



29 July 2009

QUARTERLY REPORT

FOR THE PERIOD ENDING 30 JUNE 2009

OVERVIEW

- Nagambie Mining's "Expression of Interest" submission was included in the VicRoads tender documentation released on the 27 May 2009 for the construction of the First Stage (of approximately 4 km) of the Nagambie Bypass.
- The Company's material is also referred to in tender documents for the Second Stage (of approximately 14 km) of the Bypass which were released to qualified contractors on 10 July 2009. The Company has or is in the process of meeting all the tendering contractors to discuss the provision of material from the Nagambie Mine for both the First and Second Stages.
- The independent Coffey Report on the mine material was completed during the quarter and concluded that the materials tested from the mine stockpiles can be marketed as Type A or Type B fill. With minor treatment, the materials can be improved to comply with the specifications for Class 3 and Class 4 crushed rock.
- Preparation is underway for a second costeaning program on six identified gold prospects at the Redcastle Project, 40 km west of the Nagambie Mine.
- The soil sampling program completed during the quarter on the Avenel/Nagambie Project, 4 km north of the Nagambie Mine, outlined a series of coincident arsenic and gold anomalies.
- Following the close of the quarter, the Company announced a Share Purchase Plan ("SPP") to raise \$500,000 with a closing date of 31 July 2009. To 28 July 2009, a total of \$400,500 had been subscribed by shareholders.

OBJECTIVES

The Company's principal objectives for calendar 2009 are to:

- Position Nagambie MIN 5412 as the lowest cost and 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 of 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 250 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



NAGAMBIE MINING PROJECTS

The Company currently holds a 100% interest in 7 Exploration Licences (one under application) and 2 Mining Licences in central and east Victoria, totalling over 367 km². All licences are actively being explored for gold and associated minerals.

Group Area	Project Name	Licence	Interest %	Holder
EXPLORATION GROUP AREAS				
<i>Nagambie</i>	Avenel	EL 4887	100	Nagambie
	Nagambie South	EL 4718	100	Sierra
	Nagambie	EL 5023	100	Sierra
	Rushworth	EL 4723	100	Sierra
<i>Redcastle - Heathcote</i>	Redcastle	EL 3316	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 Pty Ltd, a wholly owned subsidiary of Nagambie Mining Limited.

