NAGAMBIE RESOURCES

JUNE 2018 QUARTERLY REPORT — 31 JULY 2018

HIGHLIGHTS

- The first three diamond drill holes in the initial sulphide-gold target drilling program have been completed – NAD001 under the West Pit targeting the Nagambie Mine induced polarisation (IP) anomaly and CAD001 & CAD002 targeting the Cahill IP anomaly. Drilling of NAD002 under the East Pit into the Nagambie Mine IP target has commenced. Program planning currently includes RAD001 into the Racecourse IP target and NND001 into the Nagambie North IP target.
- The initial assessment of NAD001 has been completed. The highest assay result received was 5.03 g/t gold (with 2,100 ppm arsenic) from 666m to 667m downhole in a quartz breccia/stockwork. NAD001 traversed to the north of, and then under, the junction of the Nagambie Thrust and the interpreted Upper Splay Fault. This junction is considered to be the location of strong sulphide-gold mineralisation that gave rise to the discrete IP chargeability high and represents a well-defined follow-up drill target.
- No stratigraphic carbonaceous shale was encountered in NAD001, which is encouraging for the use of IP in the Nagambie region. This means that the Nagambie Mine IP target, with an east-west strike length of over 2,000m, is more likely to be reflective of concentrations of sulphides throughout.
- The renewal by EPA Victoria of the Environmental Management Plan (EMP) for PASS Management at the Nagambie Mine is expected shortly.
- Tunnel boring for the Melbourne Metro Rail Project (MMRP) and the West Gate Tunnel Project (WGTP) is expected to commence in the June 2019 quarter. Tendering for the management of PASS in the tunnels for the MMRP and the WGTP is expected in the December 2018 quarter.
- The MMRP, with over 1 million tonnes of total PASS estimated, will be the first ever large project in Melbourne specifically requiring the comprehensive identification of PASS and its management using lime treatment or underwater disposal to avoid the formation of acid drainage.
- 3.15 million unlisted options with an exercise price of $0.10 each were exercised during the quarter, raising $315,000 for the Company.

COMMENTARY

Nagambie Resources' Chairman, Mike Trumbull said: *"The first ever deep diamond drilling program carried out in the Waranga Province was commenced by the Company during the quarter. We are logically and methodically drilling all the IP chargeability highs and relating them to the major east-west thrusts, the pathways that we believe allow gold-enriched crustal fluids to reach the surface.*

"The Company is well placed to win some or all of the management of PASS from the MMRP and WGTP in the December 2018 quarter."

NAGAMBIE RESOURCES

Exploration for Fosterville-style, 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.

SHARES ON ISSUE
407,085,912

ASX CODE: NAG

Nagambie Resources Limited
ABN 42 111 587 163

Registered, Operations & Head Office
533 Zanelli Road
Nagambie Vic 3608
(PO Box 339)
Tel: (03) 5794 1750

www.nagambieresources.com.au
info@nagambieresources.com.au

GOLD EXPLORATION

Initial Sulphide-Gold-in-Sediments Target Drilling Program

The first three diamond drill holes in the initial sulphide-gold target drilling program have been completed – NAD001 under the West Pit targeting the Nagambie Mine induced polarisation (IP) anomaly and CAD001 & CAD002 targeting the Cahill IP anomaly. Drilling of NAD002 under the East Pit into the Nagambie Mine IP target has commenced. Program planning currently includes RAD001 into the Racecourse IP target and NND001 into the Nagambie North IP target.

NAD001

The initial assessment of NAD001 has been completed and is summarised in cross section in Figure 1. NAD001 was collared to the north of the West Pit and drilled directly south at 60 degrees below horizontal. The final hole length was 763m. Unfortunately, the drilling angle initially dropped by up to 3 degrees so that NAD001 passed below the ideal IP high chargeability target position.

Assay results for selected zones of obvious mineralisation were married to the logged geology. The highest assay result received was 5.03 ppm (g/t) gold (with 2,100 ppm arsenic) from 666m to 667m downhole (within 2m at 3.17 g/t gold) in a quartz breccia/stockwork with abundant pyrite.

