Registered number: 10186111

Contango Holdings Plc

Annual Report and Financial Statements
For the year ended 31 May 2022

Parent Company Information

Directors
Oliver Stansfield
Philip Richards (resigned 18 November 2021)
Carl Esprey
Roy Pitchford

Company Secretary
Graham May

Registered Office
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London
EC1M 6BB

Company Registered No. 10186111 (England and Wales)

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

Broker
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5 St John’s Lane
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EC1M 4BH

Contango Holdings PLC

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Contango Holdings plc

Board of Directors

For the year ended 31 May 2022

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

Philip Richards (resigned on 18 November 2021)

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

Oliver Stansfield

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

Carl Esprey (appointed on 18 June 2020)

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

Roy Pitchford (appointed 18 June 2020)

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

This has truly been a defining year for Contango and one which saw the Company conclude the first phase of its strategy; to deliver a low CAPEX and OPEX project into production.

As shareholders will know, the road to production can be a long, arduous and capital intensive one, however I am proud to say that Contango has delivered first production at its Lubu Coal Project some 20 months from initial acquisition and having spent less than £1,608,000 on development costs to date. This is an incredible feat and one which should be squarely attributed to the expertise and dedication of our team on the ground in Zimbabwe, led ably by my colleague and CEO, Carl Esprey.

Preparation work commenced at Lubu, by way of acquiring the plant and machinery required to commence production, towards the end of the period under review, in March 2022. The primary focus will now be on delivering first mining by the end of March 2023. Preparation work is now underway on Block 2, which 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 targeted an initial stabilised mining rate of 5,000 tonnes per month and is now ramping up to 10,000 tonnes per month. As previously reported, Contango is in the process of preparing to commence production of coal ahead of delivery on its first sales at a rate of 10,000 tonnes of washed coal per month to our first off-take partner, AtoZ Investments (Pty) Ltd ("AtoZ"), a specialist coal trading company based in South Africa, by the end of the year. Looking forward to 2023, we are still targeting an expansion of these processing facilities to enable processing of 300,000 tonnes per annum.

The sale of washed coking coal is a major milestone for Contango, but it does represent just one facet of our business proposition at Lubu. The Company is now rolling out a phased plan to capture the full value chain of its coal products, and also establish multiple revenue streams for the business. Phase 1 comprises the production and sale of coking coal, Phase 1B includes the production and sale of thermal coal and Phase 2 incorporates the manufacture of coke. Following the recent fundraise of £7,500,000, the Company is fully funded for Phases 1 and 1B and expects to use non-equity alternatives for the funding for phase 2.

Given the synergies with ongoing coking coal operations, as thermal coal is essentially a by-product of coking coal production and may make up to 60% of the coal extracted from Block 2, this potential route makes for a very compelling case for exploration.

The Company has received a number of requests for the regular delivery of thermal coal from a variety of international markets and is currently looking to finalise logistics to enable an export solution. The Company expects that thermal coal could generate margins of over US$100 per tonne. This could be further improved in the event the Company is successful in its current efforts to secure a rail transport solution rather than trucking to port.

Looking at Phase 2, we remain focussed on being able to capture the full value for our product by manufacturing coke for use in the steel and ferro-alloy industries. Coke is an upgraded product derived from coking coal and commands a significant price premium to coking coal. The Contango management team are engaging in active discussions with a number of potential off-takers for our proposed coke product, including our existing coking coal off-take partner, AtoZ, in addition to existing coke producers in Zimbabwe and international commodity trading houses.

Guided by the conversations that we have had with potential offtake partners, we anticipate that any future offtake agreement for coke is likely to be accompanied by the requisite funding to finance the associated infrastructure, principally the installation of coke batteries. With this in mind, and whilst also recognising that Contango expects to be cash generative by the end of the calendar year through our coking coal sales to AtoZ, we believe that we are in a strong position to advance these discussions during Q4.

The Company also retains the option of funding the coke batteries through project level debt, or self-funding from internal cash flow. This latter option was given more weight as a potential opportunity post-period end in September, when Contango revealed that it had in recent months received a number of unsolicited approaches from international buyers of thermal coal (ranging from trading houses to industrial consumers). Fuelled by the dramatic rise in thermal coal prices over the past 12 months, from approximately US$125 per tonne to US$450 per tonne, the board are now considering a coking and thermal operation, delivering 10,000t of coking coal and 10,000t of thermal coal per month based on current capacity in H1 2023.

Looking now to our other interests, Contango has an asset of significant commercial value in the Garalo-Ntiela Gold Project in Mali, which has a targeted resource of 1.8Moz-2Moz gold. As previously communicated, this significant asset, which has proved to of a much larger scale than first anticipated, has necessitated a change of approach from the Contango team in order to uphold our guiding principles of targeting low CAPEX and OPEX projects with near term production potential. Hosting significantly more gold than originally anticipated is of course a nice problem to have, but for the Contango team, we recognise that to fully realise the potential of this asset, numerous drilling campaigns would need to be designed and executed in order to truly understand the geological setting of this potentially vast resource.

With this in mind, the board and management have considered alternative routes through which to advance the asset including discussions with a number of strategic parties relating to investment in the project. Notwithstanding these discussions, the Company remains committed to moving the project forward and is working on a drill programme to establish a JORC resource across the project.

Financial Review

Funding

The Company raised over £903,000 through the exercise of warrants during the period in addition to £2.5 million by way of a placing of New Ordinary Shares in November 2021.

The Company also raised £1 million via a convertible loan that was issued on 3 June 2021. The terms of the Convertible Loan Notewere as follows; i) mandatory conversion of the loan at a share price of 6p on 4 January 2022 (subsequently adjusted to 4 July 2022 because the company did not have the ability to issue new shares until then)) ii) zero interest rate and iii) right to 1 warrant per 2 New Ordinary Shares issued for the conversion of the loan with an exercise price of 8p and expiry date of 12 July 2024.

Post period end on 31 October 2022, the Company announced it had raised £7,500,000 via the placing of 125,000,000 new ordinary shares at 6 pence per share. Participants also receive 1 warrant per 2 placing shares, exercisable at 9p for 3 years from admission.

Revenue

The Group generated no revenue during the year as it moves towards production and first coal sales at the Lubu Project.

Expenditure

The Group continues to maintain low ongoing overheads and devotes its cash resources to operational costs relating to the development of the Lubu and Garalo-Ntiela Projects.

Liquidity, cash and cash equivalents

As of 31 May 2022, the Group held £610,546 (in 2021 the Company held £22,143). After the placement in November 2022 the Group held £3,341,157 at the time of signing of the accounts.

Outlook

Our strategy to focus on near term production assets, with low capex and opex costs, has proved successful and we emerged into the new financial year with one asset in production, and with the expectation of being cash generative by calendar year end. We now have our sights set on both ramping up production, expanding our production profile to enable thermal coal sales alongside coking, and also securing more of the value chain through the production of coke. We also retain a huge store of future value through the Garalo-Ntiela Gold Project, and I remain encouraged by the interest we have received to date as we look to crystallise that value.

The board and management of Contango are enthusiastic about the Company's prospects over the coming 12-18 months, and, with the continued tailwinds of a buoyant pricing environment for coking coal, thermal coal and coke, we believe Lubu is destined to become a profit centre in the months to come.

I would like to thank the entire Contango team for their commitment and rigour throughout the period, and of course I would like to extend my sincere thanks to our shareholders for their trust, support and vision in bringing Contango's strategy to fruition.

Roy Pitchford
29 November 2022

Contango's focus during the period was on the development of its Lubu Coal Project in Zimbabwe, and the development of the Garalo-Ntiela Gold Project in Mali.

Lubu Coal Project ('Lubu')

Contango has a 70% interest in Lubu, with the remaining 30% held by a supportive local partner.

Previous owners have expended more than $20m on Lubu, which has enabled a sizeable resource in excess of 1.3 billion tonnes to be identified under NI 43-101 standard. Contango is currently focussed on mining from Block B2, where extensive work has also been undertaken to define the specific properties of the coal. The coal seams within Block B2 are from surface down to a maximum depth of 47m, thus ensuring operating costs are kept competitive.

