

# The resurrected Beaconsfield Gold

Beaconsfield Gold is the rarest of beasts. Earlier this year the Tasmanian gold miner successfully came out of receivership with its assets intact - believed to be a first for a mining company. The company's managing director Mike Trumbull spoke to *MiningNews.net Premium*.

**MiningNews.net Premium:** I understand that Beaconsfield Gold may have been the only mining company in Australia to come out of receivership. How so?

**Mike Trumbull:** I guess a couple of things. The board didn't walk away en masse. Half of the directors stayed behind and persevered. Often in other situations I guess it would be common for the whole board to move on and do other things.

**MNNP:** So why didn't you? Did you have a personal stake?

**MT:** I did have a personal stake and a lot of shareholders were friends, or had become friends and so I felt responsible to hang around and fight the fight. On top of that the primary asset - the 120-140,000 ounce Beaconsfield mine in which Beaconsfield Gold has a 48.5% stake - was always a very good asset and over time it really started to perform. Clearly if the mine had never performed we would never have got out of receivership.

**MNNP:** How much life has the



Beaconsfield Gold managing director  
Mike Trumbull.

Beaconsfield mine got left?

**MT:** If you believe the current reserves, then its only got about two years (as at December 30, 2003). But in January 2004 we started a concerted diamond drilling program from underground, using two diamond rigs ... and the plan was for those two rigs to drill right through to the end of September this year. But we've had very, very strong encouragement so

far and the joint venture is now committing to drilling through till at least April next year with those two rigs and possibly a third.

So we are going to increase reserves (though) it's very hard to say by how much at this stage. I have my personal views as distinct from what the company would say, but I can see considerable life. There will be reserve increases starting 30 June, 31 December, and obviously another one 30 June 2005.

**MNNP:** So are you confident the mine will be running in 5-10 years time?

**MT:** I personally would be, yes. There's a lot more drilling needed and so on, but that would be my personal view.

**MNNP:** Beaconsfield is generating plenty of cash, what are you planning to do with it?

**MT:** We've just finished a very successful rights issue raising \$5.25 million so the company will be looking to eliminate the remaining BankWest

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## Resurrected Beaconsfield

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debt in the coming month or so and, (whilst) the board hasn't made any final decisions ... we are definitely looking at establishing a dividend policy as soon as we're debt free. The other thing we're very keen to do is acquire the balance of the joint venture, which is currently owned by Allstate Exploration who are in administration.

**MNNP:** Are you having discussions towards that end?

**MT:** Very, very early days at this stage, but clearly we have expressed a desire in acquiring the balance of the mine. It's not going to

happen overnight but we're in a very strong position in that we have preemptive rights, and we have strong cash flow and are bank debt free ... and can raise further funds if required.

**MNNP:** Is the only issue price?

**MT:** It's very early days. There will be lots of issues, and clearly one of them will be the price.

**MNNP:** What about outside Beaconsfield?

**MT:** We're very much focused on the Beaconsfield mine and Beaconsfield area at this stage. We would like to acquire the balance ... which would be of benefit to our shareholders as we would get at re-rating by the market.

The joint venture also has surrounding exploration tenements and Beaconsfield Gold has tenements that it holds (100%) in the region.

**MNNP:** So it's very much a Beaconsfield focus rather than elsewhere?

**MT:** At this stage. Clearly if we are successful and move to 100% ownership ... we could start to look at other assets. One asset that clearly could fit into our focus would be the Henty mine ... the only other significant mine in Tasmania, and there could be some synergies putting those two operations under one roof.

**MNNP:** Have you had discussions with Placer Dome (owner of Henty)?

**MT:** Nothing of substance, no. 