

ACQUISITION OF CLONBINANE GOLDFIELD

- Nagambie Mining is acquiring 100% of Exploration Licences 4460 and 4987 at Clonbinane by purchasing all the shares in Auminco Goldfields Pty Ltd (“AGPL”) from Auminco Coal Pty Ltd (“ACPL”). The tenements, with a total area of 218.2 km², are approximately halfway between Melbourne and Nagambie, just east of the Hume Freeway.
- The consideration is 13.0 million fully paid ordinary Nagambie Mining Limited shares plus \$23,000 in relation to AGPL’s environmental tenement bonds.
- A preliminary Inferred Mineral Resource for the Apollo & Golden Dyke area at Clonbinane was estimated in 2008 by a previous owner, Beadell Resources Limited (“Beadell”). Nagambie Mining is unable to quote the Beadell (ASX: BDR) resource estimate, which was released to the ASX on 7 October 2008, as that release does not conform with JORC Code 2012 guidelines.
- No exploration has been conducted at Clonbinane since 2008 due to corporate circumstances. Beadell carried out an extensive program of RC and diamond drilling in 2008. Again, because those results were released in a manner that does not conform with JORC Code 2012 guidelines, Nagambie Mining is unable to quote the drilling intersections obtained. The most complete summary of those exploration results was released to the ASX by Beadell (ASX: BDR) on 12 May 2008.

COMMENTARY

The Company Chairman, Mike Trumbull said: *“The high grade Clonbinane Goldfield is extremely underexplored in terms of modern exploration techniques. Getting 100% control of the field by issuing only 4.3% of our expanded shares on issue is a very exciting development for Nagambie Mining shareholders.*

“Clonbinane is a great fit with our Nagambie regional oxide gold targets - the most advanced being Wandean, for which assays are pending. We believe that disseminated gold targets such as Wandean and Clonbinane are far superior to the more typical Victorian nuggetty quartz vein targets that have proven to be very difficult to evaluate, develop and mine profitably.

“The Apollo & Golden Dyke area is a walk-up start for us and we look forward to developing specific exploration protocols that we believe will lead us to additional high grade gold mineralisation in the region.

“Nagambie Mining’s initial interest is in mining oxide gold mineralisation at Clonbinane and trucking it to the Nagambie Mine, 60 km to the north via the Hume and Goulburn Valley Freeways, for heap leach treatment. We will be targeting a total operating cost of A\$600 per ounce of gold or less.”

NAGAMBIE MINING

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

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

A preliminary Inferred Resource for Clonbinane was estimated in 2008 by Beadell Resources Limited (ASX: BDR).

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.

