

Dear Shareholder

NAGAMBIE RESOURCES LIMITED 2017 SHARE PURCHASE PLAN

Nagambie Resources is seeking additional funding in order to:

- ❖ Significantly develop its quarrying operations in 2017 by:
 - ❖ Building up its stockpiles of high quality road-topping gravel and compaction fill material from the East Overburden Dump;
 - ❖ Developing a clay mining operation at the Nagambie Mine to supply impermeable capping material;
 - ❖ Establishing a dry screening operation on the Heap Leach Pad to produce rock aggregates for concrete manufacture; and
 - ❖ Developing access infrastructure for a sand and quartz aggregates operation at the western end of the West Pit;
- ❖ Carry out gold-in-soil sampling of the first 16 high-priority fault-intersection targets, followed by ground IP geophysics and drilling as required; and
- ❖ Add to general working capital.

I am pleased to invite you to participate in the 2017 Share Purchase Plan ("SPP"). The SPP will be capped at a maximum of \$1,000,000 and shares will be allocated on a "first-in, first-served" basis.

The SPP entitles you to purchase \$1,000, \$2,500, \$5,000, \$10,000 or \$15,000 worth of shares at a discount to market with no associated brokerage costs.

The volume-weighted average price for Nagambie Resources shares on the Australian Securities Exchange ("ASX"), over the five days in which Nagambie Resources' shares traded prior to the SPP being announced, was 7.1344 cents. **The SPP offer price of 6.0 cents therefore represents a discount of 15.9%.**

All the directors and the CEO of Nagambie Resources intend to take up their maximum entitlement for new shares under the SPP of \$15,000.

Attached are the Terms and Conditions of the SPP. To participate, you can make a payment by BPay® **or** complete the Application Form provided and return it with a cheque to Advanced Share Registry (a reply-paid, addressed envelope is provided for Australian shareholders). **If you make your payment with BPay®, you do NOT need to complete and return the Application Form.** BPay® customers must however use the **Customer Reference Number** shown on the Application Form to identify their holding.

All ASX releases by Nagambie Resources can be viewed on the Company's website: www.nagambieresources.com.au

Thank you for your continuing support.



Mike Trumbull
Executive Chairman

6 February 2017

**TERMS AND CONDITIONS FOR THE
NAGAMBIE RESOURCES LIMITED 2017 SHARE PURCHASE PLAN (“SPP”)**

1. The SPP

The SPP enables Eligible Shareholders (see paragraph 2) to purchase \$1,000, \$2,500, \$5,000, \$10,000 or \$15,000 of fully paid ordinary shares in Nagambie Resources Limited (“Nagambie Resources”) without being required to pay brokerage fees or incurring additional transaction costs.

2. Eligible Shareholders

You are eligible to participate in the SPP (“Eligible Shareholder”) if you were the registered holder of one or more fully paid ordinary shares in Nagambie Resources (“Shares”) at 7.00 pm (Melbourne time) on 3 February with an address, as recorded in Nagambie Resources’ Share Register, in Australia or New Zealand unless you hold the Shares on behalf of another person who resides outside Australia or New Zealand. Accordingly, shareholders with an address outside Australia and New Zealand will not be eligible to participate in the SPP.

3. Participation in the SPP

Participation in the SPP is subject to these Terms and Conditions and is optional. However, the offer under the SPP is non-renounceable and Shares will only be issued to the Eligible Shareholders to whom they are offered. This means that you cannot transfer your right to purchase Shares under the SPP to another person or entity.

4. Key Dates

• Record Date to determine entitlements	7.00pm (AEST) on	3 February 2017
• ASX Announcement of SPP		6 February 2017
• Despatch of documents to shareholders and SPP Opening Date		13 February 2017
• Closing Date for application for shares	5.00pm (AEST) on	4 March 2017*
• Allotment Date for SPP shares		11 March 2017*
• Quotation Commences		12 March 2017*

* *These dates are indicative only and may be changed at the discretion of Nagambie Resources*

5. Issue Price of Shares

The issue price for each Share under the SPP is 6.0 cents. This price was determined by Nagambie Resources following the close of trading on 3 February 2017 (the trading day before the SPP was announced) by taking the volume-weighted average traded price of Shares sold on the Australian Securities Exchange (“ASX”) in the five days in which Nagambie Resources’ shares traded immediately prior to the announcement of the SPP (being 7.1344 cents) and applying a discount of 15.9% to that price.

