ASX ANNOUNCEMENT **20 JANUARY 2014**

EXCITING GOLD INTERSECTIONS AT WANDEAN

- **21.1 grams per tonne (g/t) gold intersected at Wandean, the highest gold grade ever for the Nagambie region. The previous best oxide gold assay was 16.3 g/t gold at the historic Nagambie Mine in the 1990s.**
- **The presence of shallow high grade gold at Wandean will significantly increase the average grade and improve the potential economics of the gold mineralisation.**
- **Some of the better intersections for the second-pass exploration drilling program at Wandean are:**
  - ✧ **37m at 0.85 g/t** gold from 7m down hole (including **15m at 1.45 g/t** from 7m) in drill hole WRC 21;
  - ✧ **2m at 11.0 g/t** from 7m (including **1m at 21.1 g/t** from 7m) in WRC 23;
  - ✧ **4m at 3.3 g/t** from surface (including **1m at 10.6 g/t** from 1m) in WRC 42;
  - ✧ **5m at 2.2 g/t** from 30m (including **1m at 4.8 g/t** from 34m) in WRC 46;
  - ✧ **5m at 1.9 g/t** from 46m in WRC 25;
  - ✧ **3m at 3.0 g/t** from 30m (including **1m at 6.2 g/t** from 31m) in WRC 34; and
  - ✧ **4m at 2.1 g/t** from 29m (including **1m at 5.4 g/t** from 32m) in WRC 41.
- **An extensive third-pass drilling program at Wandean, planned to commence in February, is now being finalised.**

COMMENTARY

The Company Chairman, Mike Trumbull said: ***"This is tremendous news for Nagambie Mining. The presence of such near-surface high grade gold at Wandean is 'a bolt out of the blue'.***

"And to have intersected the highest oxide gold grade ever recorded for the Nagambie region in early drilling at Wandean is the sort of luck every gold explorer hopes for. We now look forward to more 21 g/t or higher gold assays at Wandean.

"Our target average grade for economic gold mineralisation at Wandean, at a gold price of around A$1,300 or US$1,170 per ounce, is 1.0 g/t. We now have a very good chance of being able to achieve or exceed this target average grade.

"The Nagambie Mine was mined at an average ore grade of 0.8 g/t and heap-leach treated in the 1990s when the gold price averaged around A$500 per ounce. The Company's driving ambition in recent years has been to prove that there are numerous gold deposits, not one, in the Nagambie region. We consider that we are well on our way."

NAGAMBIE MINING

Nagambie Mining Limited is an Australian ASX-listed gold company that is focussed on the discovery, evaluation and development of shallow, open-pit and heap-leachable gold deposits.

The Company holds 100% of over 500 km^2 of exploration tenements in central Victoria encompassing historic goldfields at Nagambie, Redcastle and Rushworth.

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

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

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ADDITIONAL COMMENTARY

The Company Chairman, Mike Trumbull also said: ***"This exploration success at Wandean has been over a year in the making for Nagambie Mining. We are delighted that our targeting methodology and focus are now bearing fruit. In July 2012 our position, as reported, was:***