SHARES ON ISSUE

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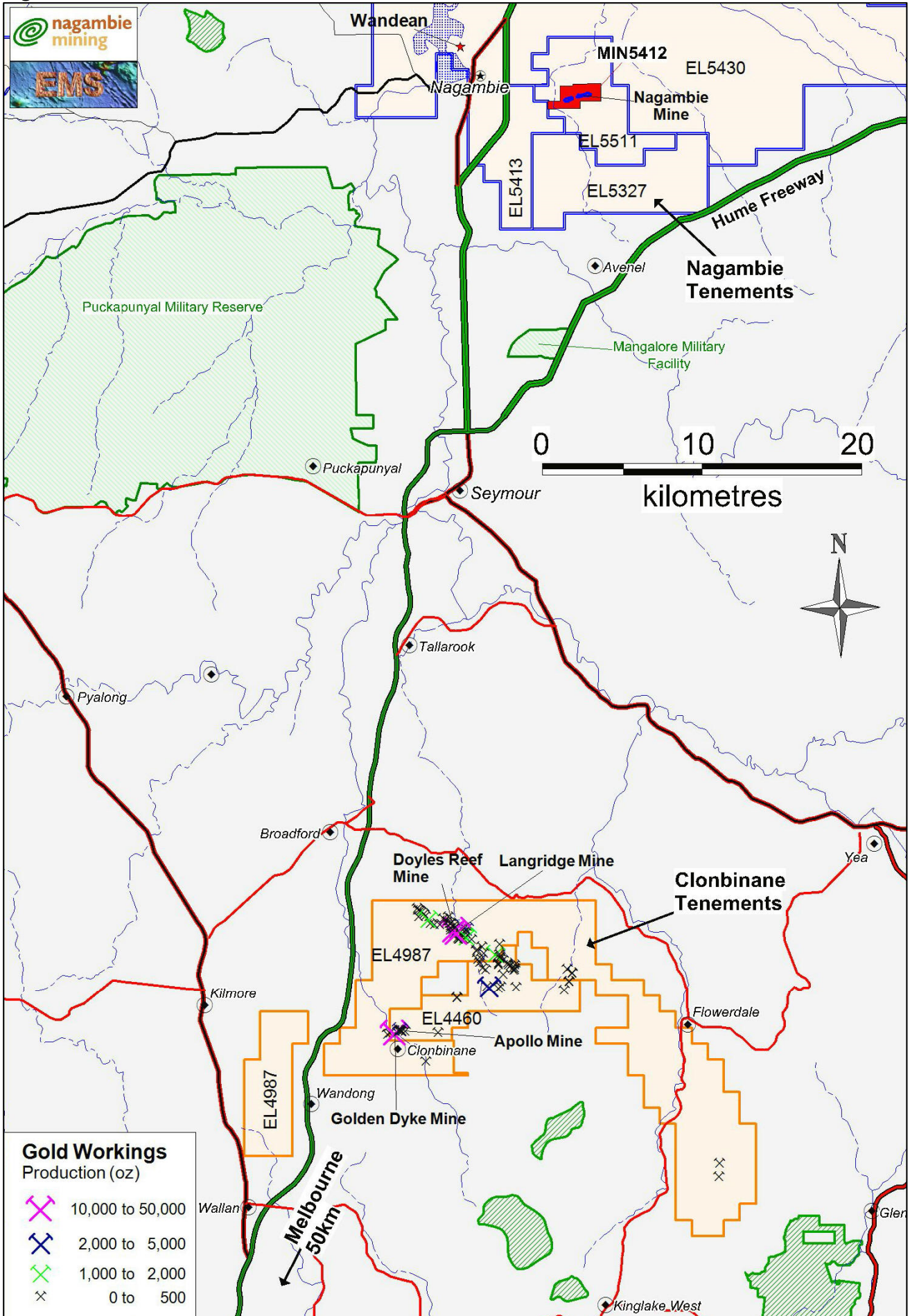
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Figure 1 Location of Clonbinane Tenements and Historical Gold Mines



CLONBINANE GOLDFIELD

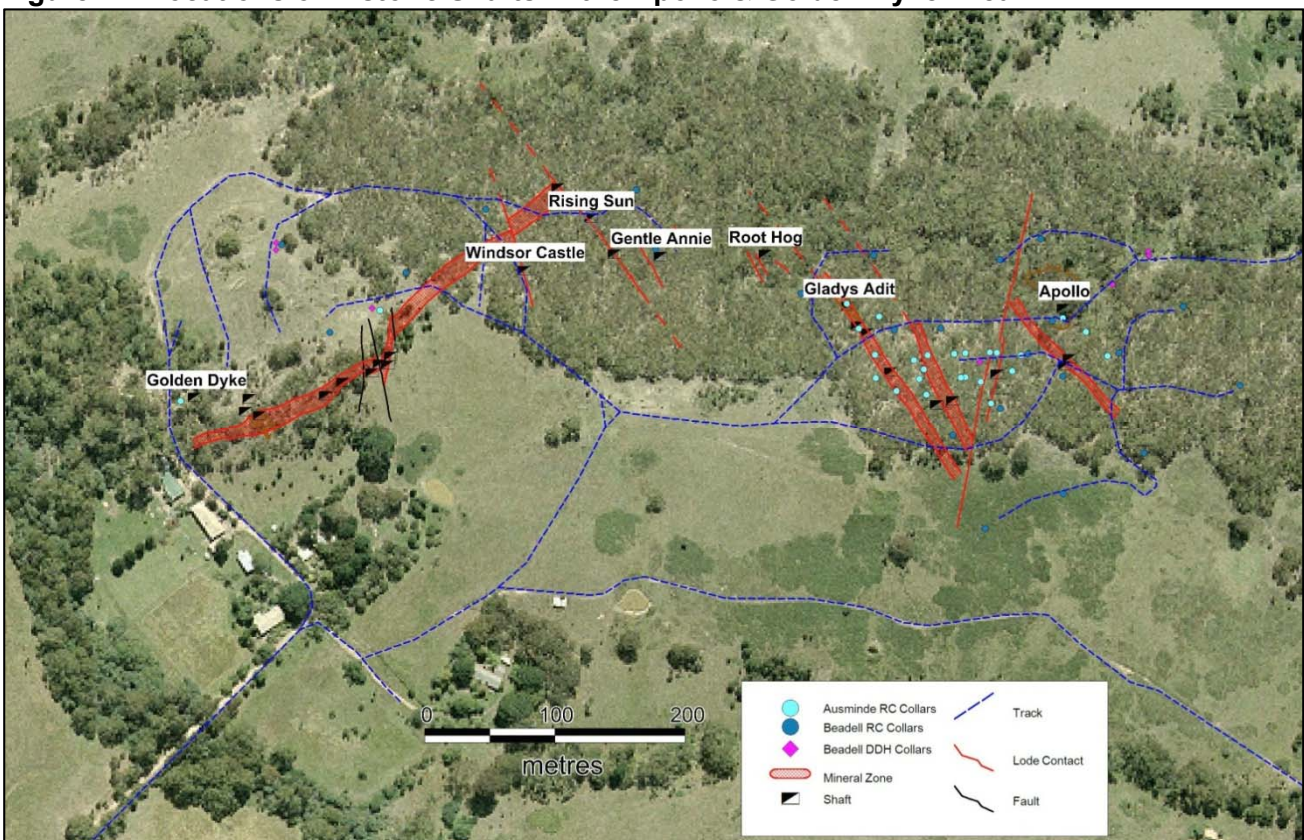
The Apollo & Golden Dyke area is within the Sunday Creek Goldfield, which is the southern part of the broader Reedy Creek Goldfield. The goldfields are located within the Melbourne Structural Zone and consist of Siluro-Devonian turbidites (principally siltstone) intruded by Late Devonian granite and diorite dykes. Nagambie Mining will be exploring both goldfields and, for simplicity, intends to consider both goldfields as being part of the regional Clonbinane Goldfield.

