

Bendigo Mining
Limited
ABN 61 005 674 073

Corporate Details:

ASX Code: BDG

Issued capital:

507.9M ord. shares
1.5M unlisted options
1.3M unlisted perf. rights
2.2M unlisted share rights

Substantial Shareholders:

Orbis Funds 55.9M (11%)
STRS Ohio 32.1M (6.3%)

Directors:

Non-Executive Chairman:
Peter McCarthy
Managing Director:
Rod Hanson
Non-Executive Directors:
Ronnie Beevor
Richard Guy OAM
David Ransom

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Rod Hanson
Managing Director & CEO
21 April 2010

Key Points

- Quarterly gold production of 17,747 oz
- Positive mine operating cashflow of \$5 million
- Henty Tyndall infill results include 11.4 m at 15.4 g/t gold
- Cash in bank increased to \$57.4 million

Summary

Rod Hanson, Managing Director & CEO comment: "Gold production for the quarter of 17,747 oz delivered \$5.0 million in operating cashflow, increasing our cash balance to over \$57 million, despite lower grades at the Henty Gold Mine. We have increased capital investment at Henty to support near-term productivity and grade improvements. Positive results from infill drilling in the Tyndall Zone at Henty, which is planned to be a major ore source, and the continuing good news from Henty exploration bodes well for the future.

"At Kangaroo Flat we are testing exploration targets near our mine workings. Once these have been tested, the exploration strategy is likely to evolve into a more field-wide approach" said Mr Hanson.

Production

- Total gold production of 17,747 oz at a cash operating cost of A\$984/oz (19,228 oz gold Dec 09 qtr).
- Henty Gold Mine produced 9623 oz at a cash cost of \$963/oz whilst the Kangaroo Flat Mine delivered 8124 oz at A\$1009/oz. Transitional issues at Henty continue to impact on grade. A \$3.8 million capital investment program was approved with a new loader delivered late in the quarter, along with a hired truck and jumbo drill.
- Kangaroo Flat production was affected by the addition of known lower grade reefs into the mining schedule.
- Company production guidance of 80-90,000 oz for FY10 is maintained but achievement depends on a strong June quarter and in particular the realised grade.

Exploration

- A decision was taken to increase exploration activity at Henty to 5 drill rigs.
- The first phase of Henty Up-dip drilling has successfully shown that the alteration zone remains open towards the surface. Alteration has not, as previously thought, been terminated by the Henty fault. Anomalous gold (incl. 3.9 m at 2.7 g/t) in Henty-style alteration has been returned to date.
- Strong infill drilling results from Tyndall Zone support an increase in the expected head grade.
- Exploration at Kangaroo Flat is testing a number of significant targets near existing mine workings. Future exploration will focus to the north of the goldfield and on the extensive exploration licence.

Corporate

- Gold sales receipts were \$24.2 million during the quarter from the sale of 19,686 oz gold at an average price of A\$1227/oz. Mine operating cashflow was positive \$5.0 million.
- Cash in bank increased to \$57.4 million at 31 March 2010 (was \$54.8 million at 31 December 2009).
- On the 23 February 2010, the Company announced an interim profit of \$5.2 million for the six months ending 31 December 2009.

BACKGROUND

Bendigo Mining is an Australian gold producer which is planning to produce 80-90,000 oz of gold in the 2010 financial year from its two underground gold mines, the Kangaroo Flat Mine in Bendigo, Victoria and the Henty Gold Mine on the West Coast of Tasmania.

The Kangaroo Flat Mine is located in the Bendigo Goldfield, Australia's second largest goldfield having produced some 22 million ounces of gold, to an average depth of 750 metres. Production of around 30-40,000 oz gold is planned for FY10. Exploration is continuing beneath and along from historic mines on the richest lines of mineralisation within the goldfield.

The Henty Gold Mine has been in operation for 14 years and has produced in excess of one million ounces of gold at an average grade of over 11 g/t gold. Bendigo Mining acquired the mine in July 2009 from Barrick Gold, who had intended to cease Henty operations in December 2009. A significant exploration program is underway with the aim of increasing mine life.

