



**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

CHAIRMAN'S ADDRESS

ADDRESS BY DR. DENIS CLARKE AT THE ANNUAL GENERAL MEETING HELD

AT LEVEL 1, THE RIALTO HOTEL, 495 COLLINS STREET, MELBOURNE

AT 11AM ON THURSDAY 30 NOVEMBER 2006

The last year for Beaconsfield Gold has been extraordinary in many respects. As the details of the past are recorded fully elsewhere, I will in this address focus only on some recent developments that are important to the Company's future. In this regard, I am pleased to report that considerable progress has been made both operationally at the Beaconsfield Mine and also on the corporate front since I addressed shareholders a few weeks ago at the Company's general meeting on 4 October.

1. Operations

(a) Mining

All mining activities at the Beaconsfield Mine were suspended on 25 April, some seven months ago and since then efforts have been directed towards reopening the mine.

I am delighted to advise now that underground mining of the access decline at the mine recommenced yesterday, 29 November.

Following the submission by the Beaconsfield Mine Joint Venture of a Decline Case for Safety on 20 October, Workplace Standards Tasmania rescinded elements of notices it issued following the 25 April rockfall. The Joint Venture then completed the necessary communication and consultation process with major stakeholders (including employees, the

Australian Workers Union and the local community), and mining activities in the decline resumed yesterday afternoon.

This is a significant step in the staged process to return the mine to a commercial production level. Separate Case for Safety submissions and approvals are still required for the two stages that will generate gold ore, namely ore development (sill driving) and ore production (stoping).

A separate Case for Safety is required for each stage, incorporating a review of geotechnical matters, actions and activities necessary to support a safe return to work. The Case for Safety for ore development is to be submitted shortly to Workplace Standards Tasmania and recommencement of sill driving on ore is anticipated during December.

The Case for Safety for ore production, which is the critical stage in returning to commercial production, is expected to be submitted to Workplace Standards Tasmania in early December, with a resumption of stoping activities anticipated early in 2007. There would then be a ramp-up period of at least three months before the mine returns to commercial production levels.

The process required to safely re-open the mine has been extensive and particularly detailed. Whilst I share shareholders' concern at the time taken, it is crucially important that the process is thorough and complete.

(b) Exploration

Despite the challenges arising from the temporary mine closure, the Joint Venture has pushed forward with a follow-up deep drill hole test of a significant shear zone target at Middle Arm Gorge, 2.5 km south-east of the Beaconsfield Mine. As previously reported, the zone has structural and mineralisation characteristics similar to the western end of the Tasmania Reef, the lode at the Beaconsfield Mine. The deep follow-up hole is currently approaching the target zone.

In its own right, Beaconsfield Gold earlier this month completed a short, low-cost, first-pass drilling program to test potential for mineable secondary copper mineralisation at Thursdays Gossan on its wholly owned Stavely Project in western Victoria. Thursdays Gossan is located a few kilometres north-west of the Company's promising Fair View gold prospect, possibly on the same structure. Metallurgical testing is currently incomplete. A high resolution airborne magnetic survey is planned to take place at Stavely during December. The geophysical data should enable a better understanding of the structural trends associated with both the Fair View and Thursday's Gossan prospects forming a key basis for follow-up drilling campaigns in 2007.

2. Corporate Developments

As the Joint Venture addressed the operational aspects of the re-opening, Beaconsfield Gold has continued to strive for a restructuring of the ownership of the mine.

The opportunity for the Company to consolidate ownership of the Beaconsfield Mine has never been greater or more realisable. This arises from:

- The recent strengthening of Beaconsfield Gold's cash resources;
- The perceived weakening of the financial capacity of the Allstate Group;
- Macquarie Bank's decision to sell its unsecured debt with the Allstate Group;
- The requirement for both Beaconsfield Gold and Allstate Group to fund the mine re-opening and ramp-up to full production;
- The recent engagement of major stakeholders in commercial negotiations.

(a) Beaconsfield Financial Capacity

On 16 November, the Company announced the placement of 27.6 million shares, at a price of 23 cents per share, raising \$6.35 million and increasing the Company's total cash balance to \$11.1 million. All funds have been received and the shares have been issued.

This capital raising has positioned the Company with a robust cash balance to fund its share of mine reopening and production ramp-up costs during 2007. Additionally, shareholder approval is already in place for a capital raising should that prove necessary for acquisition purposes. This places us in a strong position to fund a restructure of the mine ownership.

(b) Allstate Group Financial Capacity

Allstate continues to be subject to a deed of company arrangement, its liabilities exceed its assets and it is, in Beaconsfield Gold's opinion, in a very difficult, and worsening, financial position. Importantly, Allstate has very limited avenues to raise equity to fund its share of ramp-up production costs.

Earlier this month, Allstate Explorations, the Manager and majority participant in the Beaconsfield Mine Joint Venture, requested a meeting of all major stakeholders to undertake negotiations with a view to restructuring ownership. An initial meeting was convened in Melbourne on 17 November, followed by a second round of discussions on 21 November. All parties have expressed an interest in working towards a commercial outcome in a short time frame, although at this stage, the discussions are incomplete and remain confidential.

(c) Macquarie Unsecured Debt Sale

On 5 May 2006 Macquarie Bank announced that it would give the intercompany debts of Allstate (which the bank purchased in 2002) to a trust for the benefit of the mine employees. Some six months later the trust had not been established and Macquarie Bank on 13 November announced that it had been unable to find a trustee willing to administer the fund to which it proposed to transfer the \$48 million debt owed to it by two Allstate subsidiaries. The beneficiaries of the fund were to be all Beaconsfield Gold Mine personnel employed on 25 April 2006.

Macquarie Bank has now abandoned the idea of establishing a trust fund, and has engaged a financial consultant, KordaMentha, to sell the debt, with the proceeds to go to those who would have been beneficiaries of the proposed trust.

The sale process advertised nationally on 21 November called for expressions of interest to be lodged with KordaMentha by 28 November. Beaconsfield Gold is participating in this sale process and has expressed its interest. We will advise shareholders of any developments in this process when we are able to do so.

(d) Future developments

Consolidation of ownership will require further steps, the precise nature of which will depend on the outcome of the Macquarie Bank debt sale, and the actions of various other stakeholders. Discussions are continuing and we are confident that the commercial imperatives are so strong that consolidation will be achieved in the not too distant future.

3. Outlook

The Company has risen successfully to the challenges of the last seven months and made substantial progress operationally and corporately. Looking forward we are confident concerning:

- Safe recommencement of operations at the Beaconsfield Mine and a return to commercial production rates;
- Resumption of trading of the Company's shares on the Australian Stock Exchange;
- Resolution of the Beaconsfield Mine ownership issue, which currently remains a work-in-progress;
- Realisation of value from our exploration opportunities.

The well-known saying "When the going gets tough, the tough get going" summarises the response of all involved to the April tragedy at the Beaconsfield Mine. All operational personnel have worked hard and diligently to satisfy the technical hurdles to mine re-opening. At the corporate level all the Company's directors and executives have succeeded in not only meeting the financial challenges, but also advancing the opportunity for ownership consolidation. Our loyal shareholders have responded with financial support and admirable patience. I am confident this toughness that has been so evident to date will ensure that, as the future evolves, the opportunities facing Beaconsfield Gold can be unlocked with real value for our shareholders.

A handwritten signature in black ink, appearing to be 'D Clarke', followed by a horizontal line.

Denis Clarke
Chairman

30 November, 2006