

\$2.0 Million Flexible Working Capital Facility

Nagambie Resources Limited (ASX: **NAG, Nagambie** or the **Company**) is pleased to announce that it, and its wholly-owned subsidiaries, Nagambie Developments Pty Ltd and Nagambie Landfill Pty Ltd (**Subsidiaries**), have entered into a loan facility agreement with PPT Nominees Pty Ltd (**PPT** or the **Lender**) under which Nagambie can draw down up to \$2.0 million from PPT (the **Facility**).

Mr Kevin Perrin, a director of PPT, has also been appointed as a Non-Executive Director of Nagambie. Mr Perrin was previously a director of the Company from 17 September 2010 to 30 June 2019, during which time he was the Deputy Chairman of the Board and the Chairman of the Audit and Compliance Committee. Mr Perrin is the largest shareholder in Nagambie with a 16.8% holding.

On 1 September 2023, the Company announced the conclusion of a \$2.0 million institutional investment. This Facility effectively replaces that prior arrangement. The board of the Company was of the view that, having considered the Company's options, including the availability of equity funding or the provisions of financial accommodation from commercial third-party lenders, the offer made by PPT was the most commercially beneficial option available to the Company.

The key terms of the Facility with PPT are as follows:

- (a) **Principal:** \$2,000,000;
- (b) **Facility Fee:** \$20,000;
- (c) **Availability Period:** To 13 September 2025, being 24 months from the date of entry into the Facility;
- (d) **Drawdowns:** Minimum drawdown of \$100,000; and maximum drawdown of \$500,000 per month;
- (e) **Repayment Date:** The earlier of 24 months from the date of the Loan Facility Agreement, or an event of default occurring, or earlier at the Company's election without penalty;
- (f) **Interest:** 10% per annum on the outstanding amount drawn down, payable each quarter in arrears;
- (g) **Security:** The Company and its Subsidiaries have granted security over their assets and undertakings in favour of the Lender pursuant to a general security deed (**General Security Deed**);
- (h) **Guarantees:** Provided by the Subsidiaries in respect of the Company's obligations under the Facility; and
- (i) **Repayments:** The Company may make repayments at any time to reduce the outstanding amount drawn down without penalty.

The Company applied for a waiver from Listing Rule 10.1 to the extent necessary to permit the Company to grant security over the assets of the Company in favour of the Lender (as a related party and substantial (10%+) holder). The ASX has granted this waiver for the Company to secure its obligations under the Facility and General Security Deed above, without obtaining shareholder approval (**ASX Waiver**). In accordance with the ASX Waiver, the Company confirms that:

- (a) the material terms of the Facility, the General Security Deed and ASX Waiver are announced to the market;
- (b) this announcement includes a description of the reasons why the Company has chosen to obtain the financial accommodation from the Lender rather than a third party lender, and the steps the Company has taken to satisfy itself that the Facility is being entered into on arm's length terms and is fair and reasonable from the perspective of the Company's shareholders;

- (c) the General Security Deed expressly provides that:
- (i) the security granted to the Lender under the General Security Deed is limited to the funds due under the Facility;
 - (ii) the security granted to the Lender will be discharged when the funds due under the Facility have been repaid in full;
 - (iii) in the event the security is enforced, the assets making up the collateral can only be disposed of to the Lender or an associate of the Lender if the disposal is first approved by the Company's shareholders under Listing Rule 10.1; and
 - (iv) otherwise, if the Lender exercises, or appoints a receiver, receiver and manager or analogous person to exercise, any power of sale under the security, any assets making up the collateral that are sold to satisfy amounts owing to the Lender must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the Lender in accordance with its legal entitlements;
- (d) any variation to the terms of the Facility, the General Security Deed or associated documents which:
- (i) advantages the Lender in a material respect;
 - (ii) disadvantages the Company in a material respect; or
 - (iii) is inconsistent with the terms of the ASX Waiver,
- must be subject to shareholder approval under Listing Rule 10.1; and
- (e) for each year while the Facility and General Security Deed is on foot, a summary of the material terms of the Facility and General Security Deed will be included in the related party disclosures in the Company's audited annual accounts.

This announcement has been approved by the Board of the Company.

Enquiries

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