

BEACONSFIELD GOLD N.L.

A.C.N 057 793 834

31 January 2005

Manager – Companies
Australian Stock Exchange Limited
Level 12, AMP Place, 86 Collins Street
HOBART Tasmania 7000

Dear Sir

BEACONSFIELD GOLD NL Report on Activities for the Quarter ended 31 December 2004

HIGHLIGHTS

- Beaconsfield Mine Joint Venture (BMJV) gold production was **35,666 ounces** (34,045 ounces previous quarter). **A record 65,207 tonnes of ore were milled** (55,549 tonnes previous quarter) at an average head grade of **18.2 g/t gold** (19.4 g/t previous quarter).
- BMJV direct operating expenditure was **A\$306 per ounce** (A\$325 previous quarter) versus gold revenue for Beaconsfield Gold of **A\$558 per ounce** (A\$508 per ounce previous quarter).
- Beaconsfield Gold **cash flow** from its 48.49 % direct interest in the BMJV for the quarter was approximately **\$3.2 million** (\$2.0 million previous quarter).
- BMJV **underground drilling** program continued with a total of 3,875 metres drilled, bringing total drilling to date to more than 17,000 metres.
- BMJV ore reserves upgraded to **377,000 ounces** at 31 December 2004. Net increase in ore reserves over the six months from 30 June 2004, allowing for mining depletion, of approximately 68,820 ounces. From the commencement of the present drilling program to 31 December 2004, a total of approximately 170,800 ounces has been added to reserves at the low cost, by industry standards, of approximately **\$16 per ounce**.
- **Exploration drilling** at Beaconsfield Gold's wholly owned **North Pease Creek property**, 3.5 km north-west of the Beaconsfield Mine, returned promising early results.
- Beaconsfield Gold accepted an offer from the **Commonwealth Bank of Australia** to provide a new package of banking facilities. Completion is expected to take place early in February 2005, once the necessary legal documentation is finalized.
- At 31 December 2004, BankWest secured debt was \$4.2 million, against which Beaconsfield Gold directly held \$9.2 million in cash. **By the end of January, the BankWest debt had been repaid in full from Beaconsfield Gold's own funds.**

***SUMMARY OF KEY PERFORMANCE INDICATORS FOR 12 MONTHS
ENDING 31 DECEMBER 2004***

BEACONSFIELD MINE JOINT VENTURE

| | |
|--|-----------------------|
| ● Ore Mined (hoisted) | 236,001 tonnes |
| ● Ore Milled | 233,830 tonnes |
| ● Head Grade | 19.4 g/t gold |
| ● Gold Milled | 145,783 ounces |
| ● Gold Recovery (excluding changes in gold in circuit) | 94.8 % |
| ● Gold Produced | 138,181 ounces |
| ● Gravity Gold Produced | 73,468 ounces |
| ● Bacterial Oxidation Leach Gold Produced | 64,713 ounces |
| ● % of Gold Produced by Gravity Means | 53 % |
| ● Direct Operating Expenditure: | \$41.3 million |
| | \$177/tonne milled |
| | \$299/ounce produced |
| ● Capital Expenditure (including ore reserve drilling): | \$9.4 million |
| | \$40/tonne milled |
| | \$68/ounce produced |
| ● Direct Operating plus Capital Expenditure: | \$50.7 million |
| | \$217/tonne milled |
| | \$367/ounce produced |
| ● Effective Cash at 31 December 2004 | \$3.3 million |

BEACONSFIELD GOLD NL (48.49% DIRECT INTEREST)

| | |
|---|-----------------------|
| ● Share of Gold Production | 67,004 ounces |
| ● Revenue from Gold Sales: | \$36.5 million |
| | \$545/ounce produced |
| ● Share Direct Operating plus Capital Expenditure | \$24.6 million |
| ● Cash Flow before corporate and debt servicing costs: | \$11.9 million |
| | \$178/ounce produced |
| ● BankWest Debt at 31 December 2004 | \$4.2 million |
| ● Total Cash excluding BMJV Cash at 31 December 2004 | \$9.2 million |
| ● Convertible Notes (7.133 million at \$0.30 each) | \$2.1 million |
| ● Share of BMJV Cash at 31 December 2004 | \$1.6 million |

1. BEACONSFIELD MINE JOINT VENTURE (BMJV) (Beaconsfield Gold Direct Interest 48.49%)

The participants in the unincorporated BMJV, which operates the Beaconsfield Mine at Beaconsfield in north-east Tasmania, are the Allstate group with a 51.51% interest and the Beaconsfield Gold group with a 48.49% interest. Allstate is Manager of the BMJV, and the BMJV Mine Manager and all personnel reporting to him are employed by Allstate.

