JUNE 2014 QUARTERLY REPORT **31 JULY 2014**

HIGHLIGHTS

- The Company acquired 100% of the Clonbinane Goldfield for 4.3% of Nagambie Mining's expanded shares on issue.
- An Independent Geologist's Report (IGR) by Ravensgate Mining Industry Consultants on the Clonbinane tenements was released by Nagambie Mining on 10 July.
- The Clonbinane IGR covers the Inferred Resource for the Apollo & Golden Dyke area of 609,000 tonnes at 2.4 g/t gold for 47,000 ounces of gold that was reported in 2008 in accordance with the guidelines of the JORC Code (2004) ***.
- The Clonbinane IGR coverage of drilling intersections at Apollo & Golden Dyke to date includes a best oxide intersection of 21 metres at 4.8 g/t gold ***.
- Wandean, 9 km north west of the Nagambie Mine, was declared a virgin gold discovery on 17 July 2014 following the receipt of assays from the third-phase drilling program.
- The best Wandean oxide intersection was 5 metres at 11.4 g/t gold, including 1 metre at 37.8 g/t gold.
- Cyanide leaching tests on selected Wandean oxide samples gave an average 96% gold recovery and an average 100% correlation with the initial drill assay grades. The very high correlation indicates that the gold is evenly distributed and fine grained in nature (non-nuggetty), even for high grade assays.

COMMENTARY

The Company Chairman, Mike Trumbull said: *"It has been a watershed quarter. We now have two open-pit, heap-leachable gold discoveries, Apollo at Clonbinane and Wandean, to progress to production. There is clear potential for more discoveries to be made in the Nagambie and Clonbinane Goldfields.*

"The Company is targeting a total operating cost for Apollo including trucking the oxide mineralisation to the Nagambie Mine, 60 km to the north via the Hume and Goulburn Valley Freeways, for heap leach treatment of A$600 per ounce of gold or less. It is targeting a total operating cost for Wandean including trucking the oxide gold mineralisation to the Nagambie Mine, 9 km to the south east, for heap leach treatment of A$900 per ounce of gold or less.

"With the gold price trading in the general range of A$1,350 to A$1,550 per ounce over the last year, Nagambie Mining is well positioned to move forward with both Wandean and Apollo. Being able to restart heap leach operations at the Nagambie Mine at minimal cost is a unique advantage for the Company."

*** In the covering letter to the IGR, dated 8 July 2014, Ravensgate say in part: *"No material changes have been undertaken on the Project since Ravensgate's review and Ravensgate considers its' opinions and findings to remain unchanged."*

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 of 47,000 ounces of gold 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 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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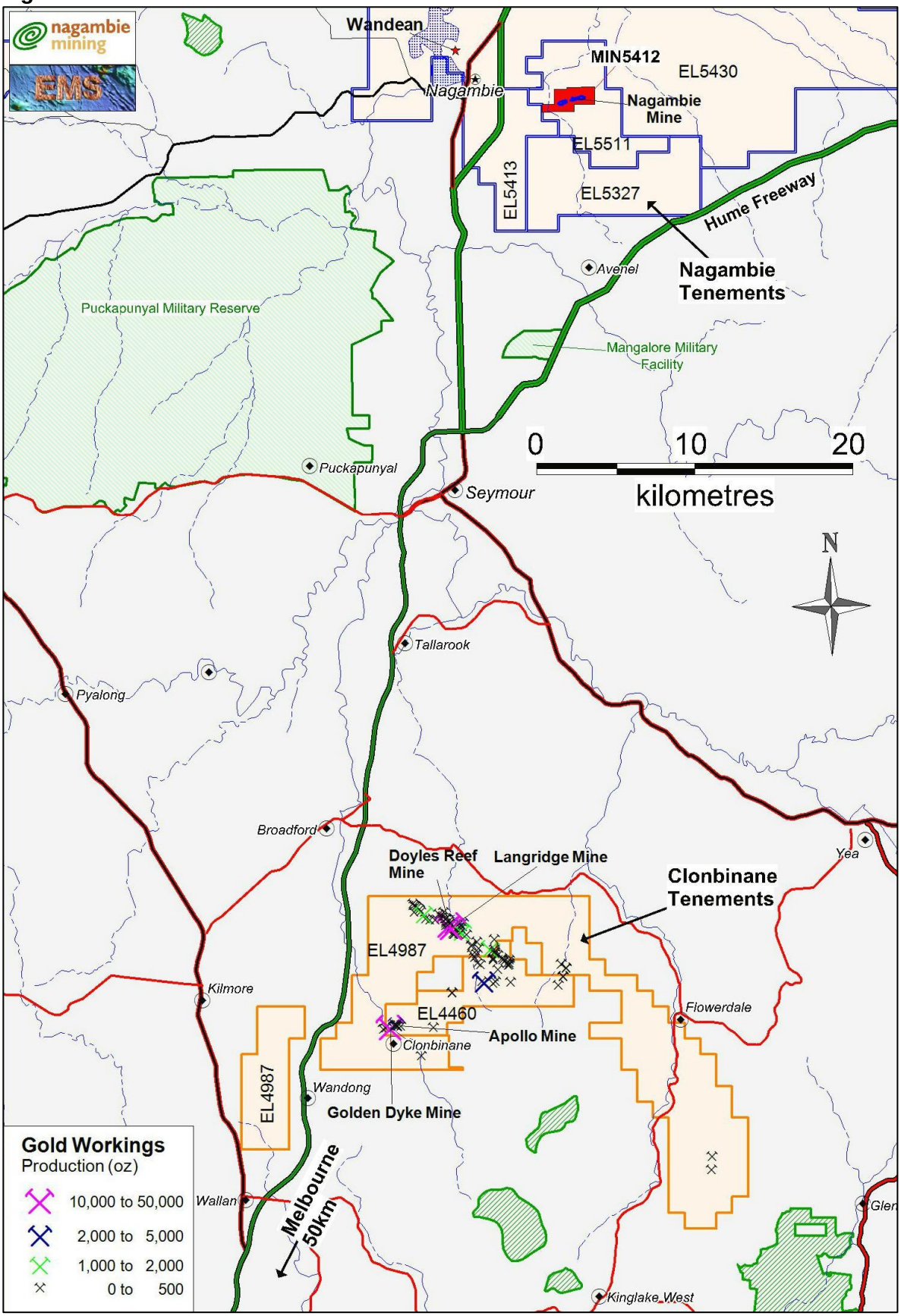
CLONBINANE GOLDFIELD

