



Nagambie Mining Limited
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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Nagambie Mining Limited (*Company*) will be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, Victoria at 11.00am on 23 November 2010.

BUSINESS:

A. ACCOUNTS AND REPORTS

Financial and related reports

To table the financial report of the Company and the related reports of the Directors and auditors for the year ended 30 June 2010 and to provide members with the opportunity to raise any issues or ask any questions generally of the Directors.

B. RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. Re-election of Mr Colin Glazebrook

'That Mr Colin Glazebrook, a Director retiring by rotation in accordance with the Company's Constitution and being eligible and having signified his candidature for the Office, be and is hereby re-elected a Director of the Company.'

2. Election of Mr Kevin Perrin as Director

'That Mr Kevin John Perrin, a Director appointed by the Board since the last meeting of shareholders and retiring in accordance with the Company's Constitution, being eligible and having signified his candidature for the Office, be elected a Director of the Company.'

3. Ratification of past issue of Unsecured Convertible Notes

'That for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval be given in respect of the issue of 25,000,000 Unsecured Convertible Notes issued on 14 September 2010 on the terms and conditions set out in the Explanatory Notes.'

4. Issue of Options to Directors

'That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval be given for the issue of the following Options over unissued shares in the capital of the Company, each to acquire one Share at a subscription price of \$0.10, to the following Directors of the Company:

- (a) 1,000,000 to Mr Michael Trumbull;
- (b) 1,000,000 to Mr Geoff Turner;
- (c) 1,000,000 to Mr Colin Glazebrook; and
- (d) 1,000,000 to Mr Kevin Perrin,

on the terms and conditions as set out in the Explanatory Notes.'

5. Adoption of Remuneration Report

'That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2010 be adopted.'

By Order of the Board



Alfonso Grillo
Company Secretary
22 October 2010

EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of Annual General Meeting dated 22 October 2010 and should be read in conjunction with that Notice as these Explanatory Notes contain important information on the proposed Resolutions.

1. RESOLUTION 1 – RE-ELECTION OF MR COLIN GLAZEBROOK

Rule 16 of the Constitution requires one third of the Directors to retire each year (by rotation). Mr Colin Glazebrook retires this year in accordance with this rule, and is permitted to seek re-election. Personal particulars for Mr Glazebrook are set out in the Directors information included in the Company's Annual Report.

2. RESOLUTION 2 – ELECTION OF MR KEVIN PERRIN AS DIRECTOR

Rule 13 of the Company's Constitution states that a Director appointed by the Board may hold office only until the next Annual General Meeting of the Company after their election and is then eligible for re-election. Accordingly, Mr Kevin John Perrin, who was appointed to the Board by the Directors on 17 September 2010, seeks election to the Board as required by that Rule.

Personal particulars for Mr Perrin are set out in the Board of Directors information included in the Company's 2010 Annual Report.

3. RESOLUTION 3 – RATIFICATION OF PAST ISSUE OF UNSECURED CONVERTIBLE NOTES

Approval is sought pursuant to ASX Listing Rule 7.4 for the past issue of 25,000,000 Unsecured Convertible Notes (*Notes*) issued on 14 September 2010 to the shareholders outlined in these Explanatory Notes. Such approval will enable the Company to refresh its ability to issue further securities in the future without seeking shareholder approval in accordance with ASX Listing Rule 7.1.

3.1. Listing Rules 7

Subject to a number of exceptions, Listing Rule 7.1 limits the number of securities that the Company can issue without shareholder approval in any 12 month period to 15% of its issued securities.

ASX Listing Rule 7.4 allows for shareholders to retrospectively approve an issue of securities, provided that the issue was not in breach of ASX Listing Rule 7.1. The issue of the Notes considered by Resolution 3 did not breach ASX Listing Rule 7.1. Shareholders are being asked to approve the issue of the Notes in accordance with ASX Listing Rule 7.4.

If the Notes issued on 14 September 2010 are treated as having been issued with shareholder approval pursuant to ASX Listing Rule 7.4, the Company's capacity to issue further securities is restored. The Company does not presently propose to issue further

securities without shareholder approval, however the Directors consider it prudent to retain the capacity to issue further securities and accordingly seek shareholders' approval of the issue of Notes as set out in Resolution 3.

