

## HIGHLIGHTS

- 15 shallow trenches were excavated at Clonbinane during March 2015 for a total length of 989 metres. The trenching exposure was geologically logged, adding to Nagambie Mining's developing 3-D model for Clonbinane, and channel sampled every 1.0 metre.
- Given the initial emphasis on Apollo and Gladys, 11 of the 15 trenches were excavated at those prospects. Assays for the channel samples are pending and are expected to indicate preferred areas for trial mining.
- On 15 April 2015, the Company raised approximately \$1.25 million to both increase working capital and significantly improve the Company's balance sheet.
- \$888,000 of the funds raised was used to redeem 22,200,000 Nagambie Mining Convertible Notes which were due to expire in September 2015.
- \$358,000 of the funds raised was applied to working capital to advance the development of the Company's gold properties.

## COMMENTARY

The Company Chairman, Mike Trumbull said: *"The shallow trenching program at Clonbinane has added to the Company's geological understanding of the gold prospects. Extensive brecciation was logged in the Apollo/Gladys area, indicative of the targeted halo mineralisation.*

*"The \$1.25 million fund raising this month was a gratifying result and puts Nagambie Mining in a good position to pursue its gold aspirations. The Company is also becoming increasingly confident of being able to generate significant income over time from the development of the various non-gold assets on its freehold land at the Nagambie Mine."*

### NAGAMBIE MINING

*Nagambie Mining is focussed on the discovery and development of shallow, open-pit and heap-leachable gold deposits.*

*The Company has 100% of tenements encompassing historic Victorian goldfields at Nagambie, Clonbinane, Lancemore, Rushworth and Redcastle.*

*A preliminary Inferred Resource of 47,000 ounces of gold, 609,000 tonnes at 2.4 g/t, was estimated in 2008 for Clonbinane.*

*Nagambie Mining is testing new structural and mineralisation concepts for gold mineralisation by employing geological, geophysical and geochemical techniques.*

*Nagambie Mining is also advancing construction material, landfill and spoil fill opportunities at the Nagambie Mine site in order to maximise the value of the freehold land owned by the Company.*

### SHARES ON ISSUE

323,901,015

### ASX CODE: NAG

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### **Board**

Mike Trumbull (Chairman)  
Geoff Turner (Exploration Dir.)  
Kevin Perrin (Finance Dir.)  
Alfonso Grillo (Company Sec.)