Nagambie Mining has acquired 100% of Exploration Licences 4460 and 4987 at Clonbinane. The tenements, with a total area of 218.2 km², are approximately halfway between Melbourne and Nagambie, close to the Hume Freeway.

Figure 1 Location of Clonbinane Tenements and Historical Gold Mines



The Clonbinane Goldfield is within the Melbourne Structural Zone and consists of Siluro-Devonian turbidites (principally siltstone) intruded by Late Devonian granite and diorite dykes.

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.

Production figures for historic underground mines in the area are incomplete (reference: Geological Survey Victoria VicMine Database, 2012) but the Golden Dyke Mine (refer Figure 1) is recorded as the second largest operation, producing 13,305 ounces of gold (tonnes and grade not known). The largest operation, the Langridge Mine, is 7 km north east of the Golden Dyke Mine 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.

Based on the above historical records, the cores of the pyrite and stibnite lodes can be particularly high grade. The head grades for the Langridge and Doyles Reef Mines, before treatment plant recovery, could have been around 2 ounces of gold per tonne.

The limited exploration drilling carried out to date at Clonbinane (refer Figure 2) 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.

Figure 2 Plan of the Apollo & Golden Dyke Area (Figure 6 of the Ravensgate IGR)

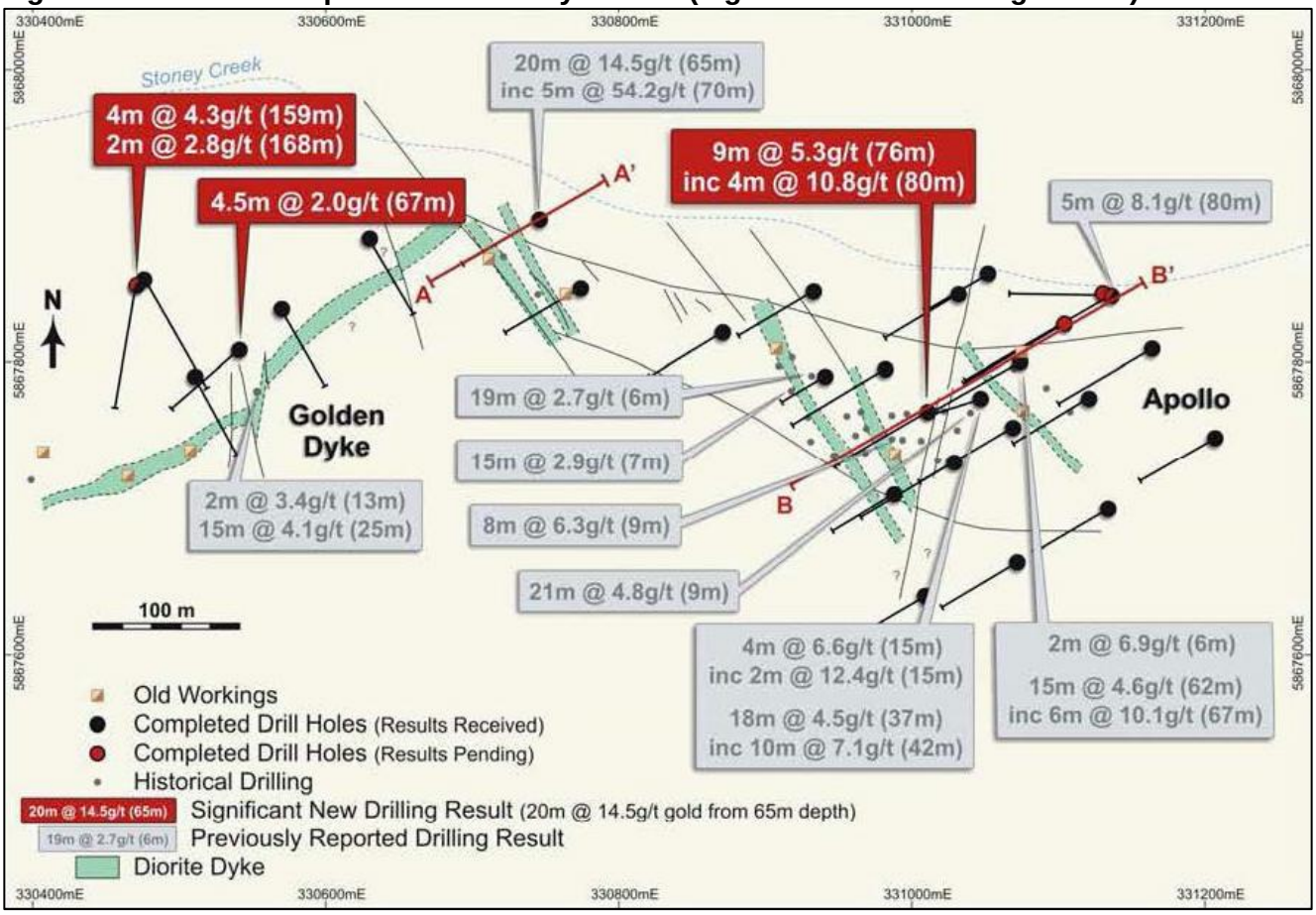
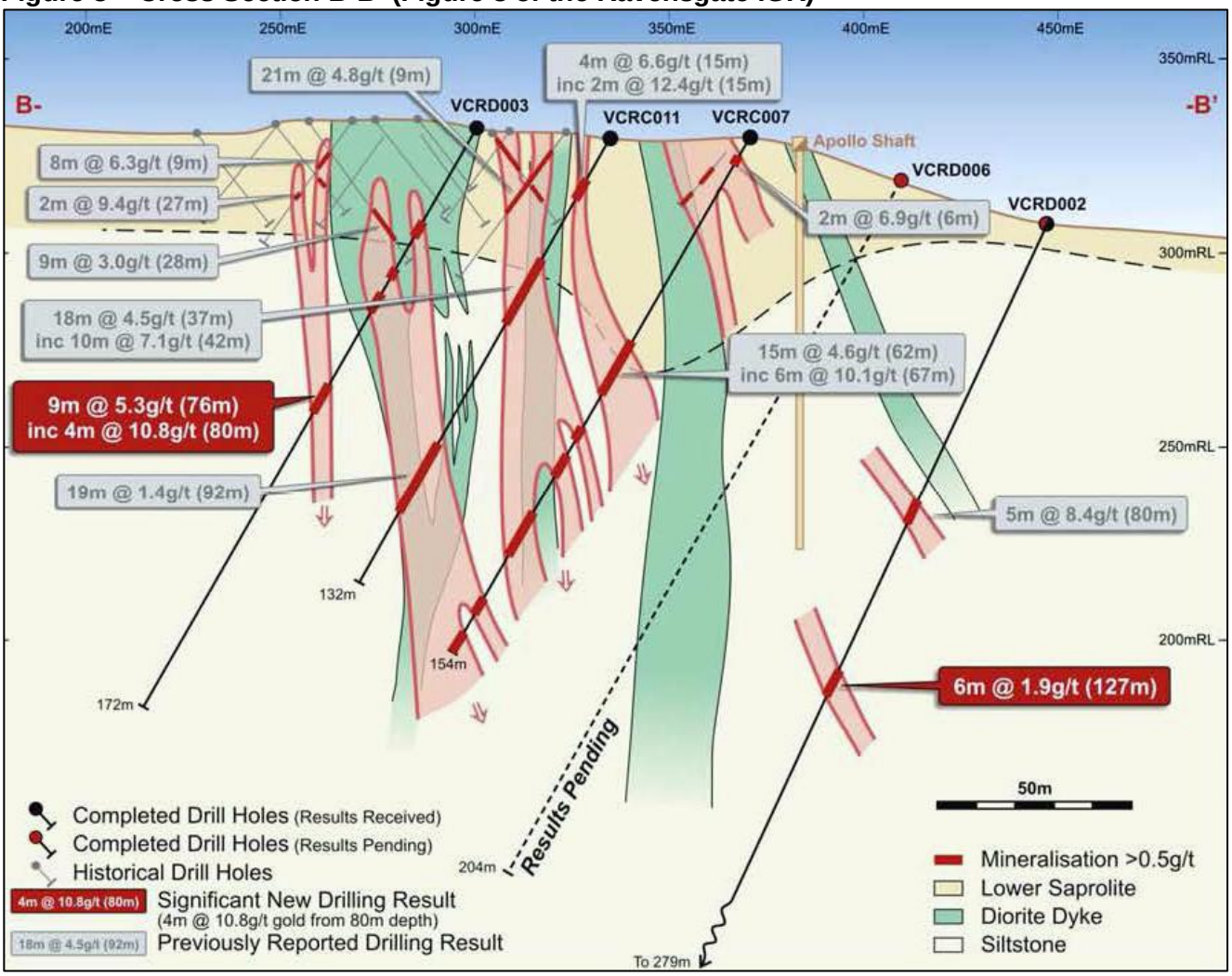


