

DISCOVERY OF GOLD MINERALISATION AT WANDEAN

- First-pass RC drilling program intersects Nagambie Mine-style gold mineralisation in the two eastern traverses, both north and south of the interpreted Wandean Thrust.
- Mineralisation completely open to the east and covered by Nagambie Mining's tenements.
- Nagambie Goldfield now shown to host multiple zones of mineralisation related to multiple east-west mineralising thrusts, validating the gold model developed by the Company for the region.
- Nagambie Mining intends to locate all the mineralised sections of all the east-west thrusts over time utilising aeromagnetics, soil sampling and Aircore drilling.

COMMENTARY

Nagambie Mining Chairman, Mike Trumbull said: ***"This is exciting news for the Company. Follow-up drilling at Wandean obviously becomes a top priority, as does upgrading the very strong Nagambie East soil anomaly announced in the December quarterly report."***

"The Nagambie Regional Gold Project is shaping up as a 'big company' development asset. Barrick and Newcrest came looking last decade but weren't able to put together the land position or the results necessary to 'crack the geological code' for the area."

"The Wandean results and the new Dargalong Road gold targets all confirm the validity of the Company's gold model for the region. The exploration strategy going forward is becoming more akin to 'shooting fish in a barrel'."

"The 100%-owned Nagambie Goldfield now extends for at least 17 km west to east and at least 8 km north to south based on bedrock drilling results. It potentially could have a total endowment of at least one million ounces of gold mineralisation."

NAGAMBIE MINING

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

The Company holds 100% of over 500 km² of exploration tenements in central Victoria encompassing historic goldfields at Nagambie, Redcastle and Rushworth. It is testing new structural and mineralisation concepts for gold mineralisation by employing geological, geophysical and geochemical techniques.

Nagambie Mining is also developing construction material opportunities at the Nagambie Mine site, principally for rock and sand products and to ultimately maximise the value of the freehold land owned by the Company at the mine.

SHARES ON ISSUE

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WANDEAN RC DRILLING PROGRAM

Background

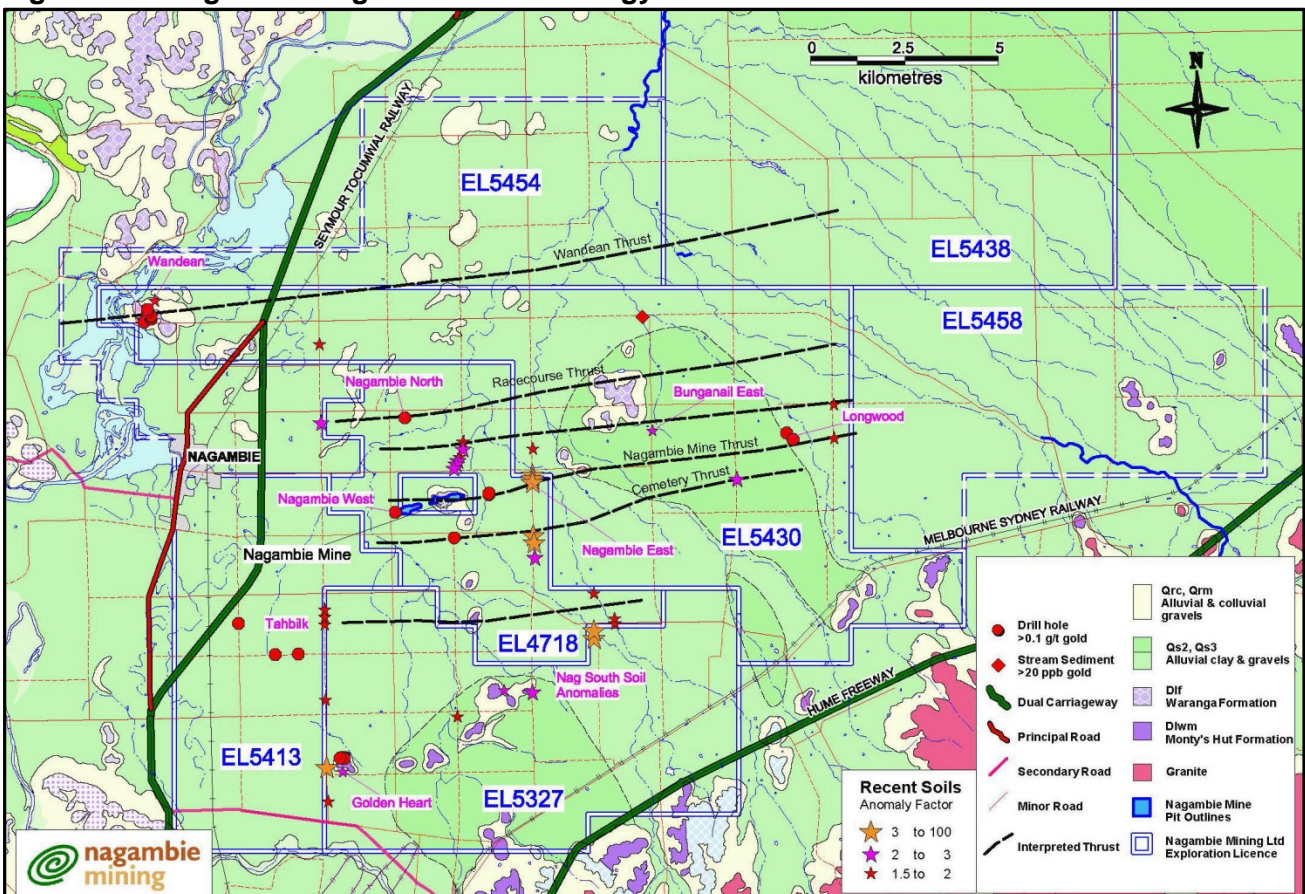
Wandean is 9 km north west of the Nagambie Mine in EL 5430 (refer Figure 1) and had never been drilled before.

