NAGAMBIE RESOURCES

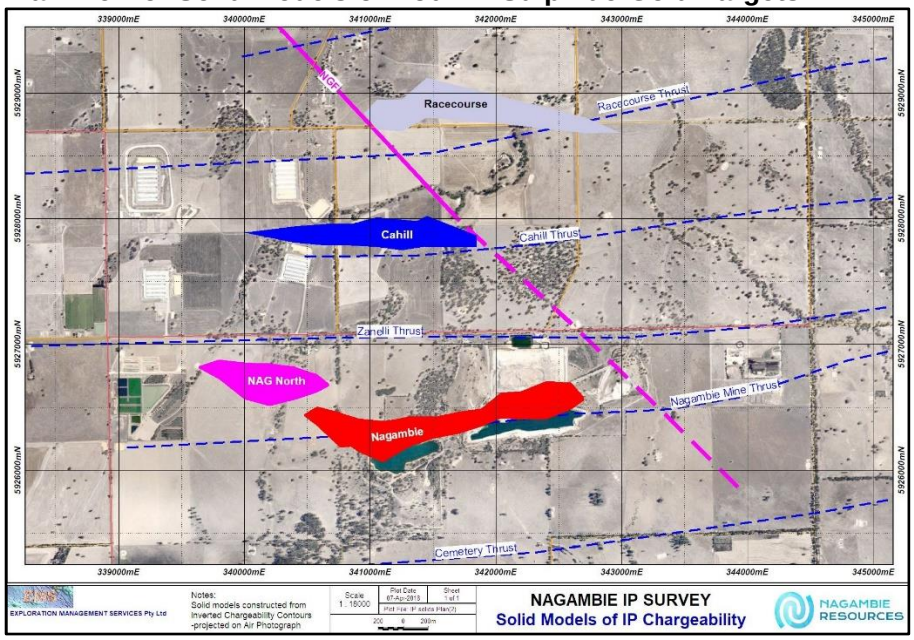
ASX ANNOUNCEMENT **9 APRIL 2018**

CLUSTER OF FOUR SULPHIDE-GOLD TARGETS DEPICTED IN NAGAMBIE MINE & RACECOURSE 3D IP SURVEYS

3D IP = Three-Dimensional Induced Polarisation Geophysics

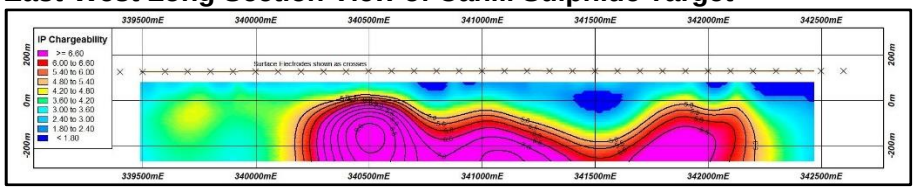
Four strong, east-west-striking, underground sulphide targets have been modelled in a cluster over 2.7 km south to north – Nagambie, Nagambie North, Cahill and Racecourse. The cluster could extend further north.

Plan View of Solid Models of Four IP Sulphide-Gold Targets



In the 1990s Perseverance Mining mined 180,000 ounces of surface oxide gold from two open pits (refer above figure) on the only outcropping lode at Nagambie, unaware that the other three buried sulphide targets existed. The most intense IP chargeability anomaly, Cahill, is 1.5 km north of the Nagambie Mine and commences only 100m below surface.

East-West Long Section View of Cahill Sulphide Target



COMMENTARY

Nagambie Resources' Chairman, Mike Trumbull said: *"The IP depiction of the cluster of sulphide-gold targets in the Nagambie Mine area represents a quantum advance for the Company's gold exploration.*

"The sulphide cluster clearly appears to result from the various east-west-striking surface thrusts (faults) all intersecting the Nagambie north-west striking, gravity-indicated, deep crustal fault. This 'plumbing system' allowed the movement upwards and deposition under pressure of hot sulphidic crustal fluids in iron-rich surface Waranga Formation rocks (silicified sandstones and siltstones) around 377 million years ago.

