NSX Market Announcement
21 July 2016

MOU to Purchase TN2367 & Geological Investigation

Project Background

Consolidated Africa Limited (NSX: CRA) is please to announce that it has entered into an Memorandum of Understanding (**MOU**) to purchase TN 2367. A geological investigation has taken place to determine the viable lithium occurrences.

Minrom South Africa (the geological team), were requested by CRA to investigate the Nampewo lithium pegmatite within Exploration License TN2367. The exploration license (TN2367) is located in the Mityana Province of Uganda which is approximately 55.7 km, via road, northwest of Kampala. The exploration license is estimated to encompass an area of approximately 137 km^2.

Geological Mapping

The primary purpose of this investigation was to determine the potential for lithium mineralisation within TN2367. This was achieved through a literature review, and followed by a brief site visit to a known pegmatite occurrence within TN2367, referred to as Nampewo. The historical information available on Nampewo is limited to the occurrence's name and its general location. Therefore, the literature review incorporated surrounding pegmatite occurrences and their geological relationship with TN2367. Since the exact location of the Nampewo pegmatite was unknown, the site visit focused on identifying the location of this historically referred to pegmatite occurrence, and subsequent geological mapping of the occurrence.

Mapping of Nampewo Hill indicated four (4) small pegmatites less than 1m in diameter, and one (1) potentially large pegmatite with approximate surface dimensions of 5m x 50m. The large pegmatite is believed to extend into the hillside on which it is located (Figure 5). The pegmatites identified did not exhibit **visible** surface mineralisation, however, each pegmatite was sampled.

Sample Results

Three (3) surface samples were collected from Nampewo hillside for chemical analysis. Two (2) samples were rock-chip samples (N7150 and 7151) from the two largest observed pegmatites, and the third sample (N7152) was a soil/gravel sample from a poorly exposed pegmatite (Figure 2).

All samples from Nampewo (within TN2367) contained low lithium grades, however, a grab sample from the nearby Wampewo Mine (just outside TN2367) achieved a grade of 3.9 % lithium. This indicates that the pegmatites of Nampewo Hill and the surrounding areas of TN2367, contain potential for lithium mineralisation,

even if it was not detected at surface. The sample results also indicated moderately elevated grades of tungsten (345 - 576 g/t W), and low grades of tantalum (1 - 4 g/t Ta) and tin (42 - 82 g/t Sn).

Further Exploration Potential Based on the Geological Setting

Geologically, the project area is located within the Rwenzori fold belt which extends into the southwestern portion of Uganda. This area is known for mineralised pegmatite occurrences, which are thought to be sourced from magmatic activity associated with the nearby granites of the Sembabula and Mubenda-Singo suites. The area shows a number of regional NE-SW trending faults which crossing-cut the NW-SE trending Lake Victoria Dyke Swarm. The intersection of fluids from these dykes with the regional faults is thought to be a controlling factor in the location and formation of mineralised pegmatites in the area. This is evident in the mineralisation observed at a nearby lithium bearing pegmatite referred to as Wampewo Mine, which is described in historical literature by Pollock (1963) as forming in the aforementioned manner.

Such fluid-movement related mineralisation is possible were the dyke trendlines associated with Lake Victoria Dyke Swarm intersect with regional fault lines, six (6) of which occur within exploration license area TN2367 (Figure 7).

Corporate

The MOU to purchase 100% of TN 2367 has been agreed with Uchimba Investments Ltd.

Option fee & payments to organise and purchase/sale of the project are described as follows:

Lease is 132 sqkm. Total purchase is US$40,000 to be paid in the following instalments.

Payment Terms:

1. US$5,000 up from exclusivity/holding deposit/payment.

2. US$5,000 once the lease to be registered with a new TN (Temporary Number) and into the Cadastre system. The lease is for Lithium, Tantalum & Rare Earths and is valid for 3 years.

3. US$30,000 when the lease is transferred to our nominated company either Consolidated Africa Ltd (CRA) or Consolidated Africa Resources (Uganda) Ltd. CRA will have the choice of when that payment will be made. It is an open ended option.

4. CRA has made the first two payments of US$5,000 each for a total of US$10,000. CRA may withdraw at any point without penalty. CRA is free to expend money of exploration up to the point when it decides to go forward with the final payment or withdraws from the agreement.

