

SERIES 10 CONVERTIBLE NOTE RAISING

Nagambie Resources Limited (ASX: NAG) ("NRL") is pleased to advise it has received commitments from the holders of Series 6 Convertible Noteholders to the early redemption of Series 6 Convertible Notes to be replaced by the issue of new Series 10 Convertible Notes. The early redemption relates to all Series 6 Convertible Notes having a face value of \$1.8 million, and the issue of new Series 10 Convertible Notes having a face value of \$1.8 million.

In addition, NRL is raising new capital of up to \$2.0 million through the issue of Series 10 Convertible Notes to sophisticated and professional investors at 8.0 cents per note.

The uses of the new funds raised will be:

- ❖ to accelerate the successful drilling program for Costerfield-Mine-style, antimony-gold mineralisation at the Nagambie Mine; and
- ❖ to add to working capital.

Lead Manager for the capital raising is Far East Capital Limited (<http://www.fareastcapital.com.au>), a Sydney-based private investment bank specialising in the resources sector.

The face value for the Series 10 Notes of 8.0 cents each represents a 43% premium to the last traded price for NRL shares on the ASX of 5.6 cents and a 62% premium to the volume-weighted average price for NRL shares for the last 10 days for which trades took place on the ASX of 4.9 cents.

The principal terms of the Series 10 Notes are summarised in the annexure to this announcement. The number of Series 10 Notes proposed to be issued is 47,500,000.

NRL does not require shareholder approval for the issue of the Series 10 Notes, as the issue is within NRL's Listing Rule 7.1 placement capacity. The Company will provide further updates in respect of the issue of the Series 10 Notes in due course and as appropriate.

By the order of the Board.



Mike Trumbull
Executive Chairman

NAGAMBIE RESOURCES
www.nagambieresources.com.au

Oriented diamond drilling of Costerfield-Mine-style, structural-controlled, high grade antimony-gold underground targets within the Nagambie Mining Licence and elsewhere in the 3,000 sq km of tenements in the Waranga Domain is being methodically carried out.

Nagambie Resources and Golden Camel Mining (GCM) have received approval for the construction and operation of a CIL gold toll treatment plant at the Nagambie Mine. GCM will pay 100% of all construction and commissioning costs; thereafter all revenues and costs will be shared 50:50. A future antimony flotation circuit is also planned.

Underwater storage of sulphidic excavation material (PASS) in the two legacy gold pits at the Nagambie Mine is an excellent environmental fit.

Bacterial recovery of residual gold from the 1990s heap leach pad is being investigated.

Mining and screening of sand and gravel deposits at the Nagambie Mine is also planned.

SHARES ON ISSUE
513,146,176

ASX CODE: NAG

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Board

Mike Trumbull (Exec Chairman)
Bill Colvin (Director)
Alfonso Grillo (Dir/Company Sec)

James Earle CEO

ANNEXURE

Issue of Series 10 Convertible Notes - Summary of Key Terms

Key Terms and Conditions	
Issuer	Nagambie Resources Limited (ACN 111 587 163) (Company).
Issue Price	an issue price of \$0.08 each.
Term	The term is for 5 years
Interest Rate	10%, payable to the noteholder every 6 months.
Security	None.
Conversion Rights	The Notes are convertible at any time within the 5-year term, at the option of the noteholder into fully paid ordinary shares in the Company on a 1 for 1 basis.
Redemption Price	The Notes are redeemable at 8.0 cents each after 5 years, if not previously converted or at the noteholders election upon an Event of Default.
Events of Default	<p>An Event of Default occurs if:</p> <ul style="list-style-type: none">(a) The Company does not pay any money that becomes payable by the Company under the Convertible Note Agreement on its due date for payment and does not rectify that failure to pay within ten business days of receipt of a notice from the noteholder stating that payment has not been made;(b) the Company becomes insolvent;(c) the Company is in breach of any covenant or undertaking contained in the Convertible Note Agreement and does not rectify that breach within ten business days of receipt of a notice from the noteholder stating that the breach has occurred and providing reasonable details of the breach.