Gold Intersections greater than 1.0 g/t gold					
Hole ID	From (m)	To (m)	Thickness (m)	Gold (g/t)	Arsenic (ppm)
NAD001	113.5	114.2	0.7	1.51	70
NAD001	199.0	199.6	0.6	1.73	2,130
NAD001	435.0	436.0	1.0	1.18	1,385
NAD001	554.0	554.8	0.8	1.61	643
NAD001	612.1	613.0	0.9	1.20	588
NAD001	655.5	656.2	0.7	1.18	645
NAD001	665.0	667.0	2.0	3.17	1,493
NAD001	685.6	721.1	0.5	1.59	1,645

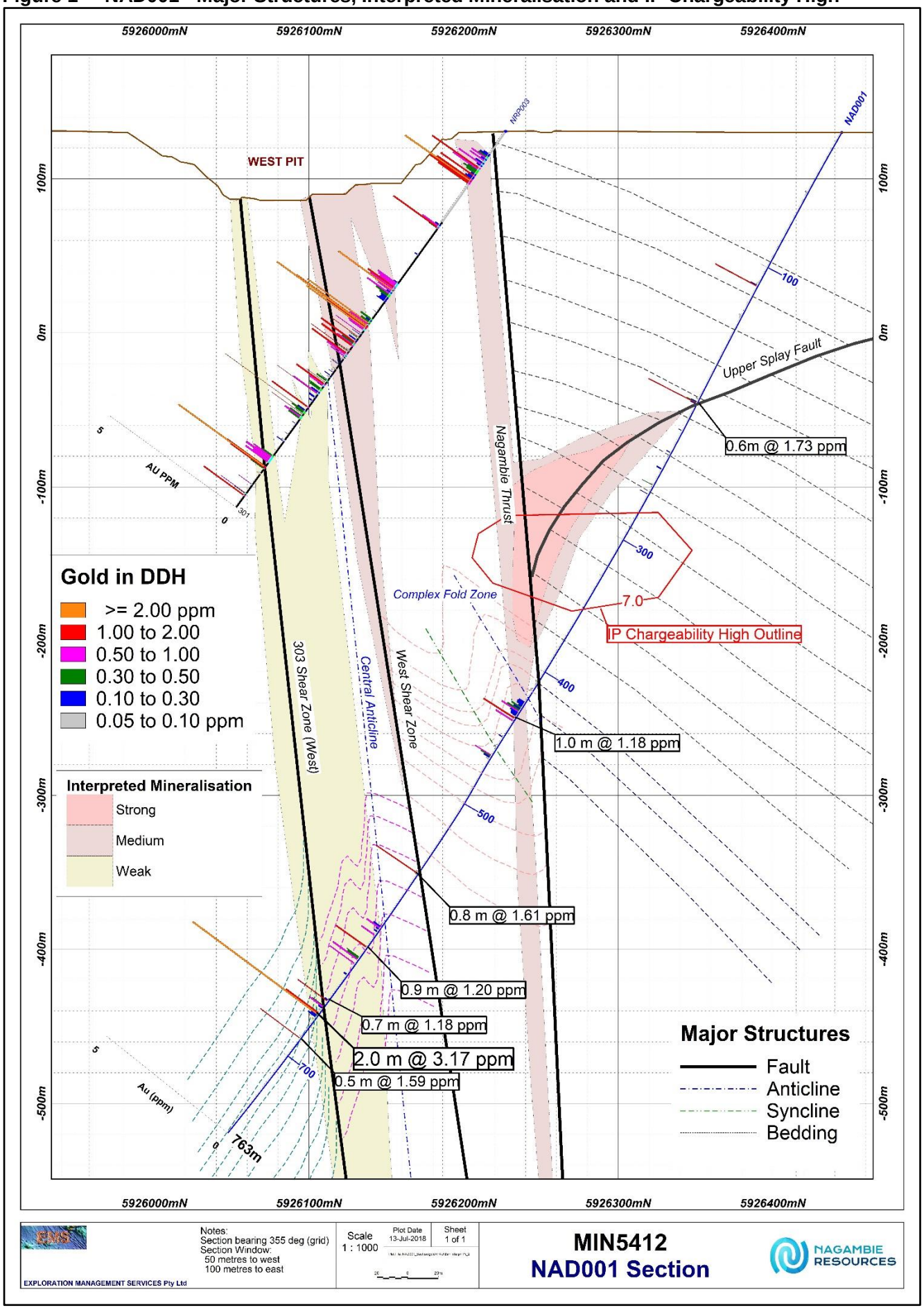
NAD001 was successful in that the understanding of the structural controls on mineralisation have been greatly improved, allowing for the development of a more robust model for mineralisation in the Nagambie Mine area.