Conclusions

Less than 5% of the lease area was sampled. The historical data has been pieced together confirming lithium mining just outside of the lease area has taken place with commercially valued lithium extracted at the nearby mine called Wampaeo . Although, on this occasion, limited sample results were disappointing, results of a grab sample at Wampaeo did show 3.9% lithium indicating further exploration should be encouraged especially to uncover other pegmatite occarrances.

It was found that surface mineralisation of the Nampewo Hill pegmatites is poor, however, further investigation will indicate if the pegmatites are mineralized below surface. The exploration potential for the entire license of TN2367 was however determined to be good, based on the correlation between the regional geophysical trends and the other mineralised pegmatites known to occur nearby (i.e. Wampewo Mine and Mbale Estate).

A phased approach to follow-up investigations is recommended, in which detailed traverse mapping of the entire license area be conducted along with soil sampling of potential areas. This will quickly and effectively confirm the potential on TN2367 for lithium mineralisation.

Supporting Graphics

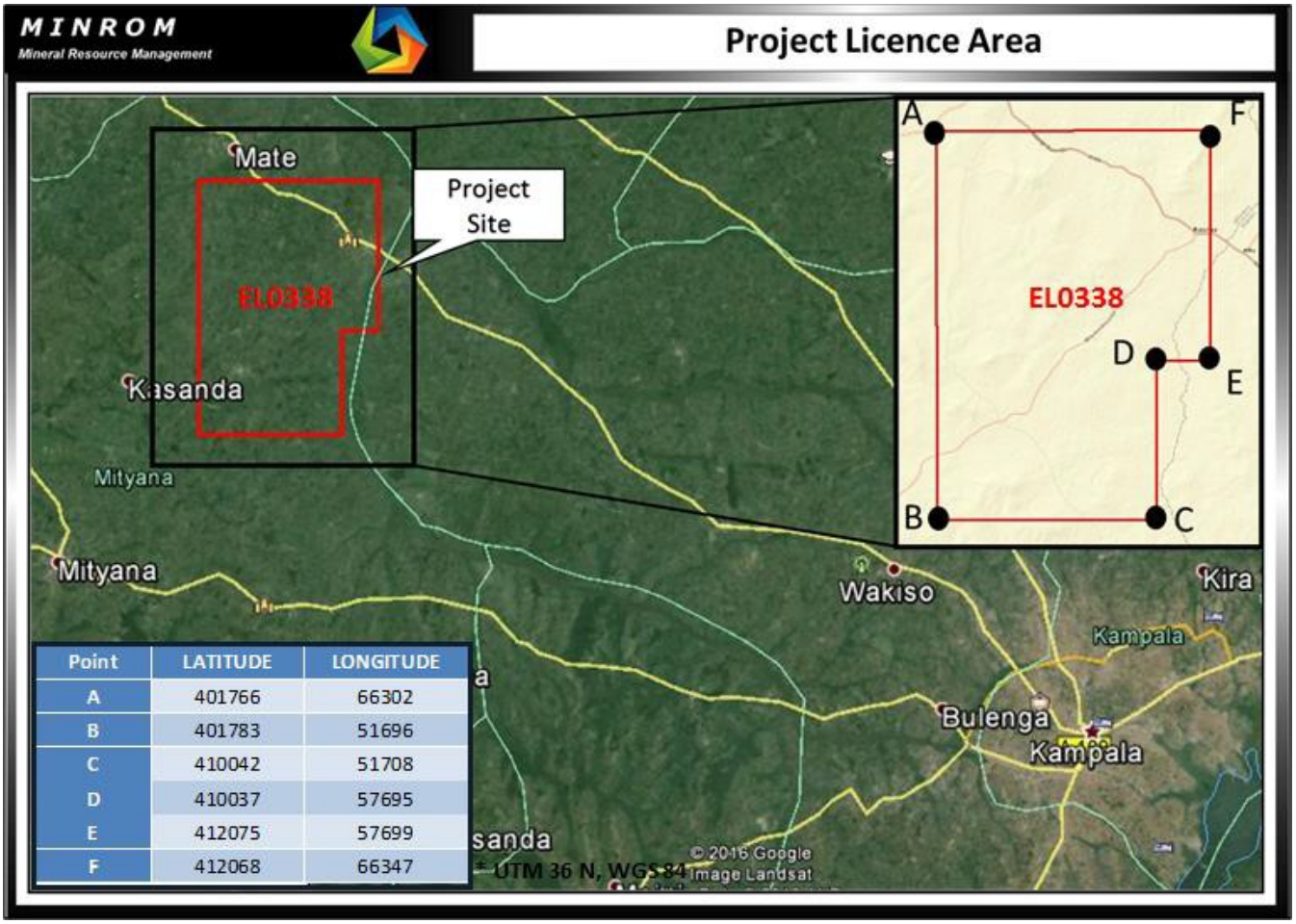

Figure 1 - Brandberg project location showing claims and associated EPLs

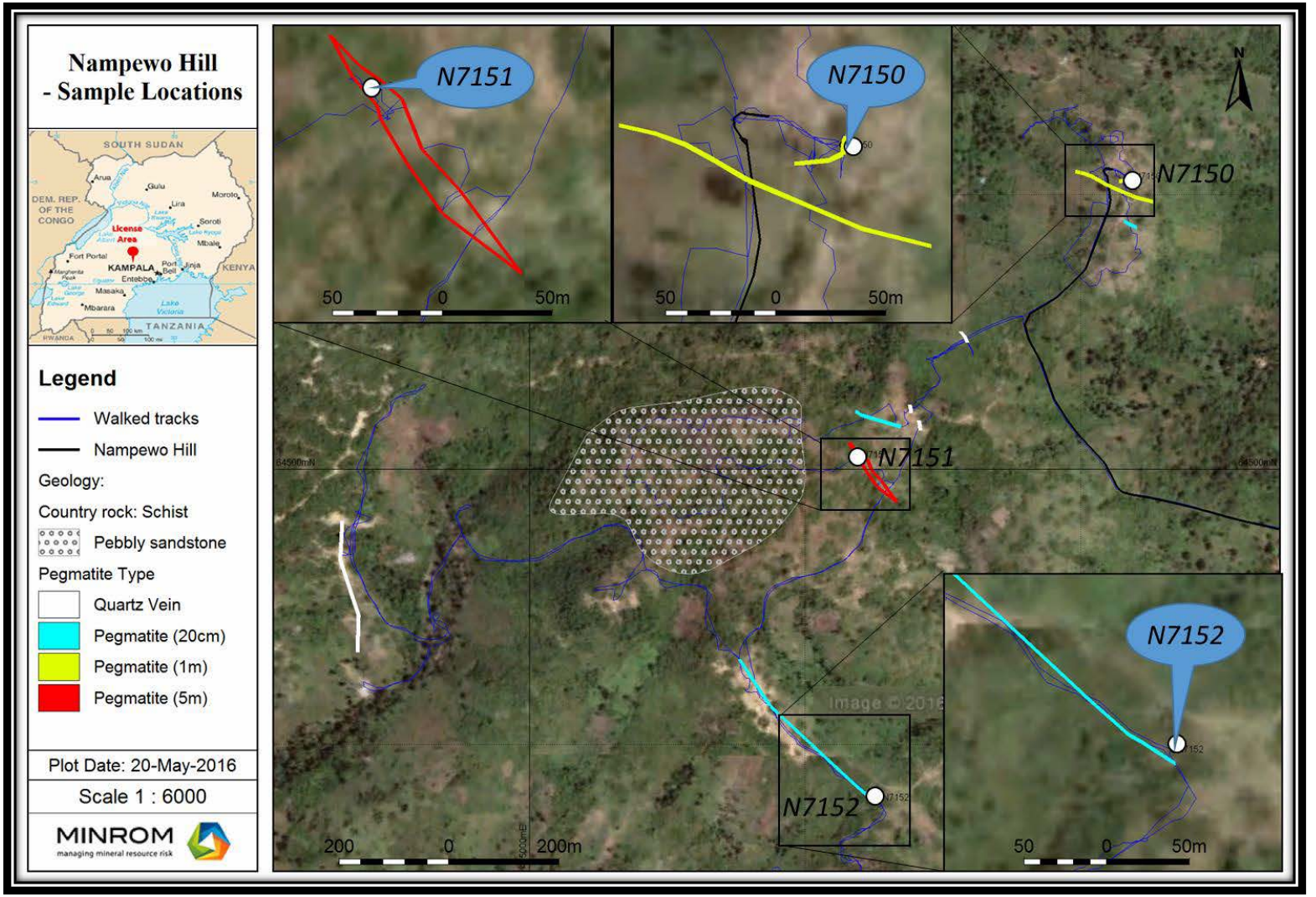

Figure 2 - Nampewo sample locations

(A) Weathered sandstone with superficial surface of accreted lithic fragments.

