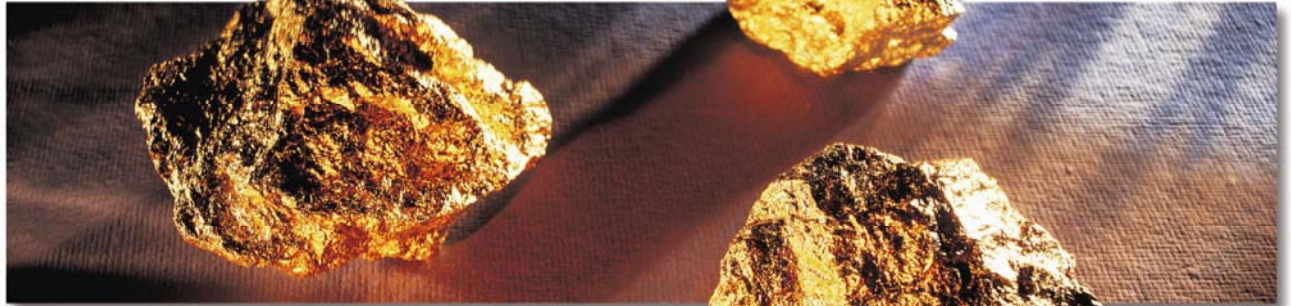


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GREATER BENDIGO
GOLD MINES LTD

GREATER BENDIGO GOLD MINES LIMITED
(ABN 59 119 956 624) AND CONTROLLED ENTITIES

QUARTERLY ACTIVITIES REPORT
TO SHAREHOLDERS

FOR THE QUARTER ENDED 31 MARCH 2008

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HIGHLIGHTS

The major focus of the quarter was the significant progress towards revenue at the Inglewood Project:

- Maxwells Processing facility, Inglewood substantially completed during the quarter,
- Bulk samples of Max shoot high grade ore analysed with >1 ounce per ton grades recorded,
- Access to ore passes completed to allow stoping of Max shoot from Level 1 to commence next quarter, and
- Further stope setup on Level 2.

Funding secured in the quarter (all previously notified to ASX):

- \$2.1m of facilities from ANZ,
- \$1.05m placement of equity, and
- Up to \$10m of capital notes.

Corporate:

- Profitable sale of Comesky Drilling Pty Ltd completed

CASH AND FORWARD LOOKING CASH POSITION

Cash at end of period was \$11k. This was anticipated and hence the above funding facilities were put in place allowing the forward cash position to be managed from:

- the ANZ facility, secured in the quarter but undrawn as at the end of the quarter i.e. the entire \$2.1m was still available to be drawn as at the end of the quarter,
- the \$700,000 deferred component of the recent share placement to be collected in June and August 2008, and
- the issue of \$10m of convertible notes – the first tranche of which is to be received post a shareholders' meeting in June 2008.

This forward plan sees the ANZ facility utilised to take GBM in to production in the April–June quarter, with revenue coming on-stream in the same period. ANZ facility to be serviced, reduced and/or repaid from a mixture of revenue, placement collections, capital notes funds and asset sales as they occur.

PROJECT AREAS AND PROJECT MANAGEMENT

BACKGROUND

Greater Bendigo Gold Mines (GBM) operates in nine geographically based project areas. Each area contains one or more mining or exploration licenses. Management is with centralized geological and corporate functions and project specific operational functions and personnel. The initial production focus is at Inglewood.

GBM recognises that the ongoing operations of the company depend on the ability to continuously gain approvals for new or amended exploration and particularly mining operations as the geology team firms up the priorities of its numerous targets. In order to increase its momentum on these approvals, given there are numerous targets, GBM has appointed a planning officer to prepare, facilitate and monitor work plans and other statutory operational requirements.

INGLEWOOD PROJECT

Maxwells Mine, Inglewood

Work on readying the mine for production has been ongoing with the bulk of activities focused on the refurbishment of the Maxwells Processing plant. The project update released on 15 April 2008 has the most up to date information and photos of the facility (available from the company web site www.gbgm.com.au).

Level	Development
No. 1 Level	<p>The Bulk sampling program has returned significant results (>1 oz per ton – refer ASX release at www.gbgm.com.au) from the rise dirt blasted down from the rise in the Max shoot last quarter.</p> <p>The remaining material was stockpiled on surface during the quarter and will be processed through the Maxwells plant in the next quarter.</p> <p>Work progressed significantly during the quarter on construction of an underground magazine which will enable an increased capacity and a higher level of security for the mines explosives stocks. [This magazine was subsequently inspected and approved in the first week of the April–June quarter].</p> <p>Services bore hole accessed from Level 1. A 200mm services hole has been accessed by a short crosscut and rise. This will be utilised to allow delivery of sand fill on demand to stopes.</p> <p>In addition the Level 1 drive was advanced to a total of 143 metres from the cross cut a total of 37 metres for the quarter.</p>
No. 2 Level	<p>The ore pass from the stoping area below the Max shoot has been cleared and access to the stope from Level 1 gained. Stope cans were ordered and on installation, will allow sand filling to take place in order to recommence stoping on the Max shoot.</p> <p>Rehabilitation of the remaining Level 2 drive was completed and a plan to allow access to the Max north stope is being formulated.</p>

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Level	Development
No. 3 Level	An additional stoping area was identified and setup. The ore pass from Level 2 to Level 3 was cleared and made ready for handling material from the planned stopes.

