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Contango Holdings PLC
31 March 2021

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Contango Holdings Plc

('Contango' or the 'Company')

Interim Results

Contango Holdings Plc, the London listed natural resource development company, announces its results for the six-month period ended 30 November 2020.

CHAIRMAN'S STATEMENT

The period under review bore witness to the most significant advances in Contango's development since incorporation as the Company shifted from being an investment company to an operational natural resource development company with two high quality assets - both with near term production potential.

As shareholders will be aware, Contango completed the long-awaited acquisition of the Lubu Coal Project in Zimbabwe ('Lubu') during the period. The completion of this acquisition, and the Company's subsequent readmission to trading on standard segment of the official list and the LSE on 18 June 2020, were the catalysts for a period of rapid growth and corporate development as Contango simultaneously advanced Lubu towards commercial production and expanded its portfolio of resource interests.

Lubu exhibited the most important characteristics of a favourable investment as defined by the Contango board, namely it is a low capex and low opex project with potential for near term production. Lubu benefits from de-risked development with total historical spend in excess $20 million and over 100 holes and 12,000m of drilling completed and total resource in excess of 1 billion tonnes of coal - which Contango was fortunate enough to acquire for an implied value of £6.4 million.

COVID-19 restrictions internationally have frustratingly delayed scheduled site visits by prospective off-take partners from a number of countries, however, the team in Zimbabwe have ensured that Lubu is ready to commence commercial production following the finalisation of formal off-take negotiations. A key development in this process was announced post period end in March 2021, with the confirmation that Contango is in discussions with the Zimbabwean subsidiary of a major Chinese industrial company and one the world's largest stainless-steel producers.

This potential offtake partner, which already has a sizeable footprint in Zimbabwe, is in the process of constructing a number of coke batteries in the Hwange region of Zimbabwe where Lubu is located, with the aim of being ready for production by the end of April 2021. The synergies between Lubu and the potential offtake partner are clear, and the Contango team are enthusiastic about an upcoming site visit by the offtake partner, planned for mid-April.

Contango delivered a further landmark development towards the end of the period with the acquisition of the Garalo Gold Project in Mali ('Garalo'). Garalo, which was acquired for $1 million, is an advanced discovery and had, at that point, a non-independent resource of 320,000 ounces of gold at an average grade of 1.5g/t across three dominant structural trends. The Company's original objective at Garalo was to establish a small operation targeting initial production of circa 10,000oz of gold per annum through an oxide plant.

Work conducted post period end has re-shaped our strategy at Garalo, and based on the NI 43-101 Independent Technical Report delivered in March 2021, we now understand that Garalo is capable of a much larger operation. This report confirms and expands on the information received in December 2020, and highlights the potential for up to 2Moz, a 525% increase on the original non-independent resource of 320k that was envisaged on acquisition. This is clearly a tremendous result for Contango shareholders, and we believe there is still room for improvement over and above the 2Moz threshold as, in addition to G1 and G3 targets (the basis for 2Moz), numerous other clusters of anomalous zones with potential for gold discovery have been identified.

This information, together with the acquisition of the contiguous 100km^2 Ntiela Gold Project in March 2021, has prompted the re-evaluation of our longer-term plans at Garalo with a view to establishing a larger processing hub in this region, capable of supporting multiple open pit operations. Our current focus remains on delivering cashflow within an expedited timeframe and the team in Mali are currently planning an accelerated development schedule targeting first gold in Q4 2021 in conjunction with expansion drilling.

Financial Review

Funding

During the period the Company was funded through cash raised from the IPO and a further £1.8m (before expenses) was raised through an oversubscribed placing of 36,000,000 new ordinary shares of GBP0.01 each at a price of 5 pence per placing share in October 2020 in conjunction with the acquisition of the Garalo Gold Project.

Revenue

The Company generated no revenue during the year as it was focussing on assets that will ultimately generate revenue for the Company.

Expenditure

The Company has low ongoing overheads and devoted its cash resources to transaction costs and the development of Lubu and Garalo towards commercial production.

