THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA").

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with the Prospectus Regulation Rules.

The Acquisition (as defined herein) is classified as a reverse takeover under the Listing Rules and, in accordance with the Listing Rules, the UK Listing Authority is expected to cancel the Existing Ordinary Shares at 8.00 a.m. on 18 June 2020. Applications will be made to the FCA for the Existing Ordinary Shares to be readmitted, and for the New Ordinary Shares to be admitted, to the Official List (by way of a Standard Listing) and to the London Stock Exchange, for such Existing Ordinary Shares to be readmitted and New Ordinary Shares to be admitted to trading, and for dealings to commence, on the London Stock Exchange's Main Market for listed securities. It is expected that Readmission will become effective at 8.00 a.m. on 18 June 2020. When admitted to trading the Existing Ordinary Shares and the New Ordinary Shares will have an ISIN of GB00BF0F5X78.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED 'RISK FACTORS' BEGINNING ON PAGE 12 OF THIS DOCUMENT.

The Directors and the Proposed Directors, whose names appear on page 26, and the Company accept responsibility for the information contained in this Document (including any expression of opinion). To the best of the knowledge of the Directors, the Proposed Directors and the Company the information contained in this Document is in accordance with the facts and contains no omission likely to affect the import of the information.

Certain information in relation to the Company has been incorporated by reference into this Document. You should refer to the part of this Document headed 'Relevant Documentation and Incorporation by Reference' which can be found on page 24 of this Document.

Contango Holdings plc

(Incorporated in England and Wales with Registered No. 10186111)

Readmission of 42,949,987 Ordinary Shares of £0.01 each

and

Admission of 128,849,961 Consideration Shares of £0.01 each at a price of £0.05 per Consideration Share

and

Cash Placing of 28,000,000 Ordinary Shares of £0.01 each at a placing price of £0.05 per Ordinary Share

and

Issue of 3,333,330 Ordinary Shares of £0.01 each at a price of £0.0375 per Ordinary Share in lieu of completion bonus, to the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's Main Market for listed securities,

and

Approval of waiver of Rule 9 of the City Code on Takeovers and Mergers,

and

Notice of General Meeting

Financial Adviser & Broker	Independent Financial Adviser
BRANDON HILL CAPITAL LIMITED	**SHARD CAPITAL PARTNERS LLP**

Brandon Hill Capital, which is authorised and regulated by the FCA in the conduct of investment business, is acting exclusively for the Company and for no-one else in connection with the Placing and Readmission and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Brandon Hill Capital or for providing advice in relation to the contents of this Document or any matter referred to in it.

Brandon Hill Capital is not making any representation, express or implied, as to the contents of this Document, for which the Company, the Directors and the Proposed Directors are solely responsible. Without limiting the statutory rights of any person to whom this Document is issued, no liability whatsoever is accepted by Brandon Hill Capital for the accuracy of any information or opinions contained in this Document or for any omission of information, for which the Company and the Directors are solely responsible. The information contained in this Document has been prepared solely for the purpose of the Placing and Readmission and is not intended to be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

The New Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all Existing Ordinary Shares in issue on Readmission.

This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, the Republic of South Africa or Japan (or their respective territories). Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, the Republic of South Africa, Japan (or their respective territories) or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States. The Company has not been and will not be registered under the United States Investment Company Act pursuant to the exemption provided by Section 3(c)(7) thereof, and investors will not be entitled to the benefits of that Act.

The distribution of this Document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possessions this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares have been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

Application will be made for the Existing Ordinary Shares to be readmitted and the New Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

This Document is dated 20 May 2020

The Directors and the Proposed Directors, whose names appear on page 26, and the Company accept responsibility for the information contained in this Document (including any expressions of opinion). To the best of the knowledge of the Directors, the Proposed Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and contains no omission likely to affect the import of the information.

NOTICE TO INVESTORS

The distribution of this Document and the Placing and Readmission may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Document has been approved by the FCA, as competent authority under the Prospectus Regulation, as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA and of the Prospectus Regulation. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this Document. Investors should make their own assessment as to the suitability of investing in the securities. No arrangement has been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in any jurisdiction. Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below. This Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

For the attention of European Economic Area investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Regulation (each, a "**Relevant Member State**"), an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Regulation as implemented by such Relevant Member State. For the other Relevant Member States, an offer to the public in that Relevant Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Relevant Member State and, subject to Article 3 of the Prospectus Regulation:

- to any legal entity which is a qualified investor, within the meaning of article 2(e) of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such Relevant Member State subject to obtaining prior consent of the Company for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression an 'offer to the public' in relation to any offer of Ordinary Shares in any European Economic Area Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

For the attention of UK investors

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

For the attention of US investors

The Ordinary Shares have not been and will not be registered under the Securities Act, as amended, or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States, except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or jurisdiction of the United States.

Accordingly, the Ordinary Shares may only be sold: (i) within the United States or to US Persons as defined in Regulation S of the Securities Act ("**US Persons**") (wherever located) in transactions exempt from the registration requirements of the Securities Act and only to persons who are both qualified institutional buyers, as defined in Rule 144A of the Securities Act; and (ii) outside the United States to persons who are non-US Persons in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act.

The Ordinary Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

Available information

The Company is not subject to the reporting requirements of section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"). For so long as any Ordinary Shares are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act, the Company will, during any period in which it is neither subject to section 13 or 15(d) of the US Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide, upon written request, to Shareholders and any owner of a beneficial interest in Ordinary Shares or any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. The Company expects to be exempt from reporting pursuant to Rule 12g32(b).

Enforcement of judgments

The Company is incorporated under the laws of England. It may not be possible for investors to effect service of process within the United States upon the Company, or any Directors or Proposed Directors who are not US citizens or residents of the United States, or to enforce outside the United States judgments obtained against the Company, or any Directors or Proposed Directors who are not US citizens or residents of the United States in US courts, including, without limitation, judgements based upon the civil liability provisions of the US federal securities laws or the laws of any state or territory within the United States. There is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of United States court judgments, of civil liabilities predicated solely upon US federal securities laws. In addition, awards for punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom.

CONTENTS

PART I

SUMMARY

This summary is made up of four sections, and contains all the sections required to be included in a summary for this type of securities and issuer. Even though a sub-section may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the sub-section. In this case, a short description of the sub-section is included in the summary with the mention of "not applicable".

INTRODUCTION AND WARNINGS	
Name and ISIN of the securities	The securities subject to Readmission are Ordinary Shares of £0.01 each which will be registered with ISIN number GB00BF0F5X78 and SEDOL number BF0F5X7.
Identity and contact details of the issuer	The issuer is Contango Holdings plc, and its registered address is at 4th Floor, 36 Spital Square, London E1 6DY, United Kingdom and telephone number is 020 3463 5000. The Company's legal entity identifier is: 213800HZ69B3QHCUGX36
Identity and contact details of the offeror or of the person asking for admission to trading on a regulated market	The Company is the offeror and the person asking for admission to trading of the Ordinary Shares on the Main Market, which is a regulated market.
Identity and contact details of the competent authority approving the prospectus	The competent authority approving the prospectus is the FCA. The FCA's registered address is at 12 Endeavour Square, London E20 1JN, United Kingdom and telephone number is +44 (0)20 7066 1000.
Date of approval of the prospectus	The prospectus was approved on 20 May 2020.
Warnings	This summary should be read as an introduction to the prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of the prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
KEY INFORMATION ON THE ISSUER	
Who is the issuer of the securities?	
Domicile and legal form	The Company was incorporated in England and Wales on 18 May 2016 as a private company with limited liability under the Companies Act 2006 (the "Act") and re-registered on 7 June 2017 as a public limited company under the Act. The Company's legal entity identifier is: 213800HZ69B3QHCUGX36
Principal activities	The Company was established to undertake an acquisition of a company or business in the natural resources sector. The Company was admitted to listing on the Official List of the United Kingdom Listing Authority by way of a Standard Listing and to trading on the London Stock Exchange plc's Main Market on 1 November 2017 ("Initial IPO"). The Company raised £1,000,000 (before expenses) in conjunction with the Initial IPO and the formation of the Company through a placing and founder subscription. Since the Initial IPO, the Company has identified and reviewed a number of acquisition targets in the natural resources sector. Upon reviewing the transaction

<table>
<tr><td></td><td>involving Monaf, the Board unanimously decided that it met with the Company's acquisition criteria.

On 22 December 2017, the Company announced it had signed a memorandum of understanding with CGH and entered into an exclusivity period with regards to the possible acquisition of Monaf, which holds a potential asset in Zimbabwe, 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 has advanced US$487,500 to CGH since June 2019 to commence the comprehensive work programme including drilling and coal product testwork at the Lubu Coalfield.

Following Completion, the objective of the Company will be to prepare the site for mining operations and commence production of coking and thermal coals from the open pit in Block B2 of the Lubu Coalfield.</td></tr>
<tr><td>Major shareholders</td><td>So far as the Company is aware, as at the LPD and immediately on Readmission, the following persons, directly or indirectly, had/will have a direct interest in the Company's capital and Voting Rights which is notifiable under the Disclosure and Transparency Rules:

<table><tr><th>Shareholder</th><th>Number of Ordinary Shares</th><th>Percentage of issued share capital on Readmission</th></tr><tr><td>CGH</td><td>128,849,961</td><td>63.4%</td></tr><tr><td>JIM Nominees Ltd</td><td>16,586,927</td><td>8.2%</td></tr></table>
Prior to Readmission, CGH does not hold any interest in the Company's share capital nor Voting Rights. All of the Ordinary Shares shall rank pari passu in all respects.</td></tr>
<tr><td>Directors</td><td>Brian McMaster (to resign upon Readmission), Neal Griffith (to resign upon Readmission), Oliver Stansfield and Philip Richards.

Proposed Directors: Carl Esprey and Roy Pitchford.</td></tr>
<tr><td>Statutory auditors</td><td>Crowe U.K. LLP.</td></tr>
<tr><td colspan="2">What is the key financial information regarding the issuer?</td></tr>
<tr><td>Selection of historical key financial information</td><td>Company

Upon Readmission, the Acquisition will be completed, and the Company will be the majority holding company of Monaf. Accordingly, this Document contains pro forma financial information for the Enlarged Group.

The tables below set out a summary of the Company Financial Information as extracted from Section (B) "Historical Financial Information of the Company" and Section (C) "Unaudited Interim Financial Information of the Company" of Part VIII "Financial Information of the Company" of this Document.

The Company was incorporated on 18 May 2016 and its financial year end is 31 May. During the year ended 31 May 2018, the Company raised net cash of £883,000 through the issue of new Ordinary Shares. Administrative and personnel expenditure of £327,000 was incurred during the year, resulting in the Company having cash reserves of £638,000 as at 31 May 2018. In the year ended 31 May 2019, the Company incurred administrative expenses of £320,000, resulting in cash reserves decreasing to £281,000 as at 31 May 2019. During the six-month period ended 30 November 2019, the Company incurred administrative expenses of £88,000, predominantly in relation to the transaction. As at 30 November 2019, the cash balance of the Company was £181, immediately prior to the advance of $325,000 of funds to the CGH to commence the work program at the project.

Subsequent to 30 November 2019, the Company received additional interest free, unsecured loans from the Directors totalling £108,000, resulting in a balance owed of £168,000 as at the date of this Document. As part of the Placing, the Directors will convert £162,000 of their aggregate loans into 3,240,000 Ordinary Shares at the Placing Price, being 5p per Ordinary Share. Following the Placing, the aggregate amount owing to the Directors will be £6,000. In addition, the Company has loaned a further £108,000 to CGH subsequent to 30 November 2019, bringing the amount of the loan up to £392,331 as at the date of this Document.

Other than set out above, there have been no other significant changes in the financial condition or operating results of the Company in each of the periods ended 31 May 2017, 31 May 2018, 31 May 2019 or 30 November 2019 or subsequent thereto.</td></tr>
</table>

Summary statements of financial position

	Audited as at 31 May 2017 £'000	Audited as at 31 May 2018 £'000	Audited as at 31 May 2019 £'000	Unaudited as at 30 November 2019 £'000
Total assets	69	650	312	298
Total equity	–	557	236	148

Summary income statements

	Audited 13 months ended 31 May 2017 £'000	Audited Year ended 31 May 2018 £'000	Audited Year ended 31 May 2019 £'000	Unaudited six-months ended 30 November 2018 £'000	Unaudited six-months ended 30 November 2019 £'000
Total revenue	–	–	–	–	–
Operating loss	–	(327)	(320)	(181)	(88)
Loss for the period and total comprehensive loss for the period	–	(327)	(320)	(181)	(88)
Basic and diluted loss per Ordinary Share (pence)	–	(1.00)p	(0.71)p	(0.42)p	(0.21)p

Summary cash flows

	Audited 13 months ended 31 May 2017 £'000	Audited Year ended 31 May 2018 £'000	Audited Year ended 31 May 2019 £'000	Unaudited six-months ended 30 November 2018 £'000	Unaudited six-months ended 30 November 2019 £'000
Net cash flows from operating activities	52	(298)	(357)	(267)	(281)
Net cash flows from financing	–	883	–	–	–

Monaf

The tables below set out a summary of the Monaf Financial Information as extracted from Section (A) "*Historical Financial Information of Monaf*" and the Monaf Interim Financial Information as extracted from Section (B) "*Unaudited Interim Financial Information of Monaf*" of Part IX "*Financial Information of Monaf*" of this Document. During the three-year period ended 31 March 2019 and the six month period ended 30 September 2019, no revenues were earned by Monaf on the basis that Monaf's activities remained focussed on exploration activities in Zimbabwe. During the 45-month period, Monaf incurred exploration expenditure on its permit and licence portfolio of $132,000. Other administrative expenditure included $270,000 of consultancy costs and $46,000 of power project expenses.

At the start of the period, Monaf had no cash reserves as it had been funded by shareholders' loans since incorporation. Therefore, as at 30 September 2019, there were no cash reserves.

Subsequent to 30 September 2019, Monaf received additional funds from Someden totalling $28,595.

As at the LPD, Monaf owes CGH $6,890,981 by way of intra-group loan. The loans to CGH are unsecured, interest free and are repayable beyond twelve months from the date of this Document. As part of the Acquisition, CGH is to transfer the rights and obligations of its loans with Monaf to the Company.

Other than set out above, there have been no other significant changes in the financial condition or operating results of Monaf in the three years ended 31 March 2019, the six month period ended 30 September 2019 or subsequent thereto.

Summary statements of financial position

	Audited as at 31 March 2017 $'000	Audited as at 31 March 2018 $'000	Audited as at 31 March 2019 $'000	Unaudited as at 30 September 2019 $'000
Total assets	2	1	–	–
Total equity	(6,486)	(6,619)	(6,779)	(6,938)

Summary income statement

	Audited Year ended 31 March 2017 $'000	Audited Year ended 31 March 2018 $'000	Audited Year ended 31 March 2019 $'000	Unaudited Six months ended 30 September 2019 $'000
Revenue	–	–	–	–
Operating loss	(119)	(133)	(156)	(159)
Loss for the period and total comprehensive loss for the period	(119)	(133)	(160)	(159)

Summary cash flows

	Audited Year ended 31 March 2017 $'000	Audited Year ended 31 March 2018 $'000	Audited Year ended 31 March 2019 $'000	Unaudited Six months ended 30 September 2019 $'000
Net cash used in operating activities	(91)	(108)	(159)	(159)
Net cash from financing activities	91	108	159	159

Pro forma financial information

The unaudited Pro-Forma Financial Information for the Enlarged Group has been prepared to illustrate the effects of: (i) the Acquisition by the Company of 70% of the shares in Monaf, (ii) the issue of the Consideration Shares, (iii) the issue of the shares in relation to the Completion Bonus, (iv) the issue of the Placing Shares and (v) the payment of the costs on the assets, liabilities and equity of the Company had the Acquisition and Readmission occurred on 30 November 2019 and on the earnings of the Company for the six-month period then ended.

Unaudited pro forma statement of financial position

	Company as at 30 November 2019 £'000	Adjustment Monaf adjustment £'000	Adjustment Acquisition and consolidation adjustments £'000	Adjustment Placing and Costs £'000	Unaudited pro forma balance sheet of the Enlarged Group as at 30 November 2019 £'000
Total assets	298	–	4,853	1,059	6,210
Total equity	148	(5,496)	10,290	1,059	6,001

Unaudited pro forma statement of comprehensive income

	Company Six months ended 30 November 2019 £'000	Adjustment Monaf adjustment £'000	Adjustment Acquisition and consolidation adjustments £'000	Adjustment Placing and Costs £'000	Unaudited pro forma results of the Enlarged Group for the six-months ended 30 November 2019 £'000
Revenue	–	–	–	–	–
Operating loss	(88)	(127)	–	(182)	(397)
Loss for the period and total comprehensive loss for the period	(88)	(127)	–	(182)	(397)
Attributable to:					
Shareholders	(88)	(89)	–	(128)	(305)
Non-controlling interests	–	(38)	–	(54)	(92)
	(88)	**(127)**	**–**	**(182)**	**(397)**

Brief description of any qualifications in the audit report	There are no qualifications in the accountant's report relating to the historical financial information of the Company. The audit report for the Monaf Financial Information for the year ended 31 March 2019 draws attention to the material uncertainty that exists and casts significant doubt on Monaf's ability to continue as a going concern. Additionally, an 'Emphasis of Matter' is in place to draw to attention to the fact that the Zimbabwean Dollar was introduced as the sole tender in Zimbabwe.
What are they key risks that are specific to the issuer?	
Brief description of the most material risk factors specific to the issuer contained in the prospectus	Key risks that are specific to the Enlarged Group and industry in which it operates are as follows: • The Company lacks an operating history, and therefore, investors have no basis on which to evaluate the Company's ability to achieve its objective of identifying, acquiring and operating one or more companies, businesses, prospects or assets. • The Enlarged Group faces risks frequently encountered by developing companies such as under-capitalisation, cash shortages and limited resources. • The Enlarged Group's success will depend on its current and future executive management team. • The Zimbabwean mining sector has historically been subject to a high level of political interference. Expropriation of assets could be imposed on the Enlarged Group. • The Enlarged Group shall make investments in currencies other than UK Sterling which may be adversely affected by changes in currency exchange rates. • The revenues and earnings of the Enlarged Group will rely on coal prices.
KEY INFORMATION ON THE SECURITIES	
What are the main features of the securities?	
Type, class and ISIN	The securities subject to Readmission are Ordinary Shares of £0.01 each which will be registered with ISIN number GB00BF0F5X78 and SEDOL number BF0F5X7.
Currency, denomination, par value, number of securities issued and the term of the securities	The Ordinary Shares are denominated in UK Sterling and the subscription price paid in UK Sterling. The issued share capital of the Company on Readmission will consist of 203,133,278 Ordinary Shares (comprising the Existing Ordinary Shares and New Ordinary Shares).
Rights attached to the securities	Each Ordinary Share ranks *pari passu* for voting rights, dividends and return of capital on winding up. Each Ordinary Share confers the right to receive notice of and attend all meetings of Shareholders. Each holder of Ordinary Shares present at a general meeting by proxy or by its authorised corporate representative has one vote, and, on a poll, one vote for every Ordinary Share of which he is a holder. All members who are entitled to receive notice under the Articles must be given notice to each general meeting. The Ordinary Shares are eligible for dividends, if recommended by the Board. On a voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the Act, having realised the Company's assets and discharged the Company's liabilities, divide amongst the Shareholders in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the member(s) as the liquidator shall determine.
Relative seniority of the securities in the issuer's capital structure in the event of insolvency	Not applicable. The Company does not have any other securities in issue or liens over its assets and so the Ordinary Shares are not subordinated in the Company's capital structure as at the date of this prospectus, and will not be immediately following Readmission.
Restrictions on the free transferability of the securities	Not applicable; all Ordinary Shares freely transferable.

Dividend or pay-out policy	The objective of the Directors is the achievement of substantial capital growth. In the short term they do not intend to declare a dividend on the Ordinary Shares.
Where will the securities be traded?	
Application for admission to trading	As the Acquisition constitutes a Reverse Takeover under the Listing Rules, the London Stock Exchange will cancel trading in the Existing Ordinary Shares on the Main Market for listed securities, and the FCA will cancel the listing of the Existing Ordinary Shares on the Standard Listing segment of the Official List by 8.00 a.m. on 18 June 2020. Application will be made for the Existing Ordinary Shares to be readmitted and the New Ordinary Shares to be admitted to a Standard Listing on the Official List of the FCA and to trading on the London Stock Exchange's Main Market for listing securities. It is expected that Readmission will become effective and that unconditional dealings will commence on the London Stock Exchange at 8.00 a.m. on 18 June 2020.
Identity of other markets where the securities are or are to be traded	Not applicable. There is currently no market for the Ordinary Shares and the Company does not intend to seek admission to trading of the Ordinary Shares on any market other than the Main Market.
What are the key risks specific to the securities?	
Brief description of the most material risk factors specific to the securities contained in the prospectus	• A Standard Listing affords Shareholders less regulatory protection than a Premium Listing, which may have an adverse effect on the valuation of the Ordinary Shares. • If the Warrants in issue on Readmission are exercised, Shareholders may be diluted. Assuming no change to the Enlarged Share Capital, the maximum total dilution which would result from the exercised Warrants is 16 per cent. • The Company's share price will fluctuate and may decline as a result of a number of factors, some of which are outside of the Company's control. • The ability of the Enlarged Group to pay dividends is a function of its profitability and the extent to which, as a matter of law, it will have available to it sufficient distributable reserves out of which any proposed dividend may be paid.
KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON THE LONDON STOCK EXCHANGE	
Under which conditions and timetable can I invest in this security?	
General terms and conditions	The Placing is conditional on Readmission occurring and becoming effective by 8.00 a.m. London time on, or prior to, 18 June 2020 (or such later date as may be agreed by CGH and the Company, being no later than 17 July 2020). The rights attaching to the Ordinary Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes. The Placing and Readmission are inter-conditional.
Expected timetable of the offer	Publication of this prospectus — 22 May 2020 Latest time and date for placing commitments under the Placing — 10:00 a.m. on 19 May 2020 Admission and commencement of dealings in Ordinary Shares — 8:00 a.m. on 18 June 2020 CREST members' accounts credited in respect of Placing Shares — 18 June 2020 Share certificates despatched in respect of Placing Shares — by 19 June 2020
Details of admission to trading on a regulated market	Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Readmission will become effective and that dealings in Ordinary Shares will commence at 8:00 a.m. on 18 June 2020.
Plan for distribution	The New Ordinary Shares which are the subject of this document will be offered by Brandon Hill Capital.

Amount and percentage of immediate dilution resulting from the offer	Upon Readmission, the Enlarged Share Capital is expected to be 203,133,278 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 78.9 per cent of the Company's Enlarged Share Capital. Furthermore, as at the date of this Document, the number of Warrants that the Company has issued to subscribe for Ordinary Shares is as follows:

Warrants	Number of Ordinary Shares under the Warrants	Exercise Price	Exercise Period
Series 1 Warrants*	17,500,000	£0.03	4 years from 1 November 2017
Series 2 Warrants**	11,666,650	£0.05	4 years from 1 November 2017
Broker Warrants***	1,166,667	£0.03	4 years from 1 November 2017
New Warrants	1,400,000	£0.05	3 years from Readmission

* held by the Initial Subscribers.
** held by the Initial Placees under the Initial Placing Letters.
*** held by Brandon Hill Capital under the Initial Placing and Broker Agreement.

Estimate of total expenses of the issue and/or offer	The Transaction Costs will be borne by the Company in full and no expenses will be charged to the investors. Conditional only on Readmission, the Company has raised gross proceeds of £1,400,000 through the Placing, and Net Proceeds of approximately £1,059,000. The total expenses incurred (or to be incurred) by the Company in connection with the Placing, Acquisition and Readmission are approximately £473,000 funded by existing cash balances from the Initial IPO and the Placing.

Why is this prospectus being produced?

Reasons for the offer or for the admission to trading on a regulated market **Use and estimated net amount of the proceeds**	The Company is conducting the Placing to commence mining operations at the Lubu Coalfield. The Company has already advanced US$487,500 from existing cash resources to CGH since June 2019 to commence the work programme at the Lubu Coalfield. It is anticipated by the Directors and the Proposed Directors that part of the Net Proceeds will be dedicated to finalising the balance of the development work in order to commence production as follows:

Currency:	£
Site Preparation and open pit	485,000
Transaction Costs	341,000
PLC administration costs	170,000
Zimbabwe management and office costs	124,000
Directors fees	96,000

The Company will pay for the balance of Transaction Costs of approximately £341,000 using the funds it raises from the Placing and the exercise of warrants, in conjunction with those raised from the Initial IPO.

Indication of whether the offer is subject to an underwriting agreement	The Placing is not being underwritten. Brandon Hill Capital, as the Company's agent, has procured irrevocable commitments to subscribe for the full amount of Placing Shares from subscribers in the Placing, and there are no conditions attached to such irrevocable commitments other than Readmission.
Indication of the most material conflicts of interests relating to the offer or admission to trading	Not applicable.

RISK FACTORS

Any investment in the Ordinary Shares carries a significant degree of risk, including risks in relation to the Enlarged Group's business strategy, potential conflicts of interest, risks relating to taxation and risks relating to the Ordinary Shares.

Prospective investors should note that the risks relating to the Ordinary Shares, the Enlarged Group and the sector in which it operates summarised in the section of this Document headed "Summary" are the risks that the Directors and the Proposed Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Enlarged Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks referred to below are those risks the Directors and the Proposed Directors consider to be the material risks at the date of this Document. However, there may be additional risks that the Directors and the Proposed Directors do not currently consider to be material or of which the Directors and the Proposed Directors are not currently aware, that may adversely affect the Enlarged Group's business, financial condition, results of operations or prospects. Investors should review this Document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Furthermore, investors could lose all or part of their investment.

RISKS RELATING TO THE ENLARGED GROUP'S BUSINESS AND STRATEGY

Operating history

The Company lacks an operating history, and therefore, investors have no basis on which to evaluate the Company's ability to achieve its objective of identifying, acquiring and operating one or more companies, businesses, prospects or assets.

There can be no assurance that losses will not occur in the short term or that the Enlarged Group will be profitable in the future. Success will depend on the outcome of exploration and development programmes, and the Board's ability to take advantage of further opportunities which may arise.

Although the Enlarged Group has sought, and will continue to seek, to evaluate the risks inherent in the Lubu Coalfield (as outlined in the remainder of this "Risk Factors" section), it cannot offer any reassurance that it will make an assessment of all of the significant risks. Furthermore, no assurance may be made that an investment in Ordinary Shares will ultimately prove to be more favourable to investors than a direct investment, if such opportunity were available, in a coal mine.

Internal systems and controls

The Enlarged Group faces risks frequently encountered by developing companies such as under-capitalisation, cash shortages and limited resources. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to maintain, expand and improve operational, financial and management information systems on a timely basis, whilst at the same time maintaining effective cost controls. Any damage to, failure of or inability to maintain, expand and upgrade effective operational, financial and management information systems and internal controls in line with the Enlarged Group's growth could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

Exploration and development

Exploration and development work is capital intensive, speculative and often unproductive, but shall be necessary for the Company's business. For instance, factors such as adverse weather conditions, natural disasters, equipment or services shortages, procurement delays or difficulties arising from the environmental and other conditions in the areas where the reserves are located or through which production is transported may increase costs and make it uneconomical to develop potential reserves. Failure to discover new reserves, to maintain existing mineral rights, to enhance existing reserves or to extract resources from such reserves in sufficient amounts and in a timely manner could materially and adversely affect the Company's results of operations, cash flows, financial condition and prospects.

Whilst the Company cannot predict any potential effect of COVID-19 in Zimbabwe or elsewhere, it does not believe that COVID-19 will impact the working capital requirements of the Enlarged Group. It is possible that if the current limited outbreak of COVID-19 in Zimbabwe increases then this may lead to the disruption of the Enlarged Group's operations in Zimbabwe. An increase in the number of confirmed COVID-19 cases in Zimbabwe may lead to the Zimbabwean government extending the 21 day lockdown imposed on 30 March 2020, restricting travel and economic activities within Zimbabwe. Such restrictions have the potential to delay the completion of the Enlarged Group's planned work programme until such time as such restrictions are lifted and as such the Enlarged Group's planned work programme may not be completed within the anticipated timeframe. In the event that the planned work programme is delayed the

Enlarged Group will, once COVID-19 restrictions are lifted by the Zimbabwean government, have to reschedule the delayed activities. Whilst this rescheduling will not impact the working capital requirements of the Enlarged Group it may delay the date by which the Enlarged Group will be able to report the results of the planned work programme, commence any subsequent required work programmes and, if commercial quantities of mineralisation are discovered, the date by which the Enlarged Group will be able to commence development and production. On 1 May 2020 the government extended the lockdown for a further 14 days, however, certain companies in the mining sector were permitted to return to work.

Increasingly stringent requirements relating to regulatory, environmental and social approvals can result in significant delays in construction of additional facilities and may adversely affect new drilling and mining projects, the expansion of existing operations and, consequently, the Company's results of operations, cash flows and financial condition, and such effects could be material.

Within the Special Grant Area, Block B2 contains 702.208 million tonnes of coal at an Indicated confidence level. In the case of Blocks 1 and 3-12, the resource confidence levels are lower, so that they were classified as having either Inferred or Speculative confidence levels.

The Directors intend for the initial mining coal product from the Lubu Coalfield to be sold to industrial consumers of coking coals in the Southern Africa region and thermal coal to power generation companies in Zimbabwe. The power generation companies will require samples of coal to undertake burns tests prior to purchasing the coal.

There are no formal agreements with industrial consumers of coking coals or any power generation company in Zimbabwe beyond expressions of interest shown by power companies given the current available information known to such companies, and as such there is a risk that these companies may decide not to engage in burn tests.

If the Company fails to engage with either industrial consumers of coking coals or power generation companies to perform burn tests, it may not be possible to subsequently sell either coking or thermal coal. In the event that power generation companies undertake burns tests which yield positive results the progression to full-scale commercial mining at the Lubu Coalfield would be contingent upon:

- the conclusions of a Bankable Feasibility Study, written by independent consultants, to ensure that a fully-functioning mine is commercially viable and capable of attracting finance;
- the Company's ability to obtain the financing required to fund the development of the Lubu Coalfield; and
- the development of power generation capacity in Zimbabwe.

The Company commenced a further drilling campaign from June 2019 to obtain samples to analyse the coal specifications at the Lubu Coalfield following interest from potential industrial consumers that currently rely on importing coking coal. The samples have been sent to independent laboratories for analysis so that the Company can provide potential customers with detailed specifications as to the coking and caking characteristics. The Company will seek to sell the coking coal to industrial users both domestically and in the Southern Africa region.

As such, although Block B2 contains 702.208 million tonnes of coal at an Indicated confidence level, it is not certain that the Company can progress to full-scale commercial mining.

Exploratory mining

Monaf shall conduct a small scale mining operation from the open pit in block B2 at the Lubu Coalfield under the authority of SG 4686. Monaf's exploratory mining may be suspended, terminated or revoked if it fails to comply with the relevant requirements of SG 4686. If Monaf operates its business in a manner that violates applicable law, government regulators may impose fines or suspend or terminate SG 4686, which could have a material adverse effect on the Company's results of operations, cash flows and financial condition.

For the Lubu Coalfield to develop beyond an initial small scale open pit operation into a full scale mine the following licences and permits are required:

- a Project Scoping Report;
- an Environmental Impact Assessment ("**EIA**");
- re-Zoning/Town Planning Approval;
- a Water Licence;
- an Environmental Management Plan;
- a Waste Management Licence; and
- a Mine Work Programme.

Most of the work programmes featured in the Bankable Feasibility Study are yet to be performed. Preliminary discussions with Zimbabwean authorities, which (along with the results of the Bankable Feasibility Study) will form the basis of the applications for the licences and permits referred to above, are being initiated by Monaf. The Company will update shareholders upon receipt of the licences although the Board cannot provide definitive timelines as at the date of this document given there is no binding timeline provided by the Ministry of Mines in Zimbabwe.

A number of other steps are necessary before Monaf proceeds to full-scale commercial mining which would be driven by demand for thermal coal in Zimbabwe and the expansion of power generation capacity in country. The Board will determine the appropriate time to undertake the feasibility and attendant work programme to expand to full scale production when the investment case for such project is appropriate. For avoidance of doubt, the scale of such a project would require power generation capacity to improve materially which is reliant on the economic situation of the country improving and inflows of international development funding to invest in power generation capacity and infrastructure generally.

Prior to embarking on full-scale mining under the terms of SG 4686, the Lubu Coalfield will be the subject of a Bankable Feasibility Study, to ensure that a fully-functioning mine is commercially viable. This will be a necessary step, particularly as coal pricing and mining costs will have changed since the LPD, and the profile of the coal types/products being sold into the marketplace will also have changed. The Company will initially embark on the production and sale of coking and thermal coal from a small scale open pit operation. The Company cannot provide any revenue projections on the basis that no sales contracts nor offtake arrangements have been entered into thus far.

Prior to embarking on full-scale mining under the terms of SG 4686, the Company would need to raise a material level of funding to fund the expansion. There are no plans to raise such capital in the near-term given the Board's wish to conduct a period of successful small scale mining from the open pit prior to embarking on any expansion of operations. The total funds required for full scale mining will be determined through the Bankable Feasibility Study, and the number of variables involved mean that the quantum of these funds cannot be accurately estimated as at the LPD. However, the funding required for any transition to full-scale commercial mining would be material relative to the size of the Company as at the LPD (i.e. these expansion funds would be a multiple of the funds raised through the Placing). As such, the Shareholders as at the LPD will necessarily have their shareholdings diluted by an indeterminate though probably substantial amount.

Political conditions, government regulations and macroeconomic volatility

The Enlarged Group's assets could be expropriated, and this risk is heightened by the fact that the Zimbabwean mining sector has historically been subject to a high level of political interference.

The Company's earnings growth may be constrained by delays or shutdowns as a result of political, commercial or legal instability. The ability of the Company to generate long term value for Shareholders could be impacted by these risks.

Changes may occur in Zimbabwe's political, fiscal and legal systems, which might adversely affect the ownership or operation of the Enlarged Group's interests including, *inter alia*, changes in exchange rates, currency, exchange control regulations, changes in government and in legislative, fiscal and regulatory regimes. The Enlarged Group's strategy has been formulated in light of the regulatory environment as at the LPD and what are deemed to be probable future changes (though due regard should be given to the heightened uncertainty in making predictions in respect of a country which has not had a sustained history of stable governance). The post-Mugabe government has only been in place since November 2017, making it impossible to infer from past behaviour what its policy positions are likely to be.

Regional instability due to corruption, bribery and generally underdeveloped corporate governance polices have the potential to impact the Enlarged Group's profitability and share value. These risks could have a materially adverse effect on the profitability, the ability to finance or, in extreme cases, the viability of the Lubu Coalfield.

Within Zimbabwe a number of additional macro-economic and political factors have created a distressed asset base. Zimbabwe has had to deal with the effects of international economic sanctions, a reduction in foreign direct investment ("**FDI**") and a lack of infrastructure investment. As such, the country lacks well-developed infrastructure connections, which could impact the profitability of the Enlarged Group. Due to the reduction of exports and FDI amongst other issues, there is a shortage of foreign currency in Zimbabwe.

Economic problems, including high rates of unemployment, have led to a reduction in Zimbabwe's skilled workforce such that geologists, mining engineers and other technically qualified and skilled individuals have gone abroad for work. International investors have moved away from deploying capital to the country, leading to significant underinvestment within its exploration and mining sector. These factors create operational challenges to the Enlarged Group.

In April 2019, Zimbabwe reached an agreement with The International Monetary Fund ("IMF") to enter into a programme of economic and structural reforms that may pave the way for the country to re-engage with international financial institutions. Zimbabwe has not been able to borrow from international lenders since 1999. The IMF will be monitoring the currency and economic reforms in Zimbabwe from 15 May 2019 to March 2020 before any potential financial support from the IMF is forthcoming.

Planning risks

Difficulties in obtaining any requisite permits, consents, including environmental consents, licences, planning permissions or easements could adversely affect the design or increase the cost of the construction and commissioning of the Lubu Coalfield, and delay or prevent the completion of a project.

Environmental health and safety and other regulatory standards

The Lubu Coalfield is subject to various laws and regulations relating to the protection of the environment and the Enlarged Group is also required to comply with applicable health and safety and other regulatory standards. Environmental legislation in particular can comprise numerous regulations which might conflict with one another and which cannot be consistently interpreted. Such regulations typically cover a wide variety of matters including without limitation prevention of waste pollution and protection of the environment, labour regulations and worker safety. The Enlarged Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. As a result, although all necessary environmental consents are in place to enable the extraction of coal to take place and the Enlarged Group intends to operate in accordance with the highest standards of environmental practice and comply in all material respects, full compliance with applicable environmental laws and regulations may not always be ensured.

Any failure to comply with relevant environmental, health and safety and other regulatory standards may subject the Enlarged Group to extensive liability, fines and/or penalties and have an adverse effect on the business and operations, financial results or financial position of the Enlarged Group. Furthermore, the future introduction or enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Enlarged Group's business or have an otherwise negative impact on its operations. Any changes to, and increases in, current regulation or legal requirements, with the enforcement thereof, may have a material adverse effect upon the Enlarged Group in terms of additional compliance costs.

Currency risks

The Enlarged Group shall make investments in currencies other than UK Sterling (and, in particular, will be making investments in US dollars). Accordingly, the value of such investments may be adversely affected by changes in currency exchange rates notwithstanding the performance of the investments themselves, which may have a material adverse effect on the business, financial condition, results of operations and prospects of the Enlarged Group.

The government and Reserve Bank of Zimbabwe has a poor track record of managing the national currency, leading to severe hyperinflation of the Zimbabwean dollar. Since early 2009 this has been brought under control by introducing the US dollar as the unit of account for government finances, though this does not remove exchange rate risk. On 24 June 2019, the Reserve Bank of Zimbabwe introduced the Zimbabwean RGTS (Real Gross Time Settlement) currency as the sole legal tender for the country thereby replacing the dependence on the US dollar. This forms part of the IMF sponsored reforms noted above in ***Political conditions, government regulations and macroeconomic volatility***. This may lead to further currency risks in the short term whilst the country transitions from a multi-currency economy to a single currency economy.

Hedging risks

The Enlarged Group intends to implement hedging when appropriate to protect against adverse moves in exchange rates. However, the Enlarged Group and its advisers may not be able to judge when the time is appropriate to enter into hedging against exchange rate fluctuations, and such hedging may give rise to disproportionate costs.

Insurance coverage and uninsured risks

The Enlarged Group insures its operations in accordance with industry practice and plans to insure the risks it considers appropriate for the Enlarged Group's needs and circumstances. No assurance can be given that the Enlarged Group will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any claims arising. The Enlarged Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past activities for which it was not responsible. In the event that insurance coverage is not available or the Enlarged Group's insurance is insufficient to fully cover any losses, claims and/or liabilities incurred, the Enlarged Group's business and operations, financial results or financial position may be disrupted and adversely affected.

The payment by the Enlarged Group's insurers of any insurance claims may result in increases in the premiums payable by the Enlarged Group for its insurance cover and adversely affect the Enlarged Group's financial performance. In the future, some or all of the Enlarged Group's insurance coverage may become unavailable or prohibitively expensive.

RISKS RELATING TO THE COAL INDUSTRY

Global supply and demand changes

Global supply and demand affects coal and other commodities prices. Widespread trading activities by market participants seeking either to secure access to commodities or to hedge against commercial risks affect commodity prices as well. Changes in coal prices give rise to coal price risk for the Enlarged Group. Coal prices are subject to substantial fluctuations and cannot be accurately predicted.

In the event of a substantial global economic downturn, and if that downturn were to depress the global and/or Zimbabwean economies for the medium to long-term, the Enlarged Group's ability to grow or sustain revenues in future years may be adversely affected. Depending on the severity of any such economic downturn, extractive operations may not remain economically viable.

Disadvantageous economic conditions can also limit the Company's ability to predict revenues and costs which may affect the Enlarged Group's capability to conduct planned projects anticipated following the Acquisition.

Price fluctuations

The revenues and earnings of the Enlarged Group will rely on coal prices. The Company will be unable to control the price of this commodity. As the Company shall only be investing in a single commodity in the medium-term, the Company shall not (for the foreseeable future) be able to offset price changes in this one commodity with counter-cyclical changes in another commodity.

Fluctuations in commodity pricing can be affected by many reasons including, but not limited to:

- weather conditions and natural disasters;
- regional economic conditions;
- global economic conditions;
- governmental regulations including reparations, nationalisations, taxes and export restrictions;
- political, economic and military disruptions in producing regions;
- availability of pricing of novel technologies;
- availability of transportation and processing equipment;
- proximity to, capacity and cost of transportation;
- geopolitical uncertainty; and
- global and regional supply and demand and expectations concerning future supply and demand.

It is not possible to forecast accurately future coal price movements and prices may not remain at current levels.

Moreover, the economics of production within Zimbabwe may change due to lower coal prices, which could in turn result in a decrease in the Enlarged Group's reserves. The aforementioned factors may result in the Company not being able to forecast accurately the exact timing of any improvements or recoveries in the global, regional or national macroeconomic environments or in coal prices. The aforementioned factors can make the Company's operational strategies for development planning more difficult to institute successfully. For example, the prevailing prices of coal may fall to levels that are below the average marginal cost of production for the industry, which the Company will not be able to predict accurately. If the Company's estimates of future price levels result in the target incurring fixed additional costs and the Company fails to change predicted production levels in response to then-current price levels, the Company's results of operations and financial condition could be adversely affected.

Current and pending legislation and regulation concerning greenhouse gas emissions

Natural resources sector participants are subject to current and planned legislation concerning the emission of carbon dioxide, methane, nitrous oxide and other "greenhouse gasses".

Noncompliance with current greenhouse gas laws or any future legislation could negatively affect the Company's profitability given that the Lubu Coalfield has material greenhouse gas intensive assets. Future legislative actions intended to diminish the use of coal could also have an impact on the ability of the Enlarged Group to market its product and/or the prices which it is able to obtain. These factors could have a materially adverse effect on the Company's business, results of operations, financial condition or prospects.

Independent mining contractors

Independent mining contractors shall perform various operational tasks, including carrying out exploration activities and delivering coal to processing or beneficiation plans. When coal prices are high, demand for independent contractors may exceed supply resulting in increased costs or lack of availability of key contractors. Interruptions in operations or higher costs can also occur as a result of disputes with contractors or shortage of contractors. Moreover, because the Company following the Acquisition will not have the same control over independent contractors as it does over employees of a target, there is a risk that such contractors will not operate in accordance with the Company's safety standards or other policies. Any of the foregoing conditions may have a materially adverse effect on the Company's operating results and cash flows.

Natural disasters

Natural disasters, including earthquakes, drought, floods, fire, tropical storms and the physical effects of climate change, all of which are outside the Enlarged Group's control, may adversely affect the Enlarged Group's operations. Operating difficulties, such as unexpected geological variations that could result in significant failure, could affect the costs and feasibility of its operations for indeterminate periods. Damage to or breakdown of a physical asset, including as a result of fire, explosion or natural catastrophe, can result in a loss of assets and financial losses. Insurance may provide protection from some, but not all, of the costs that may arise from unforeseen events. Although the Company intends to maintain adequate insurance, the Company's insurance may not cover every possible risk connected with its operations. Adequate insurance at a reasonable cost is not always available. The Company's insurance may not cover its liability or the consequences of any business disruptions such as equipment failure or labour dispute. The occurrence of a significant adverse event not fully covered by insurance could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Labour disruptions

Strikes and the potential of conflict with unions or employees may occur at the Lubu Coalfield. After the Lubu Coalfield is operational, a significant portion of the Company's or of independent contractors' workforce may be unionised. Labour interruptions may be employed to advocate labour, political or social goals. Labour interruptions can have the potential to increase operational costs and decrease revenues by suspending the business activities or increasing the cost of substitute labour, which may not be available. If such disruptions are material, they may adversely affect the Company's results of operation, cash flows and financial condition.

Infrastructure services

Inadequate supply of the critical infrastructure elements for drilling or mining activity could result in reduced production or sales volumes, which could have a negative effect on the Enlarged Group's financial performance. Supply interruptions of essential utility services, like electricity and water, may suspend the Company's production for the duration of the disruption and, when unexpected, may cause loss of life or damage to its drilling or mining equipment or facilities, which may in turn affect its capacity to restart operations on a timely basis. Adequate transportation services, such as timely pipeline and port access and rail services are critical to distributing products and disruptions to such services may affect the Company's operations. The Company may be dependent on third party providers of utility and transportation services. As such, third party provision of services, maintenance of networks and expansion and contingency plans will be outside of the Company's control.

Shortages and disruptions

The Company's inability to acquire strategic consumables, raw materials, drilling and processing equipment in a timely manner could have an adverse impact on any results of operation and financial condition. Periods of high demand for supplies can arise when availability of supplies is limited. This can cause costs to increase above generalised inflation rates. Interruption to supplies or increase in costs could adversely affect the operating results and cash flows of the Company.

Local communities, government and non-government organisations

Elements of the media and politicians are increasingly concerned about the perceived negative effects of globalisation. Consequently, businesses often face increasing public scrutiny of their operations. Potential targets may have operations in or near communities that may perceive the operation as disadvantageous to their environmental, economic or social circumstances. Negative community reaction to such operations could have a materially adverse impact on the cost, profitability, ability to finance or even the viability of an operation. Such events could also lead to disputes with national or local governments or with local communities and give rise to material reputational damage. Moreover, the Lubu Coalfield operates in a region where ownership of rights with respect to land and resources is uncertain and where disputes in relation to ownership or other community matters may arise. The inherent unpredictability in these disputes may cause disruption to projects or operations. Natural resources operations can also have an impact on local communities, including the need, from time to time, to relocate communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, government and non-government organisations may adversely affect the Enlarged Group's reputation.

Exploration, development and production activities

Exploration, development and production activities are capital intensive and inherently uncertain in their outcome. Exploration delays may result in higher costs and thereby lower cash flow generation as a result of lower achieved valuations for a target investment. In the event that such cash flows are reduced in the future, the Company may be forced to scale back or delay discretionary capital expenditure resulting in delays to, or the postponement of, the Company's planned exploration activities which could have a material adverse effect on its business, results of operations, financial condition or prospects.

RISKS RELATING TO THE ORDINARY SHARES

If the Company decided to offer additional Ordinary Shares in the future, for example to raise additional funds, this could dilute the interests of investors and/or have an adverse effect on the market price of the Ordinary Shares.

The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing.

Application will be made for the Ordinary Shares to be readmitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares.

While the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor on Readmission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore the Acquisition and potentially any subsequent acquisitions will not require Shareholder consent under the Listing Rules, even if Ordinary Shares are being issued as consideration for such an acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Board;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company may be unable to transfer to a Premium Listing or other appropriate listing venue following the Acquisition.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue. Even if the Company did determine to seek a transfer to a Premium Listing, there is no guarantee that it would be able to fulfil the relevant eligibility criteria.

The Company will therefore not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing.

There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be readmitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares.

There is currently no market for the Ordinary Shares. Therefore, investors cannot benefit from information about prior market history when making their decision to invest. The price of the Ordinary Shares after issue can also vary due to a number of factors including, but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange, there is no assurance that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable.

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Readmission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the issue price.

Dividend payments on the Ordinary Shares are not guaranteed and the Company shall not pay dividends pursuant to the Acquisition.

To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board may determine. The Company's current intention is to retain any earnings for use in its business operations and the Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that doing so is in accordance with all applicable laws.

Shareholders may well be diluted if the Warrants are exercised.

In the event that any of the Warrants are exercised and the share price per Ordinary Share is higher than the subscription price for the Warrants, the interests of the Shareholders will be diluted.

RISKS RELATING TO CONFLICTS OF INTERESTS

The Directors and Proposed Directors are currently affiliated, and may in the future become affiliated, with, or otherwise have financial interests in, entities engaged in business activities similar to those intended to be conducted by the Enlarged Group and may have conflicts of interest in allocating their time and business opportunities.

Each of the Directors and Proposed Directors has, is currently, or may in the future become affiliated with or have financial interests in entities, including certain special purpose acquisition companies, engaged in business activities similar to those conducted by the Enlarged Group.

In addition, the Directors and Proposed Directors may become aware of business opportunities that may be appropriate for presentation to the Enlarged Group. In such instances, they may decide to present these business opportunities to other entities which they are or may be affiliated with, in addition to or instead of presenting them to the Enlarged Group. Due to these existing or future affiliations, the Directors or Proposed Directors may have fiduciary obligations to present practical acquisition opportunities to those entities prior to presenting them to the Company which could cause additional conflicts of interest.

The Directors and Proposed Directors may in future enter into related party transactions with Enlarged Group companies, which may give rise to conflicts of interest between Enlarged Group, the Directors and the Proposed Directors

The Directors, Proposed Directors and one or more of their affiliates may in future enter into other agreements with Enlarged Group companies that are not currently under contemplation. While the Company will not enter into any related party transaction without the approval of the majority of the Board, it is possible that the entering into of such an agreement might raise conflicts of interest between the Enlarged Group and the Directors.

Historical results and prior investments made by or business associated with, the Directors, Proposed Directors and their affiliates may not be indicative of future performance of an investment in the Company

Investors are cautioned that historical results of proper investments made by, or business associated with, the Directors and their affiliates may not be indicative of the future performance of an investment in the Company or the returns the Company will or is likely to, generate going forward.

RISKS RELATING TO TAXATION

Taxation of returns from assets located outside of the UK may reduce any net return to Shareholders

It is possible that any return the Company receives from the Lubu Coalfield might be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by Shareholders from an investment in the Company.

Changes in tax law may reduce any net returns for Shareholders

The tax treatment of Shareholders of Ordinary Shares issued by the Company are all subject to changes in tax laws or practices in the UK or any other relevant jurisdiction. Any change may reduce any net return derived by Shareholders from an investment in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

THE RISKS NOTED ABOVE DO NOT NECESSARILY COMPRISE ALL THOSE FACED BY THE COMPANY AND ARE NOT INTENDED TO BE PRESENTED IN ANY ASSUMED ORDER OF PRIORITY.

THE INVESTMENT DESCRIBED IN THIS DOCUMENT IS SPECULATIVE AND MAY NOT BE SUITABLE FOR ALL RECIPIENTS OF THIS DOCUMENT. POTENTIAL INVESTORS ARE ACCORDINGLY ADVISED TO CONSULT A PERSON AUTHORISED UNDER FSMA WHO SPECIALISES IN ADVISING ON INVESTMENTS OF THIS KIND BEFORE MAKING ANY INVESTMENT DECISIONS. A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY WHETHER AN INVESTMENT IN THE COMPANY IS SUITABLE IN THE LIGHT OF HIS PERSONAL CIRCUMSTANCES AND THE FINANCIAL RESOURCES AVAILABLE TO HIM.

CONSEQUENCES OF A STANDARD LISTING

As the Acquisition constitutes a Reverse Takeover under the Listing Rules, the London Stock Exchange will cancel trading in the Existing Ordinary Shares on the Main Market for listed securities, and the FCA will cancel the listing of the Existing Ordinary Shares on the standard segment of the Official List by 8.00 a.m. on 18 June 2020.

Application will be made for the Existing Ordinary Shares to be re-admitted and the New Ordinary Shares to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. The Company is required to and will comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1, which apply to all companies with securities admitted to the Official List, being Listing Principle 1 and Listing Principle 2.

In addition, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor on Readmission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that the Acquisition and potentially any subsequent acquisitions will not require Shareholder consent under the Listing Rules, even if Ordinary Shares are being issued as consideration for such an acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Board;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.

IMPORTANT INFORMATION

In deciding whether or not to invest in Ordinary Shares, prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or the Proposed Directors. Without prejudice to the Company's obligations under FSMA, the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Enlarged Group since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company, the Directors, the Proposed Directors, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read the sections relating to risks contained in the Summary together with the risks set out in the section headed "Risk Factors" beginning on page 12 of this Document.

This Document is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable prospective investors to consider the purchase of the Ordinary Shares. Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares hereby is prohibited.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document and the offering of Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Document are required by the Company, the Directors and the Proposed Directors, to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this Document under the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors or the Proposed Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required. Neither the Company nor the Directors nor the Proposed Directors accept any responsibility for any violation of any of these restrictions by any person.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, Canada, the Republic of South Africa, or Japan or to any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

The Ordinary Shares have not been approved or disapproved by the SEC, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period.

Neither Brandon Hill Capital nor any person acting on its behalf make any representations or warranties, express or implied, with respect to the completeness or accuracy of this Document nor does any such person authorise the contents of this Document. No such person accepts any responsibility or liability whatsoever for the contents of this Document or for any other statement made or purported to be made by it or on its behalf in connection with the Enlarged Group, the Ordinary Shares, the Acquisition or Readmission. Brandon Hill Capital disclaims all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Document or any such statement. Neither Brandon Hill Capital nor any person acting on its behalf accept any responsibility or obligation to update, review or revise the information in this Document or to publish or distribute any information which comes to their attention after the date of this Document, and the distribution of this Document shall not constitute a representation by Brandon Hill Capital or any such person that this Document will be updated, reviewed, revised or that any such information will be published or distributed after the date hereof.

Data protection

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Enlarged Group and the administering of interests in the Enlarged Group;
- meeting the legal, regulatory, reporting and/or financial obligations of the Enlarged Group in the United Kingdom or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Enlarged Group to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data, it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Investment considerations

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Enlarged Group, this Document and the terms of the Readmission, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Enlarged Group's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares can go down as well as up.

This Document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which investors should review.

Forward-looking statements

This Document and any document incorporated herein by reference include statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and any document incorporated herein by reference and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors and the Proposed Directors concerning, among other things: (i) the Company's and Enlarged Group's objectives, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares; and (ii) future deal flow and implementation of active management strategies, including with regard to the Acquisition. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guaranteeing future performances. The Company's or the Enlarged Group's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document and any document incorporated herein by reference. In addition, even if the Enlarged Group's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its strategies are consistent with the forward-looking statements contained in this Document and any document incorporated herein by reference, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company's ability to ascertain the merits or risks of the Acquisition;
- the availability and cost of equity or debt capital for future transactions;
- currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such fluctuations (if such strategies are in fact used);
- changes in the economic environment; and
- legislative and/or regulatory changes, including changes in taxation regimes.

Prospective investors should carefully review the 'Risk Factors' section of this Document for a discussion of additional factors that could cause the Company's or the Enlarged Group's actual results to differ materially before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in Part XII of this Document.

Forward-looking statements contained in this Document and any document incorporated herein by reference apply only as at the date of this Document. Subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules, and MAR the Company undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

After Readmission, the Company shall continue to provide updates to investors, as required pursuant to the Listing Rules, the Disclosure and Transparency Rules, the Prospectus Regulation Rules and MAR.

Third party data

This Document includes certain market, economic and industry data, which was obtained by the Company from industry publications, data and reports, compiled by professional organisations and analysts' data from other external sources conducted by or on behalf of the Company. Where information contained in this Document originates from a third party source, it is identified where it appears in this Document together with the name of its source. The Company confirms that data sourced from third parties used to prepare the disclosures in this Document has been accurately reproduced and, so far as the Company, the Directors and the Proposed Directors are aware, and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. All third-party information is identified alongside where it is used.

Certain of the aforementioned third-party sources may state that the information they contain has been obtained from sources believed to be reliable. However, such third-party sources may also state that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As the Company does not have access to the facts and assumptions underlying such market data, statistical information and economic indicators included in these third-party sources, the Company is unable to verify such information.

Currency presentation

Unless otherwise indicated, all references in this Document to "UK Sterling", "pound sterling", "sterling", "£", or "pounds" or "pence" are to the lawful currency of the UK, and all references to "EUR", "€" or "euro cents" are to the lawful currency of the EU. In addition, all references to "USD", "US$", "US dollar" or "cents" are to the lawful currency of the United States.

No incorporation of website

The contents of any website of the Company or any other person do not form part of this Document.

Definitions

A list of defined terms used in this Document is set out in Part XIV "Definitions".

Governing law

Unless otherwise stated, statements made in this Document or documents incorporated herein by reference are based on the law and practice currently in force in England and Wales and are subject to changes therein.

RELEVANT DOCUMENTATION AND INCORPORATION BY REFERENCE

The table below sets out the information which is incorporated by reference in this Document, to ensure Shareholders and others are aware of all information which is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Enlarged Group and the rights attaching to the Ordinary Shares.

Information that is itself incorporated by reference or referred or cross-referenced to in these documents is not incorporated by reference into this document.

Information incorporated by reference into this Document	*Description of incorporation*	*Page numbers within those documents*
Initial IPO prospectus	The "Overview and reasons for the Acquisition" section in this Document refers to the sectors contemplated as set out in the initial IPO prospectus.	3 – 4, 35
	Part II of this Document refers to investment criteria as set out in the initial IPO prospectus.	35
Audited accounts for Monaf	Audited financial information for Monaf for the year ended 31 March 2019	1 – 19
	Audited financial information for Monaf for the year ended 31 March 2018	1 – 19
	Audited financial information for Monaf for the year ended 31 March 2017	1 – 15

Shareholders, persons with information rights, or other persons to whom this Document is sent may request a copy of the information above in hard copy form. Hard copies will not be sent to that person unless requested. Hard copies may be requested in writing from the following address: BDB Pitmans, 34 Bridge Street, Reading, RG1 2LU or by calling: +44 20 3463 5000.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	22 May 2020
Completion of the Acquisition	18 June 2020
Readmission and recommencement of dealings on the London Stock Exchange of the Existing Ordinary Shares and commencement of dealings on the London Stock Exchange of the New Ordinary Shares	18 June 2020
CREST members' accounts credited in respect of New Ordinary Shares	18 June 2020
Ordinary Share certificates despatched by	19 June 2020

All references to time in this Document are to London time unless otherwise stated

PLACING AND READMISSION STATISTICS

Number of Ordinary Shares in issue as at the date of this Document	42,949,987
Number of Placing Shares to be issued pursuant to the Placing	28,000,000
Number of Consideration Shares to be issued pursuant to the Acquisition	128,849,961
Number of Placing Shares issued in lieu of Completion Bonus	3,333,330
Number of Ordinary Shares in issue on Readmission	203,133,278
Placing Shares as a percentage of the Enlarged Share Capital	15.4
Consideration Shares as a percentage of the Enlarged Share Capital	63.4
New Ordinary Shares as a percentage of the Enlarged Share Capital	78.9
Number of Warrants in issue on Readmission	31,833,317
Placing Price	5 pence
Gross proceeds of Placing	£1,400,000
Transaction Costs	£341,000*
Estimated Net Proceeds	£1,059,000
Market capitalisation of the Company at the Placing Price on Readmission	£10.15m

*£473,000 including balances paid from proceeds from the Initial IPO

DEALING CODES

ISIN	GB00BF0F5X78
SEDOL	BF0F5X7
EPIC/TIDM	CGO
LEI	213800HZ69B3QHCUGX36

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors	Philip Richards Oliver Stansfield Neal Griffith (to resign upon Readmission) Brian McMaster (to resign upon Readmission)
Proposed Directors	Carl Esprey Roy Pitchford
Company Secretary	Graham May of Hawksmoor Partners Limited
Financial Adviser and Broker	Brandon Hill Capital Limited 1 Tudor Street London EC4Y 0AH
Independent Financial Advisor	Shard Capital Partners LLP 23rd Floor 20 Fenchurch Street London EC3M 3BY
Company's Solicitor	BDB Pitmans LLP 50 Broadway London SW1H 0BL
Reporting Accountants	Crowe U.K. LLP St. Brides House 10 Salisbury Square London EC4Y 8EH
Registrar	Avenir Registrars Limited 5 St John's Lane Farringdon London EC1M 4BH
Local Counsel	Manokore Attorneys 61 Princess Drive Cnr Glenara Avenue Newlands Harare Zimbabwe
Registered Office	4th Floor 36 Spital Square London E1 6DY Telephone: 020 3463 5000
Financial PR	St Brides Partners 51 Eastcheap London EC3M 1JP
Website	www.contango-holdings-plc.co.uk

PART I

DESCRIPTION OF THE ACQUISITION

BACKGROUND AND HISTORY

The Company was incorporated on 18 May 2016 in England and Wales, formed for the purpose of acquiring a company, business, project or assets in the natural resources sector. The Company operates in conformity with its constitutional documents.

The Board has been responsible for the Company's objectives and business strategy and its overall supervision, including the approval of the Acquisition. The Board was also responsible for the identification and evaluation of acquisition opportunities, the structuring and execution of the Acquisition and determination and execution of strategy.

The Board has considerable experience in identifying and assessing acquisition targets and in executing such transactions. The Acquisition is required to establish the Company's presence in the natural resources sector and will form the basis of the Company's growth in the sector.

The Company has never traded and, save as set out in this Document, has not entered into any significant transactions or financial commitments.

The Company owns no assets other than cash on bank deposit representing sums subscribed by Shareholders for Ordinary Shares in the Company.

The principal legislation under which the Company operates is the Act and the regulations made thereunder. The Ordinary Shares are duly authorised according to the requirements of the Act.

OVERVIEW AND REASONS FOR THE ACQUISITION

On 22 December 2017, the Company announced that it had signed a memorandum of understanding to acquire Monaf's interest in a mining asset in Zimbabwe (namely, the Lubu Coalfield).

The Acquisition constitutes a Reverse Takeover under the Listing Rules since, in substance it results in a fundamental change in the business of the issuer. Therefore, trading in the Existing Ordinary Shares was suspended with effect from 22 December 2017 pending the publication of this Document.

At the time of the Announcement, the Acquisition was conditional, on the entry into a binding agreement, completion of due diligence, compliance with regulatory requirements and Readmission.

The consideration for the Acquisition is £6,834,829.05 to be satisfied by the Company issuing 128,849,961 Ordinary Shares in the capital of the Company to CGH and cash of £392,331 ($487,500) that has been advanced by the Company in installments since June 2019 to fund the development of the project from existing cash resources. The value of each Consideration Share is a sum equal to the Placing Price at which additional Ordinary Shares are issued by the Company at Readmission. The Directors are pleased that the Acquisition represents an investment in the sector contemplated at the time of the Initial IPO in November 2017.

The Acquisition, which remains conditional, on Readmission, was approved by the Board on 8 April 2019.

Subject to all conditions having been satisfied or waived as appropriate, the Acquisition is expected to complete on 18 June 2020, being the date of anticipated Readmission.

ACQUISITION STRUCTURE

On Readmission, CGH will be majority shareholder in the Company. The Enlarged Group will comprise the Company and Monaf (of which the Company shall hold 70 per cent of the total issued share capital).

ACQUISITION AGREEMENT

On 8 April 2019, the Company entered into a conditional purchase agreement (the "Acquisition Agreement") with Someden, CGH and Monaf pursuant to which the Company agreed to acquire:

- a 70% interest in Monaf from Someden; and
- the benefit of debt receivables owed by Monaf to CGH in the aggregate amount of US$6,890,981; and;
- mining data owned by CGH with regard to the Lubu Coalfield,

for an aggregate consideration of £6,834,829.05 to be satisfied by the allotment to CGH of 128,849,961 Ordinary Shares at a price of £0.05 each (the "**Consideration Shares**") plus cash payments of £392,331 ($487,500) in several installments from June 2019 to 5 May 2020, to enable it to progress works at the Lubu Coalfield pending satisfaction of the conditions precedent set out in the Acquisition Agreement which is refundable (potentially with interest) in the event the Acquisition does not unconditionally complete by, at the latest, 24 December 2020.

Completion of the Acquisition Agreement is subject to satisfaction of certain conditions precedent including:

- the Panel having agreed that, subject to the passing of a resolution of the shareholders of the Company, the allotment of Consideration Shares to CGH will not give rise to an obligation to make an offer for all the Ordinary Shares of the Company pursuant to Rule 9 of the Takeover Code;
- the passing of resolutions by shareholders of the Company to:
  - waive any requirement that might otherwise arise under Rule 9 of the Takeover Code for CGH to make a general offer for all the Ordinary Shares of the Company;
  - dis-apply statutory pre-emption rights in respect of the allotment of, the Consideration Shares; and
  - authorise the Readmission of the Existing Ordinary Shares and the admission of the Consideration Shares and the Placing Shares to trading on the Standard Listing of the Main Market of the London Stock Exchange;
- obtaining all necessary and applicable Zimbabwean regulatory approvals/clearances following the Acquisition;
  - in this regard, the Company and Monaf lodged an application for Zimbabwean exchange control approval for the Transaction in May 2019. The purpose of the exchange control approval is to satisfy the exchange control authority of Zimbabwe, being the Reserve Bank of Zimbabwe ("**RBZ**"), that the parties to the transaction are in compliance with section 13 of the Exchange Control Regulations (Statutory Instrument 109 of 1996), which requires that the RBZ authorise the transfer of Zimbabwean shares to a foreign resident. To this end, the purpose of the exchange control approval is for the exchange control authorities to have a record of a foreign investor's investment in a Zimbabwean company. Approval was granted by the exchange control authorities on 5 March 2020; accordingly, this condition has been satisfied; and
  - similarly, Monaf obtaining relevant capital gains tax clearance from the Zimbabwe Revenue Authority ("**ZIMRA**") was also a condition to the Transaction. The finalised capital gains tax assessment was received from ZIMRA on 26 September 2019 and payment of the amount due was made by Someden on 21 October 2019. The Capital Gains Tax Clearance Certificate was obtained on 31 October 2019; accordingly, this condition has been satisfied.

In addition, amongst other standard provisions, the Acquisition Agreement contains:

- various warranties typical in a transaction of this nature from CGH and Someden in favour of the Company, regarding (amongst other matters) the history, standing and business & assets of Monaf;
- an "automatic" sale mechanism, whereby any warranty claims against CGH will be satisfied by the sale of an appropriate number of Consideration Shares (unless CGH can satisfy the claim in cash); and
- undertakings from CGH and Someden as to the conduct of Monaf during the period from the date of the Acquisition Agreement up to Readmission.

It is also agreed that on Completion, (i) Carl Esprey will be appointed as an executive director of the Company, (ii) Roy Pitchford, Oliver Stansfield and Philip Richards will become non-executive directors of the Company and (iii) Neal Griffith and Brian McMaster will resign as directors.

THE PLACING

Conditional on Readmission, the Company has raised gross proceeds of £1,400,000 (£1,059,000 net of Transaction Costs) through the issue of 28,000,000 Placing Shares at the Placing Price. Further details of the Placing as well as the anticipated use of the proceeds are set out in Part VII "The Placing and Use of Proceeds" of this Document.

If the Placing, and therefore the Acquisition, does not complete, the suspension on the Existing Ordinary Shares will be lifted and trading in the Existing Ordinary Shares will recommence.

RULE 9 OF THE TAKEOVER CODE

The Acquisition Agreement gives rise to certain considerations under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford are set out below. The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, a listed or unlisted public company with its registered office and its place of central management and control in the United Kingdom. The Company is such a company and its Shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or not, interests in securities (as defined in the Takeover Code) which (taken together with securities in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required by the Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, when any person (together with persons acting in concert with him) is already interested in securities which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, that person (or any person acting in concert with him) may not normally acquire further securities without making a general offer to the shareholders of that company to acquire their shares. An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

On completion of the Acquisition, CGH's interest in the Enlarged Share Capital will be 128,849,961 Ordinary Shares, representing 63.4 per cent of the Enlarged Share Capital.

Under Note 1 of the Notes on the Dispensations from Rule 9, the Takeover Panel may waive the requirement for a general offer to be made in accordance with Rule 9 if such a waiver is approved by an independent vote at a shareholder meeting.

The Takeover Panel has agreed, subject to the passing of Resolution 1 by the Independent Shareholders on a poll at the General Meeting, to waive the obligation of CGH to make a mandatory offer for Enlarged Share Capital not already owned by it or persons connected with it as would otherwise arise following completion of the Acquisition Agreement. Accordingly, the Company proposes that the Independent Shareholders waive the obligation on CGH to make a mandatory general offer under Rule 9 which would otherwise arise in the event of the completion of the Acquisition Agreement.

To be passed, Resolution 1 will require a simple majority of the votes cast on a poll vote. For the avoidance of doubt, as Resolution 1 must be approved by the Independent Shareholders, none of (i) CGH, (ii) the Placees (to the extent they are Existing Shareholders) nor (iii) Brandon Hill Capital will be able to vote on Resolution 1.

On completion CGH will hold more than 50 per cent. of the Company's voting share capital and will be able to acquire further interests in shares without incurring any obligation under Rule 9 to make a general offer to the Company's other Shareholders. Furthermore, in the event that the Proposals are approved at the General Meeting, CGH will also not be restricted from making an offer for the Company.

For the avoidance of doubt, the Waiver, which is valid only for so long as the authority granted pursuant to the Resolution 1 remains in force, applies only in respect of an increase in CGH's interest in shares resulting from completion of the Acquisition Agreement.

The Waiver will be invalidated if any purchases of Existing Ordinary Shares are made by CGH in the period between the date of this Document and the General Meeting.

GENERAL MEETING

You will find at the end of this Document the Notice of General Meeting. The General Meeting is to be held at 5th floor, 10 Bressenden Place, London SW1E 5DH on 17 June 2020. At the General Meeting the following resolutions will be proposed as follows:

(i) Resolution 1, which will be proposed as an ordinary resolution and which will be taken on a poll of Independent Shareholders voting in person or by proxy, to approve the Waiver;

(ii) Resolution 2, to authorise the Directors in accordance with section 551 of the Act to exercise any power of the Company to allot Ordinary Shares in the capital of the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £5,000,000 for a period expiring on the fifth anniversary of the date when the Resolutions have been passed;

(iii) Resolution 3, subject to the passing of resolution 2 and resolution 12, to approve the issue and allotment of the Consideration Shares;

(iv) Resolution 4, subject to the passing of resolution 2 and resolution 12, to approve the Completion Bonus;

(v) Resolution 5, subject to the passing of resolution 2 and resolution 12, to approve the Placing;

(vi) Resolution 6, subject to the passing of resolution 2 and resolution 12, to approve the New Warrant Instruments;

(vii) Resolution 7, to approve the Readmission;

(viii) Resolution 8, to receive and adopt the Company's annual accounts for the financial year ended 2019 together with the directors' report and auditor's report on those accounts;

(ix) Resolution 9, to re-appoint Crowe U.K. LLP as auditor of the Company until the end of the next period for appointing auditors and that the directors of the Company be authorised to fix their remuneration;

(x) Resolution 10, to approve the re-election of Philip Richards and Oliver Stansfield as directors of the Company;

(xi) Resolution 11, to approve the election of Carl Esprey and Roy Pitchford as directors of the Company;

(xii) Resolution 12, which will be proposed as a special resolution, subject to the passing of resolution 2 above, to dis-apply statutory pre-emption rights in respect of the allotment of the Consideration Shares, Placing Shares and rights granted under the New Warrant Instruments.

FURTHER INFORMATION

Shareholders should read the whole of this Document, which provides additional information on the Company, the Acquisition Agreement and the Placing and should not rely on summaries of, or individual parts only of, this Document.

ACTION TO BE TAKEN

A Form of Proxy is enclosed for use by Shareholders at the General Meeting ("**Form of Proxy**"). Shareholders are asked to complete, sign and return the Form of Proxy by post or hand to the Registrar, at Avenir Registrars Limited, 31 Primrose Road, London E18 1DD or scanned by email to the Registrar at registers@avenir-registrars.co.uk as soon as possible and in any event not later than 10:00 a.m. on 15 June 2020.

You may not use any electronic address provided within this notice or any related documents (including the Form of Proxy) to communicate with the Company other than as expressly stated.

To give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number RA20) not later than 48 hours before the time appointed for holding the meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

RECOMMENDATION

The Board, having been so advised by Shard Capital Partners LLP, consider that the Proposals are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In giving its advice, Shard Capital Partners LLP has taken account of the commercial assessments of the Directors. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Proposals and the Resolutions to be proposed on a poll at the General Meeting as the Directors have irrevocably undertaken to do in respect of their own beneficial holdings which amount, in aggregate, to 18,762,796 Existing Ordinary Shares, representing approximately 9.24 per cent. of the Existing Ordinary Shares.

Yours faithfully

Brian McMaster
Chairman

PART II

INFORMATION ON THE COMPANY

INTRODUCTION

The Company was incorporated on 18 May 2016 under the Act with an indefinite life and an investment strategy to undertake an acquisition of a target company or business in the mining sector.

The Company was admitted to a listing on the Official List by way of a Standard Listing in accordance with Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's Main Market for listed securities on 1 November 2017. The Company raised a total of £1,000,000 (before expenses) in conjunction with the Initial IPO and the formation of the Company through the Initial Placing and a founder subscription.

The Company reviewed a number of opportunities in a variety of jurisdictions and across a range of commodities following its admission to trading on 1 November 2017. Whilst a number of these projects had their own merits, the Board believed the Monaf transaction was the best situated to meet the criteria outlined in the Prospectus dated 1 November 2017.

On 22 December 2017 the Company announced its execution of a memorandum of understanding with Monaf's ultimate holding company, CGH, under which it was agreed that the parties would negotiate for the Company to acquire 70% of Monaf's shares and therefore, indirectly, the Lubu Coalfield. The Acquisition constitutes a Reverse Takeover under the Listing Rules since, in substance it results in a fundamental change in the business of the issuer. Therefore, trading in the Existing Ordinary Shares was suspended with effect from 22 December 2017 pending the publication of this Document.

Since entering into the Acquisition on 8 April 2019 Contango has advanced a total of $487,500 during the period from 30 May 2019 to 5 May 2020 in order advance the work programme designed to test the coal characteristics of Block B2 of the Lubu Coalfield for the purpose of discussions with potential buyers of the coking and thermal coal and for general working capital.

The recent work programme commenced in June 2019 and entailed drilling 9 holes to:

- Confirm structure and continuity of the coal package;
- Investigate coking coal content and characteristics;
- Undertake washibilty test work; and
- Investigate caking and coking properties.

In October 2019, the results from certain tests confirmed that the seams closest to surface in Block B2 contained semi soft coking coal and 28MJ/KG CV coal. Additional tests are now ongoing with regard to the caking properties in order to further progress discussions with potential buyers and off-takers of the coals. The results of these tests are pending payment for the assays from the receipt of funds from the Placing upon Readmission.

In accordance with Listing Rule 5.6.19G, the FCA is expected to cancel the listing of the Existing Ordinary Shares immediately before 8.00 a.m. on 18 June 2020.

Applications will be made for the Existing Ordinary Shares to be readmitted and the New Ordinary Shares to be admitted to a listing on the Official List pursuant to Chapter 14 of the Listing Rules which sets out the requirements for Standard Listings and to trading on the Main Market. It is expected that Readmission will become effective at 8.00 a.m. on 18 June 2020.

OBJECTIVES, STRATEGY AND FUTURE GROWTH

CGH is seeking to realise maximum value from its existing asset base by disposing of non-core assets, such as its holding (via Someden) in the Lubu Coalfield. The Acquisition enables CGH to maintain an indirect interest in the Lubu Coalfield and places all decision-making authority regarding the Lubu Coalfield with the Board.

After the Acquisition, CGH and its sole director, Andrew Groves (who is a direct and indirect (via Ocelot Investment Group Limited) shareholder in CGH (in aggregate 0.55%)), shall treat their indirect interests in Monaf as passive investments only. CGH does not intend to participate in any future fundraise nor increase its holding in the Company. CGH acknowledges this as a statement to which Rule 2.8 of the Takeover Code applies.

Authority over strategic planning lies with the Board and although CGH does have the power to appoint directors, as further detailed in the Relationship Agreement summary on page 103, they do not currently intend to do so. Furthermore, the boards of CGH and the Company have no intention that Mr Groves – who has numerous other commercial responsibilities – will join the Board after the Acquisition.

As a passive investor CGH does not intend to make any changes with regards to the following matters: the Standard Listing of the Ordinary Shares, the composition of the board, research and development functions, employees, premises, fixed assets, pension schemes or the strategic plans of the Company. CGH notes with approval the Business Plan (as set out on pages 35 to 38), the implementation of which will likely see an increase in the number of employees with a wide range of skills and, as the Company develops, establishment of a headquarters in London and local offices in Zimbabwe.

The priority of the Company in the near term is to begin producing coking and thermal coal from a small scale open pit operation and to develop revenues within 12 months of Readmission specifically from the sale of coking coal. The sales of thermal coal are dependent on burns tests to be undertaken by power generation companies prior to entering into sales contracts.

The Company has engaged with independent laboratories to investigate the coking and caking properties in order to progress conversations with potential buyers of the coking coals. The Company will undertake to prepare the site of the open pit following Readmission which is expected to take up to 6 months. Also, the Company will continue to and to engage with potential buyers of the coking coals. To date, the Company has not entered into any offtake arrangements for the sale of coking or thermal coal.

Moreover, the Company will seek to sell the thermal coals produced from the open pit to local power generation companies subject to their burns tests which have not been performed to date. Following Readmission the Company will provide samples which typically range from 1,000 - 5,000 tonnes to perform burns tests and subsequently enter into a sales agreement in the event the burns tests are successful.

In the longer term, given the size of the resource at the Lubu Coalfield, the Board will review and evaluate the feasibility of full scale mining. The Board will need to ensure that the economic conditions in Zimbabwe have improved and that power generation capacity has been upgraded in order to justify the commencement of full scale mining given the potential magnitude of the project. Also, the Company may review opportunities to work with long term strategic investors that may wish to enter the power generation supply chain in Zimbabwe.

CHOICE OF JURISDICTION

As stated in the risk sections of the Summary, there are a number of risks involved in investing in Zimbabwe. However, the Directors and Proposed Directors believe there are also potential opportunities. In April 2019, Zimbabwe reached an agreement with The International Monetary Fund ("**IMF**") to enter into a programme of economic and structural reforms that may pave the way for the country to re-engage with international financial institutions. Zimbabwe has not been able to borrow from international lenders since 1999. The IMF will be monitoring the currency and economic reforms in Zimbabwe from 15 May 2019 until March 2020 before any potential financial support from the IMF is forthcoming. In the event that the IMF were to extend a financial support package in the future it would re-introduce Zimbabwe to the international financial community and give the country wider access to capital.

