

Consolidated Africa Limited

A.C.N 605 659 970

Interim Report - 31 December 2021

Consolidated Africa Limited

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31 December 2021

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Consolidated Africa Limited
Corporate directory
31 December 2021

Directors	Ms May Zhang (Non-Executive Director) Mr Douglas Cahill (Non-Executive Director) Mr Graeme Watchirs (Non-Executive Chairman)
Company secretary	Mr Kevin Nichol
Registered office	Level 28 1 Market Street Sydney NSW 2000
Principal place of business	Level 28 1 Market Street Sydney NSW 2000
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Ph:(02) 1300 737 760 Fax:(02) 1300 653 459 www.boardroomlimited.com.au
Auditor	Connect National Audit Level 8, 350 Collins Street Melbourne VIC 3000
Stock exchange listing	Consolidated Africa Limited shares are listed on the National Securities Exchange (NSX code: CRA)
Website	https://consolidatedafrica.wixsite.com/cra1

Consolidated Africa Limited
Directors' report
31 December 2021

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2021.

Directors

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

Ms Mei Zhang (Non-Executive Director)
Mr Graeme Watchirs (Non-Executive Chairman)
Mr Douglas Cahill (Non-Executive Director)

Dividends

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

Review of operations

During the half year December 2021, the company experienced a loss of \$1,102,885 (31 December 2020: \$346,555)

Financial Position

During the half year to 31 December the company experience a loss of \$1,102,885. The Board and management continued to review operations and operate the business as efficiently and effectively as possible. During the half year expense management continually became a priority and costs were reduced.

As 31 December 2021, the company had a cash balance of \$53,571 as Trust account reclassified as cash rather than receivable (30 June 2021: \$153,524) and a working capital being current assets less current liabilities of \$621,155 (30 June 2021: \$1,724,039)

Significant changes in the state of affairs

The company has agreed to sell the remainder of its shares in Blencowe to pay outstanding debts and create liquidity for the company.

Throughout the December 21 Half Year the company sold 725,000 shares.

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

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 equity investment and ongoing review of new exploration areas of interest.

Environmental regulation

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

Matters subsequent to the end of the financial half-year

Subsequent to the end of the half-year period, the Company sold its remaining shareholding in Blencowe Resources Plc generating \$1,296,328.69 in proceeds.

No other matter or circumstance has arisen since 31 December 2021 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.

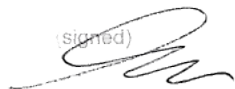
Auditor's independence declaration

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.

Consolidated Africa Limited
Directors' report
31 December 2021

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

On behalf of the directors

(signed)


Graeme Watchirs
Non-executive Chairman

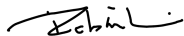
11 March 2022

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

As lead auditor for the review of Consolidated Africa Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Consolidated Africa Limited.



Robin King Heng Li CPA CA
Audit Principal
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
11 March 2022

Consolidated Africa Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Expenses			
Employee benefits expense		(220,574)	(229,962)
Administration		(42,337)	(1,475)
Corporate Expenses		(66,742)	(63,756)
Realised currency gain and losses		(935)	3,394
Fair value loss on financial assets through profit and loss		(772,297)	(54,756)
Loss before income tax expense		(1,102,885)	(346,555)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Consolidated Africa Limited		(1,102,885)	(346,555)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Consolidated Africa Limited		(1,102,885)	(346,555)
		Cents	Cents
Basic earnings per share	9	(0.97)	(0.32)
Diluted earnings per share	9	(0.97)	(0.32)

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 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents		53,571	153,524
Trade and other receivables		8,721	5,245
Financial assets at fair value through profit or loss	4	1,668,459	2,511,646
Other current assets		10,281	-
Total current assets		<u>1,741,032</u>	<u>2,670,415</u>
Total assets		<u>1,741,032</u>	<u>2,670,415</u>
Liabilities			
Current liabilities			
Trade and other payables		<u>1,119,877</u>	<u>946,376</u>
Total current liabilities		<u>1,119,877</u>	<u>946,376</u>
Total liabilities		<u>1,119,877</u>	<u>946,376</u>
Net assets		<u>621,155</u>	<u>1,724,039</u>
Equity			
Issued capital	5	5,809,891	5,809,891
Accumulated losses		<u>(5,188,736)</u>	<u>(4,085,852)</u>
Total equity		<u>621,155</u>	<u>1,724,039</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated Africa Limited
Statement of changes in equity
For the half-year ended 31 December 2021

