



New Bendigo Gold Project Newsletter

Bendigo Mining N.L.
ABN 61 005 674 073
Site Office: 66 Ham St
Kangaroo Flat
Vic 3551
Phone : (03) 54 471 834
Fax : (03) 54 471 835
Email : info@bmn1.com.au
Web Site: http://www.bmn1.com.au

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A GOLDEN SPRING ON THE CARSHALTON SITE

With more than 80 indigenous species now established on the Carshalton mine site numerous wattle species have been in full bloom over the last month.

Marilyn Sprague of Goldfields Revegetation has produced a series of 4 colour posters depicting the many local indigenous plants now flourishing on the mine bund wall.

Copies of these posters may be obtained from the Bendigo Mining office by telephoning 5447 1834.



Kimberley Bradley inspects the growth on the bund wall.

BENDIGO MINING ON TRACK IN QUEST FOR CAPITAL.

Bendigo Mining is on track to secure \$50 million of funding for the first stage of development to take the Company through to gold production. The Company hosted a number of site visits by notable members of the gold industry over the past months. Six expressions of interest have been received from major Australian and international mining companies and corporate investors.

The Bendigo Mining Board, assisted by its advisers NM Rothschild, have assessed the offers and compiled a short list with a view to finalizing negotiations with a preferred party.

Once the funding is in place the company will move forward into the first stage of production.

NEW DIRECTOR APPOINTED TO BENDIGO MINING BOARD

On September 1st the Bendigo Mining Board announced that Mr Roy Woodall AO had accepted an appointment as a non-executive director of Bendigo Mining.

Mr Woodall has 49 years experience in both mining geology and mineral exploration and managed Western Mining Corporation's very successful exploration program for 28 years. He was a director of WMC for 17 years.

Mr Woodall is on the boards of a number of companies and serves on the South Australian National Parks and Wildlife Council. Several national and international societies have honored him for his services and he has been inaugurated into the Mining Hall of Fame.

Bendigo Mining is honored to have somebody of Mr Woodall's experience and stature on the Board.

OSCAR 1/CFA MINES RESCUE TEAM. BENDIGO MINING'S GOLDEN VOLUNTEERS

Bendigo has an expert volunteer mines rescue team on call for any local emergencies. The team is made up of volunteers who also train with the CFA and SES. The Oscar 1 team recently entered the Australian Mines Rescue Competition held in Bendigo and performed very capably.

The team comprises: Phil Marsh (Captain); John Maher (Vice Captain), Rob Marsh, Al Symes, Darren Elliott, Lyn Mills, Jason Lea, Andrew Justice, Jim Wilding, Brian Fleming, David Priest, Tim Carr and David Fenn.

Bendigo Mining is very proud of the efforts and training standards of the team and acknowledge the professional way in which they respond to emergency situations.

Anyone wishing to join the Mines Rescue Team should contact Mike Botting at Bendigo Mining.

EXPLORATION

The drilling undertaken from the Swan Decline has successfully delineated 12 reefs containing an estimated 700,000 ounces of gold. These results were substantially better than expected and bode well for the future success of the project. Drilling is continuing to test the reefs both to the north and south on the Sheepshead and Deborah Lines of Reef.

Research of historical information is continuing with research completed for 220 shafts within the goldfield.

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 later this year.

REHABILITATION

Over the past month rehabilitation work has been conducted on a number of sites.

At the Carshalton site rehabilitation has begun along the new entry road to the mine and maintenance work on the bund wall was ongoing. Some further planting on the bund wall has also been completed.

The drill sites at Lansell's 616 and Williams United will be rehabilitated shortly.

At Woodvale the planting around Pond 6 has been completed for this year. Some damage to vegetation around the ponds was recorded in July and evaporation sprays have been turned off until the vegetation recovers. Adjustments have been made to the system that automatically switches the sprays off in windy conditions. Vegetation monitoring at Woodvale is undertaken monthly.

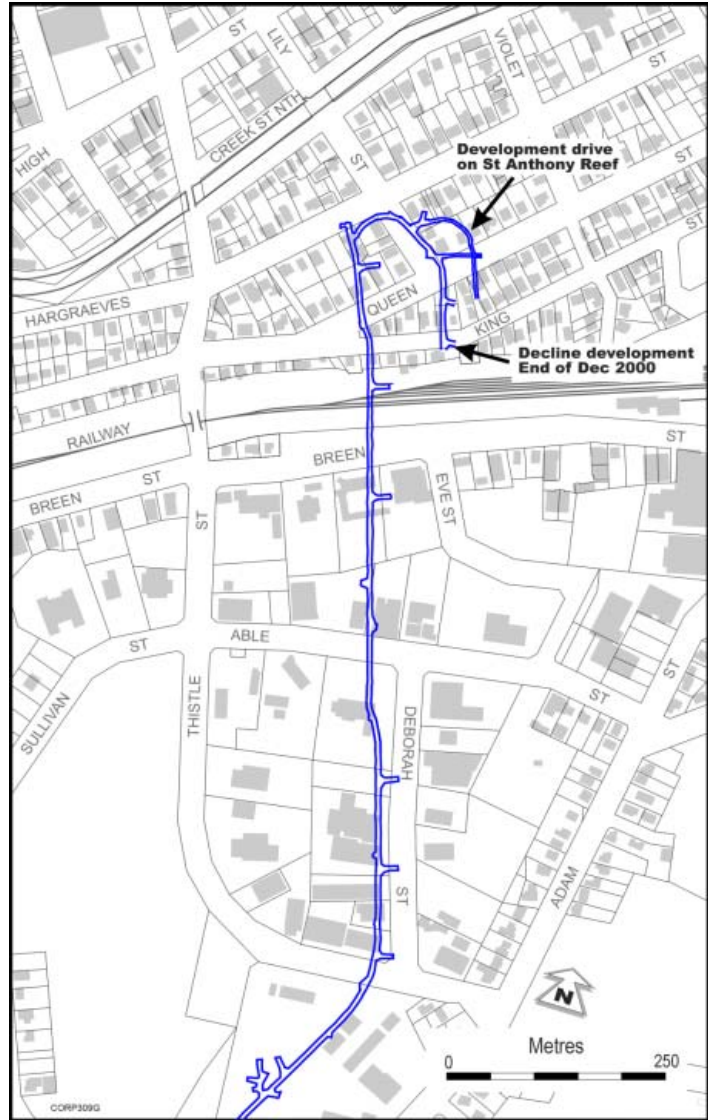
DEWATERING

Plans to install a desalination plant to treat the water from the old and new workings beneath Bendigo, are being developed. It is expected that this plant will be in operation in 2002.

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 for June was 65 ML, and July 59.7 ML.



Melbourne University Resource Management students inspect the rehabilitation at the Carshalton site with Marilyn Sprague.



Development on the decline has been suspended while the drilling program continues to define further targets at depth.

ADVISORY BOARD

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

Ms Marika McMahon has recently been appointed to the Board.

Other Board Members are:

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

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)

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**