No stratigraphic carbonaceous shale was encountered in NAD001, which is encouraging for the use of IP in the Nagambie region. This means that the Nagambie Mine IP target is more likely to be reflective of concentrations of sulphides throughout its east-west strike length of over 2,000m. While NAD001 did traverse through the northern side of the IP chargeability high (see Figure 1), no sulphides were intersected in NAD001 at that depth that would account for such a strong IP anomaly. The inference is that the sulphide target probably lies in the southern side of the IP chargeability high.

Significantly, a shallow-angle fault, named the Upper Splay Fault, was intersected at 199m to 200m downhole, with 1.73 g/t gold (and 2,130 ppm arsenic). This reverse fault is interpreted as a splay fault coming off the main Nagambie Thrust. The Nagambie Thrust was intersected by NAD001 at 407m downhole.

The general position of the steeply-dipping Nagambie Thrust, thought to be the principal mineralised-fluids pathway at the Nagambie Mine, was indicated by the regional aeromagnetic survey. However, its position was not known accurately when the NAD001 hole was designed because the thrust is north of the West Pit on the NAD001 section and is covered at surface by 8m of alluvial clay. It had been thought that the hole would intersect the Nagambie Thrust at a shallower, more northerly position. The fact that the Nagambie Thrust was more to the south than thought meant that the prime area of interest within the IP chargeability high would logically be more to the south.

Figure 1 NAD001 - Major Structures, Interpreted Mineralisation and IP Chargeability High



In summary then, the combination of the more southerly position of the Nagambie Thrust and the initial drop in the hole angle meant that NAD001 traversed to the north of, and then under, the junction of the Nagambie Thrust and the Upper Splay Fault (see Figure 1). This junction is interpreted to be the location of strong sulphide-gold mineralisation that gave rise to the discrete IP chargeability high and represents a well-defined follow-up drill target.

The JORC (2012 Edition) Table 1 Checklist for the NAD001 drill hole is attached at the end of this quarterly report.

NAD002 and the Nagambie Mine Sulphide-Gold Target

Following the assessment of NAD001 and the completion of drill hole CAD002, the program has moved back to the Nagambie Mine and NAD002 is being drilled under the East Pit (see Figures 2 & 3 and Photo 1). The drilling contractor took the opportunity to replace the track-mounted rig with a truck-mounted rig of comparable capacity.

Figure 2 NAD002 – Plan View of Planned Hole under the East Pit

While the precise position of the Nagambie Thrust, thought to be the principal mineralised-fluids pathway, at the depth of the discrete IP chargeability high on the NAD002 section is not known, it can be estimated fairly well as the north-dipping thrust was mapped in the East Pit during mining by Perseverance in the early 1990s. The thrust is thought to pass through the middle of the IP chargeability high with the interpreted pyrite-arsenopyrite sulphide-gold body, that gives rise to the IP anomaly, closely associated with the thrust.

After NAD002 tests this IP chargeability high, the Nagambie Thrust will have been intersected at depth in both NAD001 and NAD002. It will then be possible to estimate the position of the Nagambie Thrust more accurately along the complete Nagambie Mine IP target, which has an east-west strike length of over 2,000m. With that knowledge, an extensive drilling program for the Nagambie Mine IP target can be planned.

Gold Tenements

Nagambie Resources' exploration licences (ELs and ELAs with priority) in the Waranga Province cover over 2,000 sq km (see Figure 4) and encompass all the significant north-west-striking, gravity-indicated, deep crustal faults identified to date.

Gold Tenement Changes

Nagambie Resources group tenements as at 30 June 2018 are listed in detail in Appendix 1 (plan and table). EL6719 (Euroa) of 204.0 sq km was granted during the quarter. EL6748 (Waranga) of 136.0 sq km was applied for during the quarter.

Figure 3 NAD002 – North-South Section View of Planned Hole and IP Chargeability High

