

HIGHLIGHTS

- ❖ Diamond drill hole NAD004 was completed in late July at 1,084m down hole – results are pending. The next hole, NAD005, has been designed to intersect the Nagambie West sulphide-gold target around 500m south west of the NAD004 hole and around 700m north east of the interpreted Wandean Crustal Fault.
- ❖ Nagambie Resources and Golden Camel Mining applied for a Planning Permit from the Strathbogie Shire to construct and operate a 180,000 tonnes per annum gold toll treatment plant at the Nagambie Mine. The Shire publicly advertised the Planning Permit application and no objections were received during the advertising period which closed on 15 July 2021.
- ❖ Two predominant bacterial genera have been shown to exist in the heap leach material. Laboratory-scale testing has commenced to determine the ability of the native bacteria to leach gold from the heap leach material.
- ❖ The Victorian and Federal Governments, which are co-funding the cost of the North East Link Project, announced that the Spark consortium was the Preferred Bidder for the project. The Spark consortium has been progressively engaging with Nagambie Resources for more specific information regarding “Underwater Storage” PASS Management at the Nagambie Mine.
- ❖ Nagambie Resources completed the purchase of the 565-acre farm immediately to the south of the East Pit at the Nagambie Mine for \$905,000 on 16 July 2021. The purchase supports and complements the group’s existing announced plans for the Nagambie Mine site and several future projects under consideration.

COMMENTARY

Nagambie Resources’ Executive Chairman, Mike Trumbull said: “*Our PASS and gold toll treatment projects are both reaching an exciting stage. Lift off in either one, preferably both of course, will be transformative for the Company.*”

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 (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.

Recovery of residual gold from the 1990s heap leach pad using naturally-occurring bacteria is being investigated.

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.

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

GOLD EXPLORATION

Nagambie West Diamond Drilling Program - NAD004 and NAD005 Drill Holes

Following an extended delay due to the drilling contractor having manpower issues (Covid-19 and increased demand for drillers in Victoria), diamond hole NAD004 was drilled on from 836m down hole and completed at 1,084m in late July. Data from 400m to 836m down hole is due shortly and logging below 836m has commenced.

NAD005 is planned to commence early in August and intersect the Nagambie West sulphide-gold target around 500m south west of the NAD004 hole and around 700m north east of the interpreted Wandean Crustal Fault.

Redcastle and Whroo Joint Ventures with Mawson Gold

Mawson Gold Limited (TSX: MAW) currently manages and operates both the Redcastle Joint Venture (currently Mawson Gold 50%, Nagambie Resources 50%) and the Whroo Joint Venture (currently Nagambie Resources 100%).

Gold Tenements

The Company's tenements as at 30 June 2021, totalling 3,623.6 sq km, are listed in Table 1.

Table 1 Nagambie Resources Tenements as at 30 June 2021

Tenement Number	Tenement Name	sq km
MIN 5412	Nagambie Mining Licence	3.6
EL 5430	Bunganail Exploration Licence	160.0
EL 5511	Nagambie Central Exploration Licence	24.0
EL 6158	Rushworth Exploration Licence	46.0
EL 6212	Reedy Lake North Exploration Licence	17.0
EL 6352	Miepoll Exploration Licence	342.0
EL 6421	Pranjip Exploration Licence	45.0
EL 6508	Tabilk Exploration Licence	63.0
EL 6606	Gowangardie Exploration Licence	89.0
EL 6719	Euroa Exploration Licence	81.0
EL 6720	Tatura Exploration Licence	199.0
EL 6731	Arcadia Exploration Licence	327.0
EL 6748	Waranga Exploration Licence	136.0
EL 6937	Nagambie East Exploration Licence	10.0
EL 6877	Nagambie Exploration Licence	8.0
EL 7205	Angustown Exploration Licence	49.0
EL 7207	Arcadia Exploration Licence	156.0
EL 7208	Cullens Road Exploration Licence	29.0
EL 7209	Goulburn West Exploration Licence	34.0
EL 7210	Locksley Exploration Licence	26.0
EL 7211	Shepparton Exploration Licence	498.0
EL 7212	Shepparton North Exploration Licence	321.0
ELA 7213	Pederick Exploration Licence Application	683.0
EL 7237	Kirwans North (1) Exploration Licence	20.0
EL 7238	Kirwans North (2) Exploration Licence	9.0
EL 7264	Resource Recovery Exploration Licence	1.0
ELA 7265	Nagambie Town Exploration Licence Application	8.0
EL 7594	Miepoll East Exploration Licence	47.0
ELA 7595	Miepoll West Exploration Licence Application	113.0
RL 2019	Doctors Gully Retention Licence	4.0
Total Waranga Domain		3,548.6
EL 5546	Redcastle Exploration Licence	51.0
EL 7498	Cornella Exploration Licence	19.0
EL 7499	Sheoak Exploration Licence	5.0
Total		3,623.6

GOLD TOLL TREATMENT PLANT

Nagambie Resources and Golden Camel Mining Pty Ltd (“Golden Camel”) during the quarter applied for a Planning Permit from the Strathbogie Shire to construct and operate a 180,000 tonnes per annum gold toll treatment plant on Nagambie Resources’ freehold land at the Nagambie Mine.

