



Financial Report

Half-year ended 31 December 2023

**Nagambie Resources Limited
and Controlled Entities**

Corporate Directory

NAGAMBIE RESOURCES LIMITED ABN 42 111 587 163
NAGAMBIE DEVELOPMENTS PTY LTD ABN 37 130 706 311
NAGAMBIE LANDFILL PTY LTD ABN 90 100 048 075

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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 Nagambie Vic 3608
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 Website: www.nagambieresources.com.au
 Email: info@nagambieresources.com.au

DIRECTORS

Michael W Trumbull (Executive Director)
 Alfonso M G Grillo (Non-Executive Director)
 William T Colvin (Non-Executive Director)
 Warwick Grigor (Non-Executive Director)
 Kevin Perrin (Non-Executive Director) Appointed 14th September 2023
 Tom Quinn (Non-Executive Chairman) Appointed 22nd February 2024

CHIEF EXECUTIVE OFFICER

James C Earle

COMPANY SECRETARY

Alfonso M G Grillo

PRINCIPAL LEGAL ADVISER

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 Level 4, 114 William Street
 Melbourne Vic 3000
 Telephone: (03) 8621 8881
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AUDITOR

RSM Australia Pty Ltd
 Level 27, 120 Collins Street
 Melbourne Vic 3000

SHARE REGISTRY

Automic Pty Ltd
 Level 3, 50 Holt Street
 Surry Hills NSW 2010
 Telephone: 1300 288 664
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SECURITIES EXCHANGE LISTING

Nagambie Resources Limited shares are
 listed on the Australian Securities Exchange
 ASX code: NAG

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Directors' Report

The Directors of Nagambie Resources Limited (the Company) submit herewith the Financial Report of the Company and its controlled entities (the Group) for the half-year ended 31 December 2023.

Directors

The names of the Directors in office during the half-year and until the date of this report were:

Michael W Trumbull	(Executive Chairman)	until 22 February 2024, thereafter Executive Director
Alfonso M G Grillo	(Non-Executive Director)	
William T Colvin	(Non-Executive Director)	
Warwick Grigor	(Non-Executive Director)	
Kevin Perrin	(Non-Executive Director)	(appointed 14 September 2023)
Tom Quinn	(Non-Executive Chairman)	(appointed 22 February 2024)

Principal activities

The principal activities of the group during the financial period were the exploration for, and development of, gold, associated minerals including antimony, and construction materials in Australia and the investigation and development of waste handling assets.

Review of Operations

Gold exploration for high-grade, Costerfield-Mine-style, antimony-gold vein systems at the company's 100%-owned Nagambie Mine continued successfully during the half year. The potential recovery of residual gold in the heap leach pad at the Nagambie Mine, utilising naturally-occurring bacteria, continued to be further advanced at the Perth research laboratory. The environmental and logistical advantages of underwater PASS Management at the Nagambie Mine, as part of mine rehabilitation, were continued to be promoted during the half year. Nagambie's joint venture with Golden Camel to construct and operate a gold toll treatment plant at the Nagambie Mine continued to be delayed due to Golden Camel's extended project financing negotiations.

Nagambie Resources' Resource Drilling at the Nagambie Mine

In March 2022, the company revisited the best economic-grade, gold-antimony intersection at the Nagambie Mine and analysed it in detail. That spectacular-looking intersection in 2006 under the West Pit consisted of multiple massive stibnite veins, with gold grades up to 24 g/t Au and antimony grades up to 60% Sb, but was not successfully followed up at that time. Targeted diamond drilling commenced in April 2022 and was immediately successful in establishing various stibnite-gold veins.

By 31 December 2023, 40 economically-mineable intersections had been delineated over four separate lodes and averaged 3.7m downhole length, 1.6m EHT (estimated horizontal potential stope thickness) and 14.5 g/t AuEq (gold equivalent), comprising 5.4% Sb plus 4.7 g/t Au. All 40 intersections were within 250m vertically of surface and all four lodes were open at depth.

