Consolidated Africa Limited

A.C.N. 605 659 970

Annual Report - 30 June 2018

Consolidated Africa Limited
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Directors	Ms May Zhang (Non-Executive Director) Mr Douglas Cahill (Non-Executive Director) Mr Graeme Watchirs (Non-Executive Director/Chairman)
Company secretary	Mr Kevin Nichol
Registered office	Level 28 1 Market Street Sydney NSW 2000
Principal place of business	Level 28 1 Market Street Sydney NSW 2000
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Ph:(02) 1300 737 760 Fax:(02) 1300 653 459 www.boardroomlimited.com.au
Auditor	Connect Audit Level 8, 350 Collins Street Melbourne VIC 3000
Stock exchange listing	Consolidated Africa Limited shares are listed on the National Securities Exchange (NSX code: CRA)
Website	https://consolidatedafrica.wixsite.com/cra1

Consolidated Africa Limited
Review of operations
30 June 2018

Consolidated Africa Limited ('CRA' or 'the Company') shares have been suspended from trading on NSX since September 2017 due to the audit for 2017/18 not yet being completed. This audit and the half yearly (31 December 2018) have now been completed, unfortunately leaving the company suspended pending the finalisation of this Audit process.

CRA has reduced a large amount of its debts during the financial year. The debts were settled through the issue of shares in lieu of outstanding invoices.

The project has been progressed and the leases kept in good standing.

Below are the highlights for the financial year:

- In July 2017 the National Environmental Management Authority of UGANDA issued a Certificate (No. 10207) of Approval of Environmental Impact Assessment for the proposed graphite mining project at Orom in Kitgum district. The certificate of approval to begin mining is valid for a period of five years.

- In August 2017 the board of CRA gave notice of payment and the successful application to extend the main exploration lease of EL 1025 for two more years. EL 1173 was also extended for another 12 months.

- In December 2017 a new accountant and company secretary was appointed. This was a positive move forward in completing the backlog of Audit preparation required.

- In June 2018 CRA signed the Memorandum of Understanding (MOU) between Kitgum District and Consolidated Africa Resources (Uganda) Limited, a subsidiary of Consolidated Africa Limited (CRA), granting the company the surface rights as part of the ML application process.

Since the end of the 2017/18 financial year, the company has;

(i) Released the Annual Report and Financials for the 2016/17 year;

(ii) Successfully entered into a share sale agreement for the major project (Orom Graphite Project);

(iii) Paid the listing fees for 2018/19; and

(iv) Released the Half Year Financial Report for 31 December 2017.

The company remains in suspension pending the completion of the Audit for 2017/18 and the 31 December half year 2018 Audit.

Looking forward, the board are optimistic on the relisting of the company's securities this year as well as the potential for new funds to revitalise the company.

On behalf of the Board

Kevin Nichol, CEO

Consolidated Africa Limited

Consolidated Africa Limited
Directors' report
30 June 2018

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Consolidated Africa Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors

The following persons were directors of Consolidated Africa Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ms May Zhang (Non-Executive Director) - appointed 15 January 2020
Mr Graeme Watchirs (Non-Executive Director/Chairman) - appointed 30 January 2019
Mr Philip Lindsay (Non-Executive Chairman) - resigned 30 January 2019
Mr Douglas Cahill (Non-Executive Director) - appointed 1 June 2016
Mr John Cross (Non-Executive Director) - passed away 19 December 2019

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $677,009 (30 June 2017: $1,286,646).

Financial position

The net asset position of the consolidated entity was $ 2,571,753.

The consolidated entity has a working capital being current assets less current liabilities of $2,558,944 as at 30 June 2018. The Consolidated entity has negative cash flow from operating activities of $18,184. The total net cash during the financial year is $1,614.

Significant changes in the state of affairs

On 12 September 2017, the consolidated entity issued 5,652,599 fully paid ordinary shares at an issue price of $0.10 (10 cents) per share. A total of 160,000 fully paid ordinary shares were issued to Directors and management pursuant to Sections 12.7, 12.8 and 12.9 of the Company's Initial Public Offering Prospectus dated 10 November 2015, the remaining 5,492,599 fully paid ordinary shares being issued to satisfaction of outstanding creditors.

On 12 September 2017, the consolidated entity issued 437,500 fully paid ordinary shares at an issue price of $0.08 (8 cents) per share. A total of 125,000 fully paid ordinary shares were issued to Directors and management pursuant to Sections 12.7, 12.8 and 12.9 of the Company's Initial Public Offering Prospectus dated 10 November 2015, 31,250 fully paid ordinary shares being issued to satisfaction of outstanding creditors. the remaining 281,250 fully paid ordinary shares were issued to a placement proceeds.

On 12 September 2017, the consolidated entity issued 1,247,500 unlisted options, expiring on 30 September 2020 and exercisable at $0.05 (5 cents) per option. A total of $1,060,000 unlisted options to Directors and management of the Consolidated entity in satisfaction for outstanding Director's and management fees payable, also issued 187,500 unlisted options exercisable at $0.05 (5 cents) expiring on 30 September 2020.