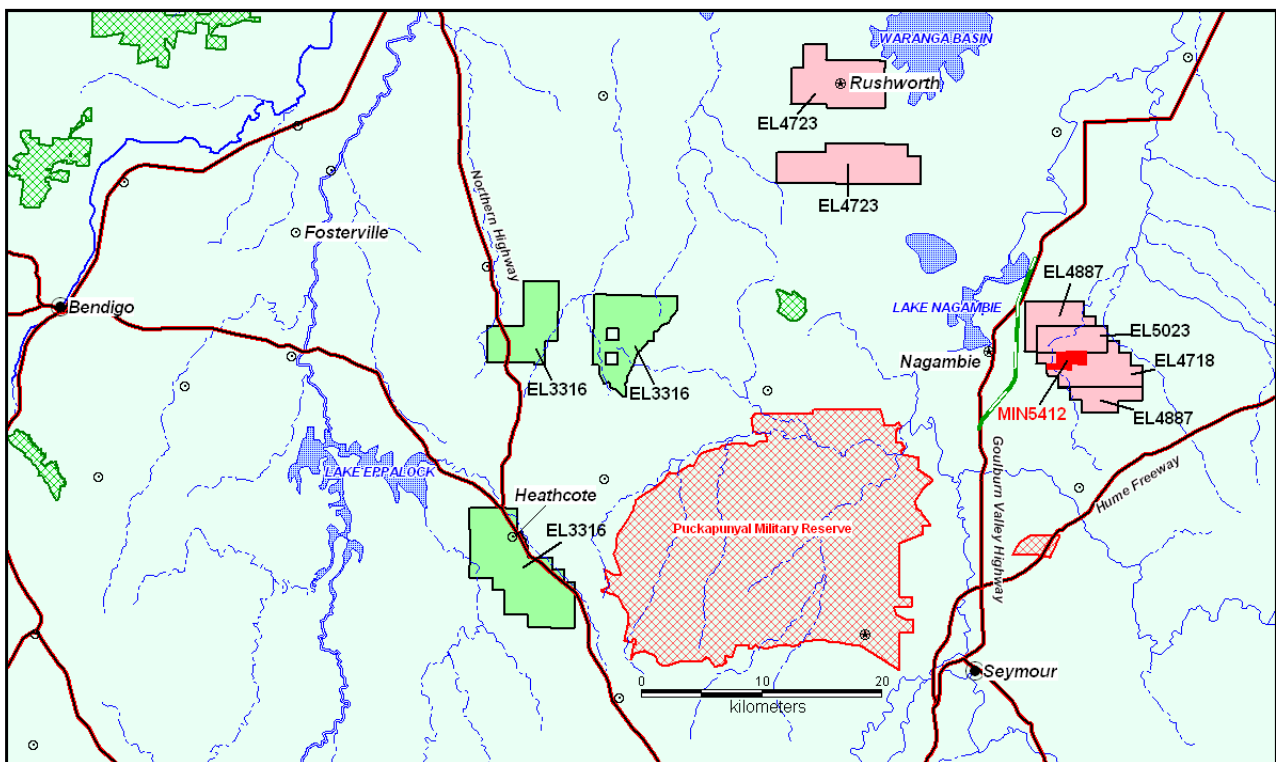


Figure 1 Project Location Map – Central Victorian Projects



DEVELOPMENT GROUP AREAS

1. NAGAMBIE - MIN 5412 **Area: 4 km²** **Identified Projects 2**

1.1 MIN 5412 Additional Oxide Gold Mineralisation

The Company is awaiting Department of Primary Industry approval of its work plan to commence a program of infill and extension drilling to test the identified oxide gold targets in the area of interest to the north-west and west of the West Pit.

1.2 MIN 5412 Rehabilitation and Site Utilisation

The Company’s “Expression of Interest” document submitted in the March quarter to provide 2 million cubic metres of fill material and 500 ML of non-potable water for the construction of the Nagambie Bypass was included in the tender documents released on 27 May 2009 by VicRoads for the 4 km Stage 1 Northern Section of the Bypass. The proximity of MIN 5412 to the Nagambie Bypass is shown in Figure 2.