Following a detailed analysis of the composition and quality of the coking coal at Lubu, Contango entered into an agreement with AtoZ Investments (Pty) Ltd ("AtoZ"), whereby AtoZ commits to purchasing 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).

In accordance with the agreement, AtoZ has agreed to take delivery of the washed coking coal at the mine gate and handle all subsequent logistics and marketing, thereby removing associated marketing and transport costs for Contango.

At prevailing market prices Contango would expect to benefit from margins of circa US$70-80 per tonne for its washed coal production under this contract, giving potential to generate up to US$10 million of profitper annum.

AtoZ has proved to be a valued partner at Lubu, and Contango looks forward to fulfilling its obligations under the offtake agreement over the coming months. AtoZ already has a number of offtake contracts in place for coking coal and coke in South Africa and Zimbabwe for a value of US$70 million per annum combined tonnage of 960,000 tonnes per annum.

The Company is also assessing its ability to produce thermal coal following a number of unsolicited approaches from buyers, ranging from trading houses to industrial consumers, from Africa, Europe and Asia. The economic fundamentals for thermal coal production have improved considerably over the past 12 months, given prices have increased dramatically from approximately US$125 per tonne to US$450 per tonne due to the increased demand from energy displacement and severe shortage of supply due to closure of thermal coal mines.

Indeed, the Lubu deposit contains significant quantities of both coking and thermal coal and at Block 2, it is expected that approximately 60% of coal extracted will be thermal coal, whilst 40% will be coking coal. The Company believes the development of thermal coal sales would only require modest capital costs, funded from the recent capital raise, to increase the scale of operations and infrastructure whilst the cost of mining is negligible as the thermal coal is effectively a by-product of the coking coal mined.

The Company anticipates that it will be able to deliver 10,000t of coking coal and 10,000t of thermal coal per month based on current capacity by the end of H1 2023, subject to finalising transport and international export routes.

As detailed previously, in addition to coking and thermal coal sales, its objective is to produce and sell coke for the Southern African ferro alloy and industrial markets that require coke in their furnaces. To support both coke and future coking coal offtake negotiations, the Company's technical team undertook further testwork on parts of the Lubu coal deposit during the period and the results were announced post period end, in September 2022.

The tests were undertaken through a newly installed 1 tonne per hour test plant located on site at Lubu, which was supplied and supervised by OneVision, the company that is currently installing the larger 100 tonne per hour throughput wash plant.

This processing has confirmed that, after passing through the wash plant, the coking coal product is of excellent quality. The tests, which are as yet deemed to be provisional, yielded the following results:

	% ASH	**% VM**	**% P**	**% S**
NUTTS	9.0	26.9	0.035	0.51
PEAS	9.3	26.3	0.044	0.50
DUFF	17.2	20.2	0.039	0.89

An additional test was undertaken on 15kg of washed coking coal from both the NUTTS and PEAS sections. These were processed through a mini-coking test plant as a first determinant of how the coking coal would react when processed into coke.

These coke tests yielded the following results:

	Moisture	**ASH**	**VM**	**P**	**S**	**FC**
NUTTS	0.3%	12.5%	2.1%	0.052%	0.44%	85.0%
PEAS	0.4%	14.0%	2.3%	0.043%	0.49%	83.3%

The coke results are better than expected, exceeding the Company's pre-test expectations. Particularly encouraging was the P% being less than 0.06%, the S% less than 0.5%, the ASH well within acceptable ranges and the Fixed Carbon above 80%.

The latest set of results from Lubu have reaffirmed the attractive characteristics of both the Company's washed coking coal and potential coke product and are expected to further strengthen Contango's position to complete additional offtake(s) for both coking coal and coke production over the coming weeks and months.

Garalo-Ntiela Gold Project ('Garalo-Ntiela')

During the period under review, the Company worked on a new model for the gold formation at the Garalo-Ntiela Project which indicated that the gold mineralisation is hosted in a system of parallel dilation fracture networks within shear zones. These fracture networks are under-explored and are expected to host a targeted resource of 1.8Moz-2Moz gold.

The combined Garalo-Ntiela Project, which covers an area of 161.5km^2, is now expected to host a large processing hub, capable of supporting multiple open pit operations.

To further the technical team's understanding of the asset, a short low-cost programme of aeromagnetics and airborne geophysics for the collection of magnetic and radiometric data began in July 2021 and was completed across both licences. Although the project area had been drilled extensively previously, the data from this programme was focused on properly assessing the upside potential of the Garalo-Ntiela licence areas.

The results from the aeromagnetic studies demonstrated multiple high-grade potential target zones whilst the Induced Polarisation ('IP') survey has been completed. These two sets of results, along with those from historic drilling, have provided further evidence of the strong potential for a large gold resource of up to 2 million ounces.

In order to realise the full potential of this asset whilst also protecting investors from the dilution at the PLC level, the board is advancing discussions with a number of potential investors in relation to Garalo-Ntiela. The board believes Garalo-Ntiela represents an exceptional asset with large scale commercial value, and this remains at the forefront of all ongoing discussions. The Company will provide further updates on these negotiations in due course, as appropriate.

Key performance indicators (KPIs)

At this stage in its development, the Group is focusing on financing, operating, health and safety and environmental issues of the Lubu and the Garalo-Ntiela Projects.

Financial KPIs

Funding

During the year the Parent Company was funded through cash raised from the share placings, a convertible loan and supplemented from funds generated through the exercise of warrants.

Revenue

The Group generated no revenue during the year, however was focussing on the development of Lubu which is expected to generate first revenue in Q4 2022.

Expenditure

The Group has low ongoing overheads and devoted the majority of its cash to acquisition and progressing the development of the Lubu Project in Zimbabwe and the Garalo-Ntiela Project in Mali.

Liquidity, cash and cash equivalents

At 31 May 2022, the Group held £610,546 (in 2021 the Company held £22,143).

Non-financial KPIs

Environmental

The Lubu Project has undergone a full environmental risk assessment and suitable recommendations were made, and were adopted, prior to first production in Q1 2022. The Garalo-Ntiela Project is still at an early stage of project development and further consideration will need to be given to environmental and social issues affecting this site. Environmental and safety legislation 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.

Employees

With the exception of the Directors, the Group has 33 employees. Other people work on a consultancy basis at present to keep overheads at a minimum during the early stages of development of the projects. The board of Directors' is comprised of three males. For more information about the Group's employees see directors' remuneration report on pages 16 - 20 and Note 4.

Financial risk management objectives and policies

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

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

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

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

Permitting and title risks, including but not limited to:

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

Political risks, including but not limited to:

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

Financial risks, including but not limited to:

- Foreign exchange effects

- Valuation of intangible assets
- The Group may not be able to obtain additional external financing on commercially acceptable terms, or at all, to fund the development of its projects
- The Group will be subject to taxation in several different jurisdictions, and adverse changes to the taxation laws of such jurisdictions could have a material adverse effect on its profitability
- The Group's insurance may not cover all potential losses, liabilities and damage related to its business and certain risks are uninsured and uninsurable

Commodity prices, including but not limited to:

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

Operational risks, including but not limited to:

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

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

Exploration and development risks

There can be no assurance that the Group's development and production activities will be successful however significant exploratory work has been conducted to date at Lubu and Garalo-Ntiela which supports the board's confidence that profitable mining operations can be developed.

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

Permitting and title risks

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

The Group regularly monitors the good standing of its permits.

Political risks

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

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

Financial risks

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

Commodity prices

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

Operational risks

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

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

STAKEHOLDER	THEIR INTEREST	ENGAGEMENT METHOD
Investors	• Business sustainability • High standard of governance • Comprehensive review of financial performance of the business • Ethical behaviour • Awareness of long term strategy and direction • Continual approval of market perception of the business • Delivering long term value	• Annual reports • Regular updates • Website • AGM • Shareholder liaison through board • Board encourages open dialogue with the Company's investors • Social media
Regulatory bodies	• Compliance with regulations • Worker pay and conditions • Health & Safety • Waste and environment • Insurance • Environmental Protection	• Annual report • Website • Direct contact with regulators • Compliance update at board meetings • Regular communications with relevant governments • Engagement with local community representatives
Environment	• Sustainability • Waste Management • Energy usage	• Adhere to local environmental codes

Signed in accordance with a resolution of the Board of Directors:

Carl Esprey

Chief Executive Officer on behalf of the Board

29 November 2022

The Directors present their report and the audited financial statements for the year ended 31 May 2022. The Parent Company was incorporated on 18 May 2016.

