

**Bendigo Mining
Limited**

ABN 61 005 674 073

Corporate Details:

ASX Code: BDG

*Issued capital:*495.5M ord. shares
2.1M unlisted options
2.1M unlisted perf. rights
2.8M unlisted share rights*Substantial Shareholders:*St Barbara 49.5M (10%)
Orbis Funds 36.7M (7.4%)
STRS Ohio 32.1M (6.5%)*Directors:*Non-Executive Chairman:
Peter McCarthy
Managing Director:
Rod Hanson
Non-Executive Directors:
Ronnie Beevor
Richard Guy OAM
David Ransom**Contact Details:**Bendigo Mining Limited
66 Ham St
Kangaroo Flat
Victoria 3555
AustraliaTel: +61 (0)3 5447 1834
Fax: +61 (0)3 5447 1835Email: info@
bendigomining.com.auWebsite:
www.bendigomining.com.auRod Hanson
Managing Director & CEO
29 April 2009

Key Points

- Production increases to 9884 oz gold
- Gold sales of \$12.5 million achieved
- Net quarterly cashflow of \$5 million
- Cash balance increases to \$50 million
- Dunlop reef extended to 180 metres and remains open

Summary

Rod Hanson, Managing Director & CEO comment: "Production increased during the quarter as we processed higher tonnages of ore at strong gold grades. We have nine months of production data from current operations and this track record supports our plan for production of 30-40,000 oz of gold in calendar 2009 from the processing of 150,000 tonnes of ore.

"Operations are running at high levels of activity with mining taking place on a number of fronts. Mining is utilising a variety of methods including twin and single boom jumbo mechanised mining and we are preparing for hand-held mining of narrow ore zones. This flexible operating strategy will optimise production from the variety of reefs in the mine plan.

"Drill results from the Dunlop reef, which was discovered in the December 2008 quarter, continue to show good extensions of robust mineralisation with this reef firming up to as one of our next mining targets.

"The strong gold price and increased production generated net cashflow in the quarter of \$5 million and increased our cash in bank to \$50 million. This track record of performance is providing a solid base on which to grow the Company" said Mr Hanson.

Operations

- Ore treated of 40,552 t at 8.2 g/t gold for production of 9884 oz gold.
- The main ore source was Gill reef, with contributions from Dean and Garrard reefs.
- Total ore mined increased by 10% on last quarter as the number of ore sources increased.
- Tonnes treated increased by 27% on last quarter reflecting the planned increase in process plant throughput.
- Drill testing of the shallow Dunlop reef on the Deborah line has increased the defined length of the reef to 180 metres and it remains open to the south. Visible gold in the drill core and assays such as 12.4 m at 11 g/t gold (screen fire assay) indicate good potential for economic mineralisation.

Corporate

- Gold sales generated revenue of \$12.5 million during the quarter from the sale of 9053 oz at an average price of A\$1385/oz.
- Cash in bank at 31 March 2009 was \$50.0 million (cash as at 31 December 2008 was \$44.9 million).

BACKGROUND

Bendigo is Australia's second largest goldfield having produced some 22 million ounces of gold, to an average depth of 750 metres. Bendigo Mining Limited is exploring for gold beneath and along from historic mines on the richest lines of mineralisation within the goldfield.

Recent exploration from the Kangaroo Flat Mine has targeted prospective rock units on the Garden Gully, New Chum, Nell Gwynne and Deborah lines. This work has discovered several new reefs, with the nature and grade of gold mineralisation being determined through mining and production. Gold production recommenced at Kangaroo Flat in June 2008.

PRODUCTION

Safety

There were no lost time injuries and three medically treated injuries during the quarter, resulting in a year to date Medically Referred Injury Frequency Rate (MRIFR) of 35 which is above the target level.

Development

Underground mine lateral development of 546 metres (725 metres in the December 2008 quarter), including 362 metres on-reef, was completed. The decrease compared to the previous quarter was due to the utilisation of the mining fleet in cut & fill stoping activity.

Mine development was concentrated on Gill reef, developing Dale reef, stripping remnant ore from the previously accessed Garrard reef, and installing access to commence the mining of Dean reef.

