

**WHROO JOINT VENTURE WITH MAWSON GOLD**  
**\$2.75 MILLION (60%) OR \$4.25 MILLION (70%) EARN IN**  
**SEARCH FOR THE NEXT FOSTERVILLE EXPANDED**

Nagambie Resources Limited (“NRL”) (ASX: NAG) is very pleased to advise that it has signed an Option / Joint Venture (JV) agreement over the 199 sq km Whroo JV Property in the Waranga Domain with its strategic partner Mawson Gold Limited (“Mawson”) (TSX: MAW). Mawson retains its right of first refusal to take up or match proposals being considered by NRL over the remaining 3,400 sq km of NRL’s 100%-owned contiguous Fosterville-style gold tenements in the Waranga Domain.

**Summary of Whroo JV**

Mawson is paying \$100,000 cash to NRL upon approval of the JV at the NRL 2020 AGM and committing to spend an additional \$400,000 in the first year to earn no interest in the Whroo JV Property. Mawson then has the option to spend a cumulative \$2.75M (JV expenditure plus cash to NRL) to earn a 60% interest in the Whroo JV Property. When Mawson has earned that 60% interest, NRL has the option to call for the formation of a 60:40 Mawson:NRL Joint Venture. If NRL does not exercise that 60:40 option, Mawson then has two options: (1) to call for the formation of a 60:40 Joint Venture; or (2) to spend an additional \$1.5M (cumulative \$4.25M of JV expenditure and cash to NRL) to earn a 70% interest in the Whroo JV Property, leading to the formation of a 70:30 Mawson:NRL Joint Venture.

The Whroo JV is an expansion of the Doctors Gully JV with Mawson (announced on 30 January 2020) with substantially greater earn-in terms.

Fosterville-style gold prospectivity is greatly enhanced with the inclusion of the Whroo & White Hills historical epizonal-gold mining areas, three mapped deep crustal faults (including the Wandean Crustal Fault) and the Reedy Lake Soil Anomaly. The Wandean Crustal Fault is considered to be the mineralising pathway for NRL’s Nagambie Mine, the Wandean oxide-gold discovery and the Racecourse West & Nagambie Mine West prospects to the south of the Whroo JV Property. The Reedy Lake anomaly is 2 km north west of Wandean and occurs near to the intersection of the Wandean Crustal Fault and the Wandean North Thrust Fault.

**Progressive Cash Payments by Mawson to NRL:**

Total of \$250,000. The first \$100,000 is payable when NRL shareholders approve the Whroo JV at NRL’s 2020 AGM and three payments of \$50,000 each payable at the end of Years 2, 3 and 4.

Mawson holds 10.00% of NRL’s issued shares and the consideration to be paid by Mawson under the agreement, including exploration expenditure, will equate to greater than 5.0% of the value of NRL’s net assets. As a result, NRL shareholders’ approval is required under ASX Listing Rule 10.1.

The NRL board considers that the Whroo JV terms are very attractive and that shareholders will approve them at the 2020 AGM.

**Commitment by Mawson for No Interest in Year 1:**

Total of \$400,000, payable as exploration expenditure and/or a cash payment to NRL.

**NAGAMBIE RESOURCES**

*Exploration for Fosterville-style, structural-controlled, high grade sulphide-gold underground deposits within 3,600 sq km of Waranga Domain tenements is being methodically carried out using geophysical targeting techniques, diamond drilling and analysis for hydrothermal alteration of the sediments.*

*Underwater storage of sulphidic excavation material (WASS / PASS) in the two legacy gold pits at the Nagambie Mine is an excellent environmental fit with a major infrastructure project for Melbourne such as the North-East Link.*

*Recycling of the tailings and overburden dumps can produce aggregates for concrete and gravel products respectively.*

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

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

**SHARES ON ISSUE**

499,932,346

**ASX CODE: NAG**

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**Board**

**Mike Trumbull (Exec Chairman)**  
**Gary Davison (Director)**  
**Alfonso Grillo (Dir/Company Sec)**

**James Earle CEO**

**Optional Spending by Mawson in Year 2:**

Total of \$500,000 (cumulative \$900,000 in Years 1 and 2), payable as exploration expenditure and/or a cash payment to NRL. This earns Mawson a 25% interest in the Whroo JV Property.

