

# MUCHESU COAL PROJECT

July 2023



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## OVERVIEW

### MUCHESU COAL PROJECT UNLOCKING THE 2.6Bn TONNE RESOURCE INTO CASHFLOW

#### Coking Coal

First production of washed coking coal commenced in Q2 2023

First revenue expected in August 2023 with attractive margins

Further optimisation and expansion currently underway

Entered into new offtake with TransOre International FZE in July 2023 for sale of up to 240Ktpa

Potential for additional offtakes to utilise expected future increased wash plant capacity

#### Coke

Highest margin business

Target Mid-2024 to deliver coke production/sales

Building of coke batteries following finalisation of financing package with off-takers

Potential to develop and monetise additional by-products

## DELIVERING COAL INTO BUOYANT COAL MARKETS



- The macro demand and supply picture remains favourable for coking coal and coke, having seen record prices in 2022
- In 2022 global prices reached approx: \$450/t for thermal coal, \$600/t for coking coal and \$650/t for coke
- Despite recent weakness, Contango expects to sell coking coal (ex-mine) for \$120/t based on MMCZ benchmark and existing offtake, generating margins of \$75-80/t

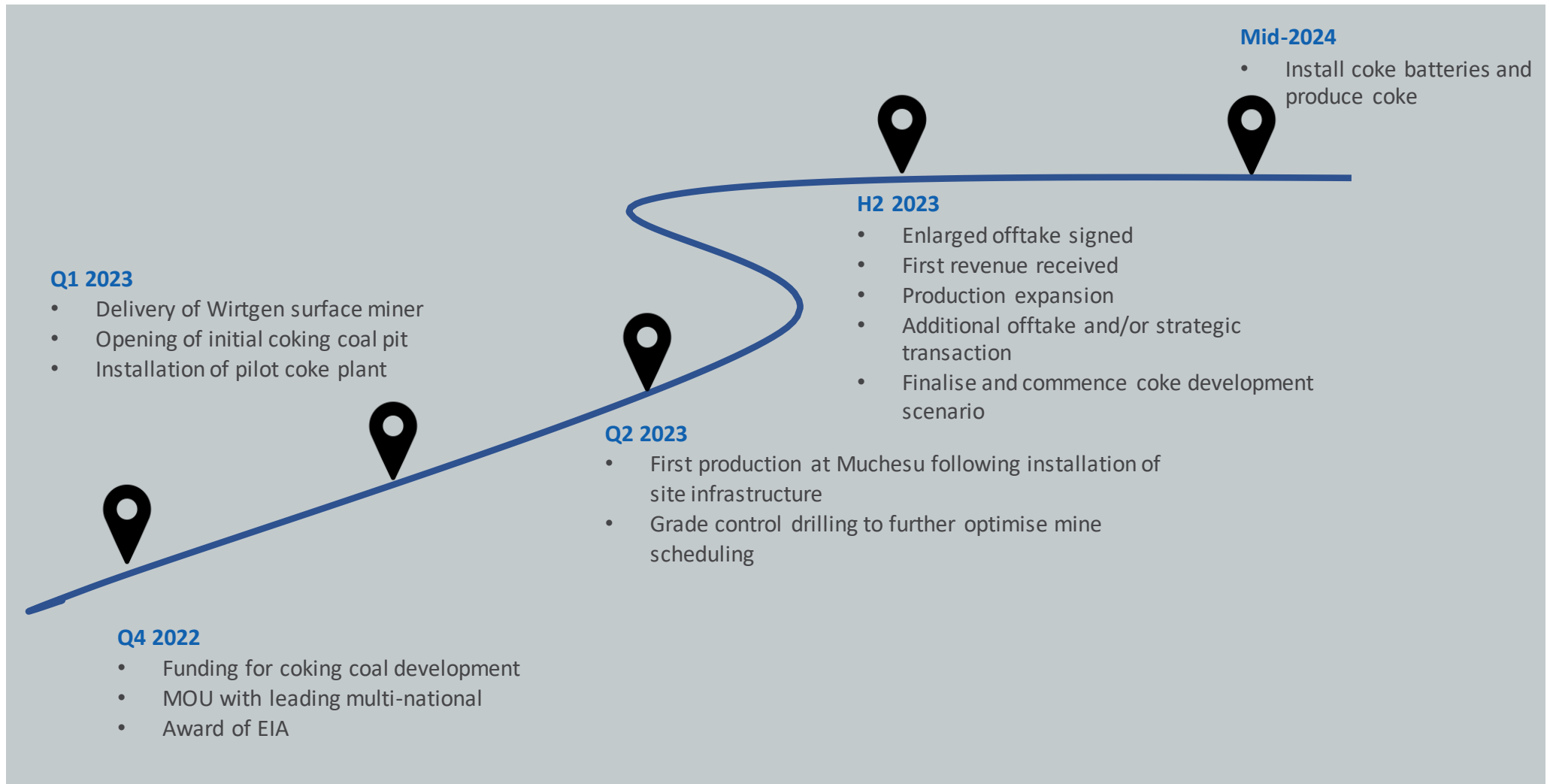


- Contango commenced production of washed coking coal in May 2023 following installation and commissioning of wash plant
- A larger static screen was installed shortly after to improve production capacity
- 240Ktpa of washed coking coal under existing offtake
