



NARACOOTA
Resources Ltd

3 April 2013

Australian Securities Exchange
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

SALE OF HORSESHOE RANGE PROJECT

Naracoota Resources Limited (“**Company**” or “**NRR**”) is pleased to advise that the Company has entered into a sale and purchase agreement (“**Agreement**”) for the sale of its Horseshoe Range Project to Resource and Investment NL (“**RNI**”), subject to various conditions and approvals. The tenements comprising the Horseshoe Range Project are detailed in the schedule to this announcement.

In addition to selling the Horseshoe Range Project, RNI will acquire the gold rights over one mining licence (M52/1048) and one exploration licence (E52/1561) held by the Company under a Mineral Rights Deed (MRD) with Auvex Resources Ltd.

1. Completion of the Agreement is subject to and conditional on:
 - a. the shareholders of NRR approving the sale of the Horseshoe Range Project to RNI under Listing Rule 11.2 of the ASX Listing Rules;
 - b. NRR obtaining all necessary consents of the Minister of the Department of Mines and Petroleum to the transfer of M52/251 to RNI; and
 - c. NRR obtaining any necessary consent to the sale and assignment of the Horseshoe Range Project as may be required under the MRD.
2. The consideration payable by RNI to the Company is 2,000,000 fully paid ordinary shares in the capital of RNI (“RNI Shares”) at a deemed issue price of \$0.25 each or such number of RNI Shares calculated to have a value of \$300,000 based on the VWAP of RNI Shares in the 5 trading days prior to the completion date, whichever is the higher.

For personal use only

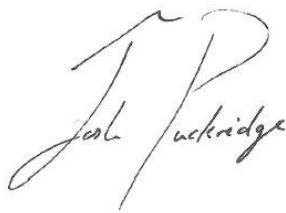
3. Completion of the Agreement will occur on the date which is two (2) business days after the Conditions Precedent have been satisfied or waived, or any other time agreed between the parties.

The Company is in the process of preparing a notice of meeting seeking NRR shareholder approval for the sale and transfer of the Horseshoe Range Project to RNI and it will be distributed to shareholders shortly, with the shareholder meeting intended to occur on or prior to 31 May 2013.

The sale of the Horseshoe Range Project amalgamates adjacent land already held by RNI; NRR will maintain exposure to the prospectivity of the region via the scrip consideration detailed under the Agreement. RNI maintain a significant portfolio of assets as well as a highly regarded board, management and exploration team well equipped to advance these tenements.

The Company retains its interest in P52/1213 of the Fraser Range Project in south eastern Western Australia, which will become the focus of the Company's ongoing exploration. In addition, as previously announced by the Company since October 2012, the Company continues to assess new projects which it considers could add value for shareholders.

For and on behalf of the board of Directors,

A handwritten signature in black ink, appearing to read "Josh Puckridge". The signature is stylized with a large, looped initial "J" and "P".

Josh Puckridge
Company Secretary

For personal use only

SCHEDULE - PROJECT TENEMENTS

No.	Tenement	NRR's Holding in Tenement
1	E52/2595	100%
2	E52/2668	100%
3	M52/251	100%
4	P52/1239	100%
5	P52/1248	100%
6	P52/1259	100%
7	P52/1257	100%
8	P52/1341	100%
9	P52/1340	100%
10	P52/1339	100%
11	P52/1338	100%
12	P52/1337	100%
13	P52/1383	100%
14	P52/1397	100%
15	P52/1398	100%
16	P52/1399	100%
17	P52/1400	100%
28	P52/1405	100%
19	P52/1404	100%
20	P52/1403	100%
21	P52/1402	100%
22	P52/1401	100%
23	M52/1048	Gold Rights pursuant to Mineral Rights Deed
24	E52/1561	Gold Rights pursuant to Mineral Rights Deed

For personal use only