

# **Consolidated Africa Limited**

**A.C.N. 605 659 970**

**Annual Report - 30 June 2023**

## **Consolidated Africa Limited**

### **Contents**

**30 June 2023**

Corporate directory	2
Directors' report	3
Auditor's independence declaration	10
Statement of profit or loss and other comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15
Directors' declaration	26
Independent auditor's report to the members of Consolidated Africa Limited	27
Shareholder information	29

**Consolidated Africa Limited**  
**Corporate directory**  
**30 June 2023**

Directors	Mr Robin Armstrong (Executive Director) Mr Kane Marshall (Non-Executive Chairman) Mr George Joukador (Non-Executive Director)
Company secretary	Mr Kevin Nichol
Registered office	Level 21 459 Collins Street Melbourne VIC 3000 Ph: +61 3 8630 3321
Principal place of business	Level 21 459 Collins Street Melbourne VIC 3000
Share register	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Ph:(02) 1300 737 760 <a href="http://www.boardroomlimited.com.au">www.boardroomlimited.com.au</a>
Auditor	Connect National Audit Pty Ltd Level 14, 333 Collins Street Melbourne VIC 3000
Stock exchange listing	Consolidated Africa Limited shares are listed on the National Securities Exchange (NSX code: CRA)
Website	<a href="https://consolidatedafrica.wixsite.com/cra1">https://consolidatedafrica.wixsite.com/cra1</a>

**Consolidated Africa Limited**  
**Directors' report**  
**30 June 2023**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

**Directors**

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

Mr Robin Armstrong (Executive Director) - appointed 29 November 2022  
Mr Kane Marshalls (Non-Executive Chairman) - appointed 29 November 2022  
Mr George Joukador (Non-Executive Director) - appointed 29 November 2022  
Ms Mei Zhang (Non-Executive Director) - resigned 29 November 2022  
Mr Graeme Watchirs (Non-Executive Chairman) - resigned 29 November 2022  
Mr Douglas Cahill (Non-Executive Director) - resigned 29 November 2022

**Dividends**

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

**Review of operations**

The loss for the company after providing for income tax amounted to \$220,224 (30 June 2022: \$1,519,515).

*Financial position*

The net asset of the Company as at 30 June 2023 was \$302,507 (2022: \$239,948).

The Company has a working capital position of \$302,507 as at 30 June 2023 (2022: \$239,948). The Company had cash outflows from operating activities of \$172,692 and \$75,052 cash as at 30 June 2023.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the company during the financial year.

On 9 October 2022 the company announced the proposed acquisition of the Corktree West Project which was owned by Wavecrest Investments Pty Ltd. In accordance with the acquisition, it was proposed that the Company would issue 115,705,266 shares following receipt of shareholder approval at the upcoming Annual General Meeting (AGM). Shareholder approval for the proposed acquisition was received at the AGM on 24 November 2022 and the Company completed the acquisition on 14 December 2022.

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

**Matters subsequent to the end of the financial year**

Consolidated Africa is currently negotiating with the local aboriginal group in relation to the newly acquired tenement. Both parties are in the final stages of finalising the agreement and signing off.

No other matter or circumstance has arisen since 30 June 2023 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.

**Likely developments and expected results of operations**

The likely developments and expected results of operations will be dependent on the carrying amount of the Company's ongoing review of new exploration areas of interest.

**Environmental regulation**

The Company 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.

**Consolidated Africa Limited**  
**Directors' report**  
**30 June 2023**

**Information on directors**

Name: Mr Robin Armstrong  
Title: Executive Director - appointed 29 November 2022  
Experience and expertise: Robin has worked in the financial services industry since 1975, the majority of that time Robin was a Sydney based stockbroker and senior partner in Findlay & Co Stockbrokers Ltd. He was a director and head of corporate finance with a broad range of responsibilities from managing all of their Initial Public Offerings (IPO's) including the IPO of Findlay's to secondary capital raising (private placements) to both sophisticated and institutional investors. Having served as a director both executive & non-executive on numerous Australian & International publicly listed companies Robin gained a wealth of knowledge & a vast range of experience in many countries from cross border trading, mergers & acquisitions, reconstructions & corporate governance. More recently Robin has been advising start-up's & small companies on their corporate strategy & capital requirements that would ultimately see them publicly listed on a recognised securities exchange e.g., Australian Securities Exchange (ASX). Robin has been a long serving member of Waverley Action for Youth Services (WAYS) a charity that supports youth education, gainful employment & community involvement. He has a passion for sport, the arts and cooking.

Other current directorships: None  
Former directorships (last 3 years): None  
Interests in shares: 115,705,266 fully paid ordinary shares

Name: Mr Kane Marshall  
Title: Non-Executive Chairman - appointed 29 November 2022  
Qualifications: Bachelor of Science (Geology), Bachelor of Commerce (Investment and Corporate Finance) and Masters in Petroleum Engineering.  
Experience and expertise: Mr. Marshall has over 20 years' experience in various roles as a director, geologist, engineer and company builder. He is currently the Proprietor of Wildcat Capital which advises several resource companies on new venture transactions and funding. He is also the current Chief Operating Officer of Bounty Oil and Gas NL overseeing all of their Australian operations. Prior to these roles he was Managing Director of Key Petroleum Limited (ASX: KEY) and Non-Executive Director of Hawkey Oil and Gas. His diverse experience base includes technical and managerial roles with private equity funded oil companies, junior gold companies and major oil companies. Mr Marshall holds academic qualifications which include a Masters of Petroleum Engineering from Curtin University, Bachelor of Science (Petroleum Geology) from the University of Western Australia and a Bachelor of Commerce (Investment Finance and Corporate Finance) from the University of Western Australia.

