

HIGHLIGHTS

- ❖ The NAD004 and NAD005 diamond drill holes are confirming the new geological interpretation that the east-west-striking sedimentary beds that hosted the gold mineralisation in the East Pit are continuing to curve towards the south to the south west of the West Pit. NAD005 is nearing completion and planning for NAD006, to further test the Nagambie Mine Feeder Zone target, is underway.
- ❖ Nagambie Resources and Golden Camel Mining (GCM) have received approval for the construction and operation of a gold toll treatment facility at the Nagambie Mine. GCM will pay 100% of all construction and commissioning costs; thereafter all revenues and costs will be shared 50:50. Construction is scheduled to commence in November 2021 with commissioning to occur in the June 2022 quarter. Major components for the CIL circuit have begun to arrive at the Nagambie Mine.
- ❖ While the Victorian Government's "Big Build" timing has been affected by Covid-19, the Spark consortium, the Preferred Bidder for the construction of the North East Link Tunnels, has continued to engage with Nagambie Resources for more specific technical and pricing information regarding "Underwater Storage" PASS Management at the Nagambie Mine. Nagambie Resources continues to be confident of being able to secure a significant PASS contract.

COMMENTARY

Nagambie Resources' Executive Chairman, Mike Trumbull, commented: *"The JV between Nagambie Resources and GCM for the gold toll treatment plant at the Nagambie Mine is a genuine win-win for both companies. It will also undoubtedly open up future growth possibilities for the gold industry in general in central and eastern Victoria."*

"For Nagambie Resources, the toll treatment plant will be a great sustainable business producing strong cash flow and greatly improves the potential economics of our most advanced 100%-owned gold exploration project, the Nagambie Mine Feeder Zone underground gold target."

NAGAMBIE RESOURCES
www.nagambieresources.com.au

Oriented diamond drilling of Fosterville-style, structural-controlled, high grade sulphide-gold underground targets within the Waranga Domain tenements is being methodically carried out.

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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.

Mining and screening of sand and gravel deposits at the Nagambie Mine to produce sand and quartz aggregate products is also planned.

SHARES ON ISSUE
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Mike Trumbull (Exec Chairman)
Bill Colvin (Director)
Alfonso Grillo (Dir/Company Sec)

