

News in brief

Process plant

We have moved a step closer to our first gold pour by June 2006 with construction of the \$53M process plant beginning at Carshalton.

Initial earthworks are well underway, which involves the excavation of a site approximately 110 m wide by 230 m long in which the plant will be built, about 10 m below surface.

A photo outlining the location of these activities and other construction work is provided on the back page of this newsletter.

Williams United

Baseline studies are now underway at the Williams United site in Eaglehawk, where we have had approval to develop a mine since 1997.

Monitors have been placed at several homes close to the approved site to ascertain current conditions.

The Williams United site is within a broader region defined by Caldwells and McCormack Rds, Peg Leg Rd and Loddon Valley Hwy.

The studies are the first step to finalise plans for the site, expected to take at least six months.

Water treatment at Eaglehawk

The discharge of water to Lake Neangar from our water treatment plant continues, benefiting Eaglehawk clubs and organizations who draw water from the lake. We have been pumping to the Lake since December, helping to improve water quality and environmental flows. The water treatment plant has a capacity of 1.7 megalitres (1.7 Olympic-size swimming pools) a day. We eventually hope to treat up to five megalitres a day for community use, pending approvals and permits.

Carshalton site expansion

Following SEES approval late last year and detailed designs of the tailings and rock storage areas, a work plan variation for the East Carshalton site is being prepared for approval by the Department of Primary Industries. This will follow review by government agencies and the Environmental Review Committee.

Workforce update

Employee numbers at the mine continue to climb and are now 140-plus, rising by 100 in the last 12 months. Recent additions to the team include four emergency response trainees (see story), while the Macmahon underground team has taken on 14 newcomers since May. Truck drivers, jumbo and bogger operators, offsidars and fitters are among the new staff. Apprenticeships were also advertised recently in the Bendigo Advertiser.



Above: the existing Christine reef, and (below) a diagram outlining the location of the Alexandria reef.

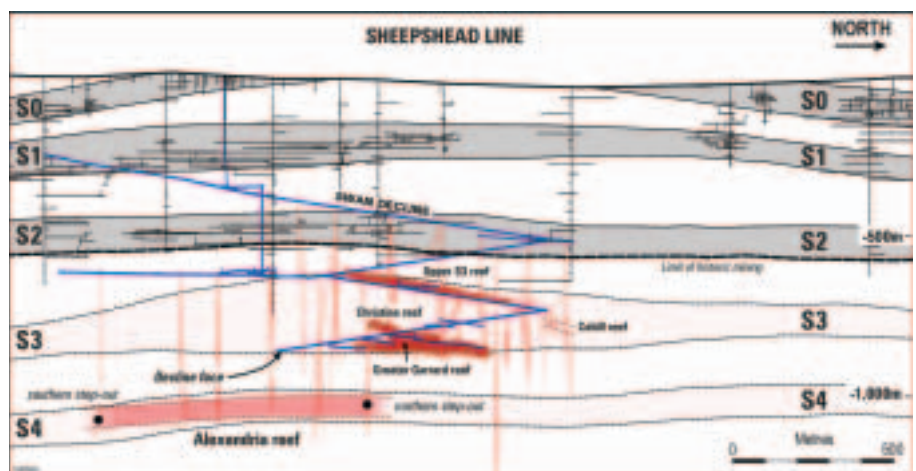
New reef discovered

In an exciting development at Bendigo, recent drilling has discovered a major gold-bearing reef located close to existing mine development.

The new reef, named the Alexandria Reef, is situated on the Sheepshead Line at a depth of 1,000 m, some 150 m below the decline.

Drilling has confirmed the reef's position and shows it is at least 900 m long, varies between 3-10 m wide and is approximately 50 m high. It may extend to the north and south.

The discovery is the largest gold-bearing reef identified by our exploration and could become a major new source of production in the next few years.



Newsletter newcomers

As Bendigo Mining expands its operations, our community newsletter will be distributed more widely. Welcome to our new readers.

If you know someone who would like to be added to our mailing list, please ask them to call us.

Need to contact us?

Ph 5447 1834
Fax 5447 1835
Email info@bendigomining.com.au
www.bendigomining.com.au

24 Hr Hotline

1800 640 959

Chief Operating Officer's Report



I am very happy to report that over the last three months we have seen significant progress in all areas of the project. Whilst the rain in June has delayed works at Carshalton and Woodvale, there's no doubt Bendigo needed it.

