Registered number: 10186111

Contango Holdings Plc

Annual Report and Financial Statements
For the year ended 31 May 2023

Parent Company Information

Directors
Oliver Stansfield
Carl Esprey
Roy Pitchford
Gordon Thompson

Company Secretary
Graham May

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Company Registered No. 10186111 (England and Wales)

Auditors
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EC4M 7JW

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Contango Holdings PLC

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Contango Holdings plc

Board of Directors

For the year ended 31 May 2023

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

Gordon Thompson (appointed on 27 February 2023)

Gordon has over 30 years of experience in building, developing and managing mines across the globe, with an extensive track record in Africa. He is a qualified mining engineer and holds membership of the Engineering Council of South Africa ECSA.

Over the last 20 years Gordon has held a number of senior executive roles for listed mining companies. He was Chief Operating Officer from 2017-2019 of copper producing, DRC-focused and ASX-listed Tiger Resources Limited; Chief Executive Officer for private-equity supported and West Africa gold-focused Taurus Gold Limited from 2010-2016; and Chief Operating Officer for Central African Mining & Exploration plc from 2008-2010, helping manage the company's 12,345 employees, prior to its sale to ENRC for £584M.

Oliver Stansfield

Since 2004 Oliver has primarily focused on equity sales and corporate broking, developing relationships with a broad range of investors including Funds, Family Offices and High-Net-Worth individuals. During his career, he has helped raise in excess of £1bn for junior resource companies in a variety of jurisdictions and across a multitude of commodities. Oliver joined Tavira Financial in January 2022 to help establish a new natural resources corporate broking division. Prior to joining Tavira, Oliver was the CEO of resource specialist Brandon Hill Capital, where he also acted as Head of Sales.

Oliver is one of the founders of Contango Holdings plc. He is also a Director of private companies Green Tech Investments PLC and Dionysus Capital PLC.

Carl Esprey

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

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

Contango Holdings Plc

Chairman's report
For the year ended 31 May 2023

During the period Contango was focused on transitioning from an exploration and development company to a production and revenue generating company. Post the period Contango successfully made this transition and is now focused on revenue growth, optimisation and expansion at its flagship Muchesu Project (formerly known as the Lubu Project).. The hard work and investment over recent years is now delivering tangible results, and I am very proud of what has been achieved, especially in what remain challenging times for junior mining companies. There is clear demand for our product from multiple end-users, and indeed, strategic interest in the development of the higher margin coke product. Given our 1.3 billion tonnes resource (enough to produce coking coal for generations) at Muchesu), we continue to look to optimise our operations.

Activities during the period were focussed on achieving first coking coal production. As part of this process, long lead items such as the wash plant and the surface miner were purchased, as well and opening the pit up further to allow for increased mining volumes. Despite some frustrating delays caused by import clearance issues for certain key capital items, most notably the wash plant, progress continued to be made during the period and the board were delighted to announce that washed coal extraction (as part of the wash plant calibration process) commenced shortly before year end in May 2023.

Highlighting the importance of our Muchesu Project to the local area, the board and management were honoured to host the President of Zimbabwe, His Excellency Dr Emmerson Mnangagwa, at our formal opening ceremony in July 2023. At the ceremony, which was attended by local stakeholders, investors and media, His Excellency Dr Emmerson Mnangagwa gave a presidential address and spoke of the importance of the project not only for the local communities in the Binga region, but also for Zimbabwe as a whole. This is a responsibility that we as a board take extremely seriously, and we have worked hard to ensure that the decisions that we make at Muchesu have a positive impact on those in the environs of the mine, and further afield through the auxiliary benefits of direct investment in a project such as this.

As testament to the work we are putting in to develop a positive mining operation at Muchesu, Monaf Investments, the operating company for the Muchesu Project, was declared the winner of the 2022 Excellence in Community, Empowerment & Social Impact Award.

Monaf was selected as winner by Corporate Social Responsibility Network Zimbabwe (CSRNZ), together with the Minister of Provincial Affairs and Devolution for Matabeleland North Province, with Monaf's efforts in supporting issues of sustainability in the Province of Matabeleland North receiving specific commendation, along with the positive impact Monaf is playing in developing and promoting the Government's Vision 2030 and Sustainable Development Goals.

This commitment to community and positive social contributions will of course remain at the forefront of our activities throughout the life of our mine and the larger Muchesu project, as we seek to set a new benchmark of corporate responsibility for the mining industry in Zimbabwe.

Financial Review

Funding

In October 2022, the Company announced an oversubscribed placing of 125,000,000 new ordinary shares at 6 pence per share to raise gross proceeds of £7,500,000 from existing and new shareholders. The funds were used to finalise mine development, complete the installation of the wash plant, acquire further mining equipment, and expand operations at the Muchesu Project. The proceeds also enabled the Company to finalise the agreed relocation of additional households from the mine site, thereby providing a larger footprint for the mine and operations to meet heightened demand.

Contango did not generate revenue during the period and sourced loans from supportive investors during the period to enable the continued development of Muchesu ahead of the fundraise in October 2022, which enabled all loans to be repaid. Additional one-off administration costs and other costs including commissions, professional fees and general transaction costs relating to the publication of a prospectus in November 2022, as required by the Prospectus Rules governed by the FCA, were also incurred.

The Company spent £3,443,086 on the ongoing works at Muchesu and the purchase of fixed assets during the period under review which relate to the development of the site and operations at Muchesu.

Revenue

The Company generated no revenue during the period under review however the Company completed its first sales in August 2023 and hence revenue will be reported in future reporting periods.

Expenditure

The Company has applied its cash resources primarily to the development of the Muchesu Project.

Liquidity, cash and cash equivalents

As at 31 May 2023, the Group held cash and cash equivalents of £75,692 (2022: £610,546).

Post period end, in July 2023, the Company announced that given the additional capital requirements associated with establishing a larger operation and first coal sales being pushed back to August 2023, the Company raised £1,475,000 from a number of existing stakeholders through unsecured and non-convertible bridging loans.

As at 14 September, the Company held cash and cash equivalents of £200,000.

Outlook

Our immediate objective, of becoming a coking coal producer and generating first revenues, has now been achieved and our focus is now on optimisation and expansion to steady state operations. Alongside this, our longer-term ambition – to become a fully integrated producer of coke – is now within much closer reach given the status of Muchesu as a producing coal mine. The management continue to progress discussions with the previously announced global Multi-National Company ("MNC") with whom we are evaluating both a development and offtake arrangements so that the PLC can be largely sheltered from further dilution. We remain cautiously optimistic about how these discussions could further transform our business and we will report back to shareholders as soon as appropriate to do so.