Other current directorships: None  
Former directorships (last 3 years): Key Petroleum Limited (ASX:KEY)  
Interests in shares: None

Name: Mr George Joukador  
Title: Non-Executive Director - appointed 29 November 2022  
Experience and expertise: George is a graduate in Accounting and Financial Management (with merit) from the University of NSW. He is familiar with the needs of local and international managers wanting to develop their financial management and computer skills to achieve their growth ambitions. George has financial and management experience with Australian and international foreign entities, including entities in Asian, Europe, and China and he has physically been based in these regions. He is familiar with local and international bank culture and assisted several companies in the private and in government sectors with their need to expand and resolve issues with their financial development. He has provided ongoing services to companies ambitious for public listing in Australia, Asia, and UK. George continues to provide companies with the necessary support and advice needed to expand operations in Western Australia and other parts of the world.

Other current directorships: None  
Former directorships (last 3 years): None  
Special responsibilities: None  
Interests in shares: None

**Consolidated Africa Limited**  
**Directors' report**  
**30 June 2023**

Name: Ms Mei Zhang  
Title: Non-Executive Director - resigned 29 November 2022  
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 Chairman - resigned 29 November 2022  
Qualifications: B.A. (Hons), M.A.  
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: Nil

Name: Mr Douglas Cahill  
Title: Non-Executive Director - resigned 29 November 2022  
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: 3,087,000 fully paid ordinary shares  
Interests in options: Nil

'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**  
Kevin Nichol

Mr Nichol has previously held the position of company secretary for another ASX listed company.

**Consolidated Africa Limited**  
**Directors' report**  
**30 June 2023**

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board Attended
Mei Zhang *	1
Douglas Cahill *	1
Graeme Watchirs *	1
Robin Armstrong **	-
Kane Marshall **	-
George Joukador **	-

\* resigned 29 November 2022

\*\* appointed 29 November 2022

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the company, 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
- Share-based compensation
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***

The objective of the company'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 Company 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 company.

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

**Consolidated Africa Limited**  
**Directors' report**  
**30 June 2023**

*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 22 January 2021, where the shareholders approved an aggregate remuneration of \$120,000. No amendments have been made to the available non-executive director remuneration pool since that date.

*Executive remuneration*

The Company 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 Company and comparable market remunerations.

*Company performance and link to remuneration*

The remuneration of the Directors and executives are not linked to the performance, share price or earnings of the Company.

*Use of remuneration consultants*

The Company did not employ the services of any remuneration consultants for the 2021 financial year.

*Voting and comments made at the company's 2022 Annual General Meeting ('AGM')*

At the 2022 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

***Details of remuneration***

*Amounts of remuneration*

Details of the remuneration of key management personnel of the company are set out in the following tables.



**Consolidated Africa Limited**  
**Directors' report**  
**30 June 2023**

	Short-term benefits	Post- employment benefits	Share-based payments	
	Cash salary and fees \$	Super- annuation \$	Equity- Based \$	Total \$
<b>2023</b>				
<i>Non-Executive Directors:</i>				
Mr Robin Armstrong *	30,000	-	-	30,000
Mr Kane Marshall *	12,000	-	-	12,000
Mr George Joukador *	12,000	-	-	12,000
Ms Mei Zhang **	-	-	-	-
Mr Douglass Cahill **	-	-	-	-
Mr Graeme Watchirs **	-	-	-	-
<i>Other Key Management Personnel:</i>				
Mr Kevin Nichol	-	-	-	-
	<u>54,000</u>	<u>-</u>	<u>-</u>	<u>54,000</u>

\* Appointed 29 November 2022

\*\* Resigned 29 November 2022

	Short-term benefits	Post- employment benefits	Share-based payments	
	Cash salary and fees \$	Super- annuation \$	Equity- Based \$	Total \$
<b>2022</b>				
<i>Non-Executive Directors:</i>				
Mr Douglass Cahill	18,000	-	-	18,000
Mr Graeme Watchirs	24,000	-	-	24,000
Ms Mei Zhang	18,000	-	-	18,000
<i>Other Key Management Personnel:</i>				
Mr Kevin Nichol	138,971	-	-	138,971
	<u>198,971</u>	<u>-</u>	<u>-</u>	<u>198,971</u>

The Directors and key personnel of the company have agreed not to accept cash payments for services after 31 December 2021 until decided in a further date.

**Share-based compensation**

*Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

*Options*

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 2023.

**Consolidated Africa Limited**  
**Directors' report**  
**30 June 2023**

***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 company, 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
<i>Ordinary shares</i>					
Mr Douglas Cahill *	3,087,000	-	-	-	3,087,000
Mr Graeme Watchirs *	920,013	-	-	(920,013)	-
Ms Mei Zhang *	21,200	-	-	-	21,200
Mr Robin Armstrong **	-	-	115,705,266	-	115,705,266
Mr Kane Marshall **	-	-	-	-	-
Mr George Joukador **	-	-	-	-	-
	<u>4,028,213</u>	<u>-</u>	<u>115,705,266</u>	<u>(920,013)</u>	<u>118,813,466</u>

\* Resigned 29 November 2022

\*\* Appointed 29 November 2022

***This concludes the remuneration report, which has been audited.***

**Shares under option**

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

**Shares issued on the exercise of options**

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2023 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



