

JULY 2016



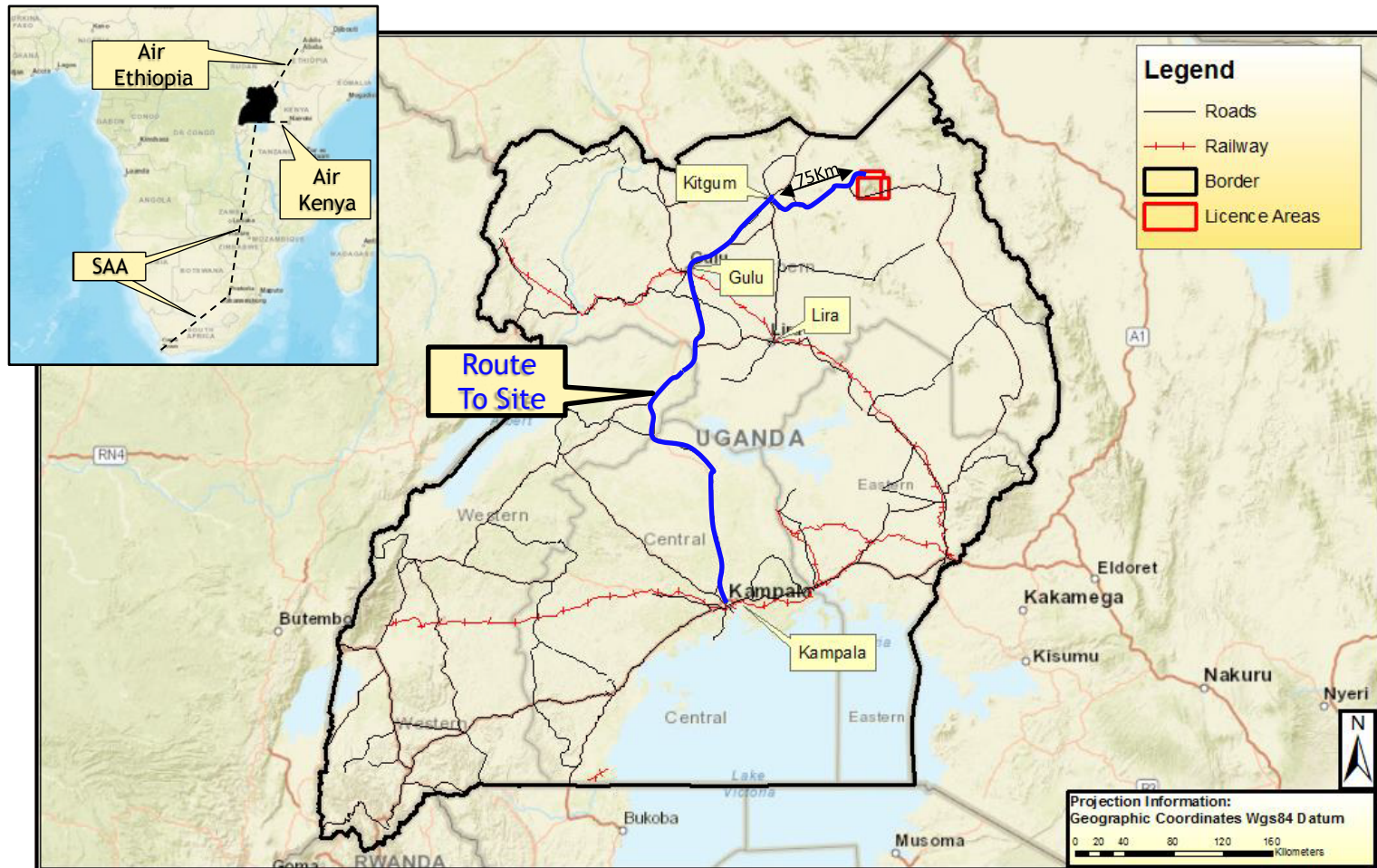
# OROM GRAPHITE PROJECT UGANDA

CONSOLIDATED AFRICA LIMITED

## PHASE 1, 2, & 3



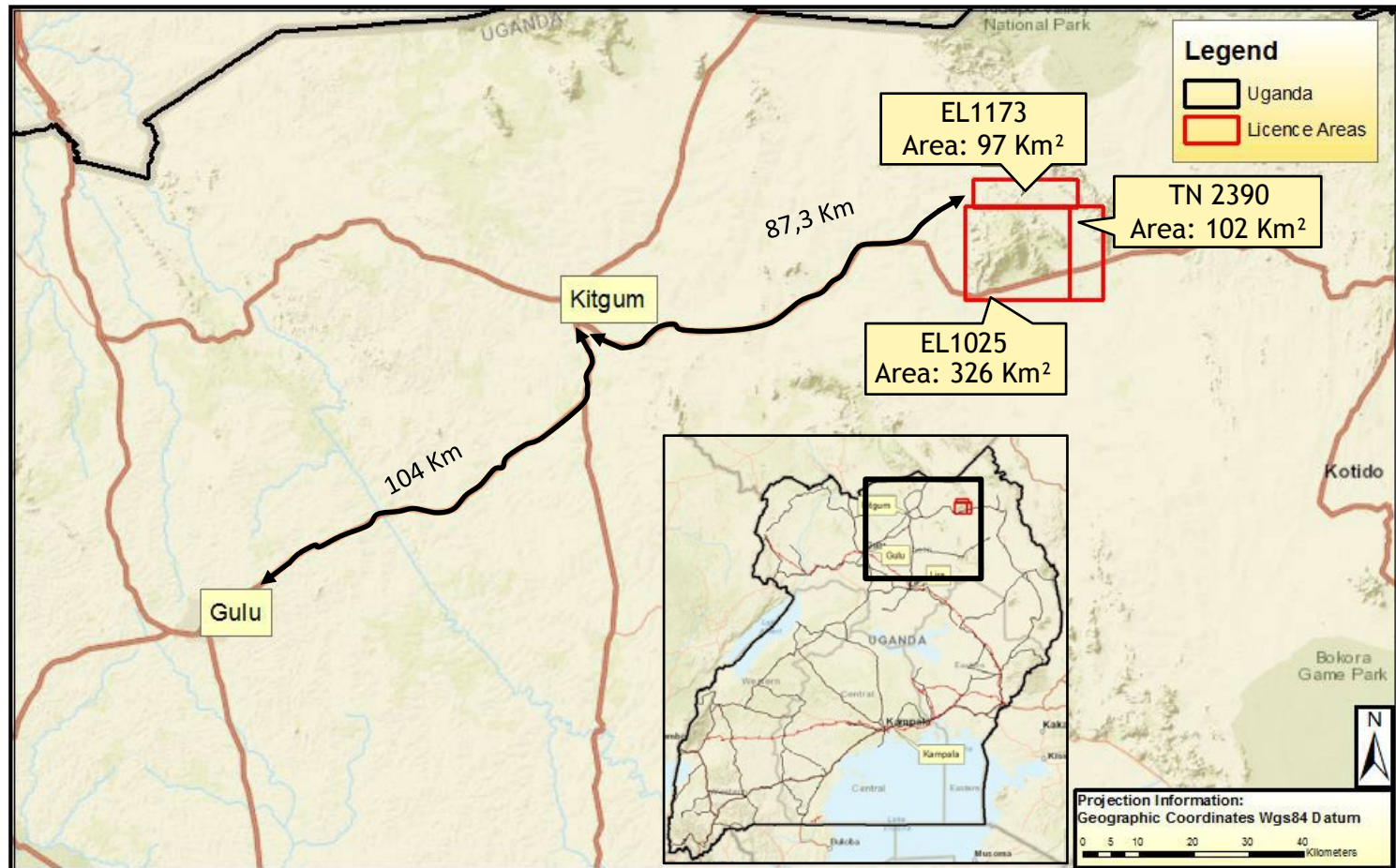
# PROJECT LOCATION





# LICENCE AND TENURE

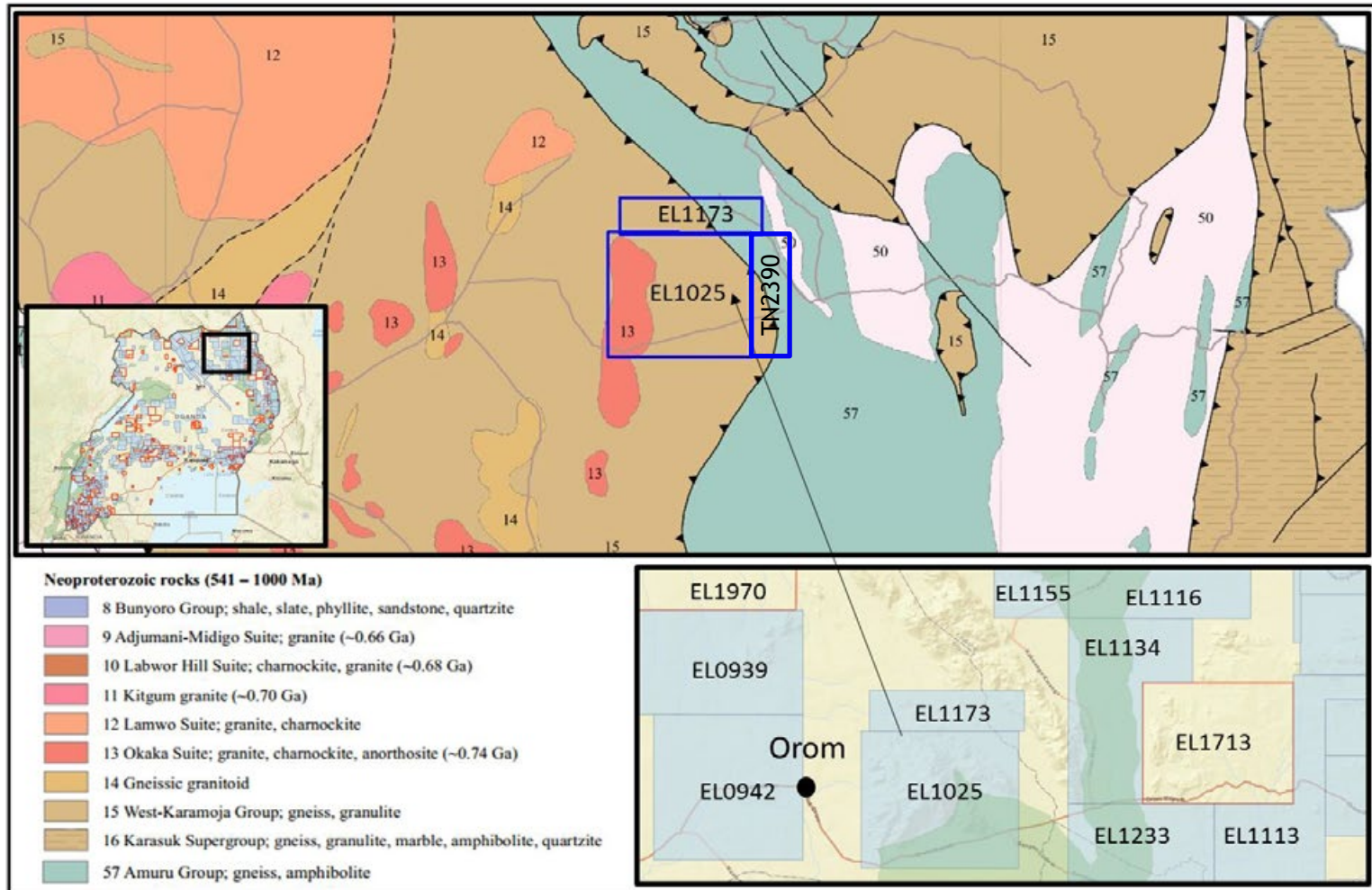
## Project Location: Gulu-Kitgum Site





# REGIONAL GEOLOGY

## Project Location and Regional Geology





## Morton's Historical work in 1969 (Scope of investigation)

- Stream Sediment and Soil grid geochemistry