In the meantime, I would like to express my sincere thanks in particular to the team on site at Muchesu for their incredible contributions to the business over the period. Once again, I would also like to extend my sincere thanks to our shareholders for their trust, support and patience in bringing Contango to this phase of its journey, and for their continued vision as we build a fully integrated high margin producer of coke over the next 12-18 months.

Roy Pitchford
29 September 2023

Contango's primary focus during the period was on the development of its Muchesu Project in Zimbabwe.

Muchesu Project ('Muchesu') *(previously known as the Lubu Project)*

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

Muchesu is a sizeable coal asset with a resource in excess of 1.3 billion tonnes identified under NI 43-101 standard. Contango is currently 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. Block 2 contains an estimated 96MT of coking coal. Mining is currently undertaken with a Wirtgen Surface Miner, which can mine at a rate of up to 1,000 tonnes per hour, followed by processing via a large static screen and washplant.

Following a detailed analysis of the composition and quality of the coking coal at Muchesu, Contango currently has an offtake agreement with TransOre International FZE (“TransOre”), which doubled, and replaced, the previous offtake the Company had with AtoZ. The offtake with TransOre contemplates an offtake of up to 20,000 tonnes per month of washed coking coal from the mine gate. TransOre will handle all logistics and transport costs through its affiliate African Rail International FZE, which has rail access, locomotives and port access for export already in place. TransOre currently holds an allocation for exporting coal through the Dry Bulk Terminal at the Maputo Port, Mozambique. TransOre has also expressed its interest in taking any additional coal that becomes available.

Once steady state production is achieved in Q4 2023 the Company expects its operating costs to be approximately US$45 per tonne of washed coal, although the Company continues to explore additional options to reduce these operating costs further, whilst larger volumes are also expected to bring economies of scale. The TransOre contract is priced at the prevailing Minerals Marketing Corporation of Zimbabwe ("MMCZ") coking coal price, which provides an attractive margin for this coking coal product.

The offtake arrangements with TransOre were agreed in addition to the ongoing discussions under the previously reported MoU with a global Multi-National Company ("MNC"). These discussions are centred around a larger coke operation at Muchesu, as well as additional coking coal offtake. These discussions continue to develop encouragingly, and we await the conclusion of the due diligence process before moving forward.

As detailed previously, the coke strategy for the Company is centred on enhancing the margin to ensure Contango benefits from exposure to the full value chain of its products. By manufacturing coke at site, the board believe that margins could be increased from ~$80/t to over $300/t. Our objective is to produce and sell coke for the South African ferro alloy and industrial markets that require coke in their furnaces. Numerous discussions have been held with commodity traders and industrial consumers, and the board remains enthusiastic about the synergies with the previously mentioned MNC, which could provide potential funding alongside a development and offtake scenario. More details will be provided on the discussions once the agreement is finalised.

As previously advised, an additional revenue stream yet to be explored fully is the opportunity to produce thermal coal. The Company has received a number of unsolicited approaches from buyers, ranging from trading houses to industrial consumers, from Africa, Europe and Asia, however to date, the Company's primary objective has been on the higher margin coking coal business. Notwithstanding this, the economic fundamentals for thermal coal production have improved considerably over recent years, and this remains an area that could be evaluated in more detail in the coming months.

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

The Company's primary focus during the period was on the completion of construction, and commissioning of the Muchesu Project ahead of first sales, with both financial and human resources directed towards this objective.

The board anticipates that this focus on the Muchesu Project will continue over the coming 24 months as Contango works to develop, and expand, a fully integrated coking operation. In addition, the current uncertainty in Mali relating to the new mining code has prompted the board to make the prudent decision to fully impair the Mali assets at this moment in time. Notwithstanding this, the Malian assets remain significant and an interesting gold project, with the strong potential for a resource of 1.8Moz-2Moz gold. The board will look to maximise the value of these assets at the appropriate time through discussions with relevant interested parties.

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 Muchesu Project.

Financial KPIs

Funding

During the year the Parent Company was funded through cash raised share placings and non-securedloans, subsequently repaid which were supplemented from funds generated through the exercise of warrants.

Revenue

The Group generated no revenue during the year however first revenue was recognised post period end in August 2023.

Expenditure

The Group has low ongoing overheads and devoted the majority of its cash to acquisition and progressing the development of the Muchesu Project in Zimbabwe.

Liquidity, cash and cash equivalents

At 31 May 2023, the Group held cash and cash equivalents of £75,692 (in 2022 the Group held £610,546).

Non-financial KPIs

Health and safety

During the year, the Company had no reported health and safety incidents that lead to time lost, staff requiring medical treatment or hospitalisation and no fatalities (2022: nil).

Employees

With the exception of the Directors, the Group has 78 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 four males. Three of the board members of subsidiary Group companies are from ethnic minority backgrounds. Of the 78 employees six are female – including one senior manager. For more information about the Group's employees see directors' remuneration report on pages 18.

Environmental

The Muchesu Project has undergone a full environmental risk assessment and suitable recommendations were made, and were adopted, prior to first extraction of coal as part of the wash plant calibration process in Q2 2023. 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.

Climate Change Disclosures
As a responsible corporate entity operating in the natural resources sector, the Company is committed to the recognition and disclosure of the potential impacts of climate change on the Company's business activities.

The Company supports the initiatives and recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and has taken steps to develop climate-related financial disclosures that it considers are consistent and appropriate with both the recommended disclosures of the TCFD and the current position of the Company.

The TCFD recommended disclosure framework comprises four broad categories of disclosure: *governance, risk management, strategy* and *metrics and targets*. Within each category of recommended disclosure, the TCFD has identified further specific disclosures that the Company should report on. The Company has reported on this basis below.

The Company has considered the appropriate level of detail to be included within the various disclosures having regard to the nature and size of the Company's current operations and the planned future operations following the construction of the coke batteries at Muchesu.

The disclosures made below are consistent with the TCFD recommendations and recommended disclosures.

Governance

1. *Oversight of climate-related risks and opportunities*

The Board is ultimately responsible for the oversight of the risks and opportunities that are presented by the potential effects of climate change on the Company's business activities. The Company's executive directors maintain day to-day responsibility for the recognition and effect of climate change on the Company's operations.

In advance of the start of commercial mining operations, the Company has constituted a sustainability committee, comprising the chairman, the chief executive officer and a non-executive director, that will guide and support the actions of the Board with respect to climate-related matters.

