

**BEACONSFIELD  
GOLD N.L.**

A.C.N 057 793 834

## **BEACONSFIELD GOLD NL**

### **Report on Activities for the Quarter ended 30 September 2009**

#### ***HIGHLIGHTS FOR THE QUARTER***

- Gold production from the Tasmania Mine was 16,375 ounces for the quarter.
- Mill throughput was yet again a record with over 78,000 tonnes of ore treated.
- Remnant resources of more than 30,000 ounces in the upper levels of the mine have been identified from which incremental production of 2,000 to 3,000 ounces of gold per quarter is targeted, commencing in calendar 2010.
- An enhanced remote mining method has been designed which is expected to significantly reduce costs per ounce when introduced. A trial block is being developed with stoping to commence early in calendar 2010.
- Narrow vein techniques have been established to mine incremental ounces from thin parts of the reef and increase the grade of ore development.
- Good progress has been made establishing the F21 Zone with 586 metres of development completed on three levels.
- Intersections of 1.9 metres estimated horizontal thickness at 7.6 g/t (with visible gold) and 0.6 metres estimated horizontal thickness at 20.0 g/t in drillhole J13 have confirmed a strike length of 400 metres of strong mineralisation 210 metres below current workings and also identified a significant untested up-dip target area.
- Drilling at the Ararat project has confirmed strong copper sulphide mineralisation in all four holes completed to date.

#### ***CEO'S COMMENTARY ON THE QUARTER***

Beaconsfield Gold CEO, Bill Colvin said "The Tasmania Mine continues to perform steadily with another record mill throughput enabling production of over 16,000 ounces of gold during the quarter. A number of initiatives are underway to improve productivity and reduce unit cash costs during calendar 2010.

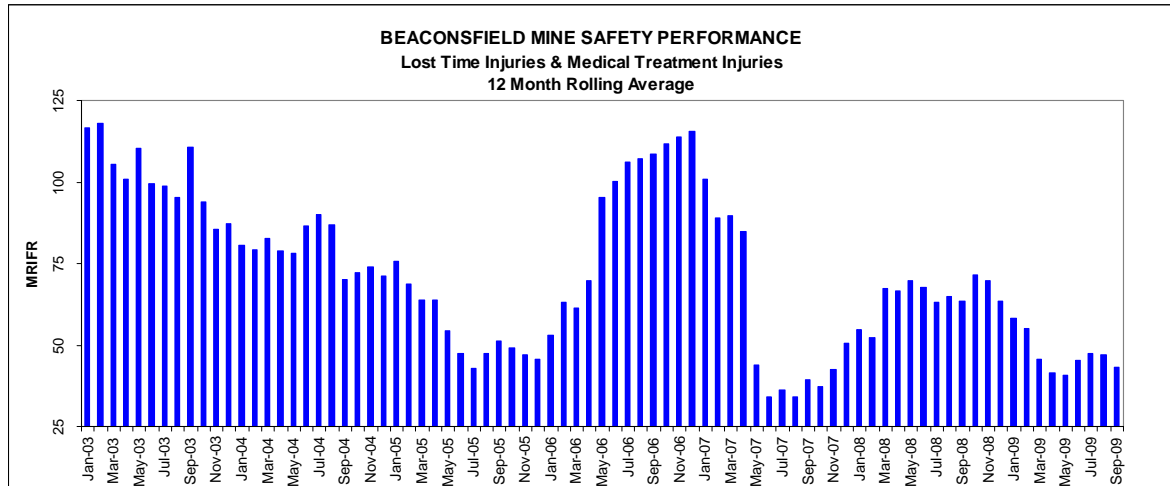
An enhancement to the current remote mining method is expected to save around \$3.5 million of costs per stoping block, typically containing between 50,000 and 100,000 tonnes of ore. For example, for a stoping block mine grade of 10 g/t gold, the potential cost savings could be of the order of \$120 to \$240 per ounce produced. Additionally, remnant mining and narrow vein mining techniques will be employed in certain parts of the mine to deliver incremental production and increase overall grade.

Drilling continues to confirm the potential for extensions to the Tasmania Reef resource, with positive results from J13 particularly important in terms of adding to the strike length of the target zone. Strong copper mineralisation is reported from recent holes at Ararat, giving confidence that this deposit can provide a significant grade contribution to the Stavelly copper project."

