

CONTANGO ORE, INC.
3700 BUFFALO SPEEDWAY, STE. 960
HOUSTON, TEXAS 77098
TEL. (713)960-1901
FAX. (713)960-1065

December 21, 2012

Dear Fellow Stockholders:

On December 19, 2012, your Board of Directors approved the adoption of a stockholder rights plan. The plan is intended to ensure fair treatment of stockholders in the event of an unsolicited offer to acquire Contango ORE, Inc. With our announcement of our successful 2012 exploratory program on our Tetlin Lease in Alaska, prospective for gold and related minerals, we believe the adoption of the plan at this time is a prudent step for the Board to take to allow the Company to continue our exploration program to delineate the scope of the resources discovered. Until the Company is able to complete additional exploratory work, it is difficult to value the resources identified and their commercial potential through our work in 2012.

Under the plan, one right is being distributed for each share of Company common stock outstanding at the close of business on December 20, 2012. The rights may only be exercised during a two-year period and will automatically terminate on December 19, 2014. The distribution of rights will not result in taxable income to you, will not affect the Company's per share earnings, and will not change the way you currently trade your shares.

Enclosed is a detailed summary of the rights being issued in connection with the plan. While the plan is complex, its purpose is straightforward: to protect the interests of the Company's stockholders.

Sincerely,



Sergio Castro
Chief Financial Officer