

Dear Mr Sasso,

4 December 2019

Consolidated Africa Limited (the “Company” or “CRA”)

Consolidated Africa Limited
Attn: Mr Pedro Sasso
Company Secretary
c/- Shuriken Consulting Ltd
Suite 21, 25-29 Hunter Street
Honsby - NSW Australia 2077

Continuous Disclosure Query

The National Stock Exchange of Australia (NSX) refers to the sale of the Orom Project by the subsidiary of the Company - Consolidated African Resources (Uganda) Ltd (CARU) and the following:

- A. The Company Announcement ‘Consolidated Africa Limited, Sign Binding term sheet’ on 4 September 2018¹ which confirmed the details of the term sheet as follows:

1. On signing, New Energy will pay an A\$50,000 option fee to give it 90 days exclusivity to complete its Due Diligence.
2. On conversion of the option, New Energy will pay CRA an additional A\$50,000.
3. During the option period, New Energy will fund certain agreed expenses of the Project.
4. New Energy will promote a potential listing of the asset on either the London Standard Exchange or the ASX. Should New Energy exercise the option to acquire the Orom Graphite Project, shareholders will be given the opportunity to vote on the proposal via a standard general meeting.

- B. The Notice of General Meeting, Explanatory Statement and Proxy Form released to the market on 10 September 2018² proposed the following resolution to the shareholders:

Resolution 1

To accept the sale of the Orom Graphite Project to New Energy Minerals (Africa) Pty Ltd for GBP 1,500,000 which will be paid in new shares in IPO on ASX or London Standard Stock Exchange.

To consider and if thought fit to pass a resolution authorising the sale of the Orom Graphite Project to New Energy Minerals (Africa) Pty Ltd.

1. New Energy Minerals (Africa) Pty Ltd will purchase 100% of the fully paid ordinary shares in Consolidated Africa Resources (Uganda) Limited for GBP 1,500,000 in shares minus (AU\$100,000 for option and completion payment, approximately USD \$128,000 in Ugandan debt which includes mining license costs).

2. New Energy Minerals (Africa) Pty Ltd (New Energy) will forward the agreed expenses of completing the mining license and the payment of project related creditors in Uganda.

- C. The Results of Meeting announcement released on 8 October 2018³ which confirmed the approval of the transaction.

- D. The announcement titled ‘Proposed Acquisition of Orom Graphite Project’ released by Blencowe Resources Plc released on 13 May 2019⁴

Blencowe will, subject to due diligence, exercise the option to acquire the entire share capital of CARU with the total aggregate consideration payable by the Company being £2,000,000 (two million pounds), to be satisfied in full by the issue of 33,333,333 new ordinary shares of the Company at an implied price of £0.06 per share, of which £500,000 will be payable to New Energy as consideration for the assignment of the option and £1,500,000 will be payable to CRA as the acquisition price for CARU. Completion of the Transaction will be conditional on Blencowe raising working capital for the enlarged group to further develop the Orom Graphite Project. As a budget and work programme for the Orom Graphite Project has not yet been agreed, the quantum of any such fundraise is at the date of this announcement undetermined.

- E. The Company announcement ‘Mining License Granted: High Grade Graphite Project’ released on 9 July 2019 which confirmed the grant of the Mining License (ML1959) in Uganda and stated:

¹ <https://www.nsx.com.au/ftp/news/021735658.PDF>

² <https://www.nsx.com.au/ftp/news/021735678.PDF>

³ <https://www.nsx.com.au/ftp/news/021735887.PDF>

⁴ <https://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/BRES/14071110.html>

CRA is progressing with the sale of its high grade graphite project to Blencowe Limited which is listed on London Stock Exchange

CRA is undertaking support of Blencowe the further refinement processing and concentration via floatation with the objective to get up to a 94% graphite concentrate from ore samples collected in the exploration of the area of interest.

- F. The announcement titled 'Signing of Share Purchase Agreement for the Orom Graphite Project' released on 28 October 2019⁵ by Blencowe Resources Plc.

Highlights

- Acquisition of the Orom Graphite Project in Uganda
- Consideration of £2m to be satisfied by the issue of 33,333,333 new shares at an implied price of 6p

Blencowe Resources Plc (LSE:BRES), the natural resources sector focused special purpose acquisition company, is pleased to announce that it has signed a Share Purchase Agreement with Consolidated Africa Limited ("CRA") and New Energy Minerals Africa Pty Ltd ("New Energy") for the proposed acquisition by the Company of 100% of the share capital of Consolidated African Resources (Uganda) Ltd ("CARU"), a subsidiary of CRA, by way of a reverse takeover ("Transaction"). CRA and New Energy have given their binding consent to the acquisition.