As previously announced, rock chip samples taken by Nagambie Mining during roadside mapping of outcrop at the western end of the Wandean target gave very encouraging results. A best gold assay of 2.86 g/t gold was obtained from a group of strongly quartz-veined and brecciated sandstones over an area of 20 metres by 25 metres. At the Nagambie Mine, the primary host rocks were sandstones and siltstones and the average mined grade was 0.8 g/t gold.

The 2.86 g/t gold sample also recorded 1,280 ppm antimony. In addition, arsenic values greater than 500 ppm were returned from 3 samples, with a maximum value of 1,210 ppm. Arsenic (from arsenopyrite) and antimony (from stibnite) are primary indicators of Nagambie Mine-style gold mineralisation.

The roadside mapping also showed the presence of the east-west Wandean Thrust which strikes parallel to the east-west Nagambie Mine Thrust (refer Figure 1). Together with the anomalous surface gold, arsenic and antimony values, Wandean has all the structural, rock type and mineralisation characteristics that were present at the Nagambie Mine before it was drilled out to establish gold resources, mined and heap leached in the 1990s.

Figure 1 Nagambie Region Surface Geology with Anomalous Gold Results



RC Drilling Program at Wandean

A first-pass 20-hole RC (reverse circulation) drilling program was completed at the end of December 2012. 4 north-south traverses were drilled, each of 5 holes with the north-south spacing between holes being nominally 25 metres. The actual drilled locations for the holes, WRC 01 through to WRC 20, are shown in Figure 2, together with the interpreted position of the Wandean Thrust and the 2.86 g/t gold rock chip sample. Complete drill hole information for the 20 holes is given in Table 2 in Appendix 1.

Significant gold results are shown in Table 1 and highlighted in Figure 2. For a first-pass drilling program over an area never before drilled, the results are very encouraging. The most obvious potential is to the east, under shallow Tertiary cover, covered by Nagambie Mining’s large tenement holdings.

