Consolidated Africa Limited

A.C.N. 605 659 970

Annual Report - 30 June 2021

Consolidated Africa Limited
Contents
30 June 2021

Directors	Ms Mei 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

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2021.

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

Ms Mei Zhang (Non-Executive Director) - appointed 15 January 2020
Mr Graeme Watchirs (Non-Executive Chairman) - appointed 30 January 2019
Mr Douglas Cahill (Non-Executive Director)

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

Review of operations
The loss for the company after providing for income tax amounted to $986,779 (30 June 2020: $286,045).

Financial position

The net asset of the Company as at 30 June 2021 was $1,724,040 (2020: $2,638,716).

The Company has a working capital position being current assets less current liabilities of $1,724,040 as at 30 June 2021 (2020: $2,638,716). The Company had cash outflows from operating activities of $368,297 and $153,524 cash as at 30 June 2021.

Significant changes in the state of affairs
On 30 September 2020, the Company announced that 10,618,096 CRA Options had expired.

In February 2021, the Company issued 4,360,000 fully paid ordinary shares to settle outstanding liabilities.

On 8 March 2021, the Company announced that it had taken up Licence Number E04/2706 in the West Kimberley region of Western Australia.

No other matter or circumstance has arisen since 30 June 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.

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.

Information on directors

Name:	Ms Mei Zhang
Title:	Non-Executive Director (appointed 15 January 2020)
Qualifications:	Master of Translation from Beijing Foreign Studies University
Experience and expertise:	Ms Zhang has a Finance/Marketing and Technology background and has worked for American Energy Investment Corporation in China. She adds a great deal of Asian connectivity to the company.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	21,200 fully paid ordinary shares

Name:	Mr Graeme Watchirs
Title:	Non-Executive Chairman (appointed 31 January 2019)
Qualifications:	B.A. (Hons), M.A.
Experience and expertise:	Mr Graeme Watchirs background is in Science and Technology. Graeme worked as a R & D consultant providing managerial processes to clients including the NSW Coal Board, the former NSW Electricity Commission and the Federal Department of primary Industries & Energy. For the past 20 years, Graeme has focused on establishing a number of companies in the Construction, Hospitality and Medical Industries. Drawing on his wide ranging expertise Graeme offers innovative and objective perspectives on company management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	920,013 fully paid ordinary shares

Name:	Mr Douglas Cahill
Title:	Non-Executive Director
Qualifications:	LLB
Experience and expertise:	Doug Cahill is an admitted Solicitor who has practised in Bendigo for his entire career and has a long and studied knowledge of the gold industry in Victoria commencing in 1974. He is a former, original director of the Prospectus Mines Association and has been a past director of the Bendigo Stock Exchange and Bendigo Mining N.L. of which he was a founding director. He was also a founding director of Greater Bendigo Gold Mines Ltd. Doug brings with him an in-depth understanding of the gold mining industry from a legal, regional and hands-on perspective.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	3,087,000 fully paid ordinary shares
Interests in options:	Nil

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

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

Company secretary

Kevin Nichol (appointed 1 January 2020)

Mr Nichol has previously held the position of company secretary for another ASX listed company. He is also the CEO for the company.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board Attended
Mei Zhang	1
Douglas Cahill	1
Graeme Watchirs	1

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 and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

For additional duties in assisting management beyond the normal time commitments of non-executive directors, non-executive directors are paid a per diem rate, with the amounts approved by other directors.

NSX listing rules require that the aggregate non-executive directors' remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 30 November 2017, 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
- share-based payments

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board as a whole based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

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

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

Voting and comments made at the company's 2020 Annual General Meeting ('AGM')
At the 2020 AGM, 41.93% of the votes received supported the adoption of the remuneration report for the year ended 2020. This resulted in the remuneration report not being carried forward. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

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

	Short-term benefits	Post-employment benefits	Share-based payments	
2021	Cash salary and fees $	Super-annuation $	Equity-Based $	Total $
Non-Executive Directors:				
Mr Douglass Cahill	36,000	-	-	36,000
Mr Graeme Watchirs	48,000	-	-	48,000
Ms Mei Zhang	36,000	-	-	36,000
Other Key Management Personnel:				
Mr Kevin Nichol	337,950	-	-	337,950
	457,950	-	-	457,950

