



29 April 2009

QUARTERLY REPORT

FOR THE PERIOD ENDING 31 MARCH 2009

OVERVIEW

- Nagambie Mining responded to a VicRoads advertisement by submitting an "Expression of Interest" to provide 2,000,000 cubic metres of fill material and 500ML of non-potable water from the Nagambie Mine for the construction of the Nagambie Bypass.
- A comprehensive, independent testwork program for both the Heap Leach stockpile and the East Dump uncrushed rock stockpile at the Nagambie Mine was carried out by Coffey during the quarter. Coffey's final report is pending.
- Comprehensive analysis of the data generated from the Redcastle costeaning program, together with all historical drilling results, has identified 6 primary target areas for follow up costeaning and gold resource drilling programs – Mullocky, Native Gully, Redcastle Fault Zone North, Pioneer, Mitchell's and Why Not.
- At Heathcote South, 33 costeans were completed during the quarter and interpretation work has commenced.
- Avenel/Nagambie Project. A soil sampling program is targeting a gold mineralised reverse fault system 3 km to the north of, and parallel to, the Nagambie (Mine) Fault.
- The placement during the quarter of the shortfall of 18,305,456 shares under the November 2008 Rights Issue was fully subscribed at the 3.0 cents per share issue price, raising approximately \$549,000. An oversubscription of 3,333,333 shares was also placed at 3.0 cents per share, raising a further \$100,000.

OBJECTIVES

The Company's principal objectives for 2009 are to:

- Position Nagambie MIN 5412 as the lowest cost, lowest impact (in terms of required energy inputs) provider of rock and water for the Nagambie Bypass; and
- Commence resource drilling of its heap-leachable oxide gold prospects on and within economic trucking distance of MIN 5412, targeting a minimum of 100,000 to 200,000 ounces of gold at grades varying between 1 and 2 g/t gold.

ABOUT NAGAMBIE

Nagambie Mining Limited (formerly Panaegis Gold Mines Limited (ASX Code: NAG) listed on the ASX in 2006 and is an Australian gold company whose principal focus is on the evaluation and development of shallow open cut gold deposits in Victoria.

The company currently holds over 350 sq km of exploration tenements in Central Victoria encompassing several historic goldfields.

The company is combining historical studies, field investigations and geological modelling to enable the development of new structural and mineralisation concepts to highlight areas for early drilling programs within its exploration areas.

SHARES ON ISSUE

Quoted: 129,991,199
Issued: 129,991,199

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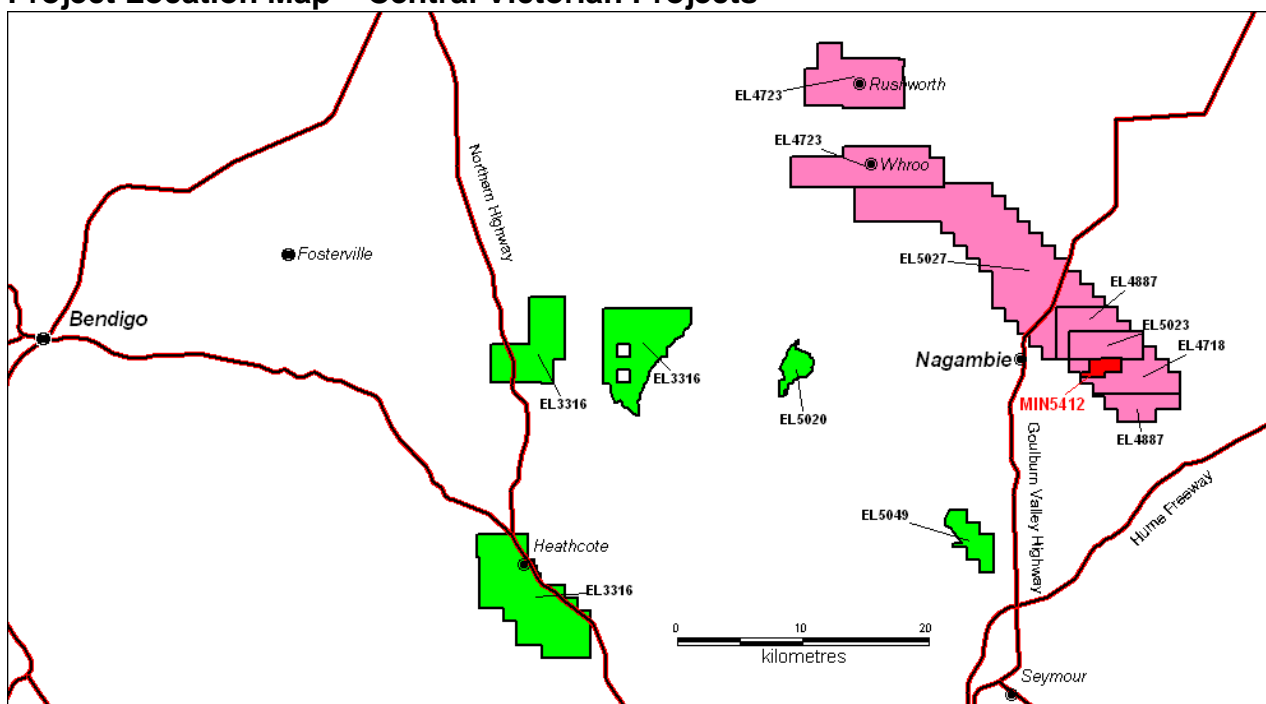
NAGAMBIE MINING PROJECTS

The company currently holds a 100% interest in 10 Exploration Licences (one under application) and 2 Mining Licences in central Victoria, totalling over 367 km². All licences are actively being explored for gold and associated minerals.