Figure 3 is a cross section B-B' (refer Figure 2 for the location of B-B') showing the better gold intersections at the Apollo Prospect. The green zones are diorite dykes interpreted from the logging of drill holes and the pink zones are interpreted gold zones grading better than 0.5 g/t gold.

Figure 3 Cross Section B-B' (Figure 8 of the Ravensgate IGR)



Nagambie Mining's initial focus will be to build on the oxide mineralisation tonnages outlined to date in the Apollo & Golden Dyke area and to discover additional zones of oxide mineralisation in the region, including 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.

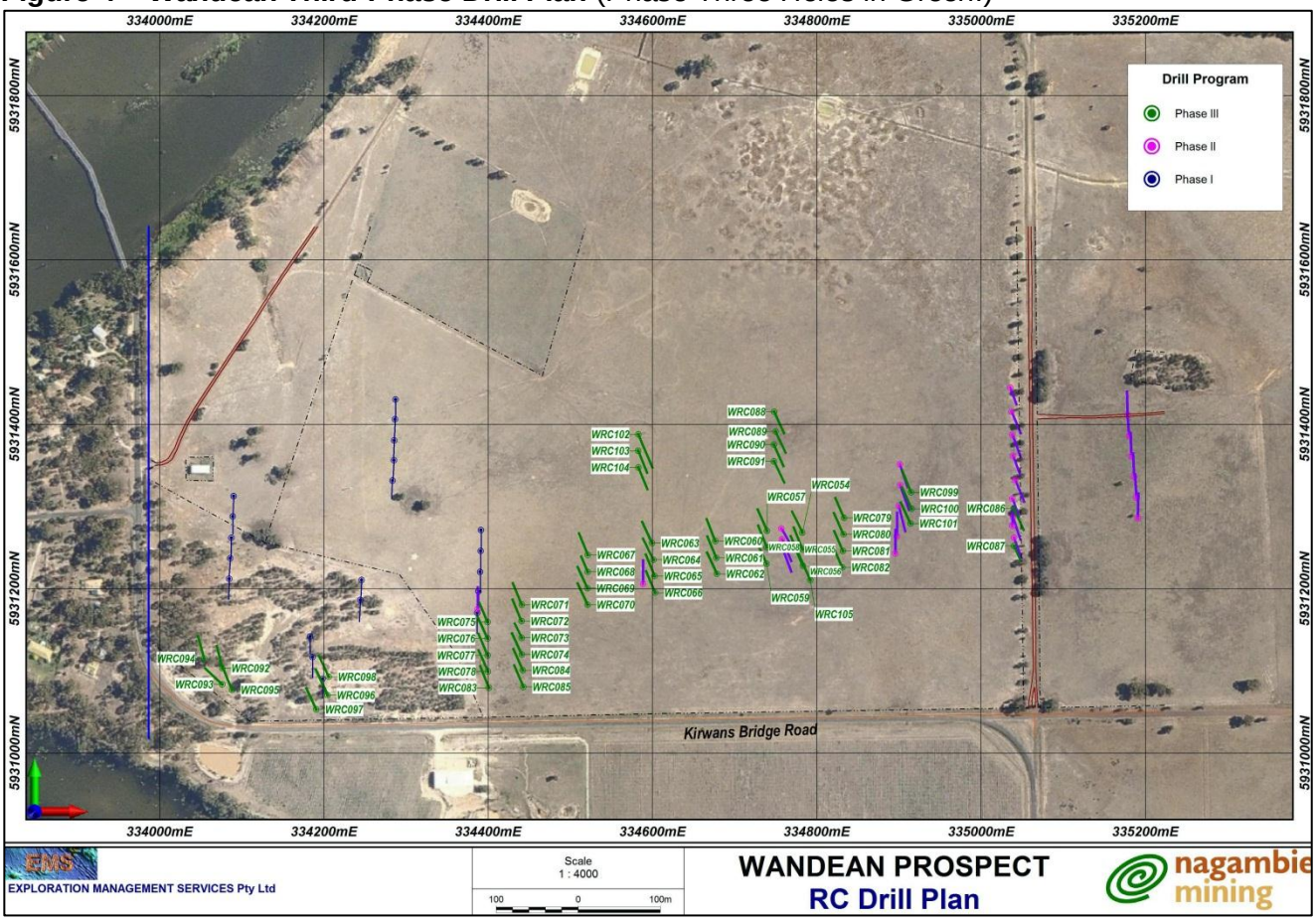
Detailed geological surface mapping and systematic soil sampling, followed by selective costeaning will be employed as first steps in assessing the Clonbinane Goldfield. Where mineralisation outcrops at surface, trial mining or bulk sampling could then be employed in addition to close-pattern reverse circulation percussion drilling.