On 16 March 2018, the consolidated entity released 8,213,705 fully paid ordinary shares from escrow.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 31 October 2019, the consolidated entity issued 11,065,405 fully paid ordinary shares at an issue price of $0.02 (2 cents) and 770,000 fully paid ordinary shares at an issue price of $0.10 (10 cents). A total of 11,835,405 fully paid ordinary shares were issued to placement to extinguish outstanding liabilities.

On 4 November 2019, the consolidated entity issued 12,040,000 fully paid ordinary shares at an issue price of $0.02 (2 cents) and 770,000 fully paid ordinary shares at an issue price of $0.10 (10 cents). A total of 12,810,000 fully paid ordinary shares were issued to placement to extinguish outstanding liabilities.

On 24 April 2020, consolidated Africa Limited announced that it had entered into an agreement to sale of its High Grade Graphite Project in Uganda to Blencowe Resources Plc (BRES). Company will receive $50,000.00 cash and 25,000,000 shares in Blencowe Resources PLC which is a publicly listed company on the London Stock Exchange (LSE).

CRA will be the largest shareholder in Blencowe Resources PLC and holds 25.4% of Blencowe Resources PLC stock. Consolidated Africa Limited will be willing to assist Blencowe Resources PLC going forward with the project. This completes the sale of Consolidated Africa Resources (Uganda) Limited. CRA will immediately and without delay complete its Audit obligations and comply with all NSX & ASIC requirements to provide for the exit from suspension.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The likely developments and expected results of operations will be dependent on the continued exploration activities at the consolidated entity’s areas of interest. As announced on 24 April 2020 and subsequent to the end of the financial year, the consolidated entity has entered into a Share Sale Agreement with respect to its wholly owned subsidiary and will receive 25 million shares in Blencowe Resources Plc (Blencowe). The expected results of the consolidated entity’s operations will also be dependent on the share price performance of Blencowe.

Environmental regulation

The consolidated entity's projects are subject to Ugandan laws and regulations regarding environment matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should the development proceed.

The Consolidated entity intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Consolidated entity's activities will be rehabilitated as required by the applicable laws and regulations.

Information on directors

Name:	Ms May Zhang
Title:	Non-Executive Director (appointed 15 January 2020)
Qualifications:	Master of Translation from Beijing Foreign Studies University
Experience and expertise:	Ms Zhang has a Finance/Marketing and Technology background and has worked for American Energy Investment Corporation in China. She adds a great deal of Asian connectivity to the company.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	21,200 fully paid ordinary shares

Name:	Mr Graeme Watchirs
Title:	Non-Executive Director & Chairman (appointed 31 January 2019)
Experience and expertise:	Mr Graeme Watchirs background is in Science and Technology. Graeme worked as a R & D consultant providing managerial processes to clients including the NSW Coal Board, the former NSW Electricity Commission and the Federal Department of primary Industries & Energy. For the past 20 years, Graeme has focused on establishing a number of companies in the Construction, Hospitality and Medical Industries. Drawing on his wide ranging expertise Graeme offers innovative and objective perspectives on company management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	200,000 fully paid ordinary shares

Name:	Mr Douglas Cahill
Title:	Non-Executive Director
Qualifications:	LLB
Experience and expertise:	Doug Cahill is an admitted Solicitor who has practised in Bendigo for his entire career and has a long and studied knowledge of the gold industry in Victoria commencing in 1974. He is a former, original director of the Prospectus Mines Association and has been a past director of the Bendigo Stock Exchange and Bendigo Mining N.L. of which he was a founding director. He was also a founding director of Greater Bendigo Gold Mines Ltd. Doug brings with him an in-depth understanding of the gold mining industry from a legal, regional and hands-on perspective.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	437,000 fully paid ordinary shares
Interests in options:	240,000 unlisted options exercisable at $0.05 (5 cents) per option on or before 30 September 2020

Name:	Mr Philip Lindsay
Title:	Executive Chairman & Director (appointed 29 September 2015) (resigned 30 January 2019)
Qualifications:	LLB
Experience and expertise:	Phillip Lyndsay has extensive experience and a distinguished career in the financial markets commencing in 1980, He has worked for numerous financial institutions including mercantile House Holdings, Oppenheimers, Credit Lyonnais, Banque National de Paris and Ord Minnett. His experience covers various aspects and roles relating to finance including manager of treasury, Forex and derivatives dealing, commodity future trading, money market, fund raising and stock broking.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	564,255 fully paid ordinary shares
Interests in options:	160,000 unlisted options exercisable at $0.05 (5 cents) per option on or before 30 September 2020

Name:	Mr John Cross
Title:	Non-Executive Director (appointed 28 November 2016) (passed away 19 December 2019)
Experience and expertise:	John Cross had previously held both Director and Chairman roles in resource industry public companies, service industries and private ventures. He had extensive experience in alluvial mining operations in Southern Africa, diamonds, tin, tantalum, and copper, Over the years John worked in Zambia, Uganda, Angola and DRC among other African nations and was also an experienced owner/operator of both drilling and earth moving companies. John was a founder and a major shareholder of current interests Consolidated Africa Ltd and Director of Ugandan subsidiary, Consolidated African Resources (Uganda) Ltd. He was engaged in Uganda for the past 6 years and was engaged as Country Manager for Consolidated Africa Ltd.'s graphite project and had good management skills in human resources.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	3,548,572 fully paid ordinary shares
Interests in options:	120,000 unlisted options exercisable at $0.05 (5 cents) per option on or before 30 September 2020