**Optional Spending by Mawson in Years 3 and 4:**

Total of \$1.6M (cumulative \$2.5M in Years 1 to 4), payable as exploration expenditure and/or a cash payment to NRL. This earns Mawson a 60% interest in the Whroo JV Property. At this point, NRL can opt to remain at 40% of the Whroo JV and begin contributing its pro-rata share of ongoing JV expenditure.

**Optional Spending by Mawson in Years 5 and 6**

If NRL opts to not remain at 40% of the Whroo JV, Mawson then has the option to spend a total of \$1.5M (cumulative \$4.0M in Years 1 to 6), payable as exploration expenditure and/or a cash payment to NRL. This earns Mawson a 70% interest in the Whroo JV and NRL then has a 30% interest.

**Optional Spending by NRL**

If NRL does not contribute its pro-rata share of ongoing JV expenditure at any time after it is required to begin contributing, NRL's interest in the JV reduces as per a standard dilution formula. If NRL is diluted to less than a 5% interest over time, it would be deemed to have no interest in the JV and instead have a 1.5% net smelter return (NSR) royalty on gold revenue. In the case of NRL ending up with a 1.5% NSR royalty, Mawson will have a once-off right to acquire the royalty for \$4.0M within 12 months of commencement of gold production.

**Option by Mawson to Accelerate Spending**

Mawson will have the option to accelerate its spending at any time and achieve the various % interest positions in the Whroo JV Property more quickly than the years nominated in the agreement.

**Whroo JV Property**

The Whroo JV agreement covers the following 100%-owned contiguous NRL gold tenements (refer Figures 1 and 2) in the Waranga Domain, the northern portion of the underexplored Melbourne Zone in Victoria:

- ❖ Four granted exploration licences - EL6158 (Rushworth, 46 sq km), EL6212 (Reedy Lake, 17 sq km), EL7205 (Angustown, 69 sq km) and EL7209 (Goulburn West, 34 sq km);
- ❖ Two exploration licence applications - ELA7237 (Kirwans North 1, 20 sq km) and ELA7238 (Kirwans North 2, 9 sq km); and
- ❖ One granted retention licence - RL2019 (Doctors Gully, 4 sq km).

The Whroo JV Property starts to the north of the Wandean oxide-gold mineralisation and runs northwards to the historic gold mines at Whroo (includes the Balaclava Mine) and White Hills (includes Doctors Gully). These northern mines are located in a roughly-east-west trend of several Whroo anticlines and thrust faults. The northern Balaclava and Doctors Gully Thrust Faults relate to the east-west-striking Nagambie Mine, Racecourse, Wandean and Wandean North Thrust Faults to the south.

