

Clarification of Terms of Appointment of Additional Investment Manager

Melbourne, 4 April 2017: Contango MicroCap Limited (the Company or CTN) (ASX: CTN)

On 16 February 2017 the Company announced the appointment of OC Funds Management Pty Ltd (**OCFM**) as its second investment manager, noting that the operational terms of the new appointment are the same as those of the existing investment management agreement between the Company and its first investment manager, Contango Funds Management Ltd (**CFML**).

By way of further clarification, the Company provides the following information in relation to the agreement with OCFM via Copia Investment Partners Limited.

The OCFM agreement differs in a material respect to the terms of the agreement with CFML in the following manner:

- For 3 years from the date of the agreement, all proceeds raised from any capital raising must be allocated to OCFM and no funds may be withdrawn from the OCFM portfolio.
- OCFM is entitled to a lower management fee of 0.8% pa when compared to the management fee CFML of 1.25% pa up to \$200m and 1% pa for greater than \$200m. However OCFM is also entitled to quarterly performance fee, calculated with reference to the S&P/ Small Ordinaries Accumulation Index.
- Up to 10% of the Company's funds under OCFM's management may be invested in international securities.

In addition, OCFM has been permitted to invest in three companies that each have a market cap of greater than \$350m. All companies in the CFML portfolio are required to have a market cap of less than \$350m at the time of investment.

The remaining operational provisions of the OCFM agreement are otherwise substantially the same as those of CFML.

The Company is reviewing the arrangements.

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