



BCD Resources NL – Quarterly Report

Level 7, Exchange Tower, 530 Little Collins Street, Melbourne Vic 3000
www.bcdresources.com.au

For the period ending June 2010

Highlights

Tasmania Mine Operations

- Gold production increased by 39% to 13,802 ounces
- Good progress was made with the introduction of an enhanced mining method which will provide significant cost and productivity benefits when fully implemented. Whilst only 8% of the ore mined during the quarter utilised this method, that proportion is expected to increase substantially by the end of the 2011 financial year

Tasmania Mine Exploration

- Strong results continued from drilling of the Western Zone.
 - J26 intersects 11.4m at 46.7 g/t gold
 - J29 intersects 10.7m at 12.0 g/t gold
 - J32 intersects 8.3m at 12.9 g/t gold
- Interim JORC resource estimate released for the new Western Zone of 155,000 tonnes at 16.0 g/t gold containing 80,000 ounces

Merger with Bendigo Mining

- A Scheme Implementation Agreement was announced for a merger with Bendigo to create a significant mid-tier Australian gold mining business
- The Merger offer ratio of 0.72 Bendigo shares for every BCD share represents an attractive premium of 44.0% to BCD's closing price prior to the announcement
- The new company's strong financial position will allow it to accelerate the development and maximise the value of the Tasmania Mine
- Bendigo has agreed to provide to BCD a pre-completion loan of up to A\$8 million to accelerate the development of BCD's Tasmania Mine and for working capital purposes

CEO'S COMMENTARY ON THE QUARTER

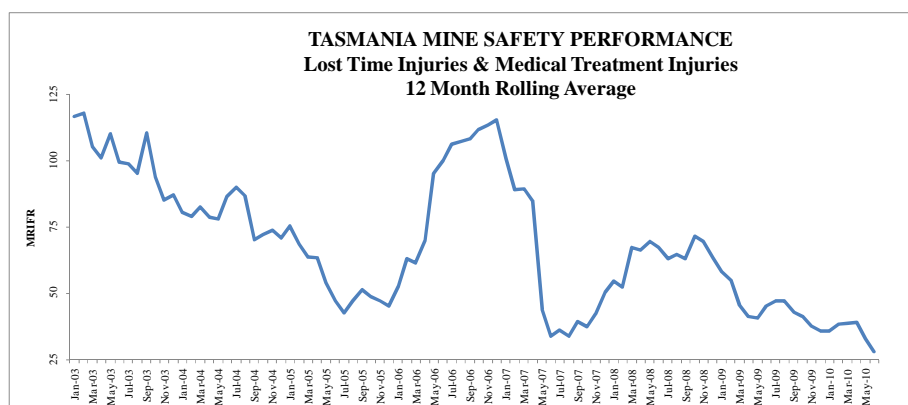
BCD Resources CEO, Bill Colvin said "The proposed merger between BCD and Bendigo Mining will combine two gold companies with a natural fit of assets. Growth potential will be enhanced whilst operational and financial risk is reduced. The new company's strong financial position will allow it to accelerate the development of the Tasmania Mine, unlocking value from the new high grade Western Zone and the implementation of the lower cost enhanced mining method.

Synergies between the two Tasmanian based gold operations are readily apparent and the increased levels of gold production from the combined company (137,600 ounces in FY10) are expected to provide more market relevance for the benefit of both BCD and Bendigo shareholders.

This merger provides an immediate uplift in value and is expected to continue to unlock further value for all of the shareholders of the combined company through the next stages of its growth."