	Short-term benefits	Post-employment benefits	Share-based payments	
2020	Cash salary and fees $	Super-annuation $	Equity-Based $	Total $
Non-Executive Directors:				
Mr Douglass Cahill	24,000	-	8,000	32,000
Mr John Cross*	8,000	-	8,000	16,000
Mr Graeme Watchirs**	29,000	-	8,000	37,000
Ms Mei Zhang***	15,000	-	-	15,000
Other Key Management Personnel:				
Mr Kevin Nichol	284,037	-	-	284,037
	360,037	-	24,000	384,037

* Passed away on 19 December 2019.
** Appointed as Non-executive Director & Chairman on 31 January 2019.
***Appointed as a Non-Executive Director 15 January 2020.

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:	Kevin Nichol (B Comm (Hons) CFA)
Title:	Chief Executive Officer
Agreement commenced:	7 September 2015
Term of agreement:	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.
Details:	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. (c) A resolution was passed on 17 May 2017 decreasing Consaf's management fee from US$20,200 per month to A$10,000 per month. A resolution was subsequently passed on 16 September 2019 returning Consaf's management fee back to the original format after the completion of the sale of the project.

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

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Options
There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr Douglas Cahill	3,087,000	-	-	-	3,087,000
Mr Graeme Watchirs	920,013	-	-	-	920,013
Ms Mei Zhang**	21,200	-	-	-	21,200
	4,028,213	-	-	-	4,028,213

**Ms Mei Zhang was appointed as a Director on 15 January 2020.

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr Douglas Cahill	240,000	-	-	(240,000)	-
	240,000	-	-	(240,000)	-

*All options expired on 30 September 2020 unexercised.

This concludes the remuneration report, which has been audited.

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

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Connect Audit continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

(signed)

Graeme Watchirs
Non-Executive Chairman

15 September 2021

CNA CONNECT NATIONAL AUDIT

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 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 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
Managing Partner
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
Date: 15 September 2021

Consolidated Africa Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue			
Financial assets at fair value through profit and loss	5	(364,886)	515,635
Expenses			
Employee benefits expenses	6	(457,950)	(502,673)
Administration expenses		(29,073)	(11,847)
Corporate expenses		(137,434)	(172,133)
Realised currency gain and losses		2,564	(665)
Loss before income tax expense from continuing operations		(986,779)	(171,683)
Income tax expense	7	-	-
Loss after income tax expense from continuing operations		(986,779)	(171,683)
Loss after income tax expense from discontinued operations	8	-	(114,362)
Loss after income tax expense for the year attributable to the owners of Consolidated Africa Limited		(986,779)	(286,045)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Consolidated Africa Limited		(986,779)	(286,045)
Total comprehensive income for the year is attributable to:			
Continuing operations		(986,779)	(286,045)
Discontinued operations		-	-
		(986,779)	(286,045)
		Cents	**Cents**
Basic earnings per share	23	(0.89)	(0.17)
Diluted earnings per share	23	(0.89)	(0.17)

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 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	9	153,524	1,807
Trade and other receivables	10	5,246	30,637
Financial assets at fair value through profit or loss	11	2,511,646	3,401,360
Total current assets		2,670,416	3,433,804
Total assets		2,670,416	3,433,804
Liabilities			
Current liabilities			
Trade and other payables	12	946,376	767,805
Borrowings	13	-	27,283
Total current liabilities		946,376	795,088
Total liabilities		946,376	795,088
Net assets		1,724,040	2,638,716
Equity			
Issued capital	14	5,809,892	5,737,786
Reserves	15	-	670,637
Accumulated losses		(4,085,852)	(3,769,707)
Total equity		1,724,040	2,638,716

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

Consolidated Africa Limited
Statement of changes in equity
For the year ended 30 June 2021

