

Consolidated Africa Limited

ACN 605 659 970

For the period 5 May 2015 - 30 June 2016

Consolidated Africa Limited

Contents

30 June 2016

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Consolidated Africa Limited
Corporate directory
30 June 2016

Directors	Mr Philip Lindsay (Non-Executive Chairman) Mr Adriaan Gerhardus van den Bergh (Non-Executive Director) Mr Douglass Cahill (Non-Executive Director)
Company secretary	Mr Philip Lindsay
Registered office	Level 28 1 Market Street Sydney NSW 2000 Ph: (02) 9265 3000 Fax: (02) 9261 5918
Principal place of business	Level 28 1 Market Street Sydney NSW 2000 Ph: (02) 9265 3000 Fax: (02) 9261 5918
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Ph: (02) 1300 737 760 Fax: (02) 1300 653 459 www.boardroomlimited.com.au
Auditor	George Georgiou, Connect Audit Level 13, 636 St Kilda Road Melbourne VIC 3004 Ph: (03) 8508 7800 Fax: (03) 8508 7859
Stock exchange listing	Consolidated Africa Limited shares are listed on the National Securities Exchange (NSX code: CRA)

Consolidated Africa Limited
Review of operations
30 June 2016

In May 2015 Consolidated Africa Limited (CRA) undertook a 6 hole drill program on its Graphite Project in Uganda. The company drilled a total of 660 meters and those results were presented in the replacement prospectus dated 10 November 2015. The results indicated high grade graphite intersections with extensive large to jumbo flake size distribution grading an average of 8% graphitic carbon.

The company listed its Graphite Project on the National Stock Exchange NXS (code CRA) on the 15 March 2016 in order to further evaluate the extend of the graphite deposit.

In May 2016 the Board decided to undertake an airborne VTEM Geophysical Survey using a helicopter.

The VTEM geophysical survey was conducted by GeoTech which commenced 1 May 2016 and was completed by 20 May 2016. The survey totalled 1078 km of geophysical lines (245km within EL1173 and 833km within EL1025).

The company advised that the geological interpretations and results obtained during the phase 1 and 2 exploration programs confirmed a lateral continuous deposit of graphite occurrences on the EL 1025 licence area. The drilling program confirmed that the graphite layers extent to 150 metres and beyond below surface.

The next step was to investigate the VTEM results by digging 4.7 km's of trenches to a depth up to 2 meters for the following:

- 1) investigate the subsurface graphite occurrences;
- 2) investigate the lateral extensions and continuity of the ore body; and
- 3) obtain a bulk sample to perform metallurgical test work on to determine the quality and grade distribution across the license area.

This work has been completed. The geological mapping, trenching, geophysical survey and drilling confirmed the lateral extension and continuity of the ore body.

The trenches have been videotaped, photographed and bulk samples sent to a holding facility awaiting sample analysis. The results will be released once the test work and analysis has been completed.

As a consequence of the exploration program, an extension to the known graphite deposit was discovered and the new ground was applied for (TN2390).

A full presentation can be found in the announcement made by the Company on 22 July 2016 and also available on the website, consolidatedafrica.com, or on the NSX company announcement platform.

The company is working to move the listing from the NSX to the ASX. This will enable the company to get more recognition from the market with greater market depth and a more enhanced capital raising environment.

The company raised \$946,000 in the IPO process when listing in March 2016. Since then, the company has raised a further \$328,000 to assist with its exploration program.

Consolidated Africa Limited
Directors' report
30 June 2016

The directors present their report, together with the financial statements, on the company for the period ended 30 June 2016.

Directors

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

Mr Philip Lindsay (Non-Executive Chairman) - appointed 29 September 2015
Mr Adriaan Gerhardus van den Bergh (Non-Executive Director) - appointed 7 September 2015
Mr Douglass Cahill (Non-Executive Director) - appointed 1 June 2016
Mr David Percival (Non-Executive Director) - deceased 6 May 2016
Mr Kevin William Nichol (Non-Executive Director - resigned 29 September 2015) - appointed CEO 7 September 2015
Mr Daniel Stefanus van den Bergh (Non-Executive Director) - resigned 29 September 2015

Principal activities

During the financial period the principal continuing activities of the company consisted of:

- Key focus is exploring and exploiting the potential of the graphite deposits found within the exploration licence 1025 (EL1025) in Kitgum, Uganda (the Orom Project).