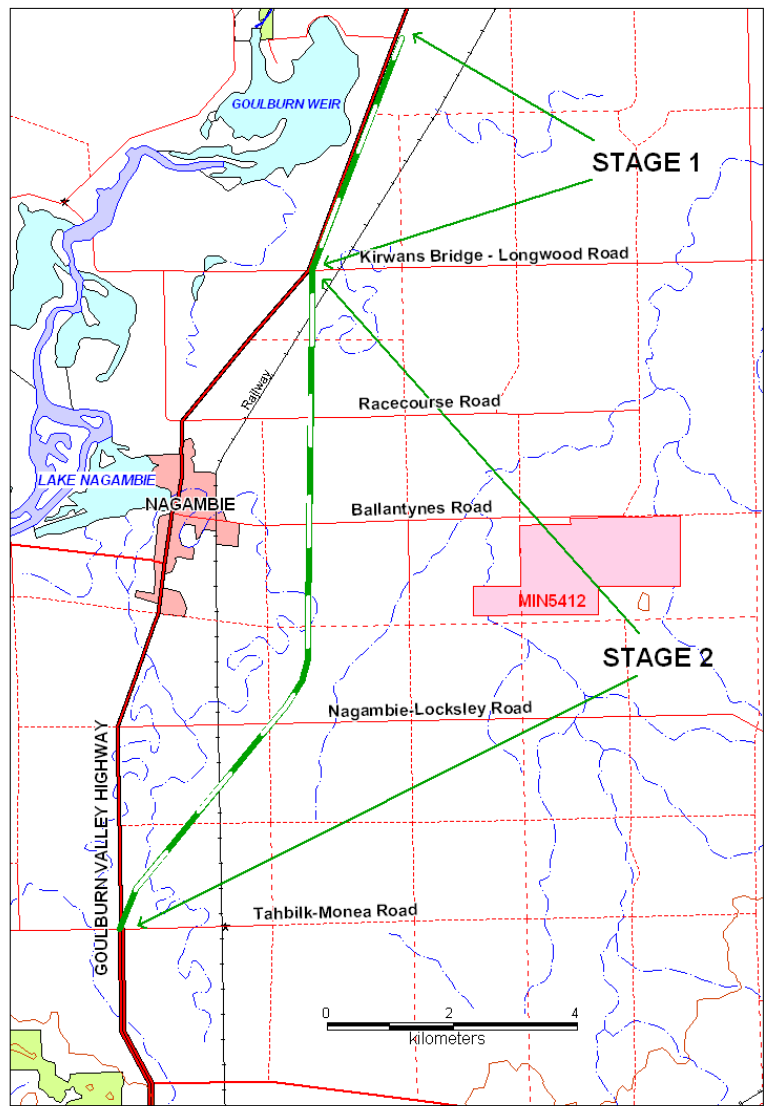


Figure 2 **Nagambie Bypass Route (in green) and MIN 5412**



In the tender documents, VicRoads included the following statement:

“Nagambie Mine has supplied detailed information regarding the volume and quality of both the fill and non-potable water. The Nagambie Mine is likely capable of supplying both sufficient volumes of fill and non-potable water available to meet the construction needs for the entire project.”

The tender for the First Stage (of approximately 4 km) concluded on 15 July 2009. The Company has had constructive discussions with each of the six tenderers. The announcement of the winning tender may take from four to six weeks after closing.

Tender documents for the Second Stage (of approximately 14 km) of the Bypass were released to qualified contractors on 10 July 2009. The Company is in the process of meeting with these contractors to discuss the provision of material from the mine for this stage.

Coffey Information has prepared for the Company a report on the dump material available for use in road construction. The report concluded:

“The materials tested from the Nagambie Mining Stockpiles can be marketed as is, as Type A or Type B fill according to the tests conducted by Coffey Information.”

“With minor modifications the materials can be improved to comply with the specifications for Class 3 and Class 4 crushed rock. With proper screening and/or washing this can be achieved quite easily.”

Rehabilitation planning of the mine site is being carried out in conjunction with the ongoing exploration and development work.

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 - EL 3316 **Area: 113 km²** **Identified Projects 3**
Identified Prospects: 10

1.1 REDCASTLE PROJECT - EL 3316

This project of 33 km² covers the old Redcastle Goldfield. Further modelling and interpretation has resulted in defining six prospects.

- 1. Mullocky - Beautiful Venice Trend**
- 2. Native Gully - South Empress Trend**
- 3. RFZ (north) - Mountain Maid Trend**
- 4. Pioneer**
- 5. Mitchell's**
- 6. Why Not – Welcome Trend**

These areas are to be further tested by a 20 costean program, as shown in Figure 3, during the September quarter before a comprehensive drilling program is designed.