6. Variation in market price of the Shares on the ASX

The market price of the Shares on the ASX may rise and fall between the date of this SPP offer and the date when Nagambie Resources allots the Shares to you under the SPP. This means that the price you pay under the SPP offer may exceed the price at which Shares are trading on the ASX at the time the Shares are allotted to you under the SPP.

7. Number of Shares Eligible Shareholders can apply for under the SPP and \$1,000,000 cap on total funds raised

As an Eligible Shareholder and based on the issue price for available shares under the SPP, you can apply for:

- **16,667 Shares at \$0.06 per Share which will cost you \$ 1,000; OR**
- **41,667 Shares at \$0.06 per Share which will cost you \$ 2,500; OR**
- **83,334 Shares at \$0.06 per Share which will cost you \$ 5,000; OR**
- **166,667 Shares at \$0.06 per Share which will cost you \$10,000; OR**
- **250,000 Shares at \$0.06 per Share which will cost you \$15,000.**

This offer of new shares under the SPP is made in accordance with ASIC Class Order 09/425. The instrument grants relief from the requirement to prepare a prospectus for the offer of new shares under the SPP. In accordance with the ASX Listing Rules, the number of shares that may be issued by a company under a share purchase plan cannot exceed 30% of the number of fully paid ordinary shares already on issue. For the SPP, Nagambie Resources is capping the total raised at \$1,000,000 and allocating the new shares on a “first-in, first-served” basis. The maximum number of new shares that could be issued at 6.0 cents per share therefore would be approximately 16,666,667 shares or approximately 4.53% of the fully paid ordinary shares already on issue (368,279,776 shares).

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The directors of Nagambie Resources, as Eligible Shareholders, may participate in the SPP on the same terms and conditions as all other Eligible Shareholders in Nagambie Resources and their participation is not subject to shareholder approval.

Applications will be processed in the order in which they are received on a “first-in, first-served” basis.

Any necessary refund will be paid by Nagambie Resources to Eligible Shareholders shortly after the Closing Date or the date upon which the Closing Date is extended. Interest will not be paid on any money refunded.

If you are an Eligible Shareholder and have received more than one offer under the SPP (for example because you hold more than one shareholding under separate share accounts), you may not apply for Shares with an aggregate value exceeding \$15,000 under the SPP. Nagambie Resources reserves the right, exercisable at its sole discretion, to reject any application for Shares where it believes the requirement has not been met.

ASIC CO 09/425 also enables an issuer to offer securities under an SPP without a prospectus or product disclosure statement to each of the underlying beneficiaries whose securities are held on their behalf by a custodian, even if the name of the underlying holder is not expressly noted on the register of members. However, in order for the underlying beneficiaries to apply for securities under the SPP, the custodian applying for securities on behalf of its beneficiaries must issue a certificate providing certain details of such beneficiaries and confirming that the \$15,000 limit in 12 months will not be exceeded in respect of each individual beneficiary (although a beneficiary who is resident outside Australia or New Zealand is not eligible to participate in the SPP).

8. Opening and Closing of the SPP Offer

The SPP offer opens on 13 February 2017 (“Opening Date”) and closes at 5.00 pm (Melbourne time) on 4 March 2017 (“Closing Date”) unless it is extended by Nagambie Resources. Nagambie Resources reserves the right to change at any time the Closing Date or the proposed Allotment Date by making an announcement to the ASX.

Nagambie Resources also reserves the right to terminate the SPP at any time prior to the issue of Shares under the SPP. If Nagambie Resources terminates the SPP, it will refund any money paid by Eligible Shareholders under the SPP. Interest will not be paid on any money refunded.

