

CHAIRMAN'S ADDRESS
BY MR MICHAEL TRUMBULL AT THE ANNUAL GENERAL
MEETING OF NAGAMBIE MINING LIMITED HELD AT LEVEL 9,
469 LATROBE STREET, MELBOURNE AT 11.00 AM ON
MONDAY 25 NOVEMBER 2013

Good morning ladies and gentlemen.

Hopefully all of you have had a chance to read the recently released 2013 Annual Report and the September 2013 Quarterly Report.

Today I'd like to briefly update you on the Company's two most prospective assets at the current time – the Wandean Gold Prospect and the Proposed Landfill Site at the Nagambie Mine.

Firstly, the Wandean Gold Prospect

The second phase of RC exploration drilling at Wandean, 9 km to the north west of the Nagambie Mine, was completed at the end of October. A total of 33 holes were drilled - WRC 21 through to WRC 53 with each hole approximately 60 metres deep. The Blacklaws rig and excellent drilling crew averaged two holes per day, resulting in a very cost-effective RC program.

The target at Wandean is mineralisation grading 1.0 g/t gold or better.

While assays are pending, analysis of the geological logging for the 33 holes drilled has been carried out. Two east-west trending, near-vertical, silicified zones of interest were intersected. The distance between the northern and southern zones is approximately 120 metres.

Quartz stockworking was logged for intersections in the harder sedimentary units – sandstone and siltstone. The softer mudstone unit, as expected, is not brittle enough to have resulted in quartz stockworking.

The Wandean assays and interpretation are expected to be released to the ASX before Christmas.

Secondly, the Proposed Landfill Site at the Nagambie Mine

The Company has completed a technical review of the site. It is proposed that the site would take inert solid wastes, "residuals", from Melbourne recycling plants. Such inert wastes do not readily decompose and therefore generate low levels of landfill gas, odour and landfill leachate.

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The principal points arising out of the technical review include:

- A number of landfill sites to the east of Melbourne are closing with no obvious replacements having been approved to date due to the generally hilly to mountainous terrain and, increasingly, “not in my backyard” community resistance. The shortfall in inert residuals landfill capacity east of Melbourne is projected to rise to 1.2 million tonnes per year;
- The Nagambie site has excellent highway and freeway access from Melbourne and is within a designated industrial area with no nearby residences;
- It is a degraded site due to the mining and treatment operations in the 1990s;
- It is a naturally clay-lined site, 15 metres above the water table - meaning that any leachates would not affect the groundwater;
- All required infrastructure is in place at the site except for a purpose-built, state-of-the-art weighbridge, which has been designed and costed;
- Total residuals dumping cost for Melbourne recycling plants is the statutory-fixed EPA (Environment Protection Authority) levy plus the variable landfill charge plus the variable trucking cost;
- The relevant EPA Victoria levies per tonne for 2014 will be \$58.50 for Melbourne and \$51.30 for rural Victoria. Hence, the Nagambie site levy would be \$7.20 less than for Melbourne. There are no EPA NSW landfill levies in southern NSW. The result is that significant tonnages of Melbourne residuals are being trucked over the border into NSW;
- For every 10,000 tonnes per year of Melbourne residuals trucked to the Nagambie Mine instead of into NSW, Victoria would benefit by at least \$513,000 per year;
- Landfill charges per tonne for existing landfill sites around Melbourne vary significantly within a \$30 to \$60 range. Landfill charges plus the 2014 EPA Victoria levy will therefore be around \$90 to \$150. The equivalent landfill charge plus EPA levy (nil) in southern NSW is around \$50 to \$100;
- Trucking costs per tonne for Melbourne residuals to near-Melbourne sites vary between \$18 and \$25. To the Nagambie site, trucking costs would be around \$25. To southern NSW destinations, trucking costs would be around \$40 to \$50; and
- To capture residuals that would otherwise be trucked into NSW, the landfill charge for the Nagambie site would need to be in the range of \$25 to \$40 per tonne.

Finally, once again I would like to thank my fellow directors and the small but focussed Nagambie Mining management team for their continued efforts in advancing all aspects of the Company's activities.

Mike Trumbull
Executive Chairman