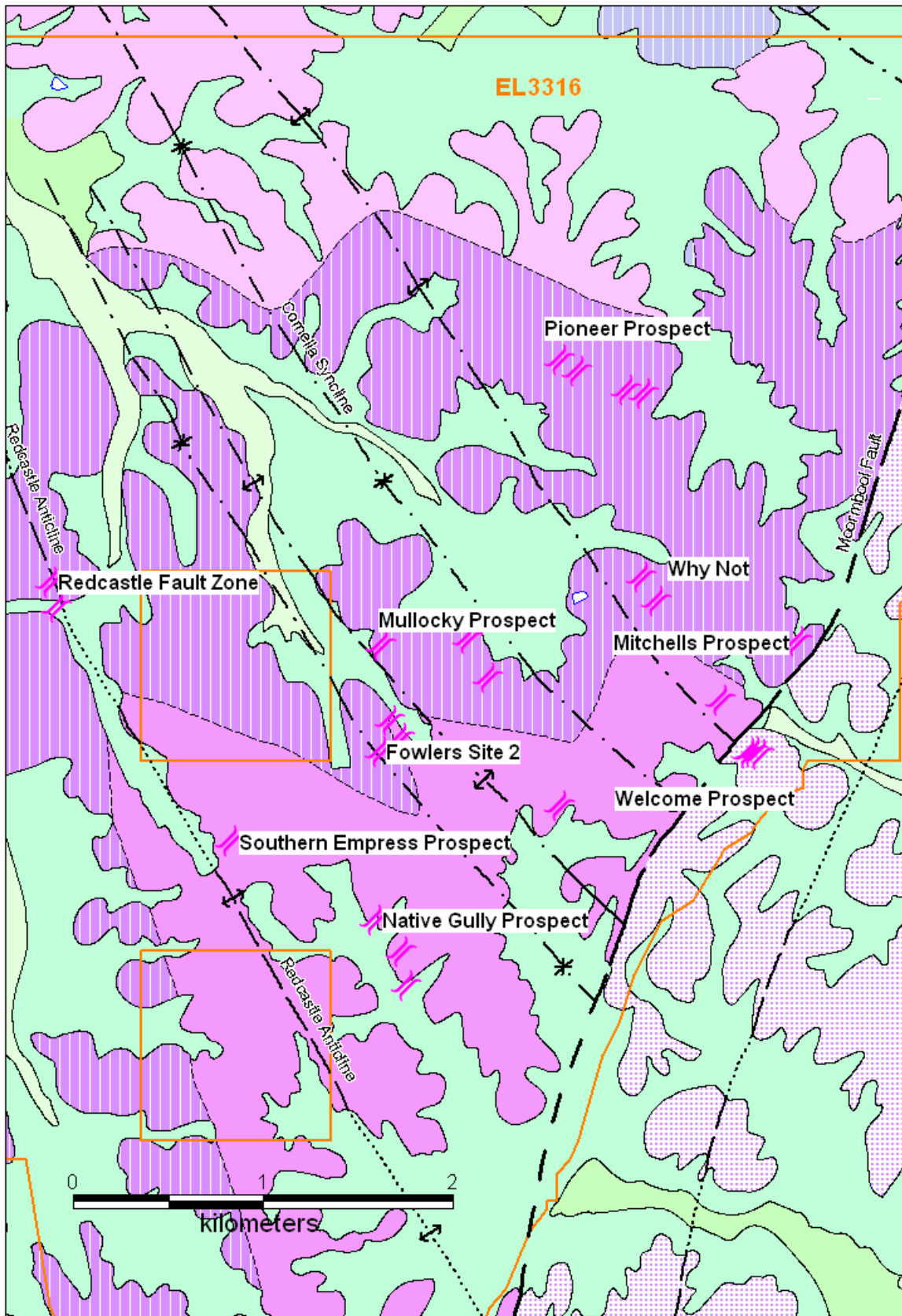


Figure 3 Redcastle Goldfield – Location of Trends/Prospects & New Costeans



1.2 HEATHCOTE SOUTH PROJECT - EL 3316 Area 53 km²

This project in the southern part of EL3316 covers the Heathcote Goldfield. The northern section of the goldfield was tested by the 33 costean program completed last quarter. Geological interpretation and assessment of assay data have led to only one prospect for follow up work. The potential of the southern part of the area which is in a flora reserve is being currently being evaluated.

1.3 HEATHCOTE NORTH PROJECT - EL 3316 Area 27 km²

The project's prospectivity is currently being re-evaluated in the light of the Company's stated objective of concentrating on near-surface, oxide-gold deposits.

1.4 GRAYTOWN PROJECT - EL 3316 Area 6 km²

Following interpretation and assessment studies, this project within the "Spring Creek Nature Conservation Reserve" was surrendered after the end of the quarter.

1.5 MITCHELTON PROJECT - EL 3316 Area 10 km²

This project, following interpretation and assessment, was surrendered after the end of the quarter.

2. NAGAMBIE GROUP Area: 128 km² Identified Projects 2 Identified Prospects: 20

Nagambie	EL 5023
Avenel/Nagambie North	EL 4887
Nagambie South	EL 4718
Rushworth	EL 4723

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

This combined area of 59 km² has currently one identified prospect following the infill geochemical (A Horizon soil sampling) work on a 400m x 100m grid to define the shape of the surface geochemical gold and arsenic anomaly located in 2007. The anomaly is interpreted as reflecting mineralisation related to a buried reverse fault.

