

**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

BEACONSFIELD GOLD NL

Report on Activities for the Quarter ended 30 September 2008

“BEACONSFIELD MINE BACK IN FULL PRODUCTION”

HIGHLIGHTS FOR THE QUARTER

OPERATIONAL – BEACONSFIELD GOLD MINE

- Gold production of 20,281 ounces was within the forecast range and 76% higher than the June quarter.
- Comprehensive safety measures introduced since the recommencement of mining continue to work to design.
- Full mining rates were sustained throughout the quarter with 68,369 tonnes of ore processed – a record for the mine and equivalent to a rate of around 275,000 tonnes per annum.
- The average grade processed increased to 10.0 g/t gold.
- The operation was cash positive for the quarter with cash costs of A\$766/ounce and capital costs of A\$20/oz compared to a realised gold price of A\$978/ounce.
- Mine development continued at an accelerated rate, adding to the quarter’s cash costs, to open up new stoping blocks.
- Gold production of between 20,000 and 25,000 ounces is targeted for the December quarter.

EXPLORATION

- Extensional drilling under the existing gold resources gave the deepest intersection to date in the mine, an estimated horizontal thickness of 4.1m @ 8.7 g/t gold, in hole J2. The two subsequent holes, J3 and J4, have also intersected significant quartz vein mineralisation with assays pending.
- Additional copper sulphide mineralisation up to 1.8% Cu was reported from Thursday’s Gossan in western Victoria.
- A maiden resource of 10.5Mt @ 0.45% Cu (47,300 tonnes of contained copper) was reported for the Thursdays Gossan oxide copper mineralisation, forming the basis for a Concept Mining study.

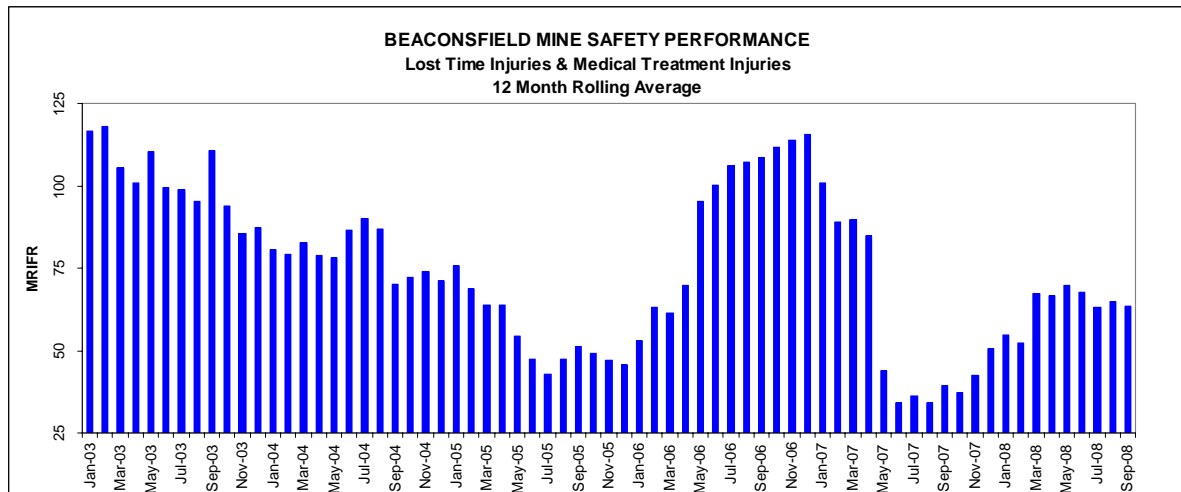
CORPORATE

- A 1 for 10 renounceable, partially underwritten rights issue at 15 cents raised \$3.9 million to fund accelerated exploration.

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)

Following a 224 day LTI-free period, there were regrettably four Lost Time Injuries during the September 2008 quarter. There were also two Medical Treatment Injuries during the period.