- Washed coking coal samples being sent to interested parties ahead of further formal contracts
- Reviewing funding options and infrastructure with respect to the manufacture of coke



- The company raised £7.5m through a placing (at 6p) in Q4 2022 to fund Muchesu into production and first sales from washed coking coal
- Entered an MoU with leading multi-national company in December 2022 with potential to fund both coking coal expansion and subsequent coke production
- Contango expects to finalise development strategies and partners in Q3 2023

## BECOMING A FULLY INTEGRATED PRODUCER OF COKE



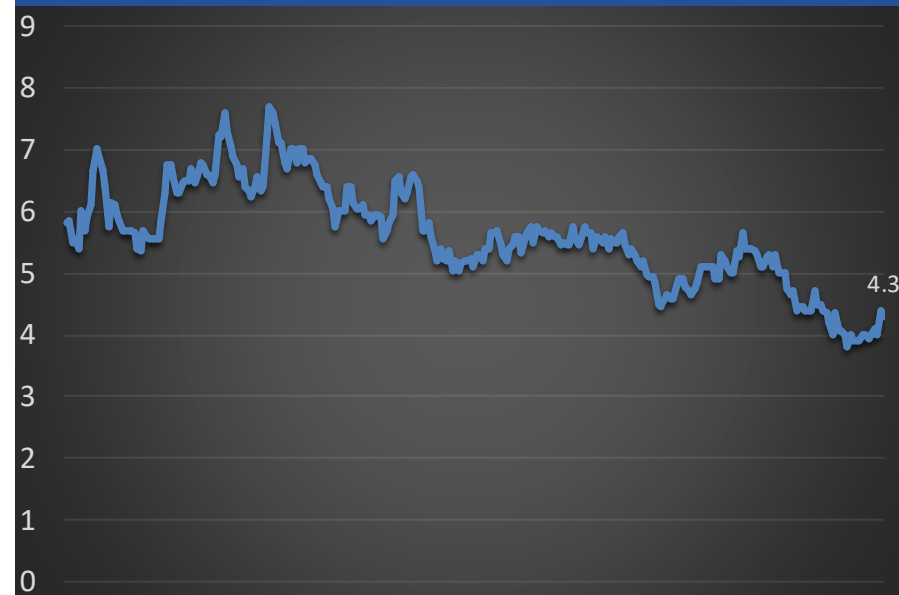
## Capital Structure

LSE	GCO
Issued Share Capital	472,724,023
Mkt Cap	~£20M
Warrants	117.3M (@9.9p VWAP)
52 Week H-L	3.7p-8.0p

## Shareholders

		%
RAB Capital	44,848,482	11.2
Namdar Family Holdings LLC	41,666,667	8.8
Avastar	26,181,677	5.4
Oliver Stansfield	11,141,116	2.4
Carl Esprey	8,447,219	1.8

## 52 Week Share Price (p) as at 14 July 2023



## THE BOARD

### CARL ESPREY Chief Executive Officer

Carl qualified as a Chartered Accountant and Chartered Financial Analyst, and has built an expansive career in the natural resource investment and development sector. After beginning his career at Deloitte in Johannesburg in 2001, Carl joined BHP Billiton in 2004 as an analyst focussed on mergers and acquisitions. After four years at BHP Billiton, Carl used his expertise in the resource industry to move into equity investment and joined GLG Partners in London in 2008, where he focussed on natural resources investments.