TASMANIA MINE

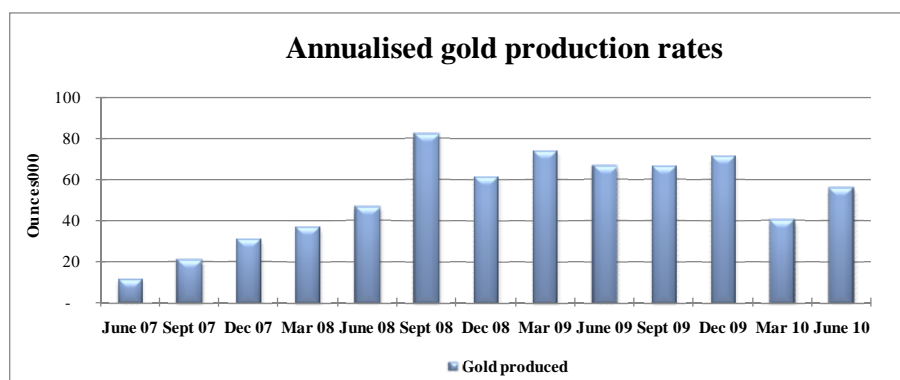
SAFETY



MRIFR (*Medically Referred Injury Frequency Rate – number of injuries per million man hours*)

There were no Lost Time Injuries and one Medical Treatment Injury during the June 2010 quarter, and it is pleasing to report that the MRIFR fell to a historic low of 28.1 at the end of June. The target for the Company remains zero.

PRODUCTION

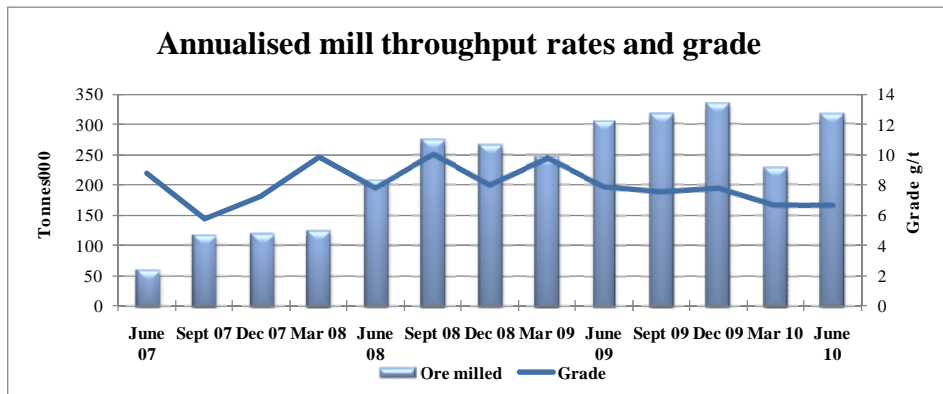


Gold production of 13,802 ounces increased by 39% compared to the March quarter, following the resolution of various short-term operational issues adversely impacting mining.

Mine Development

Total development for the quarter was 882 metres (March 2010 quarter: 863 metres), of which capital development, principally in the decline, represented 178 metres (March 2010 quarter: 259 metres).

Mill Operations



Grade of 6.7g/t was consistent with the previous quarter but throughput increased by 39% to 78,660 tonnes. Trials of modified cyclones in the mill were successful in confirming the capacity of the mill to run at increased rates. Although throughput is currently constrained by output from the mine, the mill ran at an annualised rate of around 400,000 tonnes per annum for several days during the quarter.

Lower cost mining method

An enhanced mining method is being introduced to replace the footwall driving method currently used in the western zone of the mine whilst still achieving the safety benefits consistent with geotechnical best practice. The enhanced method will reduce the development required to access a stope block by around 60% and reduce the production drilling by around 25% yielding a significant cost saving. In addition, the method provides an opportunity to further reduce unit costs through improving productivity, ore recovery and backfill dilution.

