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Lodgement of Open Briefing.**



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Title : Open Briefing. Bendigo Mining NL. MD on High Gold Grades

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Bendigo Mining NL today announced some high-grade gold intersections from its New Bendigo Gold Project including 13.5m @ 58.1 g/t, 18m @ 33.1 g/t, 9m @ 229 g/t and 3m @ 237.1 g/t. How accurate was your geological model in predicting the high-grade ore zones on the Deborah and Sheepshead lines of reef?

Managing Director Doug Buerger

The ribbon repeat model which underpins the 12.3 M oz resource potential of the field has been confirmed by all our results. Also our geological understanding of what controls the mineralisation and therefore our ability to predict where the gold bearing reefs are within the ribbons is much better than I expected it to be at this time and continues to improve by the day.

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You've just tested 50 percent of the strike length of the D3, D4, S3 and S4 ribbons, from which you've defined an Inferred Resource of 700,000 ounces. Might you have underestimated the project's total resource potential?

Managing Director Doug Buerger

Yes. All peer reviews of the 12.3 M oz resource potential have expressed the opinion that it probably underestimates the potential of the field.

The work that we've been doing on the Deborah and Sheepshead line is only on a small section of the total resource potential, which we've estimated at 12.3 million ounces, but it does seem to support the view that we've underestimated the potential of the field. . We expected to define only 650,000 ounces of gold over 100 percent of the strike length of these ribbons and have done significantly better than that.

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In your ASX announcement, you refer to an Inferred Resource for the first time. I assume that is an Inferred Resource as defined under the JORC Code?

Managing Director Doug Buerger

Yes. We are working with people from the JORC Committee to reclassify our project's "resource potential" under the JORC Code definition.

The more important aspect is the level of confidence we have in the resource blocks that we're interpreting from our drilling having a reasonable prospect for economic extraction. Our confidence in the reefs in Sheepshead and Deborah being able to be mined economically continues to increase.

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What immediate plans do you have to define more Inferred Resources as defined by the JORC Code?

Managing Director Doug Buerger

We will continue to build on that initial Inferred Resource through more drilling and by obtaining more assays from reef intersections to understand the distribution of the gold. We are building up a bigger statistical picture, allowing a better estimation of grade ranges, which we will soon be able to apply to the resource blocks we define. That will continue over the next couple of months.

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The results of preliminary ore process testing indicates recoveries of 99 percent. What recoveries were assumed in Australian Mining Consultants Conceptual Study on the project released in April this year?

Managing Director Doug Buerger

We used a recovery of 95 percent.

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The process testing also indicated it could be possible to process the ore without using cyanide in the main recovery circuit. What are the benefits of that, in particular the impact on capital costs?

Managing Director Doug Buerger

The initial process testing shows that the ore is amenable to gravity extraction and flotation and therefore we may not need cyanide in the main circuit. If we can avoid using cyanide in the plant we will have one of the most environmentally friendly gold mines in the world.

Not using cyanide should also reduce the amount of capital required for a processing plant, but before we talk about new numbers we need to verify the metallurgical results and then we can more sensibly work on plant designs and capital and operating cost estimates.

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We discussed the expected financial returns of the New Bendigo Gold Project in an Open Briefing released on 14th June. Does the data released in today's announcement make you alter the financial forecasts for the project?

Managing Director Doug Buerger

Some of the results, particularly with the recoveries at 99 percent rather than 95 percent, would have a fairly significant impact on the project's financials. However, we first need to verify the test results before we adjust our financial forecasts. In any case, the numbers we released in June show that we already have a financially very robust project.

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Thank you Doug.