

Registered number: 10186111

# **Contango Holdings PLC**

**Annual Report and Financial Statements**  
**For the year ended 31 May 2018**

## **Company Information**

### **Directors**

Neal Griffith

Brian McMaster

Oliver Stansfield

Matthew Wood (Resigned on 20 July 2017)

Philip Richards (Appointed on 26 September 2017)

### **Company Secretary**

Graham May

### **Registered Office**

5<sup>th</sup> Floor, 1 Tudor Street

London

EC4Y 0AH

Company Registered No. 10186111 (England and Wales)

### **Auditors**

Crowe U.K. LLP

St Bride's House, 10 Salisbury Square

London

EC4Y 8EH

### **Broker**

Brandon Hill Capital Ltd

5<sup>th</sup> Floor, 1 Tudor Street

London

EC4Y 0AH

### **Registrars**

Avenir Registrars

5 St John's Lane

London

EC1M 4BH

# Contango Holdings PLC

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## **Contango Holdings plc**

### **Board of Directors**

**For the year ended 31 May 2018**

The only employees in the Company are the Directors, who are all considered to be key management personnel.

#### **Brian McMaster**

Brian qualified as a chartered accountant in Australia in 1994 and is a registered and official liquidator with over 20 years' experience in the areas of corporate reconstruction, turnaround and performance improvement. He worked in New York and Jakarta before returning to Australia to become a partner at Ernst & Young. From 2004, he was a partner at Korda Mentha, a leading investment and restructuring services firm in Australia. In 2010 he joined Garrison Capital to advise on the identification and development of natural resources projects globally. In this capacity, he has been a director of a number of companies across the sector.

#### **Philip Richards**

Philip was educated at King's College Taunton before attending Oxford University (Corpus Christi College), where he received a BA (Hons) in Philosophy, Politics and Economics. From 1981-1985 he served in the British Army, finishing as Captain. From 1985 Philip held senior positions in research and sales at James Capel and Smith New Court, before his appointment as Managing Director of Investment Banking at Merrill Lynch from 1995-1998. In 1999 Philip co-founded RAB Capital, where he acted as CEO and latterly president, as well as principal fund manager of the RAB Europe Fund and RAB Special Situations Fund. At its peak, RAB managed circa US\$8bn, of which \$2bn was in the Special Situations Fund. Over time Philip and his team were responsible for managing several hundred investments in the natural resources sector and in 2006 Philip was voted AIM entrepreneur of the year.

#### **Neal Griffith**

Neal is an executive director at Brandon Hill Capital and its parent company Optima Worldwide Group plc. He commenced his career in finance at SG Warburg before moving to Gow & Co, a commodities trading firm. He subsequently moved into a business career as both owner/manager and investor in the telecoms, property, farming and corporate restructuring services sectors. Neal is the CEO of Optima Worldwide Group plc (the parent company of Brandon Hill Capital) as a provider of capital to growth companies. Since the acquisition of Brandon Hill Capital in 2014 he has focused on assisting the Brandon Hill Capital team raise capital for its clients through his global network of professional investors. OWG has a number of investments in the natural resource sector and was recently listed on the Nasdaq Nord market in August 2016.

#### **Oliver Stansfield**

Oliver is the Chief Executive Officer of Brandon Hill Capital ("BHC"). He joined Fox-Davies Capital in 2004 (acquired by Optima Worldwide Group plc in June 2014 and renamed to BHC in January 2015) where he held the role of Director Equity Sales. As CEO of Brandon Hill, Oliver continues to oversee and lead the equity sales team, having developed relationships with a broad range of investors including Natural Resources and Emerging Market Funds, Family Offices and High-Net-Worths. Over the last 10 years he has raised in excess of \$1bn for junior resource companies in a variety of jurisdictions and across a multitude of commodities. Notable recent transactions include raising capital for San Leon Energy plc (£172m in equity) to acquire producing oil & gas assets in Nigeria and for Atalaya Mining (£65m in equity) to begin copper production in Spain.

# **Contango Holdings Plc**

## **Chairman's report**

**For the year ended 31 May 2018**

### **Statement from the Chairman**

Dear Shareholder,

We have pleasure in presenting the financial statements for the year end 31 May 2018 and to provide you with a summary of our first full year of operation.

### **Operating Review**

Our first year has been one of considerable activity, with the Company's Initial Public Offering ("IPO") on the Standard List of the Main Board of the London Stock Exchange in November 2017 proving one of the key highlights. The Company was able to successfully raise capital through a pre-IPO financing round, which was subsequently followed up by a capital raise of £763,500 in the IPO. In total the Company raised a little over £1million, which in turn provided the platform to review a number of projects in the natural resources sector with the intent of identifying undervalued and capital starved projects that fulfilled the investment criteria we set out during the time of the IPO.

In December 2017, we notified our shareholders that we had entered into an Memorandum of understanding with Consolidated Growth Holdings to acquire a mining asset in Zimbabwe. Through its broad network of relationships the Board had previously reviewed a series of projects before deciding on the identified transaction, believing it has the potential to offer significant value to all Contango shareholders. Moreover, given the recent changes in the political climate in Zimbabwe the Board is of the opinion that future opportunities in the country may also become available to complement the existing proposed acquisition, which is focusing on a near-term production.

The nature of the transaction constituted a Reverse Takeover and our shares were subsequently suspended pending the publication of a new prospectus. The Company and its advisers are now progressing the transaction through the final due diligence and documentation phases and look forward to updating the shareholders in due course.