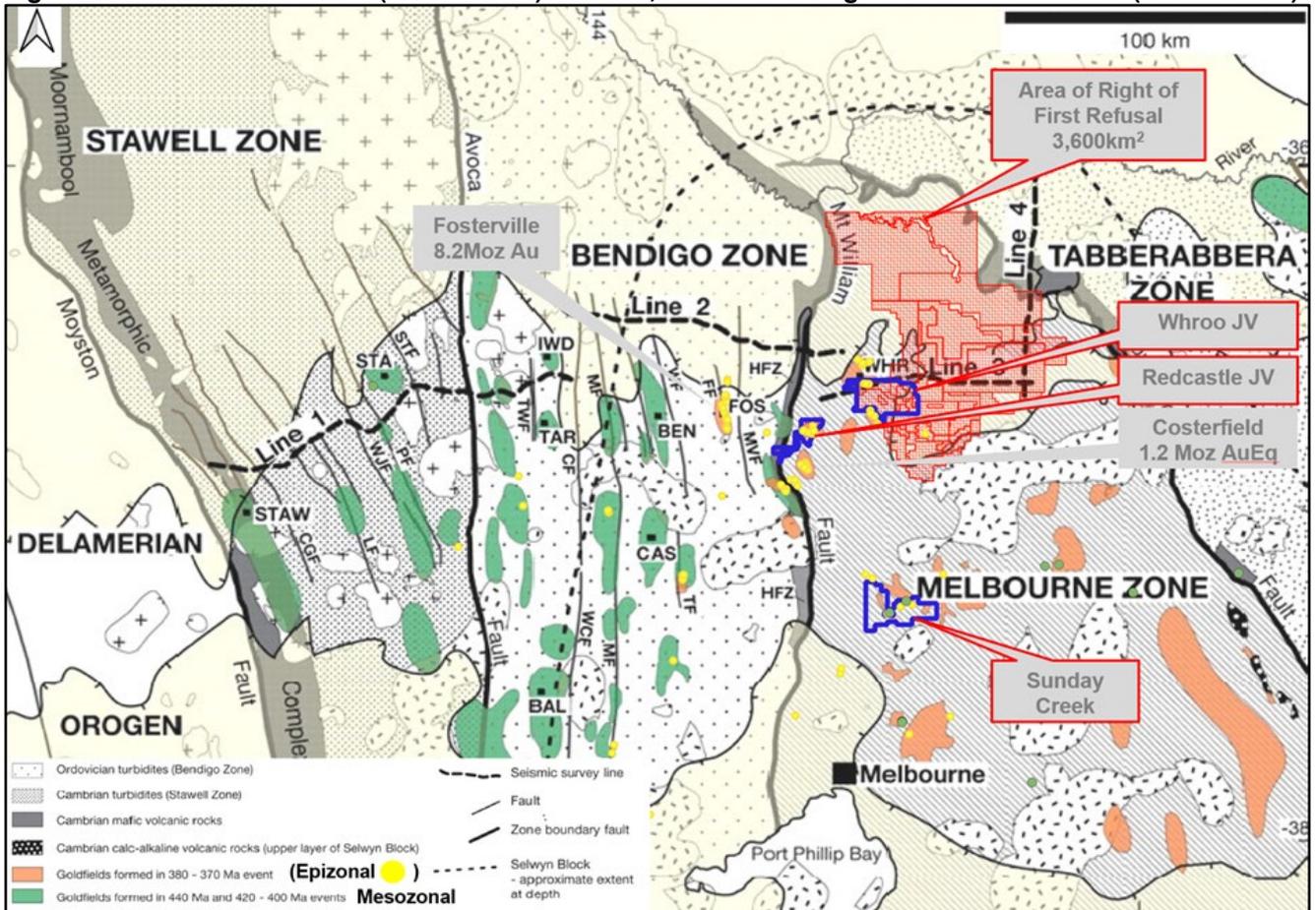
**Mawson Whroo JV Expenditure from 1 September 2020**

Mawson had arranged for a contractor to fly a LiDAR (Light Detection and Ranging) survey over Redcastle, which lies to the south of the Waranga Domain, in September 2020 as part of its Redcastle JV with NRL. As negotiations advanced for the expanded Whroo JV, Mawson opted to extend the LiDAR survey to cover the area between Doctors Gully and Whroo. As a result, the costs for the extended LiDAR survey will count towards Mawson's \$400,000 commitment in Year 1.

