



New Bendigo Gold Project Newsletter

Bendigo Mining N.L.
ABN 61 005 674 073

Site Office: P.O. Box 2113
Vic 3554
Phone : (03) 54471834
Fax : (03) 54471835
Email : gold@bendigo.net.au
Web Site: <http://www.bmnl.com.au>

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PROJECT HEADS INTO NEW PHASE

The exploration program has so increased the confidence in the size and grade of reefs across the field, that the Board of Directors has set the Company on an accelerated path towards gold production.

Exploration drilling

Drill testing of the Sheepshead and Deborah anticlines from the Swan decline in the south of the field has identified eight gold bearing reefs of similar size and tenor of gold mineralisation of the shallower historically mined reefs. Typical reef widths of 10 metres and heights of 30 metres are indicated.

Three drill rigs are operating underground, drilling into the Deborah and Sheepshead anticlines. The rigs are using the lower reaches of the Swan decline as a drilling platform.

Description of works

Bulk sampling of the St Anthony Reef is nearing completion. Underground development was completed in early February and treatment of the samples at the New Moon plant in Eaglehawk will be finished by March.

Upon completion of the extraction of the bulk samples from the St Anthony Reef, underground development has been suspended pending geological interpretation of all the results from drilling and bulk sampling. Recommencement of decline development is part of the next phase of the project. The next phase will start in April 2001 and will enable the Company to make a production decision by early 2002.

Rehabilitation work

At the end of last year a total of 70 species were established in the rehabilitated areas at the Carshalton site. This compares favourably with the biodiversity in the neighbouring forest. Further revegetation work will commence in autumn.

Dewatering

The monitoring program has proved very effective as it has shown that in high winds some leaves of trees close to the pond boundary were affected by the sprays. The implementation of the auto cut-off system for the sprays has eliminated this problem. The auto cut off system was installed in October last year and the plants have already started to recover.

Marilyn Sprague said "I feel quite confident now that the source of the damage has been eliminated." Monitoring will continue to ensure this is the case.



VALÉ – PATRICK STEVENS.

On February 1st 2001 Patrick Stevens, aged 19, was killed in a tragic accident at the mine whilst carrying out repair work on an underground truck.

Patrick had worked as part of the maintenance team at the mine for the past year. He was also studying for a degree in Business Management at La Trobe University, Bendigo Campus, and had deferred his course this year to work full-time. Prior to working at Bendigo Mining, he had worked at Reef Mining in his home town of Tarnagulla.

Patrick was a respected and well liked member of the Bendigo Mining family. He was a bright, intelligent, energetic and motivated young man who had the world at his feet. His wonderful sense of humour and cheeky smile are fondly remember by all fortunate enough to have met Patrick.

A memorial service was held at the mine for family, friends and workmates and he was laid to rest in Tarnagulla last week after a thanksgiving service.

During the months of December 2000 and January 2001 over 407 megalitres of water was evaporated from the ponds. Additional monitoring bores were installed to the west and north of the ponds during January.

Long term management plans for the treatment of mine water are being developed.

Advisory Board

The Bendigo Mining Community Affairs Advisory Board has been advising the Company on community issues for several years.

Maxine Crouch had been the Chairman of this Board for the past 18 months and her expert guidance and enquiring intellect will be greatly missed.

Sadly Maxine passed away on February 11th after a long battle with cancer.

Current members of the Advisory Board are:

Cr. Willi Carney, Cr. Ann Jones, Cr. Daryl McClure, Mrs Fay Buerger, Mr Bill Lucas, Mr Peter Galvin, Mr Leighton Rawlings, Mr Bryan Lewis.

The Board meets regularly throughout the year

Environmental Review Committee

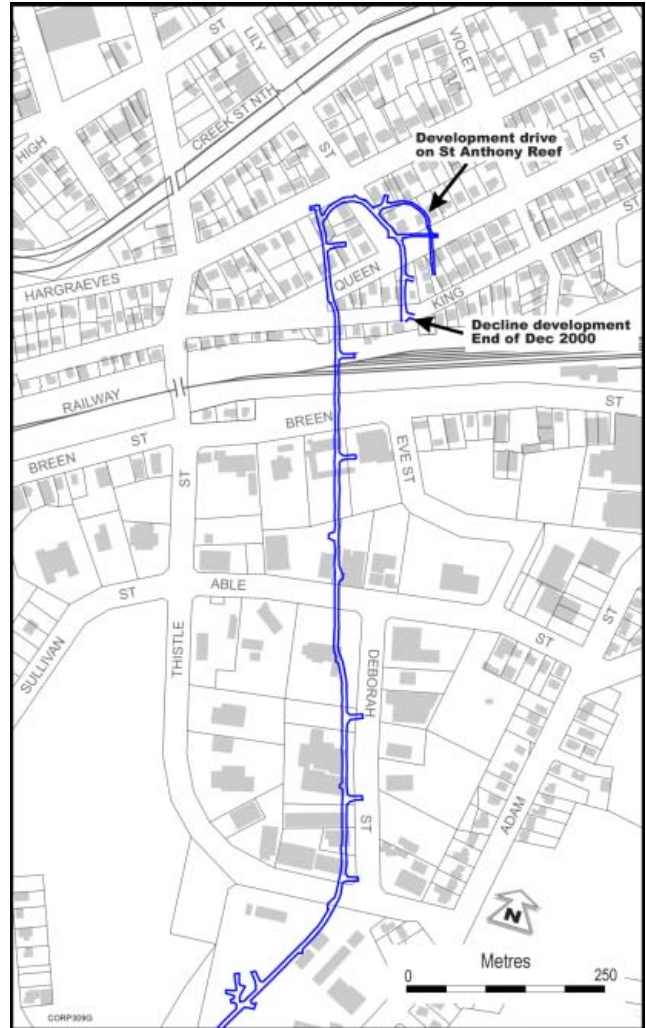
Your representatives are:

Mr Bernie Cusack, Mr Ken Draper, Mr Maurie Lewis, Mrs Mary Markey, Ms Greta Suttie (alternate), Mrs Carla Daly/Ken Trew (Woodvale alternates)

Environmental Trust Fund

The Bendigo Mining Environmental Trust Fund is calling for applications for the next round of funding from school and community groups.

The closing date for applications is March 31st 2001. Applications are available from the Bendigo Mining office.



Miners working with the underground jumbo drilling machine.

Safety

Public Safety is of utmost importance to Bendigo Mining. All visitors to the site must report to the Administration Office and it is important that no unauthorised persons enter restricted areas under any circumstances. A security fence encloses the entire site.

This newsletter is published in the interests of keeping the public of Bendigo informed with the activities of the
New Bendigo Gold Project.

**FOR FURTHER INFORMATION CALL 1800 640 959
OR VISIT OUR WEB SITE www.bmnl.com.au**