Kane Marshall  
Non-Executive Chairman

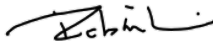
15 August 2023

**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 2023, 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.



Robin King Heng Li CPA CA  
Director  
Connect National Audit Pty Ltd  
ASIC Authorised Audit Company No.: 521888  
Melbourne, Victoria  
Date: 15 August 2023

**Consolidated Africa Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Financial assets at fair value through profit and loss	5	-	(1,144,427)
<b>Expenses</b>			
Employee benefits expenses		(79,965)	(220,574)
Administration expenses		(13,449)	(21,988)
Write off of assets		(6,182)	-
Corporate expenses		(120,628)	(131,042)
Realised currency gain and losses		-	(1,484)
		<u>-</u>	<u>(1,484)</u>
<b>Loss before income tax expense</b>	6	(220,224)	(1,519,515)
Income tax expense	7	-	-
		<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the year attributable to the owners of Consolidated Africa Limited</b>		(220,224)	(1,519,515)
Other comprehensive income for the year, net of tax		-	-
		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to the owners of Consolidated Africa Limited</b>		<u>(220,224)</u>	<u>(1,519,515)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	18	(0.11)	(1.32)
Diluted loss per share	18	(0.11)	(1.32)

*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 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	75,052	256,834
Trade and other receivables	9	1,499	660
Total current assets		<u>76,551</u>	<u>257,494</u>
<b>Non-current assets</b>			
Exploration and evaluation	10	309,924	-
Total non-current assets		<u>309,924</u>	<u>-</u>
<b>Total assets</b>		<u>386,475</u>	<u>257,494</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	83,968	17,546
Total current liabilities		<u>83,968</u>	<u>17,546</u>
<b>Total liabilities</b>		<u>83,968</u>	<u>17,546</u>
<b>Net assets</b>		<u>302,507</u>	<u>239,948</u>
<b>Equity</b>			
Issued capital	12	6,128,097	5,845,314
Accumulated losses		<u>(5,825,590)</u>	<u>(5,605,366)</u>
<b>Total equity</b>		<u>302,507</u>	<u>239,948</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 year ended 30 June 2023**

	<b>Issued capital \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	5,809,889	(4,085,849)	1,724,040
Loss after income tax expense for the year	-	(1,519,515)	(1,519,515)
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(1,519,515)	(1,519,515)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 12)	35,423	-	35,423
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2022	<u>5,845,312</u>	<u>(5,605,364)</u>	<u>239,948</u>
	<hr/>	<hr/>	<hr/>
	<b>Issued capital \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	5,845,312	(5,605,364)	239,948
Loss after income tax expense for the year	-	(220,224)	(220,224)
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(220,224)	(220,224)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 12)	282,783	-	282,783
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	<u>6,128,095</u>	<u>(5,825,588)</u>	<u>302,507</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 year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		<u>(172,692)</u>	<u>(1,263,909)</u>
Net cash used in operating activities	17	<u>(172,692)</u>	<u>(1,263,909)</u>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation	10	(9,090)	-
Proceeds from disposal of investments		<u>-</u>	<u>1,367,219</u>
Net cash from/(used in) investing activities		<u>(9,090)</u>	<u>1,367,219</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(181,782)	103,310
Cash and cash equivalents at the beginning of the financial year		<u>256,834</u>	<u>153,524</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>75,052</u></u>	<u><u>256,834</u></u>

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

**Consolidated Africa Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 1. General Information**

The financial statements cover Consolidated Africa Limited as a single entity 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 NSX listed public company limited by shares, incorporated and domiciled in Australia. Its registered office principal place of business is:

Level 21  
459 Collins Street  
Melbourne, Victoria 3000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 August 2023. 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 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.

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

**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 year ended 30 June 2023, the Company incurred a loss of after tax of \$220,224 and had cash outflows from operating activities of \$172,692. As at 30 June 2023 the Company has net assets of \$302,507. The Company has a working capital position of \$302,507 as at 30 June 2023. As at 30 June 2023 the company has \$75,052 cash remaining. New Directors are accruing Director fees and will be paid out once the company has sufficient cash.

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 a going concern basis based on the ability of the Company to achieve sufficient cash inflows from raising 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.

**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').



**Note 2. Significant accounting policies (continued)**

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, 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 company'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.

**Revenue recognition**

The company recognises revenue as follows:

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Accounting policy for Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

*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.

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.

**Note 2. Significant accounting policies (continued)**

**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**

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 Company 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.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. 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 Company 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.

**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.

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 Company. 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**

Exploration and evaluation costs have been capitalised on the basis that the company 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.

*Impairment of exploration and evaluation costs*

The company assesses impairment of exploration and evaluation costs at each reporting date by evaluating conditions specific to Cohiba Minerals and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**Note 2. Significant accounting policies (continued)**

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company 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.

**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.

**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 Company 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:

**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.

**Note 2. Significant accounting policies (continued)**

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 loss 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.

**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.

**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 company 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 company 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 company recognises liabilities for anticipated tax audit issues based on the company'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 company 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 4. Operating segments**

During the current financial year the Company 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 Company 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 Company as one operating segment being mineral exploration within Australia.

**Note 5. Financial assets at fair value through profit and loss**

	2023 \$	2022 \$
Financial assets at fair value through profit and loss	-	(1,144,427)

**Consolidated Africa Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 6. Expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Employment benefits</i>		
Directors Fees	54,000	60,000
Management Fees	-	138,971
	<u>54,000</u>	<u>198,971</u>
Total Employment benefits	54,000	198,971

**Note 7. Income tax expense**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(220,224)	(1,519,515)
Tax at the statutory tax rate of 25%	(55,056)	(379,879)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax assets not recognized	55,056	379,879
Income tax expense	<u>-</u>	<u>-</u>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax assets not recognised for the current financial year</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	38,806	583,439
Temporary differences	16,250	(203,560)
Deferred tax assets not recognised for the current financial year	<u>55,056</u>	<u>379,879</u>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>The accumulated tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	6,151,697	5,608,549
Potential tax benefit @ 25%	<u>1,537,924</u>	<u>1,402,137</u>

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.