Joint Administrators were appointed to Allstate on 8 June 2001 and became Joint Deed Administrators when Allstate creditors approved a Deed of Company Arrangement in late 2001.

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1.1 OPERATING PERFORMANCE

Gold production from the Beaconsfield Mine was 35,666 ounces, 5 % greater than for the September 2004 quarter (34,045 ounces). This improvement was due to a 17 % increase in mill throughput following productivity gains underground. The head grade was 18.2 grams per tonne (g/t) gold, down 6 % on the September quarter grade of 19.4 g/t.

Advance for the mine access decline totalled 214 metres, with the decline face at a depth below surface of 1,020 metres at 31 December 2004. The decline / waste development layout and the modified ½ Upper / Avoca mining method continues to provide benefits to the operation.

A record 71,404 tonnes of ore grading 17.9 g/t gold were mined during the quarter (September quarter 2004: 54,182 tonnes at 21.0 g/t). The 32 % increase in tonnage was the result of improvements to the crew roster and structure, focus on trucking efficiencies, and the introduction of a dedicated ½ upper stope drilling rig.

Production Summary

| Quarter Ending | Ore Hoisted (t) | Ore Milled (t) | Head Grade (g/t) (1) | Gold Milled (oz) | Gold Recov. (%) (2) | Total Gold Prod. (oz) |
|------------------|-----------------|----------------|----------------------|------------------|---------------------|-----------------------|
| 2000 Year | 124,328 | 139,131 | 12.8 | 57,251 | 66.0 | 37,789 |
| 2001 Year | 204,671 | 201,496 | 13.7 | 89,036 | 81.2 | 72,333 |
| 2002 Year | 200,433 | 203,548 | 14.4 | 94,318 | 95.9 | 90,469 |
| 2002 September | 57,806 | 55,454 | 13.0 | 23,216 | 89.9 | 20,880 |
| 2002 December | 58,466 | 57,367 | 16.6 | 30,617 | 86.9 | 26,618 |
| 2003 March | 61,494 | 58,783 | 15.7 | 29,672 | 89.6 | 26,582 |
| 2003 June | 56,506 | 56,304 | 18.6 | 33,670 | 94.0 | 31,656 |
| 2003 Year | 234,272 | 227,908 | 16.0 | 117,175 | 90.3 | 105,736 |
| 2003 September | 60,204 | 60,378 | 20.9 | 40,571 | 95.1 | 38,578 |
| 2003 December | 59,811 | 60,987 | 22.0 | 43,137 | 93.0 | 40,104 |
| 2004 March | 53,588 | 56,849 | 21.7 | 39,643 | 94.9 | 37,622 |
| 2004 June | 59,308 | 56,226 | 18.4 | 33,320 | 92.6 | 30,848 |
| 2004 Year | 232,911 | 234,440 | 20.8 | 156,671 | 93.9 | 147,152 |
| 2004 September | 55,833 | 55,549 | 19.4 | 34,732 | 98.0 | 34,045 |
| 2004 December | 67,272 | 65,207 | 18.2 | 38,088 | 93.6 | 35,666 |

(1) Mill reconciled head grade.

(2) Gold recovery excluding changes in gold in circuit.

The Hart Shaft continued to perform well with 67,272 tonnes of ore and 22,486 tonnes of waste (total material 89,708 tonnes) being hoisted. An additional 11,969 tonnes of waste rock were not hoisted, being utilised underground as stope backfill. A further 9,345 tonnes of “sand fill”, a coarser fraction of the mill tailings, were also pumped underground and used as stope backfill.

A record 65,207 tonnes of ore grading 18.2 g/t gold were milled (September 2004 quarter 55,549 tonnes at 19.4 g/t) to produce 35,666 ounces of gold. Increased throughput was the result of improved ore supply from underground and further grinding and bacterial oxidation operational and process improvements. Recovery to bullion was 93.6 % due to the good feed grade, low tails losses and the re-processing of some of the stored leach residue tails material.