"The first IP-targeted drill hole is planned to commence within a week.

"We are confident of now being able to locate many more sulphide clusters within our tenements which cover over 2,000 sq km and encompass all the 10 significant gravity-indicated crustal faults in the Waranga Province."

NAGAMBIE RESOURCES

The discovery and development of shallow, open-pit and heap-leachable oxide-gold deposits is being methodically advanced. Exploration for high grade sulphide-gold underground deposits has been expedited following spectacular results at the geologically-similar Fosterville Mine to the west .

Underwater storage of sulphidic excavation material (PASS) in the two legacy gold pits at the Nagambie Mine is an excellent environmental fit with major infrastructure projects for Melbourne such as Metro Rail, North-East Link and East-West Link.

Recycling of the overburden and tailings dumps can produce sand and aggregates for concrete, road base material and road gravel.

Quarrying and screening of sand deposits at the mine to produce various sand and quartz aggregate products is planned.

The first landfill site is planned to take advantage of the 17 Ha of engineered black plastic under the mine tailings pad.

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RACECOURSE IP SURVEY RESULTS

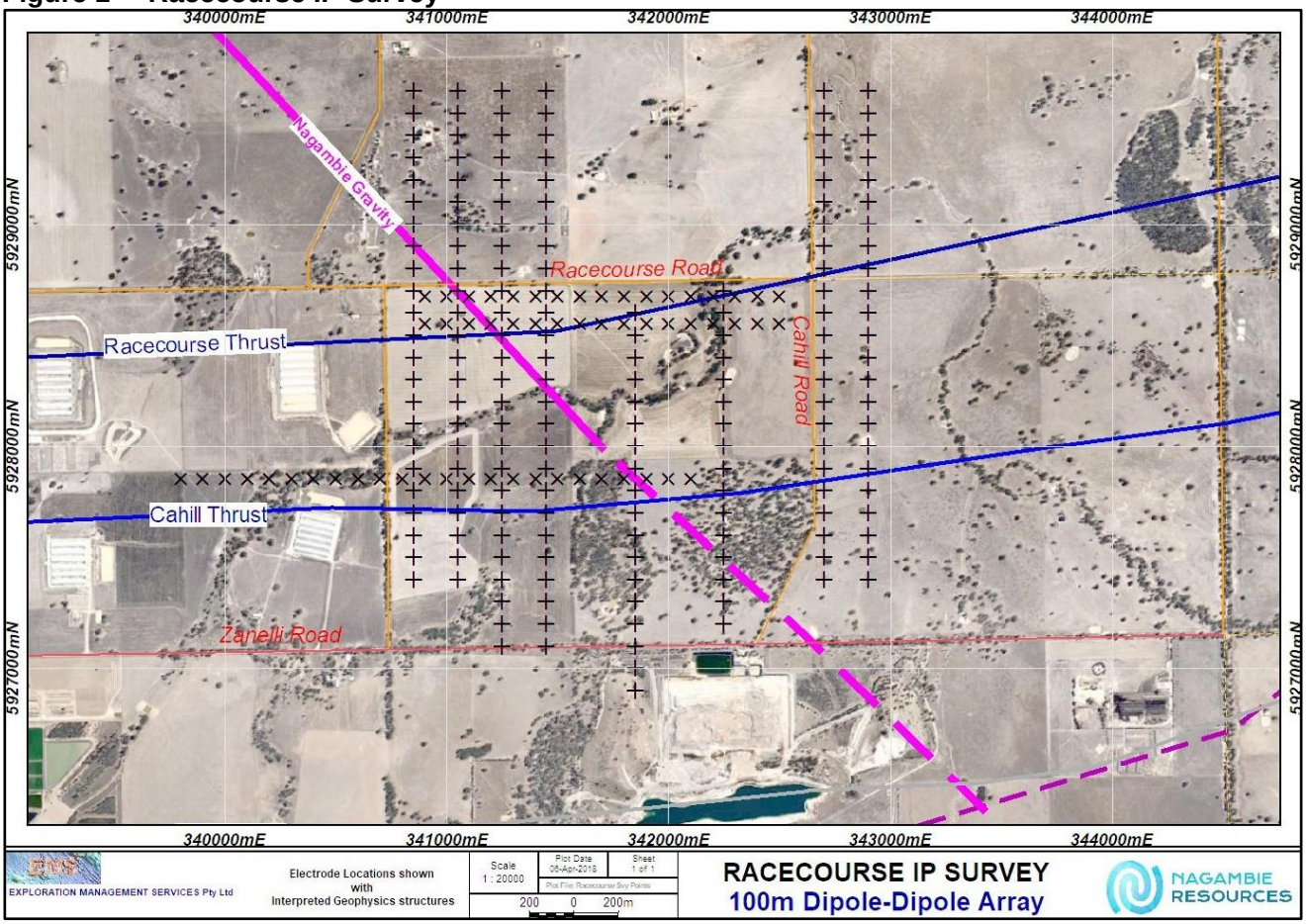
The Induced Polarisation (IP) program included, as a second component, a dipole-dipole survey of the Racecourse Road Prospect, covering an area of 4.5 square kilometres, completed in March. The first component of the survey was a double offset dipole-dipole array over the Nagambie Mine area – data and interpretations were released for that survey on 22 March 2018.