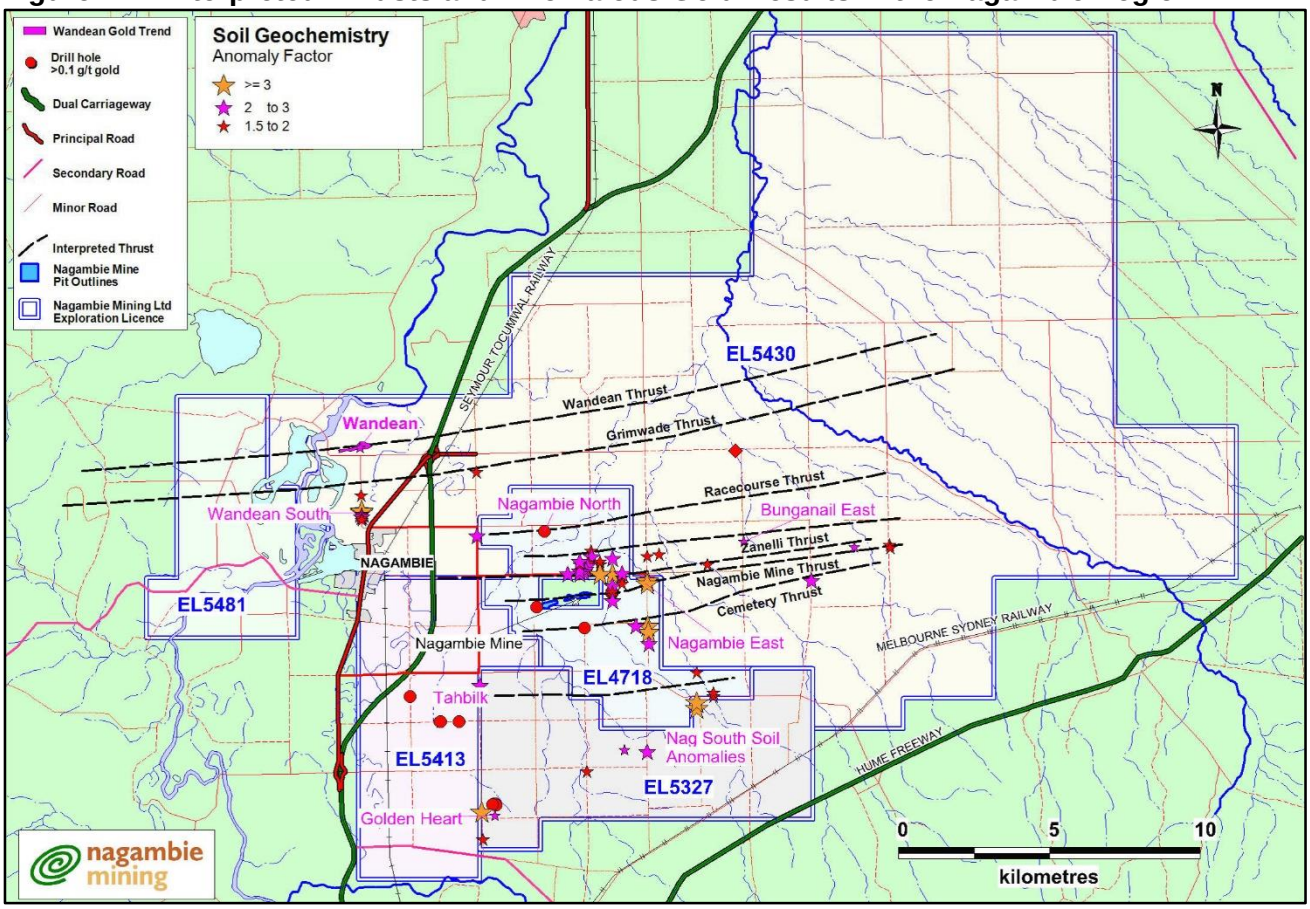
> *'Since the 1980s, companies including Metana, Perseverance, Metex, Barrick and Newcrest have unsuccessfully explored different gold prospects in the region. The great advantage for Nagambie Mining is that we have been able to pull all that valuable open-file information together, add it to our own growing soil sampling and drill hole database, and significantly improve our regional gold model. We feel that we have "cracked the code".*
>
> *'It's exciting for the Company, being a real minnow in market capitalisation terms, to have 100% ownership of such a complete package of land containing many compelling targets. We are very confident of being able to systematically hunt down Nagambie-style gold ore bodies that are amenable to low cost open pit mining and heap-leach recovery.'*

"Our July 2012 Nagambie Regional Gold Model successfully predicted Nagambie-style gold mineralisation at Wandean, associated with the east-west Wandean Thrust. We hadn't however considered shallow supergene gold in our model. Given that Wandean, like the Nagambie Mine (associated with the east-west Nagambie Mine Thrust), has been shown to host high grade supergene gold, we are now expecting shallow supergene gold to be the norm, not the exception, in the Nagambie region. This is a very exciting development for Nagambie Mining given our dominant, contiguous land position of over 500 km² with at least eight interpreted east-west, gold-mineralising thrusts."

