

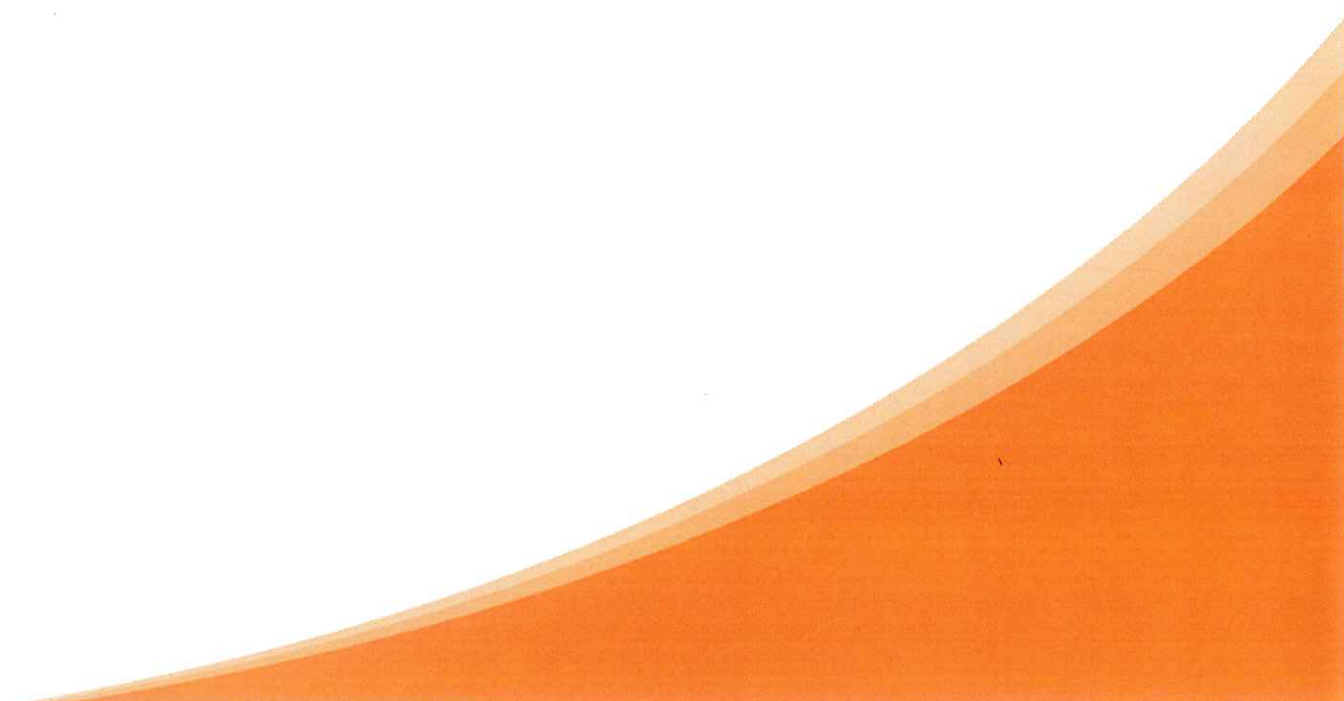


Contango MicroCap Limited and Controlled Entities

ABN 47 107 617 381

Financial report for the half-year ended 31 December 2013

This half-year financial report is to be read in conjunction
with the financial report for the year ended 30 June 2013



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DIRECTORS' REPORT

The directors present their report together with the condensed financial report of the consolidated entities consisting of Contango MicroCap Limited ("the Company") and controlled entities, for the half-year ended 31 December 2013 and independent review report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors

The following persons held office as directors during the half-year or since the end of the half-year and up to the date of this report:

Name	Period of Directorship
Mark G Kerr (Chairman)	Director since 7 December 2009
David I Stevens (Managing Director)	Director since 14 January 2004
Ian N Ferres	Director since 7 December 2009
Glenn Fowles	Director since 14 January 2004

All directors have been in office since the start of the financial period to the date of this report.