The use of remote mining from footwall drives is continuing to prove to be a safe and effective mining method. It represents a significant departure from previous mining methods used at Beaconsfield and is a key component of the “multiple lines of defence” now employed to manage seismicity under the Cases for Safety accepted by Workplace Standards Tasmania. Footwall driving removes the need for any personnel to enter the western zone of the orebody during the stoping phase and allows drilling and charging activities to be carried out remotely from within much stronger and less seismically prone footwall rocks. Loading of trucks and backfilling of stopes is carried out using tele-remote (unmanned) loaders, with the operator located a considerable distance from the stope.

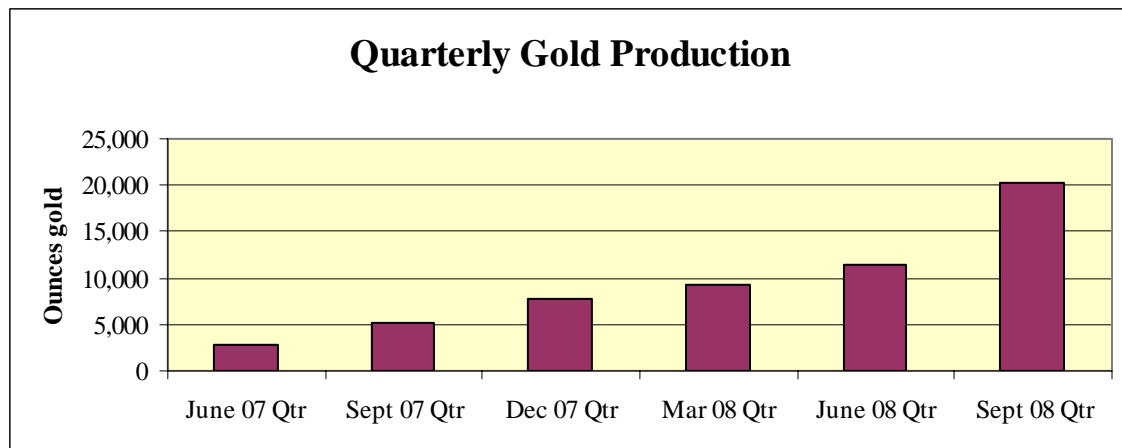
Other measures introduced recently under the Cases for Safety include the installation of sophisticated instrumentation clusters in each stoping block to continuously measure the impact of mining on ground conditions, and a ground support system that is designed to protect against all expected ground failure mechanisms. An underground inspection during September by Professor Peter Kaiser, widely acknowledged as the world’s leading authority on managing seismicity, confirmed that the methods introduced continue to be appropriate and can be considered best practice in both an Australian and global context.

The operation submitted two entries to the annual Tasmanian Work Cover Safety Awards and achieved “finalist” in the categories of “best solution to an identified WH&S issue” and “best workplace health and wellbeing program”.

1.1.2 Mining

The Beaconsfield Mine continued to operate at full production throughout the quarter although gold production at the end of September was impacted by a temporary deferral of mining in the 980W stoping block whilst a by-pass was mined. The trend of quarterly growth in gold production since the resumption of mining continued in the September quarter, as shown below.

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During the September quarter, 70,486 tonnes of ore were hoisted, an increase of 34% compared with the previous quarter (52,419 tonnes). Gold production of 20,281 ounces of gold represented a 76% improvement over the June 2008 quarter (11,525 ounces), reflecting increases in tonnage, grade and recovery.

Stope production was obtained from three levels in the 980W stoping block, although the area was not accessed for much of September whilst a by-pass was developed around a compromised pillar and this resulted in a drop in gold production for the month. This by-pass development was completed by the end of September and full access to the 980W block restored. Other, independent mining areas in the Eastern Zone of the mine provided flexibility and enabled good ore production rates to be maintained. These areas included the 815E, four levels in the 940E block and the 1020E, as well as a number of ore producing sill development drives.

Further productivity gains are being sought with the fitting of tele-remote equipment to the existing Elphinstone R1600 loader fleet, which is scheduled to occur early in the December quarter. In addition, a new Elphinstone R1600G loader has been ordered with delivery expected in December. These larger loaders will offer a productivity improvement of up to 50% to the bogging and backfilling cycle in certain parts of the mine.

