



**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

CHAIRMAN'S ADDRESS

**ADDRESS BY DR. DENIS CLARKE AT THE EXTRAORDINARY GENERAL MEETING
HELD AT
LEVEL 20, CMA CENTRE, 500 COLLINS STREET, MELBOURNE
ON WEDNESDAY 10 JANUARY 2007 AT 11AM.**

Since I last addressed shareholders at the Company's Annual General Meeting at the end of November progress has continued at both an operational level, as we move towards a safe reopening of the mine, and on the corporate front.

1 The purpose of this meeting

The purpose of this meeting is explained in the Notice of Meeting and Explanatory Notes. I would, however, like to briefly address the two specific issues that are the subject of this meeting.

- **To renew the approval given by shareholders for the issue of new shares**

The principal aim of this meeting is to seek approval for the issue of up to 60 million new shares to sophisticated and professional investors should the opportunity arise to increase our beneficial interest in the Beaconsfield Mine. This approval, which was originally given by shareholders on 28 June 2006 and renewed by shareholders on 4 October 2006, was only able to be extended for a period of three months and expired on 3 January. In order to preserve the Company's ability to act quickly should an opportunity arise, shareholder approval is again sought at this general meeting. It was not appropriate in the circumstances for the Company to simply request that ASIC grant an extension beyond 3 January, as there was then no formal offer on the table.

- **To "refresh" the Company's ability to issue up to 15% of the existing shares**

We have also taken the opportunity at this meeting to "refresh" the Company's ability to issue up to 15% of the existing shares on issue without further shareholder approval.

On 16 November 2006 the Company announced a placement of 27.6 million shares, at 23 cents, to sophisticated and professional investors. This placement of approximately 15% of existing shares on issue strengthened the Company's cash balance to fund its share of mine reopening and production ramp-up costs during 2007. The additional financial security, and the demonstration of strong investor support, further enhanced the Company's chances of moving to 100% ownership of the Beaconsfield Mine.

Importantly, for the Company to make another placement prior to November 2007, it is necessary that the November 2006 placement be approved by shareholders at a general meeting.

The Directors believe it is prudent and necessary that the Company has the ability to raise further capital quickly if circumstances require it.

2 Corporate Developments

Beaconsfield Gold continues to strive for a restructuring of the ownership of the mine. As I noted at the November 2006 Annual General Meeting, the opportunity for the Company to consolidate ownership of the Beaconsfield mine has never been greater or more realisable.

- **Allstate/mine ownership restructure**

On 10 November last year the Company announced that negotiations were to take place on a possible restructure of the Beaconsfield Mine Joint Venture.

I am pleased to report that those negotiations, involving all major stakeholders, have commenced. Despite considerable progress, no resolution to the ownership issue has yet been reached, and discussions are continuing in the New Year. Due to the confidential nature of those discussions, I am not able to expand further on progress at this time.

- **Acquisition of the Allstate Unsecured Debt to Macquarie Bank**

Beaconsfield Gold regards acquisition by it of the Allstate Group's unsecured debt to Macquarie Bank to be a critical step in restructuring the ownership of the mine. The Company has, therefore, made an offer for the debt in accordance with the sale process being conducted by financial consultant Korda Mentha on behalf of Macquarie Bank. A prompt outcome of the sale process seems likely.

Again, due to the confidential nature of the sale process instituted by Macquarie Bank, I am unable to expand further on any aspect of the process or of the nature of the Beaconsfield Gold offer.

3 Progress at the mine

Progress in re-opening the mine has been frustratingly and disappointingly slow, although progress has been made.

Following the recommencement of decline development mining in November, Allstate Explorations, the Manager of the Beaconsfield Mine Joint Venture, announced on 22 December that work on the Ore Drive Case for Safety is now expected to be lodged with Workplace Standards Tasmania in January 2007.

The final step in the reopening process revolves around the Production Case for Safety, and in this regard an important decision has recently been taken by the joint venture manager in conjunction with the team of specialist external consultants.

Due to geotechnical and geological differences between the eastern and western sections of the orebody, a single extraction and ground support approach for the whole mine is now

regarded as not the best way to proceed. The decision has been taken by Allstate, as Manager of the Beaconsfield Mine Joint Venture, to present a separate case for safety for each of the eastern and western sections.

This approach will allow the Production Case for Safety for the eastern section to be expedited, and it is anticipated that this will be lodged with Workplace Standards Tasmania in February.

Work will continue on the Production Case for Safety for the western section of the orebody.

4. Exploration prospects

I shall turn now to the Company's other focus – Exploration. I am encouraged by progress on exploration, both on the Beaconsfield Mine Joint Venture tenements and on our wholly owned tenements in western Victoria.

- **Tasmania**

Regional exploration by the Joint Venture has continued despite the concentration on the safe reopening of the mine. At Middle Arm Gorge, the first hole in late 2006 intersected a significant shear zone over 4.8m at a downhole depth of 588m, 2.5km south east of the Tasmania Reef. The intersected structure is similar in character to the western end of the Tasmania Reef, the lode at the Beaconsfield Mine, and the presence of gold grading 4.4g/t in the wallrocks confirms that the system is mineralized. Based on this encouraging result, a second hole, to the east of the first, was commenced in early September. This deep hole has not yet reached its target zone. Drilling will recommence shortly after the holiday break.

- **Victoria**

At the wholly owned Stavely Project in western Victoria, 13 aircore holes were drilled at the Thursday's Gossan Copper Prospect during the December quarter. Potential exists for development of a heap leach-style copper mining operation. The drilling, therefore, targeted shallow, secondary copper mineralisation that has been intersected by previous explorers that were focused on associated deeper primary mineralization at a time of significantly lower copper prices. Our geologists were encouraged by the presence of chalcocite in most holes, confirming the exploration model. Assay results are currently being compiled and interpreted and will be detailed in the December Quarterly Report to be released later this month. A program to test the leachability of the mineralised material is underway.

A geophysical survey was flown over the Fair View gold discovery and Thursday's Gossan copper prospect just before Christmas. The Company believes this region represents a compelling exploration opportunity. The survey results, once compiled and interpreted, should provide valuable geological and structural information that will assist in the design of further drilling programs.

5. Conclusion

As we move into 2007, the Board and Management are optimistic concerning eventual safe recommencement of operations at the Beaconsfield Mine, a resolution to the mine ownership

issue and the potential for further success in exploration. We thank shareholders for your enduring patience and support, and we look forward to sharing successes with you in 2007.

Denis Clarke
Chairman

10 January 2007