



7 March 2019

National Stock Exchange of Australia
1 Bligh Street
Sydney
NSW 2000

Attention: Ron Kaushik

Dear Ron

Consolidated Africa Limited (NSX code CRA) entered into an agreement where it will receive (approx) \$2,780,000 worth of shares for the vend of its Orom High Grade Flake Graphite Project in Uganda into a proposed listing on the Standard Board at the London Stock Exchange.

CRA has issued an option to New Energy Minerals Pty Ltd (NEM) on the 4th of September 2018 to deal in it's Orom High Grade Graphite Project in Uganda. The agreement is attached. A three month time frame was granted. That was extended for two additional months and put aside for another month while discussions continued concerning outstanding payments and exclusivity.

To date, NEM have paid CRA A\$50,000 on the 5.9.18 (see annex 1). CRA has used A\$18,817 of that A\$50,000 to pay down several outstanding and urgent invoices in Uganda. NEM has agreed to pay back the A\$18,817 to CRA.

NEM has since paid US\$12,940 on the 28.11.18 to settle the rents on the project leases for another 12 months (see annex 2).

NEM has confirmed payment of US\$3,500 on 6.3.19 for the Minerals Department of Uganda field trip for signing off the surface rights to CRA.

CRA received the notification (12.2.19) that the Mining License Application has been Gazetted under Section 42 (2) of the Geological Survey and Mines Department Uganda. Once the field trip is completed, the 21 year Mining License (ML) will be granted (expected over the next 10 days). When we receive the final grant notice, CRA will announce the details.

CRA will then have 14 days to pay the first years ML fee of US\$63,222. NEM will pay this fee as part of the agreement.

CRA has been patient and given the extra time to settle outstanding amounts to NEM as NEM continues to show good faith by paying project related costs as they occur.

CRA is owed A\$50,000 by NEM to convert the option, A\$18,817 in fees it paid on behalf of NEM and NEM have agreed to pick up all outstanding project based invoices (see agreement). CRA has not pushed NEM for the outstanding total of A\$68,817 as it understands that the seed capital raised by NEW and its London base investor group is being used to fund the IPO that the Orom Project will be placed. The A\$68,817 will be still due to CRA.



Since being suspended, Consolidated Africa Limited (NSX code CRA), the company, has been able to offer shares for fees with all directors, accounting & company secretarial services, saving \$258,000 of costs in this area. These shares have not been issued yet as CRA is suspended.

CRA has reduced its longer term debt by offering shares reducing that debt by \$10,000. Long term debt is approximately \$44,500. CRA has either raised or replaced debt with equity of \$171,593 (see results of AGM 3.12.18) over the period as well as receiving approximately \$13,000 in GST refunds. These funds were used to pay down debt and keep the outstanding invoices paid in time.

The ongoing expenses for the share registry has been reduced by negotiation to \$200 per month while suspended. Internet fees for the web page have been paid for the next two years. These costs only amounted to \$350 while suspended. NSX and ASIC fees will be due later in the year. CRA has \$8,500 in the bank.

Future new invoices, ASIC fees and Listing Fees will be paid from the proceeds of funds generated from investors and the sale of some of these shares that will be listed on the LSE Standard Board. CRA believes that it is a going concern and that it can meet its commitments as they fall due. A circular resolution supporting this reply is currently being finalised. The board is also looking at new projects that can be obtained with the funding that can be generated over time from the eventual sale of shares in the listing mentioned above with the objective of continuing the company's activities going forward.

Audit

CRA has been able to pay and completed the 2017 audit as well as the December half year 2017 audit. CRA acknowledges that it is behind in its 2018 audit as well as its December half year audit. An invoice of \$17,600 outstanding here. CRA will initially part pay 50% of the audit fee by the 12.3.19 to get it started and use proceeds from the NEM payments to complete the audit.

Kevin Nichol, CEO

A handwritten signature in black ink, appearing to be "Kevin Nichol".

Consolidated Africa Limited