**CLONBINANE GOLDFIELD** (100% Nagambie Mining Group)

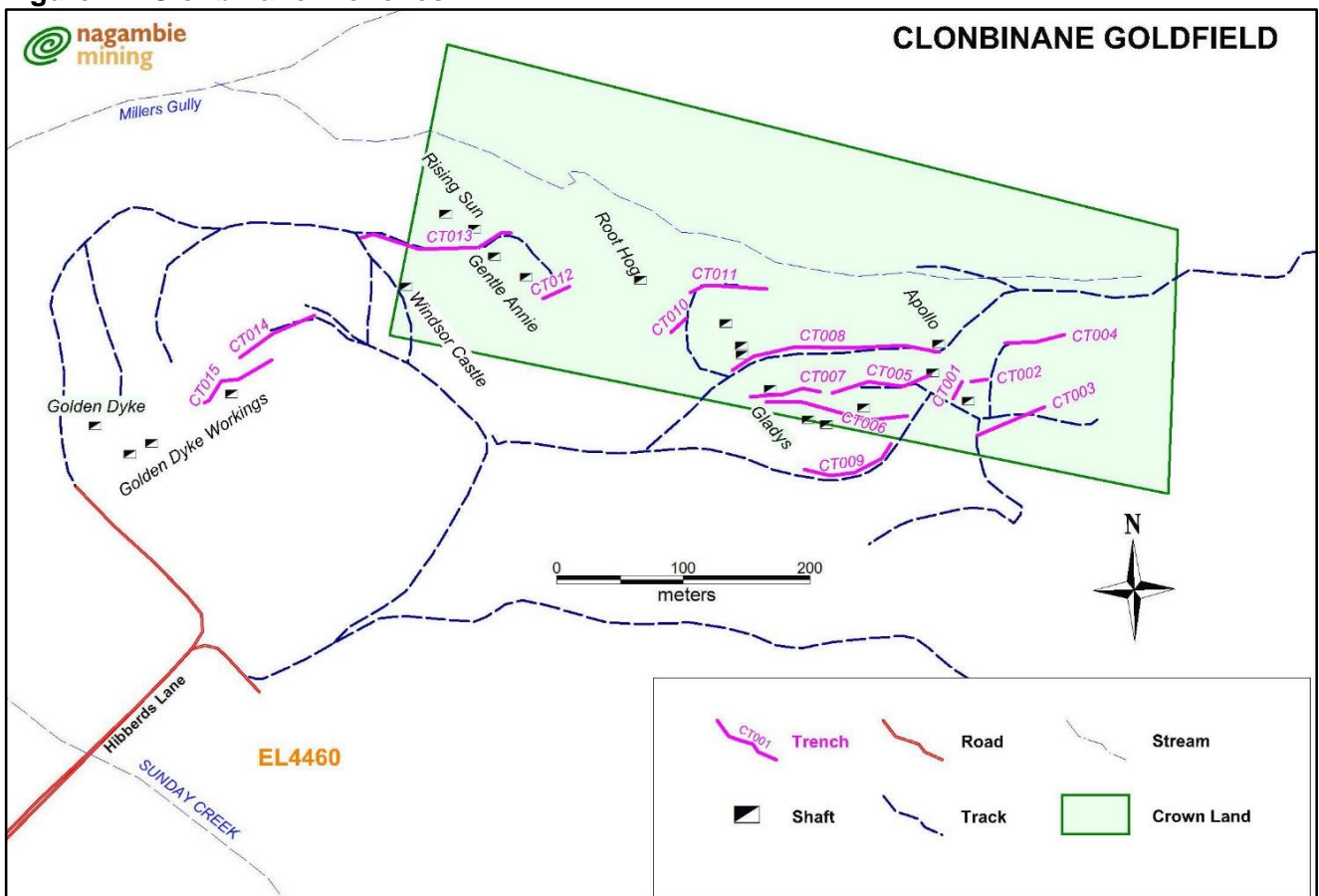
The Clonbinane Goldfield is approximately halfway between Melbourne and Nagambie, close to the Hume Freeway. A preliminary Inferred Resource for the goldfield of 47,000 ounces of gold, 609,000 tonnes at 2.4 g/t, was estimated in 2008 by a previous owner.

Heap-leach testing on Apollo oxide bulk samples by a previous owner has indicated 80% to 85% gold recoveries, very high by industry standards. Nagambie Mining’s intention is to excavate the oxide caps of the gold mineralisation at Clonbinane and truck the ore 60 km north to the Nagambie Mine for heap-leach treatment.

As reported in the December 2014 quarterly report, statistical (random) sampling of all the mine shaft waste dumps from the historical underground mines at Clonbinane has indicated that the Gladys workings have the highest grade halo mineralisation, around twice that for the Apollo workings (4.3 g/t gold versus 2.1 g/t at a 0.5 g/t cut off). It is expected that some of the high grade cores of the numerous lodes (typically grading 1.0 to 2.0 ounces of gold per tonne) remain and will lift the average excavated grade. Given the indicated halo mineralisation results, the Company is planning on excavating the Gladys and the adjacent Apollo oxide gold caps at Clonbinane at the same time.

The halo gold mineralisation at Clonbinane is very unusual for Victoria – the typical nuggetty quartz vein style (Bendigo and Ballarat) has little or no mineralisation in the hangingwall or footwall. The diorite dyke intrusions adjacent to the breccia-hosted pyrite and stibnite bearing lodes at Clonbinane have resulted in the sediments (principally siltstones and sandstones) becoming more brittle and fractured, resulting in broader leakage of the mineralising fluids (quartz, sulphides and gold).

