



RESOURCES NL

Media Release

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FUTURE OF THE TASMANIA MINE

BCD Resources NL (BCD or the Company) today announced that underground mining at the Tasmania Mine, Beaconsfield is expected to close at the end of June next year. The Company says that at today's gold price it is not viable to mine below the current depth of 1,210 metres.

BCD Resources NL Chief Executive Officer Peter Thompson said today:

"Below the current base of the mine, gold mineralisation thins and further development is not viable. This has been recently confirmed by an independent consultant. The Company will continue to review the mining plan and mine life should the gold price continue trending upwards.

Mr Thompson said that since September this year production from the Western Ore Zone at the Tasmania Mine had commenced and the company had returned to profitability with production costs now below A\$1,000 per ounce.

His comments coincided with the Company's Annual General Meeting at the Beaconsfield Community Centre, today.

BCD currently has 103 fulltime employees, 16 casuals and 32 contractors at the mine and processing plant. Mr Thompson said that all employees' entitlements were guaranteed, with ore processing of underground ore expected until June 2012.

He said that the Company was currently evaluating other processing and mining options, including treatment of a gold tailings deposit and development of the Pinafore open pit gold resource located at Lefroy, 40km from Beaconsfield, which had the potential to extend gold production.

Mr Thompson confirmed that remaining convertible note debts are expected to be paid on time in February, with production beyond February generating significant revenue. Revenue to February was also partly protected with a gold hedging agreement at A\$1,747 per ounce for 50 per cent of planned production.

He said the Company was evaluating the development of other assets, including their Victorian copper and gold assets, and re-utilisation of the Beaconsfield treatment plant on other refractory gold deposits. The Beaconsfield treatment plant is one of only three bacterial oxidation plants in Australia capable of treating refractory gold ores and has a significant replacement cost of \$60m.

Mr Thompson said BCD directors were of the view that the full value of the assets of the Company was not reflected in the current market capitalisation of BCD and they are actively pursuing strategies to increase shareholder value.

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