However, during the period the company incurred significant one-off costs related to the readmission in June 2020 of £417,642 as disclosed in note 3. These included legal, accountancy and other professional services costs. Also, the Company incurred a £100,000 non-cash charge by way of a share based bonus paid to the original directors of Contango prior to readmission in lieu of their efforts to conclude the transaction.

Liquidity, cash and cash equivalents

As of 30 November 2020, the Company held £1,145,301 (2019: £10,430).

Outlook

Contango's model of focussing on near term production through low capex and low opex projects is expected to bear fruit for shareholders during 2021. The demand for coking coal in Southern Africa remains buoyant and the conversations that we have had over recent months, and perhaps more importantly, in recent weeks in relation to the aforementioned potential offtake partner looking to be ready to commence production from its coke batteries by the end of April, are particularly promising.

Separate to the aforementioned potential sizeable offtake, the Company entered into two Letters of Intention ('LOI') during the period. Upon conversion of these LOIs for 32,000 tonnes per month of coking coal into formal offtake contracts, the Board believe that this could be translated to earnings of circa $1m per month. Coupled with an initial phase of production from Garalo in Q4 2021, at an initial level of 30,000oz per annum, the Board believes that an additional EBIT figure of in excess of $1m per month is realistic. This would clearly be a significant result for Contango shareholders and testament to the value of the Board's strategy of prioritising assets with the potential for rapid returns.

I would like to thank our shareholders, and the Contango team here, in Zimbabwe and Mali, for their support during the rest of 2021 as we look to deliver on our strategic objectives and move into commercial production in Zimbabwe and Mali.

Roy Pitchford

31 March 2021

CEO REPORT

Contango's primary objectives during the year were to advance the Lubu Coal Project in Zimbabwe and the Garalo Gold Project in Mali towards production. Post period end, in March 2021, the Company acquired the Ntiela Gold Project, which is contiguous to Garalo.

Lubu Coal Project ('Lubu')

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

Previous owners have expended more than $20m on Lubu, which has enabled a sizeable resource in excess of 1.3 billion tonnes to be identified under NI 43-101 standard. Contango will initially focus on producing metallurgical coal from Block B2, where extensive work has also been undertaken to define the specific properties of the coal, which in turn has enabled offtake conversations to commence. The coal seams within Block B2 are from surface down to a maximum depth of 47m, ensuring operating costs are kept at very attractive levels. Contango is focussed on achieving the production of metallurgical coal products and sales to international industrial consumers in the Southern Africa region.

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

As announced in March 2021, the Company has elected to cease mining operations at Lubu and discussions with a potential partner relating to a long-term offtake have progressed, which is expected to be in April 2021. This will ensure any potential development is optimised and the Company's resources are deployed appropriately.

The discussions relate to a potential long-term offtake for coking coal with the Zimbabwean subsidiary of a major Chinese industrial company and one the world's largest stainless-steel producers. The potential offtake partner has a sizeable footprint in Zimbabwe and is planning to construct a US$1bn carbon steel plant in the country, with capacity of 2 million tonnes of steel per annum. In addition, the Potential Offtake Partner is currently in the process of constructing a number of coke batteries in the Hwange region of Zimbabwe with the aim of being ready for production by the end of April 2021.

The Company intends to open a trial pit and a bulk sample will be sent to the potential offtake partner so that it can conduct a burn test. Further updates will be provided following the site visit which is scheduled in mid-April 2021.

Garalo Gold Project and Ntiela Gold Project in Mali ('Garalo' and 'Ntiela')

In October 2020 Contango acquired Garalo, an advanced gold discovery with a non-independent resource of 320,000oz gold. Garalo is located in the Sikasso region of southern Mali, 200km south-east of the capital Bamako and close to the Guinea border. Garalo consists of an exploration licence for gold and associated minerals covering a surface area of 62.50 km^2 which is valid for two years and is renewable for another term of two years.

The permit is surrounded by a number of multi-million ounce gold deposits and the region is home to some of the world's leading gold miners, including IAMGOLD, Barrick, B2 Gold, Endeavour Mining and Hummingbird Resources, which has helped to establish Mali as the third largest gold producer in Africa.

