

BENDIGO MINING LIMITED - CORPORATE GOVERNANCE POLICY

SHARE TRADING

1. Introduction

This Share Trading Policy deals with the sale and purchase of securities in the Company by its Directors and employees, full and part time contractors and other advisors (hereinafter singularly or jointly referred to as "Affected Parties").

The purpose is to assist Affected Parties to avoid conduct known as "insider trading". This document provides a basic explanation of what constitutes insider trading and the Company's policy to prevent it, including:

- a description of what conduct may constitute insider trading;
- a description of the safest times for Affected Parties to buy or sell securities in the Company in order to minimise the risk of insider trading; and
- the steps for Affected Parties to take when buying or selling securities in the Company.

2. Insider Trading Provisions

2.1 A general definition of insider trading

You cannot buy or sell any shares or options in the Company if you have Company information which is not available to the public ('inside information') that you suspect might affect the price of Company shares or options. If you do trade with the knowledge of 'inside information' you are liable for severe penalties if convicted. Penalties can include imprisonment and substantial fines. You will also be open to instant dismissal by the Company.

You must be extremely cautious as not only are you excluded from trading in the Company's shares or options if you have inside information, you cannot ask another person to buy or sell shares or options on your behalf, nor can you recommend anyone else to buy or sell on their own account, even if you don't stand to profit from that advice. Before you trade, you must contact the Managing Director or Chief Financial Officer, or in the case of a Director the Chairman, who will approve or disallow your requested trade. The Share Trade Authorisation Form FRM-02-03-07 at Annexure "A" must be completed.

2.2 How the law defines insider trading

The Corporation Act 2001 contains the provisions relating to insider trading. Under these provisions, a person is prohibited from dealing in securities where:

- (1) the person possesses information that is not generally available which a reasonable person would expect, if it were generally available, to have a "material effect" on the share price of the Company; and
- (2) the person knows, or ought reasonably to have known, that the information is not generally available and that if it were it might have a "material effect" on the share price of the Company.

Information would have a "material effect" on the Company's share price if the information is likely to influence an investor in deciding whether or not to buy or sell securities in the Company.

The prohibition does not apply to the exercise of options to subscribe for shares in the Company made by a participant in the Bendigo Mining Share Option Plans.

2.3. Key components of the insider trading provisions

- (a) Information
The Corporations Act 2001 provides that "information" includes:

- information obtained both verbally as well as in writing;
- matters of supposition and other matters that are sufficiently definite to warrant being made known to the public; and
- matters relating to the intentions or likely intentions of a person.

(b) Inside Information

The Corporations Act 2001 also provides that “**inside information**” is information where the following are satisfied:

- the information is not generally available; and
- if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company’s securities.

Examples of “**inside information**” may include:

- merger and takeover discussions;
- a change in the Company’s financial forecast or expectation;
- the appointment of a receiver;
- the likely discovery of a major orebody;
- the Company considering the acquisition or disposal of an interest in a major project;
- the threat of major litigation against the Company;
- a recommendation or declaration of a dividend or distribution;
- giving or receiving a notice of intention to make a takeover;
- possible departure of key members of staff; and
- a change in accounting policy.

(c) Information which is generally available

Information is generally available if:

- it consists of readily observable matter; or
- it has been made known in a manner that would, or would be likely to, bring it to the attention of investors who commonly invest in securities in gold mining companies, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- it consists of deductions, conclusions or inferences made or drawn from either of the above sources.

(d) Personal Capacity

An officer/employee could be deemed to be acting in a personal capacity where the officer/employee, spouse or financial dependents may exercise control. This will apply to any account in the name of a corporation, trust or personal superannuation fund in which the officer/employee, spouse or financial dependents have the power to place an order for securities on behalf of that entity.

An officer/employee would not normally be deemed to have control where fully discretionary arrangements are in place with professional fund managers (i.e. most superannuation funds and investment portfolios would normally fall outside these restrictions).