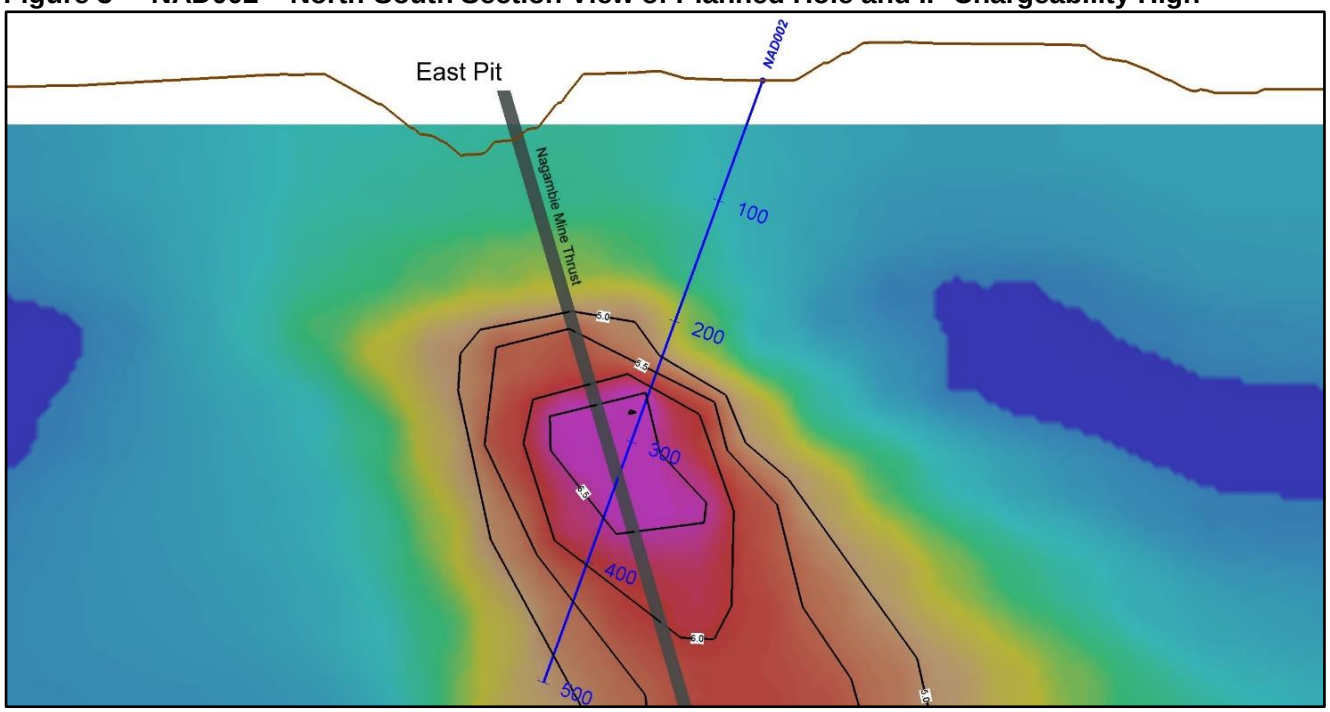
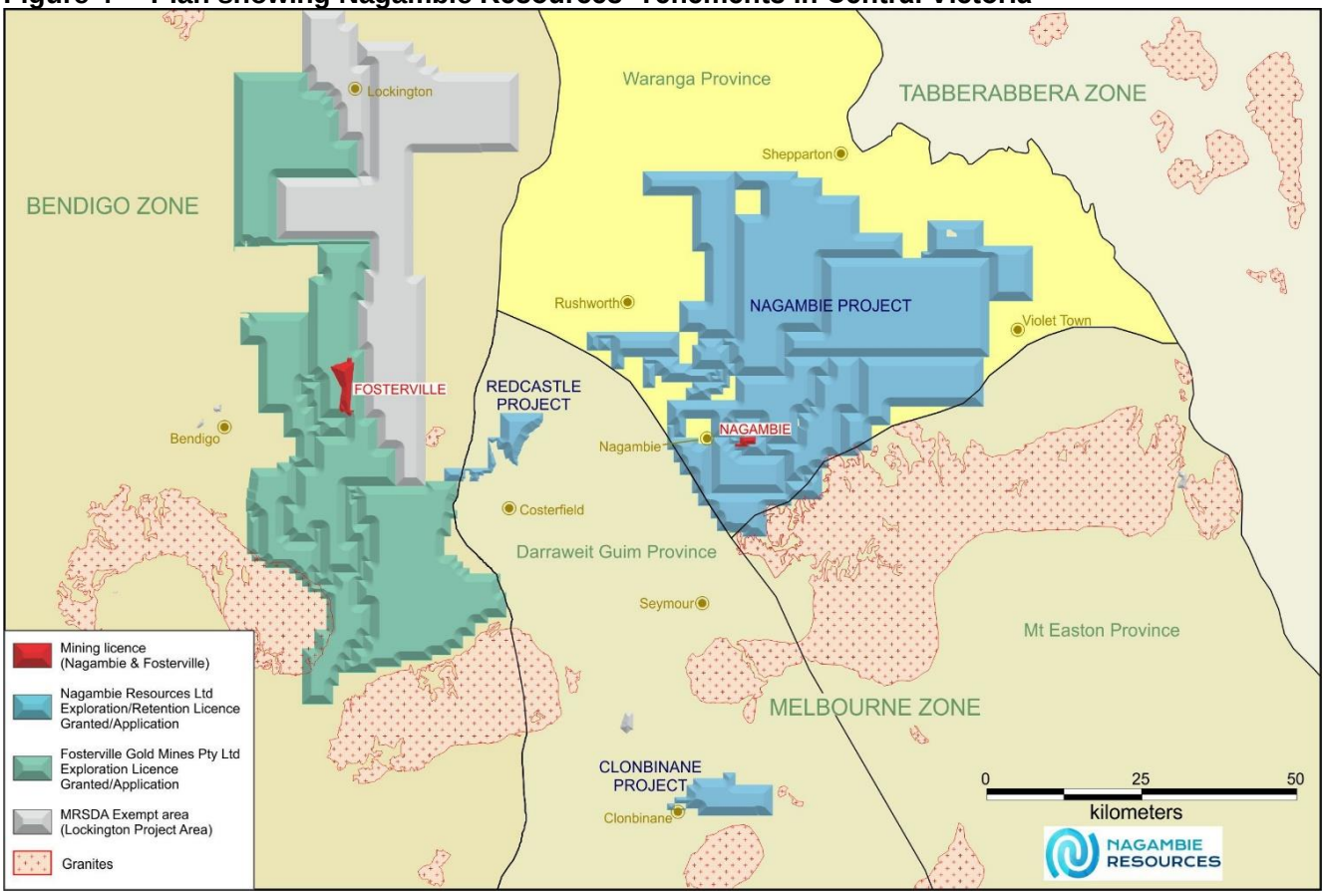