Dividends

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

Review of operations

The loss for the company after providing for income tax amounted to \$1,246,624.

Financial Position

The net position of the Company was \$2,326,061 as at 30 June 2016.

The Company has a Working Capital deficiency being current assets less current liabilities of \$141,267 as at 30 June 2016. The Company has a negative cash flow from operating activities of \$488,981. The total net cash during the financial year \$71,471.

The review of operations preceding this report outlines the exploration activities and corporate matters for the year.

Significant changes in the state of affairs

On 7 September 2015, the Company issued 22,000,000 fully paid ordinary shares at an issue price of \$0.00001 per share.

On 7 September 2015, the Company issued 13,655,286 fully paid ordinary shares to pre-investors at an issue price of \$0.0375 per share for the satisfaction of outstanding liabilities.

On 7 September 2015, the Company issued 1,080,000 fully paid ordinary shares to pre-investors at an issue price of \$0.050 per share for the satisfaction of outstanding liabilities.

On 5 November 2015, the Company issued 2,409,470 fully paid ordinary shares to pre-investors at an issue price of \$0.10 per share for the satisfaction of outstanding liabilities.

On 5 November 2015, the Company issued 710,723 fully paid ordinary shares to pre-investors at an issue price of \$0.025 per share for the satisfaction of outstanding liabilities.

On 3 November 2015, the Company lodged a prospectus with the Australian Securities and Investments Commission (ASIC) seeking to raise a minimum of \$700,000 to a maximum of \$1,500,000. On 10 November 2015, the Company lodged a supplementary prospectus with ASIC replacing the original prospectus lodged on 3 November 2015.

On 7 March 2016, the Company issued 9,465,000 fully paid ordinary shares at an issue price of \$0.10 (10 cents) per share in accordance with its initial public offering prospectus, raising \$946,500.

The Company was admitted to the National Securities Exchange (NSX) on 14 March 2016 and subsequently listed on 15 March 2016.

Consolidated Africa Limited
Directors' report
30 June 2016

The Company issued 10,000,000 fully paid ordinary shares to vendors of Ugandan Exploration Licence 1025 as noted in Company's prospectus.

On 28 June 2016, the Company issued 5,560,092 fully paid ordinary shares at an issue price of \$0.10 per share in order to satisfy outstanding liabilities and \$5,011,707 unlisted options exercisable at \$0.05 (5 cents) on or before 30 September 2020.

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

Matters subsequent to the end of the financial period

On 22 July 2016, the Company issued 750,000 fully paid ordinary shares to investors at an issue price of \$0.10 per share.

On 11 August 2016, the Company issued 335,000 fully paid ordinary shares to investors at an issue price of \$0.10 per share.

On 13 September 2016, the Company issued 3,694,174 fully paid ordinary shares to investors at an issue price of \$0.10 per share.

On 15 September 2016, the Company issued 116,900 fully paid ordinary shares to investors at an issue price of \$0.10 per share.

No other matter or circumstance has arisen since 30 June 2016 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 Company will continue to pursue its objective of maximising value of its investments held in exploration assets through continued exploration of areas of interest and sale of interests in permits held.

The Company's focus for the coming periods will be on advancing its exploration project and reviewing additional potential exploration project acquisitions.

Environmental regulation

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

The Company intends to conduct its activities in an environmentally responsible manner 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.

