

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION, if you are in any doubt about the contents of this Document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This Document is a prospectus relating to Contango Holdings plc (the “**Company**”) which has been approved by the Financial Conduct Authority (the “**FCA**”), as competent authority under Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”) and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Regulation Rules. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are, or the Company which is the, subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Document has been drawn up as a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation.

This Document together with the documents incorporated into it by reference (as set out in Part IV) will be made available to the public in accordance with UK Prospectus Regulation Rule 3.2 by the same being made available free of charge at [www.contango-holdings-plc.co.uk](http://www.contango-holdings-plc.co.uk) and at the Company’s registered office at 1 Charterhouse Mews, London, EC1M 6BB, United Kingdom.

The Directors, whose names appear on page 30, and the Company accept responsibility for the information contained in this Document. To the best of the knowledge of the Company and the Directors, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect the import of such information.

**THE WHOLE OF THE TEXT OF THIS DOCUMENT INCLUDING ALL THE INFORMATION INCORPORATED BY REFERENCE SHOULD BE READ BY PROSPECTIVE INVESTORS. IN PARTICULAR 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 11 OF THIS DOCUMENT WHICH YOU SHOULD READ IN FULL.**

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# CONTANGO HOLDINGS PLC

*(Incorporated in England and Wales with company number 10186111)*

**Placing of 125,000,000 Shares of £0.01 each at 6p per Share**

**and**

**Issue of 21,390,000 Performance Shares**

**Financial Adviser & Broker**

**Tavira Financial Limited**

Issued share capital immediately following Placing and Admission  
472,794,023 Fully Paid Shares of £0.01 each

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The current entire issued share capital of the Company (“**Existing Ordinary Shares**”) is admitted to the Official List of the UK Listing Authority (the “**Official List**”) (by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority (“**Listing Rules**”)) and to the London Stock Exchange plc (“**London Stock Exchange**”). Application will be made for the immediate admission of the Placing Shares and Performance Shares to trading on the Main Market for listed securities (“**Admission**”).

It is expected that Admission will become effective and that dealings for normal settlement in the Placing Shares and Performance Shares will commence at 8.00 a.m. (London time) on 7 November 2022. No application is currently intended to be made for the Placing Shares and Performance Shares to be admitted to listing or dealing on any other exchange. The Company will comply with its obligation to publish a further supplementary prospectus containing further updated information required by law or any regulatory authority but assumes no further obligation to publish additional information.

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

Tavira Financial Limited (“**Tavira**”) have been appointed by the Company as its broker (“**Broker**”) in connection with the Placing. The Broker, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no one else in relation to the Placing. The Broker will not regard any other person (whether or not a recipient of this Document) as its client in relation to the Placing and will not be responsible to anyone (other than the Company in respect to Admission) for protections afforded to the clients of the Broker or for providing any advice in relation to Admission or the Placing, the contents of this Document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by the Broker for the accuracy of any information or opinions contained in this Document or for the omission of any material information, for which it is not responsible. However, nothing in this paragraph excludes or limits any responsibility which the Broker may have under the Financial Services and Market Act 2000 or the regulatory regime established thereunder, or which, by law or regulation cannot otherwise be limited or excluded.

## **OVERSEAS SHAREHOLDERS**

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Canada or Japan. Subject to certain exceptions, the Shares may not be offered, sold, resold, transferred or distributed directly

or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States or to or for the account or benefit of persons in the United States, South Africa, the Republic of Ireland, Canada, Japan 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 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 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, although the Company may sell the Shares in a private placement transaction in the United States pursuant to an exemption from registration.

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 Shares have been approved or disapproved by the United States Securities and Exchange Commission (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 Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Canada or Japan. Subject to certain exceptions, the Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States or to or for the account or benefit of persons in the United States, South Africa, the Republic of Ireland, Canada, Japan 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 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 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, although the Company may sell the Shares in a private placement transaction in the United States pursuant to an exemption from registration.

**Certain information in relation to the Company is incorporated by reference into this Document. Capitalised terms used herein have the meanings ascribed to them at the end of this Document under the heading "Definitions".**

This Document is dated 1 November 2022

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## SUMMARY

### SECTION A – INTRODUCTION AND WARNINGS

#### Introduction

The legal and commercial name of the issuer is **Contango Holdings plc (the “Company”)** with the registered address at **1 Charterhouse Mews, London, EC1M 6BB, United Kingdom** and telephone number **+44 020 3463 5000**. The Company’s international securities identification number (ISIN) is **GB00BF0F5X78** and its legal entity identifier (LEI) is **213800HZ69B3QHCUGX36**. This Document has been approved on 1 November 2022 by the Financial Conduct Authority (the “FCA”) (whose address is at 12 Endeavour Square, London, E20 1JN, United Kingdom and telephone number is 020 7066 1000), as competent authority in the United Kingdom under Regulation (EU) 2017/1129.

#### Warnings

This summary should be read as an introduction to this Document. Any decision to invest in the Shares should be based on consideration of this Document as a whole by the investor. The Investor could lose all or part of *the invested capital*.

*Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document or it does not provide, when read together with the other parts of this Document, key information in order to aid investors when considering whether to invest in such securities.*

### SECTION B – KEY INFORMATION ON THE ISSUER

#### Who is the Issuer of the Securities?

Issuer: The Company was incorporated as a company with limited liability on 18 May 2016 under the laws of England and Wales under the Companies Act with an indefinite life and with company number 10186111 and LEI, 213800HZ69B3QHCUGX36. The Company is authorised to issue one class of shares (“**Shares**”) and had the Shares admitted by the FCA to a Standard Listing and to trading on the London Stock Exchange’s Main Market for listed securities on 1 November 2017 and following the reverse takeover further re-admitted on 26 June 2020 (“**Re-Admission**”).

#### Principal Activities

The Company is principally engaged in developing the Lubu coking coal project (“**Lubu**” or “**Lubu Coking Coal Project**”) in Zimbabwe. The Company has commenced mining of coking coal, entered an offtake agreement for the sale of coking coal and intends to initially scale production up to 300,000 tonnes of washed coal per annum to be sold domestically and in the Southern African region. In the longer term and subject to raising additional financing, the Company will seek to develop a fully integrated coke production business as there is a material margins to be gained from upgrading the coking coal to a coke product. Coke is an important raw material used in steel and ferrous alloys furnaces in Zimbabwe, the Southern African region and globally. Moreover, the Company is exploring the sale of thermal coal subject to viable logistical solution to reach the export market. The Company owns 70% per cent. of the share capital of Monaf Investments (Private) Limited (“**Monaf**”), the owner of Lubu.

Also, since Re-Admission the Company acquired two adjacent gold projects in Mali being Garolo and Ntiela which are collectively referred to as Garolo-Ntiela (“**Garolo**”). The Company owns 75 per cent. of the share capital of Contango Gold Mali Sarl (“**CGM**”), the owner of Garolo and 100% of the Ntiela project. The Company has undertaken initial exploration work on Garolo and is pursuing discussions with strategic investors to determine the best route of development following the identification of larger target resource of approximately 2m oz’s which will require further development capital.

### **Company Strategy**

The Company commenced mining operations at Lubu in March 2022 and is now finalising the installation of mining equipment and the wash plant with associated infrastructure to deliver its first coal to be sold. The Group has entered into one offtake agreement for 10,000 tonnes per month, however, it is seeking to scale production up to 300,000 tonnes per annum with the support of additional offtake agreements that are subject to ongoing discussion.

Subject to additional financing, the Company is seeking to become a fully integrated coke production business through the addition of coke batteries on site at Lubu. The coke will likely be sold to the steel and ferro alloy industries in Zimbabwe, Southern African region and globally.

Finally, the Company is undertaking a number of discussions with strategic investors on the best route to develop the Garolo project due to the considerably larger size of the project than first envisaged.

### **Major Shareholders**

The Directors are aware of the following persons, who, as at the date of this Document and following the Placing of 125,000,000 Shares at a price of 6 pence per Share (the “**Placing**”) will have a notifiable, direct or indirect, interest in the Company’s capital or Voting Rights of five per cent. (5 per cent.) or more:

<b>Shareholder</b>	<b>Holding on the date of this Document</b>	<b>% Issued Share Capital</b>	<b>Holdings on Admission</b>	<b>Holding on Admission %</b>
Pershing Nominees Limited	53,146,092	16.3%		11.2%
Namdar Family Holding LLC	Nil		41,666,667	8.8%
HL Nominees Limited	41,143,883	12.6%		8.7%
RAB Capital	36,515,149	11.2%	44,848,482	9.5%
Interactive Nominees Limited	25,315,043	7.8%		5.4%
Luna Nominees Limited	17,281,666	5.3%		3.7%
Lynchwood Nominees Limited	13,964,266	4.3%		3.0%
Vidacos Nominees Limited	11,719,577	3.6%		2.5%
HSDL Nominees Limited	10,452,105	3.2%		2.2%

On Admission, such Shareholders will not have special Voting Rights in relation to the Shares and the Shares owned by them will rank *pari passu* in all respects with other Shares.

*Directors:* Carl Esprey, Roy Pitchford and Oliver Stansfield are Directors.

*Statutory Auditors:* The Company’s auditors are Crowe U.K. LLP whose address is 55 Ludgate Hill, London EC4M 7JW which is regulated by the FCA with registration number 400456.

### What is the key financial information regarding the issuer?

Selected historical key financial information relating to the Group is set out below. The information has been presented in accordance with Annex 3 of the UK version of the European Commission Delegated Regulation (EU) 2019/979 which is part of the UK law by virtue of the European Union (Withdrawal) Act 2018.

The tables below set out summary financial information of the Group for the periods indicated.

#### Income Statement for the Group

	6 months period to November 2021	12 months to May 2021	6 months to November 2020
Revenue	0	0	0
Operating Profit/(Loss)	(636,398)	(3,304,899)	(1,129,659)
Net Profit/(Loss)	(636,398)	(3,304,899)	(1,129,659)

#### Balance Sheet

Total Assets	13,841,456	10,369,368	12,691,841
Total Equity	12,685,824	10,087,704	11,857,981
Net Debt	(1,155,632)	(281,664)	(833,860)

#### Cash Flow Statements

Net cash used in operating activities	(272,480)	(1,520,912)	(913,280)
Net cash used in investing activities	(593,989)	(1,380,116)	(888,008)
Net cash flow from financing activities	3,290,415	2,940,674	2,936,271

#### Audit qualification

In the audited financial statements for the 12 months to May 2021 the auditors noted a material uncertainty related to going concern relating to the Group and the Company's ability to continue as a going concern being dependent on the availability of future further fundraising. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Company's and the Group's ability to continue as a going concern.

#### What are the key risks that are specific to the Issuer?

- Coking coal prices – The price of coking coal is subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to exchange rates, fluctuations in the value of the United States dollar and foreign currencies, global and regional supply and demand, and political and economic conditions, which may result in prices falling which would adversely impact the Company by reducing future income.
- No Revenue – The Group is now producing coking coal and Monaf has entered into one offtake agreement, however as at the date of this document Monaf has not commenced sales as part of such offtake agreement. Although the Group will have sufficient working capital for the Working Capital Period, the current business plan envisages that internally generated cash from sales will be invested in developing the coke business. If the Company does not generate revenue from such offtake sales then it will adversely impact the plan to become an integrated coke producer and will weaken the working capital position of the Group.
- Offtake Agreement – The company has entered an offtake agreement with A to Z Investments (Pty) Ltd, through which it expects to sell an initial 10,000 tonnes per month of washed coking coal, subject to achieving certain quality criteria. Although the Company expects to sign additional offtake arrangements, at this time having one offtake arrangement in place represents a risk in the event of any solvency issue with this sole offtaker, which as noted above, would affect the revenue of the Company.

- Resettlement of local population at Lubu – The Company is undertaking to resettle people/homes to facilitate the new operations at Lubu. The resettlement process is underway but the Company cannot guarantee that the process may not be delayed or affected by changes. The resettlement of local people is important so that the site can accommodate the project infrastructure and associated equipment. In the event that the resettlement is not completed as currently planned, it may impact the timing of implementation of the Lubu Project and therefore its revenues.
- New wash plant installation – the Company is in the process of installing a new wash plant to process raw coking coal. The installation may experience delays and commissioning related issues that require further capital to be spent. Although the Group will have sufficient working capital for the Working Capital Period, time delays and budgetary overruns may adversely impact the working capital position beyond the Working Capital Period as delays would postpone the receipt of revenue and may adversely impact the offtake agreement with AtoZ due to the failure to deliver coal on schedule.
- Installation of coke batteries – The Company will undertake material capital expenditures to install the coke batteries on site at Lubu. The installation will be managed by external contractors and there is no guarantee that the installation of these batteries will be on time or according to the budget. Time delays and budgetary overruns may require the Company to raise further capital in order to complete the Lubu Project as planned.
- Country risk – the Company's main project Lubu is located in Zimbabwe. The Group's activities may be affected in varying degrees by political stability and governmental regulations. Any changes in regulations or shifts in political attitudes in Zimbabwe or any other countries in which the Group may operate are beyond the control of the Group and may adversely affect its operations. There may be unforeseen environmental liabilities resulting from both future and/or historic exploration or mining activities, which may be costly to remedy.
- Garolo project requires further investment – the Company is committing further funding to developing the Garolo Project, however, the Garolo Project requires a substantial amount of further capital to fully develop the operation. The Company may not be able to complete any transaction with a strategic investor or identify a co-investor, which would have detrimental impact on the speed of development.
- Title Risk – whilst the Company has investigated the title to, and rights and interest in, the Licences and, to the best of its knowledge, such title, rights, and interests are in good standing, this should not be construed as a guarantee of the same or that all these Licences will be renewed when they expire and if they are renewed that some of the areas under the Licences will not have to be relinquished.
- The Company's business and future management is substantially dependent on the expertise and continued services of its directors, employees, and consultants. The loss of the services of any such person could have a material adverse effect on the Group's business. The Group cannot guarantee the retention of its directors, employees, and consultants nor that it will be able to continue to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results or operations of the Group.

## SECTION C – KEY INFORMATION ON THE SECURITIES

### What are the main features of the securities?

The securities are a total of 472,724,023 Shares of £0.01 each in the capital of the Company, including the 125,000,000 new shares issued pursuant to the Placing at the Placing Price of 6 pence per Share and 21,390,000 Performance Shares, which are issued fully paid. The Shares are denominated in UK Pounds Sterling and the Placing Price is payable in UK Pounds Sterling. The Shares are registered with ISIN number GB00BF0F5X78.

The Placing Shares and Performance Shares are issued as ordinary Shares and shall on issue rank *pari passu* for Voting Rights, dividends and distributions and return of capital on winding up (whether this be a solvent or insolvent winding up) with the Existing Shares. Each Share confers the right to receive notice of and attend all meetings of Shareholders. Each holder of Shares present at a general meeting in person or by proxy or by its authorised corporate representative has one vote, and, on a poll, one vote for every Share of which he is a holder. In the case of joint holders of Shares, if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of members and may speak as a member, if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners, and if two or more of the joint owners are present in person or by proxy they must vote as one. No pre-emption rights exist in respect of future share issues carried out by the Company wholly or partly other than for cash. Subject to the Companies Act, on a winding up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, to the holders of Shares *pro rata* to the number of such fully paid up Shares held (by each holder as the case may be) relative to the total number of issued and fully paid up Shares.

Each Placee will be issued on Admission with a warrant to subscribe for 1 Ordinary Share for each 2 Placing Shares (“**October 2022 Investor Warrants**”) exercisable at 9p for 3 years from Admission. The Placees will be granted the Warrants on Admission over an aggregate of 62,500,000 Shares exercisable at 9 per Share at any time from the date of Admission for 3 years.

The Company announced on 9 April 2021 the issue of 21,390,000 performance share options (“**Performance Options**”) to its board, senior management and consultants in lieu of the modest salaries and fees received to maintain a tight cost structure. The Performance Options are exercisable for nil exercise price. Each holder to the Performance Options has notified the Company that it wishes to exercise its option and so the Company is required to issue 21,390,000 Shares (the “**Performance Shares**”).

The Company announced on 18 November 2021 the issue of 41,666,666 warrants as part of a placing to raise £2.5m (“**November 2021 Investor Warrants**”). The November 2021 Investor Warrants are exercisable at 12 pence per share for a period of 3 years until 18 November 2024.

The Company will issue 2,776,389 warrants to the Broker that are exercisable at the Placing Price of 6p for a period of 3 years from Admission (“**Broker Warrants**”).

#### **Where will the securities be traded?**

Application will be made for the Placing Shares and Performance Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities

#### **What are the key risks that are specific to the securities?**

- The issue of the Placing Shares and the Performance Shares will dilute existing shareholders of the Company.
- Investors may not be able to realise returns on their investment in Shares within a period that they would consider to be reasonable as an investment in Shares may be relatively illiquid due to the limited number of Shareholders which may contribute to infrequent trading and volatile Share price movements. In particular, dividend payments on the Shares are not guaranteed and the Company does not intend to pay dividends in the short term.

### **SECTION D – KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET**

#### **Under which conditions and timetable can I invest in this security?**

##### **General Terms and Conditions**

This Document does not constitute an offer or an invitation to any person to subscribe for or purchase any shares in the Company. The Placing Shares will be distributed pursuant to the Placing arranged by the Broker as agent for the Company and is conditional on Admission for the Placing Shares occurring and becoming effective by 8.00 a.m. London time on, or prior to,



7 November 2022 (or such later date as may be agreed by Tavira and the Company) but it any event no later than 9 December 2022 (the “**Long Stop Date**”) (the “**Admission Condition**”). The Company will raise gross proceeds of £7,500,000 from the issue and allotment of 125,000,000 Placing Shares at the Placing Price.

#### **Expected Timetable**

#### **Dates**

Publication of this Document	1 November 2022
Admission and commencement of unconditional dealings in Shares	8.00 a.m. on 7 November 2022
Crediting of Ordinary Shares to CREST Accounts	7 November 2022
Share Certificates dispatched	Week commencing 21 November 2022

#### **Details of Admission to Trading**

Application will be made for the Placing Shares and Performance Shares to be admitted to trading on the official list and the London Stock Exchange’s Main Market. Following such Admission, the securities subject to trading are a total of 472,724,023 Shares comprising: 326,334,023 Existing Ordinary Shares, 125,000,000 Placing Shares and 21,390,000 Performance Shares.

#### **Immediate Dilution Pursuant to the Placing and issue of Performance Shares**

Pursuant to the Placing 125,000,000 new Shares have been conditionally subscribed for by Placees at the Placing Price, representing in aggregate 26.5 per cent. of the Enlarged Share Capital. The Performance Shares represent in aggregate 4.5 per cent. of the Enlarged Share Capital. The issue of the Performance Shares will result in the existing share capital being diluted so as to constitute 7 per cent. of the Enlarged Share Capital.