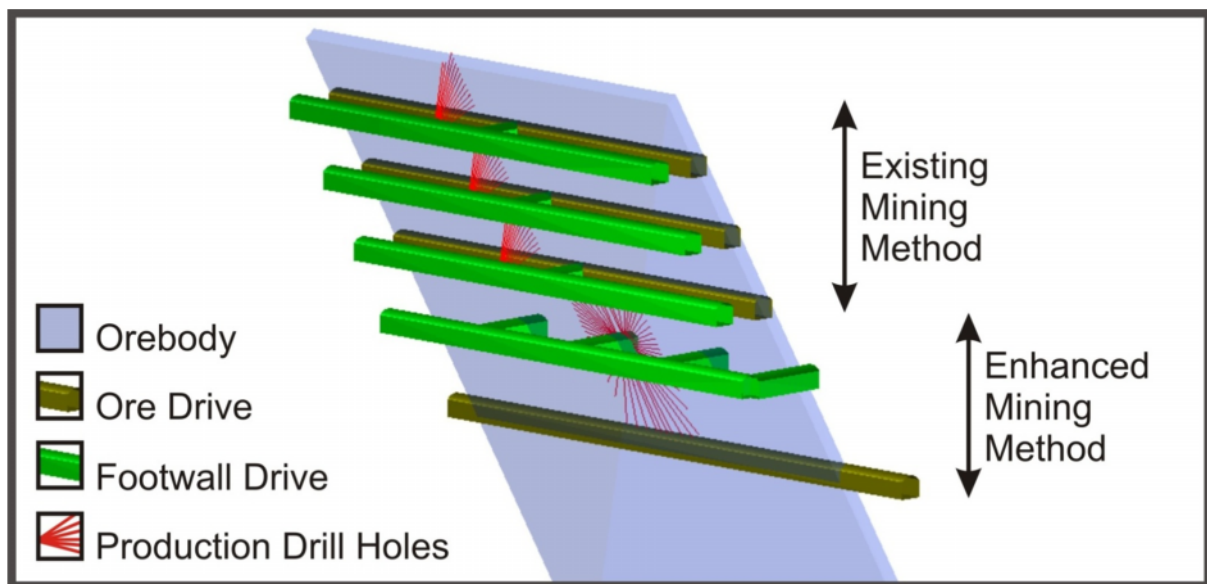


Figure 1 Diagrammatic comparison of remote footwall and enhanced mining methods

A four stope trial block has been established between the 1120 and 1150 levels. The first two stopes in the panel have now been successfully fired and extracted. Shotcreting the drill caddy significantly facilitated radial drilling of the third stope which has now been completed and will be fired imminently. During the quarter 8% of the total ore mined was produced using the enhanced method. This proportion will increase significantly by the end of the 2011 financial year.

Access to Western Zone

The initial access to the high grade Western Zone has been designed, based on extending currently planned sill and footwall drives on the 1160 and 1180 levels (refer Figure 3). Financing from the pre-completion facility provided by Bendigo will enable this development to be accelerated, bringing forward stope production in the second half of the 2011 financial year.

New Bulk Mining Resource Potential

A scoping study on mining a zone of stockwork gold mineralisation in the western footwall of the Tasmania Reef has been completed and confirms the potential for a low-cost source of bulk tonnes to utilise spare mill capacity and increase gold production rates. Using efficient bulk mining methods incremental ore will be “stock-piled” in-situ underground and drawn down as required to supplement higher grade feed from elsewhere in the mine. This will provide flexibility and consistency in terms of mill feed, and better utilisation of underground equipment.

The mineralisation consists of narrow, closely-stacked quartz veins striking north west. This style of mineralisation has never been mined in the historic mine or the modern mine and represents a significant target. Its presence has been confirmed in the modern mine from 815 metres below surface (“mbs”) to 915 mbs and importantly is untested above and below these levels. Currently it is reported within Resources, between these levels, as an Indicated Resource of 105,000 tonnes at 5 g/t gold containing 16,500 ounces. It will be included in the reserves category at the next update.

