Nativo Resources

Investor Memorandum

La Patona Gold Processing Plant

Ore-Supply Market Study — Summary of Work, Findings and Implications

Acarí (Arequipa) & Huanca (Ayacucho) corridor, Peru • July 2026

Purpose of this memorandum. This memorandum summarises, for investors and other stakeholders, the work undertaken to assess the ore-supply market for the La Patona gold processing plant, what that work found, and what it means for the plant's development. It is structured in three parts — what we did, what we learnt, and what it means — followed by a full statement of the basis of information and the sources relied upon. Figures described as estimates or as unverified should be read together with the cautionary notice at the end of this document.

1. What we did

La Patona is a phased gold processing plant being developed by BOKU Resources S.A.C. (part of Nativo Resources) in the Acarí–Huanca corridor of southern Peru. The plant is designed to purchase and process ore from artisanal and small-scale miners (known locally as MAPE). Because the plant does not mine its own ore, its viability depends on securing a sustained supply of third-party ore. To test that, we commissioned two independent field studies.

Study	Reconnaissance study	Full market study
Author	Eng. Víctor E. Álvarez León (Metallurgical Engineer)	Eng. Víctor E. Álvarez León and Eng. Bernardino Alegría
Date	15 March 2026	23 April 2026 (fieldwork 17–20 April 2026)
Area	Acarí district (Caravelí, Arequipa)	Acarí (Arequipa) and Huanca (Lucanas, Ayacucho)
Method	Site visits, informal interviews with local miners and workers, and local informants	Site visits, direct observation of operations, a structured survey of 14 artisanal producers, and analysis of the commercial value chain
Objective	Identify local producers and available assay laboratories	Quantify ore availability, competition, logistics and economics; give a GO / NO-GO view

In addition to the two written studies, a further supply commitment was identified during the project-review stage, in meetings with Eng. Álvarez León. This is described in Section 2 and its basis is disclosed in Section 4.

2. What we learnt

Ore is genuinely available in the area

Both studies confirm meaningful artisanal gold-mining activity in the corridor. Individual producers reported output of roughly 1–60 tonnes per month. The full study estimates a universe of approximately 1,500–3,000 active potential producers in the plant's direct area of influence, drawn from official REINFO registration data and field estimates (see Section 4 for the basis and limitations of these figures).

A single producer has indicated a commitment of up to 30 tonnes per day

During the project-review stage it was established that at least one producer is prepared, subject to terms, to commit approximately 30 tonnes per day — one truck-load per day — to La Patona under an offtake arrangement. This is material: it represents close to half of the planned 70 tonne-per-day first phase from a single, potentially contracted source, providing a firm base load around which to build a wider supplier network. *The grade of this ore was not quoted and is believed to be in the range of 15–25 g/t gold; this range is an internal estimate and is unverified pending sampling and assay. The commitment is indicative and not yet contracted.*

But supply is fragmented, and access is competitive

- **Fragmentation.** Supply is spread across many small producers, so the plant cannot depend on a handful of suppliers; a broad, sustained supplier-acquisition effort is required.
- **Intermediaries.** Most producers currently sell through aggregators (acopiadores) who consolidate volumes, blend ore and advance cash and inputs — creating financial dependence more than loyalty.
- **Established competition.** Ore currently flows to processing plants around Chala, some 85–120 km away. The principal buyers named in the study are Laytaruma, Veta Dorada and Invermin Paititi. Producers, however, indicated a willingness to switch buyers for better terms.

The plant's ore-collection radius and market reach

La Patona is a “Tolling Plant” meaning it processes primarily third part ore from artisanal and small miners. That means the plant's commercial reach is set by the distance over which producers can economically deliver ore. The map below plots the plant's central point with rings at 70, 100 and 150 km, clipped to the land area - the site lies close to the Pacific coast, so a substantial part of each ring falls over the ocean and is excluded from the effective catchment.

The study's economic supply radius for the corridor is broadly 80-150 km, ~~but the genuinely sustainable collection radius - where the plant can compete on delivered cost - is tighter, in the order of 30-70 km,~~ beyond which transport cost and competition sharply reduce the ore that can realistically be captured. It is also notable that the principal competing toll-processing plants - including Laytaruma, the Soleil Metals plants near Acari, Mollehuaca, and the Chala plants (Veta Dorada and Chala One) - all lie within roughly 70 km of the site, underlining that the competitive constraint sits inside the plant's core catchment.

