

**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

BEACONSFIELD GOLD NL

Report on Activities for the Quarter ended 31 December 2008

HIGHLIGHTS FOR THE QUARTER

- Full mining rates were maintained throughout the quarter with 65,762 tonnes of ore processed, equivalent to 260,000 tonnes per annum.
- Gold production of 15,143 ounces was below forecast after mining was temporarily restricted to lower grade stopes during the quarter. Higher grade stopes are now being accessed. Gold production for January will be around 7,500 ounces.
- The Beaconsfield Mine remains on track to produce between 80,000 and 90,000 ounces of gold this financial year.
- The operation was cash positive for the quarter with the gold sales averaging A\$1,189/ounce.
- Total resources for the Tasmania Reef at 31 December 2008 were 979,000 tonnes at 13.2 g/t gold for 416,000 ounces of contained gold, a 13% increase on the 30 November 2007 figure after allowing for mining depletion.
- The deep drilling programme under the currently defined gold resources has continued to give strong encouragement for extended mine life with all holes drilled during the quarter intersecting significant quartz vein mineralisation. Better results to date include 4.2m (horizontal width) at 8.7 g/t (gold) in hole J2, 4.0m at 5.1 g/t in J4, 1.8m at 12.0 g/t in J6 and 4.7m at 8.3 g/t in J7.
- Impressive results continued from the Stavely Project in western Victoria, with drilling at the Junction Prospect intersecting 8 metres at 2.6% copper and 35 metres at 3.7% copper in hole TGAC78.

CEO'S COMMENTARY ON THE QUARTER

Beaconsfield Gold CEO, Bill Colvin said "The Beaconsfield Mine remains on track to deliver over 80,000 ounces for the 2009 financial year. Operationally, the mine is performing well and safely. The remote mining method is fully established and opportunities for the optimisation of productivity and costs can now be pursued.

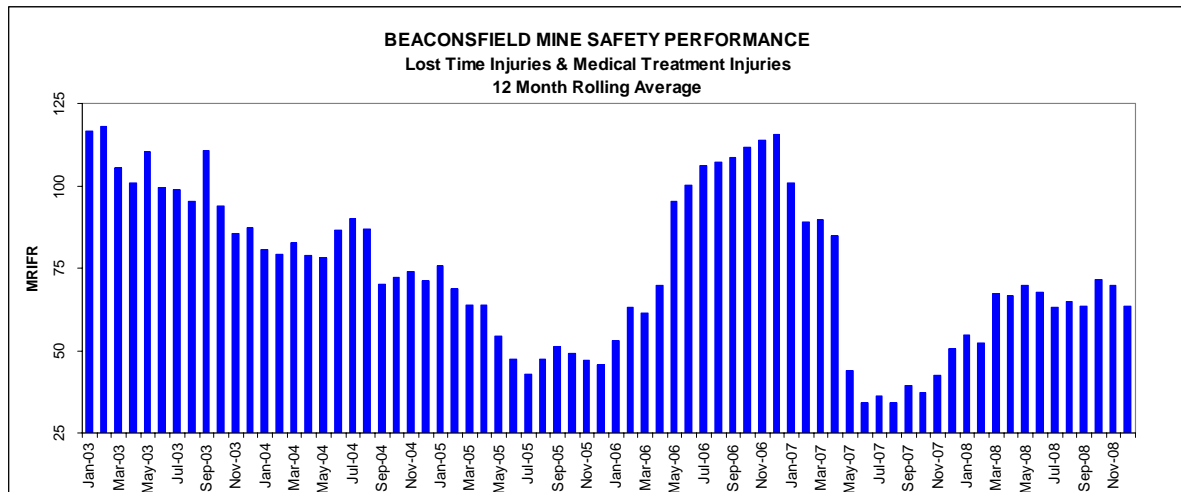
"Cash costs per ounce for the quarter reflect the temporary lower gold production achieved. The average cash cost for the life of the current ore reserves is estimated to be less than \$700 per ounce with less than an additional A\$70 per ounce for capital expenditure.

"It is particularly pleasing to be able to report on major exploration successes both at the Beaconsfield Mine and at Stavely. Deep drilling has demonstrated continuity of the Tasmania Reef at depth, indicating potential for a significant increase in mine life beyond the current reserves. Further high grade copper intercepts at Stavely in western Victoria have enhanced the economic potential of the property."

