

**BENDIGO MINING N.L.**  
**CORPORATE INFORMATION**  
**A.B.N. 61 005 674 073**

**Directors:**

T.P. Philip  
A.D. Buerger  
T.J. Brown  
T.S.A. Grobicki  
J.D.S. MacLeod  
A.C. Offenbergl  
A.H. Plummer  
R. Woodall

**Secretaries:**

D.T. Andrew  
H.L. Dusseljee

**Share Registry:**

Computershare Investor Services Pty Ltd  
Level 12, 565 Bourke Street  
MELBOURNE VIC 3000  
Telephone: (03) 9649 5240

**Stock Exchange:**

Australian Stock Exchange Limited  
ASX Company Security Code: BDG

**Registered Office & Principal Place of Business:**

66 Ham Street  
Kangaroo Flat Vic 3555  
Telephone: (03) 5447 1834  
Facsimile: (03) 5447 1835  
E-Mail Address: info@bmdl.com.au  
Web page: http://www.bmdl.com.au

**Auditors:**

Deloitte Touche Tohmatsu  
Chartered Accountants  
505 Bourke Street  
MELBOURNE VIC 3000

**Shareholder Enquiries:**

Share Registry (03) 9649 5240  
(Melbourne.services@computershare.com.au)  
or  
Company Secretaries (03) 5443 0344 &  
(03) 5447 1834

## ***Directors' Report***

The Directors of Bendigo Mining N.L. present the financial report for the half-year ended 31 December 2001. In order to comply with the provisions of the Corporations Act, the Directors report as follows:

### ***Directors***

The names of Directors of the Company in office during or since the end of the half-year are:

- **T. Peter Philip**
- **A. Douglas Buerger**
- **Arnold C. Offenber**
- **Tobias J. Brown**
- **Andrew H. Plummer**
- **John D. S. MacLeod**
- **Roy Woodall**
- **Thaddeus S.A. Grobicki**

Mr Woodall was appointed on 1 September 2001 and Mr Grobicki was appointed on 13 December 2001. The other Directors held office during and since the end of the half-year period.

### ***Trading Results***

The operating loss after income tax for the half-year amounted to \$4,817,697 (2000 \$9,432,815).

### ***Review of Operations***

Drilling of the New Bendigo mineralisation from the Swan decline continued during the half year. As a result of 37,000 metres of diamond drilling during the financial year 2000-2001, and 8,500 metres since 30 June 2001, fifteen lenses of mineralisation have been located and partly defined. Four of these lenses of mineralisation are in the Deborah anticline and eleven on the Sheepshead anticline. The drilling to date has outlined an Inferred Resource of 700,000 ounces of gold. The lateral extent of several of these potential orebodies has yet to be fully explored and will be targets for future drilling.

Following the initial metallurgical appraisal of underground samples further testing has been completed. The results of metallurgical testing continue to be positive with results indicating gold recoveries of around 98%. Between 90 to 94% of the gold can be recovered by simple gravity processing and the remainder by sulphide flotation with no cyanidation.

Following shareholder approval at the Annual General Meeting on 13 December 2001, \$50 million was raised by placement of 294.1 million shares at 17 cents each to Harmony Gold Mining Company Limited ("Harmony"). Shareholders also approved the granting of 360 million options to Harmony to acquire shares in Bendigo Mining at 30 cents per share at any time before 31 December 2003. The new equity capital will be employed by Bendigo Mining to continue development of the New Bendigo Gold Project, with the aim of taking it into production.

The convertible notes issued to UniSuper in April 2001 matured in December 2001 and, pursuant to the terms of the Convertible Note Deed, 47.6 million shares were issued to UniSuper at 13.8 cents per share in redemption of the 6 million convertible notes plus interest.

The Company's plans to commence production in late 2003 remain on track with the recommencement of the Swan Decline development on 21 December 2001.

Signed in accordance with a resolution of the Directors made on 18 February 2002.

A handwritten signature in black ink, appearing to read 'T.P. Philip', with a horizontal line underneath.

**T.P. PHILIP**  
**DIRECTOR**

**Bendigo, 18 February 2002**

***Bendigo Mining N.L.  
Statement of Financial Position  
as at 31 December 2001***

	31 December 2001 \$	30 June 2001 \$
<b>CURRENT ASSETS</b>		
Cash assets	47,338,357	7,110,496
Receivables	318,712	101,344
Other financial assets	5,949,600	949,600
Other	78,879	71,633
<b>TOTAL CURRENT ASSETS</b>	<b>53,685,548</b>	<b>8,233,073</b>
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	2,357,202	2,553,148
<b>TOTAL NON CURRENT ASSETS</b>	<b>2,357,202</b>	<b>2,553,148</b>
<b>TOTAL ASSETS</b>	<b>56,042,750</b>	<b>10,786,221</b>
<b>CURRENT LIABILITIES</b>		
Payables	1,209,082	853,641
Interest-bearing liabilities	-	6,165,205
Provisions	174,987	137,845
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,384,069</b>	<b>7,156,691</b>
<b>NON CURRENT LIABILITES</b>		
Provisions	27,290	16,140
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>27,290</b>	<b>16,140</b>
<b>TOTAL LIABILITIES</b>	<b>1,411,359</b>	<b>7,172,831</b>
<b>NET ASSETS</b>	<b>54,631,391</b>	<b>3,613,390</b>
<b>EQUITY</b>		
Contributed equity	122,052,776	66,217,078
Accumulated losses	(67,421,385)	(62,603,688)
<b>TOTAL EQUITY</b>	<b>54,631,391</b>	<b>3,613,390</b>

The accompanying notes form part of the financial report.

