

NSX Announcement
4 January 2021

Additional Annual Report Disclosure

Consolidated Africa Limited (NSX code: CRA) ('CRA' or 'the Company') provides the following additional disclosure in relation to NSX Listing Rules and the recent Annual Report's released.

5 Year Financial Comparative Summary

Below is a summary of information, in the form of a comparative table, of the results of the assets and liabilities of the group, for the last five financial years in accordance with NSX Listing Rule 6.9(9):

	2016	2017	2018	2019	2020
	\$	\$	\$	\$	\$
Gross Revenue	997	-	-	50,000	515,635
Net Profit/(Loss) before tax	(1,246,624)	(1,286,646)	(677,009)	(273,385)	(286,045)
Total Assets	2,545,198	3,026,404	3,070,691	3,076,883	3,433,804
Total Liabilities	219,137	452,640	498,938	778,515	795,088

Corporate Governance

This statement outlines the main Corporate Governance practices that were in place since the Company listed earlier this year. These Corporate Governance practices comply with the NSX Practice Note #14 Corporate Governance disclosure in annual reports unless otherwise stated.

The Directors are responsible for protecting the rights and interests of the Shareholders through the implementation of sound strategies and action plans and the development of an integrated framework of controls over the Company's resources, functions and assets.

To assist in its corporate governance responsibilities, the Board has adopted a Corporate Governance Charter. An extract of this Charter is made available from the Company Secretary.

The following are documents related to the Corporate Governance of the Company:

- (a) Corporate Governance Charter;
- (b) Constitution; and
- (c) Certificate of Incorporation.

General

The Company has not formally constituted committees of the Board of Directors.

The Directors consider that the Company is not of a size and that its affairs are not of such complexity as to justify the formation of special or separate committees. The Board as a whole is able to address the governance aspects of the Company's activities and ensure that it adheres to appropriate ethical standards.

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This information below outlines the main corporate governance policies which the Directors have adopted.

Composition of the Board

The Board currently comprises three (3) Directors. The names qualifications and relevant experience of each Director is set out the Company's Annual Reports. There is no requirement for any Director's Company shareholding qualification.

Board policy is that the Board will constantly review and monitor its performance. As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the Board may seek to appoint persons who, in the opinion of the Board, will provide specialist expertise required for the Board to adequately perform its role.

Board Membership

Members of the Board have been brought together to provide a blend of qualifications, skills and national and international experience required for managing a company operating within the mining exploration industry.

Appointment and Retirement of Directors

The Constitution provides that Directors are subject to retirement by rotation, by order of length of appointment. Retiring Directors are eligible for re-election by Shareholders at the annual general meeting of the Company.

Duties of Directors

Directors are expected to accept all duties and responsibilities associated with the running of a public company, to act in the best interests of the Company and to carry out their duties and responsibilities with due care and diligence.

Directors are required to take into consideration conflicts when accepting appointments to other Boards. Accordingly, Directors wishing to accept appointment to other Boards must first seek approval from the Board, approval of which may not be unreasonably withheld.

Independent Professional Advice

The Board has determined that individual Directors may, in appropriate circumstances, engage outside advisers at the Company's expense. The engagement of an outside adviser is subject to the prior approval of the Board, which will not be unreasonably withheld.

Remuneration, Nomination and Diversity Policy

The maximum aggregate amount payable to Non-Executive Directors as Directors' fees has been set at \$2,000 per month exclusive of any GST or superannuation, if applicable. The Constitution provides that Director's fees can only be increased by resolution at a general meeting of its Shareholders.



Due to the size of the current Board, the Company has decided that the entire Board will be responsible for maintaining and reviewing the Company's remuneration, nomination and diversity policies and practices.

The Board will be responsible for reviewing and negotiating the compensation arrangements of senior executives and consultants.

Audit and Risk Policy

Due to the size of the current Board, the Company has decided that the entire Board will be responsible for maintaining and reviewing the Company's audit and risk practices.

Internal Management Controls

Control over the day to day operations of the Company will be exercised by the Company's Chief Executive Officer.

The Board also monitors the performance of outside consultants engaged from time to time to complete specific projects and tasks in the manner described in their respective engagements.

Identifying Significant Business Risks

The Board regularly monitors operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's Shares.

ASX Corporate Governance

Pursuant to the NSX Listing Rules for Issuers, the corporate governance disclosure obligations of the listed entity will be met with a "principled" rather than prescriptive approach.

To this end the Issuer will formulate policies and policies on a self-reporting basis which are specific to its own circumstances and relevant to its adherence to the principles of good corporate governance.

Furthermore in relation to this issue of corporate governance, the listed entity will be guided and apply the principles as enunciated by the ASX Corporate Governance Council ("CGC") which was established for the purpose of setting an agreed set of corporate governance standards of best practice of Australian listed entities. The CGC released its Principles of Good Corporate Governance and Best Practice Recommendations 2nd Edition (ASX Guidelines) in August 2007 which will apply to the Company's financial statements upon listing on the NSX. The ASX Guidelines articulate eight (8) core principles that CGC believes underlie good corporate governance.

The information below outlines the main corporate governance policies of the Company which the Board has adopted as well as addressing in some detail the ASX Guidelines.

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Before referring to the specific principles set out in the ASX Guidelines and the steps being taken by the Company to comply with those, the following factors should be noted:

- Each of the Directors dedicates considerable time and effort to the affairs of the Company. The Directors manage to do so within busy schedules for other work and business commitments and as a consequence, the principal focus of their endeavours (while operating within a sound base for corporate governance) must necessarily be promotion of the Company's activities and improving Shareholder value; and
- The Company is committed to adopting corporate governance policies commensurate with its business activities and as mentioned earlier has adopted a formal Corporate Governance Charter, setting out the roles and responsibilities of the independent committees described above.

It is within the above context that the Directors are establishing the appropriate processes to ensure that they are compliant with the ASX Guidelines on being admitted to the Official List, should that occur. In the context those Guidelines, the Directors make the following observations in relation to the Company's corporate governance status.

ASX Guidelines	Summary of Company's position
<p>Principle One Lay solid foundations for management and oversight</p>	The Company's Directors are subject to contracts regulating their roles with the Company and management.
<p>Principle Two Structure Board to Add Value</p>	The Company's Directors have extensive public company experience and the Company is looking to complement the existing Directors with different skills and experience to enhance to Board.
<p>Principle Three Promote Ethical and Responsible Decision Making</p>	<p>The Company has adopted:</p> <ul style="list-style-type: none"> - Directors and Executive Officers Code of Conduct; - Share Trading Policy; and - Disclosure Policy.
<p>Principle Four Safeguard Integrity in Financial Reporting</p>	The Company's Directors will be responsible for management of the audit and financial reporting processes of the Company.
<p>Principle Five Make Timely and Balanced Disclosure</p>	The Company has defined, under its Share Trading Policy and Disclosure Policy, an internal protocol for the reporting of material information to Shareholders and the NSX.
<p>Principle Six Respect the Right of Shareholders</p>	The Company is committed to all Shareholders and stakeholders having equal and timely access to material information regarding the operations and

	results of the Company. The Company makes, and will continue to make, regular NSX announcements and make these available on its website.
Principle Seven Recognise and Manage Risk	The Board of Directors has under its role and reviewing and ratifying systems of risk management and internal compliance and control.
Principle Eights Remuneration fairly and responsibly	The Board as a whole reviews the remuneration of its executives along with benchmarking against similar sized companies.

Released for and on behalf of the Board:

Kevin Nichol
Company Secretary, B.Comm (Hons) CFA
Consolidated Africa Limited