- Pitting, trenching and channel sampling programmes
- Drilling of borehole X 601 in Rom South

The study did not yield any significant results with regards the investigation and proved to be slightly anomalous in Zinc and to a lesser extent Cobalt, Nickel, Copper and Chromium.

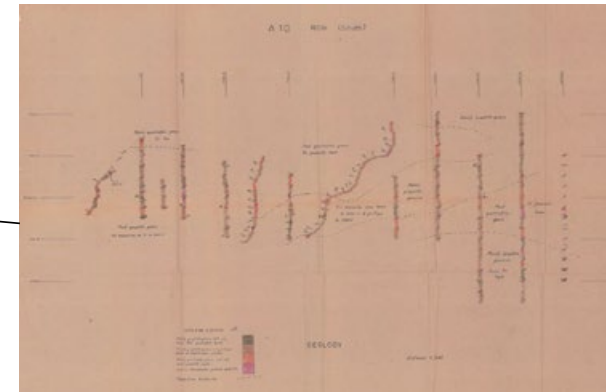
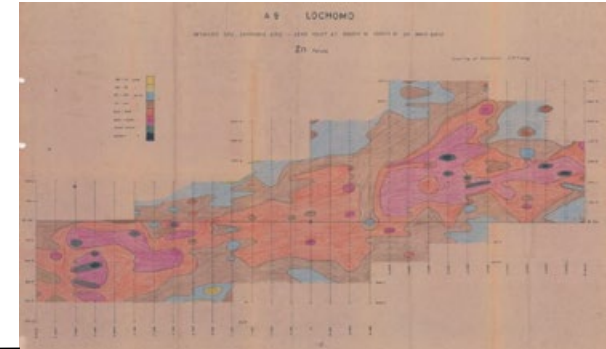
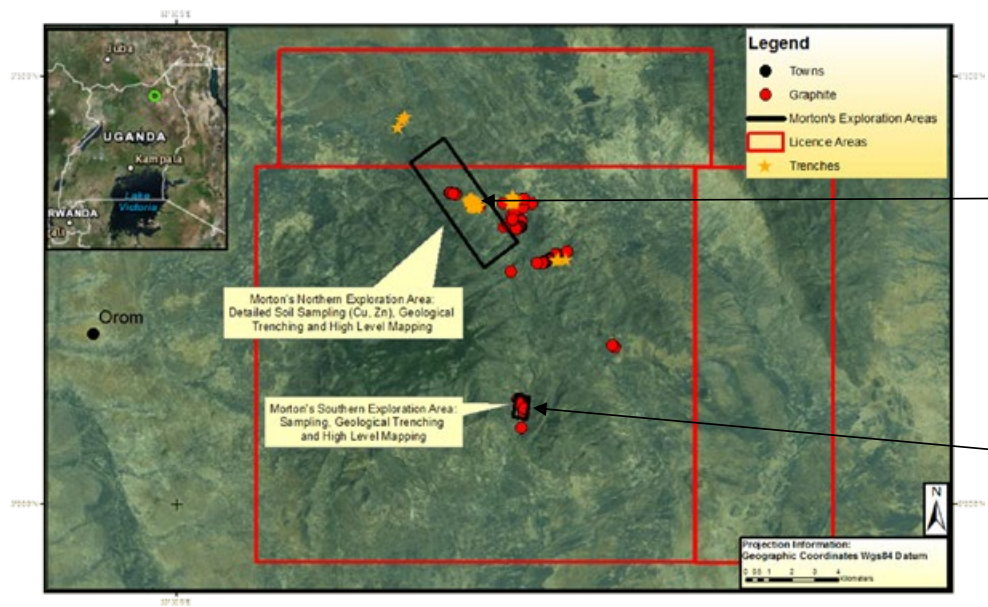
## Trenching Programme in 2014