WANDEAN VIRGIN GOLD DISCOVERY

Nagambie Mining declared Wandean, 9 km north west of the Nagambie Mine and 4 km north of Nagambie, a virgin gold discovery on 17 July 2014 following the receipt of assays from the third-phase drilling program.

A total of 52 reverse circulation percussion holes, WRC054 through to WRC105, were drilled in the latest program. The hole locations are shown in Figure 4.

Figure 4 Wandean Third-Phase Drill Plan (Phase Three Holes in Green.)



Holes were drilled at an oblique angle to the strike as outcrop mapping showed the presence of sheeted quartz veins oriented in a north south direction. As these thin quartz veins are suspected as being the host to the primary gold-antimony-arsenic mineralisation, the drill direction was selected to both intersect these veins and test across the host stratigraphy.

Holes were drilled to the base of oxidation at around 60 metres downhole depth.

Geological logging and interpretation shows the gold mineralisation is associated with subvertical zones of silicification within saprolitic mudstones and sandstones.

Interpreted sections (Figures 5 and 6) show zones of low grade gold mineralisation less than 0.5 g/t gold (shown in yellow) enveloping discrete and continuous zones of higher grade mineralisation greater than 0.5 g/t gold (shown in red).

All intersections greater than 2.0 g/t gold for the third-phase drilling program and the second-phase drilling program at Wandean are set out in Table 1, sorted by grade. Drill hole numbers for the second-phase drilling program (intersections announced on 20 January 2014) are in bold with an asterisk (*).

Of the total of 52 intersections greater than 2.0 g/t gold, only 13 intersections (25%) are associated with 5% or more quartz (shown in bold red). With 75% of the intersections greater than 2.0 g/t gold being associated with minimal quartz (0% to 5%), significant supergene enrichment of the sedimentary beds in the oxide zone is indicated.

The average percentage quartz in the Wandean gold mineralisation is very low for a Victorian gold deposit. Nagambie Mining considers that no drilling and blasting would be required at Wandean.