WANDEAN SECOND-PASS RC DRILLING PROGRAM

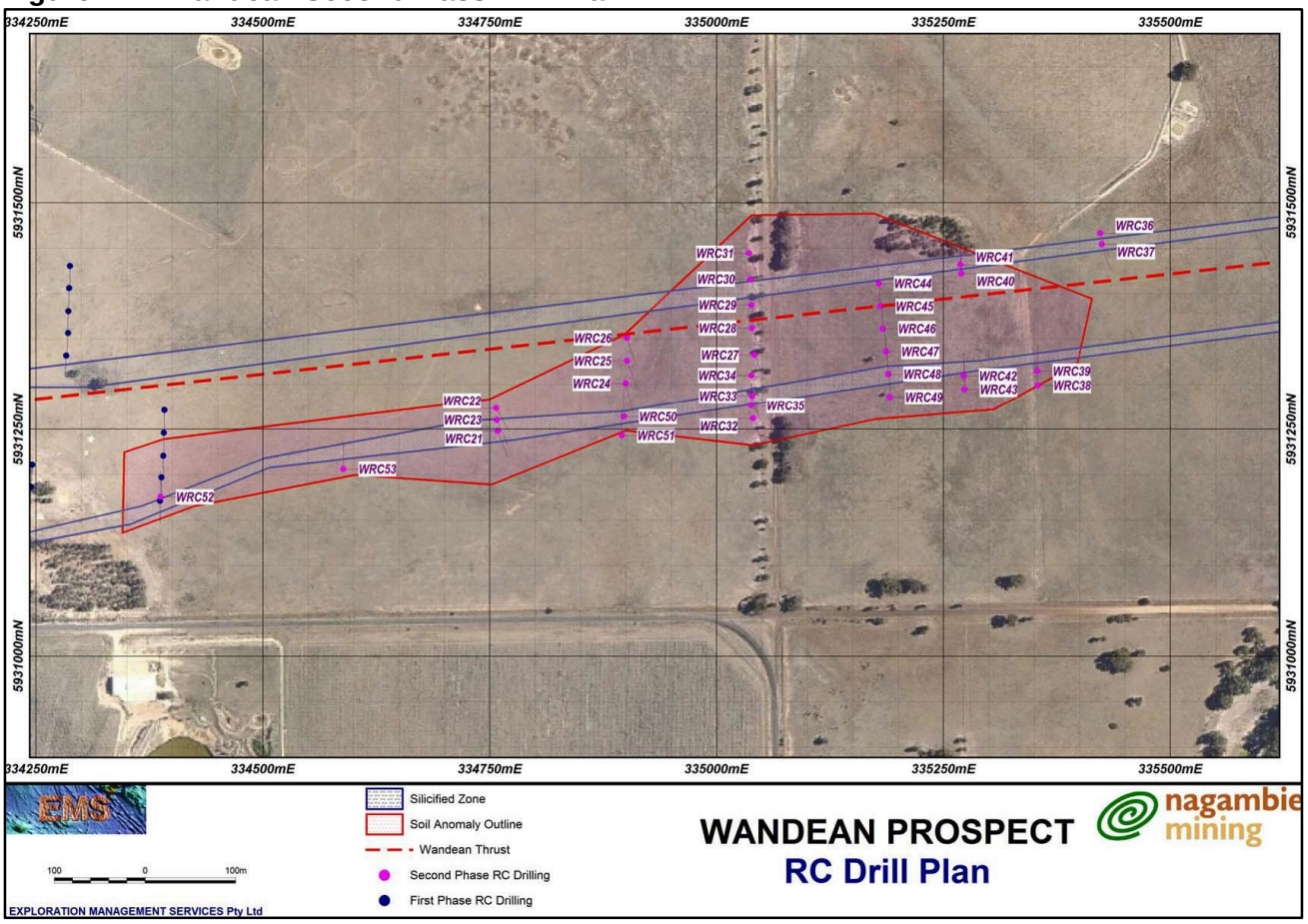
Wandean is 4 km north of Nagambie in central Victoria and 9 km north west of the Nagambie Mine in EL 5430 (refer Figure 1).

Figure 1 Interpreted Thrusts and Anomalous Gold Results in the Nagambie Region



A total of 33 RC (reverse circulation) percussion holes, WRC 21 through to WRC 53, were drilled in the second-pass program. The location of the holes is shown in Figure 2, the detailed hole descriptions are set out in Table 2 in Appendix 1, and the assay results are set out in Table 3 in Appendix 1.

Figure 2 Wandean Second-Pass Drill Plan



The RC holes were located to test the soil anomaly shown in Figure 2 (red outline) which follows the interpreted position of the Wandean Thrust (dashed red line). Geological logging of the rock chips in the RC holes has shown two principal east-west trending zones of silicification and quartz stockwork veining – a northern zone and a southern zone (refer Figure 2).

