

GOLD TOLL TREATMENT PLANT JVA SIGNED

Nagambie Resources Limited (“NRL”) (ASX: NAG) is very pleased to announce that NRL and Golden Camel Mining Pty Ltd (“GCM”) have 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 the ball mill and components for the CIL circuit. The layout of the facility is shown in Figure 1. Detailed design is under way and 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.

GCM's Managing Director, Dean Pontin, commented: *"The execution of the JVA with NRL is an important milestone in the development of the toll treatment facility which will unlock the potential of Golden Camel's suite of mining projects in the region. GCM is very pleased to be working with its new partner NRL and looks forward to building on the foundation that the JVA provides for the development of future projects at the Nagambie Mine."*

NRL's Chairman, Mike Trumbull, commented: *"This is a win-win agreement for both companies and will undoubtedly open up future possibilities for the gold industry in central and eastern Victoria. For NRL, the toll treatment plant will be a great sustainable business producing strong cash flow and will add significant value to our over 3,500 sq km of gold exploration tenements."*

Principal terms of the 50:50 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.

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

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.

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
499,932,346

ASX CODE: NAG

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Bill Colvin (Director)
Alfonso Grillo (Dir/Company Sec)
James Earle CEO

By the order of the Board.



James Earle
Chief Executive Officer

Figure 1 Gold Toll Treatment Plant Site Layout

