

## **CHAIRMAN'S ADDRESS**

**BY MR MICHAEL TRUMBULL AT THE ANNUAL GENERAL MEETING OF  
NAGAMBIE RESOURCES LIMITED HELD AT THE INSTITUTE OF  
CHARTERED ACCOUNTANTS, LEVEL 18, BOURKE PLACE, 600 BOURKE  
STREET, MELBOURNE AT 11.00 AM (AEDT) ON FRIDAY 23 NOVEMBER 2018**

Good morning shareholders and guests.

Welcome to the 13<sup>th</sup> AGM for Nagambie Resources. The Company listed on the ASX in June 2006.

The CEO, James Earle, will later be giving a presentation on the current status for all of our significant gold and non-gold assets.

This morning I would like to briefly talk about the history behind our gold exploration assets in the Nagambie region.

### **Perseverance**

When the Company listed in 2006, its principal gold asset was the option to acquire 51% of the Nagambie Mine from Perseverance Mining Pty Ltd. Oxide-gold mining and heap-leach treatment had been completed at the mine some 10 years earlier.

Perseverance owned 100% of both the Nagambie Mine and the Fosterville Mine, which is 60 km west of Nagambie. In 2006, mining at Fosterville was progressing from open pit to underground with bacterial-oxidation recovery of the sulphide-gold ore.

By early 2007, Nagambie Resources had earned the 51% interest in the Nagambie Mine Joint Venture by spending \$900,000 on diamond drilling for sulphide-gold mineralisation beneath the oxide zone.

### **Northgate**

By late 2007, the Fosterville underground operations could not be sustained profitably by Perseverance and it was taken over by Northgate Minerals. Northgate was the first of five Canadian companies to own 100% of the Fosterville Mine via a progression of friendly mergers. The current Canadian owner is Kirkland Lake Gold.

In June 2008, Northgate agreed to sell its remaining 49% interest in the Nagambie Mine, together with Northgate's 187 hectares of freehold land at the mine, to Nagambie Resources for one dollar. Northgate was able to recover its environmental bond for the mine and Nagambie Resources moved to 100% of the Nagambie Gold Project.

### **Soil Sampling, Thrusts, Wandean, ELs, Aeromag, Gravity, Crustal Faults and IP**

Fast-forward 10 years and the Company has commenced one of the most exciting deep diamond drilling programs for gold ever carried out in Victoria at Nagambie Mine West.

Progress over the last 10 years can be summarised as:

- 1) Analysing the work of previous explorers in the Nagambie region including Perseverance, Barrick, Newcrest, Metana, Metex and Golden Shamrock;
- 2) Developing proprietary soil sampling protocols for gold, arsenic and antimony;
- 3) Concluding that east-west-striking thrust faults were critical for gold formation;
- 4) Pegging an Exploration Licence (EL) to the north that included the Wandean area;
- 5) Mapping the outcropping east-west-striking Wandean Thrust Fault;
- 6) Soil sampling at Wandean, leading to Reverse Circulation (RC) percussion drilling, leading to the announcement of a virgin gold discovery at Wandean in 2014;
- 7) Deciding to peg all the most prospective ground in the Waranga Province as ground became available – over 1,800 sq km of new ELs pegged between 2014 and 2018;
- 8) Aeromagnetic surveying of the Nagambie Mine area, confirming the indicated east-west-striking thrust faults and delineating additional thrust faults under cover;
- 9) Concluding that deep crustal faults were the pathways for hydrothermal fluids to rise under pressure and then flow along the nearer-surface, east-west-striking thrust faults at the time of gold formation (circa 370 million years ago). The crustal faults, predominately north-west-striking, were mapped from publicly-available gravity data;
- 10) With a very large number of intersections between crustal faults and thrust faults anticipated in the Company's Waranga Province ELs, considering the use of Induced Polarisation (IP) as a geophysical targeting tool;
- 11) Testing shallow (150m deep) IP at Wandean and the Nagambie Mine, indicating that IP could pick up the sulphides associated with sulphide-gold mineralisation; and
- 12) Carrying out 400m deep IP in the Nagambie Mine area, delineating four sulphide-gold targets. Early target drilling and detailed 3D analysis of the IP data has resulted in the most compelling high-grade gold target being Nagambie Mine West.

Nagambie Mine West lies between 300m and 1,800m west of the 1990s West Pit. Both the 3D IP modelling and Nagambie Resources' hydrothermal-fluids-flow hypothesis indicate that sulphide-gold grades could increase significantly as the deep diamond drilling program progresses westwards towards the Wandean Crustal Fault.

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



Mike Trumbull  
Executive Chairman