Following a site visit by relevant authorities, the Strathbogie Shire publicly advertised the Planning Permit Application, including five slides that summarised the proposal (refer Appendix A on pages 5, 6 and 7). No objections were received by the Shire during the advertising period which closed on 15 July 2021.

Nagambie Resources considers that the Planning Permit could be formally issued in the September 2021 quarter. The Company and Golden Camel are preparing detailed documentation of a 50:50 Joint Venture Agreement including the financing of the initial plant and the management, construction, operations and progressive rehabilitation of the project.

POTENTIAL BACTERIAL RECOVERY OF GOLD IN HISTORIC HEAP LEACH PAD

Total recorded gold production from the Nagambie Mine cyanide heap between 1989 and 1997 was 134,000 ounces and Nagambie Resources considers that a significant amount of gold remains in the heap.

During the quarter, the laboratory established the existence of two predominant bacterial genera in the heap leach material samples provided. Laboratory-scale testing has commenced to determine the native bacteria’s ability to leach gold from the heap leach material.

PASS MANAGEMENT PROJECT

The North East Link Project (“NELP”) involves the biggest road tunnelling works in Melbourne’s history. The total PASS to be managed and the rate of that PASS generation by the large tunnel boring machines required will be far higher than for any other previous project in Melbourne.

Three consortiums were shortlisted by the State Government in 2019 to tender for the construction of NELP but one of the consortiums pulled out early in the process. Nagambie Resources was asked by one of the remaining two bidding consortiums to provide pricing for “Underwater Storage” PASS Management at the Nagambie Mine, and did so. The NELP tender closed as scheduled in May 2020.

Early in the March 2021 quarter, Nagambie Resources was requested by the same bidding consortium to give more detailed and specific information than it had provided in early 2020.

Late in the June 2021 quarter, the Victorian and Federal Governments, which are co-funding the NELP cost, announced that the Spark consortium was the Preferred Bidder to build the two tunnels beneath the Yarra River and Banyule Flats.

The Spark consortium has been progressively engaging with Nagambie Resources for more specific information regarding “Underwater Storage” PASS Management at the Nagambie Mine.

PURCHASE OF FARMING PROPERTY ADJACENT TO THE NAGAMBIE MINE

Nagambie Resources’ 100%-owned subsidiary, Nagambie Developments Pty Ltd, completed the purchase of the farm immediately to the south of the East Pit at the Nagambie Mine for \$905,000 on 16 July 2021. The property comprises approximately 228.6 hectares (565 acres) that is partially covered by Nagambie Resources’ mining licence MIN 5412. The purchase supports and complements the group’s existing announced plans for the Nagambie Mine site and several future projects under consideration.

CORPORATE**Cash**

At 30 June 2021, total cash held by the group was \$1,949,000.

Mawson Gold Limited Shares (TSX: MAW)

At 31 March 2021, Nagambie Resources held 7.6 million MAW shares which had a total market value of \$1,991,000. During the June quarter, no MAW shares were sold and at 30 June 2021, the 7.6 million MAW shares had a market value of \$2,004,000.

Under the agreements with Mawson Gold, Nagambie Resources could sell up to 5.225 million MAW shares during the September 2021 quarter which, as at 30 June 2021, had a market value of \$1,378,000.

Related Party Payments

In accordance with its obligations under ASX Listing Rule 5.3.5, Nagambie Resources advises that the only payments made to related parties of the Company in the quarter, as set out in item 6.1 of the accompanying Appendix 5B, were in respect of directors' and consulting fees.

By the order of the Board.



James Earle
Chief Executive Officer

STATEMENT AS TO COMPETENCY

The Exploration Results in this report have been compiled by Adam Jones who is a Member of the Australian Institute of Geoscientists (MAIG). Adam Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". He consents to the inclusion in this report of these matters based on the information in the form and context in which it appears.

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.

APPENDIX A The Five Summary Slides included in the Strathbogie Shire Public Advertisement for the Gold Toll Treatment Plant Planning Permit Application




THE PROPOSAL

Gold Toll Treatment Plant and Tailings Storage Facility

Nagambie Resources Limited (NRL), in partnership with Golden Camel Mining (GCM), propose to operate an oxide-gold toll treatment plant and tailings storage facility at the **NAGAMBIE MINE**, located approximately 8 km east of the Nagambie Township.

Partnership

NRL provides the highly suitable legacy mine site that has been used for mining purposes since 1989. GCM provides world's best practice processing facility construction and operating experience.

World's best practice facility

The proposed facility would be a **ZERO RELEASE** operation facility. The toll treatment plant will have the capacity to process 180,000 tonnes of ore per annum using proven Carbon in Leach (CIL) technology to extract gold and silver. The waste rock (tailings) would be stored in geotextile tubes (geotubes) and dry-stacked in a tailings storage facility that eliminates the risks associated with traditional storage of tailings in large dams. The facility would operating 24 hours per day receiving 21 ore truck deliveries each day.