Information on directors

Name:	Mr Philip Lindsay
Title:	Non-Executive Director - Chairman and Company Secretary (appointed Director 29 September 2015 and appointed Company Secretary 2 June 2016)
Qualifications:	Dip. Export & Trade
Experience and expertise:	Philip Lindsay has extensive experience and a distinguished career in the financial markets commencing in 1980. He has worked for numerous financial institutions including Mercantile House Holdings, Oppenheimers, Credit Lyonnais, Banque National De Paris and Ord Minnett. His experience covers various aspects and roles relating to finance including manager of treasury, Forex and derivatives dealing, commodity futures trading, money market, fund raising and stock broking.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	363,267 fully paid ordinary shares
Interests in options:	343,267 unlisted options exercisable at \$0.05 per option on or before 30 September 2020

Consolidated Africa Limited
Directors' report
30 June 2016

Name: Mr Adriaan Gerhardus van den Bergh
Title: Non-Executive Director (appointed 7 September 2015)
Experience and expertise: Adriaan van den Bergh has over 40 years experience in the mining and construction industry. In the last twenty years Adriaan has overseen a number of mining projects on the African continent and has extensive local knowledge of the political and regulatory framework to undertake such projects. In addition he has specialised knowledge in the supply of parts for heavy equipment and machinery and has also founded a successful importing and distribution business.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 7,885,227 fully paid ordinary shares
Interests in options: 260,000 unlisted options exercisable at \$0.05 per option on or before 30 September 2020

Name: Mr Douglass Cahill
Title: Non-Executive Director (appointed 1 June 2016)
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 Prospectors Mines Association and has been 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: 100,000 fully paid ordinary shares
Interests in options: 80,000 unlisted options exercisable at \$0.05 per option on or before 30 September 2020

Name: Mr. David Percival
Title: Non-Executive Director (passed away on 6 May 2016)
Experience and expertise: David Percival began his career in finance in 1984 with MLC Insurance. His role at MLC related to sales and marketing of life, superannuation and domestic insurance. David's other finance experience includes: North's Stock Broking as a client advisor in 1985. He was responsible for giving advice on equity trading, floats, takeovers, acquisitions, options trading and cash management accounts. From 1987, David continued to work as a client adviser with two other stock broking firms. Further David had been a valued consultant to various mining companies, including both listed and unlisted companies in relation to matters such as sovereign risk and cost viability. David's recent activities centred on contacts with business brokers in China with a view to Australian Wine Exports and reciprocal investment with Australian small capital mining companies.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Special responsibilities: N/A
Interests in shares: N/A

Consolidated Africa Limited
Directors' report
30 June 2016

Name: Mr Kevin Nichol
 Title: Chief Executive Officer (appointed 7 September 2015) (Non-Executive Director - resigned 29 September 2015)
 Qualifications: B Com (Hons), CFA
 Experience and expertise: After finishing his honours thesis in the energy sector, Mr Nichol worked as a financial analyst for the late Kerry Packer's private company, Consolidated Press Holdings Pty Ltd (now Consolidated Media Ltd). In the mid 80s he joined North's Stockbrokers where he learnt his trade in the marketplace as an advisor. Mr Nichol also spent several years on the trading floor of the Sydney Futures Exchange and traded commodities as well as interest-rate futures for several banking houses.

Other current directorships: N/A
 Former directorships (last 3 years): N/A
 Special responsibilities: N/A
 Interests in shares: 1 fully paid ordinary shares

Name: Mr Daniel Stefanus van den Bergh
 Title: Non-Executive Director (resigned 29 September 2015)
 Qualifications: Master of Science
 Experience and expertise: Mr van den Bergh has over 38 years of mining industry experience, during which time he specialised in mining engineering, corporate finance work including merger and acquisitions, financial valuation of projects, mining due diligences and competent persons reports. Mr van den Bergh has worked at various Anglo American operations over a period of 26 years. Thereafter he joined Durban Roodepoort Deep as their new business executive, during which time he gained extensive experience internationally and in various countries in Africa. He joined Investec Bank in their corporate finance division for four years during which time he was involved in various projects including company listings. He was also a partner in an independent corporate advisory company where he specialised in the financial valuation of projects. Mr van den Bergh is currently a shareholder and director in various mining ventures.

Other current directorships: N/A
 Former directorships (last 3 years): N/A
 Special responsibilities: N/A
 Interests in shares: N/A

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

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

Company secretary

Mr Kevin Nichol was appointed Company secretary from 5 May 2015 to 29 May 2015.

Mr David Percival was appointed Company secretary from 29 May 2015 to 6 May 2016.

Mr Philip Lindsay was appointed Company secretary on 2 June 2016. Refer to Philip's biography in the information on directors above.

