

Consolidated Africa Limited

ACN 605 659 970

**Condensed Interim Report - For the period 5 May 2015 - 31
December 2015**

Consolidated Africa Limited

Contents

31 December 2015

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Consolidated Africa Limited
Corporate directory
31 December 2015

Directors	Mr Philip Lindsay (Non-Executive Chairman) Mr Adriaan Gerhardus van den Bergh (Non-Executive Director) Mr David Percival (Non-Executive Director)
Company secretary	Mr David Percival
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	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
Directors' report
31 December 2015

The directors present their report, together with the financial statements, on the company for the period ended 31 December 2015.

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 David Percival (Non-Executive Director) - appointed 5 May 2015
Mr Kevin William Nichol (Non-Executive Director) - resigned 29 September 2015
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 to explore and exploit the potential of the graphite deposits that are found within the exploration licence 1025 (EL1025) in Kitgum, Uganda (the Orom Project).

Review of operations

The loss for the company after providing for income tax amounted to \$431,762.

Significant changes in the state of affairs

On 7 September 2015 the Company issued 22,000,000 fully paid founder 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.

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.

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.

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.

During the period ended 31 December 2015, the Company established a Performance Rights Plan to align the interest of employees and shareholders.

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

Subsequent to the end of the period, 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.

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

No other matter or circumstance has arisen since 31 December 2015 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 on the following page.

Consolidated Africa Limited
Directors' report
31 December 2015

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

A handwritten signature in dark ink, appearing to read 'Philip Lindsay', with a long, sweeping horizontal stroke underneath.

Mr Philip Lindsay
Non-Executive Chairman

6 May 2016



Level 13,
636 St Kilda Road, Melbourne.
VIC 3004
Tel: +613 8508 7800

Web: www.connectaudit.com.au

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

As a lead auditor for the review of Consolidated Africa Limited for the year ended 31 December 2015, 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 applicable code of professional conduct in relation to the review.

This declaration is in respect of Consolidated Africa Limited.

A handwritten signature in black ink, appearing to read 'George Georgiou'.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Date: 6 May 2016
Melbourne, Victoria

Consolidated Africa Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2015

	05/05/2015 - 31/12/2015 \$
Expenses	
Employee benefits expense	(266,313)
Administration expense	(77,225)
Corporate expense	(88,224)
	<hr/>
Loss before income tax expense	(431,762)
Income tax expense	-
	<hr/>
Loss after income tax expense for the period attributable to the owners of Consolidated Africa Limited	(431,762)
Other comprehensive income for the period, net of tax	-
	<hr/>
Total comprehensive income for the period attributable to the owners of Consolidated Africa Limited	<u>(431,762)</u>
	Cents
Basic loss per share	(1.80)
Diluted loss per share	(1.80)

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 2015

	Note	31 December 2015 \$
Assets		
Current assets		
Cash and cash equivalents		1,797
Trade and other receivables		15,620
Other		5,444
Total current assets		<u>22,861</u>
Non-current assets		
Exploration and evaluation	4	794,637
Total non-current assets		<u>794,637</u>
Total assets		<u>817,498</u>
Liabilities		
Current liabilities		
Trade and other payables		464,180
Total current liabilities		<u>464,180</u>
Total liabilities		<u>464,180</u>
Net assets		<u>353,318</u>
Equity		
Issued capital	5	785,080
Accumulated losses		<u>(431,762)</u>
Total equity		<u>353,318</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 31 December 2015

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 5 May 2015	3	-	3
Loss after income tax expense for the period	-	(431,762)	(431,762)
Other comprehensive income for the period, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(431,762)	(431,762)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 5)	785,077	-	785,077
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	<u>785,080</u>	<u>(431,762)</u>	<u>353,318</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 31 December 2015

	Note	05/05/2015 - 31/12/2015 \$
Cash flows from operating activities		
Payments to suppliers and employees		<u>(10,644)</u>
Net cash used in operating activities		<u>(10,644)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	4	<u>(481,922)</u>
Net cash used in investing activities		<u>(481,922)</u>
Cash flows from financing activities		
Proceeds from issue of shares		<u>494,363</u>
Net cash from financing activities		<u>494,363</u>
Net increase in cash and cash equivalents		1,797
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
Cash and cash equivalents at the end of the financial period		<u><u>1,797</u></u>

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

Consolidated Africa Limited
Notes to the financial statements
31 December 2015

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 6 May 2016.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 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'.

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.

The working capital position as at 31 December 2015 of the company results in a deficiency of current assets over current liabilities of \$441,319. The company made a loss after tax of \$431,762 during the financial half-year and the net operating cash outflow was \$10,644. The cash balance as at 31 December 2015 was \$1,797.

The going concern of the Company was dependent upon successful listing on the NSX which took place on 15 March 2016.

The Company continues to closely monitor expenditure, and the Board is confident that it will be able to manage its cash resources appropriately without negatively impacting upon planned activities. On this basis the directors consider that the company remains a going concern and these financial statements have been prepared on this basis.

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.

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.

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.

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 31 December 2015. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Operating segments

The Company is organised into one operating segment which consists of exploration for minerals and in particular graphite around the world. This operating segment is based on 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 allocation of resources.

Note 4. Non-current assets - exploration and evaluation

	31 December 2015 \$
Exploration and evaluation - at cost	<u><u>794,637</u></u>

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 *	185,000	185,000
Expenditure during the period	<u>609,637</u>	<u>609,637</u>
Balance at 31 December 2015	<u><u>794,637</u></u>	<u><u>794,637</u></u>

* The additions figure of \$185,000 relates to the issue of 1,850,000 fully paid ordinary shares 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.

Consolidated Africa Limited
Notes to the financial statements
31 December 2015

Note 5. Equity - issued capital

	31 December 2015	
	Shares	\$
Ordinary shares - fully paid	<u>39,855,482</u>	<u>785,080</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	\$0.00001	221
Pre-investor shares	7 September 2015	13,655,286	\$0.0375	512,173
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	\$0.025	17,768
Costs of capital raising				(40,032)
Balance	31 December 2015	<u>39,855,482</u>		<u>785,080</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 6. Equity - dividends

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

Note 7. Contingent liabilities

There are no contingent liabilities as at 31 December 2015.

Note 8. Events after the reporting period

Subsequent to the end of the period, 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 on 14 March 2016 and subsequently listed on 15 March 2016.

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

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 9. 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.

Consolidated Africa Limited
Directors' declaration
31 December 2015

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 2015 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.

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



Mr Philip Lindsay
Non-Executive Chairman

6 May 2016



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636 St Kilda Road, Melbourne.
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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CONSOLIDATED AFRICA LIMITED

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying condensed half-year financial report of Consolidated Africa Limited, which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Consolidated African Limited's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Consolidated African Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Consolidated Africa Limited is not in accordance with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 in the half year financial report which indicates the existence of material uncertainty which may cast a significant doubt on the entity's ability to continue as a going concern. Therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the half year financial report.

A handwritten signature in dark ink, appearing to read 'George', with a stylized flourish at the end.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Date: 6 May 2016
Melbourne, Victoria