

22 October 2025

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

Variation to Strategic Partnership for Muchesu

Contango Holdings Plc, a company focused on unlocking value from the +2 billion tonne Muchesu coal project in Zimbabwe ("Muchesu"), advises that it has agreed a variation to the previously reported Strategic Partnership with Huo Investments (Pvt) Limited ("Huo Investments" or the "Investor").

Background

As announced on 3 July 2024, Contango entered into binding agreements with the Investor, which together comprised a purchase of a 51% equity interest in Muchesu, a US 2 million Subscription into the Company, a Mineral Royalty Agreement, and a US 20 million Revolving Facility Agreement (together, the "Definitive Agreements").

During 2024 and 2025, the Investor has advanced material funding under the Revolving Facility Agreement for the following:

- Expansion of the mining footprint of Muchesu;
- Installation of a large Dense Media Separation ("DMS") plant;
- Substantial infrastructure works; and
- Installation of coke batteries and associated value-enhancing infrastructure.

Further operational detail and expenditure will be provided shortly in a separate update.

With the Subscription completed in Q1 2025, Huo Investments became the Company's largest shareholder with a holding of 20.42%. Royalty payments commenced in 2025 in accordance with the Mineral Royalty Agreement, with US 1,000,000 paid during H1 2025 and a further US 1,000,000 scheduled for payment this quarter as set out in the Mineral Royalty Agreement.

Variation to the Definitive Agreements

Asset-Level Purchase

Muchesu is held by the Company's subsidiary in Zimbabwe being Monaf Investments (Private) Limited ("Monaf").

The Definitive Agreements originally envisaged that the Investor would purchase a 51% equity interest in Muchesu (via Monaf). This will now be undertaken by Pacific Goal Investments Private Limited ("PGI"), a Zimbabwe-focused investment vehicle equally owned by Mr Wencai Huo (the principal of Huo Investments) and Mr Liu Jun. Definitive documentation has been executed to reflect this change and is currently being registered with the Central Bank in Zimbabwe.

PGI forms part of Pacific Goal Group, a Hong Kong-based industrial group with extensive operations in Zimbabwe. The group is currently developing a major mine-to-energy industrial park in the country, incorporating two power stations, a graphite processing plant, and a nickel smelter. PGI also operates a logistics fleet of more than 200 trucks, as well as holding interests in other mining and power-related developments in Zimbabwe. This extensive operational presence and expertise is expected to prove complimentary to delivering value from the Muchesu project.

The purchase of 6.502% of shares in Monaf as announced on 12 March 2025, is unaffected. These shares are now held through Lilyone Investments, a wholly owned investment company of Mr Wencai Huo.

The revised ownership of Monaf is therefore as follows:

Shareholder	Holding
PGI	51.0%
Contango	24.0%
Lilyone Investments	6.5%
Local Minority Shareholders	18.5%

US 20,000,000 Revolving Credit Facility

PGI will now become the lender under the US 20 million Revolving Facility Agreement. Funds advanced to date by Huo Investments are recognised and assumed by PGI. As previously disclosed, advances under the facility rank pari

Huo Investments are recognised and assumed by PGI. As previously disclosed, advances under the facility rank *pari passu* with the loans provided by Contango to Monaf (approximately US 20 million, the "CGO Debt"). Any repayments by Monaf to PGI under the facility will require an equal payment to Contango until the CGO Debt is repaid in full.

Subscription and Royalty Agreements

There is no change to the 20.42% shareholding held by Huo Investments in Contango.

There is no change to the terms of the Mineral Royalty Agreement. Royalties remain payable by Monaf to Contango for the life of mine as follows:

- **US 2 per tonne** - thermal coal
- **US 4 per tonne** - industrial coal
- **US 8 per tonne** - coking coal

A minimum US 2 million per annum royalty is payable, uncapped. PGI has confirmed that the next minimum royalty payment of US 1 million will be made in the current quarter. The Definitive Agreements now record that royalty payments to Contango will be made in priority, followed by payments relating to the CGO Debt and the revolving facility on an equal basis.

Commenting, Daniel Dos Santos, CEO of Contango, said:

"These variations strengthen the partnership structure at Muchesu and introduce PGI, part of Pacific Goal Group, as a committed strategic investor with an established operational footprint in Zimbabwe. Their industrial investments, including power, logistics and processing infrastructure, are highly complementary to the long-term development of Muchesu."

"At the same time, Huo Investments remains supportive through its shareholding and previous contributions to advancing the site. We look forward to providing a further operational update shortly, as activity on the ground continues to build momentum."

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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