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 were regrettably four Lost Time Injuries and four Medical Treatment Injuries during the December 2008 quarter.

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. During the quarter, Coffey Mining was engaged to compile and review all of the data from the mining of the 980 block. The review confirmed that the installed ground support has performed as designed and that the actual stress levels monitored during mining are lower than factored in the Case for Safety. Further work now being conducted to optimise geotechnical management includes in-situ stress modelling and on-site testing of various dynamic support mechanisms to validate their support capabilities and limitations.

The annual Tasmanian Mines Rescue Competition was held at the Beaconsfield Mine in November. Seven teams from around the state competed with the intention of safely honing their skills in a realistic working environment.

1.1.2 Mining

During the quarter, 64,660 tonnes of ore were hoisted (70,486 tonnes September quarter). During October and November, changes were made to the mining schedule to reduce the geotechnical risk of the planned extraction sequence for the 980W stoping block and these changes also delayed access to the new 1020W stoping block. In combination, higher-grade stopes were deferred into the

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March quarter and the average grade for the December quarter was significantly lower than scheduled at 7.9g/t gold.

Gold production for the quarter of 15,147 ounces (20,281 ounces September quarter) was therefore also below forecast.

As expected, gold production has improved significantly in January, and will be around 7,500 ounces.

Delivery has been taken of a new Elphinstone R1600G loader and tele-remote equipment has been successfully commissioned on the existing Elphinstone R1600 loader fleet. These larger loaders will offer a productivity improvement of up to 50% for the bogging and backfilling cycle in the Western Zone of the mine.

Waste development activities were focussed on completing the three footwall drives in the 1020W stope block and opening up that block for stope production. However, during the quarter initial production was restricted to stopes at the periphery of the orebody where the grade was not strong. Good progress was also made on establishing the 1080W stope block, as well as advancing the decline and establishing further production levels deeper in the mine.

87 metres of capital development and 476 metres of operating level development were completed during the quarter, including 350 metres of footwall drives. 480 metres of advance was achieved in ore sill drives.

1.1.3 Ore Treatment Plant

The ore treatment plant processed 65,762 tonnes of ore during the quarter compared to 68,369 tonnes in the previous quarter. The plant has consistently demonstrated its ability to process in excess of 1,000 tonnes per day.

15,143 ounces of gold was produced from ore with an average grade of 7.9 grams per tonne (20,281 ounces at an average grade of 10.0 grams per tonne previous quarter). Recovery for the quarter, excluding gold in circuit changes, was 90.2% and all areas of the plant continued to perform well, including the bacterial leach circuit.

	Sept 2008 Quarter	Dec 2008 Quarter	2008/09 year to date
Ore hoisted	70,486 tonnes	64,660 tonnes	135,146 tonnes
Ore treated	68,369 tonnes	65,762 tonnes	134,131 tonnes
Grade	10.0g/t	7.9g/t	9.0g/t
Gold treated	22,064 ounces	16,783 ounces	38,846 ounces
Recovery	91.9%	90.2%	91.2%
Gold produced	20,281 ounces	15,143 ounces	35,424 ounces

Construction of a new, fully-lined tailings dam at a budgeted cost of \$1.6 million commenced during the quarter. Completion is scheduled for the March quarter.

1.2 EXPENDITURE

Cash costs were A\$1,134 per ounce (previous quarter A\$766 per ounce). The significant increase in cash cost relates to the lower gold production resulting from mining being restricted to lower grade areas of the mine. Cash costs per tonne milled for the quarter were A\$261 per tonne compared to A\$227 per tonne in the previous quarter. Cash costs per ounce are forecast to reduce significantly in the March quarter as production improves with access to higher grade stopes.

In the longer term, operating costs per tonne milled will decline significantly once the majority of footwall driving in the Western Zone is completed during the next six months. Development of the F21 Zone in the coming year will incorporate some footwall driving but the proportion required will

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be significantly less than for the Western Zone. The average cash cost for the life of the current ore reserves is estimated to be less than \$700 per ounce with less than A\$70 per ounce additional for capital expenditure.

All gold production was sold at spot prices, averaging A\$1,189 per ounce. At the date of this report, the average gold price received during January was A\$1,276 per ounce.