Gold Exploration Joint Ventures with Southern Cross Gold

Southern Cross Gold continued to manage gold exploration within the Redcastle JV Property of 75 sq km but no material activity was carried out on the property during the half year. A 70:30 (Southern Cross : Nagambie) Redcastle JV Agreement is being negotiated.

Southern Cross has declined to meet its minimum earn-in expenditure on the Whroo JV Property of 179 sq km and 100% ownership of that property will stay with Nagambie. Based on the preliminary diamond drilling carried out by Southern Cross, Nagambie considers that the underground mineralisation at Whroo, approximately 24 km north of Nagambie, could have strong similarities to the Nagambie Mine antimony-gold mineralisation.

Gold Tenements

Nagambie's tenements, as at 31 December 2023, totalled 3,336.5 sq km in central Victoria.

Bacterial Recovery of Residual Gold in the historic Heap Leach Pad

Stage 2 of the Bioleaching Project is nearing completion. In November and December 2023, the Perth research laboratory completed its larger-scale laboratory column experiments, dismantled the columns to sample the residues, and commenced final chemical analysis of the residues and leach solution. The DNAs of the bacteria in the leaching residues have also been sampled for sequencing.

Underwater PASS Storage at the Nagambie Mine

Nagambie has EPA Victoria approval, via an Environmental Management Plan, to store PASS (Potential Acid Sulfate Soil) material below water in the two water-filled 1990s oxide-gold pits at the Nagambie Mine.

Toll Treatment Plant Joint Venture

Nagambie Resources and Golden Camel Mining (GCM) have a joint venture for the construction and operation of a 300,000 tonnes per annum oxide-ore toll treatment facility at the Nagambie Mine. GCM is the Manager and is paying 100% of all additional infrastructure, construction and commissioning costs for the oxide plant. After commissioning, all revenues and operating costs for the oxide plant will be shared 50:50. Initial feed for the plant is to be trucked from GCM's Golden Camel Mine.

GCM has refurbished key components of the plant and is continuing to negotiate its project financing arrangements with external parties.

Subsequent Events

On 30 January 2024, Nagambie Resources announced 340 g/t gold over 0.2m downhole from 144.5m in diamond hole NAD028, a new record high assay for the Nagambie Mine. The quartz vein assay, representing fine, free gold, occurred only 60m vertically below surface within a NAD028 economically-mineable intersection in the Nagambie Mine Thrust of 1.21m EHT at 46.0 g/t gold.

On 29 January 2024, the Company announced that the Adjustment to Option Exercise prices would reduce the exercise price of each option by \$0.0019 from 6 February 2024. The effect of the change in exercise prices is a reduction of \$0.26 million in the amount of capital that would be raised by the Company if all options are exercised (maximum of \$13.47 million instead of \$13.73 million).

In October 2023, Nagambie submitted a competitive bid to the Spark consortium, the builders of the North East Link Project (NELP), for the underwater storage at the Nagambie Mine of a large quantity of PASS (Potential Acid Sulfate Soil). On 11 March 2024, the Company announced it has received preliminary advice its bid was unsuccessful as a preferred tenderer in its bid to store PASS material at the Nagambie Mine.

Auditor's independence declaration

The auditor's independence declaration is attached to this directors' report.

Signed in accordance with a resolution of directors.