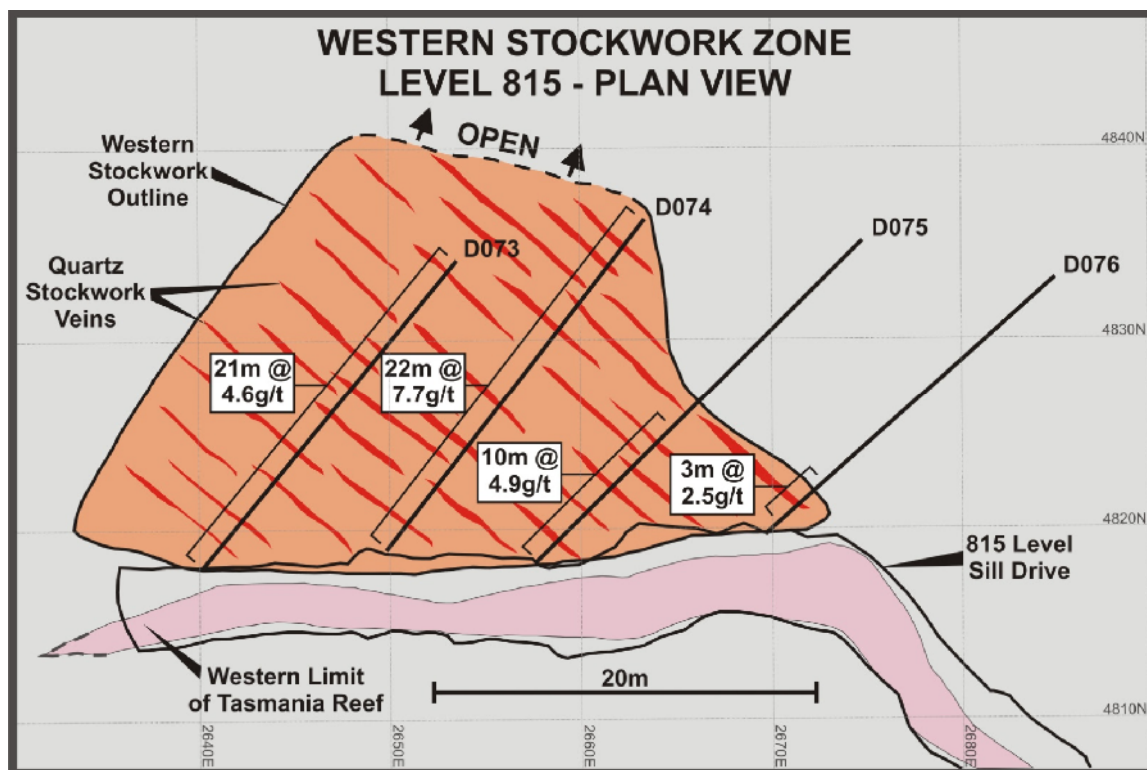


Figure 2

Diamond drilling to date has outlined this mineralisation on the 815, 850, 870 and 915 Levels, including true width intersections of 22m at 7.7 g/t gold, 21m at 4.6 g/t, 13m at 5.8 g/t, all of which are open-ended in mineralisation (refer Figure 2 for drill holes on the 815 Level).

The stockwork mineralisation has potential to extend over a much greater vertical distance along much of the western edge of the Tasmania Reef. It has been partially exposed in footwall drives below the 915 Level but has yet to be tested with drilling on these levels. Diamond drilling planned for the June quarter was deferred until the September quarter following the success of the Western Zone drilling program.

Contract Mining Operations

Continued progress was made to set up for the extraction of several high grade remnants in the upper levels of the modern mine. Excess capacity at the Tasmania Mine mill means this incremental ore can be treated at a low marginal cost, thereby reducing overall unit costs. Development was advanced on the 430, 455 and 475 Levels during the quarter, yielding limited amounts of lower grade ore. Production from this area is expected to ramp-up to the target of 2,000 to 3,000 ounces per quarter during the next two quarters.

COSTS

Cash costs of production of A\$1,153 per ounce were 28% lower than the previous quarter.

Operating expenditure was A\$0.5 million lower than for the previous quarter despite the increased tonnage mined and processed.

Capital expenditure increased to A\$2.1 million largely as a result of the increased underground diamond drilling program, which is capitalised.

