

**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

BEACONSFIELD GOLD NL

Report on Activities for the Quarter ended 30 September 2007

HIGHLIGHTS FOR THE QUARTER

OPERATIONAL – BEACONSFIELD GOLD MINE

- The Case for Safety for Western Ore Production was accepted by the Chief Inspector of Mines at the end of the quarter, enabling production to resume from the Western Zone of the mine.
- All Government notices restricting underground operations have now been lifted.
- Re-commissioning of underground operations is progressing towards full production with mining from all areas of the mine expected during the December quarter.
- Melick investigation completed.
- New longhole drill rig acquired to ensure accurate drilling for Western Zone remote mining.
- Ore treatment plant treated 28,975 tonnes from underground re-commissioning to produce 5,180 ounces of gold.
- New mineralised structure discovered 150 metres in footwall of Tasmania Reef.
- RC rig sourced to commence near-mine surface exploration program during the December quarter.
- Helicopter magnetic survey completed to advance regional exploration around the Beaconsfield Mine.

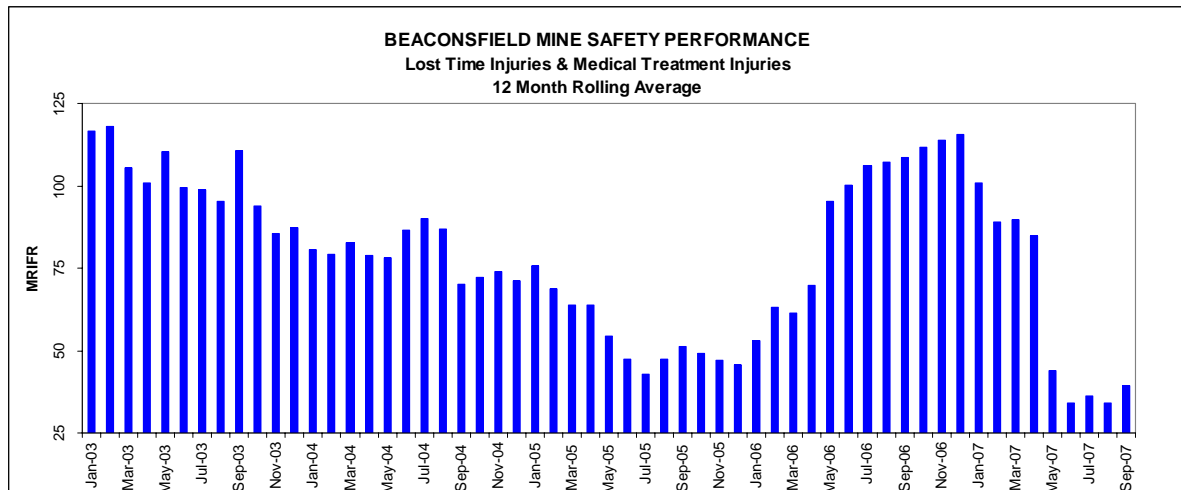
CORPORATE

- Funding of \$8.2 million raised by Beaconsfield Gold via a placement and a convertible note issue.
- Final payment made to Macquarie Bank Limited to acquire \$48 million of Allstate intercompany debt.
- Appeal lodged, subsequent to end of the quarter, against the ruling handed down in relation to proceedings commenced by Beaconsfield Gold Group companies in the Supreme Court of Victoria claiming indemnity of \$45.5 million in respect of a business interruption insurance claim.
- Mineral sands interests in Western Victoria farmed out.

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 five Medical Treatment Injuries in the September 2007 Quarter.

The Case for Safety in respect of Ore Production from the Western Zone was accepted by the Chief Inspector of Mines on 28 September 2007, and the final notice preventing mining was rescinded. There are now no regulatory restrictions preventing the recommencement of full mining activities in all areas of the mine.

1.1.2 Mining

Further progress was made with the re-commissioning of underground operations, although it took considerably longer than expected to complete the peer review and gain approval for the Western Zone Case for Safety. Production from the Western Zone is the key to returning to full production levels.

Sill driving continued and stoping was successfully recommenced in the Eastern Zone midway through the quarter after rehabilitation and enhancement of ground support in access drives. Dynamic cable bolts and resin bolts are being installed in conjunction with split-sets and mesh, in accordance with the appropriate Case for Safety.

Stoping in the Western Zone 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. The development of footwall drives commenced during September and is expected to provide access to drill and fire the first stoping panel in the second half of the December 2007 quarter. A new Simba M4C longhole drilling rig has been mobilised to site and will provide much improved drilling accuracy, critical to the new mining method. The rig is expected to be commissioned in early November.

Waste development continued throughout the quarter with 147 metres of capital development and 87 metres of operating level development completed.

During the quarter, 26,578 tonnes of ore were hoisted (18,455 tonnes previous quarter).

1.1.3 Ore Treatment Plant

The ore treatment plant operated throughout the quarter on a campaign basis, treating 28,975 tonnes of ore (14,843 tonnes previous quarter) to produce 5,180 ounces of gold. All areas of the plant performed well, including the bacterial leach circuit.

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1.2 EXPENDITURE

Re-commissioning expenditure for the mine during the quarter totalled \$10.7 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, of which \$4.5 million had been received by the end of September, including payments totalling \$1.1 million during the quarter. The grant provides assistance with supernumerary payroll costs, development of the decline to access the F21 zone and diamond drilling for additional resources.

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 now that all mining restrictions have been lifted. 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 MELICK INVESTIGATION

Special investigator Greg Melick SC has finalised an independent investigation into the 25 April 2006 incident in the underground workings of the Beaconsfield Mine. The report was tabled by Mr Melick on 5 September 2007 at the re-opening of the Coronial Inquest.

Whilst the report was not made public, a summary of the findings and recommendations released publicly noted that recommendations made by consultants before the incident had been adopted and that there was no suggestion that the 925m level not be mined.

The recommendations of the report are also consistent with the measures accepted in the Case for Safety for the Western Zone.

2. *EXPLORATION*

2.1 BEACONSFIELD UNDERGROUND EXPLORATION – NORTH REEF

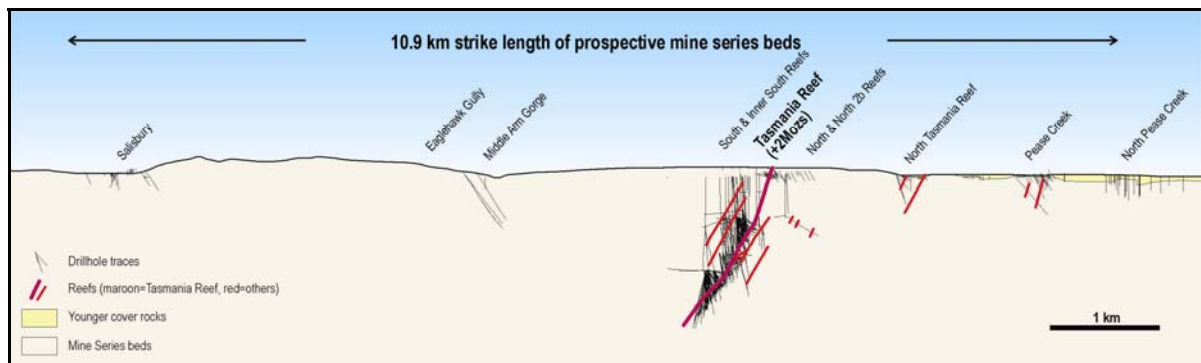
An underground diamond drilling program commenced in late July targeting the North Reef and other potential adjacent structures below 350m depth in the western part of the mine where the host rocks are Salisbury Hill Formation conglomerates and sandstones. These host rocks are known to favour stronger reef development and gold deposition in the Tasmania Reef. The North Reef, which parallels the Tasmania Reef, 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.

Two holes were drilled from the 375m level with no definitive mineralisation intersected although in the first hole there was 2.0 metres of 100% core loss in the target zone. Hole H3 from the 455m level intersected the North and North 2A Reefs, but neither intersection appeared to be particularly strong and assays are awaited.

Hole H4, completed after the end of the quarter, also from the 455m level, intersected a new mineralised structure beyond the North Reef, that lies in the rocks in the footwall to the Tasmania Reef in the favourable Salisbury Hill Formation rocks. The structure lies beyond the North Reef, was previously unknown and does not appear to be related to the North Reef. The intersection from 148.65 metres downhole averaged 3.71g/t gold over 2.4 metres downhole. Encouragingly, intervals within the intersection carried grades up to 8.8g/t gold. Further underground drilling is continuing, to better define the new structure, as well as explore the North Reef.

2.2 BEACONSFIELD REGIONAL EXPLORATION

Outside of the immediate mine environs, a number of “walk-up” drill targets exist. A drill rig has been secured to commence a 2,000 metre RC program during November designed to provide a preliminary test of several of these targets, starting with Pease Creek.



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. The November drill program will aim to test the Pease Creek structure in the most prospective western Salisbury Hill Formation units that were not tested by the 1997/1998 drilling.