2. *Assessment and management of climate-related risks*

The Board in conjunction with the sustainability committee will consider and set appropriate Company policies that will govern how the Company's management will assess and manage climate-related risks and opportunities in advance of the expansion of the mine and the commencement of coke production.

The Company's executive directors and Group managers will be responsible for the implementation and monitoring of the policies set.

The management of the current operation are responsible for assessing and managing climate-related risks and opportunities at the existing mine.

<u>Risk Management</u>

3. *Identification and assessment of climate-related risks*

With respect to the existing operation, the identification and assessment of climate-related risks and opportunities is carried out by management on an ad-hoc basis.

Included within the environmental risk and assessment carried out at Muchesu, an environmental and social impact assessment ("ESIA") was completed, that identified and assessed the climate-related risks of the project and how those risks can be managed and mitigated.

4. *Processes adopted for managing climate-related risks*

With respect to the processing plant at Muchesu, no specific climate change risks have been identified. If a climate-related risk is identified and assessed as likely to have an impact on the operations of the plant, the plant's management will implement measures to manage the impact.

Following the completion of the ESIA, an environmental and social management system ("ESMS") will be designed and developed as part of the coke production strategy at Muchesu. The ESMS will identify the relevant processes for the management of climate-related risks arising from coke production at Muchesu.

5. *Integration of climate-related risk management into the organisation's overall risk management*

The ESMS noted above will be an integral part of the Company's environmental planning. Accordingly, the foreseen climate related risks of the project (and the management / mitigation of same) will be incorporated into the Company's overall risk management by virtue of the adoption of the monitoring systems and controls recommended by the ESMS.

<u>Strategy</u>

6. *Climate-related risks and opportunities*

Opportunities

a) Coking coal

   The demand for coking coal has risen considerably over recent years as it was regularly produced as a by-product of thermal coal production, which has reduced considerably over the past 10 years. Coking coal is used to produce coke, the primary source of carbon used in steelmaking.

b) Coke

By developing coke batteries at site at Muchesu, the Company would be able to get full exposure to the value chain of the coal produced at site and would also reduce transportation costs of exporting coking coal for further processing to coke.

Risks

The climate-related risks of the project will be identified and evaluated by the Company's ESMS in due course. No significant climate-change risks to the current operation have been identified.

7. *Impact of climate-related risks and opportunities on business, strategy and financial planning*

Climate-related risks and opportunities identified so far do not materially impact on the business, strategy and financial planning for the mine and current processing facilities given the size of the operation.

The impact on the surrounding area and wider operations will be considered as part of the coke production planning phase.

8. *Resilience of the organisation's strategy with respect to climate-related scenarios*

The mine and processing plant's management have not identified any particular climate-related scenarios that would likely have a significant impact on its ongoing operations. The plant already operates in an environment that is subject to severe weather conditions and is, therefore, considered to have a strong resilience to existing and future climate-related scenarios.

Metrics and Targets

9. *Climate related risk / opportunity metrics*

Given the current scale of the mining project, the Company will develop metrics to assess climate-related risks and opportunities in line with its strategy and risk management processes once the coke production and expansion strategy have been developed.

10. *Climate-related risk / opportunity performance targets*

Given the current scale of the mining project, the Company will develop performance targets to manage climate-related risks and opportunities in line with its strategy and risk management processes once the coke production and expansion strategy have been developed.

Financial risk management objectives and policies

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

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash reserves to fund the Company's exploration, development and production activities. Management prepares and monitors forecasts of the Company's cash flows and cash balances monthly and ensures that the Group maintains sufficient liquid funds to meet its expected future liabilities. The Group may 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 Muchesu
- The revenues and financial performance are dependent on the price of coal and coke

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 at Muchesu which supports the board's confidence that profitable mining and processing operations can be developed.

Additionally, the phased development route which has been employed at Muchesu 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 Directors present their report and the audited financial statements for the year ended 31 May 2023. 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 resource held by its subsidiary in Zimbabwe.

Results

The Owners of Contango Holdings Plc recorded a loss post tax for the year of £6,709,568 (2022: loss of £2,805,563).

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:

Gordon Thompson	Non-Executive Director (appointed on 27 February 2023)
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 13 September 2023, 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	74,314,459	15.72%
Interactive Brokers LLC	60,818,190	12.87%
Hargreaves Lansdown (Nominees) Limited	49,218,339	10.42%
Luna Nominees Ltd	37,876,592	8.01%
Interactive Investor Services Nominees Ltd	26,844,749	5.67%
Lynchwood Nominees Ltd	19,856,469	4.21%
HSDL Nominees Limited	17,942,538	3.80%
Vidacos Nominees Limited	15,046,527	3.16%

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 invest in its assets 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 three non-executive Directors. All directors are male and from white European backgrounds. 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 one executive and three non-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. The Board had not met the following targets on board diversity as at 31st May 2023:

- At least 40% of the individuals on its board of directors are women:
- At least one of the following senior positions on its board of directors is held by a woman: (A) the chair; (B) the chief executive; (C) the senior independent director; or (D) the chief financial officer; and
- At least one individual on the board of directors is from a minority ethnic background.

The reason for not meeting the target is the Group is still in the early stages of growing its business and does not have the resources to expand the Board at present. Once the business is on a path of stable, profitable growth it will endeavour to expand the Board and meet the above targets.

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 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. .

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 substantive 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 September 2023

Contango Holdings Plc

Directors' Remuneration Report
For the year ended 31 May 2023

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 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 £60,000 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 2023:

Director	Base salary (£)	Share Performance Options (£)	Share-based bonus (£)	Total 2023 (£)
Carl Esprey	57,500	-	-	57,500
Roy Pitchford	24,000	-	-	24,000
Gordon Thompson	4,500	-	-	4,500
Oliver Stansfield	18,000	-	-	18,000
	104,000	-	-	104,000

Contango Holdings Plc

Directors' Remuneration Report
For the year ended 31 May 2023

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

Director	Base salary (£)	Share Performance Options (£)	Share-based bonus (£)	Total 2021 (£)
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

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 increased by £15,000 (43%) since last year.