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Gold Production

| Quarter Ending | Gravity Gold Production (Ounces) | Bacterial Oxidation Production (Ounces) | Total Gold Production (Ounces) | Gravity Gold % of Total | Total Gold Production (Oz/Day) | Equivalent Annual Rate (Oz/Year) |
|------------------|----------------------------------|---|--------------------------------|-------------------------|--------------------------------|----------------------------------|
| 2000 Year | 22,565 | 15,224 | 37,789 | 60 | N/A | |
| 2001 Year | 26,526 | 45,807 | 72,333 | 37 | 198 | |
| 2002 Year | 28,401 | 62,068 | 90,469 | 31 | 248 | |
| 2002 September | 10,441 | 10,439 | 20,880 | 50 | 227 | 82,839 |
| 2002 December | 12,922 | 13,696 | 26,618 | 49 | 289 | 105,604 |
| 2003 March | 13,815 | 12,767 | 26,582 | 52 | 295 | 107,805 |
| 2003 June | 18,440 | 13,216 | 31,656 | 58 | 348 | 126,972 |
| 2003 Year | 55,618 | 50,118 | 105,736 | 53 | 290 | |
| 2003 September | 21,721 | 16,857 | 38,578 | 56 | 419 | 153,054 |
| 2003 December | 25,481 | 14,623 | 40,104 | 64 | 436 | 159,108 |
| 2004 March | 20,266 | 17,356 | 37,622 | 54 | 413 | 150,901 |
| 2004 June | 17,290 | 13,558 | 30,848 | 56 | 339 | 123,731 |
| 2004 Year | 84,758 | 62,394 | 147,152 | 58 | 403 | |
| 2004 September | 17,292 | 16,753 | 34,045 | 51 | 370 | 135,070 |
| 2004 December | 18,620 | 17,046 | 35,666 | 52 | 388 | 141,500 |

1.2 EXPENDITURE

Operating, Capital and Total Cash Expenditure

| Quarter Ending | Operating Costs (Millions) | Capital Costs (Millions) | Total Costs (Millions) | Operating Costs (A\$/oz) | Capital Costs (A\$/oz) | Total Costs (A\$/oz) |
|------------------|----------------------------|--------------------------|------------------------|--------------------------|------------------------|----------------------|
| | | (1) | (2) | | | (2) |
| 2000 Year | 23.227 | 8.393 | 31.621 | 622 | 225 | 847 |
| 2001 Year | 33.603 | 6.830 | 40.433 | 465 | 94 | 559 |
| 2002 Year | 33.240 | 8.138 | 41.377 | 367 | 90 | 457 |
| 2002 September | 9.463 | 1.217 | 10.680 | 453 | 58 | 511 |
| 2002 December | 8.122 | 0.976 | 9.098 | 305 | 37 | 342 |
| 2003 March | 8.767 | 2.303 | 11.070 | 330 | 86 | 416 |
| 2003 June | 9.463 | 1.035 | 10.498 | 299 | 33 | 332 |
| 2003 Year | 35.815 | 5.531 | 41.346 | 339 | 52 | 391 |
| 2003 September | 9.398 | 1.236 | 10.634 | 244 | 32 | 276 |
| 2003 December | 9.276 | 1.161 | 10.437 | 231 | 29 | 260 |
| 2004 March | 9.668 | 2.849 | 12.517 | 257 | 76 | 333 |
| 2004 June | 9.682 | 2.103 | 11.785 | 314 | 68 | 382 |
| 2004 Year | 38.024 | 7.349 | 45.373 | 258 | 50 | 308 |
| 2004 September | 11.062 | 2.062 | 13.124 | 325 | 60 | 385 |
| 2004 December | 10.907 | 2.391 | 13.298 | 306 | 67 | 373 |

1. Including underground diamond drilling costs.
2. Direct operating expenditure (including management fee to Allstate) plus capital expenditure.

Direct operating expenditure was \$10.907 million, 1.4 % lower than for the September 2004 quarter (\$11.062 million). In terms of cost per tonne milled, the December 2004 quarter figure of \$167 per tonne was 16 % less than the September 2004 quarter figure of \$199 per tonne.

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Capital expenditure was \$2.391 million (September 2004 quarter \$2.062 million). The main abnormal capital expenditure activity continued to be the extensive ore reserve diamond drilling program, which made up 30 % of the capital costs for the quarter.

1.3 UNDERGROUND DRILLING OF THE TASMANIA REEF

The current underground diamond drilling program (F series) commenced on 13 December 2003 and is now planned to be completed in June 2005. Assay results received during the December quarter, and drill holes previously reported that have been reinterpreted, are listed below.