The Company Birima Gold Resources Consulting ('BRG Consult'), an international mineral exploration consulting company with significant experience in West Africa, ranging from grassroots to mine-site exploration and mineral deposit expansion to prepare an Independent Technical Report to NI 43-101 standards and this was published post-period end in March 2021 (the 'Report').

The Report summarised historic and more recent technical information on Garalo and concludes that the main structure that controls the gold mineralisation at the Garalo G1 and G3 Targets is a north-south-striking, shallowly-west-dipping shear zone system forming pull-apart similar to the nearby 2.8Moz Kalana Gold Deposit.

This new model for the gold formation at Garalo suggests that the gold mineralisation is hosted in a system of parallel dilation fracture networks within shear zones. These fracture networks are under-explored and may contain a gold potential of up to 2Moz. The Report found that Garalo has high potential to host economic gold mineralisation, which can be delineated via Reverse Circulation (RC), Diamond (DD) and Rotary Air Blast (RAB) drilling programmes.

The Report also concluded that historic exploration works completed between 2001 and 2008 were professionally managed and procedures were consistent with generally accepted industry best practices. Consequently, the exploration data from soil geochemistry sampling, ground geophysical survey, trenches and drilling were assessed to be sufficiently reliable to confidently allow interpretation of the gold mineralisation in the Garalo property, enabling the outline of an extensive drilling programme over existing gold deposits and in areas with potential for new discovery to be drawn. Exploration works performed in the Garalo permit resulted in the discovery of the Garalo G1 and G3 gold deposits and numerous other clusters of anomalous zones with potential for gold discovery, some of which have offered additional high-grade potential.

In March 2021, the Company acquired the neighbouring Ntiela licence, which borders the western boundary of the Garalo permit. The prospectivity of Ntiela has been established from work programmes conducted by the previous operator which included soil and termite mound sampling and geochemistry, regolith mapping and extensive trenching. Existing data from soil geochemistry studies on Ntiela also suggests a strong correlation with the data the Company has been collecting at the G3 target on Garalo, pointing to the potential for high-grade gold mineralisation on the Ntiela licence. This work has been supplemented by drone surveys conducted by Contango geologists, which supported the potential for the extension of at least two target zones from Garalo to Ntiela.

Exploration campaigns are expected to commence in Q2 2021 in order to better define the geological structures and resource expansion potential at Garalo and Ntiela however the Board's priority focus remains on near term cash flow. As reported previously, the Contango team are accelerating the development of a 30,000oz per annum heap leach operation from the shallow oxides given the high margins and low capex for its development. However, given the significant findings in the Report, in due course the Company will undertake further drilling programmes on both Garalo and Ntiela, designed to realise and optimise the asset's full potential, as the Company looks to establish a large standalone gold mine with multiple open pit operations across both permit areas.

Carl Esprey

31 March 2021

ENDS

For further information, please visit www.contango-holdings-plc.co.uk or contact:

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FINANCIAL STATEMENTS

Condensed Consolidated Statements of Comprehensive Income

For the six months ended 30 November 2020

	Notes	Unaudited Six Months ended 30 November 2020 £	Audited Year to 31 May 2020 £
Administrative fees and other expenses	3	(1,129,659)	(258,027)
Operating loss		(1,129,659)	(258,027)
Finance revenue		-	-
Finance expense		-	-
Loss before tax		(1,129,659)	(258,027)
Income tax		-	-
Loss for the period and total comprehensive loss for the period		(1,129,659)	(258,027)
Loss attributable to owners of the parent company		(1,108,611)	(258,027)
Loss attributable to non-controlling interests		(21,048)	-

		(1,129,659)	(258,027)
Basic and diluted loss per Ordinary Share (pence)	4	(0.92)	(0.60)