In a global context, Zimbabwe has substantial mineral resources, including:

- internationally significant deposits of platinum group metals, gold, diamonds, coal and chrome; and
- substantial deposits of nickel, copper, iron ore and lithium.

Although the Zimbabwean mining sector has historically been subject to a high level of political interference, the provisions of the Indigenisation and Economic Empowerment Act no longer apply to any business, with the exception of those businesses involved in the diamond and platinum extractive sectors and reserved sectors (which must comply with the 51/49% equity split in favour of indigenous Zimbabweans); coal does not fall into any of the above. This change of law could be reversed, though it does represent an investor-friendly statement of intent by the present Zimbabwean government.

The Directors and Proposed Directors believe, on the assumption of an improved and stable economic and political environment, Zimbabwe's significant and attractive mineral resources will again become attractive to foreign investment, which should in turn result in the price of Zimbabwean mineral resources assets increasing as both the political and economic risks subside.

DUE DILIGENCE

The Directors and Proposed Directors have developed a due diligence process using their collective private and public equity industry experience; the Directors will screen investment opportunities to ensure that they comply with the investment objectives of the Company.

Pursuant to the Acquisition, Monaf has been subjected to an intensive due diligence process, which has included a review of the following matters:

- corporate documents;
- shareholders / share capital;
- litigation and disputes;

- property contracts;
- material contracts;
- material assets;
- financing;
- insurance;
- taxation;
- employment; and
- regulatory matters.

SPECIAL SITUATIONS

The Board believes that the natural resources sector can provide the Company and its shareholders with attractive opportunities due to certain special situations following a period of capital outflows in the sector. The Board has observed that many junior companies in both the mining and oil & gas sectors have been unable to access sufficient capital in recent years in order to advance projects from development into production. This has mostly been due to negative investor sentiment towards the sectors. Therefore, the Board believes there is an opportunity to provide capital in an astute and judicious manner to unlock value from projects that are fundamentally viable and robust but that may be currently overlooked by the investor community.

COMPETITIVE STRENGTHS

Philip Richards and Oliver Stansfield will be joined by both Roy Pitchford and Carl Esprey. In total, the Board have significant experience of identifying, developing and financing companies in the natural resources sector. Philip Richards, during his time at RAB Capital, invested heavily in mining projects in Africa and specifically in Zimbabwe. Oliver Stansfield has raised capital for a significant number of mining companies in Africa. Roy Pitchford has a long history in the country's mining sector by operating some of the leading mines in the country including Freda Rebecca mine, the largest gold mine in the country and acting as chief executive officer at Zimplats, the country's largest platinum mine. Carl Esprey, during his time at GLG Capital, made investments in a number of African mining companies and more recently been involved in establishing a number of African start-up businesses in various industries.

Collectively, the Company has brought together a team of professionals with work experience in all of the key mining and finance-related disciplines, including:

- geology;
- mining engineering (both open pit and underground applications);
- project development, including construction and start-up;
- project finance;
- investment banking for mineral-related companies;
- legal;
- financial and valuation analysis of mineral-related companies;
- country and political risk assessment; and
- public equity markets.

Specifically, the Directors and Proposed Directors collectively have:

- an established network and working knowledge of numerous assets in Zimbabwe with direct local deal sourcing and origination competences;
- experience working for and/or advising businesses operating within the natural resources sector;
- a network of relationships to reach key decision-makers and owners of potential targets in the country;
- working knowledge of targets in key mineral areas of coal, chrome, lithium, gold and platinum group metals, with in-depth research to identify specific trends; and
- experience of asset acquisition, exploration, mining and asset disposal in public and private markets.

The Enlarged Group shall aim to:

- promote stakeholder alignment;
- achieve modest head office costs with the Board fees being a total of £90,000 per annum;
- ensure equity participation from Directors and Proposed Directors;

- achieve compliance with international standards of ethical and sustainable investment in the Company's investment process; and
- implement an Enlarged Group-wide environmental, social and governance policy.

The Board therefore believes they have a good blend of industrial, technical and financial experience to fulfil the objectives of the Company. Further details of the Directors' and Proposed Directors' backgrounds can be found at Part XII "Additional Information".

DIVIDEND POLICY

The objective of the Directors and the Proposed Directors is the achievement of capital growth and return of capital. The Board will seek to pay dividends in due course following a sustained period of profitable mining.

FINANCIAL INFORMATION

The Company Financial Information is set out in Section (B) "Historical Financial Information of the Company" of Part VIII of this Document. Copies of the annual accounts of the Company for the financial period(s) for the year ended 31 May 2019 may be found on the Company's website: http://contango-holdings-plc.co.uk.

A summary of the Company's audited financial record for the period from incorporation on 18 May 2016 to 31 May 2017, the year ended 31 May 2018 and the year ended 31 May 2019 is set out below.

	Financial period from 18 May 2016 to 31 May 2017	**Year-end to 31 May 2018**	**Year-end to 31 May 2019**
	£'000	**£'000**	**£'000**
Revenue	–	–	–
Operating loss	–	(327)	(320)
Loss before taxation	–	(327)	(320)
Net assets	–	557	236

DETAILS OF THE COMPANY'S SHARE CAPITAL

As at 18 May 2016, the Company had an issued share capital of £1, comprising 1 fully paid ordinary share of £1, issued at £1 to Broadway Nominees Limited as nominee for Jonathan Evans.

Since that date, on 1 June 2017:

- Broadway Nominees Limited transferred the one share held by it to Jonathan Evans;
- the Company subdivided the Ordinary Share of £1 into 100 Ordinary Shares of £0.01 each; and
- the Company issued and allotted an additional 4,999,900 Ordinary Shares of £0.01 each for a total subscription price of £49,999 to the founder shareholders (the "**Founder Subscriber Shares**" or "**Founder Subscription**").

On 26 October 2017, a further 12,500,000 Ordinary Shares were allotted and issued to the Initial Subscribers, at a price of £0.02 per Ordinary Share (the "**Initial Subscriber Shares**").

On 26 October 2017, authority was granted to allot a further (i) 23,333,321 Ordinary Shares pursuant to the Initial Placing, conditional on admission, at a price of £0.03 per Ordinary Share; and (ii) 2,116,666 Ordinary Shares, conditional on admission, in consideration for payment of invoices associated with admission at a price of £0.03 per Ordinary Share.

Each of Neal Griffith, Oliver Stansfield, Brian McMaster (through Gemstar Investments Limited) and Philip Richards, (being the directors of the Company as at the time of the Initial IPO) agreed that they would not, for a period of 12 months from the admission date of the Initial IPO (being 1 November 2017), without the prior written consent of Brandon Hill Capital, dispose of any Ordinary Shares they hold (amounting to a total of 12,856,132 Ordinary Shares or 29.93 per cent. of the issued share capital of the Company), and for the subsequent period of 12 months they would not dispose of such Ordinary Shares other than so as to preserve an orderly market, save, in each case, in the event of an intervening court order or a takeover becoming or being declared unconditional.

Each of the Initial Subscribers, save for Neal Griffith, Oliver Stansfield, Brian McMaster and Philip Richards agreed that they would not, for a period of 6 months from the admission date of the Initial IPO (being 1 November 2017), without the prior written consent of Brandon Hill Capital, dispose of any Ordinary Shares they hold (amounting to a total of 6,227,200 Ordinary Shares or 14.50 per cent. of the issued share capital of the Company) and for the subsequent period of 6 months they would not dispose of such Ordinary Shares other than so as to preserve an orderly market, save, in each case, in the event of an intervening court order or a takeover becoming or being declared unconditional.

As an incentive to the Initial Subscribers to achieve the Company's strategy, they were issued with Series 1 Warrants to subscribe for Ordinary Shares at £0.03 per share at any time up to the fourth anniversary of the Initial IPO Admission. Further details of the Series 1 Warrant Instrument are set out in Part XII "Additional Information" of this Document.

Placees who took part in the placing of 23,333,321 Ordinary Shares conditional upon the Initial IPO were also issued with Series 2 Warrants. For every two placing shares subscribed for, each placee was issued with one Series 2 Warrant entitling him to subscribe for one Ordinary Share at £0.05 per Ordinary Share. The Series 2 Warrants are exercisable at any time up to the fourth anniversary of the Initial IPO Admission. Further details of the Series 2 Warrant Instrument are set out in Part XII "Additional Information" of this Document.

READMISSION

As the Acquisition constitutes a Reverse Takeover under the Listing Rules, the London Stock Exchange will cancel trading in the Existing Ordinary Shares on the Main Market for listed securities, and the FCA will cancel the listing of the Existing Ordinary Shares on the standard segment of the Official List by 8.00 a.m. on 18 June 2020. Applications will be made for the Existing Ordinary Shares to be readmitted and the New Ordinary Shares to be admitted to the Official List of the London Stock Exchange by way of a Standard Listing and to trading on the Main Market. Readmission is expected to occur at 8.00 a.m. on 18 June 2020 and copies of this Document will be available to the public, free of charge, from BDB Pitmans LLP, 34 Bridge Street, Reading, RG1 2LU until the expiry of one month from the date of Readmission.

If the Placing, and therefore the Acquisition, does not complete, the suspension on the Existing Ordinary Shares will be lifted and trading in the Existing Ordinary Shares will recommence.

MARKET QUOTATIONS

Dealings in the Company's Ordinary Shares have been suspended since 22 December 2017. The closing middle market quotations for Existing Ordinary Shares as derived from the Daily Official List of the London Stock Exchange immediately prior to the suspension was £0.0375.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the Company to issue shares in uncertificated form in accordance with the CREST Regulations.

The Board resolved on 19 May to make such arrangements as are necessary for the title to the Ordinary Shares, in issue or to be issued, to be transferred by means of a relevant system in accordance with the provisions of the Uncertificated Securities Regulations 2001.

BUSINESS PLAN FOR DEVELOPING THE LUBU COALFIELD

The Company will undertake a phased development of the Lubu Coalfield 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 this project.

This phased development seeks to mitigate risks along the development life cycle of the project. The Company alongside CGH has commenced a comprehensive work programme since June 2019 designed to provide potential customers of their coking coals with further information on the coal specifications through coking and caking tests. Following Readmission, the Company will enter into Phase 1 to establish a business focused on selling coking coals to customers in the Southern Africa region and providing power companies with samples to perform their burns tests.

PHASE 1: PRODUCTION OF COKING AND THERMAL COAL

The Company will undertake a phased development of the Lubu Coalfield 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.

Also, the Company will provide samples to power companies to perform burns tests (at their own expense) which will decide the suitability of the coal for the power station.

The Board reasonably believe that following the site clearance and preparation that sales of coking and thermal coals can occur within 12 months of Readmission.

Monaf 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.

Site preparation for Open Pit Production

Following Readmission, the Company will undertake a programme of work to make the site suitable for mining and re-establish a work camp at the Lubu Coalfield. This will require the refurbishment of the existing facilities, namely the:

- campsite;
- water storage unit;
- fuel storage unit;
- maintenance workshop; and
- office facilities.

The whole refurbishment and construction process is expected to take approximately 6 months from Readmission, based upon the Directors' and Proposed Directors' experience of undertaking mining projects in Zimbabwe, such as the Ngezi Platinum Mine, located about 150km southwest of Harare. The Directors and Proposed Directors estimate that the full cost of the refurbishment and construction shall be approximately £200,000 which will be spent on building materials, electrical and plumbing services, labour and other sundry items associated with establishing a mining camp suitable for staff to inhabit during mining shifts.

Simultaneous with the building works referred to above, Monaf shall carry out ground clearance of vegetation and overburden of the 20-acre area that comprises the initial focus of the Company being a mining zone within Block B2 of the Special Grant Area. Based upon their collective experience, the Directors and Proposed Directors estimate that the ground clearance work will take 2 months from Readmission to complete at a total cost of £250,000 to be spent on excavation machinery, labour and fuel necessary to complete the ground clearance and prepare the box cut for open pit mining at Block B2.

As supplemented by any revenues and the exercise of warrants by the investors or brokers the proposed use of the net proceeds from the Placing and capital made available by the Company through prepayments relating to the Acquisition Agreement made to CGH to advance the Lubu Coalfield project is $487,500. The working capital is estimated for the 18 month period from Readmission as follows:

Currency: £'000s	**£**
Site Preparation and open pit	485,000
Transaction Costs	341,000
PLC administration costs	170,000
Zimbabwe management and office costs	124,000
Directors fees	96,000

Access

As at the LPD, a dirt road, which turns off the Kamativi-Binga asphalt road and runs towards the Kariyangwe Mission, is the overland access route ("**Access Road**"). The Access Road enters the Special Grant Area from the north and provides good access to the centre of the Special Grant Area.

The Company takes the view that the Access Road will be sufficient for all vehicles required during the small-scale trial mining operations. If the Company progresses to full-scale commercial mining, the Company will need to upgrade the Access Road and this requirement (including the costs involved) will be examined more thoroughly as part of the Bankable Feasibility Study.

The Special Grant Area was also, previously, accessible via a bridge which crossed the Mchezu river (on the western edge of the Special Grant Area), however this was destroyed during a flood. The Company has no plans to reconstruct this bridge, given that the Access Road is more advantageously situated and provides better connections with the main Zimbabwean road network.

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 and Proposed Directors estimate the mining costs will be up to $20 per tonne of coal based on recent enquiries from mining contractors in Zimbabwe.

Monaf has conducted initial oral discussions with three different contract mining companies (two of which have operated in-country and the third of which operates regionally) who have indicated an in-principle (subject to contract) interest in undertaking the contract mining for the Lubu Coalfield. The Directors and Proposed Directors shall use the period of site preparation to decide upon which contractor shall be engaged, factoring in both cost and experience in operations of this nature.

By renting the wash plant, the Company will, other things being equal, be able to avoid the need for significant capital expenditure on the Lubu Coalfield. 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. The Company estimates, based on current pricing trends, that the sale prices for extracted coal shall be in the region of:

- thermal coal – domestic/tonne* - $30;
- 28MJ/KG CV Coal** - $130;
- Semi soft coking coal – export/tonne*** - $90 - $100.

Whilst the Directors and Proposed Directors currently take the view, as at the time of Readmission, that it is optimal to hire contractors rather than engage in the greater capital expenditure required for owner-operated mining, the Directors and Proposed Directors shall weigh-up the benefits of the contract-mining versus owner-operated mining approaches on a regular basis in light of changing conditions. For example, once the Company's balance sheet has strengthened, the Directors and Proposed Directors may seek to move to an owner-operator model. The necessary financing for any such capex would most likely derive from one or a combination of debt, equity, offtake**** or pre-pay financing, though there are no plans to raise such capital in the near-term given the Board wish to conduct a period of successful small scale trial mining prior to review the opportunity for full scale mining.

* Being the coal referred to as "power station product" in the CPR

** Being the coal referred to as "export product" in the CPR

*** Being the coal referred to as "soft coking coal" in the CPR

**** Being an agreement between a producer of a resource and a buyer of a resource to purchase or sell portions of the producer's future production

Following the recent testing of coals in H2 2019 the Company will initially focus on selling semi soft coking coal in the Southern Africa region. Also, it may sell the thermal coal to the domestic power stations subject to burns tests to be performed by power generation companies following Readmission when the Company can provide sufficient sized samples from the open pit. The board of Monaf are discussing possible offtake agreements with three parties whom have approached Monaf with regard to the coking coal products.

It has been commercially agreed pursuant to the terms of an agreement between Monaf, the Company and CGH (the "**Royalty Agreement**") that CGH will receive from Monaf a royalty of US$1 per tonne of coal product sold provided that Monaf achieves a gross profit of not less than US$5 per tonne from such sale.

The royalty will be payable upon receipt of cash from the sale of the coal product and in the event that coal product is paid for in any other currency other than US dollars, the royalty will be paid in the currency received (converted at the prevailing exchange rate at the time of payment).

PHASE 2: BANKABLE FEASIBILITY STUDY FOR FULL SCALE MINING

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 written 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.

The Bankable Feasibility Study will be completed by independent consultants following a tendering process that aims to establish the best qualified team to undertake the study at a competitive cost. The Directors anticipate that this study may take approximately 12 to 18 months to complete. The budget for this study may range from $1-5 million dependent on a plethora of factors including but not limited to scale of the project, drilling requirements to increase confidence in the resources and availability of suitably qualified consultants at such time. The Company may be required to raise capital prior to embarking on the Bankable Feasibility Study given the budget range.

Also, in order to progress beyond small-scale trial mining into full scale production mining the following licences and permits are required:

- a Project Scoping Report;
- an Environmental Impact Assessment (obtained on 4 June 2019);
- Re-Zoning/Town Planning Approval;
- a Water Licence;
- an Environmental Management Plan;
- a Waste Management Licence;
- a Mine Work Programme.

The process of obtaining the relevant licences and permits will be accelerated following Readmission given the additional resources which the Company will bring and with the new management team who will drive the business plan forward.

The Company will update Shareholders upon receipt of the permits and licences although the Board cannot provide definitive timelines as at the date of this Document given there is no binding commitment for the Ministry of Mines in Zimbabwe to commit to a timeframe. From past experience of operating in Zimbabwe, the Proposed Directors expect the permits and licences will be obtained within a reasonable period of time and no later than 12 months from the LPD, therefore, falling within a viable timeframe for the Board to be readily able to progress to full scale mining should that option prove commercially feasible at such time.

It would be typical market practice for the first seven years or so of full-scale commercial mining to take place on coal seams with Measured status – therefore, the Bankable Feasibility Study would require further drilling and review of the coal product. This would serve both to upgrade the resource classification to Measured status and provide Monaf with useful geotechnical information. Further experts will need to be hired to carry out such tests as are necessary to increase the classification to Measured status, however the precise needs can only be determined via the Bankable Feasibility Study.

The Bankable Feasibility Study will involve:

- the development of the Project Scoping Report;
- the Mine Works Programme;
- Environmental Impact Assessment ("**EIA**") - this will assess the impact of the mine plan and township development upon the environment, and will suggest remedial steps that will be required to mitigate this environmental impact. This will require another short exploration EIA, which will cover the rehabilitation of drillsites and hazardous materials license as the downhole geophysics sonde has radioactive components. A mining village is also envisaged and this will require the rezoning and town planning approvals. As water will be used in the mining process, a Water Licence will need to be obtained;
- Environmental Management Plan referred to above; and
- Mine plan and schedule.

Following the Bankable Feasibility Study and prior to embarking on full-scale mining production under the terms of SG 4686, the Company will need to raise additional funds to fund the expansion plan due to the associated capital expenditure of developing a coal mine.

There are no plans to raise such capital until such time as the full scale mining is contemplated in the near-term given the Board's wish to focus on developing a successful business from small scale operation before committing to undertaking a Bankable Feasibility Study and full scale mining at the Lubu Coalfield in the open pit by producing and selling coking and thermal coal.

The total funds required to develop a full scale mine will be determined by the Bankable Feasibility Study and the number of variables involved mean that the quantum of these funds cannot be accurately estimated as at the LPD. However, the funding required for any transition to full-scale mining would be material relative to the size of the Company as at the LPD (i.e. these expansion funds would be a multiple of the funds raised through the Placing).

PART III

INFORMATION ON MONAF AND INDUSTRY REVIEW

SECTION A: INFORMATION ON MONAF

CORPORATE HISTORY

Monaf was incorporated on 31 July 1998. Following Monaf's receipt of the original grant of SG 4686 in 2010 (see details below), an agreement in principle was established to the effect that CGH would acquire an 80% interest in Monaf for a total consideration of $3,000,000. To implement this commercial transaction in accordance with the laws of Zimbabwe, Someden subscribed for 80% of the issued share capital of Monaf. As Indigenisation legislation began to be more widely implemented in Zimbabwe, CGH took steps to establish a local discretionary trust so as to promote compliance with the Indigenisation rules. Accordingly, in July 2014, new shares were issued in Monaf with the effect that the Monaf Discretionary Trust took a 31% stake (the "Trust"), Someden's 80% stake was diluted to 49% and the minority shareholders' combined stake remained at 20%.

Under a corporate re-organisation in relation to the Acquisition, the Trust agreed to dispose of part of its holding in Monaf to Someden and the other shareholders (on a pro-rated basis) with the result that Someden holds 70% of the issued share capital of Monaf.

As at LPD, there are 32,653 Monaf Shares in issue which are owned as follows:

Member	Total Number of Shares	Percentage (%)
Taymills Resources	2,123	6.50
The Tadala Family Trust	3,809	11.67
Tanaka Energy (Pvt) Ltd	3,399	10.41
The Monaf Discretionary Trust	464	1.42
Someden Investments (Pvt) Ltd	22,858	70.00
Total	32,653	100.00

The directors of Monaf have confirmed that the shareholders in the above table are the respective corporate successors or transferees of the original founders of Monaf, following the issuance of subscriber shares on incorporation. Somenden's shareholding started at 80% following an initial investment by CGH. As Indigenisation legislation began to be more widely implemented in Zimbabwe, CGH took steps to establish a local discretionary trust so as to promote compliance with the Indigenisation rules. Accordingly, new shares were issued in Monaf with the effect that the Monaf Discretionary Trust (the "Trust") took a 31% stake, Someden's 80% stake was diluted to 49% and the minority shareholders' combined stake remained at 20%. Under a corporate re-organisation in relation to the Acquisition, the Trust agreed to dispose of part of its holding in Monaf to Someden and the other shareholders (on a pro-rated basis).

SPECIAL GRANT 4686

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.

The extension of SG 4686 to 27 September 2043 is on the following conditions (the defined terms for which can be found in Appendix 2 of the CPR on page 212):

1. "Except as otherwise provided hereunder, this Grant and any operations carried out under it shall be subject to the Act and the regulations made thereunder.
2. The Grant shall be for a period of twenty-five years from the date of issue and will be subject to extension upon the written application of the Holder at least six months before expiry of this Grant, it may be extended on such terms and conditions as the Minister of Mines and Mining Development may deem appropriate.
3. In terms of section 295 of the Act, the Holder shall beacon the area in a manner that the Mining Commissioner, Matabeleland North upon consulting with the Minister of Mines and Mineral Development, may determine and shall maintain the beacons in good order and condition and in their proper positions until a certificate of quittance has been issued in terms of the Act.
4. The Holder shall submit monthly production returns to the Mining Commissioner and annual reports detailing work progress and expenditure statement.

5. The attention of the Holder is specifically drawn to the provision of Part XIII of the Act which requires the submission of siting of works plans to the Mining Commissioner, Matebeleland North for approval before specified works may be constructed or erected upon the area.

6. The Holder of this Grant shall attain an Environmental Impact Assessment certificate from the relevant Government Ministry prior to commencement of operations.

7. The Holder shall appoint a mine manager as Statutory Instrument 109 of 1990 part 1 sections 3-5 whose responsibility will uphold the provisions of the Act and relevant regulations.

8. Based on the resource potential, the holder shall submit mine design plan and short-medium-long term mine development production scheduling to the Chief Government Mining Engineer.

9. The Holder shall after the initial 12 months pay an annual rental that will be specified and shall be paid annually thereafter.

10. The rights granted under this Grant shall be personal to the Holder who may not cede or assign to any other person without the prior authority of the President.

11. The President may, on application by the Holder, extend or reduce the areas of this Grant or may alter the boundaries thereof.

12. The President may order the cancellation of this Grant should the Holder fail within three months after receiving written warning from the Minister to comply with any of the conditions hereof or with the obligations imposed by the Act.

13. On the abandonment, expiry or cancellation of this Grant, the provisions of Section 269 of the Act, which relate to the protection of workings and the issuing of a quittance certificate, shall apply.

14. The Holder shall within 2 months of the termination of the Grant, lodge with the Secretary for Mines and Mining Development, full details and plans of all geological drilling and other data obtained and arising from the exercise of this Grant.

15. The Holder shall provide the Geological Survey Department access to the core as well as the ability to sample a split of the same for geo-chemical analysis. The result obtained shall be given to the Special Grant Holder and shall be confidential during the tenure of this Grant.

16. It shall be a condition of this Special Grant that the holder shall commence work within three months of approval of this Special Grant and shall commence mining operation and coal production within the period of the Special Grants".

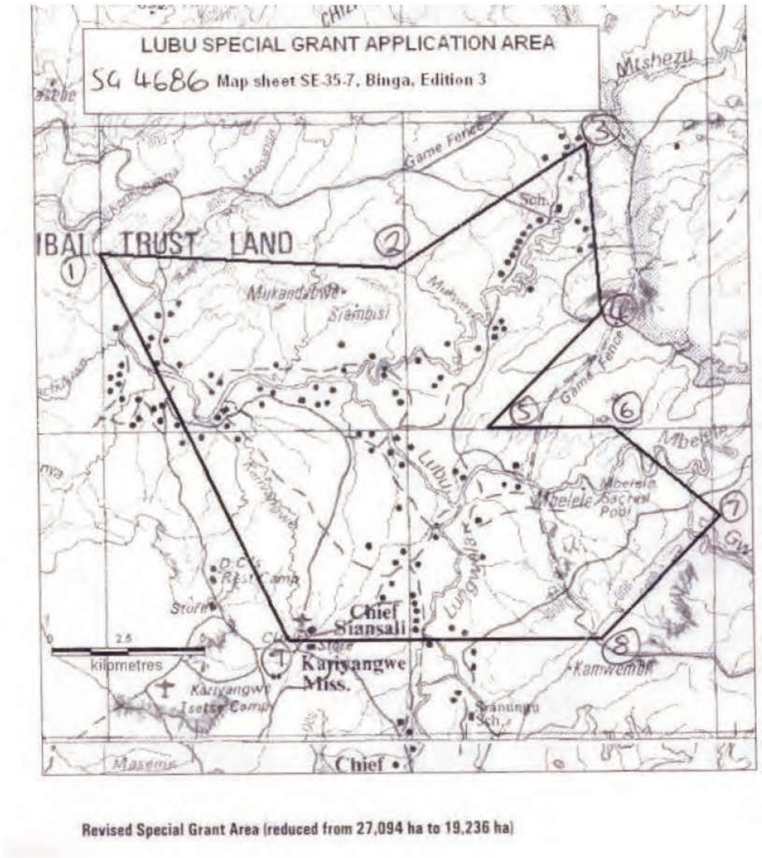
The Minister of Mines has been engaged in terms of points 3, 4, 6 and 16. The beaconing of the project area was completed in 2012, but a maintenance programme on the beacons is yet to be carried out. The monthly production returns will only be due once the mine is actually in operation, and the annual reports will be dealt with at the appropriate time. The Environmental Management Agency is being communicated with in terms of the certificates that will be needed. Our communications indicate that a preliminary trial mining plan would be required to commence a trial mining exercise and once completed, a mine plan would then be required so that an environmental impact assessment can be conducted, as a significant part of the certification process will be to assess the impact that this mine would have on the environment.

Regarding Condition 6, although Monaf has already completed an exploration Environmental Impact Assessment, a new Environmental Impact Assessment will be required when burn tests have completed and Monaf is looking to develop the Lubu Coalfield into a full-scale commercial mine. The timeframe by which Monaf will seek to begin development for full-scale mining cannot be accurately estimated as at the LPD, as it depends on the success or otherwise of the burn tests, though it is predicted to be after 12-18 months of the LPD. Discussions regarding environmental requirements were initiated by Monaf in mid-December 2018 through discussions with local environmental consultancies and the Zimbabwean Environmental Management Agency. These discussions centred on establishing Monaf's minimum regulatory obligations and will continue during 2020.

Monaf will commence work on the mine design plan and short-medium-long term mine development production scheduling as required by Condition 8 following Readmission. These work programmes have not been submitted to the Chief Government Mining Engineer and the Company anticipate that following Readmission and depending upon the relevant consultants that the mine design plan and short-medium-long term mine development production scheduling will be submitted within 6 months of Readmission. The Company will be required to prepare a more detailed mine plan design at the time of the Bankable Feasibility Study given the relative scale of the mine.

Regarding Condition 9, the annual rental fee is calculated on the Special Grant Area, which is 19,236 hectares. As at the LPD, Monaf is negotiating the figure, which was set at $10 per hectare, and also seeking to reduce the area which attracts a rental fee to approximately a third of the Special Grant Area.

The original 22 February 2010 grant of SG 4686 included the following plan (which is still applicable to the updated version of SG 4686):



Source: CPR

When Monaf originally applied for SG 4686, the office responsible for administering the Special Grant Area was referred to as the Bulawayo Mining District. This office is now referred to as the Matabeleland North Mining District (hence the discrepancy between Appendix 1 and Appendix 2 of the CPR: Appendix 1 thereto refers to the "Bulawayo Mining District" and Appendix 2 thereto refers to the "Matabeleland North Mining District").

BUSINESS OVERVIEW, STRUCTURE AND PORTFOLIO SUMMARY

Since being granted SG 4686 to prospect for coal (excluding oil) in February 2010, Monaf's sole objective has been to explore for coal in the Special Grant Area with a view to commercial extraction and sale. SG 4686, as renewed and extended on 4 September 2018, enables Monaf to begin trial mining operations which are anticipated to commence following Readmission.

In order for the Lubu Coalfield to develop beyond an exploration project with small scale trial mining into a sustainable full scale mine the Company will need to undertake additional work and obtain further licences. The current SG 4686 licence allows the Company to undertake small scale trial mining without recourse to any further requirement for permits. The following licences will become necessary:

- a Project Scoping Report;
- an Environmental Impact Assessment (Monaf obtained this certificate on 4 June 2019);
- Re-Zoning/Town Planning Approval;
- a Water Licence;
- an Environmental Management Plan;
- a Waste Management Licence;
- a Mine Work Programme.

The gross tonnage in-situ that has been calculated for the whole of SG 4686 amounts to 3.250 billion tonnes. When allowances are made for geological losses, this number reduces to 2.462 billion total tonnage in situ. Of this, 702.208 million tonnes are contained within Block B2, at an Indicated resource confidence level, and at shallow depth.

The major coal product makeup from Block B2 comes from the Main Seams and can be summarised by:

- Main Seam Upper – potentially a 22% yield on soft coking coal. The Competent Person expects that the balance of this seam will yield export and power station coal.
- Main Seam Middle – potentially a 53% yield on an export product. The Competent Person expects that the balance of this seam will yield a power station quality middling product.
- Main Seam Lower – potentially a 62% yield. The Competent Person expects that the balance of this seam will yield a power station quality middling product.

EXPLORATION HISTORY

The main emphasis of this exploration programme at the outset was to focus on the Main Seam, which has historically been known to be of economic significance, and which is established from the operations at the Hwange Colliery. However, during the drilling programme, Monaf encountered significant intersections of coal measures higher up in the sequence, above the Main Seam. Hence the focus of exploration was expanded to include the 1A, 1B and 1C Seams. The Upper Series of coal seams was sampled in isolated instances, but were not considered of economic significance at that stage.

The initial planning of the first phase of exploration called for 36 boreholes spaced on a 1 km grid. Drilling was awarded to African Mining and Exploration Limited, a Harare based company. The drilling activity started on the 4 October 2010 and concluded on the 20 December 2010 with the completion of 29 boreholes.

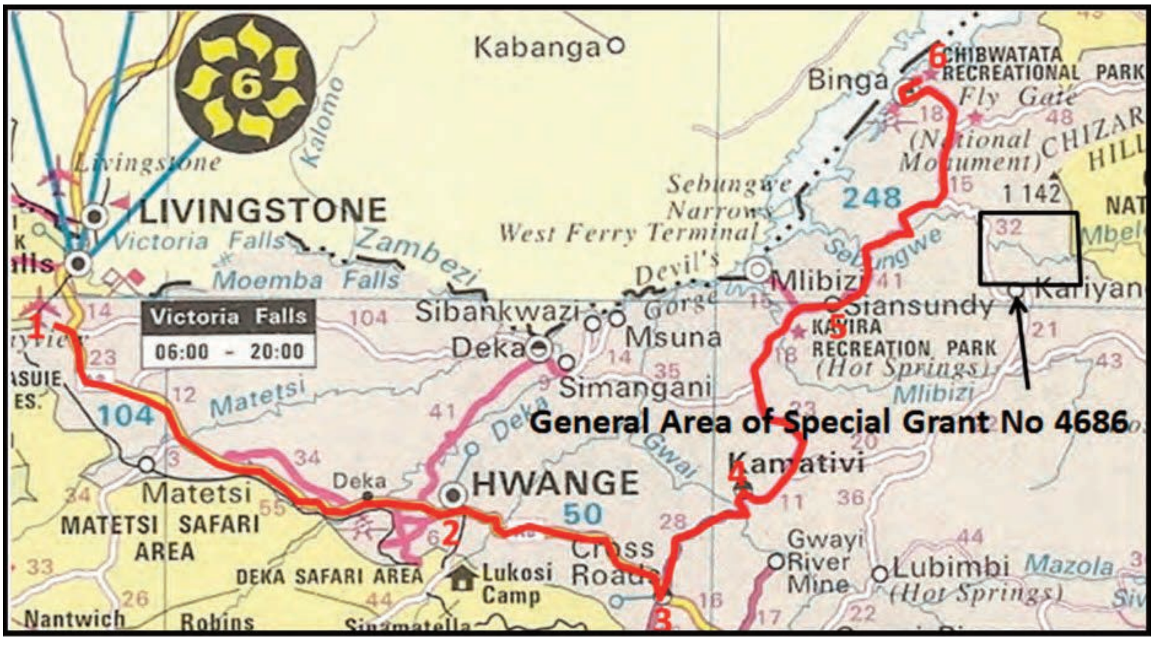
The subsequent phases of exploration were again awarded to AME and included the drilling of an additional 71 boreholes. Drilling started on the 2 February 2011, and concluded on the 12 October 2011. During all the phases of drilling, Exploration Geophysics (Pty) Ltd., which is based in Botswana, was contracted for the down-hole wire-line logging of the exploration boreholes.

In order to facilitate the exploration, CGH acquired a property in the town of Binga, 60 km to the north of the Special Grant Area. This property was equipped as an exploration base and all the field activity, logging of core and sampling of core was managed from this base camp. In addition, the Access Road into and across the project area was upgraded to reduce the travel and supply times to and from the exploration activity. CGH established a fuel depot at the northern edge of the Special Grant Area and the drilling contractor established a field camp in close proximity to this depot.

PROSPECTIVE RESOURCES/EXPLORATION PROSPECTIVITY

Monaf has undertaken significant exploration in the Special Grant Area. Access to the Special Grant Area is via the Access Road; CGH has spent resources to update the Access Road and to improve access. The exploration camp in Binga is serviced by the Bulawayo to Victoria Falls road, via Kamativi, to Binga (which is marked in red on the map below). This road is in a fair condition but has isolated stretches that require expenditure.

Location of the Special Grant Area



Source: CPR

The Competent Person considers that the data as set out in the CPR continues to be relevant and suitable given the geology and assumptions are unchanged.

Within the Special Grant Area, Block B2 contains 702.208 million tonnes of coal at an Indicated confidence level. In the case of Blocks 1 and 3-12, the resource confidence levels are lower, so that they were classified as having either Inferred or Speculative confidence levels. The table below provides further details.

COAL RESOURCE - LUBU COALFIELD - SG 4686 - as @ 22 April 2020											
Block	Seam	Ply	Thick (m)	Area (Mm^2)	Volume (Mm^3)	Density (ton/m^3)	GTIS (Mt)	Drill Grid (m x m)	Confidence level	Geological Loss (%)	TTIS (Mt)
B1	All	All	26.78	0.022	0.579	1.675	0.968	147	Inferred	20	0.774
B2	All	All	36.33	16.452	499.960	1.652	826.127	490	Indicated	15	702.208
B3	All	All	51.42	1.542	63.536	1.673	106.026	517	Inferred	20	84.821
B4	All	All	42.88	5.182	211.156	1.666	351.006	916	Inferred	20	280.805
B5	All	All	44.91	2.750	108.133	1.664	179.501	917	Inferred	20	143.601
B6	All	All	44.53	3.301	135.362	1.670	225.454	1 250	Speculative	30	157.818
B7	All	All	39.39	6.558	241.906	1.669	402.733	1 459	Speculative	30	281.913
B8	All	All	34.11	4.008	130.164	1.677	217.761	1 402	Speculative	30	152.433
B9	All	All	35.75	1.437	49.852	1.664	82.746	1 192	Speculative	30	57.922
B10	All	All	36.16	7.647	215.813	1.655	356.211	1 098	Speculative	30	249.347
B11	All	All	40.82	3.198	119.545	1.661	198.076	1 239	Speculative	30	138.653
B12	All	All	34.69	5.382	183.680	1.658	303.760	1 331	Speculative	30	212.632
Total			38.46	57.479	1 959.686	1.662	3 250.368	1003		24.2	2 462.927

Indicated		702.208
Inferred		510.001
Speculative		1 250.718
Total		2 462.927

Source: CPR

COAL TESTS

The resource in Block B2 has been investigated for quality, and a summary of the main anticipated products from the main coal seams are given in table format below.

Three main products were optimised for

i) a soft coking coal;

ii) an export product; and

iii) a power station coal.

The Main Seams are all anticipated to return very high theoretical yields, all in excess of 85%. The Main Seam Upper is expected to yield a coking coal product at 22%. In general, the % sulphur values are low, and increases upwards in the stratigraphy.

From June 2019, Monaf drilled 9 further holes in order to obtain samples to send to an independent laboratory to better understand the coking coal properties and coal product specifications prior to entering into discussions with potential customers and offtakers of the coking coal, given notable domestic and international interest.

		Coking Coal Product (Ash < 11% with Swell)									Power Station Product (CV > 18 MJ/kg, Vols > 18 %)								Export Product (CV >25.5)								
	Seam	Cut Pt Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S	CSI	Cut Pt Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S	Cut Pt Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S	Total Th Yield
Wt Ave	1C	1.381	7.2	3.2	10.0	34.9	51.9	29.72	0.98	5.1	1.904	49.4	2.9	32.1	27.4	37.82	20.88	1.02	1.492	7.8	3.0	19.5	31.5	46.0	26.03	0.97	64.4
Wt Ave	1B Upper	1.389	7.8	3.3	9.8	34.7	52.2	29.73	0.98	5.3	1.882	40.9	2.8	35.2	27.0	35.0	19.65	0.92	1.498	6.7	2.9	20.0	31.3	45.8	26.07	1.01	55.4
Wt Ave	1B Middle	1.365	1.4	3.3	8.9	34.0	53.8	30.02	0.90	5.7	1.875	47.4	2.9	35.9	25.0	36.2	19.58	0.70	1.507	9.2	3.1	18.3	30.9	47.6	26.49	0.92	58.0
Wt Ave	1B Lower	1.376	1.9	3.2	9.4	33.2	54.2	30.21	0.76	5.1	1.841	41.1	3.1	38.0	23.8	35.4	18.70	0.53	1.532	16.3	3.3	18.3	30.7	47.7	26.40	0.78	59.2
Wt Ave	1A Lower	1.390	8.6	3.5	10.0	33.2	53.3	29.63	0.92	4.2	1.881	40.9	3.0	34.8	24.3	37.8	19.73	0.61	1.507	6.1	3.3	17.6	30.3	48.7	26.55	0.65	55.6
Wt Ave	MSU	1.386	22.2	3.6	9.6	32.8	54.0	29.95	0.63	3.5	1.924	54.0	3.1	34.6	22.4	39.9	19.82	0.57	1.557	13.8	3.6	18.6	25.1	52.7	25.99	0.46	90.0
Wt Ave	MSM	1.360	1.7	4.2	9.4	32.7	53.7	30.08	0.57	3.4	1.905	38.7	3.3	33.8	19.4	44.2	20.06	0.46	1.641	52.9	3.6	18.8	23.4	54.2	25.90	0.37	93.3
Wt Ave	MSL	1.300	1.7	4.4	10.5	31.1	54.0	29.17	0.40	3.6	1.902	26.6	2.7	35.3	21.9	40.3	19.92	0.36	1.688	62.0	3.2	19.5	25.5	51.8	26.12	0.38	88.7

Source: CPR

WORK PROGRAMME UNDERTAKEN DURING 2019

Monaf undertook a programme that commenced in June 2019 to drill 9 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 washibility 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 tool 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.

RESULTS

The results from the Bureau Veritas laboratory in South Africa from October 2019 until recently 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.

Monaf are now engaging with specialist laboratories in China to undertake more extensive tests which the results are pending. The recent 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.

Mr Richard Rice BSc of Tunsgate Office Park, Northwood, Harare, 30 Tunsgate Road, Northwood, Harare. and registered as a Professional Natural Scientist (Pr.Sci.Nat) with SACNASP Registration number 118617, has reviewed and summarised the results from the independent laboratories. Mr Richard Rice has over 30 years of experience in coal geology and been retained by Monaf as a consultant geologist to advise on the Lubu Coalfield since 2010. Following Readmission, Richard Rice will be the technical adviser and full time employee of the Company.

He is qualified to act as a competent person. For avoidance of doubt, the Competent Person has not reported on the results on the basis that the work programme is ongoing and incomplete.

JOINT VENTURE PARTNERS

Monaf does not have joint venture partners. Minority shareholders represent a 30% interest in Monaf's equity capital; details of the minority shareholders are set out in Part III "Information on Monaf and Industry Review".

STRATEGY AND PROSPECTS

The main strategy and emphasis of the Monaf exploration programme is 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 (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 COKING COAL MARKET

Coking coal or "metallurgical coal" is used primarily for steel production as coke is an essential fuel and reactant in the blast furnace process for making primary steel. The coking ability of coal is related to its physical properties such as its rank, but laboratory testing is required to completely evaluate the coking ability of a coal. The strength and density of coke are particularly important when it is used in a blast furnace, as the coke supports part of the ore and flux burden inside the furnace.

The three main categories of coking coal are:

i) hard coking coal which currently sells for circa \$190/t;

ii) semi-soft coking coal sells for circa \$90–\$100/t; and

iii) 28MJ/KG CV com which sells for circa \$130/t.

The supply of coking coal is largely from Australia, Canada and the USA. BHP Billiton, Mitsubishi Corporation, Anglo American, Teck Resources and Glencore are the major suppliers in the market. The leading suppliers are under increasing environmental pressures to exit the coal business so it is unlikely they will increase supply in the long term.

Demand in the coking coal market is driven by the steel making industries based in Asia (predominantly China and Japan) which in turn are reliant on the industrialisation and urbanisation in the region. The World Steel Association reported that 1,689 million tonnes of steel was produced in 2018 with Asia accounting for 69% of production and 66% of consumption.

THE THERMAL COAL MARKET

Thermal coal prices reflect the relative quality and power characteristics of the coals. Typically, the key benchmarks for thermal coal pricing are the Newcastle 5500Kcal and 6000 Kcal prices as they represent the largest segment of coal traded globally given that the majority of Australian coal is exported to the Asian markets being the largest consumer of thermal coal globally.

During the 18 month period from 1 July 2018 to 31 December 2019, the following price trends were observed:

- The Newcastle 5500 Kcal benchmark moved from $80 per tonne to $52 per tonne;
- The Newcastle 6000 Kcal increased from $116.78 to $66 per tonne.

The demand for thermal coal market is driven by the industrialisation and urbanisation in emerging economies, especially in Asia and Africa, whilst the more developed economies in North America and Europe retrench fossil fuel usage in their energy mix due to the political and environmental concerns regarding carbon fuels. Coal remains a highly cost effective source of power and emerging technologies on carbon capture are continuing to develop to negate the pollution caused by burning coal.

China and India are investing heavily by building substantial capacity to burn coal for power generation to meet their economic growths. Glencore noted in a recent presentation that South East Asia economy will triple in size by 2040 and that coal will account for 40% of energy growth thus total coal demand will more than double by 2040 in that region. Also, Glencore noted that 251 coal units totalling 122GW are to be installed in South East Asia.

Given the political and environmental sentiment towards thermal coal several major mining companies, investors and banks have sought to reduce their exposure to the commodity. Rio Tinto have sought to exit entirely from the coal business by initially selling their coal assets in the Hunter Valley, Australian coal asset to Yancoal in 2017 for $2.69 billion whom then subsequently entered into a JV with Glencore by selling a 49% interest for $1.13 billion. Rio Tinto completed its exit by selling its Queensland coal portfolio to a private equity fund and an Indonesian energy company for $2.9 billion in March 2018. A number of investors and banks have made commitments to not invest in thermal coal thereby reducing the ability of mining companies to develop major coal projects. This has consequently reduced the amount of new supply coming into the market to meet demand in the foreseeable future.

Therefore, the Directors and Proposed Directors believe that there are reasons to believe that aggregate demand for thermal coal shall largely remain stable for the foreseeable future whilst supply will be relatively modest. Moreover, there is a severe shortage of power in both Zimbabwe and other neighbouring Southern African countries which will provide an immediate market for coal produced by the Company.

In July 2019, reports suggested that Zimbabwe has been experiencing up to 15-18 hour blackouts due to the under supply of electricity from Eskom (whom it imports electricity from South Africa) due to debts outstanding and that its domestic power supply was being constrained due to output levels from the Kariba Power Plant Dam (which typically supplies 57% of domestic power) being affected by adverse water levels following a recent drought. In addition, the Hwange Colliery is producing less coal due to old and deteriorating infrastructure.

PART IV

INFORMATION ON CGH

1. For the purposes of this Part IV "*Information on CGH*" of this Document:

"acting in concert" has the meaning attributed to it in the Takeover Code.

"arrangement" includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing.

"control" means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give *de facto* control.

"dealing" or "dealt" includes the following:

(a) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;

(b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;

(c) subscribing or agreeing to subscribe for securities;

(d) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;

(e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;

(f) entering into, terminating or varying the terms of any agreement to purchase or sell securities;

(g) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and

(h) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position.

"derivative" includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security.

"disclosure date" means 19 May 2020, being the latest practicable date prior to the date of this Document.

"disclosure period" means the period commencing on 22 December 2016, being the date 12 months prior to the date of the Announcement and ending on the disclosure date.

Being "interested" in relevant securities includes where a person:

(a) owns relevant securities;

(b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;

(c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

(d) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it.

"relevant securities" means shares in the Company (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof, or as the context requires, the Ordinary Shares of CGH and other securities convertible into, or exchangeable for, rights to subscribe for the options (including traded options) in respect of, or derivatives referenced to, any of the foregoing.

"short position" means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

2. No dealings in relevant Company securities have taken place during the disclosure period by CGH, any director of CGH nor any person acting or deemed to be acting in concert with CGH.

3. Save as disclosed in this Part IV of this Document, as at the close of business on the LPD:

(a) CGH did not have any interest in or right to subscribe for, nor had any short position in relation to, any relevant Company securities, nor had it dealt in any relevant Company securities during the disclosure period;

(b) none of the directors of CGH (including any members of such directors' respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Company securities, nor had any such person dealt in any relevant Company securities during the disclosure period;

(c) no person acting in concert with CGH had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Company securities, nor had any such person dealt in any relevant Company securities during the disclosure period;

(d) there were no arrangements which existed between CGH, its directors or any person acting in concert with CGH and any other person in connection with or dependent upon the outcome of the Resolutions;

(e) none of CGH, its directors or any person acting in concert with CGH has borrowed or lent any relevant Company securities, save for any borrowed shares, which have either been on-let or sold;

(f) no agreement, arrangement or understanding exists by which any of the Existing Ordinary Shares, the Placing Shares, the Consideration Shares or any new Ordinary Shares to be issued on exercise of the Existing Warrants or the New Warrants will be transferred by CGH to any other person;

(g) Save for (i) the Acquisition Agreement, (ii) (relevant) Lock-in Agreement and (iii) Relationship Agreement, further details of which are set out in Part XII "Additional Information" of this Document, there are no agreements, arrangements or understandings between CGH and any of the Directors, Proposed Directors, Shareholders of the Company, or any person interested or recently interested in shares of the Company or any of them, or any other person, having any connection with or dependence upon the Proposals set out this Document;

(h) none of the directors of the Company had an interest in or a right to subscribe for, or had any short position in any relevant Company securities during the disclosure period; and

(i) no person acting in concert with the Company had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Company securities, nor had any such person dealt in any relevant Company securities during the disclosure period.

INFORMATION ON CGH

CGH was incorporated in the British Virgin Islands with registered office address of Romasco Place (now Commerce House), Wickhams Cay 1, PO Box 3140, Road Town, Tortola BVI on 27 April 2007 with the name BioEnergy Africa Ltd, whose initial focus was on developing bio-ethanol related assets.

BioEnergy Africa listed on AIM on 1 September 2008.

BioEnergy Africa moved towards the mining sector in sub-Saharan Africa following an EGM on 4 November 2009, at which time the name was also changed to Sable Mining Africa Limited.

Following an extraordinary general meeting on 7 October 2016, Sable Mining Africa delisted from AIM as from 17 October 2016 and changed its name to Consolidated Growth Holdings Limited.

CGH's historic/current directors are as follows:

Director	Appointed	Resigned
Izak Cornelis Holthausen	11 July 2008	22 January 2010
Philippe Edmonds	11 July 2008	3 October 2014
Andrew Groves	7 May 2007	–
Nicholas Brooks	1 December 2008	30 March 2009
Jorge Augusto Santiago Neves	1 December 2008	30 March 2009
Jeremy Sanford	4 August 2010	27 November 2012
Andrew Burns	1 September 2010	14 December 2017
Petrus Snyders	5 October 2011	20 January 2014
Aboubacar Sampil	12 April 2012	21 November 2016
Jim Cochrane	20 January 2014	14 September 2016

CGH's current focus is the exploration and development of iron ore and coal properties in southern and central Africa. Following Completion, CGH is to treat its ownership of Ordinary Shares in the Company passively and as an investment opportunity, rather than an operationally active shareholding.

CGH's reports and accounts for the years ending 2015 and 2014 and the unaudited Interim Results for the period to 31 December 2015 will be made available on the Company's website at www.contangoholdings-plc.co.uk. Since CGH's shares are no longer admitted to trading on AIM, it is not required to publish its accounts on its website.

The significant shareholders in CGH are:

Holdings	**%**
Eriswell International Trading Inc	9.62%
BXR Portfolio Limited	8.06%
Lynchwood Nominees Limited	4.75%
Nortrust Nominees Limited	4.52%
Kilbane Limited	3.99%
Barclayshare Nominees Limited	3.80%
Hargreaves Lansdown (Nominees) Limited	3.64%
Interactive Investor Services Nominees Limited	3.22%
Hargreaves Lansdown (Nominees) Limited	2.94%

The following companies are owned by CGH:

Someden Investments (Private) Limited ("**Someden**"), a company incorporated in Zimbabwe and whose registered office is 30 Tunsgate Road, Northwood, Harare, Zimbabwe, is a wholly owned subsidiary of CGH. Someden holds shares in the following Zimbabwean companies:

(i) Postwall Properties (Private) Limited ("Postwall"), a company incorporated in Zimbabwe and whose registered office is 9B Ridgeway South, Chisipite, Harare, Zimbabwe, is 99% owned by CGH (via Someden). Postwall is a property holding company and owns the property used by CGH to facilitate exploration in the town of Binga.

(ii) Apex Petroleum Company (Private) Limited ("**Apex**"), a company incorporated in Zimbabwe and whose registered office is 30 Tunsgate Road, Northwood, Harare, Zimbabwe, is 95% owned by CGH (via Someden). Apex is primarily an exploration company and currently owns the special grants relating to the Lusulu coal project.

(iii) CGH (Zim Ventures) Limited ("**CGH ZV**"), a company incorporated in Mauritius and whose registered office is Level 3, Tower 1, Nexteracom Towers, Cybercity, Ebene, Mauritius is a wholly owned subsidiary of CGH. CGH ZV is a holding company which is currently in the process of being wound-up. CGH ZV previously held shares in a South African subsidiary which has now been sold.

(iv) Sable Aircraft Company (Proprietary) Limited ("**Sable**"), a company registered in South Africa and whose registered office is Office Number 3, First Floor, Grand Central Airport, Midrand 1685, South Africa, is a wholly owned subsidiary of CGH. Sable is a dormant company and has now been wound up. Sable previously owned a helicopter used by the CGH group for its work in West Africa.

The principal legislation under which CGH operates is the BVI Business Companies Act 2004 and the regulations made thereunder.

PART V

THE DIRECTORS, THE PROPOSED DIRECTORS, THE BOARD AND CORPORATE GOVERNANCE

THE DIRECTORS AND THE PROPOSED DIRECTORS

Directors

Details of the Directors (and Proposed Directors) are as follows:

Neal Griffith, born 25 February 1966

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 Chief Executive Officer of Optima Worldwide Group plc 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. Optima Worldwide Group plc has a number of investments in the natural resource sector and was listed on the Nasdaq Nord market in August 2016.

It is intended that Neal will resign as a director on Completion.

Philip Richards, born 4 May 1960

Philip Richards is Founder and President of RAB Capital which he jointly founded in 1999. He was Chief Executive Officer and Chief Investment Officer until 2008. As manager of the RAB Special Situations Fund he ran around $2 billion in the mining and energy sector. Prior to founding RAB Capital he was a Managing Director in equity research and then investment banking at Merrill Lynch. He is a graduate of Oxford University.

It is intended that Philip will be a non-executive director following Readmission.

Brian McMaster, born 23 March 1971

Brian was appointed as a director of the Company on 11 July 2016. 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, an 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 several companies across the natural resources sector.

It is intended that Brian will resign as a director on Completion.

Oliver Stansfield, born 27 August 1983

Oliver is the Chief Executive Officer of Brandon Hill Capital. He joined Fox-Davies Capital in 2004 (acquired by Optima Worldwide Group plc in June 2014 and renamed to Brandon Hill Capital in January 2015) where he held the role of Director of Equity Sales. As Chief Executive Officer of Brandon Hill Capital, 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-Worth individuals. Over the last 10 years he has sourced in excess of $1 billion for natural resource companies in a variety of jurisdictions and across a multitude of commodities.

It is intended that Oliver will be a non-executive director following Readmission.

Proposed Directors

Details of the Proposed Directors, who will be appointed to the Board on Completion, and their backgrounds are as follows:

Carl Esprey, born 25 April 1979

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.

It is intended that Carl will be an executive director following Readmission.

Roy Pitchford, born 21 September 1950

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.

It is intended that Roy will be a non-executive director following Readmission.

Corporate Governance

The Directors intend, so far as appropriate given the Company's size and the constitution of the Board, to comply with the UK Corporate Governance Code. When the Company's business has developed sufficiently, the Directors intend to establish an audit committee, remuneration committee and nomination committee.

PART VI

SECTION (A) – OPERATING AND FINANCIAL REVIEW OF THE COMPANY

The following operating and financial review contain financial information that has been extracted or derived without material adjustment from the Company's audited financial information for the 13-month period from incorporation on 18 May 2016 to 31 May 2017, the year-ended 31 May 2018 and the year-ended 31 May 2019 included in Section (B) "Historical Financial Information of the Company" and the unaudited interim financial information for the six-month period ended 30 November 2019 included in Section (C) "Unaudited Interim Financial Information of the Company" of Part VIII "Financial Information of the Company", prepared in accordance with IFRS.

The following discussion should be read in conjunction with the other information in this Document, in particular with the entire Part VIII "Financial Information of the Company". This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on page 22 of this Document.

The key risks and uncertainties include but are not limited to those described in the section of this Prospectus entitled "Risk Factors" on pages 12 to 19 of this Document.

SUMMARY STATEMENTS OF FINANCIAL POSITION

Summarised below are the audited statements of financial position of the Company as at 31 May 2017, 31 May 2018 and 31 May 2019 and the unaudited statement of financial position of the Company as at 30 November 2019:

	Audited as at 31 May 2017 £'000	Audited as at 31 May 2018 £'000	Audited as at 31 May 2019 £'000	Unaudited as at 30 November 2019 £'000
Current assets				
Cash and cash equivalents	52	638	281	298
Other receivables	17	12	31	–
Total current assets	**69**	**650**	**312**	**298**
Current liabilities				
Current liabilities				
Trade and other payables	69	93	76	150
Total current liabilities	**69**	**93**	**76**	**150**
Net assets	**–**	**557**	**236**	**148**
Equity				
Equity				
Share capital	–	430	430	430
Share premium	–	369	369	369
Warrant reserve	–	85	85	85
Retained earnings	–	(327)	(646)	(736)
Total equity	**–**	**557**	**236**	**148**

SUMMARY INCOME STATEMENTS

Summarised below are the audited income statements of the Company for the 13-month period from incorporation on 18 May 2016 to 31 May 2017, the year-ended 31 May 2018 and the year-ended 31 May 2019 and the unaudited statement income statement of the Company for the six-months ended 30 November 2019:

	Audited 13 months ended 31 May 2017 £'000	Audited Year ended 31 May 2018 £'000	Audited Year ended 31 May 2019 £'000	Unaudited Six months ended 30 November 2019 £'000
Administrative fees and other expenses	–	(327)	(320)	(88)
Operating loss	**–**	**(327)**	**(320)**	**(88)**
Loss before tax	**–**	**(327)**	**(320)**	**(88)**
Income tax	–	–	–	–
Loss for the period and total comprehensive loss for the period	**–**	**(327)**	**(320)**	**(88)**
Basic and diluted loss per Ordinary Share (pence)	**–**	**(1.00)**	**(0.71)**	**(0.21)**

SUMMARY CASH FLOW STATEMENTS

Summarised below are the audited cash flow statements of the Company for the 13-month period from incorporation on 18 May 2016 to 31 May 2017, the year-ended 31 May 2018 and the year-ended 31 May 2019 and the unaudited statement income statement of the Company for the six-months ended 30 November 2019::

	Audited 13 months ended 31 May 2017 £'000	Audited Year ended 31 May 2018 £'000	Audited Year ended 31 May 2019 £'000	Unaudited Six months ended 30 November 2019 £'000
Operating activities				
Loss after tax	–	(327)	(320)	(88)
Changes in working capital:				
(Increase)/decrease in trade and other receivables	(17)	5	(19)	(267)
Increase/(decrease) in trade and other payables	69	24	(18)	74
Net cash inflow/(outflow) from operating activities	**52**	**(298)**	**(357)**	**(281)**
Financing activities				
Ordinary Shares issued *(net of issue costs)*	–	883	–	–
Net cash inflow from financing activities	**–**	**883**	**–**	**–**
Increase/(decrease) in cash and short-term deposits	**52**	**586**	**(357)**	**(281)**
Cash and short-term deposits as at the start of the period	–	52	638	281
Cash and short-term deposits at the end of the period	**52**	**638**	**281**	**–**

RESULTS FOR THE 13-MONTH PERIOD ENDED 31 MAY 2017

The Company was incorporated on 18 May 2016, issuing 1 Ordinary Share of £1. This Ordinary Share was subsequently sub-divided into 100 Ordinary Shares of £0.01 each.

During the 13-month period ended 31 May 2017, the Company did not trade and did not incur any administrative expenditure. As at 31 May 2017, the Company had cash reserves of £52,000.

RESULTS FOR THE YEAR ENDED 31 MAY 2018

On 1 June 2017, the Company issued a further 4,999,900 Ordinary Shares at £0.01 each, raising cash of £50,000. A further 12,500,000 Ordinary Shares were issued between on 26 October 2017 at £0.02 each, raising cash of £250,000. On 2 November 2017, the Company and its Ordinary Shares were admitted to trading on the Main Market of the London Stock Exchange. On this date, the Company undertook a placing of 25,449,987 Ordinary Shares at £0.03 each, raising further cash of £763,500. From the above Ordinary Share issues, a total of £1,063,500 of cash was received by the Company. From this amount, associated Readmission costs of £180,500 were paid in cash, resulting in the Company receiving net cash proceeds from the issue of Ordinary Shares of £883,000.

During the year ended 31 May 2018, the Company incurred administrative expenditure of £327,000. As at 31 May 2018, the Company had cash reserves of £638,000.

During the year ended 31 May 2018, the majority of administrative expenditure comprised professional fees of £65,000, Directors' remuneration of £48,000, listing fees of £55,000 and audit fees of £15,000.

RESULTS FOR THE YEAR ENDED 31 MAY 2019

The Company incurred administrative expenses of £320,000 during the year ended 31 May 2019, predominantly in relation to the transaction. As at 31 May 2019, the cash balance of the Company was £281,000.

RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2019

The Company incurred administrative expenses of £88,000 during the six months ended 30 November 2019, predominantly in relation to the transaction. As at 30 November 2019, the cash balance of the Company was £181 prior to the advance of circa $325,000 of funds to CGH to commence the work programme at the project.

SECTION (B) – OPERATING AND FINANCIAL REVIEW OF MONAF

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the audited Monaf Financial Information included in Part (A) "Historical Financial Information of Monaf" and the Monaf Interim Financial Information included in Part (B) "Unaudited Interim Financial Information of Monaf", included in Part IX "Financial Information of Monaf", prepared in accordance with IFRS.

The following discussion should be read in conjunction with the other information in this Document. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on page 22 of this Document.

The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" on pages 12 to 19 of this Document.

SUMMARY STATEMENTS OF FINANCIAL POSITION

Summarised below are the audited statements of financial position of Monaf as at 31 March 2017, 31 March 2018 and 31 March 2019 and the unaudited statement of financial position as at 30 September 2019:

	Audited as at 31 March 2017 $'000	Audited as at 31 March 2018 $'000	Audited as at 31 March 2019 $'000	Unaudited as at 30 September 2019 £'000
Property, plant and equipment	2	1	–	–
Non-current assets	2	1	–	–
Total assets	**2**	**1**	**–**	**–**
Share capital	52	52	52	52
Accumulated losses	(6,538)	(6,671)	(6,831)	(6,989)
Equity	**(6,486)**	**(6,619)**	**(6,779)**	**(6,938)**
Trade and other payables	52	76	76	75
Total current liabilities	**52**	**76**	**76**	**75**
Loans from shareholders	6,436	6,544	6,703	6,862
Total non-current liabilities	**6,436**	**6,544**	**6,703**	**6,862**
Total equity and liabilities	**2**	**1**	**–**	**–**

SUMMARY INCOME STATEMENTS

Summarised below are the audited income statements of Monaf for the three years ended 31 March 2019 and the unaudited income statement for the six months ended 30 September 2019:

	Audited year ended 31 March 2017 $'000	Audited year ended 31 March 2018 $'000	Audited year ended 31 March 2019 $'000	Unaudited six months ended 30 September 2019 $'000
Administrative expenses	(119)	(133)	(156)	(159)
Loss before taxation	**(119)**	**(133)**	**(156)**	**(159)**
Taxation	–	–	(4)	–
Comprehensive loss on ordinary activities retained	**(119)**	**(133)**	**(160)**	**(159)**

SUMMARY CASH FLOW STATEMENTS

Summarised below are the audited cash flow statements of Monaf for the three years ended 31 March 2019 and the unaudited cash flow for the six months ended 30 September 2019:

	Audited year ended 31 March 2017 $'000	Audited year ended 31 March 2018 $'000	Audited year ended 31 March 2019 $'000	Unaudited six months ended 30 September 2019 $'000
Net loss before tax	(119)	(133)	(156)	(159)
Depreciation and amortisation	1	1	1	–
Increase in trade and other receivables	–	–	–	–
Increase/(decrease) in trade and other payables	27	24	–	–
Tax paid	–	–	(4)	–
Net cash used in operating activities	**(91)**	**(108)**	**(159)**	**(159)**
Movement in shareholders loan	91	108	159	–
Net cash from financing activities	**91**	**108**	**159**	**(159)**
Net cash increase	**–**	**–**	**–**	**–**
Cash brought forward	–	–	–	–
Cash carried forward	**–**	**–**	**–**	**–**

RESULTS FOR THE YEAR ENDED 31 MARCH 2017

During the year ended 31 March 2017, Monaf incurred $119,000 of administrative expenditure. This balance primarily comprised of consultancy fees of $67,000 and exploration expenses of $17,000.

As at 31 March 2017, Monaf had no cash reserves with expenditure funded by an increase in Shareholder loans of $91,000.

RESULTS FOR THE YEAR ENDED 31 MARCH 2018

During the year ended 31 March 2018, Monaf incurred $133,000 of administrative expenditure. This balance primarily comprised of consultancy fees of $65,000 and permit fees of $24,000.

As at 31 March 2018, Monaf had no cash reserves with expenditure funded by an increase in Shareholder loans of $108,000.

A prior period adjustment was noted in respect of the audited figures of Monaf for the year-ended 31 March 2017 and 31 March 2018 as a result of property owned by a subsidiary being included in the Monaf Financial Information. The numbers included herein reflect the correct adjusted balances as at 31 March 2017 and 31 March 2018.

RESULTS FOR THE YEAR ENDED 31 MARCH 2019

During the year ended 31 March 2019, Monaf incurred $156,000 of administrative expenditure. This balance primarily comprised of consultancy fees of $63,000 and power project expenses of $43,000.

As at 31 March 2019, Monaf had no cash reserves with expenditure funded by an increase in Shareholder loans of $159,000.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

During the six months ended 30 September 2019, Monaf incurred $159,000 of administrative expenditure. The balance primarily comprised of exploration fees of $93,000, consultancy fees of $10,000 and travel and accommodation fees of $30,000. As at 30 September 2019, Monaf had no cash reserves.

PART VII

THE PLACING AND USE OF PROCEEDS

BACKGROUND

Under the Placing, gross proceeds of £1,400,000 before expenses have been raised and 28,000,000 Placing Shares have been subscribed by, and will, conditional on Readmission, be issued to, investors at the Placing Price of £0.05 per Ordinary Share raising Net Proceeds of £1,059,000. The Company's intention is to use some or all of the Net Proceeds to advance the Lubu Coalfield project and fund transaction costs, administrative expenses and fees. Further information regarding the use of proceeds is set out below.

The Company and Brandon Hill Capital have entered into an agreement dated 19 May 2020, pursuant to which Brandon Hill Capital has agreed to act as capital markets adviser to the Company in connection with the Placing. Further details of this agreement are set out in Part XII of this Document.

The Placing has been offered to investors in the United Kingdom and certain other jurisdictions by way of Placing Letters. Conditional on, amongst other things, Readmission occurring on or prior to 18 June 2020 (or such later time and/or date as may be agreed, being not later than 17 July 2020) and the Placing raising £1,400,000 for the Company, each investor under the Placing has irrevocably agreed to acquire those Placing Shares allocated to it under its Placing Letter.

In accordance with Listing Rule 14.3, at Readmission at least 25% of the Ordinary Shares of this listed class will be in public hands. Readmission is expected to take place at 8.00 a.m. on 18 June 2020.

If the Placing, and therefore the Acquisition, does not complete, the suspension on the Existing Ordinary Shares will be lifted and trading in the Existing Ordinary Shares will recommence. If Readmission does not occur by 17 July, the Placing, and therefore the Acquisition, will not proceed and all monies paid will be refunded to the applicants.

Equity Commitments of the Directors, Proposed Directors and their Connected Persons

Director	Number of Ordinary Shares held	Number of Warrants
Brian McMaster*	4,690,699	3,141,117
Oliver Stansfield	4,690,699	3,141,117
Philip Richards	4,690,699	3,141,117
Neal Griffith	4,690,699	3,141,117
Roy Pitchford	Nil	Nil
Carl Esprey	200,000	Nil
Barry Stansfield	1,000,000	500,000
Total	**19,962,796**	**9.4%**

* Brian McMaster holds his shares through Gemstar Investments Ltd

READMISSION, DEALINGS AND CREST

The Placing is subject to Readmission occurring on or before 18 June 2020 or such later date as may be agreed by CGH and the Company.

Conditional only on Readmission, the Company has raised gross proceeds of £1,400,000 through the Placing, and Net Proceeds of approximately £1,059,000. The total expenses incurred (or to be incurred) by the Company in connection with the Placing, Acquisition and Readmission are approximately £473,000 of which £131,875 was paid from proceeds of the Initial IPO.

The Placing and Readmission are inter-conditional.

Readmission is expected to take place and dealings in the Existing Ordinary Shares and the New Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 18 June 2020. The Company is not making any arrangements for dealing prior to Readmission.

No application has been made, or is currently intended to be made, for the Ordinary Shares to be admitted to listing or dealt on any other stock exchange.

Where applicable, definitive share certificates in respect of the New Ordinary Shares to be issued pursuant to the Placing and in respect of the Consideration Shares are expected to be despatched, by post at the risk of the recipients, to the relevant holders, not later than seven days following Readmission. The Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the certificates of definitive share certificates in respect of any New Ordinary Shares which are held in certificated form, transfers of those New Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

PLACING AND PRICING

The Company has, conditional on Readmission, raised £1,400,000 (before Transaction Costs of approximately £473,000 of which £341,000 remains to be deducted from the gross proceeds of the Placing) by the issue of 28,000,000 Placing Shares which have been conditionally placed at the Placing Price by Brandon Hill Capital, on behalf of the Company with institutional and other investors (including high net worth and retail investors) through the Placing.

The Placing is conditional on Readmission occurring by 18 June 2020 (or such later date as CGH and the Company may agree, being no later than 17 July 2020).

The Placing Shares will represent approximately 15.4 per cent of the Enlarged Share Capital. The Placing Shares will rank *pari passu* in all respects with Existing Ordinary Shares including all rights to dividends and other distributions declared, made or paid following Readmission and will be issued as fully paid.

The Placing has not been and will not be underwritten.

The Placing Price has been set at the same price at which the Consideration Shares are being issued to CGH.

No expenses of the Placing will be charged to any investor by the Company.

Further details of the Placing and Broker Agreement are set out in Part XII of this Document.

All Placing Shares issued pursuant to the Placing will be issued at the Placing Price which has been determined by the Directors. The Directors have ensured that a minimum of 25 per cent of the Enlarged Share Capital has been allocated to investors whose individual and unconnected shareholdings will each equate to less than 5 per cent of the Enlarged Share Capital, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2 (4).

Conditional upon Readmission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 18 June 2020 (or such later date agreed by CGH and the Company being not later than 17 July 2020), each of the Placees agrees to become a member of the Company and agrees to subscribe for those Placing Shares set out in his Placing Letter. To the fullest extent permitted by law, investors will not be entitled to rescind their agreement at any time. In the event that Readmission does not become effective by 8.00 a.m. London time on or prior to 18 June 2020 (or such later date as CGH and the Company may agree, being not later than 17 July 2020), Placees will receive a full refund of monies subscribed without interest.

PAYMENT

Each Placee has agreed to return signed Placing Letters to Brandon Hill Capital, who will be the CREST counterparty to the Placees in respect of the entire Placing which will be settled on Readmission. Liability (if any) for stamp duty and stamp duty reserve tax is as described in Part XI of this Document.

If Readmission does not occur, placing monies will be returned to each Placee, without interest, by the Company.

REASONS FOR THE PLACING AND USE OF PROCEEDS

It is anticipated by the Directors and the Proposed Directors that part of the Net Proceeds will be used as follows for the 18 month period from Readmission:

Currency: £'000s	**£**
Site Preparation and open pit	485,000
Transaction Costs	341,000
PLC administration costs	170,000
Zimbabwe management and office costs	124,000
Directors fees	96,000

The Company commenced the work programme at the Lubu Coalfield in June 2019 and to date has advanced $487,500 to cover drilling, testing and other project related costs. These funds were funded using existing cash balances of the Company and director loans. Also, the Company has paid for £131,875 of Transaction Costs from existing cash resources following the Initial IPO. The balance of £341,000 will be paid from the Placing. Furthermore, the Company may realise further funds from any warrants that may be exercised and the Company anticipates realising revenue from the sales of coal in due course.

SELLING RESTRICTIONS

The Ordinary Shares will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or in the United States.

The Placing is being made by means of placing new Ordinary Shares to certain investors in the UK and elsewhere outside the United States in accordance with regulation. Certain restrictions that apply to the distribution of this Document and the Placing Shares being issued pursuant to the Placing in certain jurisdictions are described in the section headed '*Notice to Investors*' of this Document.

TRANSFERABILITY

The Company's Existing Ordinary Shares are, and the Placing Shares will be, freely transferable and tradable with no restrictions on transfer. On Readmission all Ordinary Shares will be fully paid and free from all liens and from any restriction on the right of transfer.

PART VIII

FINANCIAL INFORMATION OF THE COMPANY

SECTION (A) – ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Crowe U.K. LLP
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The Directors
Contango Holdings plc
4th Floor
36 Spital Square
London E1 6DY

20 May 2020

Dear Sirs,

INTRODUCTION

We report on the audited historical financial information of Contango Holdings plc (the "**Company**") for the thirteen-month period from incorporation on 18 May 2016 to 31 May 2017, the year ended 31 May 2018 and the year ended 31 May 2019 (together, the "**Company Financial Information**"). The Company Financial Information has been prepared for inclusion in Section (B) *"Historical Financial Information of the Company"* of Part VIII "*Financial Information of the Company*" of the Company's prospectus dated 20 May 2020 (the "**Document**"), on the basis of the accounting policies set out in note 2 to the Company Financial Information. This report is given for the purpose of complying with item 18.3.1 of Annex 1 to Commission Delegated Regulation (EU) 2019/980 and is given for the purpose of complying with that requirement and for no other purpose.

RESPONSIBILITIES

The directors of the Company (the "**Directors**") are responsible for preparing the Company Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

It is our responsibility to form an opinion on the Company Financial Information and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Company Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Company Financial Information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

OPINION

In our opinion, the Company Financial Information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Company as at 31 May 2017, 31 May 2018 and 31 May 2019 and of its results, cash flows and changes in equity for the periods then ended in accordance with IFRS.

DECLARATION

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(F), we declare that, to the best of our knowledge, the information contained in this report, for which we are responsible, is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 to Commission Delegated Regulation (EU) 2019/980.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION (B) – HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

STATEMENTS OF COMPREHENSIVE INCOME

The audited statements of comprehensive income of the Company for the thirteen-month period ended 31 May 2017 and each of the years ended 31 May 2018 and 31 May 2019 are as follows:

	Notes	Audited Period ended 31 May 2017 £	Audited Year ended 31 May 2018 £	Audited Year ended 31 May 2019 £
Administrative fees and other expenses	4	–	(326,676)	(320,229)
Operating loss		**–**	**(326,676)**	**(320,229)**
Finance revenue		–	–	–
Finance expense		–	–	–
Loss before tax		**–**	**(326,676)**	**(320,229)**
Income tax		–	–	–
Loss for the period and total comprehensive loss for the period		**–**	**(326,676)**	**(320,229)**
Basic and diluted loss per Ordinary Share (pence)	5	**–**	**(1.00)**	**(0.71)**

STATEMENTS OF FINANCIAL POSITION

The audited statements of financial position of the Company as at 31 May 2017, 31 May 2018 and 31 May 2019 are as follows:

	Notes	Audited As at 31 May 2017 £	Audited As at 31 May 2018 £	Audited As at 31 May 2019 £
Current assets				
Other receivables	9	17,000	12,188	31,311
Cash and cash equivalents	10	51,750	637,558	280,884
Total current assets		**68,750**	**649,746**	**312,195**
Current liabilities				
Trade and other payables	11	68,749	93,070	75,748
Total current liabilities		**68,749**	**93,070**	**75,748**
Net assets		**1**	**556,676**	**236,447**
Equity				
Share capital	7	1	429,500	429,500
Share premium	7	–	368,978	368,978
Warrant reserve	7	–	84,874	84,874
Retained deficit	7	–	(326,676)	(646,905)
Total equity		**1**	**556,676**	**236,447**

STATEMENTS OF CHANGES IN EQUITY

The audited statements of changes in equity of the Company for the thirteen-month period ended 31 May 2017 and each of the years ended 31 May 2018 and 31 May 2019 are as follows:

	Share Capital	Share Premium	Warrant Reserve	Retained Earnings	Total Equity
	£	**£**	**£**	**£**	**£**
Comprehensive income for the period					
Loss for the period	–	–	–	–	–
Total Comprehensive loss for the period	–	–	–	–	–
Transactions with owners					
Shares issued on incorporation	1	–	–	–	1
Issue of new shares	–	–	–	–	–
Balance as at 31 May 2017 (audited)	1	–		–	1
Loss for the year	–	–	–	(326,676)	(326,676)
Ordinary Shares and warrants issued (note 7)	429,499	549,126	84,874	–	1,063,499
Ordinary Share issue costs (note 7)	–	(180,148)	–	–	(180,148)
Balance as at 31 May 2018 (audited)	**429,500**	**368,978**	**84,874**	**(326,676)**	**556,676**
Loss for the year	–	–	–	(320,229)	(320,229)
Balance as at 31 May 2019 (audited)	**429,500**	**368,978**	**84,874**	**(646,905)**	**236,447**

STATEMENTS OF CASH FLOWS

The audited statements of cash flows of the Company for the thirteen-month period ended 31 May 2017 and each of the years ended 31 May 2018 and 31 May 2019 are as follows:

	Notes	Audited Period ended 31 May 2017 £	Audited Year ended 31 May 2018 £	Audited Year ended 31 May 2019 £
Operating activities				
Loss after tax		–	(326,676)	(320,229)
Changes in working capital				
(Increase)/decrease in other receivables		(17,000)	4,812	(19,123)
Increase/(decrease) in trade and other payables		68,749	24,320	(17,322)
Net cash inflows/(outflows) flows from operating activities		51,749	(297,544)	(356,674)
Financing activities				
Ordinary Shares issued (net of issue costs)	7	1	883,352	–
Net cash flows from financing activities		1	883,352	–
Increase/(decrease) in cash and short-term deposits		**51,750**	**585,808**	**(356,674)**
Cash and short-term deposits as at the start of the period		–	51,750	637,558
Cash and short-term deposits at the end of the period		**51,750**	**637,558**	**280,884**

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 the Act on 1 June 2017, with the name Contango Holdings plc.

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

2. **Summary of significant accounting policies**

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

(a) ***Basis of preparation***

The Company Financial Information has been prepared in accordance with and comply with IFRS as adopted by the European Union, International Financial Reporting Interpretations Committee interpretations and the Act. The Company Financial Information has been prepared under the historical cost convention as modified for financial assets carried at fair value. These do not comprise statutory financial statements of the company.

