

Bendigo Mining
 Limited

ABN 61 005 674 073

Corporate Details:

ASX Code: BDG

Issued capital:

 495.4M ord. shares
 2.2M unlisted options
 2.1M unlisted perf. rights
 3.2M unlisted share rights

Substantial Shareholders:

 St Barbara 49.5M (10%)
 Orbis Funds 36.7M (7.4%)
 STRS Ohio 32.1M (6.5%)

Directors:

 Non-Executive Chairman:
 Peter McCarthy
 Managing Director:
 Rod Hanson
 Non-Executive Directors:
 Ronnie Beevor
 Richard Guy OAM
 David Ransom

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Bonanza grade ore

Bendigo Mining Limited (ASX: BDG) is pleased to report that trial mining at its Kangaroo Flat Mine in Bendigo, Victoria has delivered some exceptionally high grade ore. The processing of trial mining block MB8 produced 2534 ounces of gold, valued at \$2.8 million, from 2799 tonnes at a head grade of 28.9 g/t gold. The large amount of gold recovered from block MB8 has lifted the average grade of Gill reef processed to date by around 27% to 8.1 g/t gold. Excluding low grade blocks that were identified prior to processing, the average grade of Gill reef is 9.9 g/t gold.

Rod Hanson, Managing Director & CEO comment: "Bendigo has a record of producing bonanza grade ore from within larger reef systems. We had an expectation that Gill would contain some extremely high grade zones, but mining of the reef was required to prove it. Producing ore at nearly one ounce per tonne is a great outcome." said Mr Hanson.

Details of new blocks processed since the release of the September quarterly report, on 29 October 2008, are highlighted in bold below.

Mine Block Summary		
Mine Block	tonnes	Grade g/t gold
MB1	3837	5.7
MB2	3744	4.6
MB4	4605	7.0
MB5	2883	7.4
MB7	4271	3.1
MB3	3151	2.2
MB6	2960	11.6
MB9A	2228	14.5
MB9B	2202	3.6
MB20	4149	7.1
MB8	2799	28.9
Total	36,829	8.1

Gill reef block MB8 is located at the northern extremity of the reef. Significant numbers of gold particles were noted in the development faces, which combined with other visual indicators, enabled the geologists to confidently predict very high grade ore.

Under normal commercial operations, it is common practice to stockpile low grade ore on surface, to be processed at the end of the mine life. On this basis, Blocks 7, 3 and 9B could have been stockpiled as the grade was confidently predicted prior to processing. However, as the Company is in a trial mining phase, these blocks were processed to confirm the grade. Excluding low grade blocks, the average head grade processed to date is 9.9 g/t gold.

The trial mining program continues.