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Mr Phillip Lindsay (appointed 2 June 2016) (resigned 19 December 2017)

Mr Pedro Sasso (appointed 20 December 17) (resigned 31 December 2019)

Kevin Nichol (appointed 1 January 2020)

Mr Nichol has previously held the position of company secretary for another ASX listed company. He is also the CEO for the company.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board Attended
Philip Lindsay	1
Douglas Cahill	1
John Cross	1

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

For additional duties in assisting management beyond the normal time commitments of non-executive directors, non-executive directors are paid a per diem rate, with the amounts approved by other directors.

NSX listing rules require that the aggregate non-executive directors' remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 30 November 2017, where the shareholders approved an aggregate remuneration of $72,000. No amendments have been made to the available non-executive director remuneration pool since that date.

Executive remuneration

The consolidated entity aims to reward executives with a level and mix of fixed and variable remuneration responsibility. The executive remuneration and reward framework has two components:

- base pay and non-monetary
- share-based payments

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board as a whole based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Consolidated entity performance and link to remuneration
The remuneration of the Directors and executives are not linked to the performance, share price or earnings of the consolidated entity.

Use of remuneration consultants
The consolidated entity did not employ the services of any remuneration consultants for the 2018 financial year.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits	Post-employment benefits	Share-based payments	
2018	Cash salary and fees $	Super-annuation $	Equity-Based $	Total $
Non-Executive Directors:				
Mr Philip Lindsay*	-	-	104,000	104,000
Mr Douglass Cahill	-	-	24,000	24,000
Mr John Cross**	-	-	24,000	24,000
Other Key Management Personnel:				
Mr Kevin Nichol	-	-	120,000	120,000
	-	-	272,000	272,000

*Resigned as a Director on 30 January 219
**Passed away on 19 December 2019

	Short-term benefits	Post-employment benefits	Share-based payments	
2017	Cash salary and fees $	Super-annuation $	Equity-settled $	Total $
Non-Executive Directors:				
Philip Lindsay	-	-	39,185	39,185
Douglas Cahill	-	-	39,185	39,185
John Cross	-	-	9,790	9,790
Adriaan Gerhardus van den Bergh*	-	-	35,895	35,895
Other Key Management Personnel:				
Kevin Nichol	6,685	-	-	6,685
	6,685	-	124,055	130,740

*Resigned on 17 May 2017

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Kevin Nichol
Title:	Chief Executive Officer
Agreement commenced:	7 September 2015
Term of agreement:	The consolidated entity has entered into a Service Agreement with Consaf Pte Ltd, a company incorporated in Singapore. Under the CEO Consultancy Agreement Consaf Pte Ltd makes available its employee Kevin Nichol, to hold the position of Chief Executive Officer of the consolidated entity.
Details:	Consaf Pte Ltd may receive remuneration as either: (a) A monthly fee (exclusive of superannuation entitlements or equivalent Singaporean superannuation base) as from the date of Listing being US$20,200 plus expenses in accordance with the Constitution; or (b) Where the Board deems (in its absolute discretion) that all or some of the Total Service Fee would not be supported by cash available at any given time, then a share based payment may be made in lieu of the monthly salary component of an amount up to US$20,200 to be paid an amount equivalent in shares in the Principal (Consolidated Africa Limited) (at a deemed price of $0.10 Australian Dollars per share), with an option attached to each issued share at the exercise price of $0.05 (Australian Dollars) payable by the expiry date being 30 September 2020. (c) A resolution was passed on 17 May 2017 decreasing Consaf's management fee from $20,200 US per month to $10,000 AUD per month.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2018 are set out below:

Name	Date	Shares	Issue price	$
Philip Lindsay	12 September 2017	40,000	$0.10	4,000
	12 September 2017	125,000	$0.08	10,000
Douglas Cahill	12 September 2017	60,000	$0.10	6,000
John Cross	12 September 2017	60,000	$0.10	6,000

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
12/09/2017	12/09/2017	30/09/2020	$0.05	$0.06316

Options granted carry no dividend or voting rights.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr Philip Lindsay	826,534	165,000	259,255	-	1,250,789
Mr Douglas Cahill	360,000	60,000	17,000	-	437,000
Mr John Cross*	12,072,472	60,000	700,000	-	12,832,472
	13,259,006	285,000	976,255	-	14,520,261

* Shares held by the Estate of Mr John Cross

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr Philip Lindsay	240,000	40,000	-	-	280,000
Mr Douglas Cahill	180,000	60,000	-	-	240,000
Mr John Cross	60,000	60,000	-	-	120,000
	480,000	160,000	-	-	640,000

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Consolidated Africa Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
28/06/2017	30 September 2020	$0.05	9,370,596
12/09/2017	30 September 2020	$0.05	1,247,500
			10,618,096

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Consolidated Africa Limited issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Connect Audit continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

(signed)