#### **Dilution Pursuant to the exercise of Current Warrants, October 2022 Investor Warrants and November 2021 Warrants**

<b>Dilution from Warrants</b>		<b>Dilution as a % of Existing Share Capital</b>	<b>Dilution as a % of the Enlarged Share Capital</b>
Existing Warrants	10,416,666	3.2%	2.2%
Total New Warrants on Admission	106,943,056	32.8%	22.6%
November 2021 Investor Warrants	41,666,667	12.8%	8.8%
Oct 2022 Investor Warrants	62,500,000	19.2%	13.2%
Broker Warrants	2,776,389	0.9%	0.6%

#### **Total Expenses of the Issue**

The total expenses incurred (or to be incurred) by the Company in connection with the Placing and Admission are approximately £390,000. No expenses will be charged to the Investors.

#### **Why is this Prospectus being produced?**

The Company is seeking to become a producer of coking coal and become a fully integrated producer of coke for industrial and steel furnaces in the Southern African region and internationally. The Net Proceeds will enable the Company to expand its coking coal production and sell coking coal under offtake agreement. The Company will also continue to dedicate funds to advancing its Garolo-Ntiela Gold Project in Mali.

**Net Proceeds**

Conditional only on the Admission, the Company has raised gross proceeds of £7,500,000 through the Placing and the total expenses incurred (or to be incurred) by the Company in connection with the Placing and Admission are approximately £390,000 (“**Costs**”) (such that the net proceeds will be approximately £7,110,000 (“**Net Proceeds**”)).

It is anticipated by the Board of the Company that the Net Proceeds will be used as follows:

	<b>£m</b>
Fixed mining equipment	1.25
Final installment for the first wash plant	0.66
Lubu resettlement costs	0.62
Open cast mining and other mining equipment	0.72
Pay loans provided to fund Q3 capex at Lubu	2.00
Expansion capital	1.30
General working capital	0.56
<b>Net Proceeds</b>	<b>7.11</b>

The Placing is not underwritten but each Placee has provided a legally binding commitment to subscribe for the Placing Shares conditional only on the Admission Condition.

***The most material conflicts of interest pertaining to the Placing and Admission***

Save as disclosed herein, there are no interests, including any conflicting interests, known to the Company that are material to the Company or the Placing. The Directors have interests in other companies, which are in some cases of a similar nature to the Company. This may lead to conflicts of interest as a result of fiduciary obligations owed to both Companies, or simply lead to conflicts in allocating sufficient management time to the Company. The Directors may become aware of business opportunities and experience conflicts when deciding which of the companies they are interested in to present the opportunity to, which may be to the detriment of the Company.

## RISK FACTORS

### **AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK**

*The Company is focused on the development of the Lubu Coal Project in the Republic of Zimbabwe and the ongoing exploration of Garolo-Ntiela Gold Project in the Republic of Mali.*

*Prospective investors should note that the risks relating to the Company and the Group, its industry and the Shares summarised in the section of this Document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company 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 exploration for and development of natural resources are speculative activities that involve a high degree of financial risk. Prospective investors should carefully consider all the information in this Document including the risks described below. The risks and uncertainties described below are the material risk factors facing the Company which are currently known to the Directors. These risks and uncertainties are not the only ones facing the Group and additional risks and uncertainties not presently known or currently deemed immaterial may also have a material adverse effect on the Group's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Group's business, financial condition, operational performance and share price could be materially and adversely affected to the detriment of the Company and the Shareholders. Investment in the Company is suitable for persons who can bear the economic risk of a substantial or total loss of their investment.*

### **RISKS RELATING TO THE COMPANY**

#### **1. Coking Coal Prices**

The development and success of the Lubu Coking Coal Project will be primarily dependent on the future prices of coking coal. Coal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to exchange rates, fluctuations in the value of the United States dollar and foreign currencies, global and regional supply and demand, and political and economic conditions. The price of coal and other commodities have fluctuated widely in recent years, and future price declines could cause any future development of and commercial production from the Group's property to be impracticable. Although the Group will have sufficient working capital for the Working Capital Period, depending on the price of coal and coking coal, projected cash flow from planned mining operations may not be sufficient for future operations and the Group could be forced to discontinue any further development and may lose its interest in, or may be forced to sell, some or all of its properties. Future production from the Lubu Coal Project is dependent on the production of coal that is adequate to make the project economic.

#### **2. No Revenue**

The Group is now producing coking coal and Monaf has entered into one offtake agreement with AtoZ, however as at the date of this document Monaf has not commenced sales as part of such offtake agreement. Although the Group will have sufficient working capital for the Working Capital Period, the current business plan envisages that internally generated cash from sales will be invested in developing the coke business. If the Company does not generate revenue from such offtake sales then it will adversely impact the plan to become an integrated coke producer and will weaken the working capital position of the Group.

#### **3. Offtake Agreement**

Monaf has entered into an offtake agreement with AtoZ in respect of washed coking coal from the Lubu Coal Project. The requirement for AtoZ to purchase the washed coking coal is conditional upon the washed coking coal meeting certain quality and quantity requirements. The washed coking coal produced from the Lubu Coal Project may be either of insufficient amount or of insufficient quality and as such AtoZ will not be obligated to purchase the washed coking coal. In the event that AtoZ is not obligated to purchase the washed coking coal then the Company would not receive income for

the coking coal extracted and subsequently washed and as such the Lubu Coal Project may experience budget issues and may ultimately be uneconomic. The Group would be adversely affected by a failure to supply under the offtake agreement as it would delay receipt of revenue which would weaken the working capital position of the Group. Although the Company will have sufficient working capital for the Working Capital Period, it would require the company to delay its growth plans to become an integrated producer of coke.

#### **4. Resettlement of local population at Lubu**

The Company has undertaken to resettle people and their homes to facilitate the new operations at Lubu. The timing and costs of such resettlement potentially remain subject to change in the future and therefore may change from the proposed plans. Failure to agree terms for resettlement and/or failure of the people to be resettled to comply with any agreed plan may cause delay to the project. The resettlement of the local population is important so that the Company can install the required infrastructure and equipment on site. In the event that the resettlement is not completed as currently planned, it may impact the timing of implementation of the Lubu Project and therefore its anticipated revenues.

#### **5. Financing for the installation of coke batteries**

The Group is likely to remain cash flow negative until 2023 as it only expects to receive its first income from the sale of coking coal in Q1 2023. Although the Directors believe there will be future revenue earning potential of the Group from its interests in the Lubu Coal Project, there can be no certainty that the Group will achieve or sustain profitability or positive cash flow from its operating activities.

The Company intends to install coke batteries at Lubu in 2023 and become a fully integrated coke producer. The Company intends to enter into contracts with third party external contractors to manage and undertake such installation. In addition, the Company expects to enter into a form of pre-pay or debt financing with future offtakers to fund this capital cost requirement. However, such contracts have not yet been entered into and may not be on terms currently assumed by the Company in respect of costs or liability. There is no guarantee that the installation of coke batteries will occur as they are entirely contingent on future financing arrangements that have not been finalized. The Company will not be able to commence the installation of coke batteries without a financing package to cover the future capital expenditure. The Company is currently in discussions to arrange a financing package for the installation of coke batteries which will not be completed until the end of 2022. The Company does not intend to undertake the installation of coke batteries without arranging a non-dilutive financing package through a mix of pre-paid offtake, debt and internally generated cash. Failure to raise the additional finance to install the coke batteries will mean the Group cannot upgrade its products from coking coal to coke products, which can be sold at a higher price, and this will have an impact on the Group's revenues.

#### **6. Installation of wash plant**

The Company is currently installing a wash plant on site at Lubu. The wash plant is required to deliver salable coking coal under its offtake agreement. The Company is dependent on third party contractors to install the wash plant in Q3 2022. The installation may experience delays and commissioning related issues that require further capital to be spent. Although the Group will have sufficient working capital for the Working Capital Period, time delays and budgetary overruns may adversely impact the working capital position beyond the Working Capital Period as delays would postpone the receipt of revenue and may adversely impact the offtake agreement with AtoZ due to the failure to deliver coal on schedule.

#### **7. An increase in production costs could materially and adversely affect the Group's profitability.**

Changes in the Group's production costs could have a major impact on its profitability. Its main production expenses are contractor costs, materials, personnel costs and energy. Changes in the costs of the Group's mining operations could occur as a result of unforeseen events, including international and local economic and political events, and could result in changes in profitability or reserve estimates. Many of these factors may be beyond the Group's control. The Group relies on third party suppliers for a number of its raw materials used in the construction and continuing development of the Project. Any material increase in the cost of raw materials, or the inability by the Group to source third party suppliers for the supply of its raw materials, could have a material adverse effect on the Group's results of operations or financial condition.

## **8. Reliance on key personnel and management**

The Company's business and future management is substantially dependent on the expertise and continued services of its directors, employees, and consultants. The loss of the services of any such person could have a material adverse effect on the Group's business. The Group cannot guarantee the retention of its directors, employees, and consultants nor that it will be able to continue to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results or operations of the Group.

Furthermore, the activities in-country including the exploration programmes established over the Projects require the assistance of local personnel and third-party contractors and experts and for them to be able to visit and work at the Projects. Whilst the Directors believe from their experience that such parties are readily available, this may not always be the case, in which case, progress of the Project activities could be significantly curtailed or delayed, with consequent increased costs and loss of revenue to the Group. The effects of the COVID-19 pandemic including the associated national and international travel restrictions remain uncertain and may have an impact on the ability of such third-party contractors and experts to visit and work on the Projects which again could lead to delays in the progress of the Project activities and consequent increased costs and loss of revenue to the Group.

## **9. Mineral, metallurgical and geological risks**

There has only been limited exploration of the Garolo-Ntiela Gold Project and to date there has been not mineral resources estimated. Further exploration work will be required to establish any mineral resource. The potential quantity and grade of any product is presently conceptual in nature and it is uncertain if further exploration will result in the estimation of a mineral resource. The Group will need to undertake metallurgical test work and technical marketing to establish reasonable grounds for a saleable product. If any concentrate grading is less than anticipated this will reduce the quantum of saleable product and as the Garolo-Ntiela Gold Project is dependent on the production of quality product to make the project economic this could have a material impact on the Group's financial position in the future.

## **10. Title risk**

While the Company has investigated its title to, and rights and interests in, the Lubu Coking Coal and Garolo, and to the best of its knowledge, such title and interests are in good standing, this should not be construed as a guarantee of the same. Title to the Lubu Coking Coal or Garolo may be subject to undetected defects. If a defect does exist it is possible that the Group may lose its economic interest in either the Lubu Coal Project and/or Garolo-Ntiela Gold Project which would result in the Group having to write off material value from its balance sheet and potentially face litigation, costs or penalties due to the failure of holding titles and interest in good standing.

## **11. Impact of environmental and social issues affecting the Lubu Coal Project**

Although the Company has progressed the Lubu Coal Project, the development of the project is still ongoing and further consideration will need to be given to environmental and social issues affecting the Lubu Coal Project as full development is undertaken. Environmental and safety legislation (e.g. in relation to reclamation, disposal of waste products, protection of wildlife and otherwise relating to environmental protection) may change in a manner that may require stricter or additional standards than those now in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from both future and historic exploration or mining activities, which may be costly to remedy. Potential environmental liabilities as a result of unfulfilled environmental obligations by the previous owners may impact the Group. Risks may include on-site sources of environmental contamination such as oil and fuel from the mining equipment and rehabilitation of the site upon expiry of the Coal Project Licences. Under Zimbabwean law the Company is required to rehabilitate the area affected by the mining activities, accordingly there will be a potential cost associated with undertaking this obligation. It is currently unknown what this could be but the funding of this could have a material impact on the Group's financial position in the future.

If the Group is unable to fully remedy an environmental problem, it may be required to stop or suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Group.

The Group has not purchased insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) as it is not generally available at a price which the Group regards as reasonable.

## **12. Impact of environmental and social issues affecting the Garolo-Ntiela Gold Project**

Although the Company has progressed the Garolo Gold Project, the development of the project is still in its early stages and further consideration will need to be given to environmental and social issues affecting the Garolo-Ntiela Gold Project as full development is undertaken. Environmental and safety legislation (e.g. in relation to reclamation, disposal of waste products, protection of wildlife and otherwise relating to environmental protection) may change in a manner that may require stricter or additional standards than those now in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from both future and historic exploration or mining activities, which may be costly to remedy. Potential environmental liabilities as a result of unfulfilled environmental obligations by the previous owners may impact the Group. Risks may include on-site sources of environmental contamination such as oil and fuel from the mining equipment and rehabilitation of the site upon expiry of the Gold Project Licences. Under Malian law the Company is required to rehabilitate the area affected by the mining activities, accordingly there will be a potential cost associated with undertaking this obligation. It is currently unknown what this could be but the funding of this could have a material impact on the Group's financial position in the future.

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## **13. Utilities**

The Group's ability to develop the Lubu Coal Project will be reliant on the availability of adequate utilities such as power and water. There can be no guarantee that such utilities will be available, or available at an economically viable level. Zimbabwe currently has significant issues supplying power through the national grid with significant load shedding and outages. The Group is installing all the infrastructure required at the Lubu Coal Project although this will not mitigate the risk entirely. If the Group cannot access the relevant utilities it would partially or fully interrupt production which would delay the ability of the Group to receive income from sales. The Group does not currently require utilities at the Garolo-Ntiela Gold Project as it is not in a development and production phase.

## **RISKS RELATING TO COMPANY'S INDUSTRY**

### **Exploration and development risks**

Mineral exploration and development involve a high degree of risk. Many licences which are explored ultimately fail to be developed into producing mines. Success in defining mineral resources and reserves is the result of a number of factors, including the level of geological and technical expertise, the quality of land available for exploration and other factors. Once mineralisation is discovered, it may take several years of drilling and development until production is possible during which time the economic feasibility of production may change. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in the price of heavy minerals, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralisation ultimately mined may differ from that indicated by drilling results and such differences could be material.

The Group will continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish resources and reserves through drilling, to develop mineral processes to extract the product from the resource and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for

mining. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that the minerals will be discovered in sufficient quantities and/or quality to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of the resource mined, fluctuations in mineral markets, importing and exporting of minerals and environmental protection. As a result of these uncertainties, there can be no assurance that mineral exploration and development of the Group's properties will result in profitable commercial operations.

### **Operating risks**

The activities of the Group will be subject to usual hazards and risks normally associated with exploring and developing natural resource projects. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and mineral recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God or unfavourable operating conditions and losses. Should any of these risks and hazards affect the Group's exploration, development or mining activities, it may cause the cost of production to increase to a point where it would no longer be economic to produce mineral resources from the Group's properties, require the Company to write-down the carrying value of one or more mineral projects, cause delays or a stoppage of mining and processing, result in the destruction of mineral properties or processing facilities, cause death or personal injury and related legal liability; any and all of which may have a material adverse effect on the Company. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability, result in increasing costs or the loss of assets and a decline in the value of the Company's securities.

### **Estimates of Mineral Reserves and Resources**

Even though a mineral resource has been discovered at the Lubu Coal Project, estimates in respect of that resource are expressions of judgement based on knowledge, experience and industry practice. At present there is no estimate of resource at the Garolo-Ntiela Gold Project. Estimates which were valid when originally made may change appreciably when further information becomes available. Such resource estimates are by nature imprecise, depending on interpretations which may, with further exploration, prove to be inaccurate. Moreover, should the Group encounter ore bodies or formations which differ from those suggested by past sampling and analysis, resource estimates may have to be adjusted and any production plans altered accordingly which may adversely impact the Group's plans.

### **Environmental regulation**

Environmental and safety legislation (e.g. in relation to reclamation, disposal of waste products, protection of wildlife and otherwise relating to environmental protection) may change in a manner that may require stricter or additional standards than those now in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from exploration or mining activities, which may be costly to remedy. If the Group is unable to fully remedy an environmental problem, it may be required to stop or suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Group. The Group has not purchased insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) as it is not generally available at a price which the Group regards as reasonable.

### **Currency risk**

The international prices of most commodities are denominated in United States dollars while the Company cost base will be in Pounds Sterling, Zimbabwean Dollar, and West African CFA Franc. Consequently, changes in the US Dollar exchange rates will impact on the earnings of the Company. The exchange rates are affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

## **Competition**

The mining industry is competitive in all of its phases. The Group faces strong competition from other companies in connection with the acquisition of mineral properties producing, or capable of producing, as well as for the recruitment and retention of qualified employees. Larger companies, in particular, may have access to greater financial resources, operational experience and technical capabilities than the Group which may give them a competitive advantage.

## **Inability to obtain mining licences and permits**

Whilst the Group holds the Licences, the Group's future exploration activities will continue to be dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents relating to the current Licences or any future licence, which may not be granted or may be withdrawn or made subject to conditions or limitations. There is no guarantee that, upon completion of any exploration programme, a mining or exploitation licence will be granted with respect to the exploration territory. There can also be no assurance that any mining or exploitation licence will be issued or renewed and if so, on what terms. In the event the Group does not obtain the relevant mining licences, permits or regulatory consents, it could materially affected the viability of the Projects and require the Group to assess its ability to continue with the relevant Project.

## **Location**

The Group's mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. The regions where the Group's current operations, projects and prospects are located are sparsely populated and difficult to access. The Group requires reliable roads, bridges, power sources and water supplies to access and conduct its operations and the availability and cost of this infrastructure affects capital and operating costs and the Group's ability to maintain expected levels of production and sales. Unusual weather or other natural phenomena, sabotage or government or other interference in the maintenance or provision of such infrastructure could impact development of a project, reduce mining volumes, increase mining or exploration costs or delay the transportation of materials to the mines and product to customers. Any such issues arising in respect of the infrastructure supporting or on the Group's sites could materially and adversely affect the Group's results of operations or financial condition. Furthermore, any failure or unavailability of the Group's operational infrastructure (for example, through equipment failure or disruption to its transportation arrangements) could adversely affect the production output from its mines or impact its exploration activities or development of a mine or project. Any prolonged or persistent failure of the power supply from the national grid could increase production costs, significantly delay or halt operations and, consequently, have a material adverse effect on the Group's results of operations or financial condition.

## **RISKS RELATING TO ZIMBABWE**

### **Government regulation and political risk**

The Group's operating activities are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters. While the Group believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned exploration and development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Group cannot assure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Group from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

The Lubu Coal Project is located in Zimbabwe. The Group's activities may be affected in varying degrees by political stability and governmental regulations. Any changes in regulations or shifts in



political attitudes in these countries or any other countries in which the Group may operate are beyond the control of the Group and may adversely affect its operations.