Development activities were focussed on establishing the three footwall drives in the 1020W stoping block, which lies immediately below the 980W stoping block. Good progress was achieved and first stoping production from this block is scheduled for early November. Development will then commence on establishing the 1080W stoping block, as well as advancing the decline and establishing further production levels deeper in the mine.

14 metres of capital development and 460 metres of operating level development were completed during the quarter. 615 metres of advance was achieved in ore sill drives.

During the December quarter, stoping production will be sourced from both the 980W and 1020W footwall drive stoping blocks, as well as a number of independent stoping sources in the eastern zone of the mine. These stopes, together with ongoing sill drive development, will provide sufficient working areas to maintain the mine at full production rates and utilise a greater proportion of the surplus processing capacity in the ore treatment plant. Gold production for the December quarter is targeted to be in the range 20,000 to 25,000 ounces.

1.1.3 Ore Treatment Plant

The ore treatment plant processed 68,369 tonnes of ore during the quarter, representing a record treatment rate and an increase of 32% compared to the previous quarter (51,869 tonnes). The plant has consistently demonstrated its ability to process in excess of 1,000 tonnes per day when sufficient ore is available.

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20,281 ounces of gold was produced from ore with an average grade of 10.0 grams per tonne (11,525 ounces at an average grade of 7.8 grams per tonne previous quarter). Recovery for the quarter, excluding gold in circuit changes, was 91.9% and all areas of the plant continued to perform well, including the bacterial leach circuit.

	June 2008 Quarter	Sept 2008 Quarter	2008/09 year to date
Ore hoisted	52,419 tonnes	70,486 tonnes	70,486 tonnes
Ore treated	51,869 tonnes	68,369 tonnes	68,369 tonnes
Grade	7.8g/t	10.0g/t	10.0g/t
Gold treated	12,954 ounces	22,064 ounces	22,064 ounces
Recovery	89.0%	91.9%	91.9%
Gold produced	11,525 ounces	20,281 ounces	20,281 ounces

Construction of a new, fully-lined tailings dam is scheduled to commence in the December quarter at a budgeted cost of \$1.6 million.

1.2 EXPENDITURE

With the ramp-up complete and the mine operating at full production throughout the quarter, unit costs are now considered to be meaningful to report. Cash costs were A\$766 per ounce, including approximately A\$120 per ounce directly related to the accelerated establishment of footwall drive development required under the Cases for Safety, which is expensed as incurred. Little capital development was undertaken because of the focus on footwall drives and as a result unit capital expenditure was modest at A\$20 per ounce. In future quarters, the proportion of capital development may increase and footwall development decrease accordingly.

All gold production was sold at spot price, averaging A\$978 per ounce, meaning the mine generated an operational cash surplus after capital expenditure of around \$3.9 million. At the date of this report, the average gold price received during October was A\$1,180 per ounce.

Non-cash charges of depreciation and amortisation were A\$131 per ounce for the quarter.

2. EXPLORATION

2.1 BEACONSFIELD MINE RESOURCE EXTENSION

Underground diamond drilling to extend mine resources and reserves in the Tasmania Reef progressed during the quarter with the completion of the first four holes. The aim of the program is to delineate depth extensions of mineralisation from the current base of resources at 1290 metres below surface (“mbs”) to 1590 mbs. The first of these holes, J1, moved further westwards and deeper than planned and intersected no significant mineralisation (see long section Figure 1). All three subsequent holes, J2 to J4, have intersected significant quartz vein mineralisation. The J2 intersection had an estimated horizontal thickness of **4.1 metres averaging 8.7 g/t gold**, with assays pending for holes J3 and J4. These intersections give strong encouragement for the continuation of economic mineralisation below currently defined resources. Based on this success, the hangingwall drill drive will be extended a further 130 metres to allow the program to be accelerated with deeper holes using a second diamond drill rig.