(B) Pegmatite is classified under the 20cm size. It shows little indication of any mineralisation.

(C) Pegmatite from Nampewo Hill, large intergrown quartz and plagioclase crystals.

(D) Pegmatite outcrop of the 1m size indicating potential mineralisation. Sample N7150.

(E) The large 5-8m pegmatite outcrop partly covered by debris.

(F) Country rock of weathered quartz-mica schists.

(G) Panoramic photograph of a section of hillside in which the vegetation has been cleared. This is potential exploration targets.

Figure 3 -Photomontage of the Nampewo Hill and associated Geology

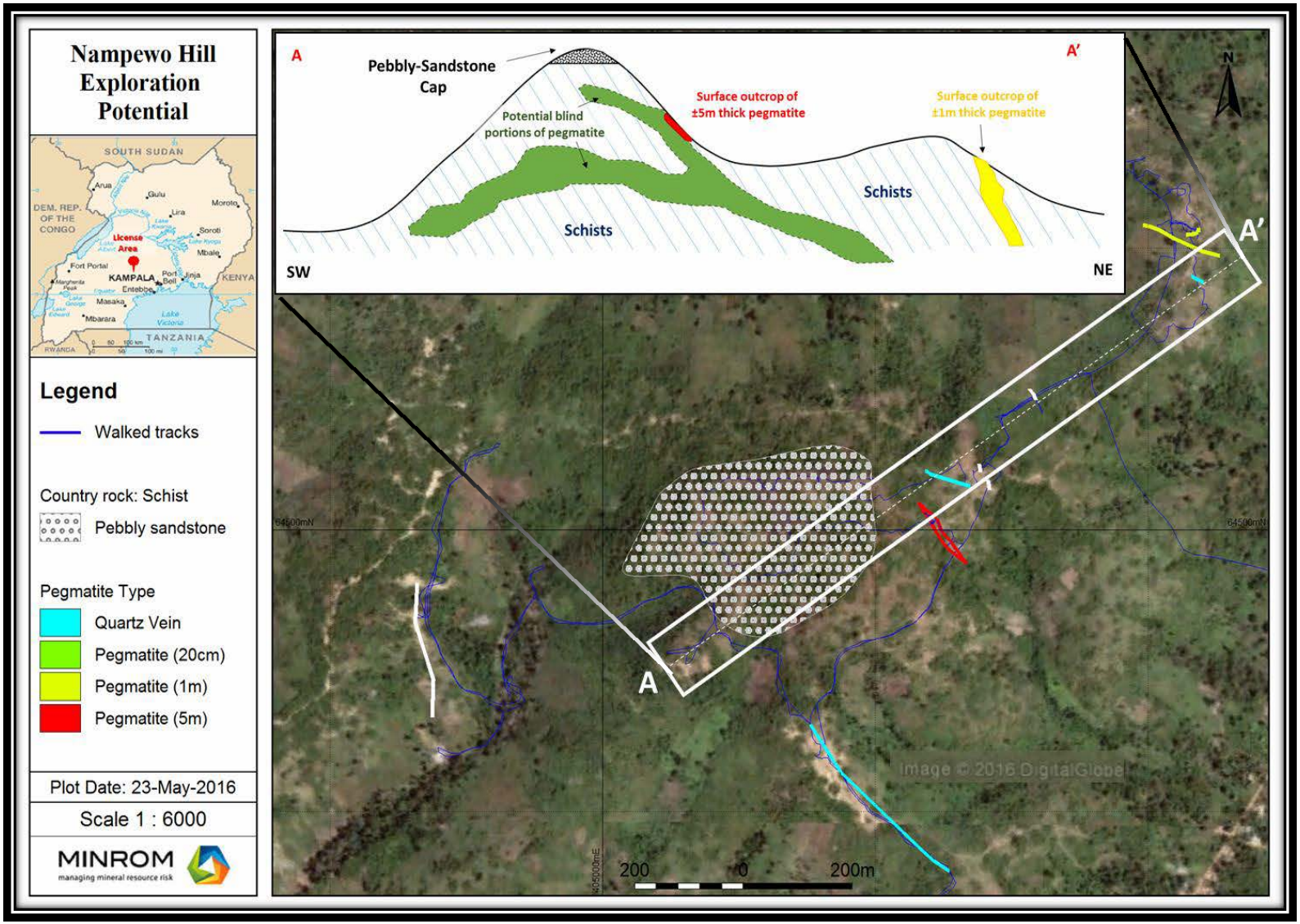

Figure 4 - Cross-section of Nampewo Hill indicating the potential blind extension of the observed pegmatite.