Underground Diamond Drilling Intersections

| Hole/ Intersection (1) | Easting (m) | Northing (m) | Depth (m) (2) | Intersection Length (m) | E.H.T. (m) (3) | Grade (g/t Au) |
|------------------------------|----------------|-----------------|---------------------|-------------------------------|----------------------|-------------------|
| F21/HW | 3,052 | 4,477 | 1,159 | 3.8 | 2.6 | 78.29 * |
| F21 | 3,057 | 4,475 | 1,167 | 5.0 | 2.4 | 42.10 * |
| F23/HW | 3,064 | 4,521 | 1,094 | 0.7 | 0.5 | 12.46 * |
| F23 | 3,076 | 4,519 | 1,108 | 1.4 | 1.2 | 17.11 * |
| F49/HW | 3,084 | 4,554 | 1,044 | 0.5 | 0.2 | 6.65 * |
| F49 | 3,107 | 4,547 | 1,050 | 2.2 | 1.1 | 8.43 * |
| F51/HW | 3,045 | 4,434 | 1,224 | 3.1 | 1.9 | 2.14 * |
| F51 | 2,048 | 4,429 | 1,244 | 1.2 | 0.6 | 8.96 * |
| F52 | 3,024 | 4,658 | 956 | 1.9 | 2.5 | 10.25 |
| F53/HW | 3,066 | 4,378 | 1,282 | 1.4 | 0.9 | 0.83 |
| F53 | 3,068 | 4,374 | 1,296 | 1.1 | 0.6 | 2.89 |
| F54/FW1 | 2,701 | 4,701 | 1,018 | 2.0 | 1.3 | 58.50 |
| F54 | 2,692 | 4,682 | 1,030 | 6.5 | 3.2 | 2.53 |
| F55 | 2,989 | 4,672 | 951 | 3.4 | 4.1 | 6.90 |
| F56/FW1 | 2,723 | 4,683 | 1,035 | 2.1 | 1.1 | 35.48 |
| F56 | 2,722 | 4,679 | 1,039 | 1.8 | 0.8 | 10.46 |
| F57/FW1 | 2,685 | 4,712 | 1,007 | 3.9 | 2.9 | 9.12 |
| F57 | 2,662 | 4,681 | 1,025 | 1.7 | 0.8 | 0.05 |
| F58/FW | 2,720 | 4,677 | 1,055 | 3.4 | 1.7 | 11.40 |
| F58/FW1 | 2,719 | 4,672 | 1,059 | 2.4 | 1.2 | 24.20 |
| F58 | 2,717 | 4,662 | 1,067 | 1.5 | 0.6 | 132.00 |
| F59/FW1 | 2,687 | 4,706 | 1,067 | 2.1 | 1.1 | 43.52 |
| F60/HW | 3,130 | 4,392 | 1,234 | 0.9 | 0.5 | 15.27 |
| F60 | 3,157 | 4,365 | 1,311 | 1.2 | 0.4 | 3.98 |
| F61/HW | 3,091 | 4,452 | 1,174 | 1.0 | 0.7 | 4.10 |
| F61 | 3,103 | 4,443 | 1,221 | 4.0 | 2.2 | 16.85 |
| F62/HW | 3,095 | 4,480 | 1,141 | 0.6 | 0.5 | 21.50 |
| F62 | 3,101 | 4,478 | 1,163 | 0.2 | 0.1 | 18.00 |
| F63/HW | 3,081 | 4,408 | 1,230 | 1.1 | 0.7 | 3.16 |
| F63 | 3,090 | 4,397 | 1,272 | 1.6 | 0.7 | 2.13 |

(1) FW and HW refer to ore splays in the footwall and hangingwall respectively of the Tasmania Reef.

(2) Estimated depth below surface (Hart Shaft collar 2047 metres RL).

(3) E.H.T is the estimated horizontal thickness of the reef intersection.

* Results previously reported which were reinterpreted during the December 2004 quarter.

Drilling commenced from the footwall on the 975 metre level underground, aimed at defining the base of the footwall splays above the previously reported fold in the host stratigraphy.

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Drilling continued from both Middle East Trevor cuddies in the hangingwall on the 870 metre level, targeting the Tasmanian Reef in the 840E Zone, the offset F21 Zone and at depth below the F21 Zone.

A total of 3,875 metres were drilled, bringing total drilling to date to slightly in excess of 17,000 metres. Drilling progressed at around 85% of budget rate, due mainly to poor performance of a navi-drilling trial. As a consequence of the poor performance of this trial, testing of the "Deep Zone" below F21 has been suspended until a more suitable drilling platform can be established, expected to be early in 2006.