## 1. BEACONSFIELD MINE

### 1.1 OPERATIONS

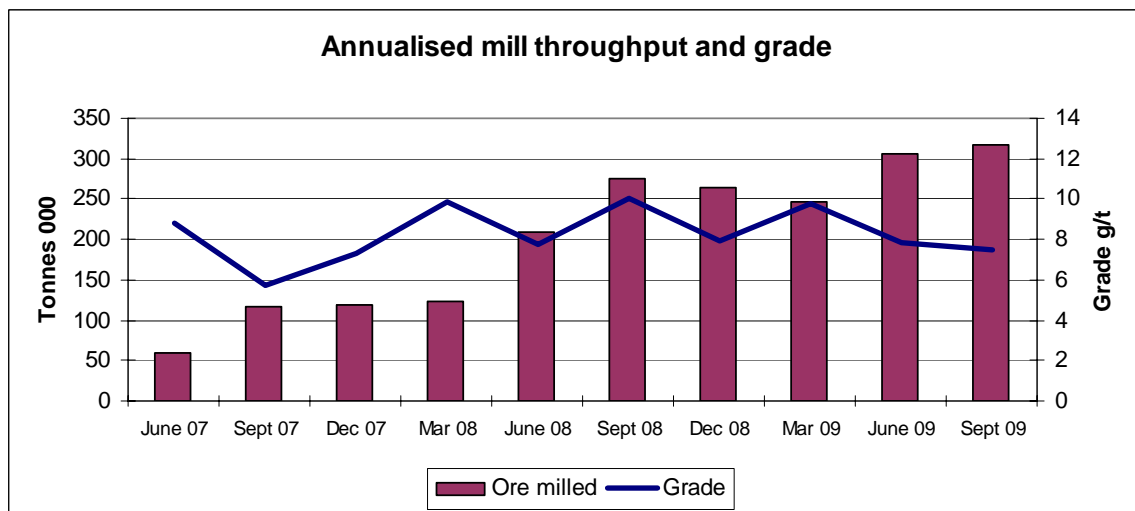
#### 1.1.1 Safety and Health



**MRIFR (Medically Referred Injury Frequency Rate – number of injuries per million man hours)**

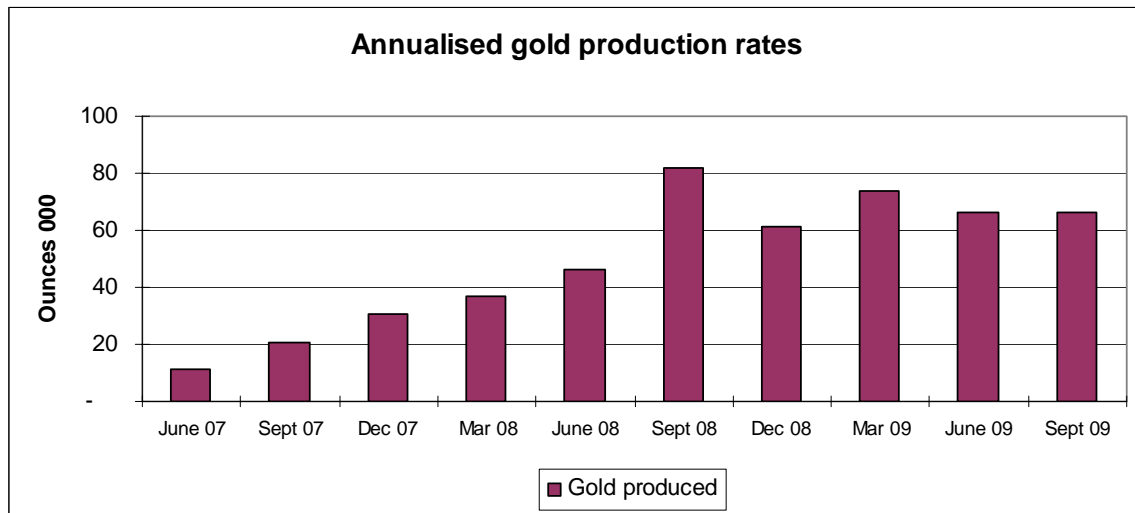
There were two Lost Time Injuries and three Medical Treatment Injuries during the September 2009 quarter. The MRIFR decreased from 45.2 at the end of June to 43.2 at the end of September. The target for the company remains zero.