Figure 5 Cross Section 334735E

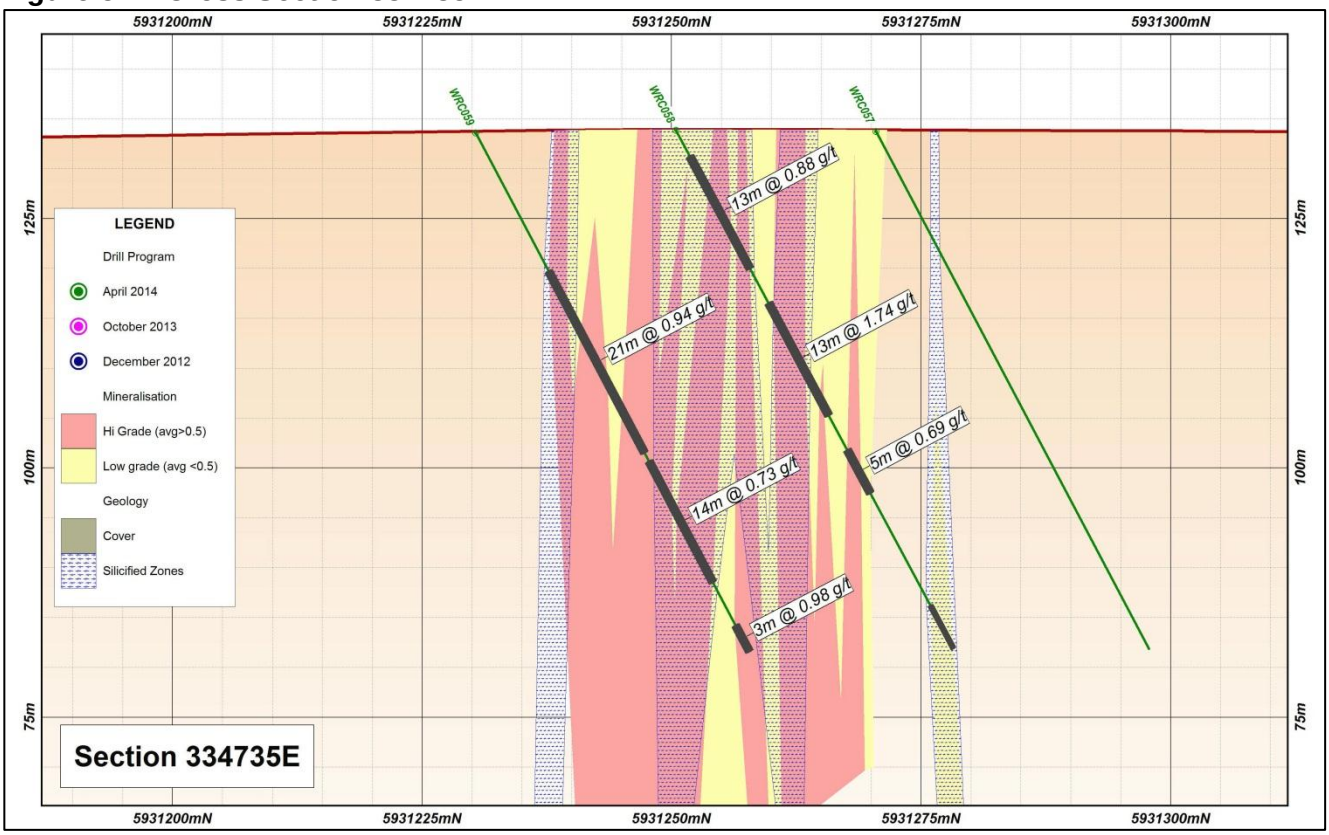


Figure 6 Cross Section 334780E

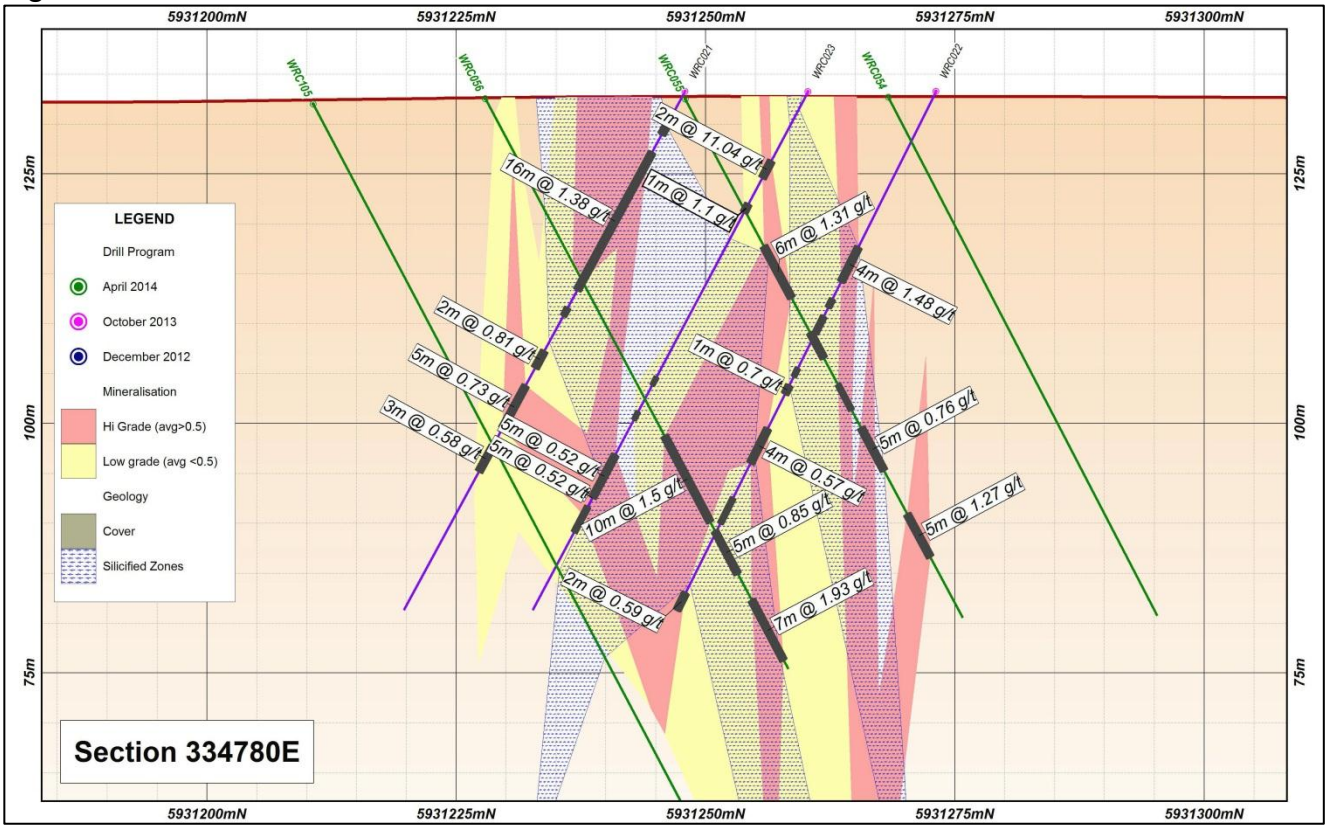


Table 1 Gold Intersections + 2.0 g/t

RC Hole	From	To	Lithology	Quartz %	Au (g/t)
WRC101	54	55	sandstone	25	37.80
WRC 23*	7	8	mudstone		21.10
WRC101	55	56	sandstone	2	12.00
WRC 42*	1	2	siltstone		10.60
WRC101	53	54	sandstone	8	6.36
WRC 34*	31	32	mudstone	0.1	6.17
WRC086	13	14	sandstone		6.15
WRC 41*	32	33	mudstone		5.42
WRC 49*	62	63	mudstone		5.31
WRC061	30	31	mudstone	30	5.30
WRC068	38	39	mudstone	1	5.14
WRC058	26	27	silicified	1	5.06
WRC058	10	11	silicified		4.83
WRC 46*	34	35	mudstone		4.80
WRC 25*	48	49	mudstone	30	4.39
WRC056	59	60	silicified	3	4.22
WRC058	25	26	silicified	2	4.18
WRC055	19	20	silicified	10	4.15
WRC 40*	52	53	sandstone	1	3.59
WRC056	61	62	mudstone	0.5	3.56
WRC080	55	56	mudstone		3.56
WRC058	21	22	silicified	3	3.47
WRC056	41	42	sandstone	0.5	3.38
WRC056	42	43	silicified	0.5	3.35
WRC055	51	52	sandstone	2	3.30
WRC089	53	54	shale	0.5	3.19
WRC 47*	31	32	mudstone		3.19
WRC059	34	35	mudstone	20	3.07
WRC061	31	32	mudstone	10	3.07
WRC 46*	31	32	mudstone		2.97
WRC086	49	50	sandstone	3	2.89