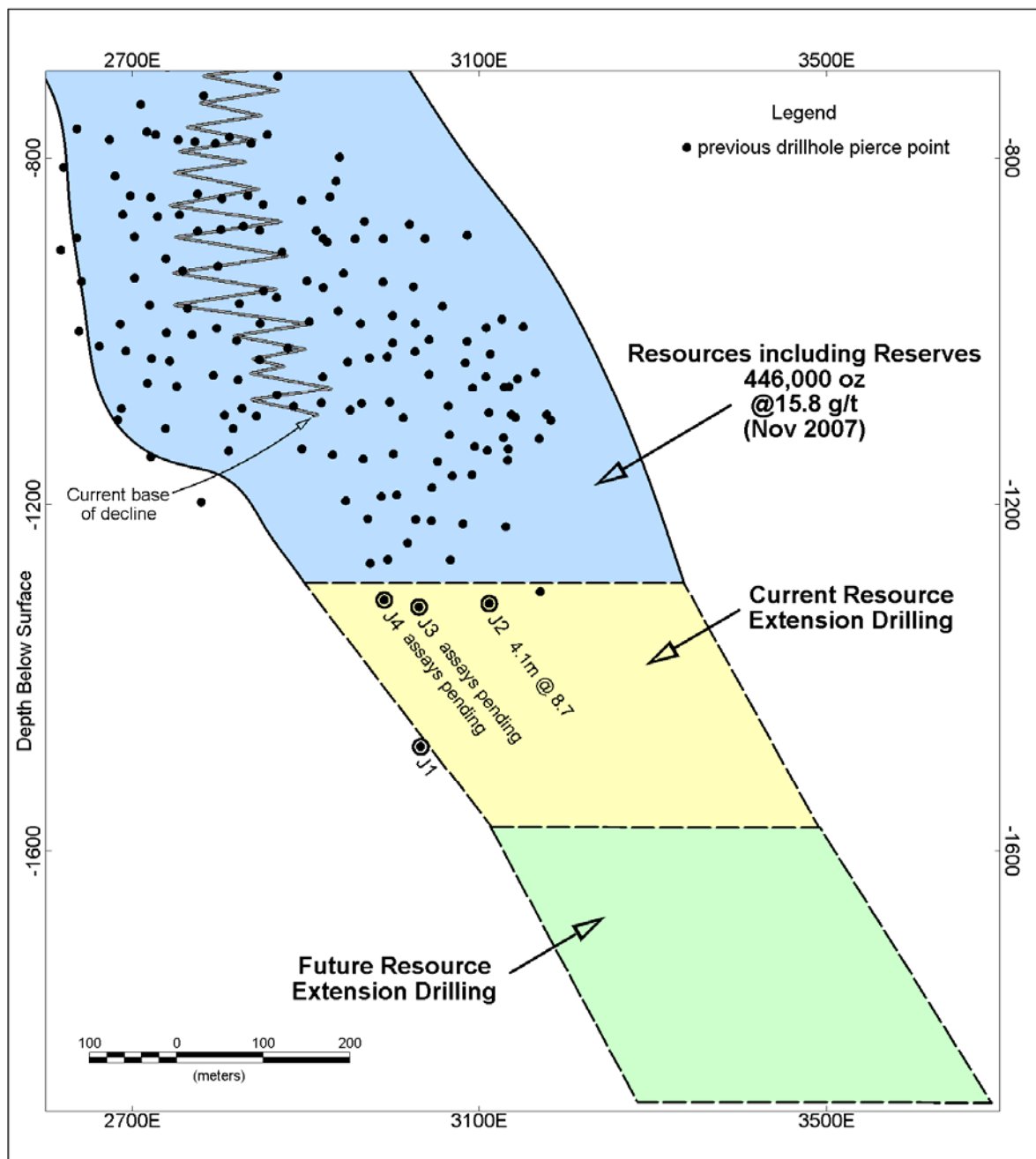


Figure 1 Beaconsfield Mine Long Section showing current drill holes

2.2 BEACONSFIELD REGIONAL EXPLORATION

Surface diamond drilling of deep structural targets stepped up during the quarter with two holes in progress. These holes are testing the North Tasmania Reef and the Bonanza Reef (an along-strike extension of the Tasmania Reef, 200 metres west of current mine development). Both targets represent the deepest holes to date into each system.