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.

**Consolidated Africa Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 8. Current assets - cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	75,052	255,284
Lawyer Trust Account	-	1,550
	<u>75,052</u>	<u>256,834</u>

**Note 9. Current assets - trade and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
GST receivable	<u>1,499</u>	<u>660</u>

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 Company has financial risk management policies in place to ensure that all receivables are received within the credit timeframe.

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation - at cost	<u>309,924</u>	<u>-</u>

*Reconciliations*

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

	Capitalised exploration and evaluation expenditure \$	Total \$
Balance at 1 July 2021	-	-
Balance at 30 June 2022	-	-
Stamp duty	9,090	9,090
Acquisition (note 12)	<u>300,834</u>	<u>300,834</u>
Balance at 30 June 2023	<u>309,924</u>	<u>309,924</u>

**Consolidated Africa Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 11. Current liabilities - trade and other payables**

	2023 \$	2022 \$
Trade payables	5,372	6,546
Other payables	78,596	11,000
	<u>83,968</u>	<u>17,546</u>

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

**Note 12. Equity - issued capital**

	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares - fully paid	<u>231,410,532</u>	<u>115,705,266</u>	<u>6,128,097</u>	<u>5,845,314</u>

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	113,934,185		5,809,892
Issue of shares for services provided	4 January 2022	500,000	\$0.02	10,000
Issue of shares for settlement of liabilities	27 January 2022	<u>1,271,081</u>	<u>\$0.02</u>	<u>25,422</u>
Balance	30 June 2022	115,705,266		5,845,314
Issue of shares for acquisition of project	26 October 2022	115,705,266	\$0.0026	300,833
Costs associated to issue of shares		<u>-</u>	<u>-</u>	<u>(18,050)</u>
Balance	30 June 2023	<u>231,410,532</u>		<u>6,128,097</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**  
**30 June 2023**

**Note 12. Equity - issued capital (continued)**

The capital risk management policy remains unchanged from 30 June 2022 of Annual Report.

**Note 13. Equity - dividends**

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

**Note 14. Remuneration of auditors**

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

	2023 \$	2022 \$
<i>Audit services - Connect National Audit</i>		
Audit or review of the financial statements	17,000	15,000

**Note 15. 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*

There were no loans from or to related parties during the current financial year.

**Note 16. Events after the reporting period**

Consolidated Africa is currently negotiating with the local aboriginal group in relation to the newly acquired tenement. Both parties are in the final stages of finalising the agreement and signing off.

No other matter or circumstance has arisen since 30 June 2023 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 17. Reconciliation of loss after income tax to net cash used in operating activities**

*a) Reconciliation of loss after income tax to net cash used in operating activities*

	2023 \$	2022 \$
Loss after income tax expense for the year	(220,224)	(1,519,515)
Adjustments for:		
Share based payments	-	35,421
Asset revaluations	-	1,144,427
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(16,294)	4,586
Increase/(decrease) in trade and other payables	63,826	(928,828)
Net cash used in operating activities	<u>(172,692)</u>	<u>(1,263,909)</u>

*b) Non-cash investing and financing activities*

**Consolidated Africa Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 17. Reconciliation of loss after income tax to net cash used in operating activities (continued)**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Acquisition of new project (note 10)	<u>300,834</u>	<u>-</u>

**Note 18. Loss per share**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>(220,224)</u>	<u>(1,519,515)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic loss per share	<u>192,448,473</u>	<u>114,712,942</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>192,448,473</u>	<u>114,712,942</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.11)	(1.32)
Diluted loss per share	(0.11)	(1.32)

**Consolidated Africa Limited**  
**Directors' declaration**  
**30 June 2023**

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 company's financial position as at 30 June 2023 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



---

Kane Marshall  
Non-Executive Chairman

15 August 2023

## **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 (the "Company"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 26.

In our opinion:

- (a) the financial report of Consolidated Africa Limited is in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 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 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 Company 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 reviewed the company's accounting policy specifying which expenditures related to the acquisition are recognised as exploration and evaluation assets and its consistent application of the policy. We tested a sample of capitalised acquisition expenditures to ensure that these expenditures are associated with exploration and evaluation.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, 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 describes that the company incurred a loss of \$220,224, had cash outflows of \$172,692 for the year ended 30 June 2023 and had a negative working capital position of \$7,417 as at 30 June 2023. The directors have prepared the financial statements on a going concern basis based on the ability of the company to successfully raise further capital as the need arises. These events or conditions, along with other matters as set forth in Note 2, indicate that the existence of a material uncertainty which may cast a significant doubt on the company's ability to continue as a going concern and therefore, the company may be unable to realise their assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. 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
<p><b>Capitalisation of Exploration and Evaluation Assets</b></p>	
<p>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</p> <p>The company acquired the Corktree West Project during the year. The accounting treatment of these acquisition (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</p>	<p>We carried out the following work in accordance with the guidance set out in AASB 6 Exploration for and Evaluation of Mineral Resources:</p> <p>We evaluated whether the exploration and evaluation expenditures are expected to be recouped, either through successful development and exploitation or through sale.</p> <p>We enquired with those charged with governance whether they monitor that these expenses are capitalised as per AASB6.</p>

<p>and circumstances existed to suggest that these expenditures were properly capitalised in accordance with accounting standard.</p>	<p>We have obtained sufficient appropriate audit evidence with regards to the capitalised amount as disclosed in the note to financial statements.</p> <p>We also considered the appropriateness of the related disclosure in Notes 2, 3 and 10 to the financial statements.</p>
---	--

### **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 financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company 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

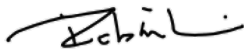
### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the financial year ended 30 June 2023.