#### 1.1.2 Operational performance



This figure highlights the trend of continuing increases in throughput, with an annualised rate exceeding 300,000 tonnes per annum for the last two quarters. It also shows the grade variability inherent in a high grade underground mine with relatively few discrete working areas. Since the introduction of the remote mining method restored access to all production areas, average quarterly head grades from all stopping and development activities have ranged between 7.5 g/t and 10.0 g/t gold.

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Production in the December quarter is expected to show a modest increase over the September quarter.

### 1.1.3 Mining

A solid operational performance at the mine saw 85,215 tonnes of ore hoisted during the quarter, an 8% improvement over the 78,652 tonnes hoisted in the June quarter, itself a record performance. A higher than normal proportion (45%) of ore was sourced from development as production areas were established in the new F21 Zone. Grade from development is on average lower than from stoping and as a result the average head grade of 7.5 g/t gold was 5% lower than the June quarter. Head grades are expected to lift in the future as production develops in the F21 Zone and the proportion of stope ore relative to development ore increases.

Stoping production in the quarter was predominantly sourced from the 980W, 1020W and 1080W stoping blocks in the western zone. In the eastern zone, stopes were mined in the 1090E block and higher up in the mine between the 790E and 880E levels.

Good progress was made in establishing the first stoping block in the F21 Zone with waste accesses and sill drives on the 1120, 1130 and 1150 levels advancing a total of 586 metres. First stoping of this area is expected to commence early in calendar 2010.

Capital advance was reduced to 95 metres, reflecting the allocation of development crews to setting up the first F21 Zone block for stoping. Decline development will ramp up towards the end of the December quarter.

### 1.1.4 Ore Treatment Plant

The ore treatment plant again operated at reliably high rates throughout the quarter, and processed a record 78,684 tonnes of ore (June quarter 76,019 tonnes).

Gold production of 16,375 ounces was consistent with the June quarter (16,414 ounces).

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	Mar 2009 Quarter	June 2009 Quarter	Sept 2009 Quarter
Ore hoisted	61,513 tonnes	78,652 tonnes	85,215 tonnes
Ore treated	61,241 tonnes	76,019 tonnes	78,684 tonnes
Head Grade	9.8 g/t	7.9 g/t	7.5 g/t
Gold treated	19,230 ounces	19,256 ounces	18,948 ounces
Recovery *	95.4%	85.2%	86.4%
Gold produced	18,340 ounces	16,414 ounces	16,375 ounces

\* Recovery excludes movements in gold in circuit

The new, plastic-lined tailings dam costing \$1.6 million was successfully commissioned during the quarter following the installation of monitoring bore holes.

## 1.2 COSTS

	Mar 2009 Quarter	June 2009 Quarter	Sept 2009 Quarter
Cash cost	A\$874 per ounce	A\$1,022 per ounce	A\$998 per ounce
Capital cost *	A\$93 per ounce	A\$125 per ounce	A\$32 per ounce
Cash cost per tonne milled	A\$262 per tonne	A\$221 per tonne	A\$208 per tonne
Revenue received	A\$1,379 per ounce	A\$1,211 per ounce	A\$1,153 per ounce

\* includes underground drilling to increase the Tasmania Reef resource.

Despite the slightly lower gold production level and increased level of development expensed as incurred, unit operating costs decreased by 2% compared to the previous quarter. Cash cost per tonne milled decreased by 6% as a result of the record mill throughput and reduced expenditure.

A number of cost saving initiatives were introduced during the quarter to address the high cash cost and the full benefits from these are expected to be seen during the December quarter. The more significant impact of the various mining initiatives discussed below is expected to manifest over the first six months of calendar 2010.

With the completion of the ventilation circuit and tailings dam projects and the focus on operating development, capital expenditure including underground drilling to increase the Tasmania Reef resource, reduced to \$0.5 million.

All gold production was sold at spot prices, averaging A\$1,153 per ounce.