In the mine, development of the tunnel is progressing at about 200 m per month: to the north, towards the Central Deborah area at about 850 m depth, and at the south, under the Quarry Hill golf course, at about 700 m depth. More mining machinery including jumbo drill, loader and trucks has arrived on site. Manning is being increased in order to operate the additional fleet and provide ancillary services.

At our Adam Street site, the raisebore contractor is preparing to drill a 3.5 m diameter ventilation shaft parallel to the existing shaft. The new shaft is about 20 m from the existing shaft. A further depth extension to these shafts will be drilled from underground to extend the ventilation system to about 800 m below surface.

Underground diamond drilling has continued to explore the Deborah and Sheepshead lines producing very positive results. The results of this drilling continue to extend the resources available for mining and provide additional detail for mine planning.

Our process plant project engineer, Ausenco Limited, has brought the first of their team to site and excavations for the plant began in May. The excavations are being undertaken to locate the plant "below ground" in order to minimise noise emissions. This will be followed by concrete foundations and plant construction. The first gold pour remains scheduled for June 2006. We have undertaken to regularly inform our near neighbours of construction activities and progress.

At Williams United, near Eaglehawk, we have commenced baseline environmental monitoring. You may be aware, the Company has approval to develop an open cut and underground mine plus ore treatment facilities at this site. It is likely that access to these mining areas will be by decline, using a similar mining approach to that at Carshalton. Given advances in technology and our recent approvals, we are working continuously on the studies of this northern mine to ensure that we can communicate plans to the residents of Eaglehawk as soon as possible.

Our aim remains to effectively communicate with our neighbours as the project moves through construction and into production. We apologise for any inconvenience that our construction activities may cause. We will continue to do our best to be responsive to the concerns of residents and to modify our operating practices to minimise off-site impacts.

I trust that the rain will keep falling wherever it is needed.

Rod Hanson

Who's Who at Bendigo Mining

Brad Turner Safety Co-ordinator



Brad Turner joined Bendigo Mining in 2004 from Cannington in North-West Queensland. Cannington is the world's largest silver and lead-producing underground mine, so Brad came to Bendigo with a wealth of experience. Brad has recently been appointed the Safety Co-ordinator on site which involves the education and monitoring of employee health and safety, and ensuring regulatory requirements and Victorian Occupational Health and Safety standards are met. Brad has a Bachelor of Occupational Health and Safety, Certificate of Industrial Hygiene and a Certificate of Surface Mining. When he's not working Brad loves to get fit and physical by playing his beloved Rugby Union with the Bendigo Fighting Miners.

Age:
29

Occupation:
Safety Co-ordinator

What do you like about your job?
Being able to cross all boundaries

in the workplace, working with everyone from the do-ers to senior management.

Most memorable work moment?
Working on a gas rig in the Andaman Sea with a half Myanmar/Indonesian workforce. Trying to communicate in day-to-day conversations and get information across.

Highest Level Rugby Played:
Queensland Country

Favourite Drink:
Boags Draught

Favourite Food:
Chicken & Salad

Last Book Read:
An Open Swimmer - Tim Winton

Preferred Music:
Blues & Roots

Favourite Movie:
A Time to Kill / Braveheart

Three items that you would take if stranded on a desert island?
Hat, Water, Book - *Men are from Mars Women are from Venus!*

ERC farewells Maurie and Ken

Longstanding Environmental Review Committee (ERC) representatives Ken Draper and Maurie Lewis will be taking some well-deserved 'time out', choosing not to re-nominate for our ERC.

The pair have served a collective 15 years in their role as voluntary community representatives, bringing community issues and feedback to the attention of the committee and Bendigo Mining.

We would like to thank Ken and Maurie for their valued contribution to the ERC and their many years of work in representing community interests.

It is anticipated that the new ERC community representatives will be announced by the City of Greater Bendigo by the end of July.

Community Clipboard

Carshalton Updates

We are now issuing regular project updates for immediate neighbours at our Carshalton site.

The first of these updates, which we expect to be fortnightly, has been distributed with the aim of ensuring neighbours are aware of the main construction activities occurring on our site.

Each update will provide a projection of upcoming construction activities at Carshalton and a table of recent noise monitoring results. If you would like to receive a copy, please call 5447 1834 and ask for Deanne.