3.2. Issue of Notes

The Company provides the following information in relation to the issue of the Notes:

(a) Number of securities

The number of securities for which shareholder approval is being sought is 25,000,000 Notes.

(b) Date of Issue

The Notes were issued on 14 September 2010.

(c) Consideration

The Notes were issued at \$0.04 (four cents) per Note.

(d) Terms of the securities issued

Each Note may be converted into one ordinary share in the capital of the Company at the election of the Noteholder.

Unless converted or redeemed earlier, the Notes will be redeemed by the Company on 14 September 2015.

Noteholders are entitled to interest at 10% per annum, payable every 6 months after 14 September 2010.

If the Notes are converted into ordinary shares in the capital of the Company, the resulting ordinary shares will rank equally in all respects with the Company's then existing fully paid ordinary shares.

(e) **Names of the allottees**

The Notes were issued as set out in the table below:

Name of Noteholder	Number of Notes issued
PPT Nominees Pty Ltd	15,000,000
Mr Ralph Douglas Russell & Ms Ann Maree Hynes <The Russell Hynes S/F A/C>	7,500,000
Cairnglen Investments Pty Ltd <Woodford Super Fund A/C>	2,500,000
Total Notes issued:	25,000,000

(f) **Use of Funds Raised**

The funds raised have and are being used primarily for working capital.

(g) **Recommendation**

The Board, excluding Mr Perrin, recommends that shareholders approve the past issue of Notes as proposed by Resolution 3.

Mr Perrin does not make a recommendation to shareholders in relation to Resolution 3. Mr Perrin is one of 6 directors of PPT Nominees Pty Ltd and, although he has no material personal interest in the outcome of Resolution 3, is therefore unable to make a recommendation in relation to Resolution 3.

3.3. Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by:

- (a) a person who participated in the issue; and
- (b) an associate of a person who participated in the issue.

However the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF OPTIONS TO DIRECTORS

4.1. Introduction

Approval is sought pursuant to ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001 (Cth)* to issue Options to the following Directors of the Company:

- (a) Michael Trumbull;
- (b) Geoff Turner;
- (c) Colin Glazebrook; and
- (d) Kevin Perrin.

Subject to obtaining shareholder approval, the Company will issue the Options to the above Directors of the Company on the terms and conditions set out below.

4.2. Supporting Information

It is proposed that the following Options be issued to the Directors of the Company:

- (a) 1,000,000 Options to Mr Trumbull;
- (b) 1,000,000 Options to Mr Turner;
- (c) 1,000,000 Options to Mr Glazebrook; and
- (d) 1,000,000 Options to Mr Perrin.

4.3. ASX Listing Rule 10.11

Pursuant to Listing Rule 10.11 the Company may not issue securities to a related party without the consent of the shareholders. Accordingly, consent is sought for the purposes of Listing Rule 10.11.

The Company provides the following information in relation to the proposed issue of Options:

(a) **Names of the persons receiving Options**

The Options will be issued to the following Directors of the Company:

- (i) Mr Trumbull;
- (ii) Mr Turner;
- (iii) Mr Glazebrook; and
- (iv) Mr Perrin.

(b) **Maximum number of securities to be issued**

The maximum number of Options to be issued (and the maximum number of ordinary shares to be issued upon exercise of the Options) is:

- (i) Mr Trumbull – 1,000,000 Options;
- (ii) Mr Turner – 1,000,000 Options;
- (iii) Mr Glazebrook – 1,000,000 Options; and
- (iv) Mr Perrin - 1,000,000 Options.

(c) **Date of issue**

Subject to obtaining shareholder approval, the Company will issue the Options within one month of the date of this Annual General Meeting.

(d) **Issue Price and terms of issue**

The Options will be issued for nil consideration.

The Options will have an exercise price of \$0.10 per Option.

The Options will be exercisable between two and five years from the Options' date of issue, subject to the Director remaining as a Director of the Company.

(e) **Intended use of the funds raised**

There is no intended use of funds as the Options are to be issued for no consideration.

