



CONSOLIDATED AFRICA LIMITED

ACN 605 659 970

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1. The company became aware of the 1,500,000 pounds payment to Consolidated Africa Limited (CRA) during the negotiating period before the September 04 2018 announcement of the sale of the Orom Graphite Project. The first email concerning the 500,000 pounds fee payment to New Energy Minerals Africa P/L (NEM) came on the evening on the 23.4.19. The extension of the option was announced on the 3.5.19.

NEM identified Blencowe Ltd (BL) as the acquiring company. The consent of CRA was acquired to such assignment. CRA were unable to announce this due to the confidential nature of the Heads of Agreement (HOA) thus enabling BL to comply with it's own LSE listing rules.

A confidential agreement was signed (13.5.19) assigning the option to BL. It was stated (announcement 4.9.18) that the assignment would be made to a LSE or ASX company. This assignment was also stated in the notice of meeting (10.9.18) where shareholders voted unanimously in favor of the conditions of the sale. It was stated in the 8.7.19 announcement that the sale was to Blencowe Ltd. I tried to meet with the BL CEO in Perth on the 23rd and 34th of June to discuss the details of the future of both companies. They decided to be unavailable those days.

CRA was not given the LSE announcement on the 13.5.19 by BL. CRA considered itself under an obligation of the confidential HOA not to announce the deal was with BL until BL were notified with the draft announcement of the 8.7.19. At that point they expressed that we could publicly confirm the sale was to BL.

2. Yes, once the sale completes, it will be a significant change in the business.

The company continues to hold the asset until completion occurs. CRA will be left with enough cash to complete it's audit, finish and release the Annual Report and finally hold the AGM. I have discussed this with a senior lawyer in ASIC as to the best way in finalising this requirement.

CRA will be also have approx \$2,8 mil in shares in BL which may go up or down. However, CRA are obliged under the share sale agreement to enter into an escrow agreement with BL expected to be for 12 months. CRA intends to acquire a small exploration project in Australia while assessing larger projects that would have to come with initial funding and would be pleased to JV or partner other parties.

CRA will continue it's exploration bias, but will be very selective with a conservative budget based on it's ability for funding and project requirements. CRA will update the market with any acquisition of any potential project.

3. Yes.

CRA had little cash and were struggling to entice new or any investors in funding the project going forward. The board had little choice but to sell the project enabling the future of the company. The project was too large to develop for a small company starved of cash. Shareholders could understand the simple straightforward uncomplicated sale offer. They had the required information which was very straight forward and voted accordingly. Otherwise the next step would have been to wind the company up with very little expected to shareholders. CRA will be lifted with approx three times the value in BL shares that can be sold compared to what CRA raised in its IPO.

4. The earlier of 1.2.20 or the lifting of any trading halt imposed on the buyer by the London Stock Exchange. This is expected to be sometime this month.

5. The shares will be transferred once BL shares trading halt is lifted after the completion of the capital raise via the BL prospectus. This is expected to occur this month.

Kevin Nichol, CEO

Consolidated Africa Limited