Photo 1 Drone Shot of Rig (bottom-right corner) Drilling NAD002 to the South under the East Pit

Figure 4 Plan showing Nagambie Resources' Tenements in Central Victoria



PASS PROJECT

PASS stands for **P**otential **A**cid **S**ulphate **S**oil (or silt or rock).

Renewal of EMP for PASS Management at the Nagambie Mine

Nagambie Resources continued to work with EPA Victoria to extend the Company's current Environmental Management Plan (EMP) for PASS Management at the Nagambie Mine, utilising underwater storage.

All the EPA requirements for the extension of the PASS EMP have been met:

- Community consultation meetings;
- Waste acceptance criteria and reject load handling procedures;
- PASS sampling and characterisation plans;
- Drilling and installation of additional groundwater monitoring boreholes; and
- Comprehensive hydrogeological analysis and groundwater computer modelling.

Formal approval by EPA Victoria is expected shortly.

Timing for Major Infrastructure PASS Management

Nagambie Resources expects that tunnel boring for the Melbourne Metro Rail Project (MMRP) and the West Gate Tunnel Project (WGTP) will commence in the June 2019 quarter. Tendering for the management of the PASS in the tunnels for the MMRP and the WGTP is expected in the December 2018 quarter.

Stipulated Best Environmental Practice

The MMRP, with over 1 million tonnes of total PASS estimated, will be the first ever large project in Melbourne specifically requiring the comprehensive identification of PASS and its management using lime

treatment or underwater disposal to avoid the formation of acid drainage. While the WGTP has not publicly stated the same requirements, it is expected that it will, like the MMRP, follow the new best environmental practice.

QUARRYING

Sales receipts for the quarter were $342,000 plus invoices issued during the quarter for the sale of quarry products but yet to be paid at the end of the quarter totalled an additional $121,000.

Screening of Mine Tailings to Produce Aggregates and Rock Sand for Concrete Manufacture

As reported in the March 2018 quarterly, commissioning of the Astec high-frequency dry screening unit on the mine tailings showed that it could remove the great majority of the fines from the various aggregate sizes (ranging between 4mm and 20mm) but that it will be more efficient, both in terms of final product quality and cost, to have the initial Astec unit feeding its product into a water washing arrangement ahead of a conventional multi-deck final screen.

Designing and pricing of this arrangement, instead of purchasing a second Astec unit, was completed during the quarter. The economics are very robust for sales of the products to local end users such as concrete product manufacturers in Shepparton. The economics for sales into the Melbourne market are viable but will be significantly improved if Nagambie Resources is successful in winning some or all of the management of PASS from the MMRP and WGTP in the December 2018 quarter. Trucks bringing PASS to the Nagambie Mine from Melbourne could backload, after tray washing, the aggregates and rock sand.