In the event that all Options to be issued pursuant to Resolution 4 are exercised, the Company will raise \$400,000.

(f) **ASX Listing Rules 7.1 and 10.11**

Subject to a number of exceptions, Listing Rule 7.1 limits the number of securities that the Company can issue without shareholder approval in any 12 month period to 15% of its issued securities. Shareholder approval of an issue of securities pursuant to Listing Rule 10.11 is an exception to Listing Rule 7.1. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

4.4. Corporations Act 2001 (Cth)

Chapter 2E of the Act prohibits a public company from giving a financial benefit to any of its related parties unless a relevant exception applies.

The term *financial benefit* is widely defined and includes the issue of securities such as options. The term *related party* includes a director of the Company.

The prohibition does not apply where a resolution is passed by the Company permitting the benefit to be given. Accordingly, Resolution 4 is being proposed for the purpose of obtaining Shareholder approval for the purposes of Chapter 2E of the Act.

Section 219 of the Act requires the following information to be provided to Shareholders:

(a) **Related Party**

The following persons are Directors of the Company and are therefore the related parties to whom a financial benefit will be given under Resolution 4:

- (i) Mr Trumbull;
- (ii) Mr Turner;
- (iii) Mr Glazebrook; and
- (iv) Mr Perrin.

(b) **Nature of the Financial Benefit**

The financial benefit to be given to the Directors of the Company pursuant to Resolution 4 is as follows:

- (i) Mr Trumbull - the issue of 1,000,000 Options;
- (ii) Mr Turner - the issue of 1,000,000 Options;

(iii) Mr Glazebrook - the issue of 1,000,000 Options; and

(iv) Mr Perrin - the issue of 1,000,000 Options.

(c) **Directors' Recommendation, Reasons for Recommendation and Directors' Interests**

The Directors of the Company are unable to make a recommendation as to whether Shareholders should approve Resolution 4 as each Director of the Company has an interest in the outcome of Resolution 4.

(d) **Independent Expert Report**

The Company has commissioned DMR Corporate Pty Ltd to provide an Independent Expert Report in relation to the issue of Options proposed by Resolution 4. This Independent Expert Report is attached at Annexure A.

These Explanatory Notes and the Independent Expert Report aim to provide Shareholders with all information that is reasonably required by Shareholders to decide whether or not it is in the Company's interests to pass Resolution 4. In particular, the Independent Expert Report provides a valuation of the Options to be issued pursuant to Resolution 4.

The Independent Expert has assessed the value of each Option at \$0.006, or \$6,000 for the parcel of 1,000,000 Options to be issued to each Director. This valuation is based on the following variables and assumptions being considered:

- (i) the current share price of the underlying shares;
- (ii) the exercise price of the Options;
- (iii) the volatility of the share price;
- (iv) the vesting conditions;
- (v) the time to maturity;
- (vi) the risk free rate of interest;
- (vii) the expected dividend yield; and
- (viii) the yield; and
- (ix) the exercise price multiple.

(e) **Trading History**

At the close of trading on the date preceding the date of this Notice, the Share price of the Shares in the Company was 2.2 cents. In the 12 months prior to the date of this Notice, the Shares in the Company traded at a high of 4.1 cents in December 2009 and January 2010 and a low of 2.1 cents in August and October 2010.

(f) **Opportunity Cost**

The Directors do not consider that there are any material opportunity costs to the Company or benefits foregone by the Company in issuing the Options pursuant to Resolution 4.

(g) **Taxation Consequences**

The Directors are not aware of any taxation consequences that will arise from the issue of Options pursuant to Resolution 4.

(h) **Director's interest in the Shares of the Company**

Please see the Independent Expert Report attached at Annexure A for a discussion of each Director's interest in the Company's securities.

The table below illustrates the following:

- (i) the first column sets out each Director in the Company;
- (ii) the second column sets out the relevant interest of each Director in the securities of the Company;
- (iii) the third column sets out the number of Options to be issued to each Director pursuant to Resolution 4;
- (iv) the fourth column sets out the relevant interest held by each Director if the Options are issued to that Director pursuant to Resolution 4;
- (v) the fifth column sets out that if the Options are issued to that Director and that Director exercises all of their Options (including the existing Options held by that Director) but none of the Options held by the other Directors are exercised, the total Shares on issue in the Company will increase from 168,859,949 to that number; and

- (vi) the sixth column sets out the Director's relevant interest percentage in the Shares of the Company if the Director exercises all of their Options but none of the Options held by the other Directors are exercised.

