RNS Number : 8870D
Nativo Resources Plc
07 April 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.

7 April 2025

Nativo Resources Plc

("Nativo" or the "Company")

Financing Update
&
Issue of Equity

Nativo Resources plc (LON:NTVO), which has interests in gold mines in Peru, provides the following update on operations and business funding.

As previously announced, during Q1 2025, the Company has successfully advanced its business plan, signing an option agreement via the Company's 50%-owned Peruvian joint venture Boku Resources SAC ("Boku"), pursuant to which Boku will evaluate the opportunity to recover and sell gold and silver from the Toma La Mano tailings dump and redeposit the tailings in line with legislation, as announced on 6 March 2025. The Company is now seeking to accelerate Toma La Mano by undertaking a feasibility study and has identified other suitable tailings dumps in northern Peru from historical or ongoing polymetallic mining which contain gold and silver, for which additional capital will be required.

In line with the Company's previously stated intentions of raising further capital, the Company is pleased to announce that it has entered into a subscription agreement ("Subscription Agreement") with its Joint Broker, Peterhouse Capital Ltd ("Peterhouse"), dated 4 April 2025, pursuant to which the Company will issue and Peterhouse will subscribe for 12,000,000 ordinary shares of 0.15p in the Company at par value ("Subscription Shares") representing 19.37% of the Company's share capital as enlarged by the issue of the Subscription Shares. The Subscription Shares will be issued to Peterhouse to offset fees owed to it by the Company. Pursuant to the Subscription Agreement, Peterhouse has undertaken to use its reasonable endeavours to place the relevant Subscription Shares and to pay Nativo 95% of the gross proceeds of any such sales. Such proceeds are then to be applied to working capital and the implementation of the Company's business strategy, as part of its initial financing strategy. It should be noted there is no certainty that Peterhouse will be able to place the Subscription Shares into the market, or at what price. The quantum and timing of the availability of these funds are therefore uncertain.

In addition, the Company is in discussions with a number of other potential providers of finance. In the meantime, the Company's working capital position remains tight, and the Directors are carefully managing the Company's cashflows and creditors. The Company will need to raise further funds by early May in order to continue as a going concern. There can be no certainty at this stage as to the likelihood of success or the timing of these fundraising efforts.

In line with the Boards's near-term strategic goal of reducing Nativo's debt, the Board is increasingly confident that it will shortly reach an agreement to restructure its long-term debt with the holders of its €10 million Euro bond. Although there can be no certainty on the timing or achievability of such an agreement, the Board is committed to achieving a solution to this matter in a manner which is demonstrably beneficial for all Nativo's stakeholders.

Certain directors of Nativo intend to either convert unpaid salary or fees owing into shares in the Company and/or subscribe for further shares. Due to the ongoing discussions on further funding noted above, they are

currently not permitted to do so. A further RNS will be made in due course regarding certain PDMR dealings, once it is appropriate to do so.

Stephen Birrell, Chief Executive Officer, commented:

"We are currently advancing through what the Board believes is an 18-month investment cycle to initiate production at the gold mines, establish a gold ore processing plant, and develop a large-scale tailings cleaning plant. With gold breaching the $3,100 per ounce, the Directors believe the business plan is exciting and are pleased with the reception of Euro bond holders to the concept of restructuring the debt.

Once concluded, our funding efforts will help us continue our business plan with our goal being to create substantial value from gold mining and processing activities in Peru."

Admission and Total Voting Rights

Application has been made for the Subscription Shares to be admitted 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 11 April 2025. The Subscription Shares will rank pari passu with the ordinary shares of the Company in issue.

Following Admission, the total number of ordinary shares in the capital of the Company in issue will be 61,957,263 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.

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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 ("Boku"), Nativo secured an opportunity to scale operations at the Tesoro Gold Concession, owning 50% of the production and resources. Production and sales of ore to a local gold ore processing plant began in late December 2024.

In December 2024, Nativo also 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 early Q3 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 March 2025, Boku secured an option agreement to evaluate the opportunity to recover and sell gold and silver from the Toma La Mano tailings dump in the Ancash region and redeposit the tailings in line with legislation. The Company is investigating other similar regional tailings opportunities.

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