
BEACONSFIELD GOLD NL
(ACN 057 793 834)

APPENDIX 4E

PRELIMINARY FINAL REPORT
FINANCIAL YEAR ENDED 30 JUNE 2005

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2005	30 June 2004	Percentage
	\$'000	\$'000	increase/ (decrease)
Total revenue from ordinary activities	41,048	40,511	1.3%
Net profit from ordinary activities after tax attributable to members of the parent entity	7,513	11,727	(35.9%)

Dividends

Interim dividend per share (unfranked)	1.5 cents
Final dividend per share (unfranked)	1.5 cents
Record date for determining entitlement to final dividend	23 November 2005
Date final dividend payable	7 December 2005

Review of Results

Refer to discussion of results on page 2.

Audit Report

The preliminary report is based on accounts which are in the process of being audited.

REVIEW OF RESULTS

The financial results for the 2004/05 year for Beaconsfield Gold are summarised in the following table:

	2005 (\$'000)	2004 (\$'000)
Gold and silver sales	34,193	39,589
BBR claim recoveries	6,304	650
Other revenue	46	161
Total revenue from ordinary activities excluding interest	40,543	40,400
EBITDA	15,742	17,779
Interest expense/(reversal) – relating to agreement with former banker and BBR claim	3,152	(4,000)
Other net interest expense/(income)	(188)	2,235
Borrowing expenses	88	1,488
Net profit after tax	7,513	11,727
Basic earnings per share	5.12c	12.35c
Total dividends declared/proposed per share	3.0c	-
Net Assets	27,485	19,436

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the year ended 30 June 2005 was \$15.7 million (2004: \$17.8 million). The consolidated net profit after tax for the year was \$7.5 million (2004: \$11.7 million)

Gold and silver sales revenue for the 2005 year of \$34.2 million was 14% below the 2004 figure. Despite record mill throughput and improved gold recovery, gold production for the year was lower because of an 18% reduction in average head grade from 20.8 g/t gold to 17.0 g/t gold. The lower grade mainly impacted in the second half of the year when sequencing constraints underground restricted access to high grade, high tonnage stopes, consistent with the variable nature of the Tasmania Reef.

Higher mine operating costs also impacted the result, reflecting the trend of increased cost pressure throughout the mining industry, combined with deeper mining.

In June 2005, the Beaconsfield Mine Joint Venture (BMJV) participants and the professional indemnity insurer of Bateman, Brown & Root (BBR) reached an in-principle settlement as part recovery of the BMJV's claims in respect of losses associated with the design, construction and commissioning of the treatment plant at Beaconsfield by BBR. The insurer will pay \$13 million to the BMJV participants, of which the Company's share is \$6.304 million. Under the terms of a continuing agreement with the Company's former banker covering unpaid loan interest from previous years, 50% of this amount (\$3.152 million) is payable to the former banker. The maximum amount payable to the former banker under this agreement is \$4.0 million.

Since 30 June 2004, net Company assets have increased by \$8.0 million (41%). The main impacts on the balance sheet during the year, apart from the operating result, were:

- repayment of \$3.2 million outstanding bank debt from cash flow, reducing net interest from \$2.2 million paid in 2004 to \$0.2 million earned in 2005;
- pay-out from cash flow of the Company's remaining share, \$2.3 million, of pre-Allstate administration BMJV trade creditors;
- conversion of \$1.9 million of convertible notes, leaving a balance of \$0.2 million;
- payment to shareholders of the inaugural interim dividend of \$2.3 million.

In April 2005, Beaconsfield Gold paid its first dividend to shareholders, an interim unfranked 1.5 cents per share. With a balance sheet that is effectively debt-free, the Board considers it appropriate and desirable to continue to distribute a proportion of cash flow to shareholders in the form of dividends. Accordingly, a final unfranked dividend of 1.5 cents per share has been recommended by the Board, bringing total dividends for the year to 3.0 cents per share.

REVIEW OF OPERATIONS

1. INTRODUCTION

The Beaconsfield Gold group has a 48.49% direct interest in the unincorporated Beaconsfield Mine Joint Venture (BMJV) which operates the Beaconsfield Mine at Beaconsfield in north-east Tasmania. The other participant is the Allstate group with a 51.51% interest. Allstate, with the higher interest, is Manager of the BMJV and the BMJV Mine Manager and all the personnel reporting to him are employed by Allstate. Beaconsfield Gold in turn owns 30% of the fully paid shares in Allstate.

Beaconsfield Gold and Allstate separately sell their pro-rata share of gold production and contribute pro-rata to cash calls which cover operating and capital expenditure at the Beaconsfield Mine.

Joint Administrators (Michael Ryan and Tony Woodings of chartered accounting firm, Taylor Woodings, based in Perth, Western Australia) 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.

2. BEACONSFIELD MINE PERFORMANCE

239,373 tonnes of ore were mined (hoisted) for the year, a 3% improvement on 2004, and a record for the operation. Ore production at the end of the 2005 year was available from over 10 levels throughout the mine, down to the 990 metre level, allowing significant flexibility in mine scheduling. The improved decline / waste development layout and modified ½ Upper / Avoca mining method continued to provide operating benefits and efficiencies during the year. The face of the decline was 1,070 metres below surface at 30 June 2005.