On behalf of the directors



Michael W Trumbull
Executive Director

Melbourne

13 March 2024

RSM Australia Partners

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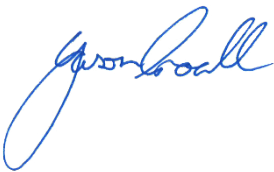
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Nagambie Resources Ltd for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A stylized blue ink signature of 'RSM'.**RSM AUSTRALIA PARTNERS**A blue ink signature of 'Jason Croall'.**JASON CROALL**

Partner

Melbourne, Victoria

Dated: 13 March 2024

Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2023

	Note	Consolidated	
		31-Dec-23	31-Dec-22
		\$	\$
Revenue			
Rental income		101,124	103,156
Sale of non-gold materials		13,346	30,402
Other income		11,936	29,596
Total Revenue		126,406	163,154
Expenses			
Corporate expenses	3	(623,319)	(400,102)
Cost of sales and rehabilitation		(919)	(8,580)
Depreciation		(35,221)	(87,281)
Directors and employee benefits expense	3	(381,866)	(973,992)
Finance costs	3	(942,425)	(1,155,459)
Loss on disposal of property, plant and equipment		-	(19,948)
Total Expenses		(1,983,750)	(2,645,362)
Loss before income tax		(1,857,344)	(2,482,208)
Income tax benefit		-	-
Loss for the period		(1,857,344)	(2,482,208)
Other Comprehensive Income			
<i>Items that will not be re-classified to profit or loss</i>			
Movement in Fair Value of investments		-	(26,865)
Total comprehensive loss for the period		(1,857,344)	(2,509,073)
Loss per share			
Basic and diluted loss per share in cents		(0.31)	(0.52)

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 31 December 2023

	Note	Consolidated	
		31-Dec-23	30-Jun-23
		\$	\$
Current assets			
Cash and cash equivalents		987,845	1,122,074
Prepayments		87,898	-
Trade and other receivables		121,951	138,349
Total current assets		1,197,694	1,260,423
Non-current assets			
Security deposits		755,396	753,207
Property, plant and equipment		1,323,442	1,358,663
Exploration and evaluation assets	4	17,788,083	17,259,153
Total non-current assets		19,866,921	19,371,023
Total assets		21,064,615	20,631,446
Current liabilities			
Borrowings	5	388,759	664,064
Financial liabilities	6	-	371,909
Trade and other payables		443,468	650,279
Provisions		98,495	95,124
Revenue in Advance		45,748	45,748
Total current liabilities		976,470	1,827,124
Non-current liabilities			
Borrowings	5	3,836,911	6,409,822
Provisions		2,987	2,409
Total non-current liabilities		3,839,898	6,412,231
Total liabilities		4,816,368	8,239,355
Net assets		16,248,247	12,392,091
Equity			
Issued capital	7	38,340,004	31,290,202
Reserves	8	4,024,744	5,945,776
Accumulated losses		(26,116,501)	(24,843,887)
Total equity		16,248,247	12,392,091

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the half-year ended 31 December 2023

	Consolidated					Total
	Issued capital	Options reserve	Asset revaluation reserve	Convertible notes reserve	Accumulated losses	
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	27,977,836	2,793,167	(935,153)	2,280,598	(21,645,750)	10,470,698
Loss for the half year	-	-	-	-	(2,482,208)	(2,482,208)
Loss on disposal of investment	-	-	(26,865)	-	-	(26,865)
Total comprehensive loss	-	-	(26,865)	-	(2,482,208)	(2,509,073)
Transfer from investment reserve	-	-	962,018	-	(962,018)	-
Recognition of share based payments	-	923,095	-	-	-	923,095
Transfer value of options lapsed	-	(413,676)	-	-	413,676	-
Derecognition of equity in Series 6 convertible notes	-	-	-	(691,837)	691,837	-
Recognition of equity in Series 10 convertible notes	-	-	-	927,559	-	927,559
Shares issued	1,317,549	-	-	-	-	1,317,549
Share issue expenses	(156,895)	-	-	-	-	(156,895)
Balance at 31 December 2022	29,138,490	3,302,586	-	2,516,320	(23,984,463)	10,972,933
Balance at 1 July 2023	31,290,202	3,355,063	-	2,590,713	(24,843,887)	12,392,091
Loss for the half year	-	-	-	-	(1,857,344)	(1,857,344)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(1,857,344)	(1,857,344)
Shares issued	7,177,439	-	-	(1,530,262)	-	5,647,177
Share issue expenses	(127,637)	-	-	-	-	(127,637)
Recognition of share based payments	-	193,960	-	-	-	193,960
Transfer value of options lapsed	-	(584,730)	-	-	584,730	-
Balance at 31 December 2023	38,340,004	2,964,293	-	1,060,451	(26,116,501)	16,248,247