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 2023 Number	%age of issued share capital 2023	31 May 2022 Number	%age of issued share capital 2022
Carl Esprey	8,594,437	1.82%	4,200,000	1.30%
Roy Pitchford	990,000	0.21%	-	-
Oliver Stansfield	11,141,116	2.36%	9,081,815	2.90%
	20,725,553	4.39%	13,281,815	4.20%

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

Director	2023	2022	Exercise Price	Earliest date of exercise	Latest date of exercise
Carl Esprey	347,219	-	Nov 22 Placing 9p	7 Nov 2022	6 Nov 2025
Oliver Stansfield	1,458,333	-	Nov 21 Placing Broker Warrants: 6p	3 Mar 2022	2 Mar 2025
Oliver Stansfield	971,736	-	Nov 22 Placing Broker Warrants: 6p	7 Nov 2022	6 Nov 2025

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

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

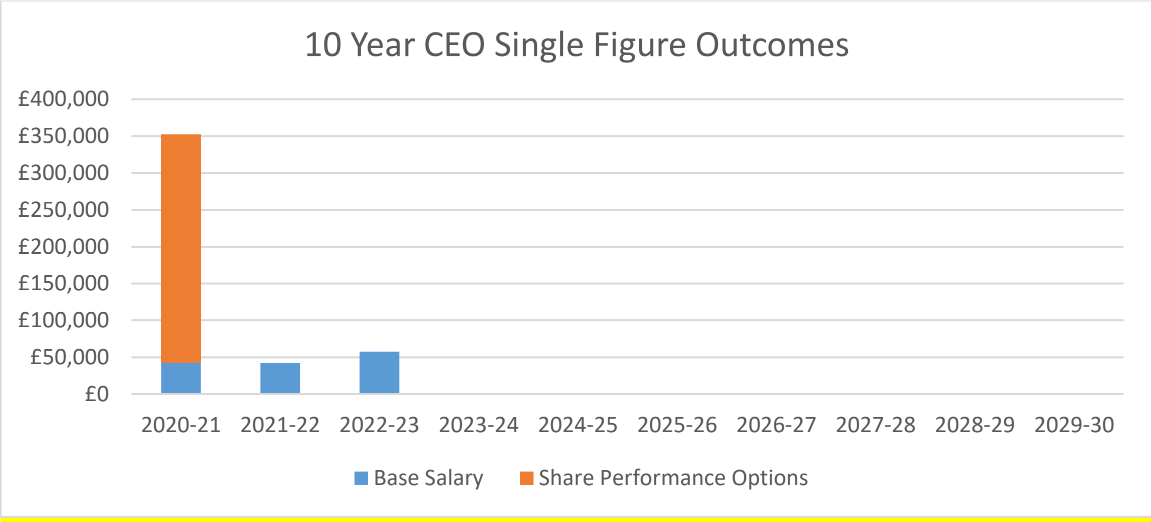
Shareholder voting at the Annual General Meeting

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.

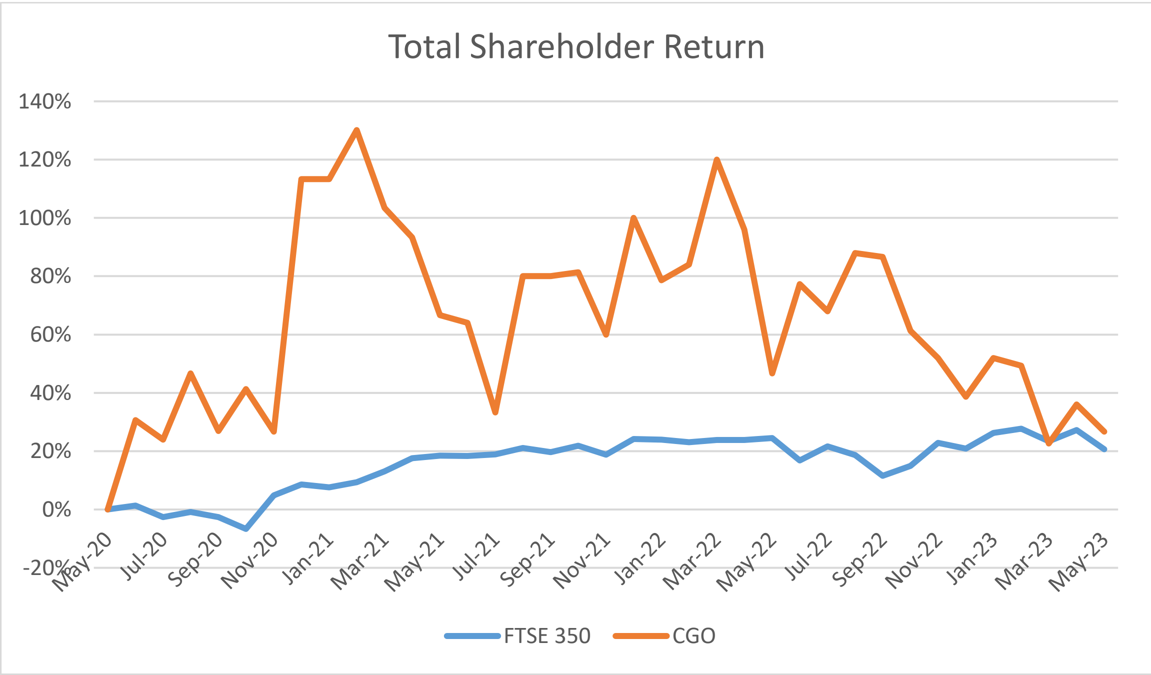
Contango Holdings Plc

Directors' Remuneration Report
For the year ended 31 May 2023

<u>2023 CEO Single Figure of Remuneration</u>



The single figure of remuneration for Carl Esprey is £57,500 – which represents his base salary. In the prior year the single figure remuneration was his £42,000 base salary.



The table above illustrates the total return of Contango shareholders over the three years since relisting of 27% as opposed to the 21% return for the FTSE 350 as a whole.

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 of 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 September 2023

Independent Auditor's Report To The Members Of Contango Holdings Plc
For the year ended 31 May 2023

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 2023 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 Parent Company's affairs as at 31 May 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- 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 Group's cash resources being sufficient to cover ongoing running costs until the Muchesu mining project is generating sufficient revenues. Due to the inherent uncertainties associated with the development of mining assets neither this, nor the raising of further finance can be guaranteed. These events or conditions along with other matters set forth in note 2, 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:

- Obtaining the cashflow forecast and determining it to be a reasonable basis for assessing going concern, including assessing the reliability of the model;
- Reviewing forecast revenue and where relevant agreeing to signed offtake contracts, considering the Group's ability to produce product and to make sales;
- Reviewing forecast costs and expenditure, assessing the reasonableness thereof and evaluating the reliability of the data underpinning the forecast cash flows;
- Identifying funding requirements and agreeing to post balance sheet receipts and bank statements. Considering remaining requirements and if this identifies a requirements for further funding, assessing the ability of the Group to raise those funds;
- Considering appropriate sensitivities and flexing the model to identify the impact of possible shortfalls/delays; and
- Making enquiries of management as to its knowledge of events or conditions beyond the period of assessment that may cast significant doubt on the entity's ability to continue as a going concern.