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

(b) ***Going concern***

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

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

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

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

(d) ***Comparative figures***

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

The comparative figures shown for 2018 cover the year ended 31 May 2018.

(e) ***Earnings per Ordinary Share***

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

(f) ***Cash and cash equivalents***

The Directors consider any cash no short-term deposits and other short-term investments to be cash equivalents.

(g) ***Taxation***

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

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

(h) ***Financial Assets***

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

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

The classification depends on the purpose for which the financial assets were acquired. The Directors determine the classification of the Company's financial assets at initial recognition and re-evaluates this classification at every reporting date.

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

(i) ***Financial liabilities and equity instrument***

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Other financial liabilities

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

Warrants

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

(j) **Derecognition of financial liabilities**

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

(k) **Financial risk management objectives and policies**

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

(l) **Liquidity risk**

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

3. Critical accounting estimates and judgements

The preparation of the Company Financial Information in conformity with IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities.

Estimates and judgements are continually evaluated, including expectations of future events to ensure these estimates to be reasonable.

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

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

4. Loss before taxation

Loss before income tax is stated after charging:

	Audited Period ended 31 May 2017 £	**Audited Year ended 31 May 2018 £**	**Audited Year ended 31 May 2019 £**
Directors' remuneration	–	48,000	72,000
Fee payable to the Company's auditor for the audit of the Company's annual accounts	–	15,000	16,800
Fee payable to the Company's auditor in respect of all other services	–	28,650	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:

	Audited Period ended 31 May 2017 £	**Audited Year ended 31 May 2018 £**	**Audited Year ended 31 May 2019 £**
Earnings			
Loss from continuing operations for the period attributable to the equity holders of the Company	–	(326,676)	(320,229)
Number of Ordinary Shares			
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per Ordinary Share (number)	1	32,596,294	42,949,978
Basic and diluted loss per Ordinary Share (pence)	–	**(1.00)**	**(0.71)**

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 year (2018: 19%, 2017: 19%).

As the Company continues to be non-trading, no account has been made for either corporation tax or deferred tax in the year ended 31 May 2019 (2018: none, 2017: none). The Directors also believe there are no accumulated losses to be carried forward. The Directors believe the previously reported losses in the year ended 31 May 2018 and the thirteen-month period ended 31 May 2017 may not be recoverable against future gains.

7. Share capital

	Number of Ordinary Shares issued and fully paid	Share capital £	Share premium £	Warrants reserve £	Share issue costs £	Total share capital £
As at 18 and 31 May 2016 (audited)	1	–	–	–	–	–
£1 shares subdivided into 100 1p shares	99	–	–	–	–	–
Issue of Ordinary Shares and Warrants						
1 June 2017	4,999,900	50,000	–	–	–	50,000
26 October 2017	12,500,000	125,000	76,906	48,094	–	250,000
1 November 2017	25,449,987	254,500	472,220	36,780	(180,148)	583,352
As at 31 May 2018 and 2019 (audited)	**42,949,987**	**429,500**	**549,126**	**84,874**	**(180,148)**	**883,352**

The Ordinary Shares issued by the Company have par value of £0.01 each and each Ordinary Share carries one vote on a poll vote.

On incorporation on 18 May 2016, the Company issued 1 Ordinary Share to Broadway Nominees Limited as nominee for Jonathan Evans at par.

On 1 June 2017 the Company issued 4,999,999 Ordinary Shares at par value for an aggregate cash consideration of £49,999.99.

On 26 October 2017 the Company issued 12,500,000 Ordinary Shares at par value for an aggregate cash consideration of £250,000.

On 1 November 2017 on admission to the Main Market of the London Stock Exchange, the Company issued 25,449,987 Ordinary Shares at par value for an aggregate cash consideration of £763,500.

8. Financial instruments

	Audited As at 31 May 2017 £	Audited As at 31 May 2018 £	Audited As at 31 May 2019 £
Financial assets			
Cash and cash equivalents	51,750	637,558	280,884
Financial liabilities			
At amortised cost	68,749	93,070	75,748

Financial liabilities held at amortised cost on 31 May 2019 were made up of trade and other payables of £65,350 (2018: £48,000, 2017: £nil) and accruals of £40,398 (2018: £45,070, 2017: £68,749).

9. Other receivables

	Audited As at 31 May 2017 £	Audited As at 31 May 2018 £	Audited As at 31 May 2019 £
Prepayments	17,000	12,188	31,311
	17,000	12,188	31,311

10. Cash and cash equivalents

	Audited As at 31 May 2017 £	Audited As at 31 May 2018 £	Audited As at 31 May 2019 £
Cash at bank	51,750	637,558	280,884

11. Trade and other payables

	Audited As at 31 May 2017 £	Audited As at 31 May 2018 £	Audited As at 31 May 2019 £
Trade payables			
Accruals and other payables	–	48,000	35,350
	68,749	45,070	40,398
	68,749	93,070	75,748

12. Related party transactions

During the year ended 31 May 2018, the four serving Directors all purchased Ordinary Shares and received warrants in relation to those Ordinary Shares as follows:

	Audited As at 31 May 2018 #
Philip Richards	3,214,033
Brian McMaster	3,214,033
Neal Griffith	3,214,033
Oliver Stansfield	3,214,033
	12,856,132

The associated warrants received during the year ended 31 May 2018 were as follows:

	Granted during the year and as at 31 May2018	Exercise price	Latest date of exercise
Philip Richards	3,068,200	£0.03	31 October 2019
	72,916	£0.05	31 October 2019
Brian McMaster	3,068,200	£0.03	31 October 2019
	72,916	£0.05	31 October 2019
Neal Griffith	3,068,200	£0.03	31 October 2019
	72,916	£0.05	31 October 2019
Oliver Stansfield	3,068,200	£0.03	31 October 2019
	72,916	£0.05	31 October 2019

During the year ended 31 May 2018, no warrants were exercised.

During the year ended 31 May 2019, no transactions in Ordinary Shares were conducted by the Directors and no warrants were exercised.

13. Warrant reserve

The following information is relevant in the determination of the fair value of the warrants issued during the year ended 31 May 2018 on 26 October 2017 and 1 November 2017:

Option pricing model used	Black-Scholes
Price at grant date	3p
Outstanding life of warrants	0.4
Expected volatility	63.404%
Expected dividend yield	–
Risk free interest rate	0.565%

Calculation of volatility involves significant judgement by the Directors. Volatility number was estimated based on the range of 50 month end volatilities of the main market mining index.

The aggregate fair value related to the warrants granted during the year ended 31 May 2019 has been allocated to share premium as share issue costs in the amount of £nil (2018: £84,874, 2017: £nil).

14. Warrants

No warrants were issued or exercised in the year ended 31 May 2019.

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

Warrant exercise Price	Number of warrants granted	Vesting date	Expiry date	Fair value of individual option
£0.03	18,666,667	26 Oct 2017	31 Oct 2019	£0.0026
£0.05	11,666,650	1 Nov 2017	31 Oct 2019	£0.0032
Total granted during the year ended 31 May 2018 (audited)	**30,333,317**			

The weighted average fair value of each warrant granted during the year was £0.0028.

No warrants have been exercised in the Company.

No warrants were issued or exercised in the period ended 31 May 2017.

15. Subsequent events

Subsequent to 31 May 2019, interest free and unsecured loans have been received from the Directors totalling £168,000. As part of the Placing, the Directors will convert £162,000 of their aggregate loans into 3,240,000 Ordinary Shares at the Placing Price, being 5p per Ordinary Share. Following the Placing, the aggregate amount owing to the Directors will be £6,000.

Subsequent to 31 May 2019, the Company has loaned a total £392,331 to CGH on an unsecured interest free basis. Settlement or repayment is dependent on the completion of the Acquisition.

16. Nature of the Company Financial Information

The Company Financial Information presented above does not constitute statutory accounts for the period under review.

SECTION (C) – UNAUDITED INTERIM FINANCIAL INFORMATION OF THE COMPANY

STATEMENT OF COMPREHENSIVE INCOME

The unaudited interim statements of comprehensive income of the Company for the six-month period ended 30 November 2019, together with the comparative six-month period ended 30 November 2018, are as follows:

	Notes	Unaudited Six months ended 30 November 2018 £	Unaudited Six months ended 31 November 2019 £
Revenue			
Administrative expenses		(180,911)	(88,329)
Loss before taxation		**(180,911)**	**(88,329)**
Income tax expense	2	–	–
Loss for the period		**(180,911)**	**(88,329)**
Other comprehensive income		–	–
Total comprehensive loss for the year attributable to Shareholders		**(180,911)**	**(88,329)**
Loss per Ordinary Share attributable to Shareholders (pence)	**2**	**(0.42)p**	**(0.21)p**

STATEMENT OF FINANCIAL POSITION

The unaudited interim statement of financial position of the Company as at 30 November 2019, together with the audited statement of financial position as at 31 May 2019, are as follows:

	Notes	Audited As at 31 May 2019 £	Unaudited As at 30 November 2019 £
Current assets			
Other receivables		31,311	297,932
Cash at bank and in hand		280,884	181
		312,195	**298,113**
Current liabilities			
Trade and other payables		75,748	149,995
Net current assets		**236,447**	**148,118**
Net assets		**236,447**	**148,118**
Equity			
Share capital	3	429,500	429,500
Share premium	3	368,978	368,978
Warrant reserve	3	84,874	84,874
Retained deficit		(646,905)	(735,234)
Equity attributable to the owners of the Company		**236,447**	**148,118**

STATEMENT OF CHANGES IN EQUITY

The unaudited interim statement of changes in equity of the Company for the six-month periods ended 30 November 2019, 31 May 2019 and 30 November 2018, are as follows:

	Share capital	Share premium	Warrant reserve	Retained deficit	Total equity
As at 31 May 2018 *(audited)*	**429,500**	**368,978**	**84,874**	**(326,676)**	**556,676**
Loss for the period	–	–	–	(180,911)	(180,911)
As at 30 November 2018 *(unaudited)*	**429,500**	**368,978**	**84,874**	**(507,587)**	**375,765**
Loss for the period	–	–	–	(139,318)	(139,318)
As at 31 May 2019 *(audited)*	**429,500**	**368,978**	**84,874**	**(646,905)**	**236,447**
Loss for the period	–	–	–	(88,329)	(88,329)
As at 30 November 2019 *(unaudited)*	**429,500**	**368,978**	**84,874**	**(735,234)**	**148,118**

STATEMENT OF CASH FLOWS

The unaudited interim statements of cash flows of the Company for the six-month period ended 30 November 2019, together with the comparative six-month period ended 30 November 2018, are as follows:

	Unaudited Six months ended 30 November 2018 £	Unaudited Six months ended 30 November 2019 £
Operating activities		
Loss after tax	(180,911)	(88,329)
Changes in working capital		
Increase in other receivables	(27,209)	(266,621)
Increase/(decrease) in trade and other payables	(59,254)	74,247
Net cash outflows from operating activities	**(267,374)**	**(280,703)**
Financing activities		
Net proceeds on issue of shares	–	–
Net cash flow from financing activities	**–**	**–**
Net increase in cash and cash equivalents	**(267,374)**	**(280,703)**
Cash and cash equivalents at beginning of the period	637,557	280,884
Cash and cash equivalents at end of the period	**370,183**	**181**

NOTES TO THE COMPANY INTERIM FINANCIAL INFORMATION

1 General information

The Company looks to identify potential companies, businesses or asset(s) that have operations in the natural resources exploration, development and production sector.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales, with registration number 10186111.

The Company's registered office is 4th Floor 36 Spital Square London E1 6DY.

2 Accounting policies

The principal accounting policies applied in preparation of the Company Interim Financial Information are set out below. These policies are the same as those used in the preparation of the Company Financial Information set out in Section (B) "Historical Financial Information of the Company" of Part VIII "Financial Information of the Company" of this Document and have been consistently applied unless otherwise stated.

Basis of preparation

The Company Interim Financial Information has been prepared in accordance with IAS 34 "Interim Financial Reporting". The Company Interim Financial Information is not the Company's statutory financial statements and should be read in conjunction with Section (B) "Historical Financial Information of the Company" of Part VIII "Financial Information of the Company" of this Document, which shows that the Company was dormant.

The Company Interim Financial Information is unaudited. In the opinion of the Directors, the Company Interim Financial Information presents fairly the financial position, and results from operations and cash flows for the period.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors, therefore, continue to adopt the going concern basis in preparing the Company Interim Financial Information.

The Company Interim Financial Information is presented in £.

Critical accounting estimates and judgements

The preparation of the Company Interim Financial Information requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, the resulting accounting estimates will, by definition, seldom equal related actual results.

In preparing the Company Interim Financial Information, the significant judgements made by the Directors in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those used in the preparation of the Company Financial Information included in Section B "*Historical Financial Information of the Company*" of Part VIII "*Financial Information of the Company*" of this Document.

Income tax expense

No tax is applicable to the Company for the six-month period ended 30 November 2019. No deferred income tax asset has been recognised in respect of the losses carried forward, due to the uncertainty as to whether the Company will generate sufficient future profits in the foreseeable future to prudently justify this.

Loss per Ordinary Share

Basic loss per Ordinary Share is calculated by dividing the loss attributable to Shareholders of the Company by the number of Ordinary Shares in issue at the period end.

There are currently no dilutive potential Ordinary Shares.

	Unaudited Earnings £	**Unaudited Number of Ordinary Shares In issue unit**	**Unaudited Per-Ordinary Share amount pence**
Loss per Ordinary Share attributable to Shareholders	(88,329)	42,949,987	(0.21)p

3 Share capital

	Unaudited Number of Ordinary Shares in issue	**Unaudited Share capital £**	**Unaudited Share premium £**	**Unaudited Warrant reserve £**	**Unaudited Total £**
Balance at 30 November 2018 and 2019	42,949,987	429,500	368,978	84,874	883,252

The Company has one class of Ordinary Share which carries no right to fixed income.

4 Related party disclosures

Remuneration of Directors and key management personnel

The remuneration of the Directors during the six-month period ended 30 November 2019 amounted to £36,000 (2018: £36,000).

Shareholdings in the Company

Ordinary Shares and warrants held by the Directors:

	Unaudited Shares	Unaudited Warrants
Neal Griffith	3,214,033	3,068,200
Oliver Stansfield	3,214,033	3,068,200
Brian McMaster	3,214,033	3,068,200
Philip Richards	3,214,033	3,068,200
Balance as at 30 November 2019 and 2018 (unaudited)	**12,856,132**	**12,272,200**

Interest free and unsecured loans have been received from the above Directors totalling £60,000 as at 30 November 2019 (2018: £nil).

The Company has loaned a total £284,331 (2018: £nil) to CGH on an unsecured interest free basis. Settlement or repayment is dependent on the completion of the Acquisition of the Lubu Coalfield.

5 Subsequent events

Subsequent to 30 November 2019, the Company has received additional interest free, unsecured loans from the Directors totalling £108,000, resulting in a balance owed of £168,000 as at the date of this Document. As part of the Placing, the Directors will convert £162,000 of their aggregate loans into 3,240,000 Ordinary Shares at the Placing Price, being 5p per Ordinary Share. Following the Placing, the aggregate amount owing to the Directors will be £6,000.

Subsequent to 30 November 2019, the Company has loaned a further £108,000 to CGH, bringing the total amount loaned to £392,331 as at the date of this Document.

6 Nature of the Company Interim Financial Information

The Company Interim Financial Information presented above does not constitute statutory accounts for the period under review.

PART IX

FINANCIAL INFORMATION OF MONAF

SECTION (A) – HISTORICAL FINANCIAL INFORMATION OF MONAF

We, Baker Tilly Chartered Accountants (Zimbabwe), do hereby give consent for the Monaf Investments (Private) Limited financial statements for the year ended 31 March 2019, the Monaf Investments (Private) Limited financial statements for the year ended 31 March 2018 and the Monaf Investments (Private) Limited financial statements for the year ended 31 March 2017 (together, the "**Monaf Financial Statements**") to be included in the prospectus dated 20 May 2020 in which they are included at Part IX ("Prospectus"), and for the inclusion of our name in the form and context in which it is included in the Prospectus.

Our consent and authorisation is provided as required by item 1.3 of Annex 1 of the Prospectus Regulation.

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(c) we are responsible for the Monaf Financial Statements contained in this Part IX of the Prospectus and declare that the information contained in the Monaf Financial Statements is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

…………………………………………

Partner
PAAB Practising Number:
Baker Tilly Chartered Accountants (Zimbabwe)
8 Fletcher Road, Mount Pleasant
Harare

Date:…………………………………..

SECTION (B) – UNAUDITED INTERIM FINANCIAL INFORMATION OF MONAF

Set out below are the unaudited results of Monaf for the six months ended 30 September 2019, together with the unaudited results for the comparative six-month period ended 30 September 2018.

STATEMENT OF COMPREHENSIVE INCOME

The statements comprehensive income of Monaf for the six-month period ended 30 September 2019 and the six-month period ended 30 September 2018, are set out below:

	Unaudited As at 30 September 2019 $	**Unaudited As at 30 September 2018 $**
Revenue		
Other operating expenses	–	–
Camp expenses	714	6
Consultancy fees	9,606	39,919
Exploration expenses	93,229	–
Community relations	5,098	–
Legal fees	5,283	4,078
Depreciation	105	432
Field site expense	4,313	–
Fuel	3,976	198
Administrative expenses	1,109	243
Permit/Licence fees	1,238	536
Temporary labour	4,348	1,620
Travel and accommodation	29,644	8,504
Loss on ordinary activities before taxation	**(158,663)**	**(55,536)**
Income tax expense	–	–
Loss after taxation	**(158,663)**	**(55,536)**
Other comprehensive income	–	–
Total comprehensive loss for the period	**(158,663)**	**(55,536)**

STATEMENT OF CHANGES IN EQUITY

The unaudited statements of changes in equity of Monaf for the six-month period ended 30 September 2019, together with the unaudited results for the comparative six-month period ended 30 September 2018, are set out below:

	Share capital $	Share premium $	Total share capital $	Retained profits $	Total equity $
Balance at 1 April 2018 (audited)	**3,265**	**48,400**	**51,665**	**(6,670,480)**	**(6,618,815)**
Other comprehensive (loss)					
Loss for the six months ended 30 September 2018	–	–	–	(55,536)	(55,536)
Balance at 30 September 2018 (unaudited)	**3,265**	**48,400**	**51,665**	**(6,726,016)**	**(6,674,351)**
Other comprehensive (loss)					
Loss for the six months ended 31 March 2019	–	–	–	(104,516)	(104,516)
Balance at 1 April 2019 (audited)	**3,265**	**48,400**	**51,665**	**(6,830,532)**	**(6,778,867)**
Other comprehensive (loss)					
Loss for the six months ended 30 September 2019	–	–	–	(158,663)	(158,663)
Balance at 30 September 2019 (unaudited)	**3,265**	**48,400**	**51,665**	**(6,989,195)**	**(6,937,530)**

STATEMENT OF FINANCIAL POSITION

The unaudited statement of financial position of Monaf as at 30 September 2019 and the audited statement of financial position as at 31 March 2019 are set out below:

	Notes	Unaudited As at 30 September 2019 $	Audited As at 31 March 2019 $
Assets			
Non-current assets			
Property, plant and equipment	2	59	164
Total assets		**59**	**164**
Equity and liabilities			
Equity			
Share capital	4	51,665	51,665
Accumulated loss		(6,989,195)	(6,830,532)
		(6,937,530)	**(6,778,867)**
Liabilities			
Non-current liabilities			
Loans from shareholders	3	6,862,386	6,703,428
Current liabilities			
Trade and other payables		75,203	75,603
Total liabilities		**6,937,589**	**6,779,031**
Total equity and liabilities		**59**	**164**

STATEMENT OF CASH FLOWS

The statement of cash flows for Monaf for the six-month period ended 30 September 2019 and the sixth-month period ended 30 September 2018 are set out below:

	Unaudited As at 30 September 2019 $	**Unaudited As at 30 September 2018 $**
Cash flow from operating activities		
Loss for the period before taxation	(158,663)	(55,536)
Adjustment for:		
Depreciation of property, plant and equipment	105	432
Operating cash flows before movements in working capital	(158,558)	(55,104)
Increase in trade and other receivables	–	–
Decrease in trade and other payables	(400)	(523)
Cash absorbed in operating activities	**(400)**	**(523)**
Interest paid	–	–
lncome tax paid	–	–
Net cash absorbed in operating activities	**(158,958)**	**(55,627)**
Cash flows from financing activities		
Movement in shareholder's loan	158,958	55,627
Net cash from financing activities	**158,958**	**55,627**
Net increase in cash & cash equivalents		
Cash and equivalent at beginning of period	–	–
Cash and equivalent at end of period	**–**	**–**

NOTES TO THE MONAF INTERIM FINANCIAL INFORMATION

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of Monaf Interim Financial Information are set out below.

1.1 Basis of preparation

The Monaf Interim Financial Information has been prepared on the going concern basis in accordance with, and in compliance with IFRS and International Financial Reporting Interpretations Committee interpretations issued and effective at the time of preparing the Monaf Interim Financial Information and the Companies Act (Chapter 24:03) Zimbabwe.

The Monaf Interim Financial Information has been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in US Dollars, which is Monaf's presentation currency. Monaf's functional currency is the Zimbabwean Dollar which became the sole legal tender in Zimbabwe from 24 June 2019.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which Monaf holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to Monaf, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Depreciation of an asset commences when the asset is available for use as intended by the Monaf Directors. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and equipment	Straight line	5 years
Furniture and fixtures	Straight line	5 years
Other equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Financial instruments

Loans to shareholders, Monaf Directors, managers and employees.

These financial assets are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.4 **Impairment of assets**

The Monaf Directors at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units.

1.5 **Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

2. Property, plant and equipment

	30 September 2019 (Unaudited)			**31 March 2019 (Audited)**		
	Cost or revaluation	**Accumulated depreciation**	**Carrying revaluation**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value ($)**
Office equipment	5,516	(5,516)	—	5,516	(5,516)	—
Plant and equipment	37,500	(37,500)	—	37,500	(37,427)	73
Other equipment	68,249	(68,190)	59	68,249	(68,158)	91
Total	**111,265**	**(111,206)**	**59**	**111,265**	**(111,101)**	**164**

Reconciliation of property, plant and equipment – 30 September 2019

	Opening balance	**Depreciation**	**Total**
Other equipment	91	(32)	59
Plant and equipment	73	(73)	
	164	**(105)**	**59**

Reconciliation of property, plant and equipment – 31 March 2019

	Opening balance	**Depreciation**	**Total**
Other equipment	155	(64)	91
Plant and equipment	873	(800)	73
	1,028	**(864)**	**164**

3. Loans (from) shareholders

	Unaudited As at 30 September 2019 $	**Audited As at 31 March 2019 $**
Someden	(6,862,386)	(6,703,428)

Terms and conditions

Monaf shall apply all monies borrowed towards exploration and development of its portfolio of coal assets in Zimbabwe and associated investments.

Monaf undertakes to keep Someden regularly informed (on a monthly basis) in writing of progress in the expansion of Monaf's business. Notwithstanding the foregoing, Someden is not obliged to monitor or verify how the amount advanced is used.

No interest shall be charged on the principle amount of the loan outstanding.

If Monaf fails to make any payment due under the agreement on the due date of payment, interest on the unpaid amount (capital and interest) shall accrue daily, from the date of non–payment to the date of actual payment (both before and after judgement), at a rate of per week.

Monaf shall repay the loan (and all amounts accrued or outstanding this agreement) then outstanding on, as applicable, the earlier of:

— the date falling 12 months after commencement of the commercial coal production and sales within Monaf's portfolio of coal assets in Zimbabwe or divestment of all or substantially all such portfolio of coal assets in Zimbabwe; and

— no less than 30 days business days' written notice from Someden.

4. Share capital

	Unaudited As at 30 September 2019 $	Audited As at 31 March 2019 $
Authorised		
50,000 Ordinary shares of $0.10 each	5,000	5,000

In terms of the Articles of Association but subject to the limitations imposed by the Companies Act (Chapter 24:03), the unissued shares comprising 17,350 (31 March 2019: 17,350) ordinary shares have been placed at the disposal of the Monaf Directors for an indefinite period.

	Unaudited As at 30 September 2019	Audited As at 31 March 2019
Issued		
Ordinary	3,265	3,265
Share premium	48,400	48,400
	51,665	**51,665**

5. Related parties

Relationships

Ultimate holding company	CGH
Holding company	Someden
Fellow subsidiaries	Liberation Mining (Private) Limited
	Apex Mining (Private) Limited
	Postwall Properties (Private) Limited
Shareholder with significant influence	Monaf Discretionary Trust

	Unaudited As at 30 September 2019 $	Audited As at 31 March 2019 $
Related party balances		
Someden	(6,862,386)	(6,703,428)

6. Subsequent events

Subsequent to 30 September 2019, Monaf has received additional funds from Someden totalling $28,595, resulting in a loan balance of $6,890,981 as at the date of this Document.

7. Nature of the Monaf Interim Financial Information

The Monaf Interim Financial Information presented above does not constitute statutory accounts for the period under review.

PART X

UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION (A) – ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

Crowe U.K. LLP
Chartered Accountants
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The Directors
Contango Holdings plc
4th Floor
36 Spital Square
London E1 6DY

20 May 2020

Dear Sirs,

INTRODUCTION

We report on the unaudited pro forma statement of financial position as at 30 November 2019 and on the unaudited pro forma statement of comprehensive income for the six-month period then ended (together, the "**Pro Forma Financial Information**") set out in Section (B) "*Unaudited Pro-Forma Financial Information*" of Part X "**Unaudited Pro Forma Financial Information**"of Contango Holdings plc's (the "**Company**") prospectus (the "**Document**") dated 20 May 2020, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the Readmission of the Company and its securities to trading on the standard segment of the Official List of the UK Listing Authority and the:

- the Acquisition by the Company of 70 per cent of the issued share capital of Monaf Investments (Private) Limited subsidiaries;
- the issue of 128,849,961 ordinary shares of £0.01 in the Company ("**Ordinary Shares**") at £0.05 each to satisfy the terms of the Acquisition;
- the issue of 3,333,330 ordinary shares of £0.01 at £0.0375 each in relation to the Completion Bonus;
- the issue of 28,000,000 ordinary shares of £0.01 in the Company at £0.05 each in relation to the Placing; and
- payment of the costs associated with the Acquisition and Readmission,

might have affected the assets, liabilities, equity and earnings presented on the basis of the accounting policies adopted by the Company in preparing the unaudited financial information for the period ended 30 November 2019. This report is required by Section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980 and is given for the purpose of complying with that requirement and for no other purpose.

RESPONSIBILITIES

It is the responsibility of the directors of the Company (the "**Directors**") to prepare the Pro-Forma Financial Information in accordance with Section 1 and Section 2 of Annex 20 of Commission Delegated Regulation (EU) 2019/980.

It is our responsibility to form an opinion, as to the proper compilation of the Pro-Forma Financial Information and to report that opinion to you in accordance with Section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980.

BASIS OF OPINION

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro-Forma Financial Information with the Directors.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro-Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

OPINION

In our opinion:

- the Pro-Forma Financial Information has been properly complied on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

DECLARATION

For the purpose of Prospectus Regulation Rule 5.3.2R(2)(F), we are responsible for this report as part of the Document and declare that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 to Commission Delegated Regulation (EU) 2019/980.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION (B) – UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is the unaudited pro-forma statement of financial position of the Company as at 30 November 2019 and the statement of comprehensive income of the Company for the six-month period then ended (together, the "Pro Forma Financial Information"). The Pro Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effects of:

- the Acquisition by the Company of Monaf;
- the issue of the Consideration Shares;
- the issue of the Completion Bonus;
- the issue of the Placing Shares; and
- the payment of the Transaction Costs,

on the assets, liabilities and equity of the Company had the Acquisition and Readmission occurred on 30 November 2019 and on the earnings of the Company for the six-month period then ended. The Pro Forma Financial Information has been prepared for illustrative purposes only. Due of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position at this date or its earnings for the six-month period then ended. It is based on the schedules used in preparing the unaudited statement of financial position of the Company as at 30 November 2019 and the unaudited statement of comprehensive income for the six-month period then ended, which is reproduced in Section (C) "*Unaudited Interim Financial Information of the Company*" of Part VIII "*Financial Information on the Company*" of this Document and the unaudited statement of financial position of Monaf as at 30 September 2019 and the statements of comprehensive income for the six-month period then ended, which is reproduced in Section (B) "*Unaudited Interim Financial Information of Monaf"* of Part IX "*Financial Information of Monaf*" of this Document.

Users should read the whole of this Document and not rely solely on the Pro Forma Financial Information contained in this Section (B) "*Unaudited Pro Forma Financial Information*" of Part X "*Unaudited Pro Forma Financial Information*"of this Document.

The report on the Pro Forma Financial Information is set out in Section (A) "*Accountant's Report on the Unaudited Pro Forma Financial Information*" of Part X "*Unaudited Pro Forma Financial Information*" of this Document.

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION

	Company as at 30 November 2019 (Note 1) £'000	*Adjustment* Monaf adjustment (Note 2) £'000	*Adjustment* Acquisition and consolidation adjustments (Note 3) £'000	*Adjustment* Placing and Costs (Note 4) £'000	Unaudited pro forma balance sheet of the Enlarged Group as at 30 November 2019 £'000
Property, plant and equipment	–	–	–	–	–
Intangible assets	–	–	4,853	–	4,853
Non-current assets	**–**	**–**	**4,853**	**–**	**4,853**
Other receivables	298	–	–	–	298
Cash at bank	–	–	–	1,059	1,059
Current assets	**298**	**–**	**–**	**1,059**	**1,357**
Total assets	**298**	**–**	**4,853**	**1,059**	**6,210**
Share capital	429	41	1,247	313	2,030
Share premium	369	–	5,154	928	6,451
Warrant reserve	85	–	–	–	85
Retained deficit	(735)	(5,537)	5,537	(182)	(917)
Attributable to Shareholders	**148**	**(5,496)**	**11,938**	**1,059**	**7,649**
Non-controlling interests	–	–	(1,648)	–	(1,648)
Equity	**148**	**(5,496)**	**10,290**	**1,059**	**6,001**
Loans from shareholders	–	5,437	(5,437)	–	–
Total non-current liabilities	**–**	**5,437**	**(5,437)**	**–**	–
Trade and other payables	150	59	–	–	209
Total current liabilities	**150**	**59**	**–**	**–**	**209**
Total liabilities	**150**	**5,496**	**(5,437)**	**–**	**209**
Total equity and liabilities	**298**	**–**	**4,853**	**1,059**	**6,210**

UNAUDITED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME

	Company Six months ended 30 November 2019 (Note 1) £'000	*Adjustment* Monaf adjustment (Note 2) £'000	*Adjustment* Acquisition and consolidation adjustments (Note 3) £'000	*Adjustment* Placing and Costs (Note 4) £'000	Unaudited pro forma results of the Enlarged Group for the six months ended 30 November 2019 £'000
Administrative expenses	(88)	(127)	–	(182)	(397)
Operating loss	**(88)**	**(127)**	**–**	**(182)**	**(397)**
Net finance cost	–	–	–	–	–
Loss before tax	**(88)**	**(127)**	**–**	**(182)**	**(397)**
Income tax	–	–	–	–	–
Loss for the period and total comprehensive loss for the period	**(88)**	**(127)**	**–**	**(182)**	**(397)**
Attributable to:					
Shareholders	(88)	(89)	–	(128)	(305)
Non-controlling interests	–	(38)	–	(54)	(92)
	(88)	**(127)**	**–**	**(182)**	**(397)**

Notes

1. The financial information relating to the Company has been extracted without adjustment from the unaudited Company Interim Financial Information set out in Section (C) "*Unaudited Interim Financial Information of the Company*" of Part VIII "*Financial Information on the Company*" of this Document.

2. With respect to the financial information relating to the statement of financial position of Monaf as at 30 September 2019, such information has been extracted without adjustment from the Monaf Interim Financial Information set out in Section (B) "*Unaudited Interim Financial Information of Monaf*" of Part IX "*Financial Information of Monaf*" of this Document, translated from $ to £ at the rate of £0.79229 to $1.

   With respect to the financial information relating to the statement of comprehensive income of Monaf for the six-month period ended 30 September 2019, such information has been extracted from the Monaf Interim Financial Information set out in Section (B) "*Unaudited Interim Financial Information of Monaf*" of Part IX "*Financial Information of Monaf*" of this Document, translated from $ to £ at the rate of £0.79229 to $1, and realigned to match the reporting period for the Company, being 30 November 2019, by:

   - excluding the loss per the unaudited financial information for the two-month period ended 31 May 2019; and
   - including the loss per the unaudited financial information for the two-month period ended 30 November 2019.

The adjustments are as follows:

	Unaudited 6 months ended 30 September 2019 $'000	*Less* Unaudited 2 months ended 31 May 2019 $'000	*Add* Unaudited 2 months ended 30 November 2019 $'000	Unaudited Monaf Adjustment $'000	*Unaudited* Monaf adjustment £'000
Administrative expenses	(159)	6	(7)	(160)	(127)
Operating loss	**(159)**	**6**	**(7)**	**(160)**	**(127)**
Net finance costs	–	–	–	–	–
Loss before tax	**(159)**	**6**	**(7)**	**(160)**	**(127)**
Income tax	–	–	–	–	–
Loss for the period and total comprehensive loss for the period	**(159)**	**6**	**(7)**	**(160)**	**(127)**

3. The Acquisition adjustment reflects the issue of 128,849,961 Ordinary Shares at £0.05 each, conditional on Readmission, resulting in increases of £1,288,000 to share capital and £5,154,000 to share premium of the Company.

   As part of the consolidation adjustments, an intangible asset of £4,853,000 has been recognised within "non-current assets", the share capital and retained deficit of £41,000 and £(5,537,000) have been cancelled, the shareholder loans of £5,437,000 have been cancelled and a 30% non-controlling interest has been recognised within equity.

   Plus the value of 3,333,330 Ordinary Shares at £0.0375 to be issued in relation to the Completion Bonus.

4. The adjustments of £313,000 to share capital and £933,000 to share premium represent the value of the 28,000,000 Placing Shares at £0.05, plus the value of 3,333,330 Ordinary Shares at £0.0375 to be issued in relation to the Completion Bonus.

   Of the £341,000 Transaction Costs, £284,000 has been allocated against share premium and £57,000 recognised within administrative expenses in the income statement in accordance with IFRS.

5. The Pro-Forma Financial Information does not reflect any changes in the trading position or any other changes arising from other transactions since 30 September 2019 or either the Company or Monaf.

6. Each adjustment in respect of a pro forma profit and loss statement is not expected to have a continuing impact on the issuer.

PART XI

TAXATION

TAXATION IN THE UK

The following information is based on UK tax law and HM Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

TAX TREATMENT OF UK INVESTORS

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes) more than 10 per cent. of any of the classes of shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

DIVIDENDS

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £2,000 annum dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

DISPOSALS OF ORDINARY SHARES

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent., and for upper rate and additional rate taxpayers, is 20 per cent.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to taxable profits is currently 19 per cent. The rate was due to fall to 17 per cent. after 1 April 2020 but in the Budget on 11 March 2020 it was announced that the rate would remain at 19 per cent, after 1 April 2020.

FURTHER INFORMATION FOR SHAREHOLDERS SUBJECT TO UK INCOME TAX AND CAPITAL GAINS TAX

"Transactions in securities"

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

STAMP DUTY AND STAMP DUTY RESERVE TAX

No UK stamp duty or stamp duty reserve tax will be payable on the allotment and issue of Ordinary Shares pursuant to the Placing.

Most investors will purchase existing Ordinary Shares using the CREST paperless clearance system and these acquisitions will be subject to stamp duty reserve tax at 0.5 per cent. Where Ordinary Shares are acquired using paper (i.e. non-electronic settlement) stamp duty will become payable at 0.5 per cent. if the purchase consideration exceeds £1,000.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax positions and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

PART XII

ADDITIONAL INFORMATION

RESPONSIBILITY STATEMENTS

The Directors whose names appear on page 26, and the Company accept responsibility for the information contained in this Document (including any expressions of opinion) and that to the best of their knowledge and belief, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of the information.

The director of CGH also accepts responsibility for the information on CGH that is contained in this Document (including any expressions of opinion) and that to the best of his knowledge and belief, the information on CGH contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of the information.

THE COMPANY AND ITS SHARE CAPITAL

The Company

The Company was incorporated and registered in England and Wales as a company limited by shares on 18 May 2016 under the Act, as amended, with the name Contango Holdings Limited and with a registered number 10186111. On 7 June 2017, the Company was re-registered as a public limited company under the legal and commercial name Contango Holdings plc.

The registered office and principal place of business of the Company are set out on page 26 of this Document.

The Company is subject to the Listing Rules and the Disclosure and Transparency Rules (and the resulting jurisdiction of the FCA) to the extent such rules to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules apply. The Company also operates in conformity with its Articles.

The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares will be created is the Act, as amended.

The liability of the members of the Company is limited.

The accounting reference date of the Company is 31 May and the current accounting period will end on 31 May 2020.

As at the LPD the Company does not have any subsidiaries. However, on Readmission the Company will be the majority holding company for Monaf Investments (Private) Limited.

As at the LPD, there are 42,949,987 Shares in issue which are owned as follows:

Shareholders	No. of Ordinary Shares of £0.01	% of shareholding
JIM Nominees Ltd	16,586,927	39.38%
Pershing Nominees Limited	3,214,033	7.63%
McMaster, Mr Brian Keith	3,214,033	7.63%
W B Nominees Ltd	2,102,236	4.99%
BNY (OCS) Nominees Limited	1,783,333	4.23%
Sanderson Capital Partners Ltd	1,500,000	3.56%
Hargreaves Lansdown (Nominees) Limited	1,335,838	3.17%
Total	29,736,400	69.23%

The entire issued and to be issued share capital of the Company is subject to the Acquisition Agreement, details of which are set out in Part I of this Document.

Share Capital

The Company was incorporated on 18 May 2016 with an issued share capital of £1 consisting of one Ordinary Share of £1 which was allotted to Broadway Nominees Limited as nominee for Jonathan Evans.

On 1 June 2017:

- Broadway Nominees Limited transferred the legal title of the one Ordinary Share held by it to Jonathan Evans; and
- the Company:
  - subdivided the Ordinary Share of £1 into 100 Ordinary Shares of £0.01 each; and
  - issued and allotted an additional 4,999,900 Ordinary Shares of £0.01 each for a total subscription price of £49,999 to the founder shareholders (the "**Founder Subscriber Shares**").

On 26 October 2017, a further 12,500,000 Ordinary Shares were allotted and issued to the Initial Subscribers, at a price of £0.02 per Ordinary Share (the "**Initial Subscriber Shares**").

On 26 October 2017, authority was granted to allot a further (i) 23,333,321 Ordinary Shares pursuant to the Placing, conditional on admission, at a price of £0.03 per Ordinary Share (the "**2017 Placing Shares**"); and (ii) 2,116,666 Ordinary Shares, conditional on admission, in consideration for payment of invoices associated with admission at a price of £0.03 per Ordinary Share (collectively, the "**Initial IPO Shares**").

All the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BFOF5X78. The SEDOL number of the Ordinary Shares is BFOF5X7.

The issued share capital of the Company at the date of this Document, not including those shares conditionally allotted pursuant to the Placing, is as follows:

	Issued (Fully paid) Number	**Nominal Value Per share £**
Founder Subscriber Shares	5,000,000	0.01
Initial Subscriber Shares	12,500,000	0.01
Initial IPO Shares	25,449,987	0.01

Upon Readmission the issued share capital of the Company will be as follows:

	Issued (Fully paid) Number	**Nominal Value Per share £**
Ordinary Shares (being the Founder Subscriber Shares, Initial Subscriber Shares, Initial IPO Shares, Consideration Shares and Placing Shares)	203,133,278	0.01

The Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with other Ordinary Shares in issue on Readmission.

The Directors are seeking at the General Meeting, pursuant to an ordinary resolution of the Company general and unconditional authority, in accordance with section 551 of the Act, to exercise any power of the Company to allot Ordinary Shares of £0.01 each in the capital of the Company up to an aggregate nominal amount of £5,000,000.

Save as disclosed in this paragraph "Share Capital", since the date of Company's incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by Company in connection with the issue or sale of any such capital; and save pursuant to the terms of the Warrant Instruments no share or loan capital of Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

As at 19 May 2020, being the latest practicable date prior to publication of this Document, the Company does not have any outstanding indebtedness or borrowing in the nature of indebtedness.

Application will be made for the Ordinary Shares to be readmitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

In should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

Except as stated in this Part XII "*Additional Information*" of this Document:

- the Company does not have in issue any securities not representing share capital;
- there are no outstanding convertible securities issued by the Company;
- no person has any preferential subscription rights for any share capital of the Company; and
- no share or loan capital of the Company is currently under option or agreed conditionally or unconditionally to be put under option.

There have been no changes to the number of Ordinary Shares in issue since the Initial IPO on 1 November 2017, to the LPD.

On 19 May 2020 and subject to shareholder approval and Readmission, the Company conditionally allotted 28,000,000 New Ordinary Shares (the Placing Shares) to Placees at the Placing Price raising a total of £1,400,000 before Transaction Costs.

Conditional on shareholder approval and Readmission the Company has allotted 160,183,291 New Ordinary Shares pursuant to the Acquisition Agreement, Placing and Completion Bonus and granted 1,400,000 New Warrants to subscribe for Ordinary Shares.

Immediately following Readmission, the number of Ordinary Shares in issue will be 203,133,278.

The Placing Price of £0.05 per Placing Share is payable in full on Readmission under the terms of the Placing.

On 1 June 2017, pursuant to an ordinary resolution of the Company The Directors were generally and unconditionally authorised, in accordance with section 551 of the Act, to exercise any power of the Company to allot Ordinary Shares of £0.01 each in the capital of the Company up to an aggregate nominal amount of £5,000,000 for a period expiring on the fifth anniversary of the date when this resolution was passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted (or any such rights to be granted), and the Directors of the Company may allot shares (or grant any such rights) in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. Similar authority is being requested at the General Meeting, details of which can found on page 29.

Save in connection with the Acquisition, the Placing, the New Warrants and the Existing Warrants or as otherwise referred to in this Document:

- no unissued share or loan capital of any member of the Enlarged Group is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option;
- no share capital or loan capital of the Enlarged Group is in issue and no such issue is proposed;
- no persons have preferential subscription rights in respect of any authorised but unissued share or loan capital of any member of the Enlarged Group; and
- other than pursuant to the Placing and Acquisition and the exercise of the New Warrants or the Existing Warrants, as described in this Part XII "*Additional Information*" of this Document, there is no present intention to issue any of the authorised but unissued share capital of any member of the Enlarged Group at the date of this Document.

The New Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, paid or made on the Ordinary Share capital of the Company and will rank *pari passu* in all other respects with the Existing Ordinary Shares in issue on Readmission.

The Existing Ordinary Shares are, and the New Ordinary Shares will be, in registered form and may be held in either certificated form or uncertificated form. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares in CREST. Accordingly, settlement of transactions in the Ordinary Shares may take place in CREST if the relevant Shareholders so wish.

No Existing Ordinary Shares are currently in issue and no Ordinary Shares will be in issue on Readmission with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

Major Shareholders

The Directors and Proposed Directors are aware of the following holdings of Ordinary Shares which, following Readmission represent more than 3 per cent. of the nominal value of the Company's share capital:

Shareholder	Number of Ordinary Shares	Percentage of issued share capital on Readmission
CGH	128,849,961	63.4
JIM Nominees Ltd	16,586,927	8.2
TOTAL	**145,436,888**	**70.9**

All of the Ordinary Shares shall rank *pari passu* in all respects.

Except for the holdings of the Directors, Proposed Directors and the holdings stated above, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

Any person who is directly or indirectly interested in 3 per cent. or more of the Company's issued share capital will be required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the Disclosure and Transparency Rules, and such interests will be notified by the Company to the public.

Those interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company do not now, and, following the Readmission, will not, have different voting rights from other holders of Ordinary Shares.

Directors' interests

The interests of the Directors and Proposed Directors in the share capital of the Company, following Readmission, all of which are beneficial, are as follows:

Director	Number of Ordinary Shares	Percentage of issued share capital on Readmission	Number of Warrants
Brian McMaster*	4,690,699	2.3	3,141,117
Oliver Stansfield	4,690,699	2.3	3,141,117
Neal Griffith	4,690,699	2.3	3,141,117
Philip Richards	4,690,699	2.3	3,141,117
Carl Esprey	200,000	0.1	Nil
Roy Pitchford	Nil	Nil	Nil
TOTAL	18,762,796	9.3	12,564,466

* Brian McMaster holds his shares through Gemstar Investments Ltd.

Objects of the Company

The Company's objects are unrestricted.

Articles of Association

Set out below is a summary of the provisions of the Articles of Association of the Company. A copy of the Articles is available for inspection at the registered address of the Company.

Share Capital

The Company's share capital currently consists of Ordinary Shares. The Company may issue shares with such rights or restrictions as may be determined by ordinary resolution, including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares.

Voting

The Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Each Shareholder who is present (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by him.

Dividends

The Company may, subject to the provisions of the Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Directors. Subject to the provisions of the Act in so far as, in the Directors' opinions, the Company's profits justify such payments, the Directors may pay interim dividends on any class of shares except for shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. Any dividend, unclaimed after a period of 12 years from the date such dividend was declared or became payable shall, if the Directors resolve, be forfeited and revert to the Company. The Company does not pay interest on any dividend unless otherwise provided by the terms on which the shares were issued or the provision of another agreement.

Transfer of Ordinary Shares

Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in such manner provided for, and subject as provided in, the uncertificated securities rules.

The Board may, in its absolute discretion, refuse to register a transfer of certificated shares unless:

- it is for a share which is fully paid up;
- it is for a share upon which the Company has no lien;
- it is only for one class of share;
- it is in favour of a single transferee or no more than four joint transferees;
- it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty; and/or

- it is delivered for registration to the registered office of the Company (or such other place as the Board may determine), accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

The Directors may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system.

Allotment of shares and pre-emption rights

Subject to the Act and the Articles and in accordance with section 551 of the Act, the Directors shall be generally and unconditionally authorised to exercise for each prescribed period, all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant special resolution passed pursuant to section 551 of the Act, authorising such allotment.

Under and within the terms of the said authority or otherwise in accordance with section 570 of the Act, the Directors shall be empowered during each prescribed period to allot equity securities (as defined in the Act), wholly for cash:

(i) in accordance with a rights issue (as defined in the Articles); and

(ii) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the amount stated in the relevant ordinary or special resolution passed pursuant to section 551 of the Act, authorising such allotment.

Directors

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall not be less than two, but there shall be no maximum number of Directors.

Subject to the Articles and the Act, the Company may by ordinary resolution appoint a person who is willing to act as a Director and the Board shall have power at any time to appoint any person who is willing to act as a Director, in both cases either to fill a vacancy or as an addition to the existing Board.

At the first annual general meeting all Directors shall retire from office and may offer themselves for reappointment by the Shareholders by ordinary resolution.

At every subsequent annual general meeting any director who:

(v) has been appointed by the Directors since the last annual general meeting; or

(vi) was not appointed or re-appointed at one of the preceding two annual general meetings,

must retire from office and may offer themselves for reappointment by the Shareholders by ordinary resolution.

Subject to the provisions of the Articles, the Board, which may exercise all the powers of the Company, may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors.

The quorum for a Directors' meeting shall be fixed from time to time by a decision of the Directors, but it must never be less than two and unless otherwise fixed, it is two.

Questions arising at a meeting shall be decided by a majority of votes of the participating Directors, with each Director having one vote.

The Directors shall be entitled to receive such remuneration as the Directors shall determine for their services to the Company as directors and for any other service which they undertake for the Company. The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in connection with their attendance at meetings of Shareholders or class meetings, board or committee meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

The Board may, in accordance with the requirements in the Articles, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under the Act to avoid conflicts of interests.

A Director seeking authorisation in respect of such conflict shall declare to the Board the nature and extent of his interest in a conflict as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the conflict together with such additional information as may be requested by the Board.

Any authorisation by the Board will be effective only if:

- to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of the Articles;
- any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted Director and any other conflicted Director; and
- the matter is agreed to without the conflicted Director voting or would be agreed to if the conflicted Director's and any other interested Director's vote is not counted.

General meetings

The Company must convene and hold annual general meetings in accordance with the Act.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two Shareholders present or by proxy and entitled to vote shall be a quorum for all purposes.

Borrowing Powers

Subject to the Articles and the Act, the Board may exercise all of the powers of the Company to:

- borrow money;
- indemnify and guarantee;
- mortgage or charge;
- create and issue debentures and other securities; and
- give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Capitalisation of profits

The Directors may, if they are so authorised by an ordinary resolution of the Shareholders, decide to capitalise any undivided profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve. The Directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

Uncertificated Shares

Subject to the Act, the Directors may permit title to shares of any class to be issued or held otherwise than by a certificate and to be transferred by means of a relevant system without a certificate. The Directors may take such steps as it sees fit in relation to the evidencing of and transfer of title to uncertificated shares, any records relating to the holding of uncertificated shares and the conversion of uncertificated shares to certificated shares, or vice-versa. The Company may by notice to the holder of an uncertificated share, require that share to be converted into certificated form. The Board may take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertified share or otherwise to enforce a lien in respect of it.

Variation of rights

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths in nominal value of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class but not otherwise.

Squeeze-out and Sell-out

Squeeze-out

Under the Act, if a person who has made a general offer to acquire shares were to acquire 90 per cent. of the shares to which the offer relates and 90 per cent. of the voting rights carried by those shares before the expiry of three months from the last day on which the offer can be accepted, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, executing a transfer of the outstanding shares in its favour and paying the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

Sell-out

The Act gives minority Shareholders in the Company a right to be bought out in certain circumstances by a person who has made a general offer as described in the paragraph above. If, at any time before the end of the period within which the offer can be accepted, the offeror holds or has agreed to acquire not less than 90 per cent. of the shares in the Company and 90 per cent. of the voting rights in the Company, any holder of shares who has not accepted the offer can, by a written communication to the offeror, require it to acquire those shares.

The offeror is required to give such Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period.

If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

Directors' Options

The Directors do not currently hold any options in the share capital of the Company although they do hold Series 1 Warrants, details of which are set out in paragraph "*Initial IPO 2017 – Series I Warrant Instrument*" of this Part XII "*Additional Information*" of this Document.

Working capital

The Company is of the opinion that, considering the Net Proceeds, the working capital available to the Enlarged Group is sufficient for its present requirements that is for at least 12 months from the date of this Document.

Directors and Proposed Directors

The Directors and Proposed Directors who will be formally involved in the Company following Readmission currently hold the following directorships and have held the following directorships within the five years prior to the publication of this Document:

Philip Richards

Current Directorships:

- RAB Capital Limited
- RAB Capital Holdings Limited
- RAB Capital Special Situations (Master) Fund Limited
- LD Developments Limited
- Rock Island Jersey Properties Ltd.

Past Directorships:

- Paradise Beach LLP
- Belgravia Properties (London)
- Jubilee Investments Limited
- Bagatelle Investments Limited
- RAB Partners Limited
- RAB Special Situations Fund Limited
- RAB Europe Fund Limited
- RAB Investment Funds plc

Oliver Stansfield

Current Directorships

- Brandon Hill Capital Limited
- Contango Holdings Plc
- Arben Resources Ltd
- Chargot Investments Ltd

Past Directorships

- Nil

Carl Esprey

Current Directorships

- Atlas African Industries Limited
- Waraba Gold Limited
- Waraba Gold Mauritius Limited
- Elatio Tech Limited
- Elatio Tech UK Limited
- Elatio Tech Holdings Limited
- Pan African Leasing Corporation Limited

Past Directorships

- Laurel Heights LLP
- Ardan Logistics Kenya Limited
- Ardan (Civil Engineering) Limited
- Ardan (Facilities Management) Limited
- Ardan (Medical Services) Limited
- Ardan (Risk Management) Limited
- Ardan (Workforce Accommodation) Limited
- Kalamu Development & Support Services Limited

Roy Pitchford

Current Directorships

- Narnia Energy Limited
- Fermain Limited
- CAPS (UK) Ltd
- East European Metals Limited
- J9M5 Limited
- J9M5 Caravans Limited
- Mining, Minerals & Metals plc

Past Directorships

- Abbey Mine Limited
- Keras Resources Plc
- Centreclear Limited
- Glyncastle Mineral Handling Limited
- Ocean Coal Limited
- Vast Resources Plc
- Vast Resources Romania Ltd

Receiverships and liquidations

Brian McMaster (whom will resign upon Readmission) was previously a partner at Korda Mentha, a leading investment and restructuring services firm in Australia.

As part of his role at Korda Mentha, Mr McMaster has held the following positions at various companies:

- administrator of a company under administration;
- administrator under a deed of company arrangement;
- liquidator (creditors voluntary winding up);
- liquidator (members voluntary winding up);
- liquidator (Court winding up); and
- receiver manager.

During the last five years, Brian McMaster was the insolvency practitioner appointed to the following bankruptcies, receiverships or liquidations as part of his having been a partner at Korda Mentha:

- A.C.N. 009 100 314 Pty Ltd (Appointed Liquidator, Creditors Voluntary Winding Up).
- Chemeq Ltd (Administrator Under a Deed of Company Arrangement).
- The Mews Village Nominees Pty Ltd (Appointed Liquidator, Court Winding Up).
- Timeshare Resort Club Limited (Appointed Liquidator, Creditors Voluntary Winding Up).
- Western Retirement Village Management Pty Ltd (Appointed Liquidator, Court Winding Up).

None of the Directors or Proposed Directors has at any time within the last five years:

- had any convictions in relation to fraudulent offences;
- been declared bankrupt or been the subject of any individual voluntary arrangement;
- been associated with any bankruptcy, receivership or liquidation in his or her capacity as director or senior manager;
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies);
- been disqualified by a court from acting as a director;
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company;
- been a partner or senior manager in a partnership which, while he or she was a partner or within twelve months of his or her ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;

- owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where he or she was a partner at that time or within the twelve months preceding such event; and/or
- been a director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time during which he or she was a director or senior manager of that company or within twelve months of his or her ceasing to be an a director or senior manager.

Directors' terms of employment (including Proposed Directors)

Company

Oliver Stansfield has been appointed by the Company to act as a non-executive director under a letter of appointment dated 19 May 2020. His appointment as a non-executive director under this letter of appointment shall commence from the date of Readmission and following approval at the General Meeting to be held on 17 June 2020, and is terminable on two months' written notice on either side. He is entitled to a fee of £18,000 per annum.

Philip Richards has been appointed by the Company to act as a non-executive director under a letter of appointment dated 19 May 2020. His appointment as a non-executive director under this letter of appointment shall commence from the date of Readmission and following approval at the General Meeting to be held on 17 June 2020, and is terminable on two months' written notice on either side. He is entitled to a fee of £18,000 per annum.

Carl Esprey has been appointed by the Company to act as an executive director under a service agreement dated 19 May 2020. His appointment as an executive director shall commence from the date of Readmission and following approval at the General Meeting to be held on 17 June 2020, and is terminable on three months' written notice on either side. He is entitled to a salary of £36,000 per annum.

Roy Pitchford has been appointed by the Company to act as a non-executive director under a letter of appointment dated 19 May 2020. His appointment as a non-executive director shall commence from the date of Readmission and following approval at the General Meeting to be held on 17 June 2020, and is terminable on two months' written notice on either side. He is entitled to a fee of £24,000 per annum.

On Readmission, the Directors shall receive a Completion Bonus. For the purposes of Rule 16.2 (Management Incentivisation) of the Takeover Code, Shard Capital Partners LLP has confirmed that, in its opinion, the Completion Bonus is fair and reasonable so far as the Independent Shareholders are concerned. None of the Directors shall be entitled to benefits upon termination of their employment under the terms of their service contracts.

Monaf

The directors do not have contracts with Monaf, so the key terms of their engagement as directors is governed by the Companies Act [Chapter 24:03] ("**Zim Companies Act**"). To this end, the First Schedule of the Zim Companies Act (Regulation and Memorandum) provides a basic outline of the key terms and duties of directors, and can be summarised as follows:

- the remuneration of the directors shall from time to time be determined by the company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

- the shareholding qualification for directors may be fixed by the company in general meeting and unless and until so fixed no qualification shall be required.

- a director of the company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested as shareholder or otherwise and no such director shall be accountable to the company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the company otherwise directs.

Furthermore, these directors will also be subject to the common law fiduciary duties applicable to directors in Zimbabwe. Broadly speaking, when directors are acting as individuals or on behalf of the board, they are always expected in terms of their fiduciary duties to act for the best interest of the company as a whole and not for their own interest or interest of anyone else. A directors' primary duty is therefore to the company and not the shareholder who may have appointed him.

In terms of Zimbabwean common law fiduciary duties have been taken to include the duty to act within the scope of powers, the duty to promote the success of the company, the duty to exercise independent judgement, the duty to exercise reasonable care, skill and diligence, the duty to avoid situational conflict, the duty to disclose a transactional conflict as well as the duty not to accept benefits from third parties.

Lock-in agreements relating to CGH

Conditional on Readmission, CGH will enter into a lock-in agreement with the Company and Brandon Hill Capital in relation to the Consideration Shares. CGH agrees that, without the prior written consent of Brandon Hill Capital, for the period of 12 months from the date of the Lock-in Agreement they will not dispose of any Consideration Shares they hold.

Pension Arrangements

Company

There are no pensions or other similar arrangements in place with the Directors nor are any such arrangements proposed.

Monaf

There are no pensions or other similar arrangements in place with the directors of Monaf and nor are any such arrangements proposed.

Litigation

Company

There are not and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

Monaf

There are not and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on Monaf's financial position or profitability.

Employees and Premises

Company

The Company has not had any employees since incorporation and does not own any premises.

Monaf

Monaf has not had any employees since incorporation and does not own any premises.

Subsidiaries

Company

As at the LPD, the Company did not have any subsidiary undertakings.

Monaf

As at the LPD, Monaf did not have any subsidiary undertakings.

Dilution of Ordinary Share Capital

The Placing and Readmission will result in the Existing Shareholders' shareholding of 42,949,987 Ordinary Shares being diluted so as to constitute 21.1 per cent. of the Enlarged Share Capital.

Related Party Transactions

Company

On 26 October 2017, the Company constituted Series 1 Warrants, conditional on the Initial IPO Admission, on the terms of the Series 1 Warrant Instrument under which the Company issued a total of 17,500,000 Series 1 Warrants to Series 1 Warrant Holders, which includes the Directors, on the basis of one Series 1 Warrant per Ordinary Share held. Each Series 1 Warrant entitles each of the Series 1 Warrant Holders to subscribe for one Ordinary Share at a price of £0.03 per Ordinary Share. The Series 1 Warrants are exercisable at any time up to the four-year anniversary of the Initial IPO.

On 26 October 2017, the Company constituted Series 2 Warrants, conditional on the Initial IPO Admission, on the terms of the Series 2 Warrant Instrument, under which the Company issued a total of 11,666,651 Series 2 Warrants to Series 2 Warrant Holders on the basis of one Series 2 Warrant for each two Ordinary Shares held. Each Series 2 Warrant entitled each of the Series 2 Warrant Holders to subscribe for one Ordinary Share at a price of £0.05 per Ordinary Share. The Series 2 Warrants are exercisable at any time up to the four-year anniversary of the Initial IPO Admission.

On 26 October 2017, the Company and Brandon Hill Capital entered into a warrant instrument whereby, conditional on the Initial IPO Admission, the Company issued Broker Warrants to Brandon Hill Capital to subscribe for, at the price of £0.03 per Ordinary Share, 1,166,667 Ordinary Shares. The Broker Warrants are exercisable at any time up to the four-year anniversary of admission of the Initial IPO.

The Company shall issue certain Placing Shares in lieu of the Completion Bonus to the Directors and Gwalia Consultancy on Readmission.

Conditional on Readmission, the Company, the Directors and Brandon Hill Capital will enter into a Placing and Broker Agreement, pursuant to which Brandon Hill Capital agrees, subject to certain conditions, to use its reasonable endeavours to procure purchasers for the Placing Shares.

The 2020 Placing and Broker Agreement provides for Brandon Hill Capital to be:

- paid cash commission of 5 per cent. of any funds raised by Brandon Hill Capital pursuant to the Placing, which is to be paid immediately upon completion of Readmission; and
- issued New Warrants of 5 per cent. of the total number of Ordinary Shares subscribed for by investors introduced by Brandon Hill Capital pursuant to the Placing.

Any commission received by Brandon Hill Capital may be retained and any Placing Shares acquired by Brandon Hill Capital may be retained or dealt in, by it, for its own benefit.

Save as disclosed above, the Company is not party to any transactions with related parties, for the period covered by the historical financial information up to the date of this Document.

See "Material contracts" section below.

Monaf

See "Material contracts" section below.

Capitalisation and Indebtedness

Company

The Company was incorporated on 18 May 2016. It has not as yet commenced operations and no interest income has been received to date. Since incorporation, its expenses have related to professional and associated expenses related to the Readmission.

The Company's indebtedness as at 20 April 2020, as extracted from the Company's unaudited management information at that date, is summarised as follows:

	Unaudited as at 20 April 2020 £'000
Total Current Debt	
– Guaranteed	–
– Secured	–
– Unguaranteed/Unsecured	168
Total Non-Current Debt (excluding current portion of long-term debt)	
– Guaranteed	–
– Secured	–
– Unguaranteed/Unsecured	–
Total indebtedness	**168**

The Company's capitalisation as at 30 November 2019, as extracted from the Company Interim Financial Information included in Section (C) "*Unaudited Interim Financial Information of the Company*" of Part VIII "*Financial Information of the Company*" of this Document, is summarised below:

	Unaudited as at 30 November 2019 £'000
Shareholder's Equity	
Share capital	430
Share premium	369
Warrant reserve	85
Retained earnings	(735)
Total capitalisation	**148**

As at the date of this Document, the Company had cash resources of £14,000.

Statement of material change

Since 20 April 2020, there have been no material changes in the indebtedness of the Company.

Since 30 November 2019, there have been no material changes in the capitalisation of the Company.

Monaf

Monaf's indebtedness as at 31 March 2020, as extracted from the unaudited management information of Monaf as at that date, is summarised below:

	Unaudited as at 31 March 2020 $'000
Total Current Debt	
– Guaranteed	–
– Secured	–
– Unguaranteed/Unsecured	–
Total Non-Current Debt (excluding current portion of long-term debt)	
– Guaranteed	–
– Secured	–
– Unguaranteed/Unsecured	6,890
Total indebtedness	**6,890**

Monaf's capitalisation as at 30 September 2019, as extracted from Section (B) "Unaudited Interim Financial Information of Monaf" of Part IX "Financial Information of Monaf" of this Document, is summarised below:

	Unaudited as at 30 September 2019 $'000
Shareholder's equity	
Share capital	52
Retained earnings	(6,989)
Total capitalisation	**(6,938)**

As at the date of this Document, Monaf had no cash resources.

Statement of material change

Since 31 March 2020, there have been no material changes in the indebtedness of Monaf.

Since 30 September 2019, there have been no material changes in the capitalisation of Monaf.

Sources of cash, liquidity and cash uses

The Company's initial source of cash will be the Net Proceeds. It will use such cash to fund the ongoing costs and expenses, and the costs and expenses to be incurred in connection with running and developing the Lubu Coalfield.

The Company's principal use of cash, to include the Net Proceeds, will be to fund the Acquisition.

Significant Change

Company

Since 30 November 2019, there have been no significant changes in the financial or trading positions or performance of the Company, save for the receipt of additional interest free, unsecured loans from the Directors totalling £108,000.

Monaf

As at the LPD, Monaf owe CGH $6,890,981 by way of intra-group loan. The loans to CGH are unsecured, interest free and are repayable beyond twelve months from the date of this Document. As part of the Acquisition, CGH is to transfer the rights and obligations of its loans with Monaf to the Company.

Other than the significant changes set out above, there have been no other significant changes in the financial or trading positions or performance of Monaf since 30 September 2019, save for additional funding received from Someden totalling $28,595.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of shares under the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Readmission may take place within

CREST if any Shareholder so wishes. However, CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

City Code

The City Code applies to the Company.

The City Code is issued and administered by the Takeover Panel. The Takeover Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) (the "**Directive**"). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules in the City Code which are derived from the Directive now have a statutory basis.

The City Code applies to all takeovers and merger transactions, however effected, where, *inter alia*, the offeree company is a public company which has its registered office in the United Kingdom, the Isle of Man or the Channel Islands, if the company has its securities admitted to trading on a regulated market in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man. The City Code will therefore apply to the Company from Readmission and its Shareholders will be entitled to the protection afforded by the City Code.

Under Rule 9 of the City Code, where: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he is already interested and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the City Code; or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% but does not hold more than 50% of the voting rights of such a company, if such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, he must make a general offer to the holders of any class of equity share capital, whether voting or non-voting, and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

Save where the Takeover Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

The Act provides that if an offer is made in respect of the issued share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has received acceptances amounting to 90% in value of the shares to which the offer relates, subject to the rights of any shareholders who have not accepted the offer to apply to the court for relief. Certain time limits apply.

Material contracts

Company

Initial IPO – Initial Placing and Broker Agreement

On 26 October 2017, the Company, the Directors and Brandon Hill Capital entered into a placing agreement pursuant to which Brandon Hill Capital agreed, subject to certain conditions, to use its reasonable endeavours to procure purchasers for the 2017 Placing Shares.

The Initial Placing and Broker Agreement provided for Brandon Hill Capital to be:

- paid cash commission of 5 per cent. of any funds raised by Brandon Hill Capital pursuant to the Initial IPO, which was paid immediately upon completion of the Initial IPO; and
- issued Broker Warrants of 5 per cent. of the total number of Ordinary Shares subscribed for by investors introduced by Brandon Hill Capital pursuant to the Initial IPO.

Initial IPO 2017 – Series 1 Warrant Instrument

On 26 October 2017, the Company constituted Series 1 Warrants under the terms of the Series 1 Warrant Instrument whereby, conditional on the Initial IPO Admission, the Company issued a total of 17,500,000 Series 1 Warrants to Series 1 Warrant Holders on the basis of one Series 1 Warrant for each Ordinary Share held by Initial Subscribers. Each Series 1 Warrant entitled the Series 1 Warrant Holder to subscribe for one Ordinary Share at a price of £0.03 per Ordinary Share. The Series 1 Warrants are not listed and have not yet been exercised.

Initial IPO 2017 – Series 2 Warrant Instrument

On 26 October 2017, the Company constituted Series 2 Warrants, conditional on the Initial IPO Admission, on the terms of the Series 2 Warrant Instrument, under which the Company issued a total of 11,666,651 Series 2 Warrants to Series 2 Warrant Holders on the basis of one Series 2 Warrant for each two Ordinary Shares held. Each Series 2 Warrant entitled each of the Series 2 Warrant Holders to subscribe for one Ordinary Share at a price of £0.05 per Ordinary Share. The Series 2 Warrants are not listed and have not yet been exercised.

Initial IPO 2017 – Broker Warrant Instrument

On 26 October 2017, the Company and Brandon Hill Capital entered into a warrant instrument whereby, conditional on the Initial IPO Admission, the Company issued Broker Warrants to Brandon Hill Capital to subscribe for, at a price of £0.03 per Ordinary Share, 1,166,667 Ordinary Shares. The Broker Warrants are not listed and have not yet been exercised.

Initial IPO 2017 – Lock-In agreements

On 26 October 2017, the Company entered into a lock-in agreement with Brandon Hill Capital and each of the Initial Subscribers. The Initial Subscribers agreed that, without the prior written consent of Brandon Hill Capital: (i) for the period of 6 months from the date of the agreement they would not dispose of any Ordinary Shares they held and (ii) for the period of 6 months following the initial 6 month period, they would only dispose of Ordinary Shares in such manner that ensures an orderly market. The aggregate 12 month period has now expired, so the Initial Subscribers are no longer bound by the restrictions in this agreement.

On 26 October 2017, the Company entered into a lock-in agreement with Brandon Hill Capital and each of the Directors. The Directors agreed that, without the prior written consent of Brandon Hill Capital: (i) for the period of 12 months from the date of the agreement they would not dispose of any Ordinary Shares they held and (ii) for the period of 6 months following the initial 12 month period, they would only dispose of Ordinary Shares in such manner that ensures an orderly market. The aggregate 18 month period has now expired, so the Directors are no longer bound by the restrictions in this agreement.

Brandon Hill Engagement Letter 2017

On 26 October 2017, the Company and Brandon Hill Capital entered into an engagement letter whereby Brandon Hill Capital agreed to provide general financial advice with regard to reviewing targets for the purpose of the Acquisition and to assist in co-ordinating the Initial IPO.

In consideration for its services, Brandon Hill Capital was entitled to:

- an advisory fee of £75,000 paid upon the Initial IPO Admission (payable in a combination of cash and equity);
- an annual retainer of £35,000 with effect from the Initial IPO;
- a commission of 5 per cent. of all funds raised by Brandon Hill Capital payable upon the Initial IPO Admission (payable by issuing equity); and
- broker warrants for 5 per cent. of the total number of shares subscribed for by investors introduced by Brandon Hill Capital to the Initial IPO or any similar future transactions, the latter category being applicable to the Readmission.

The appointment took effect for a minimum initial period of 12 months (such initial period therefore ending on 26 October 2018), following which period either party may terminate the agreement on three months' written notice, such notice not to be given during the initial 12-month period. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, actions brought against Brandon Hill Capital. The agreement was still in full force and effect as at the LPD.

Company Secretary Agreement

On 14 September 2017, the Company entered into an agreement for company secretarial and consultancy services ("**Services**") with Hawksmoor Partners Limited ("**Hawksmoor**") of 4th Floor, 36 Spital Square, London E1 6DY. The Services shall continue indefinitely or until terminated by either party on giving not less than one month's written notice to either party. The agreement can be terminated with one week's notice where there is, amongst other things, a material breach of the agreement.

Hawksmoor provides the services of one employee to act as company secretary of the Company on a part time basis and provide the following Services: (a) liaising with the Registrar regarding updating the share register; (b) providing management information; (c) filing of documents at Companies House; (d) dispatch of the annual and interim reports; (e) attendance at Board, Annual and General Meetings when requested, and (f) general corporate governance and legal advice. Hawksmoor is paid a fixed consultancy fee at the rate of £4,000 per annum. The fixed fee allows for the anticipated maximum of 40 hours of work annually, based upon an agreed hourly rate of £100. The fixed fee is invoiced and paid quarterly in advance on the first day of each calendar quarter, pro-rated for partial periods, and any excess hourly fees is calculated and invoiced at the end of each half year period. All fees are subject to VAT. Hawksmoor is also entitled to invoice the Company for all travelling and other reasonable disbursements in connection with the provision of Services, provided such expenses are agreed in advance by the Company.

The Company agrees to indemnify and at all times keep Hawksmoor (for their own account and as trustee for its associates) fully indemnified against all losses, claims, expenses, damages, liabilities, actions, demands, proceedings and judgements whatsoever related to or arising directly or indirectly out of Hawksmoor's provision of Services.

Registrar Agreement

Effective as of 5 June 2017, the Company entered into a registrar services agreement with the Registrar in respect of the provision of securities registration services ("**Registrar Agreement**"). The Registrar Agreement is deemed to have taken effect at 00.01 a.m. on 5 June 2017 and will continue to run until terminated by either party on three months' notice. Under the Registrar Agreement, the Registrar shall provide a registration and transfer office for the Company at such place as the Registrar may select within the United Kingdom. The Registrar shall not be responsible for any loss in respect of any matter relating to the Company's register of members or any document issued by or on behalf of the Company prior to the commencement of the Registrar Agreement. The Company indemnifies the Registrar for any loss resulting from judgements or claims against the Registrar arising out of the activities to be carried out pursuant to the agreement save for in respect of negligence.

Placing and Broker Agreement 2020

Conditional on Readmission, the Company, the Directors and Brandon Hill Capital entered into a Placing and Broker Agreement, dated 19 May 2020, pursuant to which Brandon Hill Capital agrees, subject to certain conditions, to use its reasonable endeavours to procure purchasers for the Placing Shares.

The 2020 Placing and Broker Agreement provides for Brandon Hill Capital to be:

- paid cash commission of 5 per cent. of any funds raised by Brandon Hill Capital pursuant to the Placing, which is to be paid immediately upon completion of Readmission; and
- issued New Warrants of 5 per cent. of the total number of Ordinary Shares subscribed for by investors introduced by Brandon Hill Capital pursuant to the Placing.
- Brandon Hill will not be paid an advisory fee for this Transaction.
- Brandon Hill will be paid an annual retainer of £35,000 following Readmission.

Any commission received by Brandon Hill Capital may be retained and any Placing Shares acquired by Brandon Hill Capital may be retained or dealt in, by it, for its own benefit.

2020 Lock-In Agreements

Conditional on Readmission, CGH will enter into a lock-in agreement with the Company and Brandon Hill Capital in relation to the Consideration Shares. CGH agrees that, without the prior written consent of Brandon Hill Capital, for the period of 12 months from Readmission they will not dispose of any Consideration Shares they hold.

2020 Relationship Agreement

Conditional on Readmission, the Company, Brandon Hill Capital and CGH will enter into a Relationship Agreement to manage the relationship between the Company and CGH once the Consideration Share have been issued.

The terms of the Relationship Agreement and the undertakings on CGH therein are only effective whilst CGH hold over 30% of the voting rights in the Company.

The Relationship Agreement also determines the make-up of the board of directors of the Company, allowing CGH board representation whilst ensuring there are independent directors appointed at all times.

2020 Novation Agreement

Conditional on Readmission and pursuant to the terms of the Acquisition Agreement, CGH agrees to transfer its benefits and obligations arising under the $10,000,000 Loan Agreement and the $2,200,000 Offshore Loan Agreement to the Company. The novation agreement is a completion deliverable to be entered into between CGH, Monaf and the Company, which effects the transfer of both loan agreements to the Company.

Monaf

Assumption of Debt Agreement

On 4 September 2018, CGH, Someden and Monaf entered into an assumption of debt agreement. Pursuant to the terms of the agreement, the parties agreed to transfer various outstanding intra-group balances between themselves and formalise the position. Thereunder and as at that date, Monaf undertook the payment obligations of Someden towards CGH in respect of $4,496,870, thereby reducing the aggregate outstanding liabilities of Someden to CGH in the same amount.

$10,000,000 Loan Agreement

On 4 September 2018, the $10,000,000 Loan Agreement was entered into between Monaf and CGH. The $10,000,000 Loan Agreement is unsecured and no interest accrues to the loan. The facility is for $10,000,000, but as at the date of the agreement, $4,496,870 had been drawn (pursuant to the Assumption of Debt Agreement above). The purpose of the loan is for the exploration and development of the Lubu Coalfield and is due for repayment on the earlier of (i) the date falling 12 months after commencement of commercial coal production from the Lubu Coalfield (or sale of the actual mine) and (ii) on 30 business days' notice following commencement of commercial operations at the Lubu Coalfield (although "commencement of commercial operations" is not expressly defined, this is commercially understood between the parties to be the time when product is being formally mined for sale on a commercial scale).

The $10,000,000 Loan Agreement contains standard representations (including all necessary corporate authorisations have been obtained / no events of default are outstanding / to Monaf's knowledge, no litigation is taking place), undertakings (including not amending Monaf's constitutional documents / providing all reasonable information to CGH in relation to Monaf's business / negative pledge / no borrowing) and events of default (including non-payment / breach of contract / insolvency / material adverse effect). The $10,000,000 Loan Agreement is governed by the laws of England and Wales. The $10,000,000 Loan Agreement does not give CGH any rights outside a normal borrower / lender relationship (i.e. no right to appoint board members / no automatic right to convert debt to equity etc).

$2,200,000 Offshore Loan Agreement

On 4 September 2018, the $2,200,000 Offshore Loan Agreement was entered into between Monaf and CGH. The $2,200,000 Offshore Loan Agreement is unsecured and no interest accrues to the loan. The facility is for $2,200,000, but as at the date of the agreement, $2,122,973 had been drawn. The purpose of the loan is for the exploration and development of the Lubu Coalfield and is due for repayment on the earlier of (i) the date falling 12 months after commencement of commercial coal production from the Lubu Coalfield (or sale of the actual mine) and (ii) on 30 business days' notice following commencement of commercial operations at the Lubu Coalfield (although "commencement of commercial operations" is not expressly defined, this is commercially understood between the parties to be the time when product is being formally mined for sale on a commercial scale).

The $2,200,000 Offshore Loan Agreement contains standard representations (including all necessary corporate authorisations have been obtained / no events of default are outstanding / to Monaf's knowledge, no litigation is taking place), undertakings (including not amending Monaf's constitutional documents / providing all reasonable information to CGH in relation to Monaf's business / negative pledge / no borrowing) and events of default (including non-payment / breach of contract / insolvency / material adverse effect). The $2,200,000 Offshore Loan Agreement is governed by the laws of England and Wales. The $2,200,000 Offshore Loan Agreement does not give CGH any rights outside a normal borrower / lender relationship (i.e. no right to appoint board members / no automatic right to convert debt to equity etc).

2020 Administrative Support and Services Agreement

Conditional on Readmission, Someden and Monaf will enter into an Administrative Support and Services Agreement for the provision of administrative services by Someden to Monaf.

In consideration of a monthly fee, Someden will provide or procure all reasonable administrative, office and support services (including banking, employment and accounting services) to Monaf. The Administrative Support and Services Agreement has a mutual 3 month written notice period to be terminated or can be terminated by the non-defaulting party for breach of its terms.

Any intellectual property made or discovered during the provision of services by Someden to Monaf shall be the absolute property of Monaf.