### GORDON THOMPSON Non-Executive Director

Gordon is a member of the Engineering Council of South Africa ECSA. Gordon is a qualified mining engineer and has over 30 years experience in building, developing and managing mines across the globe, with an extensive track record in Africa. Gordon has held a number of senior executive roles for listed mining companies including Chief Operating Officer of ASX-listed Tiger Resources Limited, Chief Executive Officer for Taurus Gold Limited and Chief Operating Officer for Central African Mining & Exploration plc.

### OLIVER STANSFIELD Non-Executive Director

Oliver joined Tavera Securities in January 2022 to set up a new natural resources corporate broking division. Prior to that he was the CEO of Brandon Hill Capital, a specialist natural resources corporate finance advisor and broker. Since 2004 he has focused on equity sales, developing relationships with a broad range of investors including Funds, Family Offices and High-Net-Worth individuals. During his career, he has helped raise in excess of £1bn for junior resource companies in a variety of jurisdictions and across a multitude of commodities.

### ROY PITCHFORD Chairman

Roy has had an illustrious career in the mining industry, and has previously held the roles of Chairman of Anglo-African Minerals Plc, Non-Executive Director of Falcon Gold Zimbabwe Ltd., Non-Executive Director of Keras Resources Plc, Independent Non-Executive Chairman of Village Main Reef Gold Mining Co. Ltd., Chief Executive Officer & Non-Executive Director of African Minerals Ltd., Chief Executive Officer of African Platinum Plc, Chief Executive Officer of Masasa Mines (Pvt) Ltd., Chief Executive Officer of Central African Gold Ltd., Chief Executive Officer of Cluff Resources Zimbabwe Ltd, Chairman of Lesego Platinum Mining Ltd., Chairman of SA Metals Ltd., Chief Executive Officer of Zimbabwe Platinum Mines and Chief Executive Officer of Vast Resources. Roy is also ex-President of the Chamber of Mines of Zimbabwe.

**JACQUES CORMACK**

Country Manager, Zimbabwe

Mr. Cormack has significant experience in operations management and is the Managing Director of Monaf Investments PVT LTD in Zimbabwe. He has worked with many stake-holders across the globe and plays a key role with the start-up of new companies. Coming from a mining background, he has over 20 years' experience in the field with a proven ability to develop and strengthen management teams in order to maximise company profitability and efficiency.

**SIPHATHISIWE NKOMO**

Marketing Manager

Ms Siphathisiwe Nkomo (Phathi) holds a Bachelors in Business Administration from the University of Nicosia (Cyprus). She has also studied Applied Chemical Technology, Quality Assurance with the University of Zimbabwe, as well as Project Management with the Cambridge International College (UK). Core competencies include coal, coke, gas and water analysis, coal processing, optimization of coal seams to match market demand, as well as liaison with end users on product performance and continuous improvement. Her journey started with the Hwange Colliery Company's Quality Assurance department where she focused on coal, coke, gas and water analysis as well as implementation of Quality Management Systems from 2003 till early 2011. On joining Makomo in 2011, her initial role was to set up the Quality department as custodian of Total Quality Management processes from exploration right through to after sales service for customers. Phathi has been involved in identifying new and potential markets as well as optimization of available resources to match customer requirements.

**RICHARD RICE**

Technical Manager

Richard is a geology graduate of the University of the Witwatersrand and has over 39 years of professional experience leading multi-disciplinary teams in finding orebodies and establishing mines in developing countries around the world, particularly in Zimbabwe and Africa. Richard is registered with the SACNASP council as a professional geologist and first became involved in the Lubu Project in 2010 and is currently responsible for overseeing the ongoing exploration programme. Richard has headed up the technical departments for two AIM listed mining companies and was a Senior VP for Sun Mining, a private equity mining company with assets in Russia, Kazakhstan, Canada and South Africa. Richard has also managed successful exploration programmes all over the world, and specialises in the application of computer modelling in the evaluation of mining opportunities.

**MAMADOU COULIBALY**

Country Manager, Mali

Mamadou is a geologist with 12 years experiences in mineral exploration. Mr Coulibaly started work with Randgold Resources as a Senior Generative Geologist. He completed several geological research projects involving field mapping, core logging and data analysis. Mr Coulibaly has worked with several professionals from various academic institutions including Kingston University and the University of Western Australia. Mr Coulibaly has extensive knowledge and experience of the geology of the West African Birrimian and has often taught geological classes and structural workshops.



# THE MUCHESU COAL PROJECT

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Muchesu Coal  
Project Zimbabwe



## CURRENT DEVELOPMENT - COKING COAL

- Existing production is from Block 2 which contains an estimated 96MT of coking coal
- Contango will have the potential to mine wash & sell up to 240Ktpa under existing offtake
- Additional washing capacity can be added by installing further wash plants at a cost of circa \$2M per plant
- Existing mining capacity >1.5MT per annum
- Current contracted coking coal offtake of up 20Kt per month of washed coking coal at mine gate

Estimate	\$/t
MINING COST (US\$/t)	15
YIELD FROM WASHING	40%
WASHING COST (US\$/t)	5
COKING COAL COST ROM (US\$/t)	42
DOMESTIC PRICE - Px Mine (US\$/t)	120 *
MARGIN (US\$/t)	c.\$80/t

\* Minimum price under offtake arrangement

- The company intends to manufacture coke at site, which has the potential to increase margins from c.\$80/t to over \$300/t
- Sales will target South African and global ferro-alloy and industrial markets
- Numerous discussions held with a mixture of commodity traders and industrial consumers
- MoU signed with leading multi-national entity for potential funding and development solution
- The Company has also identified and visited existing coke batteries in China and is in the process of finalising potential development scenarios
- First coke sales expected in mid-2024

## SUMMARY

<b>Asset</b>	<ul style="list-style-type: none"><li>• Muchesu is a strategic coal asset in Southern Africa</li><li>• Over 2.6bn tonnes of coking and thermal coal</li><li>• Site infrastructure installed</li><li>• Wash plant installed in Q2 2023</li><li>• Completed coking coal tests confirm high quality coking coal/coke product that can be sold globally</li></ul>
<b>Value</b>	<ul style="list-style-type: none"><li>• Contango has a new enlarged offtake with TransOre and continues discussions with a leading multi-national company</li><li>• First revenue from the sale of coking coal in Q3 2023</li><li>• Expect to finalise coke manufacture development scenario in H2 2023</li></ul>
<b>Outlook</b>	<ul style="list-style-type: none"><li>• Favourable demand/supply outlook for coking coal and coke products in Southern Africa region and globally</li><li>• Contango intends to unlock the full value chain at Muchesu through phased developments to become a fully integrated producer of coke in mid-2024</li></ul>

# Appendix & Project Gallery

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## RESOURCE TABLE - AS AT 30 APRIL 2018

Block	Seam	Ply	Thick (m)	Area (mm <sup>2</sup> )	Volume (mm <sup>2</sup> )	Density (ton/m <sup>3</sup> )	GTIS (Mt)	Drill Grid (m xm)	Confidence Level	Geological Loss (%)	TTIS (Mt)
B1	ALL	ALL	26.78	0.022	0579	1.675	0.968	147	INFERRED	20	0.774
B2	ALL	ALL	36.33	16.452	499.960	1.652	881.601	490	INDICATED	15	702.208
B3	ALL	ALL	51.43	1.542	63.536	1.673	106.026	517	INFERRED	20	84.821
B	ALL	ALL	42.88	5.182	211.156	1.666	351.006	916	INFERRED	20	280.805
B5	ALL	ALL	44.91	2.750	108.133	1.664	179.501	917	INFERRED	20	143.601
B6	ALL	ALL	44.53	3.301	135.362	1.670	225.454	1,250	POTENTIAL	30	157.818
B7	ALL	ALL	39.39	6.558	241.906	1.669	402.733	1,459	POTENTIAL	30	28913
B8	ALL	ALL	34.11	4.008	130.164	1.677	217.761	1,402	POTENTIAL	30	152.433
B9	ALL	ALL	35.75	1.437	49.852	1.664	82.746	1,192	POTENTIAL	30	249.347
B10	ALL	ALL	36.16	7.647	215.813	1.655	356.211	1,098	POTENTIAL	30	249.347
B11	ALL	ALL	40.82	3.198	119.545	1.661	198.076	1,239	POTENTIAL	30	138.653
B12	ALL	ALL	34.69	5.382	183.680	1.658	303.760	1,331	POTENTIAL	30	212.632
TOTAL			38.46	57.480	1959.686	1.662	3250.368	1,003		24.2	2642.320

INDICATED	702.2 Mt	INFERRED	510 Mt	POTENTIAL	1,251 Mt	TOTAL	<b>2.6 Bt</b>
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## MINING COKING COAL FOR WASH PLANT



## SURFACE MINER





## WASH PLANT & SETTLING PONDS



## WASH PLANT



## WASH PLANT



## WASH PLANT



## STATIC SCREEN I



## STATIC SCREEN II

# Contact

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