Graeme Watchirs
Non-Executive Chairman

13 November 2020

Level 8,
350 Collins Street,
Melbourne.
VIC 3000

Tel: +613 9592 2357
Web: www.connectaudit.com.au

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of Consolidated Africa Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Consolidated Africa Limited and controlled entities.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
Date: 13 November 2020

Consolidated Africa Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Continuing Operations			
Expenses			
Employee benefits expense	5a	(439,698)	(442,241)
Share based payments	5a	(78,790)	(275,308)
Depreciation and amortisation expense	5a	-	-
Impairment of Exploration and Evaluation costs	5a	-	(29,048)
Administration expense		(16,469)	(44,107)
Corporate expense		(135,409)	(492,496)
Realised currency gain and losses		-	-
Loss before income tax expense		(670,366)	(1,283,200)
Income tax expense	6	-	-
Loss from continuing operations		(670,366)	(1,283,200)
Loss from discontinued operations	5b	(6,643)	(3,446)
Loss after income tax expense for the year attributable to the owners of Consolidated Africa Limited		(677,009)	(1,286,646)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Consolidated Africa Limited		(677,009)	(1,286,646)
		Cents	**Cents**
Earnings per Share from continuing operations			
Basic earnings per share	23a	(0.81)	(1.78)
Diluted earnings per share	23a	(0.81)	(1.78)
Earnings per Share			
Basic earnings per share	23b	(0.81)	(1.79)
Diluted earnings per share	23b	(0.81)	(1.79)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated Africa Limited
Statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Assets			
Current assets			
Cash and cash equivalents	7	1,614	1,814
Trade and other receivables	8	13,721	5,537
Other current assets	9	3,300	19,473
Exploration and evaluation held for sale	10a	3,039,247	-
Total current assets		3,057,882	26,824
Non-current assets			
Property plant and equipment	11	12,809	17,348
Exploration and evaluation	10b	-	2,982,232
Total non-current assets		12,809	2,999,580
Total assets		3,070,691	3,026,404
Liabilities			
Current liabilities			
Trade and other payables	12	388,894	424,140
Borrowings	13	110,044	28,500
Total current liabilities		498,938	452,640
Total liabilities		498,938	452,640
Net assets		2,571,753	2,573,764
Equity			
Issued capital	14	5,111,393	4,515,186
Reserves	15	670,637	591,848
Accumulated losses		(3,210,277)	(2,533,270)
Total equity		2,571,753	2,573,764

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated Africa Limited
Statement of changes in equity
For the year ended 30 June 2018

Consolidated	Issued capital $	Option Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2016	3,256,146	316,539	(1,246,624)	2,326,061
Loss after income tax expense for the year	-	-	(1,286,646)	(1,286,646)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,286,646)	(1,286,646)
Transactions with owners in their capacity as owners:				
Issue of shares	1,293,129	-	-	1,293,129
Less cost of capital raising	(34,089)	-	-	(34,089)
Share based payments (Note 15)	-	314,672	-	314,672
Option exercised	-	(39,364)	-	(39,364)
Balance at 30 June 2017	4,515,186	591,847	(2,533,268)	2,573,765

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2017	4,515,186	591,847	(2,533,268)	2,573,765
Loss after income tax expense for the year	-	-	(677,009)	(677,009)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(677,009)	(677,009)
Transactions with owners in their capacity as owners:				
Issued of shares	600,260	-	-	600,260
Less cost of capital raising	(4,053)	-	-	(4,053)
Share based payments (Note 15)	-	78,790	-	78,790
Balance at 30 June 2018	5,111,393	670,637	(3,210,277)	2,571,753

The above statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Africa Limited
Statement of cash flows
For the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(12,028)	206
Net cash from/(used in) continuing activities		(12,028)	206
Net cash from/(used in) discontinued operations		(2,103)	-
Net cash from/(used in) operating activities	22	(14,131)	206
Cash flows from investing activities			
Payments for exploration and evaluation	10	(17,016)	(273,338)
Net cash used in investing activities		(17,016)	(273,338)
Cash flows from financing activities			
Proceeds from share issue	14	35,000	208,000
Payments for share issue		(4,053)	(34,089)
Proceeds from borrowings		-	28,500
Net cash from financing activities		30,947	202,411
Net decrease in cash and cash equivalents		(200)	(70,721)
Cash and cash equivalents at the beginning of the financial year		1,814	71,471
Effects of exchange rate changes on cash and cash equivalents		-	1,064
Cash and cash equivalents at the end of the financial year	7	1,614	1,814

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General Information

The financial statements cover Consolidated Africa Limited as a consolidated entity consisting of Consolidated Africa Limited and entities it controlled at the end of, or during the year. The financial statements are presented in Australian dollars, which is Consolidated Africa Limited's functional and presentation currency.

Consolidated Africa Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office principal place of business is:

Level 28
1 Market Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the director's report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 November 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the period ended 30 June 2018, the consolidated entity incurred a loss of after tax of $677,009 and had net cash outflows from operating activities of $14,131. At 30 June 2018 the consolidated entity has net assets of $2,571,753.

