

**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

BEACONSFIELD GOLD NL

Report on Activities for the Quarter ended 30 June 2007

HIGHLIGHTS FOR THE QUARTER

OPERATIONAL – BEACONSFIELD GOLD MINE

- Re-commissioning of underground operations progressing as planned.
- Mr Alasdair Martin appointed General Manager of the Beaconsfield Gold Mine.
- The Case for Safety for Eastern Ore Production accepted by the Chief Inspector of Mines, lifting restrictions on production from the Eastern Zone of the mine.
- The only remaining Case for Safety, for production from the Western Zone, submitted to the Chief Inspector of Mines at the end of July.
- Plans advanced for stope production in the Western Zone utilising remote mining methods. Subject to acceptance of the Case for Safety for the Western Zone Ore Production, extraction of high grade ore from the Zone is planned for late September 2007.
- Ore treatment plant fully re-commissioned using feed sourced from ore development. Some 2,860 ounces of gold poured late in the quarter.
- Underground diamond drilling commenced late July to test the North Reef, a quartz reef 75 metres to the north and parallel to the main Tasmania Reef.

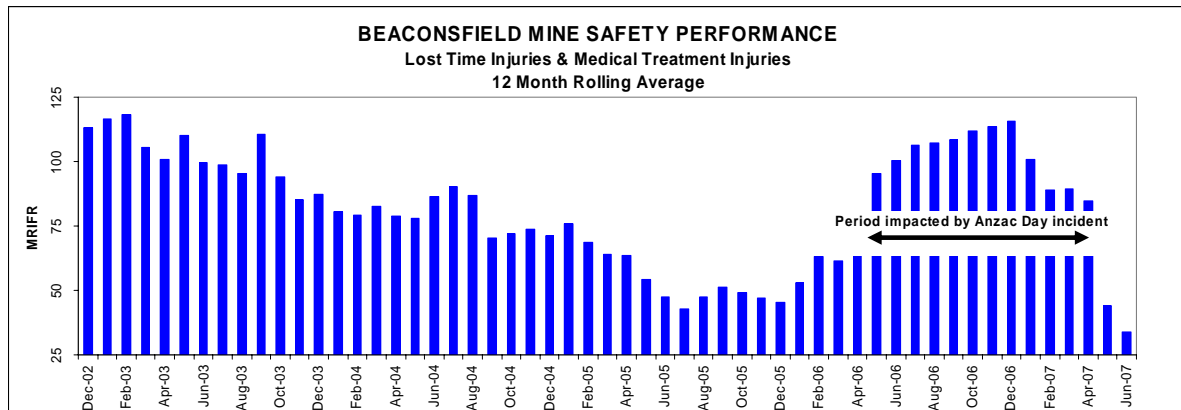
CORPORATE

- Trading of Beaconsfield Gold shares on the ASX resumed.
- Mine ownership successfully consolidated with Beaconsfield Gold moving to approximately 90.1% of Allstate Explorations NL and an overall 94.9% equity interest in the mine.
- Funding of \$7.3 million raised by Beaconsfield Gold via a placement and a share purchase plan.
- Proceedings commenced by Beaconsfield Gold Group companies in the Supreme Court of Victoria claiming damages of \$45.5 million in respect of a business interruption insurance claim.

1. BEACONSFIELD GOLD MINE

1.1 OPERATIONS

1.1.1 Safety and Health



MRIFR (Medically Referred Injury Frequency Rate – number of injuries per million man hours)

There was one Lost Time Injury and two Medical Treatment Injuries in the June 2007 Quarter.

The only outstanding Case for Safety, in respect of Ore Production from the Western Zone, is now complete and has been submitted to the Chief Inspector of Mines for review and acceptance. This is the final regulatory requirement to re-commence full mining activities in all areas of the mine.

1.1.2 Mining

The re-commissioning of underground operations is progressing. Mining of ore resumed during April with the recommencement of sill driving. A limited number of headings in predominantly lower grade areas of the orebody were initially available but, as rehabilitation of ground support progressed, additional headings have come on-line, providing more working areas and allowing production to ramp-up. **However, full production rates will not be attained until stoping recommences in both the Eastern and Western Zones, expected late September 2007.**

Enhanced ground support is being installed in accordance with the Case for Safety in the Eastern Zone, preparatory to the recommencement of stoping. Dynamic cable bolts and resin bolts are being used in conjunction with split-sets and mesh.