**Figure 1 Clonbinane Trenches**



**Trenching Program**

15 shallow trenches (refer Figure 1) were excavated at Clonbinane during March 2015 for a total length of 989 metres. The trenches varied between 13 metres and 168 metres in length (average of 66 metres). The

trenching exposure was geologically logged, which will add to Nagambie Mining's developing 3-D model for Clonbinane, and channel sampled every 1.0 metre. The trenches were then backfilled and rehabilitated.

Given the initial emphasis on Gladys and Apollo, 11 of the 15 trenches were excavated at those prospects. Assays for the channel samples are pending and are expected to indicate preferred areas for trial mining. Depending on the results for the Apollo/Gladys area, some additional trenches may be excavated and sampled to finalise the surface areas to be mined.

### **WANDEAN GOLD DEPOSIT** (100% Nagambie Mining Group)

The Wandean deposit lies 9 km north west of the Nagambie Mine and 4 km north of the Nagambie township (refer Appendix 1). The Company's intention is to excavate the oxide cap of the gold mineralisation at Wandean and truck the ore to the Nagambie Mine for heap-leach treatment.

With the emphasis being on the trenching program at Clonbinane, no ground work was carried out at Wandean during the quarter.

### **TENEMENT CHANGES**

The Nagambie Mining group's current tenements are shown in Appendix 1 (plan and table). Redcastle EL 3316 expired and a larger exploration licence (ELA 5546) of 69 graticules was applied for during the quarter. EL 5536 (Wandean North) of 85 graticules was granted during the quarter.

### **CONSTRUCTION SPOIL SITES AT THE NAGAMBIE MINE** (100% Nagambie Mining Group)

The historic open pits at the Mine represent ideal under-water sites for sulphidic construction spoil (commonly referred to as potential acid sulphate spoil or PASS) and could accommodate around 6.2 million tonnes of spoil.

Over the next decade, crippling road congestion, sole reliance on the West Gate Bridge (built to handle 40,000 vehicles a day but with daily usage currently approaching 200,000 vehicles per day) and struggling public transport will mean that various tunnels will need to be constructed in and around the Melbourne CBD. The road and rail tunnels currently being contemplated will involve the removal and storage of many millions of tonnes of PASS.

### **CORPORATE**

At 31 March 2015, total cash held by the Company was \$750,000.

#### **\$1.25 Million Fund Raising**

On 15 April 2015, Nagambie Mining raised a total of \$1,246,171 to both increase working capital and significantly improve the Company's balance sheet. \$514,000 was raised from the issue of 10,280,000 new Series 4 (5.0 cent) Nagambie Mining Convertible Notes ("Notes"). A further \$732,171 was raised from the issue of 22,187,005 Nagambie Mining fully paid ordinary shares at 3.3 cents each. All placements were to sophisticated or professional investors.

\$888,000 of the funds raised was used to redeem 22,200,000 Series 1 (4.0 cent) Notes which were due to expire in September 2015. Following these redemptions and an earlier conversion of \$12,000 of Series 1 Notes, only \$100,000 of the original \$1,000,000 of Series 1 Notes remain.

Principal terms for the new Series 4 Notes include:

- Issue price of 5.0 cents per note;
- 5 year term ending April 2020;
- 10% per annum interest rate payable every 6 months;
- Notes are convertible at any time within the 5 year term at the option of the noteholder into Nagambie Mining fully-paid ordinary shares on a 1 for 1 basis; and
- Notes are redeemable at 5.0 cents per note in April 2020 if not previously converted.

Following the redemptions of the Series 1 Notes and the issues of the new shares and the new Series 4 Notes

- Working capital for the Company increased by \$358,171 which will be used to advance the development of the Company's gold properties;
- The total value of all Notes on issue decreased by \$374,000, reducing the interest currently payable by Nagambie Mining by \$37,400 per year;
- The total number of all Notes on issue decreased by 11,920,000; and
- The total number of fully paid ordinary shares on issue increased to 323,901,015.