## 1.3 MINING INITIATIVES

### 1.3.1 Remnant areas

In the upper levels of the modern mine, the Company has identified a number of high grade remnants **not included in previously quoted reserves or resources**. An inferred resource of 57,000 tonnes at 17.3 g/t gold for 32,000 ounces has been estimated and it is expected that a reserve calculation will be available by December 2009 following the completion of detailed mine designs and allowance for mining dilution. A mining recovery of at least 50% of the resource is envisaged and incremental production of 2,000 to 3,000 ounces per quarter is being targeted. These resources are principally located in the crown pillar area separating the historical mine workings from the modern (since 1999) workings.

It is planned that these areas will be mined by a contractor to ensure the production is incremental to existing operations. Expressions of interest in a mining partnership have been sought from a number

of suitably experienced mining contractors and a contract is expected to be awarded in coming weeks. Excess capacity at the Tasmania Mine mill means this incremental ore can be treated at a low marginal cost, thereby reducing overall unit costs.

### 1.3.2 Enhanced western mining method

The remote footwall drive mining method introduced in late 2007 to safely mine the western zone of the orebody has largely proven to be effective, but is very expensive and requires very high levels of waste development relative to other mining methods. It also increases the risk of ore loss and unplanned dilution from backfill which can reduce the overall grade achieved.

The shift into a new mining area (F21 Zone) where there is no pre-existing development has allowed the team at the mine to build on the experience gained from the current remote method and design a major enhancement. This is expected to significantly reduce development and improve mining productivity, whilst still achieving all the safety benefits of the current method.

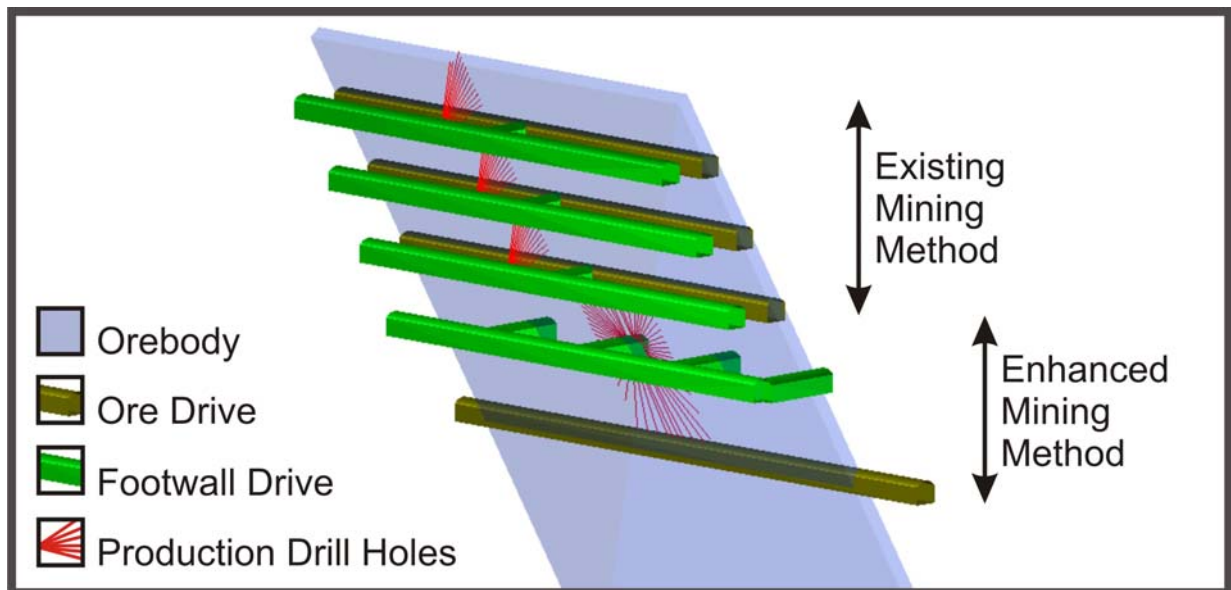


Figure 1 Diagrammatic comparison of remote footwall and enhanced mining methods

The advantages of the new method are expected to include:

- Development required to mine an ore block reduced by 60%, resulting in significantly less cost and faster access;
- Production drilling metres reduced by 25% with fewer rig moves required;
- More favourable drilling geometry as the drillholes will be parallel to the plane of the orebody which may reduce ore loss;
- No major capital expenditure required; and
- More efficient mining cycle with significantly better productivity.

