

Consolidated Africa Limited

A.C.N 605 659 970

Interim Report - 31 December 2020

Consolidated Africa Limited

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31 December 2020

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Consolidated Africa Limited
Corporate directory
31 December 2020

Directors	Ms May Zhang (Non-Executive Director) Mr Douglas Cahill (Non-Executive Director) Mr Graeme Watchirs (Non-Executive 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 2020

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2020.

Directors

The following persons were directors of the company 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 Chairman) - appointed 30 January 2019
Mr Douglas Cahill (Non-Executive Director) - appointed 1 June 2016

Dividends

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

Review of operations

The loss for the company after providing for income tax amounted to \$346,555 (31 December 2019: \$373,416).

Financial Position

During the half year to 31 December the company experience a loss of \$346,555. 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 2020 the company had a cash balance of \$18,734 (30 June 2020: \$1,807) and a working capital being current assets less current liabilities of \$2,292,161 (30 June 2020: \$2,638,716)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company 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 company's areas of interest. As announced on 23 April 2020 and subsequent to the end of the financial year, the company 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 company's operations will also be dependent on the share price performance of Blencowe.

Environmental regulation

The Company is not subject to any environmental regulation and intends to conduct its activities in an environmentally responsible manner, if and when required and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the applicable laws and regulations.

Matters subsequent to the end of the financial half-year

As announced on 23 April 2020 and subsequent to the end of the financial year, the company 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).

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Consolidated Africa Limited
Directors' report
31 December 2020

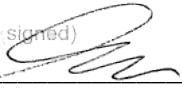
Auditor's independence declaration

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

26 February 2021

**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 2020, 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.



George Georgiou FCA
Managing Partner
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
Date: 26 February 2021

Consolidated Africa Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	31 December 2020 \$	Consolidated 31 December 2019 \$
Expenses			
Employee benefits expense		(229,962)	(270,233)
Administration		(1,475)	(2,892)
Corporate Expenses		(63,756)	(98,089)
Realised currency gain and losses		3,394	-
Fair value gains / (losses) of financial assets through profit and loss		(54,756)	-
Loss before income tax expense from continuing operations		(346,555)	(371,214)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(346,555)	(371,214)
Loss after income tax expense from discontinued operations		-	(2,202)
Loss after income tax expense for the half-year attributable to the owners of Consolidated Africa Limited		(346,555)	(373,416)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Consolidated Africa Limited		<u>(346,555)</u>	<u>(373,416)</u>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(346,555)	(371,214)
Discontinued operations		-	(2,202)
		<u>(346,555)</u>	<u>(373,416)</u>
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Consolidated Africa Limited			
Basic earnings per share	9	(0.32)	(0.40)
Diluted earnings per share	9	(0.32)	(0.40)
Earnings per share for loss attributable to the owners of Consolidated Africa Limited			
Basic earnings per share	9	(0.32)	(0.40)
Diluted earnings per share	9	(0.32)	(0.40)

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 2020

	Note	31 December 2020 \$	Consolidated 30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents		18,734	1,807
Trade and other receivables		9,778	30,637
Financial assets at fair value through profit or loss	4	3,304,490	3,401,360
Other current assets		10,125	-
Total current assets		<u>3,343,127</u>	<u>3,433,804</u>
Total assets		<u>3,343,127</u>	<u>3,433,804</u>
Liabilities			
Current liabilities			
Trade and other payables		993,682	767,805
Borrowings		<u>57,284</u>	<u>27,283</u>
Total current liabilities		<u>1,050,966</u>	<u>795,088</u>
Total liabilities		<u>1,050,966</u>	<u>795,088</u>
Net assets		<u>2,292,161</u>	<u>2,638,716</u>
Equity			
Issued capital	5	5,737,786	5,737,786
Reserves		-	670,637
Accumulated losses		<u>(3,445,625)</u>	<u>(3,769,707)</u>
Total equity		<u>2,292,161</u>	<u>2,638,716</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 2020

	Issued capital \$	Option Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	5,111,393	670,637	(3,483,662)	2,298,368
Loss after income tax expense for the half-year	-	-	(373,416)	(373,416)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(373,416)	(373,416)
<i>Transactions with owners in their capacity as owners:</i>				
Issued of shares	616,108	-	-	616,108
Balance at 31 December 2019	<u>5,727,501</u>	<u>670,637</u>	<u>(3,857,078)</u>	<u>2,541,060</u>
	Issued capital \$	Option Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	5,737,786	670,637	(3,769,707)	2,638,716
Loss after income tax expense for the half-year	-	-	(346,555)	(346,555)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(346,555)	(346,555)
<i>Transactions with owners in their capacity as owners:</i>				
Expiry of options	-	(670,637)	670,637	-
Balance at 31 December 2020	<u>5,737,786</u>	<u>-</u>	<u>(3,445,625)</u>	<u>2,292,161</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 2020