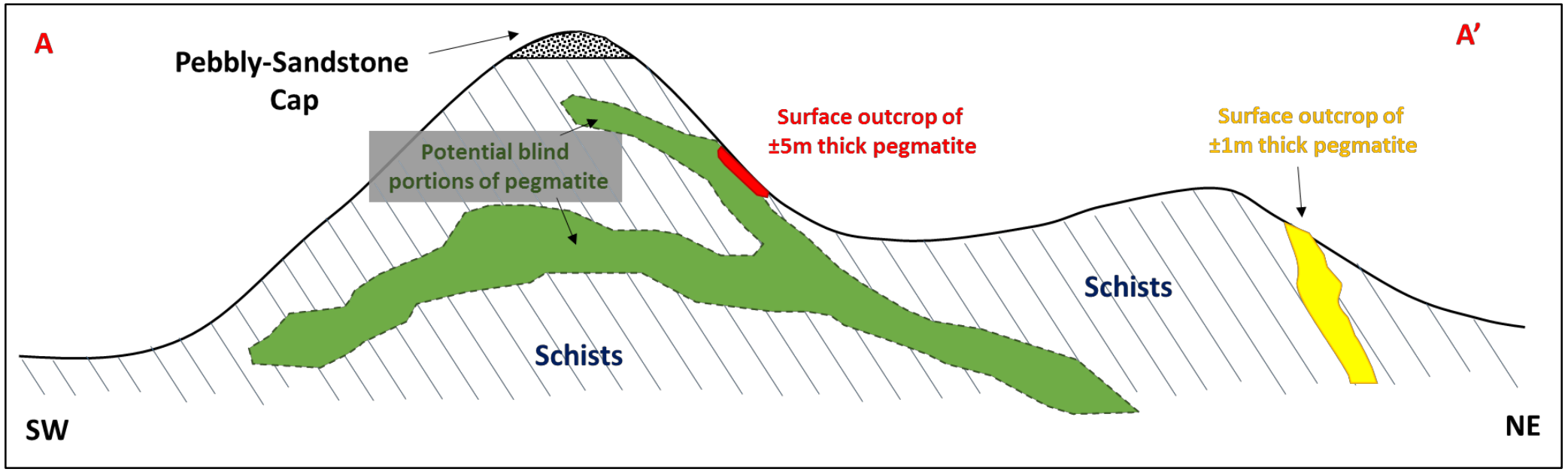

Figure 5 - Illustration of the hypothetical subsurface occurrence of the Large pegmatite identified on Nampewo Hill