Both quartz (silicified) zones are roughly parallel to the trend of the Wandean Anticline and the Wandean Thrust. Near-vertical local fracturing of the harder sandstone and siltstone sedimentary units has allowed for the flow of mineralising fluids and deposition of quartz, sulphides and gold. These mineralising fluids would have initially flowed up the regional east-west Wandean Thrust, probably during various earthquake episodes, and then flowed outwards under pressure to the north and south. Disseminated primary gold, generally grading around 1.0 g/t gold, is associated with the zones of quartz stockwork veining.

Very significantly, gold to 21.1 g/t (repeat assay 18.9 g/t) was also intersected in soft mudstone sediments adjacent to the zones of quartz stockwork veining. The lack of quartz veining and sandstone layers in these mudstone intersections point to such mineralisation being of supergene origin, rather than primary. Panning of selected high grade mudstone intervals has shown that the gold mineralisation is extremely fine.

Supergene enrichment processes remobilise or redistribute primary gold in the near surface oxide zone. The presence of high grade, very fine supergene gold can substantially lift both average gold grade and average heap-leach gold recovery.

All gold intersections greater than 2.0 g/t gold for the second-pass drilling at Wandean are set out in Table 1. Of the 17 intersections greater than 2.0 g/t gold, only three intersections are associated with significant logged quartz. Of the 14 quartz-poor intersections (highlighted in red in Table 1), eight occur in logged soft mudstone.

Table 1 Gold Intersections + 2.0 g/t

RC Hole	From	To	Lithology	Quartz %	Au (g/t)
WRC 21	9	10	sandstone	0.1	**2.0**
WRC 21	12	13	sandstone		**2.2**
WRC 21	14	15	sandstone	15	2.1
WRC 23	7	8	mudstone		**21.1**
WRC 25	48	49	mudstone	30	4.4
WRC 25	49	50	sandstone	40	2.5
WRC 34	31	32	mudstone	0.1	**6.2**
WRC 35	23	24	mudstone		**2.1**
WRC 38	56	57	shale	0.1	**2.2**
WRC 40	52	53	sandstone	1	**3.6**
WRC 41	32	33	mudstone		**5.4**
WRC 42	1	2	siltstone		**10.6**
WRC 42	44	45	shale		**2.5**
WRC 46	31	32	mudstone		**3.0**
WRC 46	34	35	mudstone		**4.8**
WRC 47	31	32	mudstone		**3.2**
WRC 49	62	63	mudstone		**5.3**

