

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

Directors:

T.P. Philip
A.D. Buerger
R.H. Beevor
T.J. Brown
T.S.A. Grobicki
J.D.S. MacLeod
A.C. Offenbergl
R. Woodall
C.G. Papadimitriou (alternate to T.J. Brown)

Secretary:

H.L. Dusseljee

Share Registry:

Computershare Investor Services Pty Ltd
Level 12, 565 Bourke Street
MELBOURNE VIC 3000
Telephone: (03) 9611 5711

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

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 Secretary (03) 5447 1834

Web Page:

<http://www.bmdl.com.au>

Directors' Report

The Directors of Bendigo Mining N.L. present the financial report for the half-year ended 31 December 2002. In order to comply with the provisions of the Corporations Act 2001, 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**
- **Ronald H. Beevor**
- **Arnold C. Offenber**
- **Tobias J. Brown**
- **John D. S. MacLeod**
- **Roy Woodall**
- **Thaddeus S.A. Grobicki**
- **Constantine G. Papadimitriou (alternate to T.J. Brown)**

Mr Beevor was appointed on 1 November 2002. 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 \$10,785,966 (2001 \$4,817,697).

Review of Operations

The half-year saw the first modern-day access to gold-bearing reefs in the Bendigo Goldfield with development reaching the D3 ribbon on the Deborah Line and the S3 ribbon on the Sheepshead Line. While still in the early stages of the bulk-sampling program, the reef-grade estimates in the Upper S3 reef from bulk sampling and fan drilling are consistent with the grades assigned to these reefs from drill data in the Company's Inferred Resource statement.

The Swan Decline had advanced to 4,828 metres, 740 metres below surface, by the end of December. The South Exploration drive was advanced 390 metres from the Swan Decline to provide access to the D3 ribbon and a platform for exploration drilling into the Sheepshead and Deborah anticlines. In addition a total of 265 metres of development were completed within the D3 and Upper S3 reefs. During the half-year the ventilation system from surface was extended by a 4 metre diameter, 274 metre long shaft. The ventilation system is now able to support all of the currently planned exploration development.

The Company plans to finalise a feasibility study for a decision on production and commencement of construction of commercial-sized mine facilities later in 2003, and if such a decision is made and all necessary approvals obtained in time, production would be targeted to commence by mid 2004.

Signed in accordance with a resolution of the Directors made on 24 February 2003.



T.P. PHILIP
DIRECTOR

24 February 2003.

Bendigo Mining N.L.
Statement of Financial Position
as at 31 December 2002

	31 December 2002 \$	30 June 2002 \$
CURRENT ASSETS		
Cash assets	33,592,059	35,824,538
Receivables	464,764	740,781
Other financial assets	949,600	9,388,416
Other	190,757	128,261
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TOTAL CURRENT ASSETS	35,197,180	46,081,996
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NON CURRENT ASSETS		
Property, plant and equipment	3,893,928	3,196,608
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TOTAL NON CURRENT ASSETS	3,893,928	3,196,608
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TOTAL ASSETS	39,091,108	49,278,604
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CURRENT LIABILITIES		
Payables	2,454,300	2,456,482
Provisions	272,093	247,045
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TOTAL CURRENT LIABILITIES	2,726,393	2,703,527
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NON CURRENT LIABILITES		
Provisions	991,778	967,858
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TOTAL NON CURRENT LIABILITIES	991,778	967,858
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TOTAL LIABILITIES	3,718,171	3,671,385
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NET ASSETS	35,372,937	45,607,219
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EQUITY		
Contributed equity	122,693,193	122,141,509
Accumulated losses	(87,320,256)	(76,534,290)
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TOTAL EQUITY	35,372,937	45,607,219
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The accompanying notes form part of the financial report.

Bendigo Mining N.L.
Statement of Financial Performance
For the Half - Year Ended 31 December 2002

	31 December 2002 \$	31 December 2001 \$
Revenue from ordinary activities	1,015,212	319,152
Exploration expenses	(10,795,690)	(3,652,918)
Corporate & administration expenses	(1,005,488)	(1,074,616)
Borrowing costs	<u>-</u>	<u>(409,315)</u>
Loss From Ordinary Activities Before Income Tax Expense	(10,785,966)	(4,817,697)
Income Tax Expense Relating To Ordinary Activities	<u>-</u>	<u>-</u>
Net Loss	(10,785,966)	(4,817,697)
Total Revenue, Expenses and Valuation Adjustments Recognised Directly in Equity	<u>-</u>	<u>-</u>
Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners	(10,785,966)	(4,817,697)
Earnings Per Share:		
Loss Per Share - Basic (cents per share)	1.2	0.8
- Diluted (cents per share)	1.2	0.8

The accompanying notes form part of the financial report.

***Bendigo Mining N.L.
Statement of Cash Flows
For the Half - Year Ended 31 December 2002***

	31 December 2002 \$	31 December 2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and bill discounts received	1,195,664	186,081
Payments to suppliers and employees	<u>(11,328,606)</u>	<u>(4,085,033)</u>
Net cash used in operating activities	<u>(10,132,942)</u>	<u>(3,898,952)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Net proceeds from (payments for) investments	8,438,816	(5,000,000)
Payments for property, plant and equipment	(965,496)	(90,402)
Proceeds from sale of property, plant and equipment	<u>10,909</u>	<u>124,412</u>
Net cash provided by investing activities	<u>7,484,229</u>	<u>(4,965,990)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	416,233	50,000,000
Capital raising expenses	<u>-</u>	<u>(907,197)</u>
Net cash provided by financing activities	<u>416,233</u>	<u>49,092,803</u>
Net increase/(decrease) in cash held	(2,232,480)	40,227,861
Cash at the beginning of the half-year	<u>35,824,539</u>	<u>7,110,496</u>
CASH AT THE END OF THE HALF-YEAR	<u>33,592,059</u>	<u>47,338,357</u>

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 2002

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 2001 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 2002 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 Act 2001. The accounting policies adopted in the preparation of the half-yearly financial report are consistent with those adopted and disclosed in the 2002 annual financial report.

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

During the half-year the Company issued Ordinary Shares to certain Directors and Director Related Entities as settlement of the 2002/03 Director's fees to the value of \$135,450.

3. **Contingent Liabilities**

(a) Rehabilitation & Other Bonds

Bank guarantees totalling \$25,000 have been lodged in favour of Vic Roads and The Bendigo Trust. These guarantees are in regard to the Company's obligations on a Vic Roads pipeline agreement and use of facilities controlled by The Bendigo Trust. The Company has lodged term deposits of \$25,000 as security for these bank guarantees.

(b) Accident 1 February 2001

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.

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.

Bendigo Mining N.L.
Directors' Declaration
For the Half - Year Ended 31 December 2002

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 2001; 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 2001.



T.P. PHILIP
DIRECTOR

24 February 2003