

## **CHAIRMAN'S ADDRESS**

### **BY MR MICHAEL TRUMBULL AT THE ANNUAL GENERAL MEETING OF NAGAMBIE RESOURCES LIMITED HELD IN MELBOURNE AT 11.00 AM (AEDT) ON MONDAY 30 NOVEMBER 2020**

Good morning fellow shareholders and guests.

Welcome to the 15<sup>th</sup> AGM for the Company. This is our first virtual AGM in this new Covid-19 world. Hopefully, many of our Victorian country and interstate shareholders have been able to be part of this new format today.

The CEO, James Earle, will later be giving a presentation on the current status of our significant assets, including our PASS Project. I also trust that you have had the opportunity to read the 2020 Annual Report.

In this address, I'd like to focus on the game-changing development this year – the strategic gold exploration partnership between Nagambie Resources and Mawson Gold Limited ("Mawson"). Mawson is a successful international gold explorer listed on the Toronto Stock Exchange in Canada. Importantly for Nagambie, Mawson has a proven ability to raise significant funding in the mature North American gold market.

At last year's AGM, we couldn't talk about Mawson's interest in Nagambie because no deal had been consummated and we had signed a confidentiality agreement. Mawson had however been reviewing Nagambie's portfolio of gold tenements for several months at that time and obviously liked what it saw.

#### **Redcastle Joint Venture**

Mawson has been carrying out extensive geophysical surveys on the 51 sq km Redcastle Property and conducting first-pass diamond drilling under the main historical mines. The results of the Redcastle geophysics and initial diamond drilling should start becoming available in coming weeks.

Mawson was committed to spend \$100,000 on Redcastle exploration in the first year for no interest, and then had the option in following years to spend cumulative amounts of \$250,000 to earn 25%, \$500,000 to earn 50% and \$1,000,000 to earn 70%.

Impressively, Mawson has already spent over \$500,000 and so earned a 50% interest in Redcastle - more than two years ahead of the agreement schedule.

#### **Whroo Joint Venture**

The 199 sq km Whroo agreement was only signed in mid-October but, in only a little over a month, Mawson has already completed the first of various planned geophysical surveys over historic workings and is preparing to commence diamond drilling at Doctors Gully immediately after Christmas / New Year.

I am pleased to report that Nagambie shareholders appear likely to overwhelmingly vote in favour of the Whroo JV today.

Following that shareholder approval, Mawson will pay Nagambie the first \$100,000 cash out of total possible cash payments of \$250,000.

Mawson is committed to spend \$400,000 of exploration expenditure in the first year for no interest, and then has the right to spend cumulative amounts of \$900,000 to earn 25% and \$2,500,000 to earn 60%. At that point, Nagambie could decide to start contributing 40% of expenditure or give Mawson the option to spend a cumulative amount of \$4,000,000 to earn a 70% interest in Whroo.

Obviously, exploration success in the Redcastle and Whroo JVs with Mawson would also add significant value to Nagambie's remaining 100%-owned 3,400 sq km of Fosterville-style gold tenements.

### **Mawson Gold Shares**

When the various initial agreements with Mawson were announced at the end of January this year, the value of 9.5 million Mawson shares Nagambie was to receive was approximately \$2.8 million. At 30 June, the market value of those shares had increased by \$1.2 million to \$4.0 million.

Nagambie sold 0.5 million Mawson shares during the September quarter, raising \$0.22 million in cash, and will look to sell additional shares in coming years if required.

### **Nagambie Resources' Gold Exploration**

As the Company said in the Annual Report, the Covid-19 pandemic did significantly affect activities during the year - including for Nagambie's diamond drilling and Induced Polarisation (IP) geophysical surveys.

I am pleased to report that Nagambie's non-JV gold exploration appears back on track. The NWD001 hole has just been completed at 1,070m down hole and logging of the core by our consultant geologist is due to commence next week. Drilling of NAD004, targeting the coincident Radial-Down-The-Hole IP and gold-in-soil anomalies to the south west of the West Pit, has just commenced. Zonge, our Adelaide-based geophysics contractor, has been organised to carry out a Radial-DTH IP survey to 400m down hole in NAD004.

Once again, I would like to thank the Company's very supportive and patient shareholders. With multiple rigs now drilling numerous gold targets on Nagambie's tenements, the coming year could be very exciting.

I would also like to thank my fellow directors, the CEO and his team, and our expert consultants for another productive year, especially given the various Covid-19 issues encountered.



Mike Trumbull  
Executive Chairman