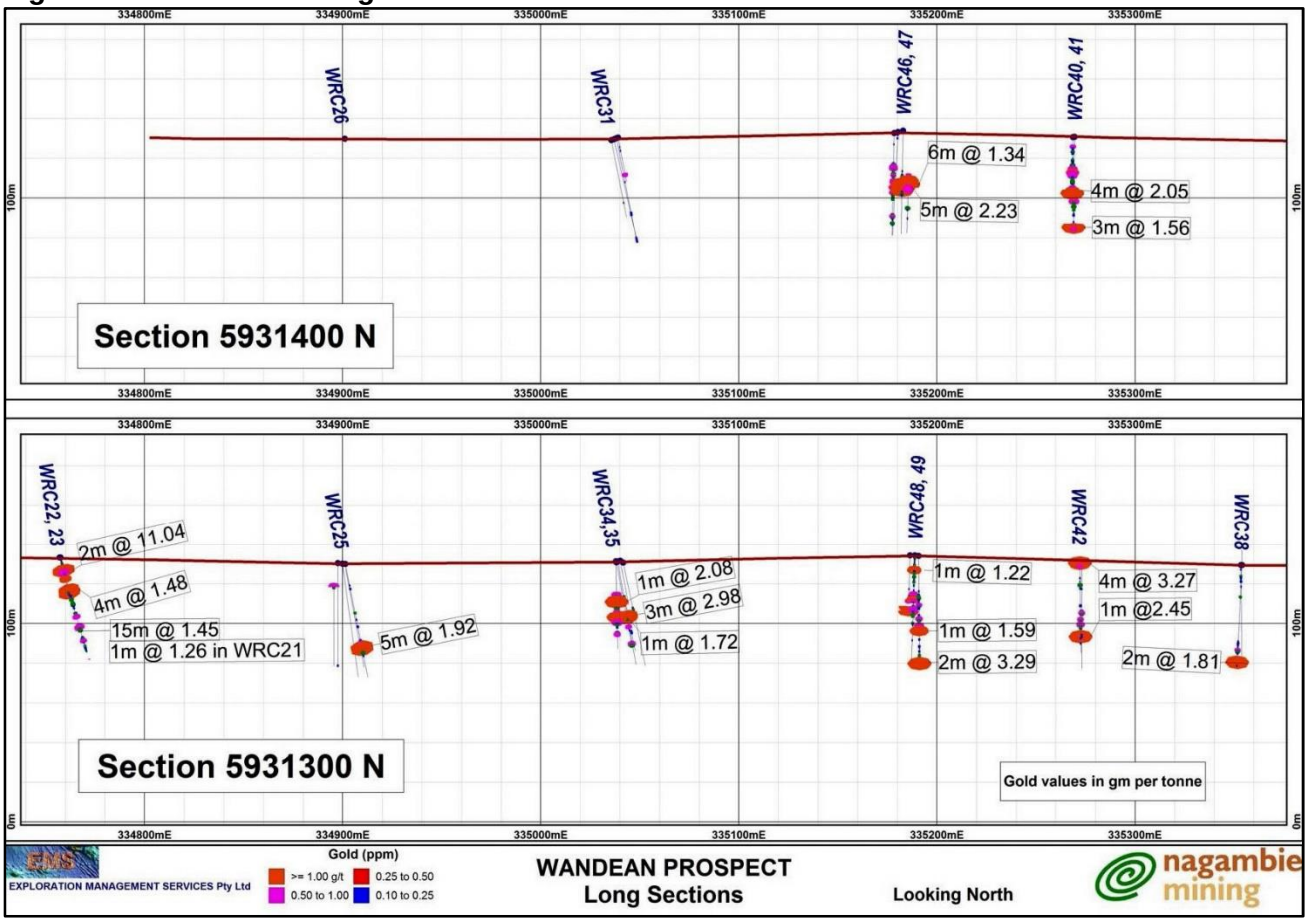
Supergene enrichment also occurred at the Nagambie Mine which was mined (at an overall average ore grade of 0.8 g/t) and heap-leach treated in the 1990s. The average heap-leach gold recovery at the Nagambie Mine of approximately 80% was high by industry standards because the very fine supergene gold, after agglomeration of the soft mined ore, was rapidly dissolved and recovered.

Given that both Wandean and the Nagambie Mine host/hosted high grade supergene gold, the Company now considers that supergene gold will be the norm, not the exception, in the Nagambie region.

Drilling in the Cattle Paddock of the "Wandean" Property

Two east-west long sections, 100 metres apart in a north-south direction, are shown in Figure 3.