### **Legal systems**

The Coal Project Licences are granted under and governed by the laws of Zimbabwe and are granted subject to conditions, including minimum annual expenditure commitments and reporting commitments. Similar conditions may be applied to future mining permits acquired by the Company or its subsidiaries. Failure to comply with these conditions may result in forfeiture of the Coal Project Licences.

Furthermore, the Coal Project Licences (and any additional future mining permits held by the Group) are subject to periodic renewal. Whilst there is no reason to believe that such renewals will not be granted, the Company cannot guarantee that this will occur. New conditions may also be imposed on the Coal Project Licences (and any additional future mining permits held by the Group) under the renewal process which may adversely affect the Company.

Zimbabwe may have a less developed legal system than more established economies which could result in risks such as (i) effective legal redress in the courts, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; (v) relative inexperience of the judiciary and courts in such matters and (vi) political interference or corruption in the administration of justice. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's research permits and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

### **Litigation risks**

Legal proceedings may arise from time to time in the course of the Group's business. There have been a number of cases where the rights and privileges of mining and exploration companies have been the subject of litigation. The Directors cannot preclude that litigation over the Group's rights and privileges may not be brought against the Company in the future from time to time or that it may not be subject to any other form of litigation.

### **Geopolitical and Economic Instability**

The mining sector in Zimbabwe accounts for about 12 percent of the country's gross domestic product, however, the Minister of Mines has acknowledged issues such as persistent power shortages, foreign currency shortages, and policy uncertainties currently impact investors.

Foreign currency retention requirements have challenged mineral exporters, particularly at times when the black-market exchange rate diverged greatly from the official rate and has incentivized smuggling. The Zimbabwe government expected the sector to drive economic growth in 2020/2021, but the COVID-19 pandemic dampened such optimism. The government intends to amend the Mines and Minerals Act to make it more progressive and investor friendly to attract more investment. Companies are currently required to export all minerals through the state-owned Minerals Marketing Corporation of Zimbabwe (MMCZ), with the exception of gold which must be sold to the Reserve Bank of Zimbabwe's (RBZ) subsidiary Fidelity Printers and Refiners (FPR). However, individual companies may receive permission from the government of Zimbabwe to sell minerals directly to avoid U.S. targeted sanctions on the MMCZ.

## **RISKS RELATING TO MALI**

### **Government regulation and political risk**

The Group's operating activities are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and

protected species and other matters. While the Group believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned exploration and development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Group cannot assure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Group from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

The Garolo-Ntiela Gold Project is located in Mali. The Group's activities may be affected in varying degrees by political stability and governmental regulations. Any changes in regulations or shifts in political attitudes in these countries or any other countries in which the Group may operate are beyond the control of the Group and may adversely affect its operations.

### **Legal systems**

The Gold Project Licences are granted under and governed by the laws of Mali and are granted subject to conditions, including minimum annual expenditure commitments and reporting commitments. Similar conditions may be applied to future mining permits acquired by the Company or its subsidiaries. Failure to comply with these conditions may result in forfeiture of the Gold Project Licences.

Furthermore, the Gold Project Licences (and any additional future mining permits held by the Group) are subject to periodic renewal. Whilst there is no reason to believe that such renewals will not be granted, the Company cannot guarantee that this will occur. New conditions may also be imposed on the Coal Project Licences (and any additional future mining permits held by the Group) under the renewal process which may adversely affect the Company.

Mali may have a less developed legal system than more established economies which could result in risks such as (i) effective legal redress in the courts, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; (v) relative inexperience of the judiciary and courts in such matters and (vi) political interference or corruption in the administration of justice. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's research permits and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

### **Litigation risks**

Legal proceedings may arise from time to time in the course of the Group's business. There have been a number of cases where the rights and privileges of mining and exploration companies have been the subject of litigation. The Directors cannot preclude that litigation over the Group's rights and privileges may not be brought against the Company in the future from time to time or that it may not be subject to any other form of litigation.

### **Geopolitical and Economic Instability**

Mining has been an increasingly important trade for Mali. In 1991, with the assistance of the International Development Association, Mali relaxed the enforcement of mining codes which led to renewed foreign interest and investment in the mining industry. Gold is mined in the southern region and Mali has the third highest gold production in Africa (after South Africa and Ghana).

The emergence of gold as Mali's leading export product since 1999 has helped mitigate some of the negative impact of the cotton and Ivory Coast crises. However, the economy in Mali has been seriously affected by the political uncertainty in recent years. The lack of political certainty could have a negative impact on the Group's business in Mali.

There has been significant recent political uncertainty in Mali. This has culminated in unrest commencing on 5 June 2020 following irregularities in the March and April parliamentary elections, including the kidnapping of opposition leader Soumaila Cissé. Between 11 and 23 deaths followed protests that took place from 10 to 13 June. In July, President Keïta dissolved the constitutional court.

Members of the military led by Colonel Assimi Goïta and Colonel-Major Ismaël Wagué in Kati, Koulikoro Region, began a mutiny on 18 August 2020. President Ibrahim Boubacar Keïta and Prime Minister Boubou Cissé were arrested, and shortly after midnight Keïta announced his resignation, saying he did not want to see any bloodshed. Wagué announced the formation of the National Committee for the Salvation of the People (CNSP) and promised elections in the future. A curfew was begun and the streets of Bamako were quiet. The Economic Community of West African States (ECOWAS) condemned the coup and demanded the reinstatement of President Keïta. On 12 September 2020, the National Committee for the Salvation of the People (CNSP) agreed to an 18-month political transition to civilian rule. Shortly after, Bah N'daw was named interim president by a group of 17 electors, with Goïta being appointed vice president. The government was inaugurated on 25 September 2020. On 18 January 2021, the transitional government announced that the CNSP had been disbanded, almost four months after had been promised under the initial agreement. Tensions have been high between the civilian transitional government and the military since the handover of power in September 2020.

On 10 January 2022, Mali announced to close its borders and recalled several ambassadors with ECOWAS in response to imposed sanctions on the country for deferring elections for four years. On 4 February, France's ambassador was expelled. According to Human Rights Watch (HRW) Malian troops and suspected Russian mercenaries from the Wagner group executed around 300 civilian men in central Mali in March 2022. France had withdrawn French troops from Mali in February 2022. On May 2, the military government announced breaking its defence accords concluded in 2013 with France, constituting an additional step in the deterioration of Malian-French relations.

## **RISKS RELATING TO THE ORDINARY SHARES**

### **Dilution of Shareholders' interests**

The Placing Shares, Performance Shares and issue of Shares on exercise of the Warrants will dilute existing Shareholders.

The Company may need to raise additional funds to meet expenditure obligations of the Group in relation to the Project Licences falling due after the Working Capital Period or to fund future acquisition or investments made by the Company. If such funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the Shareholders may be reduced, Shareholders may experience subsequent dilution and/or such securities may, subject to Shareholder approval, have preferred rights, options and pre-emption rights senior to the Shares.

The pre-emption rights contained in the Act may be disapplied for Shareholders in certain circumstances and the Company may issue securities or incur substantial debt to raise capital or complete a further acquisition, which may dilute the interests of Shareholders or affect the Company's results of operations (due to increased interest expense) and liquidity.

Any issuance of Shares may:

- significantly dilute the value of the Shares held by existing Shareholders;
- cause a change of control if a substantial number of Shares are issued, which may, among other things, result in the resignation or removal of one or more of the Directors and result in the Company's then existing Shareholders becoming the minority;
- subordinate the rights of holders of Shares if preferred shares are issued with rights senior to those of Shares; or
- adversely affect the market prices of the Company's Shares.

If Shares are issued as consideration for further acquisitions, the issuance of such Shares could materially dilute the value of the Shares held by existing Shareholders. Where a target company has an existing large shareholder, an issue of Shares as consideration may result in such shareholder subsequently holding a significant or majority stake in the Company, which may, in turn, enable it to exert significant influence over the Company (to a greater or lesser extent depending on the size of its holding) and could lead to a change of control.

The occurrence of any or a combination of these factors could decrease an investor's ownership interests in the Company or have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

**Dividend payments on the Shares are not guaranteed**

To the extent the Company intends to pay dividends on the Shares, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law, but expects to be principally reliant upon dividends received on shares held by it in any operating subsidiaries in order to do so. Payments of such dividends will be dependent on the availability of any dividends or other distributions from such subsidiaries. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.

**Notwithstanding that the Company is admitted to trading on the London Stock Exchange, an active market for the Shares may not develop further, which would adversely affect the liquidity and price of the Shares**

The price of the Shares can vary due to a number of factors, including but not limited to, prevailing 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 Shares may not develop further or may not be maintained. Investors may be unable to sell their 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 Shares may decline.

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

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

**The Company may be unable to transfer to a Premium Listing or other appropriate listing venue**

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Although it is unlikely that the Directors may seek to transfer from a Standard Listing to a Premium Listing, at some point in the future, the Directors may seek to transfer to another appropriate listing venue, based on the track record of the company or business it may acquire, subject to fulfilling the relevant eligibility criteria at the time. There can be no guarantee that the Company will meet such eligibility criteria or that a transfer to a Premium Listing or other appropriate listing venue will be achieved. For example, such eligibility criteria may not be met, due to the circumstances and internal control systems of the acquired business or if the Company acquires less than a controlling interest in the target. In addition, there may be a delay, which could be significant, between the completion of the Admission and the date upon which the Company is able to seek or achieve a Premium Listing or a listing on another stock exchange.

If the Company decides to maintain the Standard Listing, the Company will 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. This would include a period of time after the Admission where the Company could be operating a substantial business but would not need to comply with such higher standards.

In addition, an inability to achieve a Premium Listing will prohibit the Company from gaining FTSE indexation and may have an adverse effect on the valuation of the Shares.

#### **Shareholders may be diluted if Warrants are exercised**

In the event that any of the Existing Warrants or other Warrants are exercised and the share price per Share is higher than the subscription price for the Warrants, the interests of the Shareholders will be diluted. Assuming no change to the Enlarged Share Capital, the maximum total dilution which would result from the exercise of all Warrants is 22.6 per cent.

### **RISKS RELATING TO TAXATION**

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

To the extent that the assets, company or business which the Company acquires is or are established outside the UK, it is possible that any return the Company receives from it may 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 Shares issued by the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire 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. It is intended that the Company will act as the holding company to a trading group including any company or assets acquired in any acquisition, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. 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.

### **GENERAL INVESTOR RISKS**

A prospective investor should consider with care whether an investment in the Company is suitable for them in light of their personal circumstances and the financial resources available to them. An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Prospective investors should therefore consult an independent financial adviser authorised under the FSMA before investing if based in the United Kingdom or, if not, another appropriately authorised independent adviser who specialises in advising on the acquisition of shares and other securities. Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's assets or investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full amount initially invested. The price of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect investments and the prospects of the Company and the Group. Further, changes in the general economic climate in which the Group operates, including in particular in the mining and resource sector, may adversely affect the financial performance of the Group. Factors which may contribute to that general economic climate include, growth of countries where

investments have been or may be undertaken or where the Group's commodities are sold, the level of government intervention in their respective economies (e.g. interest rates) and the perceived political and economic stability of the countries in which the Group operates.

Notwithstanding the fact that the Company intends to make an application for the Enlarged Issued Share Capital to be admitted to trading on the Standard Segment of the Main Market of the London Stock Exchange, this should not be taken as implying that there will be a "liquid" market in the Shares. An active liquid market for the Shares may not develop and the market price of the Shares may be lower than the Placing Price and may be highly volatile. The market for shares in smaller public companies is less liquid than for larger public companies. The Company cannot predict the effects on the price of the Shares if a liquid and active market for the Shares does not develop. In addition, if such a market does not develop, relatively small sales may have a significant negative impact on the price of the Shares and sales of a significant number of Shares may be difficult to execute at a stable price. Shareholders accordingly may not be able to realise their investment at or above the Placing Price.

Stock markets in general may experience extreme price fluctuations. Fluctuations in the price of the Shares may not be correlated in a predictable way to the Company's performance or operating results. Sales of substantial amounts of Shares following Admission, or the perception that these sales could occur, could materially adversely affect the market price of the Shares available for sale compared to the demand to buy Shares. Such sales may also make it more difficult for the Company to sell equity securities in the future at a time and price that is deemed appropriate.

The following factors (among others), some of which are beyond the control of the Company, could cause the price of the Shares in the public market to fluctuate significantly from the Placing Price:

- (a) changes in laws or regulations, including mining legislation, tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Group's business;
- (b) departure of key employees or Directors;
- (c) changes in the Group's financial performance and prospects and changes in the financial performance and prospects of companies engaged in businesses that are similar to the Group's business;
- (d) sales of Shares by Shareholders;
- (e) general economic trends and other external factors, including those resulting from war, incidents of terrorism, civil unrest, natural disasters or responses to such events;
- (f) speculation in the press or investment community regarding the Group's business, or factors or events that may directly or indirectly affect its business or investments; and
- (g) further issuances of Shares.

Securities markets in general have at times experienced extreme volatility that has been unrelated to the operating performance of particular companies or partnerships. Any broad market fluctuations may adversely affect the trading price of the Shares.

### **Market perception**

Market perception of mining and exploration companies may change which could impact on the value of investors' holdings and impact on the ability of the Company to raise further funds by issue of further shares in the Company.

**There may be special risks if an investor holds Shares in certain jurisdictions. At this time, the Company does not intend to make accommodations regarding its financial information to assist any holders with their tax obligations.**

**An investment in Shares is speculative and may not be suitable for all recipients of this Document. Potential UK investors are accordingly advised to consult a person authorised under the FSMA who specialises in advising in investments of this kind before making any investment decisions. Non-UK investors are advised to consult another appropriately authorised independent adviser who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.**

## CONSEQUENCES OF A STANDARD LISTING

The Company's Existing Share Capital is admitted to the Official List by means of a Standard Listing and to trading on the Main Market of the London Stock Exchange pursuant to Chapter 14 of the Listing Rules which sets out the requirements for Standard Listings. The Company 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 their securities admitted to the Official List. In addition, the Company will also comply with the Listing Principles at Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List. With regard to the Listing Principles at 7.2.1A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the UK Listing Authority.

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 meetings 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 Re-Admission;
- Chapter 10 of the Listing Rules relating to significant transactions;
- 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 Directors. The provisions of DTR 7.3 do apply to the Company;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. The Company will have no authority to purchase its own Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

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. Should the Company determine to seek a transfer to a Premium Listing there is no guarantee that it would be able to fulfil the relevant eligibility criteria.

**It should be noted that the UK Listing Authority 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 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 or the Directors. Without prejudice to the Company's obligations under the FSMA, Prospectus Rules, Listing Rules and Disclosure 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 Company 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, 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 Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read the section headed Section D (Risks) of the Summary together with the risks set out in the section headed "Risk Factors" beginning on page 9 of this Document.

Neither the Broker nor any person acting on its behalf makes 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 Company, the Shares, the Placing or Admission. The Broker accordingly 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. The Broker nor any person acting on its behalf, accepts responsibility or obligation to update, review or revise the information in this Document or to publish or distribute any information which comes to its attention after the date of this Document, and the distribution of this Document shall not constitute a representation by the Broker, 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.

The Broker and any affiliate thereof acting as an Investor for its or their own account(s) may subscribe for, retain, purchase or sell Shares for its or their own account(s) and may offer or sell such securities otherwise than in connection with the Placing. The Broker intends to disclose the extent of any such investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

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 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 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 the solicitation of an offer or invitation to subscribe for or buy, any Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (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 Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Document are required by the Company and the Directors to inform themselves about, and to observe any restrictions as to the offer or sale of Shares and the distribution of, this Document under the laws and regulations of any territory in connection with any applications for 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 that would permit a public offering of the 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 accept any responsibility for any violation of any of these restrictions by any person.

The Shares have not been approved or disapproved by the United States Securities and Exchange Commission, 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 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 Shares for an indefinite period. Prospective investors are also notified that the Company may be classified as a passive foreign investment company for United States federal income tax purposes. If the Company is so classified, the Company may, but is not obliged to, provide to U.S. holders of Shares the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Shares for any year in which the Company is a passive foreign investment company.

### **Data protection**

The following information is provided to prospective investors in accordance with Article 13 and Article 14 of the UK version of the General Data Protection Regulation (EU) 2016/679 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations (the “**GDPR**”). For the purposes of this section, an investor is deemed to include the legal or natural person making the investment in the Company and any beneficial owner.

1. The Company is the controller of any personal data that may be supplied by investors, and its contact details can be found on page 27 of this Document.
2. Investors will be asked to provide information to the Company, including personal data, as part of their applications for Placing Shares. If an investor does not provide all of the information requested, the Company will not be able to process the application and the investor will not receive any Placing Shares.
3. The personal data provided by investors will be processed for the following purposes:
  - 3.1 processing the investor’s application for Placing Shares, collecting funds and communications regarding the Placing Shares;
  - 3.2 verifying the identity of the investor to comply with statutory and regulatory requirements including  
but not limited to in relation to anti-money laundering procedures;
  - 3.3 meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere;
  - 3.4 administering the Company’s shareholder records, including sending notices and information about the Company to its shareholders;
  - 3.5 administering the payment of dividends and any tax liabilities that may arise from the same;
  - 3.6 disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.
4. The legal basis on which such personal data is provided is:
  - 4.1 processing is necessary for the performance of a contract to which the investor is party or in order to take steps at the request of the investor prior to entering into a contract (in each case the contract concerned being the contract to subscribe for shares in the Company); and/or
  - 4.2 processing is necessary for compliance with legal obligations to which the Company is subject, particularly those set out in paragraphs 3.2 and 3.3 above; and/or
  - 4.3 the processing is necessary for the purposes of the legitimate interests pursued by the Company, namely the issue of shares and the effective administration of its shareholder records.

