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Nativo Resources Plc
14 October 2024

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14 October 2024

Nativo Resources Plc

("Nativo" or the "Company")

Operational Update: Tesoro Gold Mine

Agreement for establishment of gold ore processing plant

Nativo Resources plc (LON:NTVO), which has interests in precious metals mining and production in Peru, provides the following update on the Tesoro Gold Mine ("Tesoro"), southern Peru, which is held by the Company's 50%-owned Peruvian joint venture, Boku Resources SAC ("Boku").

Boku has secured the permits for the establishment and operation of its own gold ore processing plant ("La Patona Project") and entered into an option agreement with a landholder for use of its land (the "Land Agreement").

The Land Agreement provides Boku with an eight month exclusivity period to undertake a feasibility study for the plant in order to confirm commercial and technical viability. Upon confirmation, Boku has an automatic right to proceed with development and operations. Under the Agreement, in the event that a decision is made to build and operate the plant, Boku has the unilateral right to use existing permits and rent the land, in return for monthly rental payments equivalent to 4% of the plant revenue. This includes an option to buy out the rental payments and take ownership of the land and permits for a one-off payment of $750,000, which can only be exercised after two years of plant operation.

During the exclusivity period, Boku has no financial obligations, and there are no upfront payments required for acquiring this option.

La Patona Project Gold Ore Processing Plant: Vertical Integration

If commissioned, the gold ore processing plant, La Patona, will be located on a 500-hectare mining concession in the Acarí district, Arequipa. This location is just 30 kilometers from Tesoro, allowing Boku to optimise transportation and therefore reduce logistics costs.

The initial plan involves installing machinery to process between 50t and 80t per day, focusing primarily on ore extracted from Bonanza and La Dorada.

In the medium term, Boku intends to scale the plant to 350t per day, the maximumcapacity allowed for small-scale mining.

Commitment to Formalisation and Organic Growth

Saransky, a company established in Peru, is in the process of obtaining the required formalisation permits to conduct mineral processing and beneficiation activities at La Patona. Boku will support Saransky in completing this formalisation process, ensuring full regulatory compliance and reinforcing its dedication to responsible and formal mining.

Stephen Birrell, Chief Executive Officer of Nativo, commented:

"This is a landmark agreement as our JV partner roles out the next stage of the business plan in Peru, and we are really excited about the opportunities we are developing with Boku. This demonstrates progress against Nativo's growth strategy, seeking to vertically integrate operations through the development of a gold ore processing plant in close proximity to, and affiliated with, the Company's Tesoro project."

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About Nativo Resources plc(formerly Echo Energy plc)

Following the partial divestment of its assets in Argentina, Nativo entered into a 50:50 joint venture in Peru in July 2024 with an experienced local partner for precious metals (gold/silver) mining and processing of gold ore (own and third party production) and the cleaning of known tailings deposits containing Measured and Indicated resources of gold and silver. Through the JV, known as Boku Resources, Nativo has secured an opportunity to scale operations in Peru, owning 50% of the production and resources.

Initially, Boku is establishing formalised artisanal and small mining operations on its 100% held Tesoro Gold concession, southern Peru, targeting early cash flow generation by Q4 2024. The Company plans to establish its own gold ore processing plant and, longer-term, to pursue its low capex strategies to appraise and exploit tailings deposits to recover gold, and develop the Ana Lucia Polymetallic concession.

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Glossary

Au	gold
g/t	grams per tonne
kg	kilogram
m	meters
t	tonnes

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