EL 29/2008, the exploration licence immediately south of the mine, was granted during the quarter and RC drilling commenced. 11 RC holes tested the Jarmans and Wings West targets at the south end of the licence, encountering deep weathering and sulphidic alteration but no significant gold enrichment. RC drilling will resume in November, testing multiple geochemical and structural targets within 6 km of the mine which have largely had no previous drilling.

2.3 LEFROY PROJECT, NE TASMANIA

RC drilling was completed at one part of the East Denison prospect (EL 13/2006) with six holes testing for extensions of mineralisation indicated from previous surface trenching and shallow drilling. Near-surface enrichment was encountered in most holes with a best intersection of 20m @ 0.5g/t gold in hole EDRC055. These results confirmed a reinterpreted fault-controlled structural control on mineralisation but failed to show significant high grades or depth extensions.

Soil sampling over several prospects was completed with assays pending.

Some areas of low prospectivity within the Lefroy tenement package (EL 44/2003 and EL 45/2003 and part of EL 39/2004) were relinquished during the quarter.

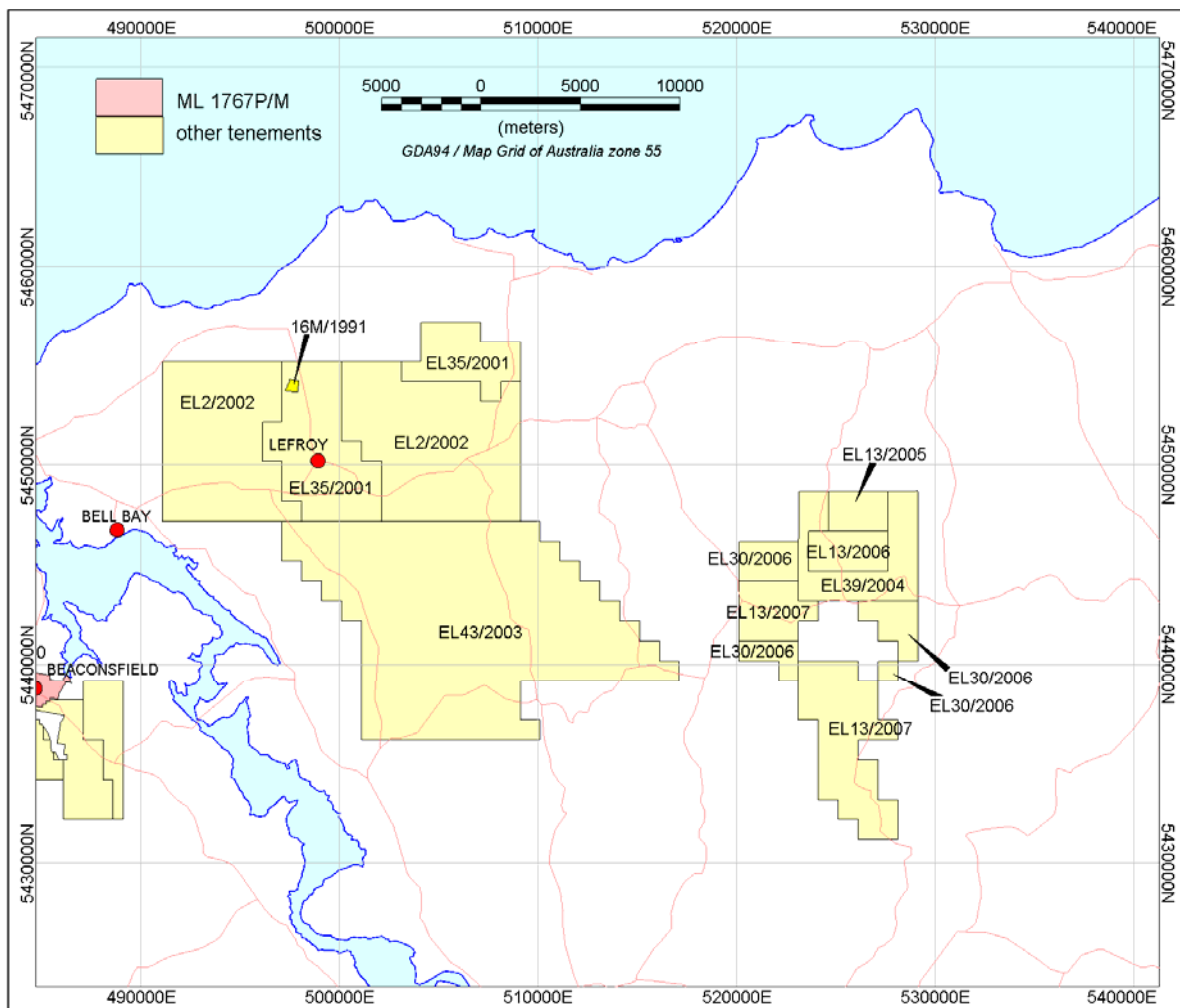


Figure 2 Lefroy Tenements

2.4 STAVELY PROJECT, WESTERN VICTORIA

2.4.1 Thursdays Gossan Primary Copper

The Thursdays Gossan prospect lies within the Stavelly Project in Western Victoria (100% BCD subject to a 3% NSR royalty, refer 2.4.3 below).

Two further diamond holes were drilled at the Thursdays Gossan prospect, following the high grade copper mineralisation reported in the June quarter. This drilling was part-funded by a 'Rediscover Victoria' grant. Further disseminated primary pyrite-chalcopyrite mineralisation was intersected, with up to 1.8% Cu and 1.5 g/t gold reported from hole SNDD003. Figure 3 shows all significant copper intersections from holes SNDD001 to 004 in plan view. Mineralisation continues to be associated with the structural contact between ultramafic and volcanic rocks to the west.

Planning for further drilling of this prospect in the period December-March is underway, with an emphasis on understanding the structural controls on high grade, primary copper mineralisation.