Consolidated Africa Limited
Directors' report
30 June 2016

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the period ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board Attended	Held
Philip Lindsay	2	2
Adriaan Gerhardus Van Den Bergh	2	2
Douglass Cahil	1	1
David Percival	2	2
Kevin Nichol	1	1
Daniel Stefanus van den Bergh	1	1

Held: represents the number of meetings held during the time the director held office.

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
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the 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.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

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

- focusing on sustained growth in shareholder wealth, consisting of growth in share price and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers value;
- attracting and retaining high calibre executives.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. 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 determination of his own remuneration.

Consolidated Africa Limited
Directors' report
30 June 2016

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 5 May 2015, where the shareholders approved an aggregate remuneration of \$72,000. No amendments have been made to the available non-executive director remuneration pool since that date.

Executive remuneration

The 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 benefits
- 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.

Consolidated entity performance and link to remuneration

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

Use of remuneration consultants

The company did not employ the services of any remuneration consultants for the 2016 financial year.

Details of remuneration

Amounts of remuneration

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

	Short-term benefits	Post- employment benefits	Share-based payments	
	Cash salary and fees \$	Super- annuation \$	Equity- settled \$	Total \$
2016				
<i>Non-Executive Directors:</i>				
David Percival*	12,000	1,140	21,211	34,351
Philip Lindsay	-	-	37,891	37,891
Adriaan Van Den Bergh	-	-	32,632	32,632
Douglass Cahill	-	-	3,263	3,263
<i>Other Key Management Personnel:</i>				
Kevin Nichol	97,975	-	-	97,975
	<u>109,975</u>	<u>1,140</u>	<u>94,997</u>	<u>206,112</u>

* David Percival passed away on 6 May 2016

Consolidated Africa Limited
Directors' report
30 June 2016

Service agreements

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

Name: CEO Consulting Agreement
 Agreement commenced: 7 September 2015
 Details: The Company has entered into a Service Agreement with Consaf Pte Ltd, a company incorporated in Singapore. Under the CEO Consultancy Agreement Consaf Pte Ltd makes available its employee Kevin Nichol, to hold the position of Chief Executive Officer of the Company.

Consaf Pte Ltd may receive remuneration as either:

- (a) A monthly fee (exclusive of superannuation entitlements or equivalent Singaporean superannuation base) as from the date of Listing being US\$20,200 plus expenses in accordance with the Constitution; or
- (b) Where the Board deems (in its absolute discretion) that all or some of the Total Service Fee would not be supported by cash available at any given time, then a share based payment may be made in lieu of the monthly salary component of an amount up to US\$20,200 to be paid an amount equivalent in shares in the Principal (Consolidated Africa Limited) (at a deemed price of \$0.10 Australian Dollars per share), with an option attached to each issued share at the exercise price of \$0.05 (Australian Dollars) payable by the expiry date being 30 September 2020.

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

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the period ended 30 June 2016 are set out below:

Name	Date	Shares	Issue price	\$
David Percival*	28 June 2016	130,000	\$0.10	13,000
Philip Lindsay	28 June 2016	200,000	\$0.10	20,000
Adriaan van den Bergh	28 June 2016	200,000	\$0.10	20,000
Douglass Cahill	28 June 2016	20,000	\$0.10	2,000

* David Percival passed away on 6 May 2016

Options

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

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
28/06/2016	28/06/2016	30/09/2020	\$0.05	\$0.06316

Options granted carry no dividend or voting rights.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial period 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 period	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the period
<i>Ordinary shares</i>					
Mr Philip Lindsay	-	200,000	103,267	-	303,267
Mr Adriaan Gerhardus van den Bergh	-	200,000	7,625,227	-	7,825,227
Mr David Percival*	-	130,000	1,009,001	-	1,139,001
Mr Douglass Cahill	-	20,000	20,000	-	40,000
Mr Kevin Nichol	-	-	1	-	1
	-	550,000	8,757,496	-	9,307,496

* Mr David Percival passed away on 6 May 2016 therefore disclosure no longer required

Option holding

The number of options over ordinary shares in the company held during the financial period 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 period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
<i>Options over ordinary shares</i>					
Mr Philip Lindsay	-	283,267	-	-	283,267
Mr Adriaan van der bergh	-	200,000	-	-	200,000
Mr Douglass Cahill	-	20,000	-	-	20,000
Mr David Percival*	-	130,000	-	(130,000)	-
	-	633,267	-	(130,000)	503,267

* Mr David Percival passed away on 6 May 2016 therefore disclosure no longer required

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of the company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
28/06/2016	30/09/2020	\$0.05	7,998,689

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

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the period ended 30 June 2016 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Consolidated Africa Limited
Directors' report
30 June 2016

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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 period by the auditor.