Royalty Agreement

Subject to Readmission, Monaf, the Company and CGH shall enter into a royalty agreement, pursuant to which the parties have agreed that a royalty will be paid to CGH by Monaf in consideration for the early stage exploration risks taken by CGH, without which the Lubu Coalfield may not have been developed, in accordance with well-established industry practices and convention. The royalty will be paid to CGH at a rate of US$1 per tonne of coal product sold by Monaf (or its affiliates) from the Lubu Coalfield, provided that Monaf achieves a gross profit of not less than US$5 per tonne from such sale.

The royalty will be payable upon receipt of cash from the sale of the coal product and in the event that coal product is paid for in any other currency other than US dollars, the royalty will be paid in the currency received (converted at the prevailing exchange rate at the time of payment).

Memorandum of Understanding with CGH

In addition, upon Readmission, each of the Directors and Gwalia Consultancy will be entitled to receive a gross bonus of £25,000 each shall be satisfied by the issuance of certain Ordinary Shares at a price of 3.75 pence per share.

Other Material Contracts

Other than the Directors' service agreements, letters of appointment and lock-in agreements summarised above, the Company has not entered into any other material contracts.

General financial matters

From 8 September 2016 until 11 May 2018, the auditors of the Company were H W Fisher & Company. H W Fisher & Company are Chartered Accountants and Registered Auditors and are based at Acre House, 11/15 William Road, London NW1 3ER.

Since 11 May 2018 the auditors of the Company have been Crowe U.K. LLP. Crowe U.K. LLP are Chartered Accountants and Registered Auditors and are based at St. Bride's House, 10 Salisbury Square, London EC4Y 8EH.

Save as disclosed in the unaudited pro forma statement of net assets of the Company in Part X of this Document, there are no effects on the assets and liabilities of the Company as a result of the Initial Subscribers subscription, the Placing and Readmission.

Other Information

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Company is aware) in the last 12 months which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.

Except for the Company's obligations to issue and allot shares pursuant to the Placing, there are no rights and/or obligations over the Company's unissued share nor do there exist any undertaking to increase the Company's share.

There are no significant investments in progress.

No exceptional factors have influenced the Company's activities.

The expenses of the Readmission to the Official List are estimated at £473,000, including VAT and are payable by the Company from the proceeds of the Initial IPO and the gross proceeds of the Placing. The estimated Net Proceeds, after deducting fees and expenses in connection with the Readmission, are approximately £1,059,000.

Crowe U.K. LLP has given and not withdrawn its consent to the inclusion in this Document of its accountant's report on the Company Financial Information set out in Part (A) "*Accountant's Report on the Historical Financial Information of the Company*" of Part VIII "*Financial Information of the Company*" and of its report on the Pro Forma Financial Information set out in Part (A) "*Accountant's Report on the Unaudited Pro Forma Financial Information*" of Part X "*Unaudited Pro Forma Financial Information*" in the form and context in which they are included and has authorised the contents of these reports for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. In addition, Crowe U.K. LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which they appear.

Brandon Hill Capital is acting as financial adviser to the Company in relation to Readmission and has given and not withdrawn its consent to the inclusion in this Document with the inclusion of the name and references to it in the form and context in which they appear.

Shard Capital Partners LLP is acting as independent financial adviser to the Directors in relation to the Waiver and has given and not withdrawn its consent to the inclusion in this Document with the inclusion of the name and references to it in the form and context in which they appear.

The information in this Document that is sourced from third parties has been accurately reproduced and as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Copies of this Document and the following documents:

- Placing and Broker Agreement 2020;
- 2020 Lock-In Agreements;
- 2020 Relationship Agreement;
- 2020 Novation Agreement;
- 2020 Administrative Support and Services Agreement;
- Royalty Agreement;
- Memorandum of Understanding with CGH;
- the Articles;
- all reports;
- letters;
- other documents referred to in this Document;
- any document or information in relation to an offer sent to CGH shareholders, persons with information rights or other relevant persons;
- any announcement published via a RIS (whether related to the offer or not);
- any irrevocable commitment or letter of intent procured by the offeror or offeree company (as appropriate) or any person acting in concert with it;
- any documents relating to the financing of the offer;
- memorandum and articles of association of the offeror or the offeree company or equivalent documents;
- any report, letter, valuation or other document any part of which is exhibited or referred to in any document published by or on behalf of the offeror or the offeree company (other than the service contracts of offeree company directors and any material contracts that are not entered into in connection with the offer);
- any written consents of an independent financial adviser to the inclusion of its advice in the relevant document in the form and context in which it is included;
- any material contract entered into by an offeror or the offeree company, or any of their respective subsidiaries, in connection with the offer that is:
    - o described in the offer document or offeree board circular; or
    - o entered into after the publication of the offer document or offeree board circular (as appropriate);
- where a profit forecast or quantified financial benefits statement has been published:

- the reports of the reporting accountants and of the financial advisers; and
- the written consents of the reporting accountants and of the financial advisers to the inclusion of their reports in the relevant document in the form and context in which they are included and, if appropriate, the confirmations that their reports continue to apply,

will be available for inspection from BDB Pitmans, 34 Bridge Street, Reading RG1 2LU during normal office hours on any day, Saturdays, Sundays and public holidays excepted. In addition, this Document will be published in electronic form and be available on the Company's website www.contango-holdings-plc.co.uk.

Information on Monaf

Monaf was incorporated and registered in the Republic of Zimbabwe as a company limited by shares on 31 July 1998 under the Zim Companies Act (Chapter 24:03), with the name Monaf Investments (Private) Limited. The business address of each of the Monaf Directors is at Monaf's registered office and principal place of business which is 30 Tunsgate Road, Northwood, Mount Pleasant, Harare, Zimbabwe. Monaf is domiciled in Zimbabwe.

Monaf has broad and generic objectives in its Memorandum of Association dated 31 July 1998.

The directors of Monaf are as follows:

Name	Date of Appointment
Tendai Charles Matanga	22.01.1999
Rodreck Mlauzi	13.08.2008
Endy Mhlanga	14.09.2012
Jacques Cormack	14.09.2012
Andrew Rae Burns	11.07.2013
Jacques Cormack (Company Secretary)	25.09.2013

The liability of the members of Monaf is limited.

The accounting reference date of Monaf is 31 March.

As at LPD, there are 32,653 Monaf Shares in issue which are owned as follows:

Member	Total Number of Shares	Percentage (%)
Taymills Resources	2 123	6.50
The Tadala Family Trust	3 809	11.67
Tanaka Energy (Pvt) Ltd	3 399	10.41
The Monaf Discretionary Trust	464	1.42
Someden Investments (Pvt) Ltd	22 858	70.00
Total	**32 653**	**100.00**

The directors of Monaf have confirmed that the shareholders in the above table are the respective corporate successors or transferees of the original founders of Monaf, following the issuance of subscriber shares on incorporation. Someden's shareholding in Monaf started at 80%, following an initial investment by CGH. As Indigenisation legislation began to be more widely implemented in Zimbabwe, CGH took steps to establish a local discretionary trust so as to promote compliance with the Indigenisation rules. Accordingly, new shares were issued in Monaf with the effect that the Monaf Discretionary Trust (the "Trust") took a 31% stake in Monaf, Someden's 80% stake was diluted to 49% and the minority shareholders' combined stake remained at 20%. Under a corporate re-organisation in relation to the Acquisition, the Trust agreed to dispose of part of its holding in Monaf to Someden and the other shareholders (on a pro-rated basis).

The Enlarged Group

On Readmission, CGH will be the holding company of the Enlarged Group. On Readmission, the Enlarged Group will comprise the Company and Monaf.

PART XIII

COMPETENT PERSON'S REPORT

Access Road into the Lubu Valley

Location: Lubu Valley, South of Binga, in Zimbabwe.

Qualified Person:	Johan Erasmus (B.Sc. (Hons), Pr. Sci. Nat. 400052/96)
Other Experts:	Richard Rice (B.Sc) Pri. Sci. Nat. 118617 Roman Szczecina (M.Sc., Pr. Sci. Nat. 400179/07) Jan du Toit (M.Sc.) Tawanda Murapa (B.Sc) Lovemore Mauled (Dipl. Geol.) Graham Lowe (B.Sc. (Hons) Dave Sharrock (Certificated Mine Surveyor, PMS 0064)

22 April 2020

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Mobile No.: +27 (0) 82 781 4066 Office Fax.: +27 (0) 13 697 5021
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Frederik Johan Erasmus
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Fax: +27 13 697 5021
Email: johan@sumsare.com

CERTIFICATE of AUTHOR

I, Frederik Johan Erasmus, Pr. Sci. Nat., do hereby certify that:

1. I am the owner of:

   Sumsare Consulting CC.
   14 Skipper Street,
   Witbank, Mpumalanga, South Africa,
   1035.

2. I graduated with a degree in Science (B.Sc. (Geology and Chemistry)) from the University of Port Elizabeth in 1989. In addition, I have obtained an Honours degree in Science (B.Sc. Hons. (Geology)) from the University of Port Elizabeth in 1990.

3. I am a registered member of the South African Council for Natural Scientific Professions (SACNASP), registration number 400052/96.

4. I have worked as a geologist for a total of 28 years since my graduation from university.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects as published by the Canadian Institute of Mining ("CIM") ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101. I have read NI 43-101 and Form 43-101F1 and confirm that the Technical Report has been prepared in compliance with the respective requirements. The CIM reporting code is a national reporting organisation that is aligned with the Committee for Mineral Reserves International Reporting Standards ("CRIRSCO") who promote international best practise in the reporting of mineral exploration results, mineral resources and mineral reserves.

6. I am responsible for the preparation of sections 1 to 14 and sections 23 to 27 of the technical report titled "A Technical Report of the Lubu Coal Deposit in Zimbabwe NI 43-101 Framework" for Contango Holdings plc dated 7 November 2019, relating to the Lubu Coal property. I visited the Lubu property during 2010 and 2011 for a total of 90 days. The date and duration of each visit is listed below;

   - 14, 15 Jun 2010, 2 Days, site visit,
   - 4, 5 and 6 Aug 2010, 3 Days, site visit,
   - 4 Oct to 10 Nov 2010, 28 Days, commencement of drilling programme,
   - 24 Nov to 15 Dec 2010, 22 Days, logging and sampling protocol,
   - 1 to 27 Feb 2011, 27 Days, logging and sampling and training,
   - 22 to 29 May 2011, 8 Days, sampling and logging over-inspection,

   This Technical Report is the second NI 43-101 report that is being filed for this property. The first report is dated 15 May 2012. There has been no new drilling or analytical data to include in the updated report. Hence there has been no material change to prior data and this report is a review of the report dated 15 May 2012. This Technical Report has been compiled for the purpose of Contango Holdings Plc acquisition of Monaf from CGH. At the time the client considered the political environment in Zimbabwe as not sufficiently attractive to consider fund raising for the execution of a mine. It hence follows that there is not an existing SEDAR project number for this report.

7. I have not had prior involvement with the property that is the subject of the Technical Report.

8. I am not aware of any fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

9. I am independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101.

10. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and to any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report. The data as set out in the Technical Report continues to be relevant and suitable given the geology and assumption are unchanged.

Dated this 22 April 2020.

F Johan Erasmus (Pr. Sci. Nat.)

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CONSENT of AUTHOR

TO: WHOM IT MAY CONCERN

I, Johan Erasmus (in my capacity as Competent Person), have given and not withdrawn my written consent to the inclusion of the "Competent Person's Report" in Part XIII of this prospectus in the form and context in which it is included and have authorised the contents of this "Competent Person's Report". Accordingly, for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules I am responsible for this report and, having taken all reasonable care to ensure that such is the case, I declare that the information contained in this "Competent Person's Report" is, to the best of my knowledge and belief, in accordance with the facts and contains no omission likely to affect its import.

Dated this 22 April 2020.

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A Technical Report of the Lubu Coal Deposit

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LIST OF ABBREVIATIONS

adb (or ADB)	Air dry basis
adc (or ADC)	Air dry, contaminated
aduc (or ADUC)	Air dry, uncontaminated
CIM	Canadian Institute of Mining
CPR	Competent Person's Report
CV	Calorific value
CV_{VM}	Calorific value of volatiles
DAFV	Dry Ash Free Volatiles
DEAT	Department of Environment and Tourism (South Africa)
DM	dense medium
DME	Department of Minerals and Energy
DMS	dense medium separation
DTM	digital terrain model
db (or DB)	Dry basis
DTF	Drop Tube Furnace
DMR	Department of Mineral Resources
DWAF	Department of Water Affairs and Forestry
E	Activation energy (kJ/mol)
ECA	Environmental Conservation Act (South Africa)
EIA	Environmental Impact Assessment as contemplated in Section 39 of the MPRDA
EMPlan	Environmental Management Plan as contemplated in Section 39 of the MPRDA
EMProgramme	Environmental Management Programme Report as contemplated in Section 39 of the MPRDA
ESKOM	South Africa's state-owned electrical power utility company
E*r*	Energy ratio
FOB	Free on Board
g/cc	Grams per cubic centimetre
GTIS	Gross Tonnes *in situ*
GAD	Gross as delivered
GAR	Gross as received
HIV	Heat in volatiles (%)
HQ	Diamond drill core size 61.5 mm
ha	Hectares (1 ha = 10,000 m^2)
IRR	Internal Rate of Return
ISO	International Standards Organisation
JORC Code	Australasian Code for Reporting of Mineral Resources and Reserves (2004)
Kcal/kg	Kilocalories per kilogram
Ma	Million annum (years)
MA	Mineral Area
m.a.m.s.l.	metres above mean sea level
MPRDA	Mineral and Petroleum Resources Development Act (Act 28 of 2002)
MJ/kg	Megajoules per kilogram
$MTIS_{Reserve}$	Mineable tonnes *in situ* reserve, as defined by SANS10320:2004
$MTIS_{Resource}$	Mineable tonnes *in situ* resource, as defined by SANS10320:2004
Mt	Million tonnes
Mtpa	Million tonnes per annum
NAR	Net as Received
NI 43-101	National Instrument 43-101 Issued by the Canadian Institute of Mining, Metallurgy and Petroleum
NPV	Net Present Value
Ptn	Portion
RE	Remaining Extent
ROM (adc)	Run of mine tonnes (air dry, contaminated)
ROM (aduc)	Run of mine tonnes (air dry, uncontaminated)
ROM (as del)	Run of mine tonnes (as delivered)

SABS	South African Bureau of Standards
SAMREC Code	South African Code for the Reporting of Coal Resources and Coal Reserves (2007)
SANS 10320	South African National Standard 10320:2004 – South African guide to the systematic evaluation of coal resources and coal reserves
SG or SG4686	Special Grant 4686
TNW	diamond drill core size 57.5mm in diameter
T&S	Truck and Shovel
TTIS	Total Tonnes *in situ*
VM_{DTF}	Volatiles by DTF
EMP	Environmental Management Programme
EMPR	Environmental Management Programme Report
GIS	Geographical Information System
GDP	Gross Domestic Product
HQ	diamond drill core size 63.5mm in diameter
ISO	International Standards Organisation
JORC	Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy
JSE	Johannesburg Securities Exchange
SAIMM	South African Institute of Mining and Metallurgy
No.	Number
OC	Opencast
OHS	occupational health and safety
RD	relative density measured in g/cc
ROM	Run-of-Mine
SABS	South African Bureau of Standards
RBCT	Richard's Bay Coal Terminal
SAMREC	South African Mineral Resource Committee
SANAS	South African National Accreditation System
SARS	South African Revenue Service
SHE	Safety, Health and Environment
UG	underground
cm	centimetre
g	gram
m	meter

1. Summary

Briefly summarize important information in the technical report, including Property Description and Ownership, Geology and Mineralisation, Status of Exploration, Development and Operations, Mineral Resource and Reserve estimates, Qualified Person's Conclusions and Recommendations.

The gross tonnage in-situ (GTIS) that has been calculated for the whole of SG 4686 amounts to 3.250 Billion tonnes. When allowances are made for geological losses, this number reduces to 2.462 Billion tonnes (TTIS). Of this, 702.208 Million tonnes are contained within Block B2, at an indicated resource confidence level, and at shallow depth.

The major coal product makeup from Block B2 comes from the Main Seams and can be summarised by:

- Main Seam Upper (MSU) – potentially a 22% yield on soft coking coal with a 10% Ash and Swell of 3.5 to 4. The balance of this seam will yield export and power station coal.
- Main Seam Middle (MSM) – potentially a 53% yield on an export product with a 19% Ash and Total % Sulphur of 0.37%. The balance of this seam will yield a power station quality middling product.
- Main Seam Lower (MSL) – potentially a 62% yield for an export coal with CV of 26.12 Mj/kg, a 19.5% Ash value and 0.38% Total Sulphur. The balance of this seam will yield a power station quality middling product.

There are also coking coal yields approaching 10% in the 1C, 1B Upper and 1A Lower seams which lie above the Main Seam.

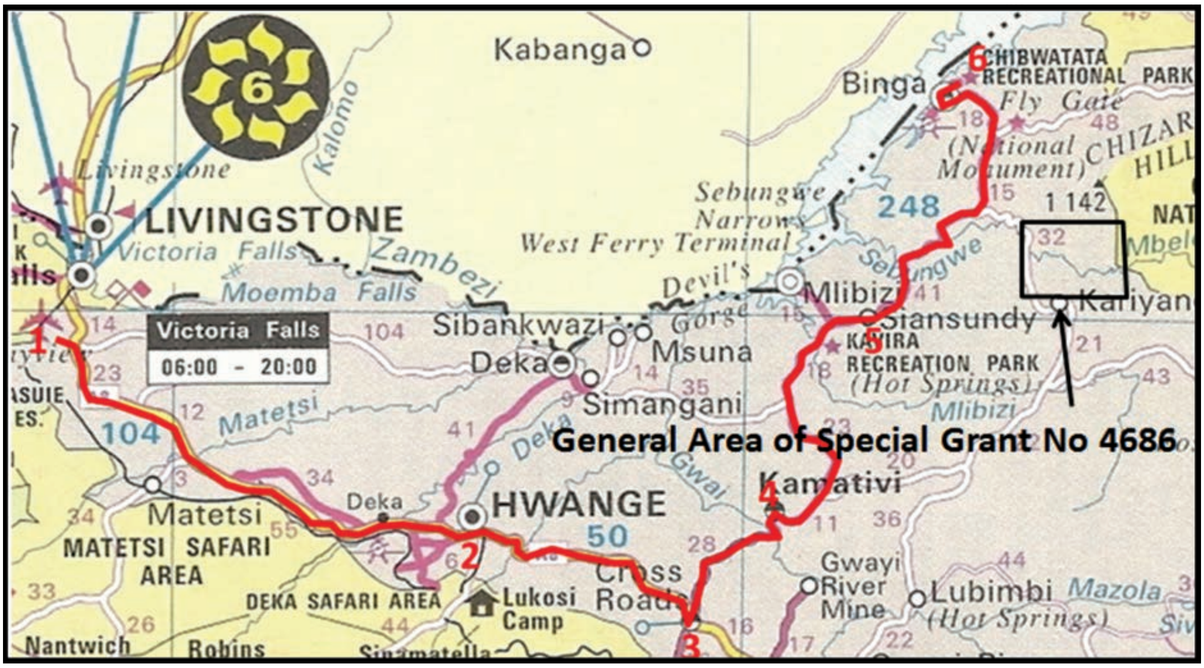


Figure 1: General Locality of the Special Grant area.

The property that has been explored and investigated in this project is known as the Lubu Coalfield and is situated 60 km due south of the town of Binga in the Bulawayo Mining District in Zimbabwe. See Figure 1 below for the general locality of the site.

The Special Grant No. 4686 (SG 4686) which regulates the right to prospect on this property, was issued to Monaf Investments (Private) Limited (MI) on the 22 of February 2010. MI is a Zimbabwean subsidiary of Consolidated Growth Holdings Limited (CGH) (previously registered as Sable Mining Africa Limited (SMA)).

The area included in the Special Grant covers 19 236 ha, the bulk of which is underlain by Karoo Sequence sediments. The strata underlying the Special Grant area contain Permian Age coal measures of the Mid-Zambezi Karoo Basin. This basin is made up of two intra-basins, a northern and a southern sub-basin, both of which trend in a north-easterly direction (Duguid, 1985).

These basins are separated by a tract of Pre-Karoo Rocks made up of the Kamativi Inlier (Basement Gneisses) and sedimentary rocks of the Pre Karoo Sijarira Formation. The northern sub-basin is also sometimes called the Hwange intra-basin, and the southern sub-basin is sometimes described as the Lusulu intra-basin (Duguid, 1985). The Lubu Coalfield is situated in the northern or Hwange intra-basin, and the stratigraphy as documented in this exploration programme generally corresponds with the sequence stratigraphy as described in the literature.

The coal measure stratigraphy as encountered during the exploration programme undertaken for this study includes from the base upwards the following seams;

- The Main Seam, which is made up of 3 sub-seams. These are, from the base to top, the Lower, Middle and Upper sub-seams,
- The 1A Seam, which is divided into Lower and Upper sub-seams,
- The 1B Seam, which is broken down into Lower, Middle and Upper sub seams,
- The 1C Seam.
- The Upper Series of coal seams/plies.

The main emphasis of this exploration programme at the outset was to focus on the Main Seam, which has historically been known to be of economic significance, and which is established from the operations at the Hwange Colliery. However, during the drilling programme, the client encountered significant intersections of coal measures higher up in the sequence, above the Main Seam. Hence the focus of exploration was expanded to include the 1A, 1B and 1C Seams. The Upper Series of coal measures which occur above the Upper Hwange Sandstone Formation was sampled in isolated instances, but were not considered of economic significance at that stage. They are a very important marker and were used for the purpose of correlation and structural interpretation.

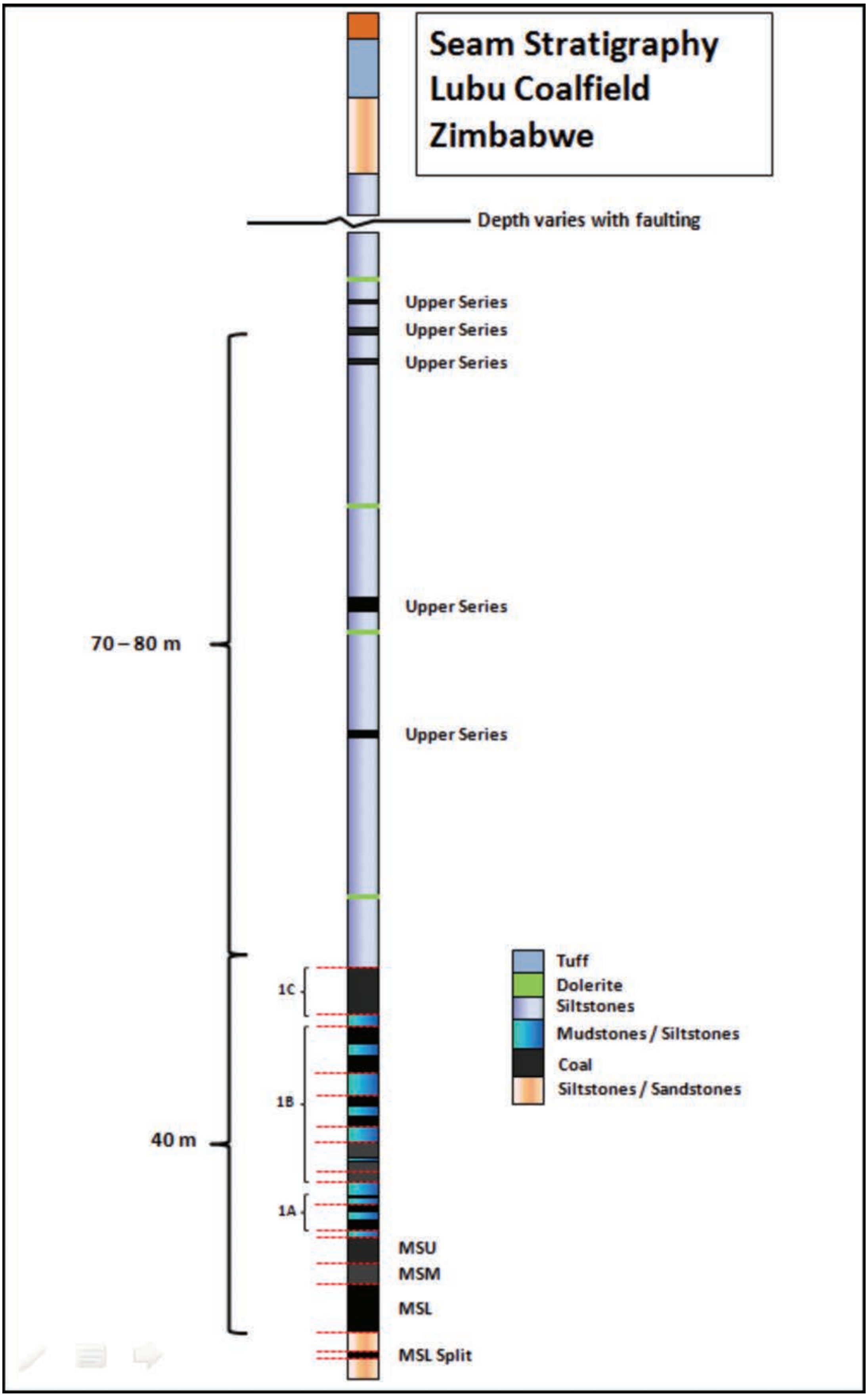


Figure 2: A General Log Showing the Full Coal Stratigraphic Sequence.

The exploration programme was started on the 22 February 2010, with the granting of SG 4686 to MI. Badger Mining and Consulting (Pty.) Ltd. (BMC) was engaged to design and manage an exploration programme subsequent to the granting of SG 4686. The initial planning of the first phase of exploration called for 36 boreholes spaced on a 1 km grid. Drilling was awarded to African Mining and Exploration Limited (AME), a Harare based company. The drilling activity started on the 4th of October 2010 and concluded on the 20th of December 2010 with the completion of 29 boreholes.

The subsequent phases of exploration were again awarded to AME and included the drilling of an additional 71 boreholes. Drilling started on the 2nd of February 2011, and concluded on the 12th of October 2011. During all the phases of drilling, Exploration Geophysics (Pty) Ltd. (EG) which is based in Gaborone (Botswana) was contracted for the down-hole wire-line logging of the exploration boreholes.

In order to facilitate the exploration CGH acquired a property in the town of Binga 60 km to the north of the project area. This property was equipped as an exploration base and all the field activity, logging of core and sampling of core was managed from this base camp. In addition, the access road into and across the project area was upgraded to reduce the travel and supply times to and from the exploration activity. CGH established a fuel depot at the northern edge of the project area and the drilling contractor established a field camp in close proximity to this depot.

The estimated coal resource is contained in 9 main horizons and amounts to a total tonnage in situ (TTIS) of 2.462 Billion tonnes (Bt). Of this 702.208 Mt is considered to be at an indicated status with the balance of 510.001 Mt and 1 250.718 Mt at inferred and speculative levels of confidence respectively. The table below contains a summary of the resource.

COAL RESOURCE - LUBU COALFIELD - SG 4686 - as @ 22 April 2020

Block	Seam	Ply	Thick (m)	Area (Mm^2)	Volume (Mm^3)	Density (ton/m^3)	GTIS (Mt)	Drill Grid (m x m)	Confidence level	Geological Loss (%)	TTIS (Mt)
B1	All	All	26.78	0.022	0.579	1.675	0.968	147	Inferred	20	0.774
B2	All	All	36.33	16.452	499.960	1.652	826.127	490	Indicated	15	702.208
B3	All	All	51.42	1.542	63.536	1.673	106.026	517	Inferred	20	84.821
B4	All	All	42.88	5.182	211.156	1.666	351.006	916	Inferred	20	280.805
B5	All	All	44.91	2.750	108.133	1.664	179.501	917	Inferred	20	143.601
B6	All	All	44.53	3.301	135.362	1.670	225.454	1 250	Speculative	30	157.818
B7	All	All	39.39	6.558	241.906	1.669	402.733	1 459	Speculative	30	281.913
B8	All	All	34.11	4.008	130.164	1.677	217.761	1 402	Speculative	30	152.433
B9	All	All	35.75	1.437	49.852	1.664	82.746	1 192	Speculative	30	57.922
B10	All	All	36.16	7.647	215.813	1.655	356.211	1 098	Speculative	30	249.347
B11	All	All	40.82	3.198	119.545	1.661	198.076	1 239	Speculative	30	138.653
B12	All	All	34.69	5.382	183.680	1.658	303.760	1 331	Speculative	30	212.632
Total			38.46	57.479	1 959.686	1.662	3 250.368	1003		24.2	2 462.927

Indicated		702.208
Inferred		510.001
Speculative		1 250.718
Total		2 462.927

This resource presents an opportunity to establish a large scale mining operation. The drilling results from the Block B2 area indicates lateral continuity over a large surface (roughly 1 600 ha). This block has the potential to become the opencast nucleus of a relatively large dragline operation. With additional drilling, the 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, I think that the structural elements of this deposit will allow for these blocks to be taken up the confidence curve into mineable blocks of sustainable magnitude. Additional drilling will be required to confirm this and it may form part of later phases of drilling prior to establishing mining feasibility.

The resource in Block B2 has been investigated for quality, and a summary of the main anticipated products from the main coal seams are given in Table format below. Three main products were optimised for; a soft coking coal, an export product and a power station coal.

The Main Seams Lower, Middle and Upper are all anticipated to return very high theoretical yields, all in excess of 85%. The Main Seam Upper is expected to yield a coking coal product at 22%. In general the % Sulphur values are low, and increases upwards in the stratigraphy.

		Coking Coal Product (Ash < 11% with Swell)									Power Station Product (CV > 18 MJ/kg, Vols > 18 %)								Export Product (CV >25.5)								
	Seam	Cut Pt Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S	CSI	Cut Pt Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S	Cut Pt Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S	Total Th Yield
Wt Ave	1C	1.381	7.2	3.2	10.0	34.9	51.9	29.72	0.98	5.1	1.904	49.4	2.9	32.1	27.4	37.82	20.88	1.02	1.492	7.8	3.0	19.5	31.5	46.0	26.03	0.97	64.4
Wt Ave	1B Upper	1.389	7.8	3.3	9.8	34.7	52.2	29.73	0.98	5.3	1.882	40.9	2.8	35.2	27.0	35.0	19.65	0.92	1.498	6.7	2.9	20.0	31.3	45.8	26.07	1.01	55.4
Wt Ave	1B Middle	1.365	1.4	3.3	8.9	34.0	53.8	30.02	0.90	5.7	1.875	47.4	2.9	35.9	25.0	36.2	19.58	0.70	1.507	9.2	3.1	18.3	30.9	47.6	26.49	0.92	58.0
Wt Ave	1B Lower	1.376	1.9	3.2	9.4	33.2	54.2	30.21	0.76	5.1	1.841	41.1	3.1	38.0	23.8	35.4	18.70	0.53	1.532	16.3	3.3	18.3	30.7	47.7	26.40	0.78	59.2
Wt Ave	1A Lower	1.390	8.6	3.5	10.0	33.2	53.3	29.63	0.92	4.2	1.881	40.9	3.0	34.8	24.3	37.8	19.73	0.61	1.507	6.1	3.3	17.6	30.3	48.7	26.55	0.65	55.6
Wt Ave	MSU	1.386	22.2	3.6	9.6	32.8	54.0	29.95	0.63	3.5	1.924	54.0	3.1	34.6	22.4	39.9	19.82	0.57	1.557	13.8	3.6	18.6	25.1	52.7	25.99	0.46	90.0
Wt Ave	MSM	1.360	1.7	4.2	9.4	32.7	53.7	30.08	0.57	3.4	1.905	38.7	3.3	33.8	19.4	44.2	20.06	0.46	1.641	52.9	3.6	18.8	23.4	54.2	25.90	0.37	93.3
Wt Ave	MSL	1.300	1.7	4.4	10.5	31.1	54.0	29.17	0.40	3.6	1.902	26.6	2.7	35.3	21.9	40.3	19.92	0.36	1.688	62.0	3.2	19.5	25.5	51.8	26.12	0.38	88.7

2. Introduction

a. Issuer for whom the report is prepared.

This report is prepared for Contango Holdings PLC, by Johan Erasmus of Sumsare Consulting cc. for the purpose of Listing on the Standard List of the LSE.

b. Terms of reference and purpose.

The report is prepared to quantify the in-situ coal resource contained in the Permian age sediments of the Karoo Sequence underlying SG 4686. In addition, the format of this report was chosen to be a technical report as required by Instrument 43-101. Issued by CIM.

c. The sources of information and data contained with citations

Information was sourced from the known scientific literature that has been published historically notably by the Geological Survey of Rhodesia and post 1980 by the Geological Survey of Zimbabwe. Geological Maps as sourced from the Geological Survey and various publications from the Geological Society of South Africa were also consulted.

In addition, CGH has acquired data by drilling and analysing core samples from 100 boreholes that have been drilled on the property between October 2010 and the end of October 2011. The logged data from these boreholes were interpreted by Geologists in the employment of CGH (Richard Rice, Jan Du Toit, Tawanda Murapa, and Lovemore Mauled) with independent external oversight provided by Johan Erasmus (Pr. Sci. Nat. 400052/96).

These boreholes were also wire-line logged to assist with the stratigraphic delineation of the basin and to make comparisons with the known stratigraphy in outlying areas of the basin such as is seen at Hwange.

The spatial orientation was contracted to a South African company known as Orbital Surveys and the surveying of borehole collars was undertaken by Dave Sharrock a Professional Mine Surveyor (PMS 0064)

A list of references used and quoted in the preparation of this report is shown under Item 27.

d. Details of personal inspection on the property by each qualified person.

The property was serviced by Geologists and Surveyors in the employment of CGH, with oversight by an external Geologist.

The CGH professional staff was present on site during the drilling activity. The drilling activity was scheduled on a 6 week on 2 week off rotation during both phases of the exploration programme.

Richard Rice fulfils the role of General Manager for CGH and is responsible for all their exploration projects. Richard deals with the management function in the project. As a qualified geologist with 35 years of experience (with a strong background in resource modelling) he is also used in a technical oversight role. Richard visited the property on the following dates during the exploration programme;

- 12 Nov 2010 to 15 Nov 2010, 4 days, technical oversight, management.
- 5 Feb 2011 to 8 Feb 2011, 4 days, management, investor relations.
- 12 Apr 2011 to 17 Apr 2011, 6 days, management, technical oversight.
- 21 Jun 2011 to 24 Jun 2011, 3 days, management, technical oversight.
- 18 Aug 2011 to 23 Aug 2011, 6 days, management, investor relations.
- 11 Oct 2011 to 14 Oct 2011, 4 days, management, technical oversight.

Jan du Toit is a contracted Project Geologist for CGH and is responsible for the logging of core, geophysical log interpretation, sampling of core and the training and coaching of junior staff. Jan was present on the site on the following dates during the exploration programme;

- 4 Oct 2010 to 13 Nov 2010, 41 days, commencement of drilling, logging and sampling, training of assistants.
- 21 Nov 2010 to 15 Dec, 24 days, logging and sampling, training of assistants.
- 1 Feb 2011 to 14 Mar 2011, 42 Days, logging and sampling, training of assistants.
- 28 Mar 2011 to 11 May 2011, 44 days, logging and sampling, training of assistants, coaching of junior geologists.
- 25 May 2011 to 30 June 2011, 35 days, logging and sampling, training of assistants, coaching of junior geologists.
- 12 Jul 2011 to 23 Aug 2011, 43 days, logging and sampling, coaching of junior geologists and assistants.
- 7 Sept 2011 to 14 Oct 2011, 37 Days, logging and sampling, coaching of junior geologists and assistants.

Tawanda Murapa is a Geologist employed by CGH and is responsible for the logging of core, geophysical log interpretation, sampling of core, and liaison with the Geological Survey of Zimbabwe. Tawanda was present on the site on the following dates during the exploration programme;

- 28 Nov 2010 to 23 Dec, 26 days, logging and sampling, Geological Survey and Customs liaison.
- 1 Feb 2011 to 18 Mar 2011, 46 Days, logging and sampling, Geological Survey and Customs liaison.
- 26 Mar 2011 to 13 May 2011, 48 days, logging and sampling, Geological Survey and Customs liaison.
- 23 May 2011 to 30 June 2011, 38 days, logging and sampling, Geological Survey and Customs liaison.
- 13 Jul 2011 to 28 Aug 2011, 47 days, logging and sampling, Geological Survey and Customs liaison.
- 7 Sept 2011 to 18 Oct 2011, 41 Days, logging and sampling, Geological Survey and Customs liaison.

Lovemore Mauled is a Geologist and was employed by CGH during this project. He was responsible for the logging of core, geophysical log interpretation and the sampling of core. Lovemore was present on the site on the following dates during the exploration programme;

- 26 Mar 2011 to 13 May 2011, 48 days, logging and sampling.
- 23 May 2011 to 30 June 2011, 38 days, logging and sampling.
- 13 Jul 2011 to 28 Aug 2011, 47 days, logging and sampling.
- 7 Sept 2011 to 18 Oct 2011, 41 Days, logging and sampling.

Johan Erasmus was contracted as an external independent consultant, with the task of overseeing standards of logging and sampling, and to produce the resource statement and Technical Report from the geological data gathered during the exploration programme. Johan was present on site on the following dates during the exploration programme;

- 14, 15 Jun 2010, 2 Days, site visit,
- 4, 5 and 6 Aug 2010, 3 Days, site visit,
- 4 Oct to 10 Nov 2010, 28 Days, commencement of drilling programme, logging and sampling, overlap with J Du Toit.
- 24 Nov to 15 Dec 2010, 22 Days, logging and sampling protocol,

- 1 to 27 Feb 2011, 27 Days, logging and sampling and training,
- 22 to 29 May 2011, 8 Days, sampling and logging over-inspection,

Drilling and recovery of core on this site is verified by him. He witnessed the drilling first-hand on site, and also witnessed the sampling and dispatching of samples from the exploration camp in Binga to the coal laboratory in Witbank in South Africa.

3. Reliance on Other Experts

A qualified person who prepares or supervises the preparation of all or part of a technical report may include a limited disclaimer of responsibility if:

a. *The qualified person is relying on a report, opinion, or statement of another expert who is not a qualified , or on information supplied by the issuer, concerning legal, political, environmental, or tax matters relevant to the technical report, and the qualified person identifies*

   (i) *the source of the information relied upon, including the date, title, and author of any report, opinion or statement;*

   (ii) *the extent of reliance; and*

   (iii) *the portions of the technical report to which the disclaimer applies.*

Indemnity and Disclaimer

The findings, results, observations, conclusions and recommendations given in this report are based on the author's best scientific and professional knowledge as well as available information. The report is based on survey and assessment techniques which are limited by time and budgetary constraints relevant to the type and level of investigation undertaken and the author reserve the right to modify aspects of the report including the recommendations if and when new information may become available from on-going research or further work in this field, or pertaining to this investigation.

Although the author exercises due care and diligence in rendering services and preparing documents, he accepts no liability, and the issuer, by receiving this document, indemnifies the author against all actions, claims, demands, losses, liabilities, costs, damages and expenses arising from or in connection with services rendered, directly or indirectly by him and by the use of the information contained in this document.

This report must not be altered or added to without the prior written consent of the author. This also refers to electronic copies of this report which are supplied for the purposes of inclusion as part of other reports, including main reports. Similarly, any recommendations, statements or conclusions drawn from or based on this report must make reference to this report. If these form part of a main report relating to this investigation or report, this report must be included in its entirety as an appendix or separate section to the main report.

4. Property Description and Location

a. *The area of the property in Hectares*

The area that is underlain by the Special Grant covers 19 236 hectares.

b. *The location reported by an easily recognizable grid system*

The polygon, which describes the Special Grant footprint, contains 9 points. The points are shown in Figure 3 below, as issued by the Ministry of Mines and Mining Development of the Republic of Zimbabwe.

The coordinate pairs for these 9 points are listed in Table 1 below. The Survey system and projection is WGS 84 and UTM 35.

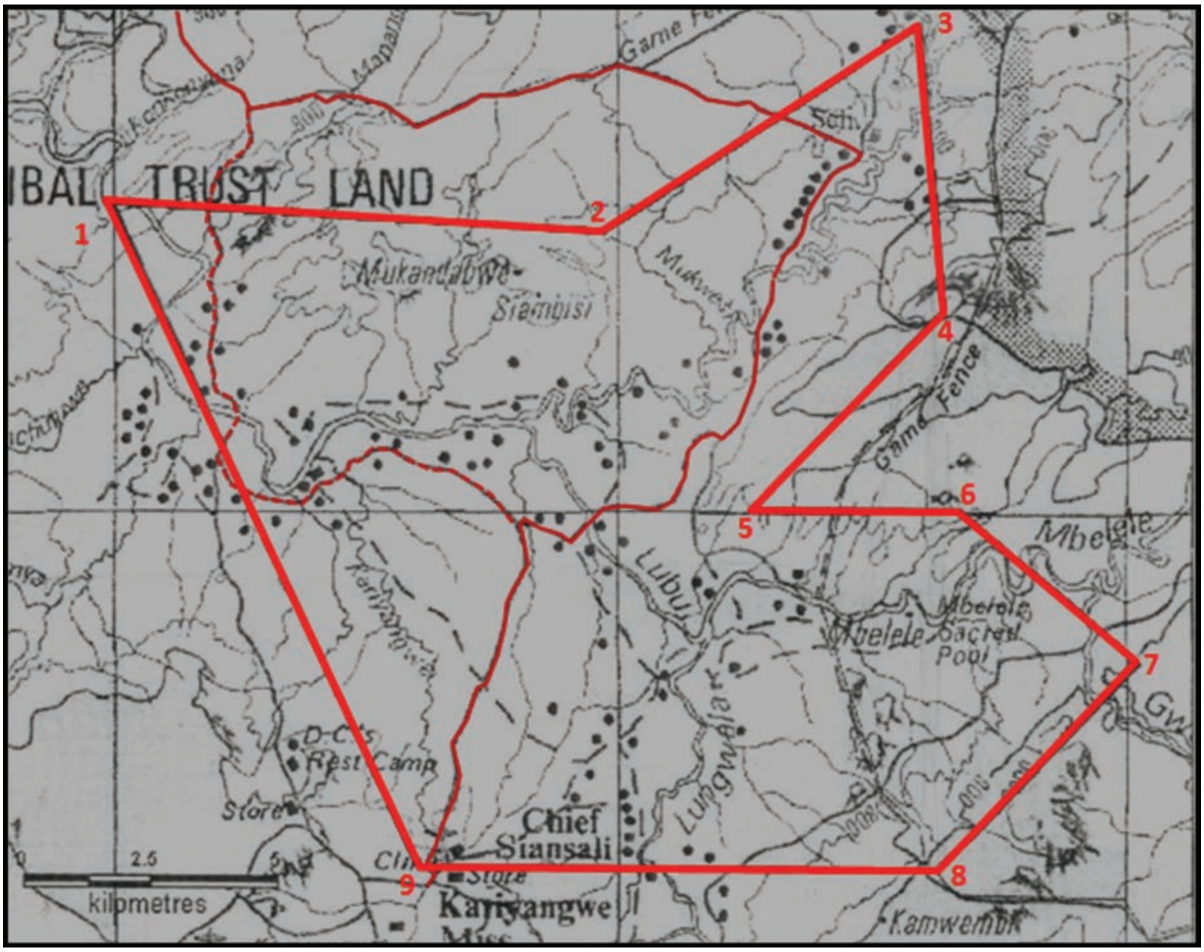


Figure 3: The Special Grant footprint as issued by the Department of Mines and Mining Development.

Table 1: Coordinate Pairs for the Boundary of SG 4686.

c. The type of Mineral Tenure with its identifying name.

The type of tenure is a Special Grant to explore for coal, and its specific name is Special Grant 4686.

d. The nature and extent of the issuers title to the property.

The Issuer is entitled to explore for a period of three (3) years for coal in the area designated on the map in Figure 1 above. The date of commencement is the 22nd of February 2010, and the SG lapsed on the 21st of February 2013. An application to extend the exploration SG was made in 2012 and was granted in 2016 for a period of 2 years. During this 2 year period a successful application to convert the exploration SG licence into a mining SG licence was submitted, and the Mining License was granted in September 2018, valid for an initial 25 years.

e. Any known terms, royalties, extension conditions.

A copy of the exploration SG4686 is attached as Appendix1, and Appendix 2 contains a copy of the Mining License granted for SG4686, The licence for SG4648 at Appendix 2 shall be sufficient for Monaf to undertake small-scale exploratory mining, though not for fullscale production The terms and conditions as listed for the Mining License are quoted below;

"Conditions of Grant

1. Except as otherwise provided hereunder, this Grant and any operations carried out under it shall be subject to the Act and the regulations made thereunder.

2. The Grant shall be for a period of twenty-five years from the date of issue and will be subject to extension upon the written application of the Holder at least six months before expiry of this Grant, it may be extended on such terms and conditions as the Minister of Mines and Mining Development may deem appropriate.

3. In terms of section 295 of the Act, the Holder shall beacon the area in a manner that the Mining Commissioner, Matabeleland North upon consulting with the Minister of Mines and Mineral Development, may determine and shall maintain the beacons in good order and condition and in their proper positions until a certificate of quittance has been issued in terms of the Act.

4. The Holder shall submit monthly production returns to the Mining Commissioner and annual reports detailing work progress and expenditure statement.

5. The attention of the Holder is specifically drawn to the provision of Part XIII of the Act which requires the submission of siting of works plans to the Mining Commissioner, Matebeleland North for approval before specified works may be constructed or erected upon the area.

6. The Holder of this Grant shall attain an Environmental Impact Assessment certificate from the relevant Government Ministry prior to commencement of operations.

7. The Holder shall appoint a mine manager as Statutory Instrument 109 of 1990 part 1 sections 3-5 whose responsibility will uphold the provisions of the Act and relevant regulations

8. Based on the resource potential, the holder shall submit mine design plan and short-medium-long term mine development production scheduling to the Chief Government Mining Engineer

9. The Holder shall after the initial 12 months pay an annual rental that will be specified and shall be paid annually thereafter

10. The rights granted under this Grant shall be personal to the Holder who may not cede or assign to any other person without the prior authority of the President.

11. The President may, on application by the Holder, extend or reduce the areas of this Grant or may alter the boundaries thereof.

12. The President may order the cancellation of this Grant should the Holder fail within three months after receiving written warning from the Minister to comply with any of the conditions hereof or with the obligations imposed by the Act.

13. On the abandonment, expiry or cancellation of this Grant, the provisions of Section 269 of the Act, which relate to the protection of workings and the issuing of a quittance certificate, shall apply.

14. The Holder shall within 2 months of the termination of the Grant, lodge with the Secretary for Mines and Mining Development, full details and plans of all geological drilling and other data obtained and arising from the exercise of this Grant.

15. The Holder shall provide the Geological Survey Department access to the core as well as the ability to sample a split of the same for geo-chemical analysis. The result obtained shall be given to the Special Grant Holder and shall be confidential during the tenure of this Grant.

16. It shall be a condition of this Special Grant that the holder shall commence work within three months of approval of this Special Grant and shall commence mining operation and coal production within the period of the Special Grants

The Minister of Mines has been engaged in terms of points 3,4, 6 and 16. The beaconing of the project area was completed in 2012, but a maintenance programme is being initiated and this work will be conducted in January 2019. The monthly production returns will only be due once the mine is actually in operation, and the annual reports will be dealt with at the appropriate time. The Environmental Management Agency is being communicated with in terms of the certificates that will be needed – our most recent communications indicate that a mine plan would be required as a significant part of the certification process will be to access the impact that this mine would have on the environment. Further communications with both the agency as well as a local environmental consultancy will take place in January 2019. During the meeting with the Minister of Mines, which took place on the 29th November 2018, it was agreed that this clause did not mean that mining needed to begin within this period. We informed the minister of the ongoing work programmes, and it was agreed that the work we were doing satisfied this condition. A formal communication on this matter will be forwarded to the Ministry.

f. To the extent known, all the environmental liabilities to which the property is subject.

The exploration area is drained by three rivers. The Mchezu, Lubu/Mbelele and Lungwala rivers are highlighted in Figure 4 below. These rivers are seasonal, and are dry for the biggest part of the year. However, due to the geography of the area, i.e. a steep sided valley with a relatively large catchment, flooding may occur during the wet season.

The title to the surface area rests with the Zimbabwean Government, and the area is administered by three local tribal Chiefs. The area is inhabited by the Tonga tribe and rural settlements are dotted across the Lubu Valley. The inhabitants practise subsistence farming, the main crop being corn/maize and sorghum. The eventual mining of this deposit will involve the movement/resettlement of inhabitants of this valley.

The Kariyangwe Catholic Mission is situated just off the Special Grant Area in the south-western corner of the site.

The property shares a common boundary with the Chizarira National Park in the East. The eastern escarpment does provide a natural boundary between the park and the exploration area.

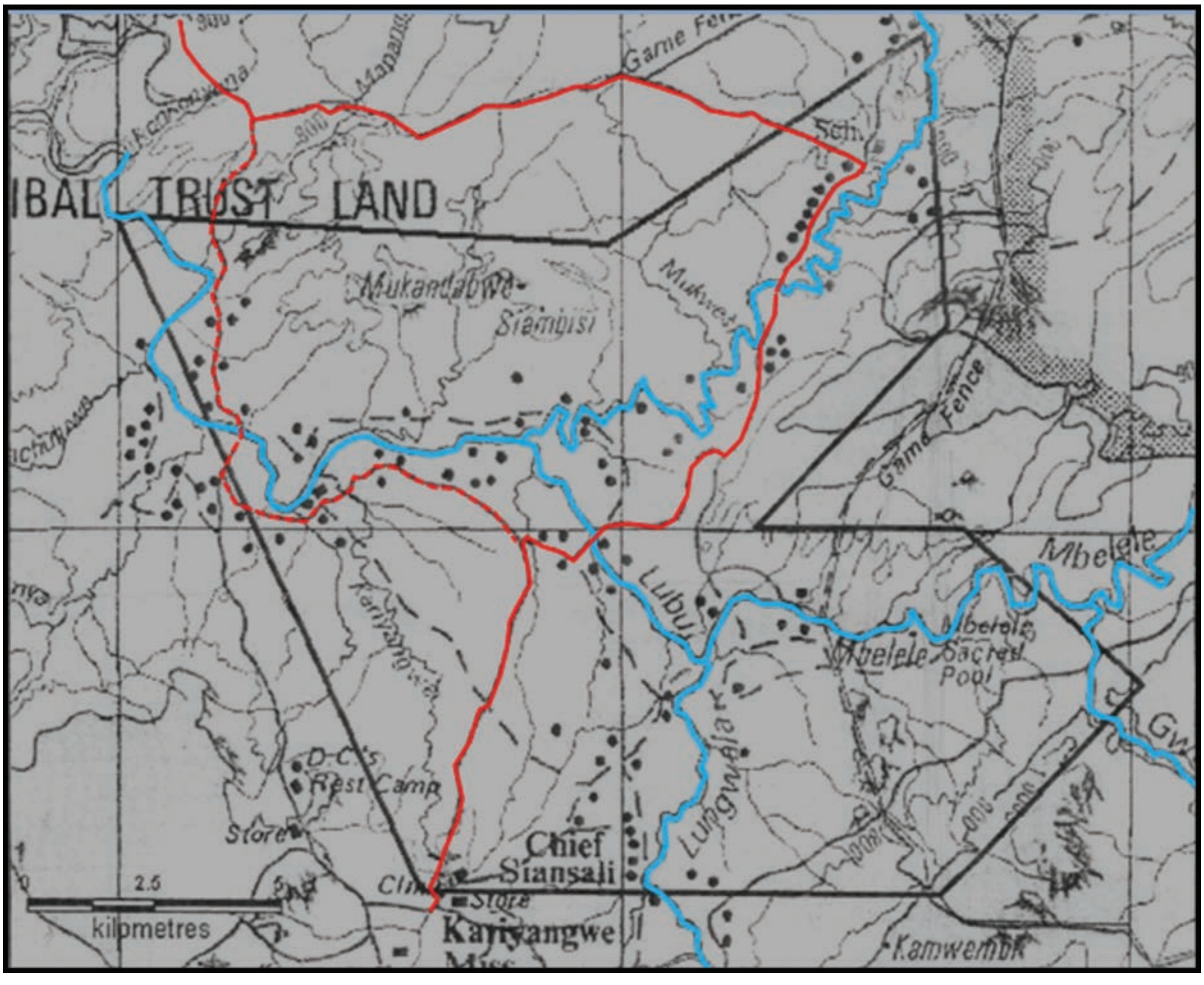


Figure 4: The Mchezu, Mbelele/Lubu and Lungwala rivers on SG 4686.

g. To the extent known, the permits that must be acquired to conduct the work proposed for the property, and if these permits have been obtained.

The Environmental Management Agency (EMA) of the Department of Parks and Tourism of the Zimbabwean Government needs to issue a permit for exploration activity. An initial EIA which was required to carry out exploration work at the Lubu Coalfield was completed and submitted and a permit has been granted by EMA to carry out exploration work.

For this property to develop beyond an exploration project into a sustainable mine the following Licences and Permits are required;

- A Project Scoping Report
- A new Environmental Impact Assessment which specifically assess the impact on the environment which would be caused by full-scale commercial mining (rather than small scale trial mining)
- Re-Zoning/Town Planning Approval
- A Water License
- An Environmental Management Plan
- A Waste Management License
- A Mine Work Programme

None of the applications for these licences or permits has commenced. Most of the work programmes will feature in the BFS that has to be performed.

h. To the extent known, any other significant factors and risks that may affect access, title, or the right or ability to perform work on the property.

Access by road has improved dramatically due to the work that was done by CGH in the upgrading of the dirt road which is the main artery into the site. Sourcing water to the site in the quantities required for mining and beneficiation of the coal may pose a challenge. Water extracted from boreholes was used for the exploration drilling. However, Lake Kariba is situated 65 km from the site and this may be a future option for water.

5. Accessibility, Climate, Local Resources, Infrastructure and Physiography

a. Topography elevation and vegetation

Although well within the tropics, Zimbabwe's climate is sub-tropical being moderated by altitude. Eighty percent of the country is located at an elevation above 600m. A significant feature of the country's landscape is the central plateau known as the Highveld, which is about 650km long and 30km wide. On either side of this is the Middleveld, which is between 600 and 1200m above sea level. The Lowveld is below 600m and consists of a narrow strip in the Zambezi Valley and a broader tract between the Limpopo and the Save rivers. This SG area falls in the Upper Zambezi Valley as indicated in Figure 5 below.

The Lubu Coalfield is situated in a valley which is oriented northeast-southwest. This valley is bounded by escarpments of older rocks on either side of its northern and southern flank in the north-eastern corner of the site. The drainage is towards the southwest, with the Mchezu River draining this valley. The northern escarpment swings away to the northwest, while the southern escarpment turns away to the south. This has the effect of a trumpet shaped valley, which is confined in the northeast, and opens up towards the southwest. The geometry of the escarpment is structurally controlled with an up-thrown mass of sediments (conglomerates and grits) from the Sijarira Group forming the northern escarpment, whilst similarly up-thrown basement schists and gneisses shape the southern escarpment.

The maximum and minimum elevations within the SG area are 920 and 708 m.am.s.l. respectively. The drilling collar elevations varied between a maximum and minimum of 812.3 m.a.m.s.l. (LCF 128) and

730.3 m.a.m.s.l. (LCF 059) respectively. This is a range of 82 m, which is indicative of the coal measures' occurrence in the relatively flat valley bottom.

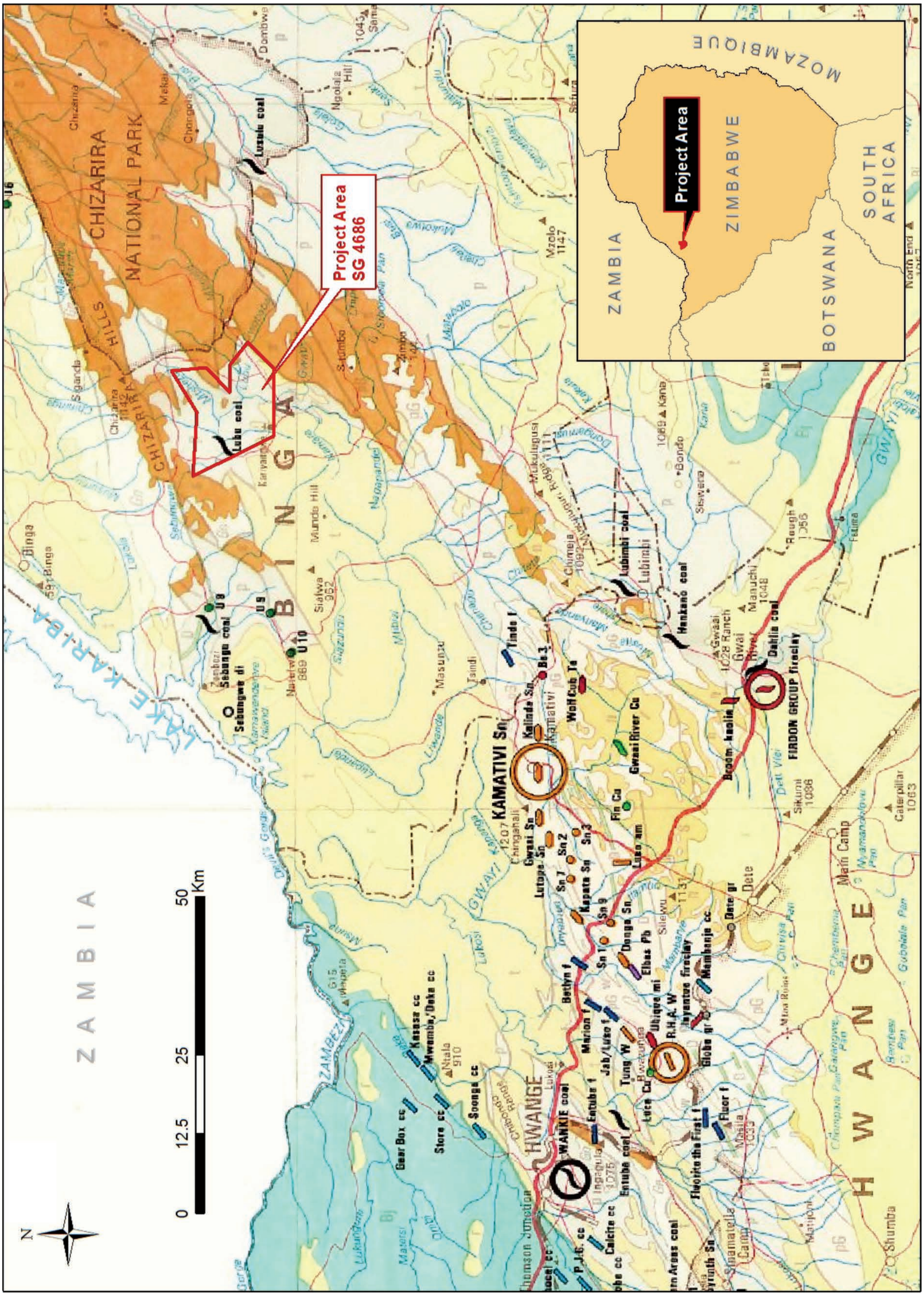


Figure 5: The General Project Area for SG 4686.

The vegetation biome for the Lubu valley and surroundings is described as Mopane woodlands. Mopane woodlands are quite widespread in Zimbabwe and are often associated with low altitudes and hot areas with sodic or alluvial soils. The woodlands can be divided into; the dry early deciduous (in north and west Zimbabwe); the dry deciduous (in Save Valley and Upper Limpopo); and the dry early deciduous shrubs (on basalt soils in southern Zimbabwe).

The woodlands are often adjacent to the miombo or lowland woodlands dominated by **Combreturn** or **Terminalia** spp. and are known for their low alpha diversity (fewer number of associated species). **Colophospermum mopane** is the dominant species. The following sub-types of mopane are recognised; **Colophospermum** alone – **Eragrostis** grass (Kalahari, Permian); **Colophosperrnum - Brachystegia boehmii -Aristida** (Kalahari); **Colophospermum -Acacia** – **Combreturn** – **Cenchrus** (Basalt); **Colophospermurn** – **Commiphora-Adansonia -Aristida** (several soil types).

The associated tree species typical across the mopane woodland range include **Acacia nigrescens**, **A. nilotica, Adansonia digitata, Albizia harveyii, Balinites** spp., **Combretum** spp., **Comrniphora** spp., **Dalbergia melanoxylon, Sclerocarya birrea, Terminalia prunoides, T. stuhlmanii, Ziziphus mucronata** and other shrub species such as **Combretum elaeagnoides, Dichrostachys cinerea, Grewia** spp. and **Xirnenian africana.**

Where C. **mopane** is dominant, it assumes economic importance especially as a source of browse for both domestic and wild animals. It is also a source of timber for craft work, very good firewood, small household items, fence posts, hut poles, mine-props, railway sleepers, and sometimes parquet floors. Please see Figure 6 below for the location of SG 4686 in terms of the natural biomes of Zimbabwe.

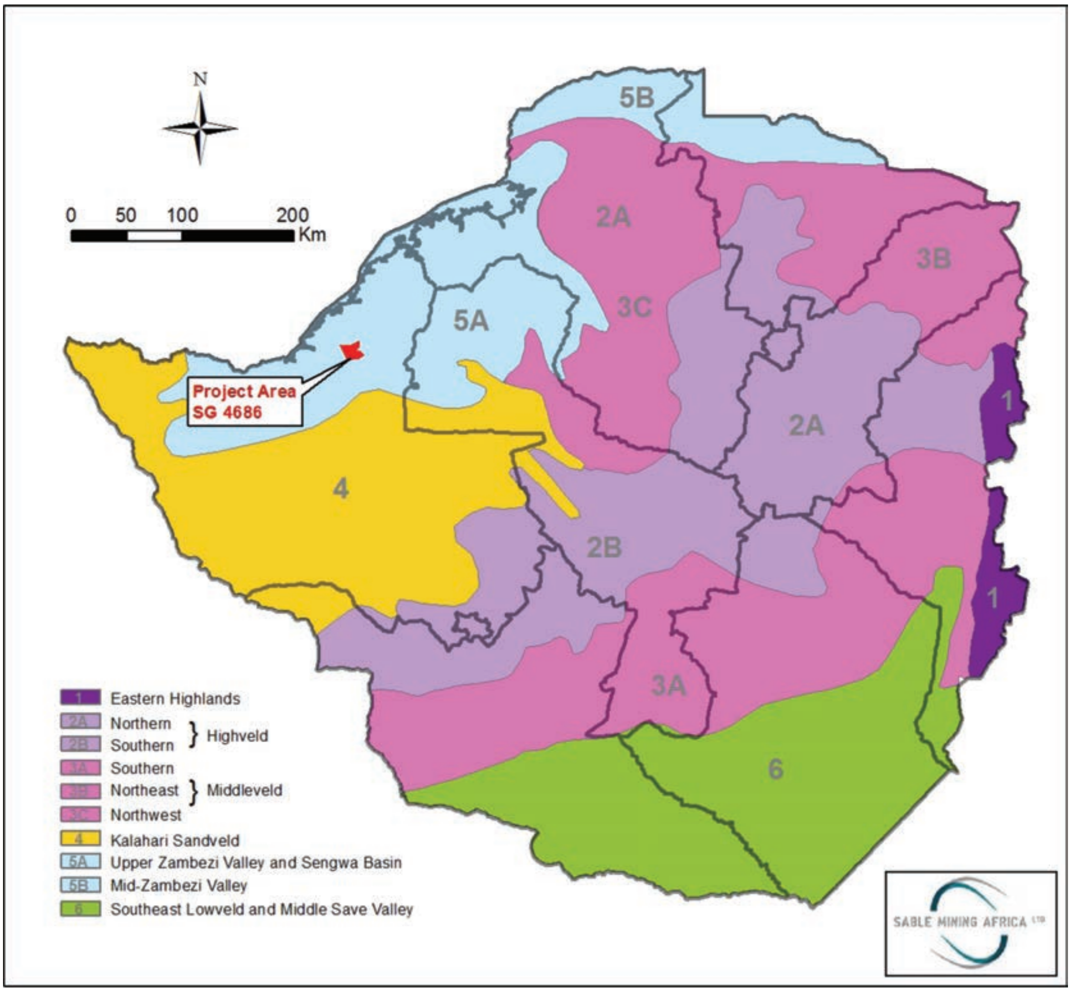


Figure 6: Location of SG 4686 in terms of the Natural Biomes of Zimbabwe.

b. The means of access to the property

At the moment a dirt road, which turns off the Kamativi-Binga asphalt road and runs towards the Kariyangwe Mission is the overland access route. This road enters the SG from the north and provides good access to the centre of the SG. CGH spent a lot of resources to upgrade this dirt road and access along this route is very good. The access road is indicated in brown on Figure 3.

The exploration camp in Binga is serviced by an asphalt road which runs from the Dete junction on the Bulawayo –Victoria Falls road, via Kamativi, to Binga, This road is in a fair condition, but has isolated stretches that are potholed.

Binga is serviced by an asphalt runway (2000 m), in relatively good condition. Air traffic control is from Victoria Falls.

c. The proximity of the property to a population centre, and the nature of the transport.

The valley within the property is inhabited by rural settlements, which are made up of dwellings that may number from 5 to 15 homesteads per settlement. The Kariyangwe Mission is situated on the south-western edge of the SG area. A good quality dirt road leaves the northern boundary and joins up after 30 km with the Kamativi – Binga asphalt road. Binga is situated another 30 km along this road, towards the north. Binga is the closest population centre from where limited supplies can be sourced. Hwange is situated 204 km from Binga via Kamativi, with Victoria Falls another 104 km northwest of Hwange. The relative positions are shown in Figure 1.

d. The climate and the length of the operating season.

The rainy season stretches from November to March, while the dry cool season is between May and August. October and November are the hottest months. The closest data to the site was sourced from a weather station in the Hwange National Park 160 km to the southwest of the site and is shown in Table 2 below. The temperature data is collected over the past 8 years and is in Fahrenheit.

HWANGE NATL. PARK 18 63 S, 27 0 E, 3533 feet (1077 meters) above sea level.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Avg. Temperature	74	73	73	70	64	59	59	64	72	77	77	75
Avg. Max Temperature	84	84	85	85	80	76	75	82	88	91	89	86
Avg. Min Temperature	65	64	62	56	48	41	41	46	55	61	65	64
Avg. Rain Days	8	8	5	1	0	0	0	0	0	2	6	5
Avg. Snow Days	0	0	0	0	0	0	0	0	0	0	0	0

Table 2: Minimum and Maximum Temperature data for Hwange National Park.

Annual rainfall varies from an average of below 400mm in the low lying areas to 900mm over the central watershed and 1 500mm in parts of the eastern highlands. The project site receives rainfall of between 600 and 800 mm per annum. See Figure 7 for the mean annual rainfall isopachs for Zimbabwe.

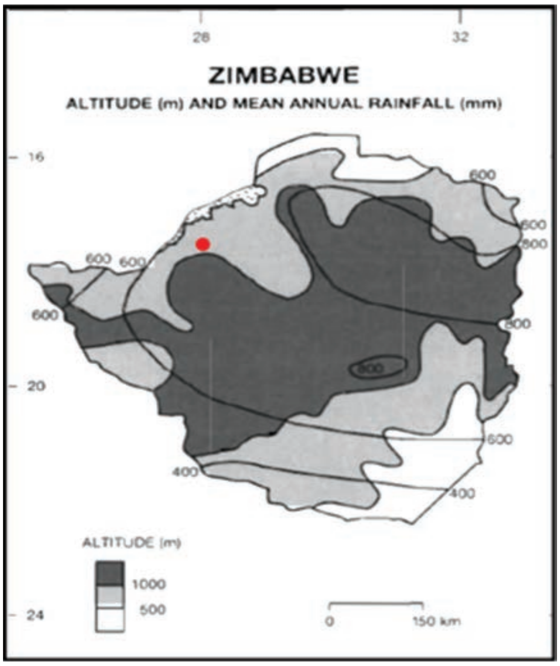


Figure 7: Mean Annual Rainfall Isopachs for Zimbabwe (Todorov and Steyaert, 1983).

e. The sufficiency of the surface rights for mining operations. The availability and sources of water, power, mining personnel, potential tailings storage areas, potential waste disposal areas, potential processing plant sites.

The communal land tenure system is governed by the Communal Lands Act and is applicable to 42% of Zimbabwe's land area, where approximately 66% of the country's population resides. According to the Communal Land Act, all communal land is vested in the State President who has powers to permit its occupation and utilisation in accordance with the Act. Communal area inhabitants thus have usufructory rights over communal land. While Rural District Councils have a dispensation to allocate land to qualified persons on behalf of the state.

Within the SG area, water is sourced from boreholes and the various rivers that occur in the area. The yields from the boreholes are however low, and the rivers are seasonal in nature, and dry for the biggest part of a year. The closest source of water would be lake Kariba which is situated roughly 60 km to the north.

Power is available at the Kariyangwe mission. Three phase, 380 V, 3 KVA is installed at the mission, but It will be insufficient for the needs of a mine and beneficiation plant. Power will have to be brought in from Hwange, or large capacity generator sets will be needed to power an opencast dragline operation.

Mining personnel can be sourced from Hwange, which is relatively close to the site and does contain a pool of skilled and semi-skilled coal mining employees. The Zimbabwean population in general is highly mobile and may be sourced from further afield. The local Tonga tribe that inhabits the SG area will be a ready source of potential employment since formal employment is non-existent in the Lubu Valley. A lot of training will however be needed to equip these potential employees with the skills required for a coal mining operation.

The SG area is vast and a proper surface survey should be conducted before a position for the beneficiation plant and its peripherals are selected. There are large tracts of very flat land situated on deeper parts of the resource which will not result in the sterilisation of opencast resources. The areas as indicated in Figure 8 below may be potential sites for infrastructure.

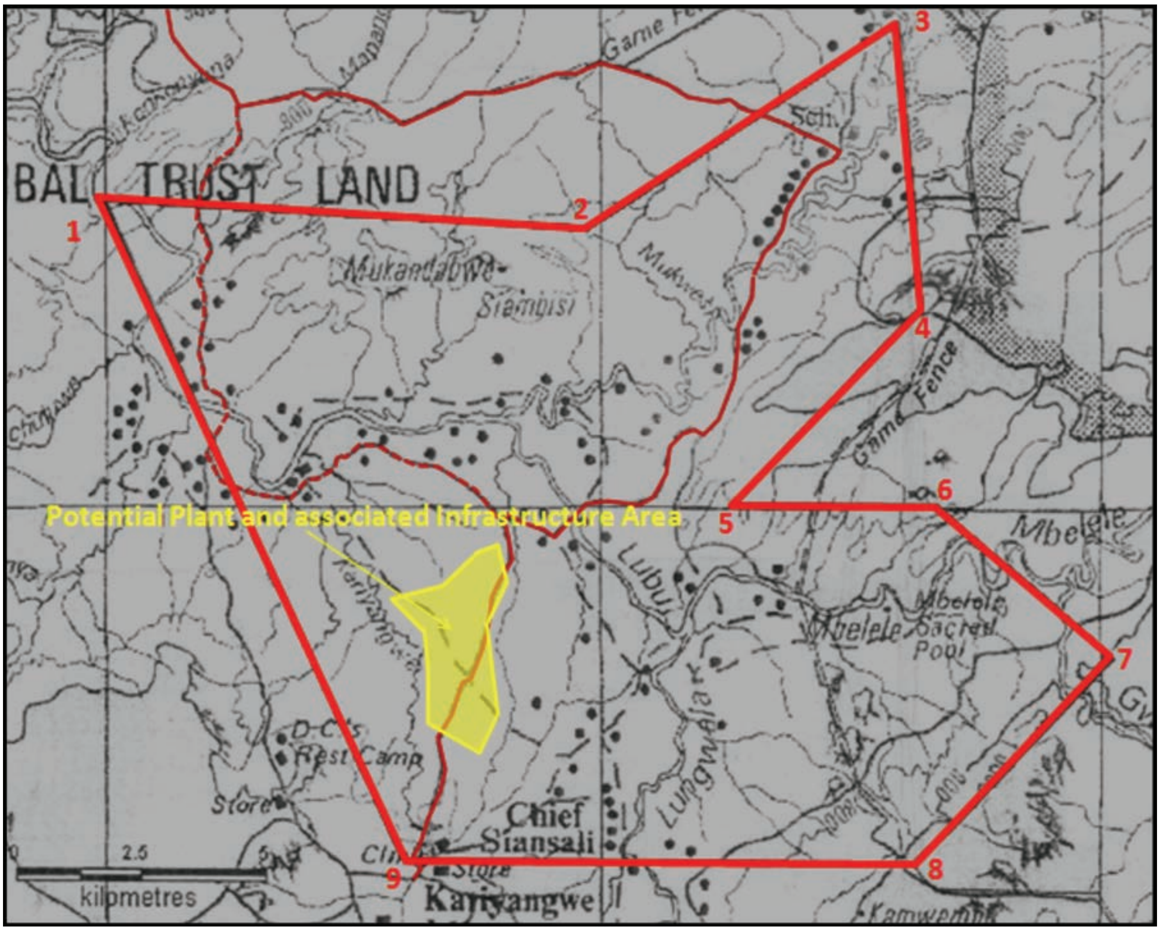


Figure 8: Potential Area for the Processing Plant and Associated Infrastructure

6. History

a. The prior ownership of the property and ownership changes.

The prior ownership up until 1985 is summarised in a paper by Pallocks (1984). The officially recorded history starts in 1898 when Special Grant No. 10 was awarded to the Bechuanaland Exploration Company Ltd. (BEC) to explore for coal and nitrates in the Lubu River Valley. This grant expired in 1901 and the presence of coal in the valley was confirmed.

Eighty-two years later, in 1980, the Messina (Transvaal) Development Company (MTD) was granted Exclusive Prospecting Order No. 553 (EPO No. 553). This Order lapsed in 1985.

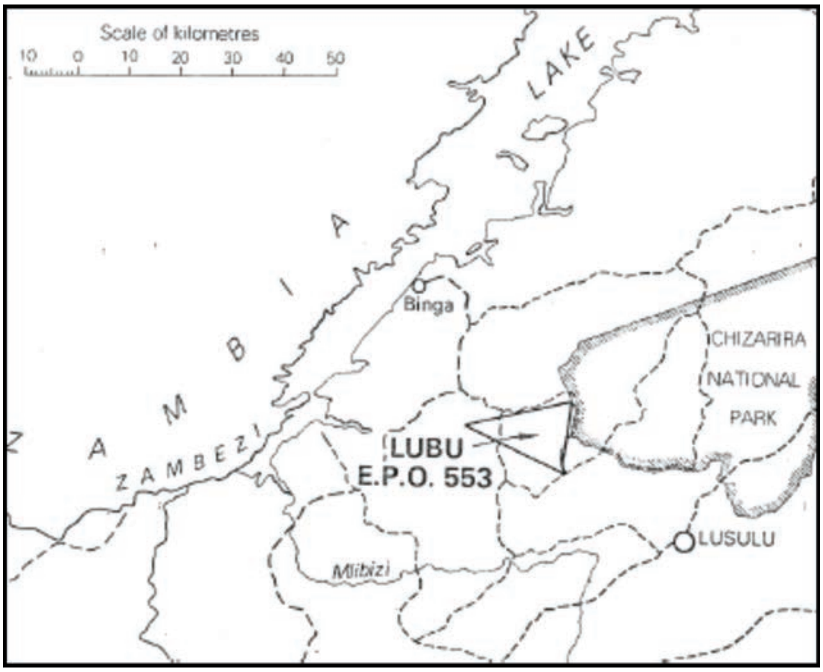


Figure 9: EPO 553 Locality as granted to MTD (Pallocks, 1984).

No records of changes in ownership could be traced from 1985 until early in 2010, when the current SG 4686 was awarded.

b. The type, amount and quantity of and general results of exploration and development work undertaken by any previous owners or operators.

There is no official record of work done by the BEC.

MTD drilled 13 boreholes during 1982. 11 of these boreholes were oriented along a line trending northeast-southwest, and the remaining two boreholes were drilled further west and south respectively. Aerial photographs and surface observation were used to produce a geological map of the surface geology of EPO 553.

Wire-line logging was not done by MTD. The historical logs were produced by B. Barber and the driller was RA Longstaff. The positions and elevations of the boreholes were not surveyed. The approximate collar positions for these boreholes are indicated in red on Figure 10 below. The average seam thickness for the Main Seam from the MTD data is 11.69 m. The maximum thickness is 17.92 m and the minimum thickness is 4.04 m.

The Main Seam and A Seam from these boreholes were sampled and analysed. The raw coal was tested for moisture, ash, volatiles, sulphur and phosphorous contents. In addition the Free Swelling Index was determined. From the literature I have found quality data for the raw coal and at densities of 1.400 and 1.700. The available data (Pallocks, 1984) is shown in Table 3.