Previous explorers have established that gold mineralisation at Clonbinane occurs in steeply dipping, breccia-hosted pyrite and stibnite bearing lodes within and adjacent to numerous diorite dykes. Mineralisation generally extends outward from a high grade core into a broad halo of lower grade disseminated gold in both the hangingwall and footwall of the lodes. The diorite dykes have been interpreted to form a ring dyke complex that stretches for over 30 km and remains extremely underexplored in terms of modern exploration techniques.

Historic production figures (data from the Geological Survey of Victoria VicMine database, 2012) for underground mines in the area show that the Golden Dyke Mine (refer Figure 1) was the second largest operation, producing 13,305 ounces of gold. The largest operation, the Langridge Mine, is 7 km north east of the Golden Dyke Mine (refer Figure 1) and is recorded as producing 20,620 ounces from 11,261 tonnes at an average recovered grade of 56.9 g/t gold. The third largest operation, the Doyles Reef Mine, is immediately north west of the Langridge Mine and is recorded as producing 12,431 ounces from 7,460 tonnes at an average recovered grade of 51.8 g/t gold.

The last exploration work at Clonbinane was carried out by Beadell Resources Limited (“Beadell”) in 2008. On 12 May 2008, Beadell announced significant drill results in the Apollo & Golden Dyke group of workings.

Figure 2 Locations of Historic Shafts in the Apollo & Golden Dyke Area



NAGAMBIE MINING’S INITIAL FOCUS

Nagambie Mining’s initial focus will be to build on the considerable oxide mineralisation zones outlined by Beadell at Clonbinane and to discover additional zones of oxide mineralisation in the region.

Based on the historical records for the underground mines at Clonbinane, the cores of the pyrite and stibnite lodes can be particularly high grade. The average recovered grades for the Langridge Mine (the largest producer) and the Doyles Reef Mine (the third largest producer) were 56.9 and 51.8 g/t gold respectively (data from the Geological Survey of Victoria VicMine database, 2012). The head grades for both mines, before treatment plant recovery, could have been around 2 ounces of gold per tonne.

The exploration drilling carried out to date at Clonbinane indicates that some of these high grade cores have been left behind by the historical miners, no doubt due to the large number of fault offsets and the large number of lodes that may not have outcropped at surface. Further, the haloes of lower grade disseminated gold in both the hangingwalls and footwalls of the lodes would have been too low grade for the historical miners and would predominantly remain unmined. The high grade core remnants and the lower grade haloes together present as compelling oxide and sulphide open pit targets.

Detailed geological surface mapping and systematic soil sampling, followed by selective costeaning (trenching) will be employed as first steps in exploring the Clonbinane Goldfield.

Where mineralisation outcrops at surface, trial mining / bulk sampling could then be employed in addition to close-pattern RC (reverse circulation percussion) drilling.

Initial focus will be on the Apollo & Golden Dyke area and the Langridge & Doyles Reef area 7 km to the north east.

Drilling of high grade primary sulphide targets beneath the zones of oxide mineralisation would follow at a later date.



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STATEMENT AS TO COMPETENCY

The Exploration Results and comments 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.