- Morton's work was followed up by a trenching programme conducted in 2014
- A total of 36 pits were excavated with 26 sampled for graphitic content obtaining a range between 0,39 and 25,3 Wt. % Graphitic Carbon
- The results of the trenching programme initiated the following phases of exploration by Minrom Consulting



# PROJECT HISTORY — MORTON

## EL1025/EL1173 - Morton's Areas of Historical Geological Exploration





# PHASE 1 EXPLORATION PROGRAMME

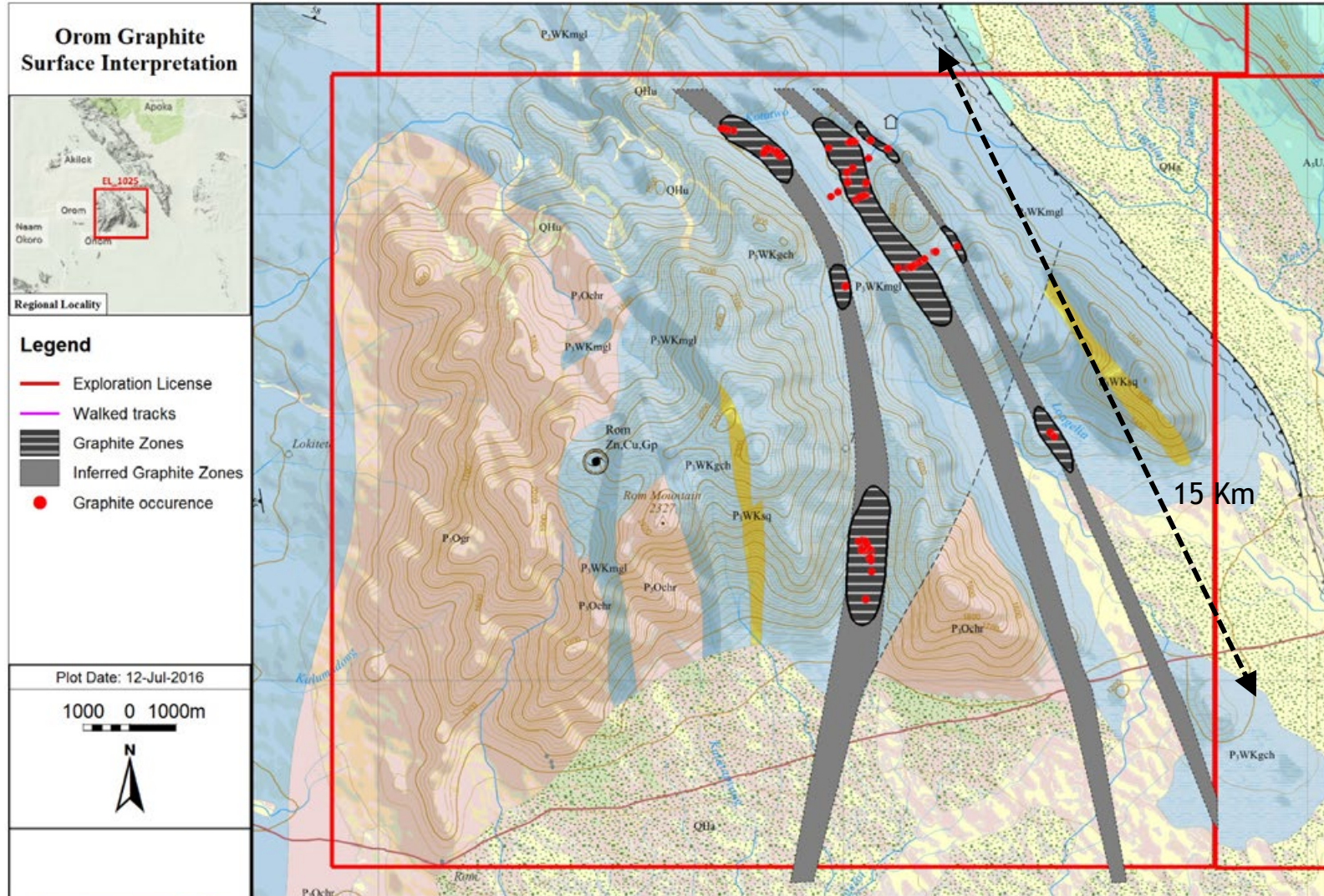
- High detail mapping of the surface geology, identifying and delineating the current lithological units
- Sampling of the trench excavations to confirm the graphite occurrences, grades, and quality within the project area
- Identify potential locations to conduct a 600m exploration drilling programme



| Sample Number | WtRec (g) | Carbon (wt. %) | Graphitic Carbon (wt. %) |
|---------------|-----------|----------------|--------------------------|
| S4119         | 1908.30   | 7.10           | 6.89                     |
| S4120         | 1176.00   | 8.52           | 7.15                     |
| S4121         | 1184.90   | 10.8           | 8.10                     |
| S4122         | 1187.10   | 8.12           | 7.06                     |
| S4123         | 1141.60   | 9.03           | 7.95                     |



# PHASE 1 RESULTS





# PHASE 2 EXPLORATION PROGRAMME

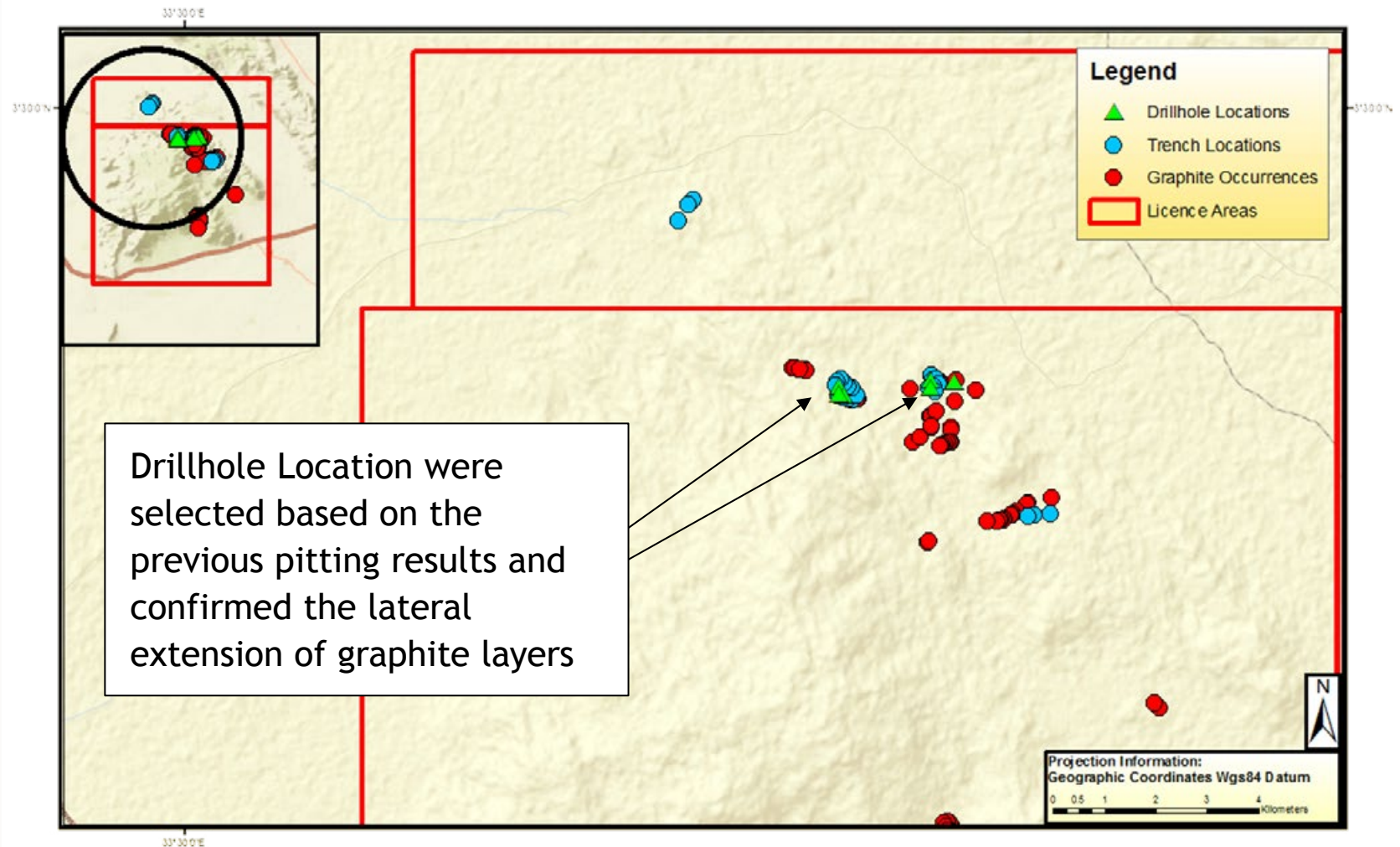
- Execution of 600 metre drilling programme in July 2015
- Lithological and geotechnical logging, followed with sampling of the core material
- 3D geological model and subsequent interpretation of the overall subsurface ore body
- Three samples were submitted to SGS for the following analysis:
  - Assay test work for Graphitic carbon and total Sulphur by LECO
  - XRD for major minerals assemblage
  - Graphitic flake size distribution and grading analysis