For the Racecourse Survey, data was collected along north-south lines approximately 200 metres apart using transmitter and receiver electrodes at 100 metre spacing. The lines varied in length from 1,200m to 2,400m. An additional three east-west lines were surveyed to validate and enhance some aspects of the survey. Details of the survey are included in Table 1.

The contractor, Zonge Engineering and Research Organisation ("Zonge"), employed proprietary Inversion Modelling to produce a pseudo "geological" model of both IP Chargeability and Resistivity for ongoing interpretation by the Company's geologists.

Figure 1 shows the locations of the electrodes, the local area and interpreted structures.

Figure 1 Racecourse IP Survey



High Chargeability Targets

Arsenopyrite-pyrite gold mineralisation of the Fosterville and Lockington style occurs as very fine sulphide crystals in a sandstone or siltstone host rock. Arsenopyrite has a weaker IP chargeability response than pyrite, so the IP chargeability levels in this survey match expectations.

The targeted mineralisation style also is associated with strong silicification and fine quartz veining – this style is associated with higher than normal electrical resistivities. The survey results show a strong association of higher resistivity with higher IP chargeability.

Figure 2 Cahill Anomaly: East-West Section 5927850N IP Chargeability

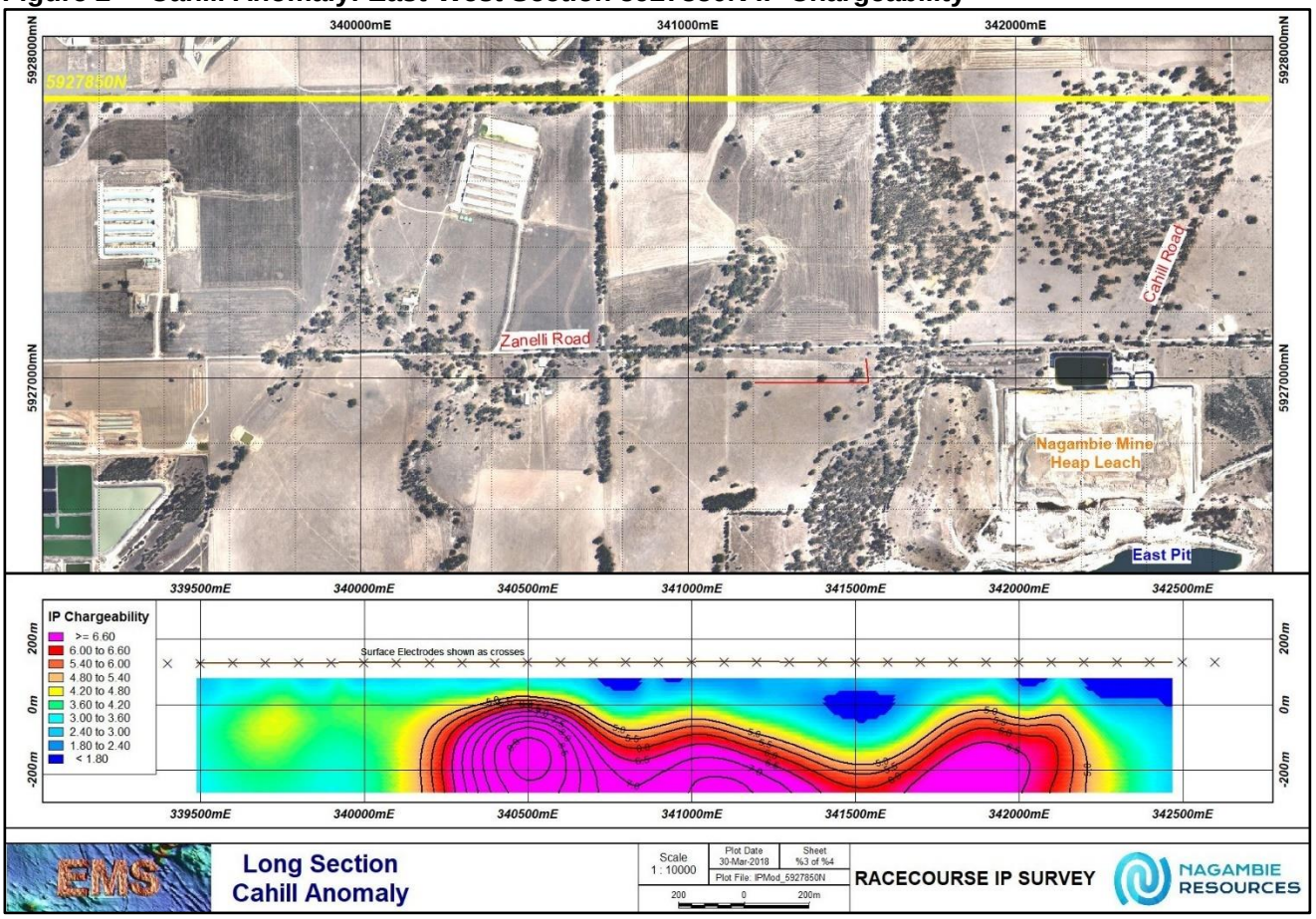


Figure 2 shows the Zonge Inversion-Modelled IP Chargeability along the east-west line through the centre of the Cahill Anomaly, looking north. The yellow line on the aerial photograph shows the line of section, 1.5 km north of the Nagambie Mine. The purple-coloured contours indicate the zones of high chargeability over a length of 1,800 metres, commencing around 100m below surface.

