

\$500,000 CAPITAL RAISING

Nagambie Resources Limited (ASX: NAG) is pleased to announce that it has received firm commitments from sophisticated and professional investors for the placement of 3,333,333 new fully-paid ordinary shares at an issue price of 15.0 cents per share, raising \$500,000. An Appendix 3B will be lodged with the ASX upon the issue and allotment of the new shares.

The placement funds will be applied towards:

- ❖ gold exploration and development;
- ❖ the construction of a state-of-the-art weighbridge; and
- ❖ general working capital requirements.

The Company has over 660 sq km of highly prospective gold tenements. It is working to get Mining Licences over its two gold deposits at Wandean and Clonbinane, respectively 9 km north west and 60 km south of the Nagambie Mine. Having developed the Nagambie Regional Gold Model and subsequently making the virgin gold discovery at Wandean, the Company is confident that an extensive aeromagnetic survey followed by systematic soil sampling and aircore drilling will locate more "Wandean".

The weighbridge has been designed to be "future proof". As well as catering for current truck and dog combinations and B-Doubles, it will take new higher-productivity trucks such as A-Doubles with payloads of around 60 tonnes. Nagambie Resources' near and longer term strategic planning for trucking (back loading where possible) includes:

Nagambie Mine incoming trucks:

- ❖ PASS from large construction excavations / tunnels;
- ❖ gold mineralisation from the Company's satellite deposits;
- ❖ solid inert landfill from Melbourne and central Victoria; and
- ❖ green waste for composting.

Nagambie Mine outgoing trucks:

- ❖ heap-leach product as compaction floor material (eg tunnels);
- ❖ overburden as potential road base for the Shepparton Bypass;
- ❖ compost from green waste; and
- ❖ sand and gravel products.

Before this placement, Nagambie Resources had 351,238,110 issued shares, 51,544,447 unlisted convertible notes (all in-the-money) and 39,050,000 unlisted options (37,050,000 in-the-money). The issue of 3,333,333 new shares therefore represents dilution, on an in-the-money diluted basis, of only 0.8%.



Mike Trumbull
Executive Chairman

NAGAMBIE RESOURCES

Underwater storage of sulphidic excavation material (PASS) in the two legacy pits at the Nagambie Mine represents an excellent environmental fit with the construction of Fishermans Bend / CBD high-rise buildings, the Melbourne Metro rail tunnels and the Western Distributor road tunnels.

The discovery and development of shallow, open-pit and heap-leachable gold deposits is being methodically advanced. The Company has 100% of tenements encompassing historic Victorian goldfields at Nagambie, Clonbinane, Rushworth and Redcastle.

Aggregates and gravel are being produced from the old heap leach pad and overburden dumps respectively.

The first landfill site is planned to take advantage of the 20 Ha of black plastic under the legacy heap leach pad.

Leasing and agistment of the freehold land at the Nagambie Mine is being maximised.

SHARES ON ISSUE

351,238,110

ASX CODE: NAG

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Board

Mike Trumbull (Exec. Chairman)

Geoff Turner (Exploration Dir.)

Kevin Perrin (Finance Director)

Alfonso Grillo (Company Sec.)

James Earle CEO