*Bendigo Mining N.L.*  
*Statement of Financial Performance*  
*as at 31 December 2001*

	31 December 2001 \$	31 December 2000 \$
Other revenue from ordinary activities	319,152	439,661
Exploration expenses	(3,652,918)	(9,111,380)
Corporate & administration expenses	(1,074,616)	(761,096)
Borrowing costs	(409,315)	-
<b>Loss From Ordinary Activities Before Income Tax Expense</b>	<b>(4,817,697)</b>	<b>(9,432,815)</b>
Income Tax Expense Relating To Ordinary Activities	-	-
<b>Net Loss</b>	<b>(4,817,697)</b>	<b>(9,432,815)</b>
Total Revenue, Expenses and Valuation Adjustments Recognised Directly as Equity	-	-
<b>Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners</b>	<b>(4,817,697)</b>	<b>(9,432,815)</b>
Loss Per Share - Basic (cents per share)	0.8	1.6
- Diluted (cents per share)	0.8	1.6

The accompanying notes form part of the financial report.

***Bendigo Mining N.L.  
Statement of Cash Flows  
For the Half - Year Ended 31 December 2001***

	31 December 2001 \$	31 December 2000 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest and bill discounts received	186,081	700,376
Payments to suppliers and employees	(4,085,033)	(10,469,163)
Net cash used in operating activities	(3,898,952)	(9,768,787)
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Net proceeds from (payments for) investments	(5,000,000)	9,816,693
Payments for property, plant and equipment	(90,402)	(873,656)
Proceeds from sale of property, plant and equipment	124,412	-
Net cash provided by investing activities	(4,965,990)	8,943,037
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	50,000,000	-
Capital raising expenses	(907,197)	-
Net cash provided by financing activities	49,092,803	-
Net increase/(decrease) in cash held	40,227,861	(825,750)
Cash at beginning 1 July	7,110,496	8,087,703
<b>CASH AT THE END OF THE HALF-YEAR</b>	<b>47,338,357</b>	<b>7,261,953</b>

The accompanying notes form part of the financial report.

**Bendigo Mining N.L.**  
**Notes to the Half - Year Financial Statements**  
**For the Half – Year Ended 31 December 2001**

1. **Statement of Accounting Policies**

**Basis of Preparation of Half-Year Financial Statements** - The general purpose half-year financial report of the Company has been prepared in accordance with the Corporations Act and Accounting Standard AASB 1029 "Interim Financial Reporting". The half-year Financial Report does not include notes of the type normally included in an annual report and should be read in conjunction with the 2001 Annual Report and any public announcements made by Bendigo Mining NL during the half-year in accordance with continuous disclosure obligations arising under the Corporations Law. The accounting policies adopted in the preparation of the half-yearly financial report are consistent with those adopted and disclosed in the 2001 annual financial report except for the adoption of AASB 1027 "Earnings Per Share" Accounting Standard. The effect of the adoption of AASB 1027 results in no material difference to the basic or diluted loss per share previously reported for the half-year period ending 31 December 2000.

2. **Non-Cash Financing and Investing Activities**

During the half-year the Company issued the following fully paid Ordinary Shares as settlement of expenses and conversion of an interest-bearing liability to equity:

	<b>Number of Ordinary Shares</b>	<b>Issue price per Ordinary Share (cents)</b>	<b>Reason</b>
i)	720,809	16.7	Settlement of 2001/02 Director Fees to certain Directors and Director Related Entities.
ii)	307,204	15.6	Part settlement of consultancy fees.
iii)	4,163,195	13.8	Settlement of interest on convertible notes issued to UniSuper.
iv)	43,478,258	13.8	Conversion of 6 million redeemable convertible notes to UniSuper.

3. **Contingent Liabilities**

**(a) Rehabilitation & Other Bonds**

Bank guarantees totalling \$949,600 have been lodged in favour of the Department of Natural Resources & Environment, Vic Roads and The Bendigo Trust. These guarantees are in regard to the Company's obligations on various mining and exploration licences, a Vic Roads pipeline agreement and use of facilities controlled by The Bendigo Trust. The Company has lodged term deposits of \$949,600 as security for these bank guarantees.

**(b) Contractor Fees**

As at 31 December 2001, a contingent liability in the amount of \$440,779 existed for a proportion of contract fees. Payment of this contingent liability was dependent upon the outcome of contract negotiations.

4. **Segment Information**

The company operated within the mining industry undertaking exploration activities during the half-year period.

**5. Subsequent Events**

No matter or circumstance have arisen subsequent to the reporting date which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the company in subsequent financial years.

At a General Meeting held on 18 February 2002 shareholders approved the issue of up to 12,500,000 options under an employee incentive option plan. This includes the issue of 5,000,000 options to an entity controlled by Mr T.P. Philip and 2,325,000 options to an entity controlled by Mr A.D. Buerger. The options have an exercise price of 30 cents each and an expiry date of 31 December 2003 matching that of the options recently issued to Harmony Gold Mining Company Limited.

The Company, as the holder of a licence granted under the Mineral Resources Development Act 1990, has been charged by summons with alleged contraventions of the Mineral Resources (Health and Safety) Regulations 1991, relating to the fatal accident that occurred on 1 February 2001. The Company intends to defend the charges. The regulation under which the Company has been charged provides for a maximum financial penalty of \$10,000.

**Bendigo Mining N.L.**  
**Directors' Declaration**  
**For the Half - Year Ended 31 December 2001**

The Directors declare that:

- (a) The attached financial statements and notes thereto comply with accounting standards,
- (b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the Company.
- (c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act; and
- (d) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to Section 303(5) of the Corporations Act on 18 February 2002.



**T.P. PHILIP**  
**DIRECTOR**

**Bendigo, 18 February 2002**