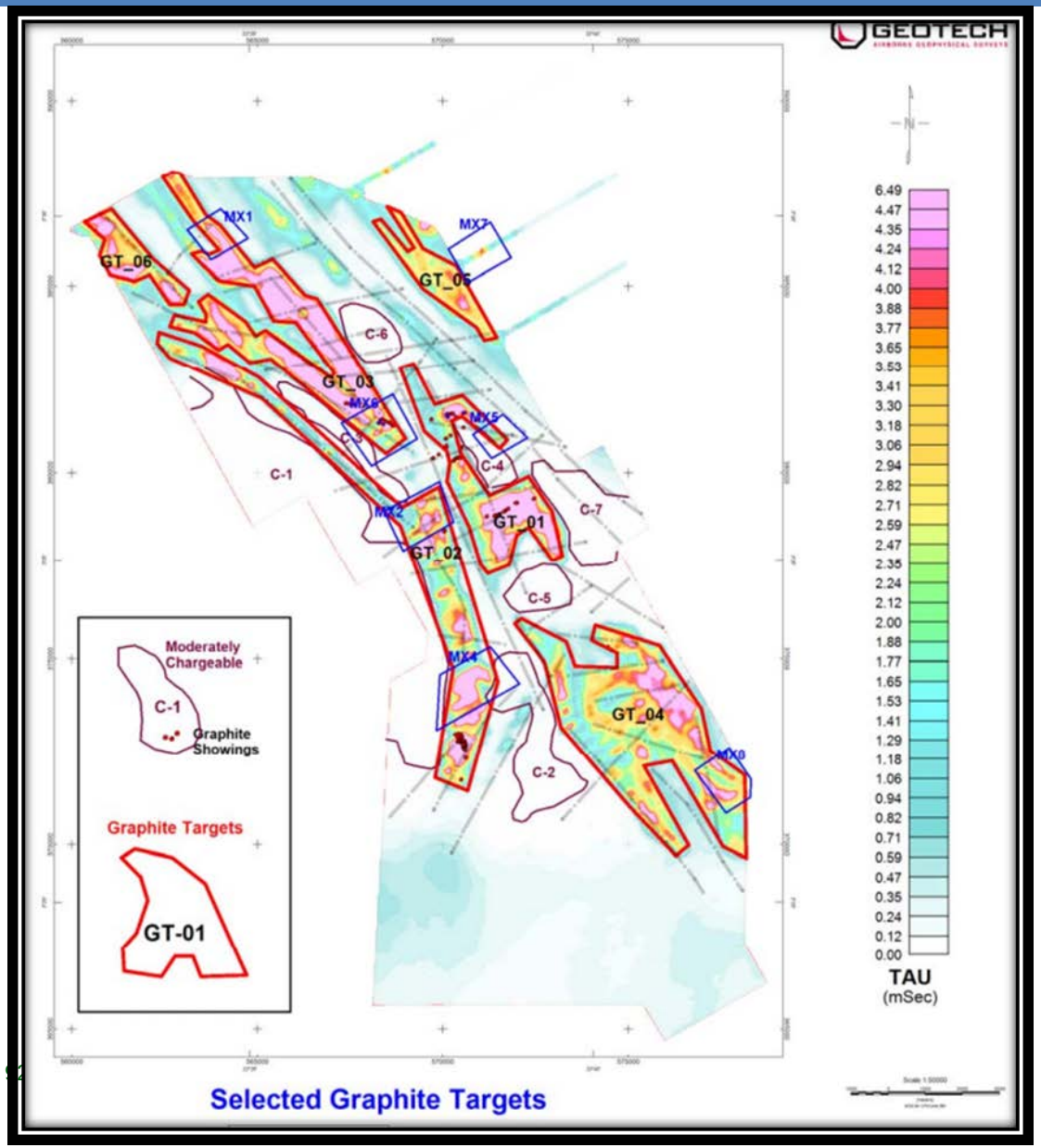


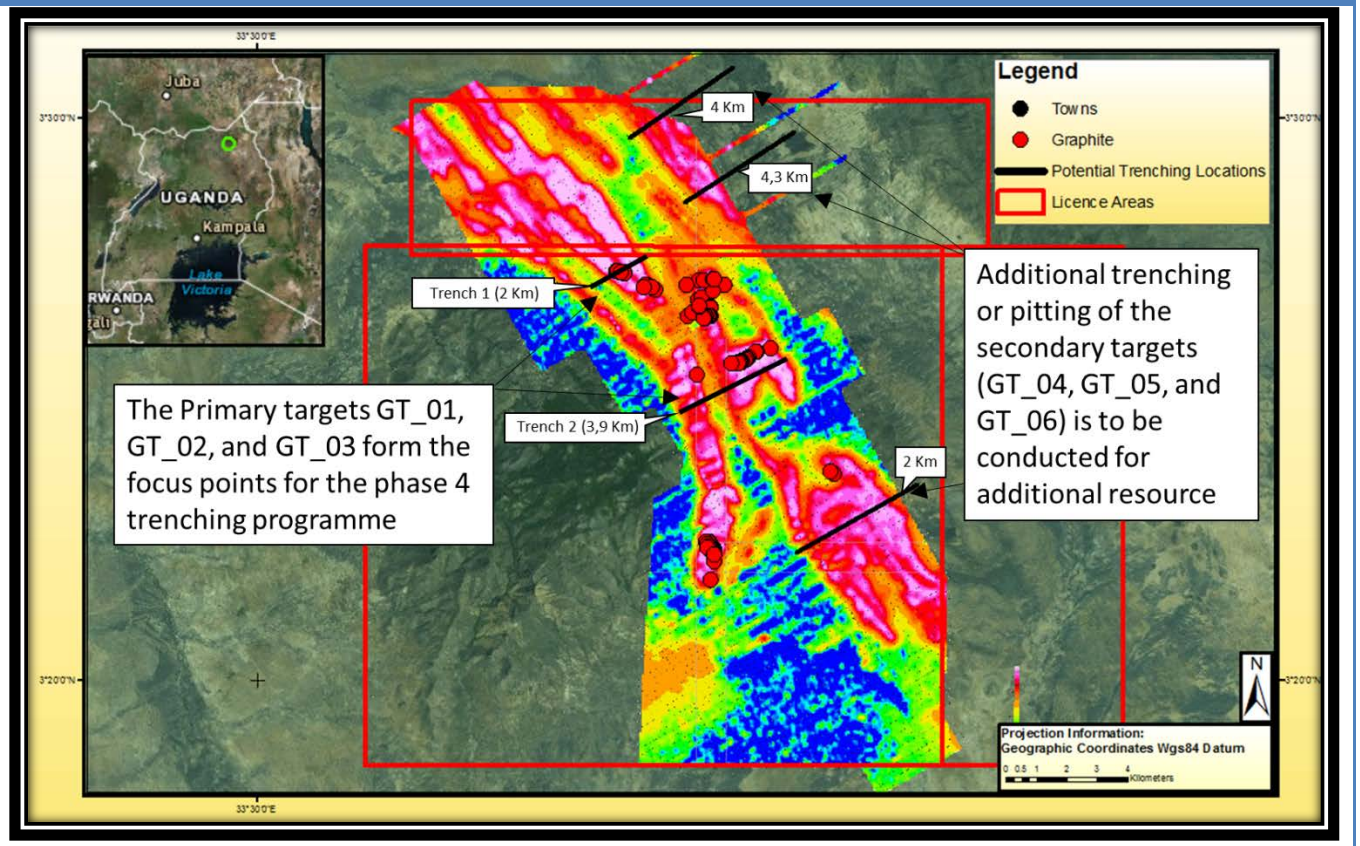
- An interpretation of the geophysical results was conducted by specialized geophysicists in order to determine potential graphite exploration target areas for further exploration. The targets are as follows and can be seen in the figure below and are as follows:
- Targets GT_01, GT_02, and GT_03 are of first priority,
- Targets GT_04, GT_05, and GT_06 are of second priority.

Criteria	JORC Code explanation	Commentary



Criteria	JORC Code explanation	Commentary

Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*
		• The next phase of exploration (Phase 4) is to include detailed trenching and sampling of the subsurface material over the exploration targets,
		  • The primary graphite targets (GT_01, GT_02, and GT_03) form the locus for the phase 4 investigation.
		  • Two individual trenches are to be excavated over the target areas.
		  • The trenches will strike perpendicular to the graphite trend and will be excavated to a depth of 1.5m.
		  • Trench 1 will be investigating targets GT_01 and GT_02 and will total 2 km in length.
		  • Trench 2 will be located over GT_03 and will attain a total of 3.9 km in length, see the figure below.
		  • Additional trenches and localized pitting is proposed to investigate the secondary targets (GT_04, GT_05, and GT_06).
		  • The study area is extremely heavily vegetated and outcrop is very obscured, the following diagram clearly illustrate the graphite localities identified through traverse walking cross the area,