As previously reported, drilling during the current program has determined that the Tasmania Reef is offset to the east by up to 150 metres due to a previously unknown fold in the host stratigraphy. Currently, insufficient drilling has been completed to allow for a full assessment of the nature of the orebody below the fold. The initial 42 hole drilling program which, based on previous continuity over 1,000 metres vertically, had assumed a general continuation of the Tasmania Reef at depth, was extended in the June Quarter 2004 with the addition of a further 60 holes totalling some 17,000 metres. Completion of the extended programme is expected by June 2005. Approximately 10,000 metres in 40 holes remains to be drilled.

Drilling has highlighted the presence of a hangingwall splay in the "F21 Zone". Current data suggests that the splay node on the Tasmania Reef occurs around 3,050 metres East and dips steeply to the west. All holes east of the splay node (including previously reported holes F21, F23, F49 and F51) have been reinterpreted to recognise this hangingwall splay and the reinterpretation is reflected in the table above. The mineral resource estimates updated to 31 December 2004 only consider the Tasmania Reef. Substantially more of the planned drilling is required before a full understanding of the nature of the hangingwall reef can be realised, and only then will it be considered in future estimates. However, initial indications are that it is of generally lower tenor than the Tasmania Reef away from the splay node.

From the commencement of the present drilling program to 31 December 2004, a total of approximately 170,800 ounces has been added to reserves at the low cost, by industry standards, of approximately \$16 per ounce.

1.4 ORE RESERVES / RESOURCES

1.4.1 As at 31 December 2004

The reserves and resources for the Tasmania Reef as at 31 December 2004 have been estimated by Allstate as Manager of the BMJV. Allstate released a detailed report to the ASX, as did Beaconsfield Gold, on 11 January 2005.

Ore Reserve

| | |
|------------------|--|
| Proved Reserve | 249,000 tonnes @ 16.7 g/t Au (133,000 ounces contained gold) |
| Probable Reserve | 534,000 tonnes @ 14.2 g/t Au (244,000 ounces contained gold) |
| Total Reserve | 783,000 tonnes @ 15.0 g/t Au (377,000 ounces contained gold) |

Identified Mineral Resource (including Ore Reserve)

| | |
|--------------------|--|
| Measured Resource | 175,000 tonnes @ 26.1 g/t Au (147,000 ounces contained gold) |
| Indicated Resource | 400,000 tonnes @ 21.1 g/t Au (271,000 ounces contained gold) |
| Inferred Resource | 296,000 tonnes @ 12.8 g/t Au (121,000 ounces contained gold) |
| Total Resource | 871,000 tonnes @ 19.3 g/t Au (539,000 ounces contained gold) |

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The Proved and Probable Reserves were estimated from the Measured and Indicated Resources. After allowances had been made for mine design parameters and cut-off grade (6 g/t gold), the in-situ ore grade was reduced from 22.6 g/t gold to the diluted reserve grade of 15.0 g/t gold (a reduction of 7.6 g/t or 33%).

1.4.2 Reconciliation between 30 June 2004 and 31 December 2004 Ore Reserves

Total gold milled in the six months to 31 December 2004 was estimated to be 72,820 ounces. Subtracting this total from the ore reserves at 30 June 2004 (381,000 ounces) gives 308,180 ounces.

As the ore reserves at 31 December 2004 were 377,000 ounces, there was a net increase in ore reserves over the six months, allowing for mining depletion, of approximately 68,820 ounces or 18 %.

1.4.3 Mine Life based on Tonnes of Reserves

Tonnes milled for the twelve months to 31 December 2004 were 233,831 tonnes. Total tonnes of reserves as at 31 December 2004 were 783,000 tonnes, indicating a remaining mine life, based on mill throughput for the last twelve months, of approximately 3.3 years.

Variation in remaining mine life for the Tasmania Reef orebody over time since 31 December 1999, using an annual throughput rate of 233,831 tonnes (as above), is as follows. Importantly, the Tasmania Reef has not been closed off by the various drilling programs carried out over the years and remains open at depth.

| As at 31 December | Remaining Mine Life (Years) |
|-------------------|-----------------------------|
| 1999 | 5.9 |
| 2000 | 4.6 |
| 2001 | 3.7 |
| 2002 | 3.3 |
| 2003 | 2.8 |
| 2004 | 3.3 |

1.4.4 Inferred Resources

At 30 June 2004, inferred resources for the Tasmania Reef were 586,000 tonnes at 19.0 g/t gold, containing 358,000 ounces of gold. At 31 December 2004, inferred resources had reduced to 296,000 tonnes at 12.8 g/t gold, containing 121,000 ounces. The decrease over the six month period was explained in the January 11 2005 announcement by Allstate as resulting from: -

“1. removing the hangingwall splay portion of the F21 intercept from consideration in the estimates for the time being, and

2. restricting the influence of the Tasmania Reef portion of the F21 intercept as a result of the addition to the database of surrounding holes of generally lower tenor.”

