



**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

STOCK EXCHANGE ANNOUNCEMENT

5 SEPTEMBER 2007

SUMMARY OF FINDINGS OF MELICK INVESTIGATION

The report by the Special Investigator Mr Greg Melick QC was today tabled at the re-opening of the Coronial Inquiry in Launceston and a summary of the findings and recommendations was released.

A copy of Mr Melick's summary is attached.

The recommendations are consistent with the western Case for Safety that has been peer reviewed and submitted to Workplace Standards Tasmania for consideration.

Beaconsfield Gold Chief Executive Officer Mr Bill Colvin said: "Beaconsfield Gold mine has undergone the most intense scrutiny of any mine in Australia and possibly the world following an accident. We have now been able to lodge the final Case for Safety to Workplace Standards Tasmania and expect soon to be in a position to announce the resumption of full mining operations."

"A staged re-commissioning of the mine has been underway for several months and gold production has been steadily increasing. Production from stopes in the eastern area of the mine has now recommenced and full production levels are expected to be attained with the acceptance of the western Case for Safety," Mr Colvin said.

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INQUEST INTO THE DEATH OF LARRY KNIGHT
HEARING: 5 SEPTEMBER 2007
REPORT OF A. G. MELICK SC

SUMMARY OF FINDINGS AND RECOMMENDATIONS

1. Larry Knight tragically died as a result of a rock fall at the 925m level of the Beaconsfield Gold Mine ("BGM") on 25th April 2006 at 9.23pm.
2. The rock fall was caused by a mining induced seismic event which caused a slip along a shear in the mine.
3. The rock fall on the 925m Level killed Larry Knight and entrapped Todd Russell and Brant Webb.
4. Two rock falls had previously occurred in October 2005. They were caused by seismic events that originated in different geological structures and some distance away from the shear that caused the rock fall on 25 April 2006.
5. After the rock falls in October 2005, BGM immediately ceased mining operations and engaged consultants to advise as to how these areas could be safely mined.
6. All the consultants noted that the mine would experience an increase in seismic activity, including significant events, and recommendations were made, including:
 - (a) to enhance the levels of ground support to cope with increased seismic activity; and
 - (b) alter the future mine design to increase pillar thicknesses from 7m to 10m in un-worked areas.
7. Most recommendations were immediately adopted by BGM, but pillars of a thickness previously allowed at the mine were already in place at the 925m level.

8. There was no recommendation or suggestion that the 925m level should not be mined
9. Because of the location and magnitude of the seismic event, I am unable to conclude that the falls of ground of 25th April 2006 would not have occurred if:
 - (a) the mine design at the 925m level had allowed for 10m pillars; or
 - (b) ground support had been installed to greater depths.
10. If BGM had in place a ground support system that was designed to withstand seismic events of a magnitude in excess of those previously recorded, there would have been a less chance of the ground support at the 925m level failing. However, I consider it unlikely that falls of ground could have been completely prevented, because it is not possible to design a support system to prevent all damage from the consequences of high magnitude seismic activity that occurs when in such a close proximity.
11. I have made several recommendations in my report to the coroner, including:
 - (a) installation of geotechnically engineered ground support systems, designed to contain events well in excess of magnitudes that have already been recorded or expected by appropriate modelling; and
 - (b) that areas of high seismic risk at BGM such as the seismically active Western Stopes be mined remotely.
12. I am grateful for the full and frank assistance of all those involved in this investigation, and especially the family of Larry Knight, who has shown great forbearance in the aftermath of their tragic loss.