A trial of the enhanced method is currently being planned in the western area of the F21 Zone with first production expected in early calendar 2010.

### 1.3.3 Airleg mining

Airleg mining has now commenced on three levels where a hangingwall branch of the reef contains good grades but over a very narrow width. Modest levels of incremental production began late in the quarter from areas that otherwise would not be mined. The work is carried out by a contractor under a partnership where costs and reward are shared on a tribute basis and there is minimal disruption to other production activities.

#### **1.3.4 Resue development**

Resue (or split face) development is being trialled to reduce dilution using a small loader brought to site by a contractor for use in narrow airleg mining areas. Ore development headings or sill drives where the reef does not extend across the full width of the face can now be fired in two passes allowing the ore and waste to be separated. This increases the development grade and reduces the amount of waste being hauled to surface and treated through the mill.

## 2. EXPLORATION

### 2.1 BEACONSFIELD MINE RESOURCE EXTENSION

Underground diamond drilling to extend mine resources and reserves for the Tasmania Reef focussed on delineation of additional remnant resources as well as on extensional resource drilling at depth. Holes J11 and J12 were completed which create a platform for further wedge drilling at depth in the eastern part of the deposit.

Significant results of 1.9 metres estimated horizontal width at 7.6 g/t gold and 0.6 metres estimated horizontal width at 20.0 g/t gold have been intersected in drillhole J13. This drillhole targeted westward extensions of mineralisation, 50 metres below current Reserves, and intersected the Tasmania Reef as well as a footwall reef. A long section of the mine (Fig 2) shows the position of this intersection **and identifies a significant untested target area updip from J13**. Further mineralisation in this target zone could significantly expand the horizontal extent of mineralisation in the mine from 1100m to 1400m depth. Figure 3 shows a plan view of mineralisation on the 1360 level (210 metres below the deepest part of the current mining activities), indicating strong mineralisation from virtually all drillholes along a strike length of 400 metres.

*Table 1 Significant Intersections, Resource Extension Drilling, Tasmania Mine, Sept quarter 2009*

Hole	From (m)	Easting	Depth (mbs)	Width (m)	Grade (g/t)
J13	243.6	2936.7	1333	1.9	7.6
J13	265	2934.1	1345	0.6	20.0
D115	41.2	2567.5	432	2.5	13.9

Widths shown are calculated horizontal widths. Eastings and depths shown are for the mid-points of each mineralised intersection. mbs is "metres below surface".