Condensed Consolidated Statements of Financial Position

For the six months ended 30 November 2020

	Notes	Unaudited as at 30 November 2020 £	Audited as at 31 May 2020 £
Non-current assets			
Intangible assets	6	10,898,698	-
Investments		62,260	-
Property, plant and equipment		44	-
Total non-current assets		10,961,002	-
Current assets			
Other receivables		585,538	403,163
Cash and cash equivalents		1,145,301	10,430
Total current assets		1,730,839	413,593
Total assets		12,691,841	413,593
Current liabilities			
Trade and other payables		833,860	435,173
Total current liabilities		833,860	435,173
Net assets/(liabilities)		11,857,981	(21,580)
Equity			
Share capital	5	2,396,333	429,500
Share premium	5	8,198,148	368,978
Warrant reserve	5	83,533	84,874
Merger reserve	7	3,214,558	-
Retained earnings		(2,034,591)	(904,932)
Total equity		11,857,981	(21,580)
Total equity attributable to the owners of the parent company		10,428,061	(21,580)
Non-controlling interests		1,429,920	-
Total equity		11,857,981	(21,580)

Condensed Consolidated Statements of Changes in Equity

For the six months ended 30 November 2020

	Share Capital £	Share Premium £	Warrant Reserve £	Merger Reserve £	Retaining Earnings £	Total Equity £
Balance as at 31 May 2019	429,500	368,978	84,874	-	(646,905)	236,447
Loss for the year					(258,027)	(258,027)
Balance as at 31 May 2020	429,500	368,978	84,874		(904,932)	(21,580)
Issue of shares	1,966,833	7,829,170				9,796,003
Exercising of warrants			(1,341)			(1,341)
Merger reserve arising on acquisition				3,214,558		3,214,558
Loss for the six months to 30 November 2020					(1,129,659)	(1,129,659)
Balance as at 30 November 2020	2,396,333	8,198,148	83,533	3,214,558	(2,034,591)	11,857,981

Condensed Consolidated Statements of Cash Flows

For the six months ended 30 November 2020

	Notes	Unaudited Six Months ended 30 November 2020 £	Audited Year ended 31 May 2020 £
Operating activities			
Loss after tax		(1,129,659)	(258,027)
Adjustment for:			
Depreciation		67	-
Changes in working capital			
(Increase)/decrease in trade and other receivables		(182,375)	(371,852)
Increase in trade and other payables		398,687	359,425
(Decrease) in Net cash from operating activities		(913,280)	(270,454)
Investing activities			

Purchase of subsidiary		(6,858,391)	-
Purchase of 75% share of mining licence		(825,748)	-
Purchase of investment		(62,260)	-
(Decrease) in Net cash from investing activities		(7,746,399)	-
Financing activities			
Ordinary Shares issued (net of issue costs)	5	9,794,662	-
Net cash flows from financing activities		9,794,662	-
Increase/(decrease) in cash and short-term deposits		1,134,983	(270,454)
Cash and short-term deposits as at the start of the period		10,430	280,884
Effect of foreign exchange changes		(112)	-
Cash and short-term deposits at the end of the period		1,145,301	10,430

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 November 2020

1 General information

The Company was incorporated in England under the Laws of England and Wales with registered number 10186111 on 18 May 2016. All of the Company's Ordinary Shares were admitted to the London Stock Exchange's Main Market and commenced trading on 1 November 2017. The company was re-registered as a public company under Companies Act 2006 on 1 June 2017, by the name Contango Holdings plc.

The Company is listed on the Standard Market of London Stock Exchange plc.

The unaudited interim consolidated financial statements for the six months ended 30 November 2020 were approved for issue by the board on 31 March 2021.

The figures for the six months ended 30 November 2020 are unaudited and do not constitute full accounts. The comparative figures for the period ended 31 May 2020 are extracts from the annual report and do not constitute statutory accounts.

2 Basis of Preparation and Risk Factors

The Company Financial Information has been prepared in accordance with and comply with IFRS as adopted by the European Union, International Financial Reporting Interpretations Committee interpretations and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified for financial assets carried at fair value.

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

The accounting policies and methods of calculation adopted are consistent with those of the financial statements for the year ended 31 May 2020.