Figure 2 Locations of RC Drill Holes at Wandean

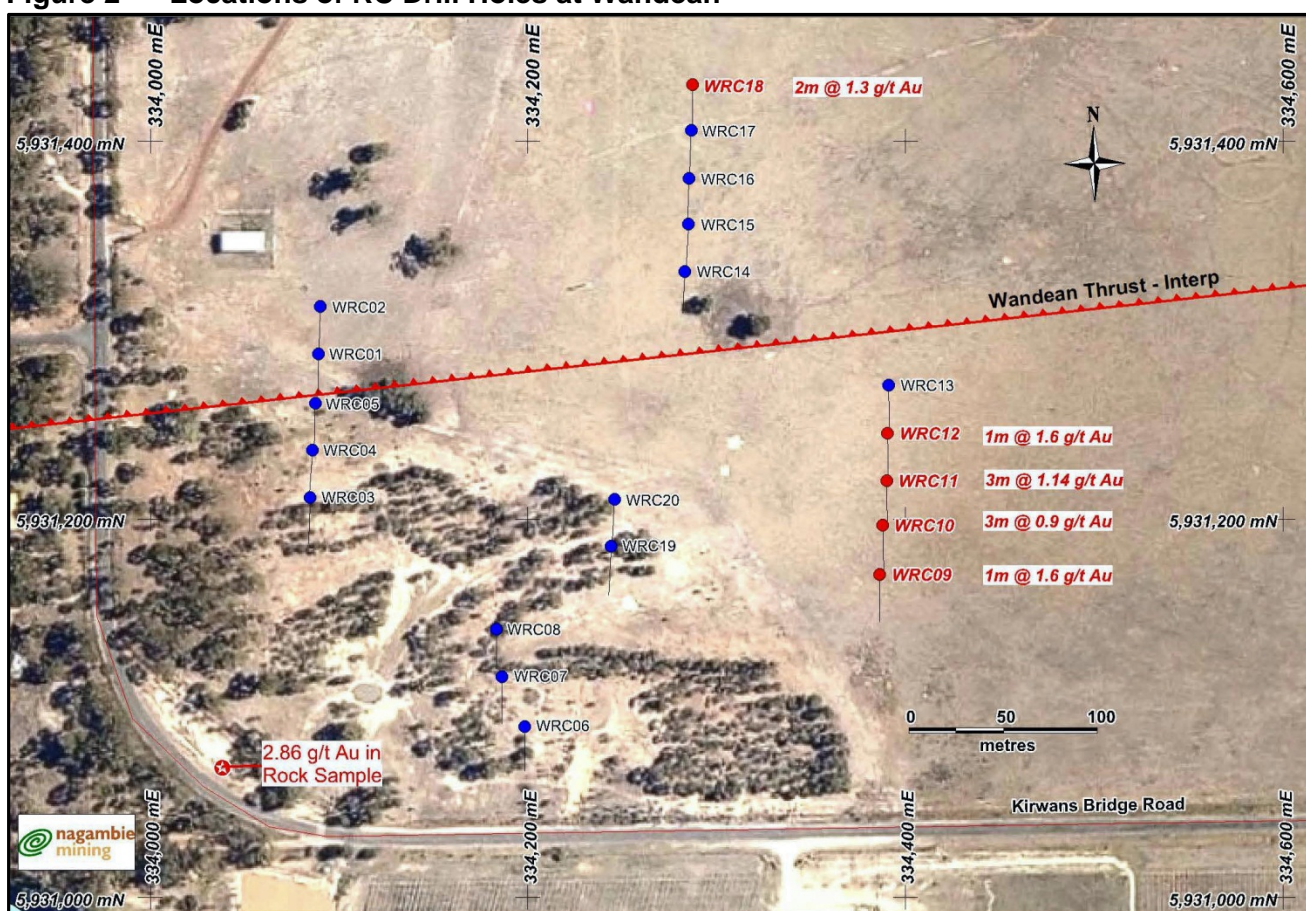


Table 1 Significant Wandean RC Drilling Results

Hole Number	From (m)	To (m)	Width (m)	Grade (Au g/t)	Comment
WRC 09	26	27	1	1.60	Southern Eastern Traverse
WRC 10	20	23	3	0.91	Southern Eastern Traverse
WRC 11	46	49	3	1.14	Southern Eastern Traverse
WRC 12	26	27	1	1.59	Southern Eastern Traverse
WRC 18	36	38	2	1.28	Northern Eastern Traverse