**NRL's Gold Model for the Waranga Domain**

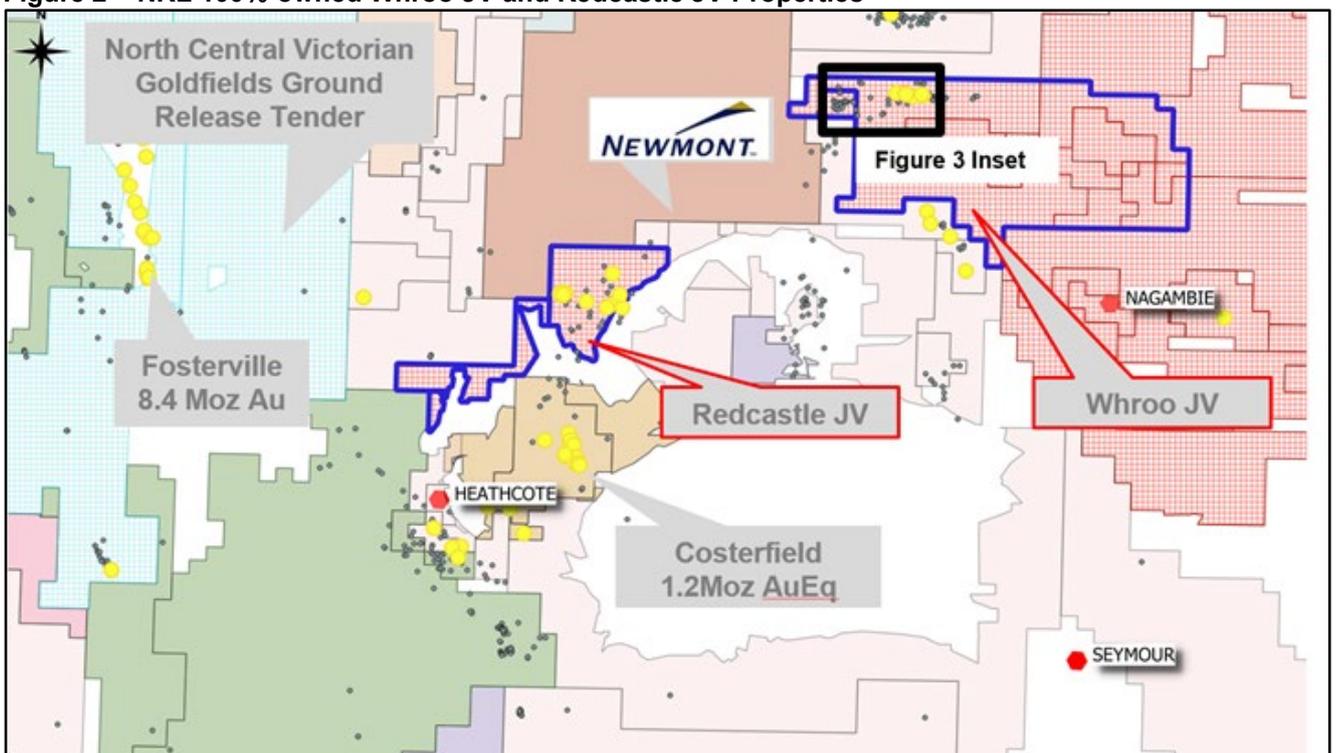
NRL's evolving gold mineralisation model for the Waranga Domain, the northern portion of the Melbourne Zone, has as its basis that hot hydrothermal mineralised fluids from the underlying Selwyn Block passed up deep, north-west-striking crustal faults under pressure before intersecting east-west-striking thrust faults nearer surface. These thrust faults typically extend around 6 km or more below the current day surface.

Figure 1 199 km<sup>2</sup> Whroo JV (blue outline) within 3,600 km<sup>2</sup> Waranga Domain Tenements (red hatched)



Note: Mawson Figure, modified from Willman et. al, 2010: Economic Geology (2010) 105 (5): 895–915

Figure 2 NRL 100%-owned Whroo JV and Redcastle JV Properties



Note: Adapted from Mawson Figure.

As the Selwyn Block-sourced hydrothermal fluids extended east, west and upwards under pressure into fluid pathways associated with the thrust faults, the temperature and pressure of the fluids dropped to optimal levels and quartz, carbonates, pyrite, arsenopyrite, stibnite and gold were precipitated into the surrounding folded and fractured sandstone and siltstone marine-formation rocks (turbidites).