CORPORATE

Cash

At 30 June 2018, total cash held by the group was $941,000 plus $1,000,000 remains undrawn under the two-year Unsecured Loan Facility.

Unlisted Options Issued to Directors, Consultants and Employees

3.15 million unlisted options with an exercise price of $0.10 each were exercised during the quarter, raising $315,000 for the Company. The remaining options, their expiry dates and the exercise funds that could be paid to Nagambie Resources are as follows:

Expiry Date	Number	Exercise Price	Exercise Funds
3 December 2018	6,750,000	$0.10	$675,000
28 November 2019	10,100,000	$0.10	$1,010,000
16 November 2020	3,500,000	$0.10	$350,000
16 November 2020	8,000,000	$0.10	$800,000
4 July 2021	2,000,000	$0.255	$510,000
30 November 2021	12,500,000	$0.25	$3,125,000
24 November 2022	13,750,000	$0.10	$1,375,000
20 December 2022	1,000,000	$0.141	$141,000
Total	**57,600,000**		**$7,986,000**

James Earle
Chief Executive Officer

STATEMENT AS TO COMPETENCY

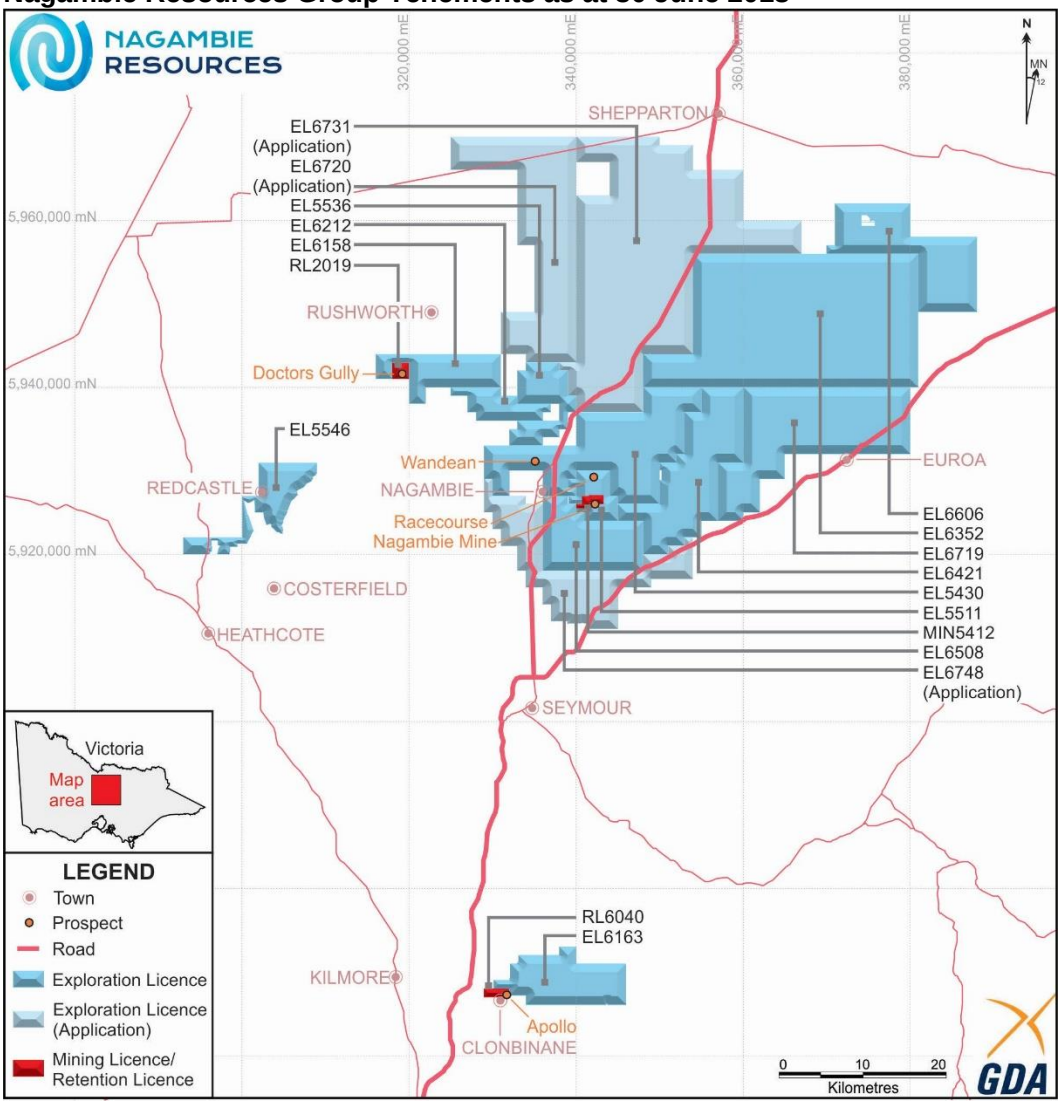
The Exploration Results in this report have been compiled by Dr Rod Boucher, who has a PhD in Geology, is a Member and RPGeo of the Australian Institute of Geoscientists, is a Member of the Australian Institute of Mining and Metallurgy, has more than ten years in the estimation, assessment, and evaluation 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, Rod Boucher 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". Rod Boucher is a consultant for 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.