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 £375,000 (2022 £270,000), based on 2% of total assets. Materiality for the Parent Company financial statements as a whole was set at £262,500 (2022: £242,000) based on 2% of 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 £262,500 (2022: £189,000) for the Group and £183,700 (2022: £169,400) 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 £18,750 (2022: £13,500). 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.

Our Group audit scope focussed on the Group's principal operating location being the Muchesu coal project in Zimbabwe, held in Monaf Investments Pty Limited and the Parent Company which are subject to full scope audits. These represent the significant components of the Group.

The remaining components of the Group were considered as non-significant, and the financial information of these components were subject to targeted procedures by the Group engagement team. The entire audit of the Group was carried out remotely.

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 paragraph headed *Material uncertainty related to going concern*, we have determined the following key audit matter.

Key audit matter	How our scope addressed the key audit matter
Carrying value of intangible assets (Note 8 of the financial statements) The Group owns the mining licence at the Muchesu coal project in Zimbabwe which, at the reporting date was nearing commencement of production and had a carrying value of £13.3 million. In addition, the Group owns mining licences in Mali in the exploration stage	We considered the indicators of impairment applicable to the exploration assets, 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 management's consideration of impairment indicators for all assets

Key audit matter	How our scope addressed the key audit matter
with a carrying value of £2.1 million before impairment which have been fully impaired in the period. Judgement is required in assessing impairment, particularly in relation to early stage projects. There is a risk that these assets may be impaired.	• We reviewed licence documentation to confirm the exploration permits are valid and in good standing. • We made specific enquiries of management and reviewed market announcements, budgets and plans which confirmed the plan to continue investment in the Muchesu coal project subject to sufficient funding being available. • We considered whether the project economics and feasibility studies to date indicated any impairment of the carrying value of the Muchesu coal project. **Key observations:** No impairment has been considered necessary in relation to Muchesu, In view of the stated decision to focus resource on Muchesu, the current status of the relevant licences and current uncertainty in Mali in relation to the new mining code, management made the decision to fully impair the Garalo and Nthiela licences. We concurred with management's assessment in both cases.

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 Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent 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 15, 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 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; and
- review of accounting estimates for biases.

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

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 six years, covering the periods ending 31 May 2018 to 31 May 2023.

No non-audit services prohibited by the FRC's Ethical Standard were provided to the Group or the Parent Company and we remain independent of the Group and the Parent 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 Parent 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 Parent 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 Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Bullock
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

29 September 2023

Contango Holdings PLC

Consolidated Statements of Comprehensive Income
For the year ended 31 May 2023

	Notes	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Administrative fees and other expenses		(5,592,118)	(2,784,656)
Operating loss		**(5,592,118)**	**(2,784,656)**
Finance revenue		-	-
Finance expense		(523,701)-	(160,000)
Loss before tax		**(6,115,819)**	**(2,944,656)**
Income tax		-	-
Loss for the year		**(6,115,819)**	**(2,944,656)**
Loss attributable to owners of Contango Holdings PLC		**(6,709,569)**	**(2,805,563)**
Loss attributable to non-controlling interests		**593,750**	**(139,093)**
Loss for the period		**(6,115,819)**	**(2,944,656)**
Basic and diluted loss per Ordinary Share (pence)	5	**(1.65)**	**(1.00)**
Other comprehensive income		**199,403**	**127,977**
Total comprehensive loss for the period		**(5,916,416)**	**(2,816,679)**
Total comprehensive loss attributable to owners of Contango Holdings PLC		**(6,562,214)**	**(2,700,477)**
Total comprehensive loss attributable to non-controlling interests	19	**645,798**	**(116,202)**
Total comprehensive loss for the period		**(5,916,416)**	**(2,816,679)**

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 2023

	Notes	31 May 2023	31 May 2022
Non-current assets		£	£
Investment	7	40,071	46,474
Intangible assets	8	13,301,480	11,936,206
Property plant and equipment	9	2,872,182	737,727
Total non-current assets		**16,213,733**	**12,720,407**
Current assets			
Other receivables	10	216,900	52,211
Cash and cash equivalents	12	75,692	610,546
Total current assets		**292,592**	**662,757**
Total assets		**16,506,325**	**13,383,164**
Current liabilities			
Trade and other payables	13	(1,286,381)	(503,732)
Convertible debt and Investor loans	13	(1,052,206)	(1,331,750)
Total current liabilities		**(2,338,587)**	**(1,835,482)**
Net assets		**14,167,738**	**11,547,682**
Equity			
Share capital	14	4,580,245	2,949,679
Share premium	14	17,479,175	11,047,218
Shares to be issued		-	400,000
Warrant reserve		2,101,664	1,013,815
Option reserve		-	1,700,505
Translation reserve		219,048	71,693
Retained earnings		(12,181,474)	(6,958,510)
Total equity attributable to owners of Contango Holdings		**12,198,658**	**10,224,400**
Non-controlling interests	19	**1,969,080**	**1,323,282**
Total Equity		**14,167,738**	**11,547,682**

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 September 2023 and signed on its behalf by:

………………………………
Carl Esprey (Director)
Registered number: 10186111

Contango Holdings PLC

Parent Statement of Financial Position
As at 31 May 2023

	Notes	31 May 2023	31 May 2022
		£	£
Non-current assets			
Investments	7	1,455,148	1,461,578
Intangible assets		-	826,451
Subsidiary loans	10	13,720,405	10,084,740
Total non-current assets		15,175,553	12,372,769
Current assets			
Other receivables	10	155,540	47,234
Cash and cash equivalents	12	4,382	14,218
Total current assets		**159,922**	**61,452**
Total assets		**15,335,475**	**12,434,221**
Current liabilities			
Trade and other payables	13	(257,236)	(373,589)
Convertible debt and Investor loans	13	(1,052,206)	(1,331,750)
Total current liabilities		**(1,309,442)**	**(1,705,339)**
Net assets		**14,026,033**	**10,728,882**
Equity			
Share capital	14	4,580,245	2,949,679
Share premium	14	17,479,175	11,047,218
Shares to be issued		-	400,000
Warrant reserve		2,101,664	1,013,815
Option reserve		-	1,700,505
Translation reserve		-	(18)
Retained earnings		(10,135,051)	(6,382,317)
Total Equity		**14,026,033**	**10,728,882**

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 £5,239,339 (2022: £2,334,315).
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 September 2023 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 2023

	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 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**
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**
Loss for the year	-	-	-	-	-	-	(6,709,569)	(6,709,569)	593,750	(6,115,819)
Other comprehensive income										