A helicopter, low-level, detailed aeromagnetic survey was successfully completed over the Beaconsfield area during September 2007. Data from the survey is currently being processed and it is expected that the results will assist in target definition for extensive regional surface drilling programs in 2007/2008 and 2008/2009.

2.3 STAVELY PROJECT, WESTERN VICTORIA

A drill rig has been secured for early in 2008 for the Thursdays Gossan supergene chalcocite-blanket copper prospect. The aircore program will aim to bring the previously identified mineralisation to resource status as well as determining if it extends further to the south.

A soil sampling program is also being designed to extend the nearby large Fair View gold anomaly.

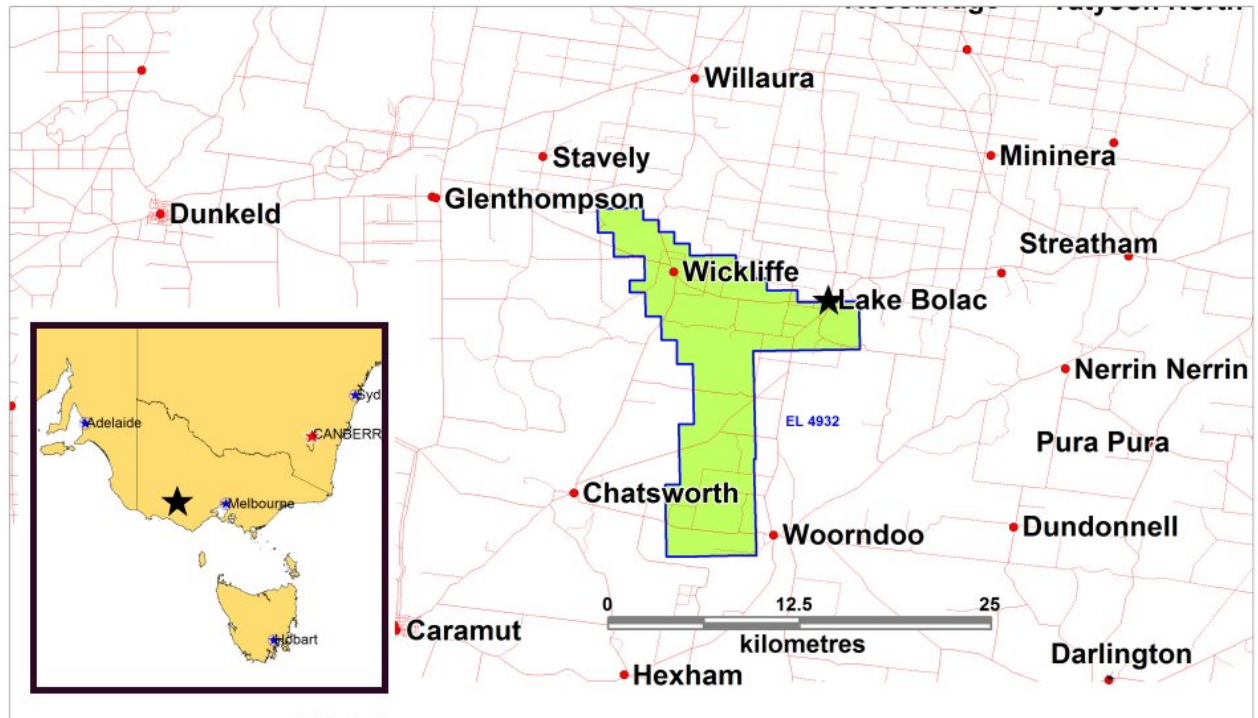
2.4 MINERAL SANDS FARMOUT

During the quarter, negotiations were progressed in relation to a farm out of Beaconsfield Gold's mineral sands interests in EL4932, the south-eastern tenement of the Stavely project, to Mineral Sands Ltd.

