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

22 May 2020

Contango Holdings Plc
('Contango' or the 'Company')

Publication of Prospectus & Notice of General Meeting

Contango Holdings Plc ("**Contango**" or the "**Company**"), a company formed to acquire a controlling interest in a company or business in the natural resources sector is pleased to confirm that a prospectus (the "**Prospectus**") has been approved by the Financial Conduct Authority (the "**FCA**") on 20 May 2020 and is to be published by the Company today, 22 May 2020, on its website www.contango-holdings-plc.co.uk.

The Prospectus relates to the proposed acquisition, which constitutes a reverse takeover, by the Company of the Lubu Coalfield in Zimbabwe from Consolidated Growth Holdings Limited ("**CGH**") (the "**Acquisition**"). The Company will satisfy the Acquisition consideration of £6,834,829.05 by issuing 128,849,961 ordinary shares of £0.01 each (the "**Ordinary Shares**") at a price of £0.05 each to CGH (the "**Consideration Shares**") and cash of £392,331.00 that has been advanced by the Company to CGH in instalments since 2019 to fund the development of the project. In addition, the Prospectus sets out the details of a placing of 28,000,000 Ordinary Shares at a placing price of £0.05 to raise gross proceeds of £1,400,000 (the "**Placing**") through Brandon Hill Capital and the issue of 3,333,330 Ordinary Shares in lieu of a completion bonus (the "**Completion Bonus**").

An application has been made to the London Stock Exchange for the existing share capital of the Company to be readmitted and for the new ordinary shares to be admitted to the official list by way of a standard listing ("**Readmission**") on 18 June 2020.

A General Meeting of the Company is being will be held at 5th floor, 10 Bressenden Place, London SW1E 5DH on Wednesday 17 June 2020 at 10:00a.m. at which resolutions will be proposed to the

members to approve, inter alia, the issue and allotment of the Consideration Shares, the Placing, the Completion Bonus and Readmission. Subject to a listing hearing and the passing of the resolutions at the General Meeting, readmission and commencement of dealings in the Company's enlarged share capital of 203,133,278 Ordinary Shares (the "**Enlarged Share Capital**") is expected to take place at 8.00 a.m. on 18 June 2020.

The Company's shares will be listed under the ticker "CGO", for dealings to commence at 8.00 a.m. BST on 18 June 2020. The Company's ISIN will remain GB00BF0F5X78 and its SEDOL number BF0F5X7.

A copy of the Prospectus has been submitted to the National Storage Mechanism and will be available for inspection (subject to securities laws) at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Background to the Acquisition and Placing

On 22 December 2017, Contango announced the signing of a Memorandum of Understanding with regards to a possible acquisition of Consolidated Growth Holdings Limited's interest in a near-term producing mining asset in Zimbabwe, the Lubu Coalfield project (the "**Lubu Coalfield**") which, if completed, would constitute a reverse takeover under the Listing Rules. The Company was subsequently suspended from trading, the Acquisition being conditional on completion of legal due diligence, customary regulatory approvals and readmission of the enlarged entity.

On 9 April 2019, Contango further announced that it had entered into a conditional Purchase Agreement ("**SPA**") with CGH, Someden Investments (Private) Limited and Monaf Investments (Private) Limited pursuant to which the Company agreed to acquire: a 70% interest in Monaf from Someden; the benefit of debt receivables owed by Monaf to CGH in the aggregate amount of US\$6,890,981; and mining data owned by CGH with regard to the Lubu Coalfield. The consideration of the Acquisition is £6,834,829,05, to be satisfied by the issue to CGH of 128,849 Consideration Shares plus cash payments of £392,331 which were advanced in installments following the date of SPA to commence a new work programme in June 2019.

Following the Acquisition, CGH will hold 128,849,961 Ordinary Shares, representing 63.4 per cent. of the Enlarged Share Capital. As such, a resolution will be proposed to members to approve a waiver granted by the Panel on Takeovers and Mergers of the obligation which would otherwise arise for CGH to make a general offer to members pursuant to Rule 9 of the City Code on Takeovers and Mergers.

On 22 January 2020, the Company announced that it had raised £1.4 million (before expenses) through a conditional placing of 28,000,000 Ordinary Shares ("**Placing Shares**") of £0.01 each to new and existing investors at £0.05 per Placing Share.

The Company's intention is to use some or all of the proceeds of the Placing to advance the Lubu Coalfield project and fund costs, administrative expenses and fees associated with the Acquisition.

The Lubu Coalfield is expected to be a near-term metallurgical coal producer from Block B2 and has been extensively drilled from 2010 with over 100 holes reported to reach a NI 43-101 compliant resource of over 1.2 billion tonnes (indicated and inferred). In 2019, CGH and Contango completed an extensive work programme including 9 additional drill holes and assays to better understand the range of coal products from a small proportion of Block B2 at or near surface. Upon closing of the Acquisition, Contango will focus on developing a targeted area of the B2 Block which is amenable to mining from near surface that contains seams of coking coal product. Also, The Company will look to finalise an agreement with contract miners and enter into an offtake agreement to sell coking coal in the Southern Africa region. On that basis and following recent work programme in 2019, it is the Board's belief that upon the successful close of the GBP1.4 million capital raise, Contango should have sufficient funds to bring Block B2 at Lubu Coalfield into production before the end of 2020.

Oliver Stansfield, Executive Director of Contango Holdings, said: *"I am delighted to be able to announce the publication of the prospectus, ahead of an expected relisting in June 2020. I appreciate it has taken longer to complete the Acquisition than was originally envisaged and would like to thank shareholders for their patience during this time. The Board remain confident we have identified an accretive transaction and look forward to its closing next month.*

"Upon closing the Company and the Board expects to have sufficient funds to take Lubu into production later this year on what is a sizeable resource. The Board believe demand for coking coal has remained robust and as previously stated we look forward to entering into offtake contracts upon completion of the Acquisition based on field work and studies undertaken throughout 2019 and ongoing discussions.

"We will shortly upload a new presentation to the Company's website. I look forward to updating shareholders over the coming weeks on subsequent developments on what we feel will be a transformational period for your Company."

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

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