Figure 3 Cahill Anomaly: East-West Section 5927850N Resistivity

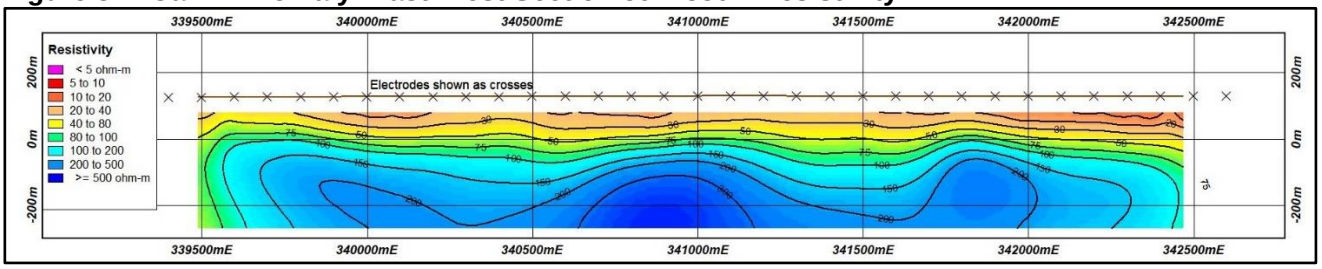


Figure 3 shows the Zonge Inversion-Modelled Resistivity along the same Cahill east-west section. Note the strong association of high resistivity with the high chargeability zones.

Figure 4 shows the Zonge Inversion-Modelled IP Chargeability along a north-south line (looking to the west) at 341450E, showing the locations of the Cahill Anomaly to the south (left of image) and the Racecourse Anomaly to the north (right of image). A gravity-interpreted deep crustal fault runs through this section at around (592)8260N, just to the right of the Cahill Anomaly. On this section, the Cahill Anomaly is weakening and the Racecourse Anomaly is starting to strengthen. Also on this section, the top of the Cahill Anomaly commences at around 200m below surface while the top of the Racecourse Anomaly commences at around 100m below surface.

Figure 4 Cahill and Racecourse Anomalies: North-South Section 341450E IP Chargeability

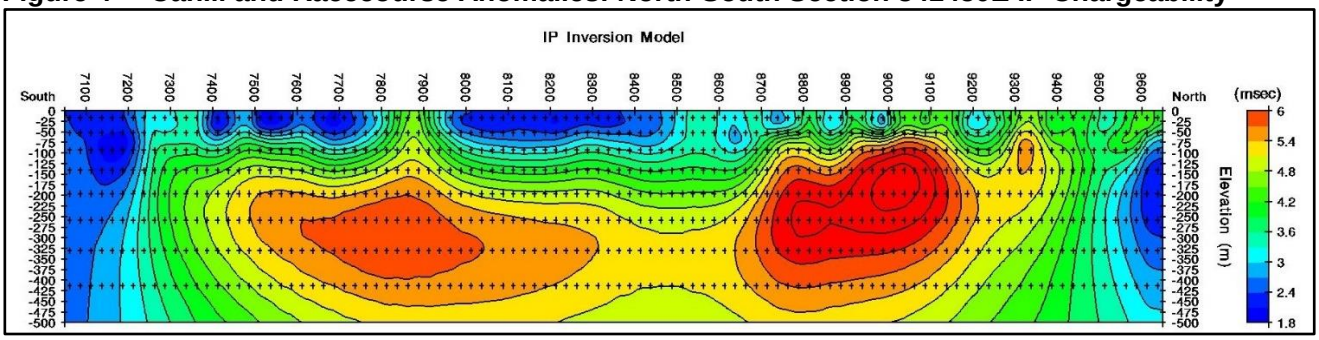


Figure 5 Cahill and Racecourse Anomalies: North-South Section 341450E Resistivity

