RNS Number : 0979U
Nativo Resources Plc
21 January 2025

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.

21 January 2025

Nativo Resources Plc
("Nativo" or the "Company")

Debt Restructuring

Further to the RNS announcement dated 19 December 2023, Nativo Resources plc (LON:NTVO), which has interests in gold mines in Peru, is pleased to announce that it has entered into an agreement with Spartan Fund Limited (SAC) (the "Lenders") to cancel the Company's £1.0 million loan facility (the "Loan") with the Lenders. In doing so, the Company has removed a substantial repayment pressure which would have fallen due next year, at a time when Nativo expects to be directing cash flows from gold mining activities in Peru into the planned gold processing plant and tailings cleaning activities.

The outstanding capital on the Loan will be rolled into a new convertible loan note ("CLN"). The details of the CLN are as follows:

- Principal amount: £605,250
- Maturity: January 2028
- Coupon: Until converted fully, the Loan has a coupon of 5% with interest payable in cash, quarterly in arrears
- Conversion terms: Lender may elect to convert all or part of the principal at any time into Ordinary Shares in the Company at the conversion price which will be set at a premium of 20% over the average share price of the last 5 trading days prior to the date of the election to convert

Interest accrued on the Loan up until 31 December 2024, being £305,944, will be converted into Ordinary Shares in the Company ("Shares") at a conversion price of 0.0024p, which represents a premium of 20% to the volume weighted average mid-price of the 5 trading days to 16 January 2025. Accordingly, 12,747,666,666 Shares will be issued to the Lenders, representing 13.20% of the enlarged issued share capital of the Company.

Admission and Total Voting Rights

Application will be made to the London Stock Exchange for admission of the 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 27 January 2025. The 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 74,462,211,686 with voting rights. This figure 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.

Stephen Birrell, Chief Executive Officer of Nativo, commented:

"This is an important development in improving the Company's balance sheet and in doing so bringing on a supportive new shareholder. The willingness of the Lender to switch into a convertible loan format reflects their confidence in our business plan."

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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 Q2 2025.

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.

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