1.3 RESOURCES AND RESERVES

An updated Resource and Reserve Statement has been prepared by Coffey Mining using Ordinary Kriging to estimate grade. The reported Identified Mineral Resource for the Tasmania Reef at Beaconsfield, Tasmania as at 31 December 2008 was:

Measured Resource	321,000t @ 14.3g/t Au (148,000 ounces contained gold)
Indicated Resource	481,000t @ 13.5g/t Au (209,000 ounces contained gold)
Inferred Resource	177,000t @ 10.4g/t Au (59,000 ounces contained gold)
Total Resource	979,000t @ 13.2g/t Au (416,000 ounces contained gold)

The previous Total Resource (dated 30 Nov 2007) contained 446,000 ounces and, incorporating mining depletion of 79,000 ounces since that time, a net increase of 49,000 ounces (13%) is shown.

The Ore Reserve (included within the Total Resource statement) for the Tasmania Reef at the Beaconsfield Mine as at 31 December 2008 was:

Proved Reserve	270,000t @ 11.9g/t Au (103,000 ounces contained gold)
Probable Reserve	518,000t @ 9.7g/t Au (162,000 ounces contained gold)
Total Reserve	787,000t @ 10.5g/t Au (265,000 ounces contained gold)

The previous Total Reserve as at 30 November 2007 was estimated as 1,095,000 tonnes at 9.8g/t Au (346,000 ounces contained gold).

This Resource/Reserve Statement accurately reflects information compiled under the supervision of Peter B. Hills B.Sc. (Hons), M. Eng. Sc., FAusIMM, a full-time employee of Allstate Explorations NL (Manager of the Beaconsfield Mine Joint Venture), who is a Corporate Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (The JORC Code, 2004).

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2. EXPLORATION

2.1 BEACONSFIELD MINE RESOURCE EXTENSION

Underground diamond drilling to extend mine resources and reserves for the Tasmania Reef progressed during the quarter with significant mineralisation reported from six of the seven holes completed. These results demonstrate continuity of mineralisation with depth, including intersections of **4.7m at 8.3 g/t** and **4.2m at 8.7 g/t** gold and are shown in Table 1 below and in Long Section in Fig 1. Drilling will continue with one underground rig increasing to two upon completion of the extended 1090 hangingwall drill drive. The intention of this drilling is to further extend resources and reserves to 1590 RL and increase mine life by a further three years.

Table 1 Significant Intersections, Resource Extension Drilling, Beaconsfield Mine, December quarter 2008

Hole	From (m)	Easting (Note 2)	Depth (mbs) (Notes 1 & 2)	Width (m) (Note 2)	Grade (g/t)
J3	246.6	3029	1330	0.6	5.4
J4	240.2	2993	1313	4.0	5.1
J5	282.7	3015	1326	0.3	7.9
J6	255.4	3071	1346	1.8	12.0
J7	217.0	3147	1295	4.7	8.3

Notes

(1) "mbs" is "metres below surface"

(2) Widths shown are calculated horizontal widths. Eastings and depths shown are for the mid-points of each mineralised intersection..

