Registered number: 10186111

Contango Holdings Plc

Annual Report and Financial Statements
For the year ended 31 May 2020

Company Information

Directors
Neal Griffith (resigned on 18 June 2020)
Brian McMaster (resigned on 18 June 2020)
Oliver Stansfield
Philip Richards
Carl Esprey (appointed 18 June 2020)
Roy Pitchford (appointed 18 June 2020)

Company Secretary
Graham May

Registered Office
4th Floor, 36 Spital Square
London
E1 6DY

Company Registered No. 10186111 (England and Wales)

Auditors
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Broker
Brandon Hill Capital Ltd
5th 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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For the year ended 31 May 2020

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

Brian McMaster (resigned on 18 June 2020)

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 (resigned on 18 June 2020)

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 (HNWs). 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.

Carl Esprey (appointed on 18 June 2020)

Carl, who qualified as a Chartered Accountant and Chartered Financial Analyst, has built a career in the natural resource investment and development sector. After beginning his career at Deloitte in Johannesburg in 2001, Carl joined BHP Billiton in 2004 as an analyst focussed on mergers and acquisitions. After four years at BHP Billiton, Carl used his expertise in the resources industry to move into equity investment and joined GLG Partners in London in 2008, where he focussed on natural resources investments. In 2014 Carl joined the board of Atlas Development & Support Services Limited and guided the company through its dual listing on the Growth Enterprise Market Segment of the Nairobi Securities Exchange, whilst also managing operations across Kenya, Ethiopia and Tanzania. Most recently, Carl has separately founded Elatio Tech Limited, a southern-African revenue generating gaming business and Waraba Gold Limited, a west-African gold exploration company.

Roy Pitchford (appointed 18 June 2020)

Roy is a Zimbabwean national and qualified as a Chartered Accountant in Zimbabwe. He has a long history in the country’s mining sector and was the President of the Chamber of Mines in Zimbabwe. He was the Chief Executive Officer at Cluff Resources, where he led the redevelopment of Freda Rebecca mine, the largest gold mine in the country, as well as several smaller mines in the portfolio. Also, he was Chief Executive Officer at Zimplats, where he oversaw the development of the Ngezi Opencast Platinum Mine into production, the re-commission of the Selous Metallurgical Complex in 2002 and created a company with a platinum-group metals resource base in excess of 300 million ounces. More recently, he was Chief Executive Officer at Vast Resources until December 2017, a company that has mines in both Romania and Zimbabwe and is currently non-executive director of LSE listed Mining, Minerals & Metals plc.

Contango Holdings Plc

Chairman's report
For the year ended 31 May 2020

The year under review saw Contango Holdings Plc progress the previously announced acquisition of the Lubu Coal Project in Zimbabwe. As shareholders will be aware, this transaction proved to be a lengthy and complicated process however our reasoning was solid – by taking this somewhat prolonged route, Contango eventually acquired (post period end on 18 June 2020) an asset with total historical spend in excess $20 million, over 100 holes and 12,000m of drilling completed and a total resource in excess of 1 billion tonnes of coal. The company has raised further finance post year end and intends on raising a further $4m of debt or equity finance to fund the development of its assets. The development plans are discussed in more detail in the Strategic Report.

The main focus of attention during the period was on advancing the transaction and ensuring the asset was developed to the point of pre-production. In June 2019, Contango began advancing funds to commence a new work programme including a nine-hole drill campaign designed to enable full washability test work, determination of product range, specific gravity and grade to verify product types for the purposes of off-take discussions.

This was a strategy which rewarded the Company following the completion of the transaction as we were able to swiftly move forward with off-take discussions, based on the evaluation of samples sent as part of our development activities during 2019, which has translated in two Letters of Intent from potential off-take partners in the past month. The initial two LOIs, for a total of 32,000 tonnes of coal per month, would, if formalised, generate EBITDA in excess of $1 million per month for Contango. This is clearly a remarkable result for shareholders; however, I believe that further LOIs and formal off-take agreements will be signed in the coming weeks as travel restrictions ease, and businesses further recover, following the COVID-19 lockdown experienced in recent months.

Contango is targeting an initial 1Mtpa of coal product sales, focussing on the production and sale of semi-soft coking coal for export to southern African countries. Although the project has a total resource in excess of 1 billion tonnes of coal, we are focussing initially on a small area of the B2 Block of Lubu, where the deposit starts at surface and goes down to a maximum depth of 47m. Site preparation has begun, and we are planning to use contract mining to fast track production whilst minimising capex. The Board expects that combined contract mining and processing costs will total US$15 per tonne, versus the sales price (minus potential transport costs) of between $70 and $105 per tonne, highlighting the significant margin achievable using this model.

The Board is now confident that we have the right foundation for a highly profitable mine at Lubu and we continue to press forward towards production, subject to formal off-take agreements, by the end of 2020. Whilst Lubu remains a priority focus for us, we have also returned to our original investment strategy in order to evaluate additional opportunities through which to generate further value. The Company has benefited from both its regional expertise in Zimbabwe and the profile of its UK listing, such that a number of opportunities have emerged that appear complementary to the Company's growth strategy. This strategy remains centred on targeting assets or businesses with near term cash flow, low capital commitments and short payback periods.