### **Financial**

#### Funding

The Company is funded through investment from its Shareholders. During the year, the Company successfully completed its Standard Listing IPO onto the London Stock Exchange, raising £1.06million before costs over the year.

#### Revenue

The Company has generated no revenue during the year, however is focussing on acquisition targets that will ultimately generate revenue for the Company.

#### Expenditure

Since completing the successful listing during the year, the Company has continued to maintain low ongoing overheads, ensuring that the spending of any monies has been dedicated towards the transaction costs related to the transaction noted above.

#### Liquidity, cash and cash equivalents

At 31 May 2018, the Company held £637,558 (2017: £51,750), which is all denominated in pounds sterling.

### **Dividend**

The Directors do not intend to declare a dividend in respect of the period under review.

### **Outlook**

The mining sector has generally continued to improve with the capital markets more accessible and there has been a notable rise in merger and acquisition activity by major and mid-tier companies seeking new opportunities.

Against this background of recovery in the sector and increasing appetite for risk, Contango has remained diligent in its objective of acquiring a robust mining project, that can weather the commodity cycle and deliver value for its shareholders. On 22 December 2017 the Directors of the Company were pleased to enter into a Memorandum of Understanding with regards to the possible acquisition of

# **Contango Holdings Plc**

## **Chairman's report**

**For the year ended 31 May 2018**

Consolidated Growth Holdings Limited's interest in a near-term producing mining asset in Zimbabwe ('Proposed Acquisition'). The Proposed Acquisition is conditional on the completion of legal due diligence and re-admission of the enlarged entity on the Main Market.

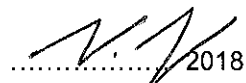
The headline terms of the Memorandum of understanding propose for transaction to take place at 5 pence per share, representing a 33% premium to the mid-market share price of Contango at time of suspension and a 66% premium to the IPO price.

The Proposed Acquisition, if completed, would constitute a reverse takeover under the Listing Rules. As the Company is currently unable to provide a full disclosure under Listing Rule 5.6.15, it has requested a suspension of listing in its shares whilst negotiations proceed.

Whilst the board is resolute in its efforts to execute this acquisition, documentation and due diligence is still underway and accordingly, the Board cannot at this stage guarantee its completion.

**Neal Griffith**

Executive Chairman

  
..... 2018  
12/9/2018

# Contango Holdings PLC

## Strategic report

For the year ended 31 May 2018

### Understanding our business

The Company was incorporated on 18 May 2016, with the view of pursuing an initial public offering of its securities onto the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of the business strategy.

This IPO was completed during the financial year, with the Company successfully raising £1,064,000 during the year before costs with Admission to the Main Market of the London Stock Exchange in November 2017.

The Company's vision is to build Contango into an established, mid-tier mining company with a defined development strategy in place to identify effectively, acquire and scale projects – focused on:

- Pre-development stage mining opportunities, which require minimal additional investment to unlock significant inherent value
- Engaging with specialist development funding groups to secure both a source of attractive potential projects and to establish the framework for eliciting secondary project funding
- Generating income from the full or partial divestment and/or farmout of acquired projects, with the option to retain minority equity or royalty interests in order to recycle capital into the next acquisition project.

A summary of our operations can be found in the Chairman's Statement under Operating Review.

### Key performance indicators

Appropriate key performance indicators will be identified in due course as the business strategy is implemented following a successful acquisition.

### Principal risks and uncertainties

The principal risks currently faced by the Company relate to:

#### *No Operating History*

The Company is a newly formed entity with no operating history and has not yet completed the announced acquisition nor identified any other potential target company or business or asset(s) for an acquisition.

#### *Acquiring Less than Controlling Interests*

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

#### *Inability to Fund Operations Post-Acquisition*

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding.

#### *The Company's Relationship with the Directors and Conflicts of Interest*

The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition.

The Directors are not obliged to commit their whole time to the Company's business; they will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs.

#### *Suitable Acquisition Opportunities may not be Identified or Completed*

The Company's business strategy is dependent on the ability of the Directors to identify sufficient suitable acquisition opportunities. If the Directors do not identify a suitable acquisition target, the Company may not be able to fulfil its objectives. Furthermore, if the Directors do not identify a suitable target, the Company may not acquire it at a suitable price or at all. In addition, if an acquisition is aborted the Company may be left with substantial transaction costs.

# Contango Holdings PLC

## Strategic report

For the year ended 31 May 2018

### *Risks Inherent in an Acquisition*

Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assistance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors than a direct investment, if such an opportunity were available, in a target business.

### *Reliance on External Advisors*

The Directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted to fail to perform as required.

### *Failure to Obtain Additional Financing to Complete an Acquisition or Fund a Target's Operations*

There is no guarantee that the Company will be able to obtain any additional financing needed to either complete an acquisition or to implement its plans post acquisition or, if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business.

### *Reliance on Income from the Acquired Activities*

Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide the sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

### *Restrictions in Offering Ordinary Shares as a Consideration for an Acquisition or Requirements to Provide Alternative Consideration.*

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as a consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

### *Inaccurate Estimates of a Target's Reserves or Resources*

The Company may estimate a potential target's resources and reserves. These are subject to a number of assumptions, including the price of commodities, production costs and recovery rates. Fluctuations in the variables underlying the estimates may result in material changes to its resources and reserve estimates which may have a materially adverse impact on the financial condition and prospects of a Company following acquisition.