9. How to Apply for Shares under the SPP

If you wish to apply for Shares under the SPP, you must make payment for exactly \$1,000 or \$2,500 or \$5,000 or \$10,000 or \$15,000 by the Closing Date through one of the following options:

- a) **If you make your payment with BPay®, you do not need to complete and return the enclosed Application Form.** BPay® customers should use the **Customer Reference Number** shown on the Application Form to identify your holding; or
- b) If not using BPay®, you must complete the enclosed Application Form and forward it with payment by cheque, money order or bank draft in Australian dollars, made payable to “Nagambie Resources Limited”, to Advanced Share Registry at the address set out in the Application Form. A reply-paid envelope is enclosed for the convenience of Australian shareholders.

Applications must be received by Advanced Share Registry by the Closing Date (currently 5.00 pm (Melbourne time) on 4 March 2017).

10. Nagambie Resources’ discretions regarding applications

Nagambie Resources has broad discretion to reject your application to purchase Shares under the SPP, including (without limitation) if:

- a) Your Application Form is incorrectly completed or incomplete or otherwise determined by Nagambie Resources to be invalid;
- b) Your cheque is dishonoured or has not been completed correctly;
- c) The cheque, money order, bank draft, or BPay® payment is not exactly \$1,000 or \$2,500 or \$5,000 or \$10,000 or \$15,000;
- d) It appears that you are applying to buy more than \$15,000 (in aggregate) of Shares at the issue price;
- e) Your payment is received after the Closing Date. Whilst Nagambie Resources has the discretion to accept late payments, there is no assurance that it will do so. Any late payments or cheques, if not accepted, will be refunded or returned to you; or
- f) Nagambie Resources believes that you are not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements).

11. Allotment Date

The Shares will be allotted under the SPP on the Allotment Date (currently 11 March 2017) and application for quotation of your Shares on the ASX will be made at the same time. You should receive your allotment statement, or confirmation advice, shortly after the Allotment Date.

12. What rights attach to the Shares

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Shares issued under the SPP will rank equally with existing fully paid ordinary shares in Nagambie Resources and will carry the same voting rights, dividend rights and other entitlements as at the date of allotment.

13. Dispute resolution

Nagambie Resources may settle in any manner it thinks fit any disputes or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to the applicant or application for Shares and the decision of Nagambie Resources will be conclusive and binding on all persons to whom the decision relates. Nagambie Resources reserves the right to waive compliance with any provision of the SPP Terms and Conditions, subject to compliance with the Corporations Act and the ASX Listing Rules.

14. Further Information

If you have any questions in relation to the terms and conditions of the SPP or how to make an application, you can ring Advanced Share Registry on +61 8 9389 8033. Advanced Share Registry will not provide financial, investment or taxation advice.

15. Independent financial or investment advice recommended

Nagambie Resources is not providing investment advice or making any recommendation in respect of the SPP. Any decision to participate should be made after considering your own objectives, financial circumstances and needs and obtaining independent advice if necessary.

16. Significance of applying for Shares under the SPP

By making payment by BPay® or by completing an Application Form and forwarding payment by cheque, money order or bank draft:

- a) You acknowledge that you are an Eligible Shareholder;
- b) You certify that you have not applied for more than \$15,000 of Shares under the SPP and any similar arrangement in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- c) You agree that your application is made on the Terms and Conditions of the SPP;
- d) You accept that you will not be able to withdraw or revoke your application or BPay® payment once you have sent it in;
- e) You authorise Nagambie Resources (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- f) You acknowledge that Nagambie Resources may at any time determine that your Application Form is valid, in accordance with the Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- g) You accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on Nagambie Resources' Share Register;
- h) You are responsible for any dishonour fees or other costs that Nagambie Resources may incur in presenting a cheque for payment which is dishonoured;
- i) You acknowledge that neither Nagambie Resources nor Advanced Share Registry has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and take up Shares;
- j) You acknowledge that Nagambie Resources is not liable for any exercise of its discretions referred to in these Terms and Conditions; and
- k) You irrevocably and unconditionally agree to the Terms and Conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP.

17. Governing Law

These Terms and Conditions are governed by the laws in force in Victoria and are to be interpreted in accordance with their spirit, intention and purpose.

18. Underwriting

The SPP will not be underwritten.