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### **STATEMENT AS TO COMPETENCY**

*The Exploration Results in this report have been compiled by Mr Geoff Turner, who is a Fellow of the Australian Institute of Geoscientists, 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, Geoff Turner 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". Geoff Turner is a Director of Nagambie Mining 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.*

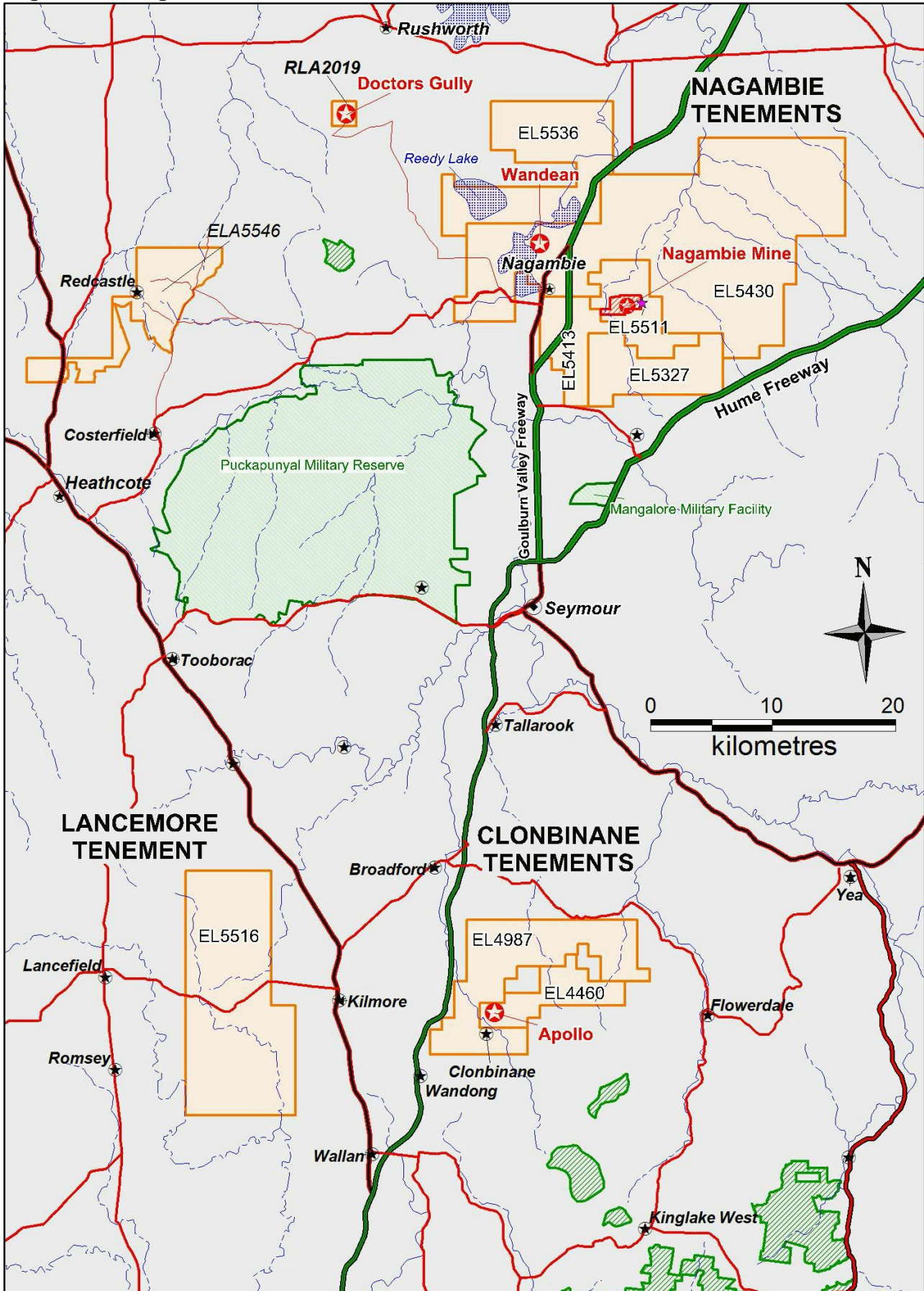
### **FORWARD-LOOKING STATEMENTS**

*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", "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 Mining assumes no obligation to update such information.*