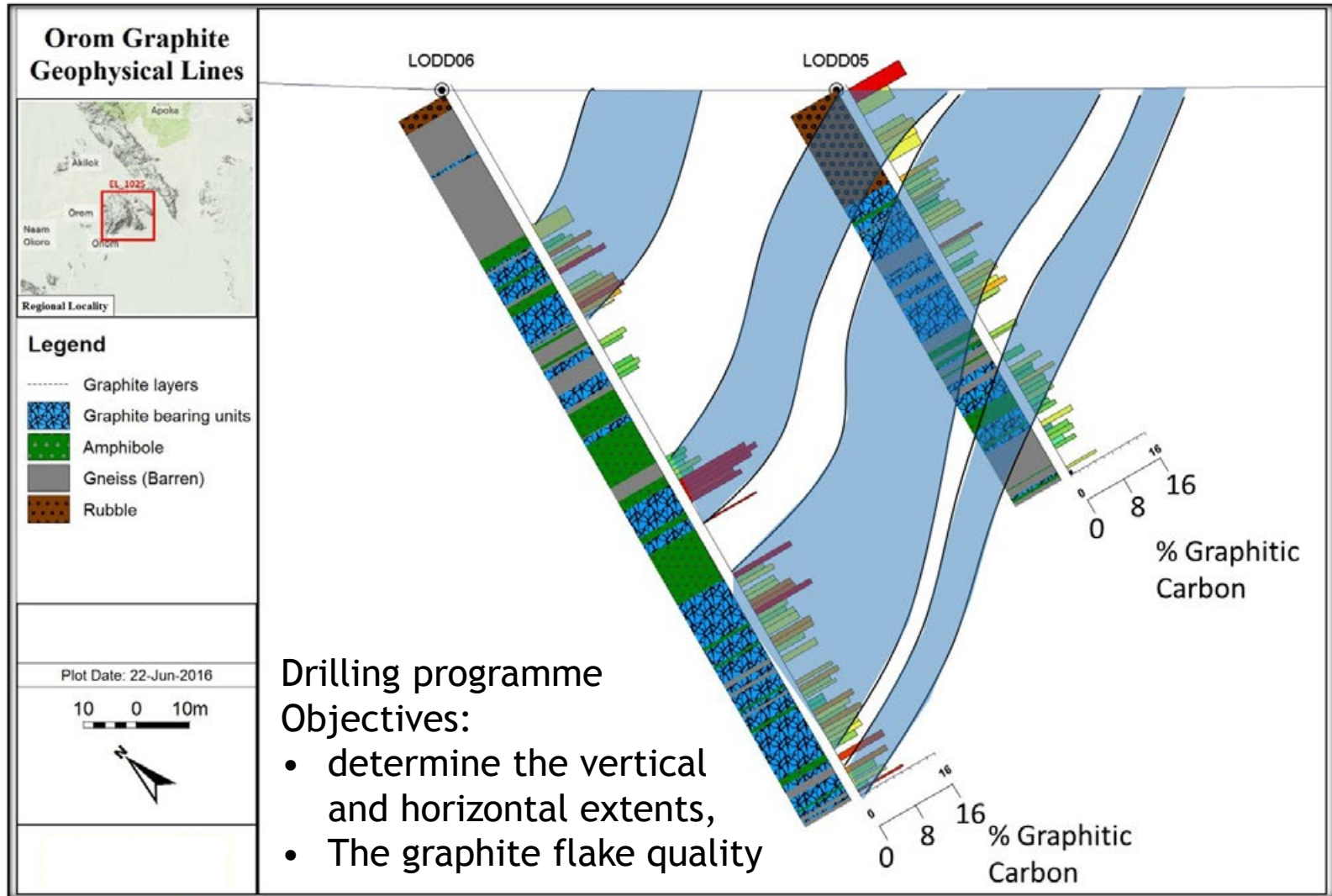
# DRILLHOLE LOCATIONS PHASE 2

## EL1025/EL1173 - Graphite Occurrences & Borehole Locations



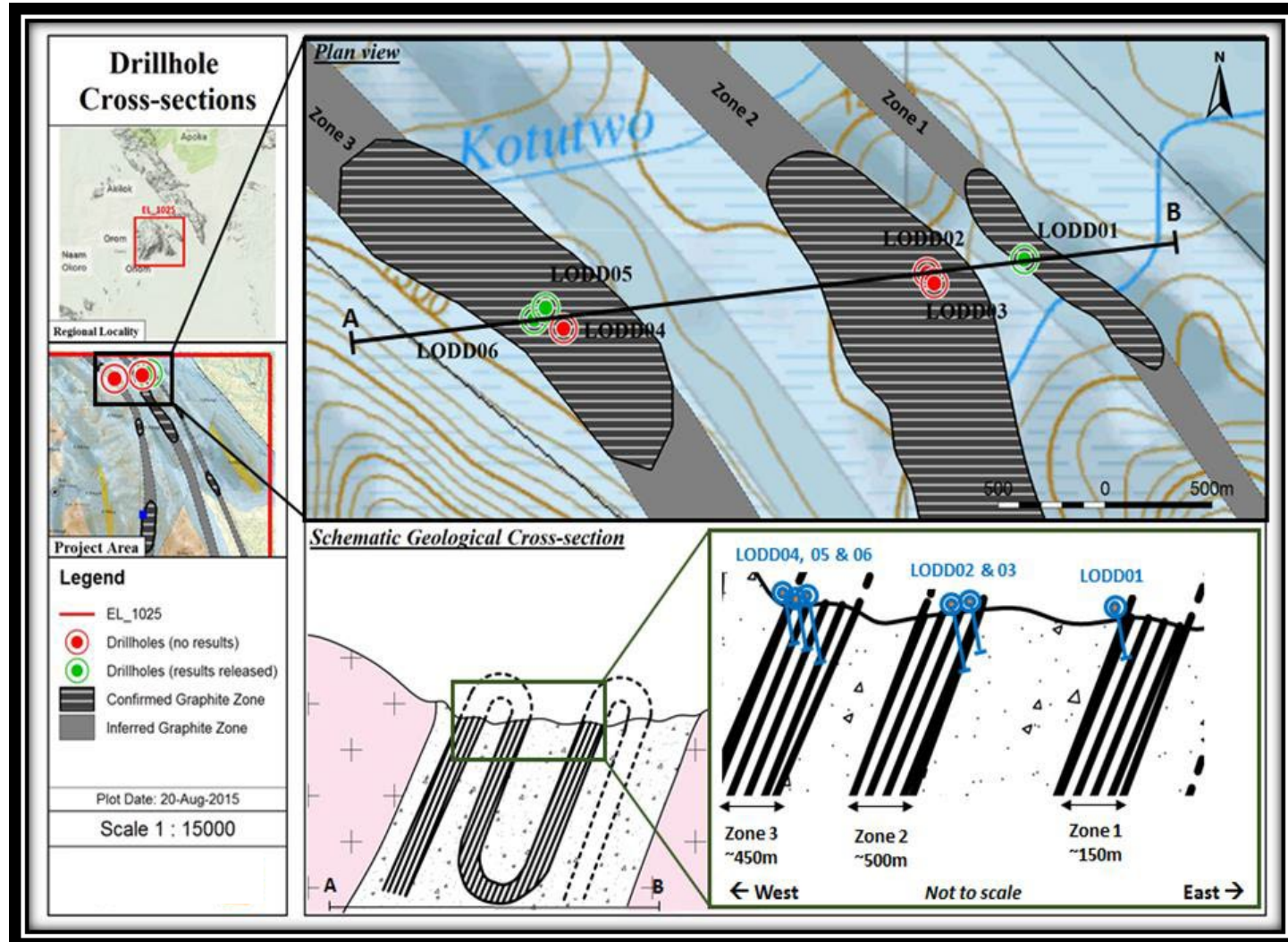


# PHASE 2 RESULTS





# GEOLOGICAL INTERPRETATION





# PHASE 2 RESULTS

## The grading analysis indicated

- The majority (graphite) was present in the +212 µm size fraction

## The optical investigation yielded the following conclusions

- The flakes were generally medium to large in size
- Two of the three samples obtained a flake size predominantly in the jumbo and large flake size categories (reclassified according to industry standards),
- The results of the previous floatation test work obtained a purity grade of 84%-86% Graphitic carbon

| Graphite Type                         | Flake Size Terminology | Purity (% Carbon) | Mesh Size | Size (Microns) | Moisture (%) | Price Low (US\$) | Price High (US\$) |
|---------------------------------------|------------------------|-------------------|-----------|----------------|--------------|------------------|-------------------|
| High Carbon Graphite<br>(94-98% GC)   | Large & Jumbo Flake    | 94 - 97           | +80       | +180           | <0.5         | 1050             | 1150              |
|                                       | Medium Flake           |                   | +100 -80  | 150 -180       |              | 900              | 1000              |
|                                       | Small Flake            |                   | -100      | -150           |              | 750              | 800               |
| Middle Carbon Graphite<br>(85-93% GC) | Large & Jumbo Flake    | 90                | +80       | +180           | <0.5         | 750              | 850               |