Based on current cash reserves at the date of this report, the consolidated entity needs to seek addition cash resources to continue to pay its debts. As announced on 24 April 2020 and subsequent to the end of the financial year, the consolidated entity has entered into a Share Sale Agreement with respect to its wholly owned subsidiary and will receive 25 million shares in Blencowe Resources Plc (Blencowe). These shares have been issued to the Company, with a 12 month escrow lock imposed by Blencowe, and as at the date of this report have a market value of approximately AU$3.4 million. The expected results of the consolidated entity’s operations will also be dependent on the share price performance of Blencowe.

Therefore to continue as a going concern the consolidated entity must:

- Raise additional equity;
- Seek a release of escrow lock on the shares held in Blencowe and sell a portion of the shares to fund ongoing expenditure requirements; and
- Manage the consolidated entity's cost structure within the constraints of available resources.

Note 2. Significant accounting policies (continued)

Based on the recent history of the consolidated entity the directors believe future capital raises will be successful. Accordingly, the financial report has been prepared on the going concern basis based on the ability of the consolidated entity to achieve sufficient cash inflows from raise further equity. where necessary, to fund working capital. on this basis the directors consider that the consolidated entity remains a going concern and these financial statements have been prepared on this basis.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Consolidated Africa Limited ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Consolidated Africa Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 2. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Consolidated Africa Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 2. Significant accounting policies (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 2. Significant accounting policies (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Exploration and evaluation assets held for sale
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Exploration and Evaluation assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets are available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such assets and its sale is highly probable. Exploration and Evaluation assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Employee benefits

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Note 2. Significant accounting policies (continued)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

Basic loss per share
Basic loss per share is calculated by dividing the loss attributable to the owners of Consolidated Africa Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted loss per share
Diluted earnings per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The consolidated entity has assessed the impact of these new or amended Accounting Standards and Interpretations as follows:

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 and the adoption of this standard will not have a material impact to the consolidated financial report.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2018 and the adoption of this standard will not have a material impact to the consolidated financial report.

Note 2. Significant accounting policies (continued)

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 and the adoption of this standard will not have a material impact to the consolidated financial report.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. Operating segments

During the current financial year the consolidated entity operated in one segment being an explorer of graphite deposits.

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. in the year the board reviews the consolidated entity as one operating segment being mineral exploration within Africa, Uganda.

Revenue and assets by geographical area
All assets and liabilities and operations are based in Uganda, Africa.

Note 5a. Expenses

	Consolidated	
	2018	**2017**
	$	**$**
Loss before income tax includes the following specific expenses:		
Depreciation		
Impairment of Exploration and Evaluation costs	-	29,048
Total depreciation	-	29,048
Employment benefits		
Directors Fees	152,000	76,000
Management Fees	287,698	366,241
Total Employment benefits	439,698	442,241
Share based payment expenses		
Share based payment expenses	78,790	275,308

Note 5b. Operating Activities of Discontinued Operations

Expenses

	Consolidated 2018 $	Consolidated 2017 $
Loss before income tax includes the following specific expenses:		
Depreciation and amortisation expense	4,540	4,510
Realised currency gain and losses	2,103	1,064
Loss before income tax expense	6,643	3,446
Income tax expense	-	-
Loss from discontinued operations	6,643	3,446

Note 6. Income tax expense

	Consolidated 2018 $	Consolidated 2017 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(677,009)	(1,286,646)
Tax at the statutory tax rate of 27.5% (2017: 30%)	(186,177)	(385,994)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	21,667	82,592
Deferred tax assets not recognized	164,510	303,402
Income tax expense	-	-

The consolidated entity has calculated the income tax benefit during FY18 using 27.5% and has not adjusted the comparative information.

	Consolidated 2018 $	Consolidated 2017 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	2,234,902	1,791,132
Potential tax benefit at statutory tax rates	614,598	537,340

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 6. Income tax expense (continued)

	Consolidated 2018 $	Consolidated 2017 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	614,598	537,340
Temporary differences	87,704	49,342
Total deferred tax assets not recognised	702,302	586,682

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 7. Current assets - cash and cash equivalents

	Consolidated 2018 $	Consolidated 2017 $
Cash at bank	1,614	1,814

Note 8. Current assets - trade and other receivables

	Consolidated 2018 $	Consolidated 2017 $
GST receivable	13,721	5,537
	13,721	5,537

The average credit period on trade and other receivable is 30 days. Due to the short term of the receivables their carrying value is assumed to approximate their fair value. No collateral or security is held. No interest is charged on the receivables. The consolidated entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe.

Note 9. Current assets - Other current assets

	Consolidated 2018 $	Consolidated 2017 $
Other current assets	3,300	19,473

Note 10a. Current assets - exploration and evaluation held for sale

	Consolidated 2018 $	Consolidated 2017 $
Exploration and evaluation - at cost	3,039,247	-

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	$	Total $
Balance at 30 June 2017	2,982,232	2,982,232
Additions	57,015	57,015
Balance at 30 June 2018	3,039,247	3,039,247

The consolidated entity intends to dispose of its exploration and evaluation assets in Uganda. No impairment loss was recognised on reclassification of the assets as held for sale as the directors expect the fair value less costs to dispose is higher than the carrying amount.