Group Area	Project Name	Licence Number	Interest %	Holder
EXPLORATION GROUP AREAS				
<i>Nagambie</i>	Avenel	EL 4887	100	Nagambie
	Nagambie South	EL 4718	100	Sierra
	Nagambie	EL 5023	100	Sierra
	Nagambie North	EL 5027	100	Sierra
	Rushworth	EL 4723	100	Sierra
<i>Redcastle - Heathcote</i>	Redcastle	EL 3316	100	Nagambie
	Mitchelton	EL 5049	100	Nagambie
	Graytown	EL 5020	100	Nagambie
<i>Taradale</i>	Taradale	EL 4527	100	Nagambie
<i>Other</i>	Howqua	ELA 5189	100	Nagambie
DEVELOPMENT GROUP AREAS				
<i>Nagambie</i>	Nagambie	MIN 5412	100	Nagambie
<i>Howqua</i>	Howqua	MIN 5420	100	Nagambie

Nagambie owned by Nagambie Mining Limited.
 Sierra owned by Sierra Minerals Limited, a wholly owned subsidiary of Nagambie Mining Limited.

Project Location Map – Central Victorian Projects





DEVELOPMENT GROUP AREAS

1. NAGAMBIE - MIN 5412

Area: 4 km²

1.1 MIN 5412 Additional Oxide Gold Mineralisation

Work is continuing on preparation within the “area of interest” identified in the last quarterly report for a follow up program of infill and extension drilling to test the identified oxide gold targets. Success in this area will lay the foundations for development of MIN 5412 as a regional heap leach treatment centre for oxide ore from the Company’s other areas (Redcastle, Heathcote South, Rushworth, Whroo, Graytown, Mitchelton and Nagambie Regional tenements) which are within economic trucking distance of MIN 5412.

1.2 MIN 5412 Rehabilitation and Site Utilisation

The company lodged an “**Expression of Interest**” during the quarter in response to a VicRoads advertisement in January 2009 to provide 2,000,000 cubic metres of fill material and 500ML of non-potable water for the Nagambie Bypass project. The company has over 4 million cubic metres of suitable fill material and 3.6 GL of water for which it has recently lodged a Water Licence application with Goulburn Murray Water.

Figure 1 below shows the East overburden dump which the EPA has declared not to be mine tailings, sand or rock and is thus not a notifiable chemical product and therefore can be used as a non-regulated waste product.



Figure 1 Nagambie MIN 5412 East Dump Stockpile

The material (as shown in the accompanying Photo 1) from the dump is considered suitable for fill and, together with the Heap Leach dump, has recently been independently tested by Coffey Information (specialists in dump testing) for its suitability. Coffey’s final report is in preparation.



Photo 1 Nagambie MIN 5412 East Dump Stockpile Material

2. HOWQUA - MIN 5420

Area: 0.05 km² Identified Prospects: 1

No significant work was carried out at Howqua during the quarter.

EXPLORATION GROUP AREAS

1. REDCASTLE – HEATHCOTE GROUP

Redcastle	EL 3316
Graytown	EL 5020
Mitchelton	EL 5049

Area: 113 km² Identified Prospects: 40

1.1 REDCASTLE PROJECT EL 3316

First Priority Areas

Mullocky
 Native Gully
 RFZ (north)
 Pioneer
 Mitchell's
 Why Not

Second Priority Areas

Beautiful Venice
 Mountain Maid
 South Empress
 Chapman & Babbage

This project of 33 km² in the north-central part of the amalgamated EL 3316 covers the old Redcastle Goldfield. The company is modelling the data from the 2008 costean program and has selected areas for both additional costean work and follow up drilling.



The geological (structural and lithological) data collected during the program has allowed, for the first time in its history of modern exploration, the construction of a predictive mineralisation model.

These data have been combined with the drill data from the 2006-2007 RC drilling by Nagambie Mining (then Panaegis) and previous explorers to give confidence in the interpretations. Comparison of gold values from surface sampling (in costeans) with those in drill intersections at depth, confirms that gold is depleted at surface, but mineralisation is stronger at shallow to moderate depths.

Out of the identified prospects on the original five interpreted trend lines, 10 areas have been chosen for further work. These areas are illustrated in Figure 2 and have been divided into 6 first priority and 4 second priority targets based on the geological model.