The access and mining of Dean reef (Deborah line) is being undertaken by a narrow vein contractor utilising a mixture of mechanised and hand-held mining techniques. Hand-held mining of stopes is planned to commence next quarter.

Contractors were mobilised to site to install the final section of the secondary egress from the deeper levels of the mine. The final stage involves the installation of a 2.4 metre diameter rise over a length of 194 metres. The rise has been successfully reamed with ground support underway.

Mining

Ore mined increased by 10% on last quarter to 43,035 tonnes. The majority of ore was sourced from Gill reef, with minor contributions from Dale and Garrard reefs.

Of the ore mined, 15,609 tonnes was derived from development (46% decrease on Dec 08 Qtr) and 26,459 tonnes from the commencement of cut and fill stoping (161% increase on Dec 08 Qtr) and 967 tonnes from bench stopes (the first ore produced from benching Gill reef legs).

Mining conditions continue to be good with limited unplanned dilution. Gold mineralisation has been relatively consistent across individual mining blocks, with the head grade during the quarter varying from 6.3 g/t to 11.1 g/t gold and averaging 8.2 g/t gold. The Gill reef grade was within the expected range for production of between 8 g/t to 12 g/t gold.

Processing

Ten mining blocks were treated during the quarter: eight from Gill reef, one from Dale reef and one from Garrard reef. Ore processed increased by 27% to 40,552 t (Gill reef 30,350 t, Dale reef 7065 t and Garrard reef 3137 t). The increased ore throughput was as planned and related to the 30% increase in plant operating time following the employment of additional plant operators.

Production for the quarter was 9884 oz of gold (an 8% increase on the previous quarter) at an average grade of 8.2 g/t. Cash operating cost per ounce of gold produced was A\$680/oz, an increase on last quarter due to the lower gold head grade. Importantly, the cash cost per tonne of ore processed continues to reduce to A\$166/t.

Planned production

The success of Gill reef production, combined with the higher gold price, provide increased confidence in the near term mine plan. The Company plans to produce 30-40,000 oz of gold in calendar year 2009 from the processing of 150,000 tonnes of ore, sourced from several reefs. Future production rates will rely on the results of near mine exploration and the assessment of reefs outside the current mine plan, both of which are underway.

Production data

	Mar 2009 Qtr	Dec 2008 Qtr	YTD 2008/09
Tonnes mined (t)	43,035	40,242	107,505
Ore processed (t)	40,552	32,011	100,263
Grade (g/t gold)	8.2	9.8	8.2
Recovery (%)	92	91	90
Gold produced (oz)	9884	9180	23,805
Cash operating cost (A\$/oz)	680	613	749
Cash operating cost (A\$/t)	166	176	178

EXPLORATION

A total of 7582 diamond drill metres was completed testing the Nell Gwynne and Deborah lines from underground locations within the Kangaroo Flat mine.

The exploration strategy is to locate additional mineable reefs within 1000 metres of existing mine development. This is being implemented by testing targets both vertically below and along from historic workings. In addition, a review of reefs which are not currently in the mine plan has commenced, utilising knowledge gained from current operations.

Deborah line - Dunlop reef

Exploration continued to target the relatively shallow Dunlop reef south from historic workings on the Deborah line (see diagram below). The reef is located adjacent to the anticline axis and is some 150 metres east of the modern mine workings.

Drilling completed this quarter increased the defined length of the Dunlop reef by 120 metres to 180 metres. The reef varies between 10-20 metres high, 6-15 metres wide and remains open to the south. The presence of visible gold and strong gold assays (including 12.4 m at 11 g/t gold screen fire assay) indicates the economic potential of the reef.

