



New Bendigo Gold Project Newsletter

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PRODUCTION PLANS ANNOUNCED

Bendigo Mining recently announced that it plans to commence gold production in the fourth quarter of 2002. The initial rate of production is expected to be 250,000 tonnes per annum to produce 90-100,000 ounces of gold annually. The Company plans to ramp up production in two subsequent stages to reach an annual gold output of 400-500,000 ounces by 2007.

A Conceptual Life of Mine Plan was prepared by independent mining experts and indicates a mine life in excess of 25 years with an optimal production rate of 400-500,000 ounces per annum at a cash cost of A\$150-200 per ounce.

Exploration

The exploration team have been involved in defining the mineralised zones within ribbons on the Sheepshead and Deborah lines of reef.

The Company is very pleased with the exploration results to date that have enabled the team to complete the Conceptual Mine Plan.

Research into historical workings has concentrated on the design program for the dewatering strategy.

Two drill rigs continue to operate underground from the decline, drilling into the Deborah and Sheepshead anticlines.

Treatment of bulk samples at the New Moon plant in Eaglehawk was completed in early March and no trucking has taken place since that time. Trucks operating in the vicinity of the New Moon Plant at present are not part of Bendigo Mining's operations.

Underground development

Decline development work remains suspended whilst geological evaluation and fundraising are completed. It is expected that underground development to extend the Swan Decline will recommence mid year.

Rehabilitation

Ground preparation, including ripping, has been completed on the new pond wall at Woodvale. This will allow for screen planting to take place in July/August of this year when the sub soil should be sufficiently damp to allow for good propagation and growth.

During March the bund wall at the Carshalton site was cleared of environmental weeds. Production of seedlings is ongoing so that the increase in bio diversity of the area can continue.

In recent months Marilyn Sprague has also identified the presence of yellow footed antichinus (small marsupials) on the bund wall. They have been seen nesting in small hollow logs and old tree stumps placed around the site to create habitat for native fauna.



Phil Davis MLC - Victoria Opposition spokesperson for Resources - visited the project recently and is seen here inspecting the revegetation success with Marilyn Sprague.

Dewatering

Water continued to be pumped from the Carshalton, Red White and Blue Consolidated and New Moon shafts. The water is pumped to evaporation ponds at Woodvale.

During the summer months approximately 720 megalitres of water was evaporated from the ponds. At present the ponds have more than 40% of their capacity available.

New monitoring bores to the west of the ponds were completed in early March. Monitoring of these bores indicates that there is no seepage from the ponds.

Long term management plans for the treatment of mine water are being developed.

ANNUAL ENVIRONMENTAL REPORT 2000

The Annual Environmental Report was published recently and copies are available from the Company office. The report is also available on our Web site.

RESOURCES MINISTER VISITS MINE

During April the Victorian Resources Minister Candy Broad visited the Carshalton site with Bendigo East MLA Jacinta Allan to receive an update on the project.

ROAD WORKS IN HAM STREET

Local residents will be aware that work by the City of Greater Bendigo to upgrade Ham Street has commenced. Bendigo Mining has contributed to the cost of the upgrade and motorists should notice a marked difference when the sharp twists in the road have been removed.

WORK EXPERIENCE



Michael Kiley, Year 10 Work Experience student from Catholic College Bendigo, takes a trip underground.

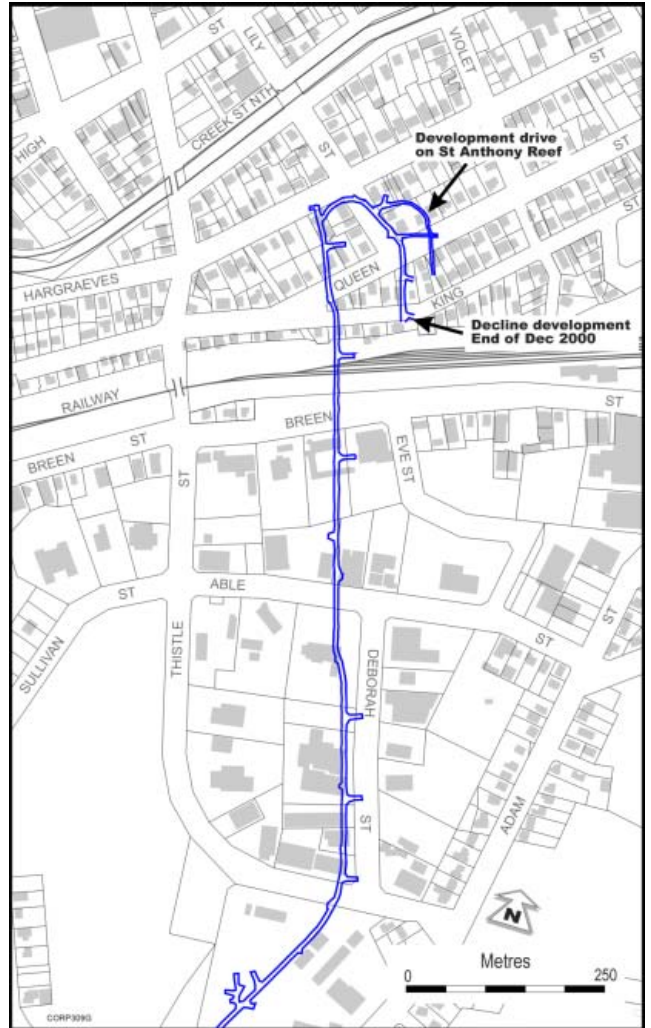
Each year Bendigo Mining provides Work Experience opportunities to Year 10 students from local schools. The Company also provides work placements to University students to enable them to gain valuable skills and experience in the industry. There are also a number of university students completing Post Graduate research on specific scientific topics.

An R & D START Graduate Program position has been created at Bendigo Mining in partnership with Deakin University and the Federal Government.

Advisory Board

The Bendigo Mining Community Affairs Advisory Board meets regularly throughout the year.

Current members of the Advisory Board are:
Cr. Willi Carney, Cr. Ann Jones, Cr. Daryl McClure,
Mrs Fay Buerger, Mr Bill Lucas, Mr Peter Galvin,
Mr Leighton Rawlings, Mr Bryan Lewis.



Development on the decline has been suspended while the drilling program continues to define further targets at depth.

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. It is important that no unauthorised persons enter restricted areas under any circumstances.

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**