As announced earlier this month, the Company advanced our investment strategy through the acquisition of the Garalo Gold Project ("Garalo") in Mali for US$1 million. The Acquisition of Garalo, which is expected to commence gold production in H2 2021, brings a new and potentially lucrative dimension to Contango, diversifying both the Company's geographic presence and commodity focus.

The Garalo permit occupies 62.5km^2 in the Sikasso region of southern Mali, 200km south-east of the capital Bamako and close to the Guinea border. The permit is surrounded by a number of multi-million ounce gold deposits and the region is home to some of the world's leading gold miners, including AngloGold Ashanti, IAMGOLD, Barrick, B2 Gold, Endeavour Mining and Hummingbird Resources, which has helped to establish Mali as the third largest gold producer in Africa.

Known to certain members of the Contango team since 2015, the board is confident that Garalo, which benefits from excellent proximal infrastructure, historical exploration and the deposit's surface location, can be brought into production in H2 2021 for a capital cost of just US$1.2m. This will enable initial production of circa 10,000oz of gold per annum through an oxide plant, with further capital required for subsequent production from the sulphides. The Company is also looking at the potential of sourcing a further US$4M through non-equity capital providers, which would enable the Company to increase production to a rate of 30,000oz per annum. Discussions are underway with regional banks, well versed in the gold industry, as well as providers of royalties and the Company is optimistic it will have sourced this additional funding, without any dilution at the plc level, to enable a larger project and significantly enhanced economics by the time construction is scheduled to start in Q1 2021.

Corporate Overview

With the completion of the transaction post period end in June 2020, the Board's composition also changed. I joined the Board as Non-Executive Chairman and my colleague Carl Esprey joined as Executive Director. At the same time, and as previously announced, Brian McMaster and Neal Griffiths, both Non-Executive Directors, retired.

I would like to extend my thanks to both Brian and Neal – both of whom were extremely supportive and influential during the advancement of the Lubu transaction – and I wish them well in their future endeavours.

Outlook

Since the conclusion of the Lubu transaction in June 2020, both corporate and operational activities have accelerated, and I am confident that Contango will be revenue generative in the coming months. This is a significant achievement for Contango and represents the first phase of our growth strategy as we look to become an emerging mining and development company with multiple commodities and revenue streams.

As we look to earnings in 2021 and thereafter, as outlined earlier, the previously announced LOIs for 32,000 tonnes per month from Lubu the Board could translate to earnings of circa US$1m per month based on current pricing discussions. And at current gold prices of circa US$1,900, the Company's mine planning and block modelling studies at Garalo suggest that margins on production would exceed US$1,000/oz at the 10,000oz per annum production level, with the margin further enhanced once the larger 30,000oz operation was commissioned. Based on the initial 10,000oz scenario, the Board believes that Garalo would deliver a potential EBIT figure of circa US$1m per month, highlighting the material and near-term earnings potential for Contango.

It is with great optimism that I look forward to the remaining months in 2020, and 2021 onwards, as we build out on our guiding investing principles and generate material value for our shareholders. I would like to thank our shareholders, and the Contango team here, in Zimbabwe and Mali, for their support during the year and I look forward to providing further updates in due course.

Roy Pitchford
Non-Executive Chairman
20th November 2020

Contango's primary objective during the year was to advance the transaction to acquire, by way of a reverse takeover, Consolidated Growth Holdings' interest in the Lubu Coalfield Project in Zimbabwe ("Lubu"). Although the transaction completed post period end, Contango provided assistance to Monaf Investments (Private) Limited ("Monaf"), which holds legal title to the Lubu Coalfield Project in Zimbabwe during the year under review.

Post period end, the Company announced the acquisition of the Garalo Gold Project in Mali which the Company plans to develop into production in H2 2021.

Lubu Coal Project

On 22 February 2010, Monaf was granted SG 4686 to prospect for coal (excluding oil) in the Bulawayo Mining District of Zimbabwe. Exploration work started on the Special Grant Area on 22 February 2010 (with subsequent phases on 2 February 2011 and 12 October 2011). SG 4686 was extended for a period of two years from 22 February 2016. On 7 August 2017, Monaf submitted an application to extend SG 4686 for a further 25 years.

The Zimbabwean Mining Affairs Board sat in April 2018 and recommended this application for approval; on 4 September 2018 SG 4686 was extended to 27 September 2043, inclusive.

2019 Work Programme

Monaf undertook a programme that commenced in June 2019 to drill nine holes to extract samples from near surface seams within the initial pit design at Block B2 of the Lubu Coalfield. The seams at or closest to surface are seams 1C and 1A Lower. Both of these seams are amenable to open pit mining.

The analytical tests of these samples were undertaken by an independent laboratory being Bureau Veritas in South Africa.

The objective of the drilling was twofold:

i) to confirm the near surface structure of the coal measures; and
ii) to extract these samples for detailed analysis for washability to determine coking/caking yields and basic analysis to measure testing was primarily to investigate coking and caking properties.

