



**Nagambie Mining Limited**  
ABN 42 111 587 163

648 Ballantynes Road  
Nagambie, Vic 3608

Tel: (03) 5433 3422, (03) 5794 1750  
Email: [info@nagambiemining.com.au](mailto:info@nagambiemining.com.au)  
Web: [www.nagambiemining.com.au](http://www.nagambiemining.com.au)

Fax: (03) 5794 1750

13 September 2010

The Manager  
Company Announcements Office  
Australian Securities Exchange

## **\$1.0 Million Placement of Convertible Notes**

Nagambie Mining is pleased to announce the placement of 25.0 million convertible notes at 4.0 cents each to sophisticated and professional investors, raising a total of \$1,000,000.

The principal terms of the notes are:

- Interest payable every 6 months at a rate of 10% per annum;
- Notes convertible 1:1 into fully paid ordinary Nagambie Mining Limited shares at any time within the maximum 5-year life of the notes at the option of the holder;
- Notes redeemable in cash in full after 5 years if not converted;
- Notes are unsecured but rank ahead of shareholders; and
- Notes are protected for reorganisation events (bonus issues, share consolidations etc).

The increase in working capital will enable the Company to continue to achieve its principal objectives, being to:

- Evaluate the oxide gold prospects held by the Company at the Nagambie Mine (MIN 5412) and within economic trucking distance of MIN 5412, targeting a minimum of 100,000 to 200,000 ounces of gold at grades between 1 and 2 g/t gold; and
- Investigate all the construction material opportunities at MIN 5412, including the sale of overburden and tailings and the commercialisation of sand deposits known to exist at the Mine.

Yours faithfully

A handwritten signature in black ink, appearing to read "Alfonso Grillo".

Alfonso Grillo  
**Company Secretary**