

UPDATE ON IP SURVEY AND ADDITIONAL ELs PEGGED**Update on IP Survey**

Further to the update released on 2 February 2017, the IP (Induced Polarisation) ground geophysical survey over the Nagambie Mine and the Racecourse Prospect is still ongoing in order to expand and improve the quality of the sulphide target models generated.

An ASX announcement will be made as soon as the final IP modelling becomes available.

Drilling

The Company is encouraged by the preliminary modelling. Drilling of the most prospective sulphide targets for antimony-arsenic-associated gold mineralisation is being planned and will commence as soon as possible.

Additional ELs Pegged

Nagambie Resources has also been sufficiently encouraged by the preliminary IP modelling to apply for two additional ELs (Exploration Licences) totalling 418 sq km in the Waranga Province of the Melbourne Zone. The total of all the Company's exploration ground in the Waranga Province, both currently granted and applied for, now totals 1,558 sq km.

The additional ELAs cover almost all the remaining identified structures in the Waranga Province from open file gravity imagery that are believed to indicate deep crustal fractures. These indicated crustal fractures could have allowed gold mineralised fluids sourced in the volcanic crust to reach higher levels. This structural model of deep crustal fluid movement feeding into surface aeromagnetic-interpreted structures has been developed and refined by Nagambie Resources in recent years.



James Earle
Chief Executive Officer

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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403,935,912

ASX CODE: NAG

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