Officers of the company who are former partners of George Georgiou of Connect Audit

There are no officers of the company who are former partners of George Georgiou of Connect Audit.

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 on the following page.

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



Mr Philip Lindsay
Non-Executive Chairman

23 September 2016

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 2016,
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.



George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
Date: 23 September 2016

Consolidated Africa Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2016

	Note	2016 \$
Revenue	5	997
Expenses		
Employee benefits expense	6	(701,187)
Share based payments	6	(316,539)
Depreciation and amortisation expense	6	(754)
Administration expense		(49,692)
Corporate expense		(178,666)
Realised currency loss		(783)
Loss before income tax expense		(1,246,624)
Income tax expense	7	-
Loss after income tax expense for the period attributable to the owners of Consolidated Africa Limited		(1,246,624)
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period attributable to the owners of Consolidated Africa Limited		<u>(1,246,624)</u>
		Cents
Basic earnings per share	23	(4.02)
Diluted earnings per share	23	(4.02)

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 2016

	Note	2016 \$
Assets		
Current assets		
Cash and cash equivalents		71,471
Trade and other receivables	8	4,585
Other	9	1,814
Total current assets		<u>77,870</u>
Non-current assets		
Property, plant and equipment	10	21,859
Exploration and evaluation	11	2,445,469
Total non-current assets		<u>2,467,328</u>
Total assets		<u>2,545,198</u>
Liabilities		
Current liabilities		
Trade and other payables	12	219,137
Total current liabilities		<u>219,137</u>
Total liabilities		<u>219,137</u>
Net assets		<u>2,326,061</u>
Equity		
Issued capital	13	3,256,146
Reserves	14	316,539
Accumulated losses		<u>(1,246,624)</u>
Total equity		<u>2,326,061</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 period ended 30 June 2016

	Issued capital \$	Option reserve \$	Accumulated losses \$	Total equity \$
Balance at 5 May 2015	3	-	-	3
Loss after income tax expense for the period	-	-	(1,246,624)	(1,246,624)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	(1,246,624)	(1,246,624)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares	3,327,532	-	-	3,327,532
Less cost of capital raising	(71,389)	-	-	(71,389)
Share based payments (note 15)	-	316,539	-	316,539
Balance at 30 June 2016	<u>3,256,146</u>	<u>316,539</u>	<u>(1,246,624)</u>	<u>2,326,061</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 period ended 30 June 2016

	Note	2016 \$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)		(489,978)
Receipts from interest income		997
		<hr/>
Net cash used in operating activities	21	(488,981)
Cash flows from investing activities		
Payments for exploration and evaluation		(475,517)
		<hr/>
Net cash used in investing activities		(475,517)
Cash flows from financing activities		
Proceeds from issue of shares		1,108,141
Payments for share issue costs		(71,389)
		<hr/>
Net cash from financing activities		1,036,752
Net increase in cash and cash equivalents		72,254
Cash and cash equivalents at the beginning of the financial period		-
Effects of exchange rate changes on cash and cash equivalents		(783)
		<hr/>
Cash and cash equivalents at the end of the financial period		<u>71,471</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 2016

Note 1. General information

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

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

Level 28
1 Market Street
Sydney NSW 2000

A description of the nature of the company's operations and its principal activities are included in the 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 23 September 2016. 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.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

Going concern

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

During the period ended 30 June 2016, the Company incurred a loss of after tax of \$1,246,624 and had net cash outflows from operating activities of \$488,981. At 30 June 2016 the Company had net assets of \$2,326,062.

