

\$700,000 ISSUE OF CONVERTIBLE NOTES

Nagambie Resources Limited (ASX: NAG) is pleased to announce that it has received firm commitments from sophisticated and professional investors for the placement of 7,000,000 Series 7 unsecured convertible notes with a face value of \$0.10. An Appendix 3B will be lodged with the ASX upon the issue and allotment of the convertible notes.

The funds raised will be used for gold exploration and add to the Company's working capital.

Principal terms for the Series 7 unsecured convertible notes include:

- Issue price of 10.0 cents per note;
- 5-year term;
- 10% per annum interest rate payable every 6 months;
- Notes are convertible at any time within the 5-year term at the option of the noteholder into Nagambie Resources fully-paid ordinary shares on a 1 for 1 basis; and
- Notes are redeemable at 10.0 cents per note after 5 years if not previously converted.

When the offer price of 10.0 cents for the Series 7 convertible notes was set, the ASX trading price for the fully paid ordinary shares was 6.5 cents. That is, the issue price for the notes was set at a 54% premium to the share price.



Mike Trumbull
Executive Chairman

NAGAMBIE RESOURCES

Exploration for Fosterville-style, structural-controlled, high grade sulphide-gold underground deposits within 2,000 sq km of Waranga Province tenements is being methodically carried out using geophysical targeting techniques and oriented diamond drilling.

Underwater storage of sulphidic excavation material (PASS) in the two legacy gold pits at the Nagambie Mine is an excellent environmental fit with major infrastructure projects for Melbourne such as Metro Rail, West Gate Tunnel and North-East Link.

Recycling of the tailings and overburden dumps can produce aggregates for concrete and gravel products respectively.

Quarrying and screening of sand deposits at the mine to produce various sand and quartz aggregate products is planned.

The first landfill site is planned to take advantage of the 17 Ha of engineered black plastic under the mine tailings pad.

SHARES ON ISSUE

435,777,802

ASX CODE: NAG

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Board

**Mike Trumbull (Exec Chairman)
Kevin Perrin (Finance Director)
Alfonso Grillo (Dir/Company Sec)**

James Earle CEO