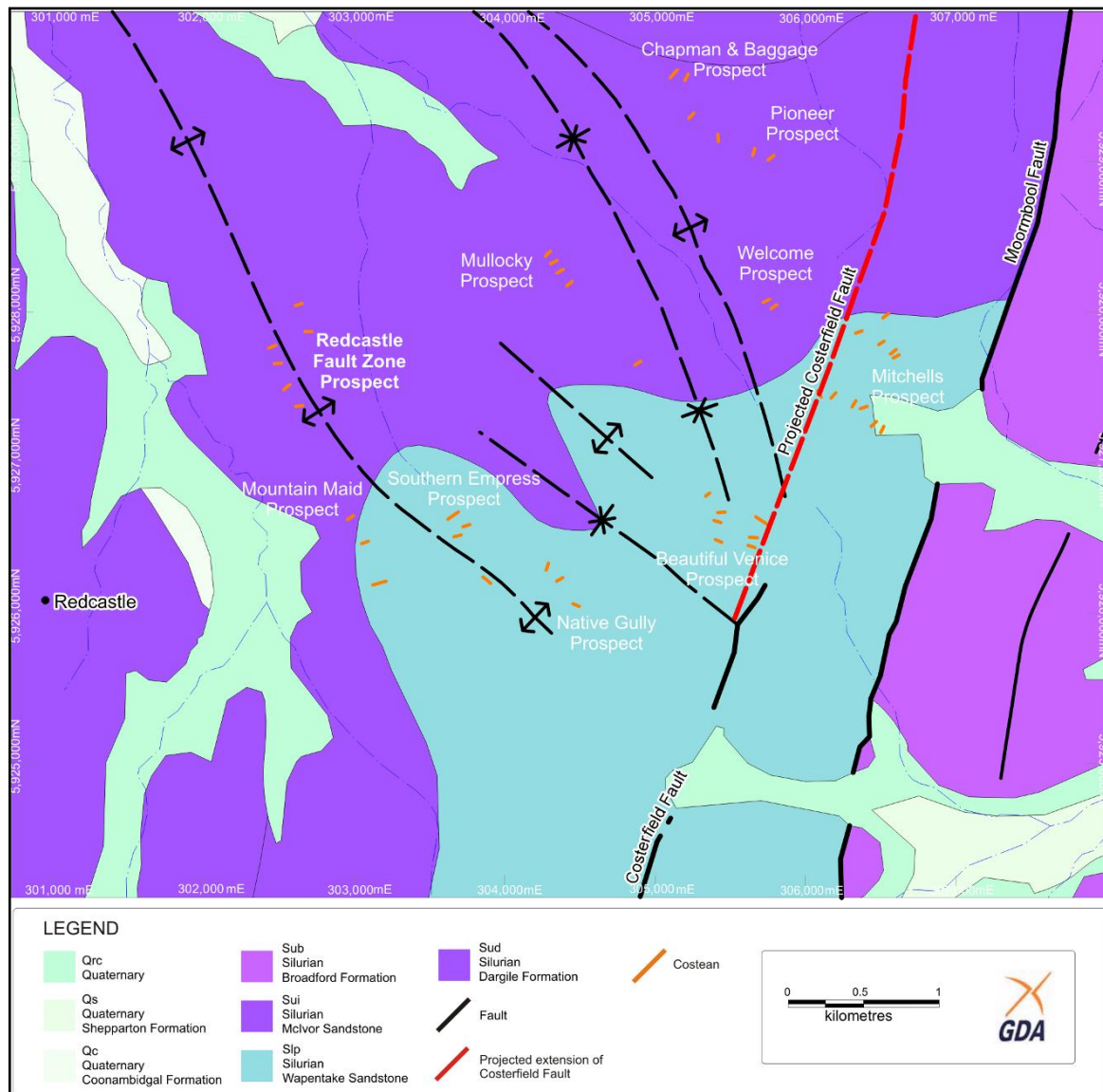


Figure 2 Redcastle Goldfield – Location of prospects & costeans



Mullocky

The northern group of 4 costeans revealed an anticlinal fold plunging at 6° to the south-east. Gold mineralisation was located at the exposed fold closure in a sandy unit in RMULT02, and intersected in nearby drilling in holes RRC08, RRC24 & RRC26, on the west dipping limb of the fold. RMULT05 some 600 metres to the south-east intersected gold mineralisation, probably in a similar structural setting, i.e a repeat, shallow dipping mineralised shoot controlled by the anticline.

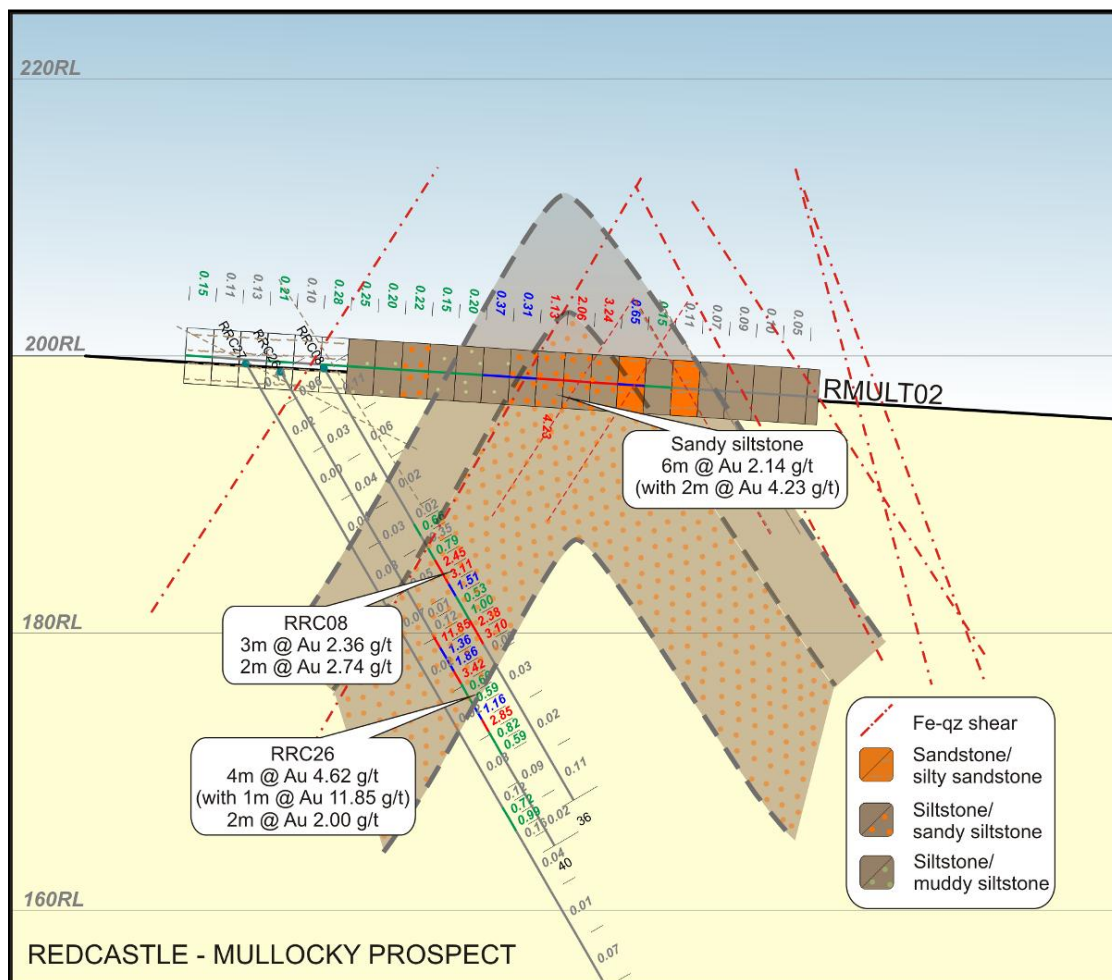


Figure 3 Mullocky Prospect – gold mineralisation associated with anticline

Target: Gold associated with stockwork quartz where oblique faults intersect thicker sandy units close to an anticlinal fold. As the folds plunge at a shallow angle to the south-east, multiple shoots can be expected, confined to repeating (or stacked) sandstone beds. Target dimensions exceed 600 metres in length with average width of 10 metres for each shoot.