Contango Holdings PLC

Consolidated Statement of Changes in Equity
For the year ended 31 May 2023

Translation differences	-	-	-	-	-	147,355	-	147,355	52,048	199,403
Total comprehensive income for the year	-	-	-	-	-	147,355	(6,709,569)	(6,562,214)	645,798	(5,916,416)
Transactions with owners										
Share issues – cash received net	1,416,666	6,431,957	-	-	-	-	-	7,848,623	-	7,848,623
Options exercised	213,900	-	-	-	(1,700,505)	-	1,486,605	-	-	-
Warrants issued	-	-	-	1,087,849	-	-	-	1,087,849	-	1,087,849
Cancellation	-	-	(400,000)	-	-	-	-	(400,000)	-	(400,000)
Total transactions with owners	1,630,566	6,431,957	(400,000)	1,087,849	(1,700,505)	-	1,486,605	8,536,472	-	8,536,472
Balance at 31 May 2023	**4,580,245**	**17,479,175**	**-**	**2,101,664**	**-**	**219,048**	**(12,181,474)**	**12,198,658**	**1,969,080**	**14,167,738**

Contango Holdings PLC

Parent Statement of Changes in Equity
For the year ended 31 May 2023

	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 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**
Loss for the year	-	-	-	-	-	-	(5,239,339)	(5,239,339)
Other comprehensive income								
Translation differences	-	-	-	-	-	18	-	18
Total comprehensive income/(loss) for the year	-	-		-		18	(5,239,339)	(5,239,321)
Transactions with owners								
Share issues – cash received net	1,416,666	6,431,957	-	-	-	-	-	7,848,623
Options exercised	213,900	-	-		(1,700,505)	-	1,486,605	-
Warrants issued	-	-	-	1,087,849	-	-	-	1,087,849
Impairment of Mali Assets	-	-	(400,000)	-	-	-	-	(400,000)
Total transactions with owners	1,630,566	6,431,957	(400,000)	1,087,849	(1,700,505)	-	1,486,605	8,536,472
Balance at 31 May 2023	**4,580,245**	**17,479,175**	**-**	**2,101,664**	**-**	**-**	**(10,135,051)**	**14,026,033**

Contango Holdings PLC

Consolidated Cash Flow Statement
For the year ended 31 May 2023

	Notes	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Operating activities			
Loss after tax		(6,115,819)	(2,944,656)
Adjustments for:			
Depreciation and amortisation		389,492	77,922
Share based transactions		1,087,849	853,741
Loan facility fees		493,701	-
Impairment of listed investment		6,403	15,786
Impairment of exploration licences		2,101,921	-
Writing off of debtor balance		5,130	-
Changes in working capital			
(Increase)/Decrease in trade and other receivables		(164,689)	83,488
Increase in trade and other payables (see reconciliation below)		503,105	222,068
(Decrease) in Net cash from operating activities		**(1,692,907)**	**(1,691,651)**
Investing activities			
Purchase of exploration licences		-	-
Spending on exploration licences		(3,443,086)	(1,775,809)
Purchase of investments		-	-
Purchase of fixed assets		(1,885,763)	(786,995)
Net cash outflow from investing activities		**(5,328,849)**	**(2,562,804)**
Financing activities			
Ordinary Shares issued (net of issue costs)	14	4,190,819	3,422,916
Proceeds from convertible debt		-	831,750
Proceeds from investor loans		2,378,534	500,000
Net cash flows from financing activities		**6,569,353**	**4,754,666**
(Decrease)/Increase in cash and short-term deposits		**(452,403)**	**500,211**
Cash and as at the start of the period		610,546	22,143
Effect of foreign exchange rate changes		(82,451)	88,192
Cash and short-term deposits at the end of the period		**75,692**	**610,546**

Contango Holdings PLC

Consolidated Cash Flow Statement
For the year ended 31 May 2023

Reconciliation of Movements in Financial Liabilties

Classification	1 June 2022	Trade Payables Cash Flow	Investor Loans Cash Flow	Non-Cash Payment	Trade and Other Payables	31 May 2023
Trade Payables	175,316	(67,552)	-	-	1,034,746	1,142,510
Accruals and Other Payables	328,416	(435,553)	-	-	251,008	143,871
Convertible Debt	831,750	-	168,250	(1,000,000)	-	-
Investor Loans	500,000	-	2,210,284	(2,682,804)	1,024,726	1,052,206
Total	1,835,482	(503,105)	2,378,534	(3,682,804)	2,310,480	2,338,587

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 2023

	Notes	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Operating activities			
Loss after tax		(5,239,339)	(2,334,297)
Adjustments for:		-	-
Share based transactions		1,087,849	853,741
Impairment of listed investment		6,403	15,786
Impairment of loan to subsidiary		2,032,744	-
Impairment of exploration licence		826,451	-
Writing off debtor balance		5,130	-
Loan facility fees		493,701	-
Changes in working capital			
(Increase)/Decrease in trade and other receivables		(108,306)	34,657
(Decrease)/Increase in trade and other payables		(395,897)	144,769
(Decrease) in Net cash from operating activities		**(1,291,264)**	**(1,285,344)**
Investing activities			
Purchase of investments		-	-
Purchase of exploration licences		-	-
Loans to subsidiaries		(5,420,189)	(3,385,811)
Spending on exploration licences		-	(85,878)
Net cash outflow from investing activities		**(5,420,189)**	**(3,471,689)**
Financing activities			
Ordinary Shares issued (net of issue costs)	14	4,190,819	3,422,916
Proceeds from convertible debt		-	831,750
Proceeds from investor loans		2,378,534	500,000
Net cash flows from financing activities		**6,569,353**	**4,754,666**
(Decrease)/Increase in cash and short-term deposits		**(142,100)**	**(2,367)**
Cash and short-term deposits as at the start of the period		14,218	10,696
Effect of foreign exchange rate changes		132,264	5,889
Cash and short-term deposits at the end of the period		**4,382**	**14,218**

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 (now known as the Muchesu Mine) 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 Muchesu Mine.

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 ("£").

The functional currency of the Group is 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 £1.475m to fund the continuing development of the Muchesu coal mine. The directors believe that this will be sufficient to cover ongoing running costs until the Muchesu mine is making regular cash sales. 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 Muchesu mine will soon be consistently 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*

In future years when tax will be payable it will be 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 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

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognised expected credit losses – the ECL model.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a '12-month ECL'). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a 'lifetime ECL').

