

Bendigo Mining  
Limited  
ABN 61 005 674 073

**Corporate Details:**

ASX Code: BDG

*Issued capital:*  
425.3M ord. shares  
6.5M unlisted options

*Substantial Shareholders:*  
JF Capital Partners  
51.5M (12.1%)  
Merrill Lynch Investment  
44.7M (10.5%)  
APS Asset Management  
23.0M (5.4%)

*Site Office:*  
66 Ham St  
Kangaroo Flat  
Victoria 3555  
Australia

Tel: +61 (0)3 5447 1834  
Fax: +61 (0)3 5447 1835

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

**For further details:**

Tim Churcher  
General Manager  
Corporate Development  
Bendigo Mining Limited  
Tel: +61 (0)3 5447 1834  
Mobile: +61 (0)419 543 139

Email: [tchurcher@bendigomining.com.au](mailto:tchurcher@bendigomining.com.au)

Website:  
[www.bendigomining.com.au](http://www.bendigomining.com.au)

## A Platform for Growth

Bendigo Mining Limited (ASX: BDG or the "Company") today released its quarterly report for the three months ending 30 September 2006.

Commissioning of the Kangaroo Flat process plant was successfully completed late in the quarter, with 2,161 oz of gold recovered from processing low-grade material. Commercial production was declared after the end of the quarter on 1 October 2006.

The Company announced a downgrade in ore reserves on 9 October, 2006, with further explanation detailed in a follow-up release on 19 October 2006.

The reduction in reserves represents a short-term impact. In perspective, the previous reserve comprised less than 2% of the total resource base of the Bendigo Goldfield. The Company's 11 million ounce Inferred Mineral Resource remains unaffected by the changes to the reserve estimate.

The implications on the operations from the reserve review are:

- Information gained from mine development in the quarter has greatly improved the understanding of gold mineralisation.
- With improved understanding, the Company has greater confidence in defining future mineable targets.
- The situation will continually improve as more data is collected during commercial production.
- Planned gold production for 2006/07 is 50,000 ounces.
- Gold grade is budgeted at a conservative 7 g/t this year and next, but will vary on a monthly basis.
- A possible delay to development of the Eaglehawk Mine by up to 12-months, whilst production at Kangaroo Flat Mine is initiated and stabilised.
- The impact to short term production and cashflow has little material impact on the long-term value of the project.

Non-executive Chairman, Mr Peter McCarthy said, "Our immediate priority will be in proving production from known reefs, and continuing exploration of new reefs to provide future process plant feed.

"The Company's longer-term goal remains the same: to become a 600,000 ounce, unhedged gold producer through the redevelopment of Australia's second largest historic goldfield."

Bendigo Mining had available cash, net of creditors, of \$40 million as at 30 September 2006. However, as a direct result of cost inflation, the loss of gold production this year and continued high levels of underground mine activity, the Company is currently assessing a number of funding alternatives.

There are a range of short-term alternatives available to the Company, and the attractiveness of longer term funding options available to the Company will increase after a track record of production and positive exploration is delivered.

**Company enquiries:**

Tim Churcher  
Bendigo Mining Limited  
+61 (0)3 5447 1834

**Media enquiries:**

Brian Thornton  
Farrington National  
+61 (0)411 366 668