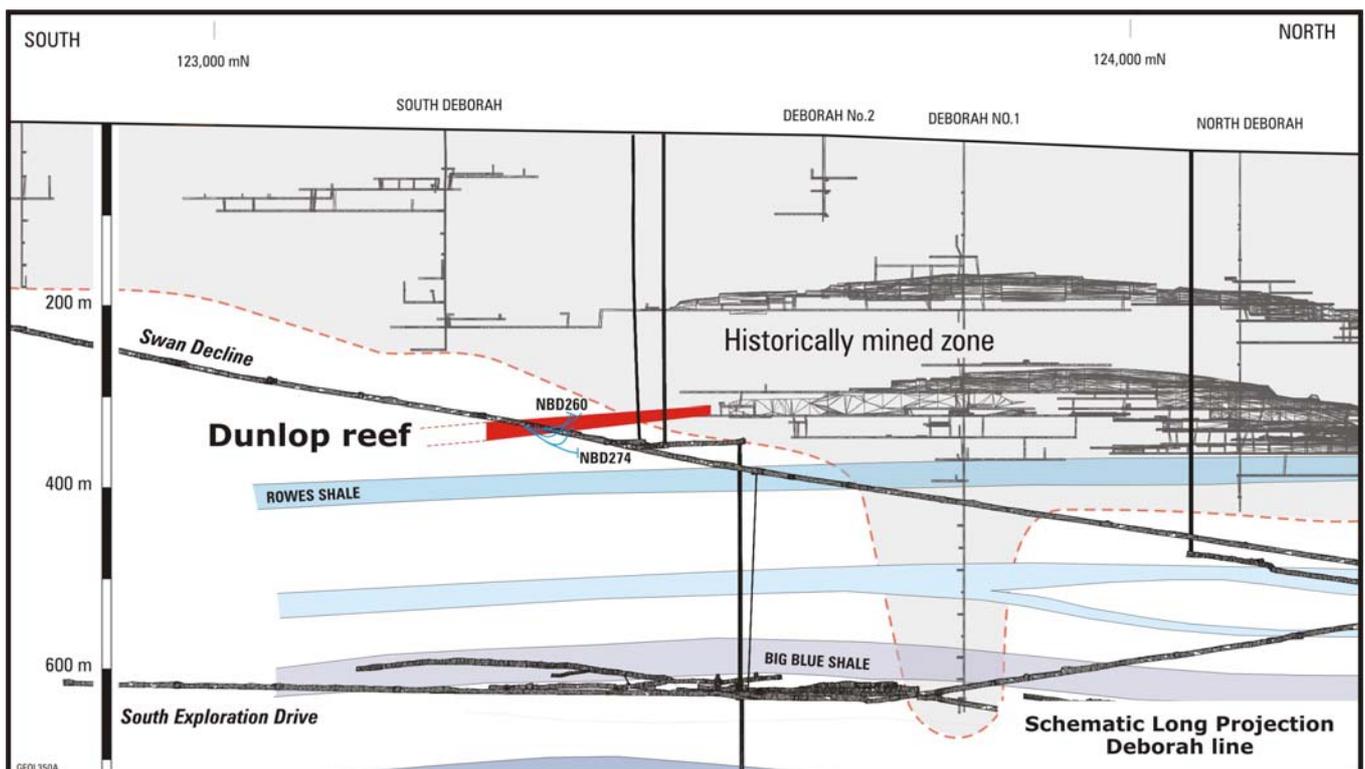
The encouraging exploration results from Dunlop reef combined with its location near existing mine workings make this a good production target. Further drilling will be carried out next quarter to test for continuity and further extensions.

Hole Number	Length (m)	Est. true width (m)	Grade range estimate (g/t gold) ¹	Gold assay (g/t) ²	Quartz %
<i>Dunlop reef: 123,545 mN (SP18 oblique)</i>					
NBD251	13.2	12.3	< 2	0.2	30
NBD252	13.5	12.4	> 15	11.0	81
NBD253	1.6	1.4	< 2	0.01	22
<i>Dunlop reef: 123,515 mN (SP18 oblique)</i>					
NBD261	19.2	14.7	2 - 6	2.0	71
NBD262	9.1	7.1	2 - 6	0.3	61
NBD264	8.0	5.8	< 2	Pending	98
	3.3	1.6	< 2	Pending	71
NBD265	7.6	6.3	2 - 6	0.5	82
	4.4	3.6	2 - 6	0.1	33
<i>Dunlop reef: 123,390 mN (SP15.5 oblique)</i>					
NBD260	7.4	7.3	2 - 6	Pending	79
NBD274	7.7	7.6	< 2	Pending	54

Note: Items in bold reflect new data this quarter.