	31 December 2020	Consolidated 31 December 2019
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(25,188)	3,832
Net cash from/(used in) discontinued operations	-	59
	<u>(25,188)</u>	<u>3,891</u>
Net cash from/(used in) operating activities		
Cash flows from investing activities		
Net Cash received from the disposal of financial assets	42,115	-
	<u>42,115</u>	<u>-</u>
Net cash from investing activities		
	<u>-</u>	<u>-</u>
Net cash from financing activities		
	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	16,927	3,891
Cash and cash equivalents at the beginning of the financial half-year	1,807	1,256
	<u>18,734</u>	<u>5,147</u>
Cash and cash equivalents at the end of the financial half-year		

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 2020

Note 1. General Information

The financial statements for the current financial year cover Consolidated Africa Limited only whilst the previous corresponding period covers Consolidated Africa Limited as a company consisting of Consolidated Africa Limited and entities it controlled at the end of the period. 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 company'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 26 February 2021. 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 2020 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 2020 and any public announcements made by the company 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 company 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 2020

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 Company incurred a loss of \$346,555 (2019:\$373,416). At 31 December 2020, the Company has cash and cash equivalents of \$18,734 (30 June 2020: \$1,807) and a working capital being current assets less current liabilities of \$2,292,161(30 June 2020:\$2,638,716).

As announced on 23 April 2020, the company 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\$3.3 million. The expected results of the company's operations will also be dependent on the share price performance of Blencowe. Based on current cash reserves at the date of this report, the company has requested that 500,000 shares be released from escrow and the request was granted. A total of \$42,115 was received in consideration for the sale of these shares during the half-year to 31 December 2020 to fund working capital requirements of the Company.

Therefore to continue as a going concern the company must:

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

Based on the recent history of the company 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 company to achieve sufficient cash inflows from raise further equity. where necessary, to fund working capital. on this basis the directors consider that the company 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 company not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

The company is organised into one operating segments 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.

Consolidated Africa Limited
Notes to the financial statements
31 December 2020

Note 4. Current assets - financial assets at fair value through profit or loss

	31 December	30 June 2020
	2020	2020
	\$	\$
Ordinary shares - designated at fair value through profit or loss	<u>3,304,490</u>	<u>3,401,360</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:		
Opening fair value	3,401,360	-
Share held in Blencowe	-	2,885,725
Disposals	(42,115)	-
Revaluation increments	-	515,635
Revaluation decrements	(54,755)	-
Closing fair value	<u>3,304,490</u>	<u>3,401,360</u>

Note 5. Equity - issued capital

	31 December	30 June 2020	31 December	30 June 2020
	2020	2020	2020	2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>109,574,185</u>	<u>109,574,185</u>	<u>5,737,786</u>	<u>5,737,786</u>

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 company'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.

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

The company 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 company 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.

Consolidated Africa Limited
Notes to the financial statements
31 December 2020

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 2019.

Note 8. Events after the reporting period

As announced on 23 April 2020 and subsequent to the end of the financial year, the company 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).

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 9. Earnings per share

	31 December 2020	31 December 2019
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>(346,555)</u>	<u>(371,214)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>109,059,934</u>	<u>92,349,665</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>109,059,934</u>	<u>92,349,665</u>
	Cents	Cents
Basic earnings per share	(0.32)	(0.40)
Diluted earnings per share	(0.32)	(0.40)
	31 December 2020	31 December 2019
	\$	\$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>-</u>	<u>(2,202)</u>
	31 December 2020	31 December 2019
	\$	\$
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>(346,555)</u>	<u>(373,416)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>109,574,185</u>	<u>92,349,665</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>109,574,185</u>	<u>92,349,665</u>

Consolidated Africa Limited
Notes to the financial statements
31 December 2020

Note 9. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(0.32)	(0.40)
Diluted earnings per share	(0.32)	(0.40)

Consolidated Africa Limited
Directors' declaration
31 December 2020

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 company's financial position as at 31 December 2020 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

26 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CONSOLIDATED AFRICA LIMITED

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Consolidated Africa Limited, which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and 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' financial position as at 31 December 2020 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, 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, 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 is not in accordance with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the company's financial position as at 31 December 2020 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*.



George Georgiou FCA
Managing Partner
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
Date: 26 February 2021