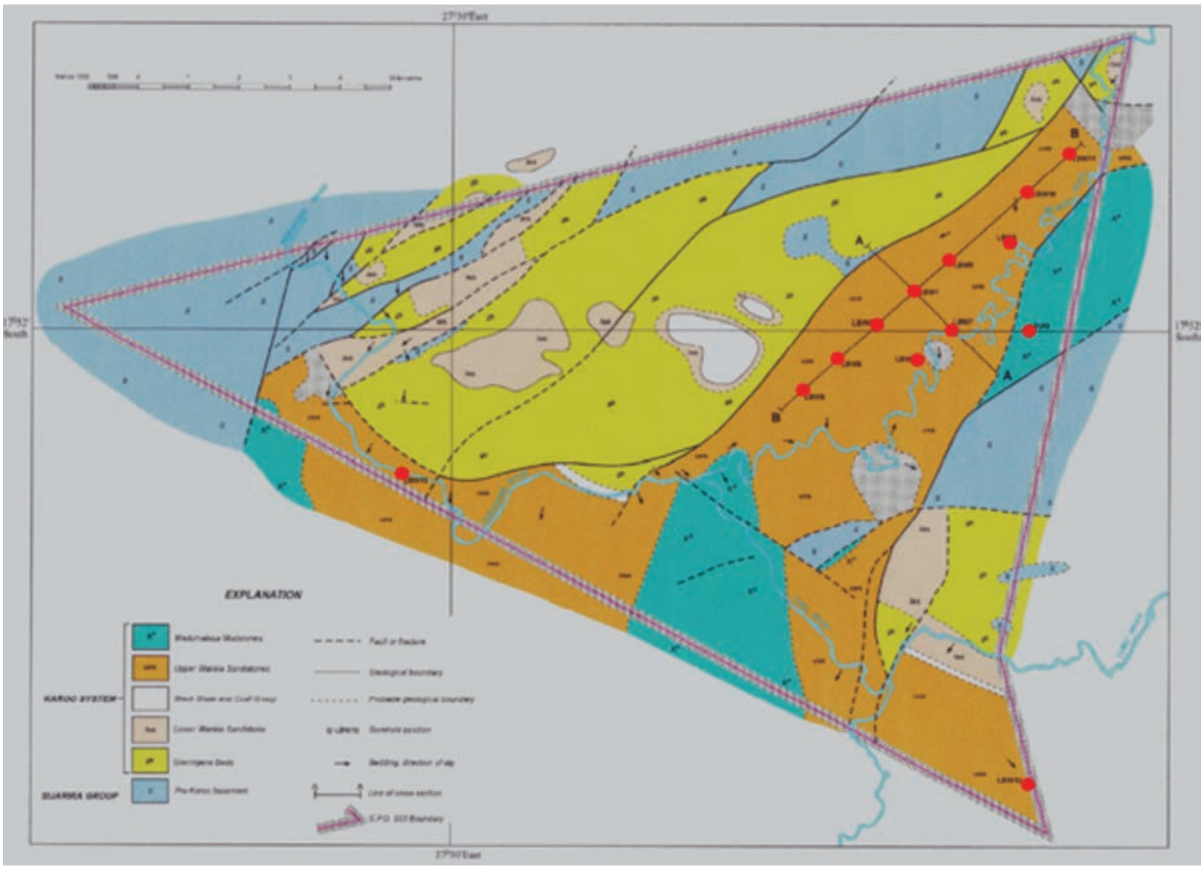


Figure 10: EPO 553 Surface Geology after MTD (Behre Dolbear, 2010)

SCHEDULE OF BOREHOLE INFORMATION, LUBU

13 boreholes drilled by M.T.D. Management Services Limited, 1982 in E.P.O. No. 553

		U.T.M. Grid ref. (NL)			COAL			PARTINGS					RAW COAL (AIR DRIED)							WASHED COAL AT S.G. 1,40					WASHED COAL AT S.G. 1,70					
B.H. No.	Total depth (m)	North	East	Collar elev. (m)	From (m)	To (m)	Total thickness (m)	From (m)	To (m)	Total partings (m)	Nett coal thickness (m)	Seam name	% Moist.	% Ash	% Vol.	% F.C.	% S	C.V. (MJ/kg)	F.S.I.	% Yield	% Ash	% Vol.	% S	C.V. (MJ/kg)	% Yield	% Ash	% Vol.	% S	V.C. (MJ/kg)	REMARKS
LBW 1	172.52	2 560	6 230	775	11.12	13.14	2.02				2.02	B	1.1	37.6	25.9	35.4	0.66	19.34	2.5	27.7	15.9	32.3	0.8	27.90	57.6	26.3	28.5	0.7	23.98	Includes 0.10 m parting; Phos. 0.024 %
		(All co-ordinates and elevations			16.17	20.23	4.06	18.78	19.11	0.33	3.73	A	1.0	41.7	22.2	35.1	0.60	18.47	1.5	21.0	15.3	32.1	0.7	28.41	49.3	25.1	28.5	0.7	24.38	Includes 0.33 m parting; Phos. 0.230 %
		unsurveyed)			28.82	43.33	14.51	30.83	32.05																					
								33.03	34.14	3.98	10.53	MAIN	1.0	29.9	23.4	45.7	0.60	22.69	0.5-2	28.1	15.9	30.0	0.5	28.49	76.6	23.3	25.2	0.4	25.21	Includes 0.22 m parting; Phos. 0.061 %
								38.08	39.73																					
LBW 2	241.86	2 640	6 420	780	84.71	88.66	3.95	5 partings		1.05	2.80	A	1.1	39.0	24.2	35.5	1.00	19.16	1.5	18.8	15.3	32.8	1.3	28.45	50.2	26.1	28.5	1.3	24.14	
					95.94	111.56	15.62	98.10	98.98																					
								103.44	104.45	2.05	13.57	MAIN	1.1	23.7	22.0	53.2	0.90	24.97	0-1.5	43.3	13.0	24.9	0.6	27.71	82.9	18.1	23.2	0.7	27.08	Includes 0.26 m parting; Phos. 0.073 %
								106.25	106.51																					
LBW 3	115.46	2 470	6 460	780	Hole abandoned above K^2 coal																									
LBW 4	98.98	2 480	6 160	780	41.51	43.51	2.00				2.00	A	1.0	34.6	25.0	39.4	0.7	21.41	1	18.0	17.2	31.1	0.7	27.71	54.9	27.0	28.1	0.8	23.72	
					51.90	70.13	18.23			0.31	17.92	MAIN	1.0	24.7	23.0	51.3	0.3	24.75	0.5-1.5	39.6	14.3	25.2	0.3	28.86	85.6	20.0	23.4	0.3	26.45	
LBW 5	76.81	2 430	6 080	780	32.76	36.41	3.65	34.67	35.06	0.39	3.26	A	0.9	46.6	21.1	31.5	0.5	16.13	1	9.7	16.6	30.8	0.6	28.60	53.0	28.6	27.2	0.7	22.93	Includes 0.39 m parting
					40.53	56.83	16.30	32.03	32.13	0.10	16.20	MAIN	0.9	27.6	23.9	47.6	0.4	23.74	1-1.5	31.5	12.1	28.5	0.4	29.81	75.1	21.1	25.8	0.4	26.99	Includes 0.10 m parting
LBW 6	126.64	2 410	6 230	760	65.61	74.10	9.09	67.22	68.10																					
										1.13	7.96	A	0.9	44.1	18.4	30.8	0.5	16.71	1-3.5	8.4	14.6	33.4	0.8	29.28	42.3	28.1	28.7	0.8	23.27	Includes 0.15 m parting
								72.42	72.67																					
					83.56	92.70	9.14	85.30	85.79	0.49	8.65	MAIN	1.0	23.9	25.6	49.5	0.7	24.92	1-4	34.3	11.8	32.4	0.5	29.85	84.4	18.1	26.9	0.5	27.12	Phos. 0.026 %
LBW 7	107.08	2 470	6 310	760	55.05	58.99	3.94	57.73	57.98	0.25	3.69	A	1.0	43.5	22.2	33.4	0.8	17.75	1	9.3	12.1	34.0	0.9	29.45	42.4	25.7	29.8	0.9	24.16	Includes parting
					64.65	82.28	17.63	Multi parting		1.95	15.68	MAIN	1.0	32.4	23.1	43.5	0.6	21.72	1-1.5	8.7	12.7	32.6	0.6	29.76	64.9	23.4	25.6	0.6	25.10	Excludes partings >0.30 m; Phos. 0.015 %
LBW 8	78.94	2 350	6 010	760	25.64	29.43	3.79			0.36	3.43	A	0.8	42.5	20.9	35.8	0.4	18.29	1	6.0	11.9	30.5	0.9	30.19	47.0	28.7	25.5	0.5	23.37	
					34.90	46.35	11.45	Multi parting		2.14	9.31	MAIN	0.9	25.8	24.2	49.1	0.5	24.84	1-4.5	39.3	9.5	31.4	0.4	31.34	76.4	17.2	26.4	0.4	27.97	Excludes partings >0.30 m; Phos. 0.070 %
LBW 9	73.93	2 610	6 300	780	14.81	16.81	2.00			0.09	1.91	A	1.1	35.3	25.1	38.5	0.5	20.17	1	6.5	9.1	33.6	0.7	30.44	56.8	28.4	29.1	0.5	23.18	
					26.60	34.58	7.98				7.98	MAIN	0.9	32.3	22.3	44.5	0.3	21.83	1-3.5	22.2	9.9	33.9	0.3	30.53	60.6	22.1	26.0	0.3	25.48	Phos 0.041 %
LBW 10	99.54	2 750	6 450	780	63.13	67.19	4.06	65.45	65.77	0.32	3.74	A	1.1	38.5	20.8	34.9	0.6	18.09	1-1.5	9.3	12.8	32.3	0.7	29.49	52.8	28.1	26.7	0.7	23.48	Includes 0.32 m parting
					73.22	84.30	11.08	78.08	78.18	0.10	10.98	MAIN	0.9	29.2	21.9	48.0	0.6	23.17	1-4	30.7	9.8	30.4	0.6	30.99	67.4	16.9	25.5	0.6	26.91	Includes 0.10 m parting
LBW 11	64.10	2 810	6 530	790	32.11	36.16	4.05	33.00	35.35	2.35	1.70	A	1.6	37.9	24.3	37.8	0.7	20.45		9.0	17.9	30.4	0.9	28.44	75.6	30.4	27.1	0.6	23.39	Excludes parting
					44.04	57.16	13.12	44.90	45.44																					
										0.82	12.30	MAIN	2.7	24.6	25.3	47.4	1.0	24.59		46.7	13.1	26.5	0.7	29.49	74.3	17.7	21.8	0.7	27.51	Icludes 0.28 m parting
								46.25	46.53																					
Cumulative results											3.69	A	1.0	41.5	21.6	35.9	0.6	18.14		11.1	14.2	32.3	0.8	29.11	50.0	27.6	28.0	0.8	23.58	
B.H.'s LBW 1 - 11											12.28	MAIN	1.1	27.3	23.4	48.2	0.6	23.75		32.4	12.4	29.1	0.5	29.59	75.4	19.9	24.8	0.5	26.57	
LBW 12	93.49	1 580	6 480		39.86	50.87	11.01	Multi parting		4.88	6.13	A	2.2	40.3	23.7	33.8	1.0	18.19		12.6	14.2	31.5	1.3	28.08	53.6	25.5	27.5	1.1	19.67	Excludes parting
					66.30	79.84	13.54	69.83	70.80	0.97	12.57	MAIN	2.1	20.4	21.3	56.2	0.7	26.34		57.5	13.4	22.7	0.7	29.27	88.0	17.8	21.2	0.7	27.32	Excludes parting
LBW 13	151.05	2 190	5 200		97.77	102.00	4.23	99.55	99.64	0.19	4.04	MAIN	0.8	39.3	18.7	41.2	0.8	19.51		13.1	19.7	23.4	0.6	27.10	52.1	26.9	21.2	0.8	24.07	Excludes parting

Table 3: Quality Results for the MTD Boreholes (Pallocks, 1984)

c. *Any significant historical mineral resource and mineral reserve estimates in accordance with section 2.4 of the instrument; an issuer may disclose an historical estimate, using the original terminology, if the disclosure (a) identifies the source and date of the historical estimate, including any existing technical report; (b) comments on the relevance and reliability of the historical estimate; (c) to the extent known, provides the key assumptions, parameters, and methods used to prepare the historical estimate; (d) states whether the historical estimate uses categories other than the ones set out in sections 1.2 and 1.3 and, if so, includes an explanation of the differences;(e) includes any more recent estimates or data available to the issuer;(f) comments on what work needs to be done to upgrade or verify the historical estimate as current mineral resources or mineral reserves; and (g) states with equal prominence that (i) a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and (ii) the issuer is not treating the historical estimate as current mineral resources or mineral reserves.*

No data could be found for estimates by BEC.

MTD made an estimate of the resource in what they identified as the prime target area. Their estimate is shown in Table 4 below.

IN SITU OPENCAST RESOURCES, MAIN SEAM, LUBU						
Area to ratio line	*Area (km^2)*	*Cumulative area (km^2)*	*Ratio*	*Cumulative ratio*	*In situ raw coal (t X 10^6)*	*Cumulative raw coal (t x 10^6)*
1	0.720	0.720	0.5	0.5	14.904	14.904
2	4.069	4.789	1.5	1.3	78.506	93.410
3	3.945	8.734	2.5	1.9	82.092	175.502
4	3.891	12.625	3.5	2.4	80.066	255.568
5	3.101	15.726	4.5	2.8	64.523	320.091
6	0.697	16.423	5.3	2.9	13.892	333.983

Table 4: Estimated Opencast Resource for Lubu by MTD (after Pallocks, 1984).

The source of this estimate is MTD, the data is presented in a paper by H Pallocks. The paper is titled: "An Assessment of some of the Coal Deposits in North-West Zimbabwe", it was published by the Zimbabwe Geological Survey, as Mineral Resources Series No. 19, and it is dated July 1984.

The approximate position of the boreholes as indicated on Figure 9 above, shows 11 boreholes drilled in a line in the prime shallow part of the resource. The reliability would be reduced to at best speculative in terms of the drilling density (11 unevenly spaced boreholes over 16.5 km^2 would at best give a sample distribution of 1200 m x 1200 m).

The fundamental parameters used in the calculation of coal resources would include a measured thickness and surface area to which an in-situ density would be applied. In the table provided a thickness is not given and a density is not quoted. Also it appears that the calculation was only applied to the Main Seam horizon. Knowing the historical work that was done by MTD was of a good quality and based on sound science, the resource calculation would in all probability have been done to an acceptable standard and logic. However 1982 was many years before NI 43, JORC and SAMREC. Resource classification then was not as structured and standardised as at present. Hence I mention this only as an historical quantification of resources in the area. This tonnage has in no way whatsoever made up any part of the resource estimate as quoted in Section 14 below.

d. *Any production from the property.*

No coal has been mined from the Lubu Coalfield to date.

7. Geological Setting and Mineralization

Describe

a. The regional, local and property geology

The regional geology of the Middle Zambezi basin is defined by sediments from the late Carboniferous to Permian Age Karoo Sequence (marked in grey with a ‘p’ in Figure 11). This sequence is contained within basement rocks that consist of the Late Pre-Cambrian Sijarira Group (marked in brown with an ‘s’ in Figure 11) and older basement schists and gneisses (marked with hatched pattern and ‘gn’ in Figure 11). The Karoo sediments are capped by lava flows of the Batoka Basalt. The regional orientation of the Karoo sediments trend in a north-eastern direction, and the main structural elements also follow this orientation. The Sijarira Group of Pre-Cambrian sediments are visible as a prominent escarpment of higher ground, with the Karoo Sediments contained in the lower lying valley.

Locally, the geology is very well described by the surface mapping that was done by MTD in the early 1980’s. The surface map is shown in Figure 10.

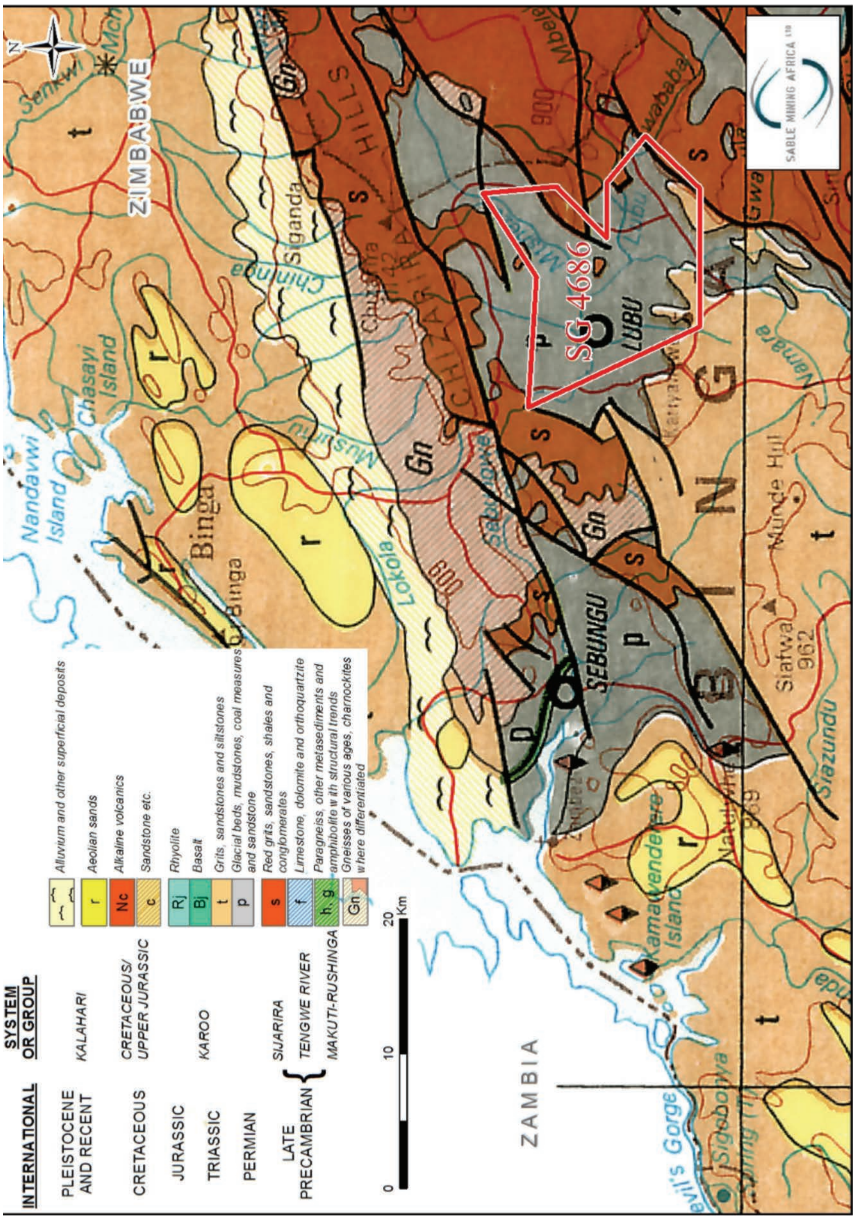


Figure 11: Regional Geology Map for the Lubu Coalfield Area

b. The significant mineralised zones encountered on the property, including a summary of the surrounding rock types, relevant geological controls, and the length, width, depth, and continuity of the mineralization, together with a description of the type, character, and distribution of the mineralization

Since coal is a rock, one cannot strictly speak of mineralized zones. In the Lubu Valley, the coal measures are of bituminous rank, and contained in sediments of Permian Age (± 300 – 250 MA).

This deposit is influenced by faulting, which have divided the coal resource into discrete blocks with varying degrees of vertical separation. The total length of the coal deposit is 18 km from the north-east to the south-west corners of SG 4686. The width at the widest point is 16 km, and 4 km at the narrowest point. The area of SG 4686 covers 19 236 ha. The area underlain by Karoo sediments and hence coal measures, comes to roughly 11 100 ha. The area covered by the drilling comes to 4898 ha.

A down-faulted block of younger sediments flanked by older basement rocks on its edges is the structural setting of this coal deposit. The magnitude of faulting was interpreted from the relative elevations of various marker horisons within the stratigraphic sequence.

The northernmost edge of the basin is downthrown by a fault of magnitude which ranges from 65 to 260 m. The downward displacement along this fault increases towards the west, dipping south, causing the coal to get deeper towards the west. The southernmost edge of the basin is also formed by a fault boundary. This fault throws down to the north at roughly 400 m. It has a curved shape, and towards the south smaller faults splay out of this main southern fault. Drilling in the southern areas of the SG was very widely spaced and hence it is expected that the detailed structural geometry will be refined as more drilling results becomes available.

The seam gradients on the upper and lower surfaces of the main coal measures are remarkably consistent. If one considers the floor and roof gradients in Figures 12 and 13, one will see that the seam gradient for Block 2 varies between 3.1° in the north, 1.6° in the middle and 0.8° in the south for the Main Seam Lower floor surface. When the 1C Seam's roof surface is measured in the same localities, the respective numbers are 3.1°, 1.9° and 0.8°. The gradients measured in Block 7 shows a more steep orientation, and close to borehole LCF 113, gradients of 4.6° was measured on both the Main Seam Lower floor and the 1C Seam roof.

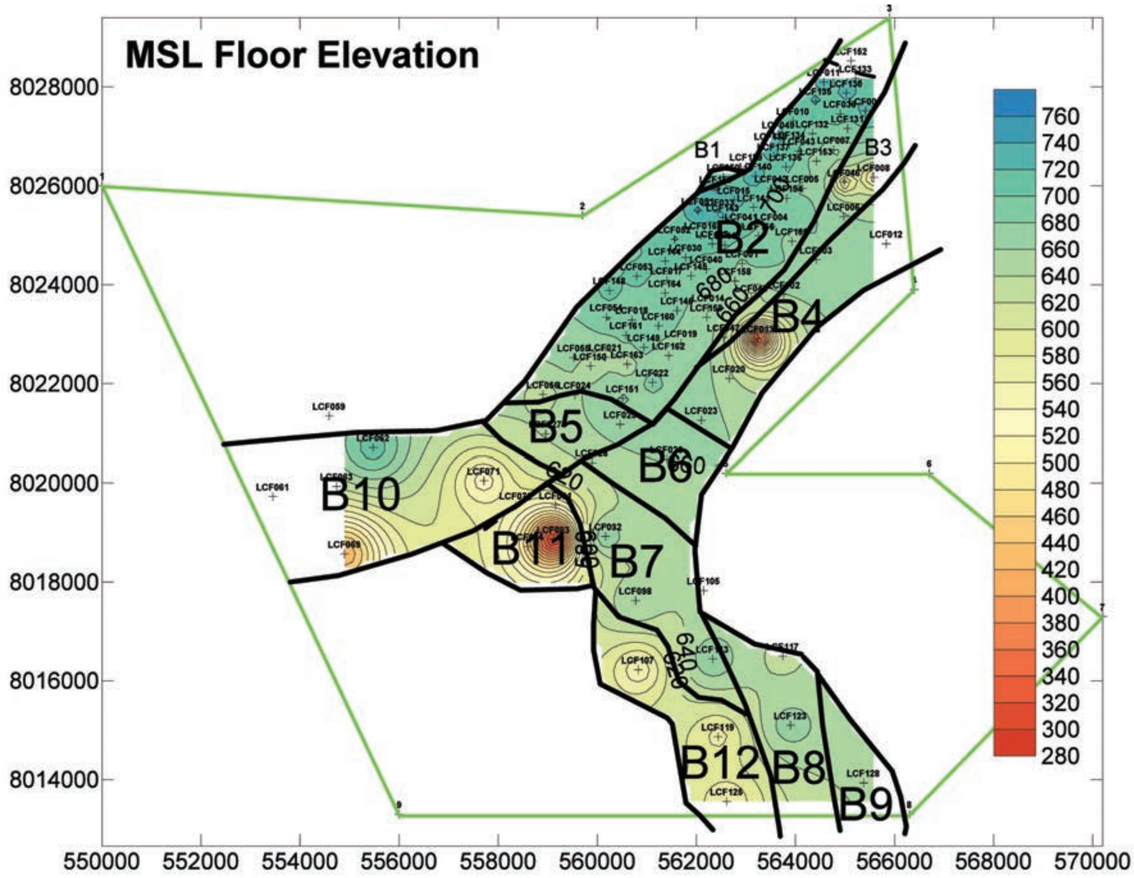


Figure 12: The Main Seam Lower Floor Topography for the Lubu Coalfield.

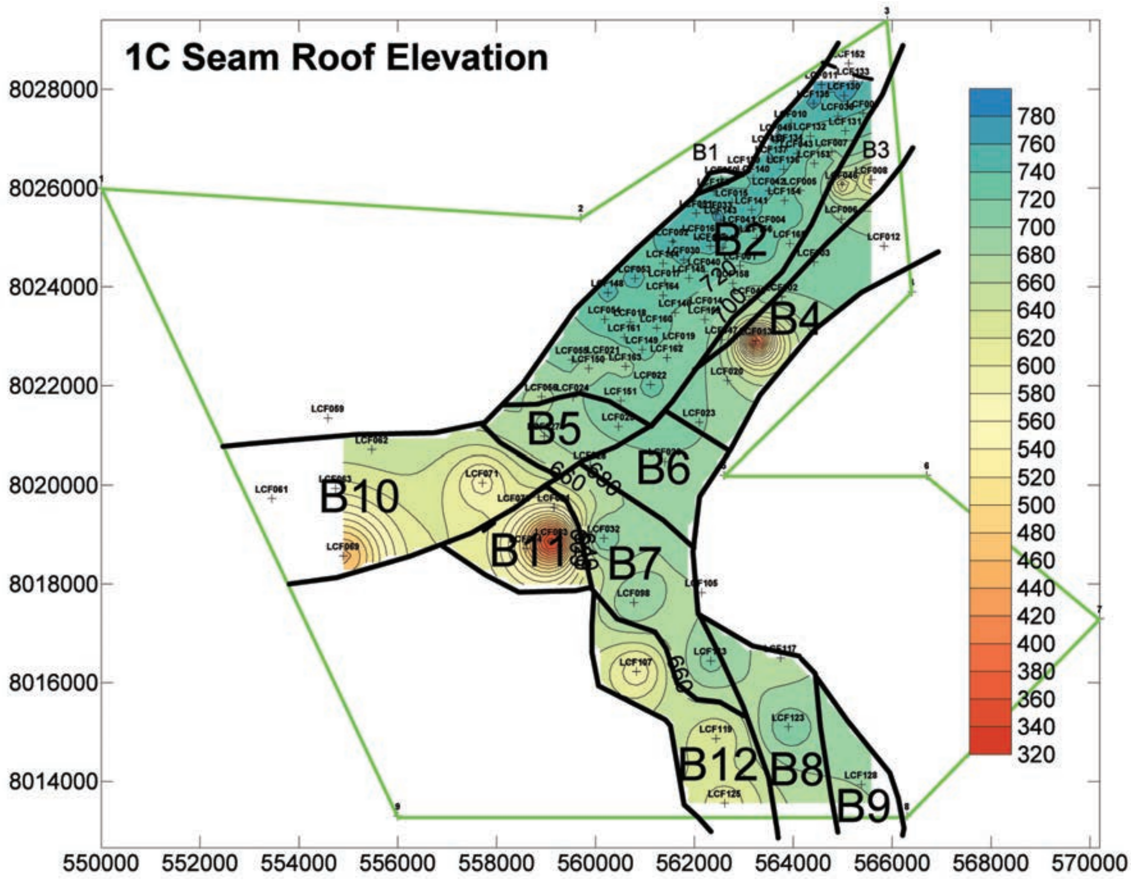


Figure 13: The 1C Seam Roof Topography for the Lubu Coalfield.

The seams in the north-eastern part of the deposit strike in a north-easterly direction and dips to the south-east. When considering the floor contours of seams towards the west of the SG, one sees that the strike direction swings around to the north-west, and that the seams dip towards the south-west. Seam gradient also appear to be steeper to the west. The relative depth of the seams below surface is shown in Figure 14. The 1C Seam is the uppermost or shallowest seam in the coalfield, and the indicated depths of the roof of this seam varies from 26 m in the extreme north-west to 408m at LCF 013. In the extreme south-eastern part of the SG, at borehole LCF 128, the interpreted depth for the 1C Seam roof is 480 m. Towards the west, at LCF 069, the interpreted depth comes to 293 m.

In general the coal measures occur in a large relatively shallow block of coal on the north-western edge of the northern boundary fault. Adjacent to this block in a south-eastern direction are smaller downthrown blocks of 168 m and 350 m in displacement. Towards the west, blocks get deeper in downward displacement, with downthrows of 100 m, 50 m and 370 m respectively. For detail of the fault geometry and magnitude, see Figure 14 below.

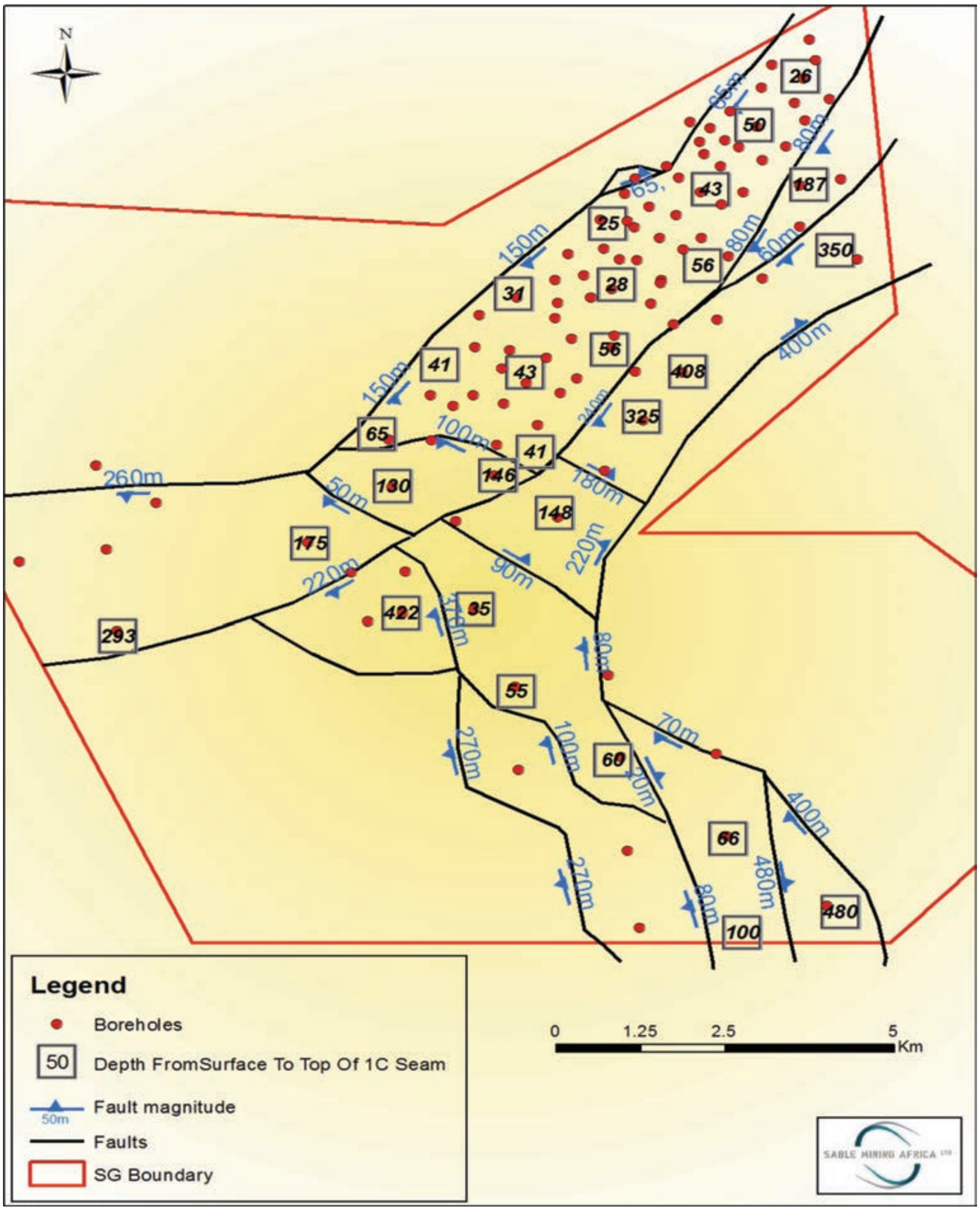


Figure 14: Main Elements of the Structural Geology of the Lubu Coalfield.

Based on this structural map the SG was divided into discrete resource blocks as is shown in Figure 15. The faulting that was encountered in the boreholes during the drilling programme was typically steep, with angles varying between 70º and 90º. Due to this steep nature of the faulting, the block boundaries were assumed to be near vertical. The extreme north-eastern boundary of Block 2 is formed by the weathered sub-outcrop of the main coal measures, as indicated by the information from borehole LCF 152. The balance of the resource block boundaries are formed by the limits of the SG area.

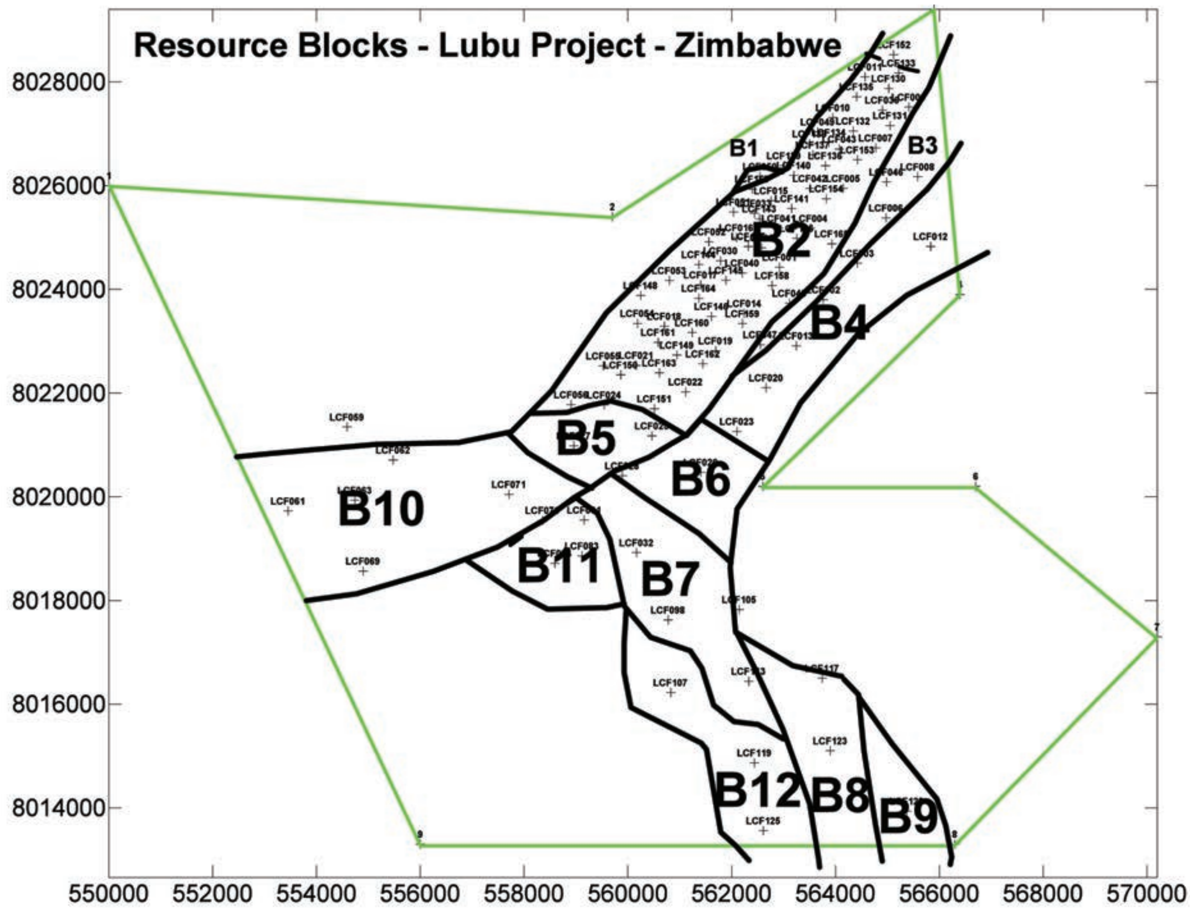


Figure 15: Resource Blocks for the Lubu Coalfield, as defined by Structure and SG boundary.

The only dyke that was intersected on the project was in borehole LCF 076, which is situated on the boundary between Blocks 10 and 11. This may have been a feeder dyke for the Batoka Basalts which have been mapped by MTD, towards the west of Blocks 11 and 12. The only other Igneous rocks were logged as thin sill stringers (max. 50 cm) above the 1C Seam. These sills are widespread across the basin but do not appear to interfere with the Main Seam coal series

The surrounding rock types are sediments common to Permian Age Karoo basins, and include mudstones, siltstones, tuffs, sandstones, grits, and conglomerates. The Permian Age sediments were deposited into a glacial basin, which is characterized by varved sequences, diamictites and tillites. The distribution of the Permian Age sediments is shown in Figure 11 above.

The coal measures in the Lubu Coalfield occur in the Upper Series of seams, as well as in the Main Series. The Upper Series is stratigraphically elevated, and only present in the down-faulted resource blocks on the property (not present in Block 2). These measures are situated between 70 and 90 m above the top of the Main Series (1C Seam roof) of coal measures. The Upper Series consist of a 33 m thick zone in which 7 coal horizons are developed. These seams are however, very thin, with 4 of the seams reaching a maximum thickness of up to 50 cm. The rest of these measures are thin plies of 20 cm or less, separated by sediment thicknesses of 50 cm or more. These coal seams were sampled on occasion, but are not considered in the calculation of resources in this report. These Upper Series coal measures are not deemed of economic importance.

The Main Series of coal measures are contained in a sedimentary sequence which is on average 40 m thick. Contained within this package are 9 main coal zones. Also identified during the exploration programme were 4 very prominent marker horizons.

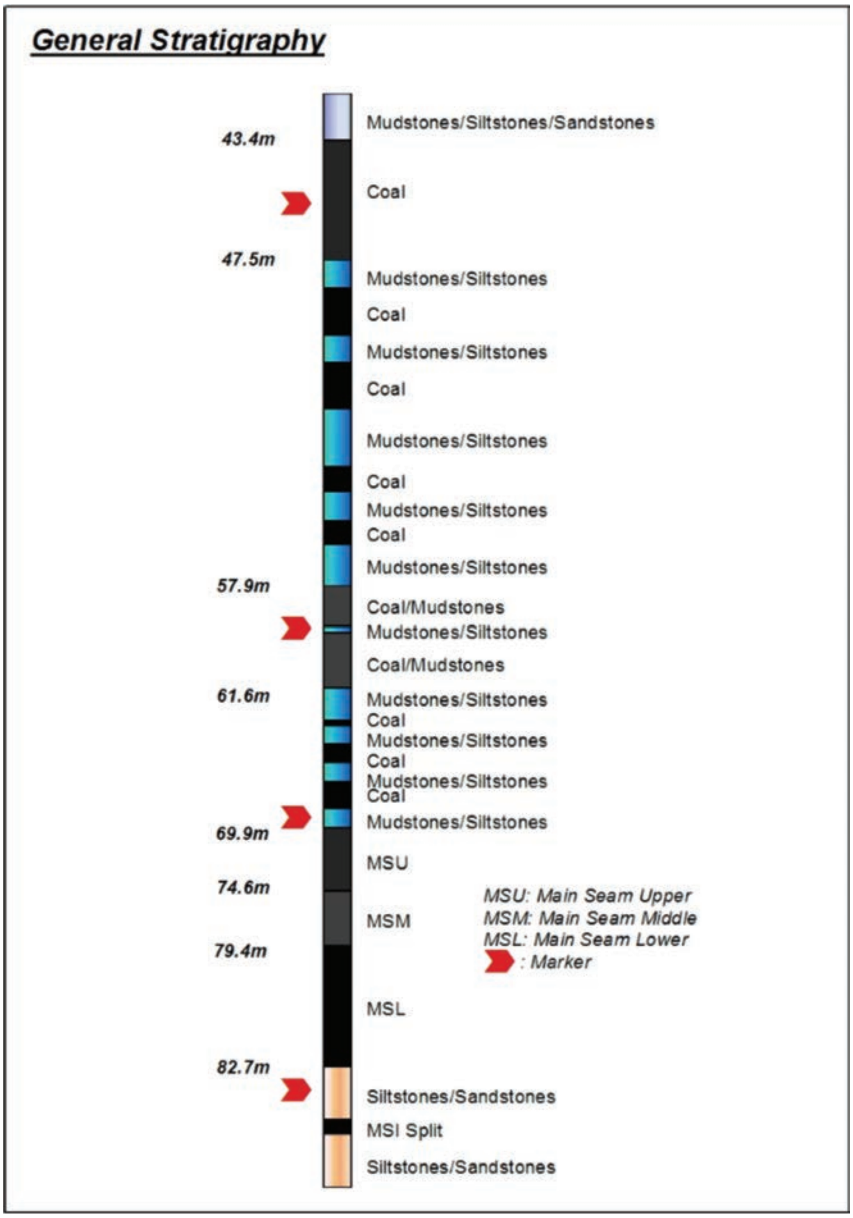


Figure 16: General Stratigraphy for the Lubu Coalfield.

A summary of the sequence is shown in Figure 16. Various markers were identified in the stratigraphic sequence. From the base upward, the first marker occurs below the base of the Main Seam Lower. The sediments below the MSL floor are consistently coarser and less carbonaceous than the sediments in the overlying sequence up to the 1C Seam. This relationship occurs consistently across the basin. In Figure 17 below, the wire-line log for borehole LCF 164 is shown as an example of the higher density of the sediments below the Main Seam Lower.

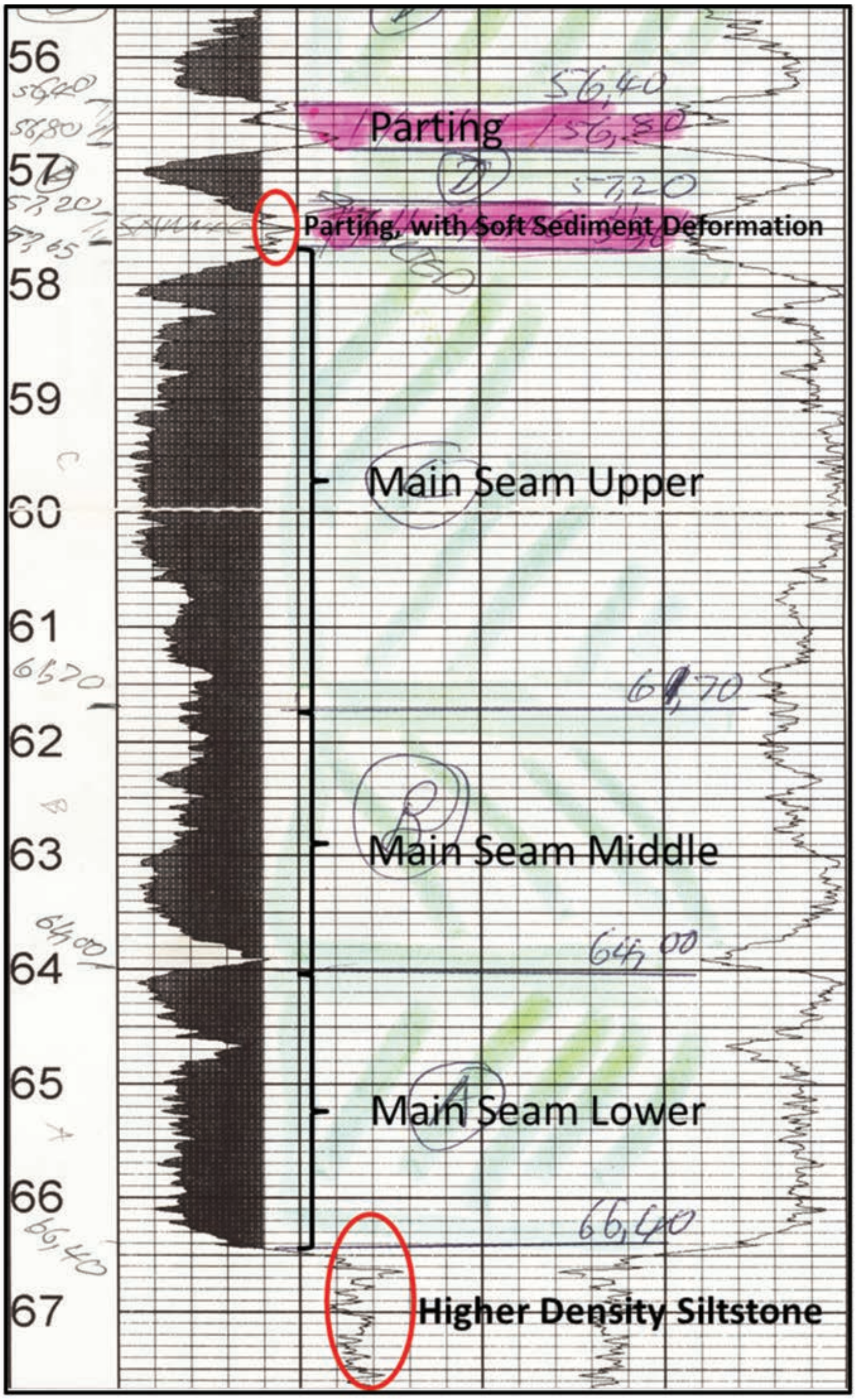


Figure 17: The Wire-line Signature for LCF 164 Showing Higher Density Sediments below the Main Seam Lower.

The second marker is a carbonaceous siltstone that occurs directly above the MSU Seam. This unit typically contains soft sediment deformation features with flame structures. This unit is shown by way of example in Figure 17 above.

The third marker in the Stratigraphic Sequence is the 1A Upper Seam itself. It is very consistent in distribution and has a very distinct wire-line signature. This unit is on average 0.86 m thick and ranges between a maximum of 1.59 m and a minimum of 0.29 m. See Figure 18 below.

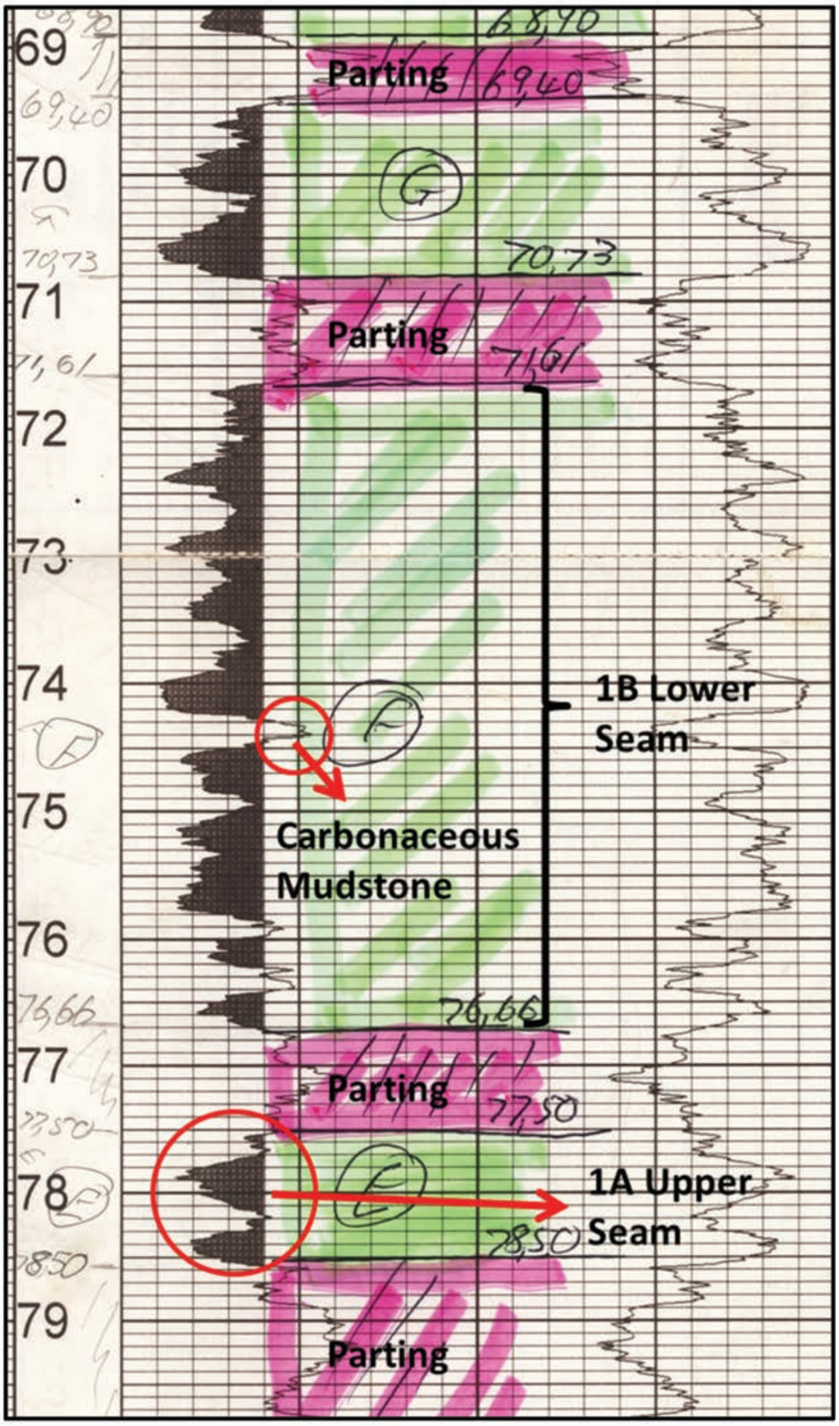


Figure 18: The Wire-line Signature for LCF 159 for the 1A Upper Seam and for the Carbonaceous Mudstone Parting in the 1B Lower Seam.

Higher up in the sequence, within the 1B Lower Seam, is a consistent carbonaceous mudstone with a characteristic wire-line signature. This marker is usually 0.63 m thick and ranges from 1.44 m to 0.20 m. The Wire-line signature is also shown in Figure 18 above.

The 1C Seam at the top of the sequence is itself a marker given its consistent character and its basin wide distribution. This seam is distinct in appearance (Interlaminated Coal with carbonaceous mudstone bands) and it has a characteristic wire-line signature. This seam is on average 4.16 m thick and ranges between 5.90 m and 0.0 m (where it has been removed by weathering). For the wire-line detail see Figure 19 below.

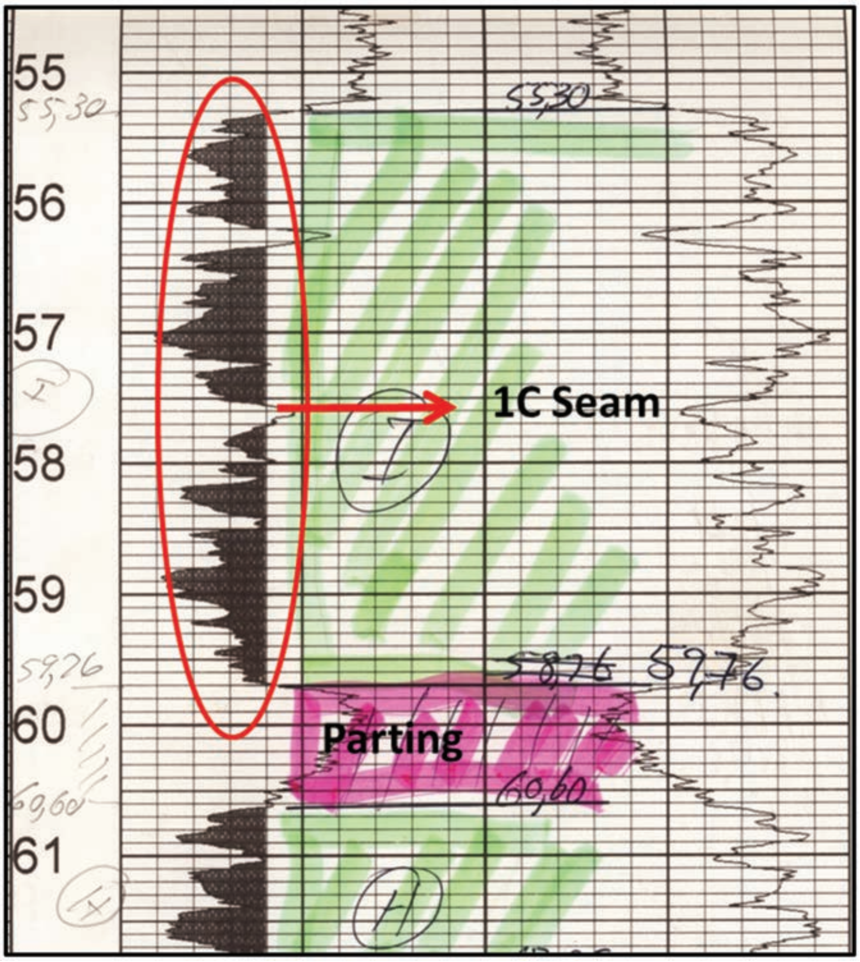


Figure 19: The Wire-line Signature for the No. 1C Seam in Borehole LCF 159.

Considering the classical stratigraphy described for Hwange (Figure 20), and a comparison with the logging and wire-line data that was collected during this programme, the seam nomenclature from the base upwards is shown in Figure 21 below;

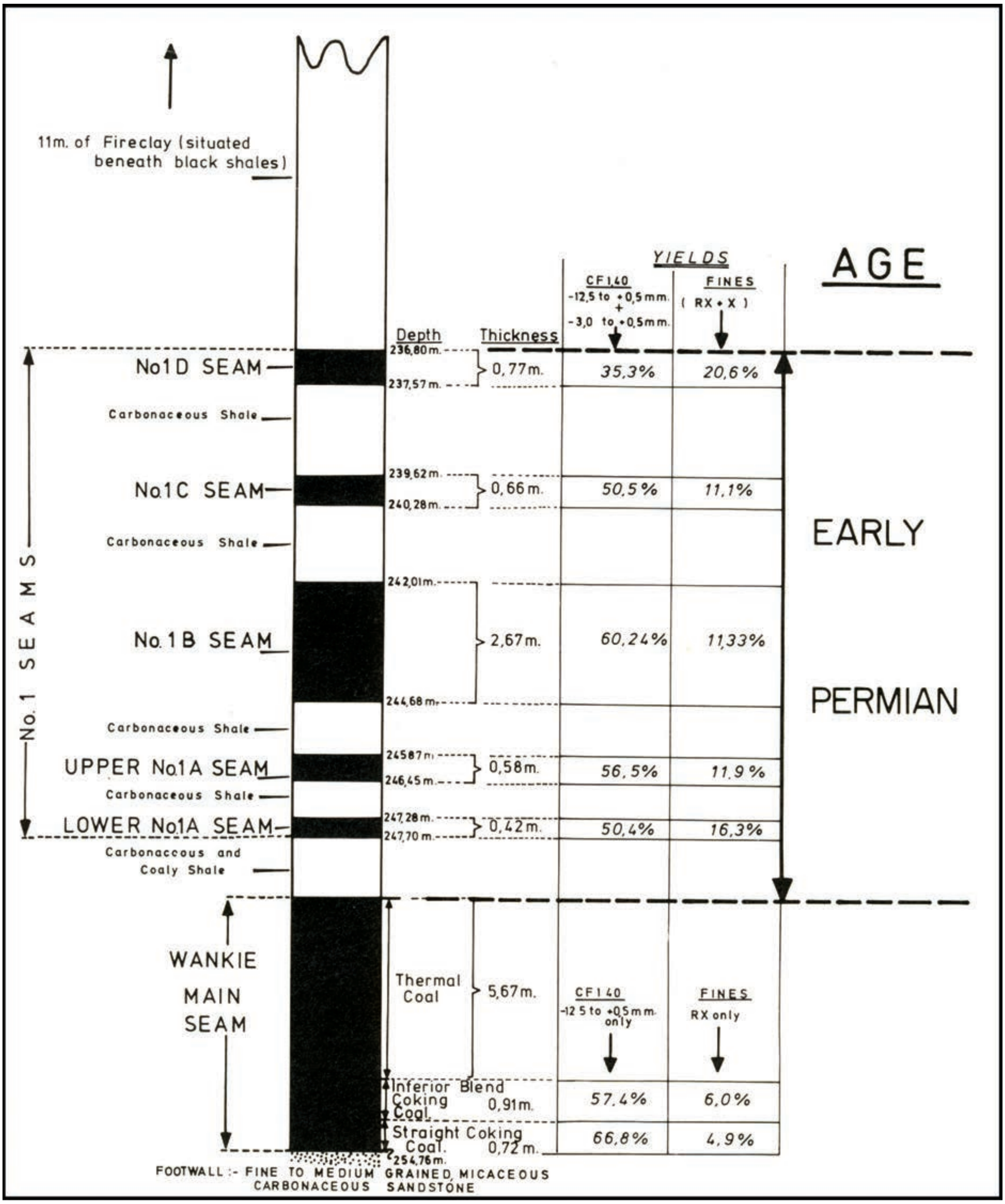


Figure 20: Borehole M56, Western Area Coalfield, Hwange (Duguid, 1986).

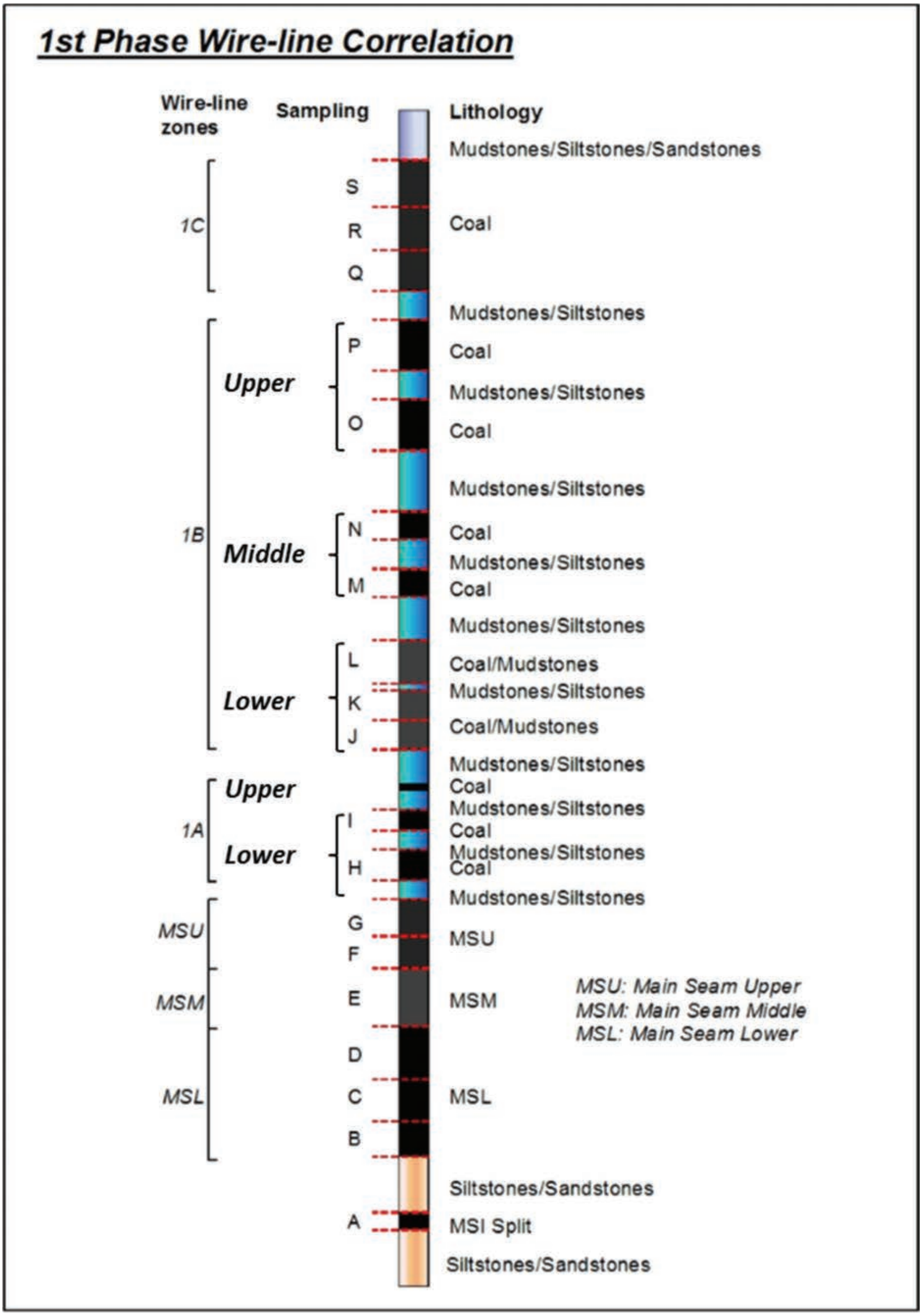


Figure 21: Seam Correlation and Nomenclature.

The average database thicknesses of these zones are summarised in Table 5 below;

Seam Thickness Statistics fot the Lubu Coal Project (m)									
Seam	Main Lower	Main Middle	Main Upper	1A Lower	1A Upper	1B Lower	1B Middle	1B Upper	1C
Ave	3.90	4.38	3.94	2.32	0.82	4.58	3.21	2.08	4.16
Max	7.56	10.60	9.52	5.87	1.74	8.55	6.97	5.42	5.90
Min	0.35	0.10	0.92	0.11	0.00	0.52	0.66	0.49	0.60

Table 5: The Thickness Variation for the Coal seams and Zones in the Lubu Coalfield.

The statistical variation in thickness is shown in Table 6 below.

Seam	Main Lower Split	Main Lower	Main Middle	Main Upper
Ply	1	1	1	1
Sample Code	A1	A	B	C
n	19	79	78	78
Median	0.60	3.75	4.20	3.55
Std dev	0.52	1.41	2.12	1.70
Variance	0.27	1.99	4.48	2.89
Average	0.69	3.90	4.38	3.94
Max	1.80	7.56	10.60	9.52
Min	0.06	0.35	0.1	0.92

Table 6: Seam Thickness Statistics for the MSL Split, MSL, MSM and MSU.

The MSL Split was intersected in 19 boreholes and it is on average 60 cm thick. This seam forms the lowermost occurrence of coal in this sequence and is separated by siltstone and fine grained sandstone from the Main Seam Lower. The Main Seam Lower split is not considered of economic interest due to its position at the absolute base of the sequence, its' very small distribution, and the relatively large separation from the Main Seam Lower. This parting is on average 2.15 m thick, and when compared to the rest of the partings, non-carbonaceous and coarse. The MSL Split Seam distribution and thickness is shown in Figure 22 below. This seam attains a maximum thickness of 1.80 m in LCF 014, with isolated thicker areas around LCF 011 in the far north-west as well as a thicker cluster around boreholes LCF 021, LCF 054 and LCF 055.

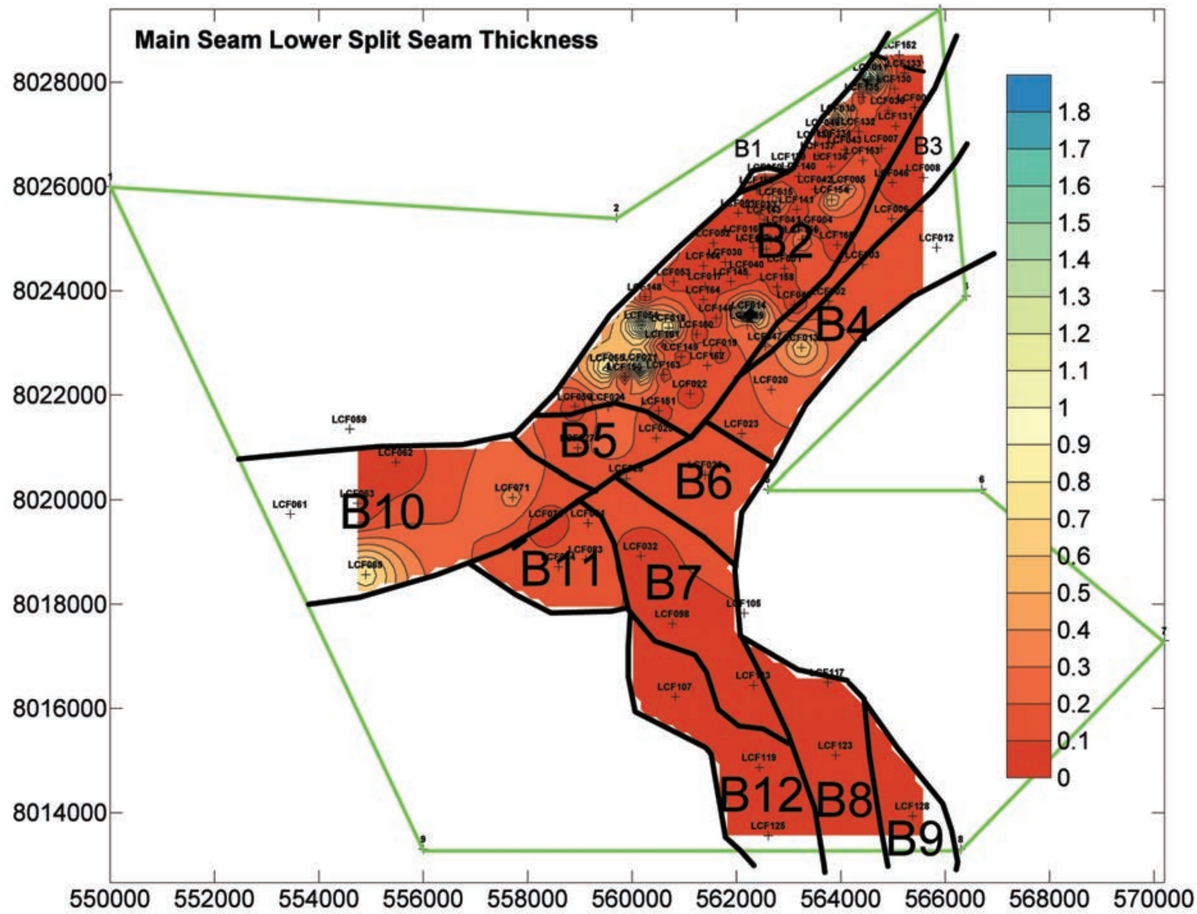


Figure 22: The Distribution and Thickness of the Main Seam Lower Split.

The Main Seam Lower was intersected in 79 boreholes. This seam has a median thickness of 3.75 m, and ranges between a minimum of 0.35 m and a maximum of 7.56 m. This seam is consistently thick in especially the Block 2 area. Towards the south in Block 12, this seam becomes very thick (> 6 m) and in the west in Blocks 10 and 11 it gets very thin. The Main Seam Lower thickness and distribution is shown in Figure 23 below.

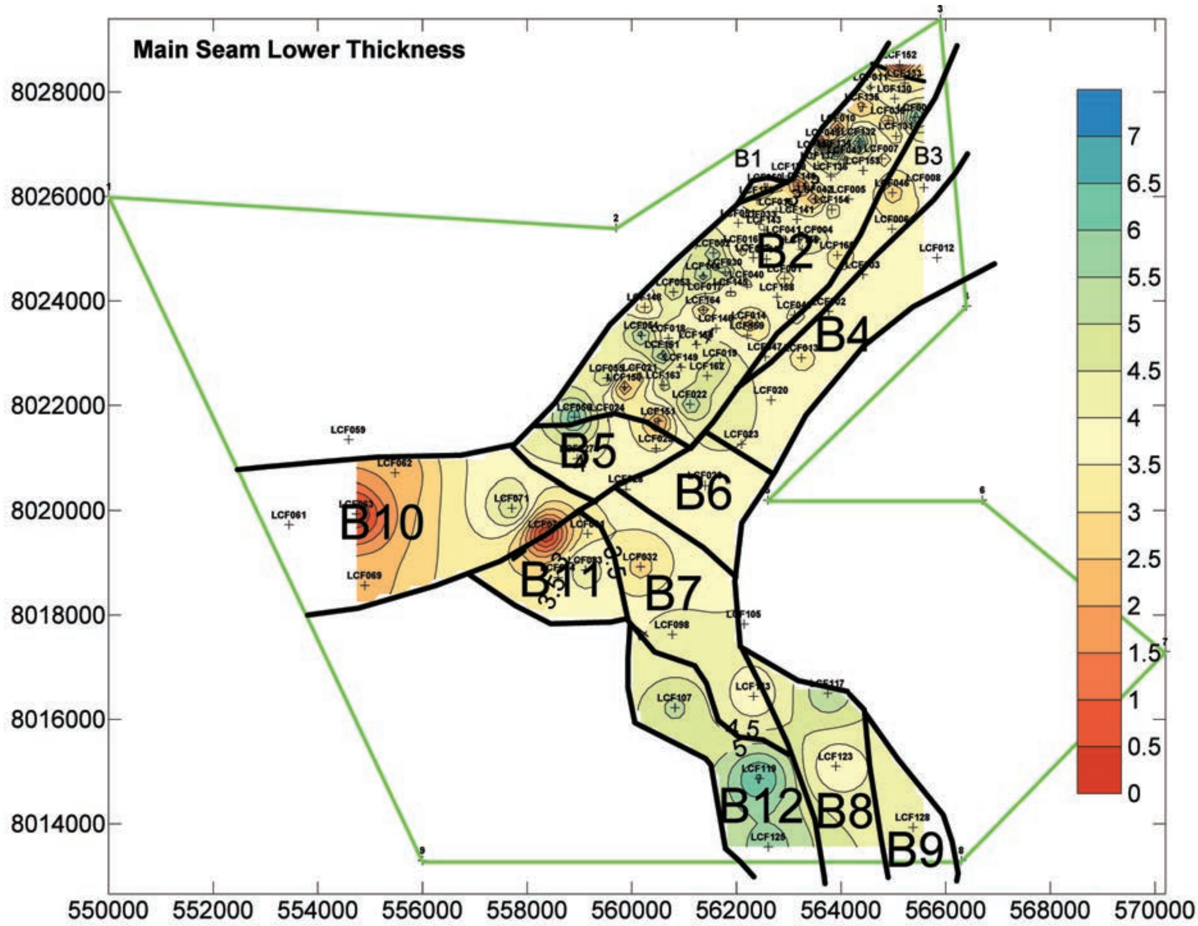


Figure 23: The Distribution and Thickness of the Main Seam Lower.

The Main Seam Lower is overlain by the Main Seam Middle, usually without a lithological separation. In some instances a fine to medium grained sandstone parting were logged (31 holes) with the thickest in borehole LCF 140 at 6.45 m. The partings, when present are usually less than 1 m in thickness (average 0.94 m).

The Main Seam Middle has a median thickness of 4.20 m, with respective minimum and maximum thicknesses of 0.10 and 10.60 m. In LCF 141, MSM thickness is shown as 0.55 m with fine to medium grained parting below and above it at 0.75 m and 1.10 m respectively. This feature is also seen in boreholes LCF 005 and LCF 042, and indicates a specific facies with soft sediment deformation and bioturbation (shallow mudflats). The aerial extent of this feature appears to be limited to the middle to northern part of Block 2. Please see Figure 24 for the detail of the Main Seam Middle thickness.

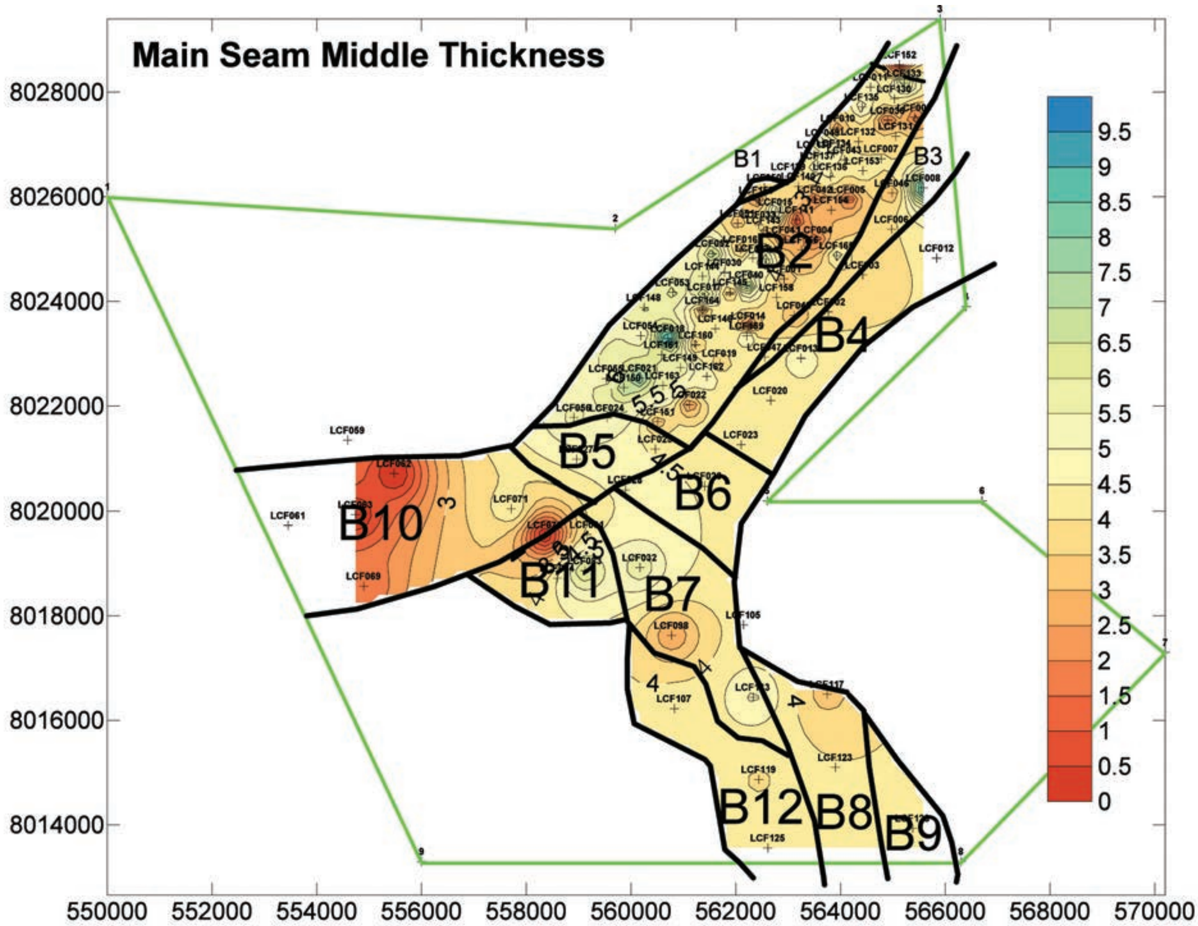


Figure 24: The Distribution and Thickness of the Main Seam Middle.

The parting between the MSM and MSU was intersected in 39 boreholes, and has an average thickness of 0.98 m. The Main Seam Upper was intersected in 78 boreholes with a median thickness of 3.55 m. The respective minimum and maximum thicknesses are 0.92 (LCF 017) and 9.52 m (LCF 001). Please see Figure 25 for the detail of the Main Seam Upper thickness.

While the MSL, MSM, MSU, 1AU, and 1BL Seams are very uniform in geometry and consistency, the 1AL, 1BM and 1BU Seams vary greatly in especially their vertical and horizontal geometry. These seams are made up from a number of sub-seams or plies and are separated by carbonaceous mudstones and siltstones.

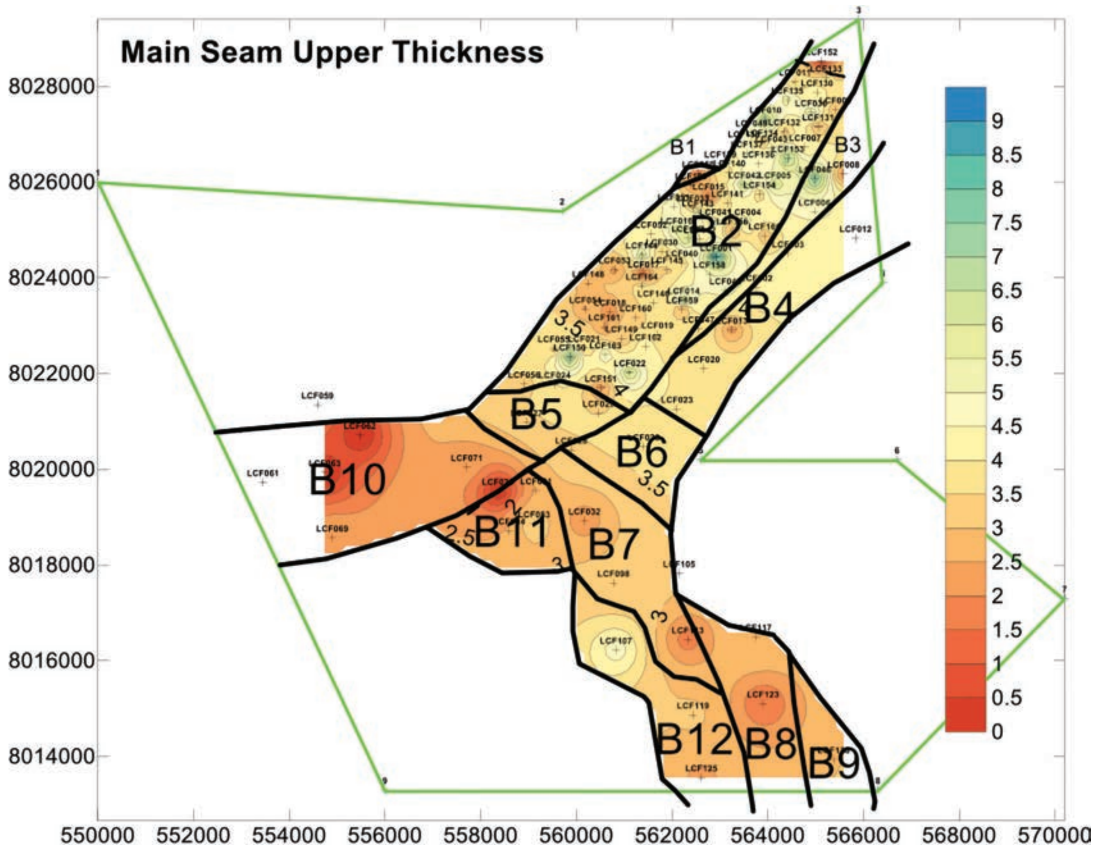


Figure 25: The Distribution and Thickness of the Main Seam Upper.

The parting between the MSU and 1A L Seams was intersected in 78 boreholes, and hence its use as a marker horizon. It has an average thickness of 0.84 m. The 1A Lower Seam was intersected in 78 boreholes in its lowermost ply. See Table 7 below for a summary of this seams' statistics. Seven plies were intersected, with thicknesses becoming progressively thinner as one move upwards in the sequence. Plies 6 and 7 were intersected in a single borehole (LCF 008), with ply 3 intersected in 30 boreholes. The median cumulative thickness is 2.20 m. The respective minimum and maximum cumulative thicknesses are 0.11 m (LCF 043) and 5.87 m (LCF 138). Please see Figures 26 and 27 for the detail of the 1A Lower cumulative thickness and ply distribution.