An officer/employee could also be deemed to be acting in a personal capacity where the officer/employee, spouse or their financial dependents can substantially influence the investment decision, irrespective of the person or entity in whose name the account is maintained.

(e) Prohibited conduct by a person with “inside information”

There are a number of insider trading offences that officers and employees may expose themselves and others to, including spouses and dependent relatives.

An officer or employee who possesses "inside information" about the Company which is not generally available, must not:

- apply for, purchase or sell (or agree to subscribe for, purchase or sell) securities in the Company;
- procure another person to do so; or
- directly or indirectly communicate the information to another person if the officer or employee knows, or ought reasonably to know, that the other person would be likely to deal in the securities or procure another person to do so.

3. Guidelines for Trading in Company Securities

3.1 General rule

Affected Parties should not buy or sell securities in the Company when they are in possession of inside information.

Since the Company is obliged by ASX continuance disclosure regime to disclose inside information immediately, there is a view that Company officers are always free to trade in their company's securities.

As a result, however, of certain exceptions to this rule (such as the ability to withhold confidential information prepared for internal management purposes), it is safer and consistent with good corporate governance practice for trading by Affected Parties to be restricted to particular trading "windows".

3.2 Safest times to trade – 2 days after and up to four weeks post disclosure

Strictly speaking, there is no particular time during which it is safe to deal in the Company's securities. The sole test is whether, at the particular time, an individual is in possession of price sensitive information which is not generally available publicly.

As a matter of practice, however, the period commencing two days after and ending four weeks after the annual general meeting and the release of the annual accounts, half yearly results and quarterly results to ASX are the most appropriate times for Affected Parties to deal in securities in the Company. Before you trade, you must contact the Managing Director or Chief Financial Officer, or in the case of a Director the Chairman, who will approve or disallow your requested trade. The Share Trade Authorisation Form FRM-02-03-07 at Annexure "A" must be completed.

Even within these periods, it is important to be aware that there may be occasions when it is improper for Affected Parties to deal in the Company's securities because of their knowledge of impending or actual developments which are not publicly known.

4. Disclosure Policy

Any Affected Party wishing to buy or sell the Company's securities **MUST** advise the Chairman (in the case of Directors), the Chairman of the Audit & Risk Management Committee (in the case of the Chairman of the Board) or the Managing Director & CEO or Chief Financial Officer (in the case of employees, full and part time contractors and other advisors) of their intention to do so **BEFORE** buying or selling the securities. The Share Trade Authorisation Form FRM-02-03-07 in Annexure "A" must be completed.

This notification obligation operates at all times (even during the periods specified in paragraph 5.2 above).

Affected Parties must not buy or sell the Company's securities until approval has been given by the Chairman of the Board, Audit and Risk Management Committee Chairman, Managing Director or Chief Financial Officer, as appropriate.

5. ASX Notification of Directors' Interests

The Company is required, under the Listing Rules of ASX to disclose to ASX details of Directors' interests in securities of the Company and in contracts relevant to securities of the Company. The Company is also required to enter into an agreement with each of its Directors in the form attached and marked Annexure "B" under which each Director is obliged to provide the necessary information to the Company.



1.0 Purpose

The purpose of this form is to obtain approval for the sale or purchase of shares in Bendigo Mining Limited.

DOCUMENT DETAILS

Name:

Department/Company:.....

I request approval to trade in shares in Bendigo Mining Limited.

I confirm that I do not possess any information that is not generally available which would, if it were generally available, have a material effect on the share price of Bendigo Mining Limited (Inside Information).

Signature:

Date:

The above *is approved / *not approved to trade in shares in Bendigo Mining Limited for a period of not more than two weeks from the date of this approval or until they receive Inside Information, whichever is the earlier.

* Delete whichever is not applicable

Signature:

Date:

*Managing Director / *Chief Financial Officer

This form must be submitted, in duplicate, for approval to either the Chief Financial Officer or Managing Director & CEO prior to the trading of any shares in Bendigo Mining Limited by employees, full and part time contractors, advisors and their related third parties.