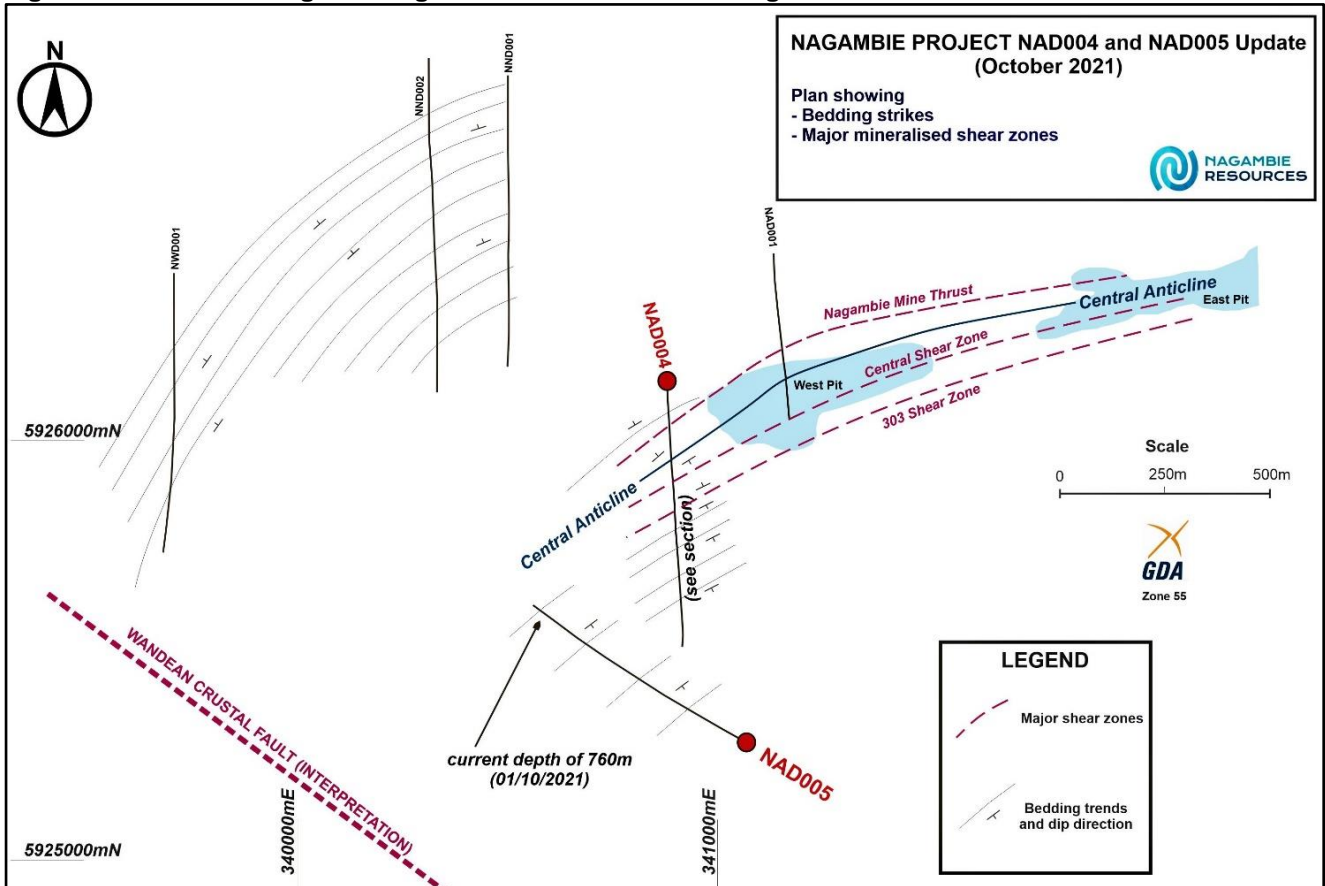
James Earle CEO

GOLD EXPLORATION

Diamond Drilling of the Nagambie Mine Feeder Zone Target

With reference to Figure 1, detailed logging of the sedimentary bedding strikes for the NWD001 and NAD004 holes, together with those for the previous NAD001, NND001 and NND002 holes, now indicates consistent parallel curvature to the south west of the Nagambie Mine bedding towards the interpreted Wandean Crustal Fault (WCF).

Figure 1 Plan showing Bedding Strike Curvature in the Nagambie Mine West Area



The WCF is considered to be the source of the deep hydrothermal crustal fluids that resulted in the precipitation of the Nagambie Mine gold/arsenic/antimony mineralisation. The south-west sulphide-gold target zone that results from this new geological interpretation extends for around 1.3 km between the West Pit and the WCF. The drilling of NAD005 into this target zone is nearing completion and planning for NAD006 is being carried out.

Cursory logging of NAD005 to date continues to indicate the curvature of the sedimentary beds to the south west of the West Pit.

Figure 2, a section for NAD004, shows the various sandstone units, which are more likely to host sulphide-gold mineralisation than the more ductile siltstone and shale beds, in relation to the logged sulphide mineralisation zones.

Redcastle and Whroo Joint Ventures with Mawson Gold

Mawson Gold Limited (TSX: MAW) currently manages and operates both the Redcastle and Whroo Joint Ventures with Nagambie Resources.

Gold Tenements

The Company’s tenements as at 30 September, totalling 3,384.6 sq km, are listed in Table 1.