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the half-year ended 31 December 2023

	Consolidated	
	31-Dec-23	31-Dec-22
	\$	\$
Cash flows from operating activities		
Receipts from customers	114,182	75,157
Payments to suppliers and employees	(872,213)	(528,762)
Interest received	4,406	4,056
Finance costs paid	(603,008)	(438,109)
Net cash used in operating activities	(1,356,633)	(887,658)
Cash flows from investing activities		
Receipts from disposal of plant and equipment	-	210,000
Receipts from disposal of investments	-	193,208
Payments for exploration expenditure	(769,964)	(1,122,519)
Payments for property plant and equipment	-	(141,783)
Payments for security bonds	(2,189)	(101)
Net cash used in investing activities	(772,153)	(861,195)
Cash flows from financing activities		
Repayment of lease liabilities	-	(62,075)
Proceeds from issue of shares	1,066,466	1,160,655
Proceeds from borrowing	1,300,000	-
Proceeds from Subscription agreement	-	500,000
Repayment of Subscription Outstanding	(371,909)	-
Net proceeds from issue of convertible notes	-	1,457,000
Net cash provided by financing activities	1,994,557	3,055,580
Net increase in cash and cash equivalents	(134,229)	1,306,727
Cash and cash equivalents at the beginning of the financial period	1,122,074	127,211
Cash and cash equivalents at the end of the financial period	987,845	1,433,938

Notes to the Financial Statements for the half-year ended 31 December 2023

1. General Information

Nagambie Resources Limited (Nagambie Resources or the Company) is a company domiciled in Australia. The half-year financial report of the Company as at and for the half-year ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the Group).

2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The financial statements have been prepared on an accruals basis using historical cost with the exception of equity investments which are measured at fair value and the going concern basis of accounting. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the functional and presentation currency of the Company and its controlled entities. Comparative information where necessary has been reclassified in order to achieve consistency in presentation with amounts disclosed in the current period.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the operations and effective for the current reporting period. The adopting of those Standards has not had any impact on the disclosures, or the amounts recognised in the Group's consolidated financial statements.

Going concern

The Directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated entity generated a net loss after income tax expense for the period ended 31 December 2023 of \$1,857,344 (2022: \$2,482,208) and net cash used in operating activities of \$1,356,633 (2022: \$887,658). At reporting date the consolidated entity's working capital surplus, being current assets less current liabilities, was \$221,224 (June 2023: deficit of \$566,701)

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Raise additional capital. The consolidated entity has demonstrated its ability to raise capital over many years and the Directors are confident that a future capital raising would be successful;
- Utilise the remainder of a \$2,000,000 flexible working capital facility which is held by the Group of which \$700,000 remains available to the Group at 31 December 2023
- Sale or mortgage of freehold property;
- Continue to pursue opportunities to farm-out part of the consolidated entity's exploration interests.

On this basis no adjustments have made to the financial report relating to the recoverability and classification of the carrying amount of the assets or the amount and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

If the going concern basis of accounting is found to be no longer appropriate, the recoverable amounts of the assets shown on the consolidated statement of financial position are likely to be significantly less than the amounts disclosed and the extent of the liabilities may differ significantly, from those reflected.

Segment information

The Group operates in one principal geographical area – in Australia. The Group carries out the exploration for gold and associated minerals. The Group has tendered for opportunities available from the underwater storage of PASS material from Melbourne construction projects and the development of waste handling facilities. The Group is currently developing revenue streams from the sale of construction industry materials located on its freehold land. This is not a separate segment but arises as a by-product of gold exploration and evaluation.