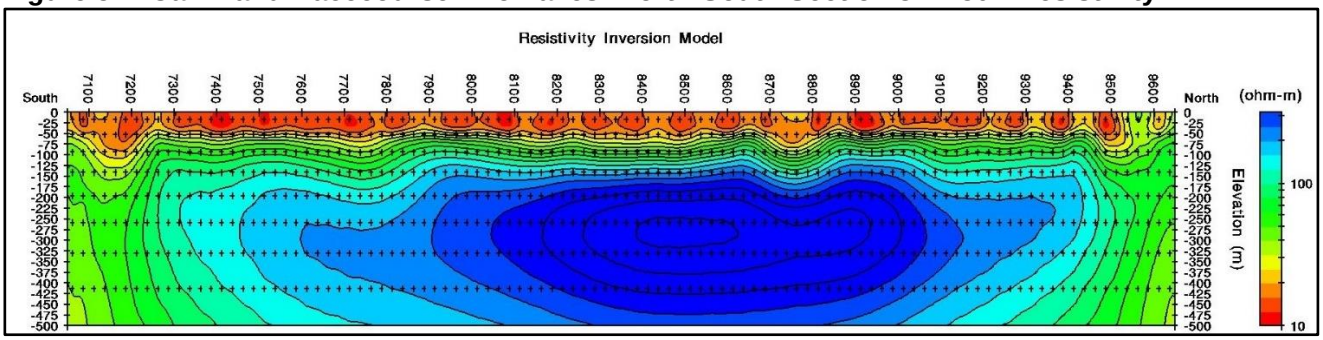


Figure 5 shows the Zonge Inversion-Modelled Resistivity along the same section. The higher chargeability zones coincide with a broad zone of high resistivity.

The Racecourse Survey was successful in that:

- The Racecourse Anomaly was partially outlined in the IP chargeability sections. This anomaly is observed over a strike length of 1,850 metres;
- A second chargeability anomaly was located 750 metres north of Zanelli Road. This has a strike length of 1,800 metres and has been named the Cahill Anomaly; and
- Both high chargeability anomalies are defined by a chargeability of 5.5mSec and higher, and are associated with high electrical resistivities up to 500 ohm-m. These parameters are believed to be in the range expected for disseminated pyrite-arsenopyrite sulphide mineralisation, similar in style to that at Fosterville and Lockington.

Structural Association

Both the Cahill and Racecourse Anomalies are associated with structures previously interpreted from the aeromagnetic data. The Racecourse Anomaly closely follows the interpreted Racecourse Thrust while the Cahill Anomaly follows the Cahill Thrust (interpreted thrusts are named after local roads).

The two anomalies have a strong relationship to the Nagambie Gravity Fault (NGF, magenta line in Figure 1). The NGF was interpreted from publicly available gravity imagery and this structure, with others, led to the deep crustal model of hot gold-rich fluids rising under pressure to be injected into near-surface north-dipping thrust zones.