Principal Activity

The principal activity of the Group during the period was that of developing the mineral resources held by its subsidiaries in Zimbabwe and Mali.

Results

The Group recorded a loss post tax for the year of £2,805,563 (in 2021 the Company recorded a loss of £3,248,015).

Dividends

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

Directors

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

Philip Richards	Non-Executive Director (resigned on 18 November 2021)
Oliver Stansfield	Non-Executive Director
Carl Esprey	Chief Executive Officer
Roy Pitchford	Chairman

Details of the Directors' holding of Ordinary Shares, Warrants and Options are set out in the Directors' Remuneration report.

Further details of the interests of the Directors in the Warrants and Options of the Parent Company are set out in Note 15 of the financial statements.

Share Capital

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

Substantial Shareholdings

As at 16 November 2022, the Parent Company had been informed of the following substantial interests over 3% of the issued share capital of the Parent Company.

	Holdings	**Percentage**
Pershing Nominees Ltd	65,002,264	12.56%
Hargreaves Lansdown (Nominees) Ltd	42,691,969	9.39%
Goldman Sachs (Nominees) Ltd	41,033,911	9.03%
Luna Nominees Ltd	26,070,562	5.74%
Interactive Investor Services Nominees Ltd	25,093,364	5.52%
JIM Nominees Limited	23,191,866	5.10%
Lynchwood Nominees Ltd	19,408,979	4.27%
BBHISL Nominees Limited	15,497,061	3.41%

The directors' beneficial interests in the Ordinary share capital are disclosed on page 19.

Corporate Governance Statement

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors’ remuneration on pages 18 to 22, explains how the Group has observed principles set out in The UK Corporate Governance Code (“the Code”) as relevant to the Group and contains the information required by section 7 of the UK Listing Authority’s Disclosure Rules and Transparency Rules.

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

Board of Directors

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

Audit Committee

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

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

External auditor

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

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

Remuneration Committee

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

Nominations Committee

A nominations Committee has not yet been established.

Internal financial control

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

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

Shareholder Communications

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

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

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

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

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and with international financial reporting standards adopted by the United Kingdom.

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

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

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

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

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

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

The Directors confirm that to the best of their knowledge:

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

Greenhouse Gas Disclosures

The Group has as yet no greenhouse gas emissions to report from the operations of the Group and does not have responsibility for any other emission producing sources under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Disclosure and Transparency Rules

Details of the Parent Company's share capital and warrants are given in Notes 7 and 14 respectively. The Directors undertook not to sell any of their holdings for a year after admission to the standard listing without the consent of the Group and the Group's broker. There are now no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Parent Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Group is aware there are no person with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 13 and page 18.

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

Auditor Information

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

Auditor

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

Financial Instruments

The Group has exposure to liquidity risk. Note 2 presents information about the Group's exposure to these risks, along with the Group's objectives, processes and policies for managing the risks.

Events after the reporting period

Note 16 of the financial statements provides further detail on capital raises since the end of the financial year.

Directors' Indemnity Provisions

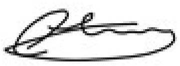
The Group has implemented Directors and Officers Liability Indemnity insurance.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. However, the directors acknowledge that there is a material uncertainty in respect of going concern. Further details are given in Note 2 (b) to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Donations

The Group made no political donations during the year.



Carl Esprey

Chief Executive Officer on behalf of the Board

29 November 2022

Remuneration Policies

The remuneration policy of the Group, which has been in effect from 18 June 2020, is designed to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Group and for long term enhancement of a shareholder value. The Board believes that shared ownership by Executive Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

The current Directors' remuneration comprises a basic fee and a long-term incentive plan in the form of a nil cost performance share option package as announced on 9th April 2021.

Service contracts

Each of the Executive Directors entered into Service Agreements on 19 May 2020 with the Parent Company and continue to be employed until terminated by the Group giving three months' prior notice or the Director giving three months' prior notice to save in cases of a material breach of contract when the Executive Directors can be dismissed without notice.

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

The Chief Executive Officer is paid at a rate of £42,000 per annum.

The Chairman is paid at a rate of £24,000 per annum.

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

Non-executive directors are paid at a rate of £18,000 per annum and are required to seek re-election at the annual general meeting.

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

Approval by members

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

Implementation Report

Particulars of Directors' Remuneration

Particulars of directors' remuneration, including directors' warrants which, under the Companies Act 2006 are required to be audited, are given in Notes 4 and 15 and further referenced in the Directors' report.

Remuneration paid to the Directors' during the year ended 31 May 2022:

Executive Director	Base salary (£)	Share Performance Options (£)	Share-based bonus (£)	Total 2022 (£)
Carl Esprey	42,000	-	-	42,000
Roy Pitchford	24,000	-	-	24,000
Philip Richards	8,400	-	-	8,400
Oliver Stansfield	18,000	-	-	18,000
	92,400	-	-	92,400

Remuneration paid to the Directors' during the year ended 31 May 2021:

Executive Director	Base salary (£)	Share Performance Options (£)	Share-based bonus (£)	Total 2021 (£)
Carl Esprey	42,000	310,050	-	352,050
Roy Pitchford	24,000	78,705	-	102,705
Philip Richards	18,000	143,100	25,000	186,100
Brian McMaster	900	-	25,000	25,900
Neal Griffith	900	-	25,000	25,900
Oliver Stansfield	18,000	143,100	25,000	186,100
	103,800	674,955	100,000	878,755

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

Payments to past Directors

There are no payments to past Directors.

Payments for loss of office

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

Bonus and incentive plans

There were no bonus payments made to directors during the year.

Percentage change in the remuneration of the Chief Executive

The Group appointed Carl Esprey as Chief Executive Officer on 18 June 2020. Mr Esprey's salary has not changed since that date.

Directors interests in shares

The Group has no Director shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Parent Company was as follows:

	31 May 2022 Number	%age of issued share capital 2022	31 May 2021 Number	%age of issued share capital 2021
Carl Esprey	4,200,000	1.30%	4,200,000	1.65%
Neal Griffith	-	-	4,690,699	1.93%
Oliver Stansfield	9,081,815	2.90%	5,300,000	2.18%
	13,281,815	4.20%	14,190,699	5.76%

Directors' Remuneration Report
For the year ended 31 May 2022

The Directors held the following warrants at the end of the prior year:

Director	2022	2021	Exercise Price	Earliest date of exercise	Latest date of exercise
Brian McMaster	-	3,068,200	Series 1: 3p	1 Nov 2019	31 Oct 2021
	-	72,916	Series 2: 5p		
Neal Griffith	-	3,068,200	Series 1: 3p	1 Nov 2019	31 Oct 2021
	-	72,916	Series 2: 5p		
Oliver Stansfield	-	3,068,200	Series 1: 3p	1 Nov 2019	31 Oct 2021

The Directors held the following share performance options at the end of the year:

Director	2022	2021	Exercise Price	Earliest date of exercise	Latest date of exercise
Carl Esprey	3,900,000	3,900,000	£Nil	9 April 2021	8 April 2023
Philip Richards	1,800,000	1,800,000	£Nil	9 April 2021	8 April 2023
Roy Pitchford	990,000	990,000	£Nil	9 April 2021	8 April 2023
Oliver Stansfield	1,800,000	1,800,000	£Nil	9 April 2021	8 April 2023