1.5 EXPLORATION JOINT VENTURE BETWEEN DDV AND THE BMJV

The exploration agreement with Diamond Ventures NL (DDV) covering the BMJV tenements effectively lapsed on its second anniversary date of 8 November 2004 as a result of required expenditure commitments not being met by DDV. On 9 November 2004 DDV announced that the agreement had lapsed. Formal notices have been issued under the exploration agreement by Allstate as Manager of the BMJV. Regional exploration on the BMJV tenements going forward will be carried out by the BMJV.

1.6 ARBITRATION AWARD

As previously reported, an arbitration award was made in favour of the BMJV participants (Beaconsfield Gold group 48.49% and Allstate group 51.51%) against ACN 005 585 795 Pty Ltd (formerly Brown & Root Engineering & Construction Pty Ltd (“**BREC**”)) and Batepro Australia Pty Ltd ACN 009 006 777 (“**BA**”). The arbitrator found BREC and BA to be jointly and severally liable to the BMJV participants for \$60,366,785, together with interest after 17 January 2004 at the rate of \$29,292 per week.

Subsequent to the arbitration award, liquidators were appointed to both BA and BREC. Beaconsfield Gold and the Deed Administrators of the Allstate group are continuing to deal with the liquidators of both BA and BREC with regard to the arbitration award.

2. BEACONSFIELD GOLD NL CORPORATE

2.1 EXPLORATION OF BEACONSFIELD GOLD'S 100% OWNED TENEMENTS

In the March and June 2004 quarters, Beaconsfield Gold generated various drill targets on its 100% owned exploration tenements based on re-interpreted geophysics and a program of geochemical soil sampling. Drilling of these targets is being carried out during the 2004/2005 year.

The prime target, North Pease Creek, is approximately 3.5 km north-west of the Beaconsfield Mine. It lies immediately north-west of the BMJV retention licence RL 99/2001 which covers the Pease Creek mineralisation discovered in previous years by the BMJV. The sediments that host the Tasmania Reef are interpreted to continue north-west of Pease Creek beneath tertiary cover rocks. Additionally, re-interpretation of available geophysical data suggests the presence of cross-cutting faulting.

The first hole at North Pease Creek (NPC-1) was drilled during the September quarter and a further two holes (NPC-2 and NPC-3) were completed during the December quarter. All three holes were drilled vertically. NPC-1 was a diamond hole and NPC-2 and NPC-3 were both reverse circulation (RC) holes. Results are as follows.

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North Pease Creek Drilling Intersections

| Hole/ Intersection | Easting (m) | Northing (m) | Depth (m) | Intersection Length (m) | Grade (g/t Au) |
|-----------------------|----------------|-----------------|--------------|----------------------------|-------------------|
| NPC-1 | 482,517 | 5,441,252 | 98 | 2 | 0.3 |
| NPC-2 | 482,474 | 5,441,306 | 80 | 4 | 1.8 |
| | | Including | 82 | 1 | 3.8 |
| NPC-3 | 482,509 | 5,441,294 | 80 | 8 | 0.4 |

The mineralised intervals correlate well from hole to hole suggesting that the three initial drill holes have intersected one mineralised structure. Although gold grades are sub-economic, the discovery of a blind mineralised lode with the first three drill holes is promising, and upgrades substantially the prospectivity of the North Pease Creek property. Follow up drilling will be carried out in the March 2005 quarter.

Several other targets east and north-east of the Beaconsfield Mine are based on interpreted faults cutting across favourable stratigraphy with supporting anomalous soil geochemistry. One hole was drilled northeast of the Beaconsfield Mine to test the Blyth's Creek Formation under Permian cover rocks. No mineralisation was encountered.

2.2 GOLD HEDGING

Beaconsfield Gold initially sold forward 240,000 ounces of gold in October 1998 in a hedging arrangement with BankWest. The remaining hedge book at 31 December 2004 was 13,076 ounces with deliveries out to May 2005 at an average delivered price of A\$572 per ounce.

The marked-to-market value of the hedge book at 31 December 2004, when the spot price of gold was A\$561.73 per ounce, was positive \$24,000.