5. The Company may provide personal data regarding investors to third parties in the following circumstances:
  - 5.1 it will be required to disclose information about investors to government and regulatory and tax authorities in order to comply with applicable law;
  - 5.2 it may delegate certain administrative functions to third parties including its brokers, share registrars, solicitors and accountants and, to enable such parties to perform their functions, it may be necessary for the Company to disclose investor information for that purpose; and
  - 5.3 it may also need to disclose information about its shareholders to potential lenders or potential purchasers of the share capital of the Company.
6. In some cases, the disclosure of information in accordance with paragraph 5 will necessitate the transfer of personal data about the investor outside of the EEA to countries or territories which do not offer the same level of protection for the rights or freedoms of prospective investors as the United Kingdom. The Company will take steps to ensure that any such transfer complies with Chapter V of the GDPR.
7. If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to a third party, agent or functionary and/or makes such a transfer of personal data it will, where required by law, ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is obliged to provide an adequate level of protection in respect of such personal data.
8. The processing of the investor's personal data will not be subject to automated decision-making by the Company, including profiling, which has any legal or significant effect on him or her.
9. Personal data provided by investors will be retained as follows:
  - 9.1 if the investor's application is wholly unsuccessful and it is not issued shares, any personal data regarding the investor will be deleted by the Company and its providers in accordance with any data retention policies; or
  - 9.2 if the investor's application is successful and shares are issued to them by the Company, the Company will retain the name and contact details of the investor for as long as it is obliged to maintain records of its shareholders under law, and any other details will be deleted in accordance with data retention policies, after the investor ceases to be a shareholder.
10. An investor has the right, in relation to his or her personal data held by the Company, to:
  - 10.1 request access to such personal data;
  - 10.2 require the Company to rectify any inaccurate personal data;
  - 10.3 in some cases, to require the Company to:
    - 10.3.1 restrict processing of the personal data;
    - 10.3.2 erase the personal data; and/or
    - 10.3.3 transfer the personal data to another controller; and/or
  - 10.4 lodge a complaint with the supervisory authority, being the Information Commissioner's Office.
11. Investors are responsible for informing any third party individual to whom the personal data relates (including but not limited to any beneficial owner) 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 Company, this Document and the terms of the Admission, 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 Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the 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 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 Company's objective will be achieved.

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

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

### **Forward-looking statements**

This Document includes statements that are, or may be deemed to be, "forward-looking statements", including those contained in Part I of this Document. 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", "could" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to the Group or any further 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 guarantees of future performances. The Company'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. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods. Prospective investors should carefully review the "Risk Factors" section of this Document for a discussion of additional factors that could cause the Company'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 paragraph 5 of the Risk Factors section.

There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Document will, in fact, occur. These forward-looking statements are correct only as at the date of this Document. The Company will not undertake any obligation to release publicly any revisions to these forward looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Document except as required by law or by regulatory authority, including the Listing Rules, Prospectus Rules, DTR and Market Abuse Regulations.

### **Third party data**

Where information contained in this Document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Document, the source of such information has been

identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties.

### **Currency presentation**

Unless otherwise indicated, all references in this Document to “£”, “Pound Sterling” or “Pounds” are to the lawful currency of the U.K., and to “\$” or “US Dollars” are to the lawful currency of the United States.

### **International Financial Reporting Standards**

As required by the Act and Article 4 of the European Union IAS Regulation, the financial statements of the Company are prepared in accordance with IFRS issued by International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Committee of the IASB as adopted by the European Union.

### **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 “Definitions” beginning at page 71.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	1 November 2022
Admission and commencement of dealings in the Placing Shares	7 November 2022
Crediting of new Shares to CREST Accounts	7 November 2022
Share certificates for new Shares dispatched	Week commencing 21 November 2022

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

## STATISTICS

Total number of Existing Shares as at the date of this Document	326,334,023
Total number of Placing Shares to be issued on Admission	125,000,000
Gross Proceeds of the Placing	£7,500,000
Issue of Performance Shares	21,390,000
The Enlarged Share Capital in issue on <b>Admission</b>	<b>472,724,023</b>
Percentage of the Placing Shares as a percentage of the Enlarged Share Capital	26.4 per cent.
Percentage of the Performance Shares as a percentage of the Enlarged Share Capital	4.5 per cent.
Number of Existing Warrants in issue as at the date of this Document	10,416,666
Number of October 2022 Investor Warrants	62,500,000
Number of November 2021 Investor Warrants	41,666,666
Number of Broker Warrants	2,776,389
Total aggregate number of Warrants as at Admission	117,398,737
Estimated costs in relation to the Placing and Admission	£390,000
Placing Price in pence	6p
Approximate Market capitalisation of the Company at the Placing Price	£28.3m

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Roy Aubrey Pitchford (Non-Executive Chairman) Carl James Esprey (Executive Director) Oliver William Stansfield (Non-Executive Director)
<b>Manager with responsibility for Finance</b>	David Hill (Financial Controller)
<b>Registered Office and principal place of business</b>	1 Charterhouse Mews London EC1M 6BB
<b>Company Website</b>	<a href="http://www.contango-holdings-plc.co.uk">www.contango-holdings-plc.co.uk</a>
<b>Company Secretary</b>	Graham May of Hawksmoor Partners Limited
<b>Financial Adviser and Broker</b>	Tavira Financial Limited 13th Floor, 88 Wood Street London EC2V 7DA
<b>Company's Solicitors as to English Law</b>	Mildwaters Consulting LLP 44 – 46 Regent Street Rugby CV21 2PS
<b>Company's Solicitors as to Zimbabwean Law</b>	Manokore Attorneys 61 Princess Drive Cnr Glenara Avenue Newlands Harare Zimbabwe
<b>Company's Solicitors as to Malian Law</b>	SCPA HERA Conseils Hamdallaye ACI 2000 Avenue de la Bibliothèque Nationale, vers la Place CAN Rue 413, BP 1450 Immeuble Doucouré 2e étage, Bureaux A1 – A2 Bamako Mali
<b>Auditors and Reporting Accountants</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
<b>Registrar</b>	Avenir Registrars Limited 5 St John's Lane Farringdon London EC1M 4BH
<b>Financial PR</b>	St Brides Partners Limited 51 Eastcheap London EC3M 1JP

## PART I

### INFORMATION ON THE GROUP

#### 1. INTRODUCTION

The Company, together with its wholly owned subsidiaries, comprises the Group engaged in production of coking coal from the Lubu Coking Coal Project in Zimbabwe and exploration of gold at the Garolo-Ntiela Gold Project in Mali.

#### 2. HISTORY OF THE COMPANY

Contango Holdings plc was incorporated on 23 July 2016 under the laws of England and Wales. On 1 November 2017, the Company's Ordinary Shares were admitted to the Standard Listed segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities.

On 26 June 2020, the Company completed a Reverse Takeover (as defined in Listing Rule 5.6.4) of the entire issued share capital of Monaf, a mineral exploration company incorporated in Zimbabwe, which holds 70% of the Lubu Coal Project with the remaining 30% held by supportive local partners.

On 19 October 2020, the Company entered into the Share Purchase Agreement, pursuant to which it agreed to purchase the entire issued share capital of Contango Gold Mali Srl, a company registered in Mali which owns a 75% interest in the Garolo Gold Project in Mali.

On 5 March 2021, the Company entered into an agreement, pursuant to which it acquired a 100% interest in the Ntiela Gold Project in Mali. The Ntiela Gold Project borders the western boundary of the Garolo licence. The Company now views the two adjacent licences as one project and is referred to as the Garolo-Niela Project Gold Project.

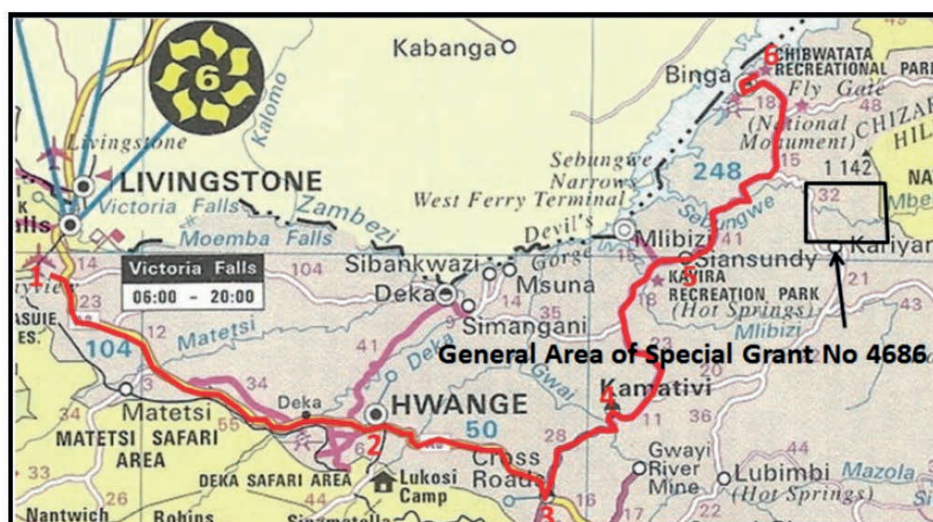
#### 3. THE LUBU COKING COAL PROJECT

##### 3.1 Overview

The Company completed the acquisition of Monaf in June 2020 and has subsequently focused on advancing the project into production of coking coal. The previous owners of the Lubu Coal Project spent approximately \$20 million on developing the project from exploration and established a 43-101 compliant mineral resource in excess of 1.3 billion tonnes per NI 43-101 standard, a standards of Disclosure for Mineral Projects, issued in Canada that is relevant for the LSE.

The Company is focused on producing coking coal from a small proportion of the total mineral resource in the area defined as Block B2. The coal seams within Block B2 are from surface down to a maximum depth of 47m.

Although close to the surface, the mining operation will comprise open cast mining and then move to underground in order to access coal seams that contain high value product of particular interest to the major Chinese industrial companies that currently operate coke batteries in the region and to commence the development of the Company's own coke battery.



Since June 2020, the Company has undertaken a work programme to commercialise the coal product by entering into discussions with respect to a number of offtake agreements and conducting coal product studies to assist such discussions. The studies indicated the potential for 96Mt from Block 2 of high-quality coking coal with low ash and sulphur and with high yields and swelling indices. There is currently significant demand both regionally and globally for coking coal with such characteristics.

In October 2021 the Company published the results of its independent laboratory results that confirmed the coking coal properties. The results outlined the coal product to be characterised as a coking coal. The Board is focusing 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.

More recently, the Company has undertaken major civil ground and infrastructure works to prepare the site for the production of coking coal by installing a decline shaft to access the coal seams.

The Company is undertaking to resettle 39 family dwellings that are on lands where the Lubu Project is based. The families will be resettled in newly built dwellings built by the Company. Also, the Company is currently installing a wash plant on the Lubu site to process the raw coals into a saleable product.

The Company commenced mining of coking coal at Lubu in March 2022 and has now entered its first offtake agreement with AtoZ, a commodity trading house, on 14 June 2022. The offtake agreement provides for a commitment to purchase 10,000 tonnes per month at a minimum price of the prevailing MMCZ market price, currently US\$120 per tonne. The Company will be targeting to deliver first coal as part of the offtake in Q4 2022 once the Lubu site is fully prepared and wash plant operational.

### 3.2 Business Plan for Lubu

The Company is currently focused on finalizing the Lubu site for first sales of coking coal. The Company has to complete the resettlement of local residents on the Lubu site, complete the installation of the wash plant and acquire certain mining equipment prior to treating raw coking coal into saleable coal.

The Company will initially focus on producing up to 120,000 tonnes of coking coal per annum and then increase to 300,000 tonnes per annum in due course. The Company continues to discuss further offtake agreements with other parties in order to build sales of the coking coals.

The longer term plan is to develop Lubu into a fully integrated producer of coke by using the coking coal source to produce coke. Coke is one of the basic materials used in blast furnaces for the conversion of iron ore into hot metal (liquid iron), most of which is subsequently processed into steel. The major portion of coke produced is used for the production of hot metal. Coke is also used in other industries, namely iron foundries, nonferrous smelters, and chemical plants.

The coke making industry consists of two sectors, integrated plants and merchant plants. Integrated plants are owned by or affiliated with iron-and steel producing plants who produce blast furnace coke primarily for consumption in their own blast furnaces. Independent merchant plants produce furnace and/or foundry coke for sale in the open market. These plants sell most of their products to other plants engaged in blast furnace, foundry, and nonferrous smelting operations.

There is a notable price differential by selling coke product rather than coking coals. The current prices are approximately \$280 and \$600 per tonne respectively. Therefore, the Board will seek in the longer term to build an integrated operation that can capture more value and produce the highest valuable end product.

***The Company is planning to use its current cash resources and the Net Proceeds to develop from a combination of pre paid off takes for coke product, project debt the coking coal operations only. The Company will require further funding and internally generated cash to fund the development of the coke production business.***

The current focus of the Company is to increase the production and sales of coking coal by entering into further offtakes agreements. The Company anticipates that the funding for the development of the coke business will be through a mix of pre-paid offtakes (i.e. consumer



provides capital upfront to be repaid from supply of coke) and debt. The Company does not intend to raise equity for the further development of business the given the cashflows to be generated from the sale of coking coal. The development of the coke business is conditional on the appropriate financing package being finalised and the Company is not likely to complete discussions until the end of 2022.

In the event that the funding package is not suitable the Company intends to fund the development of the coke business entirely from internal cash flow and will delay the development of this business until such time it has the required financial resources.

### 3.3 **Coking Coal at Lubu**

Lubu coking coals, used to make coke for use in blast furnaces, have particular properties which allow it to produce a high-quality coke product when put through a coking process, which involves heating in an atmosphere deficient in oxygen. There are a number of coal properties which are important in this context, including the “volatile content”, “caking” properties, hardness, and strength of the coke formed, free swelling index (how much the material swells during the process), etc.

These properties do not affect the way coal is mined, but they do affect the value of the product and there are different grades of coking coal, from “hard” coking coals (the best grade), through “medium” to “soft” coking coals, and even “semi-hard” and “semi-soft”. The individual property values for each classification is more a marketing exercise than a precise definition.” The coking coal at Lubu is classified as semi-soft coking coal which is a general characteristic of the coalification imprint covering the Hwange coalfields.

The coal properties fall in line with what is required to make good coke. Averages for the properties are as follows – volatile content 30%, caking properties as measured by the G-Index 95 which is also an indication of the strength of the coke formed, hardness measured by the Hardgrove Index is 65, and the Free Swelling Index is between 6 and 7. The Lubu coals’ sulphur content will be well below the 1% that the industry asks for – with our average sitting at 0.7%. The P tests to date have shown a range of between 0.002% and 0.12%. The ash content is <10% and the CV averages 30MJ/KG. From a petrographic perspective our F1.40 fraction (the coking coal component) comprises of 78% vitrinite, 1% Liptinite, 3% reactive semifusinite, 7% inert semifusinite with the remainder being made up of secretinite and macrinite.

### 3.4 **Coking Coal Pricing**

The Company will sell its coking coal in Zimbabwe and in the Southern African region. The initial sale of coking coal under the AtoZ offtake is priced at the prevailing MMCZ market price, currently \$120 per tonne. Coking coal in the seaborne global market is sold at approximately \$300 per tonne and accordingly the Company believes there is further upside potential to the current domestic MMCZ pricing.

The pricing of the coking coal is typically subject to agreement set out in the offtake contracts with the industrial consumer although can be bought “on spot” in the coal markets. However, the coal produced at Lubu is not likely to reach the seaborne market due to the infrastructure and costs of transporting it from Lubu to relevant ports in the Southern Africa region. Therefore, the coking coal will be consumed in the Southern African region by industrial consumers.

In the domestic Zimbabwe market, demand is likely to increase due to the increased capacity for regional coke batteries in Hwange (approximately 200 Km from Lubu). A number of Chinese companies have invested heavily to increase capacity from 570,000 tonnes per annum to 1,920,000 tonnes per annum. The coke batteries are dependent on the supply of coking coal that is suitable in the process of coke manufacture. The Company is in discussions with a number of these groups.

### 3.5 **Thermal Coal**

The Company announced on 16 September 2022 that it was exploring the viability of selling thermal coal subject to logistics and transport solutions. The thermal coal price and demand has increased notably in the last 12 months following the reduction of supplies from Russia and general requirement to find alternative forms of energy to gas which is in high global demand.

### 3.6 Lubu Coal Project Resource

COAL RESOURCE - LUBU COALFIELD - AS AT 30 APRIL 2018											
Block	Seam	Ply	Thick (m)	Area (Mm <sup>2</sup> )	Volume (Mm <sup>3</sup> )	Density (ton/m <sup>3</sup> )	GTIS(mt)	Drill Grid (m x m)	Confidence level	Geological Loss (%)	TTIS (Mt)
B1	ALL	ALL	26.78	0.022	0579	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	51.43	1.542	63.536	1.673	106.026	517	INFERRED	20	84.821
B4	ALL	ALL	42.68	5.182	211.156	1.666	351.006	918	INFERRED	20	280.805
B5	ALL	ALL	44.91	2.750	106.133	1.664	179.501	917	INFERRED	20	143.601
B6	ALL	ALL	44.53	3.301	135.362	1.670	225.454	1.250	POTENTIAL	30	157.818
B7	ALL	ALL	39.39	6.558	241.906	1.669	402.733	1.459	POTENTIAL	30	281.913
B8	ALL	ALL	34.11	4.008	130.164	1.677	217.761	1.402	POTENTIAL	30	152.433
B9	ALL	ALL	35.75	1.437	49.852	1.664	82.746	1.192	POTENTIAL	30	249.347
B10	ALL	ALL	36.16	7.647	215.813	1.655	356.211	1.098	POTENTIAL	30	249.347
B11	ALL	ALL	40.82	3.196	119.545	1.661	198.076	1.239	POTENTIAL	30	138.653
B12	ALL	ALL	34.69	5.382	183.680	1.658	303.760	1.331	POTENTIAL	30	212.632
TOTAL			38.46	57.480	1959.686	1.662	3.250.365	1.003		24.2	2.462.977

TOTAL TONS IN SITU							
INDICATED	702.2 Mt	INFERRED	510 Mt	POTENTIAL	1.251 Mt	TOTAL	2,463 Mt

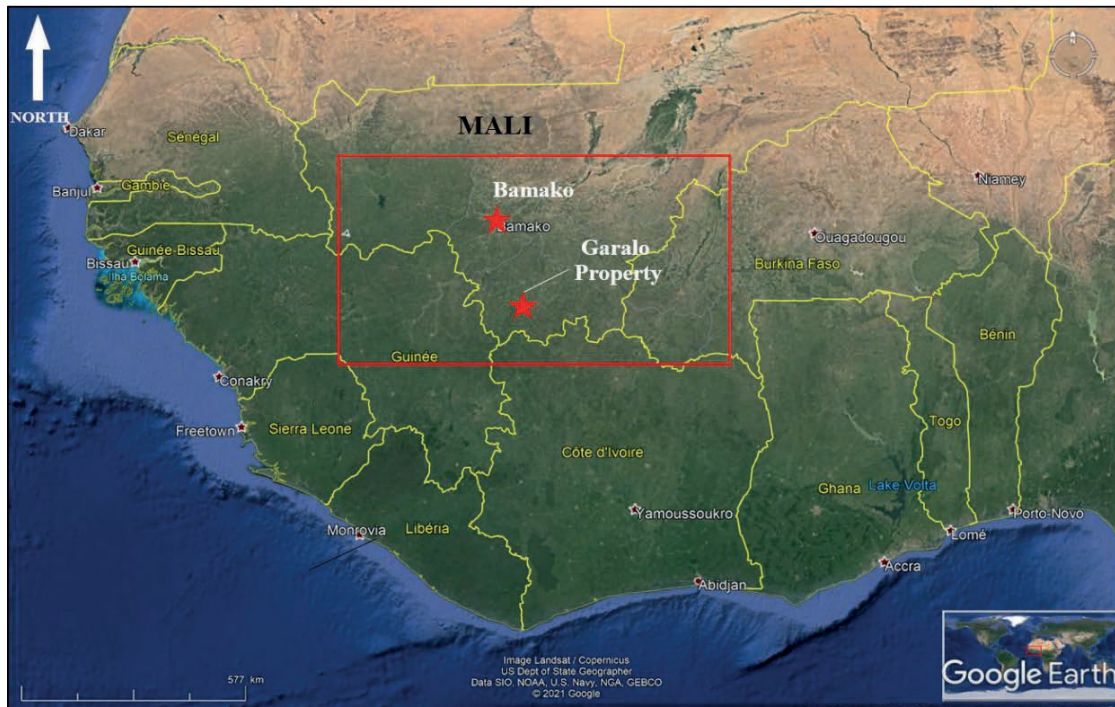
Source: Company

### 3.7 Lubu Coal Project Licence

The licence for the Lubu Project is summarised below:

Licence	Granted	Expiry	
Special Grant 4686	4 September 2018	27 September 2043	Minister of Mines, Zimbabwe

### 3.8 Garolo Gold Project



### 3.9 Overview

The Company acquired Garolo on 26 October 2020. The initial intention was to develop a modest gold production project by a heap leach operation from the shallow oxides. However, on further exploration work the Garolo project warranted additional development work. On 5 March 2021 the Company acquired Ntiela.

