

Dear Shareholder

NAGAMBIE RESOURCES LIMITED 2018 SHARE PURCHASE PLAN

Nagambie Resources is seeking additional funding in order to:

- 1) Extend the sulphide-gold target drilling program beyond the initial seven holes planned. Five diamond drill holes totalling 2,841m have been completed to date with the first hole into each of the compelling Racecourse and Nagambie North targets remaining. Follow up drilling of the Nagambie Mine underground target is justified – focussing on folded / fractured brittle sandstone beds adjacent to the Nagambie Mine Thrust Fault and within the Induced Polarisation (IP) chargeability highs. Follow up holes into both the Racecourse and Nagambie North targets will likely be justified as well, using knowledge gained from the Nagambie Mine drilling;
- 2) Carry out further IP geophysical surveys to extend the coverage in the Nagambie Mine area and also carry out an IP survey over the Wandean gold discovery, 9 km north west of the mine, in order to generate additional underground sulphide-gold targets; and
- 3) Add to general working capital.

I am pleased to invite you to participate in the 2018 Share Purchase Plan (“SPP”).

The SPP entitles you to purchase \$1,000, \$2,500, \$5,000, \$10,000 or \$15,000 worth of shares at a discount to market with no associated brokerage costs.

The volume weighted average price for Nagambie Resources’ shares on the Australian Securities Exchange (“ASX”), over the five days in which Nagambie Resources’ shares traded prior to the SPP being announced, was 7.49 cents. **The SPP offer price of 6.2 cents therefore represents a discount of 17.2% to that price.** It also represents an 18.4% discount to the last traded price of 7.6 cents.

All the directors of Nagambie Resources will be taking up their maximum entitlement for new shares under the SPP of \$15,000.

Attached are the Terms and Conditions of the SPP. To participate, you can make a payment by BPay® **or** complete the Application Form provided and return it with a cheque, money order or bank draft to Automic Registry Services (a reply-paid, addressed envelope is provided for Australian shareholders). **If you make your payment with BPay®, you do NOT need to complete and return the Application Form.** BPay® customers must however use the **Customer Reference Number** shown on their personalised Application Form to identify their holding.

All ASX releases by Nagambie Resources can be viewed on the Company’s website: www.nagambieresources.com.au

Thank you for your continuing support.



Mike Trumbull
Executive Chairman

6 September 2018

NAGAMBIE RESOURCES LIMITED (ASX: NAG)

TERMS AND CONDITIONS FOR THE NAGAMBIE RESOURCES LIMITED 2018 SHARE PURCHASE PLAN (“SPP”)

1. The SPP

The SPP enables Eligible Shareholders (see paragraph 2) to purchase \$1,000, \$2,500, \$5,000, \$10,000 or \$15,000 of fully paid ordinary shares (“Shares”) in Nagambie Resources Limited (“Nagambie Resources”) without being required to pay brokerage fees or incurring additional transaction costs.

2. Eligible Shareholders

You are eligible to participate in the SPP if you were the registered holder of one or more Shares at 7.00 pm (Melbourne time) on 5 September 2018 with an address, as recorded in Nagambie Resources’ Share Register, in Australia or New Zealand, unless you hold the Shares on behalf of another person who resides outside Australia or New Zealand (“Eligible Shareholder”). Shareholders with an address outside Australia and New Zealand are not eligible to participate in the SPP.

3. Participation in the SPP

Participation in the SPP is subject to these Terms and Conditions and is optional. However, the offer under the SPP is non-renounceable and Shares will only be issued to the Eligible Shareholders to whom they are offered. This means that you cannot transfer your right to purchase Shares under the SPP to another person or entity.