*Figure 2 Tasmania Mine Long Section showing recent drill holes*

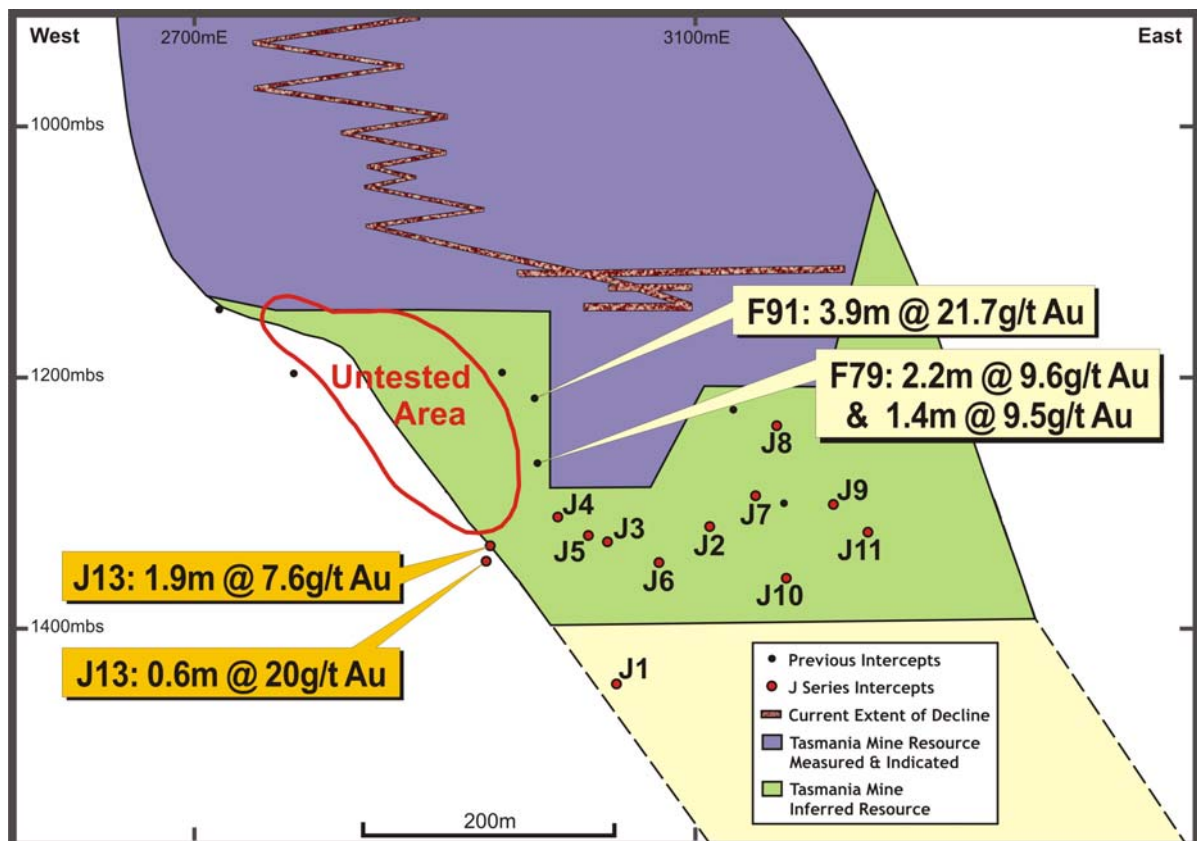
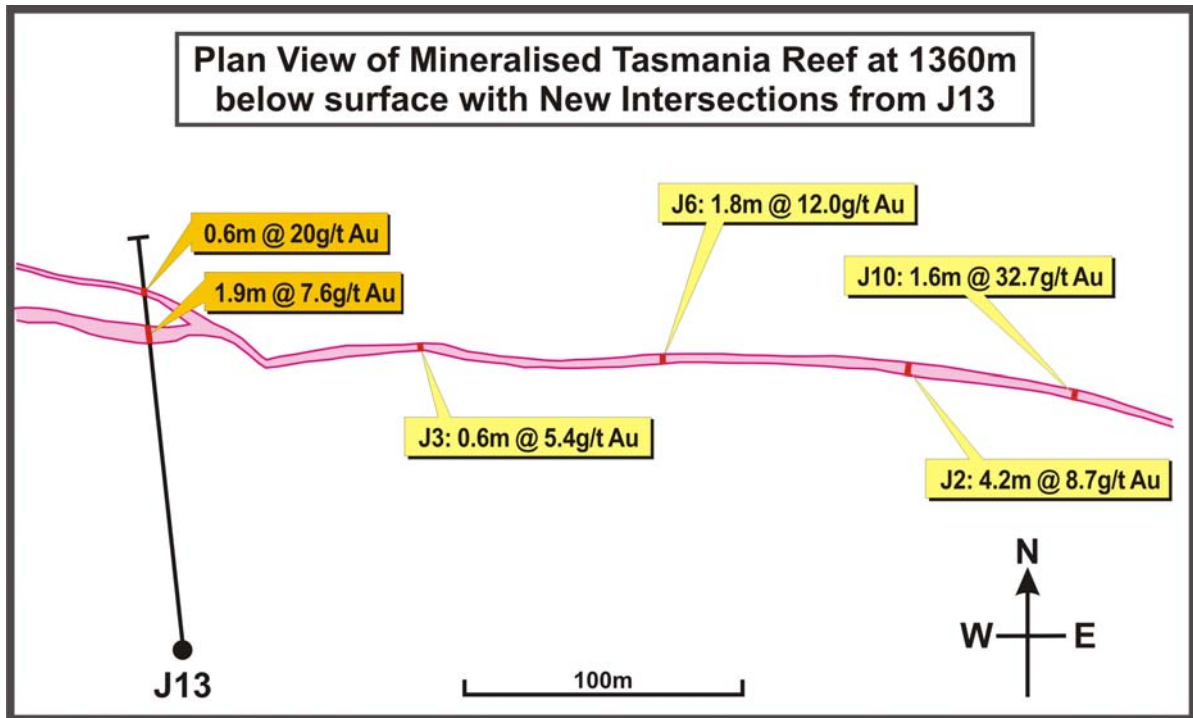