1	2	3	4	5	6
Mr Trumbull	12,200,039 Shares 1,500,000 Options	1,000,000	12,200,039 Shares 2,500,000 Options	171,359,949	8.5785%
Mr Turner	602,084 Shares 1,500,000 Options	1,000,000	602,084 Shares 2,500,000 Options	171,359,949	1.8103%
Mr Glazebrook	779,167 Shares 3,000,000 Options	1,000,000	779,167 Shares 4,000,000 Options	172,859,949	2.7648%
Mr Perrin	7,544,834 Shares	1,000,000	7,544,834 Shares 1,000,000 Options	169,859,949	5.0305%

(i) **Dilution effect**

If the Options are issued pursuant to Resolution 4 and each Director of the Company elects to exercise the Options (but do not exercise the other Options held by them), the Company will have raised \$400,000 and the total Shares on issue will increase from 168,859,949 to 172,859,949 being an increase of 2.3688%, and accordingly each Shareholder's shareholding in the Company will be diluted.

If all the Options are issued pursuant to Resolution 4 and each Director of the Company elects to exercise all their Options (including the existing Options held by them), the total Shares on issue will increase from 168,859,949 to 178,859,949 being an increase of 5.922%.

4.5. Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by:

- Mr Trumbull, Mr Turner, Mr Glazebrook and Mr Perrin; and
- an associate of Mr Trumbull, Mr Turner, Mr Glazebrook and Mr Perrin.

However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. ADOPTION OF REMUNERATION REPORT

The Company is required to include in its Directors Report a detailed Remuneration Report relating to remuneration received by the Company's key management personnel. Section 300A of the *Corporations Act* sets out the information required to be included in the Remuneration Report. A copy of the Remuneration Report appears in the Company's Annual Report for the year ended 30 June 2010.

Sections 249L(2) and 250R(2) of the *Corporations Act* require that a resolution that the Remuneration Report be adopted be put to a vote of shareholders at the Company's annual general meeting. The vote on this resolution is advisory to the Company only, and does not bind the Board.

Under section 250SA of the *Corporations Act*, shareholders must be given a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report. This is in addition to any questions or comments that shareholders may have in relation to the management of the Company.

GENERAL NOTES

Entitlement to Vote

The Company has determined in accordance with Part 7.11 of the Corporations Regulations that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register as at 11.00am on 21 November 2010.

Corporate Representatives

For a corporate representative to vote, they will require a Certificate of Appointment of Corporate Representative executed in accordance with the *Corporations Act*.

Voting

On a show of hands, every member present in person or by proxy or by attorney or, in the case of a corporation, by duly appointed representative, shall have one vote and on a poll one vote for every share held provided that if a member appoints two proxies or two attorneys, neither proxy nor attorney shall be entitled to vote on a show of hands.

Proxies

A member entitled to attend and vote at the General Meeting may appoint one or two persons to attend and vote at the meeting as the member's proxy. If you wish to appoint a second proxy you will need to complete a second form. Computershare Investor Services Pty Limited will provide additional proxy forms upon request.

A proxy need not be a member. If two proxies are appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If the vote split is not specified, it is deemed to be equally divided between the two proxies.

The Proxy Form must be deposited at the share registry of the Company, Computershare Investor Services Pty Limited, located at Yarra Falls, 452 Johnston Street, Abbotsford or by mail to GPO Box 242 Melbourne, Victoria 3001 or by facsimile to Computershare Investor Services Pty Limited on (03) 9473 2555 by no later than 11.00am on 21 November 2010.

You may submit your proxy form online at www.investorvote.com.au. You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is printed on the attached proxy form.

