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Nativo Resources Plc
06 December 2024

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

6 December 2024

Nativo Resources Plc

("Nativo" or the "Company")

Acquisition of Morrocota Gold Mine, Peru

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Issue of Equity

Nativo Resources plc (LON:NTVO), which has interests in precious metals mining and production in Peru, is pleased to announce it has signed a binding term sheet to acquire the Morrocota Gold Mine ("Morrocota"), located in the Arequipa province, 3km from the Bonanza Gold Mine ("Bonanza") which is held by Nativo's 50%-owned joint venture, Boku Resources SAC ("Boku"). The company that owns the exploitation contract at Morrocota is owned privately by Mr Emilio Jimenez Velarde and Mr Ignacio Jimenz Velarde, both Peruvian nationals.

Morrocota, which shares a central camp and facilities with Bonanza, is in the preparation stage with vertical development of 38 metres in the main shaft and horizontal development of an aggregate 48 metres along three galleries. The mine is targeting the same mesothermal quartz vein systems being exploited at Bonanza and is anticipated to be brought into production in approximately three months.

Sampling from vein material recovered during the preparation stage indicates grades of up to 23.4g/t Au in the best developed ore chutes. Morrocota has stockpiled 7-9t of vein material at surface, which will be transferred to Nativo as part of the acquisition.

For the past five months, Morrocota has been operated by Boku under contract from its current Peruvian owners (the "Vendors"). Under the terms of the transaction, Boku will continue to manage operations and will prepare an accelerated exploitation plan for the mine to optimise production.

Upon completion of the Morrocota acquisition, Nativo will own 100% of the mine and production through a wholly owned Peruvian subsidiary. Completion is conditional upon the satisfaction of customary Peruvian small mining sector regulatory requirements anticipated to take up to several months ("Completion"). Any vein material produced between the signing of the binding agreement and Completion will belong to Nativo.

The consideration for the acquisition of Morrocota of approximately £124,557 will be satisfied through the issue to the Vendor upon Completion of 4,332,402,186 new ordinary shares in the Company (the "Consideration Shares") at a price of 0.00288p (the "Issue Price"), representing a premium of approximately 15% to the closing share price on 5 December 2024. The Consideration Shares are to be issued and held in escrow, pending completion of the acquisition. In the event that the acquisition does not complete, the Consideration Shares will instead be transferred to be held in treasury.

The Vendors will also be issued upon Completion with one warrant to subscribe for one new Ordinary Share for every two Consideration Shares to be issued (the "Warrants"). The Warrants will be exercisable for up to two years from the date of issue with an exercise price of 0.00359p, a premium of approximately 25% to the Issue Price.

Additionally, the Vendors have unconditionally agreed to invest further in Nativo by way of an immediate cash subscription for 347,826,086 new ordinary Shares at the Issue Price (the

"Subscription Shares"). Once the Consideration Shares and Subscription Shares have been issued, the Vendors will hold approximately 7.05% of Nativo.

The accounts for the company holding the exploitation contract at Morrocota show a loss before tax of $123,460 for the latest management accounts between June and November 2024 with the total investment quantum to develop the mine to its current position of around $185,000.

Stephen Birrell, Chief Executive Officer of Nativo, commented:

"This is a great opportunity to accelerate gold production and cashflow, bringing two neighbouring mines together under the Nativo and Boku umbrella, with all the associated operational and financial economies of scale. The operations and mining geology are symbiotic with what we are developing with Bonanza. We are effectively buying a mine in development which will deliver early cash flow by the second quarter of 2025.

The Vendors are highly supportive of Nativo's strategy as reflected in their decision to convert their interests in Morrocota into a shareholding in our Company alongside a further cash investment."

Admission and Total Voting Rights

Application will be made to the London Stock Exchange for admission of the Consideration Shares and Subscription Shares to trading on AIM ("Admission"). It is expected that Admission will become effective and dealings will commence at 8.00 a.m. on or around 12 December 2024.

The Consideration Shares and Subscription Shares will be issued fully paid and will rank pari passu in all respects with the Company's existing Ordinary Shares.

Following Admission, the total number of Ordinary Shares in the capital of the Company in issue will be 66,394,773,292 with voting rights. This figure, which also stands to amend the Total Voting Rights figure stated in the Company's 21 October 2024 announcement which was incorrect by one share due to rounding, may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company's share capital pursuant to (i) the Company's Articles, (ii) the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and/or (iii) the AIM Rules for Companies issued by the London Stock Exchange plc as amended from time to time.

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About Nativo Resources plc

Nativo has interests in gold mining and exploration projects in Peru. Through a 50:50 joint venture established in July 2024 with an experienced local partner, Nativo secured an opportunity to scale operations at the Tesoro Gold Concession, owning 50% of the production and resources, targeting early cash flow generation in Q4 2024. In December 2024, Nativo agreed to acquire directly a 100% interest in the Morrocota Gold Mine, proximal to the Tesoro Gold Concession. Production from Morrocota is anticipated to commence by the end of Q1 2024. Longer-term, the Company plans to establish its own gold ore processing plant to retain a higher margin from production at its mines.

In addition to primary gold mining projects, the Company also holds the Ana Lucia Polymetallic concession and is investigating low capex strategies to appraise and exploit tailings deposits to

recover gold.

Qualified Persons Statement

The scientific and technical information contained within this announcement has been reviewed and approved by Dr Alberto Rios Carranza, a geologist with over 27 years' experience, who holds a doctorate cum laude awarded by the Polytechnical University of Madrid, Spain and who has published or co-authored over 17 scientific papers on the mineralisation across Peru. Alberto is a member of the Geological Society of Peru, the Colombian Society of Geology and the Institute of Mining Engineers of Peru. He is a Qualified Person as defined by the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009.

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Glossary of Terms

Au	gold
g/t	grams per tonne
km	kilometers
m	meters
Ordinary Shares	ordinary shares of 0.0001p each in the Company
t	tonnes
tpd	tonnes per day

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