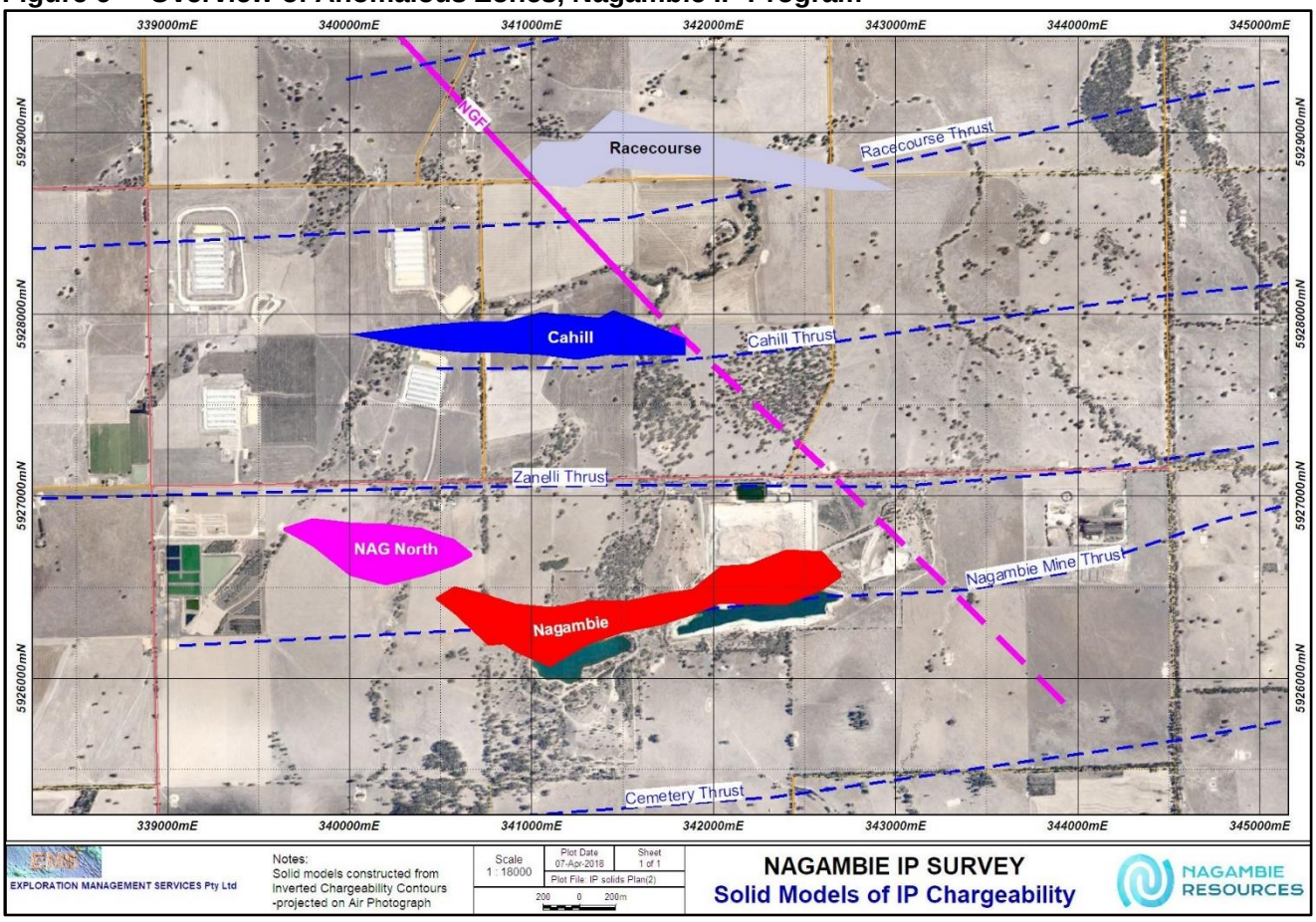
Drill Targeting

Both the Cahill and Racecourse Anomalies present as compelling drill targets. Planning is underway to test their high chargeability zones below 200 metres depth by diamond drilling following an initial drilling program at the Nagambie Mine area.

Overview of both the Mine and Racecourse IP Surveys

Figure 6 shows the solid outlines of the four main zones of anomalous IP chargeability, identified by both the Racecourse and the Mine surveys.

Figure 6 Overview of Anomalous Zones, Nagambie IP Program



The Nagambie, Cahill and Racecourse sulphide targets show a strong association with magnetic-interpreted thrusts and the intersecting Nagambie Gravity Fault (NGF), interpreted to be a significant deep crustal fault, one of 10 indicated by gravity data for the Waranga Province.

The Zanelli Thrust may not be associated with host rocks favourable to gold deposition (e.g. shales, low iron content) and the Nagambie North sulphide target may be associated with an unidentified structure.

Regional Implications

Nagambie Resources has developed a model of gold deposition in the Waranga Province of the Melbourne Zone based on hot gold-rich sulphidic fluids rising from the basement crust under pressure up deep crustal faults interpreted from gravity data. Where these deep crustal faults intersect the shallower thrusts (faults) interpreted from magnetic data, the fluids travel under pressure along the shallower structures to iron-rich sites favourable to the deposition of gold with arsenopyrite.

The Nagambie Mine, Cahill and Racecourse IP anomalies lie close to the intersection of the north-west-striking Nagambie Gravity Fault and a set of east-west-striking thrusts, supporting the Company's regional gold deposition model.

Similarly, the Wandean Prospect (identified by drilling in 2013/2014) is at the intersection of the Wandean Thrust (identified in outcrop on Kirwans Bridge Road) and another identified north-west-striking gravity-interpreted crustal fault, the Wandean Gravity Fault.