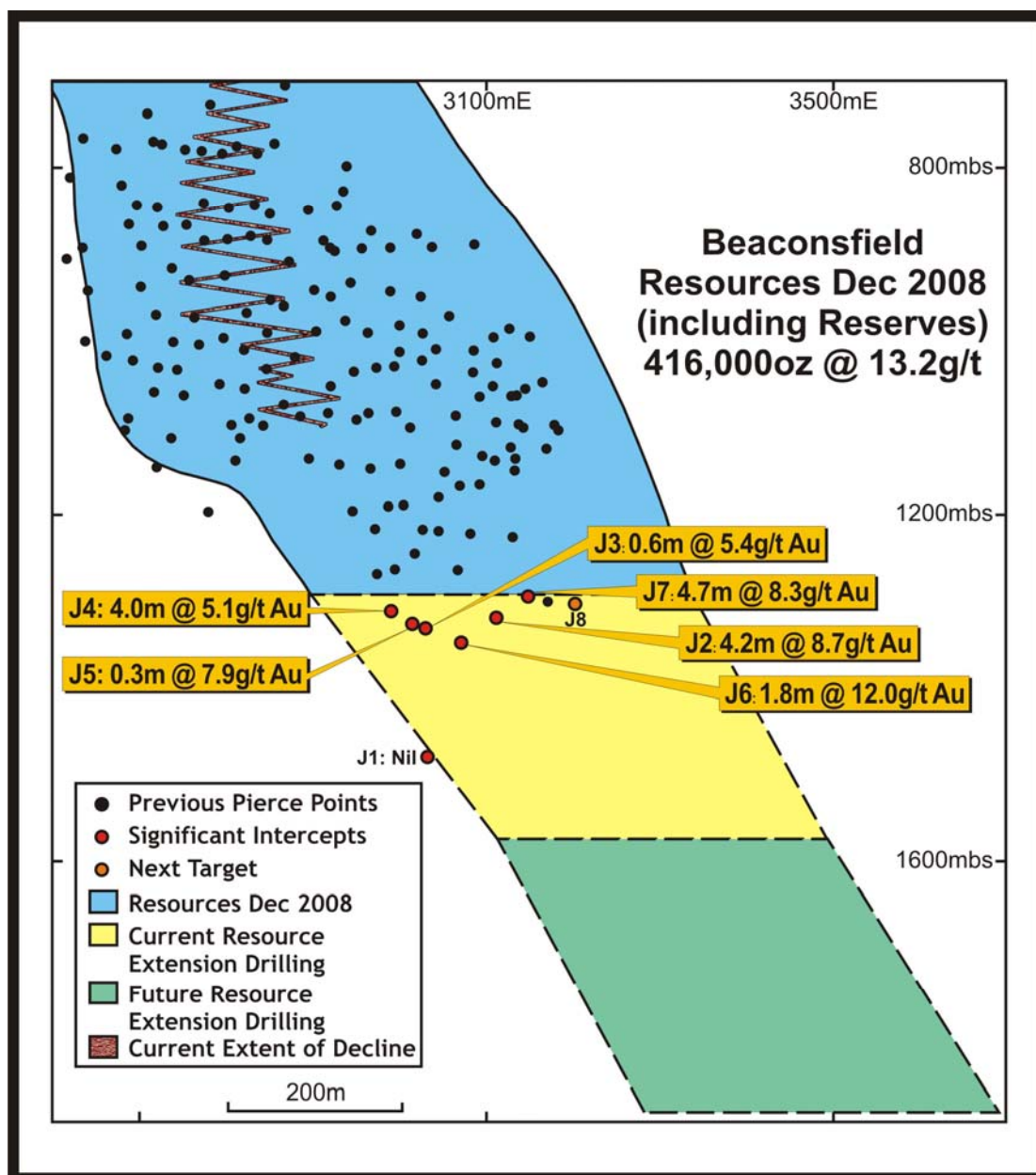


Figure 1 Beaconsfield Mine Long Section showing current drill holes

2.2 BEACONSFIELD REGIONAL EXPLORATION

Surface diamond drilling progressed with several near-mine targets successfully tested during the quarter. This programme included holes into the North Tasmania Reef, Bonanza Reef and Northern Corridor prospect. Weak pyrite mineralisation is reported from holes B56, B57 and B58 at the Northern Corridor prospect, with assays pending. These holes followed up soil geochemical anomalism and an RC intersection of 2m at 4.1 g/t gold.

RC drilling of the Salisbury North, Blue Tier and Eaglehawk Gully prospects to the south of the mine commenced with 25 RC holes (average depth 100m) completed. This drilling tested several geochemical and structural targets within conglomerate rocks analagous to those hosting the Tasmania Reef. Assay results from only the Salisbury North holes have been received to date and show no significant anomalism.

2.3 LEFROY PROJECT, NE TASMANIA

Infill and extensional soil sampling at Lefroy was completed, with significant anomalism along strike from old workings defined. Peak gold values of 4.3 g/t and 2.8 g/t occur within these soil anomalies. Drilling targets have been generated with a focus on those areas most likely to provide closely-spaced quartz vein systems and open pittable resources. RC drilling of these targets commenced during January, with results pending.

2.4 STAVELY PROJECT, WESTERN VICTORIA (100% BCD subject to a 3% NSR royalty)

2.4.1 Junction 1 Copper mineralisation

As reported during December, significant shallow, high grade copper mineralisation was intersected by aircore and RC drilling at the Junction 1 prospect during the quarter. Junction 1 is located 3km south of the Thursdays Gossan prospect at Stavelly. Copper is present in both oxide (malachite) and sulphide (covellite and chalcopyrite) forms, with best intersections of **35m at 3.7% Cu** and **8m at 2.6% Cu**.

