

DEPARTMENT OF DEFENCE LEASE AGREEMENT

Nagambie Mining (ASX: NAG) is very pleased to advise that a significant long term lease agreement has been signed with the Australian Department of Defence (DOD). The agreement will enable the DOD to establish a secure Underwater Explosives Testing Facility (UETF) at the eastern end of the East Pit at the Nagambie Mine.

The site is on freehold land owned by the Nagambie Mining group that is not required for future exploration or mining activities.

The DOD for many years has conducted underwater explosives testing at a small disused quarry in suburban Melbourne. For environmental and practical reasons, they are now moving to the Nagambie Mine site. The permanent water depth in the East Pit is up to 50 metres, which is ideal for the UETF.

The principal terms of the lease are as follows:

- Commencement date of 1 October 2014;
- Term of 20 years;
- Annual rent of \$150,000 plus GST, payable quarterly in advance;
- Rent varied on 1 October each year by the annual CPI movement (June quarter to June quarter) for "All Groups CPI; Melbourne"; and
- No cap on CPI movement.

The Nagambie Mining group is continuing to investigate uses for its other freehold land at the Nagambie Mine, including the long term receipt and storage of residual hard inert landfill waste and construction spoil. These other uses would not be affected by the operation of the UETF.



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NAGAMBIE MINING

Nagambie Mining is focussed on the discovery and development of shallow, open-pit and heap-leachable gold deposits.

The Company has 100% of tenements encompassing historic Victorian goldfields at Nagambie, Clonbinane, Lancelmore, Rushworth and Redcastle.

A preliminary Inferred Resource of 47,000 ounces of gold, 609,000 tonnes at 2.4 g/t, was estimated in 2008 for Clonbinane.

Nagambie Mining is testing new structural and mineralisation concepts for gold mineralisation by employing geological, geophysical and geochemical techniques.

Nagambie Mining is also advancing construction material, landfill and spoil fill opportunities at the Nagambie Mine site in order to maximise the value of the freehold land owned by the Company.

SHARES ON ISSUE

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ASX CODE: NAG

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Board

Mike Trumbull (Chairman)
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Kevin Perrin (Finance Dir.)
Alfonso Grillo (Company Sec.)