2.2.1 Gold Hedging as a Percentage of Ore Reserves

The BMJV ore reserves as at 31 December 2004 were 377,000 ounces so that Beaconsfield Gold's 48.49% direct interest was approximately 182,800 ounces. As a percentage of those ore reserves therefore, Beaconsfield Gold at 31 December 2004 was only approximately 7% hedged.

Completion of new banking arrangements with the Commonwealth Bank of Australia will enable the Company to enter into new hedge contracts, which has not been possible with BankWest.

2.2.2 Average Received Price per Ounce

Compared with its hedge book, Beaconsfield Gold has received higher prices on average as a result of generally favourable gold lease rates and selling spot when the spot price is favourable. Total net gold book proceeds and effective average received price per ounce of production are approximated in the following table.

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Average Proceeds per Ounce of Production

| Quarter Ending | BMJV Gold Prodn. (oz) | BCD 48.49% Prodn. (oz) | Net Gold Book Proceeds (\$Millions) | Average BCD Proceeds (\$/oz) |
|------------------|--------------------------------|---------------------------------|--|---------------------------------------|
| 2000 Year | 37,789 | 18,324 | 12.192 | 665 |
| 2001 Year | 72,333 | 35,074 | 19.391 | 553 |
| 2002 Year | 90,469 | 43,868 | 23.626 | 539 |
| 2002 September | 20,880 | 10,125 | 5.508 | 544 |
| 2002 December | 26,618 | 12,907 | 7.081 | 549 |
| 2003 March | 26,582 | 12,890 | 7.643 | 593 |
| 2003 June | 31,656 | 15,350 | 8.455 | 551 |
| 2003 Year | 105,736 | 51,272 | 28.687 | 560 |
| 2003 September | 38,578 | 18,706 | 10.066 | 538 |
| 2003 December | 40,104 | 19,446 | 10.490 | 539 |
| 2004 March | 37,622 | 18,243 | 9.924 | 543 |
| 2004 June | 30,848 | 14,958 | 8.533 | 570 |
| 2004 Year | 147,152 | 71,354 | 39.013 | 547 |
| 2004 September | 34,045 | 16,508 | 8.391 | 508 |
| 2004 December | 35,666 | 17,294 | 9.648 | 558 |

2.3 BEACONSFIELD GOLD NL (BCD) CASH FLOW FROM ITS 48.49% DIRECT BMJV INTEREST

Cash flow before corporate and debt servicing costs, is approximated in the following table.

Beaconsfield Gold Cash Flow from its 48.49% Direct Interest in the BMJV

| Quarter Ending | BMJV Total Expenditure (\$Millions) | BCD 48.49% Share (\$Millions) | BCD Gold Book Proceeds (\$Millions) | BCD Cash Flow (\$Millions) | Annualised Cash Flow (\$Millions) |
|------------------|--|--|--|-------------------------------------|--|
| 2000 Year | 31.621 | 15.333 | 12.192 | -3.141 | |
| 2001 Year | 40.433 | 19.606 | 19.391 | -0.215 | |
| 2002 Year | 41.377 | 20.064 | 23.626 | 3.562 | |
| 2002 September | 10.680 | 5.179 | 5.508 | 0.329 | 1.305 |
| 2002 December | 9.098 | 4.412 | 7.081 | 2.669 | 10.589 |
| 2003 March | 11.070 | 5.368 | 7.643 | 2.275 | 9.226 |
| 2003 June | 10.498 | 5.090 | 8.455 | 3.365 | 13.497 |
| 2003 Year | 41.346 | 20.049 | 28.687 | 8.638 | |
| 2003 September | 10.634 | 5.156 | 10.066 | 4.910 | 19.480 |
| 2003 December | 10.437 | 5.061 | 10.490 | 5.429 | 21.539 |
| 2004 March | 12.517 | 6.069 | 9.924 | 3.855 | 15.462 |
| 2004 June | 11.785 | 5.715 | 8.533 | 2.818 | 11.303 |
| 2004 Year | 45.373 | 22.001 | 39.013 | 17.012 | |
| 2004 September | 13.124 | 6.364 | 8.391 | 2.027 | 8.042 |
| 2004 December | 13.298 | 6.448 | 9.648 | 3.200 | 12.695 |

2.4 BANK DEBT AND CASH POSITION

At 31 December 2004, BankWest secured debt was approximately \$4.2 million against which the Company held approximately \$9.2 million in cash, of which \$8.8 million was held in BankWest accounts with restricted access.