The results in WRC 9, 10, 11 and 12 clearly indicate that bedrock gold mineralisation to the south of the Wandean Thrust is improving to the east. Mineralisation occurs in both siltstone and sandstone bedding, as at the Nagambie Mine.

The result of 2m at 1.28 g/t gold in WRC 18, the most northerly hole drilled, is 125m to the north of the interpreted position of the Wandean Thrust. It is particularly encouraging as it may be related to a strong anomaly to the north east that was picked up in recent soil sampling by Nagambie Mining.

Second-pass drilling at Wandean will include at least several holes to better test the sandstone bedding to the east of the 2.86 g/t rock chip sample, traverses of holes to test for extensions of the mineralisation in WRC 18 and traverses of holes to extend eastwards the mineralisation in WRC holes 9 to 12.

RC Drilling at Wandean



NAGAMBIE EAST PROSPECT

The strongly anomalous Nagambie East zone was reported in the December 2012 quarterly report. Figure 1 shows its location.

The Nagambie East soil samples were taken recently every 100 metres down the side of Dargalong Road which runs north-south and is 1.8 km east of the Nagambie Mine. The soil assays for the zone, of up to 66 ppb gold (background for the area is 0 to 2 ppb gold), up to 1,868 ppb arsenic and up to 1,270 ppb antimony represent one of the Company's best ever gold-in-soil results. Coincident with the interpreted east-west Nagambie Mine Thrust, the assays indicate a compelling drill target that fits the Nagambie Mining gold model for the region.

Also shown on Figure 1 is another strongly anomalous zone, 1.5 km to the south of the Nagambie East zone, resulting from the recent soil sampling down Dargalong Road. This southern zone is coincident with the interpreted position of the east-west Cemetery Thrust and again the target is consistent with the Company's gold model for the region.

Historical soil sampling down Dargalong Road by two exploration companies active in the Nagambie region had failed to locate these strongly anomalous zones. Nagambie Mining has shown that the

sampling protocols it is employing are best practice in terms of the soil horizon being consistently sampled and the laboratory assaying procedures being employed.



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COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Colin Glazebrook, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Glazebrook is a Director of Nagambie Mining Limited and consents to the inclusion in this report information in the form and context in which it appears. Mr Glazebrook has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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 assumes no obligation to update such information.

APPENDIX 1**Table 2 Wandean RC Drill Hole Information**

Hole Number	East (m MGA)	North (m MGA)	RL (m)	Dip (°)	Azimuth (°)	Depth (m)
WRC 01	334089	5931288	143	-60	180	44
WRC 02	334090	5931313	142	-60	182	48
WRC 03	334085	5931211	144	-60	182	51
WRC 04	334086	5931237	144	-60	184	46
WRC 05	334087	5931262	144	-60	181	51
WRC 06	334198	5931090	138	-60	180	48
WRC 07	334186	5931117	140	-60	180	51
WRC 08	334183	5931142	142	-65	180	50
WRC 09	334387	5931171	145	-60	180	51
WRC 10	334388	5931197	146	-60	179	51
WRC 11	334390	5931220	145	-60	179	51
WRC 12	334391	5931246	145	-60	179	50
WRC 13	334391	5931271	144	-60	179	47
WRC 14	334283	5931331	143	-60	183	45
WRC 15	334285	5931356	141	-60	183	51
WRC 16	334285	5931380	140	-60	182	51
WRC 17	334287	5931406	138	-60	182	50
WRC 18	334287	5931430	137	-60	180	51
WRC 19	334244	5931186	145	-60	183	54
WRC 20	334246	5931211	147	-60	183	51