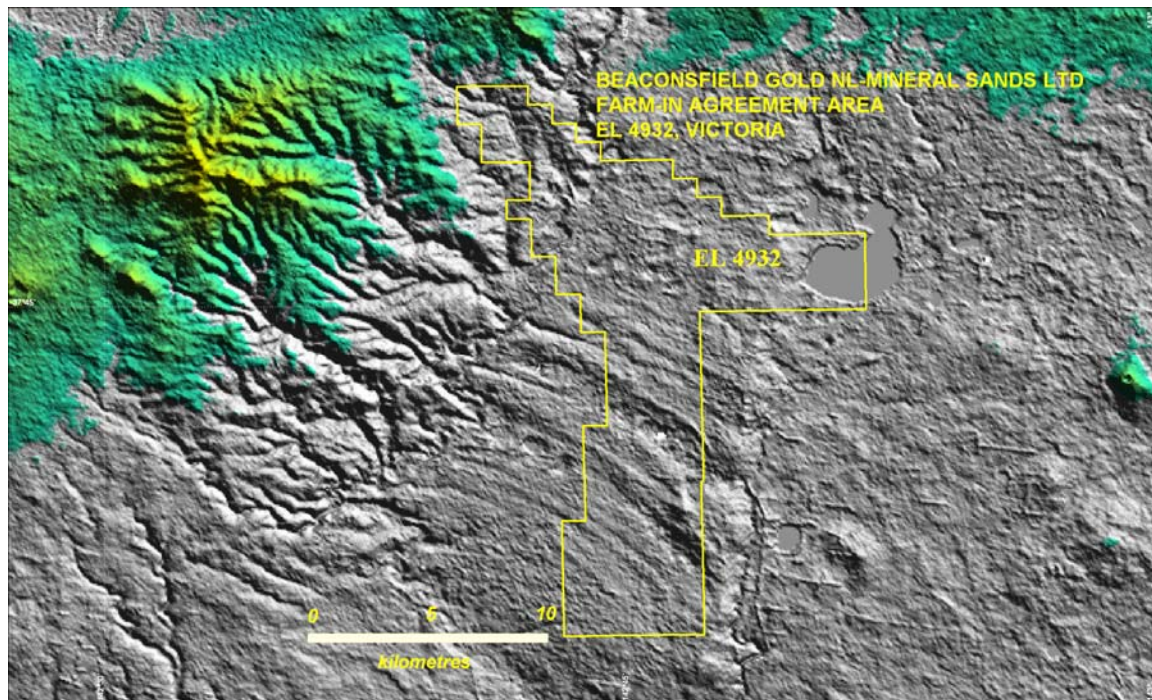
The agreement allows Mineral Sands Ltd to earn 51% of the mineral sands interests by carrying out exploration expenditure of \$100,000 within two years, with a minimum commitment of \$48,300. Mineral Sands Ltd can earn a 75%, and then an 80% interest, by further expenditures of \$100,000 and \$50,000 respectively. Upon Mineral Sands earning an 80% interest, Beaconsfield can either elect to contribute as a 20% partner in a joint venture, or convert to a 2% royalty on revenue from mineral sand production. Beaconsfield retains a 100% interest in all mineral rights on the tenement other than mineral sands.

Mineral Sands Ltd believes the tenement covers an area where a strandplain is preserved in Tertiary sediments covering the gold-prospective Cambrian basement and that the sands are similar to the heavy mineral-bearing sands in the Murray Basin to the north. A drilling program to test the heavy mineral potential will also assist Beaconsfield by providing some intersections of basement rocks.

The location of the tenement, and a digital terrain image showing the curvilinear strandplain features, are shown below:



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3. CORPORATE

3.1 GOLD HEDGING

As at 30 September 2007	Beaconsfield Gold	Allstate	Group
Ounces hedged	8,325	37,169	45,494
Average price/ounce	A\$684	A\$635	A\$644
Mark to market value at spot price	\$(1.3) million	\$(7.6) million	\$(8.9) million
Spot price/ounce	A\$837	A\$837	A\$837
% of gold resources hedged			10

3.2 CASH POSITION

At 30 September 2007, total cash held by the Beaconsfield Gold group was \$10.2 million.

3.3 CAPITAL RAISING

During the quarter, the Company placed 33.6 million new shares with sophisticated and professional investors at a price of \$0.23 per share. In addition, 2 million convertible notes were placed at 25 cents each. These two placements raised \$8.2 million in total for working capital.

3.4 CONSOLIDATION OF MINE OWNERSHIP

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

The takeover bid for Allstate Explorations NL closed on 12 July 2007 with Beaconsfield Gold holding 90.06% of Allstate. Under the terms of the bid a further 2.5 cents per fully paid share will be paid when the Allstate group achieves 30,000 ounces of attributable gold production from recommencement.

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 from Macquarie Bank \$48 million of debt owed by the Allstate Group to Macquarie. The final payment of \$2.15 million was made in early October to Macquarie after the mine had hoisted 40,000 tonnes of ore from the recommencement of mining and all notices issued by the Chief Mines Inspector had been rescinded. All the proceeds received from Beaconsfield Gold have been paid over by Macquarie to the 25 April 2006 workforce at the Beaconsfield Mine as a gift. The acquisition of the \$48 million debt 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 INSURANCE 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. A preliminary trial to determine the true construction of a clause in the policy that is considered key to the claim was heard on 6 September 2007.

Following an adverse judgement, the group companies lodged an appeal with the Supreme Court of Victoria Court of Appeal on 24 October 2007.

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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