Figure 2 NAD004 Section – Logged Sandstones and Sulphide Mineralisation

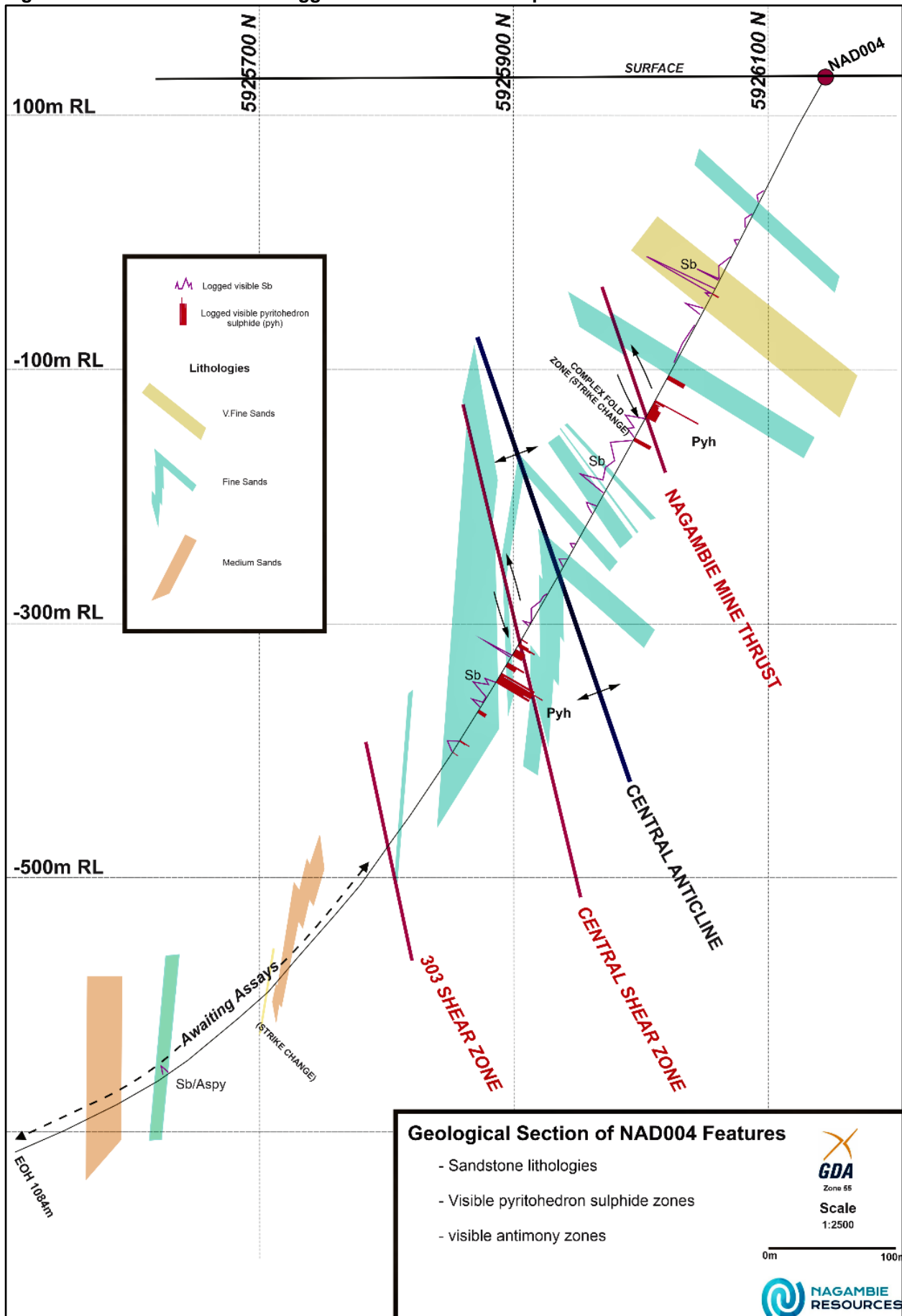


Table 1 Nagambie Resources Tenements as at 30 September 2021

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	33.0
EL 6606	Gowangardie Exploration Licence	89.0
EL 6719	Euroa Exploration Licence	81.0
EL 6720	Tatura Exploration Licence	145.0
EL 6731	Arcadia Exploration Licence	218.0
EL 6748	Waranga Exploration Licence	102.0
EL 6937	Nagambie East Exploration Licence	7.0
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	485.0
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
ELA 7690	Nagambie South Exploration Licence Application	4.0
RL 2019	Doctors Gully Retention Licence	4.0
Total Waranga Domain		3,309.6
EL 5546	Redcastle Exploration Licence	51.0
EL 7498	Cornella Exploration Licence	19.0
EL 7499	Sheoak Exploration Licence	5.0
Total		3,384.6

GOLD TOLL TREATMENT PLANT JVA SIGNED

Nagambie Resources (“NRL”) and Golden Camel Mining Pty Ltd (“GCM”) in early October 2021 signed a comprehensive Joint Venture (“JV”) Agreement (“JVA”) for the construction, commissioning, operation and rehabilitation of a gold toll treatment plant at the Nagambie Mine.