4. Key Dates

• Record Date to determine entitlements	7.00pm (Melbourne time) on	5 September 2018
• ASX Announcement of SPP		6 September 2018
• Despatch of documents to shareholders and SPP Opening Date		13 September 2018
• Closing Date for application for Shares	5.00pm (Melbourne time) on	12 October 2018*
• Allotment Date for SPP Shares		19 October 2018*
• Quotation Commences		22 October 2018*

* These dates are indicative only and may be changed at the discretion of Nagambie Resources

5. Issue Price of Shares

The issue price for each Share under the SPP is 6.2 cents. This price was determined by Nagambie Resources following the close of trading on 5 September 2018 (the trading day before the SPP was announced) by taking the volume weighted average price of Shares sold on the Australian Securities Exchange (“ASX”) in the five days in which Shares traded immediately prior to the announcement of the SPP (being 7.49 cents) and applying a discount of 17.2% to that price.

6. Variation in market price of the Shares on the ASX

The market price of the Shares on the ASX may rise and fall between the date of this SPP offer and the date when Nagambie Resources allots the Shares to you under the SPP. This means that the price you pay under the SPP offer may exceed the price at which Shares are trading on the ASX at the time the Shares are allotted to you under the SPP.

7. Number of Shares Eligible Shareholders can apply for under the SPP

Eligible Shareholders can, based on the issue price for available shares under the SPP, apply for:

- 16,129 Shares at \$0.062 per Share which will cost \$1,000; OR
- 40,322 Shares at \$0.062 per Share which will cost \$2,500; OR
- 80,645 Shares at \$0.062 per Share which will cost \$5,000; OR
- 161,290 Shares at \$0.062 per Share which will cost \$10,000; OR
- 241,935 Shares at \$0.062 per Share which will cost \$15,000.

This offer of new shares under the SPP is made in accordance with ASIC Class Order 09/425. The instrument grants relief from the requirement to prepare a prospectus for the offer of new shares under the SPP. In accordance with the ASX Listing Rules, the number of shares that may be issued by a company under a share purchase plan cannot exceed 30% of the number of fully paid ordinary shares already on issue. For the SPP, Nagambie Resources is allocating the new Shares on a “first-in, first-served” basis.

The directors of Nagambie Resources, as Eligible Shareholders, may participate in the SPP on the same terms and conditions as all other Eligible Shareholders in Nagambie Resources and their participation is not subject to shareholder approval.

Any necessary refund will be paid by Nagambie Resources to Eligible Shareholders shortly after the Closing Date or the date upon which the Closing Date is extended. Interest will not be paid on any money refunded.

NAGAMBIE RESOURCES LIMITED (ASX: NAG)

If you are an Eligible Shareholder and have received more than one offer under the SPP (for example because you hold more than one shareholding under separate share accounts), you may not apply for Shares with an aggregate value exceeding \$15,000 under the SPP. Nagambie Resources reserves the right, exercisable at its sole discretion, to reject any application for Shares where it believes the requirement has not been met.

ASIC Class Order 09/425 also enables an issuer to offer securities under an SPP without a prospectus or product disclosure statement to each of the underlying beneficiaries whose securities are held on their behalf by a custodian, even if the name of the underlying holder is not expressly noted on the register of members. However, in order for the underlying beneficiaries to apply for securities under the SPP, the custodian applying for securities on behalf of its beneficiaries must issue a certificate providing certain details of such beneficiaries and confirming that the \$15,000 limit in 12 months will not be exceeded in respect of each individual beneficiary (although a beneficiary who is resident outside Australia or New Zealand is not eligible to participate in the SPP).

8. Opening and Closing of the SPP Offer

The SPP offer opens on Thursday 13 September 2018 (Opening Date) and closes at 5.00 pm (Melbourne time) on Friday 12 October 2018 (Closing Date) unless it is extended by Nagambie Resources. Nagambie Resources reserves the right to change at any time the Closing Date or the proposed Allotment Date by making an announcement to the ASX.

Nagambie Resources also reserves the right to terminate the SPP at any time prior to the issue of Shares under the SPP. If Nagambie Resources terminates the SPP, it will refund any money paid by Eligible Shareholders under the SPP. Interest will not be paid on any money refunded.