Prospect	Costean	Hole	From	To	Width	g/t gold
Mullocky	RMULT01		14	26	12	0.20
Mullocky	RMULT02		14	40	26	0.71
Mullocky	RMULT03		20	28	8	0.23
Mullocky	RMULT05		16	32	16	0.58
Mullocky		RRC08	15	23	8	1.9
Mullocky		RRC09	13	15	2	0.8
Mullocky		RRC24	27	31	4	2.0
Mullocky		RRC26	22	31	9	2.7



Native Gully

Well-defined steeply dipping sandy or ferruginous siltstone beds striking north-south have been faulted by north-east striking faults or narrow shear zones. Two of the four costeans missed the trend of the siltstone beds which appear to have suffered a significant bend. This bend has considerable potential as here the faults will cross the sandstone unit at a higher angle, causing significantly more fracturing and sites for gold deposition. Gold mineralisation has been intersected in this siltstone package in costeans RNGT02 and RNGT03, and in RC drill hole RRC20. The 2 costeans are 300 metres apart.

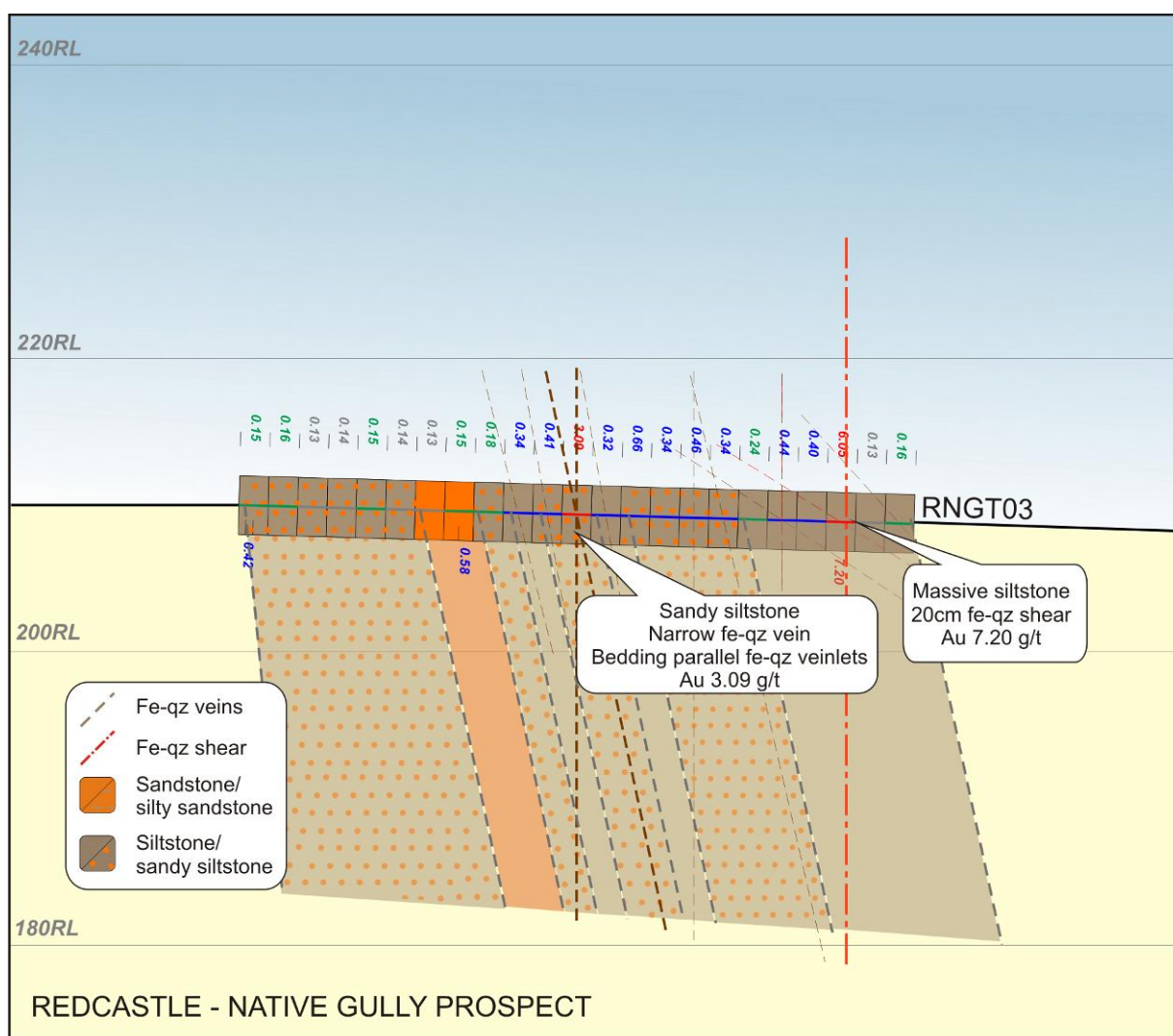


Figure 4 Native Gully – gold mineralisation associated with faulting oblique to bedding

Target: Oblique siltstone/fault intersections, particularly in the more sandy packages. Target dimensions exceed 300 metres strike length and up to 8 metres wide. Greater widths can be expected where faults intersect the package at a higher angle, in the region of the local flexure in the bedding.

Prospect	Costean	Hole	From	To	Width	g/t gold
Native Gully	RNGT02		0	28	28	0.42
Native Gully	RNGT02		30	38	8	0.21
Native Gully	RNGT03		0	46	46	0.64
Native Gully		RRC20	12	14	2	1.0
Native Gully		RRC20	23	26	3	2.5



Redcastle Fault Zone North

This prospect is located on the western limb of the Redcastle Anticline. Costeaming has revealed a predominant sandstone package dipping moderately to steeply west, disrupted by strike parallel faults/shears but dipping moderately to the east, forming a high angle intersection. Gold mineralisation occurs at or close to sandstone siltstone contacts where these have been disturbed by faulting. Mineralisation follows the fault zones, so it appears that the previous drilling to the east was not in a favourable direction.

