

STATEMENT BY THE DIRECTORS

The Directors note the large turnover and decline in the Company's share price following the AGM last Friday. They are not aware of any reason for this, other than the unfounded and malicious claims by a poster to a public chat site.

The Directors wish to advise shareholders that the Company is solvent. As Nagambie Resources develops its various industrial (PASS, sand and quartz aggregates, gravel and landfill) and gold projects, there will be the requirement, from time to time, for capital to be raised. In this regard, the Directors have demonstrated their ongoing commitment by exercising options which have been granted by shareholders in prior years. This has happened at times when funds were required and even when the exercise price exceeded the share price.

The PASS Project is progressing positively and steadily. The Directors are actively engaged in advancing the final permitting required and have been involved in discussions with various parties to ensure the future success of this project. The Directors remain firmly of the view that the two large transport infrastructure projects which the Victorian Government has committed to construct will result in the excavation of millions of tonnes of PASS material and that Nagambie Resources currently has the only site with the developed, environmentally-compliant capacity that will be required. Tendering for the Melbourne Metro Rail and Western Distributor Projects is underway with tunnelling for both projects on track to commence in a little over 12 months' time.



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NAGAMBIE RESOURCES

Underwater storage of sulphidic excavation material (PASS) in the two legacy gold pits at the Nagambie Mine represents an excellent environmental fit with the construction of CBD high-rise buildings, the Melbourne Metro rail tunnels and the Western Distributor road tunnels.

The discovery and development of shallow, open-pit and heap-leachable gold deposits is being methodically advanced. The Company has tenements encompassing historic Victorian goldfields at Nagambie, Clonbinane, Rushworth and Redcastle.

Quarrying, washing and screening of sand deposits at the mine to produce various sand and quartz aggregate products is planned.

Recycling of the overburden and tailings dumps produces road base material and road topping gravel for local roads.

The first landfill site is planned to take advantage of the 17 Ha of engineered black plastic under the mine tailings pad.

SHARES ON ISSUE

367,879,776

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Board

Mike Trumbull (Exec. Chairman)
Geoff Turner (Exploration Dir.)
Kevin Perrin (Finance Director)
Alfonso Grillo (Company Sec.)

James Earle CEO