Maxwells Processing Plant, Inglewood

Work on the refurbishment of the Maxwells Processing plant progressed significantly during the quarter [refer Plant update published on the website www.gbgm.com.au in April 08].

All major components were delivered and installed with testing of various components commencing.

The concentrator modules scheduled to be delivered in late April [and were installed as at date of writing this report].

Work on Peripheral tasks to be completed whilst production commences on tailings in the April-June quarter, after concentrator commissioning.

Approximately 30,000t of commissioning feed for the mill was stockpiled on the ROM pad ready for processing, with a further 60,000t able to be delivered once space available on the ROM/feedstock pad.

Perimeter fencing and security was upgraded. Water storage ponds filled and a bore for top up water approved to ensure ample water supply for production..

Exploration:

Focus on exploration at Inglewood has been primarily within the Maxwells Mine for the quarter with geological mapping, sampling and evaluation being undertaken.

Work on establishing a base resource inventory of the GBM titles was commenced [announced in April – refer web site] and planning to increase the resource totals as well as increase the confidence levels of existing inferred levels to measured status is underway.

Planning for drilling and liaison with various stakeholders is underway.

FIDDLERS CREEK PROJECT

An Agreement was negotiated during the quarter, but signed after the quarter end in April 2008, for the purchase of a 100% interest in EL 4936 by GBM Avoca Pty Ltd (GBMA), a wholly owned subsidiary of Greater Bendigo Gold Mines Limited.

This title gives GBMA an extensive exposure to the Percydale fault zone which GBM believes has considerable potential following development of a new exploration strategy for the area.

In addition the purchase provides a more attractive sales opportunity for parts of the Fiddlers Creek project, with several parties expressing interest in acquiring same at reasonably attractive prices to GBM.

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Under the agreement GBMA agreed to pay Oroya Mining Limited \$100,000 by 30 April 2008, with Oroya retaining a 5% Net Smelter Return Royalty payable after the first 15,000 ounces of gold production from the tenement. GBMA retains an Option to buy back the royalty right from Oroya for \$200,000 within two years.

OTHER PROJECTS

With the main focus for the quarter on the Inglewood project, and some activity on the Fiddlers Creek and ISG/GBM Alluvials projects, activities on other tenements and project areas were reduced for this quarter.

An option to Joint Venture EL 3866 at Beechworth as part of the ISG/GBM Alluvials project was signed with Providence Gold and Minerals P/L a private company. A short drilling program is intended for the next quarter.

As outlined in the last quarterly report, GBM is progressing asset sales of some tenements now deemed non-core.

Planning approvals are being progressed and work plans prepared where required.

The table below shows only changes to tenement status during the quarter. It does not show all tenements owned. For a table of those please refer to the recently released annual report on the company website.

As above an agreement signed to purchase EL 4936 covering the Pyrenees ranges and the license to be transferred to GBM after the 1st year anniversary (26th of April).

Project area/Name	Tenement	Nature of Interest
Fiddlers Creek	EL 4936	Agreement to purchase, transfer on 1 year anniversary at end of April 08
ISG/GBM Alluvials	EL 3866	Option to take 85% Joint Venture stake with right to buyout the other 15%

OTHER INVESTMENTS

Comesky Drilling Pty Ltd

The sale of Comesky Drilling was settled and share transfers undertaken.

Mineral Recovery Technologies

Mineral Recovery Technologies (MRT) is 50% owned by GBM. MRT has acquired the intellectual property to the Pfahlert Concentrator and the Pfahlert Crusher. With the imminent commencement of commissioning of the Maxwells Processing Plant, MRT will be in a position to utilize the knowledge gained from the processing operations to assess the best and most profitable means to commercialize the Concentrator technology and business opportunity.

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Signed for and on behalf of Greater Bendigo Gold Mines Limited



John Cahill

Managing Director

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by John Cahill, who is a Member the Australian Institute of Geoscientists.

John Cahill is both Managing Director of Greater Bendigo Gold Mines Limited and a full time employee of GBGM Operations Ltd, the 100% owned operating subsidiary of Greater Bendigo Gold Mines Limited.

John Cahill has sufficient experience which is relevant to the style of mineralization 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'. John Cahill consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

COMPANY INFORMATION

DIRECTORS

Ian W. Smith (Chairman)

John E. R. Cahill (Managing Director)

Doug W. Cahill (Executive Director – Special Projects)

Peter B. Marriott (Non-executive Director)

Gavin A. Hoare (Non-executive Director)

Michael D. Botting (Non-executive Director)

COMPANY SECRETARY

David C. Buchan

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STOCK EXCHANGE LISTING

Australian Stock Exchange

Code: GBM

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