NRL and GCM received approval for the toll treatment plant in August 2021 and GCM has already commenced acquiring major items including components for the CIL circuit and transporting them to the Nagambie Mine (refer Photo 1). The layout of the treatment plant is shown in Figure 3 and 4.

Construction is scheduled to commence in November 2021 with commissioning to occur in the June 2022 quarter. The facility will utilise leading technology to minimise environmental impacts. The JV is also investigating the option of augmenting grid power with renewable solar energy, utilising NRLs extensive land ownership surrounding the mine.

Principal terms of the JVA include:

- ❖ For the initial treatment plant with a nominal capacity of 180,000 tonnes of ore per annum, GCM will pay for all the procurement, construction and commissioning costs and pay for the first fill of all consumables. GCM will also pay for the upgrade of associated site infrastructure such as the main mine entry, power supply and internal haul roads;

- ❖ Once steady state ore throughput and gold recovery has been achieved, all toll treatment revenues, operating costs, rehabilitation costs and sustaining capital will be shared 50:50 by NRL and GCM;
- ❖ All future plant expansions and gold recovery improvements will be paid for 50:50 by NRL and GCM;
- ❖ GCM will be the Manager of the JV with NRL and GCM being equally represented on the JV Committee. All JV Committee decisions will be unanimous and there will be no fee payable to the Manager;
- ❖ The initial ore will be trucked from GCM's Golden Camel Mine;
- ❖ Toll treatment charges for third parties providing ore to the plant will be approved by the JV Committee based on recommendations from the Manager; and
- ❖ If NRL proceeds to recover residual gold from the historic Nagambie Mine Heap Leach Pad using bacterial solutions, the JV will periodically treat the pregnant solution and pour gold bars to NRL's account.

Photo 1 Components for the Gold Toll Treatment Plant in containers at the Nagambie Mine



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.

As well as analysing bacteria already existing in the heap leach material for their gold bioleaching capability, the Perth laboratory also began analysing bacteria strains from an external culture collection during the quarter.

PASS MANAGEMENT PROJECT

The Victorian Government's "Big Build" timing has been affected by Covid-19. Following the close of tenders in May 2020, the Spark consortium was announced as the Preferred Bidder for the construction of the North East Link Project ("NELP") in June 2021. The signing of Financial Close documentation by the State and the Spark consortium, that would allow the finalisation of Spark subcontracts and the physical commencement of the project, is yet to occur.

The NELP will require the management of over five million tonnes of PASS rock to be excavated by large tunnel boring machines. The Spark consortium has been progressively engaging with Nagambie Resources for more specific technical and pricing information regarding "Underwater Storage" PASS Management at the Nagambie Mine and Nagambie Resources continues to be confident of being able to secure a significant contract.