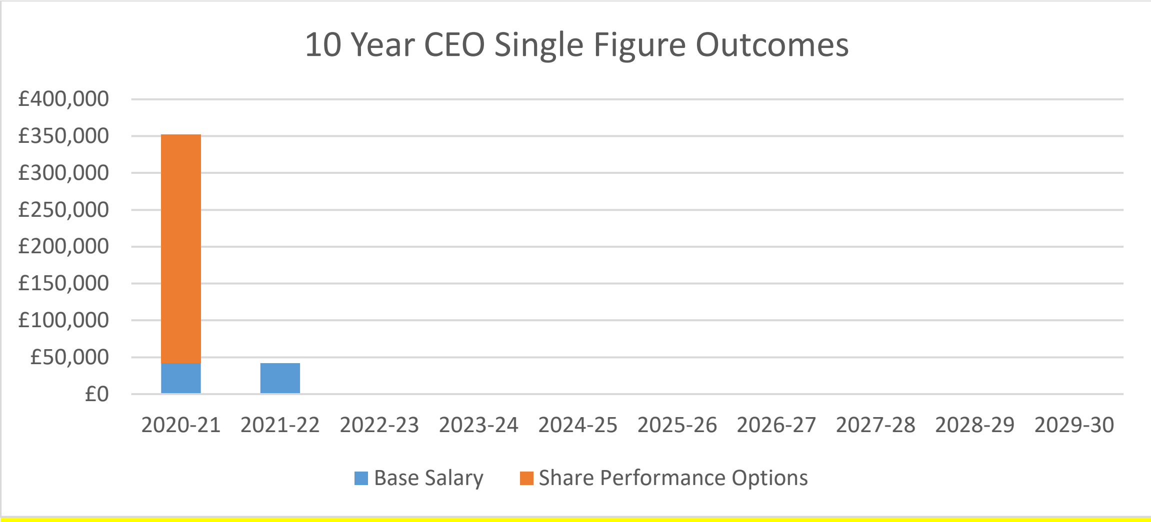
Remuneration Committee

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

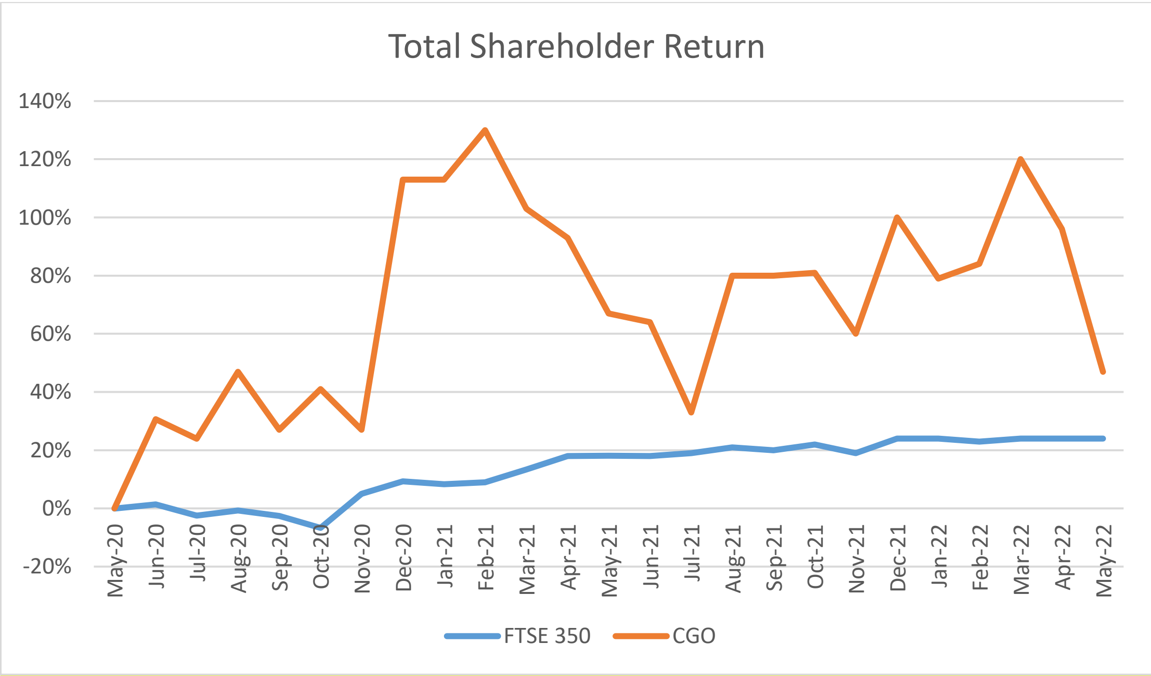
Shareholder voting at the Annual General Meeting

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

<u>2022 CEO Single Figure of Remuneration</u>



The single figure of remuneration for Carl Esprey is £42,000 – which represents his base salary. In the prior year the single figure remuneration was £352,050 – made up of a base salary of £42,000 and £310,050 in the form of 3,900,000 £nil cost share performance options granted during April 2021.



The table above illustrates the total return of Contango shareholders over the two years since relisting of 47% as opposed to the 24% return for the FTSE 350 as a whole. Contango Holdings is part of the FTSE 350.

Contango Holdings Plc

Directors' Remuneration Report
For the year ended 31 May 2022

Statement

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

Requirements for the Listing Rules

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

ON BEHALF OF THE BOARD

Carl Esprey

Chief Executive Officer

29 November 2022

Opinion

We have audited the financial statements of Contango Holdings plc (the "Parent Company") and its subsidiaries (the 'Group') for the year ended 31 May 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity and the Consolidated and Parent Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group and Parent's financial statements is applicable law and UK-adopted international accounting standards.).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 31 May 2022 and of the Group's loss for the year then ended;
- the Group and Parent financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements which explains that the Group and Parent Company's ability to continue as a going concern is dependent on the availability of future further fundraising. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Parent Company's and the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtain cashflow forecast and agree it as a reasonable basis for assessing going concern, including reliability of the model
- Review income forecast and where relevant agree to signed contracts, and consider ability to produce product to meet sales
- Review costs and expenditure, and assess if reasonable.
- Identify funding requirements and agree to post balance sheet receipts. Consider remaining requirements and if this identifies further funding, assess ability, likelihood to raise fund.
- Agreed to post year end fund raise, of which receipts of £4.7m as at 25 Nov 2022 have been agreed to bank statements.
- Consider flexing model to identify impact of shortfalls/delays and whether this could give rise to an issue.

making enquiries of management as to its knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern, and evaluating the reliability of the data underpinning the forecast cash flows.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group’s or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

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

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £270,000 (2021 £230,000), based on 2% of the total assets. Materiality for the parent company financial statements as a whole was set at £242,000 (2021: £168,000) based on the total assets.

We use a different level of materiality (‘performance materiality’) to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality for the financial statements as a whole, which equates to £189,000 (PY £161,000) for the group and £169,400 (PY £117,600) for the parent.

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

We agreed with the board to report to it all identified errors in excess of £13,500 (2021: £11,500). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group is accounted for from one central operating location, the Company’s registered office.

The main exploration activity of the group occur in Zimbabwe and Mali. Our audit was performed remotely and the scope of the audit included both the parent and its subsidiaries.

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

Key Audit Matters

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

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

In addition to the matter described in the Material uncertainty related to going concern, we have determined the following, as key audit matters.

Key audit matter	How our scope addressed the key audit matter
Carrying value of intangible assets (Note 8 of the financial statements) Group owns a mining licence and has significant exploration assets. There is a risk that these may be impaired. Management performed an impairment indicator review to assess whether there were any indicators of impairment for the exploration assets and whether an impairment test was required to be performed. No indicators of impairment of the asset were identified.	We considered the indicators of impairment applicable to the exploration asset, including those indicators identified in IFRS 6: 'Exploration for the Evaluation of Mineral Resources' and reviewed management's assessment of these indicators. The following work was undertaken: • We reviewed licence documentation to confirm the exploration permits are valid. For the Nthiela licence, where the permit is yet to be transferred, we ensured this fact was clearly disclosed in note 8 to the financial statements. • We made specific enquiries of management and reviewed market announcements, budgets and plans which confirmed the plan to continue investment in the Lubu coalfield, Gold Mali mining subject to sufficient funding being available. • We considered whether the feasibility studies to date indicated any impairment for the project.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Other matters which we are required to address

We were appointed by the board on 26 October 2021 to audit the financial statements for the year ended 31 May 2022. Our total uninterrupted period of engagement is five years, covering the periods ending 31 May 2018 to 31 May 2022.