Seam	1A Lower							
Ply	7							7
Sample Code	D1	D2	D3	D4	D5	D6	D7	D TOTAL
n	78	56	30	10	3	1	1	78
Median	0.82	0.60	0.51	0.41	0.45	0.19	0.28	2.20
Std dev	1.01	0.65	0.77	0.60	0.17	0.00	0.00	1.07
Variance	1.02	0.42	0.59	0.36	0.03	0.00	0.00	1.14
Average	1.29	0.84	0.86	0.65	0.45	0.19	0.28	2.32
Max	5.15	3.40	3.14	1.95	0.66	0.19	0.28	5.87
Min	0.11	0.14	0.23	0.13	0.25	0.19	0.28	0.11

Table 7: Ply Thickness Statistics for the 1A Lower Seam.

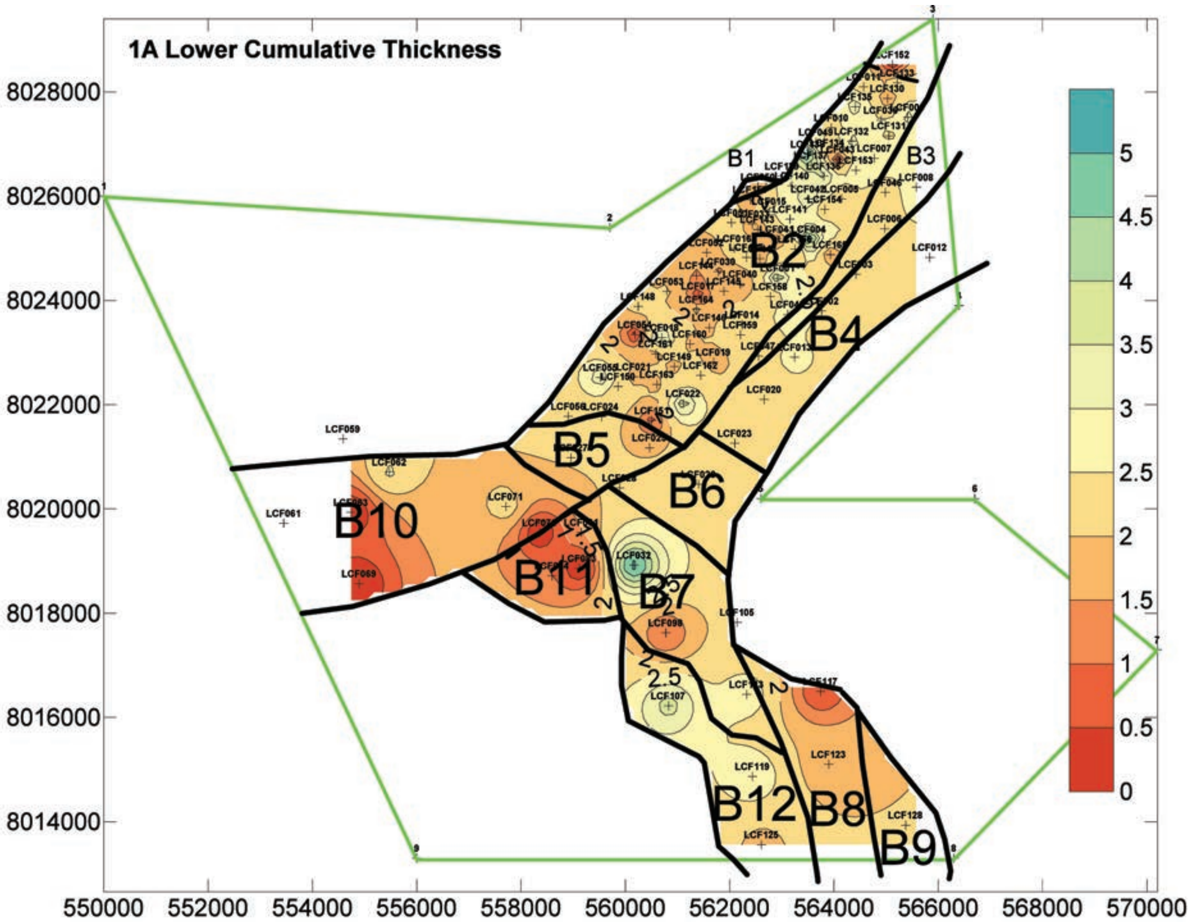


Figure 26: The Distribution and Cumulative Thickness of the 1A Lower Seam.

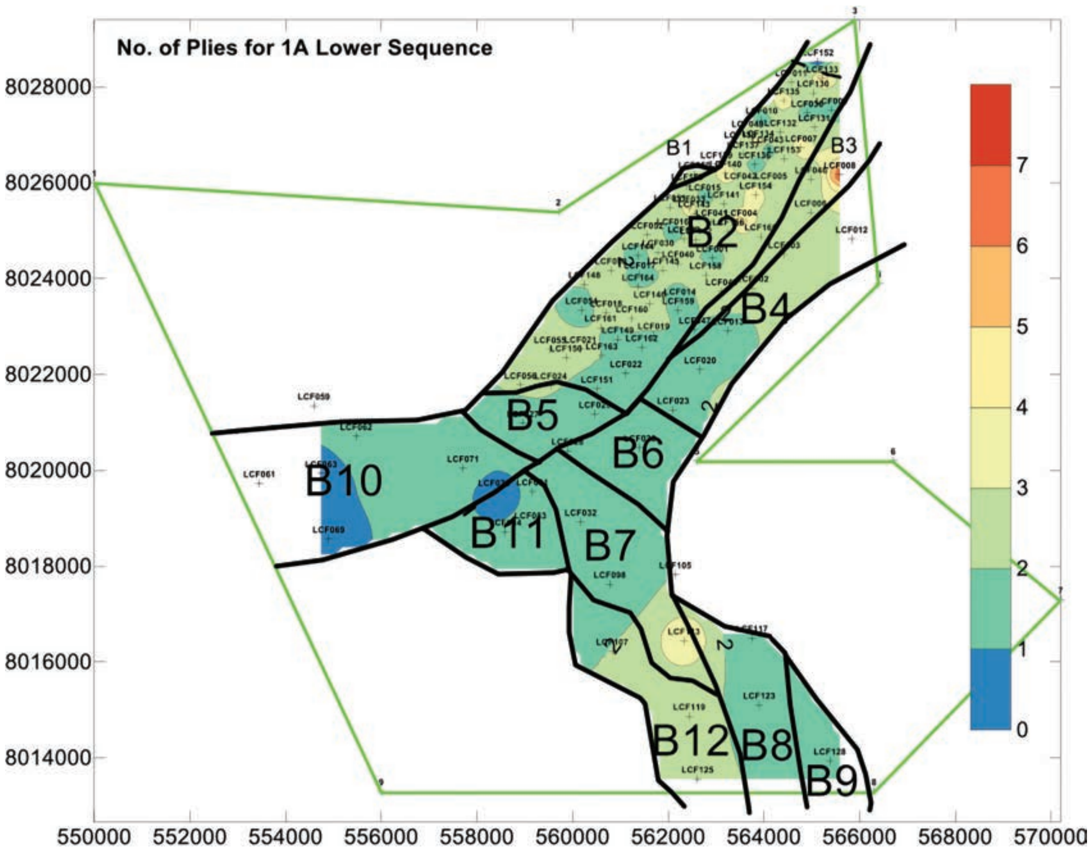


Figure 27: The Distribution and no. of Plies in the 1A Lower Seam.

The 1A Upper Seam has a median thickness of 0.76 m, with respective minimum and maximum thicknesses of 0 (LCF 083) m and 1.74 m (LCF 016). This seam was intersected in 80 boreholes, and is distributed consistently across the deposit. Please see Figure 28 for the detail of the 1A Upper Seam thickness.

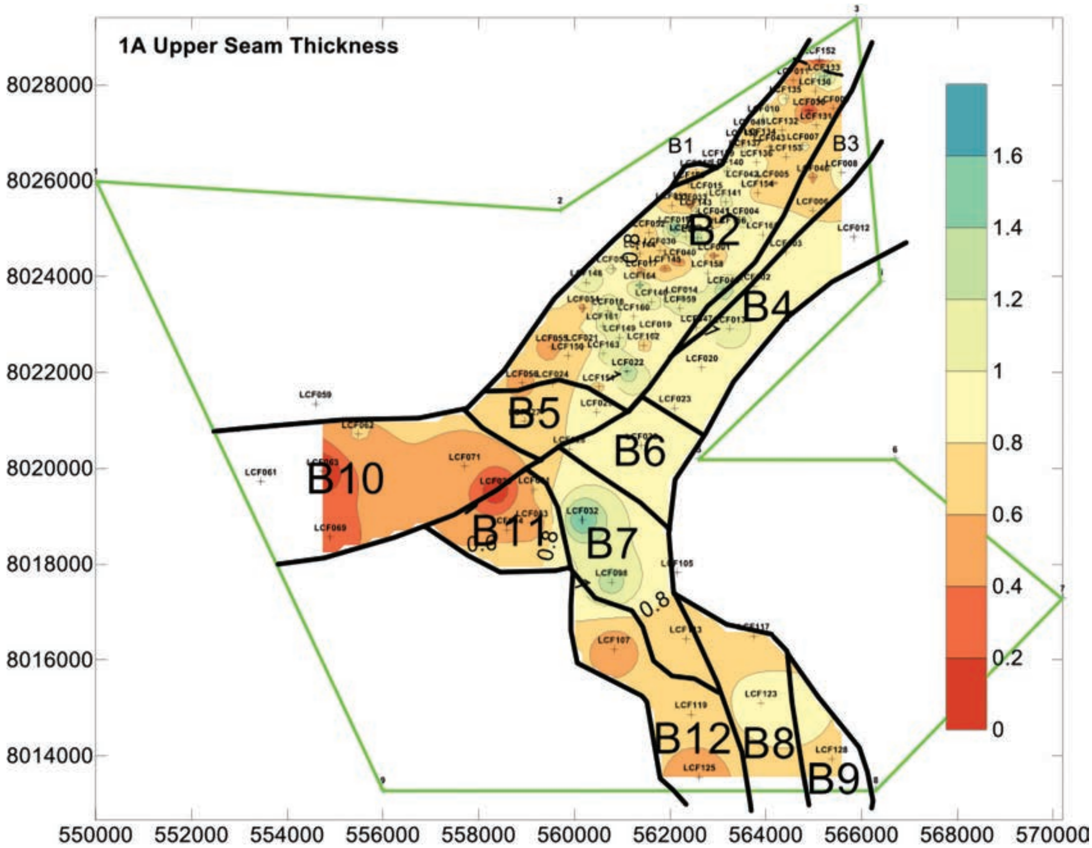


Figure 28: The Distribution and Thickness of the 1A Upper Seam.

The parting between the 1A Upper and 1B Lower Seams was intersected in 76 boreholes. It has an average thickness of 1.18 m. The 1B Lower Seam was intersected in 76 boreholes. See Table 8 below for a summary of the 1A U and 1B L seams' statistics. The median thickness for the 1B Lower Seam is 4.55 m. The respective minimum and maximum thicknesses are 0.52 m (LCF 113) and 8.55 m (LCF 136). Please see Figure 29 for the detail of the 1B Lower Seam thickness and distribution.

Seam	1A Upper	1B Lower
Ply	**1**	**1**
Sample Code	**E**	**F**
n	80	76
Median	0.76	4.55
Std dev	0.36	1.49
Variance	0.13	2.23
Average	0.82	4.58
Max	1.74	8.55
Min	0	0.52

Table 8: Seam Thickness Statistics for the 1A Upper and 1B Lower Seams.

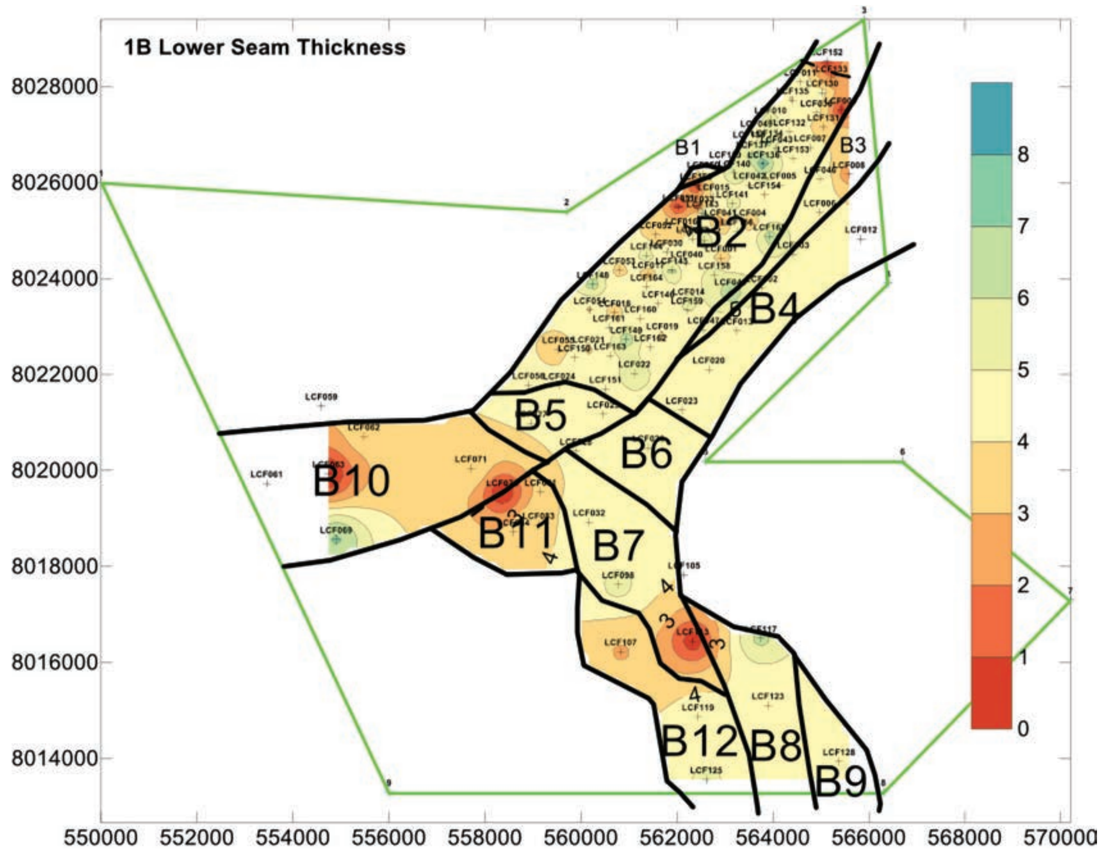


Figure 29: The Distribution and Thickness of the 1B Lower Seam.

The 1B Lower Seam is very evenly distributed across Block 2 at between 4 m and 5 m in thickness, with localised thinning of the seam in the middle and northern parts. Further towards the south and west, this seam thins to less than 2 m.

The 1B Middle Seam overlies the 1B Lower Seam and is separated by a mudstone and siltstone parting which is on average 1.10 m thick. The 1B Middle Seam was intersected in 74 boreholes in its lowermost ply. See Table 9 below for a summary of this seams' statistics. Six plies were intersected, with thicknesses also becoming progressively thinner as one move upwards in the sequence. Ply 6 was intersected in a single borehole (LCF 017), with ply 3 intersected in 31 boreholes.

Seam	1B Middle						
Ply	6						6
Sample Code	G1	G2	G3	G4	G5	G6	G Total
n	74	61	31	12	5	1	74
Median	1.28	1.09	0.81	0.52	0.35	0.19	3.22
Std dev	0.96	1.06	0.74	0.66	0.32	0.00	1.41
Variance	0.92	1.13	0.54	0.44	0.10	0.00	1.99
Average	1.47	1.38	1.01	0.84	0.49	0.19	3.21
Max	4.87	3.60	2.88	2.09	1.07	0.19	6.97
Min	0.12	0.09	0.22	0.16	0.17	0.19	0.66

Table 9: Ply Thickness Statistics for the 1B Middle Seam.

The median cumulative thickness is 3.22 m. The respective minimum and maximum cumulative thicknesses are 0.66 m (LCF 018) and 6.97 m (LCF 123). Please see Figures 30 and 31 for the detail of the 1B Middle cumulative thickness and ply distribution. In general the cumulative thickness is more than 3 m in the southern part of Block 2, while the northern portion is less than 3 m, with 1 m thicknesses in the far north.

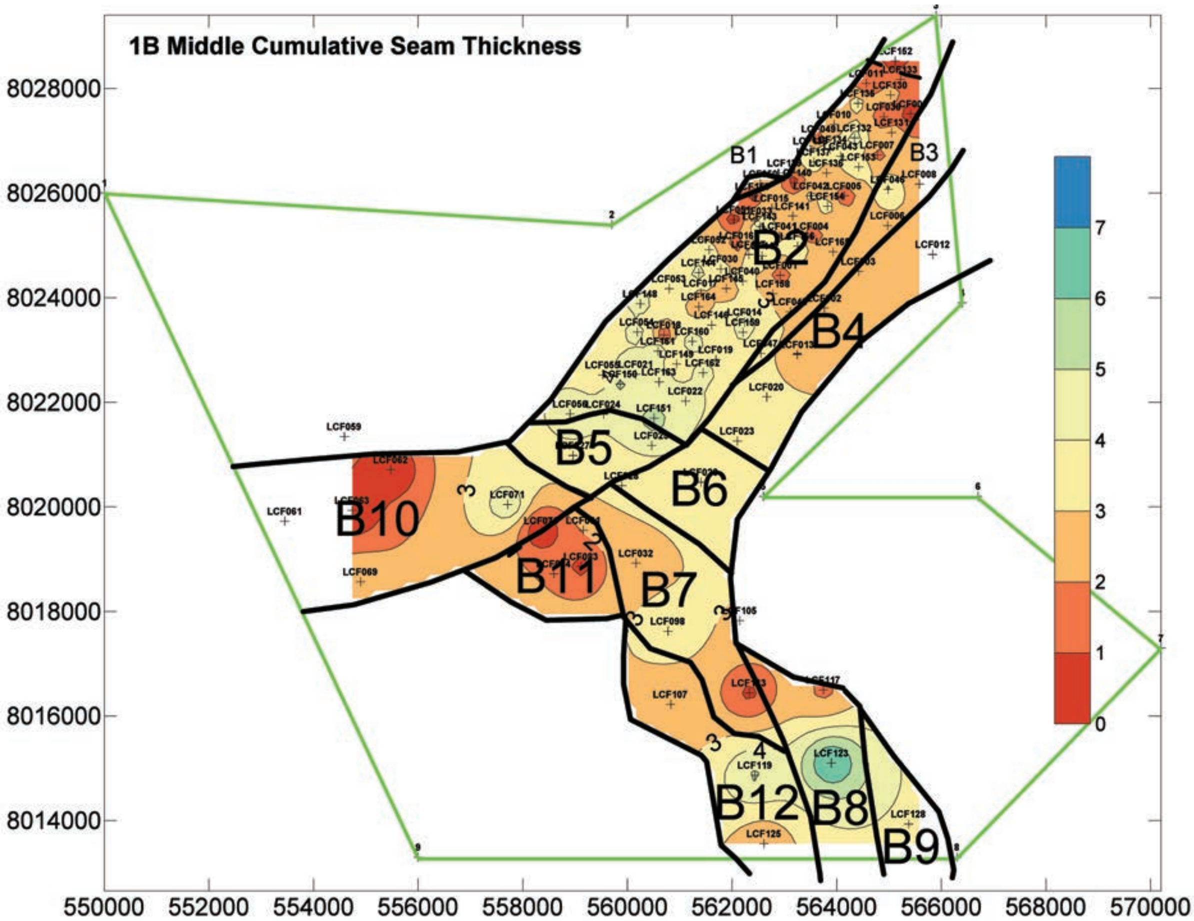


Figure 30: The Distribution and Cumulative Thickness of the 1B Middle Seam.

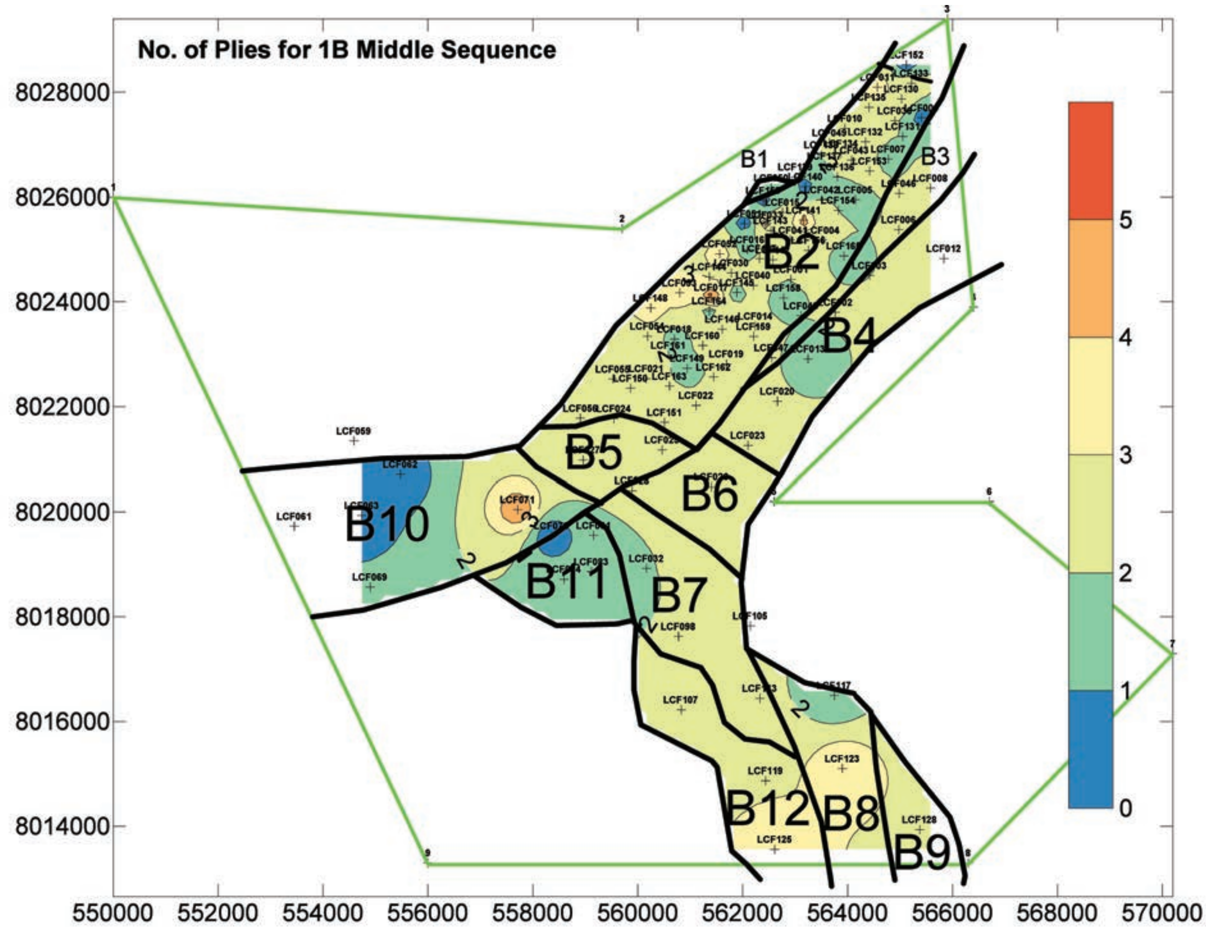


Figure 31: The Distribution and no. of Plies in the 1B Middle Seam.

The 1B Middle Seam is overlain by the 1B Upper Seam. The 1B Upper Seam was intersected in 73 boreholes in its lowermost ply. See Table 10 below for a summary of this seams' statistics. Five plies were intersected, with median thicknesses remaining consistent at around half a metre per ply. Ply 5 was intersected in four boreholes (LCF 011, 098, 130 and 132), with ply 3 intersected in 33 boreholes. The boreholes LCF 015, 051, 155 and 140, did not intersect the 1B Upper seam. These holes are all situated in a cluster in the middle of block 2 against the northern boundary.

Seam	1B Upper						1C
Ply	5					5	1
Sample Code	H1	H2	H3	H4	H5	H Total	I
n	73	55	33	20	4	73	71
Median	0.61	0.62	0.52	0.57	0.53	1.82	4.18
Std dev	0.75	0.57	0.39	0.45	0.18	1.02	0.76
Variance	0.56	0.33	0.15	0.20	0.03	1.05	0.58
Average	0.94	0.84	0.59	0.74	0.59	2.08	4.16
Max	4.27	2.74	1.70	1.80	0.89	5.42	5.90
Min	0.06	0.15	0.13	0.27	0.4	0.49	0.6

Table 10: Ply Thickness Statistics for the 1B Upper Seam.

The cumulative thickness for the 1B Upper Seam is 1.82 m, and ranges between a minimum and maximum of 0.49 m (LCF 033) and 5.42 m (LCF 007). The cumulative seam thickness distribution and ply distribution is shown in Figures 32 and 33.

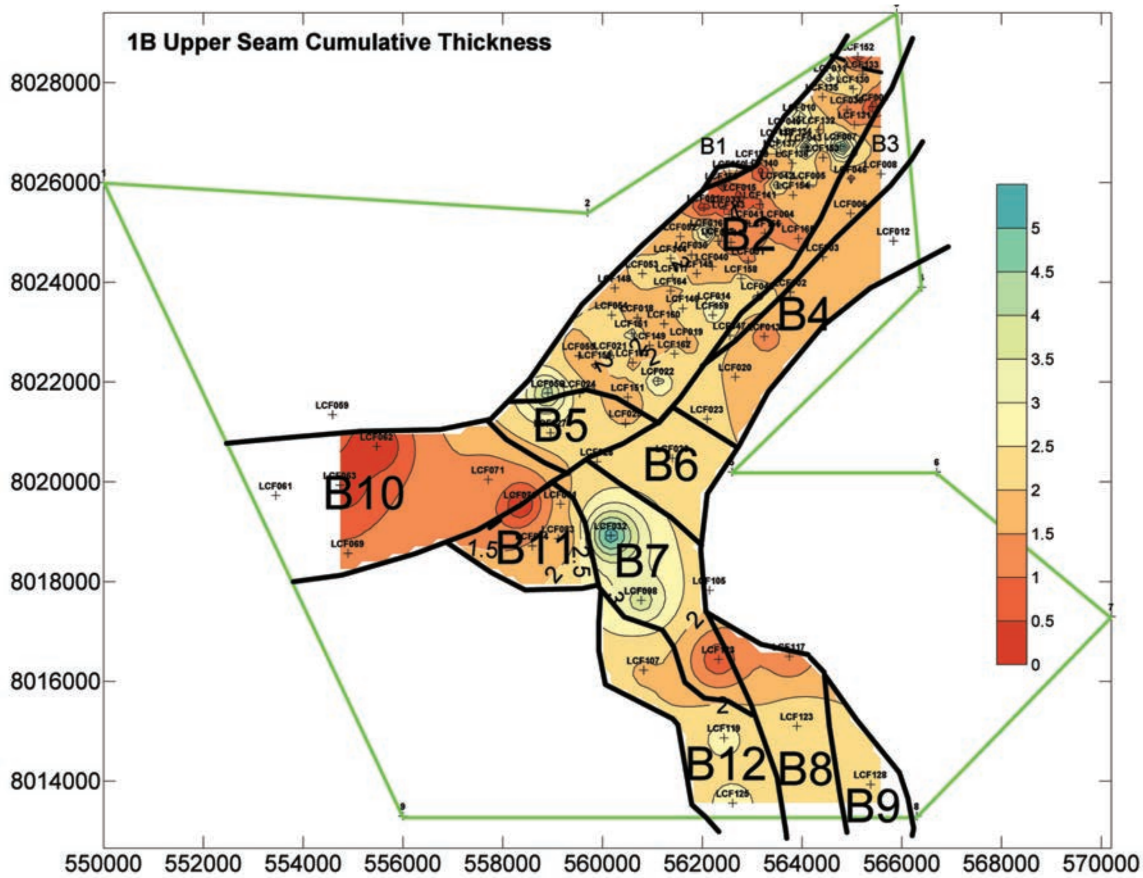


Figure 32: The Distribution and Cumulative Thickness of the 1B Upper Seam.

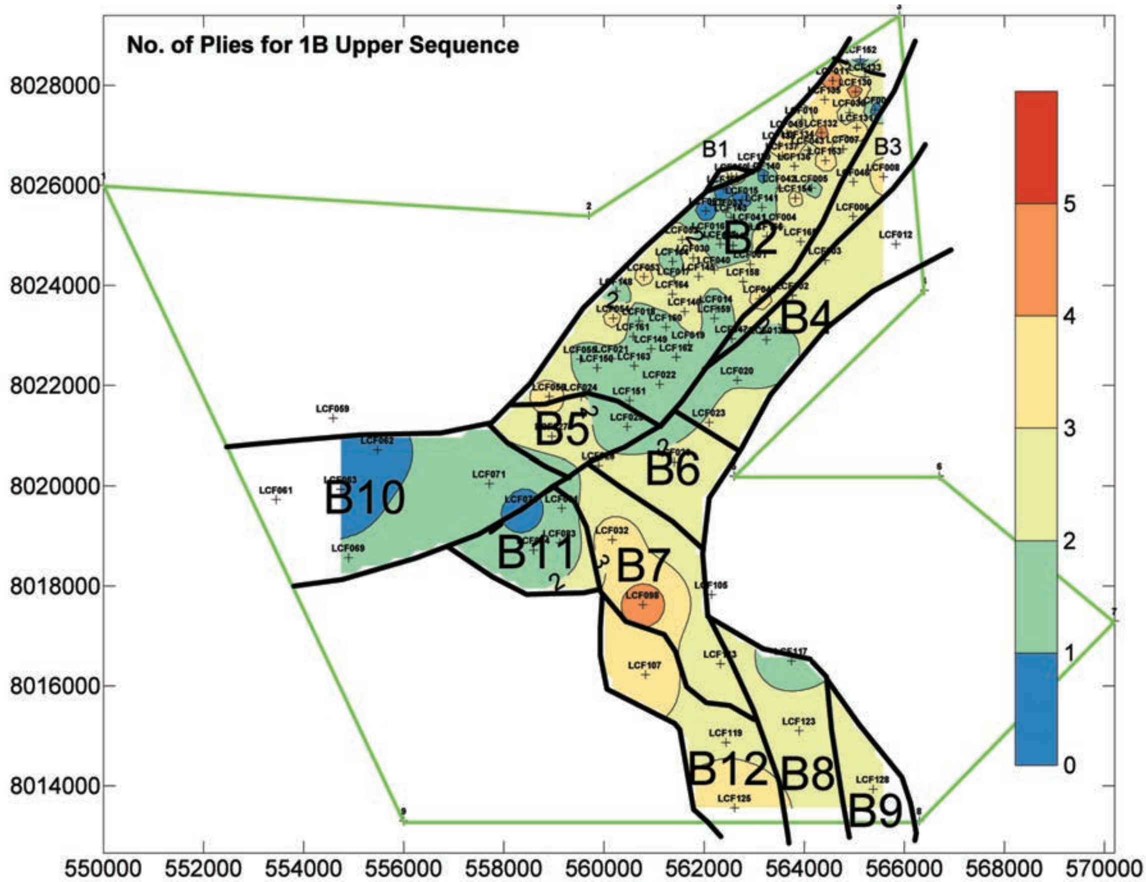


Figure 33: The Distribution and no. of Plies in the 1B Upper Seam.

The 1C Seam is situated at the top of the main series of coal measures, and is on average 4.16 m in thickness. This seam is distributed widely across the basin and was intersected in 73 boreholes. Because of its elevated position, this seam is affected by weathering in the shallower parts of Block 2. The far northern part of Block 2 has boreholes LCF 009 and LCF 152 where the 1C Seam has been completely weathered away.

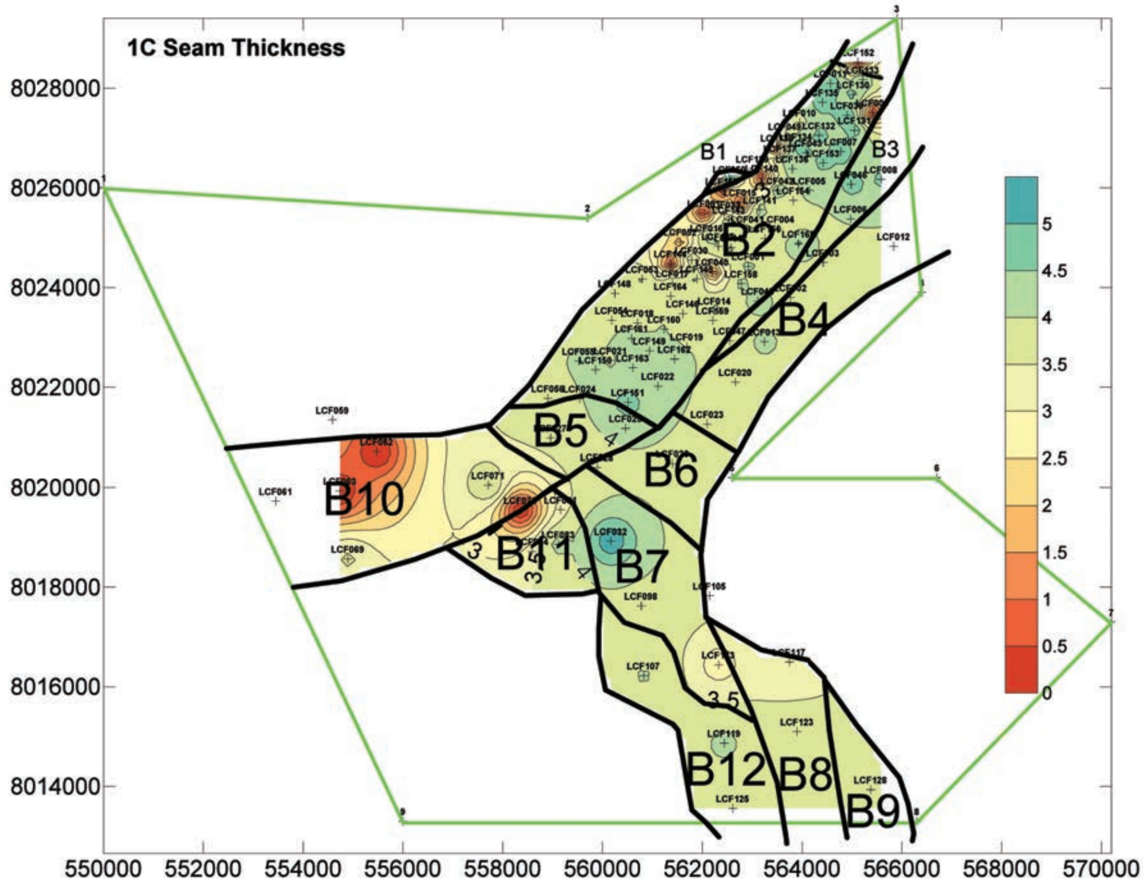


Figure 34: The Distribution and Thickness of the 1C Seam.

In the middle of Block 2 against the northern boundary, in boreholes LCF 015, 051, 138, 140, 144 and 155, the IC Seam has been weathered away, due to the shallow nature of the deposit in this area.

8. Deposit Types

Describe the mineral deposit type(s) being investigated or being explored for and the geological model or concepts being applied in the investigation and on the basis of which the exploration program is planned.

The deposit type would be a relatively flat to shallow dipping sedimentary hosted coal deposit. The host rocks are un-metamorphosed sediments of Permian Age. The coal deposit can be described as a typical flat lying Gondwana type coal measure. The geology is essentially preserved in a down-thrown graben, where Pre-Cambrian rocks have been exposed on the northern and southern flanks of the deposit. Between these flanks, a down-faulted block of coal bearing sediments is preserved.

This preserved block has successfully been probed for coal by MTD, and now again by CGH. The scale of exploration by CGH is much bigger than any work done in this area previously.

The exploration concept was to start off in the area where MTD drilled and proved the presence of coal in 1980, and to then move to the outlying Permian age sediments within the SG area. The SG was divided into 4 main blocks for the purpose of exploration planning. The layout is shown in Figure 35 below.

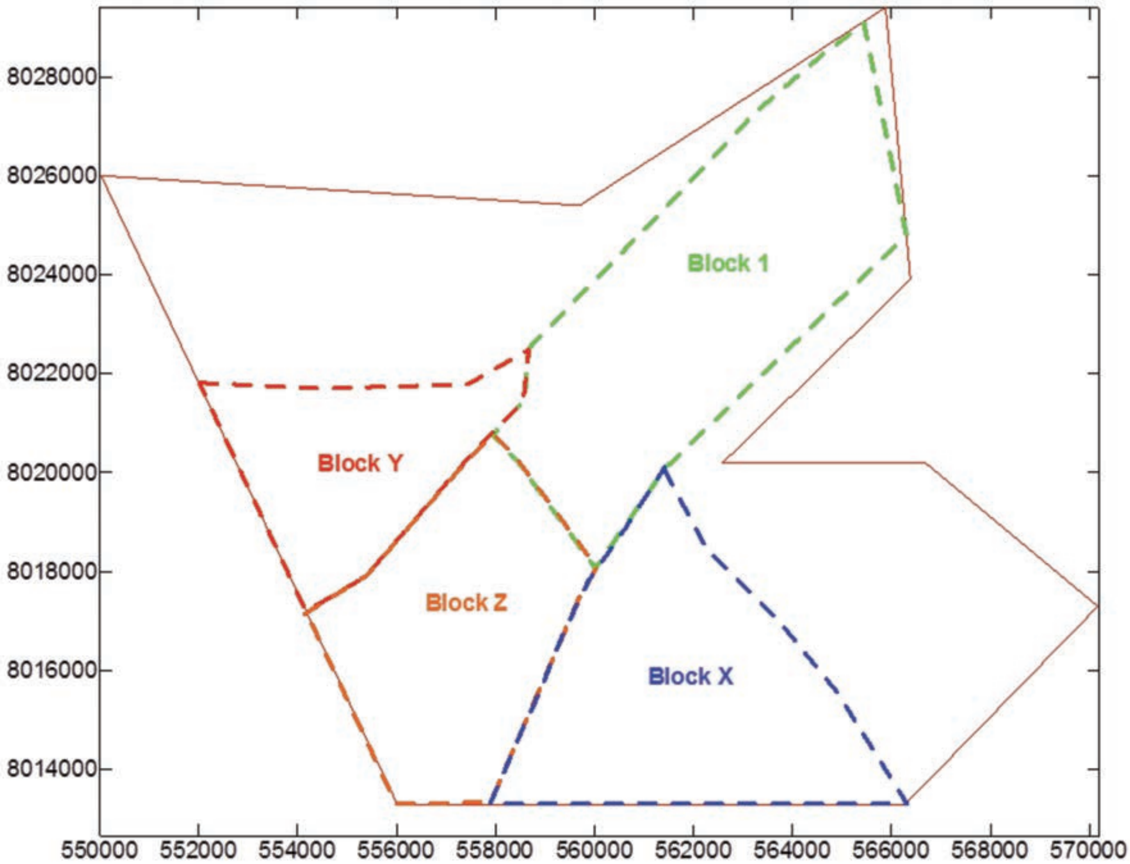


Figure 35: The Drilling Areas for Exploration Planning on SG 4686.

The exploration technique involved the drilling of diamond cored boreholes and the wire-line logging of these boreholes. The recovered core was logged and sampled, with the samples submitted to a laboratory for analyses.

The drilling programme was planned over 4 phases, with the 1st phase focussing on the Lubu Valley in the north-eastern part (Block 1) of the SG (29 boreholes). This first phase of drilling was planned on a grid of 1 km^2. This pattern was followed with relative ease, with very small changes in position needed for features such as rivers, riparian zones, occasional buildings and cultivated lands.

The second phase of drilling was again conducted in the Block 1 area of the SG, with an additional 35 boreholes completed.

The third phase of drilling focuses on the outlying areas to the west and south of SG 4686. This drilling in Blocks X, Y and Z were done during March to May 2011. 17 boreholes were drilled and completed.

A fourth phase of drilling followed, during which 15 additional boreholes were completed in the north eastern part of the SG.

From the outset the exploration was planned with wire-line logging as an integral part of the programme. In addition a refrigeration facility was installed to cover the preservation of samples between drilling, logging and sampling, and submission to the laboratory. The samples were transported to South Africa in purpose built refrigerated trailers, to ensure that the samples remain at an ambient temperature of 4oC at all times. These trailers were equipped with stand-alone back-up systems to cover delays due to customs procedures at the border crossings.

9. Exploration

a. The procedures and parameters relating to the surveys and investigations

The exploration programme was planned from March 2010 to October 2010, with the physical starting of exploration activities on the 4th of October 2010.

In terms of spatial orientation, borehole positions were plotted on the Zimbabwean Topocadastral Series (Sheets Cockcroft Bridge 1727 C4 and Kariangwe 1727 D3) and transformed to WSG 84 and UTM 35 with the use of Franson Coord Trans V2.3. Handheld GPS devices were used for the field siting of boreholes. The completed holes were resurveyed by Dave Sharrock of Orbital Surveys, and these positions were used in all subsequent data. Dave used a Lecia 1200 differential GPS System. The associated software used was Leica Geo-office.

Six bases were installed across the project area to establish reference points for clear radio signal. The bases were named Diesel, Stump, Tree, Bridge, Mond 113 and Stn 28.

All the real time reference was done within a 5 km radius. Fixed ITRF position of field was computed from the South African Tri Net stations of Ellisras and Pietersburg. Orthometric heights were obtained by means of the ESM2008 Geoid Model.

Drilling was awarded to African Mining and Exploration Limited, a Harare based company. This company established a field camp on site in the Lubu valley after consulting with the local tribal leaders about a suitable position.

Drilling occurred on a six week on two week off rotation. Initially two rigs were deployed, with a third rig used during March to May 2011. Drilling operation was restricted to daylight conditions, and no drilling was performed on Sundays, to allow for proper maintenance of the equipment.

Drilling was started on PQ size and the boreholes were cased of below the weathered formations. Once in solid ground, the drilling size was reduced to HQ. Initially HQ triple tube was used, but from June 2011 onwards (after a trial with normal HQ), the programme was switched to HQ. The core recovery standard used was a minimum of 98% over coal bearing horizons, and a minimum of 95% in the remainder of the competent sequence above and below the coal horizons. In some isolated instances, (LCF 009 sample, LCF 053 sample, LCF 054 sample), core recoveries were impacted by severely broken ground due to faulting. However, in the instances of poor drilling (LCF 019, LCF 146, LCF 117), the geologists insisted on re-drills.

During the drilling programme, each rig was covered by a geologist. Rig one was covered by Tawanda Murapa, with rigs two and three covered by Jan du Toit and Lovemore Mauled respectively. Jan du Toit fulfilled an additional role as coach and quality controller.

The core was pushed from the core barrel into the core trays (1m galvanised sink trays) by water pressure via a swivel. The core was then checked for recovery by the driller, with the driller's depth records inserted. The core recovery process was done in the presence of the site geologist. The core was removed from site by the geologist. Core was placed on the load-bed of an utility vehicle, with an empty tray on top as cover. The interlocking trays were stacked to a maximum height of five trays. Due to the weight of the core, damage will occur to the bottom trays when stacked higher than eight trays. The five tray stacks were secured with straps to prevent the trays from falling over during transit. The trays were transported to the exploration camp for logging and sampling.

Once the core was removed from the borehole, and the hole completed to the end of the coal measures, the borehole was wire-line logged by a mobile logging unit that was kept on permanent standby during all drilling activities. Due to the thickness of the coal sequence (roughly 40 m) and the speed of drilling (25 m/day) it usually took more than one day to recover all the coal intersections from a borehole. The sampling could only occur once the wire-line log was produced by the mobile unit. Because of these physical limitations, the sampled core took 2 ½ to 3 days from recovery out of the ground to being bagged in the fridge.

Core from the field was to be in the camp for logging within a day, and sampled and bagged within three days. This was achieved most of the time, one exception being core that was kept in trays in the refrigerator for four days, for display during an investor visit.

The exploration camp was established in Binga town, situated 60 km north of the SG area. Travel time between the camp and the SG averaged 1 hour 10 minutes (overall average speed of 50 km/hour). As a standard no driving during hours of darkness was allowed (daylight operations only).

Exploration Geophysics from Gaborone was contracted to supply the down-hole wire-line logging services. It is essential in a coal exploration programme to correlate horizons between boreholes. The accepted practise to achieve this is to use the down-hole geophysical tools (density and resistivity). The logs that are produced are also instrumental in delineating sample horizons.

The parameters logged for are the typical coal suite which includes a Multi Parameter Probe as well as a Focussed Density Probe. The Multi Parameter Probe analysed for the following parameters: Natural Gamma, Spontaneous Potential, Single Point Resistance, 16" Normal Resistivity, 64" Normal Resistivity, 48" Lateral Resistivity, Neutron-Neutron and Temperature. The Focussed Density Probe analysed for the following parameters: Natural Gamma, High Resolution Density, Short-arm Calliper, Long-arm Calliper, and Resistivity.

The Focussed Density data suite assisted in the correlation of horizons as well as with the identification of sampling horizons.

Due to delays at the Plumtree border post during the first mobilisation of the wire-line unit, wire-line logs for boreholes LCF 001, LCF 002, LCF 003 and LCF 004 could not be generated. For the rest of the holes the wire-line logging is complete.

The instruments were field checked in borehole LCF 007 after every 10 boreholes, to ensure that the instruments were calibrated as at the start of the project. The comparative logs showed no drift or discrepancies, and the duplicate runs were comparable within acceptable limits. During the 2 week drilling breaks, the tools were checked and calibrated at the base in Gaborone.

The density logs were also used to confirm dolerite sill intersections. A total of 11 699 metres was logged by wire-line, and 104 logs were produced.

b. The sampling methods and sample quality, including whether the samples are representative, and any factors that may have resulted in sample biases,

Core was logged using purpose-designed logging sheets that allowed for the inclusion of detail about the lithology, mineralisation and structural features. Coal core was split with a chisel to describe the inner detail of the core on the lithological logs. Completed logs were inspected and checked by peers in the camp. The logging was of good quality and was consistent throughout the programme.

Sampling was done at the base camp in Binga. During the first phase of drilling in Block 1, sample intervals were dictated strictly by variation in density, and generally sample frequency was high. Sampling rules were as follows;

- An isolated seam of less than 50 cm in thickness in combination with more than a metre of non-coal material above and below it would be sampled for a RAW analysis only.
- Partings within seams at less than 25 cm in thickness would be included in the coal sample, since it will be mined in an operational scenario.
- Partings thicker than 25 cm would not be included in samples, and it would form a new sample boundary.
- The lower density wire-line signature samples were submitted for Long Wash analyses (see Table 11 for detail).
- The higher density wire-line signature samples were submitted for Short Wash analyses (see Table 12 for detail).
- All sampling had to be annotated on the wire-line logs, for record keeping and referencing.

This resulted in very high definition sampling during the first phase of drilling. A total of 350 samples were taken over 29 boreholes. Nine of these first boreholes did not intersect the main seam coal measures, due to the holes being stopped short. Thus 350 samples over 20 holes or roughly

17 samples per borehole. This provided sufficient definition to simplify the sampling of the coal seams from the second phase onwards.

Sample quality starts with good core recovery, and the first tool to check this was fitting and measuring the core, and comparing these numbers with the driller's records. The second tool is the density log, and this was used to check coal contact elevations as well as recovered coal widths. In one borehole (LCF013) a shift of 70 cm was observed between the driller's measurements and the wire-line log. (The driller's markings were 70 cm shallower than the wire-line logs from 250 m downwards). Upon investigation, it turned out that the machine settled by roughly 70 cm due to extremely wet conditions during the drilling of this hole. LCF 013 took close to four weeks to complete due to its depth (453 m). All other boreholes showed variances of between 10 and 15 cm either way and was considered of sufficiently low variance to leave the data unadjusted.

In the case of poor core recovery due to very weak formation, where re-drills were not practical (LCF 009, LCF 053, LCF 054) and where incomplete samples were present, no sampling was done.

From the second and subsequent phases of drilling onwards, sampling rules were adjusted to the following;

- All sampling was based on the 9 identified coal zones namely MSL, MSM, MSU, 1A Lower, 1A Upper, 1B Lower, 1B Middle, 1B Upper and 1C.
- Partings within seams at less than 25 cm in thickness would be included in the coal sample, since it will be mined in an operational scenario.
- The samples for the 1A Upper Seam would be submitted for raw analyses only, because this seam is isolated in terms of thickness and parting separation. Residue material has been kept should future wash-ability analyses be required.
- The MSL Split Seam would be submitted for raw analyses only, because this seam is isolated in terms of thickness and parting separation as well as distribution Again the laboratory has been instructed to retain all residue in cold storage. See Table 13 for the Raw analyses sample request.
- The seams that are impacted by weathering were excluded from sampling. Visible features such as weak, clayey material and oxidation staining was used to delineate this cut-off.
- The balance of seams were sampled and submitted for a Modified Long wash as is shown in Table 14. All sample residue is retained by ALS in cold storage for future analyses.

The correlation of the % Ash and CV values received from the laboratory was very good for this volume of data.

The % Ash vs. CV scatterplot for fractional data for MSL is shown in Figure 36. The correlation coefficient is 0.979.

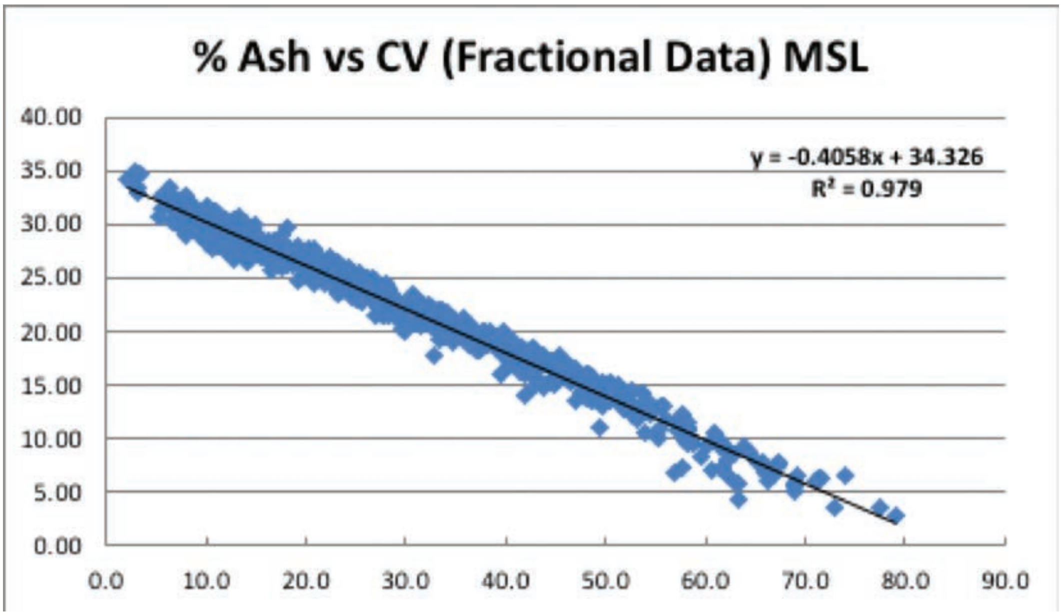


Figure 36: The Ash vs. CV Scatterplot for the Main Seam Lower.

The scatterplots for the same relationship across all the other seams are shown in Figures 37 to 44 below. The correlation coefficient in all these instances was very good and is indicated on the figures.

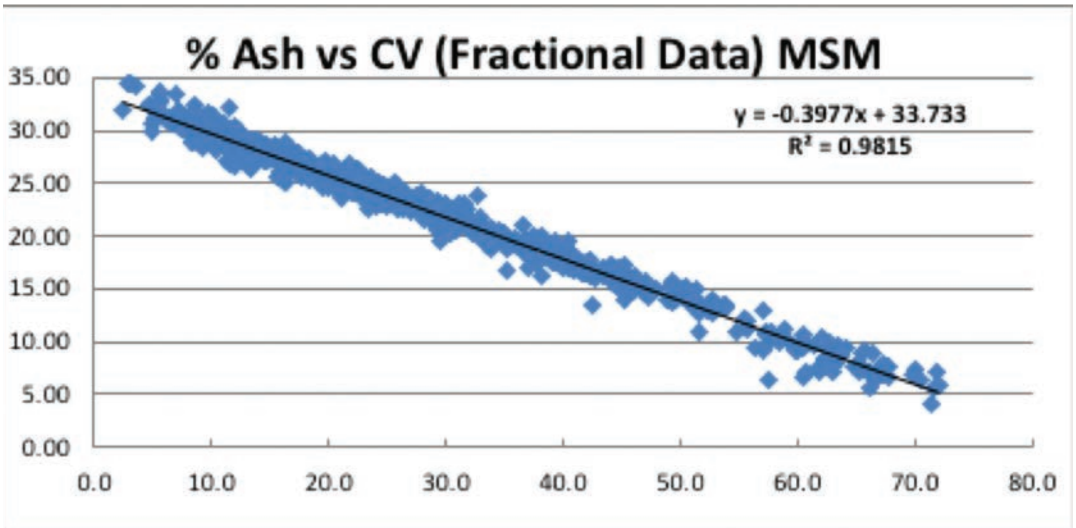


Figure 37: The Ash vs. CV Scatterplot for the Main Seam Middle.

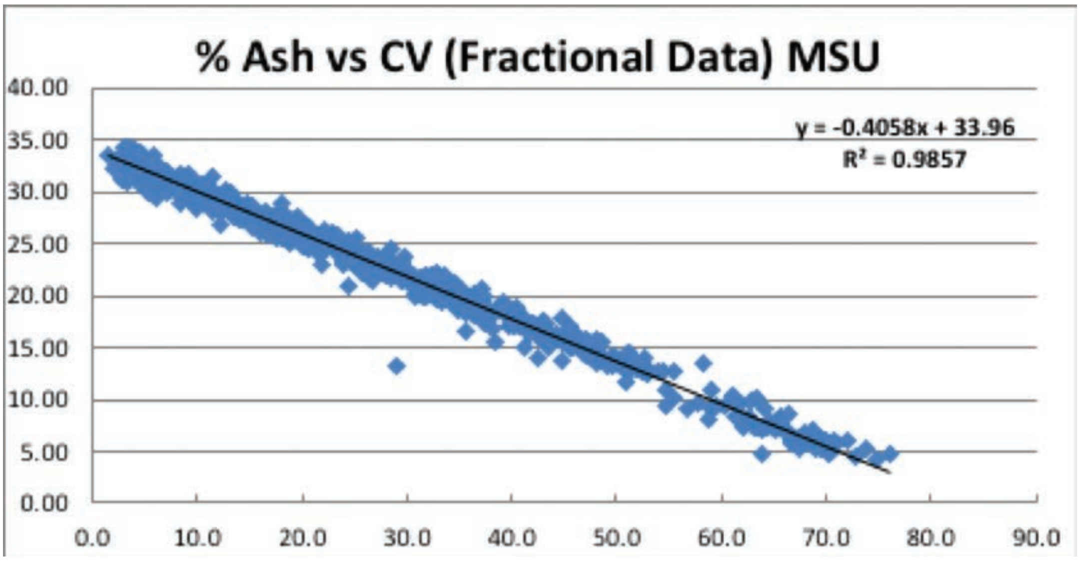


Figure 38: The Ash vs. CV Scatterplot for the Main Seam Upper.

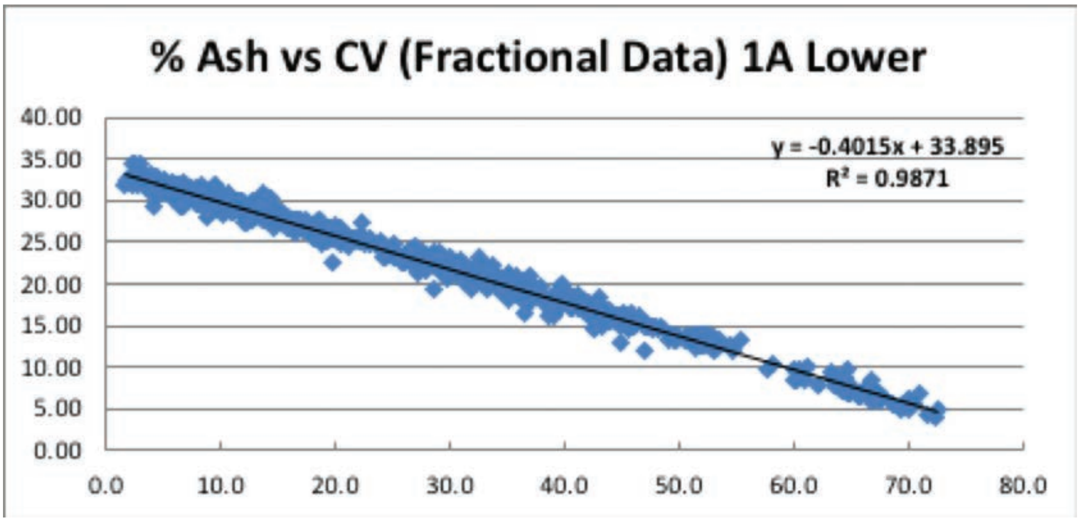


Figure 39: The Ash vs. CV Scatterplot for the 1A Lower Seam.

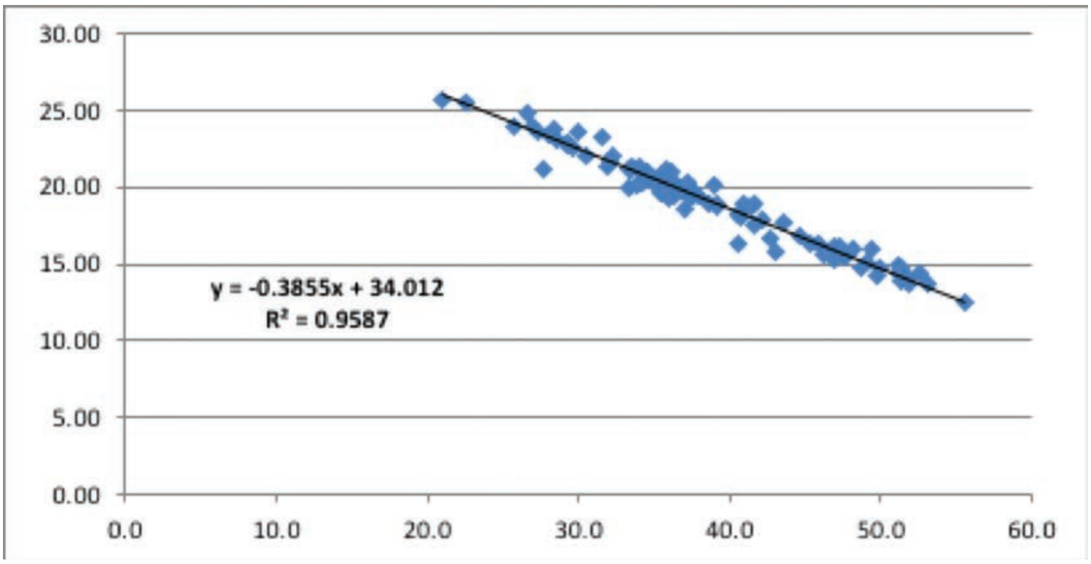


Figure 40: The Ash vs. CV Scatterplot for the 1A Upper Seam.

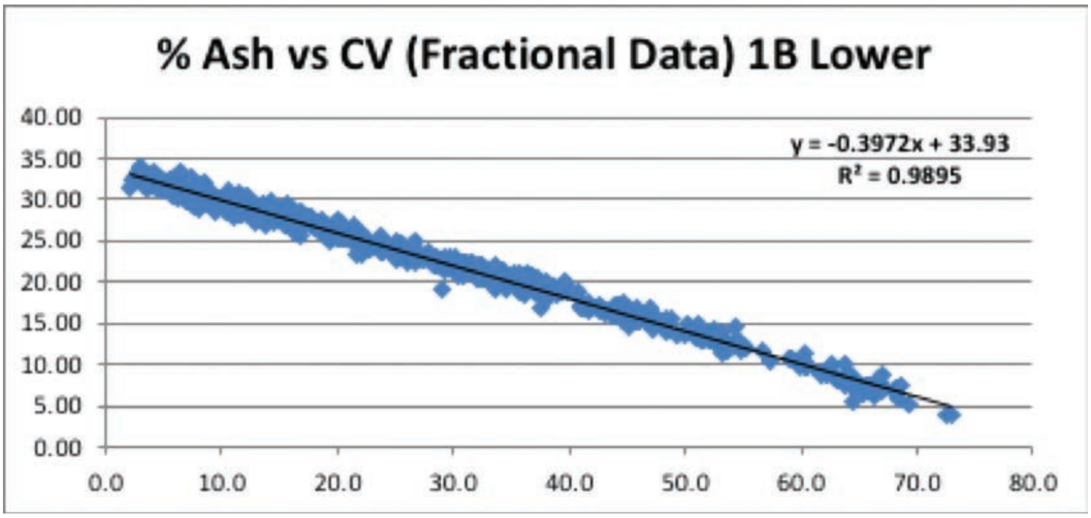


Figure 41: The Ash vs. CV Scatterplot for the 1B Lower Seam.

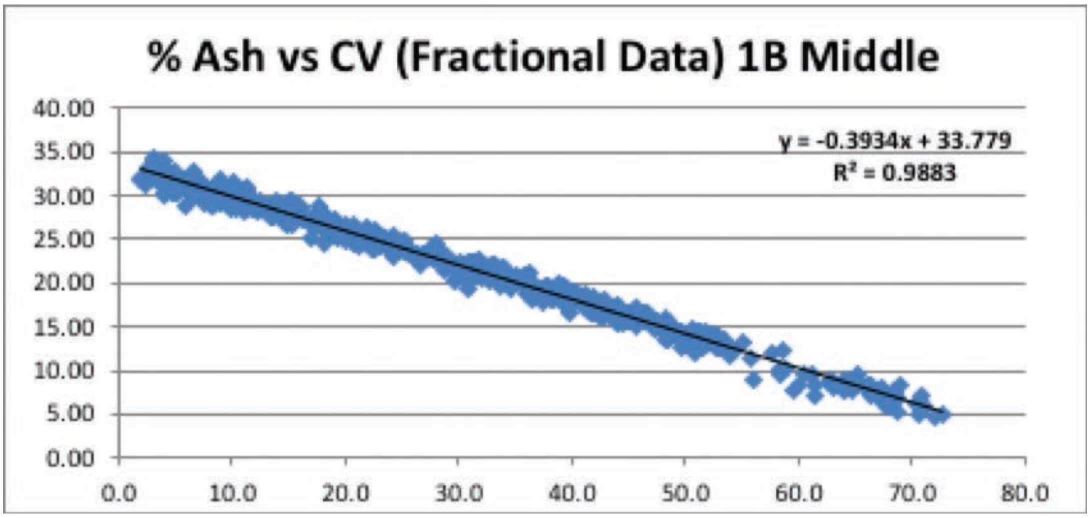


Figure 42: The Ash vs. CV Scatterplot for the 1B Middle Seam.

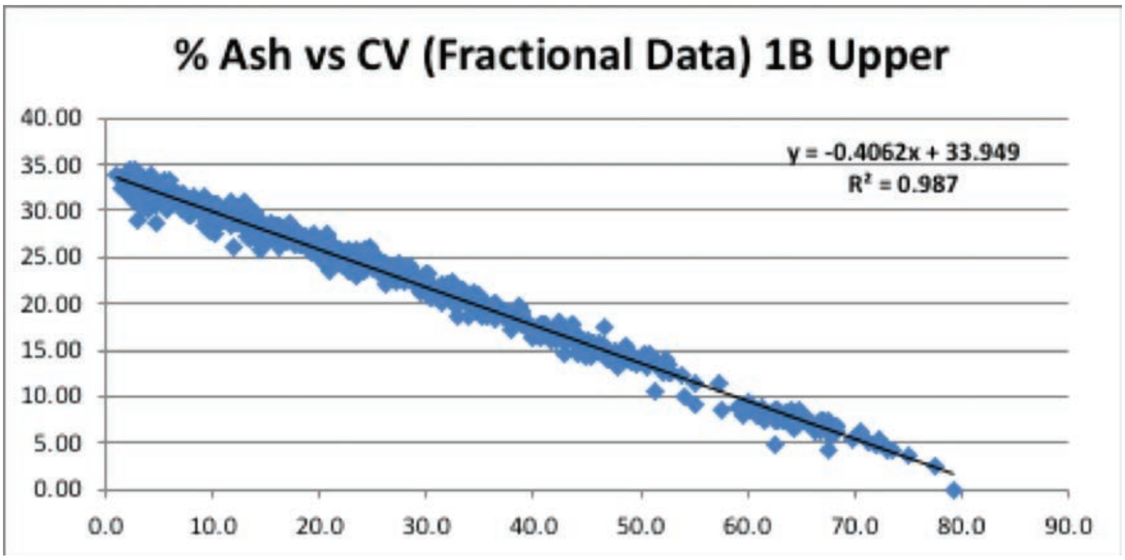


Figure 43: The Ash vs. CV Scatterplot for the 1B Upper Seam.

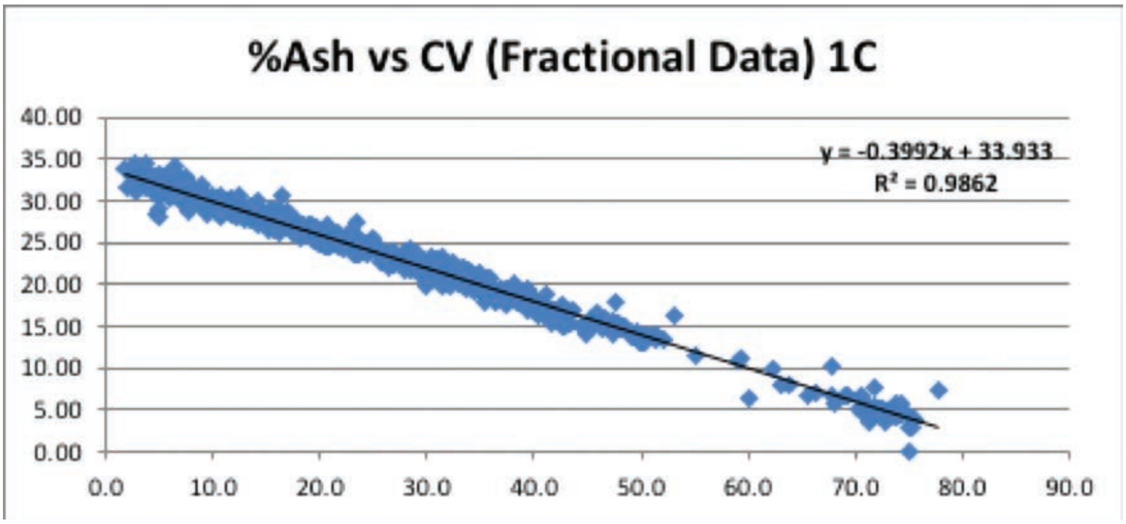


Figure 44: The Ash vs. CV Scatterplot for the 1C Seam.

Biased sampling did occur in the cases of seams 1A Lower, 1B Middle and 1B Upper. In these seams the coal plies were sampled with internal partings less than 25 cm in thickness. In the event of partings thicker than 25 cm, these were excluded from sampling. This method of sampling was done to retain the maximum possible definition to the sampling, whilst being as practical as possible in terms of future potential mining horizons. Any economic evaluation will have to consider the mining and potential dilution very carefully, especially on the above mentioned horizons. Provision for the dilution will have to be made, and it will impact on the yield by way of reduction.

During the second and subsequent phases of drilling, the sampling was standardized to nine samples per borehole, and sampling was effectively configured to represent the seam stratigraphy. Full core samples were taken for analyses to the laboratory. Core was only split during logging to examine and describe detail inside the core mass. Once it came to sampling, the complete core mass was bagged.

	Sample advice – Type of Wash: Long
1	Please weigh the sample and record the mass. Take care to ensure that you have the complete sample before you start with sample preparation. Due to the size of some of the samples, multiple bags will constitute a sample.
2	Prepare the sample for analysis by crushing the material down to a top-size of 15 mm. During this process, take the necessary care to minimize the generation of - 0.5 mm sized material.
3	Homogenize the prepared sample and split it in half. Use one half for analyses and bag and tag the remaining half for return to the client.
4	Screen out the - 0.5 mm fraction of material and do proximate, CV, % Sulphur, HGI and CSI analyses. Retain the balance of this material for additional analyses.
5	On the material bigger than - 0.5 mm, prepare float fractions at SG's of 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, and 1.8 ton/m^3. For each float and the sinks beyond 1.8, do a proximate, CV, % Sulphur, and HGI analyses.
6	For the floats of 1.2, 1.3, 1.4 and 1.5, please do CSI analyses.
7	Please retain the balance of all float and sink fractions for additional coke (Roga, Dilatation, Plastometry) and other analyses .
8	Please report all results in fractional and cumulative format.
9	Retain all remaining material for future analyses.

Table 11: Long Wash Sample instructions for Lower Density Samples during Phase 1 of the Programme.

	Sample advice – Type of Wash: Short
1	Please weigh the sample and record the mass. Take care to ensure that you have the complete sample before you start with sample preparation. Due to the size of some of the samples, multiple bags will constitute a sample.
2	Prepare the sample for analysis by crushing the material down to a top-size of 15 mm. During this process, take the necessary care to minimize the generation of - 0.5 mm sized material.
3	Homogenize the prepared sample and split it in half. Use one half for analyses and bag and tag the remaining half for return to the client.
4	Screen out the - 0.5 mm fraction of material and do proximate, CV, % Sulphur, HGI and CSI analyses. Retain the balance of this material for additional analyses.
5	On the material bigger than - 0.5 mm, prepare float fractions at SG's of 1.3, 1.5, 1.7, and 1.9 ton/m^3. For each float and the sinks beyond 1.9, do a proximate, CV, % Sulphur, and HGI analyses.
6	For the floats of 1.3, and 1.5, please do CSI analyses.
7	Please retain the balance of all float and sink fractions for additional coke analyses (Roga, Dilatation, Plastometry).
8	Please report all results in fractional and cumulative format.
9	Retain all remaining material for future analyses.

Table 12: Short Wash Sample instructions for Higher Density Samples during Phase 1 of the Programme.

Sample advice – Type of Wash: Raw

1	Please weigh the sample and record the mass. Take care to ensure that you have the complete sample before you start with sample preparation. Due to the size of some of the samples, multiple bags may constitute a sample.
2	Prepare the sample for analysis by crushing the material down to a top-size of 15 mm. During this process, take the necessary care to minimize the generation of - 0.5 mm sized material.
3	Homogenize the prepared sample and split it in half. Use one half for analyses and bag and tag the remaining half for return to the client.
4	Screen out the - 0.5 mm fraction of material and do proximate, CV, % Sulphur, HGI and CSI analyses. Retain the balance of this material for additional analyses.
5	On the material bigger than - 0.5 mm, do a proximate, CV, % Sulphur, and HGI.
6	Please report Raw Density for all samples.
7	Retain all remaining material for future analyses.

Table 13: Raw Sample instructions for MSL Split and 1A Upper Seam Samples during Phase 2 of the Programme.

Sample advice – Type of Wash: Modified Long

1	Please weigh the sample and record the mass. Take care to ensure that you have the complete sample before you start with sample preparation. Due to the size of some of the samples, multiple bags may constitute a sample.
2	Prepare the sample for analysis by crushing the material down to a top-size of 15 mm. During this process, take the necessary care to minimize the generation of - 0.5 mm sized material.
3	Homogenize the prepared sample and split it in half. Use one half for analyses and bag and tag the remaining half for return to the client.
4	Screen out the - 0.5 mm fraction of material and do proximate, CV, % Sulphur, HGI and CSI analyses. Retain the balance of this material for additional analyses.
5	On the material bigger than - 0.5 mm, prepare float fractions at SG's of 1.25, 1.3, 1.35, 1.4, 1.5, 1.6, 1.7, 1.8 and 1.9 ton/m^3. For each float and the sinks beyond 1.9, do a proximate, CV, % Sulphur, and HGI analyses.
6	For the floats of 1.25, 1.3, 1.35, and 1.4, please do CSI analyses.
7	Please report Raw Density for all samples.
8	Please retain the balance of all float and sink fractions for additional coke (Roga, Dilatation, Plastometry) and other analyses .
9	Please report all results in fractional and cumulative format.
10	Retain all remaining material for future analyses.

Table 14: Modified Long Wash Sample instructions during Phase 2 of the Programme.

Sample quality results were reported by ALS on a roughly 6 week turn-around time. Industrial action at the laboratory during Nov and December 2011 did disrupt reporting times.

Reported results were composited per seam for the various horizons and are shown in the text below. All qualities are reported on an Air Dry Base, and a total moisture of 8% was assumed for the calculation of the NAR and GAR values.

Main Seam Lower - Cumulative Air-dried Base										Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	CSI	DAVF	GAR	NAR
Mass (g)	R.D.	%	%	%	%	%	MJ/kg	%			kcal/kg @ 8% TM	kcal/kg @ 8% TM
2456	F1.25	2.5	7.7	30.9	58.9	0.45	31.39	0.5	3.1	34.4	7076	6837
7697	F1.30	2.8	9.3	30.3	57.6	0.43	30.45	2.1	2.7	34.4	6884	6644
30004	F1.35	2.9	11.3	29.4	56.5	0.40	29.60	8.2	2.0	34.2	6694	6455
77745	F1.40	3.0	14.1	27.5	55.4	0.39	28.45	24.1	1.4	33.1	6445	6205
151466	F1.50	3.0	17.6	26.0	53.4	0.40	27.12	55.0	0.7	32.8	6141	5901
83515	F1.60	3.0	19.9	25.1	52.0	0.40	26.19	72.0		32.6	5932	5691
45020	F1.70	3.0	21.5	24.6	50.9	0.40	25.53	81.2		32.6	5781	5540
23125	F1.80	3.0	22.6	24.3	50.1	0.41	25.09	85.9		32.6	5682	5442
18764	F1.90	3.0	23.7	24.0	49.3	0.42	24.63	89.8		32.8	5576	5335
50214	S1.90	2.9	27.9	23.3	46.0	0.47	22.93	100.0		33.6	5186	4944
22720	Fines	1.3	26.5	24.4	47.8	0.79	24.14	4.4		33.8	5374	5129
512724	Raw	2.8	27.8	23.3	46.1	0.5	23.0			33.6	5194	4952

Table 15: The Weighted Average Cumulative Quality for the Main Seam Lower.

The Main Seam Lower shows that its Total Sulphur values are low in all fractions. It also shows some concentration of Sulphur value in the raw fines, even though it is still very low at 0.79%. The Dry Ash Free Volatile Values indicate that this seam has not been affected by heat or weathering. A 5500 kcal/kg NAR product will yield at 80% based on the borehole data at a density of 1.700.

Main Seam Middle - Cumulative Air-dried Base										Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	CSI	DAVF	GAR	NAR
Mass (g)	R.D.	%	%	%	%	%	MJ/kg	%			kcal/kg @ 8% TM	kcal/kg @ 8% TM
2444	F1.25	2.8	7.4	30.9	59.0	0.45	31.41	0.5	3.9	34.3	7100	6861
8997	F1.30	3.6	8.5	30.9	57.0	0.46	30.50	2.2	3.1	35.2	6949	6711
25075	F1.35	3.5	10.4	29.8	56.3	0.41	29.74	7.1	2.6	34.6	6768	6529
42181	F1.40	3.4	12.7	28.0	55.9	0.40	28.75	15.3	2.0	33.4	6537	6298
127299	F1.50	3.4	16.4	24.7	55.5	0.38	27.04	40.1	0.9	30.8	6151	5911
121428	F1.60	3.4	19.7	22.9	53.9	0.36	25.62	63.7		29.8	5831	5591
69549	F1.70	3.4	22.0	22.1	52.5	0.37	24.72	77.2		29.6	5625	5384
41482	F1.80	3.4	23.7	21.6	51.3	0.37	24.05	85.3		29.6	5470	5229
24705	F1.90	3.3	25.1	21.3	50.3	0.38	23.52	90.1		29.7	5347	5106
50824	S1.90	3.2	28.9	20.7	47.2	0.43	22.03	100.0		30.5	5002	4760
26331	Fines	1.5	26.9	21.6	49.9	0.71	23.73	4.9		30.2	5295	5050
540314	Raw	3.1	28.8	20.7	47.3	0.4	22.1			30.5	5016	4774

Table 16: The Weighted Average Cumulative Quality for the Main Seam Middle.

The Main Seam Middle shows lower ash values than the MSL, but the DAFV are lower, although not below 28%. This seam shows slightly improved swell indices, but the yields on the lower density fractions are very low. A 5500 NAR product would theoretically yield 64% at a density of 1.600 ton/m^3.

