

9 February 2009

Manager Companies  
Company Announcements Office  
ASX Limited

Dear Sir / Madam

## Placement of Rights Issue Shortfall

### 1. Placement of Shortfall

Nagambie Mining Limited (*NAG or the Company*) is pleased to announce that NAG has raised approximately \$549,164 via the placement of 18,305,456 New Ordinary Shares at 3.0 cents per New Ordinary Share.

These New Ordinary Shares comprise the entire Shortfall under the Company's Non-Renounceable, Non-Underwritten Rights Issue Prospectus dated 10 October 2008. The placement brings the total amount raised under the Rights Issue to the maximum subscription amount of approximately \$949,934.

### 2. Oversubscriptions

Applications for the Shortfall significantly exceeded the number of New Ordinary Shares available under the Rights Issue. Therefore the Company has issued 3,333,333 ordinary shares to raise a further \$100,000.

Given the adverse financial climate, the Company is very pleased with the strong interest in the Shortfall shares and thanks Shareholders for their support. Total cash held by NAG is now approximately \$1.3 million, enabling the Company to focus on the following primary objectives for calendar 2009:

- Position its 100% owned 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 evaluation drilling of its 100% owned oxide gold prospects on and within economic trucking distance of Nagambie MIN 5412, targeting a minimum of 100,000 to 200,000 ounces of gold at grades varying between 1 and 2 g/t gold.

Please see **attached** the Appendix 3B pertaining to the issue of the above shares.

Yours faithfully



Mike Trumbull  
Chairman

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

**NAGAMBIE MINING LIMITED**

ABN

**42 111 587 163**

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |  |   |
|--|---|
| 1 +Class of +securities issued or to be issued   | 1 & 2 Ordinary shares.  |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 1. 18,305,456 ordinary shares.<br>2. 3,333,333 ordinary Shares. |
| 3 Principal terms of the +securities (eg. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1 & 2 Fully paid ordinary shares.                               |

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+ See chapter 19 for defined terms.

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>1. Yes. Ordinary shares rank pari passu with fully paid ordinary shares on issue.</p> <p>2. Yes. Ordinary shares rank pari passu with fully paid ordinary shares on issue.</p>				
<p>5 Issue price or consideration</p>	<p>1 &amp; 2 3.0 cents per ordinary share.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1 &amp; 2 The funds raised will primarily be used to fund the Company's activities including:</p> <ul style="list-style-type: none"> <li>• exploration and development of mining licence MIN 5412;</li> <li>• exploration and development of the other 14 licence areas in central Victoria held by the company; and</li> <li>• working capital.</li> </ul>				
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>1 &amp; 2 9 February 2009.</p>				
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="766 1310 1069 1355">Number</th> <th data-bbox="1069 1310 1361 1355"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1355 1069 1514">129,991,199</td> <td data-bbox="1069 1355 1361 1514">Ordinary shares fully paid</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	129,991,199	Ordinary shares fully paid
Number	<sup>+</sup> Class				
129,991,199	Ordinary shares fully paid				

+ See chapter 19 for defined terms.

9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the securities in clause 2 if applicable)	700,000	Options exercisable at \$0.10, vesting 4 September 2010 and expiring 4 September 2013.
		4,000,000	Options exercisable at \$0.10, vesting 2 December 2010 and expiring 2 December 2013.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The directors of the Company may from time to time determine to distribute the profits of the Company by way of dividend amongst the Shareholders in proportion to the amounts paid up on the Shares held by them.
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## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the <sup>+</sup> securities will be offered	
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	

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<sup>+</sup> See chapter 19 for defined terms.

- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
 Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if

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+ See chapter 19 for defined terms.

- applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

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+ See chapter 19 for defined terms.

## Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

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+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

**(i) Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....

Date: 9 February 2009

Print name: Alfonso Grillo (Company secretary)