Review of operations

The consolidated entity's net operating profit after tax for the half-year was \$26,999,471 (2012: \$601,277). Basic earnings per share amounted to 17.6 cents per share for the half-year (2012: 0.4 cents).

The current period profit is primarily attributed to profits earned from the Company's investment portfolio, dividend and interest income. The period has seen a solid rise in the Australian sharemarket which the Company operates within.

The Company continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Company and in accordance with the provisions of its Constitution.

Significant changes in the state of affairs

Other than those disclosed in Note 7 ("Business Combinations") of these financial statements, there were no other significant changes in the state of affairs of the Company that occurred during the half-year under review.

Events subsequent to balance date

The interim dividend for FY14 of 4 cents per share (2013: 3.8 cents) was declared on 24 February 2014.

There have been no other significant events subsequent to 31 December 2013 that have occurred that would have any material impact on the content of these financial statements.

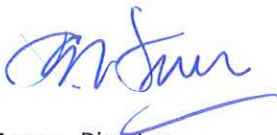
Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year is provided with this report.

This report is signed in accordance with a resolution of the directors.



Ian Ferres - Director
28 February 2014

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Contango Microcap Limited

In relation to the independent review for the half-year ended 31 December 2013, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.



N R BULL
Partner

28 February 2014



PITCHER PARTNERS
Melbourne

Condensed Consolidated Statement of Comprehensive Income

	Half-year ended 31 Dec 2013 \$'000	Half-year ended 31 Dec 2012 \$'000
<i>Revenue and other income</i>		
Revenue	2,658	2,730
Change in fair value of financial assets through profit and loss	37,311	(976)
Other income	873	-
Total revenue and other income	40,842	1,754
<i>Expenses</i>		
Employee benefits expense	591	-
Impairment of goodwill	194	-
Management fees	468	1,123
Other expenses	1,690	1,346
	2,943	2,469
<i>Add:</i>		
Share of profits of associate accounted for using the equity method	(443)	121
Profit/(loss) before income tax	37,456	(594)
Income tax expense/(benefit)	10,457	(1,195)
Profit from continuing operations	26,999	601
Profit for the half-year	26,999	601
Total comprehensive income for the half-year	26,999	601
Total comprehensive income attributable to:		
Members of Contango MicroCap Limited	26,999	651
Non-controlling interest	-	(50)
	26,999	601
	Cents	Cents
<i>Earnings per share for profit from continuing operations attributable to members of Contango MicroCap Limited:</i>		
Basic earnings per share	+17.6	+0.4
Diluted earnings per share	+17.6	+0.4

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

	As at 31 Dec 2013 \$'000	As at 30 Jun 2013 \$'000
Assets		
Cash and cash equivalents	6,047	12,451
Receivables	1,353	2,478
Investments at fair value	177,228	136,438
Other financial assets	87	-
Property, plant and equipment	63	-
Goodwill	9,455	-
Equity accounted investments	-	5,150
Total assets	<u>194,233</u>	<u>156,517</u>
Liabilities		
Payables	606	1,163
Employee provision	383	-
Provision for tax	126	-
Deferred tax liabilities	12,268	1,939
Total liabilities	<u>13,383</u>	<u>3,102</u>
Net assets	<u>180,850</u>	<u>153,415</u>
Equity		
Contributed equity	188,636	182,180
Reserves	17,600	4,073
Retained earnings	26,999	-
Accumulated losses	<u>(52,385)</u>	<u>(32,838)</u>
Equity attributable to owners of Contango MicroCap Limited	180,850	153,415
Non-controlling interest	-	-
Total equity	<u>180,850</u>	<u>153,415</u>