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

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

Use of our report

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

M Stallabrass

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

29 November 2022

Contango Holdings PLC

Consolidated Statements of Comprehensive Income
For the year ended 31 May 2022

	Notes	Year ended 31 May 2022 £	Year ended 31 May 2021 £
Administrative fees and other expenses	4	(2,944,656)	(3,304,899)
Operating loss		**(2,944,656)**	**(3,304,899)**
Finance revenue		-	-
Finance expense		-	-
Loss before tax		**(2,944,656)**	**(3,304,899)**
Income tax		-	-
Loss for the year		**(2,944,656)**	**(3,304,899)**
Loss attributable to owners of Contango Holdings PLC		**(2,805,563)**	**(3,248,015)**
Loss attributable to non-controlling interests		**(139,093)**	**(56,884)**
Loss for the period		**(2,944,656)**	**(3,304,899)**
Basic and diluted loss per Ordinary Share (pence)	5	**(1.00)**	**(1.49)**
Other comprehensive income		**127,977**	**(48,797)**
Total comprehensive loss for the period		**(2,816,679)**	**(3,353,696)**
Total comprehensive loss attributable to owners of Contango Holdings PLC		**(2,700,477)**	**(3,281,408)**
Total comprehensive loss attributable to non-controlling interests		**(116,202)**	**(72,288)**
Total comprehensive loss for the period		**(2,816,679)**	**(3,353,696)**

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

Contango Holdings PLC

Consolidated Statement of Financial Position
As at 31 May 2022

	Notes	31 May 2022	31 May 2021
		£	£
Non-current assets			
Investment	7	46,474	62,260
Intangible assets	8	11,936,206	10,118,098
Property plant and equipment	9	737,727	31,168
Total non-current assets		**12,720,407**	**10,211,526**
Current assets			
Other receivables	10	52,211	135,699
Cash and cash equivalents	12	610,546	22,143
Total current assets		**662,757**	**157,842**
Total assets		**13,383,164**	**10,369,368**
Current liabilities			
Trade and other payables	13	(503,732)	(281,664)
Convertible debt and Investor loans		(1,331,750)	-
Total current liabilities		**(1,835,482)**	**(281,664)**
Net assets		**11,547,682**	**10,087,704**
Equity			
Share capital	14	2,949,679	2,279,338
Share premium	14	11,047,218	8,294,643
Shares to be issued		400,000	400,000
Warrant reserve		1,013,815	160,074
Option reserve		1,700,505	1,700,505
Translation reserve		71,693	(33,393)
Retained earnings		(6,958,510)	(4,152,947)
Total equity attributable to owners of Contango Holdings		**10,224,400**	**8,648,220**
Non-controlling interests		**1,323,282**	**1,439,484**
Total Equity		**11,547,682**	**10,087,704**

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

This report was approved by the board and authorised for issue on 29 November 2022 and signed on its behalf by:

.. ..

Carl Esprey (Director)
Registered number: 10186111

Contango Holdings PLC

Parent Statement of Financial Position
As at 31 May 2022

	Notes	31 May 2022	31 May 2021
		£	£
Non-current assets			
Investments	7	1,461,578	1,477,327
Intangible assets	8	826,451	746,517
Subsidiary loans	10	10,084,740	6,698,929
Total non-current assets		**12,372,769**	**8,922,773**
Current assets			
Other receivables	10	47,234	81,891
Cash and cash equivalents	12	14,218	10,696
Total current assets		**61,452**	**92,587**
Total assets		**12,434,221**	**9,015,360**
Current liabilities			
Trade and other payables	13	(373,589)	(228,820)
Convertible debt and Investor loans		(1,331,750)	-
Total current liabilities		**(1,705,339)**	**(228,820)**
Net assets/(liabilities)		**10,728,882**	**8,786,540**
Equity			
Share capital	14	2,949,679	2,279,338
Share premium	14	11,047,218	8,294,643
Shares to be issued		400,000	400,000
Warrant reserve		1,013,815	160,074
Option reserve		1,700,505	1,700,505
Translation reserve		(18)	-
Retained earnings		(6,382,317)	(4,048,020)
Total Equity		**10,728,882**	**8,786,540**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the Parent Company for the year was £2,334,315 (2021: £3,143,088).

The notes to the financial statements form an integral part of these financial statements.
This report was approved by the board and authorised for issue on 29 November 2022 and signed on its behalf by:

………………………

Carl Esprey
Director
Registered number: 10186111

Contango Holdings PLC

Consolidated Statement of Changes in Equity
For the year ended 31 May 2022

	Share capital	Share premium	Shares to be issued	Warrant reserve	Option reserve	Translation reserve	Retained earnings	Total Equity of Owners	Non-controlling interests	Total
	£	£	£	£	£	£	£	£	£	£
Balance as at 31 May 2020	**429,500**	**368,978**	**-**	**84,874**	**-**	**-**	**(904,932)**	**(21,580)**	**-**	**(21,580)**
Loss for the year	-	-	-	-	-	-	(3,248,015)	(3,248,015)	(56,884)	(3,304,899)
Other comprehensive income										
Translation differences	-	-	-	-	-	(33,393)	-	(33,393)	(15,404)	(48,797)
Total comprehensive income for the year	-	-	-	-	-	(33,393)	(3,248,015)	(3,281,408)	(72,288)	(3,353,696)
Transactions with owners										
Share issues – cash received net	1,819,838	7,815,665	-	-	-	-	-	9,635,503	-	9,635,503
Share issues – warrants exercised	30,000	110,000	-	(10,600)	-	-	-	129,400	-	129,400
Shares to be issued	-	-	400,000	-	-	-	-	400,000	-	400,000
Warrants issued	-	-	-	85,800	-	-	-	85,800	-	85,800
Options issued	-	-	-	-	1,700,505	-	-	1,700,505	-	1,700,505
Minority interest share of intangible asset acquisitions	-	-	-	-	-	-	-	-	1,511,772	1,511,772
Total transactions with owners	1,849,838	7,925,665	400,000	75,200	1,700,505	-	-	11,951,208	1,511,772	13,462,980
Balance at 31 May 2021	**2,279,338**	**8,294,643**	**400,000**	**160,074**	**1,700,505**	**(33,393)**	**(4,152,947)**	**8,648,220**	**1,439,484**	**10,087,704**

Contango Holdings PLC

Consolidated Statement of Changes in Equity
For the year ended 31 May 2022

Loss for the year	-	-	-	-	-	-	(2,805,563)	(2,805,563)	(139,093)	(2,944,656)
Other comprehensive income										
Translation differences	-	-	-	-	-	105,086	-	105,086	22,891	127,977
Total comprehensive income for the year	-	-	-	-	-	105,086	(2,805,563)	(2,700,477)	(116,202)	(2,816,679)
Transactions with owners										
Share issues – cash received net	419,091	2,100,909	-	-	-	-	-	2,520,000	-	2,520,000
Share issues – warrants exercised	251,250	651,666	-	(69,599)	-	-	-	833,317	-	833,317
Warrants issued	-	-	-	923,340	-	-	-	923,340	-	923,340
Total transactions with owners	670,341	2,752,575	-	853,741	-	-	-	4,276,657	-	4,276,657
Balance at 31 May 2022	**2,949,679**	**11,047,218**	**400,000**	**1,013,815**	**1,700,505**	**71,693**	**(6,958,510)**	**10,224,400**	**1,323,282**	**11,547,682**

Contango Holdings PLC

Parent Statement of Changes in Equity
For the year ended 31 May 2022

	Share capital	Share premium	Shares to be issued	Warrant reserve	Option reserve	Translation reserve	Retained earnings	Total Equity of Owners
	£	£	£	£	£	£	£	£
Balance as at 31 May 2020	**429,500**	**368,978**		**84,874**		**-**	**(904,932)**	**(21,580)**
Loss for the year	-	-	-	-		-	(3,143,088)	(3,143,088)
Other comprehensive income								
Translation differences	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-		-		-	(3,143,088)	(3,143,088)
Transactions with owners								
Share issues – cash received net	1,819,838	7,815,665		-		-	-	9,635,503
Share issues – warrants exercised	30,000	110,000		(10,600)		-	-	129,400
Shares to be issued			400,000			-		400,000
Warrants issued	-	-		85,800		-	-	85,800
Options issued	-	-		-	1,700,505	-	-	1,700,505
Total transactions with owners	1,849,838	7,925,665	400,000	75,200	1,700,505	-	-	11,951,208
Balance at 31 May 2021	**2,279,338**	**8,294,643**	**400,000**	**160,074**	**1,700,505**	**-**	**(4,048,020)**	**8,786,540**
Loss for the year	-	-	-	-	-	-	(2,334,297)	(2,334,297)
Other comprehensive income								
Translation differences	-	-	-	-	-	(18)	-	(18)
Total comprehensive income for the year	-	-		-		(18)	(2,334,297)	(2,334,315)
Transactions with owners								
Share issues – cash received net	419,091	2,100,909	-	-	-	-	-	2,520,000
Share issues – warrants exercised	251,250	651,666	-	(69,599)	-	-	-	833,317
Warrants issued	-	-	-	923,340	-	-	-	923,340
Total transactions with owners	670,341	2,752,575	-	853,741	-	-	-	4,276,657
Balance at 31 May 2022	**2,949,679**	**11,047,218**	**400,000**	**1,013,815**	**1,700,505**	**(18)**	**(6,382,317)**	**10,728,882**