In March 2021, Birima Gold Resources Consulting (“BRG Consult”), an international mineral exploration consulting company with significant experience in West Africa, prepared an Independent Technical Report to NI 43-101 standards on Garolo for the purposes of advising the Company on best route of development.

BRG Consult concluded that Garolo gold mineralisation is hosted in a system of parallel dilation fracture networks within shear zones and that the exploration target may contain up to 2Moz of gold. The report summarised historic and more recent technical information on Garolo and concludes that the main structure that controls the gold mineralisation at the Garolo G1 and G3 Targets is a north-south-striking, shallowly-west-dipping shear zone system forming pull-apart similar to the nearby 2.8Moz Kalana Gold Deposit. Exploration works performed in the Garolo licence resulted in the discovery of the Garolo G1 and G3 gold deposits and numerous other clusters of anomalous zones with potential for gold discovery, some of which have offered additional high-grade potential.

The work undertaken on the G3 target on Garolo, pointed to the potential for high-grade gold mineralisation on the Ntiela licence. This work has been supplemented by drone surveys conducted by the Company’s geologists, which supported the potential for the extension of at least two target zones from Garolo to Ntiela.

### 3.10 **Business Plan for Garolo**

The Company is now pursuing discussions with a number of strategic parties that may wish to co-invest in the development of the Garolo-Ntiela Gold Project as a large standalone gold mine with multiple open pit operations.

In the near term, the Company will continue to add value by further exploration work at Garolo although it will require substantial capital to develop a gold mine that has an exploration target of 2M oz.

### 3.11 **Exploration Programme**

The Company has been working on the Garolo-Ntiela Gold Project by conducting an exploration programme to further understand the full potential of the project. The Company’s Project camp is nearing completion, supporting the permanent presence of up to 20 employees and contractors, along with a secure storage building for drill core.

The exploration programme has focused on the following:

#### **Trenching and Sampling**

Over 1,000 soil samples have been collected and sent to laboratories to analyse evidence of gold bearing soils.

#### **Aeromagnetic, airborne studies and induced polarisation (IP) studies**

More recently the Company has undertaken a combination of aeromag and IP studies to study the subsoil characteristics and further refine their understanding of the geology model. In October 2021, airborne magnetics confirmed that the Garolo-Ntiela Gold Project hosts similar tectonic structures, which support a number of multi-million ounce deposits in the region. Based on these studies, there are two prominent structures running NE-SW and NW-SE, along with a new ‘dome’ structure in the north-west corner.

In February 2022, the Company reported that aeromag studies have further defined multiple high-grade potential target zones. The Company is still finalising the IP survey which will provide a further level of detail on subsoil data.

The Company will finalise its drill programme once it has completed the analysis of both the aeromag and IP surveys.

### 3.12 Mineral Resource Estimation

The Company does not have mineral resource estimation for Garolo. Further exploration work is required to determine a mineral resource estimation.

### 3.13 Garolo-Ntiela Gold Project Licenses

Project	Licence	Granted	Expiry	Area
Garolo	PR 571/15	03-04-2015	03-04-2023	62.5 km <sup>2</sup>
Ntiela	PR 2643/21	27-08-2021	26-08-2024	99 km <sup>2</sup>

## 4. THE PLACING AND USE OF NET PROCEEDS

The Net Proceeds of the Placing, being £7,110,000, being the gross proceeds of £7,500,000 raised through the Placing less Costs of £390,000, will be used to advance the Lubu project into first cash flow from sales of coking coal, evaluate the expansion opportunities to scale up the business at Lubu and general working capital. None of the Costs will be charged to the Placees or to any Shareholders. Details of the Placing is set out in Part III of this Document. The only condition to completion of the Placing is completion of Admission of the new Shares. All funds in relation to the Placing have been raised by the Company and are either being held by Tavira pending Admission or will be received in conjunction with Admission.

The funding requirement of the Group during the Working Capital Period, excluding any funding which may be required for potential corporate acquisitions, will be available from the Net Proceeds of the Placing and existing cash resources. A summary of the Group's budget is set out below:

	£
Fixed mining equipment	1.25
Final installment for the first wash plant	0.66
Lubu resettlement costs	0.62
Open cast mining and other mining equipment	0.72
Pay loans provided to fund Q3 capex at Lubu	2.00
Expansion capital	1.30
General working capital	0.56
<b>Net Proceeds</b>	<b>7.11</b>

Following Admission, net of Costs (set out above), the Group will have funds of approximately £7,110,000 available.

Upon Admission, the Company will have sufficient funds to fully develop the coking coal operation at Lubu into production and progress the expansion of operations by increasing the scale of production.

## 5. ADMISSION TO TRADING

The Directors will apply for the Placing Shares and Performance Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Dealings in such Shares are expected to commence at 8.00 a.m. on 7 November 2022.

As noted in paragraph 25.6 of Part VIII, the listed documents will also be made available on the Company's website at [www.contango-holdings-plc.co.uk](http://www.contango-holdings-plc.co.uk) from the date of publication of this Document.

## 6. PREVIOUS FUNDRAISING

Since 18 June 2020, being the date of Re-Admission following the acquisition of Monaf, the following Shares have been issued by the Company:

Date	Issue of Shares	Nature of Fundraise	Placing Price £	Gross Proceeds £
7 August 2020	500,000	Exercise of warrants	0.03	15,000
22 October 2020	36,000,000	Placing	0.05	1,800,000
8 January 2021	583,333	Exercise of warrants	0.05	29,167
16 February 2021	1,250,000	Placing	0.03/0.05	52,500
10 March 2021	166,666	Exercise of warrants	0.05	8,333
29 April 2021	833,333	Exercise of warrants	0.05	41,667
6 May 2021	166,666	Exercise of warrants	0.05	8,333
3 June 2021		Convertible Loan *Note		£1,000,000
3 September 2021	1,227,200	Exercise of warrants	0.03	36,816
13 September 2021	1,416,665	Exercise of warrants	0.05	70,833
23 September 2021	12,564,464	Exercise of warrants	0.03/0.05	382,767
7 October 2021	2,583,332	Exercise of warrants	0.03/0.05	109,167
1 November 2021	7,333,329	Exercise of warrants	0.03/0.05	303,333
18 November 2021	41,666,666	Placing	0.06	2,500,000
25 March 2022	242,424	In Lieu of Professional Fees	0.0825	20,000
5 July 2022	16,666,667	Conversion of Convertible Loan Note	0.06	0

\*Zero coupon, strike price 6p, conversion by 4 January 2022 and 1 for 2warrant at 8p

## PART II

### DIRECTORS AND CORPORATE GOVERNANCE

Details of the Directors and their backgrounds are as follows:

#### 1. DIRECTORS IMMEDIATELY ON AND FOLLOWING ADMISSION

##### **Roy Aubrey Pitchford (Non-Executive Chairman), aged 72 (date of birth 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.

Roy was appointed as a director on 18 June 2020.

##### **Carl James Esprey (Executive Director), aged 42 (date of birth 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.

Carl was appointed as a director on 18 June 2020.

##### **Oliver William Stansfield (Non-Executive Director), aged 39 (date of birth 27 August 1983)**

Oliver was one of the founders of the Company. He was engaged as a consultant by Tavira Financial in January 2022 to establish their natural resources corporate broking business. Previously he was CEO of Brandon Hill Capital, where he had focused on equity sales, developing relationships with a broad range of natural resource investors including institutional funds, family offices and high net worth individuals. During his career, he has helped raise in excess of £1bn for junior resource companies in a variety of jurisdictions and across a multitude of commodities.

Oliver was appointed as a director on 11 July 2016.

#### 2. CORPORATE GOVERNANCE

##### 2.1 UK Corporate Governance Code

The Company voluntarily observes the requirements of the UK Corporate Governance Code, save as set out below. As at the date of this Document the Company is, and at the date of Admission will be, in compliance with the UK Corporate Governance Code with the exception of the following:

- Given the composition of the Board, certain provisions of the UK Corporate Governance Code (in particular the provisions relating to the division of responsibilities between the Chairman and chief executive and executive compensation), are considered by the Board to be inapplicable to the Company. In addition, the Company does not comply with the requirements of the UK Corporate Governance Code in relation to the requirement to have a senior independent director and the Board's committees do not at present have three independent non-executive directors.

- The UK Corporate Governance Code also recommends the submission of all Directors for re-election at annual intervals. Each Director has agreed to submit himself for re-election at each Annual General Meeting.

### **3. GROUP POLICIES**

#### **Anti-bribery and Anti-corruption Policy**

It is the Company's policy, as set out in the Anti-bribery and Anti-corruption Policy, to conduct all of its business in an honest and ethical manner and to take a zero-tolerance approach to bribery and corruption. The Company is committed:

- (a) to acting professionally, fairly and with integrity in all of its business dealings and relationships wherever it operates; and
- (b) to implementing and enforcing effective systems to counter bribery and corruption, including the adoption of this Policy.

The purpose of the Policy is to set out the Company's responsibilities, and the responsibilities of those working for the Group, in observing and upholding its position on anti-bribery and anti-corruption and to provide information and guidance to those working for the Group on how to recognise and deal with bribery and corruption issues.

#### **Share Dealing Policy**

The Company has adopted a share dealing policy regulating dealing in securities of the Company by the Board and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the LSE and subject to MAR. The Company will take all reasonable steps to ensure compliance by the Board and any relevant employees with the terms of that share dealing policy. The Directors consider that this share dealing policy is appropriate for a company whose shares are admitted to trading on the LSE.

## PART III

### THE PLACING, ISSUE OF PERFORMANCE SHARES AND WARRANTS

#### 1. DESCRIPTION OF THE PLACING AND PLACING ARRANGEMENTS

Placees have agreed to subscribe for the Placing Shares at a Placing Price of 6 pence per Placing Share. The subscription by the Placees of the Placing Shares under the Placing is irrevocable but conditional on Admission and is subject to certain conditions as set out in the Placing Letter including, amongst other things, fulfilment of the following conditions:

- (a) the Placing Letter having become unconditional in all respects save for Admission; and
- (b) Admission having become effective at or before 8.00 a.m. on 7 November or the Long Stop Date.

The Placees have no statutory right of withdrawal. If any of the conditions to the Placing are not satisfied, the Placing will not take place and any Placing monies will be returned to the relevant Placee.

The Placing Shares will, when issued as fully paid, rank *pari passu* in all respects with the existing issued Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of their issue and in respect of Voting Rights.

Each Placee will be issued with a Warrant ("**October 2022 Investor Warrant**") to subscribe for 1 Ordinary Share for each 2 Placing Shares. The Placees will be granted warrants over an aggregate of 62,500,000 Shares exercisable at 9 per Share at any time from the date of Admission for 3 years.

In respect of the Placing, allocations have been determined by agreement between the Directors and Tavira after indications of interest from prospective Placees were received. A number of factors were considered in deciding the basis of allocations under the Placing, including the level and nature of the demand for the Shares, investor profile and the firm through which the application was to be made, if any. Allocations have been managed by the Directors and Tavira so that the Company shall have sufficient shares in public hands, in accordance with Listing Rule 14.3.2.

Carl Esprey has 694,437 Placing Shares at 6p for gross consideration of £41,666. This subscription is deemed a related party transaction as defined under DTR 7.3. The independent director, Roy Pitchford (Non-Executive Chairman), considers the terms of the participation in the Placing are fair and reasonable insofar as the Company's shareholders are concerned.

At the Placing Price, the Enlarged Share Capital will have a market capitalisation of £28.3m at Admission. The Placing Shares will be registered within ISIN GB00BF0F5X78 and SEDOL number BF0F5X.

#### 2. ISSUE OF PERFORMANCE SHARES

The Company announced on 9 April 2021 the issue of 21,390,000 performance share options ("**Performance Options**") to its board, senior management and consultants in lieu of the modest salaries and fees received to maintain a tight cost structure. The Performance Options are exercisable for a nil exercise price. Each holder to the Performance Options has notified the Company that it wishes to exercise its option and so the Company is required to issue 21,390,000 Shares (the "**Performance Shares**").

The Company will issue the Performance Shares as part of Admission. The Performance Shares are issued on exercise of the options held by senior management and consultants and will represent 4.5% of the Enlarged Share Capital of the Company at Admission and the Existing Shareholders will be diluted accordingly.

Each holder of the Performance Shares will enter into a lock-in and orderly marketing agreement which will apply until 9 April 2023.



Each Director will receive as follows:

<b>Name of Director</b>	<b>Position</b>	<b>Total number of Performance Share</b>
Carl Esprey	Executive Director	3,900,000
Oliver Stansfield	Non-Executive Director	1,800,000
Roy Pitchford	Non-Executive Chairman	990,000
<b>Total</b>		<b>6,690,000</b>

The balance of 14,700,000 Performance Shares have been allocated to other senior management and consultants.

### **3. ISSUE OF THE NOVEMBER 2021 INVESTOR WARRANTS**

The Company announced on 18 November 2021 that it has raised £2,500,000 (before expenses) through a placing of 41,666,666 Shares each at a price of 6 pence per placing share. The placees in the November 2021 placing were also to be issued with one warrant to subscribe for one Share for each placing Share, with an exercise price of 12p per Share. The Company did not have sufficient available headroom under the prospectus rules to issue the warrants, therefore, ("**November 2021 Investor Warrant**") it is notifying the Shareholders that the November 2021 Warrants will be issued on the date of this Document. Further details of the November 2021 Warrants are set out in paragraph 22.3 of Part VIII.

### **4. BROKER WARRANTS FOR THE PLACING**

The Company will issue 2,776,389 Broker Warrants to Tavira with respect to the services it has provided for the Placing. The Broker Warrants are exercisable at the Placing Price for a period of 3 years from the date of Admission.

### **5. ADMISSION AND DEALINGS**

Application will be made for the Placing Shares and Performance Shares to be admitted to trading on the London Stock Exchange's Main Market. It is expected that Admission will become effective and dealings in the new Shares will commence at 8.00 a.m. on 7 November 2022.

In accordance with LR 14.3, on Admission at least 25 per cent. of the Shares will be in public hands (as defined in the Listing Rules).

### **6. PAYMENT FOR THE NEW SHARES**

Each Placee must pay the Placing Price for the Placing Shares issued to the Placee in the manner directed by the Company.

If any investor fails to pay as so directed by the Company, the relevant investor's application for Placing Shares may be rejected.

If Admission does not occur, placing monies will be returned without interest at the risk of the Placee by Tavira.

No expenses will be charged by the Company to Investors in connection with the Placing. Details regarding liability for stamp duty and stamp duty reserve tax is as set out in Part VII of this Document.

### **7. 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 holding of Shares under the CREST system. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and investors who wish to receive and retain certificates for their securities will be able to do so. Except as otherwise described herein, the Placees may elect to receive Shares in uncertificated form if such Shareholder is a member (as defined in the CREST Regulations) in relation to CREST.

It is intended that settlement of Shares allocated to Placees will take place by means of crediting relevant CREST stock accounts on Admission. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

## **8. OVERSEAS SHAREHOLDERS**

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Canada or Japan. Subject to certain exceptions, the Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States or to or for the account or benefit of persons in the United States, South Africa, the Republic of Ireland, Canada, Japan 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 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 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, although the Company may sell the Shares in a private placement transaction in the United States pursuant to an exemption from registration.

## PART IV

### HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The information set out below is incorporated by reference into this Document in relation to the Group and relevant to Admission. The various sections of the documents detailed below, which are incorporated by reference into this Document, are included to provide the information required under the UK Prospectus Regulation Rules and to ensure that Shareholders and others are aware of all information which, according to the particular nature of the Group and of the Ordinary Shares, 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 Group.

Any non-incorporated parts of the documents incorporated by reference and detailed below are either not relevant for the investor or the relevant information is included elsewhere in this Document. Any documents themselves incorporated by reference or referred or cross-referred to in the documents referred to below shall not form part of this Document.

#### SUMMARY OF FINANCIAL INFORMATION INCORPORATED BY REFERENCE

The Company was incorporated on 18 May 2016 and its entire issued share capital was admitted to the Official List (by way of a standard listing under Chapter 14 of Listing Rules) and to the London Stock Exchange on 1 November 2017. On 18 June 2020, the Company acquired 70 per cent. of the issued share capital of Monaf Investments Pty Limited ("**Monaf**"), thereby forming the Group.

The following financial information has been incorporated by reference:

- unaudited consolidated interim financial information of the Group for the six-month period ended 30 November 2021; and
- audited consolidated historical financial information of the Company for the year ended 31 May 2021.

#### UNAUDITED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2021

The Group's unaudited interim financial information for the six-month period ended 30 November 2021 can be viewed on the Company's website at:

[contango-holdings-plc.co.uk](http://contango-holdings-plc.co.uk)

The unaudited interim financial information available includes the following:

Consolidated Statement of Comprehensive Income;

- Consolidated Statement of Financial Position;
- Parent Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Parent Statement of Changes in Equity;
- Consolidated Statement of Cash Flows;
- Parent Statement of Cash Flows;
- Notes to the Financial Statements.