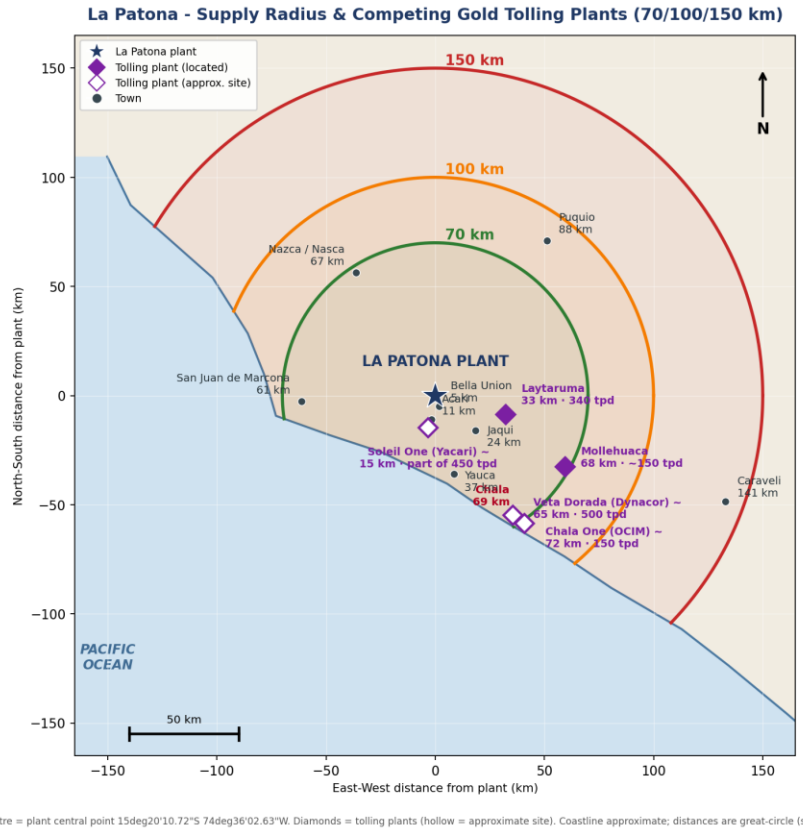

Figure 1. La Patona ore-collection radius (70 / 100 / 150 km, land area only) and competing gold toll-processing plants within 150 km. Plant central point 15°20'10.72"S, 74°36'02.63"W. Rings are clipped to an approximate coastline; distances are great-circle (straight-line). Some competitor plant sites are shown at town/anexo level and are therefore approximate - see basis and limitations in Section 4.

Producers decide on payment speed and trust, not headline price

A consistent finding across both studies is that producers prioritise fast, reliable payment (competitors reportedly settle within roughly 24–72 hours, often with cash advances) and transparent, trustworthy assay and settlement — ahead of the nominal price offered. This is the most important behavioural insight for how La Patona should enter the market.

Grades vary, so blending will be required

Reported gold grades range from approximately 4.25 to 24 g/t, with the middle band (around 10–20 g/t) forming the working base. This variability calls for ore blending and grade control, supported by a collection centre, to keep processing recovery and economics stable.

The processing economics are attractive

On the study's basis, gross ore value rises with grade — illustratively from around USD 700 per tonne at 5 g/t to over USD 2,800 per tonne at 20 g/t — while total logistics cost sits at roughly USD 25–40 per tonne, material only for low-grade ore. These figures use a gold reference price of approximately USD 4,400 per ounce adopted in the study; that is a high, recent price and should be read as an assumption rather than a forecast (see Section 4). The consistent conclusion is that profitability is governed primarily by securing ore volume, grade and purchase-price discipline — not by processing cost.

3. What it means for the plant

The opportunity is real; the principal challenge is commercial, not geological or technical. There is sufficient ore in the market. The question is whether La Patona can capture and retain a reliable share of it against established buyers. The full study's conclusion is a conditional GO on that basis.

A phased ramp-up rather than a standing start at full capacity

The study concludes that full design capacity cannot be guaranteed from day one and recommends a staged build, which aligns with the plant's existing phasing:

- **Phase 1 — 70 to 110 TPD:** market validation and supplier-network build-out. The indicative 30 TPD anchor commitment, if contracted, would cover close to half of this phase, leaving a smaller balance to source from the wider market.
- **Phase 2 — scale toward 250 TPD:** requires an estimated 150–300 active suppliers and/or integration of aggregators.
- **Phase 3 — 350 TPD:** only once a consolidated supply network is in place.

How La Patona intends to compete for ore

- **Faster payment.** Settling within 24–48 hours, with partial advances against delivery, directly targets producers' decisive priority. This requires committed working capital.
- **A local collection centre at Huanca.** Receiving, blending and grade control near the source shortens producers' effective distance and lets the plant compete at origin rather than at Chala.
- **Metallurgical recovery.** The studies indicate the ore is predominantly sulphide-associated (auriferous pyrite), for which a flotation-plus-cyanidation circuit can recover more gold than the cyanidation-only plants around Chala. Confirmatory metallurgical bench-scale test work is planned before the flotation circuit is committed, and the ore's mineralogy will be validated by that test work (see Section 4).
- **Direct relationships and transparency.** Transparent sampling and settlement, field presence, and integrating aggregators as allies during start-up are intended to build the trust that currently ties ore to incumbents.