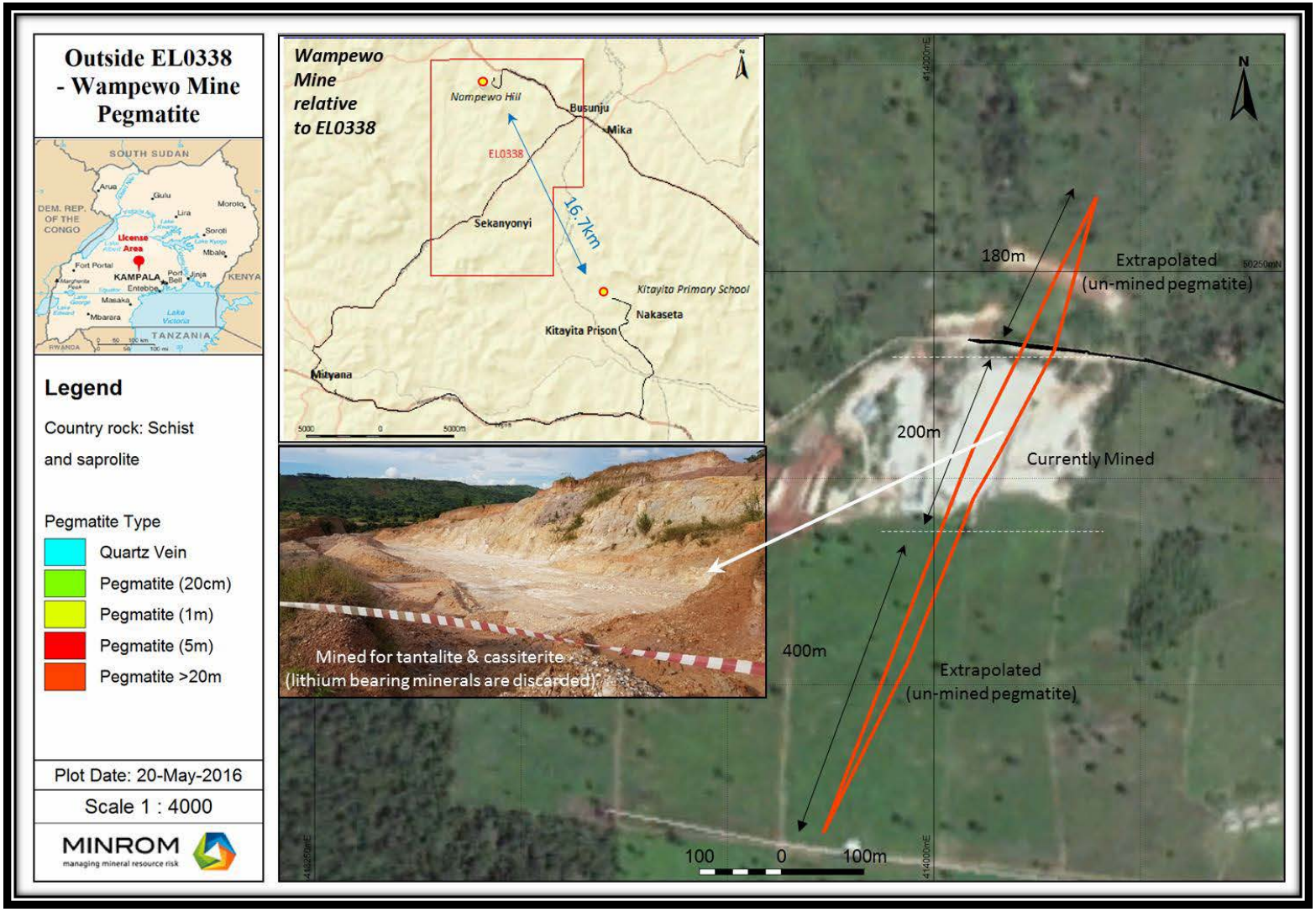

Figure 6 – Location and size of the Wampewo pegmatite relative to Nampewo (within TN2367)