#### AUDITED HISTORICAL FINANCIAL INFORMATION FOR THE YEAR ENDED 31 MAY 2021

The Group's audited financial information for the year ended 31 May 2021 can be viewed on the Company's website at:

<https://contango-holdings-plc.co.uk/wp-content/uploads/2021/11/Contango-AR-CLEAN-WEB.pdf>

The audited historical financial information available includes the following:

- Board of Directors (page 2);
- Chairman's Report (page 3);

- Strategic Report (page 5);
- Directors' Report (page 12);
- Directors' Remuneration Report (page 17);
- Report of the Independent Auditors (page 17);
- Consolidated Statement of Comprehensive Income (page 22);
- Consolidated Statement of Financial Position (page 23);
- Parent Statement of Financial Position (page 24);
- Consolidated Statement of Changes in Equity (page 25);
- Parent Statement of Changes in Equity (page 26);
- Consolidated Statement of Cash Flows (page 27);
- Parent Statement of Cash Flows (page 28);
- Notes to the Financial Statements (page 29).

### **Audit report**

The Group's independent auditors concluded that the financial statements have been properly prepared in accordance with IFRS and give a true and fair view of the state of the Group's affairs as at 31 May 2021.

In relation to the audited historical financial information for the year ended 31 May 2021 incorporated by reference above, the audit report has not been refused by the auditors of the Group and the audit report contained only the qualifications or disclaimers noted below.

In the audited financial statements for the 12 months to May 2021 the auditors noted a material uncertainty related to going concern relating to the Group and the Company's ability to continue as a going concern being dependent on the availability of future further fundraising. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Company's and the Group's ability to continue as a going concern.

### **UNAUDITED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 31 NOVEMBER 2021**

The Group's unaudited interim financial information for the six-month period ended 30 November 2021 can be viewed on the Company's website at:

[contango-holdings-plc.co.uk](http://contango-holdings-plc.co.uk)

The unaudited interim financial information available includes the following:

Consolidated Statement of Comprehensive Income;

- Consolidated Statement of Financial Position;
- Parent Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Parent Statement of Changes in Equity;
- Consolidated Statement of Cash Flows;
- Parent Statement of Cash Flows;
- Notes to the Financial Statements.

## PART V

### OPERATING AND FINANCIAL REVIEW

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the audited Financial Information of the Company included by reference in Part IV including:

- i) Unaudited interim financial information for the six-month period ended 31 March 2021;
- ii) Audited historical financial information for the year ended 31 May 2021;
- iii) Unaudited interim financial information for the six-month period ended 31 November 2021.

	6 months period to November 2021	12 months to May 2021	6 months to November 2020
	£	£	£
Revenue	0	0	0
Operating Profit/(Loss)	(636,398)	(3,304,899)	(1,129,659)
Net Profit/(Loss)	(636,398)	(3,304,899)	(1,129,659)
Total Assets	13,841,456	10,369,368	12,691,841
Total Equity	12,685,824	10,087,704	11,857,981
Net Debt	(1,155,632)	(281,664)	(833,860)
Net cash used in operating activities	(272,480)	(1,520,912)	(913,280)
Net cash used in investing activities	(593,989)	(1,380,116)	(888,008)
Net cash flow from financing activities	3,290,415	2,940,674	2,936,271

#### RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2020

The Company's entire share capital was readmitted to trading on the main market of the London Stock Exchange on 18th June 2020. On this date the reverse takeover of a 70% interest in the Lubu Coalfield Project was completed for an implied cost of £6.4 million (predominantly funded through the issuing of 128,849,961 Ordinary Shares in Contango Holdings to the vendor). On the same date a placing of 28 million Ordinary Shares at £0.05 each was undertaken – which raised £1.4 million (before costs). On 19th October 2020 the Company acquired a 75% share of the Garalo gold licence in Mali for US\$1 million funded through a placing of 36 million Ordinary Shares at £0.05 each – which raised £1.8 million (before costs). The Company incurred administrative expenses of £1,129,659 during the six months ended 30 November 2020. These included £417,642 directly related to the reverse takeover and relisting; and a bonus of £100,000 paid to the original four Contango directors for successfully completing the reverse takeover transaction. The rest of the expenses related to advancing the development of the mine at Lubu, the Garalo transaction and ongoing corporate running costs. As at 30th November 2020, the Company had cash reserves of £1,145,301.

#### RESULTS FOR THE YEAR ENDED 31 MAY 2021

Alongside the funding activities that occurred in the first half of the Company's financial year described above 3,499,998 warrants were issued – which raised £155,000 (before costs). Over the year the Company incurred administrative expenses of £3,304,899. Of this £1,700,505 constituted non-cash costs related to the granting of 21,390,000 performance share options to various key employees. With the exception of the costs related to the Lubu and Garalo transactions and the relisting, as described above, the rest of the expenses related to costs incurred developing the Company's mining assets and ongoing corporate running costs. A further £1,380,116 was transferred directly to the Company's subsidiaries in Zimbabwe and Mali to develop Group mining assets. As at 31 May 2021, the cash balance of the Company was £22,143.

## **RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2021**

On 3rd June 2021 it was announced that the Company had raised £1 million through a convertible loan with a fixed conversion price of 6 pence per share. To provide further operating capital a placing of 41,666,666 Ordinary Shares at £0.06 each was announced on 18th November 2021. This raised £2.5 million (before costs). Alongside this, 25,124,990 warrants were exercised over the period which raised £902,915 (before costs). The Company incurred administrative expenses of £636,398 during the six months ended 30 November 2021. These included £391,857 directly related to developing the Company's mining assets and £151,177 for ongoing corporate running costs. A further £593,989 was transferred directly to the Company's subsidiaries in Zimbabwe and Mali to develop Group mining assets. As at 30th November 2021, the Company had cash reserves of £2,419,266.

PART VI

**CAPITALISATION AND INDEBTEDNESS AS AT 30 SEPTEMBER 2022**

A	Cash	136,977
B	Cash Equivalent	–
C	Trading Securities	45,795
D	<b>Liquidity (A)+(B)+(C)</b>	<b>182,772</b>
E	Current financial receivable	147,161
F	Current bank debt	–
G	Current portion of non-current debt	–
H	Other current financial debt	(314,662)
I	<b>Current Financial Debt (F) + (G) + (H)</b>	<b>(314,662)</b>
J	<b>Net Current Financial Assets (I) – (E) – (D)</b>	<b>15,271</b>
K	Non-current bank loans	–
L	Bonds issued	–
M	Other non-current loans	(1,564,423)
N	<b>Non-current Financial Indebtedness (K) + (L) + (M)</b>	<b>(1,564,423)</b>
O	<b>Net Financial Indebtedness (J) + (N)</b>	<b>(1,549,152)</b>

## PART VII

# TAXATION

### TAXATION IN THE UK

The following information is based on UK tax law and 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.

#### 1. 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.

##### 1.1 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 Ordinary 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. An additional Health & Social Levy of 1.25 per cent. has also been announced that will apply on dividend payments from April 2022.

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.

##### 1.2 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 20 per cent. for upper rate and additional rate taxpayers.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent. The rate will increase to 25 per cent. after 1 April 2023.



### 1.3 **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”.

## **2. 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 position 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 VIII

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY STATEMENT

- 1.1 The Directors, whose names appear on page 9, and the Company accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

#### 2. THE COMPANY

- 2.1 The Company was incorporated with limited liability under the laws of England and Wales under the Companies Act on 18 May 2016 with number 10186111 under the name Contango Holdings Limited. On 7 June 2017 the Company was re-registered as a public limited company to become Contango Holdings plc. The legal and commercial name of the issue is Contango Holdings Plc.
- 2.2 The principal legislation under which the Company operates and under which the Shares are created and issued is the Companies Act 2006.
- 2.3 The Company's registered office is at 1 Charterhouse Mews, London, EC1M 6BB, United Kingdom. The telephone number for the Company is +44 020 3463 5000.
- 2.4 On 7 June 2017, as part of the re-registration as a public limited liability company, the Company adopted the Articles in substitution for and to the exclusion of the Company's then existing articles of association. The Company operates in conformity with its Articles and the laws of England and Wales.
- 2.5 As at 31 October 2022, the latest practicable date prior to publication of this Document, the Company's subsidiaries are:
- (i) Monaf Investments Pty Limited
  - (ii) Contango Gold Mali Sarl
  - (iii) Contango Holdings Services Pty Limited
- 2.6 The Company is subject to the Listing Rules, Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the FCA), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.
- 2.7 The registrars of the Company are Avenir Registrars Limited. They are responsible for maintaining the register of members of the Company.
- 2.8 The ISIN of the Shares is GB00BF0F5X78.
- 2.9 The Legal Entity Identifier (LEI) of the Company is 213800HZ69B3QHCUGX36 and its SEDOL is BF0F5X.
- 2.10 The Company's TIDM in respect of the Shares is CGO.
- 2.11 The website of the Company is [www.contango-holdings-plc.co.uk](http://www.contango-holdings-plc.co.uk) and such website, and its contents does not form part of this Document, save for any documents incorporated by reference.

#### 3. SHARE CAPITAL

- 3.1 The following is a summary of the changes in the issued share capital of the Company from incorporation to the date of this Document:
- 3.2 On incorporation of the Company, one fully paid subscriber ordinary share of £1 was issued to Broadway Nominees Limited.
- 3.3 On 1 June 2017 one ordinary share of £1 was transferred to Jonathan Evans.
- 3.4 On 1 June 2017 one ordinary share of £1 was subdivided into 100 Shares.
- 3.4 On 1 June 2017 4,999,900 Shares were issued at an issue price of £0.01 each.

- 3.5 On 26 October 2017 12,500,000 Shares were issued at an issue price of £0.02 each.
- 3.6 On 1 November 2017, a total of 25,449,987 Shares were issued at an issue price of £0.03 each.
- 3.7 On 18 June 2020, a total of 160,183,291 Shares were issued which comprised of the following:
- (i) 28,000,000 placing Shares were issued to certain institutional and other investors at £0.05 each;
  - (ii) 128,849,961 Shares were issued at price of £0.05 each to Consolidated Growth Holdings Limited as consideration shares for the sale majority interest in Monaf Investments (Private) Limited; and
  - (iii) 3,333,330 Shares were issued at a price of £0.0375 each to the directors of the Company and Gwalia Consultancy Services Limited in lieu of a completion bonus.
- 3.8 On 7 August 2020 the Company issued 500,000 Shares at a price of £0.03 each.
- 3.9 On 8 January 2021 the Company issued 583,333 Shares at a price of £0.05 each.
- 3.10 On 16 February 2021 the Company issued 1,2500,000 Shares at a price of £0.05 each;
- 3.11 On 10 March 2021 the Company issued 166,666 Shares at a price of £0.05 each.
- 3.12 On 29 April 2021 the Company issued 833,333 Shares at a price of £0.05 each.
- 3.13 On 6 May 2021 the Company issued 166,666 Shares at a price of £0.05 each.
- 3.14 On 3 September 2021 the Company issued 1,227,200 Shares at a price of £0.03 each.
- 3.15 On 13 September 2021 the Company issued 1,416,665 Shares at a price of £0.05 each.
- 3.16 On 23 September 2021 the Company issued 12,564,464 Shares at a price of £0.03 each.
- 3.17 On 7 October 2021 the Company issued 2,583,332 Shares at a price of £0.05 each.
- 3.18 On 1 November 2021 the Company issued 7,333,329 Shares at a price of £0.04 each.
- 3.19 On 18 November 2021 the Company issued 41,666,666 Shares at price of £0.06 each.
- 3.20 On 25 March 2022 the Company issued 242,424 Shares at a price of £0.0825 each.
- 3.21 On 5 July 2022 the Company issued 16,666,667 Shares at a price of £0.06 each.
- 3.2 The issued share capital of the Company at the date of this Document, not including the Placing Shares (issued conditional upon Admission) is as follows:

<b>Issued (fully paid)</b>	<b>Number</b>
Shares	326,334,023

- 3.21 Upon Admission, the issued share capital of the Company will be as follows:

<b>Issued (full paid)</b>	<b>Number</b>
Shares	472,724,023

### **Grant of Warrants**

- 3.22 As at the date of this Document the Company has Existing Warrants outstanding over 10,416,663 Shares.
- 3.23 At Admission, the Company will issue the Broker Warrants and the November 2021 Warrants, as each is described in paragraphs 3 and 4 of Part III of this document.
- 3.24 The Company will also issue Warrants over 62,500,000 Shares to the Placees with one warrant being issued for each two Placing Shares to be issued at Admission. Each Warrant on Admission will be exercisable at 9 per Share at any time from the date of Admission for 3 years.
- 3.25 Further details regarding the terms of the Existing Warrants, Broker Warrants, November 2021 Warrants and October 2022 Investor Warrants are set out at paragraphs 3.22 – 3.24 of this Part VIII of this Document.

## General

- 3.26 Except as otherwise described herein, all the issued Shares are in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the Company's register of members and arranging for it to be kept at a location within the United Kingdom. Temporary documents of title will not be issued.
- 3.27 The Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the Shares and the Placing Shares will rank *pari passu* in all other respects with other Existing Shares in issue on Admission.
- 3.28 The Shareholders in general meeting of 17 June 2020 authorised that the pre-emption rights in the Articles are disapplied in respect of the issue for cash of Shares with an aggregate nominal amount of £5,000,000 ("**Authorised Limit**") and, therefore, statutory pre-emption rights do not apply to the issue of the Placing Shares. Such authority is till 17 June 2025, unless such authority is varied, revoked or renewed prior to such date by a special resolution of the Company in general meeting, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be issued or granted after such expiry and the Directors of the Company may issue or grant equity securities in pursuance of any such offer or agreement notwithstanding that the authority given to the Directors of the Company pursuant to the above resolution have expired.
- 3.29 Save as disclosed in paragraph 3 of this Part VII as at the date of this Document no issued Shares of the Company are under option or have been agreed conditionally or unconditionally to be put under option.

## 4. SUBSTANTIAL SHAREHOLDERS

- 4.1 Save for the interests of the Directors, which are set out in paragraph 6 of this Part VII, the Company is aware of the following persons who hold, or will on Admission hold, directly or indirectly, voting rights representing three per cent. or more of the Voting Rights of the Company:

Shareholder	Holding on the date of this Document	% Issued Share Capital	Holdings on Admission	Holding on Admission %
Pershing Nominees Limited	53,146,092	16.3%		11.2%
Namdar Family Holding LLC	Nil		41,666,667	8.8%
HL Nominees Limited	41,143,883	12.6%		8.7%
Interactive Nominees Limited	25,315,043	7.8%		5.4%
Luna Nominees Limited	17,281,666	5.3%		3.7%
Lynchwood Nominees Limited	13,964,266	4.3%		3.0%
Vidacos Nominees Limited	11,719,577	3.6%		2.5%
HSDL Nominees Limited	10,452,105	3.2%		2.2%

- 4.2 Save as disclosed in paragraph 4.1 above, the Company is not aware of any person who, either as at the date of this Document or immediately following the Admission, exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company, or through a direct or indirect holding of financial instruments (in each case for the purposes of Chapter 5 of the Disclosure Guidance and Transparency Rules).
- 4.3 Any person who is directly or indirectly interested in five per cent. (5 per cent.) or more of the Company's Voting Rights, is required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules, and such interests will be notified by the Company to the public.
- 4.4 No Shareholder of the Company holds any class of share that at the date of this Document or following Admission will have different Voting Rights from other holders of Shares.
- 4.5 The Company is not, so far as it is aware, directly or indirectly owned or controlled by any single Shareholder or group of Shareholders who are connected.

4.6 So far as the Company is aware, there are no arrangements in place, the operation of which may at a subsequent date result in a change of control of the Company.

## 5. PERFORMANCE SHARES OPTIONS

5.1 As at the date of this Document, the Company has granted the Directors, senior management and consultants and an ex-director with the Performance Options over 21,390,000 Shares.

5.2 All options were granted on 9 April 2021 for nil cost and have been exercised in full. The Performance Shares will be issued at Admission as detailed in paragraph [3] of Part III of this Document.

Director	Amount	Exercise Price	Term
Carl Esprey	3,900,000	Nil	Locked up to 9 April 2023
Oliver Stansfield	1,800,000	Nil	Locked up to 9 April 2023
Roy Pitchford	1,800,000	Nil	Locked up to 9 April 2023
Philip Richards *	1,800,000	Nil	Locked up to 9 April 2023

\*Philip Richards resigned as a director on 18 November 2021

## 6. DIRECTORS' INTERESTS

6.1 The interests of the Directors and their respective connected persons (within the meaning of section 252 of the Companies Act) in the issued share capital of the Company, on Admission, all of which are beneficial, are as follows:

Director	Holding at the date of this Document	%	Performance Shares	Placing Shares	Holding on Admission	% of Enlarged Share Capital
Roy Pitchford	Nil	Nil	990,000	Nil	990,000	0.2
Carl Esprey	4,200,000	1.3	3,900,000	694,437	8,794,437	1.8
Oliver Stansfield	9,341,116	2.9	1,800,000	Nil	11,141,116	2.4

6.2 Save as disclosed in paragraphs 6.1 of this Part VII, as at the date of this Document, no Director, administrative, management or supervisory bodies have any interests in options or warrants or in the issued share capital of the Company.

## 7. SUMMARY OF MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company is incorporated in England and Wales as a company under the provisions of the Companies Act and therefore is subject to English law. Certain provisions of the Companies Act are summarised below. The following is not intended to provide a comprehensive review of the applicable law, or of all provisions which differ from equivalent provisions in jurisdictions, with which interested parties may be more familiar. This summary is based upon the law and the interpretation of the law applicable as at the date of this Document and is subject to change.

### 7.1 Memorandum of Association

The provisions contained in the Company's Memorandum of Association determining its objects state that the Company's main activity is that of a general commercial company.

### 7.2 Shares

Subject to any limitation or provisions to the contrary contained in the memorandum or articles of association of a company, the issuance of shares and other securities in a company are under the control of its directors. Under the Articles all unissued shares in the Company shall be at the disposal of the Board who, subject to being authorised to do so by the Company by an ordinary resolution, may allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons, at such times and generally on such terms and conditions as the Board may decide.

### 7.3 Articles of Association

The Articles of Association of the Company, contain, *inter alia*, the following provisions relating to the rights attaching to Shares.

(a) There are no rights of pre-emption in respect of transfers of issued Shares. However, in certain circumstances, the Company's Shareholders may have statutory pre-emption

rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to place new shares for allotment of existing Shareholders on a pro-rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares are offered to the Company's Shareholders.