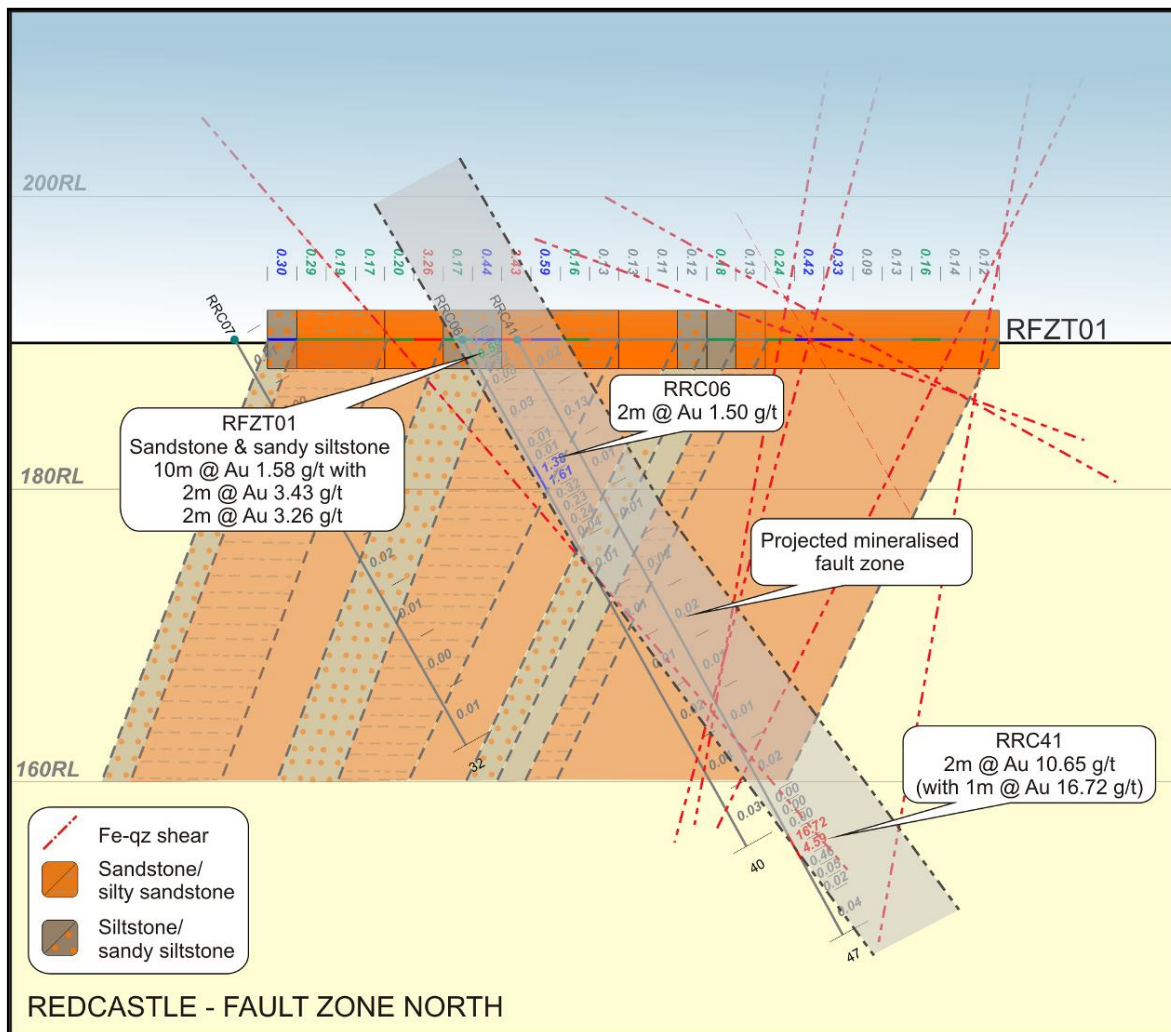


Figure 5 RFZ (north) – gold mineralisation following moderately east dipping faults, on west dipping mixed sandstone-siltstone package

Target: High angle intersections between sandy siltstones / sandstone package, and close spaced faults. Target dimensions exceed 200 metres in strike length with widths to 8 metres. Multiple, parallel targets likely.

Prospect	Costean	Hole	From	To	Width	g/t gold
RFZ(north)	RFZT01		2	20	18	0.20
RFZ(north)	RFZT01		24	50	26	0.73
RFZ(north)	RFZT02		38	44	6	0.17
RFZ(north)		RRC06	10	12	2	1.5
RFZ(north)		RRC41	39	41	2	10.7



Pioneer

A mixed package of west-north-west striking, steeply dipping sandstones and siltstones have been obliquely cut by strike parallel but moderate north-east dipping shears and faults. The cross section through trench RPT04 shows narrow zones of gold mineralisation to 2.5 g/t gold occurs where sandstones have been disrupted by localised shearing. Mineralisation has been located over a strike length of 600 metres.