Figure 3 Wandean Long Sections

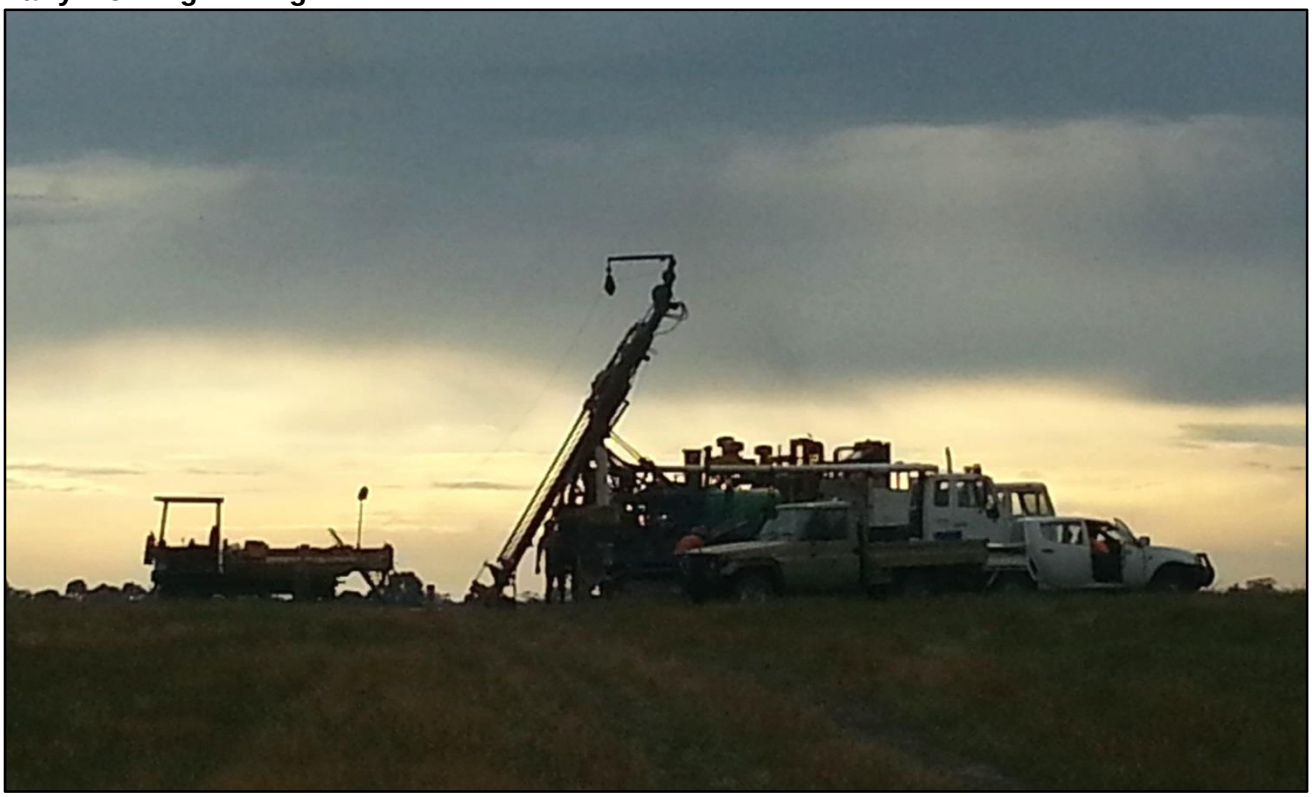


Additional traverses of exploration drill holes are being designed for an extensive third-pass RC program, planned to commence in February 2014.

Notably, the second-pass program has shown that:

- The soil sampling method employed by the Company is a valid tool for locating gold mineralisation under cover;
- Gold mineralisation at economic grades exists over a strike length of at least 1 km at Wandean (the East Pit at the Nagambie Mine was 1 km long);
- There is at least one strong gold mineralising event associated with the east-west trending Wandean Thrust; and
- The Nagambie Goldfield has the potential to host a number of economic gold deposits.

Early Morning Drilling



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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

The Reverse Circulation (RC) holes were drilled at a 60° angle to the south-east, or at a 60° angle to the north on fence lines approximately 80 to 150 metres apart. Holes were drilled on 25 metres spacing to a nominal depth of 60 metres. Nominal hole diameter was 100mm.

Table 2 Drill Hole Collars (second pass RC drill program)
(Collars surveyed by registered surveyor)

Hole	East (MGA)	North (MGA)	RL (AHD)	Depth (m)	Azimuth	Declination
WRC21	334758.87	5931247.94	133.266	60.0	160	-60
WRC22	334757.01	5931273.12	133.259	60.0	150	-60
WRC23	334757.63	5931260.29	133.252	60.0	157	-60
WRC24	334899.80	5931300.98	130.091	66.0	166	-60
WRC25	334901.39	5931325.95	129.977	66.0	160	-60
WRC26	334901.11	5931351.14	129.799	60.0	161	-60
WRC27	335041.53	5931332.48	130.680	60.0	158	-60
WRC28	335038.95	5931361.98	130.322	51.0	160	-60
WRC29	335038.17	5931387.36	130.026	60.0	160	-60
WRC30	335036.99	5931415.81	129.581	60.0	157	-60
WRC31	335035.56	5931444.42	129.188	45.0	160	-60
WRC32	335040.04	5931262.09	131.524	55.0	160	-60
WRC33	335038.83	5931287.13	131.177	60.0	162	-60
WRC34	335038.21	5931309.78	130.818	49.0	161	-60
WRC35	335037.93	5931276.29	131.309	51.0	002	-60
WRC36	335422.72	5931466.60	128.096	60.0	160	-60
WRC37	335424.08	5931454.35	127.941	60.0	160	-60
WRC38	335354.00	5931298.80	129.412	60.0	355	-60
WRC39	335353.44	5931314.65	129.387	60.0	001	-60
WRC40	335269.45	5931421.87	130.764	60.0	359	-60
WRC41	335268.64	5931431.85	130.655	60.0	359	-60
WRC42	335272.18	5931309.36	131.920	54.0	001	-60
WRC43	335273.09	5931294.36	131.702	63.0	360	-60
WRC44	335178.41	5931411.16	132.711	60.0	358	-60
WRC45	335180.25	5931386.03	133.201	60.0	355	-60
WRC46	335182.94	5931361.26	133.811	60.0	358	-60
WRC47	335186.39	5931336.12	134.260	60.0	357	-60
WRC48	335188.82	5931311.15	134.333	60.0	357	-60
WRC49	335190.67	5931285.92	133.945	63.0	001	-60
WRC50	334897.60	5931263.90	130.286	60.0	360	-60
WRC51	334895.55	5931242.98	130.453	60.0	360	-60
WRC52	334387.26	5931175.26	145.894	56.0	360	-60
WRC53	334588.42	5931206.00	136.691	60.0	360	-60