Community Attitudes Survey

Our annual community attitudes survey will be carried out in the week Wednesday, July 6 - Wednesday, July 14. An independent consultant conducts the annual survey to ascertain community attitudes towards our operations amongst people in our site neighbourhoods and within the broader community.

The information you provide is strictly confidential – that is, no names or personal details are passed to us - and is used to help us work more effectively with the community in identifying and addressing social impacts.

The random phone survey will be carried out by staff from I-View and should take about ten minutes to complete.

Thank you to those who agree to take part, as your feedback helps us understand your views and take them into account as we undertake our activities.

Environment grants

Congratulations to the winners of the April 2005 Environmental Trust Fund grants. They were: Eaglehawk PS, for a newspaper brick project; Eppalock PS, for the development of an 'outdoor classroom'; and the Wildlife Rescue and Information Network (WRIN) to purchase food and warning lights for animal rescues. Applications for the next round of grants close in September.

Wet work at Woodvale

Recent rain has been a godsend to farmers, but has resulted in delays to improvements and construction work at the Woodvale ponds with machinery stranded in the wet conditions.



Hard at work: a roller compacts the base of one of the ponds.

Despite this, says Mining Manager Tom de Vries, the upgrades to pond one are almost complete and significant progress has been made on a further two ponds.

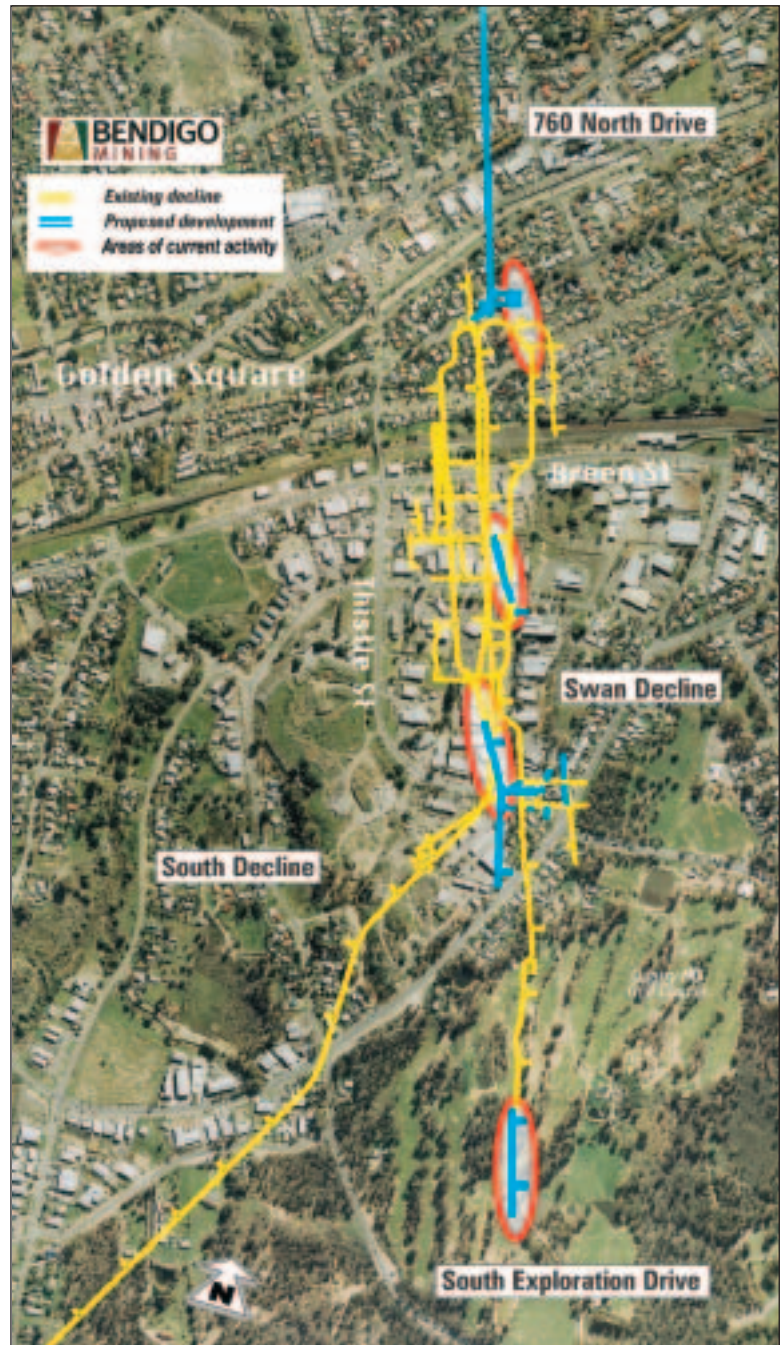
"We had a good run with the weather for a while so we were able to get a lot done before the rain set in," he says. "It was a real hive of activity out there for many weeks and we actually had more machinery at Woodvale than we had underground at the mine."