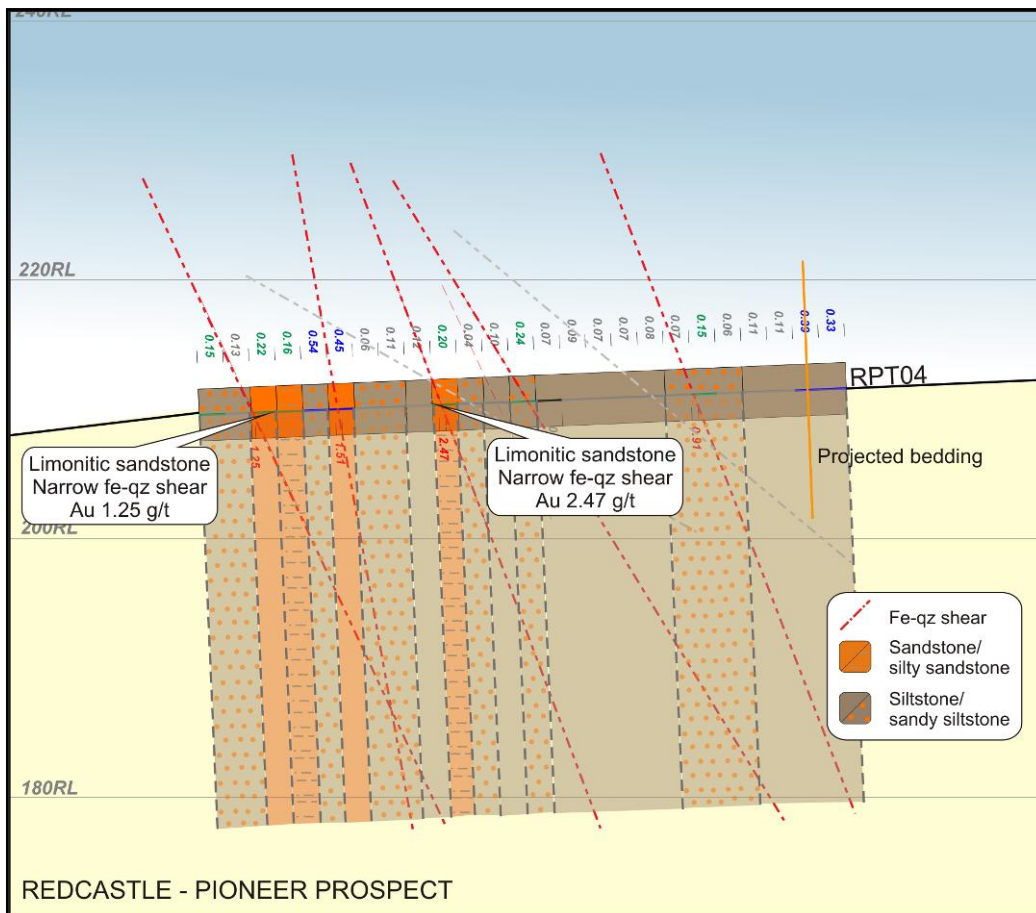


Figure 6 Pioneer Prospect – gold mineralisation associated with oblique intersections of faults and bedding

Target: Oblique fault/bedding intersections in sandier units of a mixed sand-siltstone package, giving rise to multiple or repeated zones of mineralisation. Target dimensions exceed 600 metres in strike length and up to 15 metres width.



Prospect	Costean	Hole	From	To	Width	g/t gold
Pioneer	RPT01		20	26	6	1.23
Pioneer	RPT02		28	30	2	0.41
Pioneer	RPT04		0	4	4	0.36
Pioneer		PR09	2	4	2	4.6
Pioneer		PR10	20	24	4	3.0
Pioneer		PR11	1	2	1	3.6
Pioneer		PR11	39	40	1	0.6
Pioneer		PR15	9	10	1	1.7
Pioneer		PR16	26	28	2	6.3
Pioneer		PR21	6	9	3	1.0
Pioneer		PR22	18	19	1	0.5
Pioneer		RRC35	20	21	1	1.9
Pioneer		RRC36	21	22	1	1.0

Mitchell's

Steeply north-east dipping massive sandstones have been disrupted by quartz and ironstone filled faults, with gold mineralisation confined to the finer grained units. Steeply dipping faults intersect the bedding at a low angle. Costeaning revealed wide zones of gold mineralisation (up to 10 metres averaging 0.7 g/t gold) and, although low, reflect the surface gold depletion that is common in this environment.

Target: Oblique fault/bedding intersections in finer grained units of a mixed sand-siltstone package, giving rise to multiple or repeated zones of mineralisation. Target dimensions exceed 150 metres in strike length and up to 10 metres width.

Prospect	Costean	Hole	From	To	Width	g/t gold
Mitchell's	RMT01		16	26	10	0.31
Mitchell's	RMT01		36	40	4	0.41
Mitchell's	RMT02		29.5	31.5	2	0.71
Mitchell's	RMT02		36	46	10	0.70
Mitchell's		RRC30	9	11	2	1.2
Mitchell's		RRC30	13	20	7	1.1
Mitchell's		RRC30	23	25	2	1.8
Mitchell's		SF04	31	38	7	1.4
Mitchell's		SF18	4	5	1	1.2
Mitchell's		SF18	8	10	2	1.1
Mitchell's		SF18	11	12	1	1.6



Why Not

Here, a tightly folded sandstone unit is mineralised close to the fold closures (anticline-syncline pair), which has been disrupted by transverse faulting. The folds plunge at a shallow angle to the north-west, which explains why historical surface prospecting failed to pick up lengthy strike extensions. Drilling of hole WN04 intersected the fold plunge at depth, 60 metres north of costean RWNT01 with significant gold intersections.