The cokeability of coal is an important technology parameter of coals during the reduction process in the electric furnace method. The simplest test to evaluate whether a coal is suitable for production of coke is the free swelling index test. The free swelling index in British Standards Index (BSI) nomenclature (the crucible swelling index number (CSN) in ISO nomenclature) is a measure of increase in the volume of coal when heated, with exclusion of air. This parameter is useful in evaluating coals for coking and combustion. Coals with a low free swelling index (0-2) are not suitable for coke manufacture.

Coals with high swelling numbers (+8) cannot be used by themselves to produce coke, as the resultant coke is usually weak and will not support the loads imposed within the blast furnace.

The caking test is a measure of the strength of the coal once burnt. A successful coke must be strong and not powdery. There are a number of methods to calculate the caking, however, the G index was developed in China and is performed in accordance with GB/T 5447 and ISO 15585 standards. It is used as one of the primary met coal evaluation tools by Chinese coke producers. In this test, 1g of minus 0.2mm coal is mixed with 5g anthracite and placed in a crucible and is run through a range of tests to determine its durability. A desirable result is from 60 to 90.

The results from the Bureau Veritas laboratory in South Africa noted the following:

i) The coking properties of seam 1C which has a circa 45% yield at a float of F1.60, are supported by an average swell index of over 7. Seam 1A Lower was tested for a high 28MJ/KG CV coal which for (circa 44%) yield for a 28MJ/kg CV coal but can also produce a coking coal with swell indices ranging between 5.5 and 7.5; and

ii) The caking results from seam 1C ranges from 66 to 87, and seam 1A Lower range from 60 to 82 respectively.

The tests have not been reported upon by the Competent Person as tests are ongoing and designed for discussions with potential purchasers of the coal only.

Development Strategy

The main strategy and emphasis of the Monaf exploration programme was to focus on coal seams of economic significance within Block B2.

Monaf’s current NI 43-101 compliant resource mineral resource estimate presents an opportunity to establish a large-scale coal mining operation. The drilling results from the Block B2 area indicates lateral continuity over a large surface area (roughly 1,600 ha). This block has the potential to become the opencast nucleus of a relatively large dragline operation. With additional drilling, the Block B2 Indicated resource may be taken up the confidence level to Measured status, while Block B7 also may have potential as an open-castable block. The balance of the resource appears to consist of discrete, fault bounded blocks with the potential to form economic underground business units. Although the balance of the resource is at a Speculative level, it is understood that the structural elements of the deposit will allow for these blocks to be taken up the confidence curve into mineable blocks of sustainable magnitude.

The Company will undertake a phased development of Lubu by initially undertaking a period of small-scale mining from the open pit of coking and thermal coal. The Company will be required to undertake a Bankable Feasibility Study to determine the decision to invest in the full-scale production which is dependent on the economic conditions in the country and the development of the power generation capacity given the magnitude of developing the project.

The Company will undertake a phased development of Lubu by initially developing an open pit operation to access coking and thermal coal products close to surface.

The Lubu Coalfield is particularly large with over 1 billion tonnes of total coal resources and to fully develop such a project would require substantial investment and development. The Board will initially aim to sell coking and thermal coals from the seams near the surface and in due course consider the feasibility of developing the project into full-scale mining operation, subject to the general improvement in economic conditions in the country.

The Board will focus on developing markets for its semi soft coking coal and 28MJ/kg CV coal which is known to be in demand by industrial users in the Southern Africa region. The Company may develop a relatively material operation without recourse to the full-scale mining given that the terms of the SG 4686 does not stipulate a maximum threshold of production under the trial mining licence and bulk licence.

The Directors have engaged with the local environmental consultancies and the Zimbabwean Environmental Management Agency to progress discussions and applications for the licences and permits. These discussions have centred on establishing Monaf's regulatory obligations and are ongoing.

Coal extraction and sales of coal from the open pit

Once the site preparation is complete, the company will commence production of coking and thermal coal from the open pit in compliance with the terms of SG 4686. Monaf shall use contract mining companies based in Zimbabwe to carry out the extraction, for which the Directors estimate the mining costs will be up to $20 per tonne of coal based on recent enquiries from mining contractors in Zimbabwe.

By renting the wash plant, the Company will, other things being equal, be able to avoid the need for significant capital expenditure on Lubu. The downside to this approach is that the rental costs are likely to result in a higher production cost per tonne of coal, however the economics of the operation are estimated to cover this and the recently signed LOIs further support this assertion.

Whilst the Directors currently take the view that it is optimal to hire contractors rather than engage in the greater capital expenditure required for owner-operated mining at the present time, the Directors shall weigh-up the benefits of the contract-mining versus the owner-operated mining approaches on a regular basis in light of changing conditions.

The Board will review the appropriate time to initiate the Bankable Feasibility Study following a period of sustained success in Phase 1 operations and the general improvement in economic conditions in the

country. The Board believes that the country requires international funding to invest in the power infrastructure prior to embarking on fully developing the Lubu Coalfield given the scale of resources.
At such time the Company would need to undertake a Bankable Feasibility Study prepared by independent consultants, to ensure that a fully functioning mine is commercially viable and capable of attracting finance. The objective of the Bankable Feasibility Study will be to study the feasibility of full-scale mining by examining the capital expenditure, operating expenditure, engineering requirements and permitting aspects of the project so as to allow third party finance providers to reasonably assess the commercial viability of the project and the merits of financing such a project. This will be a necessary step, particularly as coal pricing and mining costs will have changed since the project started, and the profile of the coal types/products being sold into the marketplace will also have changed.