	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2019	5,111,393	670,637	(3,483,662)	2,298,368
Loss after income tax expense for the year	-	-	(286,045)	(286,045)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(286,045)	(286,045)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 14)	626,393	-	-	626,393
Balance at 30 June 2020	5,737,786	670,637	(3,769,707)	2,638,716

	Issued capital $	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 year	-	-	(986,779)	(986,779)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(986,779)	(986,779)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 14)	72,103	-	-	72,103
Expiry of options	-	(670,637)	670,637	-
Balance at 30 June 2021	5,809,889	-	(4,085,849)	1,724,040

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

Consolidated Africa Limited
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(368,297)	(29,449)
Net cash used in operating activities	22	(368,297)	(29,449)
Cash flows from investing activities			
Proceeds from sale of exploration and evaluation assets		20,000	30,000
Proceeds from disposal of investments		524,828	-
Payments of borrowings		(24,814)	-
Net cash from investing activities		520,014	30,000
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		151,717	551
Cash and cash equivalents at the beginning of the financial year		1,807	1,256
Cash and cash equivalents at the end of the financial year	9	153,524	1,807

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

Note 1. General Information

The financial statements cover Consolidated Africa Limited as a single entity at the end of, or during the year. The financial statements are presented in Australian dollars, which is Consolidated Africa Limited's functional and presentation currency.

Consolidated Africa Limited is a 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 directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 September 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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

Going concern

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

During the period ended 30 June 2021, the Company incurred a loss of after tax of $986,779 and had positive cash outflows from operating activities of $368.297. At 30 June 2021 the Company has net assets of $1,724,040.

Based on current cash reserves at the date of this report, the Company needs to seek addition cash resources to continue to pay its debts. As announced on 23 April 2020 and subsequent to the end of the financial year, the Company has entered into a Share Sale Agreement with respect to its wholly owned subsidiary and will receive 25 million shares in Blencowe Resources Plc (Blencowe). These shares were previously issued to the Company with a 12 month escrow lock imposed by Blencowe, which has released during the current financial year. As at 30 June 2021, the carrying value of the Company’s shareholding had a market value of approximately AU$2.5 million. The expected results of the Company’s operations will also be dependent on the share price performance of Blencowe.

As at 30 June 2021 the company had 20,200,000 shares left in Blencowe and $153,524 cash remaining.

Therefore to continue as a going concern the Company must:
- Raise additional equity;
- Sell any shares in Blencowe to fund ongoing operations; and/or
- Manage the Company’s cost structure within the constraints of available resources.

Note 2. Significant accounting policies (continued)

Based on the recent history of the Company the directors believe that the Company is able to sell any shares in Blencowe as and when required to fund ongoing operations. Accordingly, the financial report has been prepared on the going concern basis based on the ability of the Company to achieve sufficient cash inflows either through sale of Blencowe shares or 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.

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, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

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; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 2. Significant accounting policies (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Discontinued operations
A discontinued operation is a component of the company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

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
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

Note 2. Significant accounting policies (continued)

Investments and other financial assets

Classification

The group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Note 2. Significant accounting policies (continued)

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Employee benefits

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

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.

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.

Note 2. Significant accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

Basic loss per share
Basic loss per share is calculated by dividing the loss attributable to the owners of Consolidated Africa Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted loss per share
Diluted earnings 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

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 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions
The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax
The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the company taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. Operating segments

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

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In the year the board reviews the Company as one operating segment being mineral exploration within Australia.

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

	2021 $	2020 $
Financial assets at fair value through profit and loss	(364,886)	515,635

Consolidated Africa Limited
Notes to the financial statements
30 June 2021

Note 6. Expenses

	2021 $	2020 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Motor Vehicle	-	3,681
Employment benefits		
Directors Fees	120,000	100,000
Management Fees	337,950	284,037
Total Employment benefits	457,950	384,037

Note 7. Income tax expense

	2021 $	2020 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(986,779)	(171,683)
Loss before income tax expense from discontinued operations	-	(114,362)
	(986,779)	(286,045)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(256,563)	(78,662)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax assets not recognized	256,563	78,662
Income tax expense	-	-

	2021 $	2020 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	3,274,794	2,458,061
Potential tax benefit @ 25% (2020: 26%)	818,699	639,096

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.

	2021 $	2020 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	825,240	655,194
Temporary differences	214,562	180,178
Total deferred tax assets not recognised	1,039,802	835,372

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. Discontinued operations

Sale of Consolidated Africa Resources (Uganda) Ltd
On 24 April 2020, consolidated Africa Limited announced that it had entered into an agreement to sale of its High Grade Graphite Project in Uganda to Blencowe Resources Plc (BRES). Company will receive $50,000.00 cash and 25,000,000 shares in Blencowe Resources PLC which is a publicly listed company on the London Stock Exchange (LSE).

Financial performance information

	2021 $	2020 $
Impairment of exploration and evaluations costs	-	(110,681)
Depreciation expense	-	(3,681)
Total expenses	-	(114,362)
Loss before income tax expense	-	(114,362)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	-	(114,362)

Note 9. Current assets - cash and cash equivalents

	2021 $	2020 $
Cash at bank	148,524	1,807
Lawyer Trust Account	5,000	-
	153,524	1,807

Note 10. Current assets - trade and other receivables

	2021 $	2020 $
Trade receivables	1	-
Other Receivable	-	20,000
GST receivable	5,245	10,637
	5,246	30,637

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

	2021 $	2020 $
Shares held in Blencowe	2,511,646	3,401,360

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

Opening balance	3,401,360	-
Share held in Blencowe	-	2,885,725
Revaluation of shares held in Blencowe	(364,886)	515,635
Sale of Shares	(524,828)	-
Closing balance	2,511,646	3,401,360

Note 12. Current liabilities - trade and other payables

	2021 $	2020 $
Trade payables	121,136	112,516
Other payables	825,240	655,289
	946,376	767,805

Refer to note 17 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. Current liabilities - borrowings

	2021 $	2020 $
Directors Loans	-	27,283

Refer to note 17 for further information on financial instruments.

Note 14. Equity - issued capital

	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares - fully paid	113,934,185	109,574,185	5,809,892	5,737,786

Note 14. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2020	109,574,185		5,737,786
Balance	30 June 2020	109,574,185		5,737,786
Issue of shares for settlement of liabilities	4 June 2021	3,000,000	$0.02	60,000
Issue of shares for settlement of liabilities	4 June 2021	1,360,000	$0.01	12,106
Balance	30 June 2021	113,934,185		5,809,892

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.

The capital risk management policy remains unchanged from 30 June 2020 of Annual Report.

Note 15. Equity - reserves

	2021 $	2020 $
Options reserve	-	670,637

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.

Note 15. Equity - reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Share based payments reserve $	Total $
Balance at 1 July 2019	670,637	670,637
Balance at 30 June 2020	670,637	670,637
Expiry of options	(670,637)	(670,637)
Balance at 30 June 2021	-	-

Note 16. Equity - dividends

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

Note 17. 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.

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 regular 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.

The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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. The risk is measured using sensitivity analysis and cash flow forecasting. The Company does not hold significant amounts of foreign currency in order to reduce its risk exposure.

Price risk
The Company is exposed to significant price risk in relation to its investment in Blencowe Resources Plc.

	Average price increase			**Average price decrease**		
2021	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Shares in listed entity	50%	1,255,823	1,255,823	50%	(1,255,823)	(1,255,823)

Note 17. Financial instruments (continued)

2020	**Average price increase**			**Average price decrease**		
	% change	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Shares in listed entity	50%	1,700,680	1,700,680	50%	(1,700,680)	(1,700,680)

The sensitivity to a reasonable possible change in the price, with all other variables held constant, of the Company's profit before tax due to changes in the carrying value of monetary assets and liabilities at reporting date if the price was to increase/(decrease) would be as follows: +50% $1,255,823 / -50% ($1,255,823).

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
Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk through capital raising activities, and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company did not have any undrawn facilities at its disposal as at reporting date. 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.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 18. Fair value measurement

Fair value hierarchy
The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares	2,511,646	-	-	2,511,646
Total assets	2,511,646	-	-	2,511,646

2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares	3,401,360	-	-	3,401,360
Total assets	3,401,360	-	-	3,401,360

There were no transfers between levels during the financial year.