Main Seam Upper - Cumulative Air-dried Base										Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	CSI	DAVF	GAR	NAR
Mass (g)	R.D.	%	%	%	%	%	MJ/kg	%			kcal/kg @ 8% TM	kcal/kg @ 8% TM
10180	F1.25	3.6	5.1	34.6	56.8	0.60	31.84	2.0	5.0	37.8	7254	7016
25366	F1.30	3.6	6.5	34.0	55.9	0.61	31.18	6.8	4.5	37.9	7110	6873
57073	F1.35	3.7	8.9	32.7	54.8	0.63	30.33	17.8	3.9	37.3	6918	6680
61308	F1.40	3.4	11.2	31.6	53.8	0.64	29.43	29.5	3.2	37.0	6692	6453
87161	F1.50	3.4	14.2	29.5	52.8	0.62	28.14	46.2	2.1	35.9	6400	6161
68563	F1.60	3.3	17.1	27.9	51.6	0.59	26.92	59.4		35.1	6119	5879
58425	F1.70	3.3	19.9	26.8	50.0	0.57	25.76	70.6		34.9	5856	5616
39745	F1.80	3.3	22.1	26.1	48.5	0.56	24.87	78.2		35.0	5652	5412
34281	F1.90	3.3	24.3	25.4	47.0	0.54	23.99	84.8		35.1	5453	5212
79475	S1.90	3.2	30.6	23.8	42.4	0.56	21.43	100.0		35.9	4863	4621
30172	Fines	1.8	24.9	24.9	48.4	0.87	24.41	5.8		33.9	5461	5217
551745	Raw	3.1	30.3	23.9	42.7	0.58	21.59			35.8	4896	4655

Table 17: The Weighted Average Cumulative Quality for the Main Seam Upper.

The trend that is seen at Lubu in terms of the position of the higher coke yielding product within the stratigraphy, is that it is positioned higher up in the sequence. At Hwange, the occurrence of the better quality coke fraction is concentrated on the floor (See Figure 14). In the Lubu Coalfield, the coal with better swell indices is concentrated in the Main Seam Upper. The weighted average borehole yield for a density of 1.350 ton/m^3 comes to 17.8%. A 5500 kcal/kg NAR product will theoretically yield 72% at a density of 1.750 ton/m^3. The Total Sulphur values are low at a maximum value of 0.87%, again concentrated in the raw fines. The DAFV values are all above 30%, which bodes well for the effects of heat and weathering.

1A Seam Lower - Cumulative Air-dried Base										Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	CSI	DAVF	GAR	NAR
Mass (g)	R.D.	%	%	%	%	%	MJ/kg	%			kcal/kg @ 8% TM	kcal/kg @ 8% TM
5304	F1.25	3.9	4.3	32.7	59.2	0.75	31.79	1.2	5.1	35.6	7265	7028
11038	F1.30	3.7	6.0	32.9	57.4	0.74	31.16	3.6	5.1	36.4	7112	6874
22323	F1.35	3.5	8.7	32.6	55.1	0.75	30.22	8.5	4.5	37.2	6885	6647
28675	F1.40	3.3	11.3	32.0	53.4	0.77	29.32	14.8	3.7	37.5	6665	6427
48292	F1.50	3.2	15.1	30.8	50.9	0.77	27.80	25.5	2.2	37.7	6313	6074
43171	F1.60	3.2	18.5	29.6	48.7	0.74	26.38	35.0		37.8	5989	5749
44386	F1.70	3.2	22.2	28.1	46.5	0.70	24.88	44.8		37.7	5646	5405
48624	F1.80	3.2	26.1	26.5	44.2	0.65	23.27	55.5		37.5	5280	5039
48738	F1.90	3.2	29.9	25.1	41.8	0.62	21.74	66.2		37.5	4932	4690
153422	S1.90	2.9	42.2	21.4	33.5	0.51	16.74	100.0		38.9	3786	3542
26232	Fines	1.6	33.7	23.3	41.4	0.93	21.19	5.8		36.0	4732	4488
480202	Raw	2.8	41.7	21.5	34.0	0.53	16.98			38.7	3839	3595

Table 18: The Weighted Average Cumulative Quality for the 1A Lower Seam.

This is the first of the seams where the correlation shows a number of in-seam partings and plies. The sampling on this horizon was biased and only clean coal and internal partings of less than 25 cm in thickness was sampled. All partings thicker than 25 cm were excluded from sampling. The sampling detail is logged on the wire-line logs. The increase in non-coal material can be clearly seen in the reduced Calorific Value of the discard material below 1.900 ton/m3. The % Ash values at the same density are also significantly elevated. The relatively high Swell Indices are an indication that this seam is a combination of really good material, with really poor material. Given the additional dilution that will be added during the mining of this seam/zone, the expected yields will be lower than shown by the sampling. A 5500 kcal/kg NAR product will theoretically yield 40%. If a lower grade product such as a power station coal is considered, the expected undiluted yield will be close to 70%. Sulphur value is again elevated in the raw fines at 0.93%. Generally the Sulphur values range between 0.50% and 0.80%.

Sample name	Analysis on an Air Dry Basis								
	Inherent Moisture	Ash	Volatile Matter	Fixed carbon	Calorific Value	Total sulphur	*ARD	*Swelling	*HGI
	%	%	%	%	MJ/kg	%		Index	Index
1A Seam Upper	1.6	38.6	24.3	35.6	19.13	0.86	1.662	2.2	59

Table 19: The Weighted Average Raw Quality for the 1A Upper Seam.

The 1A Upper seam was sampled for Raw qualities only, and it does have an average swell index of more than 2. The total Sulphur value is slightly elevated at 0.86%.

1B Seam Lower - Cumulative Air-dried Base										Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	CSI	DAVF	GAR	NAR
Mass (g)	R.D.	%	%	%	%	%	MJ/kg	%			kcal/kg @ 8% TM	kcal/kg @ 8% TM
4316	F1.25	3.1	5.2	33.7	57.9	0.76	31.89	0.8	3.8	36.8	7231	6993
6634	F1.30	3.2	6.4	33.1	57.3	0.75	30.85	2.0	4.5	36.6	7006	6768
13300	F1.35	3.2	9.2	33.0	54.6	0.81	30.01	4.3	4.6	37.7	6815	6576
21669	F1.40	3.2	12.6	32.0	52.2	0.78	28.71	8.2	3.9	38.0	6515	6276
49213	F1.50	3.2	16.8	30.5	49.6	0.77	26.83	17.0	2.0	38.1	6087	5847
55706	F1.60	3.1	20.9	29.2	46.7	0.73	25.30	27.0	1.3	38.5	5740	5499
81473	F1.70	3.2	26.0	27.4	43.5	0.67	23.34	41.5		38.7	5296	5055
88415	F1.80	3.1	30.8	25.5	40.6	0.61	21.44	57.3		38.6	4862	4620
83160	F1.90	3.0	35.0	24.0	38.0	0.58	19.84	72.2		38.7	4494	4251
155358	S1.90	2.9	43.1	21.3	32.7	0.51	16.55	100.0		39.4	3744	3500
28088	Fines	1.4	35.2	23.1	40.3	0.88	20.48	5.0		36.5	4563	4317
587329	Raw	2.8	42.7	21.4	33.1	0.53	16.73			39.2	3784	3540

Table 20: The Weighted Average Cumulative Quality for the 1B Lower Seam.

This seam shows swell index properties at low yields, and is markedly different in character to the seams lower down. This seam contains a lot of impurities in the form of shale bands between 5 and 15 cm in width. The theoretical yield for a 5500 NAR kcal/kg comes to 27%. AN option for this seam, should it be mined at some stage, would be to de-stone it at a density of 1.900 ton/m^3, and to use it as a power station product. The theoretical undiluted yield would come to 72%. The cumulative Sulphur value in the discard material is very low at 0.51%.

1B Seam Middle - Cumulative Air-dried Base										Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	CSI	DAVF	GAR	NAR
Mass (g)	R.D.	%	%	%	%	%	MJ/kg	%			kcal/kg @ 8% TM	kcal/kg @ 8% TM
3643	F1.25	3.3	4.5	35.2	57.1	0.99	31.61	0.7	5.7	38.2	7179	6941
7656	F1.30	3.4	6.3	34.4	55.9	0.87	30.93	2.2	5.4	38.1	7039	6801
12239	F1.35	3.3	8.9	33.7	54.1	0.86	30.07	4.5	5.2	38.4	6834	6596
19581	F1.40	3.2	12.2	32.7	51.9	0.87	28.90	8.2	4.8	38.7	6558	6319
46373	F1.50	3.2	17.3	31.0	48.6	0.85	26.93	17.1	2.7	38.9	6110	5870
58418	F1.60	3.2	21.9	29.3	45.6	0.83	25.08	28.2		39.1	5690	5450
75946	F1.70	3.1	26.7	27.6	42.5	0.79	23.17	42.7		39.4	5256	5014
69372	F1.80	3.1	30.9	26.3	39.7	0.72	21.54	55.9		39.8	4885	4643
63832	F1.90	3.1	34.6	25.0	37.3	0.66	20.10	68.1		40.1	4556	4313
167521	S1.90	2.9	44.6	21.9	30.6	0.55	16.06	100.0		41.8	3633	3388
29876	Fines	1.8	33.6	24.8	39.8	0.92	20.98	5.7		38.4	4693	4448
554454	Raw	2.8	44.1	22.1	31.1	0.57	16.32			41.5	3690	3446

Table 21: The Weighted Average Cumulative Quality for the 1B Middle Seam.

This is the second of the multi-ply seams in this deposit. This seam does have swell properties, but at very low yields, and the % Ash values may be problematic for a coke product. A 5500 Kcal/Kg NAR product will return a yield of 22%, while a power station feed will yield close to 70%. This seam is very similar in quality to the 1B Lower Seam.

1B Seam Upper - Cumulative Air-dried Base										Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	CSI	DAVF	GAR	NAR
Mass (g)	R.D.	%	%	%	%	%	MJ/kg	%			kcal/kg @ 8% TM	kcal/kg @ 8% TM
6149	F1.25	3.5	3.5	36.0	57.0	0.92	32.19	1.6	6.0	38.7	7329	7092
9676	F1.30	3.4	5.0	35.6	56.0	0.96	31.64	4.1	6.0	38.9	7195	6957
13358	F1.35	3.3	7.5	35.6	53.6	0.96	30.72	7.5	5.9	39.9	6979	6741
18839	F1.40	3.1	11.1	34.4	51.4	0.99	29.45	12.4	5.3	40.1	6678	6439
42244	F1.50	3.0	16.2	32.6	48.2	1.05	27.44	23.2	3.3	40.3	6218	5978
53275	F1.60	2.9	21.1	31.0	45.0	1.04	25.47	36.9	2.1	40.8	5764	5523
45033	F1.70	2.9	24.6	29.9	42.6	0.99	24.02	48.5		41.2	5435	5194
36959	F1.80	2.9	27.3	29.1	40.7	0.96	22.86	58.0		41.7	5174	4932
32230	F1.90	2.9	30.1	28.1	38.9	0.92	21.73	66.3		42.0	4918	4676
130900	S1.90	2.8	42.2	24.7	30.3	0.77	16.69	100.0		45.0	3772	3528
24629	Fines	1.8	29.2	27.3	41.7	1.28	22.82	6.3		39.5	5108	4864
413289	Raw	2.7	41.4	24.9	31.0	0.80	17.06			44.6	3853	3609

Table 22: The Weighted Average Cumulative Quality for the 1B Upper Seam.

This is the third of the multi-ply seams. This seam does show markedly elevated swell properties, and one may have to consider the winning of a coke type coal from this seam. At a density of 1.400 ton/m^3 and with an Ash value of 11.1%, this coal will yield a swell index of 5.3 at an undiluted 12.4%. A 5500 NAR product will yield 37%, while a power station coal will yield closer to 70%. The average Sulphur values in this seam are higher than for the rest of the seams. Values in the lower density fractions are above 0.90%, with the raw fines collecting 1.28%.

1C Seam - Cumulative Air-dried Base										Calculated		
Sample	Wash	Moisture	Ash	Volatile	F.C.	Sulphur	Gross C.V.	Yield	CSI	DAVF	GAR	NAR
Mass (g)	R.D.	%	%	%	%	%	MJ/kg	%			kcal/kg @ 8% TM	kcal/kg @ 8% TM
5495	F1.25	2.7	3.1	30.3	63.9	0.70	27.24	1.1	5.0	32.2	6152	5912
10656	F1.30	2.6	4.8	30.2	62.4	0.73	26.66	3.3	5.3	32.6	6012	5771
14850	F1.35	2.5	7.4	29.7	60.4	0.76	25.95	6.3	5.1	33.0	5849	5607
24694	F1.40	2.5	10.4	29.0	58.2	0.80	24.97	11.3	4.8	33.3	5626	5384
61114	F1.50	2.5	14.9	28.2	54.4	0.86	23.86	23.7	2.7	34.1	5374	5132
72254	F1.60	2.5	18.7	27.4	51.4	0.89	22.98	38.4	1.6	34.8	5179	4936
55484	F1.70	2.6	21.2	26.7	49.5	0.89	22.24	49.6		35.1	5016	4773
32695	F1.80	2.6	23.1	26.1	48.3	0.88	21.59	56.3		35.1	4871	4628
25878	F1.90	2.6	25.2	25.5	46.7	0.87	20.82	61.5		35.3	4697	4454
189649	S1.90	2.5	40.8	20.5	36.2	0.70	14.58	100.0		36.2	3286	3041
30259	Fines	1.8	32.5	26.1	39.5	1.28	21.71	6.1		39.8	4858	4614
523024	Raw	2.4	40.3	20.9	36.4	0.73	15.00			36.5	3377	3132

Table 23: The Weighted Average Cumulative Quality for the 1C Seam.

The uppermost seam in the stratigraphy is the 1C Seam, and it does show the potential for a coke fraction. At 1.400 ton/m^3, you may realise a product with a swell index of 4.8 and an ash content of 10.4%. The Calorific values are lower than with the rest of the coals in this deposit. The Sulphur values are lower at around 0.85%, with the raw fines showing a concentration of Sulphur at 1.28%. The Dry Ash Free Volatiles indicate that in terms of heat effect and weathering the 1C Seam appears to be unaffected.

Additionally, a view was taken on the potential products that could be realised from this resource and these are shown below in Section 10c.

c. Relevant information of location, number, type, nature, and spacing of density of samples collected, and the size of the area covered.

The location of boreholes drilled during the project is shown in Figure 45 below. The collar positions are listed in Appendix 1.

The borehole numbers have the prefix LCF (Lubu Coal Field), with a sequential number following on i.e. LCF 001. The total number of boreholes drilled comes to 99. From these 99 boreholes a total of 901 samples were taken for analyses. All the samples taken were produced from core drilling. Core was photographed in the trays after being marked up, and logged, but before sampling. Trays were clearly marked with the borehole number and depths for ease of reference.

No percussion drilling was done by CGH during their evaluation of this project. Samples were produced as HQ sized core with diameters of 61,1 mm (HQIII) and 63,5 mm (HQ) respectively. At a default density of 1,5 ton/m^3, 1 m of HQ (III) core produces a sample mass of 4,4 kg, and HQ produces a sample mass of 4,7 kg.

The spacing of sample density can be seen on the borehole distribution map. In the prime resource area (Block 2), drilling density amounted to an average grid of 485 m X 485 m (65 boreholes over an average area of 1 444 ha).

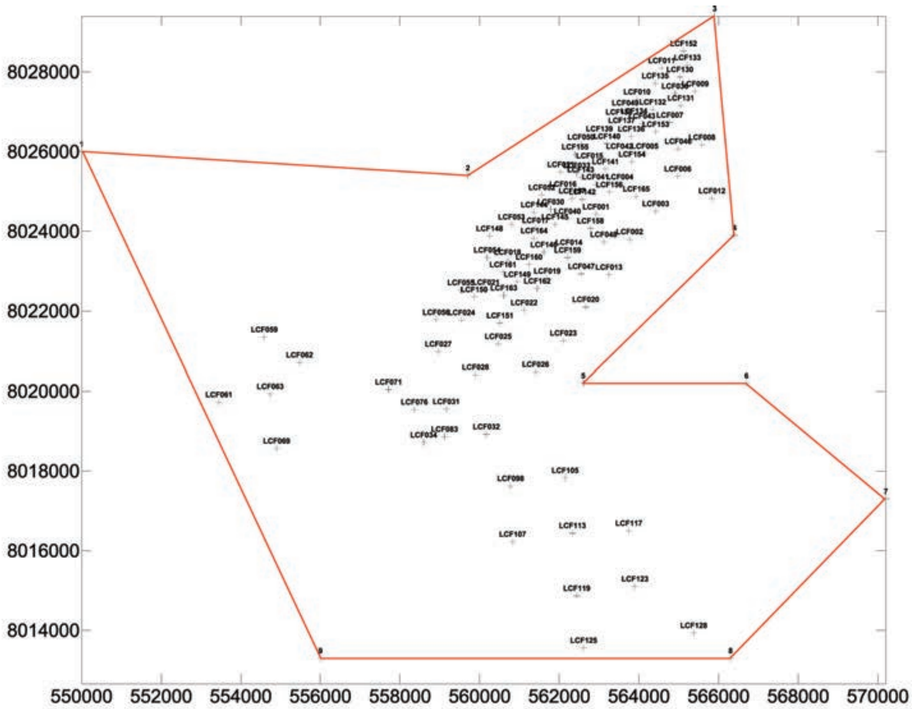


Figure 45: Borehole Collar Positions for SG 4686 as drilled by Sable Mining Africa (Ltd.)

Overall, 4898 ha was covered by 100 boreholes, for an overall average density of 703 m X 703 m. When one considers the definition of drilling, and the associated resource categories based on density, some of the areas have grid spacing as wide as 1440 m X 1440 m and bigger. The grid spacing per resource block is discussed and tabulated in Section 14.

The seam correlation and sampling spacing vertically can be seen in the borehole logs in Appendix 1. During the first phase of drilling, on average 17 samples were taken per borehole. During subsequent phases, 9 samples were taken per borehole on average.

d. The significant results and interpretation of the exploration information.

The outcome of this exploration programme to date is as follows:

- 100 Boreholes have been completed
- 901 Samples have been taken and analysed by ALS in South Africa.
- The spatial orientation of the boreholes has been completed. The survey system used is WGS 84/UTM 35.
- The analytical results have been completed by ALS, and have been modelled.
- The potential coke product horizons are higher up in the sequence, unlike the distribution that is seen at Hwange.

- The Total Sulphur values are relatively low in the lower seams, and increases in the elevated seams. The incidence of siderite is high in the lower seams.
- The Sulphur values in the discard fractions are low, usually below 0.50%. The exception being the Main Seam Lower, where the average Sulphur value for the discard material comes to 1.05%.
- Sulphur values appear to be concentrated in the raw fines. This may have a significant impact on the beneficiation of the coal.
- The coal resource have been modelled based on the borehole data
- A significant in-situ tonnage of Bituminous Coal has been identified.
- Potential products that have been identified include a soft coke portion, a power station portion and a C Grade export portion.
- The stratigraphy of the coal measures in this basin has been established.
- The presence of markers within the coal measure stratigraphy has been established.
- The lateral continuity of the coal measures in Block 2 has been established.

10. Drilling

a. Type and extent of drilling including the procedures followed and a summary and the interpretation of all relevant results

Core drilling was the only drill technique used during this exploration programme. The rigs used were Boart Longyear LF 90's. All the rigs are trailer mounted with hydraulic outriggers. Boreholes were started with PQ sized equipment. Holes were cased off inside stable formation from where drilling progressed with HQ sized equipment. Initially HQ (III) sized equipment was used, due to concerns about core recovery in a fault-bounded graben. After seeing the integrity of the coal seams and the lateral continuity of the coal measures, a trial was performed with normal HQ equipment (cost saving) and it proved to be successful.

From June 2011, all drilling was sized in standard HQ. Drilling recoveries were generally good. Where recoveries were below 98% in the coal seams, or below 95% in the rest of the sequence, a re-drill was enforced. LCF 019, LCF 117, and LCF 146 were re-drilled due to poor recoveries as a result of poor drilling.

b. Any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

Apart from three boreholes that were re-drilled, the measured recoveries were acceptable and within the required standard.

c. For a property other than an advanced property

(i) the location azimuth and dip of any drill hole, and the depth of the relevant sample intervals.

The location of the boreholes is shown in Figure 45, and the coordinates are listed in Appendix 2. 100 boreholes were drilled and the total length of drilling came to 11 638 m. The average depth per hole came to 116 m.

The maximum depth drilled was on borehole LCF 083 at 464,34 m. LCF 013 was also deep at 452,94 as well as LCF 128 at 434,34 m. These three boreholes were exceptionally deep, and were drilled in downthrown blocks in more remote parts of the resource.

BH ID	Y	X	Z	E.O.H.
LCF001	8024426.515	562920.910	761.219	101.34
LCF002	8023801.011	563764.109	767.450	191.39
LCF003	8024503.610	564421.046	770.117	101.34
LCF004	8025177.847	563520.614	768.689	95.24
LCF005	8025947.729	564148.336	772.281	110.29
LCF006	8025377.363	564974.354	775.329	143.24
LCF007	8026726.723	564775.674	781.335	137.29
LCF008	8026170.905	565582.421	781.266	245.34
LCF009	8027514.899	565413.505	786.828	62.24
LCF010	8027310.508	563950.305	791.990	89.13
LCF011	8028095.755	564569.307	798.047	80.34
LCF012	8024825.133	565833.827	787.028	203.29
LCF013	8022910.927	563245.583	760.149	452.94
LCF014	8023533.580	562240.550	754.487	104.34
LCF015	8025708.079	562760.414	773.407	47.29
LCF016	8024996.355	562091.497	767.960	59.39
LCF017	8024084.413	561404.051	774.880	80.29
LCF018	8023286.257	560701.688	778.886	104.24
LCF019	8022812.999	561693.526	751.099	77.19
LCF020	8022102.069	562663.589	764.508	269.09
LCF021	8022532.253	560159.901	749.378	104.29
LCF022	8022021.334	561112.742	747.493	71.29
LCF023	8021258.302	562099.746	761.181	15.59
LCF024	8021771.695	559544.627	739.552	44.29
LCF025	8021173.549	560462.657	750.177	116.34
LCF026	8020473.270	561404.250	759.136	80.34
LCF027	8020981.733	558959.884	742.215	86.29
LCF028	8020403.812	559893.891	752.400	304.20
LCF030	8024549.684	561785.180	775.726	83.34
LCF031	8019553.325	559158.479	744.500	152.34
LCF032	8018923.504	560167.017	751.016	86.29
LCF033	8025465.812	562436.854	773.518	44.34
LCF036	8027454.250	564904.138	786.520	77.24
LCF040	8024313.353	562202.950	771.474	90.99
LCF041	8025178.018	562904.978	778.580	86.34
LCF042	8025946.470	563509.409	783.679	83.39
LCF043	8026705.483	564074.095	783.491	98.24
LCF046	8026071.338	564983.206	776.140	227.34
LCF047	8022931.436	562552.866	761.586	176.5
LCF048	8023731.804	563112.494	766.023	149.24
LCF049	8027035.349	563656.735	795.301	65.24
LCF050	8026177.912	562543.834	794.887	97.14
LCF051	8025489.881	562034.380	775.275	35.29
LCF052	8024914.493	561559.939	772.776	59.34
LCF053	8024171.785	560798.997	766.625	65.39
LCF054	8023341.978	560185.793	768.090	77.34
LCF055	8022523.900	559525.918	752.468	98.29
LCF056	8021777.668	558906.056	737.545	122.46
LCF059	8021345.044	554589.865	730.335	32.34
LCF061	8019727.299	553451.691	732.610	30.27
LCF062	8020709.192	555475.593	733.013	60.44
LCF063	8019933.087	554739.304	731.749	32.34
LCF069	8018565.282	554898.645	743.732	332.41
LCF071	8020044.005	557710.029	745.269	227.34
LCF076	8019543.213	558358.871	744.041	308.34
LCF083	8018860.966	559116.496	748.719	464.34
LCF098	8017623.735	560776.139	748.199	101.39
LCF105	8017825.606	562146.238	755.537	108.34
LCF107	8016224.495	560827.493	755.753	221.24
LCF113	8016441.550	562327.966	765.077	92.24
LCF117	8016500.391	563746.149	767.748	143.34
LCF119	8014867.579	562438.267	766.202	200.34
LCF123	8015102.972	563898.474	778.550	131.26
LCF125	8013559.167	562610.752	774.925	218.34
LCF128	8013934.621	565375.825	812.337	434.34
LCF130	8027872.916	565026.752	790.214	74.24
LCF131	8027156.176	565051.499	782.998	101.24
LCF132	8027054.404	564342.342	786.612	104.39
LCF133	8028171.634	565217.157	791.987	80.24
LCF134	8026832.311	563874.358	787.643	86.29
LCF135	8027713.732	564409.238	792.826	74.24
LCF136	8026382.782	563805.952	782.086	89.34
LCF137	8026593.724	563565.382	784.587	65.34
LCF138	8026804.650	563500.595	790.338	68.54
LCF139	8026383.822	563006.095	791.612	56.34
LCF140	8026196.623	563196.004	782.876	56.36
LCF141	8025560.037	563156.369	785.320	83.39
LCF142	8024800.570	562575.250	767.861	77.29
LCF143	8025358.034	562537.142	771.696	59.24
LCF144	8024477.587	561366.740	781.013	80.34
LCF145	8024175.249	561890.765	771.297	86.34
LCF146	8023475.541	561610.266	759.313	86.24
LCF148	8023881.700	560247.783	771.954	68.34
LCF149	8022731.095	560943.168	755.483	89.34
LCF150	8022351.065	559861.410	748.392	110.34
LCF151	8021697.182	560509.750	759.920	83.34
LCF152	8028523.985	565119.366	797.732	67.76
LCF153	8026498.015	564422.391	780.900	128.34
LCF154	8025746.105	563823.336	769.073	92.34
LCF155	8025931.723	562395.476	776.755	38.34
LCF156	8024982.832	563254.629	772.380	83.39
LCF157	8024824.939	562321.121	768.234	71.34
LCF158	8024074.058	562779.747	760.016	98.31
LCF159	8023339.764	562207.696	755.901	107.34
LCF160	8023166.067	561237.822	770.149	89.36
LCF161	8022975.581	560584.507	765.006	89.29
LCF162	8022564.468	561443.817	757.901	95.24
LCF163	8022390.593	560606.106	745.266	116.19
LCF164	8023827.234	561366.239	761.206	74.34
LCF165	8024876.150	563929.118	766.954	113.28
Total				11638.22

Table 24: Borehole Collar Positions and End of Hole Depths for the Exploration Programme as Completed by CGH.

The wire-line logging did not include azimuth and slant angle measurements. However in my experience, deviation of the drill string at depths to 300 m on HQ equipment is highly unlikely.

The intervals shown on the borehole logs, are as per the core measurements. See Figures 46, 47 and 48 below for the geometry of the deposit.

(ii) the relationship between the sample length and the true thickness of the mineralisation, if known, and if the orientation of the mineralisation is unknown, state this, and

Sample lengths were as per logged measurements. No correction was made for true thickness. Gradients on the coal seams are very slight (1^o – 3^o), and the volume model uses elevations to generate top and bottom surfaces, before calculating the space contained within. Apparent and true thicknesses will not have a bearing on the volume calculation.

(iii) the results of any significantly higher grade intervals within a lower grade intersection.

The seams were sampled as units, which were defined by high resolution sampling during the first phase of drilling. Once all the results were received from the laboratory, it was possible to analyse the results and to look at potential products that may be realized from this deposit.

Since the largest dataset covered Block 2, it was decided to focus the attention on this area. The potential products that were considered included a

- "Coking Coal Product" for which the specifications are a swell index of more than 3 as well as a maximum Ash content of 11%.
- "Export Product" for which the minimum CV is 25.5 MJ/kg (ADB), (effectively a 5500 Kcal/kg NAR product)
- "Power Station Product" for which the specifications are a minimum CV of 18 MJ/kg as well as a minimum Volatile content of 18%.

When the constraints listed above are considered and the potential per seam is investigated, the following becomes evident;

- The MSL has the potential to produce on average a Coking Coal Product (CP) at an uncontaminated yield of 1.7%, a sweet Export Product (EP) at a yield of 62% and a Power Station Product (PS) with low Sulphur at a yield of 26.6%. The total combined yield comes to 88.7%. The products to go for here is the EP and the PS. In a producing environment, this can be achieved by de-stoning the ROM feed at a density of 1.951, and then splitting the lower density stream at a cut-point density of 1.688.
- The MSM has the potential to produce on average a CP at a similar uncontaminated yield of 1.7%, a less sweet EP at a yield of 53% and a PS with low Sulphur at a yield of 38.7%. The total combined yield comes to 93.3%. The products to go for here is the EP and the PS. In a producing environment, this can be achieved by de-stoning the ROM feed at a density of 1.960, and then splitting the lower density stream at a cut-point density of 1.641, to produce the lower density primary EP, and the middling PS.
- The MSU has the potential to produce on average a CP at an uncontaminated yield of 22.2%, an EP at a yield of 13.8% and a PS with low Sulphur at a yield of 54%. The total combined yield comes to 90%. The products to go for here is the CP, EP and the PS. In a producing environment, this can be achieved by de-stoning the ROM feed at a density of 1.963, and then splitting the lower density stream at a cut-point density of 1.386 to deliver the CP. The "discard" from this split can then again be split at a cut-point density of 1.557 to produce the EP and PS.
- The 1A Lower Seam has the potential to produce on average a CP at an uncontaminated yield of 8.6%, a sweet EP at a yield of 6.1% and a PS with low Sulphur at a yield of 40.9%. The total combined yield comes to 55.6%. Depending on the contamination and dilution in yield, the products to go for here may be the CP, EP and the PS. In a producing environment, this can be achieved by de-stoning the

ROM feed at a density of 1.964, and then splitting the lower density stream at a cut-point density of 1.390 to deliver the CP. The "discard" from this split can then again be split at a cut-point density of 1.507 to produce the EP and PS.

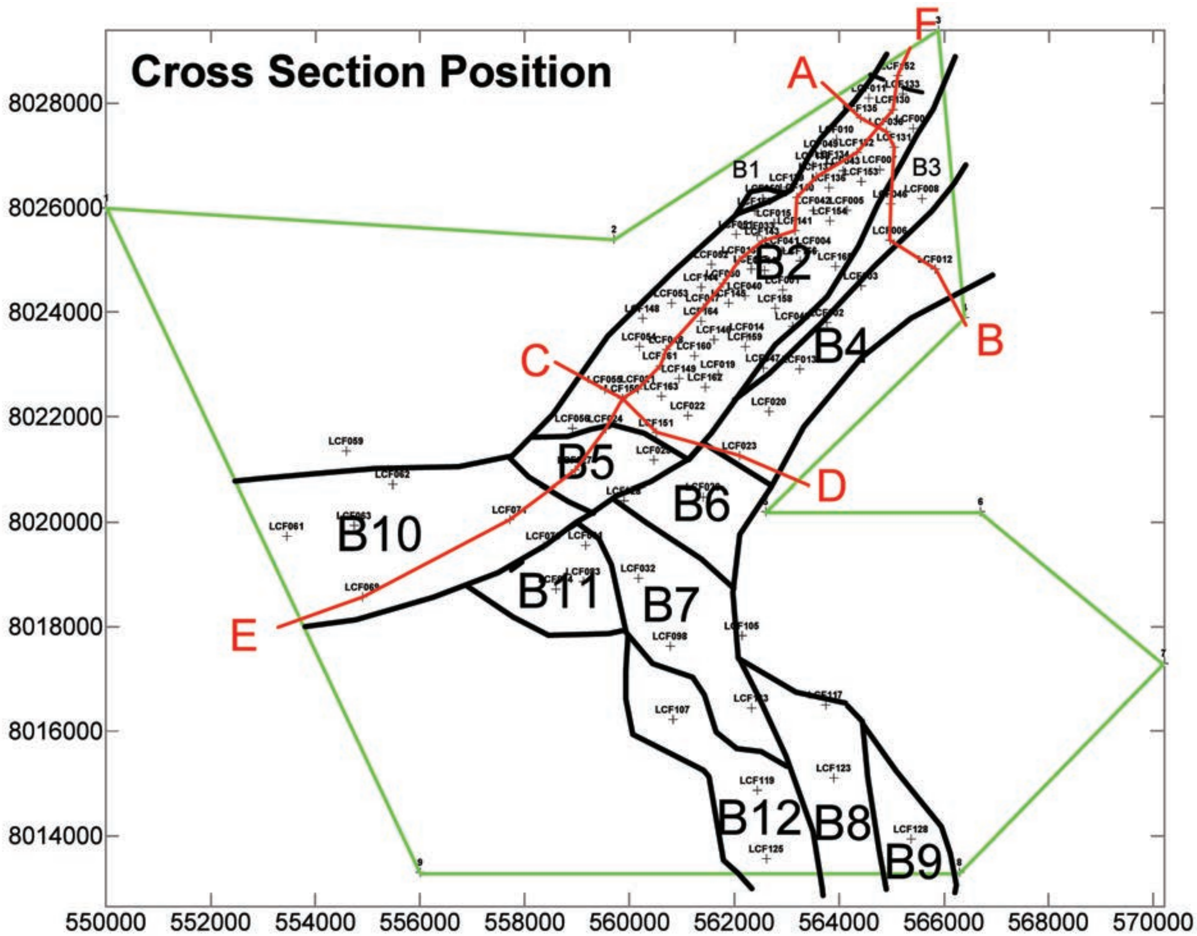
- The 1B Lower has the potential to produce on average a CP at an uncontaminated yield of 1.9%, a sweet EP at a yield of 16.3% and a PS with low Sulphur at a yield of 41.1%. The total combined yield comes to 59.2%. The products to go for here is the EP and the PS. In a producing environment, this can be achieved by de-stoning the ROM feed at a density of 1.971, and then splitting the lower density stream at a cut-point density of 1.532, to produce the lower density primary EP, and the middling PS.
- The 1B Middle Seam has the potential to produce on average a CP at an uncontaminated yield of 1.4%, a very sweet EP at a yield of 9.2% and a PS with moderate Sulphur at a yield of 47.4%. The total combined yield comes to 58%. The products to go for here is the EP and the PS. In a producing environment, this can be achieved by de-stoning the ROM feed at a density of 1.976, and then splitting the lower density stream at a cut-point density of 1.507, to produce the lower density primary EP, and the middling PS.
- The 1B Upper Seam has the potential to produce on average a CP at an uncontaminated yield of 7.8%, an EP at a yield of 6.7% and a PS with higher Sulphur (0.90%) at a yield of 40.9%. The total combined yield comes to 55.4%. Depending on the contamination and dilution in yield, the products to go for here may be the CP, EP and the PS. In a producing environment, this can be achieved by de-stoning the ROM feed at a density of 1.984, and then splitting the lower density stream at a cut-point density of 1.389 to deliver the CP. The "discard" from this split can then again be split at a cut-point density of 1.498 to produce the EP and PS.
- The 1C Seam has the potential to produce on average a CP at an uncontaminated yield of 7.2%, an EP at a yield of 7.8% and a PS with high Sulphur (1.02%) at a yield of 49.4%. The total combined yield comes to 64.4%. Depending on the contamination and dilution in yield, the products to go for here may be the CP, EP and the PS. In a producing environment, this can be achieved by de-stoning the ROM feed at a density of 1.971, and then splitting the lower density stream at a cut-point density of 1.381 to deliver the CP. The "discard" from this split can then again be split at a cut-point density of 1.492 to produce the EP and PS.

The results are summarized in Table 25 below.

INSTRUCTIONS:

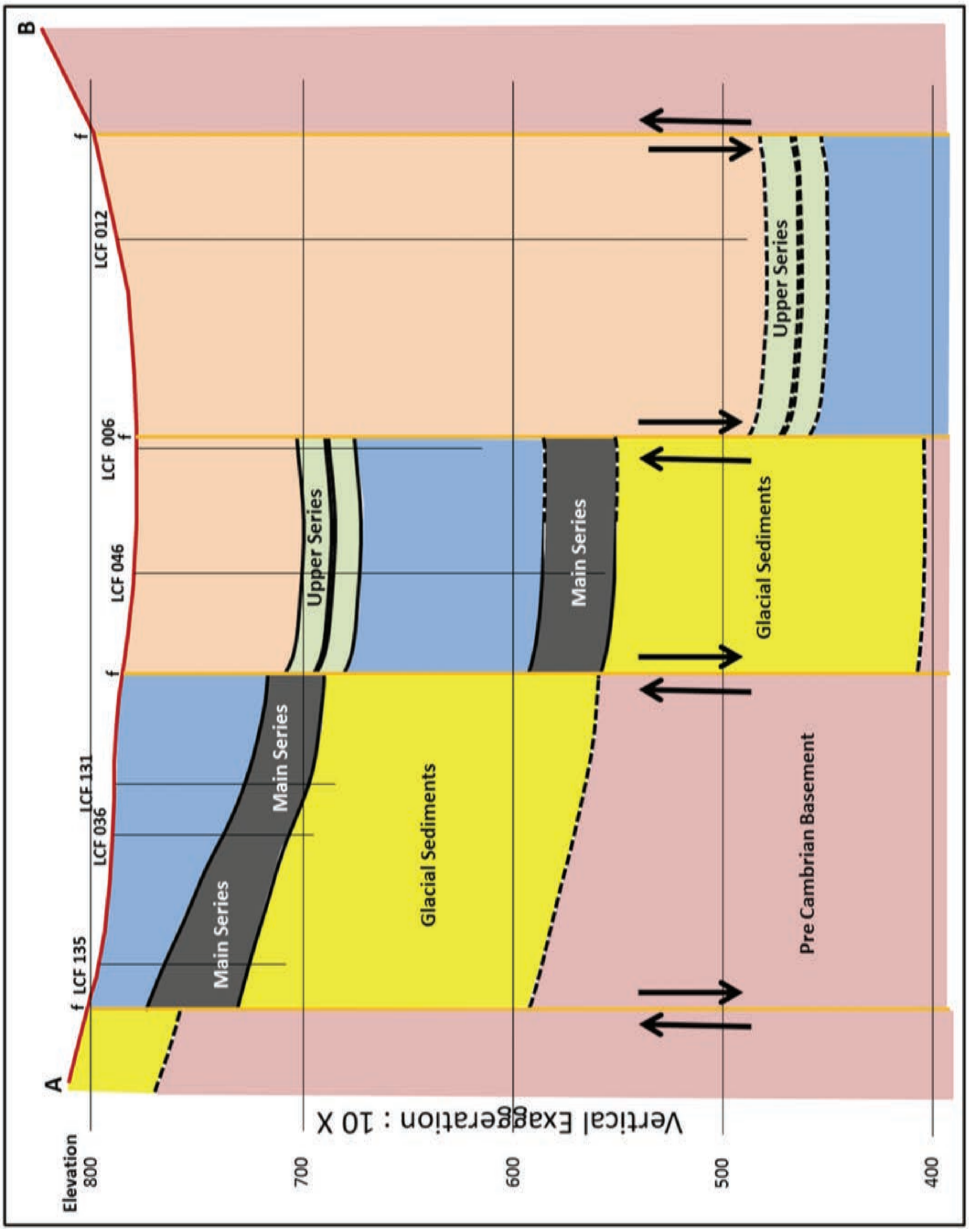
1) For properties with mineral resource estimates, the qualified person may meet the requirements under Item 10 (c) by providing a drill plan and representative examples of drill sections through the mineral deposit.

2) If drill results from previous operators are included, clearly identify the results of drilling conducted by or on behalf of the issuer.

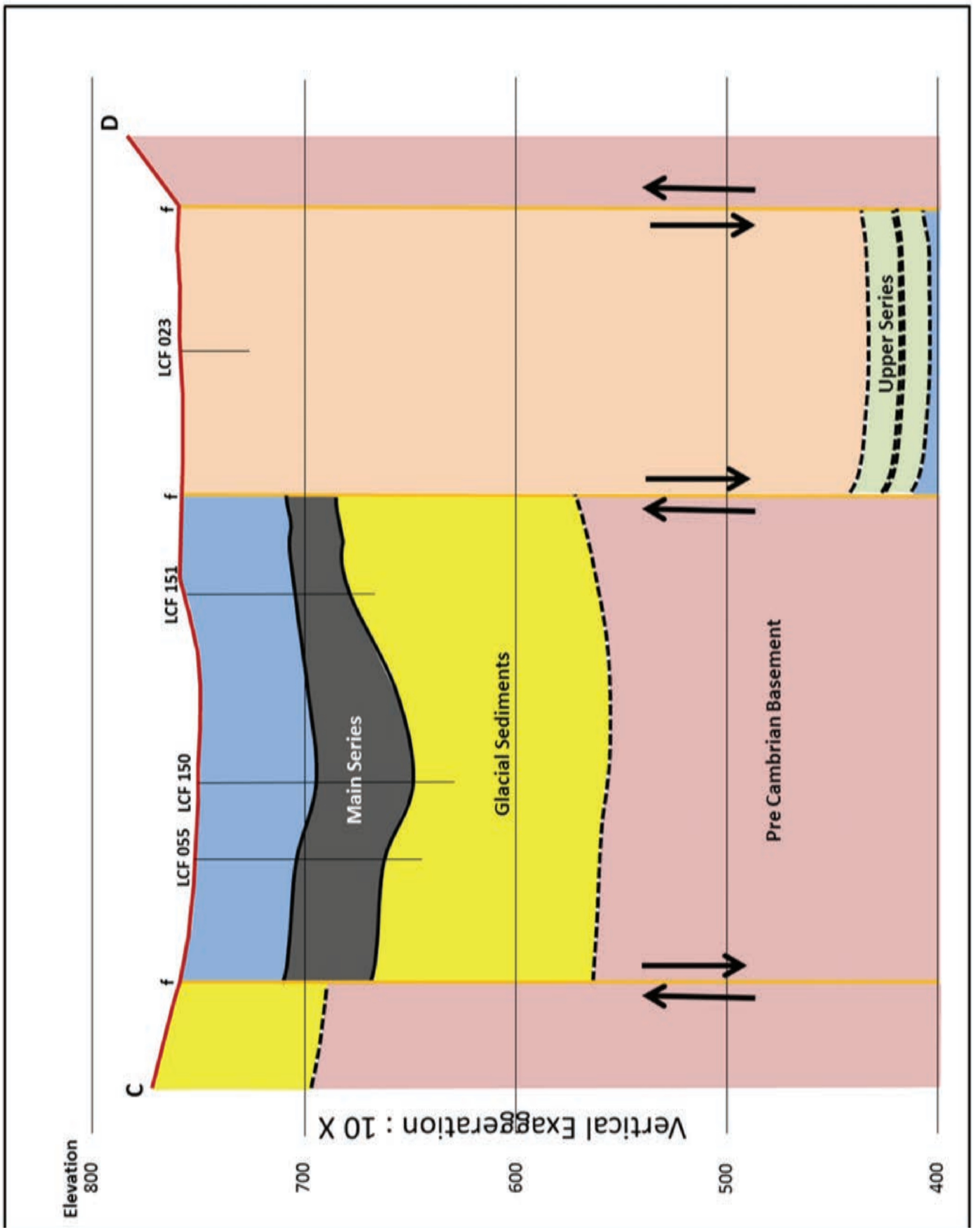


		Coking Coal Product (Ash < 11% with Swell)									Power Station Product (CV > 18 MJ/kg, Vols > 18 %)								Export Product (CV >25.5)									Discard Quality							
	Seam	Cut Pt Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S	CSI	Cut Pt Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S	Cut Pt Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S	Total Th Yield	Density	% Yield	% H_2O	% Ash	% Vol	% F C	CV MJ/Kg	% T S
Wt Ave		**1.381**	**7.2**	**3.2**	**10.0**	**34.9**	**51.9**	**29.72**	**0.98**	**5.1**	**1.904**	**49.4**	**2.9**	**32.1**	**27.4**	**37.82**	**20.88**	**1.02**	**1.492**	**7.8**	**3.0**	**19.5**	**31.5**	**46.0**	**26.03**	**0.97**	**64.4**	**1.971**	**35.6**	**2.3**	**72.4**	**13.7**	**11.3**	**4.94**	**0.39**
Max	1C	1.400	19.9	5.6	11.9	36.6	55.0	31.26	2.03	7.5	2.000	100.0	4.8	48.7	30.6	50.5	23.67	2.59	1.500	38.8	4.9	21.9	33.7	53.6	27.40	1.82	100.0	2.000	55.2	3.8	79.2	19.8	20.1	10.39	1.26
Min		1.300	2.7	1.6	4.8	32.8	48.5	28.12	0.63	2.5	1.700	25.0	1.6	24.5	19.5	31.2	17.79	0.21	1.400	3.9	1.6	14.7	28.4	43.2	24.51	0.37	44.8	1.900	18.3	0.7	59.8	10.4	5.4	1.68	0.09
Wt Ave		**1.389**	**7.8**	**3.3**	**9.8**	**34.7**	**52.2**	**29.73**	**0.98**	**5.3**	**1.882**	**40.9**	**2.8**	**35.2**	**27.0**	**35.0**	**19.65**	**0.92**	**1.498**	**6.7**	**2.9**	**20.0**	**31.3**	**45.8**	**26.07**	**1.01**	**55.4**	**1.984**	**44.6**	**2.4**	**68.4**	**16.6**	**12.7**	**6.10**	**0.41**
Max	1B Upper	1.500	24.3	6.1	13.5	37.9	56.8	31.85	1.55	7.5	2.000	100.0	4.6	42.0	29.8	40.5	21.91	1.65	1.500	36.7	5.1	24.5	34.5	50.0	27.20	1.51	100.0	2.000	82.5	3.7	78.6	29.0	23.6	13.87	1.73
Min		1.300	1.3	1.8	4.6	31.0	50.0	27.98	0.36	3.3	1.700	10.0	1.6	28.6	21.2	29.8	17.10	0.30	1.400	2.0	1.8	15.2	28.1	38.4	24.90	0.55	17.5	1.900	12.4	1.2	46.9	10.3	4.1	1.89	0.09
Wt Ave		**1.365**	**1.4**	**3.3**	**8.9**	**34.0**	**53.8**	**30.02**	**0.90**	**5.7**	**1.875**	**47.4**	**2.9**	**35.9**	**25.0**	**36.2**	**19.58**	**0.70**	**1.507**	**9.2**	**3.1**	**18.3**	**30.9**	**47.6**	**26.49**	**0.92**	**58.0**	**1.976**	**42.0**	**2.4**	**65.5**	**15.4**	**16.6**	**7.79**	**0.35**
Max	1B Middle	1.400	15.8	6.0	10.6	35.7	56.3	30.98	1.31	8.0	2.000	100.0	5.6	42.6	30.5	47.1	23.06	1.87	1.600	24.8	4.6	23.2	34.3	52.1	28.78	1.68	100.0	2.000	83.4	4.2	73.3	24.0	23.7	12.06	1.94
Min		1.300	0.8	1.4	5.2	30.0	51.2	28.47	0.54	4.5	1.600	6.2	1.5	26.3	22.1	32.8	17.64	0.29	1.500	4.0	1.3	12.0	27.9	45.1	25.20	0.60	16.6	1.900	15.2	1.2	55.6	11.8	10.3	4.52	0.09
Wt Ave		**1.376**	**1.9**	**3.2**	**9.4**	**33.2**	**54.2**	**30.21**	**0.76**	**5.1**	**1.841**	**41.1**	**3.1**	**38.0**	**23.8**	**35.4**	**18.70**	**0.53**	**1.532**	**16.3**	**3.3**	**18.3**	**30.7**	**47.7**	**26.40**	**0.78**	**59.2**	**1.971**	**40.8**	**2.5**	**60.7**	**16.1**	**21.2**	**9.73**	**0.40**
Max	1B Lower	1.400	27.8	6.8	11.5	35.8	57.8	31.43	1.35	7.5	2.000	86.1	5.1	49.3	27.3	40.1	21.47	1.27	1.800	33.9	6.9	22.5	33.7	57.7	29.46	1.68	100.0	2.000	67.9	4.2	74.6	21.0	28.9	14.56	7.34
Min		1.300	0.6	1.6	4.2	31.7	51.0	28.65	0.55	2.5	1.700	8.4	1.7	30.3	20.4	32.5	17.18	0.25	1.500	2.5	1.7	11.9	25.5	44.8	25.15	0.37	32.1	1.900	15.6	1.2	50.6	12.7	11.5	3.75	0.09
Wt Ave		**1.390**	**8.6**	**3.5**	**10.0**	**33.2**	**53.3**	**29.63**	**0.92**	**4.2**	**1.881**	**40.9**	**3.0**	**34.8**	**24.3**	**37.8**	**19.73**	**0.61**	**1.507**	**6.1**	**3.3**	**17.6**	**30.3**	**48.7**	**26.55**	**0.65**	**55.6**	**1.964**	**44.4**	**2.3**	**65.8**	**14.6**	**17.3**	**7.32**	**0.30**
Max	1A Lower	1.500	42.5	7.7	12.3	36.3	56.2	31.11	1.47	7.5	2.000	100.0	4.9	42.0	28.5	43.4	22.99	1.67	1.600	52.7	5.2	22.9	33.9	56.8	28.14	1.35	100.0	2.000	76.5	3.5	73.1	33.3	30.6	14.03	1.10
Min		1.300	1.5	1.5	5.7	30.3	51.2	27.91	0.30	1.5	1.700	5.3	1.5	26.7	18.8	31.8	17.67	0.23	1.400	9.3	2.0	14.1	23.9	46.0	24.81	0.28	23.5	1.700	4.0	0.9	47.0	11.5	11.6	4.64	0.11
Wt Ave		**1.386**	**22.2**	**3.6**	**9.6**	**32.8**	**54.0**	**29.95**	**0.63**	**3.5**	**1.924**	**54.0**	**3.1**	**34.6**	**22.4**	**39.9**	**19.82**	**0.57**	**1.557**	**13.8**	**3.6**	**18.6**	**25.1**	**52.7**	**25.99**	**0.46**	**90.0**	**1.963**	**10.0**	**2.6**	**63.0**	**15.3**	**19.2**	**8.09**	**0.41**
Max	MSU	1.400	68.6	7.1	12.8	35.3	58.2	31.60	1.07	7.5	2.000	100.0	5.4	41.7	30.0	47.6	23.11	2.79	1.700	69.6	6.4	22.8	30.3	57.4	28.13	1.27	100.0	2.000	83.1	4.4	76.2	26.3	30.4	13.63	3.59
Min		1.300	1.4	2.0	4.6	28.9	49.1	28.40	0.29	1.0	1.700	6.1	1.6	27.0	16.2	33.2	16.87	0.14	1.500	4.2	1.8	13.5	20.6	46.1	24.40	0.14	16.9	1.900	3.8	0.6	48.3	4.5	9.2	4.63	0.05
Wt Ave		**1.360**	**1.7**	**4.2**	**9.4**	**32.7**	**53.7**	**30.08**	**0.57**	**3.4**	**1.905**	**38.7**	**3.3**	**33.8**	**19.4**	**44.2**	**20.06**	**0.46**	**1.641**	**52.9**	**3.6**	**18.8**	**23.4**	**54.2**	**25.90**	**0.37**	**93.3**	**1.960**	**6.7**	**2.2**	**56.4**	**14.9**	**21.7**	**10.12**	**0.47**
Max	MSM	1.400	36.3	4.8	9.9	40.6	56.7	31.69	0.65	6.5	2.000	100.0	6.3	76.6	39.2	55.5	24.23	1.73	2.000	100.0	6.3	23.3	29.9	58.9	28.51	0.95	100.0	2.000	62.2	3.7	71.7	31.5	31.8	14.39	4.48
Min		1.300	0.0	2.8	5.7	30.6	50.6	29.94	0.32	2.6	1.700	8.4	1.0	12.8	6.2	12.3	17.18	0.07	1.400	8.6	1.7	13.3	18.3	43.4	25.02	0.14	37.8	1.900	0.0	1.3	47.6	10.0	12.2	4.15	0.08
Wt Ave		**1.300**	**1.7**	**4.4**	**10.5**	**31.1**	**54.0**	**29.17**	**0.40**	**3.6**	**1.902**	**26.6**	**2.7**	**35.3**	**21.9**	**40.3**	**19.92**	**0.36**	**1.688**	**62.0**	**3.2**	**19.5**	**25.5**	**51.8**	**26.12**	**0.38**	**88.7**	**1.951**	**11.3**	**2.0**	**62.0**	**16.0**	**19.1**	**8.63**	**1.05**
Max	MSL	1.300	4.8	5.5	10.9	33.9	54.1	30.70	0.44	4.0	2.000	100.0	6.2	54.6	28.4	50.5	25.06	1.18	2.000	100.0	5.7	24.1	32.0	62.1	28.43	1.09	100.0	2.000	80.7	4.1	79.2	34.2	35.1	15.38	13.66
Min		1.300	1.4	2.6	9.7	29.5	53.8	28.26	0.37	3.0	1.700	2.8	1.2	23.1	16.4	32.4	17.89	0.11	1.400	9.6	1.2	13.4	19.9	43.6	25.21	0.15	19.3	1.900	2.1	0.6	46.0	10.9	0.9	2.74	0.00

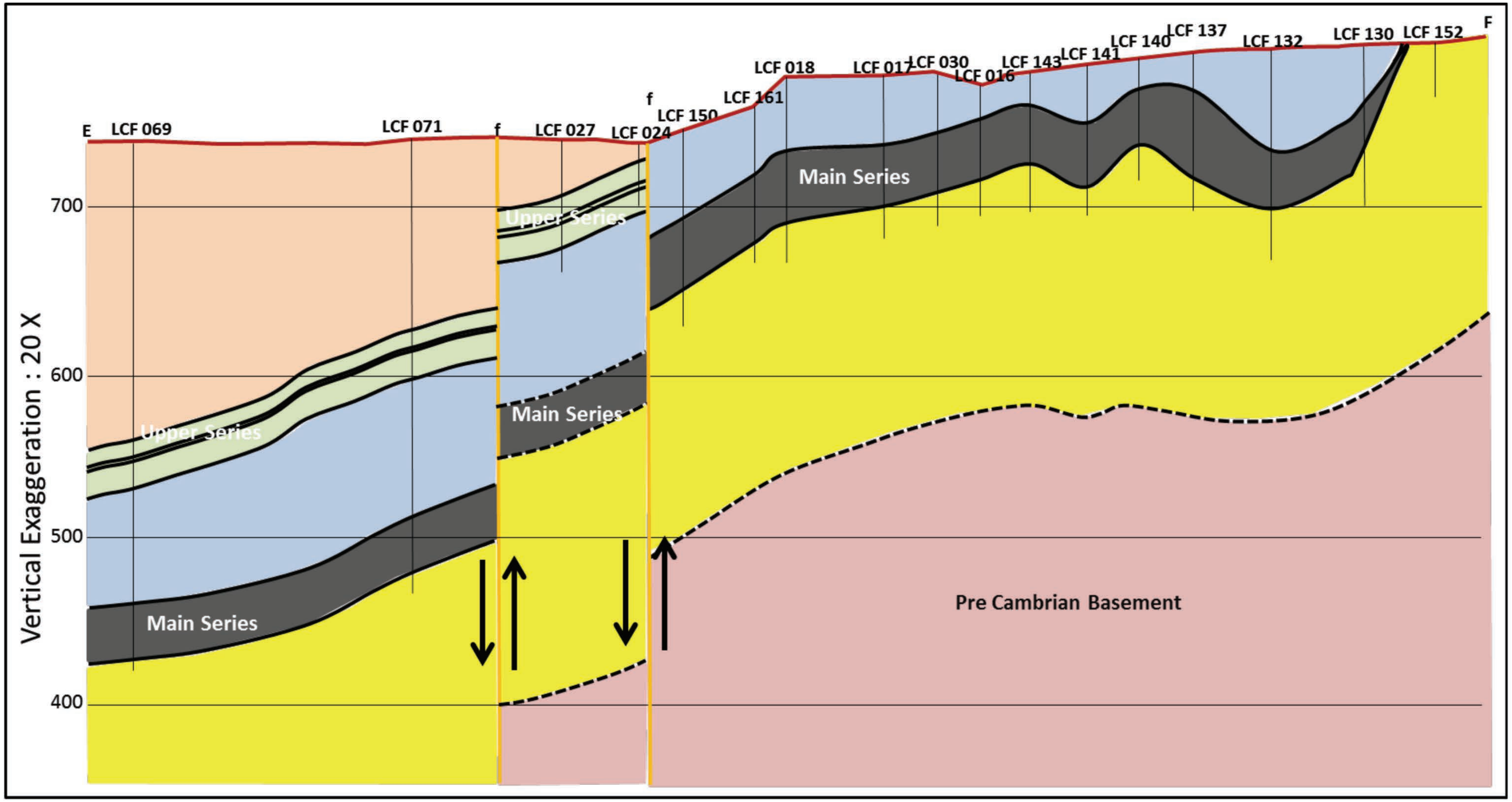
Table 25: Potential Products that may be realised from the various Seams



Cross Section A-B Across Blocks B2, B3 and B4 and the Relative Displacement along the Fault Boundaries.



Cross Section C-D Across Blocks B2 and B4 and the Relative Displacement along the Fault Boundaries.



Cross Section E-F Across Blocks B10, B5 and B2 and the Relative Displacement along the Fault Boundaries.

11. Sample Preparation, Analyses and Security

Raw, wash-ability and reconstituted samples were analysed at the Australian Laboratory Services laboratory (ALS) in Witbank, Mpumalanga, South Africa.

Coal core sampling was carried out with the objective of determining the detailed quality variation within the seams and identifying the select zones for ultimate mining. The coal core was logged in the core yard and described in detail on the lithological logs. All coal cores in the exploration program were sampled with the aid of geophysical logs. The main property used to delineate sample boundaries was density. Coal core was stored in plastic bags to limit contamination and minimize moisture variation.

a. *sample preparation methods and quality control measures employed before dispatch of samples to an analytical or testing laboratory, the method or process of sample splitting and reduction, and the security measures taken to ensure the validity and integrity of samples taken;*

The samples, once logged and tagged, would be weighed on an electronic scale, which is placed on a horizontal prepared concrete slab. The scale was checked for calibration with a set of standard masses at the start of each sample weighting session.

The sample bags (150 micron polyethylene) would have a tag placed inside the bag, with the full core material (There was no retention of core material outside of the sample bag). Full core samples were taken before being closed, and a duplicate tag attached to the outside by cable tie. The weighed bag would then be placed inside the refrigeration unit, and the masses would be recorded for comparison with the laboratory received masses. Due to the large size of some of the samples, a sample could be contained in more than 1 bag. The receiving laboratory was made aware of this.

During the planning phase of this project, the possibility of using a local Zimbabwean laboratory was investigated, but an accredited coal laboratory was not available to complete the work. A decision was taken to export the samples to South Africa, and to use ALS in Witbank for the analytical work.

When samples are exported from Zimbabwe, the Zimbabwe Geological Survey has to verify the authenticity of the samples. Once the verification is complete, the CGH sample bags were placed and sealed inside bigger polypropylene bags, and a customs seal was placed on these bags.

The samples were taken to SA in batches of 700 – 800 kg. The samples were carried in refrigerated trailers, equipped with back-up inverters and battery packs, in the event of delays at the border posts in Zimbabwe and South Africa.

The trailer temperature was regulated at an average of 4°C. The temperature range was kept between 2°C and 8°C, and was limited to not drop below 2°C.

Customs seals are left intact at the border posts, hence an added measure of security in terms of the transport of samples. Once the samples arrived in Witbank, the customs seals were broken and the sample bags weighed with the masses recorded, before the sample preparation commenced.

b. *relevant information regarding sample preparation, assaying and analytical procedures used, the name and location of the analytical or testing laboratories, the relationship of the laboratory to the issuer, and whether the laboratories are certified by any standards association and the particulars of any certification;*

ALS was responsible for coal analysis (Appendix 3), and performed the analyses for all the samples taken (901). ALS is an independent coal laboratory situated in Witbank in South Africa. CGH and Sumsare Consulting have no vested interest in the laboratory. The relationship is purely commercial.

Sample preparation would start with the allocation of a bar-coded tracking number for each sample received. With each batch of samples will be a sample request on which the standard request analysis would be instructed. During the first phase of sampling a long and short wash were used. During the subsequent phases of the project, raw and modified long wash analyses were used. The details of these requests are shown in Tables 11, 12, 13 and 14 in Section 9.

After air drying the coal samples were crushed to a top-size of 15.0 mm. Samples were then homogenised and halved. The first half was then mechanically split and the portions were used to perform the requested analyses, while the second half went into cold storage for future analyses. The sample is screened at +0.5\-0.5 mm. A Raw analysis is performed on the -0.5 mm material (Proximate, CV, Sulphur, HGI and CSI). The +0.5 mm material is used to perform the analyses as requested.

Long wash;

Samples were washed at the following relative densities; 1.20, 1.30, 1.40, 1.50, 1.60, 1.70, and 1.80 ton/m^3, with float and sink fractions analysed for Proximate Analysis, Calorific Value (MJ/kg) and Total Sulphur % content. The fractions 1.20, 1.30, 1.40 and 1.50 were submitted for CSI analyses. The full wash-ability tables were presented with fractional and cumulative values for each of the core samples. A raw coal analyses were also carried out on each sample.

Short wash;

Samples were washed at the following relative densities; 1.30, 1.50, 1.60, and 1.90 ton/m^3, with float and sink fractions analysed for Proximate Analysis, Calorific Value (MJ/kg) and Total Sulphur % content. The fractions 1.30 and 1.50 were submitted for CSI analyses. The full wash-ability tables were presented with fractional and cumulative values for each of the core samples. Raw coal analyses were also carried out on each sample.

Modified Long wash;

Samples were washed at the following relative densities; 1.25, 1.30, 1.35, 1.40, 1.50, 1.60, 1.70, 1.80 and 1.90 ton/m^3, with float and sink fractions analysed for Proximate Analysis, Calorific Value (MJ/kg) and Total Sulphur % content. The fractions 1.20, 1.30, 1.40 and 1.50 were submitted for CSI analyses. The full wash-ability tables were presented with fractional and cumulative values for each of the core samples. A raw coal analyses were also carried out on each sample and the raw density was also determined.

Special Analyses;

Selected clusters of boreholes in Block 2 were analysed for special and petrographic properties. Three clusters were made up as follows,

Cluster 1: Boreholes LCF 132, LCF 134 and LCF 153 were combined for its MSL, MSM, MSU and 1C Seam samples.

Cluster 2: Boreholes LCF 141, LCF 142 and LCF 156 were combined for its MSL, MSM, and MSU Seam samples.

Cluster 3: Boreholes LCF 160, LCF 161 and LCF 162 were combined for its MSL, MSM, MSU, 1A Lower, 1B Lower, 1B Middle, 1B Upper and 1C Seam samples.

These combined samples were washed at the following relative densities; 1.4, 1.60 and 1.90 ton/m^3, with float and sink fractions analysed as listed below. The full wash-ability tables were presented with fractional and cumulative values for each of the samples. The analyses requested included;

- Proximate Analysis
- Calorific Value
- Total Sulphur
- Phosphorous in Coal
- Ash Constituents

- Ultimate Analysis
- Ash Fusion Temperature
- Maceral Composition
- Vitrinite Reflectance

Based on the Composition Balance Index, this coal can produce a coke that falls in-between a foundry coke and a metallurgical coke. The CBI varies between 0.61 and 3.29. The mean maximum Vitrinite reflectance varies between 0.66% and 1.04%, with the median at 0.74%. In terms of rank parameters, when the Dry Ash Free Volatile values are compared with the Vitrinite reflectance, this coal rank plots between high volatile bituminous A and high volatile bituminous B types.

The testing standards are as follows;

- Inherent Moisture, ISO 331
- Ash, ISO 1171
- Volatile Matter, ISO 562
- Gross Calorific Value, ISO 1928
- Total Sulphur, ASTM – D4239
- Crucible Swelling Index, ISO 501
- Float and Sink Analyses, ISO 7936 (Heavy Liquids)
- Hardgrove Index, ASTM – D3402.
- Phosporous in Coal, ASTM-D3682
- Ultimate Analysis, ASTM D-5373
- Ash Fusion Temperature, ISO 540
- Petrographic Analysis, ISO 7404

ALS is certified by SANAS. A copy of their latest certificate is shown in Figure 46 below. The schedule of accreditation is shown in Figure 47. The certification is for Chemical Analyses in terms of ISO/IEC 17025:2005. The facility accreditation number is T0478. The certification was received in November 2010, and is valid until Nov 2015.

sanas
South African National
Accreditation System

CERTIFICATE OF ACCREDITATION

In terms of section 22(2)(b) of the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act 19 of 2006), read with sections 23(1), (2) and (3) of the said Act, I hereby certify that:-

ALS GROUP: WITLAB (PTY) LTD
Co. reg no: 2003/009138/07

Facility Accreditation Number: **T0478**

is a South African National Accreditation System accredited Testing laboratory provided that all SANAS conditions and requirements are complied with

This certificate is valid as per the scope as stated in the accompanying schedule of accreditation, Annexure "A", bearing the above accreditation number for

CHEMICAL ANALYSIS

The facility is accredited in accordance with the recognised International Standard

ISO/IEC 17025:2005

The accreditation demonstrates technical competency for a defined scope and the operation of a laboratory quality management system

While this certficate remains valid, the Accredited Facility named above is authorised to use the relevant SANAS accreditation symbol to issue facility reports and/or certificates

Mr R Josias
Chief Executive Officer

Effective Date: 10 November 2010
Certificate Expires: 09 November 2015

Figure 46: SANAS Certification for ALS.

ANNEXURE A

SCHEDULE OF ACCREDITATION

Testing Laboratory Number: T0478

Permanent Address of Laboratory: ALS Group: Witlab (Pty) Ltd 1 Grysbok Street Tasbet Park Witbank 1035	**Technical Signatories**	: Mr E van Dyk : Mrs C Abbey : Mr N Botha
Postal Address: P O Box 1569 Witbank 1035	**Nominated Representative**	: Mr G Swart
Tel : 013 692 8000 Fax : 013 692 5609 E-mail : gert.swart@alsglobal.com	Issue No Date of issue Expiry date	: 01 : 11 November 2010 : 09 November 2015

Materials/Products Tested	Types of Tests/Properties Measured, Range of Measurement	Standard Specifications, Equipment/ Techniques Used
Hard Coal Brown Coal Sub - Bituminous Bituminous	Determination of Ash content	ISO 1171:1997
	Determination of Volatile Matter	ISO 562:1998
	Moisture in Analysis Sample	SANS 5925
	Moisture in Analysis Sample	ISO 11722:1995
	Gross Calorific Value at constant volume	ISO 1928: 2009
	Determination of Total Sulphur	ASTM: D4239-05
	Preparation of test Sample	ISO 13909:2001(Part 4)
	Calculation of Fixed Carbon	By calculation
	Determination of Total Moisture	ISO 589: 2008

Original date of accreditation: 10 November 2010 Page 1 of 1

ISSUED BY THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM

Field Manager

Figure 47: SANAS Schedule of Accreditation for ALS.

c. *a summary of the nature, extent, and results of quality control procedures employed and quality assurance actions taken or recommended to provide adequate confidence in the data collection and processing; and*

The reporting of results within the laboratory is automated and results are reported into a centralized reporting system directly from the analytical instruments. The potential for human interference with the reporting of results is eliminated, and results cannot be edited or adjusted.

The ALS Quality Assurance strategy consists of three areas, namely:

- Internal Quality Control – the analysis of Quality Control Samples
- External Quality Control – participation In a Proficiency Testing Scheme
- Quality of Outsourced samples analyzed by external laboratories.

These measures are necessary to meet the requirements of the analytical standards with regard to accuracy, precision, repeatability and reproducibility.

Internal Quality Control

Internal quality control samples (QAS) are analyzed on a daily basis to determine the performance of the analysts as well as instrumentation in the laboratory for specific tests or measurements. QAS results are evaluated and a Z-score is calculated for each result. The daily results are compared to the median of all of the results, since any outliers that may be present do not heavily influence it. The average of the results cannot be used, because it might be contaminated with outliers and will therefore not be an accurate reflection of the true value of the specimen.

Repeatability and Reproducibility limits are listed according to the specified limits in the ISO/ASTM/SANS methods. The repeatability limits are used as the target standard deviation value in the Z-score calculation.

External Quality Control

ALS participates in the COALSPEC Proficiency Testing Scheme conducted and administered by Coal & Mineral Technologies (Pty) Ltd, a subsidiary of the SABS, as well as in the Yanka Laboratories' Scheme and the IRR Scheme (Australia ALS). The frequency of testing is quarterly for COALSPEC, and monthly for Yanka and IRR. The purpose for participating in the scheme is to regularly assess ALS' performance compared to the performance of its peers. The following analyses are covered in the combined Proficiency Scheme:

- Inherent moisture
- Calorific value
- Ash content
- Volatile matter (ISO)
- Total sulphur
- Ash Fusion Temperatures (AFT)
- Hardgrove Grindability Index
- Free swelling index
- Ash Constituents
- Ultimate Analyses
- Phosphorous
- Roga

ALS has participated since the inception of the COALSPEC scheme in 1998 (Before 2010 ALS in Witbank was known as Witlab). A total of 54 national and international laboratories participate in the scheme. In a total of 22 rounds, ALS have achieved and maintained a Z-Score < 2 from years 2001-present, which indicates that ALS' performance in the Proficiency Scheme over this period has been satisfactory.

Quality Control of Outsourced Samples

From time to time ALS will outsource samples to the following laboratories:

- Anglo American Coal Laboratories (AACL),
- M & L Inspectorate (M&L),
- Coal and Mineral Technology (Pty) Ltd, a subsidiary of SABS (CMT),
- Khanya Laboratory,
- Advanced Coal Technology (Pty) Ltd, (ACT).

Duplicate samples from this exploration programme were outsourced to M& L Inspectorate in Middelburg. The results from the M&L analyses were in line with the ALS results, and are shown in Appendix 3.

The selected petrographic analyses were outsourced to ACT in Pretoria. These results are listed in Appendix 3.

d. the author's opinion on the adequacy of sample preparation, security, and analytical procedures.

The laboratory functions to an acceptable standard in all spheres and I have no reason to doubt the sample results produced by ALS.

12. Data Verification

Describe the steps taken by the qualified person to verify the data in the technical report, including

a. The data verification procedures applied by the qualified person;

Data verification covered several aspects and phases across the project.

Field surveyed borehole positions with handheld instruments were verified by Orbital Surveying during periodic field survey checks of the project. The elevations returned by handheld instruments were inaccurate. The X and Y positions were of acceptable accuracy for the siting of drilling positions prior to drilling. The survey data as supplied by Orbital Survey was used to arrange the data in space.

The physical drilling of boreholes by the contractor was verified with site visits that were undertaken during the duration of the drilling programme. The drilled holes were also verified independently by the wire-line logs as supplied to me by Exploration Geophysics. The drilling company and the geophysics company have no common vested interests.

The physical sampling was checked by inspection on site during field visits to the project. The sampling was annotated on the wire-line logs, and was checked when the opportunity presented during these field visits.

The bagging and tagging of the core samples were observed when on site by me. Sample masses were recorded before the bags were placed in the refrigerated container. The use of the refrigeration unit was mandatory whilst the samples were kept in storage, until dispatched to the laboratory in South Africa. The use of the container refrigeration unit was observed on every visit. The container is of sufficient size to accommodate at least 3 sample batches of 700 to 800 kg in size.

The Geological Survey of Zimbabwe provided an external verification. This statutory body is responsible for the administration of the export of mineral samples from Zimbabwe. Any samples exported from Zimbabwe needs to be sealed on project site by a selected official from the Geological Survey. The process involves a check of the samples to be exported, a record of it generated by the official, and then sealing it with a customs seal. The seal would only be broken once the samples were off-loaded in Witbank.

The off-loading of samples was witnessed by me on 3 occasions. Once samples were received at ALS, their masses were recorded and sent to me for verification against the list of masses from the exploration camp.

The invoicing from the laboratory was checked by me against the results as received for the samples submitted. CGH would only pay the laboratory on receiving clearance from me.

b. Any limitations on or failure to conduct such verification, and the reasons for any such limitations or failure; and

There will always be opportunity for persons to be unscrupulous and dishonest. In the case of a coal project, the physical bulk of material involved negates to a large degree against this. I am of the opinion that the controls in place is sufficient to verify that the integrity of the data on this project is valid and intact. I have no reason to doubt the validity of the data.

c. The qualified person's opinion on the adequacy of the data for the purposes used in the technical report.

The data is adequate for a resource report and for high level planning purposes. There is no additional or new drilling or analytical data which is required to be included in the Technical Report as now issued; for the avoidance of any doubt, following extensive review I confirm that use of the continued use of the same entire data set as originally used to prepare the Technical Report in 2012.

13. Mineral Processing and Metallurgical Testing

If mineral processing or metallurgical testing analyses have been carried out, discuss

a. *The nature and extent of the testing and analytical procedures, and provide a summary of the relevant results;*

The laboratory testing has been summarized in Section 9 and 10 above. No bulk sampling or large diameter core drilling was done. However, the Ash vs. CV correlations on all the seams is very good, which indicates that beneficiation by density should not be problematic for the coals in the Lubu Coalfield.

When the raw density and the wash-fractions are concerned, product separation should be clear and distinct in the case of the MSL, MSM and MSU. The rest of the seams appear to have more near dense material, and may not separate as cleanly as the 3 lowermost seams, but I do not foresee abnormal production difficulties with any of the seams in this deposit.

The sampling on seams 1A Lower, 1B Middle, and 1B Upper was biased, as explained in Section 9. Because of this the discard streams on these seams (if they are mined and beneficiated) will be much bigger than shown by the borehole data. This will have to be considered during plant design. Alternatively, a physical process of waste removal could be considered prior to the wet density process.

b. *The basis for any assumptions or predictions regarding recovery estimates;*

The data summarized in Section 10 is based on borehole results, and no consideration was made for contamination, dilution, fines generation, and the adding back of fines or the organic efficiency of the beneficiation process.

Factors that are typical for use in the Southern African coal environment are listed in Table 26 below.

c. *To the extent known, the degree to which the test samples are representative of the various types and styles of mineralization and the mineral deposit as a whole; and*

The Results received shows variation in quality for the different seams. In terms of Block 2, there is sufficient data to make a reasonable assumption on the qualities. For the rest of the deposit, the sample densities are very low and it would be risky to make predictions on qualities for the rest of the resource blocks.

An example of Swell Index variation in the MSU is shown in Figure 48.

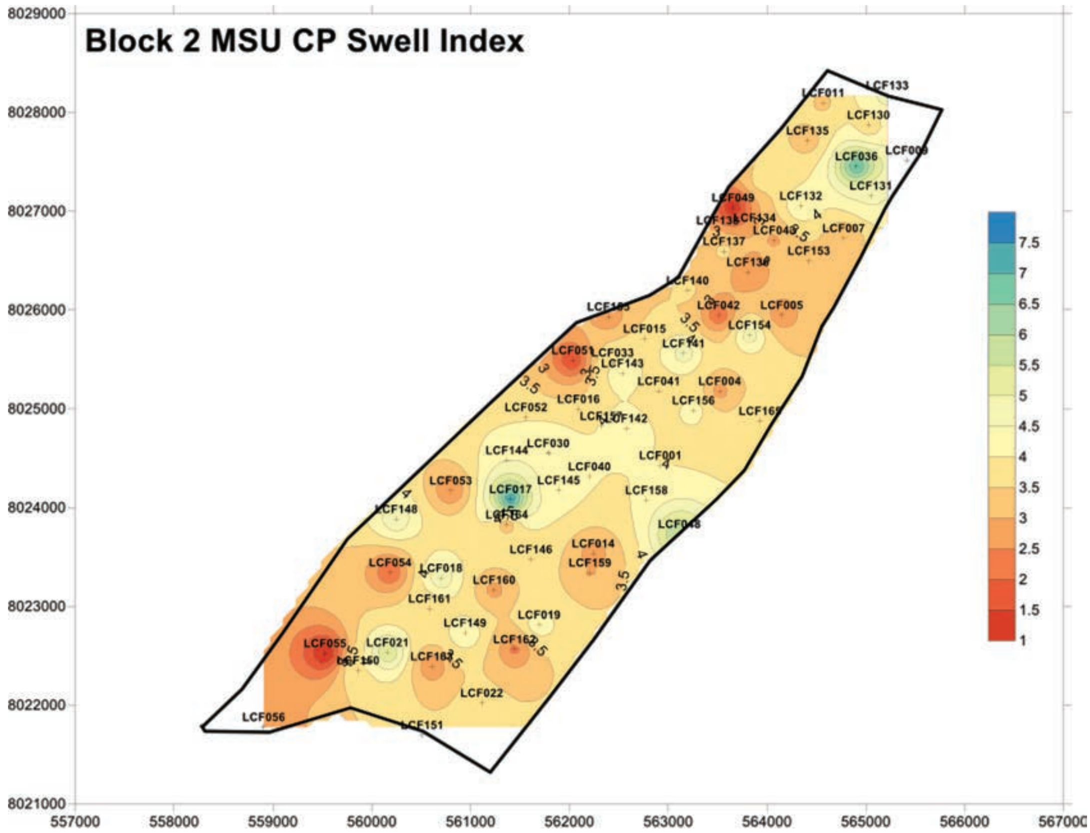


Figure 48: Variation in the MSU Swell Index for a Coking Product.

The variation in % Ash values for power-station product from the MSL in Block 2 is shown in Figure 49. In general the % Ash varies between 36% and 38% for the majority of the seam, with a few isolated areas of lower Ash values. Borehole LCF 052 is very prominent in being the only borehole with elevated ash values for this seam and product.

