

Bendigo Mining
Limited
ABN 61 005 674 073

Corporate Details:

ASX Code: BDG

Issued capital:

425.3M ord. shares
6.7M unlisted options

Substantial Shareholders:

JF Capital Partners
47.2M (11.1%)
Merrill Lynch Investment
44.7M (10.5%)
APS Asset Management
42.4M (10.0%)

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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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First gold paves way for commercial production

In the Company's June 2006 Quarterly Report released today, Bendigo Mining Limited (ASX: BDG, "Bendigo") reported that it had produced its first gold bar from the successful commissioning of the front section of the Kangaroo Flat processing plant, whilst progressing site construction to 95% completion. The Company has also received some positive exploration results from three important reefs; two of which were extended in size and the third being a new discovery, the Railway reef.

"We're off and running. We are in a strong position with no gold hedging, a strong gold price, and more than sufficient funds to see us through the commissioning period" commented Doug Buerger Managing Director and CEO.

First gold pour sets way for commercial production

The first gold bar from the Company's Kangaroo Flat Mine was poured on Thursday 13 July. The pour marks the first gold production from the Bendigo Goldfield since 1954; a 52-year hiatus. The 250 oz (7.5 kg) dore bar was produced during commissioning of the Kangaroo Flat processing plant.

"Commercial production for 2006/07 year is planned to commence after September and generate some 70,000 oz to 90,000 oz of gold. However, we remain committed to starting commercial production as early as possible." Mr Buerger said.

Construction 95% complete

Construction of the 600,000 t/y gold process plant continued during the quarter under the management of Ausenco Ltd. Despite recording some construction delays (as previously announced), site works are 95% complete and plant commissioning, on night shift only, commenced late in the quarter.

"We have fully commissioned the 'front-end' of the circuit and parts of the gold room. And as a direct result, a small quantity of gold was successfully produced in July" Mr Buerger said.

Dry and wet commissioning of the 'back end' of the circuit – including gravity, flotation, leaching and tailings handling - and full ore commissioning are set to be completed by the end of September.

The current capital cost is estimated at \$60-65 million, including owner costs.

Bendigo Mining Limited is developing one of the world's largest and highest-grade new gold projects. The Bendigo Goldfield produced some 22 million ounces of gold over a century of mining, and today is estimated to contain high-grade gold mineralisation of over 11 million ounces beneath the historic workings. Once fully developed, the mine is planned to produce over 600,000 ounces of gold a year for more than 20 years, which would position Bendigo Mining as one of Australia's largest long-life gold producers. Commercial production is planned to commence at the end of September 2006 and produce 70,000 to 90,000 oz of gold in 2006/07, building to 200,000 oz/y after three years, with full-scale production of 600,000 oz/y planned to commence around 2012.

Mine productivity improving; exploration success

Underground mine productivity improved during the quarter; up 10% to 1.2 km of lateral mine development. In June, Bendigo achieved a record rate of development of 504 m, which is on target for the required development rates next year.

In addition to these mine productivity improvements, Bendigo's exploration activities have successfully increased the size of two known reefs at Greater Garrard and Alexandria and found a significant new reef position, the Railway reef.

Mr Buerger said that "Importantly, the Railway reef is the first new reef to be found north of our current reserves, and in an area that wasn't considered to be all that prospective. This target will now be a major focus of future activity".

Eaglehawk

Decline construction at the Eaglehawk Mine is waiting for the regulatory authorities to re-confirm that planning permission is in place for the planned development.

"We've completed further environmental modelling which confirmed that the environmental impacts of our current plan are not significantly greater than those of the previously approved plan. The Victorian Government has been extremely supportive of our business to date and hence I believe that the re-confirmation of planning permission will be a procedural matter" Mr Buerger said.

A consequence of this is a delayed start to decline construction, now expected in the December quarter. The impact on the development schedule will be assessed once the approval has been received.

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