PRODUCTION

Safety

There were four lost time injuries and one medically treated injury during the quarter. In all cases, corrective actions were identified and implemented to prevent recurrence of these incidents. Continuously improving safety performance remains a high priority.

Production

	Mar 2010 Qtr	Dec 2009 Qtr	YTD 2009/10
Henty Gold Mine			
Ore mined (t)	68,813	67,232	206,976
Ore processed (t)	70,130	66,346	209,463
Grade (g/t gold)	4.6	4.9	5.3
Recovery (%)	93.0	92.9	92.8
Gold produced (oz)	9623	9791	33,169
Cash operating cost (A\$/oz)	963	970	835
Cash operating cost (A\$/t)	132	143	132
Kangaroo Flat Mine			
Ore mined (t)	42,716	58,377	148,631
Ore processed (t)	49,731	52,469	152,886
Grade (g/t gold)	5.6	6.1	6.2
Recovery (%)	90.6	91.4	89.6
Gold produced (oz)	8124	9437	27,195
Cash operating cost (A\$/oz)	1009	806	819
Cash operating cost (A\$/t)	165	145	146
Total Company			
Gold produced (oz)	17,747	19,228	60,364
Cash operating cost (A\$/oz)	984	889	828

Henty Operations

Underground mine lateral development of 711 metres was achieved with 58% of development in the Tyndall Zone. Capital development for Darwin South progressed ahead of schedule with exploration potential the key driver for this development. Favourable results from Dec 09 qtr diamond drilling programs justified additional development in Mt Julia, Zone 96 and Darwin Mid.

- Mining

Ore was sourced from Darwin North (53%) and Darwin Mid (18%) stopes supplemented with a number of smaller zones throughout the mine. Development produced 13% of the total 68,813 t mined, much of which came from Tyndall.

The current fleet was bolstered with the addition of a new loader, hired truck and development jumbo towards the end of the quarter. A new truck and jumbo are on order, but have appreciable lead times for delivery. Reliability and performance of the older equipment continues to impact the near-term mine schedule.

Availability of ore feed remains a challenge. Development in the Tyndall Zone as well as current exploration and grade control drilling are continuing to enhance longer term ore availability.

- Processing

Production was 9623 oz, similar to last quarter. Ore feed tonnes and head grade to the plant continued to be lower than forecast due to ore scheduling and equipment availability issues.

The low grade of the Tyndall Zone development ore at 3-5 g/t gold, together with dilution experienced in some of the Zone 96 and Darwin North stopes, resulted in below average grade delivered to the process plant. Gold grade in the June 2010 quarter is planned to be around 5 g/t gold.

Kangaroo Flat Operations

Underground mine lateral development of 555 metres was achieved (472 metres Dec 09 qtr). This included the Dunlop reef access development, commencement of the Dumble reef access development and ore development within Christine reef.

- Mining

A total of 42,716 tonnes of ore was mined from Gill, Young, Dean, Dale and Christine reefs, with a further 4770 tonnes of low grade material sourced from several reefs. Grades of individual reef parcels varied from 3.1 g/t to 9.6 g/t gold and averaged 5.6 g/t gold. Of the ore mined, 2891 tonnes was from development, 39,213 tonnes from cut & fill stoping and 612 tonnes from hand held stoping.

Unit costs have risen due to a decrease in the total ounces produced, which is primarily the result of processing lower grade mining blocks at the beginning of the quarter.

- Processing

Production for the quarter was 8124 oz, a 14% decrease on last quarter, resulting from a combination of the lower head grade, tonnage processed and gold recovery.

Tonnes treated decreased by 5% to 49,731 t with seven mining blocks processed, two from Gill reef, two from Young reef, one from Dean reef, one from Dale reef and one from a combination of Dale/Gill reef sourced ore.