The Case for Safety for Western Ore Production, submitted to the Chief Inspector of Mines at the end of July, is based on a non-entry method of mining utilising footwall drives to provide drill and loader access whilst keeping all personnel remote from the orebody during stoping. Although the method requires some additional development, it offers several advantages including geotechnical benefits, earlier access to the highest grade areas of the orebody and the availability of more production areas. **The initial development required to commence first high grade ore extraction in the Western Zone should be completed in late September 2007.**

Waste development continued throughout the quarter with 113 metres of capital development and 52 metres of operating level development completed.

During the quarter, 18,455 tonnes of ore and 10,651 tonnes of waste were hoisted.

The core workforce of 70 employees maintained during the period of mining suspension to facilitate a prompt and safe restart has now been expanded to approximately 125 employees and contractors in order to advance the mine re-commissioning.

1.1.3 Ore Treatment Plant

As ore gradually became available from underground, the ore treatment plant was progressively re-commissioned. The regeneration of the dormant bacteria inoculum started in early May and showed

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signs of activity within 5 days, becoming fully active after 10 days. The resilience of the culture following this extended period of inactivity is both encouraging and unprecedented. By the end of the quarter, all sections of the treatment plant, including the bacterial leaching process, were operating normally although not yet at full capacity due to the ongoing re-commissioning of the underground mining operations.

14,843 tonnes of ore were processed, supplemented by the re-treatment of stockpiled, high-grade tailings.

1.2 EXPENDITURE

Re-commissioning expenditure for the mine during the quarter totalled \$7.4 million.

The Federal Government has assisted in the safe re-opening of the mine by providing a grant of \$4.9 million through the Beaconsfield Community Fund. The grant will assist the mine to meet supernumerary payroll costs, to progress the development of the decline to access the F21 zone and to commence deep drilling below the current resources. Payments totalling \$1.2 million were received during the quarter.

1.3 ORE RESERVES/RESOURCES

The previously reported Identified Mineral Resource for the Tasmania Reef at Beaconsfield, Tasmania as at 31 March 2006 was:

Measured Resource	255,000t @ 20.4g/t Au (167,000 ounces contained gold)
Indicated Resource	568,000t @ 13.6g/t Au (249,000 ounces contained gold)
Inferred Resource	58,000t @ 14.7g/t Au (27,000 ounces contained gold)
Total Resource	881,000t @ 15.6g/t Au (443,000 ounces contained gold)

A Reserve Statement for the Tasmania Reef, including the conversion of additional F21 Zone and 840E resources, will be released as soon as possible following the lifting of all mining restrictions. The Eastern and Western Cases for Safety both incorporate mining methods that are anticipated to result in little or no loss of reserves.

A drill program to test the depth extension of the Tasmania Reef will commence following the completion of the development of a hanging-wall drill drive on the 1090m level.

1.4 MANAGEMENT

The management team at the mine has been strengthened by the appointment of Mr Alasdair Martin as General Manager and Mr Richard Holder as Deputy General Manager.

Mr Martin is a qualified mining engineer with over 20 years experience and extensive underground expertise including six years at the Rosebery mine in Tasmania. He also holds an MBA from the University of Otago and First Class Mine Manager's Certificates for Tasmania and Queensland.

1.5 MELICK INVESTIGATION

Special investigator Greg Melick SC is finalising an independent investigation into the 25 April 2006 incident in the underground workings of the Beaconsfield Mine. The Company has continued to co-operate fully with the investigation.

On 23 April 2007, the Office of the Director of Public Prosecutions announced that it had determined, in consultation with Melick SC, that at that time there was insufficient evidence to support a prosecution on any charge. The Company understands that the report of the investigation is now expected to be completed during August.

