NAGAMBIE RESOURCES

MARCH 2021 QUARTERLY REPORT — 30 APRIL 2021

HIGHLIGHTS

- Bacterial speciation and gold bioleaching testwork has begun at the Perth laboratory chosen by Nagambie Resources. Samples of the heap leach material and pit water from the Nagambie Mine site were sent to the laboratory so that DNA analysis of the native bacteria could commence. Bacteria strains from an external culture collection will also be analysed for their gold bioleaching capability on the heap leach samples.

- During the quarter, Nagambie Resources was requested by one of the two bidding consortiums for the North East Link Project (NELP) to give more detailed and specific pricing information than it had provided in early 2020.

- On 13 April 2021, Nagambie Resources announced that it had completed the issue of $3.5 million worth of Series 9 five-year Unsecured Convertible Notes with a face value of $0.10 each. The intended uses of the funding were:

  - The agreed early redemption on 13 April 2021 of all the Series 5 Convertible Notes (3,333,333 unsecured notes with a face value of $0.18 each) which had a redemption date of 17 September 2021. This early redemption has reduced the Company's short-term liabilities by $0.6 million;
  - The strategic acquisition of a 565 acre farming property immediately to the south of the Nagambie Mine for $905,000;
  - The continued diamond drilling of the sulphide-gold target immediately to the west and south west of the West Pit at the Nagambie Mine;
  - More site preparation work for the Company's PASS Management Project; and
  - Increasing working capital to better position the Company to advance its various projects under consideration as opportunities arise.

COMMENTARY

Nagambie Resources' Chairman, Mike Trumbull said: *"We were very pleased to be asked during the quarter to provide more detailed pricing and technical information for the "Underwater Storage" of NELP PASS at the Nagambie Mine.*

"After much consideration of the best way to progress the bacterial recovery of residual gold in the historic heap leach pad, speciation and bioleaching testwork is finally underway on Nagambie Mine samples, partly funded with an initial federal grant of $50,000.

"We have continued to investigate and advance several new business possibilities at the Nagambie Mine and the purchase of the 565 acre farm from a deceased estate was opportune."

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
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Nagambie Resources Limited
ABN 42 111 587 163

Registered, Operations & Head Office
533 Zanelli Road
Nagambie Vic 3608
(PO Box 339)
Tel: (03) 5794 1750

info@nagambieresources.com.au

GOLD EXPLORATION

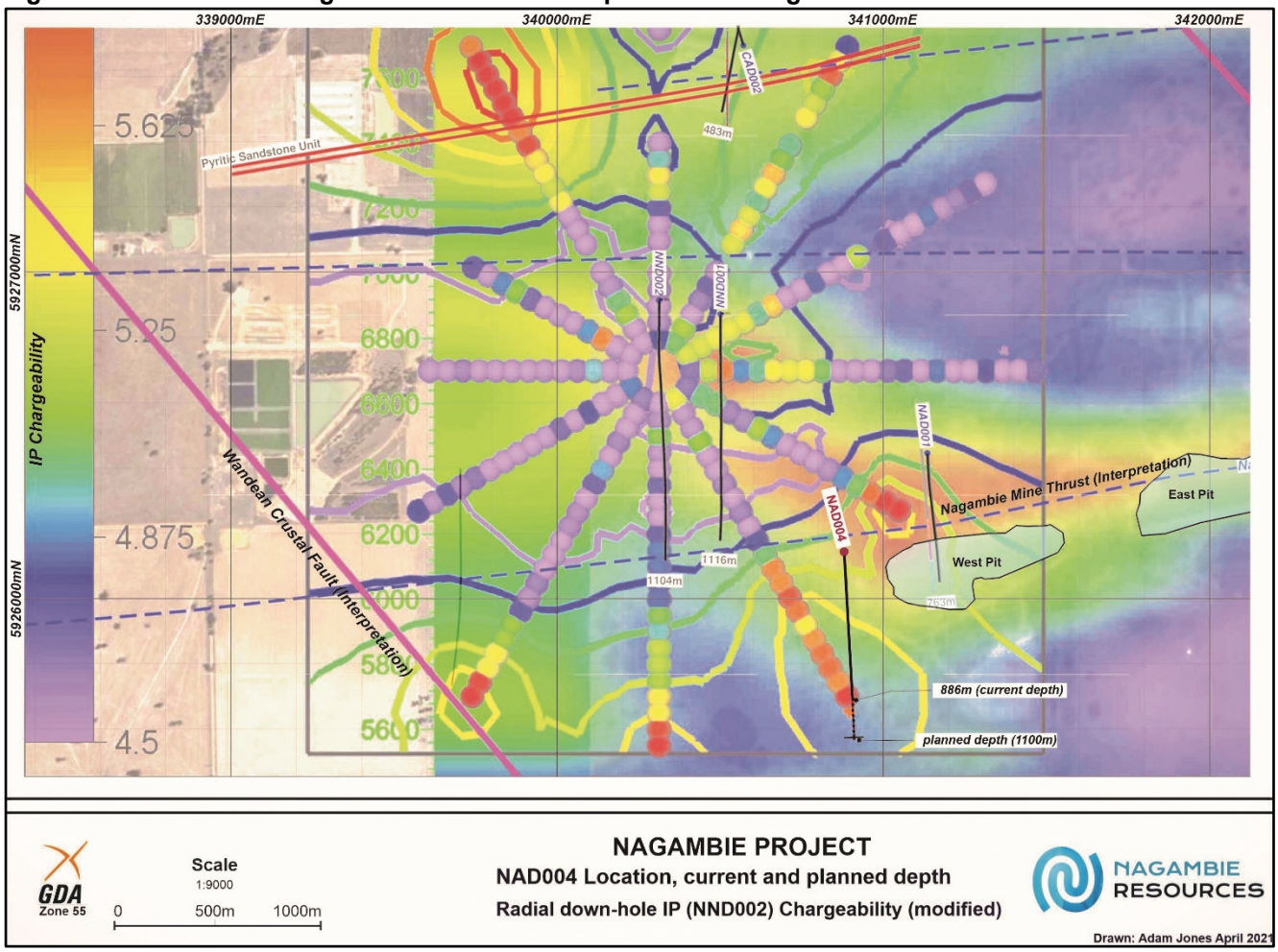
Nagambie West Diamond Drilling Program - NAD004 Diamond Drill Hole