EXPLORATION

Henty exploration

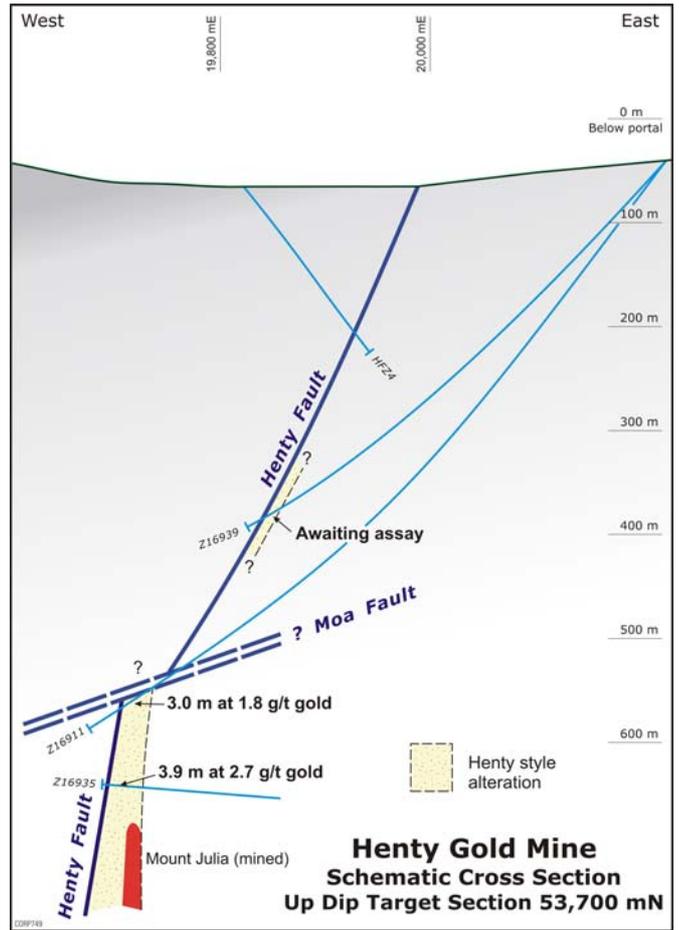
Exploration drilling from underground continued in Zone 15 Up-dip, the Tyndall Up-dip and Read Zones. From surface, two holes tested the Henty Up-dip target.

The Henty Up-dip surface drilling program, which commenced in December 2009, continued to test for the up-dip continuation of the Henty alteration system. Previous work assumed that the top of the known gold-bearing alteration zone was terminated along the entire length of the system by the Henty Fault. Hence, this large area up-dip of the main mineralised trend had not been adequately tested by drilling.

Up-dip holes were drilled from surface and from underground between the Mt Julia and Tyndall zones. Limited assays have been received. The drilling at this location has shown that Henty-style alteration continues up-dip and has not been terminated by the Henty Fault. The initial results indicate that the Moa Fault has displaced the Henty Fault and opened a "window" for mineralisation beneath the Moa Fault (see attached cross section). On this section the window is some 100 metres high with best assays returned so far of 3.0 m (down hole) at 1.8 g/t gold and 3.9 m (down hole) at 2.7 g/t gold. The up-dip drilling continues, with a substantial area still to be tested.