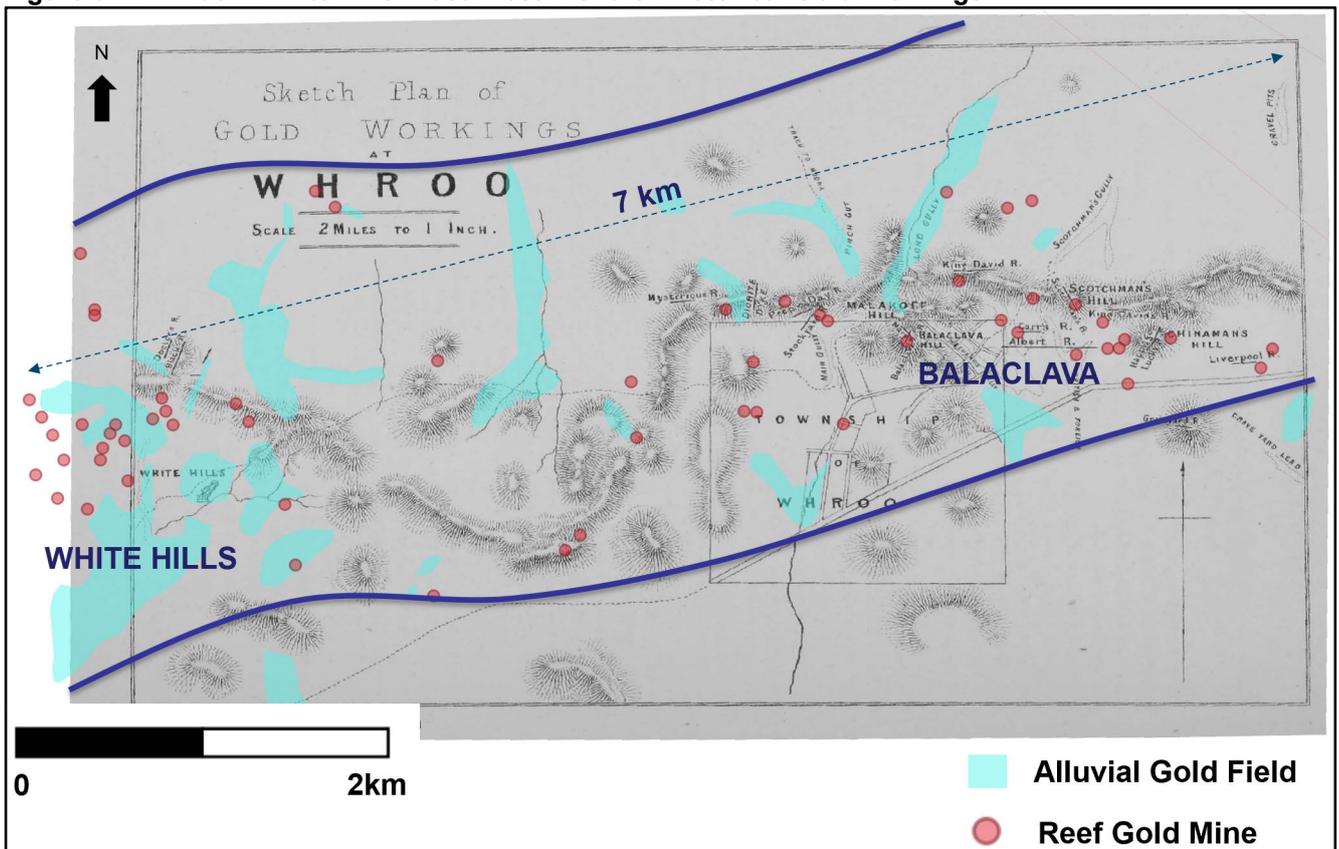
In early 2017, NRL’s geological consultant, Geoff Turner, began to articulate his intersecting-faults concept for the Waranga Domain (refer Figure 4). He had recognised that the known Fosterville-style, epizonal gold deposits at the Nagambie Mine, Wandean, Whroo (including Balaclava Hill) & White Hills (including Doctors Gully) and several gold anomalies, including the Reedy Lake Soil Anomaly, are all at or near to the intersections of gravity-inferred deep crustal faults and magnetic-inferred or visually-outcropping nearer-surface thrust faults.

**Epizonal (Fosterville-style) versus Mesozonal (Ballarat/Bendigo-style)**

The Melbourne Zone and the Eastern Bendigo Zone that host the later-formed (370 Ma to 380 Ma) epizonal Fosterville, Costerfield and Nagambie gold mines (refer Figure 1) are entirely underlain by older Proterozoic to Cambrian continental crust of the Selwyn Block. It is this deep crustal architecture that distinguishes epizonal deposits from the earlier-formed (400 Ma to 420 Ma) mesozonal deposits such as the Bendigo, Ballarat and Stawell gold mines.

The gold in mesozonal quartz-vein deposits is typically nuggetty with very uneven distribution, giving rise to highly variable grades and making effective resource drilling problematic and expensive. Gold in epizonal deposits is typically fine grained and evenly disseminated in association with pyrite and arsenopyrite. As a result, resource drilling of epizonal deposits will typically be straightforward and relatively inexpensive.

**Figure 3 Whroo – White Hills: East-West Trend of Historical Gold Workings**



Note: Mawson Figure, based on Plan of Whroo Gold Workings (from Bradley 1869).