Principal risks

Risk	Management approach as identified in the studies
Securing and retaining ore supply (highest risk)	Diversify suppliers; secure the anchor offtake; establish the Huanca collection centre; integrate aggregators; build direct relationships
Grade variability	Blending and rigorous feed-grade control
Competition from established buyers	Superior net value through recovery, faster payment, transparency and proximity
Seasonal logistics (rains, roughly December–March)	Seasonal transport planning; plant stockpile; access maintenance
Regulatory / formalisation	Purchase only from formalised or formalising (REINFO) producers; full traceability
Ore mineralogy confirmation	Metallurgical bench-scale test work to confirm circuit design

4. Basis of information and sources

In the interest of full disclosure, the information in this memorandum derives from the following sources, and is subject to the limitations noted.

Primary sources

- **Source 1:** “Technical Report — Identification of Artisanal Gold Mining Producers and Chemical Analysis Laboratories in Acarí,” prepared by Eng. Víctor E. Álvarez León, dated 15 March 2026 (reviewed in English translation). Basis: field visits, informal interviews and local informants; qualitative reconnaissance.
- **Source 2:** “Informe de Estudio de Mercado — Abastecimiento de Mineral Aurífero, Proyecto Planta La Patona,” prepared by Eng. Víctor E. Álvarez León and Eng. Bernardino Alegría, dated 23 April 2026 (87 pages, Spanish), based on fieldwork conducted 17–20 April 2026, a structured survey of 14 artisanal producers, and value-chain analysis.
- **Source 3:** The indicative 30 tonne-per-day supply commitment was established verbally during the project-review stage, in meetings with Eng. Álvarez León. It is not yet documented in a signed agreement.
- **Underlying data:** producer-count estimates draw on Peru’s REINFO (Registro Integral de Formalización Minera) registration data as cited in Source 2, combined with the authors’ field estimates. Geological context is attributed in Source 2 to publicly available maps (cited therein as Proactivo.com and the SINIA / MINEM portal).

Basis and limitations of key figures

- **Producer numbers** (≈1,500–3,000 in the direct area; ≈4,000–6,000 regionally) are estimates derived from registration data and field observation, not an audited census.
- **Grades** (4.25–24 g/t generally; 15–25 g/t for the anchor producer) are as reported by producers or estimated internally, and have not been independently verified by La Patona’s own sampling and assay.
- **The gold price** of approximately USD 4,400 per ounce is an assumption adopted in Source 2 for illustration; it is not a forecast, and actual prices will differ.
- **Ore mineralogy** (described as predominantly sulphide) is based on field observation and geological context and is subject to confirmation by planned metallurgical bench-scale test work; circuit-design decisions depend on that confirmation.
- **Map (Figure 1).** The plant central point is a coordinate read from satellite imagery. Ring distances are great-circle and the coastline used to clip them is approximate. Competing-plant locations are from public sources: Laytaruma from its published environmental study (UTM coordinates); Mollehuaca from public gazetteer data; and the Acari and Chala plants (Soleil One / Yacari, Veta Dorada, Chala One) at town or anexo level and therefore approximate. Stated plant capacities are drawn from company and public sources and may change. Ownership in the corridor is consolidating (for example, OCIM / Soleil Metals now operates several of these plants).

5. Important notice and cautionary statement

Forward-looking statements. This memorandum contains forward-looking statements regarding the development, phasing, supply, economics and prospects of the La Patona plant. Such statements reflect current expectations and

assumptions and involve known and unknown risks and uncertainties. Actual results may differ materially. Forward-looking statements speak only as at the date of this memorandum, and the company undertakes no obligation to update them except as required by law.

No offer and no advice. This memorandum is provided for information only. It does not constitute, and should not be relied upon as, an offer or invitation to subscribe for or purchase any securities, nor investment, financial, legal, tax or technical advice. Nothing herein should form the basis of, or be relied on in connection with, any contract or investment decision. Recipients should conduct their own due diligence and seek independent professional advice.

Estimates and unverified data. Certain information is derived from third-party field studies and from indicative discussions, and includes estimates and unverified data as flagged in Section 4. No representation or warranty, express or implied, is given as to the accuracy or completeness of such information. The supply commitment described is indicative and not contractually binding unless and until formalised in a signed agreement.

Sources: as set out in full in Section 4 above.