Garalo Gold Mine

Post period end, in October 2020 the Company announced the acquisition of the Garalo Gold Project in Mali for a consideration of US$1m, of which US$100k has already been paid to the vendor, who will retain an initial 25%. The vendor's interest is not free carried and will dilute in the event the vendor does not provide its pro rata contribution to the development of Garalo. The balance of the acquisition cost, being US$900k, falls due in February 2021, following conformational exploration work to be undertaken by Contango in the period.

Garalo is an advanced discovery and has a non-independent resource of 320koz Au at an average grade of 1.5g/t across three dominant structural trends. Garalo has been subject to the following work to date:

- regolith mapping and interpretation;
- soil geochemistry;
- airborne magnetic and radiometric surveys;
- over 900 drill holes, which have returned grades of up to 43g/t.

To date the drilling programme has focused on the G1A and G3 targets, which cover a relatively small footprint of the licence and remain open along strike, indicating further resource upside. With the planned exploration work to be undertaken by Contango over the coming months, the Company expects to be in a position to reclassify the resource to JORC standards in 2021, in conjunction with an anticipated increase in resource ounces. However, given the attractiveness and robust nature of the economics and drilling undertaken to date, the Company intends to trigger construction ahead of this to enable first production in H2 2021.

Financial Review

Funding

During the year the Company was funded through cash raised from the IPO.

Revenue

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

Expenditure

The Company has low ongoing overheads and devoted its cash resources to the transactions costs and advancing certain funds to Consolidated Growth Holdings in order to progress activities on the Lubu Coalfield site.

Liquidity, cash and cash equivalents

At 31 May 2020, the Company held £10,430 (2019: £280,884). However, the company relisted on the main market of the London Stock Exchange on 18th June 2020 and received significant new funding which will help fund development of the Lubu coalfield site. As disclosed in note 2 (b) the company will seek further funding during the course of 2021 to fund its planned capital expenditure.

Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and trade and other payables. It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are liquidity risk, price risk and foreign exchange risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to fund the Company's exploration and operating activities. Management prepares and monitors forecasts of the Company's cash flows and cash balances monthly and ensures that the Company maintains sufficient liquid funds to meet its expected future liabilities. The Company intends to raise funds in discrete tranches to provide sufficient cash resources to manage the activities through to profitability.

Price risk

The Company is exposed to fluctuating prices of commodities, including coal and gold, and the existence and quality of these commodities within the licence and project areas. The directors will continue to review the prices of relevant commodities as development of the projects continue and will consider how this risk can be mitigated.

Foreign exchange risk

The Company operates in a number of overseas jurisdictions and carries out transactions in a number of currencies including British pound sterling (currency symbol: GBP or GBP£) and United States dollar (currency symbol: USD or US$). The Company does not have a policy of using hedging instruments but will continue to keep this under review. The Company operates foreign currency bank accounts to help mitigate the foreign currency risk.

COVID-19 risk

The Company regards the health and safety of its employees and contractors as its highest priority. This is especially so during the current global COVID-19 outbreak. All Contango employees and contractors follow the Company's strict protocols to reduce the risk of transmission of COVID-19 across the Company's operations.

The business and operations of the Company are subject to a number of risk factors which may be sub-divided into the following categories:

Exploration and development risks, including but not limited to:

- Mineral exploration is speculative and uncertain
- Verification of historical washability analysis
- Independent verification of internal resource estimation at Garalo
- Mining is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business
- The volume and quality of coal recovered may not conform to current expectations
- The extend and grade of gold mineralisation at Garalo may not conform to current expectations

Permitting and title risks, including but not limited to:

- Licence and permits
- The Company will be subject to a variety of risks associated with current and any potential future joint ventures, which could result in a material adverse effect on its future growth, results of operations and financial position

Political risks, including but not limited to:

- Political stability
- Enforcement of foreign judgements
- Potential legal proceedings or disputes may have a material adverse effect on the Company's financial performance, cash flow and results of operations

Financial risks, including but not limited to:

- Foreign exchange effects
- Valuation of intangible assets
- The Company may not be able to obtain additional external financing on commercially acceptable terms, or at all, to fund the development of its projects

- The Company will be subject to taxation in several different jurisdictions, and adverse changes to the taxation laws of such jurisdictions could have a material adverse effect on its profitability
- The Company's insurance may not cover all potential losses, liabilities and damage related to its business and certain risks are uninsured and uninsurable

Commodity prices, including but not limited to:

- The price of coal may affect the economic viability of ultimate production at Lubu
- The revenues and financial performance are dependent on the price of coal
- The price of gold may affect the economic viability of ultimate production at Garalo

Operational risks, including but not limited to:

- Availability of local facilities
- Adverse seasonal weather
- The Company's operational performance will depend on key management and qualified operating personnel which the Company may not be able to attract and retain in the future
- The Company's directors may have interests that conflict with its interests
- Risk relating to Controlling Shareholders

The Company's comments and mitigating actions against the above risk categories are as follows:

Exploration and development risks

There can be no assurance that the Company's development activities will be successful however significant exploratory work has been conducted to date at Lubu and Garalo which supports the Board's confidence that a profitable mining operation can be developed.

