NAGAMBIE RESOURCES

ASX ANNOUNCEMENT

6 AUGUST 2018

PASS MANAGEMENT EMP EXTENDED FOR 10 YEARS

- The Directors are delighted to report that the Company's Environmental Management Plan (EMP) for the receival and management of sulphidic excavation material (Potential Acid Sulfate Soil and Rock, or PASS) at the Nagambie Mine has been extended by the Environment Protection Authority of Victoria (EPA) for 10 years.
- The EMP enables PASS from excavation sites in Melbourne to be used to backfill the West Pit, mined in the 1990s for gold, below the water level. Impermeable clay from the mine site will then be added to the pit and compacted to permanently cap the PASS in an anaerobic state.
- Nagambie Resources expects to tender for the management of PASS from the Melbourne Metro Rail Project (MMRP) and the West Gate Tunnel Project later in CY2018.
- The Environmental Effects Statement (EES) for the MMRP specifies that the PASS, to avoid the formation of acid drainage, can only be disposed of or re-used at a landfill with the appropriate EPA licence or at a site that has an EMP approved by the EPA. The two prime PASS Management options specified in the EES are:
 - Treatment with lime; and
 - Underwater disposal to prevent oxidation.
- The Environmental Performance Requirements (EPR) for the MMRP include the appointment of an Independent Environmental Auditor to audit the proposed plans and to undertake environmental audits of compliance as required under the EPR during construction.
- The MMRP, with over 1 million tonnes of PASS, will be the first ever large project in Melbourne requiring the comprehensive identification of PASS and its management using lime treatment or underwater disposal to avoid the formation of acid drainage.
- Advantages of the PASS Management Project for the West Pit include:
 - Rehabilitation of the legacy pit to its original use as farming land;
 - Generation of significant employment opportunities in the region;
 - Future funding for Nagambie Resources' gold exploration and development in the Waranga Province potentially creating further employment opportunities in the region; and
 - The best environmental outcome and a low cost outcome for PASS Management for Melbourne's large infrastructure projects.

James Earle Chief Executive Officer

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Exploration for Fostervillestyle, structural-controlled, high grade sulphide-gold underground deposits within 2,000 sq km of Waranga Province tenements is being methodically carried out using geophysical targeting techniques and oriented diamond drilling.

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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