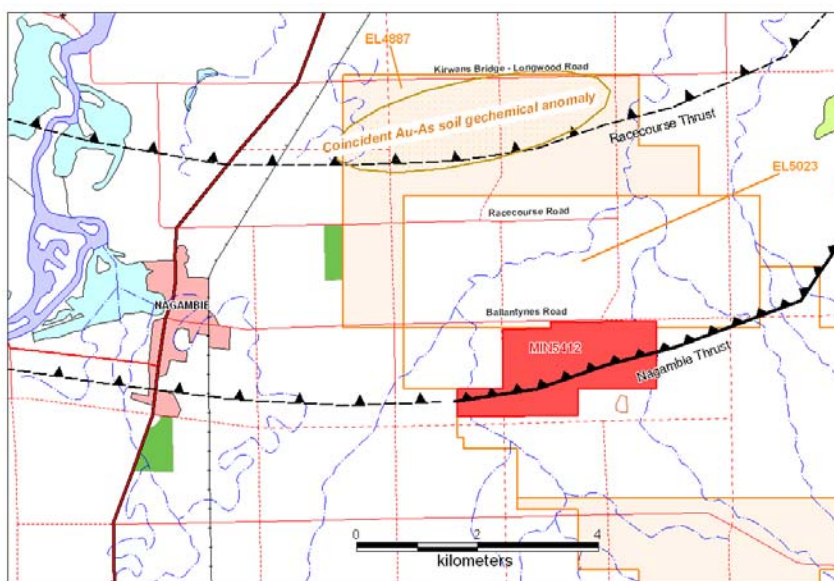


Figure 4 Nagambie North Prospect

**2.2 RUSHWORTH PROJECT - EL 4723**

This project of 68 km² covers Rushworth North and Rushworth South (Whroo) and further evaluation work has reduced the initial 17 identified prospects to four prospects worthy of more detailed follow up work. These are Frenchman's and Crown Cross at Rushworth North and Doctors Gully and White Hills at Rushworth South. Work to be undertaken will be geological/geochemical work (including costeaning) followed by drilling.

3. TARADALE GROUP**Area: 7 km²****Identified Projects 1****TARADALE PROJECT - EL 4527**

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

4. HOWQUA PROJECT - ELA 5189**Area: 5 km²****Identified Projects 1
Identified Prospects: 3**

Awaiting granting of the licence application

TENEMENT CHANGES

After the quarter ended, ELs 5027, 5020 and 5049 were surrendered.

CORPORATE**SHARE PURCHASE PLAN**

Following the close of the quarter, the Company announced that it was inviting eligible shareholders registered as at 7.00pm (AEST) on 8 July 2009, to participate in the Nagambie Mining Limited 2009 Share Purchase Plan ("SPP").

The SPP enables eligible Nagambie Mining shareholders to purchase between \$1,000 and \$15,000 worth of shares at a price of 3.2 cents per share without being required to pay brokerage fees or incurring additional transaction costs. This price represents an 11.6% discount to the volume-weighted average price for Nagambie Mining shares on the ASX over the previous 10 days in which Nagambie Mining shares traded before the SPP was announced of 3.62 cents.

The SPP, which is capped at \$500,000, opened on 10 July 2009 and closes at 5.00pm (AEST) on Friday 31 July 2009. To 28 July 2009, \$400,500 had been subscribed by shareholders.

CASH POSITION

At 30 June 2009, total cash held by the company was \$0.775 million.

EXPENDITURE ON EXPLORATION AND ADMINISTRATION

Total expenditure on exploration and administration for the June 2009 quarter was \$285,000.

WEBSITE

The Nagambie Mining Limited website is www.nagambiemining.com.au

**ASX ANNOUNCEMENTS**

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

17/06/2009	Proposed Issue of Options
16/06/2009	Tender for Northern Section of Nagambie Bypass
15/06/2009	Change of Director's Interest Notice
01/06/2009	Change of Director's Interest Notice
26/05/2009	Change of Director's Interest Notice
19/05/2009	Change of Director's Interest Notice
08/05/2009	Change of Director's Interest Notice
29/04/2009	Quarterly Cash flow Report
29/04/2009	Quarterly Activities Report
23/04/2009	Change of Director's Interest Notice
07/04/2009	Change of Director's Interest Notice

COMPANY INFORMATION**DIRECTORS**

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

CHIEF EXECUTIVE OFFICER AND EXPLORATION MANAGER

Colin Glazebrook

COMPANY SECRETARY

Alfonso M G Grillo

CHIEF FINANCIAL OFFICER

Joe Fekete

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

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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 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'.