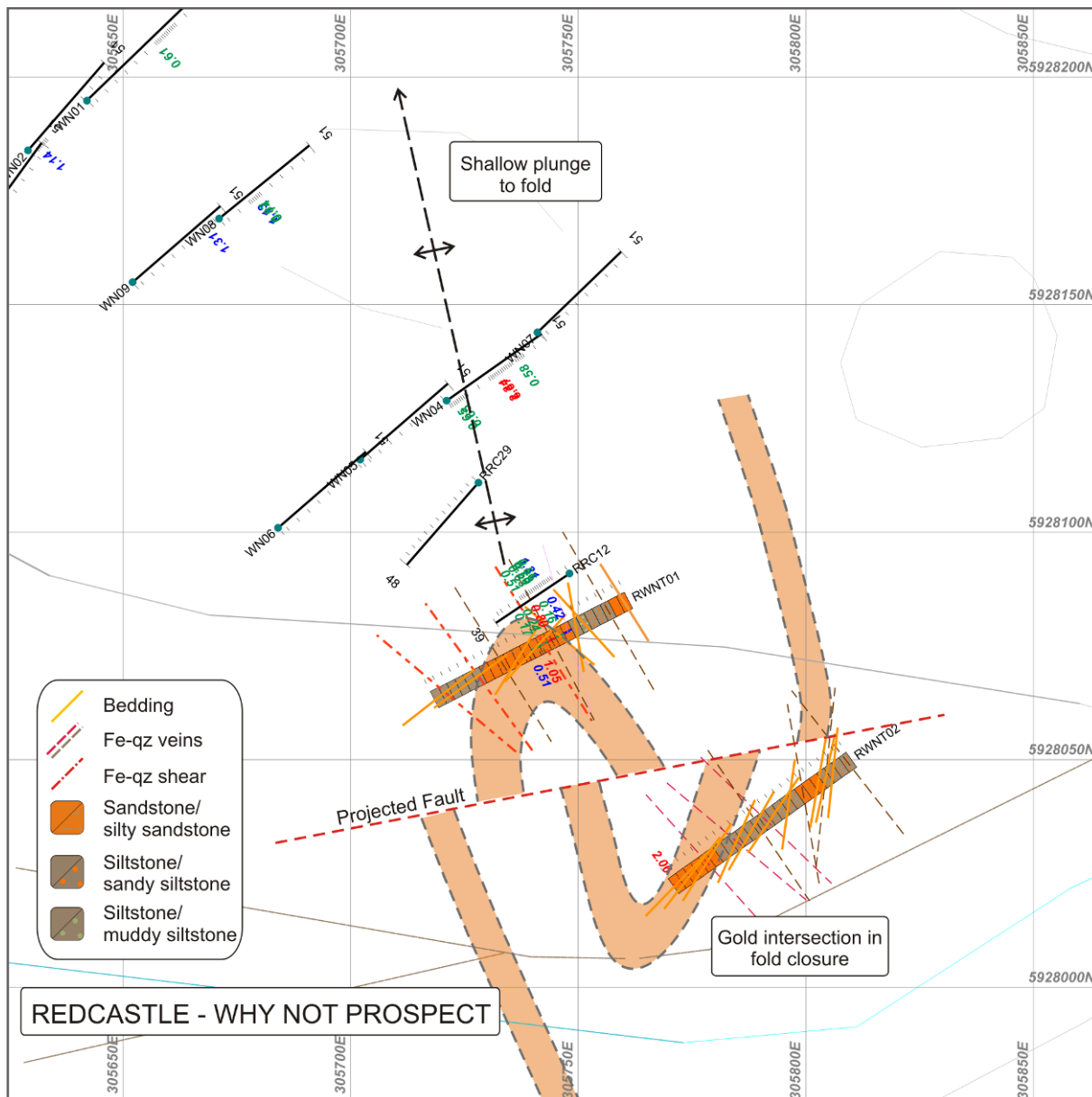


Figure 7 Why Not – gold mineralisation associated with a complex anticline-syncline pair

Target: Tightly-folded and brecciated (on the fold hinge) sandy units of a mixed sand-siltstone package, giving rise to multiple or repeated zones of mineralisation. Target dimensions exceed 200 metres in strike length and up to 4 metres width.

Prospect	Costean	Hole	From	To	Width	g/t gold
Why Not	RWNT01		14	24	10	0.36
Why Not	RWNT02		46	48	2	2.06
Why Not		WN04	25	27	2	4.5



1.2 HEATHCOTE SOUTH PROJECT - EL 3316

This project of 53 km² in the southern part of EL3316 covers the historic Heathcote Goldfield. Twenty four prospects in seven reef trends were initially identified and thirteen of these were tested by the 33 costean program completed during the quarter. The company has received all the assay results from this work and has commenced collation of historic and new data prior to rigorous geological interpretation.

1.3 HEATHCOTE NORTH PROJECT - EL 3316

This project consists of 27 km² in the northern part of EL 3316 with four initial prospects. The area’s prospectivity is currently being re-evaluated.

1.4 GRAYTOWN PROJECT EL 3316

This project consists of 6 km² with three prospects now identified within the “Spring Creek Nature Conservation Reserve”. Following initial in-house studies, discussion will need to take place with the DSE to assess how to proceed with further exploration.

1.5 MITCHELTON PROJECT EL 3316

This project consists of 10 km² with one (“Northwood Prospect”) prospect currently identified as being on a structural trend from the Mitchelton Goldfield. Previous drilling was encouraging and the company is currently carrying out in-house studies to guide further exploration.

2. NAGAMBIE GROUP

Nagambie West	EL 5027
Nagambie	EL 5023
Avenel	EL 4887
Nagambie South	EL 4718
Rushworth	EL 4723

Area: 222 km² Identified Prospects: 20

2.1 AVENEL/NAGAMBIE PROJECT ELs 4718, 4887, 5023, and 5027

This combined area of 154 km² has three identified prospects. Infill geochemical (A Horizon soil sampling) work on a 400m x 100m grid to define the shape of the 2007 surface geochemical gold and arsenic anomaly (shown in Figure 8) will be completed and evaluated during the next quarter.

The sampling program is targeting a mineralised reverse fault system, parallel to the Nagambie (Mine) Fault 3 km to the south. The Nagambie Fault is a low-angle, east-west striking reverse fault that controls the gold mineralisation located in its footwall. The soil sampling program is using modern techniques developed by Geoscience Victoria specifically for detecting gold mineralisation under Murray Basin cover. Modelling from available water bore data suggests that the cover thickness in this area is less than 50 metres.

