



New Bendigo Gold Project Newsletter

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DECLINE TARGET IDENTIFIED

Description of Works.

The face of the decline tunnel is now approximately 3,350 metres from the portal at the Carshalton site in Kangaroo Flat. This places the tunnel more than 500m below the city. The face of the decline is far below the intersection of Lily and Hargreaves Streets.

The tunnel runs between the Deborah and Sheepshead lines of reef and the first target for bulk sampling has been identified, close to the current decline position, on the Deborah reef. The New Bendigo Gold Project is now well ahead of schedule due to the early identification of the first bulk sample target.

Bulk sampling is required to confirm the gold grade of the ore. Due to the nuggety nature of the gold deposited beneath the city, drill results cannot accurately indicate the grade of the ore found in the gold bearing structures.

Some residents in the area around Hargreaves Street and along the Deborah line of reef are able to sense blasting from the decline. This occurs approximately every 12 hours and lasts for 8 - 10 seconds. Some houses seem to pick up and transmit the sound more than others and the Company is working with the DNRE and EPA to try and reduce any detrimental impact. Tests will continue and will take some time as the transmission of such noise is quite a complex issue. Monitoring has shown that the noise from blasting at night is within the prescribed limits for the project and the vibration levels are orders of magnitude below that which could be expected to cause structural damage to houses.

Work will commence shortly on an upgrade of the bulk sampling plant at the New Moon site in Eaglehawk North. Once the plant is operational the noise output will be the same or less than that produced when the plant was in operation on past occasions. Monitoring of noise will take place and the EPA has already tested for background levels. The sampling is expected to take place over approximately 10 weeks and there will be no more than 9 loads of ore delivered to the site per day, and on many days no trucking will take place. Trucks will enter the site via Growler Street.

Exploration Drilling

Underground: Drilling continues from two positions underground along the decline path. The drilling is used to explore for gold bearing structures under the Sheepshead and Deborah lines of reef and to identify bulk sample targets.

Surface drilling: Two diamond drill rigs have now been set up to drill for gold bearing structures on the New Chum and Garden Gully lines of reef. The rig at the Williams United

site has drilled to positions over 1,300m below surface and the results to date supports the hypothesis that the ribbons repeat at depth. At an intersection about 900m down hole the core contained some visible gold.

The rig set up in the Long Gully industrial estate will also test for unmined ribbons to a depth of 1.5 km.

Rehabilitation work.

In the most recent monitoring survey, conducted in August, 50 plant species were identified on the rehabilitated areas of the Carshalton site. This has been a remarkable achievement for the staff of Goldfields Revegetation. The bund wall at the Carshalton site is covered in flowering wattles, Bendigo waxes and other wildflowers this spring.

Dewatering.

Pumping continues from the decline as well as the Red White and Blue Consolidated, New Moon, Carshalton and Central Deborah shafts. The water is pumped to evaporation ponds at Woodvale.

Water is now being delivered to the new pond at Woodvale and grasses will shortly be established on the banks. A special *Woodvale Update* was circulated in late August and anyone requiring a copy should contact the Company.

Mines Rescue Competition.

During August the National Mines Rescue Competition was held in Bendigo. Teams from all over Australia competed at 3 sites: Central Deborah Gold Mine, Bendigo Mining's New Moon Sampling Plant and at the CFA training ground at Huntly. Bendigo's team, Oscar 1, won the Safety Assessment Award section of the competition and the trophy is proudly displayed at the Bendigo Mining site office.



The team go through their paces underground at the Central Deborah. Photo courtesy of Bendigo Advertiser. 7-8-00

Mines Rescue cont...

The team is made up of members from CFA, SES and various local mining companies, including Bendigo Mining.

The Oscar 1 Mines Rescue Vehicle is based at Bendigo Mining and the team is available to respond to any incident in the community where their expertise is required.

Bendigo Mining Environmental Trust.

In the latest round of funding the following community groups received financial support from the Trust.

Naval Reserve Cadets
Wildlife Rescue and Information Network
Epsom Pre School
Big Hill Primary School
Maple Street Primary School
Bendigo Golf Club

Applications for the next round of funding closes on 31 March 2001.

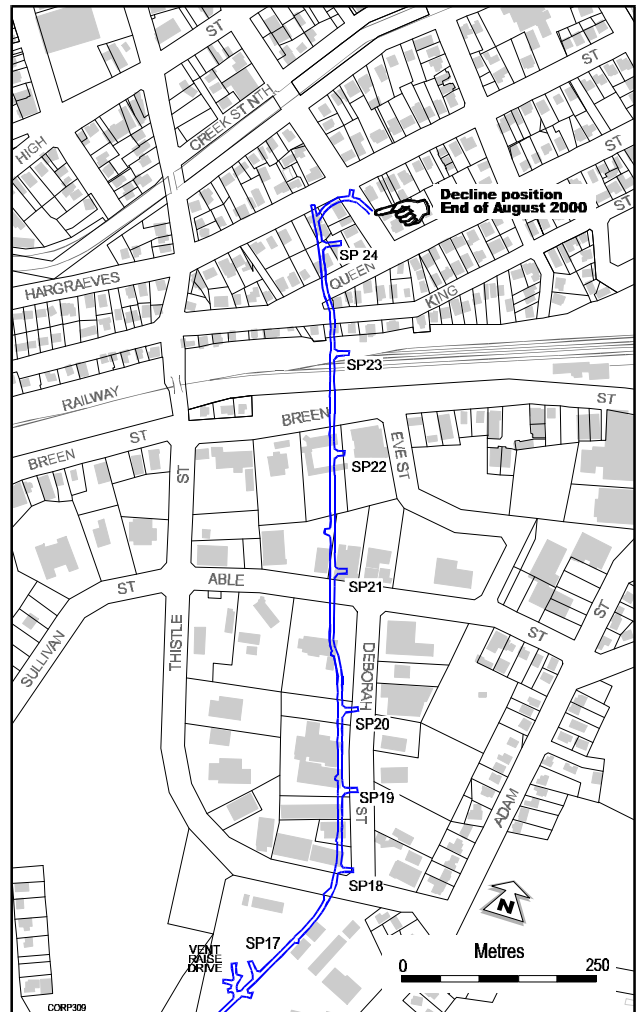


Geological Assistant Lenny Linham examines drill core from the current drilling program.

Environmental Review Committee.

Your representatives are:

Mr Bernie Cusack
Mr Ken Draper
Mr Maurie Lewis
Mrs Mary Markey
Ms Greta Suttie (alternate)
Mrs Carla Daly/Ken Trew (Woodvale alternates)



Safety.

Public Safety is of utmost importance to Bendigo Mining. All visitors to the site must report to the Administration Office and it is important that no unauthorised persons enter restricted areas under any circumstances. A security fence encloses the entire site.

This newsletter is published in the interests of keeping the public of Bendigo informed with the activities of the *New Bendigo Gold Project.*

FOR FURTHER INFORMATION CALL 1800 640 959
OR VISIT OUR WEB SITE www.bmnl.com.au