For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Appendix A

**Report of the Independent Expert in relation to
Resolution 4 – Issue of Options to Directors**

DMR Corporate Pty Ltd A.C.N. 063 564 045
470 Collins Street
Melbourne Telephone (03) 9629 4277
Victoria 3000 Facsimile (03) 9629 4598
Australia Web www.dmrporate.com.au

30 September 2010

The Directors
Nagambie Mining Limited
174b High Street
Heathcote
VIC 3523

Dear Sirs

Value of Options

1. Introduction

- 1.1 We have been requested by Mr. Alfonso Grillo, Company Secretary of Nagambie Mining Limited ("Nagambie" or the "Company") to provide Nagambie with independent advice in respect of the fair value (as defined in Appendix A of AASB 2) of the 1,000,000 options proposed to be issued to each of the Company's four Directors, Messrs. Trumbull, Glazebrook, Turner and Perrin. Shareholder approval is being sought for the issue of the options at the Annual General Meeting to be held on or about 23 November 2010.
- 1.2 We understand the options are to be issued on the terms and conditions summarised below:
- the options are exercisable at \$0.10 per share;
 - the options vest two years after the date of issue;
 - the options expire five years from the date of issue;
 - the options will be unlisted; and
 - the options are not transferrable and lapse 30 days after the holder ceases to be a Director of Nagambie.
- 1.3 The options will be granted to Directors of the Company and must therefore be recognised for accounting purposes in accordance with Australian accounting standards, in particular AASB 2 'Share-based Payment'. AASB 2 requires options to be valued as at their grant date. A valuation as at an assumed grant date for the purposes of shareholder approval is completed in order to advise the shareholders of the approximate value of the option benefits that they are being asked to approve. If the options are approved and subsequently issued, another valuation as at the grant date must be completed, for the purposes of expensing the options in the company's accounts.

2. Valuation Methodology

- 2.1 Options are generally valued using one of a number of option pricing models and AASB 2 does not mandate the use of a particular model in valuing employee options.
- 2.2 We have reviewed the terms of the options and based on this review we have concluded that there is a reasonable probability that the options may be exercised before their expiry date. Our principal reason for this view is the lack of transferability of the options and the fact that they lapse following cessation of employment. Our view that the options may be exercised early is supported by empirical evidence, which shows that employee and director options are often exercised well before their expiry date. For this reason we have valued the options using a binomial model, which has been tailored specifically for use in valuing employee and director options.
- 2.3 The binomial model used incorporates the Hull-White adjustment. The Hull-White adjustment requires an assumption to be made that the options will be exercised when the share price reaches a selected multiple of the option exercise price.
- 2.4 The model used determines the value of an option as a function of the following variables:
- 1) the current share price of the underlying shares
 - 2) exercise price of the option
 - 3) volatility of the share price
 - 4) vesting conditions
 - 5) time to maturity
 - 6) risk free rate of interest
 - 7) expected dividend yield
 - 8) an exercise price multiple

3. Assumptions used

- 3.1 Set out below is a discussion of each of the variables and the assumptions that we have selected in applying the binomial model.
- 3.2 The current share price of the underlying shares

Nagambie is a limited liability company incorporated in Australia and its securities are listed on the Australian Securities Exchange ("ASX").

The volume weighted average share price ("VWAP") (based on closing daily prices) for the 30-day period ended 29 September 2010 was \$0.026 on a volume of 798,974 shares, and for the 90 day period ended 29 September 2010 the VWAP was also \$0.026 on a volume of 3,472,163 shares.

On 13 September 2010 Nagambie released its most recent price sensitive announcement. Since that date the VWAP was \$0.025 on a volume of 589,974 shares.

Based on the above share prices, we consider that \$0.025 represents the current market value of shares in Nagambie at the date of this report.

3.3 The exercise price of the options

The exercise price of the options is \$0.10 per share.

3.4 The volatility of the share price

The volatility of the share price is a measure of uncertainty about the returns provided by the shares. Generally it is possible to predict future volatility of a stock by reference to its historical volatility.

A share with a greater volatility has a greater time value component of the total option value.

The volatility estimate used in option pricing models is typically calculated with reference to the annualized standard deviation of daily share price returns on the underlying security over a specified period.