### *Political Risk*

The proposed acquisition has a base of operations and assets in Zimbabwe and therefore subject to local political risk in changes to local legislation, regulations and compliance including rules about foreign ownership, licences to operate, taxes and repatriation of income.

### **The Company's risk mitigation strategies include the following:**

- Partnering with key experts that have demonstrated an ability to predict the presence or absence of targeted resources.
- Utilising the Directors' experience who have excellent knowledge as to where to seek opportunities.
- Securing the support of a number of key private shareholders and actively pursuing other sources of funding.
- Utilising third parties to assist with the management of currency risk.



# Contango Holdings PLC

## Strategic report

For the year ended 31 May 2018

### Gender analysis

A split of our employees and directors by gender during the year is shown below:

	Male	Female
Directors	4	nil
Employees	nil	nil

### Corporate social responsibility

During the year we conducted our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees and will continue to do so going forward. We will continue to aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

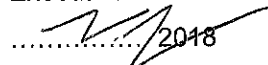
### Corporate environmental responsibility

The Company's policy is to continue to minimise the risk of any adverse effect on the environment associated with its activities with a thoughtful consideration of such key areas as energy use, pollution, transport, renewable resources, health and wellbeing. The Company also aims to ensure that its suppliers and advisers meet with their legislative and regulatory requirements and that codes of best practice are met and exceeded.

The Board would like to take this opportunity to thank our shareholders, Board and advisors for their support during the year.

Neal Griffith

Executive Director

  
...../2018  
12/9/2018

# Contango Holdings PLC

## Directors' Report

For the year ended 31 May 2018

The Directors present their report and the audited financial statements for the year ended 31 May 2018. The Company was incorporated on 18 May 2016.

### Principal Activity

The principal activity of the Company during the period was that of identifying potential companies, businesses or asset(s) that have operations in the natural resources exploration, development and production sector.

### Results

The Company recorded a loss for the year before taxation of £249,904 (2017: Nil). The Company did not trade in the previous year.

### Dividends

No dividend has been paid during the year nor do the Directors recommend the payment of a final dividend.

### Directors

The Directors who serve at any time during the year were:

Philip Richards	Executive Director	(Appointed 26 September 2017)
Matthew Wood	Executive Director	(Resigned 20 July 2017)
Brian McMaster	Executive Director	
Neal Griffith	Executive Director	
Oliver Stansfield	Executive Director	

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Directors' Remuneration note from page 13.

Further details of the interests of the Directors in the Warrants of the Company are set out in Note 14 of the financial statements.

### Share Capital

Contango Holdings Plc is incorporated as a public limited company and is registered in England and Wales with the registered number 10186111. Details of the Company's issued share capital, together with details of the movements during the year, are shown in Note 14. The Company has one class of Ordinary Share and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

### Substantial Shareholdings

As at 10 August 2018, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

	Holdings	Percentage
Cedar Capital	2,000,000	4.66%
James Lewis	1,666,666	3.88%
Sanderson Capital	1,500,000	3.49%
Walker Cripps	2,000,000	4.66%

The directors' beneficial interests in the Ordinary share capital, which are all individually over 3% and as such a substantial interest are disclosed on page 12.

# **Contango Holdings PLC**

## **Directors' Report**

**For the year ended 31 May 2018**

### **Corporate Governance Statement**

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors' remuneration on pages 13 to 16, explains how the Company has observed principles set out in The UK Corporate Governance Code ("the Code") as relevant to the Company and contains the information required by section 7 of the UK Listing Authority's Disclosure Rules and Transparency Rules.

The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to source acquisition(s) and support its future plans. As such the Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate government practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate to the size and maturity of the organisation.

### **Board of Directors**

The Board currently consists of four executive Directors. It met regularly throughout the year to discuss key issues and to monitor the overall performance of the Company. With a Board comprising of just the four executive Directors, all matters and committees, such as Remuneration, Audit and Nominations are considered by the Board as a whole. The Directors will actively seek to expand Board membership to provide additional levels of corporate governance procedures at the relevant opportunity.

### **Audit Committee**

The Board seeks to present a balanced and understandable assessment of the Group's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute. There is no separate audit committee at present.

The Directors consider the size of the Company and the close involvement of executive Directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary. The Directors will continue to monitor this situation.

### **External auditor**

During the year the Board met with the auditor to discuss the audit process and the matters the auditor identified during the audit. The Board will continue to meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor.

The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded and approved the non-audit services provided by the external auditors. As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. The auditors have provided services in relation to the annual audit of the company and acted as reporting accountants in relation to the proposed acquisition during the year. The board of directors have reviewed the scope and scale of the non-audit services undertaken by the auditors in order to ensure that their independence and objectivity is safeguarded.

### **Remuneration committee**

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts.

### **Nominations committee**

A nominations committee has not yet been established.

# **Contango Holdings PLC**

## **Directors' Report**

**For the year ended 31 May 2018**

### ***Internal financial control***

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- The maintenance of proper records;
- A schedule of matters reserved for the approval of the Board;
- Close involvement of the Directors in the day-to-day operational matters of the Company.

### ***Shareholder Communications***

The Company uses its corporate website ([www.contango-holdings-plc.co.uk](http://www.contango-holdings-plc.co.uk)) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The AGM is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can give proper consideration and there is a resolution to approve the Annual Report and Accounts.

The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

### **Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements**

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and those International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position of the Company and the financial performance and cash flows of the Company for that period.

In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- State whether applicable International Financial Reporting Standards as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Provide additional disclosures when compliance with the specific requirements in IFRS as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

# **Contango Holdings PLC**

## **Directors' Report**

**For the year ended 31 May 2018**

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website <http://www.contango-holdings-plc.co.uk>. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors of the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The Directors confirm that to the best of their knowledge:

- The Company financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- This Annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

### **Greenhouse Gas Disclosures**

The Company has as yet no greenhouse gas emissions to report from the operations of the Company and does not have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2014.

# **Contango Holdings PLC**

## **Directors' Report**

**For the year ended 31 May 2018**

### **Disclosure and Transparency Rules**

Details of the Company's share capital and warrants are given in Notes 14 and 15 respectively. The Directors have undertaken not to sell any of their holdings for a year after admission to the standard listing without the consent of the Company and Brandon Hill Capital Ltd otherwise there are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no person with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 6 and page 12.

The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

### **Auditor Information**

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

### **Auditor**

Crowe U.K. LLP has expressed its willingness to continue in office as Auditor of the Company and resolutions for its re-appointment and for the Directors to determine its remuneration will be proposed at the forthcoming AGM.

### **Financial Instruments**

The Company has exposure to credit risk, liquidity risk and market risk. Note 19 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

### **Events after the reporting period**

There were no significant events of the Company subsequent to year end.

### **Directors' Indemnity Provisions**

The Group has implemented Directors and Officers Liability Indemnity insurance.

### **Going concern**


After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.2 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

### **Donations**

The Company made no political donations during the year.

**Neal Griffith**

Executive Director

  
..... 2018  
12/9/2018

# Contango Holdings PLC

## Directors' Remuneration Report For the year ended 31 May 2018

### **Remuneration Policies**

The remuneration policy of the Company, which has been in effect from 1 October 2017, was that each Director shall be entitled to a salary not in excess of £18,000 per annum from the date of Admission until the completion of an acquisition and it is intended that these policies will be continued for the next and subsequent years subject to any acquisition. The date of Admission was 1 November 2017.

At such time upon completion of an acquisition, a remuneration committee may be appointed to reassess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy be amended so as to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of a shareholder value. The Board believes that shared ownership by Executive Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

The current Directors' remuneration comprises a basic fee and at present, there is no long-term incentive plan in operation for the Directors.

Each director will be entitled to receive a gross bonus of £25,000 upon successful completion of an acquisition as outlined in the company's prospectus dated 26 October 2017.

### Service contracts

Each of the Executive Directors entered into Service Agreements on 26 October 2017 with the Company and continue to be employed until terminated by the Company giving one months' prior notice or the Director giving one months' prior notice to save in cases of a material breach of contract when the Executive Directors can be dismissed without notice.

In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Each Director is paid at a rate of £18,000 per annum.

Executive Directors are allowed to accept external appointments with the consent of the Board, provided that these do not lead to conflicts of interest. Executive Directors are allowed to retain fees paid.

The contracts are available for inspection at the Company's registered office.

### Approval by members

The remuneration policy above will be put before the members for approval at the next Annual General Meeting.

### **Implementation Report**

#### Particulars of Directors' Remuneration

Particulars of directors' remuneration, including directors' warrants which, under the Companies Act 2006 are required to be audited, are given in Notes 6 and 14 and further referenced in the Directors' report.

Remuneration paid to the Directors' during the year ended 31 May 2018:

Executive Director	Base salary (£)	Benefits in kind (£)	Pension Contribution (£)	Total (£)
Philip Richards	12,000	-	-	12,000
Brian McMaster	12,000	-	-	12,000
Neal Griffith	12,000	-	-	12,000
Oliver Stansfield	12,000	-	-	12,000
	48,000	-	-	48,000

# Contango Holdings PLC

## Directors' Remuneration Report For the year ended 31 May 2018

Remuneration paid to the Directors' during the period ended 31 May 2017 was:

Executive Director	Base salary (£)	Benefits in kind (£)	Pension Contribution (£)	Total (£)
Philip Richards	-	-	-	-
Brian McMaster	-	-	-	-
Neal Griffith	-	-	-	-
Oliver Stansfield	-	-	-	-
	-	-	-	-

There were no performance measures associated with any aspect of Directors' remuneration during the year.

Matthew Wood, who resigned on 20 July 2017, received no remuneration or benefit from the Company in either year.

### Payments to past Directors

There are no payments to past Directors.

### Payments for loss of office

There were no payments for loss of office during the year.

### Bonus and incentive plans

There were no bonus and incentive plans in place during the year that resulted in a payment.

### Percentage change in the remuneration of the Chief Executive

The Company does not yet have a Chief Executive and as such, no CEO disclosure has been presented.

### Directors interests in shares

The Company has no Director shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at both 1 June 2017 and 31 May 2018 was:

	31 May 2018	%age of issued share capital	%age of issued share capital
	Number	2018	2017
Philip Richards	3,214,033	7.48%	0
Brian McMaster	3,214,033	7.48%	0
Neal Griffith	3,214,033	7.48%	0
Oliver Stansfield	3,214,033	7.48%	0
	12,856,132	29.92%	0



# Contango Holdings PLC

## Directors' Remuneration Report For the year ended 31 May 2018

The Directors held the following warrants at the beginning and end of the year:

Director	At 1 June 2017	Granted during the year	At 30 June 2017	Exercise Price	Earliest date of exercise	Latest date of exercise
Philip Richards	-	3,068,200	3,068,200	Series 1: 3p	1 Nov 2017	31 Oct 2019
		72,916	72,916	Series 2: 5p		
Brian McMaster	-	3,068,200	3,068,200	Series 1: 3p	1 Nov 2017	31 Oct 2019
		72,916	72,916	Series 2: 5p		
Neal Griffith	-	3,068,200	3,068,200	Series 1: 3p	1 Nov 2017	31 Oct 2019
		72,916	72,916	Series 2: 5p		
Oliver Stansfield	-	3,068,200	3,068,200	Series 1: 3p	1 Nov 2017	31 Oct 2019
		72,916	72,916	Series 2: 5p		

Matthew Wood, who resigned on 20 July 2017, had no interest in any shares or warrants in the Company at any time since incorporation.

### Remuneration Committee

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' remuneration, share options and service contracts.

### Shareholder voting at the Annual General Meeting

Given the Company ordinary shares were admitted to the Main Market of the London Stock Exchange during the current year, it has not yet presented its Directors' Remuneration Report and the Directors' Remuneration Policy to its members at the Annual General Meeting.

### **Statement**

This is the Company's first period of operation. From the outset the Board has set out and implemented a policy designed in its view to attract, retain and motivate executive Directors of the right calibre and ability. There have been no major changes during the period either in that policy or its implementation, including levels of remuneration and terms of service for the Directors.

### **Requirements for the Listing Rules**

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

### **ON BEHALF OF THE BOARD**

**Neal Griffith**

Executive Director

..... 2018

12/9/2018

# Contango Holdings PLC

## Independent Auditor's Report To The Members For the year ended 31 May 2018

### Opinion

We have audited the financial statements of Contango Holdings plc for the year ended 31 May 2018 which comprise:

- The statement of comprehensive income for the year ended 31 May 2018;
- the statement of financial position as at 31 May 2018;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Overview of our audit approach

#### *Materiality*

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £13,000, based on a percentage of the total assets as the company is a cash shell and not yet generating any revenue.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

# Contango Holdings PLC

## Independent Auditor's Report To The Members For the year ended 31 May 2018

We agreed with the board of directors to report to it all identified errors in excess of £650. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

### *Overview of the scope of our audit*

The company is a cash shell formed with the intention of identifying, acquiring and scaling up projects within the mining sector. A substantive approach has been adopted to audit the financial statements with external confirmations obtained for cash balance.

As part of designing our audit, we determined the materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered the areas where the directors have made estimates and judgements, on the basis that there was no trading activity by the company in the period under review and as such we did not identify any significant subjective judgements.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How the scope of our audit addressed the key audit matter</i>
<i>Accounting for the Listing Expenses</i>  Under the accounting standards the cost of listing and issuing new shares are required to be split between equity and profit and loss. We considered the risk that this split was inappropriate.	<i>We obtained the detail of share listing expenses and validated this to supporting documentation. Where costs were felt to relate solely to the issue of shares, and hence were recognised directly in equity, we validated this judgement. For costs that related to both the listing and the share issue these were split based on the portion of new equity to old equity. We re-performed this calculation to verify the accounting treatment.</i>  <i>Key Observations</i> <i>We reviewed the judgements around the split of listing costs between equity and comprehensive income and consider them to be reasonable.</i>

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

# **Contango Holdings PLC**

## **Independent Auditor's Report To The Members For the year ended 31 May 2018**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

### **Responsibilities of the directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 8 and 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

# Contango Holdings PLC

## Independent Auditor's Report To The Members For the year ended 31 May 2018

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Other matters which we are required to address

We were appointed by the board on 15 May 2018 to audit the financial statements for the year ended 31 May 2018. This is our first year acting as the company's auditors.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

We confirm that we have raised fees of £28,650 (including VAT) in respect of our engagement as reporting accountants for a proposed acquisition.

Our audit opinion is consistent with the additional report to the audit committee.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Stallabrass  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
London

12 September 2018

# Contango Holdings PLC

## Statements of comprehensive income For the year ended 31 May 2018

	Notes	Year ended 31 May 2018 £	Period ended 31 May 2017 £
Administrative fees and other expenses	4	(326,676)	-
<b>Operating loss</b>		<b>(326,676)</b>	<b>-</b>
Finance revenue		-	-
Finance expense		-	-
<b>Loss before tax</b>		<b>(326,676)</b>	<b>-</b>
Income tax		-	-
<b>Loss for the period and total comprehensive loss for the period</b>		<b>(326,676)</b>	<b>-</b>
<b>Basic and diluted loss per Ordinary Share (pence)</b>	5	<b>(1.00)</b>	<b>-</b>

The notes to the financial statements form an integral part of these financial statements.

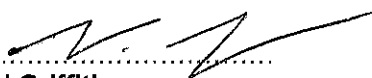
# Contango Holdings PLC

## Statements of financial position For the year ended 31 May 2018

		As at 31 May 2018	As at 31 May 2017
	Notes	£	£
<b>Current assets</b>			
Other receivables	9	12,188	17,000
Cash and cash equivalents	10	637,558	51,750
<b>Total current assets</b>		<b>649,746</b>	<b>68,750</b>
<b>Current liabilities</b>			
Trade and other payables	11	93,070	68,749
<b>Total current liabilities</b>		<b>93,070</b>	<b>68,749</b>
<b>Net assets</b>		<b>556,676</b>	<b>-</b>
<b>Equity</b>			
Share capital	7	429,500	1
Share premium	7	368,978	-
Warrant reserve	7	84,874	-
Retained earnings	7	(326,676)	-
<b>Total equity</b>		<b>556,676</b>	<b>1</b>

The notes to the financial statements form an integral part of these financial statements.

This report was approved by the board and authorised for issue on ..12/9..... 2018 and signed on its behalf by:

  
.....  
**Neal Griffith**  
Director

**Registered number: 10186111**

# Contango Holdings PLC

## Statements of changes in equity For the year ended 31 May 2018

	Share Capital £	Share premium £	Warrant Reserve	Retained earnings £	Total Equity £
<b>Comprehensive income for the period</b>					
Loss for the period	-	-	-	-	-
<b>Total Comprehensive Loss for the period</b>	-	-	-	-	-
<b>Transactions with owners</b>					
Shares issued on incorporation	1	-	-	-	1
<b>Balance as at 31 May 2017</b>	1	-	-	-	1
Loss for the year	-	-	-	(326,676)	(326,676)
Ordinary Shares and warrants issued (note 7)	429,499	549,126	84,874	-	1,063,499
Ordinary Share issue costs (note 7)	-	(180,148)	-	-	(180,148)
<b>Balance as at 31 May 2018</b>	<b>429,500</b>	<b>368,978</b>	<b>84,874</b>	<b>(326,676)</b>	<b>556,676</b>

The notes to the financial statements form an integral part of these financial statements.



# Contango Holdings PLC

## Statements of cash flows

For the year ended 31 May 2018

	Notes	Year ended 31 May 2018 £	Period ended 31 May 2017 £
<b>Operating activities</b>			
Loss after tax		(326,676)	-
<i>Changes in working capital</i>			
(Increase)/decrease in trade and other receivables		4,812	(17,000)
(Decrease) in trade and other payables		24,320	68,749
Net cash inflows/(outflows) flows from operating activities		(297,544)	51,749
<b>Financing activities</b>			
Ordinary Shares issued (net of issue costs)	7	883,352	1
Net cash flows from financing activities		883,352	-
<b>Increase in cash and short-term deposits</b>		<b>585,808</b>	<b>51,750</b>
Cash and short-term deposits as at the start of the period		51,750	-
<b>Cash and short-term deposits at the end of the period</b>		<b>637,558</b>	<b>51,750</b>

The notes to the financial statements form an integral part of these financial statements.

# Contango Holdings PLC

## Notes to the Financial Statements For the year ended 31 May 2018

### 1 General information

The Company was incorporated in England under the Laws of England and Wales with registered number 10186111 on 18 May 2016. All of the Company's Ordinary Shares were admitted to the London Stock Exchange's Main Market and commenced trading on 1 November 2017. The company was re-registered as a public company under Companies Act 2006 on 1 June 2017, by the name Contango Holdings plc.

The Company's focus is to identify, acquire and scale projects focused on mining. At present, the Company is looking to reverse a mining business into the Company. The Company had no employees during the period other than the Directors.

### 2 Summary of Significant Accounting Policies

The Board has reviewed the accounting policies set out below and considers them to be the most appropriate to the Company's business activities.

#### ***a) Basis of Preparation***

The Company Financial Information has been prepared in accordance with and comply with IFRS as adopted by the European Union, International Financial Reporting Interpretations Committee interpretations and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified for financial assets carried at fair value.

The financial information of the company is presented in British Pound Sterling ("£").

#### ***b) Going concern***

The Company is an investment company, and currently has no income stream until a suitable acquisition is identified, it is therefore dependent on its cash reserves to fund ongoing costs.

The Directors have reviewed the Company's ongoing activities including its future intentions in respect of acquisitions and having regard to the Company's existing working capital position and its ability to potentially raise finance, if required, the Directors are of the opinion that the Company has adequate resources to enable it to continue in existence for a period of at least 12 months from the date of the approval of these financial statements.

#### ***c) Standards and interpretations issued but not yet applied***

At the date of authorisation of this Document, the Directors have reviewed the accounting standards in issue by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which are effective for annual accounting periods ending on or after the stated effective date. In their view, none of these standards would have a material impact on the financial reporting of the Company.

#### ***d) Comparative Figures***

The comparative figures shown for 2017 cover the thirteen month period from the date of incorporation to 31 May 2017.

# Contango Holdings PLC

## Notes to the Financial Statements For the year ended 31 May 2018

### **e) *Earnings per share***

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per share are calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

### **f) *Cash and cash equivalents***

The company considers any cash no short-term deposits and other short term investments to be cash equivalents.

### **g) *Taxation***

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided for using the liability method on temporary timing differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised in full for all temporary differences. Deferred income tax assets are recognised for all deductible temporary differences carried forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused losses can be utilised. The carrying amount of deferred income tax assets is assessed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that is probable that future taxable profits will allow the deferred income tax asset to be recovered.

### **h) *Financial Assets***

Financial Assets within the scope of IAS 39 are classified as either:

- i) Financial assets at fair value through profit and loss
- ii) Loans and receivables
- iii) Held-to-maturity investments
- iv) Available-for-sale Financial assets

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at every reporting date.

As at the balance sheet date, the company did not have any financial assets at fair value through profit or loss, and in the categories of held-to-maturity investments and available-for-financial assets.

# Contango Holdings PLC

## Notes to the Financial Statements For the year ended 31 May 2018

### **i) Financial liabilities and equity instruments**

#### ***Classification as debt or equity***

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### ***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Incremental cost directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

#### ***Financial liabilities***

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition

#### ***Other financial liabilities***

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

#### ***Warrants***

Warrants classified as equity are recorded at fair value as of the date of issuance on the Company's Balance Sheet and no further adjustments to their valuation are made. Management estimates the fair value of these liabilities using option pricing models and assumptions that are based on the individual characteristics of the warrants or instruments on the valuation date, as well as assumptions for future financing, expected volatility, expected life, yield, and risk-free interest rate.

### **j) Derecognition of financial liabilities**

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

### **k) Financial Risk Management Objectives and Policies**

The Company's major financial instruments include bank balances, trade payables and accruals. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments, and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**Liquidity Risk** – the Company raises funds as required on the basis of budgeted expenditure and inflows. When funds are sought, the Company balances the costs and benefits of equity and debt financing. When funds are received they are deposited with banks of high standing in order to obtain market interest rates.

# Contango Holdings PLC

## Notes to the Financial Statements For the year ended 31 May 2018

### 3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities. Estimates and judgements are continually evaluated, including expectations of future events to ensure these estimates to be reasonable.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Company's nature of operations is to act as a special purpose acquisition company. This significantly reduces the level of estimates and assumptions required other than the allocation of joint costs between the issuing of equity and acquiring the exchange listing as part of the admission process. The Directors had regard to the number of shares issued on listing as a proportion of the total shares in issue after the listing. As the shares issued prior to the listing was 41% of the total shares listed, £180,648 was recognised in equity.

### 4 Loss before taxation

Loss before income tax is stated after charging:

	<b>Year ended 31 May 2018 £</b>	<b>Period ended 31 May 2017 £</b>
Directors' remuneration	48,000	-
Fee payable to the Company's auditor for the audit of the company's annual accounts	15,000	-
Fee payable to the Company's auditor in respect of all other services	28,650	-

The Company did not employ any staff during the period under review other than the Directors. The Directors are the only members of key management and their remuneration related solely to short-term employee benefits.

# Contango Holdings PLC

## Notes to the Financial Statements For the year ended 31 May 2018

### 5 Loss per Ordinary Share

The calculation of the basic and diluted loss per Ordinary Share is based on the following data:

	Year ended 31 May 2018	Period ended 31 May 2017
<b>Earnings</b>		
Loss from continuing operations for the period attributable to the equity holders of the Company	(326,676)	-
<b>Number of Ordinary Shares</b>		
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per Ordinary Share (number)	32,596,294	100
<b>Basic and diluted loss per Ordinary Share (pence)</b>	<b>(1.00)</b>	<b>-</b>

There are no potentially dilutive Ordinary Shares in issue.

The number of ordinary shares as at period ended 31 May 2017, were subdivided into 100 1p shares on 1 June 2017.

### 6 Income tax

Corporation tax is calculated at 19% of the estimated taxable loss for the period.

The charge for the period can be reconciled to the loss in the Statement of Comprehensive Income as follows:

	Year ended 31 May 2018 £	Period ended 31 May 2017 £
Loss before tax on continuing operations	(326,676)	-
Tax at the UK corporation tax rate of 19%	(62,068)	-
Tax effect of expenses that are not deductible in determining taxable profit	9,120	-
Deferred tax asset not recognised	52,948	-
Tax charge for the period	-	-

The Company has accumulated tax losses of £278,676 (2017 - £nil). No deferred tax asset was recognised in respect of these accumulated tax losses as there is insufficient evidence that the amount will be recovered in future years.

# Contango Holdings PLC

## Notes to the Financial Statements For the year ended 31 May 2018

### 7 Share capital

	Number of Ordinary Shares issued and fully paid	Share Capital	Share premium	Warrants Reserve	Share issue costs	Total share capital
		£	£	£	£	£
As at 18 and 31 May 2016	1	-	-	-	-	-
£1 shares subdivided into 100 1p shares	99	-	-	-	-	-
Issue of Ordinary Shares and Warrants						
1 June 2017	4,999,900	50,000	-	-	-	50,000
26 October 2017	12,500,000	125,000	76,906	48,094	-	250,000
1 November 2017	25,449,987	254,500	472,220	36,780	(180,148)	583,352
<b>As at 31 May 2018</b>	<b>42,949,987</b>	<b>429,500</b>	<b>549,126</b>	<b>84,874</b>	<b>(180,148)</b>	<b>883,352</b>

The Ordinary Shares issued by the Company have par value of 1p each and each Ordinary Share carries one vote on a poll vote.

On incorporation on 18 May 2016, the Company issued 1 Ordinary Share issued to the Founders at par of £1. These were subdivided into 100 1p shares on 1<sup>st</sup> June 2017.

On 1<sup>st</sup> June 2017 the Company issued 4,999,999 Ordinary Shares at 1p, par value, each for cash consideration of £50,000.

On 26<sup>th</sup> October 2017 the Company issued 12,500,000 Ordinary Shares of 1p par value at 2p each for a cash consideration of £250,000.

On 1<sup>st</sup> November 2017 on admission to the Main Market of the London Stock Exchange, the Company issued 25,449,987 Ordinary Shares of 1p par value at 3p each for cash consideration of £763,500.

# Contango Holdings PLC

## Notes to the Financial Statements For the year ended 31 May 2018

### 8 Financial instruments

	As at 31 May 2018 £	As at 31 May 2017 £
<b>Financial assets</b>		
Cash and cash equivalents	637,558	51,750
<b>Financial liabilities</b>		
At amortised cost	93,070	68,749

Financial liabilities held at amortised cost on 31 May 2018 were made up of trade and other payables of £48,000 (31 May 2017: £nil) and accruals of £45,070 (31 May 2017: £68,749).