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

	Contributed Equity \$'000	Reserves \$'000	Accumulated Losses \$'000	Non- controlling Interest \$'000	Total Equity \$'000
As at 1 July 2012	180,121	180	(3,247)	4,289	181,343
Profit/(loss) for the half-year	-	-	651	(50)	601
Total comprehensive income for the half year	-	-	651	(50)	601
Transactions with owners in their capacity as owners:					
Transfer to dividend payment reserve	-	16,998	(16,998)	-	-
Dividend re-investment	1,148	-	-	-	1,148
Dividends paid	-	(6,977)	-	-	(6,977)
Total transactions with owners as in their capacity as owners:	1,148	10,021	(16,998)	-	(5,829)
As at 31 December 2012	181,269	10,201	(19,594)	4,239	176,115
As at 1 July 2013	182,180	4,073	(32,838)	-	153,415
Profit/(loss) for the half-year	-	-	26,999	-	26,999
Total comprehensive income for the half year	-	-	26,999	-	26,999
Transactions with owners in their capacity as owners:					
Transfer to dividend payment reserve	-	19,547	(19,547)	-	-
Options exercised	3	-	-	-	3
Acquisition activities	5,430	-	-	-	5,430
Dividend re-investment	1,023	-	-	-	1,023
Dividends paid	-	(6,020)	-	-	(6,020)
Total transactions with owners as in their capacity as owners:	6,456	13,527	(19,547)	-	436
As at 31 December 2013	188,636	17,600	(25,386)	-	180,850

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows

	Half-year ended 31 Dec 2013 \$'000	Half-year ended 31 Dec 2012 \$'000
<i>Cash flows from operating activities</i>		
Payments for investments	(57,573)	(67,728)
Payments to suppliers and employees	(2,119)	(2,527)
Proceeds from sale of investments	54,915	81,854
Receipts from customers	95	-
Dividends received	2,364	2,476
Interest received	71	254
Net cash inflow/(outflow) from operating activities	(2,247)	14,329
<i>Cash flows from investing activities</i>		
Acquisition of subsidiaries net of cash acquired	(4,593)	-
Transactions with associate	-	466
Net cash inflow/(outflow) from investing activities	(4,593)	466
<i>Cash flows from financing activities</i>		
Proceeds of shares issued	5,433	1,148
Dividends paid	(4,997)	(6,977)
Net cash inflow/(outflow) from financing activities	436	(5,829)
Net increase/(decrease) in cash and cash equivalents	(6,404)	8,966
Cash and cash equivalents at the beginning of the half-year	12,451	12,597
Cash and cash equivalents at end of the half-year	6,047	21,563

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

1. Basis of preparation of the half-year financial report

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Contango MicroCap Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*. The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

(a) Basis of preparation

This general purpose half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2013 and the corresponding half-year.

(b) Accounting for profits and losses

At the conclusion of each calendar month, the parent company records profits earned during the month to Retained Earnings and losses incurred during the month to Accumulated Losses with the intention of transferring undistributed Retained Earnings to Reserves at the conclusion of the financial year for the purpose of enabling the Directors to declare or determine to pay dividends from the reserve to shareholders at a future date.

(c) Rounding amounts

The company is of a kind referred to in ASIC Class Order CO 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(d) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity, Contango MicroCap Limited, and subsidiaries, Contango Capital Partners Limited, Contango Group Pty Ltd, Contango Asset Management Limited, Bellwether Partners Limited and Servus Pty Ltd, which the parent has the power to control the financial and operating policies so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

(e) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control. Deferred consideration payable is discounted to present value using the group's incremental borrowing rate.

Goodwill is recognised initially at the excess over the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed.

If the fair value of the acquirer's interest is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), the surplus is immediately recognised in the statement of comprehensive income.

Acquisition related costs are expensed as incurred.

(f) Investments in associates

An associated company is a company over which the company is able to exercise significant influence.

The equity method of accounting has been applied in relation to all associated companies. The company recognises its share of an associate post acquisition profits and losses within the statement of comprehensive income and its share of an associate movement in reserves is recognised in reserves. These movements are adjusted against the carrying amount of the investment less any distribution received.

