



23 July 2002

Quarterly Report

April - June 2002

Highlights

- ◆ **Underground development remains on schedule to access New Bendigo gold bearing reefs on Deborah and Sheepshead line in the fourth quarter 2002**

Milestones

- | | |
|--------------------------------|---|
| July – September 2002 | ◆ Re-estimation of Resource in S3, D3 and D4 |
| October – December 2002 | ◆ Reef access on Deborah line (D3) and Sheepshead line (S3 Upper)
◆ Results from first bulk samples in D3 and S3 Upper
◆ On strike drill testing of D4 |
| January – June 2003 | ◆ Reef access Sheepshead Line, S3 Middle and S3 Lower |

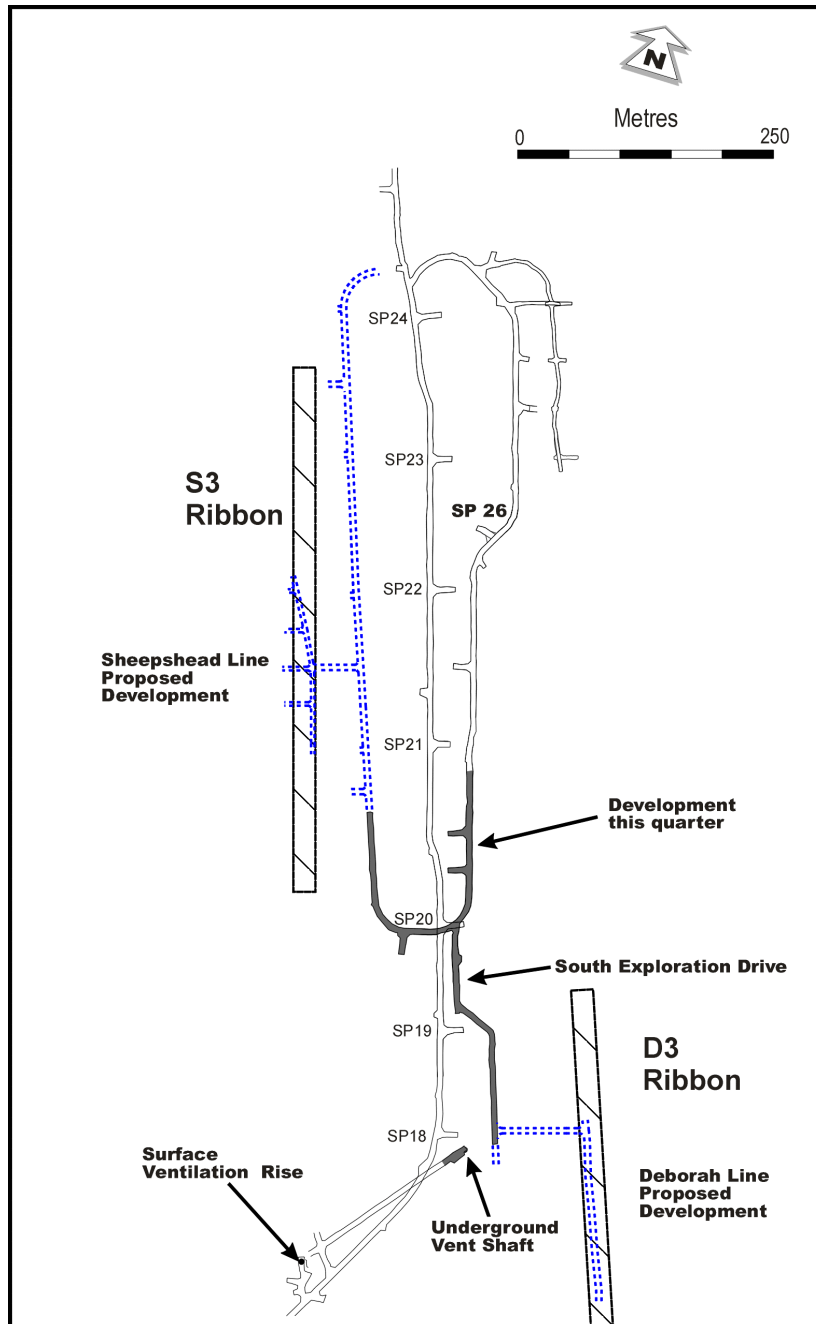
In this document, the term “resource potential” is used to describe the Company’s estimate of the contained ounces of gold which it believes, on the basis of a technical evaluation of available data and geological extrapolation, should occur within the New Bendigo. It is emphasised that this term is not covered by the JORC Code and is not equivalent to a Mineral Resource or Ore Reserve estimate.

The information in this report that relates to Mineral Resources or Ore Reserves is based on, and accurately reflects, information compiled by G F Johansen, Member of the Australian Institute of Mining and Metallurgy. Mr Johansen is a full-time employee of the Company and has relevant experience in relation to the mineralisation being reported to qualify as a Competent Person as defined in the Australian Code for Reporting of Mineral Resources and Ore Reserves. Mr Johansen consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

NEW BENDIGO GOLD PROJECT

Bendigo Mining NL remains on track to access the first of the gold bearing quartz reefs, some 600 metres below surface, on the Sheepshead and Deborah lines of reef. Underground drill testing from the Swan decline of the Sheepshead and Deborah has defined 700,000 ounces of Inferred Resource. The area drill tested approximates 3% of the total area within which the New Bendigo resource potential of 12 million ounces is located.

The current program is to access 5 reefs in the S3 ribbon on the Sheepshead anticline and 2 reefs in the D3 ribbon on the Deborah anticline. Access of the uppermost reefs in S3 and D3 is on schedule for the fourth quarter of 2002.



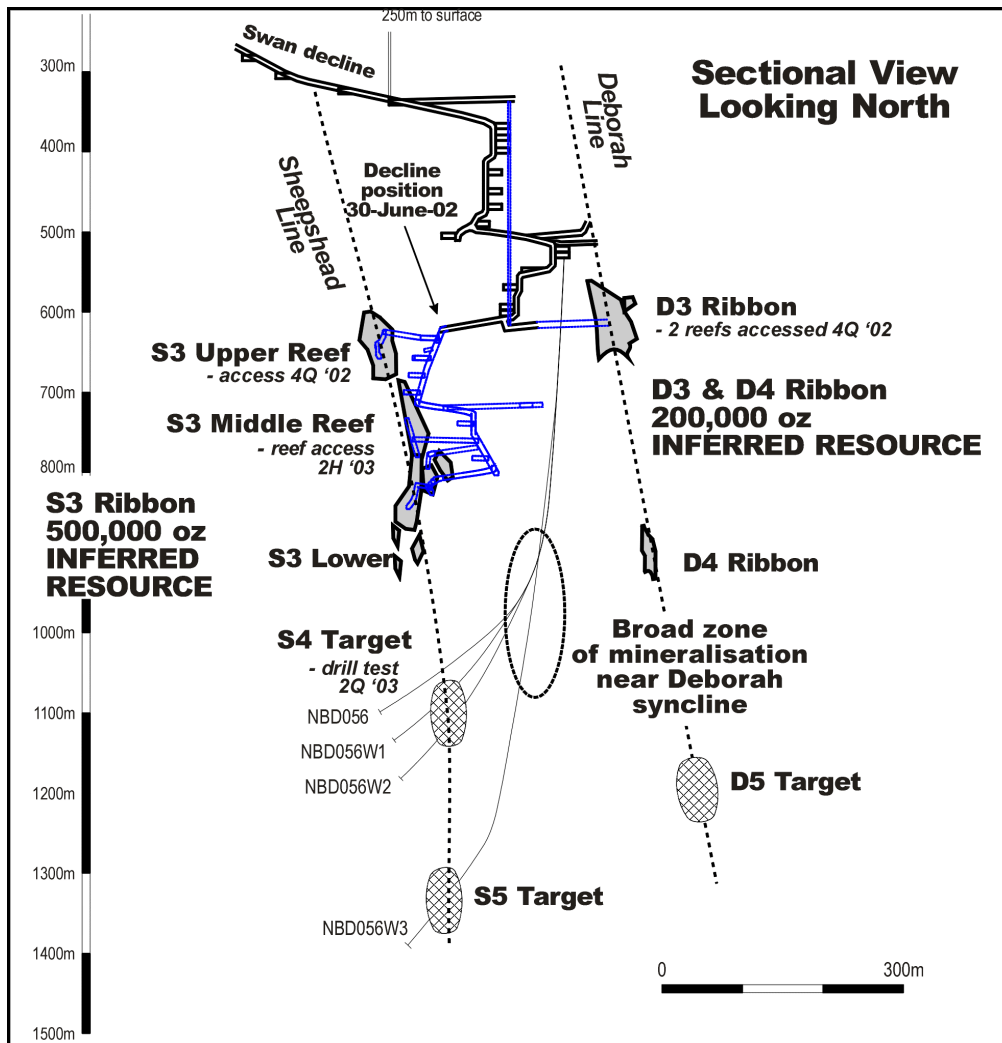
Plan view of underground development, New Bendigo Gold Project, at 30 June 2002

EXPLORATION DRILLING

Drill testing of new ribbon positions S4 and S5 on the Sheepshead line from drill bay SP26 continued during the quarter. The S4 ribbon position was located but no significant mineralisation was detected in that drill section. On strike drill testing of the ribbon will continue in the next quarter once further drill positions have been developed. Drill testing towards the S5 position is ongoing. This drilling has intersected broad zones of quartz veining and arsenopyrite mineralisation with some specks of visible gold en route to the Sheepshead anticline near the Deborah syncline. Based on our understanding of structure and the likely direction of fluid flow within the goldfield this extensive zone of quartz, arsenopyrite and traces of gold is encouraging with respect to the prospectivity of the S5 and/or D5 ribbons.

DECLINE DEVELOPMENT

The Swan decline length at the end of June 2002 was 4,170 metres. Development on the South Exploration drive, which will access D3, commenced during the quarter and advanced 183 metres. All underground development and construction remains on schedule for the first access of the S3 and D3 reefs in the fourth quarter 2002.



Section through Sheepshead and Deborah lines showing underground development completed and planned. Drill hole traces testing S4 and S5 are also indicated.

**Statement of Financial Performance
For the quarter ended 30 June 2002 (Unaudited)**

	\$A'000
Operating Expenditure	5,786
Less: Interest Received & Other Income	<u>(575)</u>
Operating Loss	5,211
Income Tax Attributable	<u>0</u>
Operating Loss After Income Tax	5,211
Accumulated Losses 31/03/02	<u>71,323</u>
Accumulated Losses 30/06/02	<u><u>76,534</u></u>

**Statement of Financial Position
As at 30 June 2002 (Unaudited)**

	\$A'000
CURRENT ASSETS	
Cash & Investments	44,263
Other Current Assets	<u>1,819</u>
TOTAL CURRENT ASSETS	<u>46,082</u>
NON CURRENT ASSETS	
Property, Plant and Equipment	<u>3,197</u>
TOTAL NON CURRENT ASSETS	<u>3,197</u>
TOTAL ASSETS	<u><u>49,279</u></u>
CURRENT LIABILITIES	
Accounts Payable	2,456
Provisions	<u>247</u>
TOTAL CURRENT LIABILITIES	<u>2,703</u>
NON CURRENT LIABILITIES	
Provisions	<u>968</u>
TOTAL NON CURRENT LIABILITIES	<u>968</u>
TOTAL LIABILITIES	<u><u>3,671</u></u>
NET ASSETS	<u><u>45,608</u></u>
SHAREHOLDERS' EQUITY	
Share Capital	122,142
Accumulated Losses	<u>(76,534)</u>
TOTAL SHAREHOLDERS' EQUITY	<u><u>45,608</u></u>