Samples were collected from the cyclone at 1 metre intervals, riffle split to obtain an assay sample, and logged. Initially, every second sample was sent to ALS-Minerals Adelaide for sample preparation and pulverisation then forwarded to ALS-Minerals Perth for analysis for gold, arsenic and antimony by aqua regia digestion and ICP-MS determination.

Where gold mineralisation was detected (using a nominal 0.1 g/t gold threshold), the intervening samples were selected and sent for analysis using the same protocols.

Duplicate samples were taken at regular intervals and sent for analysis, and a set of Certified Reference Materials (CRMs) were also sent as a laboratory check. The duplicate samples have a high correlation coefficient for gold assays of 75% - the correlation is higher at higher gold grades (>0.4 g/t gold). The laboratory returned gold values from 3 to 15% lower than the nominal value of the CRMs, suggesting that gold values in the samples may be under-reported.

Geological data are as yet insufficient to determine the orientation of each of the zones of mineralisation reported. Thus true thicknesses cannot at this time be determined - downhole intersections only are reported.

Table 3 Drill Assay Results

(Downhole-weighted average gold grades calculated using a 0.5 g/t cut off, with an internal intersection of 0.3 g/t or higher. High grades not cut.)

Hole	From (m)	To (m)	Au (g/t)	Intersection (m)
WRC21	7	22	1.45	15
Including	*9*	*10*	*2.01*	*1*
and	*12*	*13*	*2.13*	*1*
WRC21	31	32	1.26	1
WRC21	35	38	0.93	3
WRC21	41	43	0.63	2
WRC22	18	22	1.48	4
WRC22	34	35	0.70	1
WRC22	39	41	0.75	2
WRC22	48	49	0.61	1
WRC22	58	59	0.83	1
WRC23	7	9	11.04	2
Including	*7*	*8*	*21.10*	*1*
WRC23	12	13	1.10	1
WRC23	42	43	0.70	1
WRC23	45	47	0.64	2
WRC23	48	49	0.65	1
WRC24	No significant assay			
WRC25	46	51	1.92	5
WRC26	No significant assay			
WRC27	No significant assay			
WRC28	21	22	0.53	1
WRC29	No significant assay			
WRC30	No significant assay			
WRC31	No significant assay			
WRC32	46	49	0.89	3
WRC32	53	54	0.69	1
WRC33	No significant assay			
WRC34	30	33	2.98	3
Including	*31*	*32*	*6.17*	*1*
WRC34	37	38	0.62	1
WRC34	47	48	0.73	1

Hole	From (m)	To (m)	Au (g/t)	Intersection (m)
WRC35	19	20	0.88	1
WRC35	23	24	2.08	1
WRC35	29	30	0.64	1
WRC35	32	33	1.72	1
WRC35	35	36	0.98	1
WRC35	42	43	0.62	1
WRC36	No significant assay			
WRC37	No significant assay			
WRC38	49	50	0.54	1
WRC38	56	58	1.81	2
WRC39	No significant assay			
WRC40	37	38	0.91	1
WRC40	51	54	1.56	3
WRC41	5	6	0.54	1
WRC41	18	23	0.92	5
WRC41	29	33	2.05	4
Including	*32*	*33*	*5.42*	*1*
WRC41	44	45	0.67	1
WRC42	0	4	3.27	4
Including	*1*	*2*	*10.6*	*1*
WRC42	34	35	0.58	1
WRC42	37	38	0.73	1
WRC42	44	45	2.45	1
WRC43	30	31	0.58	1
WRC44	19	21	0.72	2
WRC44	24	25	0.51	1
WRC44	27	29	0.58	2
WRC44	31	32	0.78	1
WRC44	34	35	0.67	1
WRC44	48	49	0.52	1
WRC45	No significant assay			
WRC46	30	35	2.23	5
WRC47	29	35	1.34	6
Including	*31*	*32*	*3.19*	*1*
WRC48	8	9	1.22	1
WRC48	22	23	0.76	1
WRC48	25	27	0.85	2
WRC48	31	32	0.85	1
WRC49	28	29	0.57	1
WRC49	36	37	0.65	1
WRC49	40	42	0.81	2
WRC49	43	44	1.59	1
WRC49	61	63	3.29	2
WRC50	No significant assay			