APPENDIX 1

Nagambie Resources Group Tenements as at 30 June 2018



Nagambie Resources Group Tenements as at 30 June 2018

Tenement Number	Tenement Name	sq km
MIN 5412	**Nagambie Mining Licence**	3.6
EL 5430	**Bunganail Exploration Licence**	181.0
EL 5511	**Nagambie Exploration Licence**	27.0
EL 5536	**Wandean North Exploration Licence**	48.0
EL 6212	**Reedy Lake North Exploration Licence**	30.0
EL 6158	**Rushworth Exploration Licence**	56.0
RL 2019	**Doctors Gully Retention Licence**	4.0
EL 6352	**Miepoll Exploration Licence**	455.0
EL 6421	**Pranjip Exploration Licence**	139.0
EL 6508	**Tabilk Exploration Licence**	84.0
EL 6606	**Gowangardie Exploration Licence**	120.0
EL 6719	**Euroa Exploration Licence**	204.0
ELA 6720	**Tatura Exploration Licence Application**	214.0
ELA 6731	**Arcadia Exploration Licence Application**	493.0
ELA 6748	**Waranga Exploration Licence Application**	136.0
	Subtotal Waranga Province	**2,194.6**
EL 6163	**Clonbinane South Exploration Licence**	79.0
RL 6040	**Clonbinane Retention Licence**	3.0
EL 5546	**Redcastle Exploration Licence**	69.0
	Total	**2,345.6**

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• All sampling and logging has been supervised and conducted by Dr Rodney Boucher, Linex Pty Ltd, Consulting Geologist to Nagambie Resources and by geological and field staff at the Nagambie Resources mine site. • All material is collected in commercially available diamond core trays. • Diamond core is cleaned and marked metre-by-metre. • The geologist determines which parts of the drill hole are to be sampled using criteria such as presence of quartz and mineral occurrence. Sample intervals are based on lithology and veining but in general were 1m. • The samples are cut with a core saw, with half collected for laboratory submission, the remaining half transferred back to the core tray for storage. • No intervals were less than 0.20 m or greater than 1.2 m. • The diamond drill samples were submitted to Australian Laboratory Services (ALS) in Adelaide, S.A. for sample preparation. Sample preparation involved sample crushing to 6 mm, pulverise and then screened to 75 micron and split off 25 g. Samples were then sent to ALS in Perth for analysis. Au analysis is conducted with an aqua regia extraction and ICPMS finish (ALS code Au-TL43). As, Ag, Sb, Cu, Pb, Zn and S analysis is conducted with an aqua regia digestion and ICPAES analysis (ALS code ME-ICP41).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• NAD001 was drilled using a track mounted Sandvik 710DE drill rig. The cover was rotary-mud drilled to 41.9 m and cased HWT. The hole was HQ cored from 41.9 m to 205.9 m and then NQ cored from 205.9 m to 762.3 m (EOH) • The hole was surveyed with a single shot electronic 'camera', nominally every 30 m where practicable. • Core is orientated using Boart Longyear's TruCore core orientation system and validated by geological observations and stereonet plots.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and*	• Core recoveries were measured by the senior field assistant for each drill run comparing length of core recovered versus drill depth. Core recovery was logged and recorded in the database.