The East Pit at the Nagambie Mine and the Wandean Prospect, 9 km to the north west, are the only significant outcrop of gold-bearing basement rocks in the immediate area with surface unconsolidated Murray Basin sediments (clays, sands and aggregates) occurring elsewhere, up to 100m or more in thickness. Nagambie Resources has been trialling several Induced Polarisation (IP) survey techniques in an attempt to "see through" the Murray Basin sediments. IP chargeability anomalies in the Nagambie area have been shown to be indicative, principally, of pyrite within disseminated gold-pyrite-arsenopyrite-stibnite hydrothermal mineralisation.

Both Ground IP (two-dimensional and three-dimensional) and Radial-Down-The-Hole (Radial-DTH) IP have been tried at Nagambie West, covering the same area. All the surveys have been carried out by the international geophysical consultant, Zonge Engineering and Research Organisation ("Zonge"), which in Australia is based in Adelaide.

The results of the first Radial-DTH IP survey, on the NND002 hole, are shown in plan view in Figure 1. The down-hole transmitting electrode was set at 400m downhole depth in temporary PVC casing in NND002 (which was drilled at 60 degrees below horizontal, due south). At surface, with the central point being vertically above this transmitting electrode, 12 radial survey lines or spokes of equally spaced receivers, up to 1,000m in total length and at 30-degree intervals, were established.

Figure 1 NAD004 Testing the Radial-DTH IP Sulphide-Gold Target to the W/SW of the West Pit



The NND002 Radial-DTH survey gave several notable results and observations including:

1) The Radial-DTH IP downplayed the Ground IP chargeability anomaly that had been tested by the NND001 and NND002 holes;

2) The Radial-DTH IP highlighted the Cahill area syngenetic pyrite sandstone unit that had been previously

picked up by Ground IP and intersected in diamond hole CAD001;

3) The Radial-DTH IP highlighted the chargeability anomaly immediately to the north of the western end of the West Pit in MIN 5412 that had been previously located using Ground IP and tested with diamond hole NAD001; and

4) The Radial-DTH IP picked up a potentially significant chargeability anomaly immediately west/south-west of the West Pit in MIN 5412. Importantly, this anomaly had not been located by the Ground IP survey carried out in the area of the East and West Pits in 2017/2018.

In summary, the NND002 Radial-DTH IP experimental trial:

1) Showed that using an underground transmitting electrode could generate more specific IP chargeability anomalies than the Ground IP surveys in the area had;

2) By highlighting the previously established Cahill Ground IP anomaly and the one tested by NAD001, the trial proved its capability to match the performance of Ground IP;

3) By downplaying the Ground IP anomalous zone tested by the NND001 and NND002 holes (which gave disappointing results in terms of intersected sulphide mineralisation), the trial showed that it could differentiate between Ground IP anomalies that could otherwise appear of similar strength; and

4) By highlighting the new chargeability anomaly west/south-west of the West Pit, the trial showed that it could generate a chargeability anomaly not picked up at all by the Ground IP.