**APPENDIX 1**

**Nagambie Mining Tenements as at 31 March 2015**



**APPENDIX 1** (Continued)

**Nagambie Mining Tenements as at 31 March 2015**

<b>Tenement Number</b>	<b>Tenement Name</b>	<b>Area</b>	<b>Holder*</b>
<b>MIN 5412</b>	Nagambie Mining Licence	364.1 Hectares	NAG
<b>EL 5430</b>	Bunganail Exploration Licence	312 Graticules	NAG
<b>EL 5511</b>	Nagambie Exploration Licence	36 Graticules	NAG
<b>EL 5536</b>	Wandean North Exploration Licence	85 Graticules	NAG
<b>EL 5413</b>	Nagambie West Exploration Licence	33 Graticules	NAG
<b>EL 5327</b>	Nagambie South Exploration Licence	48 Graticules	NAG
<b>EL 4460</b>	Clonbinane South Exploration Licence	36 Graticules	CLO
<b>EL 4987</b>	Clonbinane North Exploration Licence	99 Graticules	CLO
<b>EL 5516</b>	Lancemore Exploration Licence	158 Graticules	NAG
<b>ELA 5546</b>	Redcastle Exploration Licence Application	69 Graticules	NAG
<b>RLA 2019</b>	Rushworth Retention Licence Application	400 Hectares	NAG

\* NAG = 100% Nagambie Mining Limited

\* CLO = 100% Clonbinane Goldfield Pty Ltd

**APPENDIX 2**

**EXPLORATION & DEVELOPMENT OF GOLD ASSETS**

**The Nagambie Mining group’s key gold strategies in Victoria are:**

- Focus on Central Victoria, particularly the Melbourne Zone;
- Focus on open-pit gold deposits – underground mining costs are fast becoming prohibitive in Victoria;
- Focus on disseminated, non-nuggetty, oxide, heap-leachable gold;
- Take advantage of the lower capital and operating costs associated with heap leaching;
- Take advantage of the heap-leach facilities remaining from the 1990s operation at the Nagambie Mine – truck all ore from the Company’s deposits back to the Nagambie Mine for treatment;
- Only take on 100% ownership of gold properties – joint ventures are inefficient and expensive;
- Don’t take on production royalties – royalties become problematic with multiple sources of heap-leach ore;
- Don’t take on bank project finance – banks insist on acting in the interest of their shareholders ahead of the interests of their clients;
- Develop Inferred Resources (under the JORC Code) but not Reserves – the money spent on drilling out reserves is better used for dividends to shareholders;
- Focus strongly on mine bench grade control to minimise waste dilution and maximise ore head grade; and
- Use local contractors wherever possible to minimise up-front capital costs and provide operational flexibility – except for mine bench grade control and gold room operations.

**Nagambie Mining’s preference for exploring and developing gold assets in the Melbourne Zone of Victoria:**

- **Melbourne Zone is Noted for Disseminated, Non-Nuggetty Gold:**
  - ✧ Extremely fine gold couldn’t be panned by the “Old Timers” – outcrop still exists;
  - ✧ Gold in samples is evenly distributed – the opposite of nuggetty;

- ✧ Reliable drilling results for disseminated gold versus problematic drilling of Bendigo and Ballarat-style nuggetty quartz veins;
  - ✧ Reliable evaluation of each open-pit, heap-leachable deposit;
  - ✧ Reliable bench grade control sampling during open-pit mining;
  - ✧ Minimal quartz in disseminated oxide deposits can mean no drilling and blasting is required; and
  - ✧ Fine, evenly-distributed gold means excellent heap-leach recovery.
- **Melbourne Zone has Outstanding Existing Infrastructure:**
    - ✧ Hume and Goulburn Valley Freeways connect the Nagambie and Clonbinane Goldfields;
    - ✧ Operators for the mining and heap-leach operations could come from Shepparton, Nagambie, Seymour, Broadford, Kilmore, Wallan, Wandong etc; and
    - ✧ Operators would drive themselves to the gates of the operations each day – the exact opposite, in terms of costs, of fly-in, fly-out operations in outback Australia.