|                                       | Medium Flake           |                   | +100 -80  | +150 -180      |              | 700              | 800               |
|                                       | Small Flake            |                   | -100      | -150           |              | 600              | 650               |
|                                       | Medium Flake           | 85 - 87           | +100 -80  | +150 -180      | <0.5         | 550              | 600               |



# RANGE ANALYSIS

**The range analysis was performed as follows:**

- The tonnage estimates were extrapolated across the entire 18 Km strike distance
- Inclusive of all internal waste material
- The totals were discounted by 50% for dilution
- Further discounted by 30% due to the loss of ore during mining
- The total metal content of graphite was calculated using the weighted average grade of 8.01 % Graphitic carbon

**Thus the total graphitic content for the three cases were as follows:**

- The Minimum case indicates a total of 48 mt (million tons) of graphite
- The Moderate case indicates a total of 96 mt (million tons) of graphite
- The Maximum case indicates a total of 115 mt (million tons) of graphite



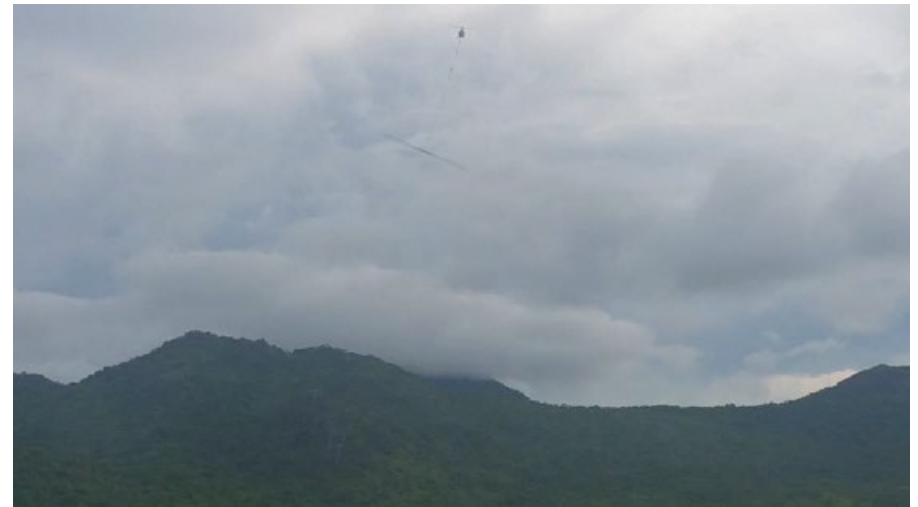
# PHASE 3 EXPLORATION PROGRAMME

- The purpose of Phase 3 was to execute a helicopter borne geophysical survey within the project area
- Phase 3 totalled 1078 km of flight lines
  - 833km of geophysical lines located within EL1025
  - 245km of geophysical lines located within EL1173
- The desired outcome of the programme was to identify EM conducting material (i.e. Graphite and base metals) and to identify target areas for further exploration