The NAD004 hole (refer Figure 1), collared 120m west of the West Pit and drilled due south, was designed to test the large NND002 Radial-DTH IP sulphide anomaly to the west/south-west of the West Pit. NAD004, which has a final planned down hole depth of circa 1100m, was originally drilled to 400m down hole at 60 degrees below horizontal. Zonge then carried out a Radial-DTH survey on NAD004, setting the down-hole transmitting electrode at the bottom of the hole in temporary PVC casing. The Radial-DTH IP results for NAD004 have supported those for NND002.

Following the Radial-DTH IP survey, NAD004 was drilled on to 836m down hole until the drilling rig being used reached the end of its capability. The drilling contractor has now been able to mobilise one of his more powerful drilling rigs to site to complete the hole to the planned depth.

The first 400m of NAD004 core was logged and samples of faulted and pyritic zones sent away for assay, while further samples were selected for later lithogeochemical analysis of the complete hole. Assay data and analysis for the first 400m should be available for release in coming weeks. Logging of the core between 400m and 836m down hole is nearly complete, with more sulphidic zones being observed.

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 31 March 2021, totalling 3,692.6 sq km, are listed in Table 1.

Table 1 Nagambie Resources Tenements as at 31 March 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**	94.0
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**	69.0
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
ELA 7238	**Kirwans North (2) Exploration Licence Application**	9.0
EL 7264	**Resource Recovery Exploration Licence**	1.0
ELA 7265	**Nagambie Town Exploration Licence Application**	8.0
ELA 7594	**Miepoll East Exploration Licence Application**	47.0
ELA 7595	**Miepoll West Exploration Licence Application**	113.0
RL 2019	**Doctors Gully Retention Licence**	4.0
	Total Waranga Domain	**3,617.6**
EL 5546	**Redcastle Exploration Licence**	51.0
ELA 7498	**Cornella Exploration Licence Application**	19.0
ELA 7499	**Sheoak Exploration Licence Application**	5.0
	Total	**3,692.6**

POTENTIAL BACTERIAL RECOVERY OF GOLD IN HISTORIC HEAP LEACH PAD

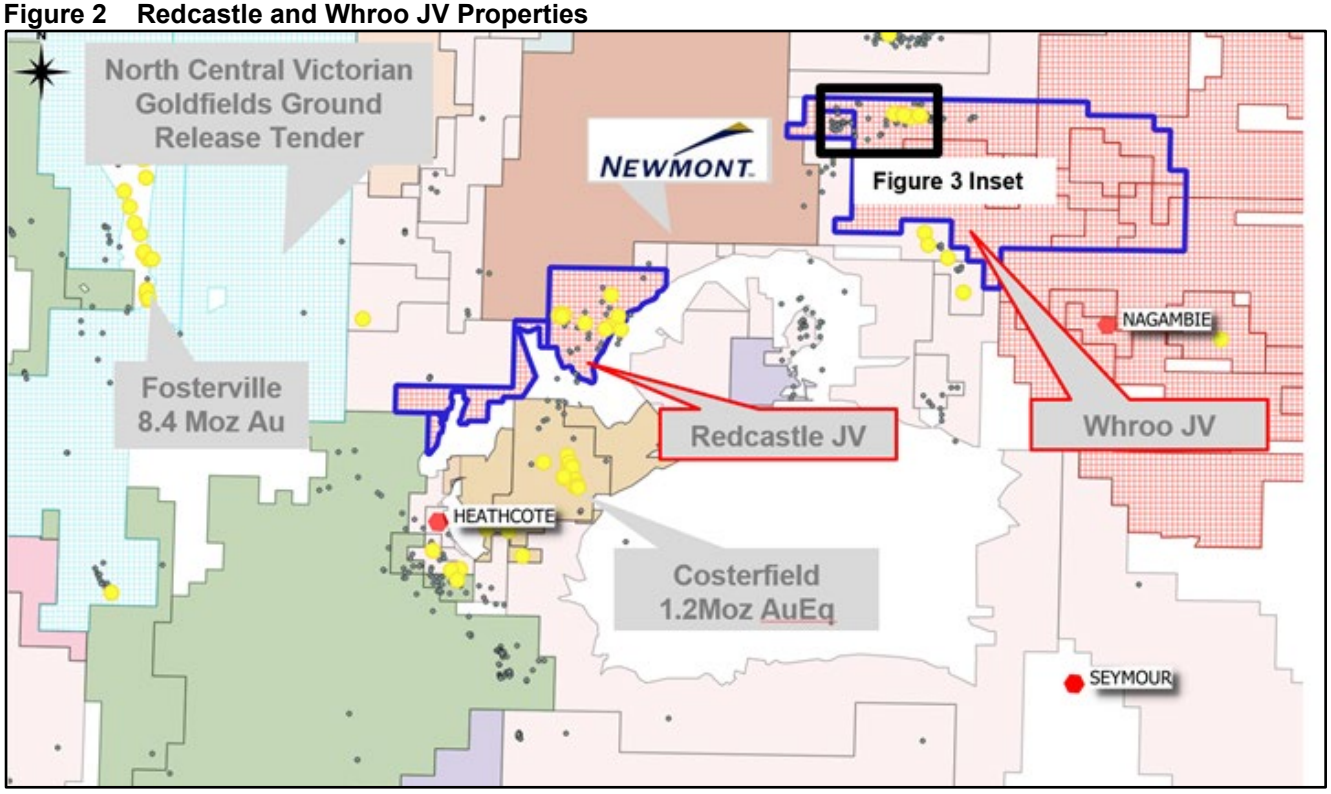
Total recorded gold production from the agambie Mine cyanide heap between 1989 and 1997 was 134,000 ounces and Nagambie Resources considers that a significant amount of gold remains in the heap.