	ensure representative nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The driller is under instruction to monitor recovery and rectify core loss through adjusting drill rig operation. • No strong relationship between core recovery and grade is evident. • Drilling has occurred on day shift only
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All core is geologically logged at 10 centimetre intervals to a standard that follows industry common practice and is suitable for future use in interpretation and resource estimation. • Logging of samples includes but is not limited to lithology, mineralogy, alteration, veining, weathering and structure. • Drill core structural measurements are logged prior to cutting/sampling. Bedding, vein, joint and fault orientations are measured. • All core is photographed wet and dry.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Half core is sampled using a core saw. The right half of the core (viewed down hole) is submitted for assay. • Company core cutting and sampling procedures were followed to ensure sampling consistency. • 1 m of non-mineralised material from either side of significant mineralised zones was submitted with the samples to the laboratory as part of the quality control process. • No second half sampling has been conducted. • The sample sizes are considered to be appropriate for the type of mineralisation in this area.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The sample preparation and analytical procedures are considered appropriate for the style of mineralisation. • ALS provide details of their routine quality controls. • 1 in 15 samples are duplicate assayed for quality control and quality assurance testing. • One standard sample is inserted per approximately 20 samples dispatched for assay. • Laboratory standards and blanks are inserted for quality control and quality assurance testing.
Verification of	• *The verification of significant intersections by either*	• All assay and drillhole data are imported and stored in a database.

sampling and assaying	*independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections are verified by the logging geologist and the Consulting Geologist. • No twinned holes have been drilled. • Primary data for drill holes was compiled onto paper-based logging templates and was then transferred into a database and validated by a geologist. Back up digital copies of all paper log sheets are also kept. • No adjustments have been made to any assay data contained in this report.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole location coordinates are measured using handheld GPS. • Collar surveying was performed by the consulting geologist personnel. This is considered appropriate at this stage of exploration. • All drill holes were downhole surveyed. Down hole surveys were conducted by the drilling contractor every 30m down hole. • Drilling orientation is established prior to collaring with clinometer and compass. • The grid/projection system used is GDA MGA 94 Z55. • The RL was recorded for each drill hole from the GPS and corrected using a Digital Terrain Model based on VicMap topographic data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• NAD001 is approximately 220 m NNE of NRP003 drilled by Panaegis Gold Mines Ltd in 2006. • Sample intervals were based on lithology but in general were 1 m.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• NAD001 was designed to drill approximately perpendicular to the trend of the IP anomaly and to the known geology in the mined pit to the south. • There is insufficient drilling data to determine if any bias can be detected in the data.
Sample security	• *The measures taken to ensure sample security.*	• All core drilled has been processed and cut at a secure shed on the Nagambie mine site and dispatched to the laboratory by a national courier. • Sample number receipt information from the laboratory is cross-referenced and rationalised against sample number dispatch information.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No processes or data used in developing the release of exploration results have been subject to audit or review by non-company personnel or contractors so as to reduce timelines for reporting.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.
• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>• NAD001 is drilled on the site of the Nagambie open cut at Nagambie, Victoria.
• NAD001 is located on MIN5412 and is 100% owned by Nagambie Resources Ltd.
• NAD001 is located in open paddocks on the Nagambie mine site.</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• Open pit mining at Nagambie was conducted in the 1990s. Previous drilling under the pits was conducted by Panaegis Gold Mines Ltd in 2006 and 2007. The current drilling is in to new targets identified by an IP survey conducted early this year (refer ASX:NAG 22/3/18) and NAD001 is the first hole to test these anomalies.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• The host rocks at Nagambie are marine sandstones and shales. Previous mining shows gold is associated with quartz veining and faulting in anticlinal folds.
• The mineralisation style at Nagambie is Orogenic Gold and gold mineralisation is disseminated within pyrite, arsenopyrite and stibnite</td></tr>
<tr><td>Drill hole Information</td><td>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
○ easting and northing of the drill hole collar
○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
○ dip and azimuth of the hole
○ down hole length and interception depth
○ hole length.
• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td>• No material drill hole information has been excluded.
<table><tr><th>Hole ID</th><th>Easting</th><th>Northing</th><th>RL</th><th>Depth</th><th>Azimuth</th><th>Dip</th></tr><tr><td>NAD001</td><td>341135</td><td>5926446</td><td>130</td><td>762.3</td><td>180</td><td>60</td></tr></table>Map Datum MGA94, Zone 55, AHD</td></tr>
<tr><td>Data aggregation methods</td><td>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</td><td>• Weighted averages of results through each intersection are reported.
• No cut-off grades are applied.
• Only intersections greater than 1.0 ppm gold are reported in detail. Other assayed intersections are reported graphically.</td></tr>
</table>

	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Mineralisation widths are based on down hole lengths. • There is insufficient drilling data to determine continuity of mineralised domains.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to figures.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All gold values have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All relevant data is presented in the text, tables and diagrams.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drilling will be testing the remainder of the IP anomalies, together with follow-up drilling based on interpretation of results.