Additionally, the phased development route which will be employed at Lubu seeks to mitigate risks along the development life cycle of the project.

Permitting and title risks

The Company complies with existing laws and regulations and ensures that regulatory reporting and compliance in respect of each permit is achieved. Applications for the award of a permit may be unsuccessful. Applications for the renewal or extension of any permit may not result in the renewal or extension taking effect prior to the expiry of the previous permit. There can be no assurance as to the nature of the terms of any award, renewal or extension of any permit.

The Company regularly monitors the good standing of its permits.

Political risks

The Company maintains an active focus on all regulatory developments applicable to the Company, in particular in relation to the local mining codes.

In recent years the political and security situations in Zimbabwe and Mali have been particularly volatile.

Financial risks

The board regularly reviews expenditures on projects. This includes updating working capital models, reviewing actual costs against budgeted costs, and assessing potential impacts on future funding requirements and performance targets.

Commodity prices

As projects move towards commercial mining the Company will increasingly review changes in commodity prices so as to ensure projects remain both technically and economically viable.

Operational risks

Continual and careful planning, both long-term and short-term, at all stages of activity is vital so as to ensure that work programmes and costings remain both realistic and achievable.

COVID-19 outbreak

In addition to the foregoing comments and mitigating actions against the above risk categories the Company has implemented various protocols in relation to the current COVID-19 outbreak. Contango places the health and safety of its employees and contractors as its highest priority. Accordingly, a business continuity programme has been put in place to protect employees whilst ensuring the safe operation of the Company.

Having spoken with, amongst others, local government, staff and contractors, strict protocols have been implemented to reduce the risk of transmission of COVID-19 at all the Company's operations.

The situation in respect of COVID-19 is an evolving one and the Board will continue to review its potential impact on its staff and the business.

Directors' section s172 statement

The Board of Contango Holdings plc is aware that the decisions it makes may affect the lives of many people. The Board makes a conscious effort to try and understand the interests of the Company's stakeholders, and to reflect them in the choices the Board makes in creating long-term sustainable value for the business.

The Board views engagement with the Company's shareholders and wider stakeholder groups as essential work. The Board is aware that it needs to listen to each stakeholder group, so that it can understand specific interests, and foster effective and mutually beneficial relationships. By understanding the Company's stakeholders, the Board can build their needs into the decisions it takes.

Throughout this Annual Report, the Board provides examples of how Contango:

- Considers the likely consequences of long-term decisions;
- Fosters relationships with stakeholders;
- Understands its impact on local communities and the environment; and
- Demonstrates the importance of behaving responsibly.

This section serves as Contango's section 172 statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement. Section 172 of the Companies Act 2006 requires Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, taking into account the factors listed in s172 in regard to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the Company's employees;

(c) the need to foster the Company's business relationships with suppliers, customers and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Company.

The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The Company is seeking to produce coal and gold to benefit our employees, investors, communities and regional stakeholders. The Board regularly reviews its principal stakeholders and how the Board engages with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The following table acts as Contango's s172(1) statement by setting out the key stakeholder groups, their interests and how the Company has engaged with them over the reporting period.

STAKEHOLDER	THEIR INTEREST	ENGAGEMENT METHOD
Investors	- Business sustainability - High standard of governance - Comprehensive review of financial performance of the business - Ethical behaviour - Awareness of long term strategy and direction	- Annual and Interim reports - Regular operations and trading updates - RNS Announcements - Investor relations section on website - AGM - Shareholder circulars - Shareholder liaison through board

	- Continual approval of market perception of the business - Delivering long term value	- Board encourages open dialogue with the Company's investors - Social media
Regulatory bodies	- Compliance with regulations - Worker pay and conditions - Health & Safety - Waste and environment - Insurance - Environmental Protection	- Stock Exchange announcements - Annual Report - Website - Direct contact with regulators - Compliance update at Board meetings - Communications with Zimbabwean and Malian Governments - Engagement with local community leaders
Environment	- Sustainability - Waste Management - Energy usage	- Adhere to local environmental codes
Community	- Community outreach - Human Rights - Sustainable growth minimising adverse impacts	- Meeting with key community representatives - Partnering with communities in which we operate
Contractors and JV Partners	- Terms and conditions of contract - Health & Safety - Human rights and modern slavery	- Anti-bribery policy - Whistleblowing policy

Signed on behalf of the board of directors

Carl Esprey

Executive Director

20th November 2020

The Directors present their report and the audited financial statements for the year ended 31 May 2020. 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 £258,027 (2019: £320,299 loss).

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
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 report.

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 26 October 2020, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

	Holdings	Percentage
Consolidated Growth Holdings Ltd	128,849,961	53.77%
Spreadex Ltd	21,385,000	8.92%
JIM Nominees Ltd	18,211,228	7.60%
Pershing Nominees Ltd	17,340,699	7.24%
BNY (OCS) Nominees Ltd	10,700,000	4.47%

The directors' beneficial interests in the Ordinary share capital, which were all individually over 3% prior to the relisting on 18th June 2020 and as such a substantial interest, are disclosed on page 16.

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 supplies 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.

Internal financial control

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

- The maintenance of adequate 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) 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 financial statements.