EXPLORATION

TASMANIA MINE RESOURCE EXTENSION

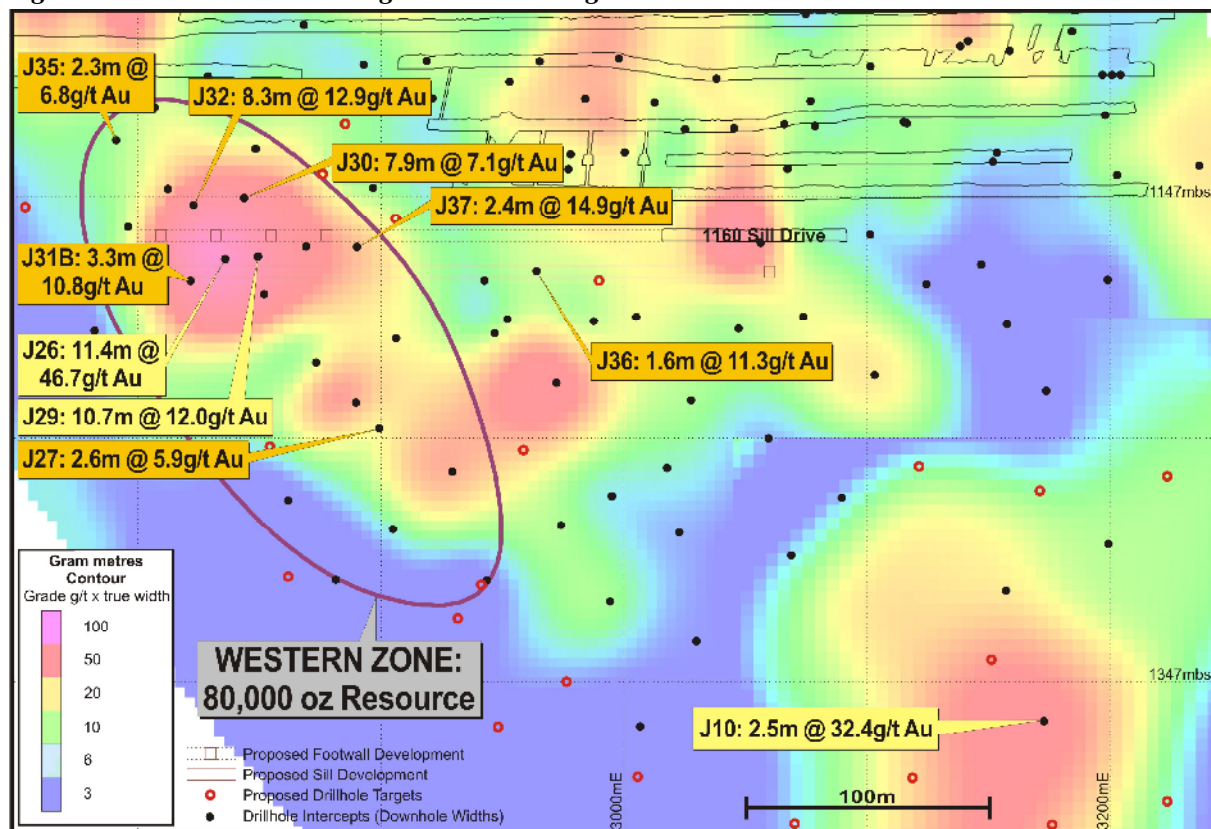
Underground diamond drilling continued during the quarter, with two rigs manned. Drilling continued to extend and consolidate a new zone of high grade mineralisation in the western part of the mine from 1100 to 1300 metres below surface (“mbs”), which was named the “Western Zone” (see long section Figure 3 below). Several further high grade intersections were made, and an initial Resource Estimate for the Western Zone of 80,000oz announced.

Significant intersections made during the quarter include **11.4m at 46.7 g/t gold** in hole J26, **10.7m at 12.0 g/t gold** in hole J29, and **8.3m at 12.9 g/t gold** in hole J32. All significant drill results are shown in Table 1 below.