Unrealised gains and losses on transactions between the company and an associate are eliminated to the extent of the entities share in an associate.

(g) New accounting standards and interpretations

AASB10 Consolidated Financial Statements became effective 1 January 2013 and AASB13 Fair Value Measurement became effective 1 July 2013. Management's assessment of the impact of these standards is in line with the impact disclosed at 30 June 2013.

(h) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures, in the Condensed Consolidated Statement of Cash Flows.

2. Significant items

	Half-year ended 31 Dec 2013 \$000	Half-year ended 31 Dec 2013 \$000
Revenue		
Dividends	2,258	2,475
Interest	71	255
Other income		
Rental Income	2	-
Revaluation on stepped acquisition of subsidiary	871	-

3. Dividends

Dividends paid during the half-year:

Ordinary Shares – 4.0 cents per share (2012: 4.7 cents)	<u>6,020</u>	<u>6,977</u>
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4. Segment Information

(a) Description of segments

The consolidated entity has 2 reportable segments as described below:

- Microcaps investment portfolio – this segment represents the contribution of the investment portfolio of listed stocks from the microcap sector of the Australian share market which is managed by Contango Asset Management Limited – a wholly owned subsidiary of the Company. Direct costs of these activities are borne directly by the investment portfolio with a management fee charged by Contango Asset Management Limited. This fee is eliminated on consolidation.
- Funds management – this segment covers the management of investment portfolios for wholesale clients. This includes clients external to the Company as well as the microcap portfolio described above. All staff costs incurred within the consolidated entity are incurred within this segment.

(b) Segment information

31 December 2013	MicroCaps \$'000	Funds Management \$'000	Total \$'000
Segment revenue			
Total segment revenue	39,360	534	39,894
Inter-segment revenue	-	(193)	(193)
Segment revenue from external source	39,360	341	39,701
Unallocated revenue			870
Segment result			
Total segment result	26,193	(64)	26,129
Inter-segment eliminations	193	(193)	-
Unallocated result	-	-	870
Total result	26,386	(257)	26,999
Total segment assets	192,429	1,804	194,233
Total segment liabilities	12,608	775	13,383

31 December 2012

Segment revenue			
Total segment revenue	1,754	-	1,754
Inter-segment revenue	-	-	-
Segment revenue from external source	1,754	-	1,754
Segment result			
Total segment result	601	-	601
Intersegment eliminations	-	-	-
Segment result from external source	601	-	601
Total segment assets	156,517	-	156,517
Total segment liabilities	3,102	-	3,102

5. Contributed Capital

	Half-year ended 31 Dec 2013	Half-year ended 31 Dec 2012	Half-year ended 31 Dec 2013	Half-year ended 31 Dec 2012
	No. of shares	No. of shares	\$'000	\$'000
Opening balance	150,502,289	148,448,269	182,180	180,121
Shares issued to fund acquisitions	4,909,811	-	5,430	-
Options exercised	2,300	-	3	-
Dividend reinvestment - final dividend	1,043,709	1,215,410	1,023	1,148
Closing balance	156,458,109	149,663,679	188,636	181,269

6. Events occurring after the balance sheet date

The interim dividend for FY14 of 4 cents per share (2013: 3.8 cents) was declared on 24 February 2014.

There have been no other significant events specific to the Company of which the Directors are aware which have had a material effect on the Company or its financial position since balance date.

7. Business combinations**Current period - Bellwether Partners Limited**

On 30 October 2013, the consolidated entity diversified its exposure to funds management by acquiring 100% of the boutique funds management firm, Bellwether Partners Limited for consideration of \$100,000 in cash.

Details of the transaction were:

	\$'000
Consideration [#]	100
Total consideration	100

[#] Consideration includes contingent consideration with a fair value at acquisition of nil. A contingent liability has been disclosed at Note 8.

