

Bendigo Mining
Limited
ABN 61 005 674 073

Corporate Details:

ASX Code: BDG

Issued capital:
425.2M ord. shares

6.1M unlisted options

Substantial Shareholders:
APS Asset Management
51.0M (12.0%)
Merrill Lynch Investment
44.7M (10.5%)
Jardine Fleming Cap. Part.
34.0M (8.0%)

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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:

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Plant construction 57% complete and on schedule

In the Company's December 2005 Quarterly Report, Bendigo Mining Limited (ASX: BDG) today announced that construction of the Company's gold processing plant remains on schedule and is 57% complete.

Gold production is on track to commence by June 2006 at an initial rate of 120,000 oz/y. Stockpiling of ore has commenced from the Shywoilup ore-body, which will provide the initial feed for the processing plant.

The major capital items for the plant are coming in on budget. However, it is likely that the final capital cost will slightly exceed the initial \$53 million estimate due to increased labour costs that are impacting the industry at large, and some minor changes in project scope.

Commenting on development progress, Mr Doug Buerger, Managing Director, said, "We now anticipate the capital cost to be \$2-4 million higher than the original quote, but it's still within the $\pm 10\%$ margin of accuracy of that estimate. We view the small overrun as a fair result, given the current environment of cost inflation and very tight supply of labour, materials and equipment.

Importantly, development remains on schedule through the outstanding contribution of our staff, contractors and suppliers. With the gold price testing 25-year highs, a serious delay to the project would be of far greater concern than a small capital increase. As such, we are very focussed on making sure there is no slippage on that front."

Bendigo Mining moves to become Owner/Operator by April

Bendigo Mining also announced its transition to owner-mining status has commenced, with the change expected to occur in early April. The first components of the trucking fleet have been purchased, with three Atlas Copco MT5010 50 t trucks secured at a combined cost of \$4.5 million.

Potential new gold reef near existing infrastructure

On the exploration front, recent drilling may have uncovered a new gold zone in the D4 Ribbon on the Deborah line. This result is potentially quite exciting given that the visible gold suggests strong mineralisation, and that the new zone is found close to the north drive development. Doug Buerger commented, "We are not exactly sure what this intersection means, but obviously any high-grade intersection located close to our underground development gets my attention. Follow-up drilling is expected next quarter".

Bendigo Mining Limited is 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.