In our opinion the Remuneration Report of Consolidated Africa Limited for the financial year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company 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.



Robin King Heng Li CPA CA  
Director  
Connect National Audit Pty Ltd  
ASIC Authorised Audit Company No.: 521888  
Melbourne, Victoria  
Date: 15 August 2023

**Consolidated Africa Limited**  
**Shareholder information**  
**30 June 2023**

The shareholder information set out below was applicable as at 9 August 2023.

**Distribution of equitable securities**

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

	<b>Ordinary shares</b>	
	<b>Number of holders</b>	<b>% of total shares issued</b>
1 to 1,000	2	-
5,001 to 10,000	3	0.01
10,001 to 100,000	139	1.46
100,001 and over	43	98.53
	<u>227,050,532</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>-</u>	<u>-</u>

**Equity security holders**

*Twenty largest quoted equity security holders*

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

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
WAVECREST INVESTMENTS PTY LTD	115,705,266	50.00
CONSAF PTE LTD	20,274,159	8.76
MR PHILIP HUNTER LINDSAY	10,313,516	4.46
BLUE NUMBER 4 LTD	10,013,405	4.33
VINTAGE NOMINEES PTY LTD	10,002,472	4.32
ADRIAAN GERHARDUS VAN DEN BERGH	8,443,115	3.65
MS ALETTA NEL	8,000,000	3.46
THEBE VENTURES PRORIETARY LIMITED	6,054,000	2.62
MR DANIEL STEFANUS DU TOIT VAN DEN BERGH	3,863,622	1.67
MR DOUGLASS WAKLEY CAHILL CAHILL FAMILY A/C>	3,087,000	1.33
EST LATE JOHN MICHAEL CROSS	2,548,572	1.10
MS CHRISTINA MANURU	2,165,685	0.94
MINROM CONSULTING PTY LTD	2,069,062	0.89
MR ALEXANDER JARRETT	2,000,000	0.86
FRONTIER EXPLORATION UGANDA LTD	1,850,000	0.80
MR WEI ZHANG	1,500,000	0.65
JIANLIU LIN	1,431,362	0.62
MS MELANIE JAYE LEYDIN	1,291,081	0.56
PURENIGHT LIMITED	960,000	0.41
XAVIER WATCHIRS	940,013	0.41
	<u>212,512,330</u>	<u>91.84</u>

*Unquoted equity securities*

There are no unquoted equity securities.

**Substantial holders**

There are no substantial holders in the company.



**Consolidated Africa Limited**  
**Shareholder information**  
**30 June 2023**

**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.

## **CONSOLIDATED AFRICA LIMITED: CORPORATE GOVERNANCE STATEMENT**

In recognising the need for high standards of corporate behaviour and accountability, the Directors of Consolidated Africa Limited follow corporate governance principles.

The Board of Directors of Consolidated Africa Limited are responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

### **Corporate Governance Disclosures**

The Board and management are committed to corporate governance and to the extent that they are applicable to the Company have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Securities Exchange ("ASX") Corporate Governance Council.

In summary, at the date of this report the Company departs from the Guidelines in five (5) key areas:

- Recommendation 2.4:  
The Company does not have a separate Nomination Committee as it is not of a size nor does it have the business undertaking that warrants the establishment of such a Committee at this point in time; and

The full Board attends to the matters normally attended to by a Nomination Committee.

- Recommendation 4.1:  
The Company does not have a separate Audit and Risk Management Committee as it is not of a size nor does it have the business undertaking that warrants the establishment of such a Committee at this point in time; and

The full Board attends to the matters normally attended to by the Audit and Risk Management Committee.

- Recommendation 8.1:  
The Company does not have a separate Remuneration Committee as it is not of a size nor does it have the business undertaking that warrants such the establishment of such a Committee at this point in time; and

The full Board attends to the matters normally attended to by a Remuneration Committee.

### **1.1 Role of the Board**

The Board's current role is to collectively govern and manage the Company. The Directors must act in the best interests of the Company as a whole. It is the role of the Board to govern and manage the Company in accordance with the stated objectives of the Company.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors in the performance of their roles.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

The key responsibilities of the Board include:

- Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO") and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the financial health of the Company;

- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the year under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that the Company's practice is consistent with, a number of guidelines, being:
  - Directors and Executive Officers Code of Conduct;
  - Dealings in Securities; and
  - Reporting and Dealing with Unethical Practices.
- Reporting to and advising shareholders.

