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

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Garalo-Ntiela Gold Project Update

Highlights:

- Completion of aeromagnetic and airborne geophysical surveys
- Mining camp construction nearing completion
- Resultant ground-based IP to commence early August

Contango Holdings Plc, the London listed natural resource development company, is pleased to provide an update on its scheduled work programme at the Garalo-Ntiela Gold Project Area ('the Project') in Southern Mali.

Aeromagnetism and airborne geophysics for the collection of magnetic and radiometric data commenced at the start of July 2021 and has been completed across both licences as planned.

Results from the survey are expected in early August 2021. It is important to remember that the Project has been drilled extensively previously and as such the collection of this data was to further aid direct mine planning activities and support the Project's accelerated development into production.

The survey did however also target some as yet untested areas within the Project area, particularly at Ntiela where exploration work earlier this year yielded very encouraging results. The Company believes the results of these studies will outline extensions of the G1 and G3 deposits, previously identified as showing the potential to host in excess of 1.8Moz of gold. Ground-based induced polarisation (IP) is expected to commence upon receipt and interpretation of this new data in early August 2021.

The Company is also pleased to report the Project camp is nearing completion, supporting the

permanent presence of up to 20 employees and contractors, along with a secure storage building for drill core.

Expectation remains that Garalo-Ntiela will merit the development of a processing hub capable of supporting multiple open pit operations given the excellent proximal infrastructure, historical exploration and the orebody's near surface location

Carl Esprey, Chief Executive Officer of Contango Holdings, said: "We have received consistently encouraging results from development and exploration activities at Garalo-Ntiela, including recent data from local trenching work and grab sampling. The analysis of this highlights the increasing potential that the Project will deliver many multiples of the original resource quantum that we originally considered when acquiring Garalo in October of last year. Indeed, our work programme over the next few months is designed to specifically direct our development and mine construction work to ensure we choose the optimum path to realise the full potential of this significant gold asset.

"I look forward to sharing results from this work programme over the coming weeks and into Q4 as we look to realise the value of the Garalo-Ntiela Project and have this reflected in the market. Similarly, we continue to make progress in Zimbabwe and I look forward to providing updates on our commercial negotiations with regard to the Lubu Coal Project in due course."

Project Background

The combined Garalo-Ntiela Project covers an area of 161.5km² and is in the department of Bougouni within the Sikasso region in southern Mali, 200km south-south-east of Bamako and close to the Guinea border. The Project is surrounded by several multi-million-ounce gold deposits and the region is home to some of the world's leading gold miners, which has helped to establish Mali as the third largest gold producer in Africa.

An NI 43-101 Independent Technical Report delivered in March 2021 highlighted the potential for the Garalo to have up to 2Moz Resource. The Company believes that there is still room for improvement over and above this threshold as, in addition to G1 and G3 targets (the basis for 2Moz), numerous other clusters of anomalous zones with potential for gold discovery have been identified in both the Garalo and contiguous Ntiela permit area. With this background and given the excellent infrastructure in the vicinity, historical exploration, and the deposit's surface location, the Company aims to establish a processing hub in the region, capable of supporting multiple open pit operations targeting initial production of gold in the near term in conjunction with an exploration programme including expansion drilling.

The aeromagnetics and airborne geophysics campaign has now been completed and it is expected to take 2-3 weeks for the data to be analysed, with ground-based IP studies set to commence upon receipt of the results. The over-arching strategy of this work is to better define the extents and characteristics of the orebody, considering the significant increase in resource quantum that is now contemplated at Garalo. The Company is advancing the development of a 30,000oz per annum heap leach operation from the shallow oxides given the high margins and low capex for its development. Given the dramatic increased resource potential highlighted in the NI 43-101 Independent Technical Report released in March 2021, the Company is also likely to undertake a drilling programme in parallel to help realise and optimise the asset's full potential, as Contango looks to establish a large standalone gold mine with multiple open pit operations across both permit areas.

****ENDS****

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