3. Expenses

	Consolidated	
	31-Dec-23	31-Dec-22
	\$	\$
Corporate expenses		
Accounting fees	(28,460)	(16,000)
Audit fees	(34,125)	(19,000)
ASIC & ASX fees	(59,998)	(45,185)
Company secretarial	(18,551)	(18,085)
Consulting	(99,055)	(24,492)
Corporate expenses	(36,750)	(55,160)
Director fees	(106,057)	(85,215)
Insurance	(33,004)	(32,213)
Legal expenses	(65,370)	(27,014)
Share registry expenses	(26,329)	(8,325)
Occupancy Expenses	(76,364)	(12,727)
All other	(39,256)	(56,686)
Total corporate expenses	(623,319)	(400,102)
Directors and employee benefits expense		
Accrued leave	(3,950)	(2,276)
Share options issued	(193,960)	(923,095)
Wages	(146,161)	(145,346)
less wages capitalised to exploration	589	120,416
Superannuation	(38,168)	(23,691)
Staff Amenities	(216)	-
Total directors and employee benefits expense	(381,866)	(973,992)
Finance costs		
Interest paid Convertible notes	(906,548)	(1,146,728)
Interest paid Finance leases	-	(1,561)
Interest paid insurance premium funding	(7,165)	(7,170)
Interest paid PPT Nominees Pty Ltd Loan	(28,712)	-
Total finance costs	(942,425)	(1,155,459)

4. Exploration and evaluation assets

	Consolidated	
	31-Dec-23	30-Jun-23
	\$	\$
Opening balance	17,259,153	14,506,514
Expenditure for the period	528,930	2,785,989
Less impairment	-	(33,350)
Closing Balance	17,788,083	17,259,153

During the half-year the Group reassessed the recoverable value of all tenement areas of interest to which exploration costs had been capitalised and no impairment was deemed applicable. No tenements have been relinquished during the reporting period.

5. Borrowings

	Consolidated		Maturity Date
	31-Dec-23	30-Jun-23	
	\$	\$	
Current			
Convertible Notes at fair value			
Series 7 at fair value	50,659	664,064	27 Feb 2024
Series 8 at fair value	42,000	-	
Series 9 at fair value	237,500	-	
Series 10 at fair value	58,600	-	
Total current borrowings	388,759	664,064	
Non-Current			
Convertible Notes at fair value			
Series 8 at fair value	358,553	1,038,590	19 Jan 2025
Series 9 at fair value	1,770,120	2,853,401	13 Apr 2026
Series 10 at fair value	408,238	2,517,831	25 Jul 2027
Other borrowings			
Loan - PPT Nominees Pty Ltd	1,300,000	-	
Total non-current borrowings	3,836,911	6,409,822	
Total borrowings	4,225,670	7,073,886	

5. Borrowings (Continued)

- (a) As at 31 December 2023 the Company has 4 series of Unsecured Convertible Notes on issue for a total face value of \$3,431,000.
- Series 7: 500,000 Notes issued at 10 cents on 27 February 2019 for a total of \$50,000
 - Series 8: 8,400,000 Notes issued at 5 cents on 19 January 2020 for a total of \$420,000
 - Series 9: 23,750,000 Notes issued at 10 cents on 13 April 2021 for a total of \$2,375,000
 - Series 10: 7,325,000 Notes issued at 8 cents on 20 July 2022 for a total of \$586,000
- (b) During the HY to 31 December 2023 the Company converted 60% of its convertible notes holding to shares with an entitlement offer, reducing the face value by \$5,160,000
- Series 7: 6,500,000 Notes converted to shares
 - Series 8: 14,280,000 Notes converted to shares
 - Series 9: 11,250,000 Notes converted to shares
 - Series 10: 33,387,500 Notes converted to shares

Each series of Convertible Note has the following terms:

- Interest is payable at 10% per annum every six months in arrears after the issue date;
- Convertible on a 1 for 1 basis into ordinary shares in the company at any time prior to the maturity date at the option of the note holder;
- Redeemable for cash in full after 5 years, if not converted;
- Unsecured but rank ahead of shareholders; and
- Protected for reorganisation events such as bonus issues and share consolidations.