## **1.2 Composition of the Board**

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

An independent director is a non-executive director (i.e. is not a member of management) and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment;
- is not a principal or employee of a professional adviser to the Company or its subsidiaries whose billings exceed a material amount of the adviser's total revenue;
- is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company are a material amount of the supplier's total revenue. A significant customer is one whose amounts payable to the Company are a material amount of the customer's total operating costs;
- has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In accordance with the definition of independence above, the following directors of the Company are considered to be independent:

<b>Name</b>	<b>Position</b>
Robin Armstrong	Executive Director
Kane Marshall	Non-Executive Director
George Joukador	Non-Executive Director

There are procedures in place, agreed by the Board, to enable the Directors in the furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each director is as follows:

<b>Name</b>	<b>Term</b>
Graeme Watchirs	12 months
Douglas Cahill	12 months
Mei Zhang	12 months

When a Board vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the service of a new director with particular skills, the Board will document the process behind a recommendation for a candidate or panel of candidates with the appropriate expertise. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

### **1.3 Board Policies**

#### **1.3.1 Conflicts of Interest**

Directors must disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company and if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

#### **1.3.2 Commitments**

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

#### **1.3.3 Confidentiality**

In accordance with legal requirements and agreed ethical standards, Directors of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

#### **1.3.4 Continuous Disclosure**

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the NSX as well as communicating with the NSX. In accordance with the NSX Listing Rules, the Company immediately notifies the NSX of information:

- Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Upon confirmation of receipt from the NSX, the Company is able to publish the information in accordance with this policy.

#### **1.3.5 Independent Professional Advice**

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

#### **1.3.6 Related Party Transactions**

Related party transactions include any financial transaction between a Director and the Company and will be reported in writing to each Board meeting. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

#### **1.3.7 Shareholder Communication**

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- Communicating effectively with shareholders through releases to the market via NSX, information mailed physically or electronically to shareholders and the general meetings of the Company;
  - Giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- Making it easy for shareholders to participate in general meetings of the Company; and
  - Requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and for shareholders to make enquiries of the Company.

#### **1.3.8 Trading in Company Shares**

The Company has a Share Trading Policy under which Directors are required to discuss their intention to trade in the Company's securities with the Chairman prior to trading. Consideration will be given in these discussions to any special circumstances (e.g. financial hardship).

Directors must not trade in the shares of any other entity if inside information on such entity comes to the attention of the Director by virtue of holding office as a Director of the Company.

The following guidelines are to be observed by Directors and employees of Consolidated Africa Limited:

- Securities may be purchased or sold during the two week period immediately following the release of Consolidated Africa Limited's, half-yearly and final results ("results announcements") (subject to observing the additional approval requirements set out below);
- Securities should not be purchased or sold during the two week period preceding any results announcements;
- Securities should not be purchased or sold preceding any material NSX announcement by Consolidated Africa Limited, if the employee is aware that it is likely that such an announcement will be made.
- Securities should not be purchased or sold for the purpose of short term speculation; and
- Securities may be purchased or sold at other times (subject to additional disclosure requirements established by the Board).

In addition, consistent with the law, designated officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company. Unpublished price sensitive information is information regarding the Company of which the market is not aware and that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Notice of an intention to trade must be given prior to trading in the Company's securities as well as a confirmation that the person is not in possession of any unpublished price sensitive information. The completion of any such trade by a Director must also be notified to the Company Secretary who in turn advises the NSX.

#### *1.3.9 Performance Review/Evaluation*

The Board is committed to formally evaluating its performance, the performance of its committees (where applicable) and individual Directors, as well as the governance process supporting the Board. The Board does this through an annual assessment process.

This review process involves:

- Completion of a questionnaire/survey by each director, facilitated by the Company Secretary;
- The preparation and provision of a report to each director with feedback on the performance of the Board based on the survey results; and
- The Board meeting to discuss any areas and actions for improvement.

There was no evaluation conducted during the financial year and the Board will look to finalise one during the coming 12 months.

#### *1.3.10 Attestations by Company Secretary*

In accordance with the Board's policy, the Company Secretary is required to make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing this Annual Report.

## **2. Board Committees**

### **2.1 Audit & Risk Management Committee**

The Board has not adopted an Audit and Risk Management Committee.

It is the Board's responsibility to ensure that an effective internal control framework exists within the Company to deal with the effectiveness and efficiency of business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations such as the bench-marking of key performance indicators.

The responsibility for the establishment and maintenance of the internal control framework and ethical standards has been delegated to the Board. This situation will remain until the Company is of a size and undertaking the level of activity that warrants the appointment of an audit and compliance committee.

The Board acknowledges that when the size and nature of the Company warrants an Audit and Risk Management Committee that the Committee will operate under a Charter approved by the Board.

The Company's policy is to appoint external Auditors who clearly demonstrate independence. The performance of the external Auditor is reviewed annually by the Audit and Risk Management Committee but in the case of the absence of such a Committee; then by the Board. The Company Auditors have a policy of rotating the Audit Partner at least every five (5) years.

The responsibilities of the Audit and Risk Management Committee and in the case of Consolidated Africa Limited in the absence of the Committee; the Board include the following:

- Oversee and appraise the independence, quality and extent of the total audit effort;
- Perform an independent overview of the financial information prepared by Company management for shareholders and prospective shareholders;
- Evaluate the adequacy and effectiveness of the Company's and the Company's risk management and financial control, and other internal control systems and evaluate the operation thereof;
- Review and endorse the annual and half year attestation statements in accordance with regulatory requirements.
- Review and implement risk management and internal control structures appropriate to the needs of the Company;
- Monitor compliance issues applicable laws and regulations, particularly compliance with the National Stock Exchange Listing Rules;
- Review all public releases to the NSX of material consequence, prior to release to the market; and
- Review of Corporate Governance Practices.

## **2.2 Remuneration Committee**

The Board has not established a formal Remuneration Committee due to the scale and nature of the Company's activities.