2. **EXPLORATION**

2.1 **BEACONSFIELD UNDERGROUND EXPLORATION – NORTH REEF**

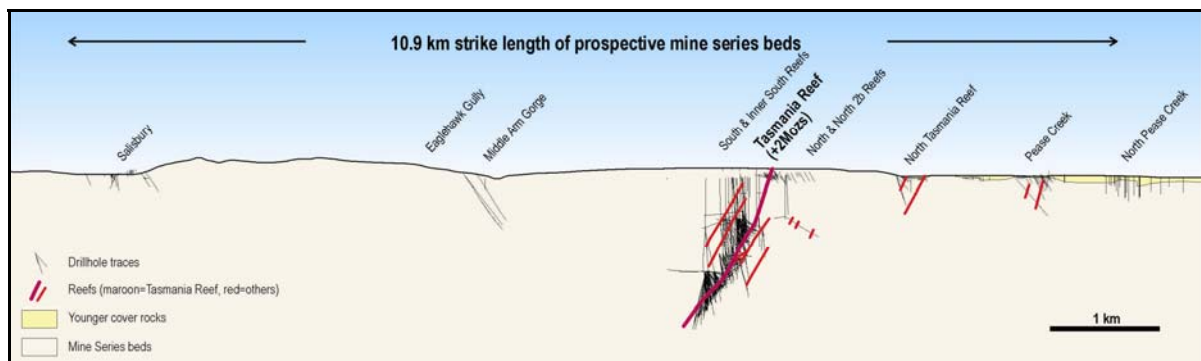
The North Reef, which parallels the Tasmania Reef, has been selected as a prime exploration target. It occurs only 75m into the footwall (to the north) of the Tasmania Reef and is connected to it by several east-west striking structures, indicating that it was sourced from the same mineralised fluids as the Tasmania Reef.

Where encountered by mine development in the eastern part of the mine between 430m and 680m depth below surface, the North Reef has returned only moderate grades. Where intersected by several previous drill holes (not specifically targeting the North Reef), it has returned intersections of potential interest, including 0.5m at 29.5 g/t, 0.8m at 10.1 g/t and 1.0m at 11.5 g/t gold. Importantly, however, the North Reef has only been exposed in the eastern part of the mine where the host sediments are known to be less favourable for reef development and gold deposition than in the western part of the mine.

Underground diamond drilling commenced in late July targeting the North Reef between 350m and 650m depth in the western part of the mine where the host rocks are Salisbury Hill Formation conglomerates and sandstones. These host rocks are known to favour much stronger reef development and gold deposition in the Tasmania Reef.

2.2 **BEACONSFIELD REGIONAL EXPLORATION**

Outside of the immediate mine environs, several “walk-up” drill targets exist, particularly the Pease Creek and North Tasmania targets. Planning has commenced for the early drilling of these targets, in particular the Pease Creek target.



At Pease Creek, previously reported exploration drilling during 1997/1998 gave a best result from 66.5m downhole of 10m at 5.3 g/t gold, including 1.5m at 21.1 g/t gold. None of the 1997/1998 drilling tested the Pease Creek structure in the most prospective western Salisbury Hill Formation units so Pease Creek remains a very compelling target.

A helicopter, low-level, detailed aeromagnetic survey is planned for the Beaconsfield area later in 2007. Results are expected to assist in target definition for extensive regional surface drilling programs in 2007/2008 and 2008/2009.

2.3 **STAVELY PROJECT, WESTERN VICTORIA**

Drilling at the Thursday's Gossan supergene chalcocite-blanket copper prospect had to be deferred as wet weather prevented access to the drill sites. Conditions are being monitored to allow the earliest possible completion of this planned program.

A soil sampling program designed to extend the nearby large Fair View gold anomaly was also deferred because of the wet conditions.

3. CORPORATE

3.1 GOLD HEDGING

As at 30 June 2007	Beaconsfield Gold	Allstate	Group
Ounces hedged	10,613	37,169	47,242
Average price/ounce	A\$662	A\$632	A\$638
Mark to market value at spot price	\$(1.1) million	\$(5.3) million	\$(6.4) million
Spot price/ounce	A\$765	A\$765	A\$765
% of gold resources hedged			11

3.2 CASH POSITION

At 30 June 2007, total cash held by the Beaconsfield Gold group was \$11.3 million.

