

PASS UPDATE

“Pre-Works” Melbourne Metro Rail PASS

Nagambie Resources has submitted a conforming tender for the management in CY 2017 of a significant quantity of PASS in the north CBD excavations for the “Pre-Works” part of the Melbourne Metro Rail Project. The PASS will be in the lower sections of the two 35 metre deep northern shafts and also in the excavations from the bottom of those shafts.

Planning Permit Update

The Company has received legal advice that it could avoid the need for a new Planning Permit for the Nagambie Mine.

Clause 63.11 of all planning schemes in Victoria, including for the Strathbogie Shire, defines the 15-year rule, and the concept of existing use rights. The Nagambie Mine has been carrying out rehabilitation work for over 15 years since the expiry of the last Planning Permit and has not received written direction over that time from the Strathbogie Shire to cease that rehabilitation work. Provided the Company establishes adequate evidence of 15 years’ continuous mining activity (including rehabilitation), it can satisfy the legal test.

The current Work Plan for the mine was approved in 2009 by Earth Resources Regulation. Based on the legal advice received, a 2017 Work Plan is now being prepared to be consistent with the 2009 Work Plan, the 2016 EPA-approved Environmental Management Plan for the PASS Project, and the earlier Planning Permits for the mine.

QUARRY UPDATE

As previously announced, Nagambie Resources now controls all quarrying operations at the Nagambie Mine following the expiry of the three-year contractor agreement on 24 December 2016. The Company promptly secured a gravel contract with the Strathbogie Shire for a total value of \$329,450 (including GST) and is currently tendering for another significant contract.

Commissioning of a hired crushing and screening unit was completed in January 2017 and deliveries of 20mm minus road-topping gravel to the Strathbogie Shire commenced on 2 February 2017.

February invoices to date total \$184,000, consisting of \$173,000 under the Strathbogie Shire contract and \$11,000 for spot sales from various gravel stockpiles at the mine.



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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
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