Note 19. 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:

	2021 $	2020 $
Audit services - Connect National Audit		
Audit or review of the financial statements	15,000	15,000

Note 20. Related party transactions

Transactions with related parties
There were no related party transactions during the financial year.

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

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

Note 21. Events after the reporting period

No matter or circumstance has arisen since 30 June 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.

Note 22. Reconciliation of loss after income tax to net cash used in operating activities

	2021 $	2020 $
Loss after income tax expense for the year	(986,779)	(286,045)
Adjustments for:		
Depreciation and amortisation	-	3,681
Share based payments	72,106	626,393
Asset revaluations	364,886	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,388	(54,693)
Decrease in prepayments	-	20,250
Increase in financial assets at fair value through profit or loss	-	(3,401,361)
Decrease in exploration and evaluation held for sale and property, plant and equipment	-	3,045,753
Write-off of borrowings	(2,469)	-
Increase in trade and other payables	178,571	16,573
Net cash used in operating activities	(368,297)	(29,449)

Note 23. Earnings per share

	2021 $	2020 $
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Consolidated Africa Limited	(986,779)	(171,683)

	2021 $	2020 $
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Consolidated Africa Limited	-	(114,362)

	2021 $	2020 $
Earnings per share for loss		
Loss after income tax attributable to the owners of Consolidated Africa Limited	(986,779)	(286,045)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	111,162,897	100,920,014
Weighted average number of ordinary shares used in calculating diluted earnings per share	111,162,897	100,920,014

	Cents	Cents
Basic earnings per share	(0.89)	(0.28)
Diluted earnings per share	(0.89)	(0.28)

Consolidated Africa Limited
Directors' declaration
30 June 2021

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 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

(Signed)

Graeme Watchirs
Non-Executive Chairman

15 September 2021

Independent Auditor's Report
To the Members of Consolidated Africa Limited
Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Consolidated Africa Limited (the "Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company as set out on page 31.

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 2021 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in the basis of preparation.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act* 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act* 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Fair Value of Investment	
The Company holds 20,200,000 shares in Blencowe Resources PLC, a publicly listed company on the London Stock Exchange (LSE), as of 30 June 2021. We focus on the fair value of the investment as the investment represents a significant asset of the Company. The investment is carried at a fair value of $2,511,646 as of 30 June 2021.	We carried out the following work in accordance with the guidance set out in AASB 13 Fair Value Measurement: We reviewed the Company's accounting policy on Investments and other financial assets. We reviewed the investment to ensure that it is measured at fair value through the profit or loss per the policy. For listed investment, where there is an active market, agreed market prices used to value investments to prices in the stock exchanges.. We have obtained sufficient appropriate audit evidence with regards the fair value of the investment. We also considered the appropriateness of the related disclosure in Notes 2, 11, 17 and 18 to the financial statements.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the financial year ended 30 June 2021.

In our opinion the Remuneration Report of Consolidated Africa Limited for the financial year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

George Georgiou FCA
Managing Partner
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
Date: 15 September 2021

Consolidated Africa Limited
Shareholder information
30 June 2021

The shareholder information set out below was applicable as at 14 September 2021.

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

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	2	-
10,001 to 100,000	142	3.08
100,001 and over	40	96.92
	184	100.00
Holding less than a marketable parcel	2	-