The full Board attends to the matters normally attended to by a Remuneration Committee

It is the Company's objective to provide maximum shareholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant market conditions. To assist in achieving this objective, the Board attempts to link the nature and amount of Directors' emoluments to the Company's performance. The outcome of the remuneration structure is:

- Reward executives for company and individual performance against appropriate benchmarks;
- Align the interests of the executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and.
- Ensure remuneration is comparable to market standards.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Directors.

For further information in relation to the remuneration of Directors, refer to the Directors' Report.

## **2.3 Nomination Committee**

The Board has not established a formal Nomination Committee due to the scale and nature of the Company's activities.

The full Board attends to the matters normally attended to by a Nomination Committee

The Constitution provides for events whereby Directors may be removed from the Board. Similarly shareholders have the ability to nominate, appoint and remove Directors. In addition, the Constitution provides for the regular rotation of Directors which ensures that Directors seek re-election by shareholders at least once every three years.

Given these existing regulatory requirements, Directors are not appointed for a specified term and Directors' continuity of service is in the hands of shareholders.

## **2.4 Company Code of Conduct**

As part of its commitment to recognising the legitimate interests of Shareholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code includes the following:

### *Responsibilities to Shareholders and the Financial Community Generally*

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the

Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

#### *Responsibilities to Clients, Customers and Consumers*

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. The Company for its part is committed to providing clients, customers and consumers with fair value.

#### *Employment Practices*

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

#### *Obligations Relative to Fair Trading and Dealing*

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers, competitors and other employees and encourages its employees to strive to do the same.

#### *Responsibilities to the Community*

As part of the community the Company is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs.

#### *Responsibility to the Individual*

The Company is committed to keeping private information collected during the course of its activities, confidential and protected from uses other than those for which it was provided.

#### *Conflicts of Interest*

Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

#### *How the Company Complies with Legislation Affecting its Operations*

Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will abide by local laws in all countries in which it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.

#### *How the Company Monitors and Ensures Compliance with its Code*

The Board, management and all employees of the Company are committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

## **2.5 Shareholder Communication**

The Board aims to ensure that Shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- The Annual Financial Report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). The Board ensures that the Annual Report includes relevant information about the operations of the Company during the financial year, changes in the state of affairs of the Company and details of future developments, in addition to other disclosures required by the Corporations Act 2001;
- Developments, in addition to other disclosures required by the Corporations Act 2001;
- Release of a Half-Yearly Report to the National Stock Exchange Limited; and
- Proposed major changes in the economic entity which may impact on share ownership rights are submitted to a vote of shareholders.

The Board encourages full participation of Shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Shareholders are responsible for voting on appointment of Directors, appointment of auditors, level of remuneration of Non-Executive Directors and any matters of special business.

## 2.6 Risk Management

The Board recognises that the identification and management of risk, including calculated risk taking, is an essential part of creating long term shareholders' value.

Management reports directly to the Board on the Company's key risks and is responsible, through the CEO for designing, maintaining, implementing and reporting on the adequacy of the risk management and internal control systems.

The Audit and Risk Management Committee monitors the performance of the risk management and internal control systems and reports to the Board on the extent to which it believes the risks are being managed and the adequacy and comprehensiveness of risk reporting from management.

The Board must satisfy itself, on a regular basis, that risk management and internal control systems for the Company have been fully developed and implemented.

The Company has identified specific risk management areas being strategic, operational and compliance.

The Board has reviewed risks faced by the Company on a regular basis due to the potential impact of the global pandemic crisis.

Any material changes in the Company's circumstances are released to the NSX and included on the Company's website.

### BEST PRACTICE RECOMMENDATION

Outlined below are the 8 Essential Corporate Governance Principles as outlined by the ASX and the Corporate Governance Council as they applied for the period ended 30 June 2021. The Company has complied with the Corporate Governance Best Practice Recommendations except as identified below.

#### **Corporate Governance Policy**

**[Action taken and reasons if not adopted]**

#### **Principle 1**

##### **Lay solid foundation for management and oversight**

**[ADOPTED]**

- 1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.

*The Company's Corporate Governance Policies includes a Board Charter, which discloses the specific responsibilities of the Board.*

- 1.2 Disclose the process for evaluating the performance of senior executives.

*The Board monitors the performance of senior management including measuring actual performance against planned performance.*

- 1.3 Provide the information indicated in 'Guide to reporting on Principle 1'.

*The Company will provide details of any departures from best practice recommendation Principle 1 in its Annual Report.*

#### **Principle 2**

##### **Structure the board to add value**

**[ADOPTED except for recommendations 2.1 and 2.4]**

- 2.1 A majority of the Board should be independent.

*The Company is in compliance with this recommendation as all three (3) Directors are defined as being independent.*

- 2.2 The chairperson should be an independent director.

*The Company is in compliance with this recommendation.*

- 2.3 The roles of chairperson and Chief Executive Officer should not be exercised by the same individual.

*The Company is in compliance with this recommendation as the roles of the Chairperson and Chief Executive Officer are not exercised by the same individual.*



**Corporate Governance Policy**  
**[Action taken and reasons if not adopted]**

- 2.3 The board should establish a Nomination Committee.

*No formal Nomination Committee or procedures have been adopted as yet given the size of the Company and where the Company is currently at with regards its operations. The Board, as whole, will serve as a Nomination Committee.*

*Where necessary, the Nomination Committee seeks advice of external advisers in connection with the suitability of applicants for Board membership.*

- 2.5 Disclose the process for evaluating the performance of the Board, its committees and the individual directors.