Note 10b. Non-current assets - exploration and evaluation

	Consolidated 2018 $	Consolidated 2017 $
Exploration and evaluation - at cost	-	2,982,232

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	$	Total $
Balance at 1 July 2016	2,445,469	2,445,469
Additions	565,809	565,809
Write off of assets	(29,046)	(29,046)
Balance at 30 June 2017	2,982,232	2,982,232

Note 11. Non-current assets - property plant and equipment

	Consolidated 2018 $	Consolidated 2017 $
Motor vehicles- at cost	22,613	22,613
Less: Accumulated depreciation	(9,804)	(5,264)
	12,809	17,349

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated 2018 $	Consolidated 2017 $
Balance at 1 July 2017	17,349	21,859
Depreciation expense	(4,540)	(4,510)
Closing fair value	12,809	17,349

Note 12. Current liabilities - trade and other payables

	Consolidated 2018 $	Consolidated 2017 $
Trade payables	161,799	259,571
Other payables	227,095	164,569
	388,894	424,140

Refer to note 17 for further information on financial instruments.

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Note 13. Current liabilities - borrowings

	Consolidated 2018 $	Consolidated 2017 $
Directors Loans	65,869	28,500
Loans from other parties	44,175	-
	110,044	28,500

Refer to note 17 for further information on financial instruments.

Note 14. Equity - issued capital

	Consolidated			
	2018 Shares	**2017 Shares**	**2018 $**	**2017 $**
Ordinary shares - fully paid	84,414,530	78,324,431	5,111,393	4,515,186

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2016	64,880,674		3,256,146
Placement	22 July 2016	750,000	$0.10	75,000
Share based payments	11 August 2016	335,000	$0.10	33,500
Placement	12 September 2016	210,000	$0.10	21,000
Share based payments	12 September 2016	785,866	$0.10	78,587
Share based payments	12 September 2016	2,698,308	$0.10	269,831
Share based payments	12 September 2016	116,900	$0.10	11,690
Placement	17 November 2016	370,000	$0.10	37,000
Share based payments	17 November 2016	120,000	$0.10	12,000
Options exercise	17 November 2016	623,267	$0.05	31,163
Share based payments	17 November 2016	1,339,418	$0.10	133,942
Share based payments	17 November 2016	400,000	$0.10	40,000
Share based payments	17 November 2016	442,038	$0.10	44,204
Share based payments	23 February 2017	997,220	$0.10	99,722
Share based payments	23 February 2017	727,954	$0.10	72,795
Share based payments	23 February 2017	388,306	$0.05	18,747
Placement	23 February 2017	750,000	$0.10	75,000
Share based payments	16 June 2017	2,389,480	$0.10	238,948
Less cost of capital raising		-	-	(34,089)
Balance	30 June 2017	78,324,431		4,515,186
Share based payment	12 September 2017	1,060,000	$0.10	106,000
Share based payment	12 September 2017	4,592,599	$0.10	459,260
Placement	12 September 2017	437,500	$0.08	35,000
Less cost of capital raising		-	-	(4,053)
Balance	30 June 2018	84,414,530		5,111,393

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Note 14. Equity - issued capital (continued)

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from 30 June 2017 of Annual Report.

Note 15. Equity - reserves

	Consolidated	
	2018	**2017**
	$	**$**
Options reserve	670,637	591,848

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share based payments reserve $	Total $
Balance at 1 July 2016	316,539	316,539
Share based payments expense	314,572	314,572
Options exercised	(39,264)	(39,264)
Balance at 30 June 2017	591,848	591,848
Share based payments expense	78,790	78,790
Balance at 30 June 2018	670,637	670,637

Note 16. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 17. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by the board and management ("finance") under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a regular basis.

Note 17. Financial instruments (continued)

Market risk

Foreign currency risk
The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and the Ugandan Shilling (UGX). Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The consolidated entity does not hold significant amounts of foreign currency in order to reduce its risk exposure.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2018 $**	**2017 $**	**2018 $**	**2017 $**
US dollars	495	945	-	-

The consolidated entity held cash denominated in foreign currencies of $495. Had the Australian dollar weakened by 1%/strengthened by 1% against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been $5 lower/$5 higher.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the consolidated entity's short, medium and long-term funding and liquidity management requirements. The consolidated entity manages liquidity risk through capital raising activities, and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The consolidated entity did not have any undrawn facilities at its disposal as at reporting date. Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 18. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by, the auditor of the consolidated entity, and its network firms:

	Consolidated	
	2018 $	2017 $
Audit services - George Georgiou of Connect Audit		
Audit or review of the financial statements	11,000	14,000

Note 19. Related party transactions

Transactions with related parties
There were no related party transactions during the financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the reporting date.

Loans to/from related parties
During the period the directors of the consolidated entity provided loans to the consolidated entity totalling $110,044 which will be satisfied with an issue of shares.