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	
	Number held	% of total shares issued
Consaf Pte Ltd	12,004,158	10.54
Mr Philip Hunter Lindsay	10,313,516	9.05
Blue Number 4	10,013,405	8.79
Vintage Nominees Pty Ltd	10,002,472	8.78
Mr Adriaan Gerhardus Van Den	8,443,115	7.41
Ms Aletta Nel	8,000,000	7.02
Mr Kenneth William Nichol	7,770,000	6.82
Thebe Ventures Prorietary	6,054,000	5.31
Mr Daniel Stefanus Du Toit	3,863,622	3.39
Mr John Michael Cross	3,548,572	3.11
Mr Douglass Wakley Cahill	3,087,000	2.71
Ms Christina Maunuru	2,165,685	1.90
Minrom Consulting Pty Ltd	2,069,062	1.82
Mr Alexander Jarrett	2,000,000	1.76
Frontier Exploration Uganda	1,850,000	1.62
Mr Wei Zhang	1,500,000	1.32
Ms Jianliu Lin	1,431,362	1.26
Purenight Limited	960,000	0.84
Mr Graeme Watchirs	920,013	0.81
Mikaty Capital Ltd	900,000	0.79
	96,895,982	85.05

Unquoted equity securities
Substantial holders
There are no substantial holders in the company.

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 2021

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

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

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

A copy of this Corporate Governance Statement and the Company's policies adopted can be located at the Company's website at the following link: https://consolidatedafrica.wixsite.com/cra1.

Corporate Governance Disclosures

The Board and management are committed to corporate governance and to the extent that they are applicable to the Company have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Securities Exchange ("ASX") Corporate Governance Council. The Company has adopted the 3rd edition of the ASX Corporate Governance Council recommendations.

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

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

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

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

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

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

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

1.1 Role of the Board

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

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

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

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

The key responsibilities of the Board include:

- Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO") and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;

- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the financial health of the Company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the year under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that the Company's practice is consistent with, a number of guidelines, being:

    - Directors and Executive Officers Code of Conduct;
    - Dealings in Securities; and
    - Reporting and Dealing with Unethical Practices.

- Reporting to and advising shareholders.

1.2 Composition of the Board

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

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

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

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

Name	**Position**
Graeme Watchirs	Non-Executive Director
Douglas Cahill	Non-Executive Director
Mei Zhang	Non-Executive Director

There are procedures in place, agreed by the Board, to enable the Directors in the furtherance of their duties to seek independent professional advice at the Company's expense.
The term in office held by each director is as follows:

Name	**Term**
Graeme Watchirs	12 months
Douglas Cahill	12 months
Mei Zhang	12 months

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

1.3 Board Policies

1.3.1 Conflicts of Interest

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

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

1.3.2 Commitments

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

1.3.3 Confidentiality

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

1.3.4 Continuous Disclosure

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

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

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

1.3.5 Independent Professional Advice

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

1.3.6 Related Party Transactions

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

1.3.7 Shareholder Communication

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

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

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

1.3.8 Trading in Company Shares

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

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

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

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

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

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

1.3.9 Performance Review/Evaluation

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

This review process involves:

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

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

1.3.10 Attestations by Company Secretary

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

2. Board Committees

2.1 Audit & Risk Management Committee

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

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

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

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

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

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

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

2.2 Remuneration Committee

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

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

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

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

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

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

2.3 Nomination Committee

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

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

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

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

2.4 Company Code of Conduct

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

Responsibilities to Shareholders and the Financial Community Generally
The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

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

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

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

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

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

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

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

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

2.5 Shareholder Communication

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

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

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

2.6 Risk Management

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

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

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

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

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

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

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

BEST PRACTICE RECOMMENDATION

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

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

Principle 1
Lay solid foundation for management and oversight
[ADOPTED]

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

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

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

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

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

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

Principle 2
Structure the board to add value
[ADOPTED except for recommendations 2.1 and 2.4]

2.1 A majority of the Board should be independent.

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

2.2 The chairperson should be an independent director.

The Company is in compliance with this recommendation.

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

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

2.3 The board should establish a Nomination Committee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company has not finalised the requirements of Recommendation 3.4.

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

The Company has not finalised the requirements of Recommendation 3.5.

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

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

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

4.1 The Board should establish an Audit Committee.

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

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

4.2 Structure the Audit Committee so that it consists of:

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

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

4.3 The Audit Committee should have a formal operating charter.

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

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

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

Principle 5
Promote timely and balanced disclosure
[ADOPTED]

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

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

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

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

Principle 6
Respect the rights of shareholders
[ADOPTED]

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

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

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

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

Principle 7
Recognise and manage risk
[ADOPTED]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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