Figure 3 Cross Section View of Designed Toll Treatment Plant, looking West

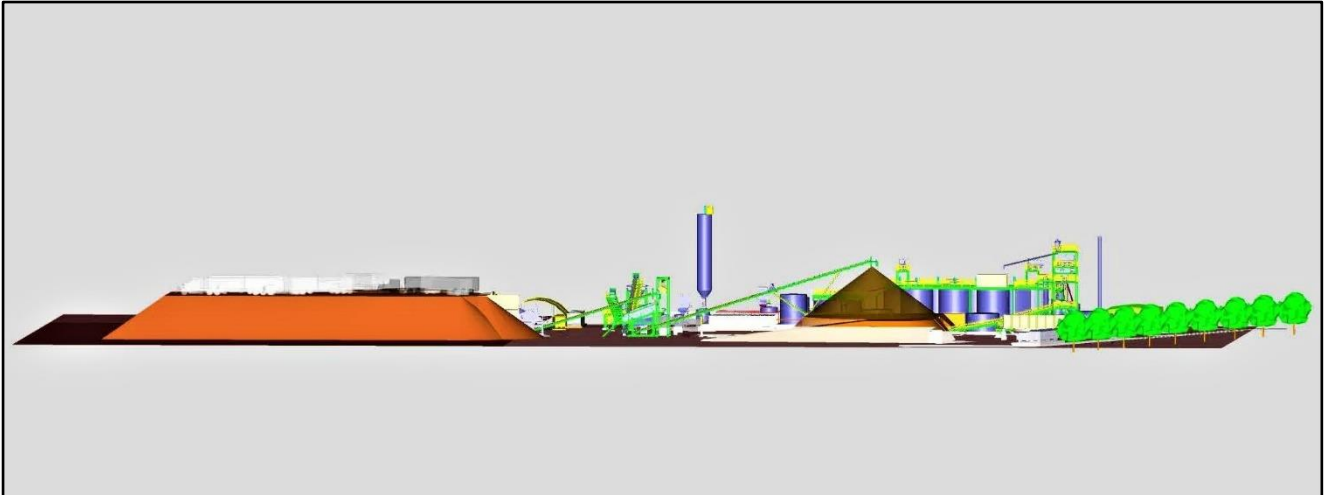
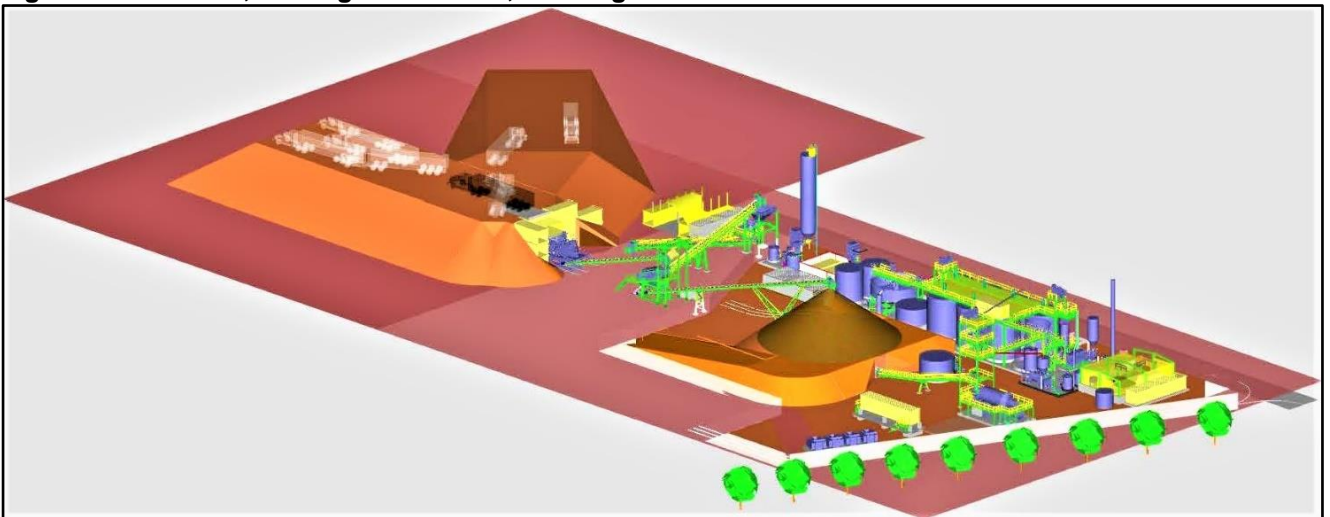


Figure 4 3D View, looking South West, of Designed Toll Treatment Plant



CORPORATE**Cash**

At 30 September 2021, total cash held by the group was \$661,000.

Mawson Gold Limited Shares (TSX: MAW)

At 30 June 2021, Nagambie Resources held 7.6 million MAW shares which had a total market value of \$2,004,000. During the September quarter, 0.775 million MAW shares were sold and at 30 September 2021, the remaining 6.825 million MAW shares had a market value of \$1,292,000.

Under the agreements with Mawson Gold, Nagambie Resources could sell up to 4.45 million MAW shares during the December 2021 quarter which, as at 30 September 2021, had a market value of \$842,000.

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.