Note 20. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2018 $	2017 $
Loss after income tax	(677,009)	(1,286,646)
Total comprehensive income	(677,009)	(1,286,646)

Note 20. Parent entity information (continued)

Statement of financial position

	Parent 2018 $	Parent 2017 $
Total current assets	3,057,882	3,009,056
Total assets	3,070,691	3,026,404
Total current liabilities	498,938	452,640
Total liabilities	498,938	452,640
Equity		
Issued capital	5,111,393	4,515,186
Options reserve	670,637	591,848
Accumulated losses	(3,210,277)	(2,533,270)
Total equity	2,571,753	2,573,764

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 2017 and 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 2017 and 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 2017 and 2018.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 21. Events after the reporting period

On 31 October 2019, the consolidated entity issued 11,065,405 fully paid ordinary shares at an issue price of $0.02 (2 cents) and 770,000 fully paid ordinary shares at an issue price of $0.10 (10 cents). A total of 11,835,405 fully paid ordinary shares were issued to placement to extinguish outstanding liabilities.

On 4 November 2019, the consolidated entity issued 12,040,000 fully paid ordinary shares at an issue price of $0.02 (2 cents) and 770,000 fully paid ordinary shares at an issue price of $0.10 (10 cents). A total of 12,810,000 fully paid ordinary shares were issued to placement to extinguish outstanding liabilities.

On 24 April 2020, Consolidated Africa Limited announced that it had entered into an agreement to sale of its High Grade Graphite Project in Uganda to Blencowe Resources PLC(BRES). Company will receive $50,000 cash and 25,000,000 shares in Blencowe Resources PLC which is a publicly listed company on the London Stock Exchange (LSE).

CRA will be the largest shareholder in Blencowe Resources PLC and holds 25.4% of Blencowe Resources PLC stock. Consolidated Africa Limited will be willing to assist Blencowe Resources PLC going forward with the project. This completes the sale of Consolidated Africa Resources (Uganda) Limited. CRA will immediately and without delay complete its Audit obligations and comply with all NSX & ASIC requirements to provide for the exit from suspension.

Note 21. Events after the reporting period (continued)

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 22. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	2018 $	2017 $
Loss after income tax expense for the year:		
Continuing Operations	(670,366)	(1,283,200)
Discontinued Operations	(6,643)	(3,446)
Adjustments for:		
Depreciation and amortisation	4,540	4,510
Impairment of exploration & evaluation	-	29,048
Share based payments	639,997	1,067,966
Foreign exchange differences	-	(1,064)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(8,181)	(952)
Increase in prepayment	16,173	(17,659)
Increase in trade and other payables	10,349	205,003
Net cash from/(used in) operating activities	(14,131)	206

Note 23a. Earnings per share from continuing operations

	Consolidated	
	2018 $	2017 $
Loss after income tax attributable to the owners of Consolidated Africa Limited	(670,366)	(1,283,200)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	83,163,140	71,972,983
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,163,140	71,972,983
	Cents	Cents
Basic earnings per share	(0.81)	(1.78)
Diluted earnings per share	(0.81)	(1.78)

Note 23b. Earnings per share

	Consolidated 2018 $	Consolidated 2017 $
Loss after income tax attributable to the owners of Consolidated Africa Limited	(677,009)	(1,286,646)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	83,163,140	71,972,983
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,163,140	71,972,983
	Cents	**Cents**
Basic earnings per share	(0.81)	(1.79)
Diluted earnings per share	(0.81)	(1.79)

Note 24. Share-based payments

Set out below are summaries of options granted under the plan:

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/07/2017	-	-	9,370,596	-	-	-	9,370,596
12/09/2017	30/09/2020	$0.05	-	1,247,500	-	-	10,618,096

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Fair value at grant date
12/09/2017	30/09/2020	$0.12	$0.05	$0.06316

The consolidated entity granted 1,247,500 unlisted options exercisable at $0.05 (5 cents) on or before 30 September 2020 during the period. The options were issued to the Directors, Consultants of the consolidated entity and placement proceeds.

Note 25. Interests in subsidiaries

The consolidate financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business/ Country of incorporation	Ownership interests 2018 %	Ownership interests 2017 %
Consolidated Africa Resources (Uganda) Ltd	Uganda	100%	100%

Consolidated Africa Limited
Directors' declaration
30 June 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

(signed)

Graeme Watchirs
Non-Executive Chairman

13 November 2020

Level 8,
350 Collins Street,
Melbourne.
VIC 3000

Tel: +613 9592 2357
Web: www.connectaudit.com.au

Independent Auditor's Report

To the Members of Consolidated Africa Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Consolidated Africa Limited and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company as set out on page 39.

In our opinion:

(a) the financial report of Consolidated Africa Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in the basis of preparation.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act* 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act* 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $677,009 during the year ended 30 June 2018. And, as of that date, the Group has accumulated losses of $3,210,277. As stated in Note 2, these events or conditions, along with other matters as set forth in Note2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Capitalisation of Exploration and Evaluation Assets	
We focus on the capitalisation of exploration and evaluation assets as this represents the largest asset of the company and that the capitalisation of this amount is significantly affected by management's judgement The company has incurred significant exploration and evaluation expenditures. The accounting treatment of these expenditures (whether as capital or expense) can have a significant impact on the financial report. This is particularly relevant as this company is in an exploration stage with no production activities. As such it is necessary to assess whether the facts and circumstances existed to suggest that these expenditures were properly capitalised in accordance with accounting standard	We carried out the following work in accordance with the guidance set out in AASB 6 Exploration for and Evaluation of Mineral Resources: We reviewed the company's accounting policy specifying which expenditures are recognised as exploration and evaluation assets and its consistent application of the policy. We tested a sample of capitalised expenditures to ensure that these expenditures are associated with finding specific mineral resources We obtained evidence that the rights to tenure of the area of interest are current and that the company has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditures by reviewing supporting documents of a sample of the company's tenement holdings We evaluated whether the exploration and evaluation expenditures are expected to be recouped, either through successful development and exploitation or through sale We enquired with management and evaluated whether exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing. We enquired with those charged with governance whether they monitor that these expenses are capitalised as per AASB6 We have obtained sufficient appropriate audit evidence with regards to the capitalised amount as disclosed in the note to financial statements. We also considered the appropriateness of the related disclosure in Notes 2, 3 and 10 to the financial statements.

Assessment of Carrying Value of Exploration and Evaluation Assets	
We focus on the assessment of the carrying value of the exploration and evaluation assets as this represents the largest asset of the company. We need to assess whether the facts and circumstances existed to suggest that the carrying value of these assets may exceed its recoverable amount. Significant judgement is involved in considering if there was impairment indicator and estimating the value of the asset and the potential material impact on the financial report. As part of their annual impairment review management prepared a list of all its exploration and evaluation assets and reviewed these against their list of impairment indicators. Where impairment indicators existed, management performed an impairment review in accordance with AASB 136 Impairment of Assets. As a result, no amount was written off during this year.	We ensured the company has tested at the level of area of interest where the following indicators are present: (a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale We enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the company's areas of interest were planned We enquired with management, reviewed announcements made and reviewed minutes of the directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest. We assessed the competence and the independence of experts used by management to review the plan and were satisfied with their objectivity and expertise. We evaluated management's assessment of impairment indicators including the conclusion reached We have obtained sufficient appropriate audit evidence with regards to no amount to be written off as impaired as disclosed in the note to financial statements. We also considered the appropriateness of the related disclosure in Notes 2, 3 and 10 to the financial statements.
Assets Classified as Held for Sale	
On 30 June 2018 the company has classified all the exploration and evaluation assets as assets held for sale in accordance with AASB 5 Non-Current Assets Held for Sale and Discontinued Operations. Assets classified as Held for Sale and presented as Discontinued operations are a key audit matter due to the significance of the classification and presentation	Our procedures amongst others included: −evaluation that the assets are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets and their sale must be highly probable. -Reviewed management plan for evidence of commitment to sell the assets at a reasonable price

to the company's financial position and performance during the year.	in relation to their current value and that an active programme to locate a buyer and complete the plan had been initiated. –Read the minutes of the Board of Directors for evidence of authorisation and approval of the assets as available for sale. -Evaluation that the assets held for sale represented a geographical area of operations, and accordingly the company shall present and disclose the financial effects of discontinued operations. −Assessing the adequacy of the disclosures in the notes to the financial statements in accordance with the requirements of AASB 5 Non-current Assets Held for Sale and Discontinued Operations. We determined the accounting for assets held for sale and discontinued operations to be appropriate based on our audit procedures.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 11 of the directors' report for the financial year ended 30 June 2018.

In our opinion the Remuneration Report of Consolidated Africa Limited for the financial year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
Date: 13 November 2020

Consolidated Africa Limited
Shareholder information
30 June 2018

The shareholder information set out below was applicable as at 21 October 2020.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	2
10,001 to 100,000	141
100,001 and over	38
	181
Holding less than a marketable parcel	2

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Consaf Pte Ltd	12,004,158	10.96
Blue Number 4 Ltd	10,013,405	9.14
Vintage Nominees Pty Ltd	10,002,472	9.13
Adriaan Gerhardus Van Den	8,961,477	8.18
Mr Philip Hunter Lindsay	8,564,255	7.82
Ms Aletta Nel	8,000,000	7.30
Mr Kenneth William Nichol	7,770,000	7.09
Thebe Ventures Prorietary	6,054,000	5.53
Mr Daniel Stefanus Du Toit	3,863,622	3.53
Mr John Michael Cross	3,548,572	3.24
Mr Douglass Wakley Cahill	3,087,000	2.82
Ms Christina Manuru	2,165,685	1.98
Minrom Consulting Pty Ltd	2,069,062	1.89
Mr Alexander Jarrett	2,000,000	1.83
Frontier Exploration Uganda	1,850,000	1.69
Little Heath Pty Ltd	1,749,261	1.60
Shuriken Consulting Hornsby	1,540,000	1.41
Mr Wei Zhang	1,500,000	1.37
Jianliu Lin	1,431,362	1.31
Purenight Limited	960,000	0.88
	97,134,331	88.65

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	10,618,096	11

Consolidated Africa Limited
Shareholder information
30 June 2018

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held
Consaf Pte Ltd	12,004,158
Blue Number 4 Ltd	10,013,405
Vintage Nominees Pty Ltd	10,002,472
Adriaan Gerhardus Van Den	8,961,477
Mr Philip Hunter Lindsay	8,564,255

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.