

7 October 2005

Media Release

Bendigo Mining
Limited
ABN 61 005 674 073

Corporate Details:

ASX Code: BDG

Issued capital:

252.9M ord. shares
378.5M (diluted for institu-
tional entitlement issue
and placement)
425.1M (diluted for full
entitlement issue and
placement)

5.5M unlisted options

Major Shareholders:
(September 2005)

APS Asset Management
34.5M (13.6%)
Merrill Lynch Investment
27.4M (10.8%)
General Oriental Invest.
20.7M (8.2%)

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Directors:

Non-Executive Chairman
Bryan Davis
Managing Director
Douglas Buerger
Non-Executive Directors:
Ronald Beevor
Peter McCarthy
Richard Guy OAM
Roy Woodall AO

**For further details please
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Not for release in the United States

First component of \$140 million equity raising undertaken with strong investor support

Bendigo Mining Limited (ASX code: BDG) is pleased to announce that the institutional component of the planned \$140 million equity issue has been concluded to raise approximately \$103 million.

The balance of approximately \$37 million is planned to be raised through the Retail Entitlement Offer which opens on Tuesday 11 October.

The institutional offer comprised an \$84 million entitlement offer and a \$19 million placement. This closed yesterday and was strongly supported by both existing shareholders and new investors. The raising is subject to settlement, scheduled to occur on 12 October 2005, taking place in accordance with the terms of the underwriting agreement.

Commenting on the raising, Bendigo Mining's Managing Director Mr Doug Buerger said, "We are very pleased with the success of the issue and placement and the high degree of support shown by our major shareholders.

"Key institutional fund managers strongly backed the issue by subscribing for their full entitlements.

"With the majority of funds now committed, the company can proceed with the Retail Offer with great confidence and importantly, maintain the momentum of the Bendigo Gold Project."

Documentation detailing the Retail Entitlement Offer to subscribe for 3 shares for every 5 existing shares held at 5.00 pm (AEST) on 7 October 2005 (the Record Date) at the offer price of \$0.80 per share, is planned to be mailed to eligible shareholders next week.

Strong balance sheet to underpin development

The expected net proceeds of the capital raising of \$132.5 million, after capital raising fees, increases available cash to \$210 million (based on 30 June 2005 figures).

Bendigo Mining Limited (ASX: BDG) is an Australian company developing one of the world's largest and highest-grade new gold projects. The Bendigo Goldfield produced some 22 million ounces of gold over a century of mining, and today is estimated to contain high-grade gold mineralisation of over 11 million ounces beneath the historic workings. Once fully developed, the mine is planned to produce over 600,000 ounces of gold a year for more than 20 years, which would position Bendigo Mining as one of Australia's largest long-life gold producers. Phase 1 production is planned to commence by June 2006 at a rate of 120,000 oz/y and build to 200,000 oz/y after three years, with full-scale production of 600,000 oz/y planned to commence in 2011/12.

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