Figure 3 Plan view of interpreted mineralisation at 1360 metres below surface



A program of short diamond drillholes commenced to confirm and extend remnant pillars referred to in section 1.3.1. The best result from this program to date has been from hole D115 which reported 2.5 metres estimated horizontal width at 13.9 g/t gold. The remnant drilling program is ongoing.

## 2.2 TASMANIA REGIONAL EXPLORATION

RC and diamond drilling programs to test several targets including the Tasmania Reef surface target, the North Tasmania Reef surface target, Pease Creek and the Pinafore open-pit target (Lefroy) have been approved by Mineral Resources Tasmania and are planned to commence later in the current financial year.

## 2.3 STAVELY AND ARARAT PROJECTS, WESTERN VICTORIA

Diamond drilling commenced during October on the Ararat project, with the completion of four holes for 770 metres. One hole targeted gold at the Langi Logan prospect and four holes tested for copper mineralisation at the Ararat deposit. Strong visual copper mineralisation is reported in all four holes from Ararat. Core conditions also indicate that ground conditions are very competent which will assist in terms of underground mining. Results received to date are detailed in Table 2 below and indicated on long section in Figure 4.

At Langi Logan, gold mineralisation was targeted on the flanks of a basalt dome, using the Stawell Gold Mine model. A single previous diamond drillhole by Newcrest had intersected 2 metres at 9.2 g/t gold from 228 metres downhole. Diamond drillhole LLD001 confirmed the Stawell dome model intersecting a weakly mineralised structure in the target zone. The target remains compelling and during the December quarter an aircore drilling program will aim to better define the basalt contact, allowing well-focussed follow-up diamond drilling to be completed.

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*Table 2 Significant Intersections, Ararat Project, Sept quarter 2009*

Prospect	Hole	North	East	Dip/Azimuth	Depth From (m)	Width (m)	Copper %	Gold (g/t)
Ararat	ARD001	5869108	665466	-65/52	87.3	1.7	3.7	0.7
Ararat	ARD002	5869150	665441	-65/52	90.8	1.5	3.5	0.2
Ararat	ARD003	5869228	665377	-70/52	129.1	est. 3.0	Assay pending	Assay pending
Ararat	ARD004	5869055	665472	-70/52	109.7	est. 1.2	Assay pending	Assay pending

Widths shown are downhole widths. Northings and Eastings shown are for the collars of each drillhole.