¹ The geological grade range estimate is based on a visual ranking of the key geological textures and minerals in the drill core: such as quartz percent, quartz textures, presence of free gold and sulphides. The use of this ranking, in combination with assays, provides an estimation of the likely gold grade range of the intercept. The visual characteristics have a far greater influence on the grade range estimate than assay data.

² Screen fire assay. The large gold particle size of mineralisation at Bendigo, termed the nugget effect, means that a single drill intersection cannot accurately represent the grade of the reef surrounding the drill hole, as drill core will tend to miss the coarse pieces of gold. Consequently, assays will usually under-estimate the grade of the reef. However, if a nugget is intersected by drilling, the assay may over-estimate the grade of the reef.



Garden Gully - Railway Shale Target

Testing has commenced of a 1.5 km long section of the prospective railway shale unit on the Garden Gully line. The Railway Shale unit hosts a number of reefs to the south, including Gill reef, and the northerly extension of this rock unit has yet to be tested (see schematic long section below). Mines which operated above the target zone were some of the most prolific historic producers in the goldfield.

Reefs under assessment

Several reefs which are not in the current mining plan are undergoing reassessment in light of results from mining of Gill reef and the high gold price. The initial focus is on reefs relatively close to existing development including Grenfell, Grenfell East and Deborah D5 on the Garden Gully and Deborah lines at the south end of the field.

A reinterpretation and reassessment of grade and geometry of the reefs will be undertaken along with an assessment for additional drilling to define potentially economic zones.

Nell Gwynne line - Nankervis reef

Follow up testing of Nankervis reef 100 metres north of the discovery section failed to intersect any significant reef structure. The testing of the reef position to the south of the discovery section intersected only a weakly developed reef structure with anomalous sulphide mineralization.

The reef has been interpreted as a steeply north plunging quartz spur body at the intersection of a steep west-dipping fault and a bedding parallel laminated vein. A review of results to date is underway.

CORPORATE

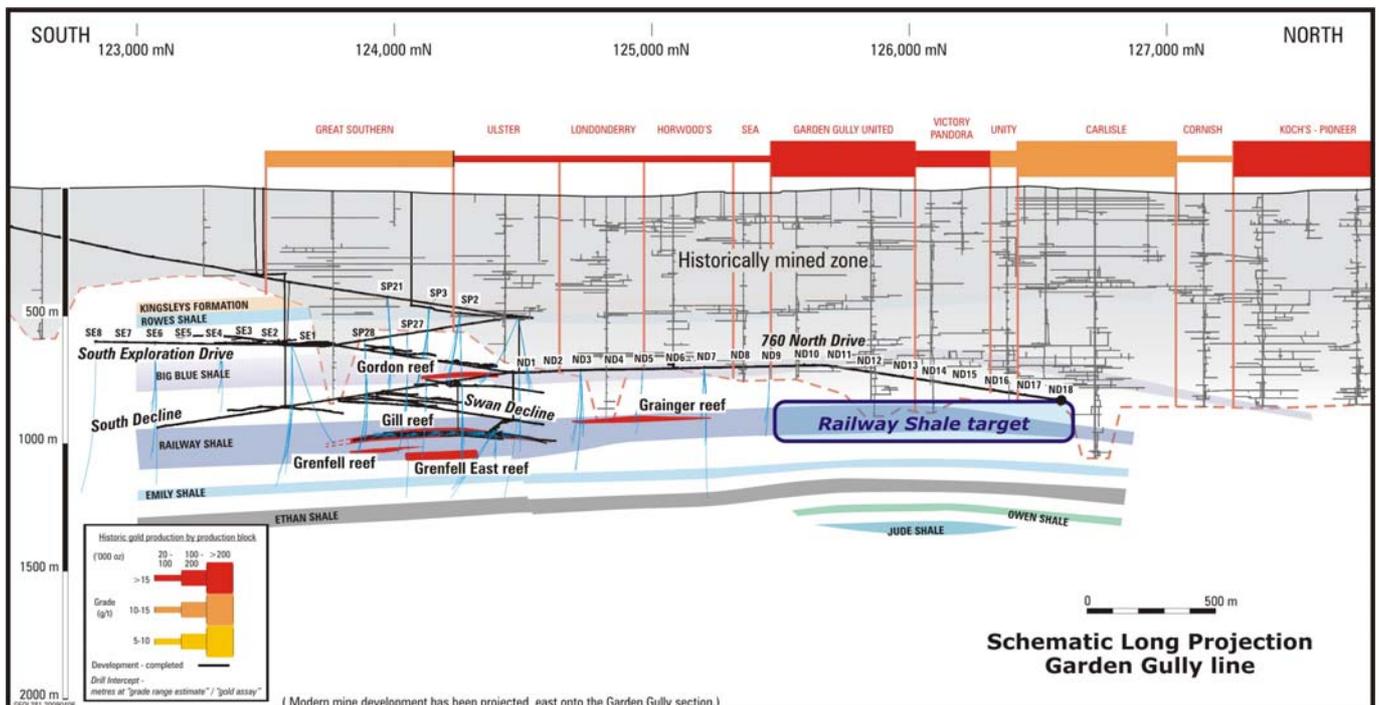
Total revenue for the quarter of A\$12.5 million included the sale of 9053 oz gold at an average price of A\$1385/oz.