Further drilling to the west of these initial results suggests an east-west orientation of mineralisation with significant new results reported from holes TGRC109 and 110, including **6m at 1.8% Cu** from 72m to end of hole in TGRC110. This mineralisation is copper sulphide-hosted within a shear zone in sedimentary rocks, immediately west of the historical Junction 1 prospect (copper mineralisation in volcanic and porphyry rocks).

Table 2 and Fig 2 show the significant intersections and the interpreted trace of mineralisation intersected to date from Junction 1. This mineralisation remains open to the east and west, and with depth. Fig 3 shows an East-West long section of significant mineralisation with all assays reported.

Table 2 Significant Intersections, Stavelly Project, December Quarter 2008

Hole	Prospect	Easting	Northing	Dip/Azimuth	From (m)	Width (m)	Grade (Cu%)
TGAC078*	Junction 1	642927	5833571	-50/230	4	8	2.6
					24 (open)	35	3.7
TGRC082*	Junction 1	642905	5833375	-60/50	26	12	1.1
					54	2	0.6
TGRC087	Junction 1	642882	5833535	-60/50	36	8	2.1
					49	3	0.8
TGRC109	Junction 1	642784	5833563	-90/0	37	6	1.7
					63	2	0.8
TGRC110	Junction 1	642788	5833533	-60/350	42	6	1.5
					62	3	1.6
					72 (open)	6	1.8
TGAC050	Junction 3	642460	5835763	-50/230	42	8	0.5
TGAC052	Junction 3	642531	5835802	-50/230	34	4	0.4
TGAC053	Junction 3	642563	5835841	-50/230	26	4	0.5
TGAC055	Junction 3	642510	5835675		36	4	0.5

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TGAC056	Junction 3	642545	5835696		44	6	0.5
					56	4	0.4
TGAC058	Junction 3	642545	5835696		36	6	0.5
TGAC062	Junction 3	642524	5835569		28	12	0.5
TGAC063	Junction 3	642491	5835548		36	6	0.5
TGAC064	Junction 3	642455	5835529		30	12	0.5
					52	4	0.4
					62	4	0.4
TGAC065	Junction 3	642441	5835634		30	2	0.6
					40	4	0.6
TGAC069	Junction 3	642446	5835868		40	10	0.4
TGAC072	Junction 3	642573	5835481		40	8	0.4

*Reported previously.