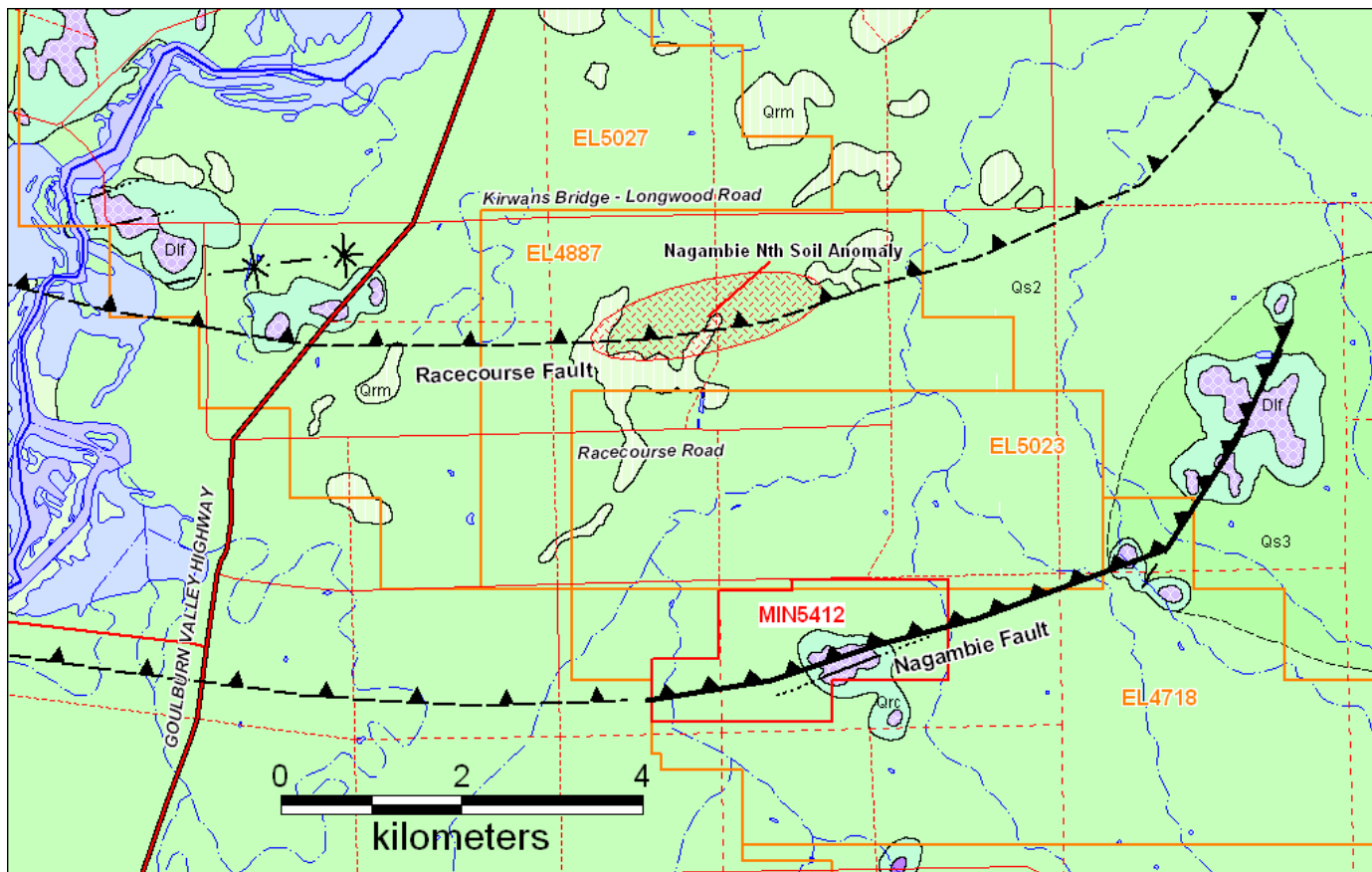


Figure 8 Nagambie North soil anomaly interpreted as reflecting mineralisation related to buried reverse fault. Area is dominated by Quaternary clays of the Shepparton Formation.

2.2 RUSHWORTH PROJECT - EL 4723

This project of 68 km² covers Rushworth North and Rushworth South (Whroo) and has identified 17 prospects to date. Evaluation work is continuing to determine a priority investigation of these by either geochemical work (including costeaning) and/or drilling activity.

3. TARADALE GROUP

Taradale	EL 4527
Area: 7 km ²	Identified Prospects: 4

No significant work was carried out on the licence during the quarter and the area’s prospectivity is being re-evaluated.

4. OTHER TENEMENTS

Howqua	ELA 5189 (previously EL 3424)
Area: 2 km ²	Identified Prospects: 3

Awaiting granting of the licence application

TENEMENT CHANGES

ELs 5023 & 5027 were reduced in size during the quarter due to licence requirements.

**CORPORATE****PLACEMENT OF RIGHTS ISSUE SHORTFALL**

At the close of the Company's rights issue on 10 November 2008, acceptances had been received for a total of 13,359,010 New Ordinary Shares at 3.0 cents each, raising a total of approximately \$401,000.

During the quarter, the full shortfall under the Rights Issue of 18,305,456 shares was placed at 3.0 cents each, raising approximately \$549,000. An oversubscription for the shortfall placement of 3,333,333 shares was also placed at 3.0 cents per share, raising a further \$100,000.

CASH POSITION

At 31 March 2009, total cash held by the company was \$1.05 million.

EXPENDITURE ON EXPLORATION AND ADMINISTRATION

Total expenditure on exploration and administration for the March 2009 quarter was \$355,000.

WEBSITE

The Nagambie Mining Limited website is www.nagambiemining.com.au and has been updated to show the company's new outlook and focussed activity.

ASX ANNOUNCEMENTS

During the quarter, the following ASX announcements were released regarding the Company's activities and projects:

26/03/2009	Change of Director's Interest Notice
18/03/2009	Change of Director's Interest Notice
13/03/2009	Half Year Accounts
11/02/2009	Becoming a substantial holder
09/02/2009	Placement of Rights Issue Shortfall
09/02/2009	Cleansing Statement
02/02/2009	Quarterly Activities Report
02/02/2009	Quarterly Cashflow Report
27/01/2009	Change of Director's Interest Notice x 3
27/01/2009	Issue of Options to Directors

COMPANY INFORMATION**DIRECTORS**

Michael W Trumbull	(Non-Executive Chairman)
Colin Glazebrook	(Executive Director)
Geoff Turner	(Non-Executive Director)

CHIEF EXECUTIVE OFFICER AND EXPLORATION MANAGER

Colin Glazebrook

COMPANY SECRETARY

Alfonso M G Grillo



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For further information regarding the company and its projects, contact:

Colin Glazebrook

Chief Executive Officer

Phone: (03) 8862 6374 Email: colin@nagambiemining.com.au

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 the report of the matters based on his 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'.