Cash in bank increased by \$5.1 million during the quarter and at 31 March 2009 was \$50.0 million (\$44.9 million as at 31 December 2009).

The average A\$ gold price received of \$1385/oz was a 16% improvement on the prior quarter (A\$1189/oz in the December quarter).

Competent Person's Statement

The information in this public report that relates to Exploration Results and Mineral Resources is based on, and accurately reflects, information compiled by Mr Rodney Fraser. Mr Fraser is a Member of the Australian Institute of Geoscientists. He is a full time employee of the Company and has more than five years experience in the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fraser has given prior written consent to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Bendigo Mining Limited

ABN

61 005 674 073

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	13,732	26,357
1.2 Payments for		
(a) exploration and evaluation	(1,207)	(4,789)
(b) development	(1,300)	(5,869)
(c) production	(6,022)	(15,617)
(d) administration	(794)	(2,051)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	827	3,629
1.5 Interest and other costs of finance paid	(38)	(98)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	5,198	1,562
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	(79)	(363)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets	5	187
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(74)	(176)
1.13 Total operating and investing cash flows (carried forward)	5,124	1,386

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	5,124	1,386
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	-
Net increase (decrease) in cash held			
1.20	Cash at beginning of quarter/year to date	44,874	48,612
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	49,998	49,998

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	208
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	5,000
Total	6,000 *

* Excludes cash from sale of gold derived from production.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	248	58
5.2 Deposits at call	4,729	4,061
5.3 Bank overdraft	-	-
5.4 Other – Floating rate notes, Bonds, Commercial Papers, Bank Bills & Term Deposits	45,021	40,755
Total: cash at end of quarter (item 1.22)	49,998	44,874

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	495,498,780	495,498,780		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	<i>Employee Share Rights</i> 65,000	65,000		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options & Performance Rights <i>(description and conversion factor)</i>	<i>Options – convert into one fully paid share</i> 1,733,000 335,000 <i>Performance Rights – convert to one fully paid share subject to performance hurdles</i> 2,101,577 <i>Employee Share Rights – Convert to one fully paid share subject to Tenure</i> 2,835,000	Unlisted Unlisted Unlisted Unlisted	<i>Exercise price</i> 1.26 2.81 Nil Nil	<i>Expiry date</i> 25 July 2011 27 April 2012 2 April 2012 1 July 2010
7.8 Issued during quarter				

+ See chapter 19 for defined terms.

7.9	Exercised during quarter	<i>Employee Rights</i> 65,000	<i>Share</i>	Unlisted	Nil	1 July 2010
7.10	Expired / lapsed during quarter	<i>Options</i> 110,000 28,666		Unlisted	<i>Exercise price</i> 1.26 2.81	<i>Expiry date</i> 25 July 2011 27 April 2012
		<i>Employee Rights</i> 140,000		Unlisted		
7.11	Debentures <i>(totals only)</i>					
7.12	Unsecured notes <i>(totals only)</i>					

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29 April 2009.....
(Company Secretary)

Print name: Tim Churcher

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.