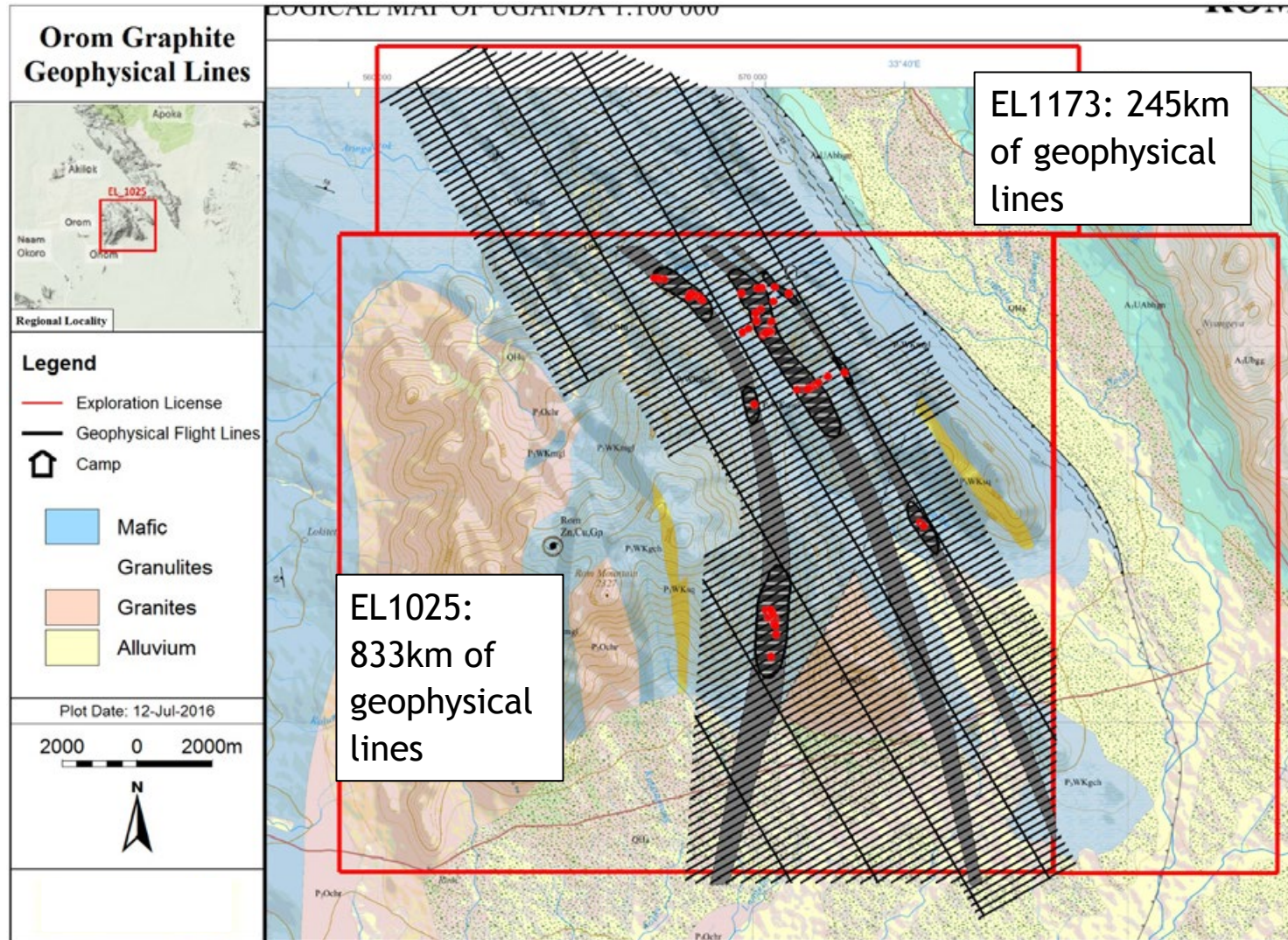


# PHASE 3 EXPLORATION PROGRAMME



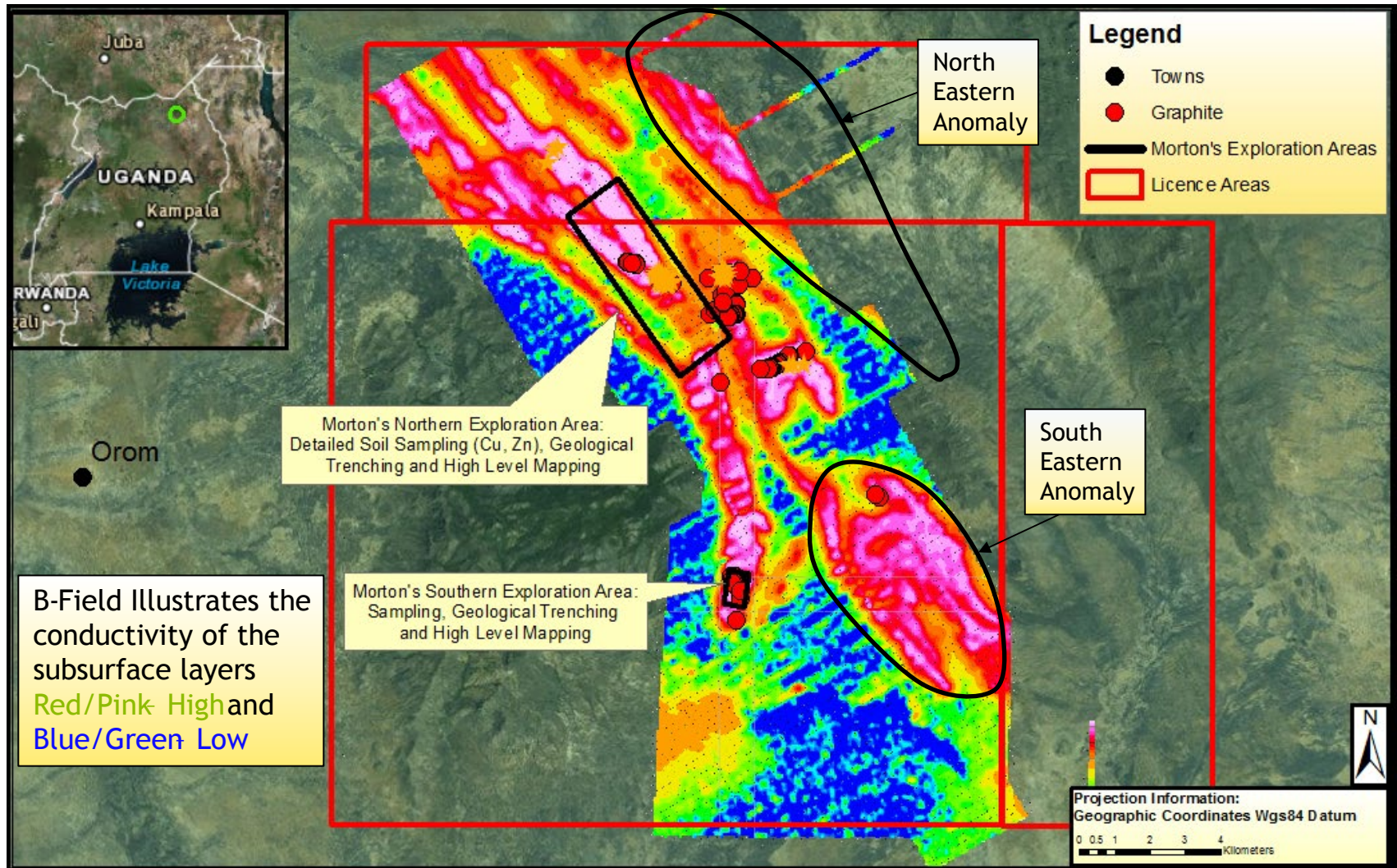


# VTEM FLIGHT LINES



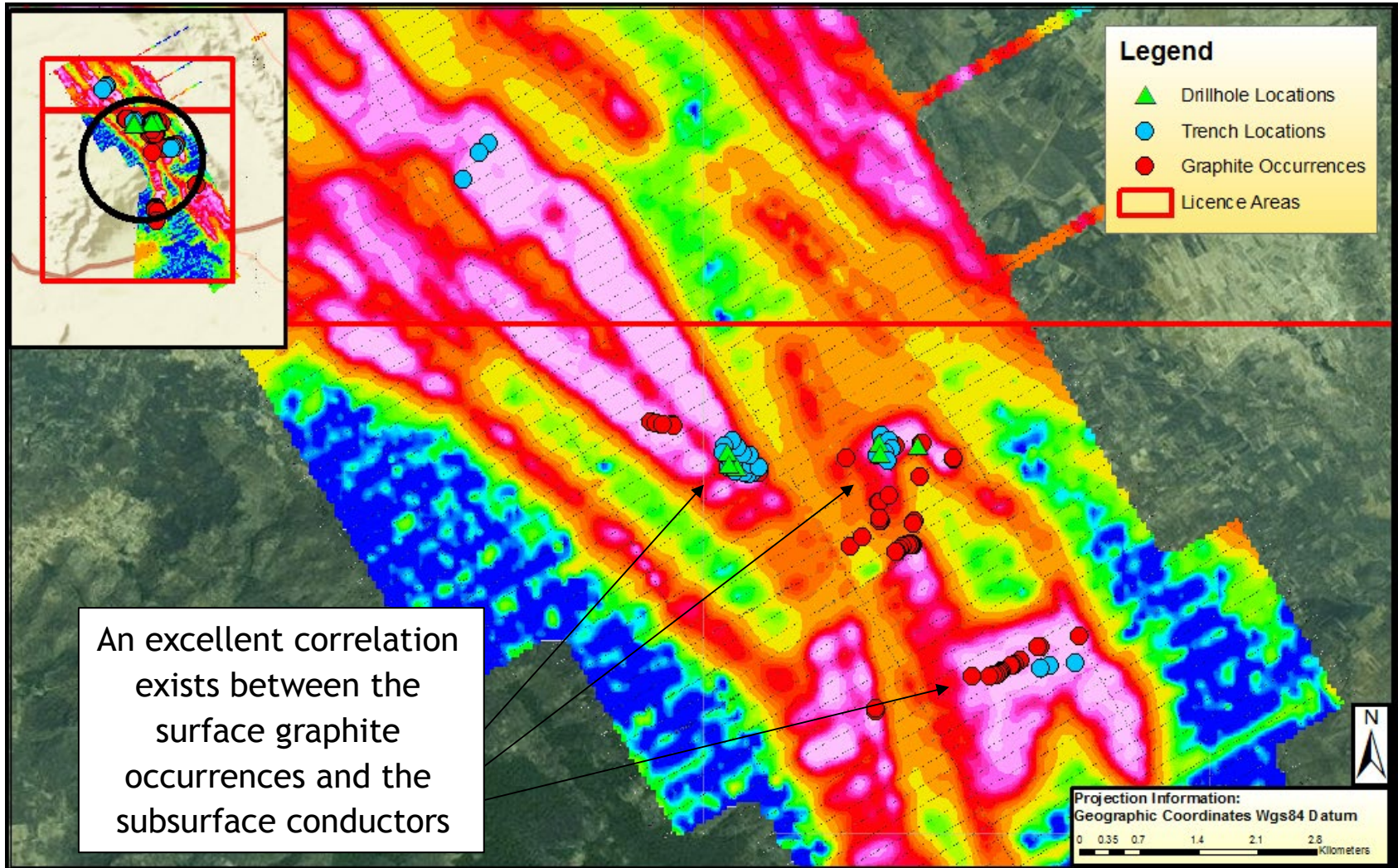


# PRELIM GEOPHYSICAL RESULTS





# GEOPHYSICAL CORRELATION





# GEOPHYSICAL INTERPRETATION

**The geophysical interpretation identified and demarcated six (6) potential target areas:**

- three (3) were primary targets (GT\_01, GT\_02, GT\_03) and,
- three (3) were secondary targets (GT\_04, GT\_05, GT\_06)

**The selection of the primary and secondary targets for potential graphite occurrence was based on the following criteria:**

- 1 The targeted zones need to be highly conductive, as graphite is highly conductive
- 2 The targeted zones require low to moderately high magnetic susceptibilities.  
(This excludes possible magnetite anomaly)
- 3 The targeted zones should be located close to or over inferred major faults.  
(Faults tend to have a low magnetic susceptibility as the possible hydrothermal activity depletes the magnetite, which results in a low magnetic susceptibility. Additionally faults may possibly host vein graphite)