For loans to subsidiaries, the Group applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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 instruments using 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 posted 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 debt and investor loans

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 ***Key accounting judgement and sources of estimation uncertainty***

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).

b) Impairment of intangible assets – exploration and evaluation costs

Exploration and evaluation costs have a carrying value as at 31 May 2023 of £13,301,480 (2022: £11,936,206). 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 was April 2023. Management do not believe that they will be able to extend the licence without significant additional investment. Also given the current uncertainty around changes to the Mining Code in Mali (and the need to spend all available resources on developing the Muchesu mine in Zimbabwe) Management have decided that it is prudent to fully impair both the Garalo and Nthiela licences.
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 and mine in the licence in Zimbabwe for a number of years or has the right to renew;
- The first stage of the mine has become operational and first sales have been made post year end;
- 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 mining asset in Zimbabwe exceeds the value that could be extracted from this when it is taken into full 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 Mali will not be repaid.

Repayment is dependent upon successful monetisation of the Group's exploration assets in those countries. Given the recent first sale from the Muchesu Mine post year end and plans to build onsite coke batteries, the Directors feel that there is no reason to believe that the Monaf loan will not be repaid. With regards to the Mali loan the directors believe that while there is still a reasonable possibility that the assets can be sold to interested third parties with the proceeds used to repay the loan it would still be prudent to provide for the loan in the current year.

d) ***Valuation of Warrants***

The Group use Black Scholes valuation models to value warrants issued during the year. These require judgement to be used by management as to the variables used to populate the model.

4 ***Loss before taxation***

Loss before income tax is stated after charging:	**Year ended 31 May 2023 £**	**Year ended 31 May 2022 £**
Directors' remuneration	(104,000)	(95,900)
Ongoing listing costs	(297,941)	(302,419)
Finance costs	(523,701)	(160,000)
Salaries	(934,242)	(536,842)
Consultancy fees	(19,868)	(182,829)
Legal and accountancy fees	(79,584)	(19,317)
Travel	(378,276)	(346,995)
Investor relations	(119,630)	(17,449)
Office costs	(259,253)	(170,817)
Net warrant issue costs	(1,087,849)	(853,741)
Impairment of exploration licence	(1,701,921)	-
Impairment of Listed Investment	(6,403)	(15,786)
Writing off historic debtor balance	(5,130)	-
Depreciation	(389,492)	(77,922)
Fee payable to the Group's auditor for the audit of the Group's annual accounts	(49,000)	(35,000)
Fee payable to the Group's auditor in respect of all other non-audit services	-	-

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 2023	**Year ended 31 May 2022**
Earnings		
Loss from continuing operations for the period attributable to the equity holders of the Parent Entity	(6,709,568)	(2,805,563)
Number of Ordinary Shares		
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per Ordinary Share (number)	407,081,986	280,455,370
Basic and diluted loss per Ordinary Share (pence)	**(1.65)**	**(1.00)**

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.

The Group has UK tax losses of approximately £3,498,397 (2022: £2,092,758) to carry forward against future profits. The Directors have not recognised a deferred tax asset on the losses to date due to the uncertainty of recovery.

7 ***Investments***

	31 May 2023		**31 May 2022**	
	Group	Company	Group	Company
	£	£	£	£
Monaf Investments (Pvt) Limited	-	1,413,100	-	1,413,100
Contango Gold Mali Sarl	-	1,922	-	1,947
Contango Holdings Services Pty Limited	-	55	-	57
Waraba Gold Limited	40,071	40,071	46,474	46,474
	40,071	1,455,148	46,474	1,461,578

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 2023 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 prior year.

Carl Esprey is chief executive officer of Waraba Gold Ltd.

8 ***Intangible assets***

	Year ended 31 May 2023	**Year ended 31 May 2022**
At start of period	11,936,206	10,118,098
Additions – during year	4,058,078	1,775,809
Reclassification as Plant & Equipment	(614,992)	-
Foreign exchange movements	24,109	42,299
Impairment of Mali licences	(2,101,921)	-
Total	13,301,480	11,936,206
Mining rights Zimbabwe (Muchesu Licence)	13,301,480	9,849,069
Mining rights Mali (Garalo Licence)	-	1,260,686
Mining rights Mali (Nthiela Licence)	-	826,451
	13,301,480	11,936,206

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 held in the name of Samagold Resources SARL (a subsidiary of the vendor - Africain Mineral Exploration Ressources Mali SARL) pending the formal transfer 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.

The decision was made by Management to fully impair the Garalo and Nthiela licences in Mali due to the expiry of the Garalo licence in April 2023; uncertainty surrounding possible changes to the Mali Mining Code; and the belief that the best use of all available financial resources going forwards is the continued development of the Muchesu coal mine in Zimbabwe. Consequently an impairment charge of £1,701,921 was posted during the current year to the Income Statement and £400,000 against the Shares to be Issued Reserve.

9 *Property Plant and Equipment*

	Motor Vehicle	**Plant and Equipment**	**Office Equipment**	**Total**
	£	**£**	**£**	**£**
Cost				
At 1 June 2022	513,524	301,570	4,998	820,092
Additions	247,000	1,632,660	6,103	1,885,763
Reclassification	-	614,992	-	614,992
Exchange differences	12,429	10,633	130	23,192
At 31 May 2023	772,953	2,559,855	11,231	3,344,039
Accumulated Depreciation				
At 1 June 2022	51,121	29,210	2,034	82,365
Charge for period	168,482	218,367	2,643	389,492
At 31 May 2023	219,603	247,577	4,677	471,857
Net Book Value				
At 31 May 2023	553,350	2,312,278	6,554	2,872,182
At 31 May 2022	462,403	272,360	2,964	737,727

As of 31st May 2023 the Group had contractual commitments of $171,457 with regards to the testing laboratory; R1,013,794 owed against the wash plant; and R6,397,909 remaining to be paid on the surface miner.

10 ***Other receivables***

	2023 Group £	2023 Company £	2022 Group £	2022 Company £
Non-current				
Subsidiary loans	-	13,720,405	-	10,084,740
	-	13,720,405	-	10,084,740

	2023 Group £	2023 Company £	2022 Group £	2022 Company £
Current				
Prepayments	29,849	24,594	17,895	12,703
Other debtors	187,051	130,946	34,316	34,531
	216,900	155,540	52,211	47,234

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. In light of the decision to impair the Mali exploration licences the loan made by Contango Holdings to Contango Gold Mali (which totals £1,782,070) has also been impaired. This is due to uncertainty about whether it can be repaid.