Criteria	JORC Code explanation	Commentary
		• 

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection*	• Hard copies and soft copies of the logging data are kept for reference purposes,

Criteria	JORC Code explanation	Commentary
	and its use for Mineral Resource estimation purposes. • *Data validation procedures used.*	• Assay results input was conducted by a Minrom geologist and checked for accuracy, • Data validation was conducted in Micromine, • Soft copies are stored in various localities for safe keeping,
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• An initial site visit was conducted by a Minrom geologist prior to the commencement of the exploration programme. Pit sampling were performed during this stage, • A three week field mapping program were performed and concluded prior to the commencement of drilling. The mapping and trenching were utilized during the placement of the drill holes, • The competent person visited, evaluated and ensured system and procedures were in place and followed to manage the field data, core logging and sampling and finally the export of the samples to SGS Johannesburg. • The CP is adequately satisfied that the necessary steps has been followed and that all measures are in place,
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The exploration results are reported in the form of a range analysis as result of the limited exploration drilling programme. No Geostatistical estimation were performed on the mineralization area, • The data used during the range analysis included: surface mapping locations of graphite occurrences, structural measurements of lithological outcrops, down hole lithological interpretation, structural logging, sample assay test work, optical flake size analysis, • An assumption of lateral continuity was utilized during the tonnage calculations. The lateral continuity is based on the positive graphite occurrences identified by Mr. Morton and Minrom field traverse mapping. The published geological map indicated the gneissic units to trend south east, • The geology formed the basis from which all high level min, medium and max range tonnages were derived, • Possible faulting in the area may disrupt continuity, fluctuation in grade is common across the different graphite bearing units,
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The length of the ore body was estimated at ~18km, • The deposit consists of three zones of graphite bearing units. Zone 1

Criteria	JORC Code explanation	Commentary
		– width of 150m, zone 2 – width of 500m and zone 3 – width of 435m. • The depth of the deposit was estimated for three different cases: minimum – 50m, probable – 100m and maximum – 120m,
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Tonnage estimations were conducted with the assumption of horizontal continuity of the lithological units based on the surface occurrences of graphite throughout the area along strike, • Dilution of 50 percent were applied during the range analysis tonnage calculations in order to accommodate for the internal waste component, • A varying depth cut off were utilized during the range analysis and were based on the drill hole intersections, • Validation of the drillhole data was conducted within Micromine as well as verified by the Minrom geologist, 3.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Estimated on a dry basis
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A cut-off grade of 0.5% graphitic carbon was applied to remove barren sample sections during descriptive statistics, • 0.5% graphitic carbon lower limit was applied to the assay results for average grade analysis during the range analysis,
Mining factors or	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining*	• Not applicable at this early stage of the project

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assumptions	*reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Grading analysis has been performed from three samples, two high grade samples and one medium grade sample, • High level optical flake size analysis were performed providing supporting information utilized during the flake size characterization, • Metallurgical test work is currently being scoped and will proceed in October in order to perform qualitative testing of the graphite purity of the sampling material,
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Waste and process residue will not be environmentally harmful, • Chemical treatment to upgrade the ore could have a negative impact on the environment in the event of leaking from the containing structures. • Mining may affect the water table in the area. •
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Sample length was ~1m intervals. • Sample assay work was conducted by LECO for graphitic content, XRF and fire assay. Samples were crushed and dried prior to assay work. • Samples were taken of the graphite bearing units from each borehole, amounting to approximately 56% of all the metres drilled, • Samples were representative of the graphite bearing units and included the internal waste between graphite bands, • Specific gravity of the samples was measured by Minrom deploying the submersion method,
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	• The mineralization potential of the graphite deposit were presented in

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	• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	the form of an exploration results high level range analysis,
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits nor reviews have been performed to date,
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The results declared in the first phase of exploration is based on the exploration findings, • A combination of the findings were utilized to perform a high level tonnage estimation declared as an exploration result in the form of an range analysis, • Phase 2exploration will be supported by geophysical investigations and field mapping during the dry season, • The range analysis deployed and presented were based on three classes, namely: • Minimum case was estimated at a 50m depth, • The medium or most likely case was estimated at a 100m depth, • The maximum case was estimated at a 120m depth, • The length and width of the deposit remained the same for all cases, • Length 18km and width zone 1 (150m), zone 2 (500m) and zone 3 (435m),