Hence, intersections of deep gravity-interpreted structures with surface magnetic-interpreted structures are the Company's principal regional exploration focus. Both the Mine and Racecourse IP Surveys have shown that modern ground IP can be used to survey all the relevant intersections and locate all sulphide-gold targets within 400m of the surface.

Nagambie Resources' exploration licences (ELs and ELAs with priority) in the Waranga Province cover over 2,000 sq km and encompass all 10 of the significant north-west-striking, gravity-indicated, deep crustal faults identified to date. The number of east-west-striking surface thrusts (faults) in the Waranga Province could be many multiples of 10, given that 5 occur (maybe 6 allowing for Nagambie North) over the total distance of only 4 km north to south tested by the Mine and Racecourse IP Surveys. The number of intersections or potential "crust-to-surface plumbing systems" in the Company's tenements could therefore be a very significant number.

A JORC 2012 Edition, Table 1 Checklist for the Racecourse Survey is attached at the end of this announcement. The results of the Mine Survey, together with its relevant Table 1 Checklist, were released on 22 March 2018.

James Earle
Chief Executive Officer

STATEMENT AS TO COMPETENCY

The Exploration Results in this report have been compiled by Mr Geoff Turner, who is a Fellow of the Australian Institute of Geoscientists, has more than ten years in the estimation, assessment, and evaluation of mineral resources and ore reserves, and has more than 20 years in exploration for the relevant style of mineralisation that is being reported. In these regards, Geoff Turner qualifies as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Geoff Turner is a consultant to Nagambie Resources Limited and 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 Mining 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.

JORC 2012 Edition, Table 1 Checklist

Section 1: Sampling Techniques and Data **Criteria**	**Explanation**
Drilling & Sampling techniques	NA.
Drill sample recovery	NA.
Logging	NA.
Sub-sampling techniques and sample preparation	NA.
Quality of assay data and laboratory tests	**Racecourse IP Survey:** Array: dipole-dipole Station, dipole size: 100m Line spacing: various n-spacing: up to n=16 coordinate system: local grid, truncated GDA94 z55 Frequency: 0.125Hz Transmitter current: 8-40A Transmitter: Zonge International GGT-30 Receiver: GDD GRX-32 Receiver electrodes: porous copper sulphate pots Transmitter electrodes: metal lined pits ~2x2m GPS: handheld Garmin, accuracy ~+/-3m
Verification of sampling and assaying	NA
Location of data points	Transmitter and receiver stations recorded by 12-channel GPS. GPS accuracy is ±3 metres. All coordinates are in MGA94, Zone 55 and AHD Elevations were interpolated from data obtained from VicMap topographic data and historic mine surveys.
Data spacing and distribution	Transmitter and receiver electrodes placed at 100 metre intervals. • This spacing is not of sufficient density to allow the estimation of a mineral resource.
Orientation of data in relation to geological structure	Survey lines were placed at approximately 90º to assumed strike of mineralisation.
Sample security	NA
Audits or reviews	No audits or reviews have been undertaken

Section 2: Reporting of Exploration Results **Criteria**	**Explanation**
Mineral tenement and land tenure status	• The area surveyed is within EL5511, 100% owned by Nagambie Resources Ltd. The tenements is in good standing with no known impediments.
Exploration done by other parties	None.
Geology	• Target is disseminated gold (+arsenic & antimony) mineralisation in silicified sediments, hosted by folded and fractured Devonian sediments in the footwall of a reverse fault system. Primary gold mineralisation is suspected to be arsenopyrite hosted.

Section 2: Reporting of Exploration Results **Criteria**	**Explanation**
Drill hole Information	NA
Data aggregation methods	NA
Relationship between mineralisation widths and intercept lengths	NA
Diagrams	Refer to figures in the body of the text. Plans and sections of modelled data are shown.
Balanced reporting	All modelled data are presented for each cross section of this survey.
Other substantive exploration data	No other exploration results that have not previously been reported, are material to this report.
Further work	Planning for drilling is in progress, anticipated to start in April.