Based on current cash reserves at the date of this report, the Company needs to seek additional cash resources to continue to pay its debts. Therefore to continue as a going concern the Company must:

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

Based on the recent history of the Company the directors believe future capital raises will be successful.

Accordingly, the financial report has been prepared on the going concern basis based on the ability of the consolidated entity to achieve sufficient cash inflows from raise further equity, where necessary, to fund working capital. On this basis the directors consider that the 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 to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Note 2. Significant accounting policies (continued)

Operating segments

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

Revenue recognition

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

Interest

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

Other revenue

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

Income tax

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

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

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits.

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.

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

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

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.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Motor Vehicles	5 years
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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.

Note 2. Significant accounting policies (continued)

Exploration and evaluation assets

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period 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.

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 the 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:

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

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

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 period, 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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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 the 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.

Exploration and evaluation costs

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

Note 4. Operating segments

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

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the 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 consolidated entity as one operating segment being mineral exploration within Africa, Uganda.

Revenue and assets by geographical area

All assets and liabilities and operations are based in Africa, Uganda.

Note 5. Revenue

	2016 \$
Interest	<u>997</u>

Note 6. Expenses

	2016 \$
Loss before income tax includes the following specific expenses:	
<i>Depreciation</i>	
Motor vehicles	754
<i>Employment Benefits:</i>	
Post-employment benefit - Contribution plans	1,140
Other employee benefits	700,047
Total employment benefits	701,187
<i>Share-based payments expense</i>	
Share-based payments expense	316,539

Note 7. Income tax expense

	2016 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>	
Loss before income tax expense	(1,246,624)
Tax at the statutory tax rate of 30%	(373,987)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	
Other allowable tax deductions	(4,255)
Share based payments	94,962
	(283,280)
Income tax losses carried forward not taken up as a benefit	283,280
Income tax expense	-

	2016 \$
<i>Tax losses not recognised</i>	
Unused tax losses for which no deferred tax asset has been recognised	687,871
Potential tax benefit @ 30%	206,361

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.

	2016 \$
<i>Deferred tax assets not recognised</i>	
Deferred tax assets not recognised comprises temporary differences attributable to:	
Tax losses	206,361
Temporary differences	76,919
Total deferred tax assets not recognised	283,280

Consolidated Africa Limited
Notes to the financial statements
30 June 2016

Note 7. Income tax expense (continued)

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

Note 8. Current assets - trade and other receivables

	2016 \$
GST receivable	<u>4,585</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 9. Current assets - other

	2016 \$
Prepayments	<u>1,814</u>

Note 10. Non-current assets - property, plant and equipment

	2016 \$
Motor vehicles - at cost	22,613
Less: Accumulated depreciation	<u>(754)</u>
	<u>21,859</u>

Reconciliations

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

	Motor Vehicles \$	Total \$
Balance at 5 May 2015	-	-
Additions	22,613	22,613
Depreciation expense	<u>(754)</u>	<u>(754)</u>
Balance at 30 June 2016	<u>21,859</u>	<u>21,859</u>

Note 11. Non-current assets - exploration and evaluation

	2016 \$
Exploration and evaluation - at cost	<u>2,445,469</u>

Consolidated Africa Limited
Notes to the financial statements
30 June 2016

Note 11. Non-current assets - exploration and evaluation (continued)

Reconciliations

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

	Exploration & Evaluation \$	Total \$
Balance at 5 May 2015	-	-
Additions*	1,185,000	1,185,000
Expenditure during the period	1,260,469	1,260,469
Balance at 30 June 2016	<u>2,445,469</u>	<u>2,445,469</u>

* During the period and as voted by the Company's IPO Prospectus a total of 11,850,000 fully paid ordinary shares were issued pursuant to the acquisition of exploration areas of interest at a deemed issue price of \$0.10 (10 cents) per share as noted in the Company's Prospectus dated 10 November 2015.

Note 12. Current liabilities - trade and other payables

	2016 \$
Trade payables	35,057
Accrued expenses	184,080
	<u>219,137</u>

Refer to note 16 for further information on financial instruments.