Contango Holdings PLC

Consolidated Cash Flow Statement
For the year ended 31 May 2022

	Notes	Year ended 31 May 2022 £	Year ended 31 May 2021 £
Operating activities			
Loss after tax		(2,944,656)	(3,304,899)
Adjustments for:			
Depreciation and amortisation		77,922	4,443
Share based transactions		853,741	1,775,705
Revaluation of intangible asset		-	(54,986)
Impairment of listed investment		15,786	-
Changes in working capital			
Decrease in trade and other receivables		83,488	212,334
(Decrease) in trade and other payables (see reconciliation below)		222,068	(153,509)
(Decrease) in Net cash from operating activities		**(1,691,651)**	**(1,520,912)**
Investing activities			
Purchase of exploration licences		-	(1,145,678)
Spending on exploration licences		(1,775,809)	(136,781)
Purchase of investments		-	(62,260)
Purchase of fixed assets		(786,995)	(35,397)
Net cash outflow from investing activities		**(2,562,804)**	**(1,380,116)**
Financing activities			
Ordinary Shares issued (net of issue costs)	15	3,422,916	2,940,674
Proceeds from convertible debt		831,750	-
Proceeds from investor loans		500,000	-
Net cash flows from financing activities		**4,754,666**	**2,940,674**
Increase in cash and short-term deposits		**500,211**	**39,646**
Cash and as at the start of the period		22,143	10,430
Effect of foreign exchange rate changes		88,192	(27,933)
Cash and short-term deposits at the end of the period		**610,546**	**22,143**

Contango Holdings PLC

Consolidated Cash Flow Statement
For the year ended 31 May 2022

Reconciliation of Movements in Financial Liabilties

Classification	1 June 2021	Cash Flow	Non-Cash Payment	Trade and Other Payables	31 May 2022
Trade Payables	180,974	(349,807)	(20,000)	364,149	175,316
Accruals and Other Payables	100,690	(8,697)		236,423	328,416
Convertible Debt	-	-	-	831,750	831,750
Investor Loans	-	-	-	500,000	500,000
Total	281,664				1,835,482

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

Contango Holdings PLC

Parent Cash Flow Statement
For the year ended 31 May 2022

	Notes	Year ended 31 May 2022 £	Year ended 31 May 2021 £
Operating activities			
Loss after tax		(2,334,297)	(3,143,088)
Adjustments for:		-	-
Share based transactions		853,741	1,775,705
Impairment of listed investment		15,786	-
Changes in working capital			
Decrease in trade and other receivables		34,657	321,272
(Decrease)/Increase in trade and other payables		144,769	(206,352)
(Decrease) in Net cash from operating activities		**(1,285,344)**	**(1,252,463)**
Investing activities			
Purchase of investments		-	(64,227)
Purchase of exploration licences		-	(346,517)
Loans to subsidiaries		(3,385,811)	(1,274,024)
Spending on exploration licences		(85,878)	
Net cash outflow from investing activities		**(3,471,689)**	**(1,684,768)**
Financing activities			
Ordinary Shares issued (net of issue costs)	15	3,422,916	2,940,674
Proceeds from convertible debt		831,750	
Proceeds from investor loans		500,000	
Net cash flows from financing activities		**4,754,666**	**2,940,674**
(Decrease)/Increase in cash and short-term deposits		**(2,367)**	**3,443**
Cash and short-term deposits as at the start of the period		10,696	10,430
Effect of foreign exchange rate changes		5,889	(3,177)
Cash and short-term deposits at the end of the period		**14,218**	**10,696**

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

1 **General information**

The Parent Company was incorporated in England under the Laws of England and Wales with registered number 10186111 on 18 May 2016.

The acquisition of the Lubu coalfield project by the Parent Company took place on the 18th June 2020 and the Parent Company's shares were readmitted for trading on the London Stock Exchange. The Parent Company acquired 70% of the shares of Monaf, which holds the Lubu Coalfield project, with the issue of 128,849,961 new shares in Contango Holdings and the payment of £392,331 in cash which had already been advanced to the vendor, Consolidated Growth Holdings. In the associated placing 28 million new ordinary shares were issued and a total of £1.4m (before costs) was raised at this date.

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

2 **Summary of Significant Accounting Policies**

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

a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with the Companies Act 2006, including application of international accounting standards and other disclosure requirements, International Financial Reporting Standards ("IFRS") as adopted by the UK Endorsement Board. The financial statements have been prepared under the historical cost convention as modified for certain financial assets carried at fair value.

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

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

b) Basis of Consolidation

The Consolidated Financial Statements comprise the financial statement of the Parent Company; Monaf Investments Pty Limited ("Monaf") following the Parent Company's acquisition of Monaf 70% of the share capital on 18 June 2020; Contango Gold Mali ("CGM") following the acquisition of 75% of the share capital on 14 October 2020; and Contango Holdings Services Pty Limited which was incorporated on 12 November 2021 with Parent Company as the sole shareholder.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee, including:
- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and

• the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Group Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intragroup transactions that are recognised in assets, are eliminated in full.

c) Going concern

The Group has raised finance post year end of £7.5m to fund the development of the Lubu coal mine.The directors believe that this will be sufficient to bring the Lubu mine to production and cash generation. However due to the inherent uncertainties associated with the development of mining assets neither this, nor the raising of any further finance, can be guaranteed. Whilst the directors are confident that the Lubu mine will soon be revenue generating, this is not guaranteed and hence there is a material uncertainty in respect of going concern. However, the directors have, at the time of approving the financial statements, a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, which is defined as twelve months from the signing of this report. For this reason, the directors continue to adopt the going-concern basis of accounting in preparing the financial statements.

d) *Standards and interpretations issued but not yet applied*

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

e) *Taxation*

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

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

f) *Intangible Assets*

Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurements of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, exploratory drilling, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Impairment

Exploration and evaluation assets are not subject to amortisation but are assessed annually for impairment. The assessment is carried out by allocating exploration and evaluation assets to cash generating units ("CGU's"), which are based on specific projects or geographical areas. The CGUs are then assessed for impairment using a variety of methods including those specified in IFRS 6.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Statement of Comprehensive Income.

Exploration and evaluation assets recorded at fair-value on acquisition

Exploration assets which are acquired are recognised at fair value. When an acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset

g) *Property, plant and equipment*

All items of property, plant and equipment are stated at historical cost less depreciation (see below) and impairment. Historical cost includes expenditure that is directly attributable to the acquisition. Subsequent costs are included in the asset's carrying value when it is considered probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item, as follows:

Motor vehicles 20% - 33.3%
Office furniture and equipment 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Impairment of property, plant and equipment

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

h) *Financial Instruments*

The Group applies IFRS 9 which sets out requirements for recognising and measuring financial assets and financial liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

Financial Assets and Investments

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

As at the reporting date the Group holds no financial assets or investments other than cash and the loans to its subsidiaries

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Other financial liabilities

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

Derecognition of financial liabilities

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

i) Warrants

Warrants classified as equity are recorded at fair value as of the date of issuance on the Group's Statement of Financial Position and no further adjustments to their valuation are made. Management estimates the fair value of these liabilities using option pricing models and assumptions that are based on the individual characteristics of the warrants or instruments on the valuation date, as well as assumptions for future financing, expected volatility, expected life, yield, and risk-free interest rate. See Note 15.

j) Options

Options classified as equity are recorded at fair value as of the date of issuance on the Group's Statement of Financial Position and no further adjustments to their valuation are made. Management estimates the fair value of these instrumentsusing the Black-Scholes option pricing model and assumptions that are based on the individual characteristics of the options or instruments on the valuation date, as well as assumptions for future financing, expected volatility, expected life, yield, and risk-free interest rate. See Note 15.

k) *Financial Risk Management Objectives and Policies*

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

Liquidity Risk – the Group raises funds as required on the basis of budgeted expenditure and inflows. When funds are sought, the Group balances the costs and benefits of equity and debt financing.

l) *Foreign currency*

Transactions in foreign currencies are translated to the functional currency (GBP) at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on the retranslation of balances at the year end are recognised in other comprehensive income whilst exchange differences arising from transactions are nposted to the Income Statement

m) Listed investments

Listed investments are initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. However, where an investment is traded very infrequently and a true market value is difficult to measure the Group has decided that it is prudent to measure the investment at the lower of cost and market value.

n) Convertible loan notes

Convertible loan notes where conversion into equity is mandatory but the price is based upon the prevailing market price at the time of conversion are treated as debt.