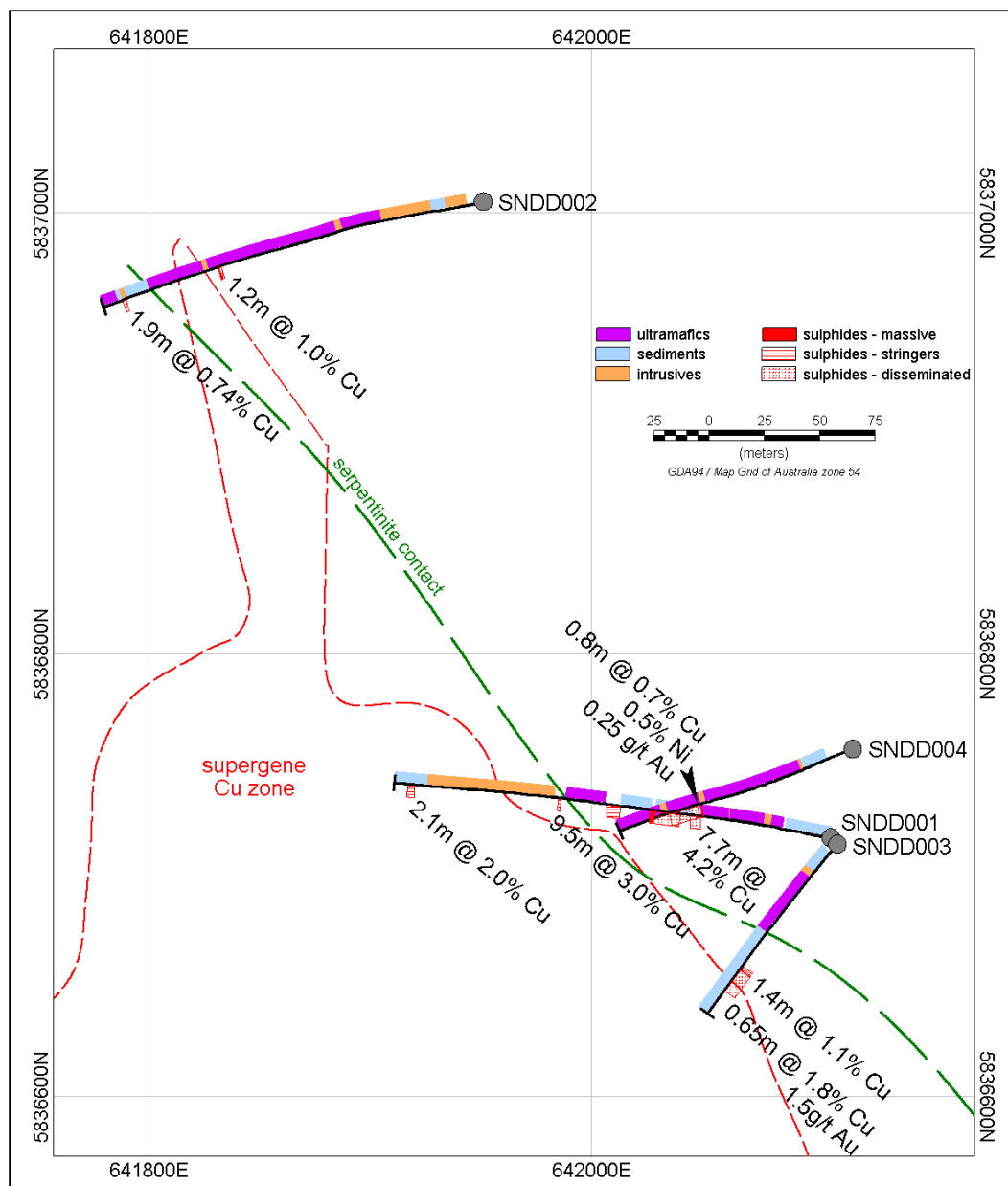


Figure 3 Thursdays Gossan Plan view of diamond drill holes

2.4.2 Thursdays Gossan Supergene Copper

As announced on 7 August 2008, a resource of 10.6 million tonnes at 0.45% copper containing 47,300 tonnes of copper has been estimated by Coffey Mining. This resource refers only to the supergene, chalcocite-dominated mineralisation, lying between 20 metres and 80 metres from surface, and is largely based on aircore drilling. This resource is classified as Inferred, with some further infill drilling and diamond core required to upgrade to the Indicated category. None of the deeper, high grade copper mineralisation reported from holes SNDD001 to 004 has been included in this estimate.

Several other occurrences of shallow chalcocite-dominated copper mineralisation have been identified close to the Thursdays Gossan resource. These were not included in this estimate but represent good targets for further drilling and have the potential to increase the size and grade of this resource.

This resource estimate, and encouraging flotation testwork results on drillhole samples from Thursdays Gossan, led to the initiation of a concept study into the potential development of this deposit. The concept involves geological, resource, metallurgical, environmental, economical and infrastructure aspects, and will be completed in the December quarter. No major impediments to the development of an open pit operation and associated treatment plant have been identified at this stage.

2.4.3 Stavely Royalty Option

As announced on 20 August, the Company negotiated a variation to its agreement with New Challenge Resources to explore the Stavely tenement (EL4556) in western Victoria, which includes the Thursdays Gossan (copper) and Fairview (gold) prospects. Beaconsfield Gold now has an option to reduce the net smelter return royalty from 3% to 1% by making a payment of \$500,000 to NCR. This option expires on 31 July 2011 and could significantly improve the commerciality of mineral deposits at Stavely.

2.4.4 Mineral Sands Joint Venture

Mineral Sands Limited has advised that it has fulfilled its expenditure commitments without discovering a viable mineral sands deposit and accordingly has withdrawn from the Joint Venture. This licence, EL4932, remains 100% owned by Beaconsfield Gold.

3. CORPORATE

3.1 GOLD HEDGING

The Beaconsfield Gold Group remains completely unhedged and all production from the Beaconsfield Mine is available for delivery at the spot price. The average gold price received during the quarter was A\$978 per ounce.

3.2 CASH POSITION

At 30 September 2008, total cash held by the Beaconsfield Gold Group was \$6.7 million. During the quarter repayments totalling \$1.8 million were made to the Commonwealth Bank of Australia, reducing the Company's remaining bank debt to \$2.6 million.