WRC059	36	37	mudstone	2	2.61
WRC056	50	51	silicified	1	2.60
WRC089	37	38	mudstone		2.60
WRC 25*	49	50	sandstone	40	2.52
WRC 42*	44	45	shale		2.45
WRC058	27	28	silicified	3	2.42
WRC064	44	45	silicified	5	2.42
WRC089	54	55	sandstone	0.5	2.36
WRC056	64	65	mudstone	2	2.28
WRC061	33	34	sandstone	50	2.22
WRC 38*	56	57	shale	0.1	2.16
WRC075	33	34	mudstone	25	2.15
WRC 21*	12	13	sandstone		2.15
WRC092	30	31	mudstone		2.14
WRC 21*	14	15	sandstone	15	2.13
WRC086	43	44	silicified	1	2.10
WRC059	50	51	mudstone	15	2.09
WRC 35*	23	24	mudstone		2.08
WRC064	8	9	mudstone	0.5	2.04
WRC 21*	9	10	sandstone	0.1	2.01
WRC082	34	35	shale		2.00

* Gold intersections + 2.0 g/t announced on 20 January 2014

WANDEAN GOLD IS EVENLY DISTRIBUTED WITH HIGH LEACH RECOVERIES

Samples from holes WRC 82 and WRC 101, with a good spread of assay results above a cut off of 0.3 g/t gold, were re-submitted to ALS-Minerals for 1 to 2 kilogram cyanide leaching enhanced with LeachWell® tabs. The calculated grade (refer Table 2) is the sum of the gold extracted after 24 hours of leaching plus the gold remaining in the residue. Cyanide recovery is the gold extracted versus the calculated grade.