- 4 The targeted areas should be surrounded by moderately chargeable zones in relatively higher grounds away from alluvium. (Disseminated flake graphite and disseminated sulphides are moderately chargeable. Moderate chargeability readings in lower lying alluvium may be related to graphite washed down from higher occurrences)
- 5 The selection of the second priority graphite targets is based on meet some but not all of the above mentioned criteria



## Orom Graphite - Geophysical Targets

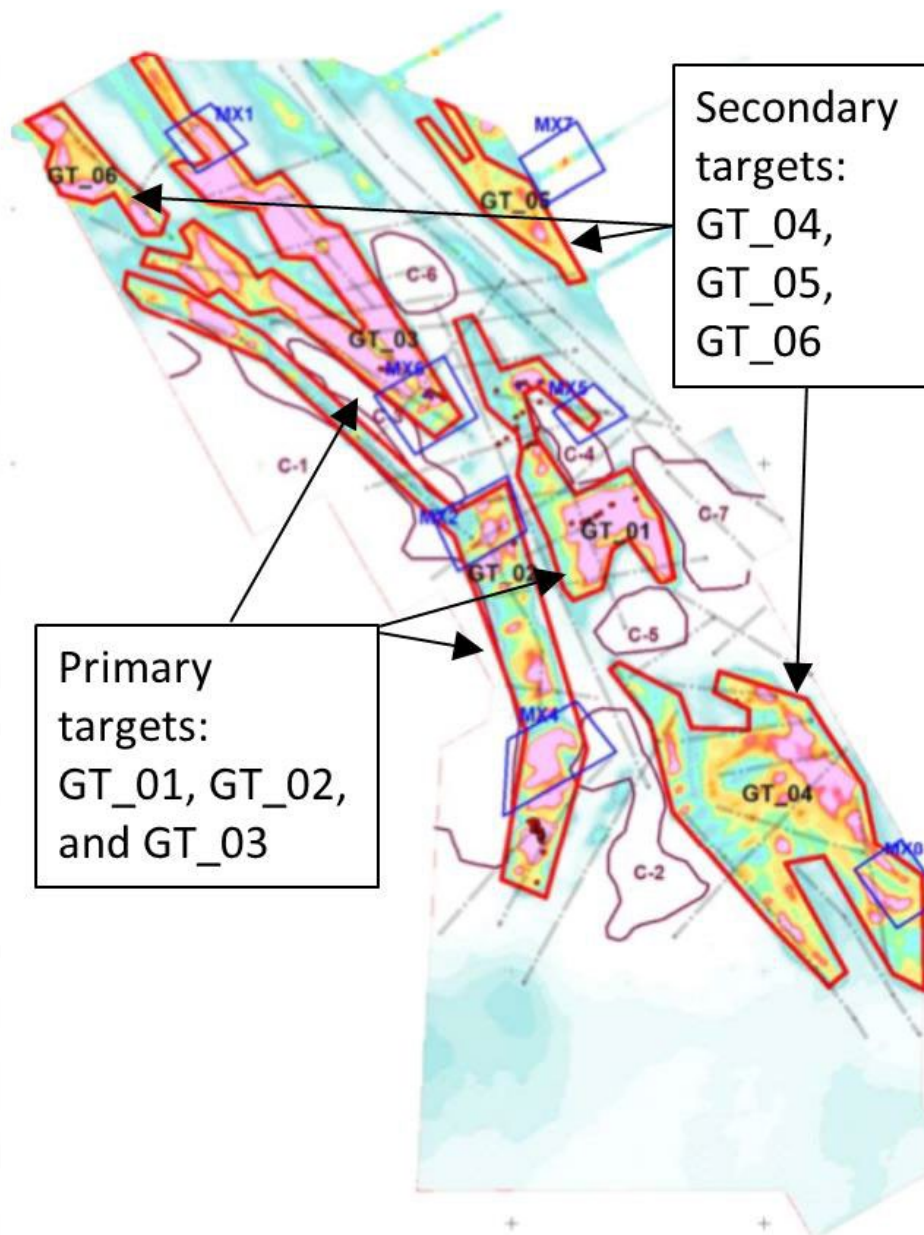


### Legend

- EL\_1025 /  
EL\_1173
- Trenches
- High Conductivity
- Low Conductivity

Plot Date: 04-Jul-2016

Scale 1 : 97667.75



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# CONCLUSIONS

- The results from the geophysical survey indicates numerous continuous electro magnetic conductors
- The surface mapping data and the geophysical survey anomalies correlate suggesting the sub surface continuation of graphitic layers
- The subsurface conductors as illustrated by the geophysics results suggest the graphite layers to extend at least for 18 kilometres throughout the project area
- As the graphite occurrence is locally continuous it is also likely to continue further eastwards and will be further investigated by surface mapping