Hole	From (m)	To (m)	Au (g/t)	Intersection (m)
WRC51	13	14	0.95	1
WRC52	22	23	0.97	1
WRC52	24	25	0.55	1
WRC53	No significant assay			

JORC 2012 Edition, Table 1 Checklist

Sampling Techniques and Data **Criteria**	**Explanation**
Drilling & Sampling techniques	RC drilling, samples collected at cyclone, riffle split to ~3 kg. Alternate samples initially assayed, where mineralisation is indicated, intervening samples sent for assay.
Drill sample recovery	Sample volumes at cyclone noted qualitatively, as well as presence or absence of water. Sample weights recorded at laboratory. Geological control maintained at the drill site at all times, to ensure best drilling practices maintained. There is no relationship between gold grades and submitted sample weight.
Logging	Cuttings geologically logged at 1m intervals for lithology, alteration, quartz veining and structural features (such as cleavage, breccia). Water content noted, as well as sample quality.
Sub-sampling techniques and sample preparation	Samples riffle split when dry, grab sampled when damp or wet. This sampling procedure is appropriate for the mineral style. Duplicate samples taken approximately every 30 samples. Gold is fine grained and disseminated, so the sample size (approximately 3 kg) is appropriate.
Quality of assay data and laboratory tests	Gold determined by Aqua Regia digestion and ICP-MS. Experience has shown this method to be applicable for fine grained disseminated gold mineralisation in sediments. Laboratory QC and external QC by duplicates and CRMs show good correlation and repeatability.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. none • The use of twinned holes. none • Data logged onto paper and transcribed and verified. Cyclone bags stored at Nagambie for reference and validation.
Location of data points	• Hole collars surveyed by registered Land Surveyor to MGA94 and AHD.
Data spacing and distribution	• Holes drilled on fence lines at 80 to 150 metre intervals, with collars at a nominal 25 metre spacing. • This spacing is not of sufficient density to allow the estimation of a mineral resource. • Sample compositing has not been applied.

Sampling Techniques and Data **Criteria**	**Explanation**
Orientation of data in relation to geological structure	• Most holes drilled at a high angle to the regional structure.
Sample security	• All samples were controlled by the responsible geologist, and stored in locked facility prior to despatch to laboratory. Retained samples stored inside a locked facility.
Audits or reviews	• None of the data have been subject to an audit or review by non-company personnel or contractors.
Reporting of Exploration Results **Criteria**	**Explanation**
Mineral tenement and land tenure status	• The Wandean Prospect is within EL5430, 100% owned by Nagambie Mining Limited.
Exploration done by other parties	• None in the area drilled.
Geology	• Disseminated gold (+arsenic & antimony) mineralisation in silicified sediments, very similar in style to that mined at the Nagambie Mine. Some supergene gold mineralisation component.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • Provided in Table 2.
Data aggregation methods	• Table 3 - Downhole weighted average gold grades were calculated using a 0.5 g/t gold cut off, with an internal intersection of 0.3 g/t or higher. High grades not cut.
Relationship between mineralisation widths and intercept lengths	• The geometry of the mineralisation with respect to the drill hole angle is not known at this stage. • Only down hole lengths reported, true widths are not known.
Diagrams	• Figure 2 shows a Plan of the drill hole collars. • Figure 3 shows a pair of Long Sections.
Balanced reporting	• Locations of all holes drilled shown in Table 2, including those reporting no significant results.
Other substantive exploration data	• No other exploration results that have not previously been reported are material to this report.
Further work	• Planning for further drilling is in progress, anticipated to start in mid to late February.