*The Board has a policy of conducting an annual performance review of itself that compares the performance of the Board with the requirements of the Board Charter, critically reviews the mix of the Board and suggests and amendments to the Board Charter as are deemed necessary or appropriate.*

- 2.6 Provide the information indicated in 'Guide to reporting on Principle 2'.

*The Company will provide details of any departures from best practice recommendation Principle 2 in its Annual Report.*

**Principle 3**  
**Actively promote ethical and responsible decision-making**  
**[ADOPTED]**

- 3.1 Establish a code of conduct and disclose the code or a summary of the code as to:

3.1.1 the practices necessary to maintain confidence in the Company's integrity;

3.1.2 the practices necessary to take into account their legal obligations and reasonable expectations of their stakeholders;

3.1.3 the responsibility and accountability of individuals for reporting or investigating reports of unethical practices.

*The Company's Corporate Governance Policies include a Directors and Executive Officers' Code of Conduct Policy, which provides a framework for decisions and actions in relation to ethical conduct in employment.*

- 3.2 Establish a policy concerning trading in Company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.

*The Company's Corporate Governance Policies includes Dealing in Securities which provides comprehensive guidelines on trading in the Company's Securities.*

- 3.3 Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy or a summary of that policy. The policy should include requirements which enable the Company to establish measurable objectives for achieving gender diversity so that the Board can assess annually the objectives and the progress in achieving them.

*The Company's Corporate Governance Policies includes a Diversity Policy which establishes measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.*

- 3.4 Disclosed in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the Diversity Policy and progress towards achieving them.

*The Company has not finalised the requirements of Recommendation 3.4.*

- 3.5 Disclose in each annual report the proportion of women employees in the whole organisation; women in senior executive positions; and women on the Board.

*The Company has not finalised the requirements of Recommendation 3.5.*

- 3.6 Provide the information indicated in 'Guide to reporting on Principle 3'.

*The Company will provide details of any departures from best practice recommendation Principle 3 in its Annual Report.*

**Principle 4**  
**Safeguard integrity in financial reporting**  
**[ADOPTED except for recommendations 4.1 and 4.2]**

4.1 The Board should establish an Audit Committee.

*The Board considers that it is not of a sufficient size and its operations are not at a stage which requires a separate Audit and Risk Management Committee.*

*Until the Audit and Risk Management Committee is established; the functions, roles and responsibilities will be completed by the full Board.*

4.2 Structure the Audit Committee so that it consists of:

- only non-executive directors;
- a majority of independent directors;
- an independent chairperson who is not the chairperson of the Board;

*The composition, roles and responsibilities of the Audit and Risk Management Committee when it is established will be set out in the Corporate Governance Plan.*

4.3 The Audit Committee should have a formal operating charter.

*The Audit and Risk Management Committee will adopt a formal Charter when it is established.*

4.4 Provide the information indicated in the 'Guide to reporting on Principle 4'.

*The Company will provide details of any departures from best practice recommendation Principle 4 in its Annual Report.*

**Principle 5**  
**Promote timely and balanced disclosure**  
**[ADOPTED]**

5.1 Establish written policies and procedures designed to ensure compliance with NSX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

*The Company has a Continuous Disclosure program in place which is designed to ensure compliance with the NSX Listing Rules requirements on disclosure and to ensure accountability at a board level for compliance and factual presentation of the Company's financial position.*

5.2 Provide the information indicated in the 'Guide to reporting on Principle 5'.

*The Company will provide details of any departures from best practice recommendation Principle 5 in its Annual Report.*

**Principle 6**  
**Respect the rights of shareholders**  
**[ADOPTED]**

6.1 Design and disclose a communications policy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose the policy or a summary of the policy.

*The Company's Corporate Governance Policies includes a Shareholder Communications Policy which aims to ensure that the shareholders are informed of all material developments affecting the Company's state of affairs.*

6.2 Provide the information indicated in the 'Guide to reporting on Principle 6'.

*The Company will provide details of any departures from best practice recommendation Principle 6 in its Annual Report.*

**Principle 7**  
**Recognise and manage risk**  
**[ADOPTED]**

7.1 The Board or appropriate Board committee should establish policies on risk oversight and management.

*The Company's Corporate Governance Policies includes a Risk Management Policy which aims to ensure that all material business risks are identified and mitigated.*

*The Board determines and identifies the Company's "risk profile" and is responsible for overseeing and approving risk management strategies and policies, internal compliance and internal controls.*

7.2 The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

*The Board requires the design and implementation of continuous risk management and internal control systems. Reports when requested are provided at the relevant times.*

7.3 The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.

*The Board seeks, at the appropriate times, the relevant assurances from the individuals appointed to perform the role of Chief Executive Officer and the Chief Financial Officer.*

7.4 Provide the information indicated in the 'Guide to reporting on Principle 7'.

*The Company will provide details of any departures from best practice recommendation Principle 7 in its Annual Report.*

**Principle 8**  
**Remunerate fairly and responsibly**  
**[ADOPTED except for Recommendation 8.1]**

8.1 The Board should establish a Remuneration Committee so that it:

- consists of a majority of independent directors;
- is chaired by an independent chair; and
- has at least 3 members.

*The Company's Remuneration Committee comprises the Board acting without the affected director participating in the decision making process.*

8.2 Clearly distinguish the structure of non-executive directors' remuneration from that of executives.

*The Board will distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives. Relevantly, the Company's Constitution provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting.*

*The Board is responsible for determining the remuneration of the senior executives (without the participation of the affected director).*

8.3 Provide the information indicated in the 'Guide to reporting on Principle 8'.

*The Company will provide details of any departures from best practice recommendation Principle 8 in its Annual Report.*