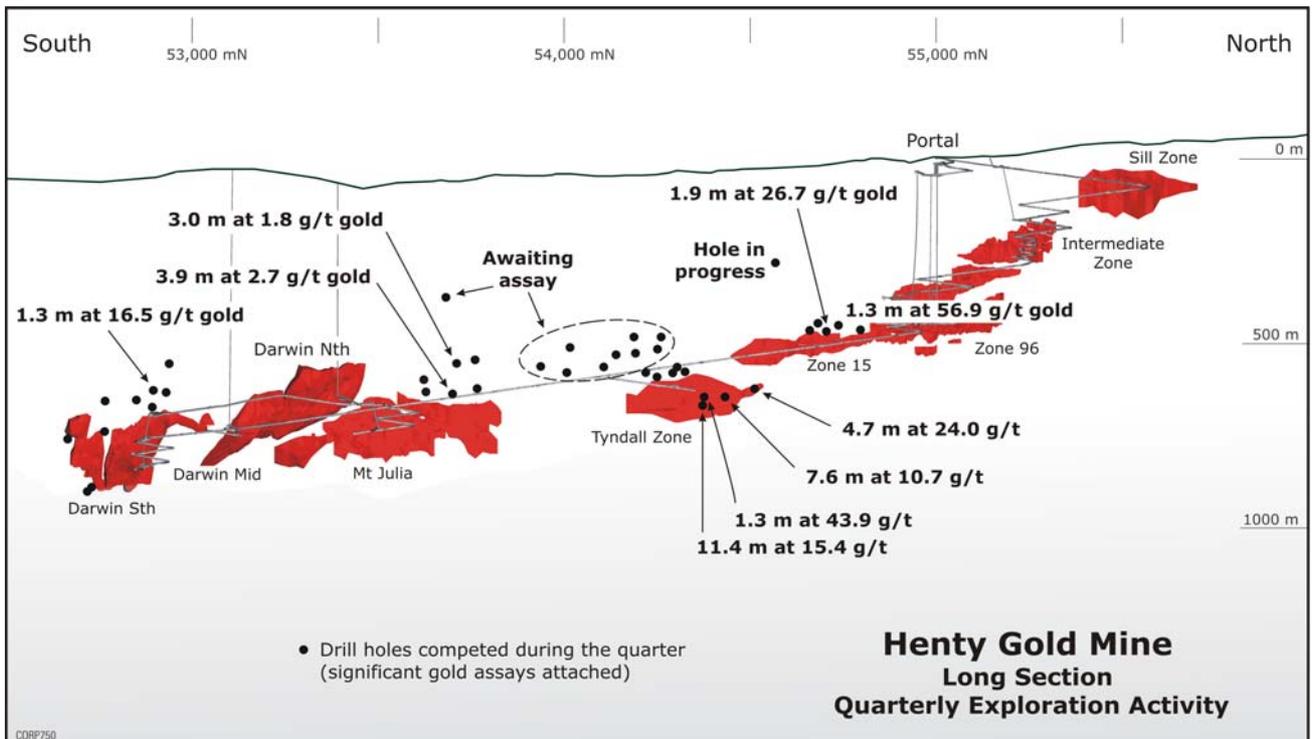
Infill drilling in the Tyndall zone delivered some strong results, including down hole intervals of 11.4 m at 15.4 g/t, 4.7 m at 24.0 g/t and 7.6 m at 10.7 g/t gold (see long section below).

The initial Read Zone program was completed with the best result being 1.3 m (down hole) at 16.5 g/t gold. Drilling has only tested the small part of the zone accessible from underground. Surface drilling will be employed in the future to test the area opened up by



the discovery of mineralisation and alteration at this horizon.

The Tyndall Up-dip drilling failed to produce any significant results and those returned from the Intermediate Zone were highly variable, with the best assay being 2.3 m (down hole) at 9.4 g/t gold. No further work is planned on these two areas in the immediate future.



Assay results were returned for the Zone 15 Up-dip drilling, with the best being 1.3 m (down hole) at 56.9 g/t gold. Further drilling in this area is planned.

Drill holes are planned for the Red Hills and Tyndall Creek Prospects, both on adjoining exploration licences.

