

Bendigo Mining
Limited
ABN 61 005 674 073

Corporate Details:

ASX Code: BDG

Issued capital:
425.2M ord. shares
5.5M unlisted options

Substantial Shareholders:
APS Asset Management
46.7M (11.0%)
Merrill Lynch Investment
44.7M (10.5%)
JF Capital Partners
38.7M (9.1%)

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Directors:
Non-Executive Chairman:
Peter McCarthy
Managing Director:
Douglas Buerger
Non-Executive Directors:
Ronald Beevor
Richard Guy OAM
Roy Woodall AO

For further details:

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Bendigo Mining remains on track Alexandria reef outlined over 1.2 km Admission to S&P/ASX200 index

In the Company's March 2006 Quarterly Report released today, Bendigo Mining Limited (ASX: BDG, "Bendigo") reported that plant construction at the Kangaroo Flat Mine was now 83% complete and remained on track for commissioning in the June 2006 quarter. Initial production from the Kangaroo Flat Mine (south mine) is planned to be 120,000 oz/y, ramping up to 200,000 oz/y over the next three years.

During the quarter, exploration drilling successfully outlined a 30% increase in the defined length of the Alexandria reef; which is now some 1.2 km long and remains open. The south decline is pushing down to get closer to this reef to provide underground platform for reserve drilling later this year.

Move to owner-mining completed

In a difficult environment to source people and equipment, the Company was pleased to report that it moved smoothly from contract mining to owner-mining on 2 April 2006. Bendigo Mining Managing Director, Mr Doug Buerger commented, "We have been very pleased at the high level of acceptances received from the former mining contractors to come and join us. Our operational needs are now met by a full compliment of Company-employed underground workers, operating our own mining fleet."

The Company announced that site works at the Eaglehawk Mine (north mine) have commenced. The start of decline construction is forecast for the September 2006 quarter.

Preparing for commissioning

In preparation for a production start next quarter, the Company is highlighting that early production grade and cash costs are expected to be volatile. "Typical of many new underground gold mines, we do expect early production grade volatility, with the likelihood of lower initial grades. With a 20-year development plan in front of us, I'm not going to overreact to grades which are above or below the reserve grade on a quarter by quarter basis," Mr Buerger said.

No gold hedging

Mr Doug Buerger added that, "Our policy of not hedging gold production is looking very attractive at the moment. The gold price is certainly rising at a faster rate than costs, hence our early cashflows should be stronger, as long as we deliver on the production front.

"With the rising gold price and our progress towards production we have seen a substantial increase in the market capitalisation of our Company. The increased size and liquidity has culminated in our admission to the S&P/ASX 200 index on 17 March 2006. We are now the third largest gold company in the index and this is certainly significant. However the real milestone is first gold production next quarter." Mr Buerger said.