	Recognised on acquisition at fair value \$'000
Assets and liabilities acquired	
– Cash	2
– Trade receivables	65
– Other assets	22
– Trade and other creditors	(110)
– Provisions	(73)
Net identifiable liabilities acquired	(94)
Goodwill	194

Goodwill is not deductible for tax purposes.

	Half-year	
	31 Dec 2013 \$'000	31 Dec 2012 \$'000
Purchase consideration – cash outflow		
Consideration paid, net of cash acquired	100	-
Less: Cash balances acquired		
Cash	2	-
<i>Bank Overdraft</i>	-	-
Net cash balance acquired	2	-
Outflow of cash – investing activities	98	-

Initial accounting incomplete

Accounting for the acquisition of Bellwether Partners Limited is in its provisional state due to the calculation of the fair value of the earn-out payments associated with the acquisition.

Contractual amounts

The fair value of trade receivables equals the contractual amounts due.

Contribution since acquisition

Since the acquisition date Bellwether Partners Limited has contributed revenue of \$105,056 and a loss after tax of \$70,617 which is included within the consolidated profit. Had the combination occurred from the beginning of the year, the operating loss after tax for the consolidated entity would have been \$165,781 and revenue would have been \$330,677.

Current period - Contango Group Pty Ltd

At the Company's Annual General Meeting, shareholders approved the acquisition of the 50.004% of Contango Group Pty Ltd that it did not already own.

The acquisition was completed on 30 November 2013, for net consideration of \$5,430,251 which was funded through the issue of 4,909,811 ordinary shares in the Company.

Contango Group Pty Ltd is the parent company of the Company's investment manager, Contango Asset Management Limited.

Details of the transaction were:

	\$'000
Shares issued as consideration	5,430
Total consideration [#]	5,430

[#] Consideration includes contingent consideration with a fair value at acquisition of nil. A contingent liability has been disclosed at Note 8.

4,909,811 shares were issued as part of the consideration. The issue price of \$1.106 was based on the volume weighted average price during the month of August 2013 as described within the Annual General Meeting explanatory memorandum.

Assets and liabilities acquired as a result of the business combination were:

	Recognised on acquisition at fair value \$'000
Assets and liabilities acquired	
– Cash	935
– Trade receivables	1,223
– Other assets	350
– Trade and other creditors	(77)
– Provisions	(411)
Net identifiable assets acquired	2,020
Goodwill	9,455

The goodwill on acquisition arises as a result of the consideration being above the value of assets acquired. This consideration was determined to be fair and reasonable by an independent expert as outlined within the Explanatory Memorandum provided to shareholders prior to the Company's Annual General Meeting and was approved by shareholders at that meeting on 20 November 2013.

Goodwill is not deductible for tax purposes.

The Company owned 49.996% of Contango Group Pty Ltd which it acquired on 28 June 2013 for \$5,150,000. Upon acquiring the 50.004% of Contango Group Pty Ltd on 30 November 2013, a gain of \$871,000 has been recognised as a result of remeasuring the previously held 49.996% equity interest.

	Half-year	
	31 Dec 2013 \$'000	31 Dec 2012 \$'000
Purchase consideration – cash outflow		
Consideration paid, net of cash acquired	5,430	-
Less: Cash balances acquired		
Cash	935	-
Net cash balance acquired	935	-
Outflow of cash – investing activities	4,495	-

Initial accounting incomplete

Accounting for the acquisition of Contango Group Pty Ltd is in its provisional state due to the calculation of the fair value of the earn-out payments associated with the acquisition.

Contribution since acquisition

Since the acquisition date Contango Group Pty Ltd has contributed revenue of \$236,007 and a loss after tax of \$144,991 which is included within the consolidated profit. Had the combination occurred from the beginning of the year, operating loss after tax for the consolidated entity would have been \$1,042,542 and revenue would have been \$1,556,327.