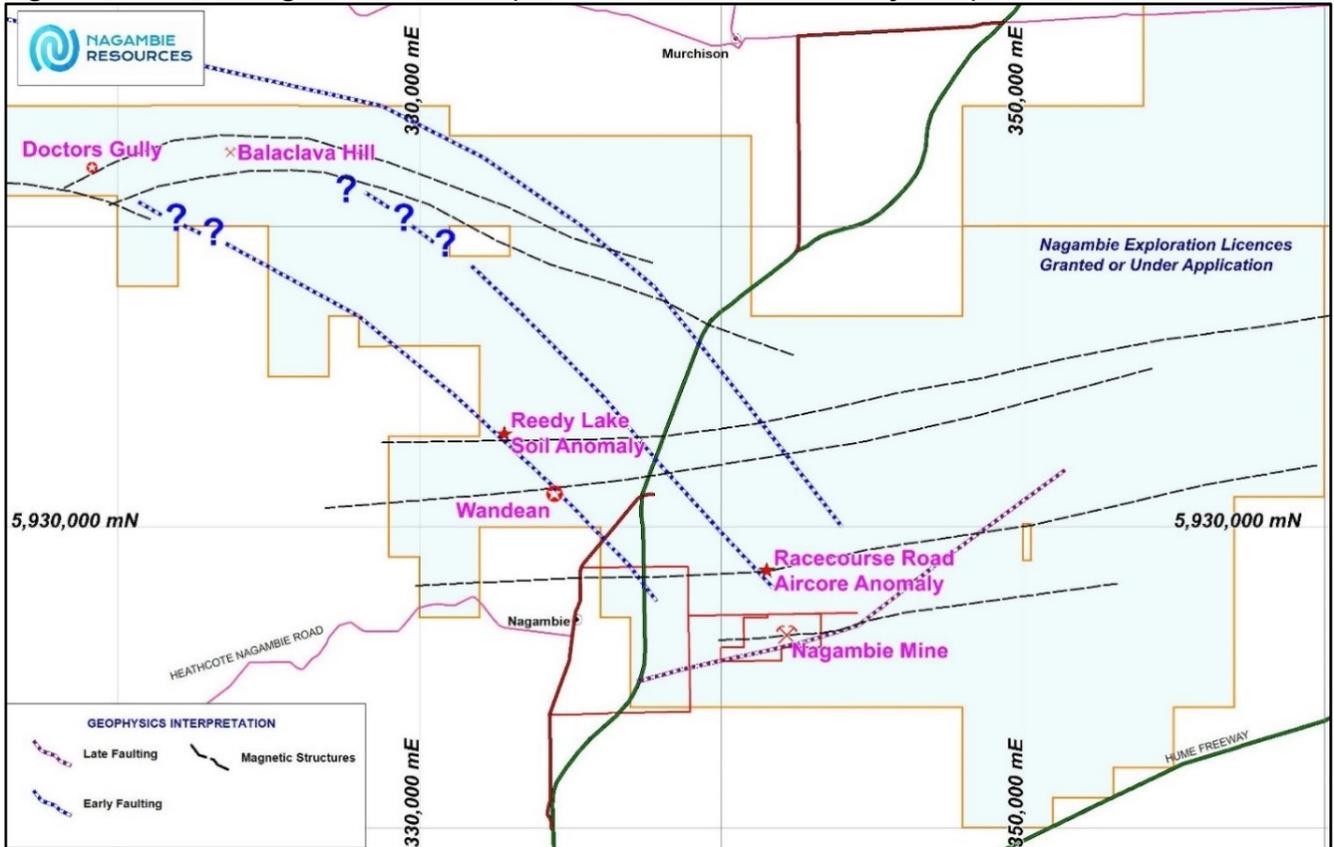
**History of Whroo and White Hills**

Significant alluvial gold mining commenced in the area during the initial Victorian gold boom of the 1850s and hard rock mining commenced in 1855 (refer Figure 3). Whroo workings in the Balaclava Hill area cover 13 named reefs, while shallow workings extend the trend over 9 kilometres to the White Hills mining area to the west. At White Hills, 21 historic gold showings and mines occur within a larger alluvial gold field.

The largest producer in the Whroo area was the Balaclava Hill Mine where the gold was associated with stibnite veins. A 137m deep shaft and an open pit (80m by 40m across and 30m deep) were developed. Although the main stratigraphic and structural orientation was east-west, mineralisation was observed in both east-west and north-north-east striking veins and flat veins with average widths of 3.5m. Since historic mining took place, modern exploration at Whroo has been very limited with few drillholes and a paucity of geophysical exploration aimed at understanding the structural setting.