"While we've done some preliminary work on the new pond area, the upgrades have been our priority."

The remaining quality control measures, permeability testing and island rehabilitation for pond one are expected to take about three weeks pending a sufficient break in the wet weather.

Rainwater in ponds currently targeted for further work is being pumped to other ponds to allow earthwork to resume. They too are expected to take no more than a month to complete given good weather conditions.

Construction of the new pond has involved the stripping of soils so far. The base of this area must be compacted before any more work can occur. In the meantime, says Tom, the use of pond six and the water treatment plant will enable the mine to sustain the current dewatering rate until November.



Underground development is pushing ahead (above) with the decline advancing north and south from its current position at the rate of 200 m per month. This will soon increase to more than 300 m per month.

Areas targeted for development are marked in blue.

Community Advisory Board

The Community Advisory Board meets regularly to provide valuable feedback on views and concerns in the community.

Board members are Fay Buerger, Dennis Demeo, Cr. Rod Fyffe, Ann Jones, Bryan Lewis, Bill Lucas, Daryl McClure, Marika McMahan, Leighton Rawlings, Leon Scott and Maurie Sharkey. For contact numbers, please call 5447 1834.

Trainees and apprentices: training up local youth

Bendigo Mining welcomed more new faces this month including four Emergency Response Officers (ERO's) and four Trainees. ERO's are the first people to respond to an incident on site and provide first aid, rescue, fire control and security as required. Two of the officers, Mick Tremayne and Rob Marsh, bring significant experience with them. Mick has worked in mine security at Tom Price in WA and Rob is a member of the SES, CFA and the 2004 award-winning Oscar 1 Mines Rescue Team. Working with them and benefiting from their experience are trainees Kylie Davis, from Eaglehawk; Tyson Ellery, from Strathdale; Riley Lonsdale, from Elmore and Josh King, from Elphinstone, who are enthusiastic about their new roles.

Kylie, a member of the CFA and the Mines Rescue Team, says she loves the variety of the job and the chance to put new skills into practice. Tyson, also a member of the Bendigo CFA, enjoys working in an industry that relates to his personal interests. "I've always had an interest in emergency services and wanted to be a firefighter all my life, so mines rescue is a similar area," he says.



Above L-R: Mick Tremayne, Rob Marsh, Tyson Ellery & Kylie Davis

"Helping people in those sorts of situations is a bit of an adrenalin rush."

After completion of the four-year traineeship under the guidance of their mentors, the

Bendigo teenagers will be qualified ERO's. "Once we are fully trained up, we will be the ones on hand if ever there is an emergency at the mine," Kylie says.

Bendigo Mining and Macmahon Underground are also preparing to take on the site's first apprentices. Advertisements for two diesel fitters appeared recently in local papers, providing opportunities for local youth to enter the mining industry.

Macmahon Project Manager Greg Peden expects to appoint the apprentices soon and says they will gain broad exposure to mining sites and maintenance facilities throughout Australia through the Macmahon apprenticeship program. He says Bendigo is one of the best sites in Australia to complete such an apprenticeship.

"The ability to give young people exposure to the various facets of the apprenticeship is much better in Bendigo than a remote (mine) site because of the variety of facilities and external training suppliers. It's a much broader learning curve."



Carshalton site works

Left: significant construction activities taking place at our Carshalton site include excavation of the process plant (mill) site, extension of the existing car park area, and a new stores area and security building, as marked.

Monitoring and 24-hr hotline

With the amount of construction activities across our sites, it's been a hectic few months for the environment team. Team members are constantly out and about, loggers in hand, keeping a check on impact at homes closest to our sites. Nevertheless, if you have been disturbed by our activities, please give us a call. Our 24-hour free call number is 1800 640 959.