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

Exploration and development risks, including but not limited to:

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

Permitting and title risks, including but not limited to:

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

Political risks, including but not limited to:

· Political stability

· Enforcement of foreign judgements

· Potential legal proceedings or disputes may have a material adverse effect on the Company's financial performance, cash flow and results of operations

Financial risks, including but not limited to:

· Foreign exchange effects

· Valuation of intangible assets

· The Company may not be able to obtain additional external financing on commercially acceptable terms, or at all, to fund the development of its projects

· The Company will be subject to taxation in several different jurisdictions, and adverse changes to the taxation laws of such jurisdictions could have a material adverse effect on its profitability

· The Company's insurance may not cover all potential losses, liabilities and damage related to its business and certain risks are uninsured and uninsurable

Commodity prices, including but not limited to:

· The price of coal may affect the economic viability of ultimate production at Lubu

· The revenues and financial performance are dependent on the price of coal

· The price of gold may affect the economic viability of ultimate production at Garalo

Operational risks, including but not limited to:

· Availability of local facilities

· Adverse seasonal weather

· The Company's operational performance will depend on key management and qualified operating personnel which the Company may not be able to attract and retain in the future

- The Company's directors may have interests that conflict with its interests
- Risk relating to Controlling Shareholders

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

Exploration and development risks

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

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

Permitting and title risks

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

The Company regularly monitors the good standing of its permits.

Political risks

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

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

Financial risks

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

Commodity prices

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

Operational risks

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

COVID-19 outbreak

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

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

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

3 **Loss before taxation**

Loss before income tax is stated after charging:	Unaudited Six Months ended 30 November 2020 £	Audited to Year ended 31 May 2020 £
Directors' remuneration	52,800	72,000
Contango share-based bonus on IPO	100,000	-
Relisting costs	417,642	-
Ongoing listing costs	80,661	-

Salaries	174,755	-
Consultancy fees	80,695	-
Travel	69,287	-
Office costs	85,186	-
Other	68,633	-
Fee payable to the Company's auditor for the audit of the company's annual accounts	-	15,250
Fee payable to the Company's auditor in respect of all other non-audit services	-	5,113

4 **Loss per Ordinary Share**

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

	Unaudited Six Months to 30 November 2020	Audited Year to 31 May 2020
Earnings		
Loss from continuing operations for the period attributable to the equity holders of the Company	(1,108,611)	(258,027)
Number of Ordinary Shares		
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per Ordinary Share (number)	120,346,178	42,949,987
Basic and diluted loss per Ordinary Share (pence)	(0.92)	(0.60)

There are no potentially dilutive Ordinary Shares in issue.

5. Share capital

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

Share issue	128,849,961	1,288,500	5,134,170	-	6,422,670
Share issue	28,000,000	280,000	1,120,000	-	1,400,000
Share issue	3,333,330	33,333	125,000	-	158,333
Warrant Exercise	500,000	5,000	10,000	(1,341)	13,659
Share issue	36,000,000	360,000	1,440,000	-	1,800,000
Less issue costs					
At 30 Nov 2020	239,633,278	2,396,333	8,198,148	83,533	10,678,014

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

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

On 5th August 500,000 warrants were exercised.

On 22nd October Contango announced that it had issued 36 million new ordinary shares in a placing. This increased the total number of shares in issue to 239,633,278.

6. Intangible Asset

	Unaudited As at 30 November 2020 £	Audited As at 31 May 2020 £
Mining rights (Zimbabwe)	9,797,701	-
Mining rights (Mali)	1,100,997	-
	10,898,698	-

The intangible asset represents the mining rights and technical information acquired when the Company acquired its 70% shareholding in Monaf Investments (Pty) Ltd on 18th June 2020; and its 75% share in the Garalo gold licence in Mali on 22nd October 2020.

7 Merger reserve

	Unaudited As at 30 November 2020 £	Audited As at 31 May 2020 £
Mining rights (Zimbabwe)	2,939,310	-
Mining rights (Mali)	275,248	-
	3,214,558	-

The merger reserve represents the minority interest's share in mining rights and technical information acquired when the Company acquired its 70% shareholding in Monaf Investments (Pty) Ltd on 18th June 2020; and its 75% share in the Garalo gold licence in Mali on 22nd October 2020.

8 Related Party Transactions

Further to the announcement on 22nd October 2020 noting the RAB Capital RP transaction, the board does not believe it materially affected performance as required to be disclosed in DTR 4.2.7