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.

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. 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 loss 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 (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 7 and 14 respectively. The Directors undertook 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, the Company's broker. There are now 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 liquidity risk. Note 2 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

Note 12 of the financial statements provides further detail on the proposed acquisition.

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. However, the directors acknowledge that there is a material uncertainty in respect of going concern Further details are given in Note 2 (b) 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.

Carl Esprey

Executive Director on behalf of the Board

20th November 2020

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. Each director has agreed to receive this bonus in shares of the Company upon closing the transaction.

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 2020:

Executive Director	**Base salary (£)**	**Benefits in kind (£)**	**Pension Contribution (£)**	**Total 2020 (£)**
Philip Richards	18,000	-	-	18,000
Brian McMaster	18,000	-	-	18,000
Neal Griffith	18,000	-	-	18,000
Oliver Stansfield	18,000	-	-	18,000
	72,000	-	-	72,000

Remuneration paid to the Directors' during the period ended 31 May 2019 was:

Executive Director	Base salary (£)	Benefits in kind (£)	Pension Contribution (£)	Total 2019 (£)
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

There were no performance measures associated with any aspect of Directors' remuneration during the 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 2019 and 31 May 2020 was:

	31 May 2020 Number	%age of issued share capital 2019 and 2020
Philip Richards	3,214,033	7.48%
Brian McMaster	3,214,033	7.48%
Neal Griffith	3,214,033	7.48%
Oliver Stansfield	3,214,033	7.48%
	12,856,132	29.92%

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

Director		Exercise Price	Earliest date of exercise	Latest date of exercise
Philip Richards	3,068,200	Series 1: 3p	1 Nov 2019	31 Oct 2021
	72,916	Series 2: 5p		
Brian McMaster	3,068,200	Series 1: 3p	1 Nov 2019	31 Oct 2021
	72,916	Series 2: 5p		
Neal Griffith	3,068,200	Series 1: 3p	1 Nov 2019	31 Oct 2021
	72,916	Series 2: 5p		
Oliver Stansfield	3,068,200	Series 1: 3p	1 Nov 2019	31 Oct 2021
	72,916	Series 2: 5p		

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 suspended from 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

From incorporation 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

Carl Esprey

Executive Director

20th November 2020

Independent Auditor's Report To The Members Of Contango Holdings Plc
For the year ended 31 May 2020

Opinion

We have audited the financial statements of Contango Holdings plc for the year ended 31 May 2020 which comprise:

- The statement of comprehensive income for the year ended 31 May 2020;
- the statement of financial position as at 31 May 2020;
- 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 2020 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which details the factors the company has considered when assessing the going concern position. As explained in note 2, the directors acknowledge that there is a material uncertainty in respect of going concern, as there is no guarantee of receiving future funds to take it through to production and cash generative position. Should this uncertainty not be resolved this may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 £8,000, 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.

We agreed with the board of directors to report to it all identified errors in excess of £400. 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.

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management.

Based on our understanding of the company and the industry in which it operates, together with discussions with management, we have identified financial reporting standards and the Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements, and from which misstatements could be indicative of fraud

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- enquiry of management about litigations and claims and inspection of relevant correspondence
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

Key Audit Matters

Except for the matter described in the Material uncertainty related to going concern, we have determined that there are no other key audit matters to communicate in our report.

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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 12 and 13, 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.

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. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the board on 20 July 2020 to audit the financial statements for the year ended 31 May 2020. This is our third 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 £5,113 (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.

M Stallabrass

Matthew Stallabrass

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

20th November 2020

Contango Holdings PLC

Statements of Comprehensive Income
For the year ended 31 May 2020

	Notes	Year ended 31 May 2020 £	Year ended 31 May 2019 £
Administrative fees and other expenses	4	(258,027)	(320,229)
Operating loss		**(258,027)**	**(320,229)**
Finance revenue		-	-
Finance expense		-	-
Loss before tax		**(258,027)**	**(320,299)**
Income tax		-	-
Loss for the year and total comprehensive loss for the year		**(258,027)**	**(320,299)**
Basic and diluted loss per Ordinary Share (pence)	5	**(0.60)**	**(0.75)**

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 2020

	Notes	As at 31 May 2020 £	As at 31 May 2019 £
Current assets			
Other receivables	9	403,163	31,311
Cash and cash equivalents	10	10,430	280,884
Total current assets		**413,593**	**312,195**
Current liabilities			
Trade and other payables	11	435,173	75,748
Total current liabilities		**435,173**	**75,748**
Net (liabilities)/assets		**(21,580)**	**236,447**
Equity			
Share capital	7	429,500	429,500
Share premium	7	368,978	368,978
Warrant reserve	7	84,874	84,874
Retained earnings	7	(904,932)	(646,905)
Total equity		**(21,580)**	**236,447**

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 20th November 2020 and signed on its behalf by:

…………………………………

Carl Esprey
Director

Registered number: 10186111

Contango Holdings PLC

Statements of Changes in Equity
For the year ended 31 May 2020

	Share Capital	Share premium	Warrant Reserve	Retained earnings	Total Equity
	£	£	£	£	£
Balance as at 31 May 2018	429,500	368,978	84,875	(326,676)	556,676
Loss for the year 31 May 2019	-	-	-	(320,229)	(320,229)
Balance as at 31 May 2019	**429,500**	**368,978**	**84,874**	**(646,905)**	**236,447**
Loss for the year	-	-	-	(258,027)	(258,027)
Balance as at 31 May 2020	**429,500**	**368,978**	**84,874**	**(904,932)**	**(21,580)**

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 2020

	Notes	Year ended 31 May 2020 £	Year ended 31 May 2019 £
Operating activities			
Loss after tax		(258,027)	(320,229)
Changes in working capital			
(Increase)/decrease in trade and other receivables		(371,852)	(19,123)
Increase in trade and other payables (see reconciliation below)		359,425	(17,322)
(Decrease) in Net cash from operating activities		(270,454)	(356,674)
Financing activities			
Ordinary Shares issued (net of issue costs)	7	-	-
Net cash flows from financing activities		-	-
(Decrease)/Increase in cash and short-term deposits		**(270,454)**	**(356,674)**
Cash and short-term deposits as at the start of the period		280,884	637,557
Cash and short-term deposits at the end of the period		**10,430**	**280,884**

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

Reconciliation of Movements in Financial Liabilties

Classification	1 June 2019	Cash Flow	Trade and Other Payables	31 May 2020
Trade Payables	35,350	(124,349)	295,193	206,194
Accruals and Other Payables	40,398	(81,339)	269,920	228,979
Total	75,748			435,173

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 asset 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.

At the date of authorisation of these financial statements. certain new standards, amendments and interpretations to existing standards have been published but are not effective, and have not been adopted early by the Company. The Directors anticipate that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement.

The Company has not early adopted amended standards and interpretations which are currently in issue but not effective for accounting periods commencing after 1 June 2019 as adopted by the EU. The Directors do not anticipate that the adoption of standards and interpretations will have a material impact on the Company's financial statements in the periods of initial application.

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

b) Going concern

The company has raised finance post year end to fund the acquisitions and development expenses. The company projects that it will need to raise further debt or equity finance of approximately $4m to fund the planned development expenditure over the period to December 2021. The directors believe that this will bring the projects to production and cash generation however due to the inherent uncertainties associated with the development of mining assets neither this, nor the raising of the finance, can be guaranteed. Whilst the directors are confident they will be able to realise the additional finance required, based on their recent experience of raising money in the Covid-19 environment, this is not guaranteed and hence there is a material uncertainty in respect of going concern. However, the directors have, at the time of approving the financial statements, a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, which is defined as twelve months from the signing of this report. For this reason, the directors continue to adopt the going-concern basis of accounting in preparing the financial statements.

In making this assessment the directors have considered current and developing impact on the business as a result of the COVID-19 virus. Whilst this has not had an immediate impact on the group's operations, it is not anticipated to have any significant impact given the relatively limited activities of the group. The directors are aware that if the current situation becomes prolonged then this may need to be re-evaluated.

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) *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 reporting 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.

e) *Financial Instruments*

The Company applied IFRS 9 for the first time in the prior year financial statements. IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities and replaces IAS 39 Financial Instruments: Recognition and Measurement.

The company has applied the new standard with effect from 1 January 2018. There has been no impact on opening equity. This has not lead to any changes in the basis of the measurement categories of either financial assets or financial liabilities. The comparative period have not been restated and reflect the requirements of IAS 39.

Financial Assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

As at the reporting date the Company holds no financial assets other than cash and the loan to Consolidated Growth Holdings Ltd.

f) *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.

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.

g) *Derecognition of financial liabilities*

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

h) *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.

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.

Going concern is assessed to be a significant judgement which is detailed in accounting policy note 2 (b)

4 Loss before taxation

Loss before income tax is stated after charging:	**Year ended 31 May 2020 £**	**Year ended 31 May 2019 £**
Directors' remuneration	72,000	48,000
Fee payable to the Company's auditor for the audit of the company's annual accounts	15,250	16,800
Fee payable to the Company's auditor in respect of all other non-audit services	5,113	60,750

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.

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 2020	**Year ended 31 May 2019**
Earnings		
Loss from continuing operations for the period attributable to the equity holders of the Company	(258,027)	(320,229)
Number of Ordinary Shares		
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per Ordinary Share (number)	42,949,987	42,949,987
Basic and diluted loss per Ordinary Share (pence)	**(0.60)**	**(0.75)**

There are no potentially dilutive Ordinary Shares in issue.

6 **Income tax**

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

As the Company continues to be non-trading, no account has been made for Corporation Tax nor for Deferred Tax in the year ended 31 May 2020. The Company also believes there are no accumulated losses to be carried forward. The Board believes that the previously reported losses in the year ended 31 May 2019 may not be recoverable against future gains.

7 **Share capital**

	Number of Ordinary Shares issued and fully paid	**Share Capital**	**Share Premium**	**Warrants Reserve**	**Total Share Capital**
		£	**£**	**£**	**£**
As at 31 May 2019 and 2020	**42,949,987**	**429,500**	**368,978**	**84,874**	**883,352**

The Ordinary Shares issued by the Company have par value of 1p each and each Ordinary Share carries one vote on a poll vote. The Authorised share capital of the company is £5,000,000 ordinary shares at £0.01 per share resulting in 500,000,000 ordinary shares.