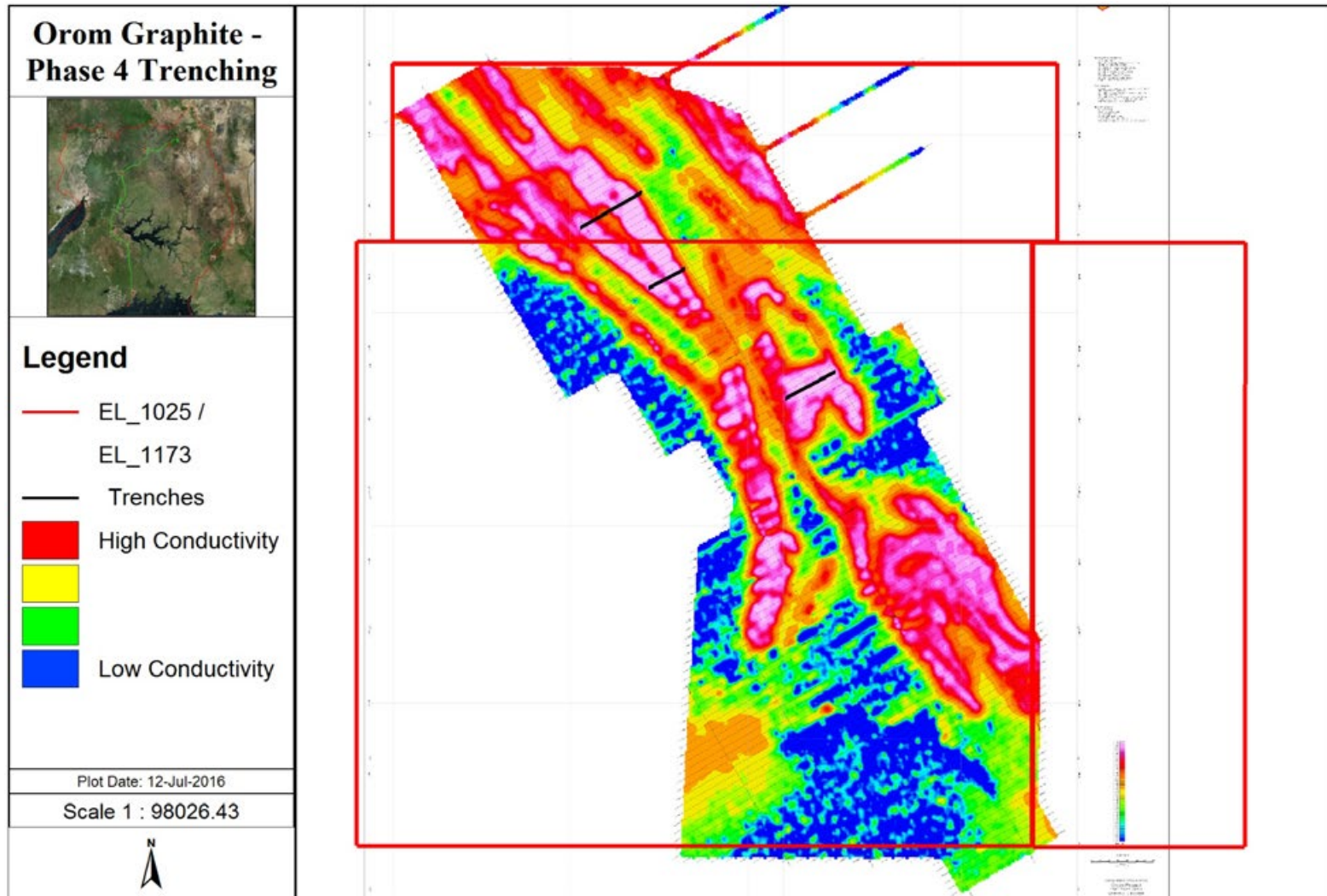


# RECOMMENDATIONS

- **Determine trenching targets and execute a phase 4 trenching programme from the geophysical survey**
- **Investigate the anomalies by means of a conventional trenching programme (Phase 4):**
  - ~5km of trenching to a depth of 1.5m
  - Map and sample the anomalies (channel sampling)
  - Investigate the lateral extensions and continuity of the ore body
  - Determine the quality and grade distribution across the license area
  - Detailed surface mapping of EL1173 and TN2390
- **Bulk samples will be extracted to perform metallurgical testwork**
  - Perform further flake size analyses on the downhole material
  - Perform further floatation tests in order to determine the quality of the graphite
- **Plan, scope and execute a Phase 5 drilling programme**



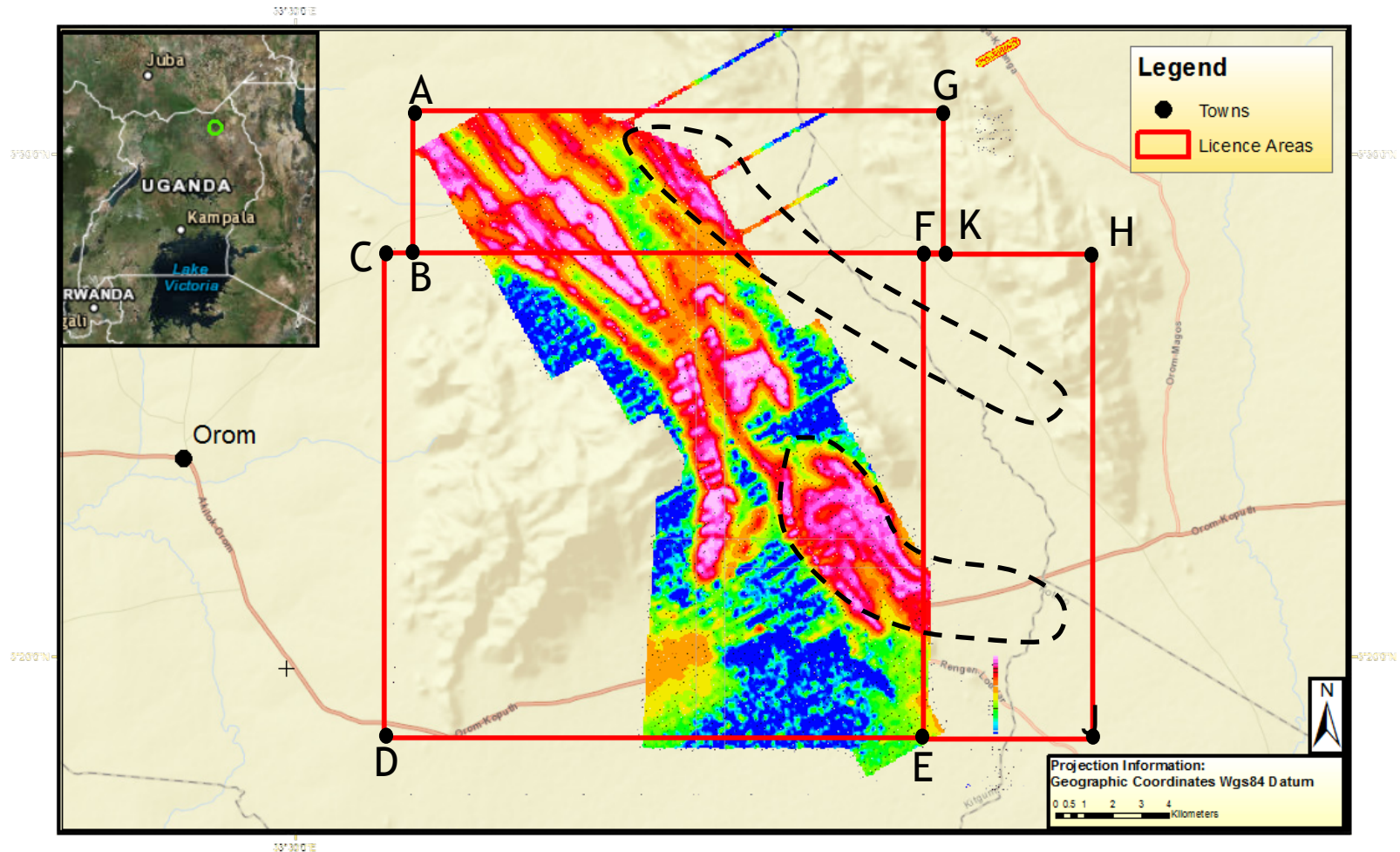
# PLAN OF ACTION (PHASE 4 TRENCHING)





# LICENCES AND GROWTH

## EL1025/EL1173/TN2390 - Licence Areas and Potential Graphite Extensions





## EL1025/EL1173/TN2390 - Ore Transport Site/Kampala/Mombasa





### **COMPETENT PERSON'S STATEMENT**

THE INFORMATION IN THIS PRESENTATION THAT RELATES TO EXPLORATION RESULTS ON THE OROM PROJECT AS RELEASED TO NSX ON 6 JULY 2016. 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.

### **FORWARD-LOOKING STATEMENTS**

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