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 13. Equity - issued capital

	2016 Shares	\$
Ordinary shares - fully paid	<u>64,880,674</u>	<u>3,256,146</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	5 May 2015	3		3
Founder shares	7 September 2015	22,000,000	\$0.00	220
Pre-investor shares	7 September 2015	13,655,386	\$0.04	512,088
Pre-investor shares	7 September 2015	1,080,000	\$0.05	54,000
Pre-investor shares	5 November 2015	2,409,470	\$0.10	240,947
Pre-investor shares	5 November 2015	710,723	\$0.03	17,768
Shares issued at IPO	7 March 2016	9,465,000	\$0.10	946,500
Issue of shares to acquire exploration projects	7 March 2016	10,000,000	\$0.10	1,000,000
Share placement	28 June 2016	1,500,000	\$0.10	150,000
Share based payment	28 June 2016	4,060,092	\$0.10	406,009
Less cost of capital raising		-	\$0.00	(71,389)
Balance	30 June 2016	<u>64,880,674</u>		<u>3,256,146</u>

Note 13. Equity - issued capital (continued)

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.

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.

Note 14. Equity - reserves

	2016
	\$
Options reserve	<u><u>316,539</u></u>

Share-based payments reserve

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

Movements in reserves

Movements in each class of reserve during the current financial period are set out below:

	Equity settled benefits \$	Total \$
Balance at 5 May 2015	-	-
Share based payments	<u>316,539</u>	<u>316,539</u>
Balance at 30 June 2016	<u><u>316,539</u></u>	<u><u>316,539</u></u>

Note 15. Equity - dividends

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

Note 16. Financial instruments

Financial risk management objectives

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

Note 16. Financial instruments (continued)

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

Market risk

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and the Ugandan Shilling (UGX).

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

Credit risk

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

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

Note 17. 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:

	2016 \$
<i>Audit services - George Georgiou of Connect Audit</i>	
Audit or review of the financial statements	12,500
<i>Other services - George Georgiou of Connect Audit</i>	
Independent Accountants Report	10,000
	<u>22,500</u>

Note 18. Contingent liabilities

There are no contingent liabilities as at 30 June 2016.

Note 19. Related party transactions

Transactions with related parties

There were no related party transactions during the financial year.

Receivable from and payable to related parties

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

Loans to/from related parties

During the period, prior to the Company's initial public offer, Mr Adriaan Gerhardus Van Den Bergh provided a loan to the Company amounting to \$210,517. The loan was repaid through the issue of 5,613,804 fully paid shares in September 2015.

Consolidated Africa Limited
Notes to the financial statements
30 June 2016

Note 20. Events after the reporting period

On 22 July 2016, the Company issued 750,000 fully paid ordinary shares to investors at an issue price of \$0.10 per share.

On 11 August 2016, the Company issued 335,000 fully paid ordinary shares to investors at an issue price of \$0.10 per share.

On 13 September 2016, the Company issued 3,694,174 fully paid ordinary shares to investors at an issue price of \$0.10 per share.

On 15 September 2016, the Company issued 116,900 fully paid ordinary shares to investors at an issue price of \$0.10 per share.

No other matter or circumstance has arisen since 30 June 2016 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 21. Reconciliation of loss after income tax to net cash used in operating activities

	2016
	\$
Loss after income tax expense for the period	(1,246,624)
Adjustments for:	
Depreciation and amortisation	754
Share-based payments	565,981
Foreign exchange differences	783
Change in operating assets and liabilities:	
Increase in trade and other receivables	(4,585)
Increase in prepayments	(1,814)
Increase in other operating assets	(22,613)
Increase in trade and other payables	219,137
Net cash used in operating activities	<u>(488,981)</u>

Note 22. Non-cash investing and financing activities

A total of 1,850,000 fully paid ordinary shares were issued in the company to Frontier Exploration Uganda Ltd in accordance with the Mining Licence Sale Deed dated 4 September 2015 to acquire Ugandan Exploration Licence EL 1173.

A total of 10,000,000 fully paid ordinary shares were issued in the Company to John Cross in relation to the settlement of outstanding liabilities and consulting fees.

During the period, the Company issued a total of 16,343,341 fully paid ordinary shares in satisfaction of funds lent to the Company for exploration expenditure.