"Annexure B"

Date

Name of Director
Address

Dear Name

Bendigo Mining Limited (the "Company")

Since 1 January 2002, the Company has been required, under ASX Listing Rules to disclose to ASX details of Directors' interests in securities of the Company and in contracts relevant to securities of the Company. The Company is also required to enter into an agreement with each of its Directors in the form attached hereto and marked Annexure "A" under which each Director is obliged to provide the necessary information to the Company.

If you agree to the following terms, please sign and return the enclosed copy of this letter.

Initial Disclosure

1. The Director will provide the following information as at the date that he/she consents to become a Director of the Company ("Consent Date").
 - Details of all Securities of the Company ("Securities") registered in the Director's name. These details include the number and class of the Securities.
 - Details of all Securities not registered in the Director's name but in which the Director has a relevant interest within the meaning of Section 9 of the Corporations Act. These details include the number and class of the Securities, the name of the registered holder and the circumstances giving rise to the relevant interest.
 - Details of all contracts (other than contracts to which the Company is a party) to which the Director is a party or under which the Director is entitled to a benefit and that confer a right to call for or deliver share in, debentures of, or interests in a managed investment scheme made available by the Company or a related body corporate. These details include the number and class of the shares, debentures or interests, the name of the registered holder if the shares, debentures or interests have been issued and the nature of the Director's interest under the contract.
2. The Director will provide the required information as soon as reasonably possible after the Consent Date and in any event no later than three business days after the Consent Date.

Ongoing Disclosure

3. The Director will provide the following information:
 - Details of changes in Securities registered in the Director's name other than changes occurring as a result of corporate actions by the Company. These details include the date of the change, the number and class of the Securities held before and after the change, and the nature of the change, for example on-market transfer. The Director will also provide details of the consideration payable in connection with the change or if a market consideration is not payable, the value of the Securities the subject of the change.
 - Details of changes in Securities not registered in the Director's name but in which the Director has a relevant interest within the meaning of Section 9 of the Corporations Act. These details shall include the date of the change, the number and class of the

Securities held before and after the change, the name of the registered holder before and after the change and the circumstances giving rise to the relevant interest. The Director will also provide details of the consideration payable in connection with the change or if a market consideration is not payable, the value of the Securities the subject of the change.

- Details of all changes to contracts (other than contracts to which the Company is a party) to which the Director is a party or under which the Director is entitled to a benefit and that confer a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by the Company or a related body corporate. These details include the date of the change, the number and class of the shares, debentures or interests to which the interest relates before and after the change, the name of the registered holder if the shares, debentures or interests have been issued and the nature of the Director's interest under the contract.

4. The Director will provide the required information as soon as reasonably possible after the Consent Date and in any event **no later than three business days after the change**.

Final Disclosure

5. The Director will provide the following information as at the date of ceasing to be a Director of the Company:
 - Details of all Securities registered in the Director's name. These details include the number and class of Securities.
 - Details of all Securities not registered in the Director's name but in which the Director has a relevant interest within the meaning of Section 9 of the Corporations Act. These details include the number and class of the Securities, the name of the registered holder and the circumstances giving rise to the relevant interest.
 - Details of all contracts (other than contracts to which the Company is a party) to which the Director is a party or under which the Director is entitled to a benefit and that confer a right to call for or deliver share in, debentures of, or interests in a managed investment scheme made available by the Company or a related body corporate. These details include the number and class of the shares, debentures or interests, the name of the registered holder if the shares, debentures or interests have been issued and the nature of the Director's interest under the contract.
6. The Director will provide the required information as soon as reasonably possible after the date of ceasing to be a Director and in any even no later than three business days after the date of ceasing to be a Director.

Agency

7. The Director authorises the Company to give the information provided by the Director to the ASX on the Director's behalf and as the Director's agent.

Yours sincerely

(Signature) _____
Director's Full Name

Date