

CHAIRMAN'S ADDRESS

BY MR MICHAEL TRUMBULL AT THE ANNUAL GENERAL MEETING OF NAGAMBIE RESOURCES LIMITED HELD AT THE INSTITUTE OF CHARTERED ACCOUNTANTS, LEVEL 3, BOURKE PLACE, 600 BOURKE STREET, MELBOURNE AT 11.00 AM ON FRIDAY 25 NOVEMBER 2016

Good morning ladies and gentlemen.

This time last year, shareholders voted overwhelmingly in favour of changing the Company's name from Nagambie Mining Limited to Nagambie Resources Limited. Now the Company's vision for the future is essentially two-pronged – Gold and Industrial. I'd like to briefly address both visions and then point out the significant, enabling physical assets that presently exist at the Nagambie Mine.

Firstly, the Vision to be a Significant Gold Company

Nagambie Resources' primary focus remains on low capital and operating cost heap leach production from near-surface, finely-disseminated gold-in-sediments mineralisation. However, a secondary focus will now be on locating any high grade sulphide mineralisation that may occur beneath oxide gold zones.

This additional focus has come about following the announcement this year of bonanza-grade underground drill intersections at the Fosterville Gold Mine, to the west of Nagambie in central Victoria. Bearing in mind that Fosterville started out as an oxide open pit operation with a grade of 1 to 2 g/t gold, astonishing high grade visible-gold intersections announced to date include 645 g/t (20.7 oz/t) over 3.5 m downhole, 550 g/t (17.7 oz/t) over 3.75 m and 501 g/t (16.1 oz/t) over 4.5 m.

After the Fosterville tenements, Nagambie Resources may well have the next best landholding for this gold-in-sediments style of deposit in Victoria. And, we have established at Wandean that ground-based induced-polarisation geophysics can locate anomalous sulphide-gold bodies at depth.

An extensive aeromagnetic survey was carried out last month over around 550 sq km of our tenements in the Nagambie area and we believe that it could unlock the significant gold potential of the region. The target of the north-south survey flight lines was major east-west thrusts or faults that are the conduits for mineralising fluids (quartz, sulphides and gold) sourced from depths as great as 7 km or more. Two of these thrusts are well known – the Nagambie Thrust which hosts the Nagambie Gold Mine and the Wandean Thrust which hosts the Wandean gold discovery. Detailed analysis of the aeromag data is underway. Preliminary processing has produced encouraging images.

Secondly, the Vision for the Nagambie Mine to be an Industry Hub of State Importance includes:

- ❖ Rehabilitating the two water-filled legacy gold-mining pits by backfilling them below the water table with PASS (Potential Acid Sulphate Soils or Rock) from major excavation projects in Melbourne;
- ❖ Recycling the overburden and tailings dumps as road base material and road topping gravel for local roads;
- ❖ Producing sand and quartz aggregate products by quarrying, washing and screening the known deposits at the mine;
- ❖ Green waste composting; and
- ❖ Landfilling of solid inert residuals from Melbourne recycling operations.

Thirdly, the Physical Assets to Support the Company's Vision now include:

- ❖ Excellent freeway-based truck access to central Victoria and Melbourne;
- ❖ Significant buffer zones are already in place. The mine site totals 257 hectares (634 acres) and recently the Company committed to purchase a 188 hectare (465 acre) property to the south of the mine;
- ❖ Secure fencing, site office, gold treatment building, grid power, excellent internal haul roads, and engineered truck-tipping areas for PASS;
- ❖ A state-of-the-art, 34 m long, computer-controlled four-deck weighbridge;
- ❖ A multipurpose 17 hectares (43 acres) pad (both for the heap leaching of oxide gold ore and the landfilling of recycling residuals), underlain with HDPE plastic liner, geotextile fabric and an engineered clay base; and
- ❖ Various overburden and tailings high walls which provide visual and noise barriers – making the site ideal for activities that require EPA approval.

James Earle was appointed CEO for the Group in early July. He has a degree in Geological Engineering, a Master of Environmental Management and a Master of Business Administration. James worked for GHD from 2003 to 2010. More recently he was manager of the Victorian practice of Ramboll Environ, another global engineering and environmental consultancy. James is well equipped to lead Nagambie Resources on its expansion path.

Finally, as usual I would again like to thank the Company's very supportive and patient shareholders, my fellow directors and the small but focussed management team for their very productive efforts throughout the year.



Mike Trumbull
Executive Chairman