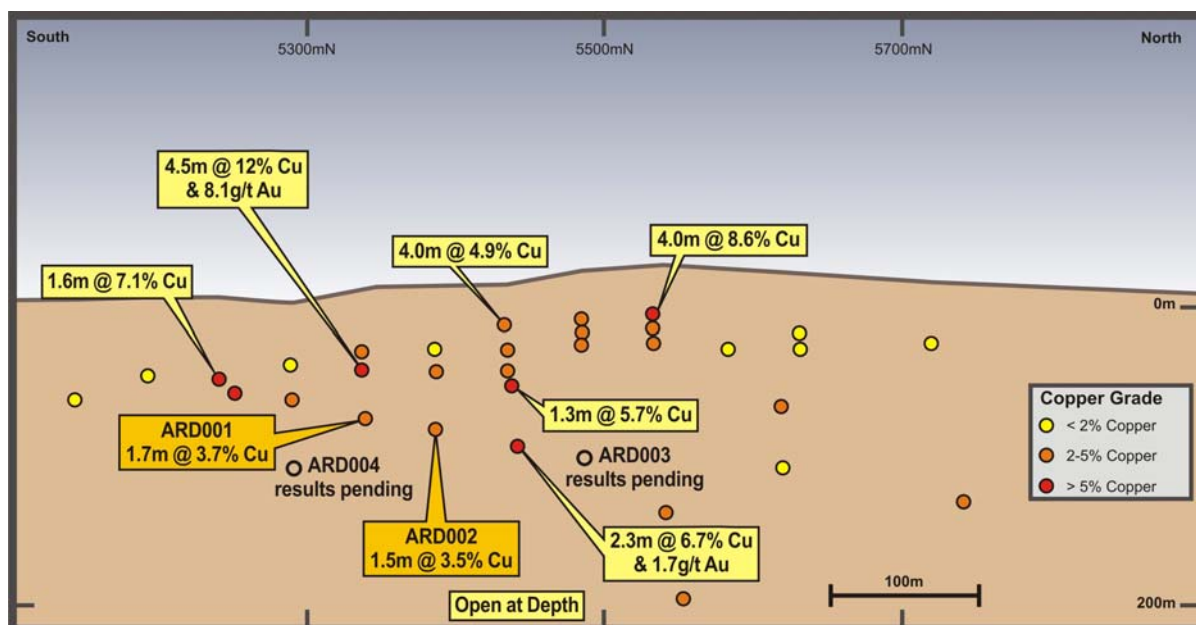


Figure 4 Ararat Long Section showing recent drill holes intersections from ARD001 to ARD004

Drilling is ongoing and currently planned work, using two drill rigs, is expected to test the following targets:

### Copper

- Infill drilling at Thursdays Gossan (“TG”) oxide to reach Indicated Resource status for the current 10.5 million tonne Inferred Resource;
- Extensional deep drilling at TG to further define primary high grade copper sulphide mineralisation, where sparse drilling to date has produced a best intercept of 7.7 metres at 4.2% copper;
- Extensional drilling at the Junction 1 high grade copper deposit, which was discovered in December 2008 with a best reported intercept of 35 metres at 3.7% copper;
- Three regional diamond drillholes testing new copper sulphide targets, subsidised by a Victorian government RVD grant of \$60,000; and
- RC drilling at the Ararat copper-gold deposit, where diamond drilling in October has confirmed the presence of high grade copper mineralisation.

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- Traverse aircore drilling at the Langi Logan prospect in order to detect basalt-sediment contacts and gold-arsenic enrichment, leading to well-focussed follow-up diamond drilling; and
- Surface trenching and drilling of parts of the Fairview gold anomaly at Stavely. A recent gravity survey over this extensive gold-in-soil anomaly has highlighted the potential for gold to be focussed around porphyry intrusions.

The Company's Stavely tenements have been consolidated into a single, expanded exploration licence, EL4556. This improves the administration and holding cost for the project, with no reduction in prospective ground.

*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 Tasmania Mine is available for delivery at the spot price. The average gold price received during the quarter was A\$1,153 per ounce.

The policy concerning hedging is regularly reviewed.

#### **3.2 CASH POSITION**

At 30 September 2009, total cash held by the Beaconsfield Gold Group was \$5.1 million, with a further \$3.1 million available from gold bullion shipped late in the quarter with proceeds received shortly after 30 September.

The Company now has no bank debt and only \$1 million of convertible notes redeemable in three years.

#### **3.3 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.

The Beaconsfield Gold group is continuing to pursue the action with a trial date now set for March 2010.

#### **3.4 CHANGE OF COMPANY NAME**

Shareholders will vote on a proposal to change the Company's name to BCD Resources NL at the Annual General Meeting in November.

The proposed name change is an important step in the Company's corporate evolution. It will better reflect the expansion of the Company's asset base beyond the Tasmania Mine at Beaconsfield, Tasmania. The Company now has an emerging copper development project in western Victoria and a range of gold exploration projects in north-east Tasmania and western Victoria.

The Company's ASX share code will remain BCD.

#### **3.5 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 Tasmania Mine and Beaconsfield Gold NL corporate information: [www.beaconsfieldgold.com.au](http://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](mailto:enquiries@beaconsfieldgold.com.au)

#### **For further information contact:**

Bill Colvin  
Chief Executive Officer  
Beaconsfield Gold NL

t: 61-3-9909-7401

e: [enquiries@beaconsfieldgold.com.au](mailto:enquiries@beaconsfieldgold.com.au)

w: [www.beaconsfieldgold.com.au](http://www.beaconsfieldgold.com.au)