

\$1,800,000 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 18,000,000 Series 6 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 add to working capital and increase the Company's flexibility to take advantage of additional opportunities that may arise.

Principal terms for the Series 6 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.

Before the issue of the Series 6 convertible notes, Nagambie Resources has 403,935,912 fully paid ordinary shares, 22,013,333 unlisted convertible notes (18,680,000 in-the-money) and 46,000,000 unlisted options (none in-the-money). The issue of 18,000,000 new convertible notes therefore represents dilution, on an in-the-money diluted basis, of 4.3%.

When the price of 10.0 cents was set for the Series 6 convertible notes, 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.

Following receipt of the placement funds and the repayment of the total drawn down under the two-year \$1.0 Million Unsecured Loan Facility, the Company will have total cash of approximately \$2.0 million with an additional \$1.0 million available under the Loan Facility.



Mike Trumbull
Executive Chairman

NAGAMBIE RESOURCES

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

The discovery and development of shallow, open-pit and heap-leachable oxide-gold deposits is being methodically advanced. Exploration for high grade sulphide-gold underground deposits has commenced.

Recycling of the overburden and tailings dumps produces aggregates for concrete, road base material and gravel for local roads.

Quarrying, washing 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

403,935,912

ASX CODE: NAG

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Board

Mike Trumbull (Exec. Chairman)
Geoff Turner (Exploration Dir.)
Kevin Perrin (Finance Director)
Alfonso Grillo (Company Sec.)

James Earle CEO