	Issued capital \$	Option Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	5,737,786	670,637	(3,769,707)	2,638,716
Loss after income tax expense for the half-year	-	-	(346,555)	(346,555)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(346,555)	(346,555)
<i>Transactions with owners in their capacity as owners:</i>				
Expiry of options	-	(670,637)	670,637	-
Balance at 31 December 2020	<u>5,737,786</u>	<u>-</u>	<u>(3,445,625)</u>	<u>2,292,161</u>
	Issued capital \$	Retained profits \$	Total equity \$	
Balance at 1 July 2021	5,809,891	(4,085,851)	1,724,040	
Loss after income tax expense for the half-year	-	(1,102,885)	(1,102,885)	
Other comprehensive income for the half-year, net of tax	-	-	-	
Total comprehensive income for the half-year	-	(1,102,885)	(1,102,885)	
Balance at 31 December 2021	<u>5,809,891</u>	<u>(5,188,736)</u>	<u>621,155</u>	

The above statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Africa Limited
Statement of cash flows
For the half-year ended 31 December 2021

	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(170,844)	(25,188)
Net cash used in operating activities	(170,844)	(25,188)
Cash flows from investing activities		
Net Cash received from the disposal of financial assets	70,891	42,115
Net cash from investing activities	70,891	42,115
Net cash from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(99,953)	16,927
Cash and cash equivalents at the beginning of the financial half-year	153,524	1,807
Cash and cash equivalents at the end of the financial half-year	<u>53,571</u>	<u>18,734</u>

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

Consolidated Africa Limited
Notes to the financial statements
31 December 2021

Note 1. General Information

The financial statements for the current financial year cover the Consolidated Africa as a single entity, whereas the previous corresponding period was a consolidated company and not a single 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 principal place of business is:

Level 28
1 Market Street
Sydney NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 March 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Note 2. Significant accounting policies (continued)

Going concern

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

During the half-year period the Company incurred a loss of \$1,102,885 (2020:\$346,555). At 31 December 2021, the Company has cash and cash equivalents of \$53,571 (30 June 2021: \$153,524) and a working capital being current assets less current liabilities of \$621,155 (30 June 2021: \$1,724,039).

As at 31 December 2021 the company has 19,475,000 shares left in Blencowe and \$53,571 cash remaining.

Subsequent to the end of the half-year period, the Company sold its remaining shareholding in Blencowe Resources Plc generating proceeds of \$1,296,328.69.

Based on the recent history of the company the directors believe future capital raises will be successful. Accordingly, the financial report has been prepared on the going concern basis based on the ability of the company to achieve sufficient cash inflows from raise further equity. where necessary, to fund working capital. on this basis the directors consider that the company remains a going concern and these financial statements have been prepared on this basis.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

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

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

	31 December 2021 \$	30 June 2021 \$
Ordinary shares - designated at fair value through profit or loss	<u>1,668,459</u>	<u>2,511,646</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

Opening fair value	2,511,646	3,401,360
Disposals	(70,890)	(524,828)
Revaluation decrements	<u>(772,297)</u>	<u>(364,886)</u>
Closing fair value	<u>1,668,459</u>	<u>2,511,646</u>

Note 5. Equity - issued capital

	31 December 2021 Shares	30 June 2021 Shares	31 December 2021 \$	30 June 2021 \$
Ordinary shares - fully paid	<u>113,934,185</u>	<u>113,934,185</u>	<u>5,809,891</u>	<u>5,809,891</u>

Note 5. 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.

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.

Note 6. Equity - dividends

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

Note 7. Contingent liabilities

There are no contingent liabilities as at 31 December 2021.

Note 8. Events after the reporting period

Subsequent to the end of the half-year period, the Company sold its remaining shareholding in Blencowe Resources Plc generating \$1,296,328.69 in proceeds.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Consolidated Africa Limited
Notes to the financial statements
31 December 2021

Note 9. Earnings per share

	31 December 2021 \$	31 December 2020 \$
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>(1,102,885)</u>	<u>(346,555)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>113,934,185</u>	<u>109,574,185</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>113,934,185</u>	<u>109,574,185</u>
	Cents	Cents
Basic earnings per share	(0.97)	(0.32)
Diluted earnings per share	(0.97)	(0.32)

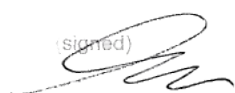
Consolidated Africa Limited
Directors' declaration
31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

(signed)


Graeme Watchirs
Non-executive Chairman

11 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CONSOLIDATED AFRICA LIMITED

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Consolidated Africa Limited (the "Company").

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of the Company is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Statement of financial position as at 31 December 2021;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity and Statement of cash flows for the Half-year ended on that date;
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to matters set forth in Note 1 which indicates the existence of a material uncertainty that may cast doubt over the Company's ability to continue as a going concern. If the Company is unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year Financial Report

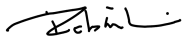
Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review

Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Consolidated Africa Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



Robin King Heng Li CPA CA
Audit Principal
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
11 March 2022