### 9 Other receivables

	2018 £	2017 £
Prepayments	12,188	17,000
	<u>12,188</u>	<u>17,000</u>

### 10 Cash and Cash Equivalents

	2018 £	2017 £
Cash at Bank	637,558	51,750
	<u>637,558</u>	<u>51,750</u>

### 11 Trade and other payables

	2018 £	2017 £
Trade payables	48,000	-
Accruals and other payables	45,070	68,749
	<u>93,070</u>	<u>68,749</u>

### 12 Events after the reporting date

There were no significant subsequent events.



# Contango Holdings PLC

## Notes to the Financial Statements For the year ended 31 May 2018

### 13 Related Party Transactions

The four serving directors all purchased shares and received warrants in relation to those shares as disclosed on pages 11 and 12 in the Directors' Remuneration Report.

### 14 Warrant Reserve

The following information is relevant in the determination of the fair value of the warrants issued during the year on 26 October and 1 November 2017.

Option pricing model used	Black-Scholes
Price at grant date	3p
Outstanding Life of Warrants	1.4
Expected Volatility	58.216%
Expected Dividend Yield	-
Risk Free Interest Rate	0.73%

Calculation of volatility involves significant judgement by the Directors. Volatility number was estimated based on the range of 30 month end volatilities of the main market mining index.

The aggregate fair value related to the share warrants granted during the year has been allocated to share premium as share issue costs in the amount of £84,874 (2017 nil).

### 15 Warrants

During the year ended 31 May 2018 the Company issued the following warrants to subscribe for shares:

Warrant exercise Price	Number of warrants granted	Vesting Date	Expiry Date	Fair value of individual option
£0.03	18,666,667	26 Oct 2017	31 Oct 2019	£0.0026
£0.05	11,666,650	1 Nov 2017	31 Oct 2019	£0.0032
<b>Total granted during the year</b>	<b>30,333,317</b>			

The weighted average fair value of each warrant granted during the year was £0.0028 (2017: nil).

No warrants have been exercised in the Company.



**Contango Holdings plc**  
**5<sup>th</sup> Floor, 1 Tudor Street**  
**London**

Crowe U.K. LLP  
St. Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

Dear Sirs

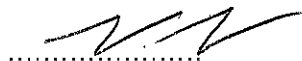
We provide this letter in connection with your audit of the financial statements of Contango Holdings plc for the year ended 31 May 2018 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the company as at 31 May 2018 and 31 May 2017 and of the results of its operations for the periods then ended in accordance with International Financial Reporting Standards ("IFRS").

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that, to the best of our knowledge and belief, we can properly make each of the following representations to you.

1. We have fulfilled our responsibility for the fair presentation of the financial statements in accordance with IFRS.
2. We acknowledge as directors our responsibility for making accurate representations to you and for the financial statements of the company.
3. We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud and errors.
4. We confirm as director at the time of approval of the financial statements that:
  - a) We have taken all the steps that we ought to have taken as a director in order to make ourselves aware of any relevant audit information and to establish that you are aware of that information and
  - b) that so far as they are aware there is no relevant audit information of which you are unaware.
5. We have provided you with all accounting records and relevant information, and granted you unrestricted access to persons within the entity, for the purposes of your audit.
6. All the transactions undertaken by the company have been properly reflected and recorded in the accounting records or other information provided to you.
7. We have considered the adjustments in Appendix 1, proposed by you. We confirm that, in our judgement, these adjustments are appropriate given the information available to us. We further confirm that we have now made these adjustments to the financial statements.
8. We are not aware of any actual or possible litigation or claims against the company whose effects should be considered when preparing the financial statements

9. There have been no events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements. Should any material events occur which may necessitate revision of the figures in the financial statements, or inclusion in a note thereto, we will advise you accordingly.
10. We have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
11. We are not aware of any fraud or suspected fraud affecting the company involving management, those charged with governance or employees who have a significant role in internal control or who could have a material effect on the financial statements.
12. We are not aware of any allegations by employees, former employees, analysts, regulators or others of fraud, or suspected fraud, affecting the company's financial statements.
13. We confirm that we are not aware of any known or suspected instances of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business.
14. We confirm that complete information has been provided to you regarding the identification of related parties and that we are not aware of any significant transactions with related parties other than the matters that have been appropriately and adequately disclosed.
15. We confirm we have appropriately accounted for and disclosed related party relationships and transactions in accordance with the requirements of applicable accounting standards
16. We confirm that, having considered our expectations and intentions for at least the next twelve months and the availability of working capital, the company is a going concern. We are not aware of any events, conditions, or business risks beyond the period of assessment that might cast significant doubt on the company's ability to continue as a going concern.
17. In respect of accounting estimates and judgements, we confirm our belief that the significant assumptions used are reasonable.
18. We confirm that the directors' emoluments for the financial year ended 31 May 2018 are as disclosed in the financial statements.

Yours faithfully,



Director

Signed on behalf of the board

...12<sup>th</sup> Sept. 2018

## Appendix 1 - Reconciliation of draft to final accounts

	Profit increase /(decrease)	Assets increase /(decrease)	Liabilities increase /(decrease)	Shareholders' funds
	£	£	£	£
<b>Loss per draft financial statements</b>	(193,814)			
Reporting accountant work invoiced in May 2018 not accrued	(28,650)		28,650	
Proportion of IPO listing related costs not charged to P&L	(104,212)			
<b>Total adjustments</b>	(132,862)		28,650	
<b>Revised loss per the financial statements</b>	<b>(326,676)</b>			