On 18th June 2020 Consolidated Growth Holdings were paid for their 70% shareholding in the Lubu project with the issue of 128,849,961 new shares in Contango Holdings. In the associated placing 28 million new ordinary shares were issued along with 3,333,330 bonus shares for the Contango directors. This increased the total number of shares in issue to 203,133,278.

On 5th August 500,000 warrants were exercised.

On 19th October Contango announced that it had issued 36 million new ordinary shares in a placing. This increased the total number of shares in issue to 239,633,278. See Note 12.

Explanation of Reserves

Share Capital – Represents the nominal value of ordinary shares issued.

Share Premium – Represents the amount in excess of nominal value received from the issue of ordinary shares.

Warrant reserve – Is used to recognise the fair value of the issuance of warrants , net of issue costs. This will be transferred to the share capital/premium reserves upon the exercise of the warrants.

Retained Earnings – Reflects the entity’s accumulated earnings recognised in the statement of financial position.

8 Financial instruments

	As at 31 May 2020 £	As at 31 May 2019 £
Financial assets		
Cash and cash equivalents	10,430	280,884
Loan to CGH	392,331	-
Financial liabilities		
At amortised cost	435,173	75,748

9 Other receivables

	2020	2019
	£	£
Prepayments	10,832	31,311
Loan to Consolidated Growth Holdings Ltd (CGH)	392,331	
	403,163	31,311

The loan was made to CGH to fund ongoing exploration work at the Lubu coal project in Zimbabwe whilst the acquisition was being considered by the UK Listing Authority (see Note 12). Had the transaction not gone ahead the loan would have been repayable by CGH by the end of 2020. On completion of the transaction in June 2020 the balance was considered to be part of the purchase consideration and hence will be classified as investments and a non-current asset. When assessing the asset for impairment Management have considered the overall carrying value of the assets acquired as the loan has funded their development.

10 Cash and Cash Equivalents

	2020	2019
	£	£
Cash at Bank	10,430	280,884

11 Trade and other payables

	2020	2019
	£	£
Trade payables	206,194	35,350
Accruals and other payables	228,979	40,398
	435,173	75,748

12 Events after the reporting date

The acquisition of the Lubu coalfield project by the company took place on the 18th June 2020 and the company's shares were readmitted for trading on the London Stock Exchange. The company's shares had been suspended on 22nd December 2017 when it was announced that it had signed a memorandum of understanding with CGH and entered into an exclusivity period with regards to the possible acquisition of Monaf, a company incorporate in Zimbabwe which holds the Lubu Coalfield. Dealings in the Company's Ordinary Shares were, accordingly, suspended pending the publication of a prospectus in relation to this transaction. The company acquired 70% of the shares of Monaf, which holds the Lubu Coalfield project, with the issue of 128,849,961 new shares in Contango Holdings and the payment of £392,331 in cash which had already been advanced to the vendor, Consolidated Growth Holdings (see note 9). This represents 63.4% of the enlarged share capital of Contango. In the associated placing 28 million new ordinary shares were issued and a total of £1.4m (before costs) was raised at this date.

The preliminary assessment of the assets acquired on acquisition of Monaf is:

	£
Intangible assets – mining rights	9,823,084
Trade and other payables	(59,000)
Non-controlling interest	(2,929,255)
Purchase consideration	6,834,829

If the acquisition had occurred at the beginning of the accounting period no additional revenue would have been recognised and the reported loss would have increased by an estimated £127,000.

The above disclosure assumed the acquisition of Monaf will be accounted for as an acquisition under IFRS 3. Management are, however, still reviewing the details of the transaction and in particular whether it meets the definition of a reverse acquisition under IFRS 3. This involves an analysis of the legal agreements and in particular the Relationship Agreement which governs the relationship between the company and Consolidated Growth Holdings, its majority shareholder. This analysis is still ongoing. If the transaction were accounted for as a reverse acquisition the assets of Monaf would be recognised at book value (limited to the £59,000 value of trade payables) and the assets of Contango fair valued. The difference to the purchase consideration would be recognised in reserves.

On 19th October 2020 Contango announced that it had issued 36 million new ordinary shares in a placing that raised £1.8m (before costs). On the same date the company announced that it had bought a 75% stake in the Garalo gold mining project in Mali for $1m.

13 Related Party Transactions

All directors hold shares and warrants as disclosed on pages 16 and 17 in the Directors' Remuneration Report. Neal Griffiths and Oliver Stansfield are Directors of both Brandon Hill Capital and the Company. Brandon Hill Capital acts as the broker to the Company and are paid an annual retainer of £35,000 per annum

As at 31 May 2020 an amount of £252,665 (2019: nil) was due to the directors of the company. This amount is included in trade and other payables. Subsequent to the year-end £162,000 of this balance was converted into equity and the remainder repaid.

14 Warrants

During the year ended 31 May 2020 the Company renewed the following warrants (originally due to expire on 31 October 2019) 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 2021	£0.0026
£0.05	11,666,650	1 Nov 2017	31 Oct 2021	£0.0032
Total granted during the year ended 31 May 2020	30,333,317			

No warrants have been exercised in the Company.