Prior period

On 28 March 2013, the parent entity acquired 100% of the share capital of Contango Capital Partners Limited. Details of this business combination were disclosed in note 15 of the consolidated entity's annual financial statements for the year ended 30 June 2013.

8. Contingent liabilities

As at 31 December 2013, the consolidated entity had the following contingent liabilities.

- (a) Sub-underwriting – a commitment of \$1.7m to sub-underwrite a capital issue of 370,686 shares in Cardno Limited (ASX code: “CTD”) was in place at 31 December 2013. This commitment concluded on 23 January 2014, with the payment of an amount of \$40,756 to discharge this commitment.
- (b) Lease commitments – under the terms of its lease agreement, a liability to “make-good” the premises occupied by Bellwether Partners Limited is payable at the end of its lease. This amount is due to be paid before 31 March 2014 and is not expected to exceed \$40,000
- (c) Acquisition earn-outs
 - i. Under the terms of the sale agreement between Contango MicroCap Limited and the vendors of Bellwether Partners Limited that was acquired on 30 October 2013, an amount equal to 3 basis points per annum (0.03%) of the value of funds managed by Bellwether Partners Limited is payable to the vendors. Based on current valuations, this amounts to approximately \$17,000 per calendar quarter, before any indemnified expenses.
 - ii. Under the terms of the sale agreement between Contango MicroCap Limited and the vendors of the 50.004% of Contango Group Pty Ltd that was acquired on 30 November 2013, an amount equal to 75% of the net fee revenue from growth in new funds managed by Contango Asset Management Limited between 1 December 2013 and 30 November 2016 is payable to those vendors. As at 31 December 2013, there had been no new growth that gave rise to any liability under this arrangement. An accurate value of this liability is not possible at this early stage of the arrangement.

9. Leasing Commitments

Operating lease commitments for premises occupied by Contango Asset Management Limited exist until 31 October 2019. This disclosure arises from the acquisition by Contango MicroCap Limited of 50.004% of Contango Group Pty Ltd on 30 November 2013. Contango Asset Management Limited is a wholly owned subsidiary of Contango Group Pty Ltd. Contango MicroCap Limited had no corresponding commitment at 30 June 2013.

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

- not later than one year	174,979
- later than one year and not later than five years	699,914
- later than five years	145,815
Total	<u>1,020,709</u>

10. Related Party Transactions

During the half-year, as part of its normal payment of dividends the Company made payments to related parties that held shares in Contango MicroCap Limited (CTN). The amount of \$5,528 was paid to David Stevens and \$2,234 to Glenn Fowles who are both directors of CTN.

11. Fair Value Measurement

The carrying amounts of the Company's financial assets and financial liabilities in the Statement of Financial Position are all at fair value.

For the six months ended 31 December 2013, the Company did not have any financial assets and financial liabilities that were determined using valuation techniques. The fair values of the Company's financial assets and liabilities for the periods then ended were determined directly, in full, by reference to quoted prices from the Australian Securities Exchange. Financial assets and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs for the asset or liability that are not based on observable market data

The Company held \$177,228,000 Level 1 Financial Assets and Liabilities as at 31 December 2013.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 4 to 15 in accordance with the *Corporations Act 2001*:

(a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and

(b) Give a true and fair view of the financial position of the company as at 31 December 2013 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Contango MicroCap Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Ian Ferres
Director
28 February 2014

CONTANGO MICROCAP LIMITED AND CONTROLLED ENTITIES
ABN 47 107 617 381

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CONTANGO MICROCAP LIMITED AND CONTROLLED ENTITIES

We have reviewed the accompanying half-year financial report of Contango Microcap Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Contango Microcap Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

CONTANGO MICROCAP LIMITED AND CONTROLLED ENTITIES
ABN 47 107 617 381

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CONTANGO MICROCAP LIMITED AND CONTROLLED ENTITIES

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Contango Microcap Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



N R BULL
Partner

28 February 2014



PITCHER PARTNERS
Melbourne