

20 December 2010

The Manager
Company Announcements Office
Australian Securities Exchange

Lease of 80 Acres of Surplus Land to Australian Native Landscapes

Nagambie Mining Limited (ASX: NAG) is pleased to advise that it has entered into a Lease Agreement with Australian Native Landscapes Pty Ltd ("ANL") in respect of an 80 acre parcel of land to the east of the Nagambie Mine which is not required for operations at the mine site.

ANL is Australia's largest compost manufacturer with currently nine compost facilities in NSW and Victoria and will, subject to obtaining all regulatory approvals, construct a Green Organics Recycling Facility on the land leased from Nagambie Mining. The facility will produce a wide range of horticultural and agricultural products.

Nagambie Mining will be in a position to provide to ANL rock fill material at commercial rates during ANL's construction phase and there is also the possibility of the provision of sand suitable for the composting process from the sand deposits that Nagambie Mining has located at the mine.

The lease period is initially for 8 years at commercial rates with options of extension and/or purchase available to ANL.



Colin Glazebrook
Chief Executive Officer
Phone: (03) 8862 6374
E-mail: colin@nagambiemining.com.au