PROPOSED SITE LAYOUT



- Proposed land use is compatible with existing operations
- Facility would use already disturbed areas with minimal vegetation removal
- Nearest dwelling over 2km west of proposed facility
- Noise, dust and light impacts eliminated due to shielding from existing heap structures to the east, west and south
- Avoidance of potential cultural heritage sensitive areas
- Site not impacted by 1% AEP floodwaters

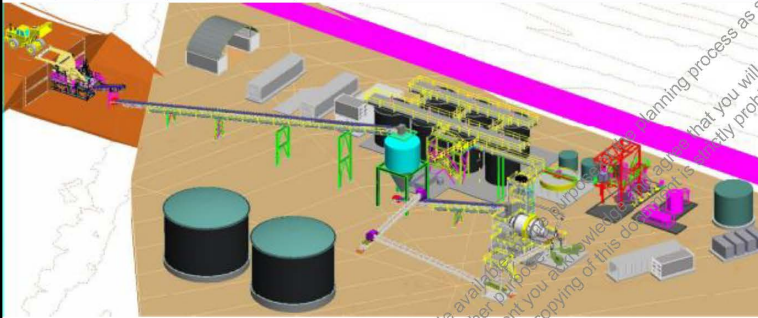


Golden Camel Mining Pty Ltd



NAGAMBIE RESOURCES

MINERAL PROCESSING PLANT



- Modular design for operational efficiency
- A primary crusher and secondary grinding circuit
- Six tanks for cyanide leaching of gold
- Gold recovery circuit
- INCO system to detoxify cyanide before tailings storage in a lined cell
- Gas fired power for plant start up only



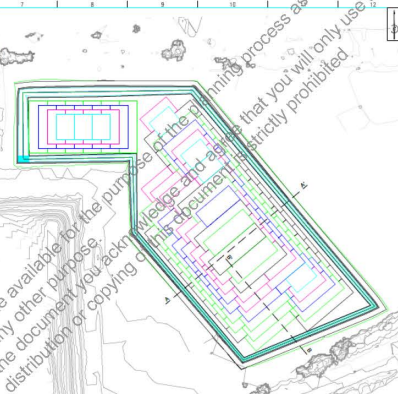
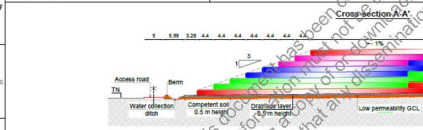
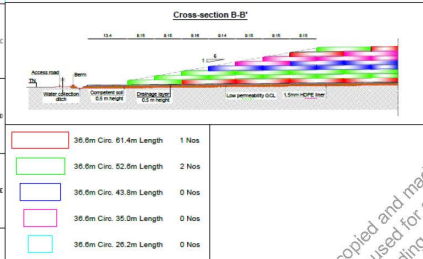
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NAGAMBIE RESOURCES

TAILINGS STORAGE FACILITY

Proposed Geotubes Dewatering unit breakdown									
Geotube Dewatering unit type	Layer 1	Layer 2	Layer 3	Layer 4	Layer 5	Layer 6	Layer 7	Layer 8	Total tube capacity per bank (m ³)
Standard	22	7	0	0	1	0	2	1	33
Collector and 1/2m access	8	15	14	5	0	1	0	2	45
Collector and 1/2m access	0	5	6	5	10	3	1	0	34
Collector and 1/2m access	2	3	5	5	2	7	4	0	28
Collector and 1/2m access	0	1	0	3	3	0	0	0	7
Total tube capacity per bank (m ³)	32	29	25	22	16	11	7	3	146



- Tailings stored in high-strength geo-tubes
- Geo-tubes stacked 16m high within enclosed HDPE lined cell
- Process water drains from geo-tubes and reused. No release of process water from circuit
- Drained tailings are geotechnically stable
- Tailings can be re-purposed in future
- Geo-tube stack rehabilitated to undulating grazing land



Golden Camel Mining Pty Ltd



NAGAMBIE RESOURCES

PROPOSAL IMPACTS & BENEFITS

NOISE AND VISUAL IMPACT

Noise impact from operations at the process plant is not expected to be significant as operations are over 2 kms from the nearest residential dwelling and shielded by the existing waste dumps.

Truck traffic limited to daylight operation only on weekdays only.

DUST

A water truck will be used to ensure internal roads are kept damp to minimize dust generation. Crushing on dayshift only with dust suppression sprinklers

SURFACE AND GROUND WATER

HDPE liner installed under TSF, so no seepage from tailings to groundwater.
Water from tailings reused in process plant.
Stormwater contained onsite in existing structures.

NATIVE VEGETATION

The proposal will only remove three existing trees.
A green zone of existing trees will be left between the plant site and the TSF.
Land returned to grazing activity after operations.

PROPOSAL BENEFITS

The Proposal would achieve:

- Direct economic investment and job creation (16+ positions in Nagambie, 44+ positions in Central Victoria)
- First time use of INCO cyanide detoxification and geo-tube tailings storage technologies in Victoria
- Provide Nagambie with the basis of an industrial precinct utilising best practice technologies
- Utilisation and repurpose of existing disturbed site
- Re-invigorate Victorian gold mining industry with processing capability, creating and supporting ongoing employment in the region