- (b) In order to transfer Shares, the instrument of transfer of any such shares must be in any usual form or in such other form as may be approved by the Directors and must be executed by or on behalf of the transferor and, if the shares are not fully paid, by or on behalf of the transferee. The Articles of Association contain no restrictions on the free transferability of fully paid shares, provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles of Association relating to the deposit of instruments for transfer have been complied with.
- (c) Each Share confers the rights to receive notice of and attend all meetings of shareholders. Each holder of Shares present at a general meeting in person or by proxy has one vote, and, on a poll, one vote for each Share of which he is the holder.
- (d) On a winding up a liquidator may, with the sanction of an extraordinary resolution of the Company, divide amongst the holders of the Company's shares (in specie or in kind) the whole or any part of the assets of the Company, and may, with the like sanction, determine how such diversion is to be carried out.
- (e) The Shares confer upon their holders the right to participate in any profits which the Company may from time to time determine to distribute in respect of any financial period.
- (f) Subject to the provisions of the Act and if the profits of the Company justify such payments, the Directors may declare and pay interim dividends on shares of any class of such amounts as and when they think fit. All dividends are apportioned and paid pro-rata according to the amounts paid on the shares. No dividend or other monies payable on or in respect of a share will bear interest as against the Company. The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien, and may apply them towards the satisfaction of the debts, liability or engagements in respect of a lien. A dividend may be retained if a shareholder has failed to comply with the statutory disclosure requirements of the Act. Any dividend unclaimed for twelve years will be forfeited and revert to the Company;
- (g) Subject to the provisions of the Act, the Company may purchase any of its own shares, provided that the terms of any contract under which the Company will or may become entitled or obliged to purchase its own shares be authorised by an ordinary resolution of the Company in a general meeting before the Company enters into such a contract;
- (h) All or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class. At every such separate general meeting the quorum is two persons holding or representing by proxy one-third in nominal value of the issued shares of that class; and
- (i) The Company may make arrangements for any class of its shares to be issued in uncertificated form and in accordance with and subject as provided in The Uncertificated Securities Regulations 2001 and transfer of title of those shares shall be effected by means of relevant system in the manner provided for and subject as provided for in the Uncertificated Securities Regulations 2001. Shares held in certificated form and those held in uncertificated form may be changed to certificated form.

Shares are defined in the Articles as "shares in the Company". The rights attaching to the shares, as set out in the Memorandum and the Articles, and other key provisions, are set out as follows.

#### 7.3.1.1 **Rights of Shareholders**

The Articles provide that each Share confers upon the Shareholder:

- (a) the right to one vote on a show of hands and on a poll to one vote for every share of which he is the holder at a meeting of the Shareholders.
- (b) the right to receive dividends according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid by the Company; and the right in the distribution of the surplus assets of the Company on its liquidation to a share in proportion to the amount to which, at the commencement of the winding, the shares held by him are paid up.

#### 7.3.1.2 **Variation of rights**

Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters of the issued shares of the class or with the authority of a special resolution passed at a separate general meeting of the holders of the relevant class of shares. The foregoing provisions of this paragraph shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied.

#### 7.3.1.3 **Transfers of shares**

Each member may transfer all or any of his shares in the case of certificated shares by instrument of transfer in writing in any usual form or in any form approved by the Board or in the case of uncertificated shares without a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

7.3.1.4 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:

- (a) it is for a share which is fully paid up;
- (b) it is for a share upon which the Company has no lien;
- (c) it is only for one class of shares;
- (d) it is in favour of a single transferee or no more than four joint transferees;
- (e) it is duly stamped (if so required); and
- (f) it is delivered for registration to the registered office of the Company (or such other place as the Board may determine), accompanied by the certificate for the shares to which it relates (except in the case of a person to whom the Company is not required by sections 769, 776, 777 or 778 of the Companies Act to issue a certificate, or in the case of a renunciation) and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

The Board shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to the Official List on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

#### 7.3.1.5 **Purchase and Redemption of shares**

Subject to the Companies Act, any share may be issued which can be redeemed or is liable to be redeemed at the option of the Company or the holder. The Board may determine the terms, conditions and manner of redemption.

#### 7.3.1.6 **Payment of dividends**

Subject to the provisions of the Companies Act and the Articles, the Company may, by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

Subject to the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company. If the Board acts in good faith, it shall not incur any liability to the holders of shares for any loss they may suffer by the lawful payment of an interim dividend on any other class of shares ranking with or after those shares.

All dividends, interest or other sum payable and unclaimed after having been declared and become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

Unless otherwise provided by the rights attached to the share no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

#### 7.3.1.7 **Return of capital**

Under the Articles, on a voluntary winding up of the Company the liquidator may, with the authority of a special resolution and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company. This applies whether or not the assets consist of property of one kind or of different lands; and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine.

#### 7.3.1.8 **Borrowing powers**

Subject to the Articles and the Companies Act, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, and all or any part of its property and uncalled capital, and to create and issue debentures and other securities, and give security either outright or as collateral for any debt, liability or obligation of the Company or of any third party.

#### 7.3.1.9 **Directors**

- (a) Unless and until otherwise determined by the Company by ordinary resolution the number of Directors (other than any alternate Directors) shall be at least two and shall not be subject to any maximum number.
- (b) Each Director shall retire from office at the third annual general meeting after the annual general meeting or general meeting at which he was previously appointed. Any Director who has held office with the Company, other than employment or executive office, and who, at the date of the annual general meeting, has held such office for nine years or more, shall be subject to re-appointment at each annual general meeting.
- (c) Subject to the Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles. Any Director so appointed shall hold office only until the next annual general meeting of the Company following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.



- (d) The Company may by resolution remove any Director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may (subject to the Articles) by resolution appoint another person who is willing to act to be a Director in his place.
- (e) The Directors may by resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient.

#### 7.3.1.10 **Meetings of Shareholders**

Subject to the Companies Act, the Company must hold an annual general meeting each year. Any annual general meeting convened shall be held at such a time and place as the Board may determine.

The Directors may call a general meeting whenever they think fit. At any meeting so convened (or any meeting requisitioned pursuant to section 303 of the Companies Act) no business shall be transacted except that proposed by the Board or stated by the requisition. If there are not sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.

Any General Meeting shall be convened by at least such minimum notice as is required or permitted by the Companies Act.

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending the meeting do not constitute a quorum. If the Company has only one member entitled to attend and vote at the general meeting, one qualifying person present at the meeting and entitled to vote is a quorum; provided that in all cases two members present in person or by proxy and entitled to attend and vote on the business to be transacted shall be a quorum.

#### 7.3.1.11 **Pre-emption rights of Shareholders**

Shareholders have pre-emption rights as set out in the Companies Act, subject to any additional authority given by special resolution. The pre-emption provisions shall not apply to the allotment of any shares for a consideration other than cash or in connection with an employees' share scheme, and, accordingly, the Directors may allot or otherwise dispose of any unissued shares in the capital of the Company for a consideration other than cash to such persons at such times and generally on such terms as they may think fit. A reference in the foregoing paragraphs to the allotment of any shares includes the grant of a right to subscribe for, or to convert any securities into, shares but such reference does not include the allotment of any relevant shares pursuant to such a right.

#### 7.3.1.12 **Management**

Subject to the provisions of the Companies Act, the Memorandum and the Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the Memorandum or the Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained in the Articles as to any specific power of the Board shall not be deemed to limit the general powers given by the Articles.

#### 7.3.1.13 **Winding up**

The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

Under the Articles, on a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in specie the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different lands; and vest the whole or any part of the

assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine.

If the Company is wound up the liquidator may set the value the liquidator considers fair on any asset or assets and may determine how to divide it between members or classes of members.

#### 7.3.1.13 **Failure to Disclosure Interests in shares**

If a member, or any other person appearing to be interest in shares held by that member has been issued with a notice under section 793 of the Companies Act ("section 793 notice") and has failed to give the Company the information required by the section 793 notice within the prescribed period, the following shall apply:

- (1) the member shall not be entitled in respect of the default shares to be present or to vote (either in person, by proxy or by corporate representative) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll; and
- (2) where the default shares represent at least 0.25 per cent in nominal value of the issued shares of their class (excluding any share of their class held as treasury shares):
  - (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member shall not be entitled to elect, under article 106, to receive shares instead of a dividend, and
  - (b) no transfer of any certificated default shares shall be registered unless the transfer is an excepted transfer; or
    - (I) the member is not himself in default in supplying the information required; and
    - (II) the member proves to the satisfaction of the Directors that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

#### 7.4 **Dividends and distributions**

Subject to the provisions of the Companies Act, the Company's memorandum and Articles, Directors may declare dividends in money, shares or other property provided they determine the Company will pass the solvency test (i.e. the value of the company's assets will exceed its liabilities and it will be able to meet its debts as they fall due).

## 8. **CITY CODE ON TAKEOVERS AND MERGERS AND COMPULSORY ACQUISITION RULES**

### 8.1 **Mandatory Bid Rules**

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 Admission 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 persons 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 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 per cent. but not more than 50 per cent. 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, and any person acting in concert with him, must make a general offer in cash 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.

## 8.2 **Compulsory Acquisition Rules**

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares from the relevant holders who have not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises his rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## 9. **WORKING CAPITAL**

The Company is of the opinion that the working capital available to the Group, including the Net Proceeds from the Placing, is for at least the next 18 months from the date of this Document sufficient for its present requirements (the “**Working Capital Period**”).

## 10. **FURTHER DISCLOSURES ON DIRECTORS**

10.1 The Directors have or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this Document, other than the Company:

<b>Director</b>	<b>Current</b>	<b>Previous</b>
Roy Pitchford	Narnia Energy Limited Fermain Limited CAPS (UK) Ltd East European Metals Limited J9M5 Limited J9M5 Caravans Limited Mining, Minerals & Metals plc	Abbey Mine Limited Keras Resources Plc Centreclear Limited Glyncastle Mineral Handling Limited Ocean Coal Limited Vast Resources Plc Vast Resources Romania Ltd

<b>Director</b>	<b>Current</b>	<b>Previous</b>
Carl Esprey	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	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
Oliver Stansfield	Contango Holdings Plc Arben Resources Ltd Atria Capital LLP	Brandon Hill Capital Limited Chargot Investments Ltd

10.2 At the date of this Document no Director:

- (a) has had any convictions in relation to fraudulent offences;
- (b) has been declared bankrupt or has been a director of a company or been a member of an administrative, management or supervisory body or a senior manager of a company at the time of any bankruptcy, receivership or liquidation proceedings;
- (c) has been the subject of any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) or has ever been disqualified by a court from acting as a director of any company or 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.

## **11. DIRECTORS' TERMS OF EMPLOYMENT OR SERVICE**

### **Directors**

#### **11.1 Roy Pitchford – Letter of Appointment**

The Company and Roy Pitchford entered into a letter of appointment dated 19 May 2020 pursuant to which Roy Pitchford is engaged as a non-executive director with fees of £24,000 per annum. The appointment is terminable on two months' written notice on either side.

#### **11.2 Carl Esprey – Service Agreement**

The Company and Carl Esprey entered into a service agreement dated 19 May 2020 pursuant to which Carl Esprey is engaged as an executive director with fees of £38,000 per annum. The appointment is terminable on three months' written notice on either side.

#### **11.3 Oliver Stansfield – Letter of Appointment**

The Company and Oliver Stansfield entered into a letter of appointment dated 19 May 2020 pursuant to which Oliver Stansfield is engaged as a non-executive director with fees of £18,000 per annum. The appointment is terminable on two months' written notice on either side.

## **12. PENSION ARRANGEMENTS**

12.1 There are no existing arrangements or proposals existing in connection with the Admission whereby any member of the administrative, management or supervisory bodies of the Company or any other person which provide for benefits upon termination of employment or in connection with retirement from office with the Company or any of its subsidiaries.

### 13. EMPLOYEES AND PREMISES

- 13.1 As at the date of this Document, the Company has employed the 3 Directors. In addition, the Group employs 26 people in its Zimbabwe operations. There are no employees in Mali.
- 13.2 As at the date of this Document the Group has no properties.

### 14. SUBSIDIARIES

- 14.1 As at the date of this Document the Company will be the ultimate holding company of the following subsidiaries:

Subsidiary	Proportion Held	Country of Incorporation	Nature of Business
Monaf Investments Pty Limited	70%	Zimbabwe	Exploration
Contango Gold Mali	75%	Mali	Exploration
Contango Holdings Services Pty Limited	100%	Australia	Treasury Services for the Group

### 15. DILUTION OF SHARE CAPITAL

- 15.1 The issue of the Placing Shares will constitute 26 per cent. of the Enlarged Share Capital and the interests of Existing Shareholders will be diluted accordingly. The issue of the Performance Shares will constitute 7 per cent. of the Enlarged Share Capital and in the interests of Existing Shareholders will be diluted accordingly.
- 15.2 The Directors are authorised to issue Shares pursuant to the grant of the Warrants as set out in paragraph 3.28 of this Part VIII. In addition, the Company may issue Shares pursuant to the Share Options set out in paragraph 3.28 of this Part VII. Subject to Admission, the aggregate of the Existing Warrants, the Broker Warrants, the November 2021 Warrants and October 2022 Investor Warrants entitle holders to subscribe for a total of 117,398,737 Shares representing 18.1 per cent. of the fully diluted Issued Shares of the Company upon Admission, assuming full exercise of such Warrants.

### 16. RELATED PARTY TRANSACTIONS

Oliver Stansfield was a director of Brandon Hill Capital up until 14 January 2022 and remains a director of the Company. Brandon Hill Capital acted as the broker to the Group up until 4 January 2022 and were paid an annual retainer.

£25,000 worth of shares were issued on 18 June 2020 to each of the Directors at the time, which included Oliver Stansfield, in recognition of their work to complete the Re-Admission and complete the acquisition of Monaf.

£62,260 of the Company resources was invested in shares in Waraba Gold Limited – a company listed on the Toronto Stock Exchange of which Carl Esprey was Chief Executive Officer.

As at 31 May 2021 £15,617 was owed by Eurocan Pty Ltd (a company of which Carl Esprey is a director) for expenses paid on its behalf by the Group. This amount was repaid by Eurocan Pty Ltd subsequent to the year end.

£59,921 has been paid to Green & Park Limited (a company of which Carl Esprey is a director) for office rent and associated costs.

On 4 January 2022 Tavira Financial Limited were appointed as the Company's financial adviser and Broker and are paid an annual retainer of £30,000. Oliver Stansfield is engaged as a consultant by Tavira Financial Limited.

Carl Esprey has 694,437 Placing Shares at 6p for gross consideration of £41,666. This subscription is deemed a related party transaction as defined under DTR 7.3. The independent director, Roy Pitchford (Non-Executive Chairman), considers the terms of the participation in the Placing are fair and reasonable insofar as the Company's shareholders are concerned.

### 17. SOURCES OF CASH, LIQUIDITY AND CASH USES

The Group's ability to finance its strategy in the 12 months following Admission and to meet the Group's obligations as they become due will be fulfilled by cash currently held by the Company and the Net Proceeds. It will use such cash primarily to provide working capital to the Group to enable it

to execute its strategy as described under Part I of this Document. As at the date of this Document, the Group had cash resources of £109,015.

## 18. DIVIDEND POLICY

The Directors' current intention is to retain any earnings for use in the Group's operations and the Directors do not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and to the extent that to do so is in accordance with all applicable laws.

## 19. REGULATORY DISCLOSURES

Summaries of the announcements made by the Company pursuant to its obligations under the Market Abuse Regulations in the twelve months preceding the date of this Document are set out below:

<b>Date</b>	<b>Activity</b>
22 October 2021	<p>Contango Holdings Plc, the London listed natural resource development company, is pleased to advise that it has now received the results from a set of sample analyses conducted by Bureau Veritas of South Africa. The analyses assessed a variety of metrics and properties derived from 49 samples extracted from the 1A Lower and MSU metallurgical seams at the Lubu Coal Project, located in the Hwange region of Zimbabwe, including ash, sulphur and phosphorous contents, as well as yield and calorific values.</p>
18 November 2021	<p>The Placing will provide the Company with sufficient funds to bring Lubu into production towards the end of Q1 2022, marking the Company's transition into cashflow and profitability from operations.</p> <p>This development route is now feasible following the recent verification by Bureau Veritas' studies on the Lubu coking coals which confirmed to both the Company and potential customers the product's attractive characteristics. The studies indicated the potential for 96Mt from Block 2 of high-quality coking coal with low ash and sulphur and with high yields and swelling indices. There is currently significant demand both regionally and globally for coking coal with such characteristics.</p> <p>Also, the Company has recently visited a number of potential customers and off-takers and following such conversations with these groups the directors of the Company have chosen to begin operations with immediate effect and take advantage of strong commodity prices and forecasts.</p> <p>The Company intends to commence with an initial 300Ktpa production operation with the possibility of increasing production in due course. The local demand is likely to increase as regional coke battery capacity in Hwange (approximately 200Km from Lubu) is being increased from 570Ktpa to 1.92Mtpa, which would create further demand for suitable coking coals used in the process of coke manufacture.</p> <p>The Company intends to install an initial 150Ktpa coke battery at site by the end of 2022 following the commencement of initial production earlier in the year. This would enable Contango to have a fully integrated operation and produce coke, which has seen prices reach approximately US\$700/t in China this year and which is currently selling at circa US\$600/t.</p> <p>By manufacturing coke, Contango expects to receive the highest value possible for its resource and produce a product that can be sold internationally at market rates. The Company will look to optimise the funding strategy of the initial coke battery during 2022, with the expectation that existing cash resources, cash flows from coking coal sales, as well as offtake-linked finance and debt will be available. Given the modular nature of the coke batteries, further expansion in coke production will also be explored in due course.</p>

04 January 2022	Contango Holdings Plc, has appointed Tavira Financial Limited to act as the Company's Financial Adviser and Broker with immediate effect.
12 January 2022	Following the exercise of outstanding warrants prior to their expiry on 1 November 2021 and an additional capital raise of £2.5m, which was announced on 18 November 2021 and provided the necessary funds to bring the Company's Lubu Coking Coal Project into production by the end of Q1 2022, the Company no longer has sufficient headroom under the Listing Rules to issue all the shares to satisfy the conversion of the Convertible Loan instruments in full. Following consultation with the six holders of the Convertible Loan instruments, the Company is pleased to report that all parties have unanimously agreed to extend the life of the instruments by a further six months with no additional charges or penalties. The revised date for mandatory conversion is therefore 4 July 2022. The term of the attaching one warrant for every two ordinary shares, with an exercise price of 8p, remains unchanged.
16 February 2022	<p>The Company provided an update on the Garalo-Ntiela Gold Project, namely;</p> <ul style="list-style-type: none"> <li>• results from aero-magnetic studies have yielded multiple high-grade potential target zones.</li> <li>• 50% of the ongoing Induced Polarisation ("IP") survey has been completed.</li> <li>• IP survey, coupled with the results of the aero-magnetic studies and historic drilling will enable the Company to finalise its 2022 drill programme, intended to firm up the targeted resource of 1.8Moz-2Moz gold.</li> <li>• Since its last update the Company can advise it has also now received approaches from potential domestic and international investors to support the future development of Garalo-Ntiela.</li> <li>• The Board believes there is significant inherent value at Garalo-Ntiela and would expect any transaction it enters into would need to reflect this.</li> </ul>
21 March 2022	<p>The Company provided an updated on the Lubu Coking Coal Project in Zimbabwe and the Garalo-Ntiela Gold Project in Mali, namely:</p> <p><i>Lubu Coking Coal Project, Zimbabwe:</i></p> <ul style="list-style-type: none"> <li>• Civil works and infrastructure upgrades ongoing</li> <li>• Mining operations and first production to begin from end of March</li> <li>• Discussions with off-takers for both coking coal and coke</li> <li>• Wash plant to be installed in Q2 2022</li> </ul> <p><i>Garalo-Ntiela Gold Project, Mali:</i></p> <ul style="list-style-type: none"> <li>• ite visit with strategic investors scheduled in the coming weeks</li> <li>• Finalising drill programme to prove up targeted resource of 1.8Moz-2Moz gold</li> </ul>
25 March 2022	The Company announces that it has issued 242,424 shares in lieu of services of £20,000 provided by a service provider that has elected to be paid in equity. The shares were issued at 8.25p each.