6. Financial Liabilities – current

On 28 November 2022 the Company announced to the ASX that it had received a commitment from a US-based institutional investor, to invest up to \$2,000,000 in the Company by way of share placements of ordinary shares. Each of the investments made by the Investor would be made by way of a prepayment of shares to be issued by the Company.

The investor made an initial investment of \$500,000 for \$549,451 worth of shares. The purchase price of the placement shares was equal to the average of the five daily volume-weighted average prices selected by the investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue less a 9% discount. The purchase price was subject to a floor price of \$0.04 but not a cap. As at 30 June 2023 2,083,334 shares had been issued for a value of \$100,000 together with a cash payment of \$100,000.

On 1 September 2023 it was further announced to the ASX that the agreement would mutually come to an early conclusion and terminate the investor's remaining funding commitment.

	Consolidated	
	31-Dec-23	30-Jun-23
	\$	\$
Financial Liabilities - current		
Prepayment of shares	-	500,000
Issue of Shares	-	(100,000)
Cash Payment	-	(100,000)
Balance	-	300,000
Fair Value Loss	-	71,909
Balance at Fair Value	-	371,909

7. Issued Capital

Issued and paid up capital	No. Shares #	Issued Capital \$
Opening Balance at July 2023	581,726,316	31,290,202
December 2023 Placement of shares @ \$0.030	40,211,675	1,194,103
December 2023 share issue costs	-	(127,637)
December 2023 Convertible Notes Conversion	172,099,725	5,983,336
Balance 31 December 2023	794,037,716	38,340,004

8. Reserves

A total of 18,650,000, options were issued to directors and employees during the half-year. All options vested immediately on issue. All options were issued with an exercise price of 10.00 cents per share and an expiry date of 04 December 2028. They were valued using a binomial model and the expense was \$193,960.00

The fair value of the share options granted during the half-year was 1.04 cents. Options were priced using a Binomial option valuation model. Where relevant, the expected life used in the model was adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility was based on the historical share price volatility over the previous 5 years. The options may be exercised before their expiry date.

The options reserve represents the fair value of unvested and vested ordinary shares under options granted to directors, consultants and employees.

Inputs into the Valuation Model			
Grant Date	30/11/2023	Option Life	5 years
Options Issued	18,650,000	Dividend yield	nil
Share price at grant date	\$ 0.030	Risk free interest rate	3.965%
Exercise Price	\$ 0.10	Expiry Date	4/12/2028
Expected Volatility	85.2%		

Consolidated	
31-Dec-23	30-Jun-23
\$	\$

Options Reserve

Balance at beginning of year	3,355,063	2,793,167
Recognition of share based payments	193,960	923,095
Options issued to underwriter	-	52,477
Value of options exercised	-	-
Value of options lapsed	(584,730)	(413,676)
Balance at end of half year	2,964,293	3,355,063

8. Reserves (Continued)

Convertible Notes Reserve

Balance at beginning of the year	2,590,713	2,280,598
Equity in new notes issued	-	1,001,952
Equity in notes repaid or converted	(1,530,262)	(691,837)
Balance at end of half year	1,060,451	2,590,713
Total Reserves at end of half year	4,024,744	5,945,776

9. Planned capital expenditure

The Group holds various tenements for its mineral exploration activities. These tenements require the Group to meet minimum capital expenditure requirements. To satisfy those requirements, the Group has to expend \$1,369,260 for the 12 months ending 31 December 2024. Thereafter it expects to spend approximately \$1,350,000 every 12 months indexed at CPI for as long as it maintains its current portfolio of tenements.