3 ***Critical accounting estimates and judgements***

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

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

a) Going concern

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

b) Impairment of intangible assets – exploration and evaluation costs

Exploration and evaluation costs have a carrying value as at 31 May 2022 of £11,936,206 (2021: £10,118,098). When assessing whether there are any indicators of impairment management consider the licence expiry dates. Licences have durations of between 1 and 25 years and the Group has a right to renew exploration licences. The expiry date for the Garalo licence is April 2023 and management believe that they will be able to extend the licence given the work already carried out. Consequently management do not consider this to be an indicator of impairment but highlight this as a significant estimate made in the assessment of impairment.
No amortisation will be applied to the assets until commercial extraction of the resource commences. Management tests for impairment indicators annually whether exploration projects have future economic value. Specifically the Directors have noted the following in their impairment assessment:

- The Group has the right to explore in the respective licences in Zimbabwe and Mali for a number of years or has the right to renew;
- Substantive expenditure on future exploration and mine development is budgeted for subsequent to planned fundraising in September 2022;
- Exploration activity to date has indicated the presence of commercially viable quantities of mineral resources - or initial findings that warrant further exploratory work;
- And there is no indication at present that the carrying value of the exploration assets exceeds the value that could be extracted from these if and when they are taken into production.

The results of actual or future mining test will be taken into consideration when evaluating the value of the intangible assets.

c) Recovery of Loans to Subsidiaries

Following the Group's adoption of IFRS 9 it has assessed the likelihood that the loans advanced by the parent company to its operating subsidiaries in Zimbabwe and Monaf will not be repaid. Repayment is dependent upon successful monetisation of the Group's exploration assets in those countries. Given the recent fundraising in November which will pay to bring the Lubu mine into full production this year with onsite coke batteries, and the promising exploration results coming from the gold assets in Mali, the Directors feel that there is no reason to believe that the loans will not be repaid.

4 *Loss before taxation*

Loss before income tax is stated after charging:

	Year ended 31 May 2022 £	**Year ended 31 May 2021 £**
Directors' remuneration	95,900	103,800
Contango share-based bonus on IPO	-	100,000
Relisting costs	-	203,727
Ongoing listing costs	302,419	191,091
Finance costs	160,000	-
Salaries	536,842	370,337
Consultancy fees	182,829	117,867
Legal and accountancy fees	19,317	8,053
Travel	364,444	257,333
Office costs	170,817	189,454
Share performance options	-	1,700,505

Net warrant issue costs	853,741	75,200
Impairment of Listed Investment	15,786	-
Depreciation	77,922	4,443
Fee payable to the Group's auditor for the audit of the Group's annual accounts	35,000	25,000
Fee payable to the Group's auditor in respect of all other non-audit services	-	2,475

5 ***Loss per Ordinary Share***

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

	Year ended 31 May 2022	**Year ended 31 May 2021**
Earnings		
Loss from continuing operations for the period attributable to the equity holders of the Group	(2,805,563)	(3,248,015)
Number of Ordinary Shares		
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per Ordinary Share (number)	280,455,370	218,418,394
Basic and diluted loss per Ordinary Share (pence)	**(1.00)**	**(1.49)**

There are no potentially dilutive Ordinary Shares in issue.

6 ***Income tax***

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

As the Group continues to be loss-making, no account has been made for Corporation Tax nor for Deferred Tax in the year ended 31 May 2022. The Group expects to have tax losses to date but has not quantified what they believe will be recoverable in future years.

7 ***Investments***

	31 May 2022 Group	Company	**31 May 2021** Group	Company
	£	£	£	£
Monaf Investments (Pvt) Limited	-	1,413,100	-	1,413,100
Contango Gold Mali Sarl	-	1,947	-	1,967
Contango Holdings Services Pty Limited	-	57	-	-
Waraba Gold Limited	46,474	46,474	62,260	62,260
	46,474	1,461,578	62,260	1,477,327

The investment in Waraba Gold Ltd (a company listed on the Toronto Stock Exchange) is made up of 675,000 ordinary shares and 378,000 warrants. These were purchased for a combined amount of CAD106,300 or CAD0.1575 per share. As at 31st May 2022 the shares were trading at CAD0.10 per share. Consequently the value of the investment was impaired to reflect the fall in the market value of Waraba Gold. The warrants expired during the year.

Carl Esprey is chief executive officer of Waraba Gold Ltd.

8 ***Intangible assets***

	Year ended 31 May 2022	**Year ended 31 May 2021**
At start of period	10,118,098	8,235,849
Additions – during year	1,775,809	1,882,249
Foreign exchange movements	42,299	
Amortisation	-	-
Total	11,936,206	10,118,098
Mining rights Zimbabwe (Lubu Licence)	9,849,069	8,299,256
Mining rights Mali (Garalo Licence)	1,260,686	1,072,325
Mining rights Mali (Nthiela Licence)	826,451	746,517
	11,936,206	10,118,098

The intangible asset represents the mining rights and technical information acquired when the Group acquired its 70% shareholding in Monaf Investments (Pvt) Limited on 18th June 2020; its 75% share in the Garalo gold licence in Mali bought for $1 million on 22nd October 2020; and its 100% share in the Nthiela gold licence (adjacent to Garalo) in Mali. The Nthiela licence was acquired for approximately £750,000 – being €400,000 (£346,517) in cash and 4,000,000 ordinary shares at £0.10 to be issued in the second half of 2022.

The Nthiela gold licence is still under the name of Samagold Resources SARL (a subsidiary of the vendor - Africain Mineral Exploration Ressources Mali SARL) whilst the formal transfer is processed by the Mali Ministry of Mining. The cash element paid (£346,517) together with the £400,000 of shares to be issued are currently held on the parent company balance sheet until the transfer is completed.

9 ***Property Plant and Equipment***

	Motor Vehicle £	**Plant and Equipment £**	**Office Equipment £**	**Total £**
Cost				
At 1 June 2021	35,556		55	35,611
Additions	479,984	303,845	3,166	786,995
Exchange differences	(2,016)	(2,275)	1,777	(2,514)
At 31 May 2022	513,524	301,570	4,998	820,092
Accumulated Depreciation				
At 1 June 2021	4,407		36	4,443
Charge for period	46,714	29,210	1,998	77,922
At 31 May 2022	51,121	29,210	2,034	82,365

Net Book Value				
At 31 May 2022	462,403	272,359	2,965	737,727
At 31 May 2021	31,149		19	31,168

As of 31st May 2022 the Group had contractual commitments of $228,609 with regards to the testing laboratory and R2,351,088 owed against the wash plant being installed at the Lubu mine site.

10 *Other receivables*

	2022 Group £	2022 Company £	2021 Group £	2021 Company £
Non-current				
Subsidiary loans	-	10,084,740	-	6,698,929
	-	10,084,740	-	6,698,929

The loans made to the Group's subsidiaries (Monaf and Contango Gold Mali) are for the purpose of funding the development of the mining assets held by those entities. The loans are interest free and repayable on demand.