By the end of January the BankWest debt had been repaid in full from Beaconsfield Gold's own funds.

2.5 NEW BANKING ARRANGEMENTS WITH CBA

On 7 December 2004, the Directors announced that the Company had accepted an offer from the Commonwealth Bank of Australia ("CBA") to provide a new package of banking facilities.

The new CBA facilities will comprise: -

- (a) A \$3 million overdraft facility to fund short term working capital requirements. Based on present cash balances and projected cash flows, it is anticipated that in normal circumstances this facility will not need to be drawn upon.
- (b) A \$3.35 million performance bond facility to support existing guarantee obligations without the requirement for cash collateral. This facility will free up \$2 million of cash funds which the Company is presently not able to access.
- (c) A gold hedging facility providing the Company with the ability to forward sell up to approximately 48,000 ounces of gold per year. This will give the Company the flexibility to lock in a percentage of its future gold production at attractive Australian dollar per ounce forward prices.

The CBA facilities will initially be available until 31 December 2006 and security arrangements will be similar to those for the existing facilities provided by the Company's current banker, Bank of Western Australia Limited.

Completion is expected to take place early in February, once the necessary legal documentation is finalized.

The replacement of the existing facilities has been a major priority of the Board for the past four months. The new relationship with CBA, in addition to releasing more than \$2 million of previously inaccessible Company cash funds, will provide the Company with considerably more financial flexibility going forward.

2.6 CLAIM AGAINST ALLSTATE EXPLORATIONS NL ("Allstate")

Beaconsfield Gold lodged a Proof of Debt on 3 November 2004 with the Allstate Deed Administrators for \$29,271,854, representing 48.49 % of the damages awarded to the Beaconsfield joint venturers in the claim against BREC and BA. The Proof of Debt alleges that Allstate was negligent in the performance of its duties as manager of the joint venture and was in breach of its duties owed to the joint venturers, under the terms of the Beaconsfield Joint Venture Agreement, in its dealings with BREC and BA in connection with the contract to design, supply, construct and commission the gold ore treatment plant and bacterial oxidation plant at the Beaconsfield mine.

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The Allstate Deed Administrators are seeking legal advice on the Proof of Debt and are expected to respond in due course.

2.7 CURRENT BEACONSFIELD GOLD ISSUED SECURITIES

| Type of Securities | Number of Securities | ASX Code |
|--|----------------------|----------|
| Fully-Paid Ordinary Shares | 143,897,309 | BCD |
| Unlisted Convertible Notes (\$0.30 each by 30/6/2006) | 7,133,333 | |
| BankWest Unlisted Options (\$0.2823 each by 30/6/2006) | 6,500,000 | |
| Unlisted Partly-Paid Shares (\$0.35 paid to \$0.01) | 3,850,000 | |

2.8 TENEMENTS

Beaconsfield Gold has interests in the following tenements in the Beaconsfield area.

2.8.1 BMJV Tenements (Beaconsfield Gold 48.49% Direct Interest)

| Description | Licence Number | Area | % Interest |
|--|----------------|--------------|------------|
| Beaconsfield Consolidated Mining Lease | 1767 P/M | 594 hectares | 48.49 |
| Beaconsfield Retention Licence | RL 99/2001 | 2 sq km | 48.49 |
| Salisbury Hill Exploration Licence | EL 20/1994 | 21 sq km | 48.49 |

2.8.2 Beaconsfield Gold 100% Owned Exploration Licences

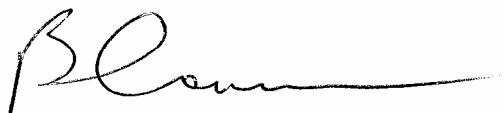
| Description | Licence Number | Area | % Interest |
|--|----------------|----------|------------|
| Beaconsfield Exploration Licence | EL 12/1999 | 8 sq km | 100.0 |
| North Beaconsfield Exploration Licence | EL 27/2000 | 3 sq km | 100.0 |
| Pease Creek Exploration Licence | EL 30/1997 | 5 sq km | 100.0 |
| Beaconsfield Exploration Licence | EL 07/2000 | 19 sq km | 100.0 |

2.9 INTERNET

Shareholders are reminded that ASX releases (including all quarterly and annual reports), can be seen on the Company's web site: www.beaconsfieldgold.com.au

Shareholders who wish to receive Beaconsfield Gold ASX releases by e-mail are encouraged to contact the Company on: beaconsfieldgold@bigpond.com

Yours faithfully



Brian Coulter
Acting CEO