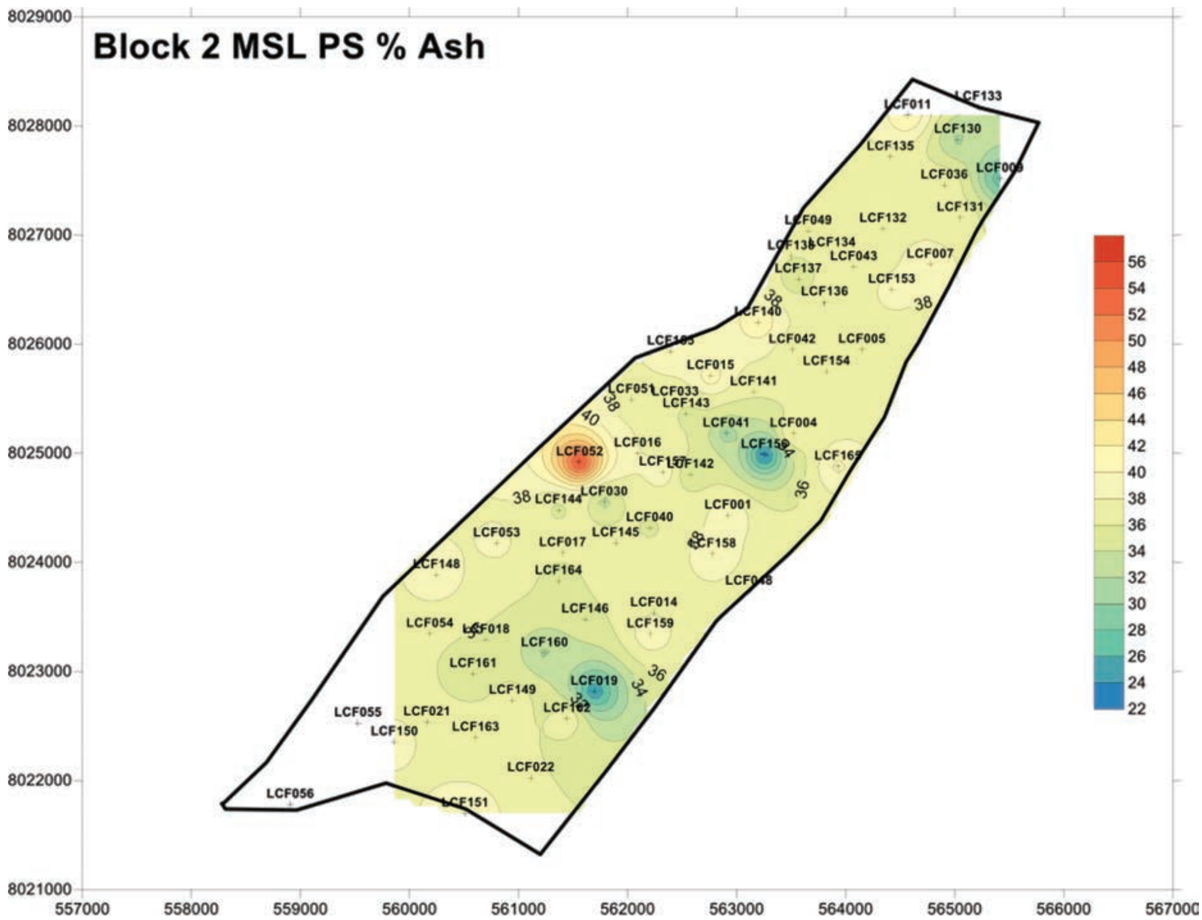


Figure 49: Variation in the MSU % Ash for a Power Station Product.

d. To the extent known, any processing factors or deleterious elements that could have a significant effect on potential economic extraction.

The factors that are usually experienced are listed in Table 26. The floor and roof mudstones and siltstones were observed as competent, and it is not anticipated that these sediments will create settling problems in the processing of the ROM coal.

The amount of fines reported by the laboratory ranged between 1% and 2%. In real life the fines generated would be much closer to 12%.

Modifying Factors for the Resource of the Lubu Project		
1C Seam Density	1.733	Calculated from Laboratory data
1B Upper Density	1.721	Calculated from Laboratory data
1B Middle Density	1.743	Calculated from Laboratory data
1B Lower Density	1.731	Calculated from Laboratory data
1A Upper Density	1.670	Calculated from Laboratory data
1A Lower Density	1.710	Calculated from Laboratory data
MSU Density	1.535	Calculated from Laboratory data
MSM Density	1.555	Calculated from Laboratory data
MSL Density	1.539	Calculated from Laboratory data
Parting Density	1.946	Calculated from Laboratory data
Geological Losses:		
Measured	10%	Historical recons. for this type deposit
Indicated	15%	Historical recons. for this type deposit
Inferred	20%	Historical recons. for this type deposit
Speculative	30%	Historical recons. for this type deposit
Mining Losses:		
Mining Loss	10%	Conservative Estimate
% Extraction : Dragline	88%	Average expected extraction for Opencast mining.
% Extraction : Truck and Shovel	92%	Average expected extraction for Opencast mining.
Roof	10 cm	Expected Roof Contamination @ 2.000 ton/m^3
Floor	10 cm	Expected Floor Contamination @ 2.000 ton/m^3
Process Factors:		
Total Moisture	8%	Reconciled data.
Plant Org Efficiency	95%	Usually 95 - 97 %.
Spiral Efficiency	70%	Usually 70 %.
Loss of Fines	12%	Could be up to 15 %.
Fines Added Back	8.4%	Could be up to 10 %.

Table 26: Typical Modifying Factors to be Applied for Converting Resources to Reserves.

14. Mineral Resource Estimates

A technical report disclosing mineral resources must

a. *Provide sufficient discussion of the key assumptions, parameters, and methods used to estimate the mineral resources, for a reasonably informed reader to understand the basis for the estimate and how it was generated;*

Modeling

The geological model used for the resource estimation was created in Surfer (Version 10.7.972), a modeling package developed and distributed by Golden Software in Colorado.

Surfer is essentially a contour programme that has the capability to calculate volumes between surfaces. The data that is used to create the surfaces are read from spread-sheets or databases, and in this instance I used Excel. The dataset was populated with the lithological and quality data and then interrogated by the software for the required outcomes

Borehole identification, the survey data and then the I seam interval data is loaded into a dataset. Parameters controlling the modelling operation (such as interpolator selection, conformable relationships, limits and faults) are defined and maintained in the model framework. Surfer has a function called blanking, which is use to confine grid files to specific areas. This function is used to isolated resource blocks when volumes are calculated between surfaces. The gridding method used was the inverse of distance squared. For this sample spacing Kriging is not appropriate.

A uniform grid with nodes is generated for each surface. Given the drilling spacing, the grid cell size is set at 150 m x 150 m. It is pointless to grid to a smaller size given that the average borehole spacing across the whole area came to 972 m^2. Block 2 has the highest number of boreholes per area, at an average grid of 490 m^2. Once a volume has been calculated a weighted average density is applied to the volume and a tonnage is calculated.

Key conformable sequences

The model contains the seam intervals MSL Split, MSL, MSM, MSU, 1A L (the various plies), 1A U, 1B L, 1B M (the various plies), 1B U (the various plies) and 1C. Figure 41 shows the modelled area within the total project area. For each of the seams a roof and floor surface was generated i.e. MSL Floor.

In the case of the plies in seams 1A L, 1B M and 1B U, the various plies were modelled individually. Where the plies were not developed, the respective roof and floor surfaces were given the same elevation. By definition this resulted in a zero thickness. The placement of these zero thickness surfaces was done by inspection to prevent the surface from cutting across seams above or below it. The lowermost surface that was created is the MSL Split Floor, and the uppermost surface created was the BHWE (Base horizon of weathering).

Model limits

The model is limited by the extent of borehole data, the base of the weathered horizon, the natural sub-outcrop in the extreme north (LCF 152), and the fault boundaries that defines the northern and southern coal limits, the internal fault boundaries that determines Block geometry as well as the limits of the lease area.

Borehole Survey

The total number of boreholes used to create the Lubu Coal model is 100 (Figure 45). All boreholes drilled were accurately surveyed. There is no existing Data Terrain Model to use as a check for the borehole collars, and hence the borehole collar elevation data was used as the topography from which all seam data was suspended in space.

Topography

A contour plan was plotted at 5 metre intervals and an accuracy check (by observation) was done with the Government issued topocadastral maps for the area. Because the drilling was focussed on the low lying areas of the SG, I could only make a comparison with the Lubu valley. The general slope and contour trends agree with a broad valley that drains from higher ground in the East to lower lying areas in the west. A second valley drains from the south-east towards the west.

Density

Density data was taken from the raw density determination by the laboratory. The density data was weighted for sample mass and were calculated per seam. Densities are listed in the Resource statement below. The weighted raw density for the whole of the Lubu Coalfield comes to 1.662 ton/m^3. The lower lying seams are less dense at 1.539 ton/m^3 for the MSL, and the most dense seam is the 1B Middle at 1.743 ton/m^3.

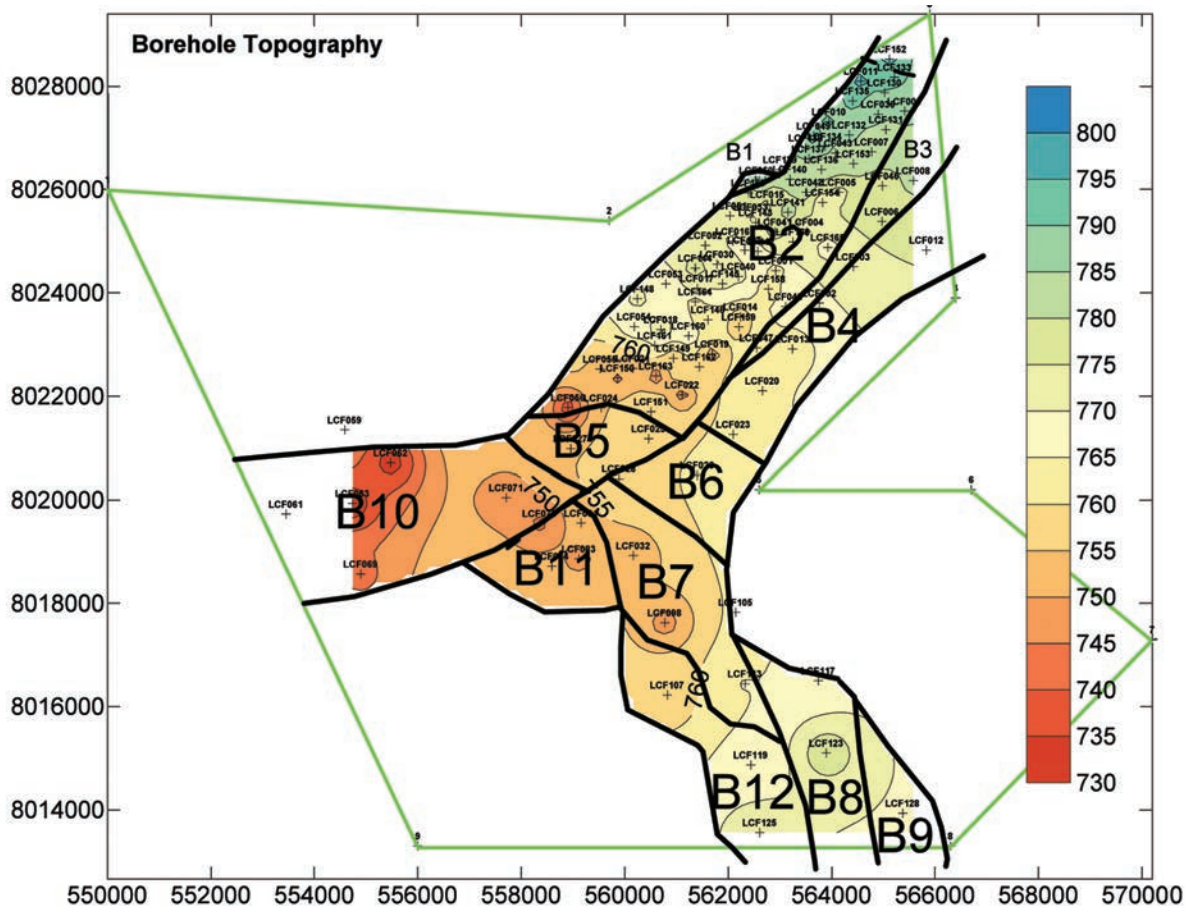


Figure 50: The Surface Contours for SG 4686, from Borehole Collars.

Borehole Lithology

A general check was done on the lithological data captured, to verify that the descriptions are consistent with the environment of the deposit and the basement, i.e. the standard lithological coding was used correctly. The wire-line logs were used for depth checks, total thickness checks and RD checks, i.e., does the geophysical log verify the logger's lithological log and the qualities per sample.

Samples and Qualities

The following validation is done on the quality data before loading:

- Proximate analyses = 100%
- Are there missing samples i.e. not sampled at all or analyses missing?
- Do overlapping samples exist?
- Validation of all values present in a sample
- Is the quality of the sample representative of the lithology description?

The quality data was composited in Excel, and the qualities per seam and per block was calculated by weighted average. All qualities were weighted for sample fraction mass and yield.

Model Validation

The model was validated by plotting floor elevation and thickness contours as well as quality contours and checking the contour plots for bull's eyes. Cross-sections were drawn through most of the boreholes to evaluate all seam correlations and borehole coordinates. Crosschecks were done using the original log of boreholes for lithology and qualities. Postings of data from boreholes against a backdrop of grid model contours also helped to determine whether the model was honoring the borehole data.

b. Comply with all disclosure requirements for mineral resources set out in the Instrument, including sections 2.2, 2.3, and 3.4;

Resource Delineation and Classification.

The classification of reserves and resources are compiled in accordance with the NI 43-101 dated June 2011. A summary of the classification of resources and reserves according to the CIM Definition Standards is shown in Figure 51 below. This summary is used by many resource codes and essentially indicates the increasing level of confidence in coal resources as the level of knowledge increases.

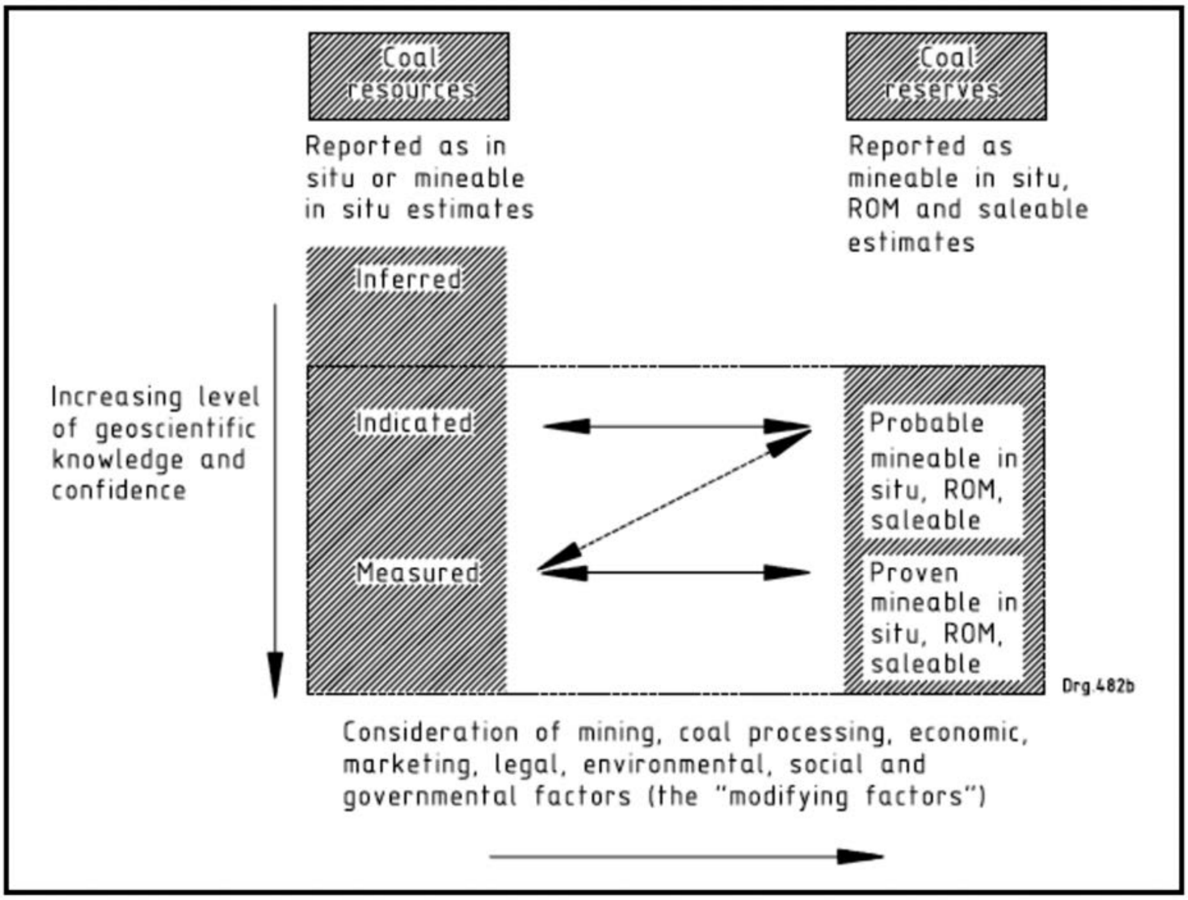


Figure 51: Resource and Reserve Classification as per CIM Definition Standards.

The NI 43-101 standard makes it clear that a resource statement need to reflect the resource confidence in the physical tonnage declared as well as in the quality associated with that resource. In the case of the Lubu Coalfield, we are fortunate to have a project that has quality data for every physical sample point, and that the sample densities for both categories will be identical. No historical data was used in the evaluation of this project.

The historical confidence levels as used in Southern Africa for coal projects are summarized in Table 27 below. This confidence model evolved over the past decade, and will be applicable in the case of this project.

Resource - Reserve Category	Drilled Grid	Required Level of Detail	Confidence Level
Measured Resource	< 350 m^2	Detailed geological exploration.	Moderate - High
Indicated Resource	500 m^2 - 350 m^2	Geological exploration.	Moderate
Inferred Resource	1000 m^2 – 500 m^2	Geological exploration.	Low
Speculative	> 1000 m^2	Speculative	Very Low

Table 27: The Confidence Level in terms of Drilling Density.

The geological resource blocks were defined according to the structural fault boundaries as well as the SG boundary. Twelve blocks were identified and are shown in Figure 52. The drilling densities were determined from the amount of boreholes per resource block. The proviso is that this borehole distribution should be evenly distributed across the block. In the case of Block 2 this is true. In the case of Blocks 1, 3 -12, the distribution of boreholes is not exactly even, but the areas are also very large and the resource confidence levels are so low that they were classified as Inferred and Speculative.

Block 1 is a small block that is interpreted as a small wedge of ground that has been dragged down with the fault on the northern boundary. It has a single borehole in it, and due to its small area it should actually be classified as measured. However, given the bigger picture I am more comfortable with an Inferred status for this block.

Block 2 is intersected by 65 boreholes which results in an average borehole spacing of 490 m^2. Hence its classification as an indicated resource.

The confidence levels in Blocks 3, 4 and 5 are all at a lower inferred resource status due to the lower drilling densities in these blocks. In addition, the confidence level is reduced by relatively complicated structure and depth. The drilling densities are 517 m^2, 916 m^2 and 917 m^2 respectively.

Blocks 6 – 12 are all covered by drill grids varying between 1098 m^2 and 1459 m^2. In terms of the Canadian nomenclature, these blocks are at best speculative.

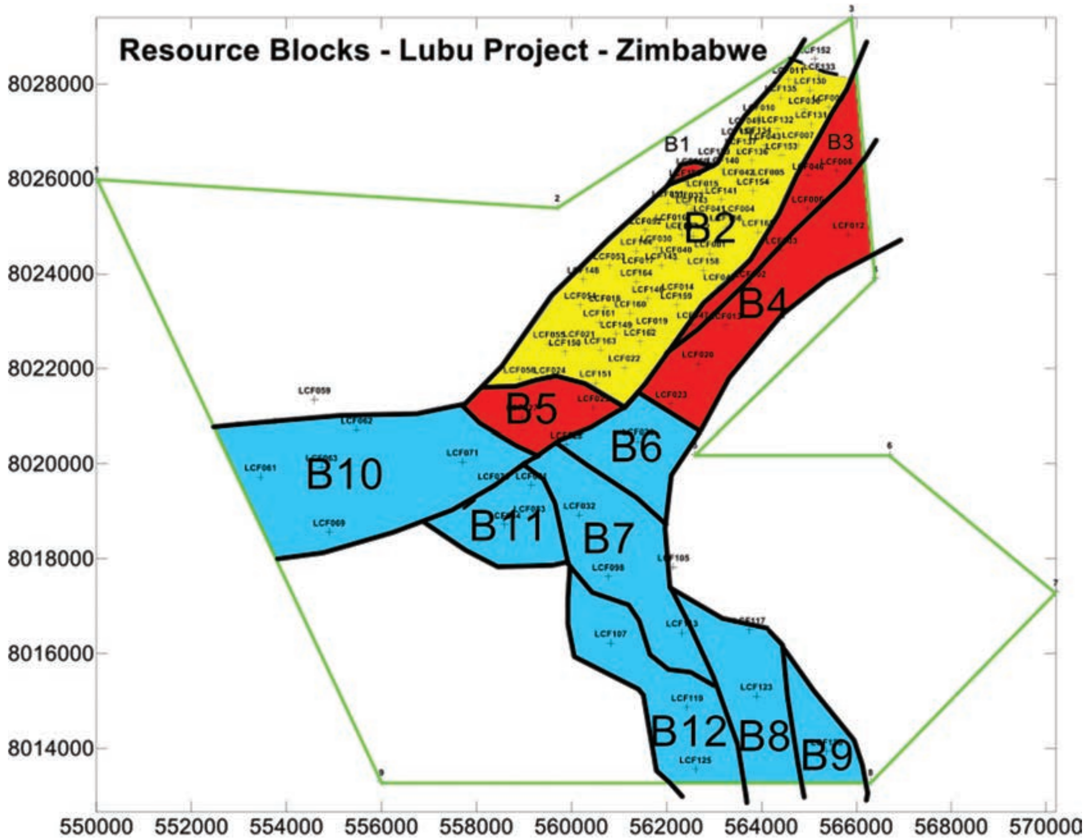


Figure 52: Resource Blocks for the Lubu Coalfield Project.

Geological Loss

Geological loss is assigned on a sliding scale according to the level of confidence in the resource estimation. Essentially it is a measure of drilling density and reduced variability in seam geometry. The following geological losses were applied per resource category:

- Measured Resource: 8 to 10% geological loss
- Indicated: 15% geological loss
- Inferred: 20% geological loss
- Speculative: 30% geological loss.

In the case of this project, the measured status does not apply and was not used.

Resource Statement

Coal resources within the defined resource blocks are estimated and classified from the geological, structural and coal quality model. Resource category classification and the reporting of tonnes and quality per category are in accordance with the drilling density and are indicated by colour on Figure 49. Tonnes are reported on a Total Tonnage in- Situ Base (TTIS), which is the product of the Gross Tonnes in Situ (GTIS) after being discounted for geological losses.

Coal qualities are reported as cumulative wash tables per seam. They are listed in Section 9 (Tables 15 to 23). All qualities are reported on an Air Dried Uncontaminated Base.

Total Indicative Resource

Given the low confidence level of a relatively large part of this resource, the resource statement is divided into two parts. The Indicative Resource includes all the calculated tonnages across all confidence categories and is listed in Table 28 below.

COAL RESOURCE - LUBU COALFIELD - SG 4686 - as @ 22 April 2020											
Block	Seam	Ply	Thick (m)	Area (Mm^2)	Volume (Mm^3)	Density (ton/m^3)	GTIS (Mt)	Drill Grid (m x m)	Confidence level	Geological Loss (%)	TTIS (Mt)
B1	All	All	26.78	0.022	0.579	1.675	0.968	147	Inferred	20	0.774
B2	All	All	36.33	16.452	499.960	1.652	826.127	490	Indicated	15	702.208
B3	All	All	51.42	1.542	63.536	1.673	106.026	517	Inferred	20	84.821
B4	All	All	42.88	5.182	211.156	1.666	351.006	916	Inferred	20	280.805
B5	All	All	44.91	2.750	108.133	1.664	179.501	917	Inferred	20	143.601
B6	All	All	44.53	3.301	135.362	1.670	225.454	1 250	Speculative	30	157.818
B7	All	All	39.39	6.558	241.906	1.669	402.733	1 459	Speculative	30	281.913
B8	All	All	34.11	4.008	130.164	1.677	217.761	1 402	Speculative	30	152.433
B9	All	All	35.75	1.437	49.852	1.664	82.746	1 192	Speculative	30	57.922
B10	All	All	36.16	7.647	215.813	1.655	356.211	1 098	Speculative	30	249.347
B11	All	All	40.82	3.198	119.545	1.661	198.076	1 239	Speculative	30	138.653
B12	All	All	34.69	5.382	183.680	1.658	303.760	1 331	Speculative	30	212.632
Total			38.46	57.479	1 959.686	1.662	3 250.368	1003		24.2	2 462.927

Indicated		702.208
Inferred		510.001
Speculative		1 250.718
Total		2 462.927

Table 28: Resource Summary for the Coal Resource in SG 4686 – Lubu Coalfield.

The total tonnage in situ amounts to 2.462 Billion tonnes. 702.208 Mt is located in Block 2 at an indicated status, while 510 Mt and 1.250 Bt are at inferred and speculative status levels.

The higher confidence Indicated Resource are listed in the resource statement below, with its associated raw qualities per seam.

BLOCK 2 COAL RESOURCE - LUBU COALFIELD - SG 4686 - as @ 30 April 2012.												Raw Coal Qualities on an Air Dried Base						
Block	Seam	Ply	Thick (m)	Area (Mm^2)	Volume (Mm^3)	Density (ton/m^3)	GTIS (Mt)	Drill Grid (m x m)	Confidence level	Geological Loss (%)	TTIS (Mt)	Inherent Moisture (%)	Ash (%)	Volatiles (%)	Fixed Carbon (%)	Total Sulphur (%)	Calorific Value (MJ/kg)	DAFV (%)
B2	1C	I	3.78	16.452	62.126	1.733	107.664	496	Indicated	15	91.515	2.7	44.0	23.5	29.8	0.8	16.2	44.1
B2	1B Upper	H5	0.62	0.582	0.361	1.721	0.621	435	Indicated	15	0.528	2.8	40.9	25.4	30.8	0.8	17.2	45.2
B2	1B Upper	H4	0.75	3.568	2.676	1.721	4.605	491	Indicated	15	3.914	2.8	40.9	25.4	30.8	0.8	17.2	45.2
B2	1B Upper	H3	0.55	6.640	3.652	1.721	6.285	493	Indicated	15	5.342	2.8	40.9	25.4	30.8	0.8	17.2	45.2
B2	1B Upper	H2	0.90	12.292	11.063	1.721	19.039	495	Indicated	15	16.183	2.8	40.9	25.4	30.8	0.8	17.2	45.2
B2	1B Upper	H1	0.96	16.258	15.608	1.721	26.861	496	Indicated	15	22.832	2.8	40.9	25.4	30.8	0.8	17.2	45.2
B2	1B Middle	G5	0.67	0.810	0.543	1.743	0.946	402	Indicated	15	0.804	2.8	44.1	22.1	31.1	0.6	16.3	41.5
B2	1B Middle	G4	0.64	2.657	1.700	1.743	2.963	476	Indicated	15	2.519	2.8	44.1	22.1	31.1	0.6	16.3	41.5
B2	1B Middle	G3	0.97	7.376	7.154	1.743	12.470	495	Indicated	15	10.600	2.8	44.1	22.1	31.1	0.6	16.3	41.5
B2	1B Middle	G2	1.38	14.414	19.891	1.743	34.669	499	Indicated	15	29.469	2.8	44.1	22.1	31.1	0.6	16.3	41.5
B2	1B Middle	G1	1.54	16.452	25.410	1.743	44.290	496	Indicated	15	37.646	2.8	44.1	22.1	31.1	0.6	16.3	41.5
B2	1B Lower	F	4.70	16.452	77.344	1.731	133.883	496	Indicated	15	113.801	2.8	42.7	21.4	33.1	0.5	16.7	39.2
B2	1A Upper	E	0.89	16.452	14.636	1.670	24.443	478	Indicated	15	20.776	1.6	38.6	24.3	35.6	0.9	19.1	40.5
B2	1A Lower	D5	0.35	0.453	0.159	1.710	0.271	251	Indicated	15	0.231	2.8	41.7	21.5	34.0	0.5	17.0	38.7
B2	1A Lower	D4	0.78	1.772	1.382	1.710	2.364	339	Indicated	15	2.009	2.8	41.7	21.5	34.0	0.5	17.0	38.7
B2	1A Lower	D3	0.87	6.679	5.810	1.710	9.936	486	Indicated	15	8.445	2.8	41.7	21.5	34.0	0.5	17.0	38.7
B2	1A Lower	D2	0.85	12.173	10.347	1.710	17.693	495	Indicated	15	15.039	2.8	41.7	21.5	34.0	0.5	17.0	38.7
B2	1A Lower	D1	1.33	16.452	21.960	1.710	37.551	495	Indicated	15	31.918	2.8	41.7	21.5	34.0	0.5	17.0	38.7
B2	MSU	C	4.37	16.452	71.825	1.573	112.981	496	Indicated	15	96.034	3.1	30.3	23.9	42.7	0.6	21.6	35.8
B2	MSM	B	4.58	16.452	75.285	1.555	117.068	496	Indicated	15	99.508	3.1	28.8	20.7	47.3	0.4	22.1	30.5
B2	MSL	A	4.11	16.452	67.565	1.539	103.983	496	Indicated	15	88.386	2.8	27.8	23.3	46.1	0.5	23.0	33.6
B2	MSL Split	A1	0.75	4.616	3.462	1.600	5.540	485	Indicated	15	4.709	0.7	49.0	21.3	29.0	0.4	16.3	42.3
Total	**ALL**		**36.33**	**16.452**	**499.960**	**1.652**	**826.127**	**490**	**Indicated**	**15**	**702.208**							

Table 29: Statement of Coal Resources for the Lubu Coal Project on SG 4686.

c. *When the grade for a multiple commodity mineral resource is reported as metal or mineral equivalent, report the individual grade of each metal or mineral and the metal prices, recoveries, and any other relevant conversion factors used to estimate the metal or mineral equivalent grade; and*

d. *Include a general discussion on the extent to which the mineral resource estimates could be materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors.*

The Mchesu River drains the Lubu Valley from the north-east to the west. This river flows very close to the southern boundary of Block 2, and crosses the area in the southern parts of the block. The mining of Block 2 will have to consider the impact on the Mchesu River on the coal resource. Options may be to design cut layouts that avoid the river and its riparian zone.

Permitting that would be required would include an EIA and Rehabilitation and Closure Plans. Although not formalized in the mining legislation, various forms of Rural Social Projects would be expected from an operator. The property is situated in the western boundary of the Chizarira National Park.

The Special Grant will have to be converted to a Mining Right if mining is to be considered.

The Lubu Valley is populated by the Tonga People who live in informal villages throughout the valley. The resettlement of people will have to be considered in the event of this project becoming a mining operation.

The formal employment of people in this part of the Binga district is effectively zero, and a project of this magnitude will dramatically change the socio-economic environment in the area. Should this project progress to a production stage, a lot of labour would be available, although the skill levels for technical positions will be low.

In Zimbabwe the political situation is in a state of flux and it is difficult to make predictions in terms of its stability. Recent events in Zimbabwe with the bloodless removal from office of Mr. R. Mugabe and the instatement of Genl. E. Mnangagwa as the president until elections in 2018, may lead to a renewed interest in investing in Zimbabwe.

INSTRUCTIONS:

1) *A statement of quantity and grade or quality is an estimate and should be rounded to reflect the fact that it is an approximation.*

2) *Where multiple cut-off grade scenarios are presented, the qualified person must identify and highlight the base case, or preferred scenario. All estimates resulting from each of the cut-off grade scenarios must meet the test of reasonable prospect of economic extraction.*

15. Adjacent Properties

A technical report may include relevant information concerning an adjacent property if

a. *such information was publicly disclosed by the owner or operator of the adjacent property;*

No data has been found. The geology to the west consist also of sediments of Karoo age, but from what is observed of the structure on SG 4686, the strata appears to dip to the west at gradients in excess of 4 degrees. From a coal mining perspective, I do not think the area has potential. There may be interest from a coal bed methane perspective.

b. *the source of the information is identified;*

c. *the technical report states that its qualified person has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the property that is the subject of the technical report;*

d. *the technical report clearly distinguishes between the information from the adjacent property and the information from the property that is the subject of the technical report; and*

e. *any historical estimates of mineral resources or mineral reserves are disclosed in accordance with paragraph 2.4(a) of the Instrument.*

16. Other Relevant Data and Information

Include any additional information or explanation necessary to make the technical report understandable and not misleading.

17. Interpretation and Conclusions

Summarize the relevant results and interpretations of the information and analysis being reported on. Discuss any significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information, mineral resource or mineral reserve estimates, or projected economic outcomes. Discuss any reasonably foreseeable impacts of these risks and uncertainties to the project's potential economic viability or continued viability. A technical report concerning exploration information must include the conclusions of the qualified person.

This is a very large deposit containing High Volatile Bituminous A and B type coals. A total of 2.462 Billion tonnes is estimated, of which 702 Mt has been drilled to an Indicated Resource Level. This deposit is situated in a remote part of Zimbabwe, and is roughly 150 km from the closest rail link at Dete.

Lake Kariba is situated 65 km to the northwest of this property, and is a potential source of water. Road infrastructure is limited to a very good quality dirt road, which joins up with the Kamativi – Binga road, 30 km to the northwest of the SG. The resource identified in Block 2 is relatively shallow, and the depth to the top of coal varies from 20 m to 60 m. The total coal package is hosted within a 40 m thick sequence, in which nine seams are contained. A plot of cumulative strip ratios shows that Block 2 has a ROM strip ratio that ranges between 0.6 and 1.7 BCM/ton.

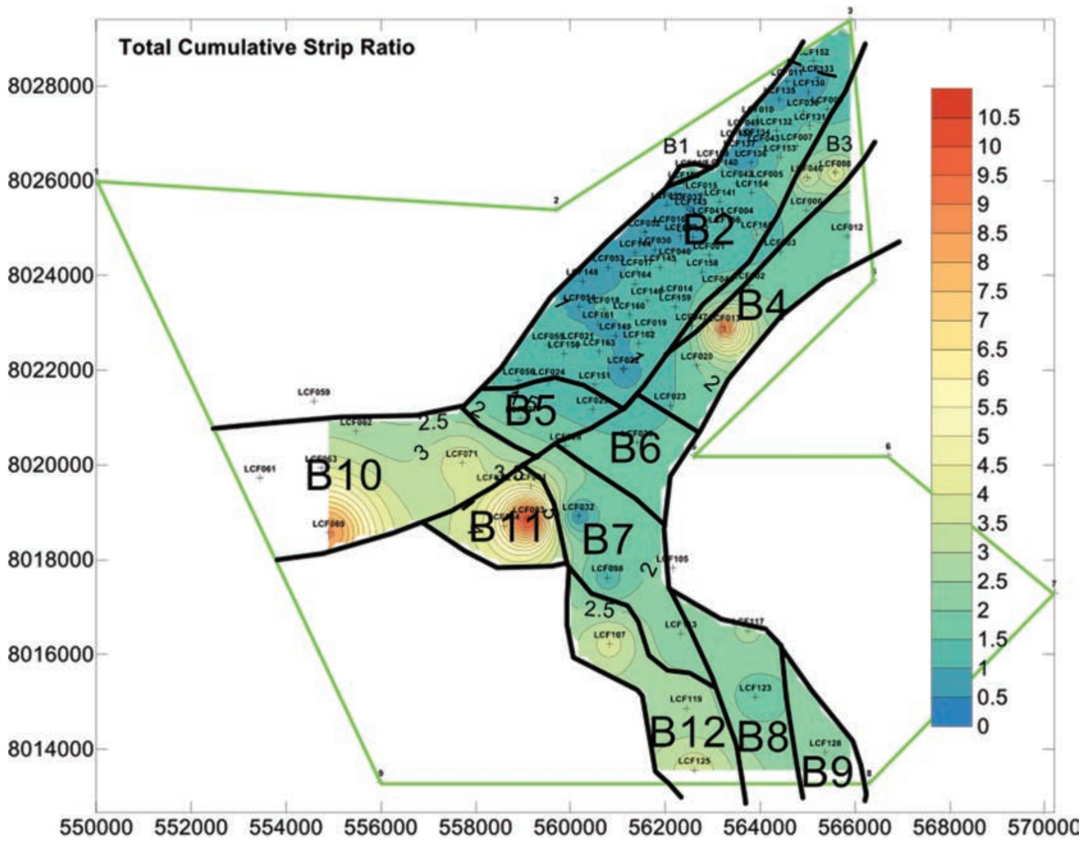


Figure 53: Cumulative Strip Ratio for the Lubu Coal Project.

The seams in Block 2 have the potential to yield a coking product, a 5500 Kcal/Kg NAR export product and a power station middlings. The quality modelling that was done on the respective seams shows that the lower seams are capable of producing very high total yields, sometimes in excess of 90%.

The rest of the seams will yield lower at between 50% and 60% on an uncontaminated base. This yield will reduce markedly when allowances are made for the mining of partings.

The Lower 3 seams in the stratigraphy contain the bulk of the tonnage at 298.588 Mt in situ. In all probability only the lowermost 2 plies of the seams 1A Lower, 1B Middle and 1B Upper will ever be mined if all practicalities are considered.

Blocks 1, and 3 to 12 are all much deeper than Block 2. The potential for these blocks as open-castable resources is remote. There may be potential in some of these blocks for future underground operations. The logical action would be to work towards developing Block 2 as an opencast operation.

18. Recommendations

There are very few coal projects of this magnitude in the region and the following recommendations are suggested.

The potential for mining Block 2 by opencast method appears to be good. The rest of the blocks are deeper, and structurally isolated. Future work should focus on the development of Block 2.

A metallurgical study should be commissioned. This report touches on aspects of metallurgy, but an in depth view of the coal wash-ability and product potential is needed.

The types of Sulphur need to be analysed for. There is sufficient residue sample to do this on selected boreholes. The concentration of Sulphur in the fines as opposed to the discard material is unusual.

A Digital Terrain Model needs to be generated for this project over at least Block 2.

High level mine planning and scoping needs to be considered for Block 2. A very interesting aspect of this project is going to evolve around the material balance on site as well as the re-handling of overburden. A lot of thought is going to be needed around the scheduling and geometry of a mining operation.

Infill drilling should be considered in Block 2, especially in the shallow area around boreholes LCF 155, 015, 141, 143, 033, 051, and 140. This is most likely the site where mining would start, due to the favourable strip ratio in this area.

The results achieved to date shows sufficient potential to warrant further development of this deposit.

Provide particulars of recommended work programs and a breakdown of costs for each phase. If successive phases of work are recommended, each phase must culminate in a decision point. The recommendations must not apply to more than two phases of work. The recommendations must state whether advancing to a subsequent phase is contingent on positive results in the previous phase.

INSTRUCTION:

In some specific cases, the qualified person may not be in a position to make meaningful recommendations for further work. Generally, these situations will be limited to properties under development or in production where material exploration activities and engineering studies have largely concluded. In such cases, the qualified person should explain why they are not making further recommendations.

19. References

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Appendix 1: Special Grant 4686.

CABINET 144/2009

MINES AND MINERALS ACT *[CHAPTER 21 : 05]*
APPLICATION FOR SPECIAL GRANT NO. 4686 TO PROSPECT FOR COAL EXCLUDING OIL: MONAF INVESTMENTS (PRIVATE) LIMITED: BULAWAYO MINING DISTRICT

THE CABINET, has the honour to recommend that His Excellency, the President may be pleased, in terms of section 301(1) of the Mines and Minerals Act *[Chapter 21:05]*, and on the recommendation of the Mining Affairs Board, to authorise the issue of the attached draft Special Grant No. 4686.

APPROVED this 22nd day of February 2010

R. G. Mugabe PRESIDENT

SPECIAL GRANT TO PROSPECT FOR COAL ISSUED TO MONAF INVESTMENTS (PRIVATE) LIMITED IN TERMS OF PART XX OF THE MINES AND MINERALS ACT [*CHAPTER 21:05*]

SPECIAL GRANT NO. 4686

In terms of section 301 of the Mines and Minerals Act *[Chapter 21 : 05]*, (hereafter referred to as "the Act") the President of Zimbabwe hereby authorises the Minister of Mines and Mining Development to issue a Special Grant (hereinafter referred to as 'the Grant') to:-

MONAF INVESTMENTS (PRIVATE) LIMITED
(Hereinafter referred to as "the Holder")

to prospect for coal excluding oil in terms of Part XX of the Act and subject to the terms and conditions detailed hereunder.

AREA OF GRANT (hereinafter called "the area")

The area shall be of approximately 19 236 (nineteen thousand two hundred and thirty six) hectares situated in the Bulawayo Mining District and as detailed on the plan attached to this Grant.

CONDITIONS OF GRANT

1. Except as otherwise provided hereunder, this Grant and any operations carried on under it shall be subject to the provisions of the Act and the regulations made there under.

2. The Grant shall be for a period of three years with effect from the date of issue and is issued without any commitment in regard to extension. However, upon the written application of the Holder at any time during the currency of this Grant, it may be extended on such terms and conditions as the Minister of Mines and Mining Development may deem appropriate.

3. In terms of section 295 of the Act, the Holder shall beacon the area in a manner that the Mining Commissioner, Bulawayo upon consulting with the Minister of Mines and Mining Development, may determine and shall maintain the beacons in good order and condition and in their proper positions until a certificate of quittance has been issued in terms of the Act.

4. The Holder shall, on issue of this Grant submit for the approval of the Mining Affairs Board, a proposed work programme and details of anticipated expenditure to be incurred during the first six months. Thereafter, the Holder shall at intervals of six months during the currency of the Grant, submit for approval by the Mining Affairs Board a detailed progress report and expenditure statement for the six months just completed together with a proposed work programme and anticipated expenditure to be carried out in the following six months period.

5. The attention of the Holder is specifically drawn to the provision of Part XIII of the Act which requires the submission of siting of works plans to the Mining Commissioner,

Bulawayo for approval before specified works may be constructed or erected upon the area.

6. The holder of this Grant shall after the initial 12 months pay an annual rental that will be specified and shall be paid annually thereafter.

7. The rights granted under this Grant shall be personal to the holder who may not cede or assign to any other person without the prior authority of the President.

8. The President may, on application by the Holder, extend or reduce the areas of this Grant or may alter the boundaries thereof.

9. The President may order the cancellation of this Grant should the Holder fail within three months after receiving written warning from the Minister to comply with any of the conditions hereof or with the obligations imposed by the Act.

10. On the abandonment, expiry or cancellation of this Grant, the provisions of section 269 of the Act, which relate to protection of workings and the issuing of a quittance certificate shall apply.

11. The Holder shall, within two months of termination of the Grant, lodge with the Secretary for Mines and Mining Development, full details and plans of all geological drilling and other data obtained and arising from the exercise of this grant.

12. The Holder shall provide the Geological Survey Department access to the core as well as the ability to sample a split of the same for geo-chemical analysis. The result obtained shall be given to the Special Grant Holder and shall be confidential during the tenure of this Grant.

13. The Holder shall allow access to any approved prospector prospecting for different minerals within the Grant.

....	....
DATE	**MINISTER OF MINES AND MINING DEVELOPMENT**

I hereby certify that special Grant No. ....4686.......... has been duly registered in terms of section 275 of the Mines and Minerals Act *[Chapter 21:05]*.

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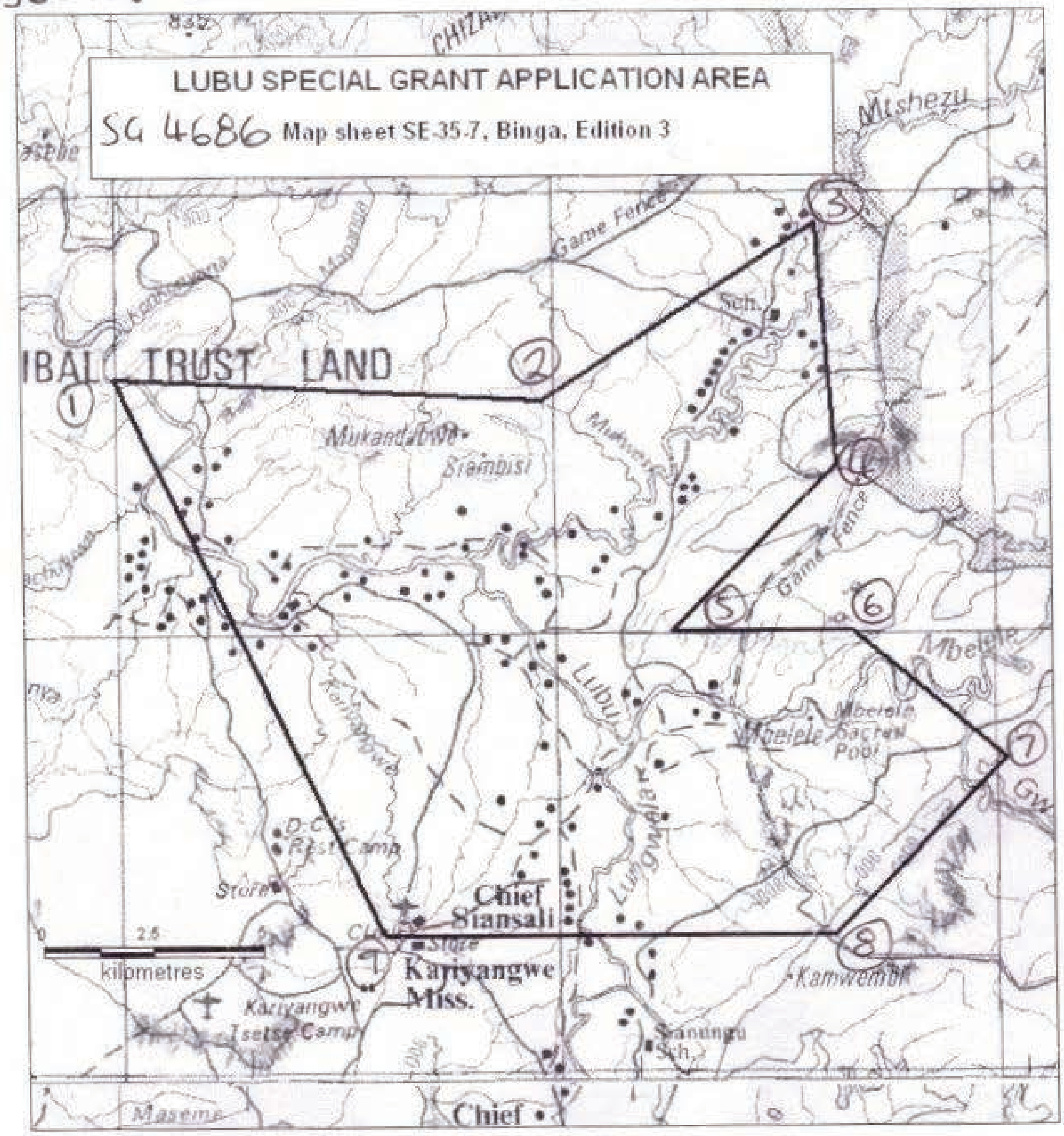

Revised Special Grant Area (reduced from 27,094 ha to 19,236 ha)

12

SG 38/05

DESCRIPTION OF THE LUBU SPECIAL GRANT APPLICATION AREA

An area of approximately 19 236 hectares in extent, situated in the Bulawayo Mining District, and bounded by a line commencing at a point which is approximately 0.9 kilometres south west of Chief Siansali homestead (Grid reference **35KNL560133**);

thence proceeding on a true bearing of approximately 333° for a distance of approximately 14.1 kilometres to a point (Grid reference **35KNL500260**);

thence on a true bearing of approximately 93° for a distance of approximately 9.7 kilometres to a point (Grid reference **35KNL597254**);

thence on a true bearing of approximately 58° for a distance of approximately 7.4 kilometres to a point (Grid reference **35KNL659294**);

thence on a true bearing of approximately 175° for a distance of approximately 5.6 kilometres to a point (Grid reference **35KNL664239**);

thence on a true bearing of approximately 227° for a distance of approximately 5.3 kilometres to a point (Grid reference **35KNL626202**);

thence on a true bearing of approximately 90° for a distance of approximately 4.1 kilometres to a point (Grid reference **35KNL667202**);

thence on a true bearing of approximately 130° for a distance of approximately 4.5 kilometres to a point (Grid reference **35KNL702173**);

thence on a true bearing of approximately 226° for a distance of approximately 5.6 kilometres to a point (Grid reference **35KNL663133**);

thence on a true bearing of approximately 270° for a distance of approximately 10.3 kilometres to the starting point.

MAP REFERENCE

Sheet SE-35-7, Binga, Edition 3, Scale 1:250 000

SPECIAL GRANT TO MINE COAL ISSUED TO MONAF INVESTMENTS (PRIVATE) LIMITED IN TERMS OF PART XX OF THE MINES AND MINERALS ACT *[CHAPTER 21:05]*

SPECIAL GRANT NO. 4686

In terms of section 301 of the Mines and Minerals Act *[Chapter 21:05]*, (hereafter referred to as "the Act") the President of Zimbabwe hereby authorizes the Minister of Mines and Mining Development to extend the tenure of Special Grant 4686 (hereinafter referred to as 'the Grant') issued to:-

MONAF INVESTMENTS (PRIVATE) LIMITED
(Hereinafter referred to as "the Holder")

to mine **Coal** in terms of Part XX of the Act and subject to the terms and conditions detailed hereunder.

AREA OF GRANT (hereinafter called "the area")

The area shall be of approximately 19 236 (nineteen thousand two hundred and thirty six) hectares situated in the Matabeleland North Mining District and as detailed on the plan attached to this Grant.

CONDITIONS OF GRANT

1. Except as otherwise provided hereunder, this Grant and any operations carried on under it shall be subject to the provisions of the Act and the regulations made there under.

2. The Grant shall be for a period of **twenty five years** with effect from the date of issue and will be subject to extension upon the written application of the Holder at least six months before expiry of this Grant, it may be extended on such terms and conditions as the Minister of Mines and Mining Development may deem appropriate.

3. In terms of section 295 of the Act, the Holder shall beacon the area in a manner that the Mining Commissioner, Matabeleland North upon consulting with the Minister of Mines and Mining Development, may determine and shall maintain the beacons in good order and condition and in their proper positions until a certificate of quittance has been issued in terms of the Act.

4. The Holder shall submit monthly production returns to the Mining Commissioner and annual reports detailing work progress and expenditure statement.

5. The attention of the Holder is specifically drawn to the provision of Part XIII of the Act which requires the submission of siting of works plans to the Mining Commissioner, Matabeleland North for approval before specified works may be constructed or erected upon the area.

6. The Holder shall attain an Environmental Impact Assessment certificate from the relevant Government Ministry prior to commencement of operations.

7. The Holder shall appoint a mine manager as per Statutory Instrument 109 of 1990 part 1 sections 3-5 whose responsibility will uphold the provisions of the Act and relevant regulations.

8. Based on the resource potential, the holder shall submit mine design plan and short-medium-long term mine development production scheduling to the Chief Government Mining Engineer.

9. The Holder shall after the initial 12 months pay an annual rental that will be specified and shall be paid annually thereafter.

10. The rights granted under this Grant shall be personal to the holder who may not cede or assign to any other person without the prior authority of the President.

11. The President may, on application by the Holder extend or reduce the areas of this Grant or may alter the boundaries thereof.

12. The President may order the cancellation of this Grant should the Holder fail within three months after receiving written warning from the Minister to comply with any of the conditions hereof or with the obligations imposed by the Act.

13. On the abandonment, expiry or cancellation of this Grant, the provisions of section 269 of the Act, which relate to protection of workings and the issuing of a quittance certificate shall apply.

14. The Holder shall within two months of termination of the Grant, lodge with the Secretary for Mines and Mining Development, full details and plans of all geological drilling and other data obtained and arising from the exercise of this grant.

15. The Holder shall provide the Geological Survey Department access to the core as well as the ability to sample a split of the same for geo-chemical analysis. The result obtained shall be given to the Special Grant Holder and shall be confidential during the tenure of this Grant.

16. It shall be a condition of this Special Grant that the holder shall commence work within three months of approval of this Special Grant and shall commence mining operation and coal production within the period of the Special Grant.

04/09/18

DATE

SECRETARY FOR MINES AND MINING DEVELOPMENT

I hereby certify that Special Grant No...**4686**... has been duly registered in terms of section 292 of the Mines and Minerals Act *[Chapter 21:05]*.

MINISTER
MINISTRY OF MINES AND MINING DEVELOPMENT
17 SEP 2018
P.O. BOX CY 7709, CAUSEWAY
HARARE, ZIMBABWE
TEL: 0[illegible]84 FAX: 752586

DATE

MINISTER OF MINES AND MINING DEVELOPMENT

PART XIV

DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise.

£ or **UK Sterling**	Pound Sterling, the lawful currency of the UK
$ or **US Dollar**	United States dollar, the lawful currency of the United States of America
$10,000,000 Loan Agreement	means the loan agreement dated 4 September 2018 and entered into between Monaf and CGH, granting a loan of up to $10,000,000 to Monaf
2017 Placing Shares	the shares issued in connection with the Initial Placing identified on page 25
$2,200,000 Offshore Loan Agreement	means the loan agreement dated 4 September 2018 and entered into between Monaf and CGH, granting a loan of up to $2,200,000 to Monaf
Acquisition	the acquisition by the Company of (i) 70% of the issued shares in Monaf (ii) the benefit of debt receivables owed by Monaf to CGH in the aggregate amount of US$6,890,981 and (iii) certain mining data held by CGH in relation to the Lubu Coalfield
Acquisition Agreement	the conditional agreement dated 8 April 2019 between: (1) the Company; (2) CGH; (3) Someden and (4) Monaf in relation to the Acquisition, as amended by (i) an agreement dated 30 May 2019; (ii) an agreement dated 2 August 2019; and any further amendment agreements entered into up to the date of the publication of the Prospectus, further details of which are set out in Part I of this Document.
Act	the Companies Act 2006, as amended
AIM	the AIM market of the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of AIM
Announcement	the Company's announcement of 22 December 2017 containing details, inter alia, of the Acquisition and the Placing
Articles	the articles of association of the Company in force from time to time
Bankable Feasibility Study	a comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production
Board	the directors of the Company from time to time
Blocks 1 and 3-12	the areas of SG 4686 identified as such by Figure 12 of the CPR on page 140 of this Document
Block B2	the area of SG 4686 identified as such by Figure 12 of the CPR on page 140 of this Document
Brandon Hill Capital	Brandon Hill Capital Limited (company number 04258441) of Fifth Floor, 1 Tudor Street, Blackfriars, London, EC4Y 0AH
Broker Warrant	means the Broker warrants constituted by the Broker Warrant Instrument
Broker Warrant Instruments	means the warrant instruments issued by the Company in November 2017, granting 1,166,667 Broker Warrants to subscribe for Ordinary Shares at a price of £0.03 each to Brandon Hill Capital
Bulawayo Mining District	the area identified in the map set out at Appendix 1 of the CPR, being page 207 of this Document

Business Plan	the business plan for the Lubu Coalfield, as set out on pages 35 – 38 of this Document
CGH	Consolidated Growth Holdings Limited, a company incorporated in the British Virgin Islands with registered number 1402067 and with its registered office at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, BV
City Code	the UK City Code on Takeovers and Mergers
Company	Contango Holdings plc, a company incorporated in England and Wales under the Act and with company number 10186111
Company Financial Information	the audited historical financial information of the Company for the thirteen-month period from incorporation on 18 May 2016 to 31 May 2017, the year ended 31 May 2018 and the year ended 31 May 2019.
Company Interim Financial Information	the unaudited interim financial information of the Company for the six-month period ended 30 November 2019
Completion	completion of the Acquisition and the Placing
Completion Bonus	Pursuant to the memorandum of understanding between Contango Holdings PLC and Consolidated Growth Holdings Limited dated 22 December 2017, each of the Directors and Gwalia Consultancy will be entitled to receive a gross bonus of £25,000 each shall be satisfied by the issuance of certain Placing Shares at a price of 3.75 pence per Ordinary Share (being the share price as at the date of suspension).
Competent Person	Johan Erasmus (B.Sc. (Hons), Pr. Sci. Nat. 400052/96)
Connected Persons	has the meaning set out in section 252 of the Act and includes a spouse, children under 18 and any company in which the relevant person is interested in shares comprising at least one-fifth of the share capital of that company
Consideration Shares	the 128,849,961 new Ordinary Shares proposed to be issued to CGH at a price of £0.05 pence per share, reflecting the total consideration payable by the Company to CGH, as set out in the Acquisition Agreement which is summarized in Part XII "Additional Information" of this Document
CPR	the Competent Person's Report contained in Part XIII "Competent Person's Report" of this Document
CREST	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
CREST Regulations	the Uncertificated Securities Regulations 2001 of the UK (SI 2001/3755) (as amended)
Directors	the directors of the Company as at the date of this Document, whose names are set out on page 26 of this Document
Disclosure and Transparency Rules	the FCA's Disclosure Guidance and Transparency Rules sourcebook
Document	this prospectus
Enlarged Group	the Company and, following the Acquisition, Monaf
Enlarged Share Capital	the issued equity share capital of the Company following the issue of the New Ordinary Shares and as it will be on Readmission
Euroclear	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
Existing Ordinary Shares	the existing 42,949,987 Ordinary Shares in issue as at the date of this Document, being the entire issued share capital of the Company
Existing Shareholders	Shareholders as at the date of this Document
Existing Warrant Instruments	means the Series 1 Warrant Instruments, the Series 2 Warrant Instruments and the Broker Warrant Instruments
Existing Warrants	means the Series 1 Warrants, the Series 2 Warrants and the Broker Warrants constituted by the Series 1 Warrant Instruments, the Series 2 Warrant Instruments and the Broker Warrant Instruments respectively

FCA	the UK Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000 (as amended)
Gwalia Consultancy	means Gwalia Consultancy Services Limited, a company incorporated in England and Wales under the Act and with company number 11082698
HMRC	HM Revenue and Customs
IFRS	International Financial Reporting Standards as adopted by the European Union
IMF	International Monetary Fund
Independent Shareholders	All Existing Shareholders, other than Brandon Hill Capital and any Existing Shareholder who is also a Placee
Indicated	an "Indicated" mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed
Indigenisation	a policy of the Zimbabwean government, the goal of which is to increase the proportion of assets owned by indigenous Zimbabweans
Indigenous Zimbabweans	a term defined in the Indigenisation and Economic Empowerment Act as being "any person who, before the 18th April, 1980, was disadvantaged by unfair discrimination on the grounds of his or her race, and any descendant of such person, and includes any company, association, syndicate or partnership of which indigenous Zimbabweans form the majority of the members or hold the controlling interest"
Indigenisation and Economic Empowerment Act	the Indigenisation and Economic Empowerment Act [Chapter 14:33], an act of primary legislation enacted by the President and the Parliament of Zimbabwe on 7 March 2008 to promote the Indigenisation of the Zimbabwean economy
Inferred	an Inferred mineral resource is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
Initial IPO	the initial public offering of the Company on 1 November 2017
Initial IPO Admission	means admission of Ordinary Shares to the Official List (by way of Standard Listing) and to trading on the standard segment of the Main Market of the LSE, pursuant to the Initial IPO
Initial Placees	those persons who signed placing letters pursuant to the Initial Placing
Initial Placing	the placing of 42,949,987 Ordinary Shares on 1 November 2017
Initial Placing and Broker Agreement	the conditional agreement dated 26 October 2017 between: (i) the Company; (ii) the Directors; and (iii) Brandon Hill Capital
Initial Placing Letters	the letters from potential investors dated on 26 October 2017 providing irrevocable conditional applications for Ordinary Shares under the Initial Placing
Initial Subscribers	means each of: (i) Jonathan Evans; (ii) Neal Griffith; (iii) Gemstar Investments Ltd; (iv) Philip Richards; (v) Oliver Stansfield; (vi) Cedar Capital Management Ltd; (vii) Ashley Warden; (viii) Sanderson Capital Partners Limited; and (ix) Lockstrood Consulting Ltd, who together subscribed for 12,500,000 Ordinary Shares at £0.02 each

Listing Rules	the listing rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time
Lock-In Agreements	means the respective lock-in agreements relating to Shares held by either (i) CGH or (ii) the Directors (as applicable), entered into between the respective parties and the Company and Brandon Hill Capital
London Stock Exchange or **LSE**	London Stock Exchange plc
LPD	the latest practicable date prior to the publication of this Document
Lubu Coalfield	the coalfield, details of which are summarized on page 118 of the CPR
Main Market	the regulated market of the London Stock Exchange for officially listed securities
Main Seams	the collective term for all of the Main Seam Upper, Main Seam Middle and Main Seam Lower
Main Seam Lower	the coal seam identified in Figure 23 of the CPR, as set out on page 151 of this Document
Main Seam Middle	the coal seam identified in Figure 24 of the CPR, as set out on page 152 of this Document
Main Seam Upper	the coal seam identified in Figure 25 of the CPR, as set out on page 153 of this Document
MAR	the Market Abuse Regulation (Regulation 596/2014)
Measured	a "Measured" mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity
Member State	any member states of the European Economic Area
Memorandum of Understanding with CGH	an agreement between the Company and CGH entered into on 22 December 2017
Monaf	Monaf Investments (Private) Limited, a limited liability company incorporated in accordance with the laws of Zimbabwe with Registration Number 7339/98
Monaf Directors	means any director of Monaf from time to time, as detailed in Part XII "Additional Information" of this Document
Monaf Interim Financial Information	the unaudited interim financial information of Monaf for the six-month period ended 30 September 2019
Monaf Shares	means those issued shares in the capital of Monaf, as detailed in Part XII "Additional Information" of this Document
Net Proceeds	the funds received in relation to the Placing less Transaction Costs
New Ordinary Shares	together, the Placing Shares and the Consideration Shares
New Warrants	means the new warrants constituted by the New Warrant Instruments
New Warrant Instruments	means the warrant instruments issued by the Company, granting 1,400,000 New Warrants to subscribe for Ordinary Shares at a price of £0.05 each to Brandon Hill Capital
Official List	the Official List of the UK Listing Authority
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company
Panel	the Panel on Takeovers and Mergers
Placees	those persons who have signed Placing Letters

Placing	the conditional placing by Brandon Hill Capital on behalf of the Company of the Placing Shares at the Placing Price pursuant to the Placing and Broker Agreement
Placing and Broker Agreement	the conditional agreement dated 19 May 2020 between: (i) the Company; (ii) the Directors; and (iii) Brandon Hill Capital;
Placing Letters	the letters from potential investors dated 20 January 2020 making irrevocable conditional applications for Placing Shares under the Placing
Placing Price	5 pence per Placing Share
Placing Shares	the (i) 28,000,000 Ordinary Shares in the capital of the Company to be allotted to the Placees; and (ii) 3,333,330 Ordinary Shares in the capital of the Company to be issued to the Directors and Gwalia Consultancy in lieu of the Completion Bonus, pursuant to the Placing
Premium Listing	a Premium Listing under Chapter 6 of the Listing Rules
Pro Forma Financial Information	the unaudited pro forma statement of financial position as at 30 November 2019 and the unaudited pro forma statement of comprehensive income for the six month period then ended
Proposals	the Acquisition Agreement, the Completion Bonus, the Placing, the Waiver and Readmission
Proposed Directors	the proposed directors to be appointed to the Board on Completion and whose names are set out on page 26 of this Document
Prospectus Regulation	Regulation (EU) 2017/1129 as supplemented by Commission Delegated Regulation (EU) 2019/980
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time
Readmission	the readmission of the Existing Ordinary Shares and the admission of the New Ordinary Shares to listing on the Official List, by way of a Standard Listing, and to trading on the Main Market, becoming effective
Registrar	Avenir Registrars Limited
Relationship Agreement	the relationship agreement to be entered into, conditional on Readmission, by the Company, Brandon Hill Capital and CGH to manage the relationship between the Company and CGH
Resolution 1	an ordinary resolution and which will be taken on a poll of Independent Shareholders voting in person or by proxy, to approve the Waiver, the text of which is set out on page 222
Reverse Takeover	a transaction defined as a reverse takeover under Listing Rule 5.6.4 (1) and (2)
RGTS or **Zimbabwean Dollar**	Real Gross Time Settlement, the Zimbabwean currency, introduced on 24 June 2019 by the Reserve Bank of Zimbabwe
RIS	regulatory information service
Royalty Agreement	an agreement to be entered into upon Readmission between Monaf, the Company and CGH pursuant to which CGH is entitled to receive a royalty of US$1 per tonne of coal product sold by Monaf (or its affiliates) from the Lubu Coalfield, provided that Monaf first achieves a gross profit of not less than US$5 per tonne from such sale The royalty will be payable upon receipt of cash from the sale of the coal product and in the event that coal product is paid for in any other currency other than US dollars, the royalty will be paid in the currency received (converted at the prevailing exchange rate at the time of payment)
SEC	US Securities and Exchange Commission
Securities Act	United States Securities Act of 1933, as amended
Series 1 Warrants	means the Series 1 warrants constituted by the Series 1 Warrant Instrument
Series 1 Warrant Holder	means those persons registered as holders of Series 1 Warrants

Series 1 Warrant Instrument	means the warrant instrument issued by the Company, granting 17,500,000 Series 1 Warrants to subscribe for Ordinary Shares at a price of £0.03 each to the Series 1 Warrant Holders
Series 2 Warrant	means the Series 2 warrants constituted by the Series 2 Warrant Instrument
Series 2 Warrant Holder	means those persons registered as holders of Series 2 Warrants
Series 2 Warrant Instrument	means the warrant instrument issued by the Company, granting 11,666,650 Series 2 Warrants to subscribe for Ordinary Shares at a price of £0.05 each to the Series 2 Warrant Holders
SG 4686	Special Grant No. 4686, further details of which can be found on page 207
Shareholders	holders of Ordinary Shares
Someden	Someden Investments (Private) Limited, being a wholly-owned subsidiary of CGH
Special Grant Area	the geographic area identified by Figure 1 of the CPR
Speculative	undiscovered materials that may occur in known types of deposits in geologic settings where no previous discoveries have been made or in as-yet-unknown types of deposits that remain to be recognized
Standard Listing	a Standard Listing under Chapter 14 of the Listing Rules
Takeover Code	the City Code on Takeovers and Mergers as published by the Panel, as amended from time to time
Transaction	Readmission of the Existing Ordinary Shares, admission of the New Ordinary Shares and completion of the Acquisition
Transaction Costs	total expenses incurred (or to be incurred) by the Company in connection with the Placing, Readmission and the Acquisition equalling approximately £341,000. A total of £473,000 of transaction costs was incurred with £132,000 being paid from the proceeds of the Initial IPO.
UK Corporate Governance Code	the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time
UK or **United Kingdom**	the United Kingdom of Great Britain and Northern Ireland
UKLA or **UK Listing Authority**	the FCA acting in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA
uncertificated or **in uncertificated form**	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United States or **US**	has the meaning given to the term "United States" in Regulation S of the Securities Act
Upper Series	the coal seams referred to as the "Upper Series" in the CPR, as described on page 142 of this Document
VAT	UK value added tax
Voting Rights	all the voting rights attributable to the capital of the Company which are currently exercisable at a general meeting
Waiver	the waiver granted by the Panel (subject to the passing of Resolution 1) in respect of the obligation of CGH to make a mandatory offer for the entire issued share capital of the Company not already held by CGH which might otherwise be imposed on CGH under Rule 9 of the Takeover Code as a result of the issue of Consideration Shares under the Acquisition Agreement as more particularly described in Part I of this document
Warrant Instruments	together the New Warrant Instruments and the Existing Warrant Instruments
Warrants	together the New Warrants and the Existing Warrants

PART XV

PROXY INSTRUCTIONS

This Document is furnished in connection with the solicitation of proxies by the Board of the Company for use at the general meeting of Ordinary Shareholders of the Company (the "Meeting") to be held at 5th floor, 10 Bressenden Place, London SW1E 5DH on 10:00 a.m. (London time) on 17 June 2020 and at any adjournment or adjournments thereof, for the purposes set out in the Notice of Meeting (the "Notice") in this Document.

Resolution 1 to be proposed at the Meeting will be an ordinary resolution requiring approval of more than 50 per cent. of the votes cast.

Holders ("**Shareholders**") of ordinary shares in the Company (the "**Ordinary Shares**") may vote on all matters to come before the Meeting.

The form of proxy enclosed with the Notice affords each Shareholder the opportunity to specify the manner in which that Shareholder's proxy is to vote with respect to any specific item by checking the appropriate space on the form of proxy in order to indicate whether the Ordinary Shares registered in the Shareholder's name shall be voted for, voted against or withheld from voting. A vote withheld will not be counted in the calculation of votes for or against the resolution to approve the Waiver.

The proxy must be signed by the holder of Ordinary Shares or each such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as executors, administrators, trustees or in any other representative capacity should so indicate and give their full title as such. A partnership should sign in the partnership's name and by an authorized person(s).

A Shareholder may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to a different Ordinary Share or Ordinary Shares held by that Shareholder. You may not appoint more than one proxy to exercise rights attached to one Ordinary Share. Should you wish to appoint more than one proxy please contact the relevant registrar and transfer agent in good time before the Meeting in order that the proxy forms are received in accordance with the times set out below. Please see the form of proxy which has more information in relation to the manner in which a proxy may be appointed. **Please note, due to current Stay at Home Measures introduced by the government, Shareholders should appoint the Chairman of the Meeting as their only proxy**.

Unless otherwise indicated any proxy will be granted in favour of the Chairman of the Meeting who will be an officer of the Company. Each Shareholder has the right to appoint a person other than the persons named in the accompanying form of proxy, who need not be a Shareholder, to act for him and on his behalf at the Meeting. A Shareholder wishing to appoint some other person as a representative at the Meeting may do so either by inserting such person's name in the blank space provided in the form of proxy and delivering the completed form of proxy to the Company's relevant registrar and transfer agent. **However, due to current Stay at Home Measures introduced by the government, Shareholders should appoint the Chairman of the Meeting as their proxy**. **If someone other than the Chairman is appointed then their vote will not be capable of being exercised due to the meeting being closed**.

The registrar and transfer agent for the Ordinary Shares is Avenir Registrars Limited, of 5 St. John's Lane, London, England, EC1M 4BH. (postal address: 31 Primrose Road, London E18 1DD).

A form of proxy is enclosed with the Notice. To be effective, the form of proxy and the original authority (if any) under which it is made must be deposited at the appropriate office of the Company's registrar and transfer agents and not at the offices of the Company so as to be received not later than 48 hours before the time appointed for holding the Meeting. You may also scan and email your proxy form to the Company's registrars at registers@avenir-registrars.co.uk so as to be received not later than 48 hours before the time appointed for holding the Meeting. An appointment of a proxy which is not received in accordance with these requirements may be invalid.

You may not use any electronic address provided within this Notice or any related documents (including the form of proxy) to communicate with the Company other than as expressly stated. To give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number RA20) not later than 48 hours before the time appointed for holding the Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

A proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized in writing, and deposited either at the registered office of the Company or at the Company's registrar and transfer agents or emailed to the Company's registrars at registers@avenir-registrars.co.uk no later than 48 hours before the time of the Meeting (or any adjournment thereof)

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same Ordinary Share.

In accordance with the Articles and Regulation 41 of the Uncertificated Securities Regulations 2001, only those Shareholders entered on the Company's register of shareholders 48 hours before the start of the Meeting, or, if the meeting is adjourned, Shareholders entered on the Company's register of Shareholders 48 hours before the time fixed for the adjourned Meeting shall be entitled to vote at the Meeting.

MANNER IN WHICH PROXIES WILL BE VOTED

The Chairman of the Meeting will vote or withhold from voting the Ordinary Shares in respect of which he is appointed by proxy on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the form of proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Ordinary Shares will be voted accordingly.

In the absence of such direction, such Ordinary Shares will be voted by the Chairman of the Meeting in favour of the passing of the matters set out in the Notice. The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice, and with respect to other matters which may properly come before the Meeting or any adjournment thereof. At the date hereof, the Directors know of no such amendments, variations or other matters. **However, if any other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the proxy**.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Save as disclosed in this Document, the Board is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities of the Company or otherwise, of any director or executive officer, or anyone who held office as such since the beginning of the Company's last financial year or of any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Save as disclosed in this Document, to the knowledge of the Company, no director, officer or insider of the Company, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction or in any proposed transaction since 19 May that has materially affected or would materially affect the Company or any of its subsidiaries.

PART XVI

NOTICE OF GENERAL MEETING

CONTANGO HOLDINGS PLC

(Registered in England and Wales with company number 10186111)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting (the "**Meeting**") of Contango Holdings plc (the "**Company**") will be held at 5th floor, 10 Bressenden Place, London SW1E 5DH on Wednesday 17 June 2020 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions as specified below ("**Resolutions**"). Resolution 1 will be taken in accordance with the City Code on Takeovers and Mergers on a poll of Independent Shareholders present and by proxy voting at the Meeting.

ORDINARY RESOLUTIONS

1 THAT, the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on CGH (as defined in the Prospectus dated 20 May 2020 (the "**Document**")) to make a general offer to the Existing Shareholders, as defined in the Document, pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the allotment of a maximum of 128,849,961 Consideration Shares pursuant to the Acquisition Agreement (as defined in the Document) to CGH representing up to 63.4 per cent. of the Enlarged Share Capital (as defined in the Document) be and is hereby approved.

2 THAT, the Directors be generally and unconditionally authorised, in accordance with section 551 of the Act, to exercise any power of the Company to allot Ordinary Shares of £0.01 each in the capital of the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £5,000,000 for a period expiring on the fifth anniversary of the date when the Resolutions have been passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted (or any Rights to be granted), and the directors of the Company may allot shares (or grant Rights) in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Act.

3 THAT, subject to the passing of resolution 2 above and resolution 12 below, the issue and allotment of 128,849,961 Consideration Shares (as defined in the Document), each at a price of £0.05 per Ordinary Share, be and is hereby approved.

4 THAT, subject to the passing of resolution 2 above and resolution 12 below, the Completion Bonus (as defined in the Document), being the issue and allotment of 3,333,330 Ordinary Shares of £0.01 each at a price of £0.0375 per Ordinary Share, be and is hereby approved.

5 THAT. subject to the passing of resolution 2 above and resolution 12 below, the Placing (as defined in the Document), being the issue and allotment of 28,000,000 Ordinary Shares of £0.01 each at a price of £0.05 per Ordinary Share, be and is hereby approved.

6 THAT, subject to the passing of resolution 2 above and resolution 12 below, the New Warrant Instruments (as defined in the Document), being the grant of 1,400,000 warrants to subscribe for Ordinary Shares at a price of £0.05 to Brandon Hill Capital, be and is hereby approved.

7 THAT the Readmission (as defined in the Document), be and is hereby approved.

8 TO receive and adopt the Company's annual accounts for the financial year ended 2019 together with the directors' report and auditor's report on those accounts.

9 THAT Crowe U.K. LLP be re-appointed as auditor of the Company until the end of the next period for appointing auditors and that the directors of the Company be authorised to fix their remuneration.

10 THAT the re-election of Philip Richards and Oliver Stansfield as directors of the Company be and is hereby approved.

11 THAT the election of Carl Esprey and Roy Pitchford as directors of the Company be and is hereby approved.

SPECIAL RESOLUTION

12 THAT, subject to the passing of resolution 2 above, and in accordance with section 570 of the Act, the directors of the Company be given the general power to allot equity securities (as defined in section 560 of that Act) pursuant to the authority conferred by that resolution 2, as if section 561(1) of the Act did not apply to any such allotment.

DATED the 22 day of May 2020

By order of the Board

Graham May

Company Secretary
Contango Holdings plc

Registered office: 4th Floor, 36 Spital Square, London E1 6DY.

Notes:

1. As a member of the Company, you are entitled to appoint another person as proxy to exercise all or any of your rights to vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. To appoint the Chairman of the Meeting or another person as your proxy insert their full name into the proxy form. Due to Stay at Home Measures, we strongly advise shareholders to appoint the Chairman of the Meeting as their proxy. If someone other than the Chairman is appointed then their vote will not be capable of being exercised due to the meeting being closed. Further details are set out below.

3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrar, Avenir Registrars Limited, at 31 Primrose Road, London E18 1DD. Due to Stay at Home Measures, we strongly advise shareholders to appoint the Chairman of the Meeting as their only proxy. Further details are set out below.

4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting as he or she thinks fit) in relation to any other matter which is put before the Meeting.

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

   i. completed and signed (with any alteration or deletion signed and initialled);

   ii. received not later than 48 hours before the time of the Meeting (or any adjournment thereof).

   In the case of a member who is a company, the proxy form must be signed on its behalf by an officer of the company or any attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Company's registrar, Avenir Registrars Limited, at 31 Primrose Road, London E18 1DD. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

8. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrar, Avenir Registrars Limited, at 31 Primrose Road, London E18 1DD, or by emailing registers@avenir-registrars.co.uk. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company no later than 48 hours before the time of the meeting (or any adjournment thereof).

9. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

10. You may not use any electronic address provided within this notice or any related documents (including the proxy form) to communicate with the Company other than as expressly stated.

11. To give an instruction via the CREST system, CREST messages must be received by the issuers agent (ID number RA20) not later than 48 hours before the time appointed for holding the Meeting.

12. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

13. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the Company's register of members at 10:00 a.m. on 15 May 2020 (or in the case of adjournment 48 hours before the time of the adjourned meeting) will be entitled to vote at the meeting. Changes to entries in the register of members after that time shall be disregarded in determining the right of any person to vote at this meeting.

14. Stay at Home Measures introduced by the government prohibit public gatherings of more than two people unless the gathering is essential for work purposes. Attendance at a general meeting by a shareholder, other than one specifically required to form the quorum for that meeting, is not classed as essential for work purposes under those measures. **In accordance with government guidance, shareholders should therefore not attend the GM.**

    There will be only limited Company representation at the meeting and our advisers have also been asked not to attend. In order to comply with relevant legal requirements, the GM will be convened with the minimum necessary quorum of two shareholders. This will be facilitated by the Company.

    We therefore **strongly encourage shareholders to vote on all resolutions in advance of the GM** by completing an online proxy appointment form appointing the Chairman of the meeting as your proxy, to register any questions in advance and not to attend the meeting in person.

    Shareholders are therefore urged to submit their votes by proxy before 10:00 a.m. on 15 May 2020 and shareholders should appoint the Chairman of the meeting as their proxy.

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