The most significant exploration in the White Hills area was carried out at Doctors Gully by Gold Mines of Kalgoorlie (“GMK”, also working as Metals Exploration Ltd) who drilled 29 shallow RC holes in 1988. Compilation of the available data and 3D geological modelling by Mawson of Doctors Gully is in progress.

**Figure 4 Intersecting Structures Plan (Geoff Turner, as at 24 January 2017)**



Notes: (1) Only some of the mapped east-west-trending thrust faults were shown in order to simplify the plan.  
 (2) NRL has pegged additional ground in the area since January 2017 (refer Figure 2).

**Initial Exploration to be carried out by Mawson in the Whroo JV Property**

Mawson carried out a LiDAR (Light Detection and Ranging) aerial survey between Doctors Gully and Whroo in September 2020 in anticipation of being able to finalise the expanded JV.

Mawson are planning to carry out extensive multi-technique geophysics and soil sampling, together with early diamond drilling of principal targets to establish the major structural controls. Mawson are considering various programs of gradient Induced Polarisation (IP), dipole-dipole IP, ground magnetics, aeromagnetics and ground gravity.

**Waranga Domain Gold Endowment Potential**

Over 10 years ago, in February 2010, Earth Resources Victoria probabilistically estimated that 3.0 Moz of gold remained to be discovered in the Waranga Domain (refer NRL announcement to the ASX of 27 February 2020: “3,600 sq km of Fosterville-style Gold Tenements”). The biggest gold deposit considered in that statistical analysis, based on protocols developed and used extensively by the US Geological Survey, was Fosterville at 2.1Moz. The Fosterville Gold Mine’s total gold endowment today exceeds 10.0 Moz and is continuing to grow in size.

NRL in the last decade has carried out the first significant research, via deep oriented diamond drilling, into the controls on mineralisation in the Waranga Domain. Based on that research and the dramatic growth of the Fosterville deposit, NRL now considers that the total undiscovered gold endowment in the Waranga Domain could greatly exceed the 3.0 Moz estimated by Earth Resources Victoria in 2010.

### Benefits to NRL from the Whroo JV

The expanded agreement represents a win-win outcome for both Mawson and NRL. For NRL, the main benefits of its biggest-ever JV include:

- ✓ A source of substantial funding to expand state-of-the-art modern exploration in NRL's 100%-owned contiguous 3,600 sq km of Fosterville-style tenements in the Waranga Domain;
- ✓ For the Redcastle and Whroo JVs combined, ongoing spending by Mawson of up to \$3.75M or \$5.25M before NRL needs to contribute to further JV expenditure;
- ✓ The Whroo JV Agreement over 199 sq km provides a template for possible additional JVs over more of NRL's total tenement holding in the Waranga Domain of 3,600 sq km;
- ✓ NRL has been limited, for funding reasons, to utilizing only one diamond drilling rig in its 100%-owned tenements between the Nagambie Mine and Wandean in recent years. Mawson has been using one or two additional diamond drilling rigs at NRL's Redcastle property (where NRL can ultimately retain a 30% interest). Mawson will probably commence drilling in 2021 at NRL's Whroo JV Property (where NRL can ultimately retain a 40% interest). The use of multiple drilling rigs instead of one on NRL tenements greatly improves the chances of exploration success for NRL shareholders;
- ✓ The continuation of Canadian investors' interest in NRL and the potential for Fosterville-style, epizonal gold mineralisation in the Waranga Domain in central Victoria;
- ✓ Further industry endorsement of NRL's Waranga Domain gold mineralisation model demonstrated by Mawson, a proven and successful Canadian international gold explorer; and
- ✓ NRL exposure to Mawson's multi-technique geophysical surveys in the highly-prospective 199 sq km Whroo JV Property. NRL has shown at the Nagambie Mine that dipole-dipole IP can outline sulphide-gold targets in the Waranga Domain but complementary geophysical techniques could be established by Mawson that would be applicable throughout NRL's total 3,600 sq km in the Waranga Domain.



Mike Trumbull  
Executive Chairman  
Nagambie Resources Limited

### **FORWARD-LOOKING STATEMENTS**

*This report contains "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "target", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Nagambie Resources and any of its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Exploration potential is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Readers are cautioned not to place undue reliance on forward-looking statements and Nagambie Resources assumes no obligation to update such information.*