

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

2 January 2025

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

Receipt of First Royalty Payment

Contango Holdings Plc, a company focused on unlocking value from the +2 billion tonne Muchesu coal project in Zimbabwe ("Muchesu"), is pleased to confirm it has now received its first royalty payment of US 200,000 and expects to receive a further US 800,000 this month. Combined these will bring total royalty receipts to US 1,000,000 as envisaged and previously reported under the Mineral Royalty Agreement ("MRA") with Huo Investments (Pvt) Limited (the "Investor").

Under the MRA the Company will be paid a minimum of US 2,000,000 per annum, with additional amounts to be paid based on amount of coal production. A further minimum US 1,000,000 royalty payment is expected around the end of Q1 2025. Thereafter additional royalty payments to the Company will be in line with operational productivity at Muchesu. The initial focus of the Investor remains on the production and sale of coking coal, which carries a royalty of US 8/tonne to the Company. The now operational 3,000 tonne per day Dense Media Separation Plant has been tested and calibrated accordingly.

As reported during 2024, the Company is entering into a series of agreements with the Investor, including the MRA, a Revolving Facility Agreement of US 20,000,000 ("RFA"), as well as entering into a change of ownership of Monaf Investments (Private) Limited, the subsidiary that holds the Muchesu Project (collectively the "Definitive Agreements"). The Company intends to sign the final Definitive Agreements this month, although as previously noted the Investor commenced material investment under the RFA during the second half of 2024 (see RNS of 31 October and 29 November 2024), and has also now commenced payments under the MRA.

The Company also expects to issue a Short Form Prospectus ("SFP"), subject to the approval of the FCA, this month, which will enable the Company to complete the previously reported US 2,000,000 Subscription thus making the Investor the largest shareholder of the Company, further aligning the Investor's interests with the Company.

Carl Esprey, CEO Of Contango, commented:

"This milestone marks a significant step forward in unlocking the immense value of the Muchesu coal project. The receipt of our first royalty payment not only underscores the confidence our partners have in the project's potential but also reinforces our commitment to delivering consistent value for our shareholders. With the operational foundations now firmly in place, we are excited about the continued progress and growth opportunities ahead."

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014, as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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