



**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

STOCK EXCHANGE ANNOUNCEMENT

1 JUNE 2007

EASTERN GOLD MINING RECOMMENCES

Gold production at the Beaconsfield Mine recommenced in early April with the resumption of sill driving and has been gradually ramping up since then. The rate of gold production will now increase further following the completion of the Ore Production (Stoping) Case for Safety for the Eastern Domain, and the subsequent notification received yesterday from Workplace Standards Tasmania rescinding parts of the notices issued in respect of that activity.

Full production is expected to resume once the company receives the Ore Production (Stoping) Case for Safety for the Western Domain. Work is well advanced in this regard.

Stoping comprises the extraction of ore between sill drives and is generally a more productive activity than sill driving. However, the grade of the Eastern Domain is typically lower than for the Western Domain and stoping will need to be undertaken in both areas to achieve full gold production rates. It is expected that stoping in both areas will occur in the September 2007 quarter.

Sufficient quantities of ore have now been mined to re-establish feed to the bacterial leaching circuit in the gold processing plant. The bacteria have responded well in returning to normal operating levels and have displayed no adverse impact from the extended period of dormancy. Oxidised concentrate is now being transferred to the leach circuit and gold is being produced from both gravity and leach sources, with all sections of the plant successfully recommissioned.

Consultation about the Cases for Safety with key stakeholders including the workforce and the Australian Workers Union will be a critical aspect of recommencing stoping. The Cases for Safety (three completed to date with the fourth and last now being finalised) represent a rigorous and comprehensive approach to designing and implementing hazard controls which mitigate risk associated with each discrete mining activity and work practice. Coffey Mining Pty Ltd has been engaged to provide geotechnical expertise and assist management with the preparation of the documentation, whilst Safe Production Solutions Pty Ltd has provided an independent peer review.

Chief Executive Officer, Mr Bill Colvin, said that the resumption of Eastern Stoping would enable gold production rates to increase significantly and was confirmation that the mine was now well advanced towards a full re-opening, with only one Case for Safety remaining to be completed.

For further information contact:

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