3.3 RIGHTS ISSUE

The Company issued a prospectus for a pro-rata renounceable rights issue of up to 38.9 million shares in Beaconsfield Gold at a price of \$0.15 per share, with the prime aim of accelerating Beaconsfield Gold's focussed exploration in north east Tasmania and western Victoria.

The rights issue was supported by a large number of Beaconsfield Gold's shareholders, despite the generally falling market for gold stocks at the time, and raised a total of \$3.9 million. The rights issue was partially underwritten by Beaconsfield's largest shareholder, Malaysia Smelting Corporation Berhad (MSC). MSC is very supportive of Beaconsfield Gold's desire for substantial growth through accelerated exploration and acquired 13.0 million shares through an underwriting agreement in addition to taking its full entitlement of 7.0 million shares.

3.4 CORONIAL INQUEST

The Coroner re-opened the Inquest into the death of Larry Knight on 22 July and completed the examination of witnesses on 25 September. The Inquest will re-convene on 10 and 11 November to hear closing oral submissions before the Coroner retires to prepare his findings. It is possible that these findings will not be handed down until early 2009.

In view of the extensive investigations conducted since the Anzac Day rock fall and the considerable evidence already provided to the Coroner, the Company waived its right to cross-examine witnesses for much of the Inquest, although it continued to co-operate fully with the Coronial Inquiry. All key mine witnesses appeared at the Inquest and had access to legal counsel.

The cause of the rock fall has previously been the subject of an extensive special inquiry conducted by Mr Greg Melick, SC.

3.5 BUSINESS INTERRUPTION INSURANCE CLAIM

The appeal against the Supreme Court of Victoria's judgement in the Company's business interruption insurance claim against QBE, which was heard in the Supreme Court of Victoria Court of Appeal on 4 August 2008, was dismissed on 21 August.

The Company is now taking legal advice in regard to this matter.

3.6 CLAIM AGAINST BLAKE DAWSON

A number of Beaconsfield Gold group companies commenced proceedings in 2004 in the Supreme Court of Western Australia against Blake Dawson for damages for professional negligence and breach of contract arising from legal services provided to Allstate by Blake Dawson in 1998. The claim relates to advice concerning certain insurance and risk management issues associated with the contract for construction of the treatment plant at the Beaconsfield Mine.

A court ordered mediation held on 31 July 2008 failed to resolve this matter. The Group will continue to prosecute the action.

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3.7 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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Drill results

Significant intersections from all drillholes referred to in this report are shown below.

Hole	Project	Easting MGA	Northing MGA	Azimuth/Dip (degrees)	From (m)	Length (m)	Gold (g/t)	Cu (%)
J2	Beaconsfield	3111	4311	N/A	1310 mbs	4.1	8.7	
EDRC055	Denison	526659	5446090	070/-60	0	20	0.5	
SNDD001	Stavely	642108	5836717	265/-50	94.7	7.7	1.1	4.2
		Plus			154.6	9.5	0.4	3.0
		Plus			309.8	2.1	0.3	2.0
SNDD002	Stavely	641951	5837005	246/-50	198.6	1.5	2.7	3.8
SNDD003	Stavely	642111	5836714	201/-50	108.2	1.4	NSA	1.1
		Plus			141.1	0.7	1.5	1.8
SNDD004	Stavely	642118	5836757	231/-57	142.8	0.8	0.3	0.7

1. Lengths are down-hole intervals for Denison and Stavely, horizontal widths for Beaconsfield Mine.
2. SNDD001 and SNDD002 results previously reported.
3. SNDD001 to SNDD004 and J2 are diamond holes, EDRC055 is an RC hole.
4. Eastings and Northings shown are collar coordinates, except for J2, where coordinates refer to the position of the mineralisation.
5. Gold assays determined by fire assay and copper assays by AAS.
6. NSA : no significant assay.

The exploration results presented in this report are based on information compiled under the supervision of Peter Thompson, who is a full time employee and a Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (The JORC Code, 2004). Mr Thompson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.