The historical volatility information for Australian listed companies can be sourced from the Australian Graduate School of Management – Centre for Research in Finance Risk (“CRIF”) Measurement Service statistics.

The June 2010 CRIF estimated the volatility of Nagambie shares to be 67.55%. As Nagambie shares are relatively thinly traded, we have also considered the historical share price volatility of companies comparable to Nagambie as set out below:

Company	Market cap \$m	Historical Volatility %
Goldminex	11	67.20
BCD Resources	49	51.27
Hill End	40	65.82
Carrick Gold	66	47.49
Heron Resources	46	74.82
Average		61.31

We have concluded that a share price volatility of 65% is appropriate when valuing the Nagambie options to be granted on 23 November 2010.

3.5 Vesting conditions

The options vest two years from the date of issue.

3.6 Time to maturity

The options expire five years after the date of issue.

3.7 Risk free rate of interest

The option pricing model uses a risk free rate of return in order to value options. We have used Commonwealth Treasury Bond yields with a maturity approximating the expiry dates of the options. The rate used was 4.92%.

3.8 Expected dividend yield

Nagambie does not have a history of paying dividends and we have assumed that no dividends will be paid during the currency of the options.

3.9 An exercise price multiple

As stated in Section 2, employee and director options are often exercised prior to their expiry date. Nagambie does not have a history that we could use to predict the likely exercise date.

The directors will be in possession of market sensitive information and will be limited to exercising their options during periods when the market is fully informed.

Based on the available empirical evidence we consider that the options may not be exercised until the market price of Nagambie shares reaches a multiple of 2.0 times the exercise price. This factor has been taken into account in the application of the Binomial Option Valuation Model we have used.

Selection of the above multiple is supported by empirical evidence from a number of published studies emanating from the USA.

4. Valuation

4.1 Based on the assumptions set out in Section 3 above, we have assessed the value of each option at \$0.006, or \$6,000 for the parcel of 1,000,000 options to be issued to each Director.

4.2 The above value is our estimate of the fair value of the options. The value incorporates an assumption that the options will be exercised when the share price reaches a multiple of 2.0 times the exercise price. As this multiple is not based on the specific experience of Nagambie, by way of a cross check we have calculated the value of the options by excluding the assumption set out in 3.9 above and assuming that they would be exercised at their expiry date, being five years after the date of issue. This calculation reveals the maximum value of the options using the Black-Scholes Option valuation method to be \$0.007, or \$7,000 for the parcel of 1,000,000 options to be issued to each Director.

4.3 Having considered all of the factors outlined in this report, including the above cross check, we have concluded that the fair value of the options is set out in the table at paragraph 4.1 above.

4.4 It should be noted that the above value assumes that all options will vest. Paragraph 19 of AASB 2 requires that the vesting conditions be taken into account by adjusting the number of options expected to vest. This assessment will need to be made by Nagambie.

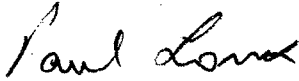
DMR

4.5 This report has been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 - Valuation Services.

Should you require any further information please do not hesitate to contact us.

Yours faithfully

DMR Corporate Pty Ltd

A handwritten signature in black ink that reads "Paul Lom". The signature is written in a cursive style with a large initial 'P'.

Paul Lom



Nagambie Mining Limited

ABN: 42 111 587 163
Place of Incorporation/Registration: Victoria

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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000001 000 NAG
MR SAM SAMPLE
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123 SAMPLE STREET
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SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

- Cast your proxy vote
- Access the annual report
- Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11:00am Sunday 21 November 2010

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Nagambie Mining Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Nagambie Mining Limited to be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, Victoria on Tuesday, 23 November 2010 at 11:00am and at any adjournment of that meeting.

Important for Item 4a: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 4a below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 4a and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 4a of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business

		For	Against	Abstain
Item 1	Re-election of Mr Colin Glazebrook as Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Election of Mr Kevin Perrin as Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Ratification of past issue of Unsecured Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4a	Issue of Options to Director - Mr Michael Trumbull	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4b	Issue of Options to Director - Mr Geoff Turner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4c	Issue of Options to Director - Mr Colin Glazebrook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4d	Issue of Options to Director - Mr Kevin Perrin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /