



**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

STOCK EXCHANGE ANNOUNCEMENT

6 SEPTEMBER 2006

POSITIVE GEOTECHNICAL ASSESSMENT ASSISTS EFFORTS TO RECOMMENCE PRODUCTION AT BEACONSFIELD MINE

Beaconsfield Gold NL (ASX: BCD or the "Company") welcomes the announcement issued today by Allstate Explorations NL (Subject to Deed of Company Arrangement) ("Allstate"), as Manager of the Beaconsfield Mine Joint Venture ("BMJV"), regarding the geotechnical assessment of the Beaconsfield Mine undertaken by Coffey Mining. A copy of the Allstate announcement is included with this release.

Coffey Mining says that *"at this stage we do not foresee any geotechnical reasons relating to ground control that could not be managed such that they would prevent the Beaconsfield Mine recommencing operations."*

BCD views the Coffey Mining assessment as positive news for the miners, the community and other parties committed to seeing the Beaconsfield Mine back in production. BCD advises, however, that there is still a high level of uncertainty concerning the actual timing of any recommencement of commercial mining operations and gold production as extensive consultation by Allstate is still required with the workforce, local community, Workplace Standards Tasmania, the AWU, the Coroner and other stakeholders.

BCD also believes the geotechnical assessment is positive for Allstate's intention to sell its group interest in the BMJV or to recapitalise Allstate. Notwithstanding the uncertainties associated with the mine's re-opening, BCD is committed to acquiring 100% ownership of the mine and has formally advised Allstate of its position. The Company believes it is best qualified and best placed to take over management of the mine.

"We are obviously pleased to hear that the Coffey Mining report has found no geotechnical reasons to prevent the mine recommencing operations," BCD Chief Executive Officer Bill Colvin said.

"Beaconsfield Gold is the company that is best placed to get the mine up and running when approval has been granted to recommence commercial mining operations. We know the mine and we have shareholder approval for the funding to buy the Allstate group's interest".

For further information contact:

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ALLSTATE EXPLORATIONS NL
(subject to deed of company arrangement)
ACN 000 679 023
("the Company")

Media Release
6 September 2006

Outlook for Re-opening of Beaconsfield Gold Mine

Limited mining operations at the Beaconsfield Gold Mine may be able to restart within the next two months.

A team of specialist mining consultants conducting a review of operations of the Beaconsfield Gold Mine, Coffey Mining, say they cannot foresee any geotechnical reason that would prevent the recommencement of mining operations.

Coffey Mining says that, subject to partial lifting of the sections 38 & 39 notices issued by Workplace Standards, it may be possible to recommence work on the main decline within the next month and for there to be limited production-related activities in the eastern area of the mine during October.

Joint & Several Deed Administrator of the Company, Michael Ryan, said today there were still a number of issues that needed to be resolved before the mine could fully re-open or its viability established. He noted however that further work was required to be conducted before a final view can be taken.

"We still have a way to go, including further mining engineering work and modeling the economic impact of any changes to the mining method and required ground support, but there have been a number of positive developments over the past month," Mr Ryan said.

"This is good news for our employees and should give them increasing confidence in the future of the mine and their jobs," he said.

Coffey Mining, in conjunction with international experts, have undertaken a geotechnical assessment of mine seismicity and ground control methods to manage the seismic risk.

Coffey Mining say that: *"whilst mine seismicity will continue to be present, the risks associated with seismicity and rockfalls at the Beaconsfield Mine can be managed via a combination of enhanced ground support regimes and refinements to the mining method"*.

"The review identified a number of operating mines in Canada that are currently experiencing seismicity of greater magnitude and frequency to that experienced at Beaconsfield and have been effectively managing this risk through the use of similar design processes and ground control techniques to those proposed by Coffey Mining for recommencement of operations at Beaconsfield".

"At this stage we do not foresee any geotechnical reasons relating to ground control that could not be managed such that they would prevent the Beaconsfield Mine recommencing operations".

The mine is presently on care and maintenance pending the outcome of work by consultants and investigations into the cause of the rock fall and the tragic events of Anzac Day.

Mr Ryan said that Coffey Mining and mine management had been working to prepare the case for safety as required under the directions made by Workplace Standards following the tragedy.

The company is also continuing to work with the Workplace Standards investigation being conducted by special investigator Mr Greg Melick SC which is seeking to determine the cause of the Anzac Day rock fall.

In July the Prime Minister John Howard announced a \$4.87 million grant from the Beaconsfield Community Fund to help the company maintain 33 extra jobs at the mine and carry out further work to give the mine the best chance of re-opening if it was found to be safe and economical to do so.

The Tasmanian State Government has also announced that it is willing to waive \$680,000 owed to it by the Beaconsfield Mine Joint Venture if mining operations recommence.

Mr Ryan said that these announcements and now positive comments from the mine's geotechnical consultants is starting to create some momentum for a possible re-opening of the mine.

"Notwithstanding this momentum it is critical that there continues to be consultation with the Beaconsfield mine workforce, Workplace Standards, the AWU, the Coroner, the West Tamar Council and other stakeholders prior to any restart of mining operations," he said.

For further comment please phone Michael Lester , CPR Communications & Public Relations Pty Ltd on (03) 6224 8644 or 0425 235 157.

06/09/06

Taylor Woodings

Level 6, 30 The Esplanade

PERTH 6000

Attention: **Mr Michael Ryan**

Dear Michael,

RE: Update on recommencing operations at Beaconsfield Gold Mine.

Coffey Mining, in conjunction with international experts, have undertaken a geotechnical assessment of mine seismicity and ground control methods to manage the seismic risk. This assessment has indicated that whilst mine seismicity will continue to be present, the risks associated with seismicity and rockfalls at the Beaconsfield Mine can be managed via a combination of enhanced ground support regimes and refinements to the mining method.

The review identified a number of operating mines in Canada that are currently experiencing seismicity of greater magnitude and frequency to that experienced at Beaconsfield and have been effectively managing this risk through the use of similar design processes and ground control techniques to those proposed by Coffey Mining for recommencement of operations at Beaconsfield.

At this stage we do not foresee any geotechnical reasons relating to ground control that could not be managed such that they would prevent the Beaconsfield Mine recommencing operations.

In parallel to the geotechnical studies, Coffey Mining has been working with the Beaconsfield Mine personnel to satisfy the requirements of Workplace Standards Tasmania with respect to preparation of a Case for Safety. This work has involved process mapping and risk assessments of key mine activities, and development of enhanced safety management frameworks for recommencement of operations.

We are currently reviewing the schedule for completion of the Case for Safety elements with a view toward recommencing decline development in September 2006 and potential for commencing limited production related activities in the eastern area of the mine during October 2006.

Consultation with the Beaconsfield mine workforce, Workplace Standards Tasmania, the Coroner, West Tamar Council and other stakeholders will be undertaken prior to recommencing mining operations.