



New Bendigo Gold Project Newsletter

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GOING FOR GOLD !

Bendigo Mining is now actively raising the funds required to move to gold production.

Managing Director, Mr Doug Buerger, recently visited a select list of local and overseas gold companies and specialist funds as part of the fund raising effort. The Company intends to raise approximately \$56 million for Stage One of the project. In May 2001, a first tranche of \$6 million was raised from Uni Super, a present shareholder.

The initial rate of production is expected to be 250,000 tonnes per annum to produce 90-100,000 ounces of gold annually. Two subsequent production increases will result in an annual gold output of 450-500,000 ounces by 2007.

The Company's conceptual mine plan indicates a mine life in excess of 25 years with an optimal production rate of 450-500,000 ounces per annum at a cash cost of A\$150-200 per ounce.

Exploration

The exploration team continue to work on "drilling out" (defining) the ore bodies within the ribbons on the Sheepshead and Deborah Lines of Reef.

Two drilling rigs are currently operating underground in the Swan Decline. 4,387 m of drilling has been completed during April and May 2001. The results continue to confirm the company's expectations.

A data room has been established in order to facilitate capital raising. This room contains all the technical data required for independent assessment of the Company's assets (hard and geological), finances, and mine plans.

More staff have been employed so that the research of historical workings can be expedited. This information is required for both mine and dewatering planning.

Underground development

Decline development work remains suspended whilst geological evaluation and fundraising are completed. It is expected that underground development will recommence on the Swan Decline in the latter part of 2001.

ROAD WORKS IN HAM STREET

Local residents are now enjoying the completed road works in Ham Street. The City of Greater Bendigo together with Bendigo Mining contributed to the cost of the upgrade of Ham Street. The Company has also developed a new road into the Carshalton site. We thank everyone for their co-operation during the period of the road works. We can now all enjoy a safer road way.

BENDIGO TO HOST MINES RESCUE COMPETITION – AUGUST 3RD – 5TH

Bendigo will host the ninth Victorian Mines Rescue Competition this year. The competition attracts teams from all over Australia and is limited to 10 teams.

The local team, OSCAR 1, has personnel from Bendigo Mining, CFA, SES, Waterfall Quarries and other volunteers.

The member for Bendigo East, MLA Jacinta Allan, presented a cheque for \$6,000 to assist with the running costs of the competition. Ms Allan said "volunteers formed a very important part of the competition." She commended the voluntary effort by industry personnel and instructors for their preparation and involvement in the event.

The competition is organised by the Victorian Chamber of Mines and the local administrator, Wendy Cook, said that the main function of the competition is to provide practical training to teams from various mine sites throughout Australia.

Skills tested include fire fighting, first aid, rope rescue and search and rescue.



Above: MLA Jacinta Allan, Doug Buerger and Wendy Cook admire the Mines Rescue Trophy.

Rehabilitation

Marilyn Sprague of Goldfields Revegetation has produced 4 large posters illustrating the enormous diversity of indigenous plant species now established on the bund wall at the mine site. Schools, community groups or individuals who would like a copy of the posters should contact Bendigo Mining.

Revegetation of the road verges on the new access road from Ham Street into the mine will commence this season.

Propagation of plants for use at the Woodvale evaporation facility and the surface drill sites is well underway.

Rehabilitation cont...

Monthly monitoring of vegetation at Woodvale identified some salt damage. The spray system is now only being operated when personnel are working at the Woodvale site and a new automated controlling system will be installed and adjusted to switch off at a lower wind speed. The latest monitoring of vegetation conducted mid June showed no further damage.

Dewatering

DESALINATION PLANT FOR WATER TREATMENT.

Plans to install a desalination plant to treat the water from the old and new workings beneath Bendigo are underway. The plant, which will be located at the New Moon site, will occupy a small area within the existing compound. Treatment of the water will produce a significantly superior environmental result. This will be achieved by the production of clean water, which will then be available for a variety of uses. The plant will operate quietly and with no other emissions.

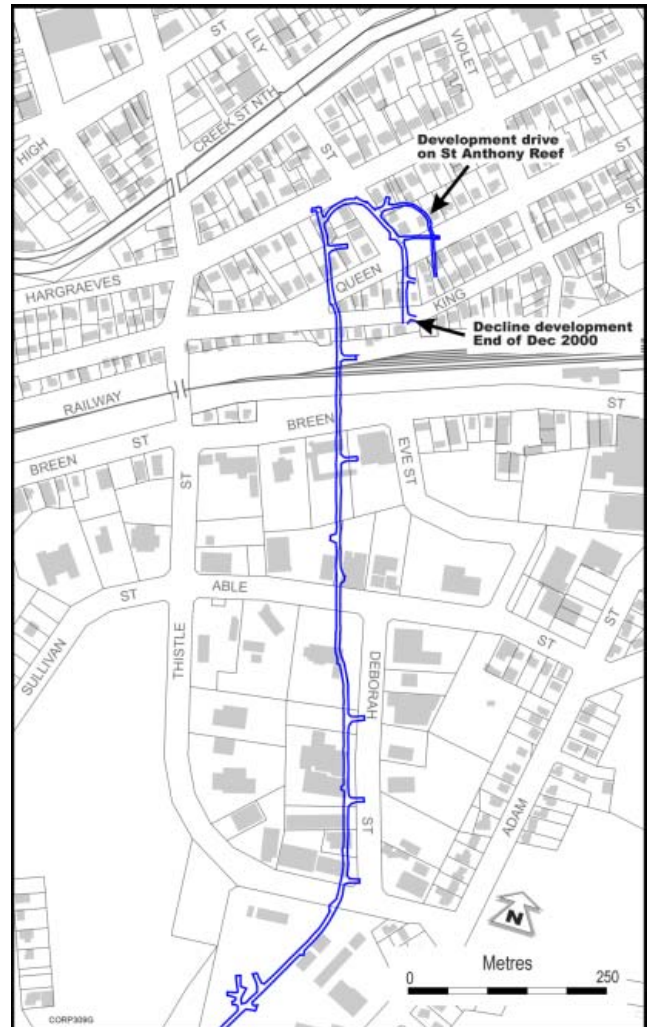
Water continued to be pumped from the Carshalton, Red White and Blue Consolidated and New Moon shafts and is pumped to the evaporation ponds at Woodvale. Evaporation rates for the last two months were: April 94.4 ML and May 69.3 ML.

Bendigo Mining Environmental Trust

During the latest round of funding the following schools and community groups received funding from the Trust.

Eaglehawk Secondary College, Golden Square Primary School (Laurel Street), Lockwood South Primary School/Upper Spring Creek Landcare Group, Huntly Kindergarten, Flora Hill Secondary College, Wildlife Rescue and Information Network Inc., St Francis of the Fields Primary School, Golden North Centre - Spastic Society of Victoria, Dr Harry Little Memorial Pre-School, Bendigo Special Development School.

Applications for the next round of funding close on 31st August 2001. Application forms can be obtained from Bendigo Mining, Box 2113, Bendigo Mail Centre 3554.



Advisory Board

The Bendigo Mining Community Affairs Advisory Board meets regularly throughout the year.

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 and Mr Dennis Demeo, who was recently appointed to the Board.

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)

Left: Golden Square Primary School students check revegetation with Marilyn Sprague from Goldfields Revegetation.

Mr John Wakker (teacher) with Erica Dalrymple-Monro, Corrinne Packham and Ashley Kenyon .

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**