29 March 2022	The Company announced that the issue of shares announced on 25 March 2022 will be admitted to trading on the official list and the London Stock Exchange with effect from 8.00 a.m. on Thursday 31 March 2022, not Wednesday 30 March 2022.
30 March 2022	The Company announced that production had commenced on Block 2 of the Lubu Coking Coal Project in Zimbabwe. Block 2 was selected given the high-quality coking coal found at that location and its proximity to surface. Studies have defined an estimated 96Mt of coking coal within Block 2, which forms part of the broader Lubu complex, where an estimated 1.25 billion tonne Indicated and Inferred resource has been identified to NI 43-101 levels. The Company is targeting an initial stabilised mining rate of 5,000 tonnes per month. As previously reported, Contango will stockpile production during Q2 2022 pending the installation of the wash plant in the same period, thereby providing sufficient feedstock to ensure continuity of supply. Work continues to prepare the site for the installation of the crushing unit, wash plant and associated infrastructure. Following the installation of the wash plant the Company expects to sell washed coking coal to regional buyers as well as exporting to South Africa, where the Company has held recent discussions with interested parties.
14 June 2022	The Company announced that it had entered into an offtake agreement where AtoZ Investments (Pty) Ltd agreed to purchase 10,000 tonnes per month of washed coking coal produced at Lubu, at the prevailing MMCZ market price, currently US\$120 per tonne. The MMCZ market price is a minimum price prescribed by the Minerals Marketing Corporation of Zimbabwe (MMCZ).
5 July 2022	The Company announced that it had issued 16,666,667 shares following the conversion of the mandatory convertible loan of £1M that was issued on 3 June 2021.
8 July 2022	The Company announced that its largest shareholder, Consolidated Growth Holdings Limited, intended to make an “in specie” distribution of its holding of 98,349,961 shares in the Company (a holding of 31.8%) to its shareholders.
6 September 2022	The Company announced test results for coking coal and coke which confirmed the coking coal is of excellent quality. The coke results were better than expected too.
16 September 2022	The Company announced that it had received a number of unsolicited approaches from buyers of thermal coal given that thermal coal prices have increased dramatically.
29 September 2022	The Company announced that its subsidiary Monaf Investments, the operating company for the Lubu Project, had been declared winner of the 2022 excellence in Community, Empowerment and Social Impact award in Zimbabwe.

## 20. SIGNIFICANT CHANGE

- 20.1 Since 30 November 2021 (being the date to which the Group’s unaudited consolidated interim financial information for the six-month period ended 30 November 2021 incorporated by reference in Part IV “Historical Financial Information of the Group” of this Document has been prepared), there has been no significant change in either the financial performance or the financial position of the Group to the date of this Document.



## 21. CREST

21.1 The Shares to be issued in connection with the repayment and settlement of the Placing will be in registered form and may be held in either certificated form or uncertificated form, except as otherwise described herein. 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 Shares in CREST. Accordingly, settlement of transactions in the Shares following Admission 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. The records in respect of Shares held in uncertificated form will be maintained by Euroclear and the Company's transfer agents, Share Registrars Limited.

## 22. MATERIAL CONTRACTS

The following material contracts are those contracts which have been entered into by the Company: (a) in the two years immediately preceding the date of this Document (other than in the ordinary course of business); and (b) which contain any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this Document (other than those entered into in the ordinary course of business):

### 22.1 Brandon Hill Broker Warrant

On 19 October 2020, the Company and Brandon Hill Capital entered into a warrant instrument whereby, Brandon Hill Capital were granted warrants over 3,200,000 Shares, such warrants being exercisable until 19 October 2023 at 5 pence per warrant.

### 22.2 Tavira Engagement Letter

On 4 January 2022, the Company and Tavira entered into an engagement letter whereby Tavira agreed to provide general financial advice and brokering services to the Company.

In consideration for its services, Tavira is entitled to:

- an annual retainer of £30,000;
- a commission of 5 per cent. of all funds raised by Tavira; and
- broker warrants for per cent. of the total number of shares subscribed for by investors introduced by Tavira.

The appointment takes effect for a minimum initial period of 12 months (such initial period therefore ending on 4 January 2023), 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 Tavira.

### 22.3 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 Service.

#### 22.4 **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.

#### 22.5 **\$10,000,000 Loan Agreement**

On 4 September 2018, the \$10,000,000 Loan Agreement was entered into between Monaf and Consolidated Growth Holdings Limited ('**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). 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).

#### 22.6 **\$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).

#### **22.7 Administrative Support and Services Agreement**

On 18 June 2022 Someden and Monaf entered into an Administrative Support and Services Agreement for the provision of administrative services by Someden to Monaf.

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.

#### **22.8 Royalty Agreement**

On 18 June 2022 Monaf, the Company and CGH entered into a royalty agreement, pursuant to which the parties 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)

#### **22.9 Coking Coal Offtake Agreement**

On 14 June 2022 Monaf and AtoZ entered into an offtake agreement pursuant to which AtoZ undertook to purchase, subject to the washed coking coal meeting the quality requirements of its customers, 10,000 tonnes per month of washed coking coal produced at Lubu, at the prevailing MMZC market price, being the minimum price prescribed by MMCZ.

AtoZ will take delivery of the washed coking coal at the mine gate and handle all subsequent logistics and marketing.

#### **22.10 Broker Warrant Instrument**

A deed of warrant grant dated 1 November 2022 has been created by the Company pursuant to which warrants were granted to Tavira in respect of the services providing for the Placing. Tavira will be granted 2,776,389 broker warrants. Each Warrant is exercisable at the Placing Price at any time from the date of Admission for three years.

#### **22.11 November 2021 Placing Warrant Instrument**

A deed of warrant grant dated 1 November 2022 has been created by the Company pursuant to which 41,666,666 November 2021 Warrants were granted to each place in the November 2021 placing undertaken by the Company. Each November 2021 Warrant is exercisable at 12p per Share at any time from the date of this document until 21 November 2024.

#### **22.12 October 2022 Investor Warrant**

A deed of warrant grant dated 1 November 2022 has been created by the Company pursuant to which 62,500,000 Warrants were granted to each place in the Placing. Each October 2022 Investor Warrant is exercisable at 12p at any time for a period of three years from Admission.

#### **22.13 Lock in in respect of the Performance Shares**

The Performance Shares issued to Directors and senior members of the management team are locked in until 9 April 2023.

### **23. GENERAL FINANCIAL MATTERS**

- 23.1 Since the date of the Company's incorporation, the auditors of the Company have been Crowe U.K. LLP.
- 23.2 Save as disclosed, there are no effects on the assets and liabilities of the Company as a result of the Placing or Admission.

### **24. LEGAL AND ARBITRATION PROCEEDINGS**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Company is aware), during the 12-month period prior to the date of this Document which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

### **25. OTHER INFORMATION**

- 25.1 The expenses of the Placing and Admission are estimated at £390,000, including VAT and are payable by the Company).
- 25.2 The estimated Net Proceeds, after deducting fees and expenses in connection with the Placing and Admission are approximately £7,110,000.
- 25.3 The historical financial information of the Group included in this Document has been incorporated by reference from the Group's interim and annual accounts as set out in Part IV "Historical Financial Information of the Group" of this Document. In relation to the year ended 31 May 2021, the audit report has not been refused by the auditors of the Company and it contains no qualifications or disclaimers.
- 25.4 The Placing Shares shall represent 26.4 per cent. of the Enlarged Share Capital and Voting Rights of the Company immediately following Admission. Following Admission, the issued Shares and Voting Rights of the existing Shareholders shall (assuming that they do not participate in the Placing) represent 69 per cent. of the Enlarged Share Capital of the Company.
- 25.5 Copies of the following documents will be available for inspection during normal office hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company from the date of this Document for a period of 12-months:
- (a) the Articles;
  - (b) the audited annual accounts of the Company incorporated into this document by reference in Part IV of this Document;
  - (c) the letters of consent referred to in Part VII of this Document; and
  - (d) this Document.
- 25.6 In addition, this Document will be published in electronic form and be available and free to download from the date of publication from the Company's website at:
- [www.contango-holdings-plc.co.uk](http://www.contango-holdings-plc.co.uk)

## PART VIII

### NOTICE TO INVESTORS

The distribution of this Document and the Placing 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.

#### 1. GENERAL

No action has been or will be taken in any jurisdiction that would permit a public offering of the 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 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 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 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 a prospectus for the purposes of the UK Prospectus Regulation and the Prospectus Regulation Rules. This Document has not been approved as a prospectus by the competent authority in any EEA State and no arrangement has been made with the competent authority in any other jurisdiction for the use of this Document as an approved prospectus in such jurisdiction. Accordingly no public offer is to be made in any EEA state (or in any other jurisdiction). Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below.

#### 2. FOR THE ATTENTION OF EUROPEAN ECONOMIC AREA INVESTORS

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a **“Relevant Member State”**), an offer to the public of the Ordinary Shares may only be made at any time in a Relevant Member State (i) where a prospectus has been approved in such Relevant Member State in accordance with EU Prospectus Regulation or, where appropriate, in another Relevant Member State and notified to the competent authority in that Relevant Member State; or (ii) under the following exemptions under the EU Prospectus Regulation:

- (a) where the offer is solely addressed to any legal entities which are qualified investors as defined under the EU Prospectus Regulation;
- (b) where the offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the EU 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 Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an Investor to decide to purchase or subscribe for the Ordinary Shares.

The distribution of this prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions.

#### 3. FOR THE ATTENTION OF UK INVESTORS

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus 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 Rules.

In the United Kingdom this Document is for distribution to, and is directed only at, legal entities which are qualified investors as defined under the Prospectus Directive and are (i) persons having professional experience in matters relating to investments who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise be lawfully distributed under the Order, (all such persons together being “**Relevant Persons**”). In the United Kingdom, any investment or investment activity to which this Document relates is only available to and will only be engaged in with Relevant Persons. Persons who are not Relevant Persons should not act or rely on this Document or any of its contents.

#### **4. FOR THE ATTENTION OF US INVESTORS**

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Canada or Japan. Subject to certain exceptions, the Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States or to or for the account or benefit of persons in the United States, South Africa, the Republic of Ireland, Canada, Japan 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 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 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, although the Company may sell the Shares in a private placement transaction in the United States pursuant to an exemption from registration.

**PART IX**  
**DEFINITIONS**

The following definitions apply throughout this Document, unless the context requires otherwise:

<b>“Act”</b>	the Companies Act 2006 (as amended)
<b>“AtoZ”</b>	A to Z Investments (PTY) Ltd, a company incorporated in the Republic of South Africa with registered number 2006/007395/07) and with its principle office at Unit 2, Ground Floor, 3 Melrose Boulevard, Melrosh Arch, South Africa
<b>“Admission”</b>	the admission of the Placing Shares to trading on the LSE’s main market for listed securities
<b>“Articles”</b>	the articles of incorporation of the Company for the time being
<b>“Assumption of Debt Agreement”</b>	the agreement date 4 September 2018 between CGH, Somenen, and Monaf in respect of the transfer of various intra-group balances
<b>“Board” or “Directors”</b>	the directors of the Company for the time being
<b>“Broker” or “Tavira”</b>	Tavira Financial Limited, a private limited company incorporated in England and Wales with number 05471230
<b>“Broker Warrants”</b>	the issue of 2,776,389 broker warrants to the Broker with an exercise price of 6p for a period of 3 years from Admission
<b>“City Code”</b>	the UK City Code on Takeovers and Mergers
<b>“CGH”</b>	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
<b>“Company” or “Contango”</b>	Contango Holdings plc a company incorporated with limited liability in England and Wales under the Act on 18 May 2016, with number 10186111
<b>“Connected Person(s)”</b>	connected persons (within the meaning of section 252 of the Act)
<b>“Costs”</b>	total expenses incurred (or to be incurred) by the Company in connection with the Placing and Admission of the Company totalling approximately £250,000
<b>“CREST”</b>	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
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
<b>“Directors”</b>	the directors of Contango as at the date of this Document whose names are set out on page 9
<b>“Disclosure Guidance and Transparency Rules” or “DTR”</b>	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time
<b>“Document”</b>	this prospectus
<b>“Enlarged Issued Share Capital” or “Enlarged Share Capital”</b>	the Existing Share Capital of the Company together with the Placing Shares and the Performance Shares
<b>“CGM”</b>	Contango Gold Mali Sarl, a company registered in Mali

<b>“Coal Project Licences”</b>	Special Grant 4686, expiring on 27 September 2043
<b>“equity securities”</b>	shares, or rights to subscribe for or to convert into shares
<b>“EU Prospectus Regulation”</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
<b>“Existing Share Capital”</b> or <b>“Existing Capital”</b>	the 326,334,023 Shares in issue immediately preceding the completion of the Placing and the issue of the Placing Shares
<b>“Existing Warrants”</b>	the 10,416,666 Warrants on the date of this Document
<b>“FCA”</b>	the UK Financial Conduct Authority
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended
<b>“Garalo-Ntiela Gold Project”</b>	the gold project owned by the Company as described in paragraph 3.7 of Part I of this document
<b>“Gold Project Licences”</b>	are the licences that are described in paragraph 3.9 of Part I of this document
<b>“Group”</b>	the Company and its subsidiaries, Contango Gold Mali Sarl and Monaf
<b>“HMRC”</b>	HM Revenue and Customs
<b>“IFRS”</b>	International Financial Reporting Standards as adopted by the European Union
<b>“Investor”</b>	means a person who purchases, considers the purchase or holds Shares in the Company
<b>“Listing Rules”</b>	the listing rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time
<b>“London Stock Exchange”</b> or <b>“LSE”</b>	London Stock Exchange plc
<b>“Lubu Coking Coal Project”</b>	means the Lubu coking coal project owned and operated by Monaf as described in Part I of this Document
<b>“Main Market”</b>	the main market of the London Stock Exchange for officially listed securities
<b>“Market Abuse Regulations”</b>	Regulation (EU) No 596 (2014 of the European Parliament and of the Council on market abuse)
<b>“MMCZ”</b>	the Minerals Marketing Corporation of Zimbabwe
<b>“Monaf”</b>	Monaf Investments (Private) Limited, a limited liability company incorporated in accordance with the laws of Zimbabwe with Registration Number 7339/98
<b>“Net Proceeds”</b>	the funds received in relation to the Placing less Costs
<b>“November 2021 Investor Warrants”</b>	the investor warrants to be issued pursuant to the placing completed by the Company in November 2021. A total of 41,666,666 warrants over Shares at an exercise price of 12p for a period of 3 years from Admission.
<b>“October 2022 Investor Warrants”</b>	the investor warrants to be issued pursuant to the Placing. A total of 62,500,000 warrants over Shares at an exercise price of 9p for a period of 3 years from Admission.
<b>“Official List”</b>	the Official List of the UK Listing Authority
<b>“Performance Shares”</b>	means the 21,390,000 Shares to be issued to Directors, senior management and consultants in lieu of salary or other payments and for which the Company will apply for Admission



<b>“Placee”</b>	a party that agrees to subscribe for new Shares in the Placing
<b>“Placing”</b>	the proposed placing of 125,000,000 Shares by Tavira on behalf of the Company at the Placing Price and on the terms and subject to the conditions set out in the Placing Letter
<b>“Placing Letter”</b>	the placing letters issued by Tavira on behalf of the Company and executed by each Placee relating to the Placing
<b>“Placing Price”</b>	6 pence
<b>“Placing Shares”</b>	the 125,000,000 Shares to be issued pursuant to the Placing
<b>“Premium Listing”</b>	a listing on the Premium Listing Segment of the Official List under Chapter 6 of the Listing Rules
<b>“Project Licences”</b>	means the Coal Project Licences and the Gold Project Licences
<b>“Prospectus Regulation Rules”</b>	the prospectus rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time
<b>“Re-Admission”</b>	the date on which the Company’s issued share capital was re-admitted to trading on the LSE’s main market for listed securities following the Reverse Takeover
<b>“Registrar”</b>	Avenir Registrars Limited
<b>“Regulatory Information Service”</b>	a regulatory information service authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies
<b>“Securities Act”</b>	the U.S. Securities Act of 1933, as amended
<b>“Shares”</b>	shares of £0.01 each in the Company
<b>“Shareholders”</b>	holders of Shares
<b>“Somoden”</b>	Someden Investments (Private) Limited, being a wholly-owned subsidiary of the Company
<b>“Standard Listing”</b>	a Standard Listing under Chapter 14 of the Listing Rules on the Standard Segment of the Main Market of London Stock Exchange
<b>“Takeover Panel”</b>	the UK Panel on Takeovers and Mergers
<b>“Tavira” or “Broker”</b>	Tavira Financial Limited, a private limited company incorporated in England and Wales with number 05471230
<b>“UK Listing Authority” or “UKLA”</b>	the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA
<b>“UK Prospectus Regulation”</b>	the UK version of Regulation (EU) 2017/1129 which is part of the UK law by virtue of the European Union (Withdrawal) Act 2018/EUWA
<b>“UK Sterling” or “£”</b>	Pound Sterling, the lawful currency of the United Kingdom
<b>“uncertified” or “uncertified form”</b>	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST
<b>“Uncertified Regulations”</b>	the Uncertificated Securities Regulations 2006 (as amended or replaced from time to time)
<b>“US Dollars” or “\$”</b>	United States Dollars, the lawful currency of the United States
<b>“Voting Rights”</b>	all the voting rights attributable to the capital of a company which are currently exercisable at a general meeting

**“Warrants”**

the Existing Warrants, November 2021 Investor Warrants, October 2022 Investor Warrants and Broker Warrants to be issued on Admission

**“Working Capital Period”**

a period of 18 months following Admission.