



\$3.1 Million Capital Raising and Proposed Board Changes

- Naracoota to raise \$3.1m through a Placement and Rights Issue
- On completion of the capital raising, Naracoota will have circa \$4.2m in cash
- Funds to be used for further exploration and general working capital
- Board transition to occur at the completion of the capital raising

The Directors of Naracoota Resources Limited ("**Naracoota**" or the "**Company**") (ASX:**NRR**) are pleased to announce a Placement and non-renounceable Rights Issue to raise approximately \$3.1 million. Patersons Securities Limited ("Patersons") will be acting as Lead Manager and Underwriter to the offer.

The capital raising of \$3.1 million will incorporate:

- A Placement of approximately 42.8 million ordinary shares at 3.5 cents each to raise \$1.5m. The Placement will be conditional on shareholder approval in a meeting to be convened as soon as practicable.
- A non-renounceable Rights Issue of one (1) new share for every one (1) share held at the record date at 3.5 cents per share to raise \$1.6 million. All participants in the Rights Issue will receive one (1) attaching option for every share subscribed that will be exercisable at 9c on or before 30 September 2015. The rights issue is to be fully underwritten by Patersons.

It is anticipated that the prospectus will be lodged with the ASIC on or about 30 August 2012 and dispatched to eligible shareholders on 6 September 2012. The record date for shareholders will be 10 September 2012.

The funds raised are intended to be used predominantly for the continued exploration activity at the Company's existing projects and to provide ongoing working capital, including for the evaluation of additional projects that the Board identifies as having potential to add value to shareholders. More details of the intended use of funds will be contained in the prospectus for the rights issue to be lodged with ASIC and dispatched to shareholders shortly.

At the completion of the capital raise, Fleming SG Capital Special Opportunities Fund will emerge as a substantial shareholder in the Company with an approximate 19.9% holding. Fleming SG Capital is a well regarded investment manager that actively invests in ASX small cap companies. Fleming SG Capital is a joint venture between St George Capital Pty Ltd and Fleming Asset Management Botswana, a major African based fund with assets under management in excess of \$1 billion.



Proposed Board Changes

Following completion of the capital raise, it is also proposed that Directors Stephen Crabbe, Wayne Fernie and Stephen Woods will step down from the board to focus on their outside work commitments and other business operations. Naracoota will therefore emerge with a new board which is intended to comprise George Cameron-Dow, Christian Cordier and Gavin Wates.

Mr Cameron Dow has held several executive and non-executive listed and private company directorships across a variety of industries. From 2001 to 2005 he was a director of corporate advisory and investment firm Churchill Capital Services. He is a founding director of investment advisory firm St George Capital Pty Ltd and investment fund manager Fleming SG Capital Pty Ltd. Mr Cameron-Dow has advised on and completed a number of corporate transactions including ASX listings, reverse takeovers, capital raisings, underwritings, divestments and acquisitions.

Mr Cordier has had considerable involvement and investments in both public and private mining and exploration companies for over 14 years. His portfolio includes joint ventures with major international mining houses, investments in listed companies in the United Kingdom, Australia and Southern Africa and private mining operations. He has extensive experience in sourcing natural resource projects and nurturing them through the value curve by packaging and arranging venture funding, managing the permitting and exploration process, negotiating off-take agreements and the formation of a strong management teams.

Mr Wates is a corporate finance executive with a leading Australian stockbroking firm. He has been involved in the corporate finance industry for over 12 years and has extensive experience in mergers and acquisitions, equity capital markets and corporate restructures.

Further details in relation to the capital raising and the rights issue will be outlined in the prospectus for the rights issue, and the notice of meeting for approvals relating to the placement that will each be announced to ASX and dispatched to shareholders shortly.

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NARACOOTA
Resources Ltd

About Naracoota Resources Ltd (ASX: NRR)

Naracoota Resources Ltd is an exploration company which listed on the ASX in June 2011 in a strongly supported IPO. The Company has a highly experienced team which has assembled for the first time a tenement package in excess of 2,500 Ha in the premier copper and gold region of Peak Hill – Horseshoe Lights – Fortnum, near Meekatharra in WA. Naracoota will continue to assess opportunities to expand its mineral assets in this sought after region.

The tenement package includes Naracoota's two flagship projects at Horseshoe Range and Fraser Range. Historic exploration indicates excellent prospectivity and walk up drill targets for copper and gold in the area. Importantly, no modern exploration has been performed since the early 1990s, and no deep drilling or land based geophysics has ever been conducted over either project. Naracoota will target significant near surface gold deposits and deeper VMS copper and gold deposits which are typical of the region. The prospectivity of the area is evidenced by the Horseshoe Lights VMS discovery which is 7kilometres to the North of Naracoota's tenements and the DeGrussa VMS discovery which is located 65kilometres to the East.