Correlation of these calculated grades with the initial drill assays obtained by 25 gram aqua regia digest and AAS is high. The correlation for the 37.8 g/t sample is 96% and the simple average for the 10 samples is 100%. Such high correlations indicate that the gold is evenly distributed in the sample and fine grained in nature, even for the high grade samples. The evenly distributed, fine-grained (non-nuggetty) nature of the gold will greatly assist grade control sampling of benches during mining operations.

The 24-hour leaching extracted an average of 96% of the calculated grade and, for this limited sample size, an average of 96% of the initial assays (refer Table 2). These high laboratory gold recovery figures augur well for heap leach recoveries for Wandean gold mineralisation. The average heap leach recovery for the Nagambie Mine gold mineralisation of 80% in the 1990s could be exceeded for Wandean.

Table 2 Comparative Cyanide Leach Data

Hole	From (m)	To (m)	AAS Au (ppm)	24 Hr Cyanide Au (ppm)	FA on Residue* Au (ppm)	Calculated Grade Au (ppm)	Calculated Grade versus AAS (%)	Cyanide Recovery (%)
WRC101	54	55	**37.80**	35.90	0.48	**36.38**	**96%**	**99%**
WRC101	55	56	**12.00**	11.00	0.84	**11.84**	**99%**	**93%**
WRC101	53	54	**6.36**	7.36	0.44	**7.80**	**123%**	**94%**
WRC082	34	35	**2.00**	1.76	0.12	**1.88**	**94%**	**94%**
WRC101	48	49	**1.34**	1.26	0.25	**1.51**	**112%**	**84%**
WRC082	36	37	**1.29**	1.10	0.11	**1.21**	**94%**	**91%**
WRC101	49	50	**0.76**	0.73	0.04	**0.77**	**101%**	**95%**
WRC101	57	58	**0.52**	0.48	0.04	**0.52**	**100%**	**92%**
WRC101	50	51	**0.48**	0.45	0.04	**0.49**	**102%**	**92%**
WRC101	56	57	**0.48**	0.57	0.05	**0.62**	**129%**	**92%**
Averages			**6.30**	6.06	0.24	**6.30**	**100%**	**96%**

* Average of two residue samples

Notably, the third-phase drilling program at Wandean showed that:

- Gold mineralisation is continuous in the vertical and horizontal sense;
- Gold is evenly distributed and fine grained in nature; and
- Early indications are that recovery by cyanide leaching in the laboratory after 24 hours could average as high as 96% of the assayed grade, which indicates that heap leach recovery for Wandean mineralisation could exceed the 80% average figure achieved at the Nagambie Mine in the 1990s.

TENEMENT CHANGES

Nagambie Mining's tenements at the end of the quarter are shown in Appendix 1.

EL 4718 at Nagambie expired and EL 5511 was applied for over the same area. EL 4723 at Rushworth expired and Retention Licence RL 2019 was applied for over the Doctors Gully Prospect. EL 5481 (Wandean West) was amalgamated with EL 5430.

PROPOSED LANDFILL SITE AT THE NAGAMBIE MINE

Nagambie Mining is seeking to obtain a landfill licence on freehold land owned by the Company at the Nagambie Mine. Nagambie Mining at this stage is uncertain if it will be successful in obtaining a licence and, if it is successful, how long it will take to get the necessary regulatory approvals from the Environmental Protection Authority of Victoria (EPA) and the Strathbogie Shire.

During the quarter, Nagambie Mining engaged the services of GHD, a leading landfill consultant.

DEPARTMENT OF DEFENCE UNDERWATER EXPLOSIVES TESTING FACILITY

The Australian Department of Defence (DOD) is close to obtaining all necessary planning approvals to set up a new underwater explosives testing facility in the eastern end of the East Pit at the Nagambie Mine.

Nagambie Mining is working towards finalising an agreement with DOD during the September 2014 quarter.

CORPORATE

At 30 June 2014, total cash held by the Company was $1,048,000.

Mike Trumbull
Executive Chairman
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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