Drilling continues with two underground drill rigs, with the following objectives:

- Further extend and infill new mineralisation from 1100 to 1300mbs in the west of the mine;
- Extend Stockwork mineralisation at depth below the current 16,000 oz Indicated Resource;
- Test for further remnant material at shallow levels in the mine from 375 to 455 mbs;
- Extend mineralisation at depth from 1350 to 1450 mbs in the east of the mine. The pre-completion facility made available by Bendigo will facilitate the development during the September and December quarters of a 150 metre extension to the existing hangingwall drill drive, at a total cost in excess of \$0.8 million. The extension is required to achieve the drilling angles necessary to test the reef at depth.

Figure 3 Tasmania Mine Long Section showing recent drillhole intersections



Background colours depict contours of thickness x grade and represent the quality of drillhole intersections present.

Table 1 Significant Intersections, Resource Extension Drilling, Tasmania Mine

Hole	Easting	Depth (mbs)	From (m)	To (m)	Intersection width (m)	Estimated Horizontal Width (m)	Grade (g/t) gold
J24	2872	1215	195.7	196.5	0.8	0.3	3.7
J24	2857	1179	197.2	199.1	1.9	1.3	8.8
J25	2938	1213	135.9	138.0	2.1	1.5	5.9
J26*	2834	1173	119.7	131.1	11.4	5.8	46.7
J27	2898	1243	176.5	179.1	2.6	1.9	5.9
J27	2906	1230	159.6	160.9	1.3	1.0	27.6
J28	2794	1160	89.3	93.6	4.3	2.5	2.3
J29	2848	1172	125.3	136.0	10.7	4.6	12.0
J30	2842	1148	99.0	106.9	7.9	4.7	7.1
J31B	2818	1180	127.0	130.3	3.3	1.7	10.8
J32	2821	1151	89.7	98.0	8.3	2.7	12.9
J34	2942	1177	124.6	125.2	0.6	0.5	15.9
J35	2789	1124	54.5	56.8	2.3	0.9	6.8
J36	2963	1178	117.8	119.4	1.6	1.6	11.4
J37	2882	1167	153.9	156.3	2.4	2.4	14.9

*reported previously

Widths shown are calculated horizontal widths. Eastings and depths shown are for the mid-points of each mineralised intersection. mbs is “metres below surface”

TASMANIAN REGIONAL GOLD EXPLORATION

Surface diamond drilling at Pease Creek during the quarter followed up on anomalous gold-arsenic mineralisation in aircore hole PCRC9b (17m at 0.26 g/t gold and 738 ppm arsenic), reported previously. Diamond drilling to a depth of 132m intersected the target Salisbury Hill Formation with some pyrite veinlets but no significant quartz veining. Assays are awaited.

VICTORIAN COPPER PROJECT

The Ararat Copper Deposit contains an Inferred Resource of 700,000t at 2.7% copper and 0.8g/t gold. Metallurgical testwork (flotation and mineralogical assessment) was undertaken by the Burnie Research Laboratory on Ararat drillhole samples representing oxide and sulphide zones. The oxide component of the Ararat deposit is a relatively small proportion of the Ararat resource because of a shallow depth of weathering. Flotation results were good, with recoveries as expected and a high grade, clean concentrate produced with no smelter penalty constituents detected.

Sulphide copper flotation results were excellent, using conventional roughing, rougher regrind and cleaning. 89% of copper and 85% of gold was recovered to a 27% copper and 20g/t gold grade concentrate respectively.

Oxide copper flotation was performed with conventional sulphide activation and xanthate and yielded around 35% copper and 85% gold recovery to a 34% copper and 50g/t gold grade concentrate. Further assessment of cleaning routines is expected to improve oxide copper recovery to around 50%.

The exploration results presented in this report are based on information compiled under the supervision of Peter Thompson, who is a full time employee and a Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation to 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (The JORC Code, 2004). Mr Thompson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE

GOLD HEDGING

The BCD Resources Group remains completely unhedged and all production from the Tasmania Mine is available for delivery at the spot price. The average gold price received during the quarter was A\$1,366 per ounce.

The policy concerning hedging is regularly reviewed.