During the quarter, samples of the heap leach material and pit water from the Nagambie Mine site were sent to the laboratory so that DNA analysis of the native bacteria could commence. DNA extraction kits have been sourced by the laboratory and DNA extraction from the heap leach samples and mine water is underway.

Once the native bacteria have been extracted and characterised, laboratory-scale testing will commence to determine the bacteria's ability to leach gold from the heap leach material. Preparatory work in this regard has commenced with the chemical characterisation of the mine water and the milling and drying of the heap leach material. The design of the gold bioleaching experiments will be based on the results of the mine water characterisation.

Bacteria strains from an external culture collection will also be analysed for their gold bioleaching capability on the heap leach samples. The necessary chemicals and bacterial cultures have now been sourced for this work.

Figure 2 Redcastle and Whroo JV Properties



Note: Adapted from Mawson Figure.

PASS MANAGEMENT PROJECT

The North East Link Project (NELP) involves the biggest road tunnelling works in Victoria'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.

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 pricing information than it had provided in early 2020. The Victorian Government has announced that its' budget will be presented on 20 May 2021. The expenditure on NELP is expected by Nagambie Resources to be the biggest component of the "Big Build" spending in the budget forward estimates.

PURCHASE OF FARMING PROPERTY ADJACENT TO THE NAGAMBIE MINE

On 20 April 2021, Nagambie Resources announced that its 100%-owned subsidiary, Nagambie Developments Pty Ltd, had executed a contract of sale for the purchase of the farm immediately to the south of the East Pit at the Nagambie Mine for $905,000. Settlement is due in the September 2021 quarter. The property comprises approximately 228.6 hectares (565 acres) that is partially covered by Nagambie Resources' mining licence MIN 5412. The purchase will support and complement the group's existing announced plans for the Nagambie Mine site and several future projects under consideration.

The total contiguous freehold land now owned, or under contract, by Nagambie Developments at or surrounding the Nagambie Mine is approximately 611.8 hectares (1,512 acres).

CORPORATE

Cash

At 31 March 2021, total cash held by the group was $2,118,000.

Series 9 Convertible Notes

On 13 April 2021, Nagambie Resources announced that it had issued a total of $3.5 million worth of Series 9 five-year Notes with a face value of $0.10 each. The intended uses of the funding were:

- The agreed early redemption on 13 April 2021 of all the Series 5 Notes (3,333,333 unsecured convertible notes with a face value of $0.18 each, $600,000 worth in total) which had a redemption date of 17 September 2021. This early redemption has reduced the Company's short-term liabilities by $0.6 million;
- The strategic acquisition of a 228.65 hectares (565 acres) farming property immediately to the south of the Nagambie Mine for $905,000, settlement to occur in the September 2021 quarter;
- The continued diamond drilling of the sulphide-gold target immediately to the west and south west of the West Pit at the Nagambie Mine;
- More site preparation work for the Company's PASS Management Project; and
- Increasing working capital to better position the Company to advance its various projects as opportunities arise.

Mawson Gold Limited Shares (TSX: MAW)

At 31 December 2020, Nagambie held 7.8 million MAW shares which had a total market value of $3,104,000. During the March quarter, Nagambie sold 0.2 million MAW shares, raising net proceeds of $67,000. At 31 March 2021, the remaining 7.6 million MAW shares had a market value of $1,991,000.

Under the agreements with Mawson, Nagambie could sell up to 2.85 million MAW shares during the June 2021 quarter which, as at 31 March 2021, had a market value of $747,000.

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.

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.