11 ***Categories of financial instruments***

	2023 Group £	2023 Company £	2022 Group £	2022 Company £
Financial assets at amortised cost				
Cash and cash equivalents	75,692	4,382	610,546	14,218
Loan to Monaf Investments	-	13,487,858	-	7,819,954
Loan to Contango Gold Mali	-	-	-	1,683,312
Loan to Contango Holdings Services Pty Limited	-	232,547	-	581,474
Investments	40,071	1,455,148	46,474	1,461,578
Financial liabilities at amortised cost				
Trade and other payables	1,286,381	257,236	328,416	214,330
Convertible debt and investor loans	1,052,206	1,052,206	1,331,750	1,331,750

12 ***Cash and Cash Equivalents***

	2023	2023	2022	2022
	Group	Company	Group	Company
	£	£	£	£
Cash at Bank	75,692	4,382	610,546	14,218

13 ***Trade and other payables***

	2023	2023	2022	2022
	Group	Company	Group	Company
	£	£	£	£
Trade payables	1,142,510	113,829	175,316	159,259
Accruals and other payables	143,871	143,407	328,416	214,330
Convertible debt	-	-	831,750	831,750
Investor loans	1,052,206	1,052,206	500,000	500,000
	2,338,587	1,309,442	1,835,482	1,705,339

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 prior year investor loans were a form of convertible debt and included a facility fee of 25% of the principal amount. A further £1,349,423 of loans were made subsequent to the 2022 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 were treated as debt.

The current year investor loans total £860,861. Combined with facility fees of 25% they amount to £1,052,206 owed to investors. They will be repaid in cash on or before the 30th November 2023. Subsequent to the year end a further £1,475,000 has been loaned to the Company by investors.

14 ***Share capital***

	Number of Ordinary Shares issued and fully paid	Share Capital £	Share Premium £	Total Share Capital £
As at 01 June 2021	309,667,356	2,949,679	11,047,218	13,996,897
Shares issued	163,056,667	1,630,566	7,083,334	8,713,900
Less share issue costs	-	-	(651,377)	(651,377)
As at 31 May 2022	472,724,023	4,580,245	17,479,175	22,059,420

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 12th July 2022 Contango announced that the £1 million convertible note had been converted into equity via the issuing of 16,666,667 new ordinary shares at a price of 6p per share. Part of the £1 million was received in the prior year with the remainder received during the current year.

On 8th November 2022 21,390,000 Performance Share Options were exercised.

On 8th November 2022 Contango announced that it had issued 125,000,000 new ordinary shares in a placing at a price of 6p per share. This raised £7,500,000 (before costs). £6,787,464 of this placement was for cash proceeds (including conversion of investor loans), £462,356 was payment of facility fees for the loans with the remainder being commissions paid with a mixture of equity and cash.

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 2					
At 01/06/21	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
	41,666,666	£0.12	24 Nov 2021	24 Nov 2024	£0.033
	44,866,666				
Granted during year	62,500,000	£0.09	07 Nov 2022	06 Nov 2025	£0.014
	8,333,334	£0.08	12 Jul 2022	11 Jul 2024	£0.011
	2,083,333	£0.08	03 Mar 2022	02 Mar 2025	£0.031
	2,776,389	£0.06	07 Nov 2022	06 Nov 2025	£0.022
	120,559,722				

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 01/06/22	21,390,000	£nil	9 Apr 2021	9 Apr 2023	£0.0795
Granted during Year	-	-	-	-	-
Exercised during Year	(21,390,000)	-	-	-	-
At 31/05/23	-				

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 2022(see Note 16).

16 *Events after the reporting date*

Subsequent to the year end a further £1,475,000 has been loaned to the Company by investors. This has been used to fund further development of the Muchesu coal mine and ongoing running costs.

On 10th July 2023 it was announced that the Company had entered into an offtake agreement with TransOre International FZE for the sale of up to 20,000 tonnes per month of washed coking coal - priced at the prevailing Minerals Marketing Corporation of Zimbabwe ("MMCZ") coking coal price, currently at US$120/tonne.

On the 31st July 2023 the Muchesu Coal Mine was formally opened by the president of Zimbabwe.

On 30th August 2023 it was announced that the first sale to TransOre had taken place.

17 *Related Party Transactions*

Some of the directors hold shares and warrants as disclosed on pages 19 and 20 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 2023 £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.

£22,439 was paid to Perfect Selection Lda (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) Ltd	70%	Zimbabwe	Exploration
Contango Gold Mali	75%	Mali	Exploration
Contango Holdings Services Pty Ltd	100%	Australia	Treasury Services

Contango Holdings Plc

Notes to the Financial Statements
For the year ended 31 May 2023

19 ***Non Controlling Interests***

	Monaf		Contango Gold Mali		Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**	**£**	**£**
Summarised Balance Sheet						
Current assets	94,445	33,739	10,629	14,186	105,074	47,925
Current liabilities	(921,336)	(112,353)	(107,809)	(17,790)	(1,029,145)	(130,143)
Current net assets	(826,891)	(78,614)	(97,180)	(3,604)	(924,071)	(82,218)
Non-current assets	7,585,494	2,156,723	86,831	1,064,680	10,643,884	6,459,141
Non-current liabilities	(13,487,858)	(7,819,954)	0	(1,683,312)	(13,487,858)	(9,503,266)
Non-current net assets	(5,902,364)	(5,663,231)	86,831	(618,632)	(2,843,974)	(3,044,125)
Net assets/(liabilities)	(6,729,255)	(5,741,845)	(10,349)	(622,236)	(3,768,045)	(3,126,343)
Accumulated NCI	(999,892)	(1,722,553)	(2,587)	(155,560)	1,969,080	1,323,282
Summarised Statement of Comprehensive Income						
Revenue	0	0	0	0	0	0
Profit/(loss) for the period	(996,001)	(204,767)	501,928	(310,650)	(494,073)	(515,417)
Other comprehensive income	146,575	137,984	32,302	(77,701)	178,877	60,283
Total comprehensive income	(849,426)	(66,783)	534,230	(388,351)	(315,196)	(455,134)
Profit/(loss) allocated to NCI	722,661	(20,035)	152,974	(97,088)	645,798	(116,202)
Summarised cash flows						
Cash Flows from Operating Activities	(5,564,289)	(2,300,144)	(102,612)	(571,635)	(5,666,901)	(2,871,779)
Cash Flows from Investing Activities	-	-	-	-	-	-
Cash Flows from Financing Activities	5,568,904	2,337,932	(1,683,312)	565,405	3,885,592	2,903,337
Net Increase/(Decrease) in Cash	4,615	37,788	(1,785,924)	(6,230)	(1,781,309)	31,558