

Contango Holdings Plc / Index: LSE / Epic: CGO / Sector: Natural Resources

18 July 2024

Contango Holdings PLC
("Contango" or the "Company")

Update on Transaction with Strategic Investor

Contango Holdings Plc, a company focused on the development of the +2 billion tonne Muchesu coal project in Zimbabwe ("Muchesu"), is pleased to provide an update with respect to the binding transaction agreements (the "Definitive Agreements") entered into with Huo Investments (Pvt) Limited (the "Investor"), the investment vehicle of Mr Wencai Huo, a Zimbabwe-based Chinese national with extensive mining and business investments in Zimbabwe and Southern Africa.

Subscription Agreement with Contango

As reported on 3 July 2024, the Investor has entered into a subscription agreement with the Company to subscribe for 142,000,000 new ordinary shares ("Subscription Shares") at a price of £0.0111 pence per share ("Subscription Price"). As a result, the Company will receive £1,576,200 (US\$2,000,000) of new funding ("Subscription"). The Subscription is subject to the issuance and approval of a Short Form Prospectus ("SFP"). The Company is pleased to advise it has now submitted a SFP to the FCA for its review and approval.

Further, in keeping with the collaborative relationship between the Investor and the Company, the Company is pleased to report it has now received a payment of US\$1,000,000, as an advance against the Subscription.

Commencement of Project Investment under the Revolving Facility Agreement (the "RFA")

Also as reported on 3 July 2024, the Investor has entered into an RFA, whereby it will provide unsecured debt finance of up to US\$20,000,000 into the operating subsidiary Monaf Investments (Private) Limited (Monaf), for the purpose of funding the development and expansion of operations at Muchesu.

The Company is pleased to report that under this agreement, the Investor has already commenced delivery of some capital equipment and operational items. The first convoy carrying parts for a new wash plant has arrived at site with the remaining convoys expected to arrive during July. A team of engineers are already on site to oversee operations and the installation of the new wash plant. Upon completion, the wash plant is expected to have a washing capacity of 3,000 tonnes per day, significantly greater than the Company's existing washing capabilities, which will continue to remain operational.

Orders have now been placed for a further five heavy-duty excavators, four of which are to be delivered from South Africa. Also, another front-end loader and accessories have been ordered. All these items are due at Muchesu before the end of July 2024.

Carl Esprey, Chief Executive Officer of Contango, commented:

"I am delighted to provide this update. It is testament to the Investor's faith in Muchesu that funds have already been advanced into both Contango and at the asset-level whilst we address the remaining conditions precedent for the formal closing of the Definitive Agreements. The Company has now submitted the prospectus pending FCA approval to approve the issue of the Subscription Shares.

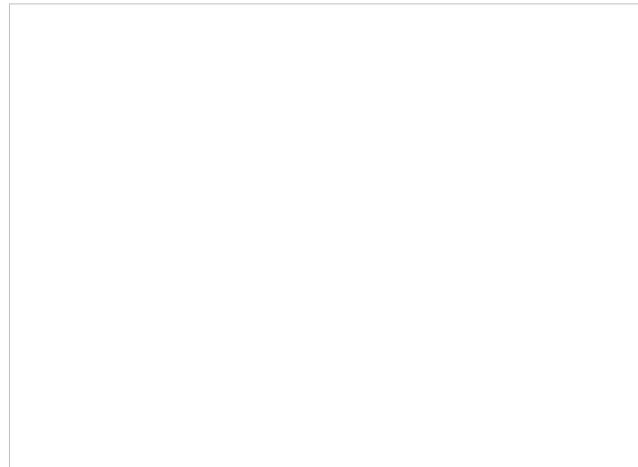
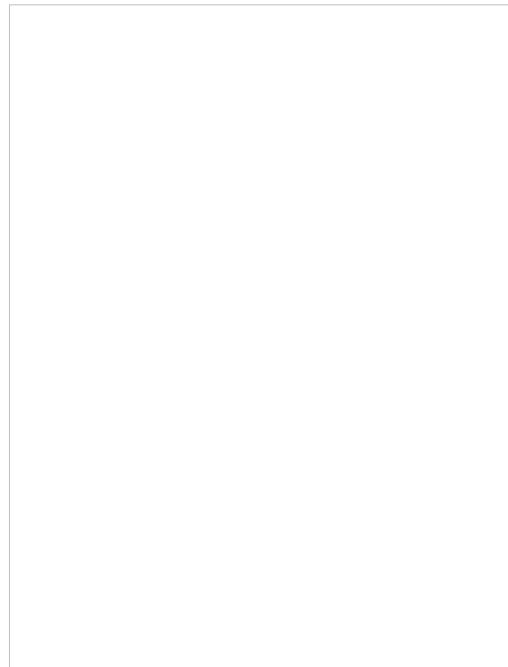
"We are now seeing significant activity at Muchesu. A new wash plant is being delivered and constructed to materially increase production capacity, whilst other earth moving and processing equipment are expected to arrive on site in the forthcoming weeks. We are also integrating members of the existing operational team with the team assembled by the Investor. We believe the resultant outcome will leave Muchesu on a much firmer footing and poised for significant growth.

"Finally, planning is also underway to expand the size of the existing open pit as well as engineering designs for underground mining. These steps should lead to a significant increase in mining output, which the Company stands to benefit from through both its royalty arrangements and residual 24.75% interest in Muchesu. I look forward to keeping shareholders apprised of

"both operational developments and the formal closing of the Definitive Agreements."

Images showing additional wash plant and equipment:

A truck with a crane loading pallets Description automatically generated



ENDS

Contango Holdings plc

E: contango@stbridespartners.co.uk

Chief Executive Officer

Carl Esprey

Tavira Financial Limited

T: +44 (0)20 7100 5100

Financial Adviser & Broker

Jonathan Evans

St Brides Partners Ltd

T: +44 (0)20 7236 1177

Financial PR & Investor Relations

Susie Geliher / Charlotte Page

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

UPDQVLBFZDLXBBK