The tenements also have environmental clauses that require the Group to restore the disturbed area of interest back to a condition that satisfies the Department of Economic Development, Jobs, Transport and Resources (DEDJTR). Security deposits of \$565,396 are held with the Group banker to guarantee these obligations with a further \$40,000 held directly by DEDJTR.

10. Contingent assets and contingent liabilities

Apart from the matter mentioned in Note 9, the Group has no contingent assets or liabilities as at 31 December 2023 (June 2023 Nil).

11. Related Party Transactions

Transactions with key management personnel and related parties

Alfonso Grillo:

During the half year to 31 December 2023 the company paid \$192,034 in fees to GrilloHiggins Lawyers for secretarial and legal services, an entity in which Alfonso Grillo is a partner.

Kevin Perrin:

On 13 September 2023 the Group entered into a loan facility agreement with PPT Nominees Pty Ltd (PPT), pursuant to which Nagambie Resources Limited can draw down up to \$2.0 million from PPT (Facility).

Principal	\$ 2,000,000
Facility Fee	\$ 20,000
Availability Period	To 13 September 2025, being 24 months from the date of entry into the Facility
Drawdowns	Minimum of \$100,000; and maximum of \$500,000 per month
Repayment Date	The earlier of 24 months from the date of the Facility, or an event of default occurring, or earlier at the Company's election without penalty
Interest	10% per annum on the outstanding amount drawn down, repayable each quarter in arrears
Security	The Company and its subsidiaries have granted security over their assets and undertakings in favour of PPT pursuant to a general security deed
Guarantees	Provided by the subsidiaries in respect of the Company's obligations under the Facility
Repayments	The Company may make repayments at any time to reduce the outstanding amount drawn down without penalty

12. Events subsequent to balance date

On 30 January 2024, Nagambie Resources announced 340 g/t gold over 0.2m downhole from 144.5m in diamond hole NAD028, a new record high assay for the Nagambie Mine. The quartz vein assay, representing fine, free gold, occurred only 60m vertically below surface within a NAD028 economically-mineable intersection in the Nagambie Mine Thrust of 1.21m EHT at 46.0 g/t gold.

On 29 January 2024, the Company announced the Adjustment to Option Exercise prices to reduce the exercise price of each option by \$0.0019 from 6 February 2024. The effect of the change in exercise prices is a reduction of \$0.26 million in the amount of capital that would be raised by the Company if all options are exercised (maximum of \$13.47 million instead of \$13.73 million).

In October 2023, Nagambie submitted a competitive bid to the Spark consortium, the builders of the North East Link Project (NELP), for the underwater storage at the Nagambie Mine of a large quantity of PASS (Potential Acid Sulfate Soil). On 11 March 2024, the Company announced it has received preliminary advice its bid was unsuccessful as a preferred tenderer in its bid to store PASS material at the Nagambie Mine.

Directors' Declaration

In the Directors' opinion:

- 1 The attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 2 the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- 3 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors



Michael W Trumbull
Executive Director

Melbourne

13 March 2024

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Nagambie Resources Limited

Conclusion

We have reviewed the accompanying half-year financial report of Nagambie Resources Limited (the 'Company') and the entities it controlled during the period (together referred as the 'Consolidated entity'), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Consolidated entity does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Nagambie Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates that the Consolidated entity incurred a net loss amounting to \$1,857,344 and had net cash outflows from operating activities of \$1,356,633 during the six-month period ended 31 December 2023. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Nagambie Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

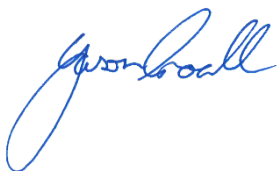
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



RSM AUSTRALIA PARTNERS



JASON CROALL
Partner

Melbourne, Victoria
Dated: 13 March 2024