3.3 CAPITAL RAISING

During the quarter, the Company placed 14.4 million new shares at a price of \$0.36 per share, raising \$5.18 million. The shares were issued in accordance with the approval given by shareholders at the general meeting held on 10 January 2007, and subsequently extended by the ASX until 10 June 2007, as previously announced.

The Company also raised \$2.16 million of working capital through a Share Purchase Plan ("SPP").

3.4 CONSOLIDATION OF MINE OWNERSHIP

During the quarter, Beaconsfield Gold completed its long term objective of consolidating the ownership and gaining management of the Beaconsfield Mine.

Day-to-day management of the Beaconsfield Mine was transferred to Beaconsfield Gold on 27 February 2007.

On 30 April 2007, shareholders of Allstate Explorations NL voted overwhelmingly to approve the sale of Newmont's 57.2% shareholding in Allstate to Beaconsfield Gold for approximately \$1.4 million. A takeover bid was then made to the remaining minority shareholders on the same terms of 1.5 cents per fully paid Allstate share and 0.1 cents per partly paid share payable immediately and a further 2.5 cents per fully paid share paid when the Allstate group achieves 30,000 ounces of attributable gold production from recommencement. When the offer closed on 12 July 2007, Beaconsfield Gold held 90.06% of Allstate. A further opportunity will now be provided to Allstate minority shareholders to accept the offer.

Through its 48.49% direct holding in the BMJV and its 90.06% equity ownership of Allstate, Beaconsfield Gold now holds an overall 94.88% equity interest in the Beaconsfield Gold Mine.

The Company also acquired \$48 million of Allstate Group inter-company debts from Macquarie Bank. Following an initial payment of \$0.7 million, a further payment of \$2.15 million will be made to Macquarie when the mine has hoisted 40,000 tonnes of ore from the recommencement of mining and all notices issued by the Chief Mines Inspector have been rescinded. Macquarie has advised that all the proceeds received from Beaconsfield Gold will be paid over to the 25 April 2006 workforce at the Beaconsfield Mine. The acquisition of the \$48 million inter-company debts means that the Beaconsfield Gold Group has an effective 100% economic interest in the mine until such time as these debts are fully repaid.

Beaconsfield Gold is continuing to loan funds to Allstate to meet its share of the mine costs and corporate obligations.

3.5 BUSINESS INTERRUPTION CLAIM

A number of Beaconsfield Gold group companies are pursuing a claim under their business interruption insurance policy following the 25 April 2006 incident and the temporary closure of the Beaconsfield Mine. The policy has a one month excess and is capped at \$50 million.

To date, the insurer has refused to provide an indemnity in respect of loss resulting from the mine closure. As a result, on 14 May 2007, the Beaconsfield Gold group filed a claim in the Supreme Court of Victoria claiming damages of \$45.5 million arising from the insurer's refusal to provide indemnity in breach of the terms of the policy.

The group companies have been successful in seeking a preliminary trial to determine the true construction of a clause in the policy that is considered key to the claim.

3.6 INVESTMENTS

During the quarter, Beaconsfield Gold took a placement of 10.5 million fully paid ordinary shares in Panaegis Gold Mines Limited (ASX: PAU), equal to 15% of Panaegis' issued shares before the placement. At 9 cents per share, the total cost of the placement was \$945,000.

Panaegis, which listed on the ASX in June 2006 at 20 cents per share, is focussing on sediment-hosted, sulphide-associated, finely disseminated gold deposits in central Victoria.

3.7 CLAIM AGAINST ALLSTATE'S PREVIOUS LEGAL ADVISOR

A number of Beaconsfield Gold group companies are seeking damages for professional negligence arising from legal services provided to Allstate in relation to certain insurance and risk management issues associated with the contract for construction of the treatment plant at the Beaconsfield Mine in 1998/1999. No significant developments occurred in relation to the claim during the quarter.

3.8 INTERNET

Shareholders are invited to visit the Company's website to view all ASX releases (including all quarterly and annual reports), historical information relating to the Beaconsfield Mine and Beaconsfield Gold NL corporate information: www.beaconsfieldgold.com.au

Shareholders who wish to receive Beaconsfield Gold ASX releases by e-mail are encouraged to contact the Company on: enquiries@beaconsfieldgold.com.au

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