Note 23. Earnings per share

	2016
	\$
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>(1,246,624)</u>
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>31,004,298</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>31,004,298</u>
	Cents
Basic earnings per share	(4.02)
Diluted earnings per share	(4.02)

Note 24. Share-based payments

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

2016							
Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
28/06/2016	28/06/2016	\$0.05	-	5,011,707	-	-	5,011,707
			-	5,011,707	-	-	5,011,707
Weighted average exercise price			\$0.05	\$0.00	\$0.00	\$0.00	\$0.00

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

Grant date	Expiry date	Share price at grant date	Exercise price	Fair value at grant date
28/06/2016	30/09/2020	\$0.14	\$0.05	\$0.06316

On 28 June 2016, the Company granted 5,011,707 unlisted options exercisable at \$0.05 (5 cents) on or before 30 September 2020. The options were issued pursuant to the Company's IPO Prospectus to Directors and Consultants of the Company.

Consolidated Africa Limited
Directors' declaration
30 June 2016

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 2016 and of its performance for the financial period 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



Mr Philip Lindsay
Non-Executive Chairman

23 September 2016

Independent Auditor's Report

To the Members of Consolidated Africa Limited

Report on the Financial Report

We have audited the accompanying financial report of Consolidated Africa Limited (the "Company"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity 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 30.

Directors' Responsibility 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 in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

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

Opinion

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 2016 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the financial year ended 30 June 2016. 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.

Opinion

In our opinion the Remuneration Report of Consolidated Africa Limited for the financial year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates 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.

A handwritten signature in purple ink, appearing to read 'G. Georgiou'.

George Georgiou FCA

Registered Company Auditor

ASIC Registration: 10310

Melbourne, Victoria

Date: 23 September 2016

Consolidated Africa Limited
Shareholder information
30 June 2016

The shareholder information set out below was applicable as at 13 September 2016.

Distribution of equitable securities

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

	Number of holders of ordinary shares
1 to 1,000	2
10,001 to 100,000	32
100,001 and over	26
	<hr/> 60 <hr/>
Holding less than a marketable parcel	<hr/> 2 <hr/>

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares % of total shares issued
Number held	
Blue Number 4 Ltd	9,913,405 14.23
Ms Aletta Nel	8,000,000 11.48
Adriaan Gerhardus Van Den Bergh	7,213,704 10.36
Vintage Nominees Pty Ltd	7,000,000 10.05
Thebe Ventures Proprietary Limited	6,054,000 8.69
Beny Manuru	5,950,000 8.54
Mr John Michael Cross	3,000,000 4.31
Mr Frengky Manuru	2,960,000 4.25
Ms Christina Manuru	2,444,306 3.51
Mr Daniel Stefanus Du Toit Van Den Bergh	2,201,116 3.16
Mr Alexander Jarrett	2,000,000 2.87
Frontier Exploration Uganda Ltd	1,850,000 2.66
Jianliu Lin	1,111,362 1.60
Minrom Consulting Pty Ltd	1,080,000 1.55
David Percival	1,000,001 1.44
Purenight Limited	960,000 1.38
Mikaty Capital Ltd	900,000 1.29
Mr Angelo Englezakis	800,000 1.15
Vintage Nominees Pty Ltd	673,054 0.97
Fito Englezakis	626,000 0.90
	<hr/> 65,736,948 <hr/> 94.39 <hr/>

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	7,998,689	5

Consolidated Africa Limited
Corporate Governance Summary
30 June 2016

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Blue Number 4 Ltd	9,913,405	14.23
Ms Aletta Nel	8,000,000	11.48
Adriaan Gerhardus Van Den Bergh	7,213,704	10.36
Beny Manuru	5,950,000	8.54

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
30 June 2016

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

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

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

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

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

General

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

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

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

Composition of the Board

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

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

Board Membership

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

Appointment and Retirement of Directors

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

Duties of Directors

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

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

Independent Professional Advice

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

Remuneration, Nomination and Diversity Policy

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

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

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

Audit and Risk Policy

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

Internal Management Controls

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

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

Identifying Significant Business Risks

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

ASX Corporate Governance

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

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

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

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

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

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

Consolidated Africa Limited
Corporate Governance Summary
30 June 2016

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

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