CARU is a Ugandan registered company which is the owner of the Orom Graphite Project in northern Uganda (the "Orom Graphite Project").

Blencowe will, subject to a successful placing, acquire the entire share capital of CARU with the total aggregate consideration payable by the Company being £2,000,000 (two million pounds), to be satisfied in full by the issue of 33,333,333 new ordinary shares of the Company at an implied price of £0.06 per share, of which £500,000 will be payable to New Energy as consideration for the assignment of the option to acquire CARU which was granted to it by CRA and £1,500,000 will be payable to CRA as the acquisition price for CARU. In addition, there is cash consideration payable to CRA of AUD\$50,000 which will be payable whether completion occurs or not. Completion of the Transaction will be conditional on Blencowe raising working capital for the enlarged group to further develop the Orom Graphite Project by way of a placing of new ordinary shares in the Company. CRA has also granted the Company an option to acquire additional licences that it holds in Uganda which may be exercised at any time in the 12-month period following completion of the Transaction.

The Transaction remains subject to completion of the fundraising and re-listing of the enlarged group on the London Stock Exchange and to the approval of CRA entering into the Transaction by the National Stock Exchange of Australia. Accordingly, there is no certainty that it will be completed. If the Transaction is completed, it will constitute a reverse takeover under the Listing Rules and will be subject to approval by shareholders of the Company at a general meeting. As the Company is unable to provide full disclosure under Rule 5.6.15 of the Listing Rules, the Company has requested the FCA to keep the suspension of its listing of its ordinary shares on the Standard Segment of the Official List, and as traded on the Main Market of London Stock Exchange pending publication of a prospectus in relation to the Transaction and the General Meeting, setting out details of the proposed Transaction and the fundraising (or in the alternative the Company announces that it has elected not to proceed with the Transaction). Suspension of trading will continue until this time.

Further announcements will be made in due course as the Transaction progresses.

- G. The Company announcement on 29 October 2019 which stated:

Consolidated Africa Limited (CRA) has completed its agreement with Blencowe Limited (listed on the LSE), selling its interest in the Orom Graphite Project in Uganda.

⁵ <https://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/BRES/14283590.html>

After a long process and lengthy due diligence, both parties were able to agree to a sale which supported each other's obligations to shareholders.

CRA will remain with an interest in the project via its shareholding in Blencowe Limited and will be the largest shareholder. CRA will receive \$50,000.00 and 25 million Blencowe Limited shares valued at over \$2,800,000.00.

H. The Company announcement on 25 November 2019 that stated

Consolidated Africa Limited ("CRA") are now waiting on the completion of the share sale agreement. The completion is triggered by the relisting of Blencowe Limited on the London Stock Exchange. This is expected to be in December.

On completion, CRA will receive \$50,000 cash minus some expenses plus 25 million Blencowe Limited shares valued at \$2,800,000.

The Company is requested to respond to the following:

1. The announcement by Blencowe resources Plc confirms the payment of £500,000 will be payable to New Energy as consideration for the assignment of the option to acquire CARU which was granted to it by CRA and £1,500,000 will be payable to CRA as the acquisition price for CARU, thereby the consideration to be a total of £2,000,000. When was the Company first aware of the total consideration of the shares to be issued by Blencowe Resources Plc.?
2. Does the Company believe that disposing of the Orom Graphite project asset will constitute a significant change to the scale of its activities pursuant to Listing Rule 6.41? If not, please provide a basis for that view.
3. In light of the resolution put to the shareholders regarding the sale of the Orom Graphite Project on 10 September 2018 and the share sale agreement announcement made on 25 November 2019, does the Company believe that the information provided to the shareholders in the resolution contained all the material and relevant information to make an informed decision, including the total value of the asset/likely consideration for the sale of the asset? Please provide any relevant information that supports the Company's response.
4. When does the Company anticipate the disposal of its 100% interest in Consolidated Africa Resources (Uganda) Ltd. to occur?
5. When does the Company anticipate the acquisition of 25 million Blencowe shares referred to in G (above) to occur?

Your response should be provided no later than 4pm AEST on 6th December 2019. Your response will be released to the market along with a copy of this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.

Please be reminded that the Issuer must comply with Chapter 6CA of the Corporations Act and Listing Rules Section IIA 6.4, 6.5 and 6.5A under continuous disclosure.

Yours sincerely

Ron Kaushik
Senior Manager - Market Surveillance