9. How to Apply for Shares under the SPP

If you wish to apply for Shares under the SPP, you must make payment for exactly \$1,000, \$2,500, \$5,000, \$10,000 or \$15,000 by the Closing Date through one of the following options:

- a) **You may make payment with BPay®. If you make your payment with BPay®, you do not need to complete and return the enclosed Application Form.** BPay® customers should use the **Customer Reference Number** shown on your personalised Application Form to identify your holding; or
- b) If not using BPay®, you must complete the enclosed Application Form and forward it with payment by cheque, money order or bank draft in Australian dollars, made payable to "Nagambie Resources Limited", to Automic Registry Services at the address set out in the Application Form. A reply-paid envelope is enclosed for the convenience of Australian shareholders.

Applications must be received by Automic Registry Services by the Closing Date (currently 5.00 pm (Melbourne time) on 12 October 2018).

10. Nagambie Resources' discretions regarding applications

Subject to compliance with any applicable ASIC or ASX requirements, Nagambie Resources has broad discretion to reject your application to purchase Shares under the SPP, including (without limitation) if:

- a) Your Application Form is incorrectly completed or incomplete or otherwise determined by Nagambie Resources to be invalid;
- b) Your cheque is dishonoured or has not been completed correctly;
- c) The cheque, money order, bank draft, or BPay® payment is not exactly \$1,000, \$2,500, \$5,000, \$10,000 or \$15,000;
- d) It appears that you are applying to buy more than \$15,000 (in aggregate) of Shares at the issue price;
- e) Your payment is received after the Closing Date. Whilst Nagambie Resources has the discretion to accept late payments, there is no assurance that it will do so. Any late payments or cheques, if not accepted, will be refunded or returned to you; or
- f) Nagambie Resources believes that you are not an Eligible Shareholder.

11. Allotment Date

The Shares will be allotted under the SPP on the Allotment Date (currently 19 October 2018) and application for quotation of your Shares on the ASX will be made at the same time. You should receive your allotment statement, or confirmation advice, shortly after the Allotment Date.

12. What rights attach to the Shares

Shares issued under the SPP will rank equally with existing fully paid ordinary shares in Nagambie Resources and will carry the same voting rights, dividend rights and other entitlements as at the date of allotment.

13. Dispute resolution

Nagambie Resources may settle in any manner it thinks fit any disputes or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to the applicant or application for Shares and the decision of Nagambie Resources will be conclusive and binding on all persons to whom the decision relates. Nagambie Resources reserves the right to waive compliance with any provision of the SPP Terms and Conditions, subject to compliance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

NAGAMBIE RESOURCES LIMITED (ASX: NAG)

14. Further Information

If you have any questions in relation to the Terms and Conditions of the SPP or how to make an application, you can contact Nagambie Resources' share registry, Automic Registry Services, on 1300 288 664 or Nagambie Resources on +61 3 5794 1750. Neither Automic Registry Services nor Nagambie Resources will provide financial, investment, legal or taxation advice.

15. Independent financial or investment advice recommended

Nagambie Resources is not providing investment advice or making any recommendation in respect of the SPP. Any decision to participate should be made after considering your own objectives, financial circumstances and needs and obtaining independent advice if necessary.

16. Significance of applying for Shares under the SPP

By making payment by BPay® or by completing an Application Form and forwarding payment by cheque, money order or bank draft:

- a) You certify that you are an Eligible Shareholder;
- b) You certify that you have not applied for more than \$15,000 of Shares under the SPP and any similar arrangement in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- c) You agree that your application is made on the Terms and Conditions of the SPP;
- d) You agree that you will not be able to withdraw or revoke your application or payment once you have submitted it;
- e) You authorise Nagambie Resources (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- f) You agree that Nagambie Resources may at any time determine that your Application Form is valid, in accordance with the Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- g) You accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on Nagambie Resources' Share Register;
- h) You are responsible for any dishonour fees or other costs that Nagambie Resources may incur in presenting a cheque for payment which is dishonoured;
- i) You acknowledge that neither Nagambie Resources nor Automic Registry Services has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and take up Shares;
- j) You agree that Nagambie Resources is not liable for any exercise of its discretions referred to in these Terms and Conditions; and
- k) You irrevocably and unconditionally agree to the Terms and Conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP.

17. Governing Law

These Terms and Conditions are governed by the laws of the State of Victoria.

18. Underwriting

The SPP will not be underwritten.