

Consolidated Africa Limited

A.C.N 605 659 970

Interim Report - 31 December 2018

Consolidated Africa Limited

Contents

31 December 2018

Corporate directory	2
Directors' report	3
Auditor's independence declaration	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	14
Independent auditor's review report to the members of Consolidated Africa Limited	15

Consolidated Africa Limited
Corporate directory
31 December 2018

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
Directors' report
31 December 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 half-year ended 31 December 2018.

Directors

The following persons were directors of Consolidated Africa Limited during the whole of the financial half-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)
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 half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$143,770 (31 December 2017: \$448,080).

Financial Position

During the half year to 31 December the consolidated entity experience a loss of \$143,770. The Board and management continued to review operations and operate the business as efficiently and effectively as possible and during the half year expense management became a priority and costs were reduced.

As 31 December 2018 the consolidated entity had a cash balance of \$11,122(30 June 2018:\$1,614) and a working capital being current assets less current liabilities of \$2,417,432(30 June 2018:\$2,558,944)

Significant changes in the state of affairs

On 24 April 2020 Consolidated Africa Limited announced that it had an agreement for the 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 in order to provide for the exit from suspension.

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

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.

Consolidated Africa Limited
Directors' report
31 December 2018

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.

Matters subsequent to the end of the financial half-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 an agreement for the 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 in order to provide for the exit from suspension.

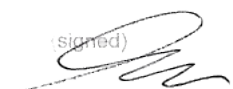
No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

 signed

Graeme Watchirs
Non-Executive Chairman

13 November 2020

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the review of Consolidated Africa Limited for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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 half-year ended 31 December 2018

		Consolidated	
	Note	31 December 2018	31 December 2017
		\$	\$
Continuing Operations			
Revenue			
Other income		50,000	-
Expenses			
Employee benefits expense		(144,000)	(295,698)
Share based payments		-	(78,790)
Administration		(4,562)	(13,434)
Corporate Expenses		(40,864)	(58,382)
		<hr/>	<hr/>
Loss before income tax expense		(139,426)	(446,304)
Income tax expense		-	-
		<hr/>	<hr/>
Loss from continuing operations		(139,426)	(446,304)
Loss from discontinued operations		(4,344)	(1,776)
Loss after income tax expense for the half-year attributable to the owners of Consolidated Africa Limited		(143,770)	(448,080)
Other comprehensive income for the half-year, net of tax		-	(58,382)
		<hr/>	<hr/>
Total comprehensive income for the half-year attributable to the owners of Consolidated Africa Limited		<u>(143,770)</u>	<u>(448,080)</u>
		Cents	Cents
Earnings per Share from continuing operations			
Basic earnings per share	8a	(0.16)	(0.54)
Diluted earnings per share	8a	(0.16)	(0.54)
Earnings per Share			
Basic earnings per share	8b	(0.17)	(0.55)
Diluted earnings per share	8b	(0.17)	(0.55)

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 31 December 2018

	Consolidated	
	31 December	30 June 2018
Note	2018	2018
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	11,122	1,614
Trade and other receivables	3,927	13,721
Other current assets	9,819	3,300
Exploration and evaluation held for sale	5 3,041,147	3,039,247
Total current assets	<u>3,066,015</u>	<u>3,057,882</u>
Non-current assets		
Property plant and equipment	10,548	12,809
Total non-current assets	<u>10,548</u>	<u>12,809</u>
Total assets	<u>3,076,563</u>	<u>3,070,691</u>
Liabilities		
Current liabilities		
Trade and other payables	538,539	388,894
Borrowings	110,044	110,044
Total current liabilities	<u>648,583</u>	<u>498,938</u>
Total liabilities	<u>648,583</u>	<u>498,938</u>
Net assets	<u>2,427,980</u>	<u>2,571,753</u>
Equity		
Issued capital	5,111,393	5,111,393
Reserves	670,637	670,637
Accumulated losses	(3,354,050)	(3,210,277)
Total equity	<u>2,427,980</u>	<u>2,571,753</u>

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 half-year ended 31 December 2018

Consolidated	Issued capital \$	Option Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2017	4,515,186	591,847	(2,533,269)	2,573,764
Loss after income tax expense for the half-year	-	-	(448,080)	(448,080)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(448,080)	(448,080)
Issue of shares	600,260	-	-	600,260
Share based payments	-	78,790	-	78,790
Balance at 31 December 2017	<u>5,115,446</u>	<u>670,637</u>	<u>(2,981,349)</u>	<u>2,804,734</u>
Consolidated	Issued capital \$	Option Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2018	5,111,393	670,637	(3,210,280)	2,571,750
Loss after income tax expense for the half-year	-	-	(143,770)	(143,770)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(143,770)	(143,770)
Balance at 31 December 2018	<u>5,111,393</u>	<u>670,637</u>	<u>(3,354,050)</u>	<u>2,427,980</u>