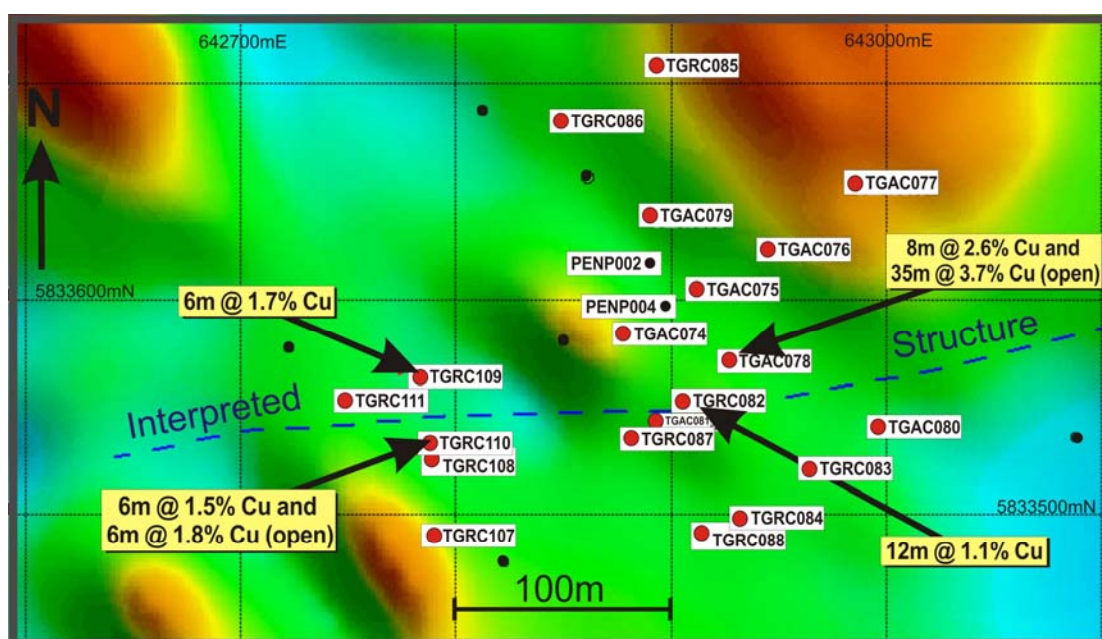


Figure 2 Junction 1 Aeromagnetics and interpreted copper mineralisation

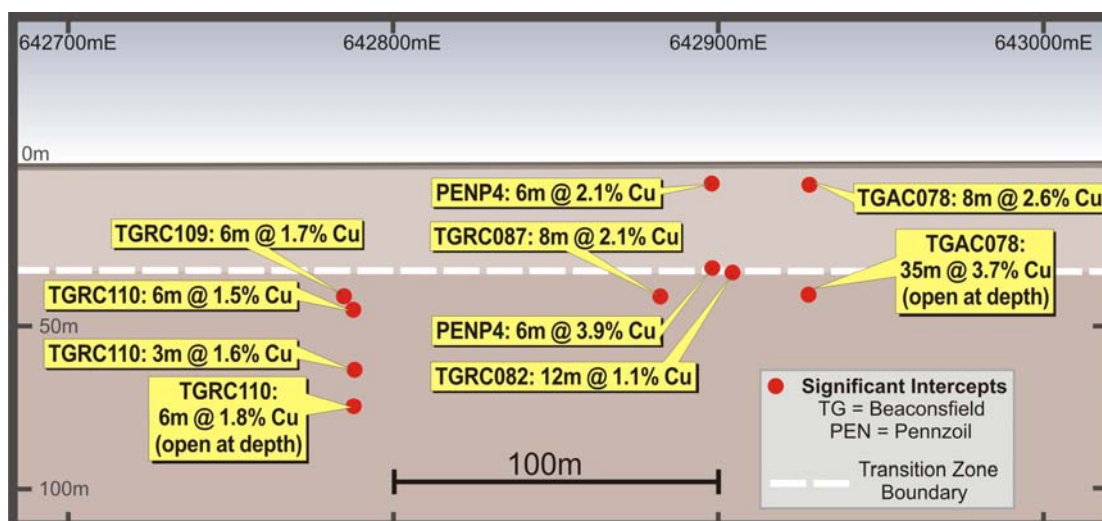


Figure 3 Junction 1 Long Section

2.4.2 Thursdays Gossan Supergene Copper

Drilling of several satellite supergene copper deposits to the Thursdays gossan resource (10.5 Mt @ 0.45% Cu, previously reported) is ongoing. Assay results from one prospect, Junction 3, are available, showing significant additional flat-lying mineralisation with thicknesses up to 12m at grades of 0.4% to 0.6% copper. Junction 3 lies 1km south of the Thursdays Gossan deposit and is part of the same mineralised system. Significant intersections are shown in Table 2 above.

RC and diamond drilling to delineate high grade copper mineralisation at Thursdays Gossan is scheduled for the March quarter. This drilling is intended to follow up high grade copper intersections from 2008 which included 7.7m @ 4.2 % Cu from 94.7m and 9.5m @ 3.0 % Cu from 154.6m in hole SNDD001.

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.

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\$1,189 per ounce.

3.2 CASH POSITION

At 31 December 2008, total cash held by the Beaconsfield Gold Group was \$7.3 million. The company has \$2.5 million outstanding under a Working Capital Facility with the Commonwealth Bank of Australia. This facility expires on 27 February 2009 and negotiations for a renewal are well advanced. The Company also drew down on a \$1.0 million short term facility during the quarter.

3.3 CORONIAL INQUEST

The Coroner has now received all evidence and submissions for the Inquest into the death of Larry Knight and has retired to prepare his findings. It is not yet known when these findings will be handed down.

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

3.4 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 taking legal advice in regard to this matter.

3.5 BBR CLAIM

The previously reported claim against the BBR Companies has been settled before going to court. After payment of a portion of the settlement proceeds to BCD's former banker under the terms of a 2004 agreement, net proceeds to the BCD group will be in excess of \$1 million.

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 Beaconsfield Gold group will continue to pursue the action.

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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