	2022 Group £	2022 Company £	2021 Group £	2021 Company £
Current				
Prepayments	17,895	12,703	24,254	11,144
Other debtors	34,316	34,531	111,445	70,747
	52,211	47,234	135,699	81,891

The loans made to the Group's subsidiaries (Monaf and Contango Gold Mali) are for the purpose of funding the development of the mining assets held by those entities. The loans are interest free and repayable on demand.

11 *Categories of financial instruments*

	2022 Group £	2022 Company £	2021 Group £	2021 Company £
Financial assets at amortised cost				
Cash and cash equivalents	610,546	14,218	22,143	10,696
Loan to CGH	-	-	-	-
Loan to Monaf Investments	-	7,819,954	-	5,581,022
Loan to Contango Gold Mali	-	1,683,312	-	1,117,907
Loan to Contango Holdings Services Pty Limited	-	581,474	-	-
Investments	46,474	1,461,578	62,260	1,477,327
Financial liabilities at amortised cost				
Trade and other payables	328,416	214,330	281,664	228,820

Convertible debt and investor loans	1,331,750	1,331,750

12 *Cash and Cash Equivalents*

	2022	2022	2021	2021
	Group	Company	Group	Company
	£	£	£	£
Cash at Bank	610,546	14,218	22,143	10,696

13 *Trade and other payables*

	2022	2022	2021	2021
	Group	Company	Group	Company
	£	£	£	£
Trade payables	175,316	159,259	180,974	180,974
Accruals and other payables	328,416	214,330	100,690	47,846
Convertible debt	831,750	831,750		
Investor loans	500,000	500,000		
	1,835,482	1,705,339	281,664	228,820

Convertible debt

The convertible loan notes were issued on 3rd June 2021 with a conversion price determined by the prevailing market price on the date of conversion and a mandatory conversion date of 4th January 2022. The conversion date was subsequently pushed back to 4th July 2022 when 16,666,667 shares were issued and a total of £1 million was raised. £168,250 of additional funding as part of this issue was received in June and early July 2022. The loans carried zero interest but one warrant was attached for every two ordinary shares. The warrants have an exercise price of 8p and an expiry date of 4th July 2024. Since conversion of the loan notes was mandatory but the price was based upon the prevailing market price at the time of conversion they have been treated as debt. All of the notes were converted into shares post year end.

Investor loans

The investor loans are a form of convertible debt and include a facility fee of 25% of the principal amount. A further £1,349,423 of loans were made subsequent to the year end. These loans and their facility fees were repaid through the issuing of 38,529,650 shares at 6p per share as part of the placement on 7th November 2022. Since conversion of the loan notes was mandatory but the price was based upon the prevailing market price at the time of conversion they have been treated as debt.

14 *Share capital*

	Number of Ordinary Shares issued and fully paid	Share Capital	Share Premium	Total Share Capital

		£	£	£
As at 01 June 2021	242,633,276	2,279,338	8,294,643	10,573,981
Shares issued	41,909,090	419,091	2,100,909	2,520,000
Warrants Exercised	25,124,990	251,250	651,666	902,916
As at 31 May 2022	309,667,356	2,949,679	11,047,218	13,996,897

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

On 18th June 2020 Consolidated Growth Holdings were paid for their 70% shareholding in the Lubu project with the issue of 128,849,961 new shares in Contango Holdings. In the associated placing 28 million new ordinary shares were issued. These included 3,450,000 shares issued to the directors in lieu of unpaid salary. Separately the directors also received 3,333,330 bonus shares. This increased the total number of shares in issue to 203,133,278.

On 5th August 2020 500,000 Series 1 warrants were exercised.

On 19th October 2020 Contango announced that it had issued 36 million new ordinary shares in a placing. This increased the total number of shares in issue to 239,633,278.

On 13th January 2021 583,333 Series 2 warrants were exercised.

On 19th February 2021 500,000 Series 1 warrants and 750,000 warrants were exercised.

On 15th March 2021 166,666 Series 2 warrants were exercised.

On 5th May 2021 833,333 Series 2 warrants were exercised.

On 10th May 2021 166,666 Series 2 warrants were exercised.

On 8th September 2021 1,227,200 Series 1 warrants were exercised.

On 16th September 2021 1,416,665 Series 2 warrants were exercised.

On 28th September 2021 12,272,800 Series 1 and 291,664 Series 2 warrants were exercised.

On 12th October 2021 1,000,000 Series 1 and 1,583,332 Series 2 warrants were exercised.

On 4th November 2021 3,166,667 Series 1 and 4,166,662 Series 2 warrants were exercised.

On 24th November 2021 Contango announced that it had issued 41,666,666 new ordinary shares in a placing at a price of 6p per share. This raised £2,500,000 (before costs).

On 30th March 2022 Contango announced that it had issued 242,424 new ordinary shares at a price of 8.25p per share to a supplier by way of payment for services provided to the Company.

Explanation of Reserves

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

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

Shares to be issued– Represents the 4,000,000 ordinary shares at £0.10 that are due to be issued to the vendor of the Nthiela licence as part of the acquisition cost to the Group.

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

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

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

Foreign currency translation reserve – Represents the gains/losses arising on translating the net assets of overseas operations into the Group's functional currency of GBP£.

15 ***Warrants***

At the beginning of the year ended 31 May 2022 the Group had the following classes of warrants outstanding:

Class	Number	Exercise Price	Vesting Date	Expiry Date	Fair Value of Individual Warrant
Series 1		£0.03	26 Oct 2017	31 Oct 2021	£0.0026
At 01/06/21	17,666,667				
Granted during Year	-				
Exercised during Year	(17,666,667)				
At 31/05/22	-				
Series 2					
At 01/06/21	9,166,652	£0.05	1 Nov 2017	31 Oct 2021	£0.0032
	1,400,000	£0.05	18 Jun 2020	17 Jun 2023	£0.019
	1,800,000	£0.05	22 Oct 2020	21 Oct 2023	£0.033
	12,366,652				
Granted during Year	41,666,666	£0.12	24 Nov 2021	24 Nov 24	£0.02216
Exercised during Year	(7,458,323)				
Expired during the year	(1,708,329)				
At 31/05/22	44,866,666				

Total at 31/05/22	44,866,666

Options

On the 9th April 2021 the following performance share options were issued to directors and key employees:

Class	Number	Exercise Price	Vesting Date	Expiry Date	Fair Value of Individual Option
At 01/06/21	21,390,000	£nil	9 Apr 2021	9 Apr 2023	£0.0795
Granted during Year	-	-	-	-	-
Exercised during Year	-	-	-	-	-
At 31/05/22	21,390,000				

The fair value of the options is calculated using the Black-Scholes pricing model. The variables factored into the valuation calculation include the underlying share price on the date of issue; the Bank of England 3 year bond yield on the date of issue as a proxy for the risk free rate; the maximum term of the options (2 years); exercise price (£nil); and expected volatility (77%) based on the cumulative share price movement over the period from relisting to the financial year end. All the options were exercised on 7th November (see Note 16).

16 ***Events after the reporting date***

Subsequent to the year end the group received a further £168,250 as part of the June 2021 convertible loan fundraising. These loan were repaid via the issuing of 16,666,667 shares on 4th July 2022.

A further £1,349,423 of investor loans were made after the year end and these were repaid as part of the placement on the 7th November 2022 (see below).

On 31st October the Group announced it was raising £7.5m (before expenses) through the issue of 125,000,000 ordinary shares at a price of £0.06 each. The participants received 1 warrant per 2 Placing Shares, exercisable at 9p for 3 years from admission. The funds will be used to bring the Lubu coal project into production by the end of the year.

The new shares were admitted to trading on 7th November. On the same date all 21,390,000 performance options were exercised with the shares issued on the same date.

17 ***Related Party Transactions***

All directors hold shares and options as disclosed on pages 17 and 18 in the Directors' Remuneration Report. Oliver Stansfield is both an employee of Tavira Securities Limited and a director Contango Holdings. Tavira Securities acts as the broker to the Group and are paid an annual retainer of £30,000 per annum.

As at 31st May 2022 £4,399 was owed by Waraba Gold (a company of which Carl Esprey is a director) for expenses paid on its behalf by the Group. This amount was repaid by Waraba subsequent to the year end.

£3,950 was paid to Green & Park Limited (a company of which Carl Esprey is a director) for office rent and associated costs.

18 ***Subsidiaries***

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