

CHAIRMAN'S ADDRESS

BY DR DENIS CLARKE AT THE ANNUAL GENERAL MEETING OF BEACONSFIELD GOLD NL HELD AT MORGANS AT 401, 401 COLLINS STREET, MELBOURNE AT 10AM ON FRIDAY 14 NOVEMBER 2008

The year to 30 June, 2008 was a difficult one for Beaconsfield Gold, as indicated by the substantial loss incurred. During the year the Company pursued the costly recommissioning of the Beaconsfield Gold Mine with all its associated challenges. It was very much a case of taking some pain in anticipation of greater future gains. Significant gains have indeed been achieved - the Beaconsfield Mine has returned to full production, exploration has accelerated, and the share register and balance sheet have been strengthened by the introduction of Malaysia Smelting Corporation Berhad ("MSC") as a cornerstone investor.

I will comment on each of these matters in turn.

The Beaconsfield Gold Mine

In my address at the Company's Annual General Meeting last year, I spoke of the imminent return to production from the higher grade Western Zone of the Beaconsfield Mine, which I said was the key to returning the operation to full profitable production. I am pleased to report that, despite some delay, the mine is now at full production and generating positive cash flow.

Workplace Standards Tasmania in late 2007 lifted all restrictions on mining following completion of the exhaustive and unprecedented Case for Safety process. The mine uses world's best practice in the field of geotechnical management and a new, innovative remote mining method has proved both safe and effective. By July 2008, gold production had returned to the level of April 2006, the time when mining was suspended following the tragic rockfall. Production during the September 2008

quarter was equivalent to an annualised rate of more than 80,000 ounces, and plans for calendar 2009 call for the mining of 300,000 tonnes of ore yielding around 90,000 ounces of gold.

With the introduction of the new mining method complete, the mine is now moving to the optimisation of both the mining method and the overall cost structure. Some significant challenges remain but, the team at the mine, ably led by our new General Manager Richard Holder, is focused on maximising productivity and efficiency to safely produce gold at the lowest possible cost.

As present ore reserves at the Beaconsfield Mine are the equivalent of around three years' production, it is important that the Company proves up additional reserves. A deep drilling program from underground commenced during the September 2008 quarter aimed at extending resources and reserves for the Tasmania Reef to a level 300 metres below current resources. Intersections from the first few holes give strong encouragement for the continuation of the Tasmania Reef. This program, which will continue well into 2009, is targeting resources to add three to four years to current mine life.

In summary, much has been achieved at the mine in the last year and the outlook for the mine is the most positive for several years.

Exploration Accelerated

Beaconsfield Gold is committed to growth through exploration success and recently has been able to greatly accelerate its exploration efforts on the back of improved cashflow from the mine. Peter Thompson was recently appointed General Manager Exploration to manage and direct the Company's exploration activities. He has extensive experience in both exploration and mining and Peter and his team are now busy exploring our large Tasmanian and Victorian exploration properties.

Our exploration priorities in Tasmania are clear.

Firstly, as mentioned earlier, we are aiming to significantly extend the life of the mine by deeper drilling of the Tasmania Reef.

Secondly, we aim to comprehensively test the 11km-long corridor of prospective host rocks around the Beaconsfield Mine for repeats of the Tasmania Reef system. This corridor has seen surprisingly little modern exploration, given it hosts one of Australia's best gold deposits. We are currently testing this corridor by drilling from both surface and underground.

Thirdly, we aim to explore north-east Tasmania with the aim of delineating incremental feed to utilise spare capacity at the Beaconsfield processing plant. New projects at the Lefroy and Mathinna goldfields were acquired during the year, covering the sources of most of historical Tasmania gold production outside of the Tasmania Reef. Drilling has commenced and will be accelerated during 2009.

Victorian exploration is focused on the large Stavely Project in western Victoria.

Our drilling at Stavely during 2008, funded in part by the Victorian Government under the first round of its Rediscover Victoria drilling program, led to an exciting discovery of high-grade primary copper mineralisation at the Thursdays Gossan prospect. Additionally, we were able to announce a resource for a shallow supergene copper resource adjacent to the discovery. Exploration is on-going at both Thursdays Gossan and the Fairview gold prospect and I anticipate further success over the next year.

In summary, Beaconsfield Gold is now accelerating the testing of its compelling exploration opportunities. At last the necessary funding is available to realise the value of these opportunities.

Corporate

During the difficult period of mine closure and subsequent slow ramp-up to full production, the Company survived through the support of existing shareholders and new investors. On behalf of both Board and Management, I thank all who

participated in the various share placements and the recent rights issue. Your support has restored a bright future to the Company.

The Company was able to strengthen its balance sheet in several ways during the past year.

The close-out of the Company's gold hedge book in November 2007, which in retrospect was an excellent decision, means that all production from the Beaconsfield Mine is now delivered at the high spot gold price, which is presently around A\$1,100 per ounce. A year ago it was about A\$925.

Bank debt was further reduced during the year, leaving the Company with a very lowly geared balance sheet.

Full exposure to the spot gold price and low gearing both seem highly desirable given the uncertainties presently facing the world's capital and financial markets.

A major source of balance sheet improvement, other than the share placements and rights issue that I have already referred to, was the major share placement to MSC, which in March 2008 became Beaconsfield Gold's largest shareholder. That placement funded the important close-out of the gold hedge book. Two MSC nominees joined the Beaconsfield Gold board. Dato' Mohd Ajib Anuar and Choo Mun Keong each bring a wealth of international resource company experience, and I welcome them both and look forward to their positive contribution to the future development of the Company. MSC, which now holds a 22.5% interest, has been strongly supportive of the Company's exploration efforts and growth strategy, and I look forward to a long and successful relationship between our two companies.

In an uncertain world, it is important that shareholders and investors fully recognise the key strengths of Beaconsfield Gold. These strengths will, I believe, underpin the future prosperity and growth of the Company.

Beaconsfield Gold has an effective 100% beneficial interest in a substantial high-grade profitable gold mine. As an established mid-tier gold producer, the Company

has few peers in the Australian gold mining industry. The high-grade nature of the mine underpins its excellent potential for very profitable production for the next several years, given continuation of the strong A\$ gold price. In the next year, the mine plans to produce around 90,000 ounces at a cash cost significantly below the current gold price. The potential to double the mine life as a result of the current deep drilling program is also excellent. The capacity to fund future growth from internally generated funds distinguishes Beaconsfield Gold from most companies in the minerals business at a time when funding is difficult to obtain externally. Over the next few years, a strong cashflow will also present opportunities to diversify through acquisitions to mitigate the risks associated with being a one-mine company.

Our exploration opportunities are compelling and we now have the financial capacity and exploration expertise to pursue them fully.

Importantly, Beaconsfield Gold has a clear strategy for growth coupled with the management expertise and financial strength to deliver that strategy.

Our share price has over the last year decreased markedly in line with others in the gold business, but I am confident of improvement as investors begin to better appreciate the attractiveness of our current position and future prospects.

At the risk of being somewhat repetitive, I say again we have a profitable mine, a high-grade orebody with good reserves and realistic potential for more, prospective exploration properties, a highly competent management and workforce, a lowly-gearred balance sheet and supportive shareholders. Therefore, despite the widespread negativity affecting the mining industry generally at present, I believe that Beaconsfield Gold is now well positioned, given continuation of strong gold prices, to return to the status of a profitable, dividend-paying company.