Bendigo exploration

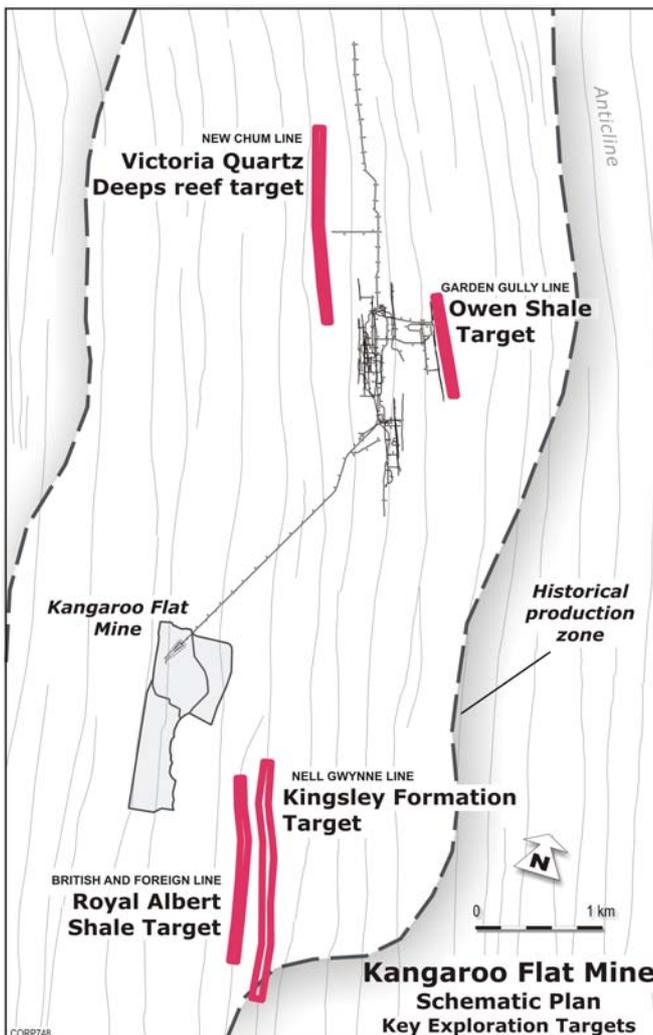
During the quarter, 8382 diamond drill metres were completed testing the Deborah, Garden Gully, New Chum and Nell Gwynne anticlines from underground locations within the Kangaroo Flat Mine.

Exploration was undertaken testing targets on the New Chum and the Nell Gwynne anticlines as well as testing the southern end of the Garden Gully anticline. Results from this drilling are being assessed, but they are unlikely to deliver economic mineralisation.

Infill drilling of the Dunlop Reef on the Deborah line and the Grenfell East reef on the Garden Gully line will be used to update planning and economic assessment.

- Exploration targets

The exploration drilling program for the coming quarter will test targets which have the potential to host significant reef systems in areas previously untested either at greater depth below current workings or at a greater distance from mine development (see attached plan for locations of key targets).



- Garden Gully line - Owen Shale Target
A test of the Owen shale unit beneath Gill reef.
- Nell Gwynne line – Kingsley Formation Target
A test of the southern end of the field beneath historic mining, within a favourable structural location.
- British and Foreign line - Royal Albert Shale Target
A test of the southern end of the field in a favourable zone.
- New Chum line – Victoria Quartz Deeps Target
A test of a deep reef target, beneath a historically prolific part of the line.

The targets have been selected based on favourable geological factors such as the plunge of the folded rocks, local variations in strike of the anticlines and the proximity to known gold-bearing reef systems. Once tested, the exploration strategy will shift to a more field-wide approach.

CORPORATE

Gold sales receipts were \$24.2 million during the quarter from the sale of 19,686 oz gold at an average price of A\$1227/oz. The gold price received was a 1.5% improvement on the prior quarter (\$1208/oz in the December 2009 quarter).

Cash in bank increased by \$2.6 million during the quarter and at 31 March 2010 was \$57.4 million (\$54.8 million as at 31 December 2009). Mine operating cashflow was positive \$5.0 million before capital of \$1.8 million and exploration expenditure of \$1.7 million.

On the 23 February 2010, the Company announced an interim profit of \$5.2 million for the six months ending 31 December 2009.

Competent Persons' Statement

Any information in this public report that relates to Ore Reserves, Exploration Results and Mineral Resources is based on, and accurately reflects, information compiled by Rob McLean for the Kangaroo Flat Mine and Matt Daly for the Henty Gold Mine in relation to Ore Reserves, and Rodney Fraser for the Kangaroo Flat Mine and Angela Lorrigan for the Henty Gold Mine in relation to Exploration Results and Mineral Resources. McLean, Daly and Lorrigan are Members of the Australasian Institute of Mining and Metallurgy and Fraser is a Member of the Australian Institute of Geoscientists. McLean, Daly, Lorrigan and Fraser are full time employees of the Company and have more than five years experience in the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. McLean, Daly, Lorrigan and Fraser have given prior written consent, where required, to the inclusion in this report of the matters based on their respective information, where applicable, in the form and context in which it appears.