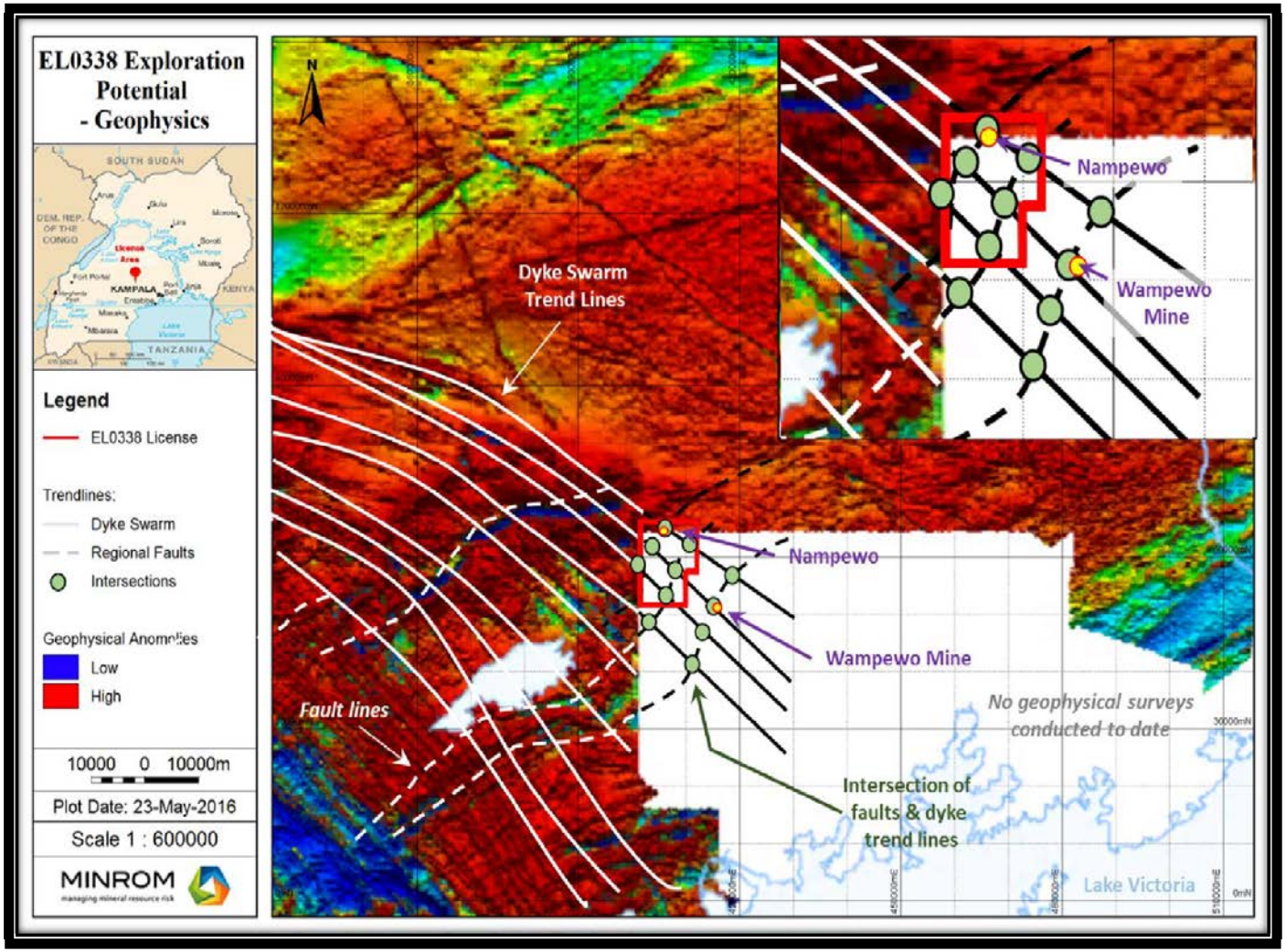

Figure 7 – Regional geophysical magnetics map showing the license area and its exploration potential

Sample Results

Table 1 - ICP-OES sample results [1]

Sample No.	Material	SiO2 (%)	Al2O3 (%)	Fe2O3 (%)	TiO2 (%)	CaO (%)	MgO (%)	Na2O (%)	K2O (%)	MnO (%)	P (%)	Ba (%)	Cr (%)	Cu (%)	Li (%)	Ni (%)	V (%)
N7150	± 1m width pegmatite	86.5	0.62	5.48	0.006	0.05	0.016	0.023	0.324	4.35	0.028	0.126	<0.001	0.001	0.002	0.001	0.001
N7151	± 5m width pegmatite	97.0	0.18	1.56	0.002	0.111	<0.001	0.015	0.007	0.002	0.007	0.001	0.002	<0.001	<0.001	<0.001	<0.001
N7152	Gravels of the ± 20cm width pegmatite	86.5	5.62	3.18	0.193	0.053	0.085	0.122	1.04	0.023	0.011	0.020	0.005	<0.001	0.001	<0.001	0.004
N7153 (outside TN2367)	Amblygonite grab sample	6.32	38.7	1.43	0.121	0.194	0.024	0.016	0.220	0.003	19.2	0.177	0.001	0.033	**3.90**	<0.001	<0.001

 # to convert % to g/t multiply the value by 1000.

Table 2 - ICP-MS sample results [1]

Sample No.	Material	Cs (g/t)	Nb (g/t)	Sb (g/t)	Ta (g/t)	Sn (g/t)	W (g/t)	Th (g/t)	U (g/t)
N7150	± 1m width pegmatite	1.37	1.26	0.33	0.79	**82.0**	**460.0**	0.60	**2.94**
N7151	± 5m width pegmatite	**6.02**	0.31	0.66	**3.72**	**42.4**	**576.0**	0.11	0.07
N7152	Gravels of ± 20cm width pegmatite	**7.29**	1.46	1.06	**3.76**	**47.9**	**345.0**	**3.77**	0.62
N7153 (outside TN2367)	Amblygonite grab sample	**10.5**	**8.11**	0.73	**22.1**	**37.8**	**70.0**	0.04	**12.0**

 # to convert g/t to % divide the value by 1000.

[1] Columns highlighted in green indicate the primary elements of interest.
Values shown in **red** indicate anomalous grades and potentially warrant further investigation.

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.