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 half-year ended 31 December 2018

	Consolidated	31 December 2018	31 December 2017
Note	\$	\$	
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)	13,491	(118)	
Net cash from/(used in) continuing activities	13,491	(118)	
Net cash from/(used in) discontinued operations	(2,083)	-	
Net cash from/(used in) operating activities	11,408	(118)	
Cash flows from investing activities			
Payments for exploration and evaluation	5 (1,900)	(56,634)	
Net cash used in investing activities	(1,900)	(56,634)	
Cash flows from financing activities			
Proceeds from borrowing	-	55,931	
Net cash from financing activities	-	55,931	
Net increase/(decrease) in cash and cash equivalents	9,508	(821)	
Cash and cash equivalents at the beginning of the financial half-year	1,614	1,814	
Effects of exchange rate changes on cash and cash equivalents	-	503	
Cash and cash equivalents at the end of the financial half-year	<u>11,122</u>	<u>1,496</u>	

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

Consolidated Africa Limited
Notes to the financial statements
31 December 2018

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 half 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

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the consolidated entity during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

Consolidated Africa Limited
Notes to the financial statements
31 December 2018

Note 2. Significant accounting policies (continued)

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 half-year period the consolidated entity incurred a loss of \$143,770 (2017:\$448,080). At 31 December 2018, the consolidated entity has cash and cash equivalents of \$11,122(30 June 2018: \$1,614) and a working capital being current assets less current liabilities of \$2,417,432 (30 June 2018:\$2,558,944).

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

- Raise additional equity; and
- Manage the consolidated entity's cost structure within the constraints of available resources.

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.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment which consists of exploration for minerals and in particular graphite around the world. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 4. Other income

	Consolidated	
	31 December	31 December
	2018	2017
	\$	\$
Option payment received for proposed sale of asset	50,000	-

Note 5. Current assets - exploration and evaluation held for sale

	Consolidated	
	31 December	30 June 2018
	2018	2018
	\$	\$
Exploration and evaluation - at cost	3,041,147	3,039,247

Consolidated Africa Limited
Notes to the financial statements
31 December 2018

Note 5. Current assets - exploration and evaluation held for sale (continued)

Reconciliations

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

Consolidated	Exploration & Evaluation \$	Total \$
Balance at 1 July 2018	3,039,247	3,039,247
Additions	<u>1,900</u>	<u>1,900</u>
Balance at 31 December 2018	<u><u>3,041,147</u></u>	<u><u>3,041,147</u></u>

Note 6. Equity - dividends

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

Note 7. Contingent liabilities

There are no contingent liabilities as at 31 December 2018.

Note 8a. Earnings per share from continuing operations

	Consolidated 31 December 2018 \$	31 December 2017 \$
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>(139,426)</u>	<u>(446,304)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>84,414,530</u>	<u>81,932,153</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>84,414,530</u></u>	<u><u>81,932,153</u></u>
	Cents	Cents
Basic earnings per share	(0.16)	(0.54)
Diluted earnings per share	(0.16)	(0.54)

Consolidated Africa Limited
Directors' declaration
31 December 2018

Note 8b. Earnings per share

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>(143,770)</u>	<u>(448,080)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>84,414,530</u>	<u>81,932,153</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>84,414,530</u>	<u>81,932,153</u>
	Cents	Cents
Basic earnings per share	(0.17)	(0.55)
Diluted earnings per share	(0.17)	(0.55)

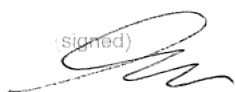
Consolidated Africa Limited
Directors' declaration
31 December 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(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

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Web: www.connectaudit.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CONSOLIDATED AFRICA LIMITED AND ITS CONTROLLED ENTITIES

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Consolidated Africa Limited and its controlled entities, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Consolidated Africa Limited and its controlled entities' financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Consolidated Africa Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Acts 2001*, which has been given to the directors of Consolidated Africa Limited and its controlled entities, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Consolidated Africa Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the consolidated entity incurred a net loss of \$143,770 during the half year ended 31 December 2018. And, as of that date, the consolidated entity has accumulated losses of \$3,354,050. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

A handwritten signature in blue ink, appearing to read 'George Georgiou'.

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