CASH POSITION

Group cash and bullion despatched and accounted as revenue totalled A\$9.6 million at 30 June 2010.

The Company now has no bank debt and only A\$1 million of convertible notes redeemable in 2012.

Early in July an A\$1.6 million private placement was finalised, principally to a US based institution. A total of 14.8 million new shares were placed at a price of 11 cents per share. A deposit of A\$1.1 million in respect of this placement was held at 30 June 2010 and included in the cash balance quoted above.

CLAIM AGAINST BLAKE DAWSON

The BCD Resources group's action against Blake Dawson was heard in the WA Supreme Court in March 2010. The claim of \$7 million, plus interest and costs, related to damages for alleged professional negligence and breach of contract arising from advice concerning certain insurance and risk management issues associated with the contract for construction of the treatment plant at the Tasmania Mine in 1998 and 1999.

The decision of the Court was handed down on 7 May. Whilst the Judge found in the Company's favour that Blake Dawson had breached its contract of retainer, he awarded nominal damages only. The Company has filed a notice of appeal against the decision.

MERGER WITH BENDIGO MINING LIMITED

On 22 July 2010 BCD Resources NL (BCD) and Bendigo Mining Limited (Bendigo) announced that they had entered into a Scheme Implementation Agreement (SIA) for a merger of the companies to create a significant mid-tier Australian gold mining business (the Merger).

The Merger will be implemented by way of a scheme of arrangement under which it is proposed Bendigo will acquire all of the ordinary shares in BCD. BCD shareholders will receive 0.72 Bendigo shares for each BCD share held which, based on the last closing prices before announcement, implied a combined market capitalisation of A\$162 million. The scheme of arrangement will require approval by BCD shareholders at a meeting expected to be held in November 2010.

The Merger is unanimously recommended by the BCD directors and each of the directors of BCD (and each relevant entity controlled by a BCD director) intends to vote in favour of the scheme in the absence of a superior proposal and subject to the independent expert concluding that the scheme is in the best interests of BCD shareholders.

Bendigo has agreed to provide BCD with a secured loan facility (Loan) of up to A\$8 million prior to completion of the Merger to accelerate development of the Tasmania Mine and for working capital purposes.

The Loan is able to be drawn down in four tranches, with the first advance being A\$3.5 million.



For further information contact:

Bill Colvin
Chief Executive Officer
BCD Resources NL

T: 61-3-9909-7401
enquiries@bcdresources.com.au
www.bcdresources.com.au

APPENDICES

APPENDIX 1 QUARTERLY COMPARATIVES

PRODUCTION

	September 2009	December 2009	March 2010	June 2010
Ore hoisted	85,215 tonnes	76,756 tonnes	55,494 tonnes	77,938 tonnes
Ore treated	78,684 tonnes	83,107 tonnes	56,778 tonnes	78,660 tonnes
Head Grade	7.5 g/t	7.8 g/t	6.7 g/t	6.7 g/t
Gold treated	18,948 ounces	20,772 ounces	12,145 ounces	16,896 ounces
Recovery *	86.4%	84.8%	82.0%	81.7%
Gold produced	16,375 ounces	17,620 ounces	9,961 ounces	13,802 ounces

* Recovery excludes movements in gold in circuit

COSTS

	September 2009	December 2009	Mar 2010	June 2010
Cash cost	\$998 per ounce	\$934 per ounce	\$1,596 per ounce	\$1,153 per ounce
Capital cost *	\$32 per ounce	\$54 per ounce	\$157 per ounce	\$149 per ounce
Cash cost per tonne milled	\$208 per tonne	\$198 per tonne	\$280 per tonne	\$202 per tonne
Revenue received	\$1,153 per ounce	\$1,217 per ounce	\$1,230 per ounce	\$1,366 per ounce

All costs in Australian dollars

Cash costs are calculated in accordance with former Gold Institute definitions, and include Tasmanian Government ad-valorem royalties and credit for by-product silver.

* includes underground drilling to increase the Tasmania Reef resource.