Production Summary

Quarter Ending	Ore Hoisted (t)	Ore Milled (t)	Head Grade (g/t) (1)	Gold Milled (oz)	Gold Recovery (%) (2)	Total Gold Production (oz)
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
2005 March	59,720	64,325	14.9	30,711	95.1	29,219
2005 June	56,548	55,604	15.6	27,823	96.6	26,865
2005 Year	239,373	240,685	17.0	131,354	95.8	125,795

(1) Mill reconciled head grade.

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

240,685 tonnes of ore were milled for the year, a 3% improvement on 2004, and 20% higher than the feasibility target for average annual throughput. Average mill reconciled head grade for the year, 17.0 g/t gold, was 18% lower than 2004. Gold recovery in the ore treatment plant, excluding changes in gold in circuit, averaged 95.8% for the 2005 year, a 2% improvement on 2004.

Total BMJV gold production for the 2005 year of 125,795 ounces was 14% below the 2004 figure but 23% greater than the feasibility target for average annual production.

3. BMJV EXPENDITURE PER OUNCE

Operating, Capital and Total Cash Expenditure

Quarter Ending	Operating Costs (\$m)	Capital Costs (\$m) (1)	Total Costs (\$m) (2)	Operating Costs (A\$/oz)	Capital Costs (A\$/oz)	Total Costs (A\$/oz) (2)
2004 Year	38.024	7.349	45.373	258	50	308
2004 September	11.062	2.062	13.124	325	61	385
2004 December	10.907	2.391	13.298	306	67	373
2005 March	10.705	1.995	12.700	366	68	435
2005 June	11.202	2.532	13.734	417	94	511
2005 Year	43.876	8.980	52.856	349	71	420

(1) Including underground diamond drilling costs.

(2) Direct operating expenditure (including management fee to Allstate) plus capital expenditure.

BMJV direct operating expenditure for the 2005 year was \$43.876 million (2004: \$38.024 million) or \$349 per ounce of production (2004: \$258 per ounce) or \$182 per tonne milled (2004: \$162 per tonne).

BMJV capital expenditure for the 2005 year was \$8.980 million (2004: \$7.349 million) or \$71 per ounce of production (2004: \$50 per ounce) or \$37 per tonne milled (2004: \$31 per tonne). The main abnormal capital expenditure activity was the extensive ore resources diamond drilling program.

BMJV direct operating plus capital expenditure for the 2005 year was \$52.856 million (2004: \$45.373 million) or \$420 per ounce of production (2004: \$308 per ounce) or \$220 per tonne milled (2004: \$194 per tonne).

Beaconsfield Gold's 48.49% share of direct operating plus capital expenditure for the 2005 year was \$25.630 million (2004: \$22.001 million).

4. BEACONSFIELD GOLD REVENUE

Beaconsfield Gold's total revenue from gold and by-product silver sales for the 2005 year was \$34.193 million, 13% below the 2004 year figure of \$39.589 million.

5. BMJV ORE RESERVES / RESOURCES AS AT 30 JUNE 2005

The BMJV commenced an extensive ore resources underground diamond drilling program mid way through the 2004 year. The program is planned to be completed in October 2005.

The reserves and resources for the Tasmania Reef as at 30 June 2005 have been calculated by Allstate as Manager of the BMJV.

The updated BMJV reserves and resources are as follows:

Ore Reserve

Proved Reserve	213,000 tonnes @ 17.7 g/t Au	(121,000 ounces contained gold)
Probable Reserve	392,000 tonnes @ 13.1 g/t Au	(164,000 ounces contained gold)
Total Reserve	605,000 tonnes @ 14.7 g/t Au	(285,000 ounces contained gold)

Identified Mineral Resource (including Ore Reserve)

Measured Resource	159,000 tonnes @ 25.4 g/t Au	(130,000 ounces contained gold)
Indicated Resource	477,000 tonnes @ 17.8 g/t Au	(272,000 ounces contained gold)
Inferred Resource	300,000 tonnes @ 9.6 g/t Au	(93,000 ounces contained gold)
Total Resource	936,000 tonnes @ 16.4 g/t Au	(495,000 ounces contained gold)

The Proved and Probable Reserves were estimated from the Measured and Indicated Resources, but exclude 158,000 tonnes at 17.0 g/t gold (86,000 ounces contained gold) contained in the F21 Zone. Completion of drilling in the F21 Zone has led to the Tasmania Reef and Eastern Hangingwall Reef in this zone being reported in the Indicated Resource category. However, the level of mine planning and economic consideration necessary to allow these resources to be elevated to the Ore Reserve category has not been completed.

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 20.6 g/t gold to the diluted reserve grade of 14.7 g/t gold (a reduction of 5.9 g/t or 29%).

5.1 Reconciliation between 31 December 2004 and 30 June 2005 Ore Reserves

Total gold milled in the six months to 30 June 2005 was estimated to be 58,534 ounces. Subtracting this total from the ore reserves at 31 December 2004 (377,000 ounces) gives 318,466 ounces.

As the ore reserves at 30 June 2005 were 285,000 ounces, there was a net decrease in ore reserves over the six months, allowing for mining depletion, of approximately 33,466 ounces. As noted above, the updated reserves contain no allowance for the F21 Zone which has been estimated by Allstate to currently have an Indicated Resource of 86,000 ounces contained gold.

5.2 Resources Additional to Reserves

At 31 December 2004, resources additional to reserves for the Tasmania Reef were 296,000 tonnes at 12.8 g/t gold, containing 121,000 ounces of gold. At 30 June 2005, resources additional to reserves were 458,000 tonnes at 12.2 g/t gold, containing 179,000 ounces.

6. GOLD HEDGING FOR BEACONSFIELD GOLD

At 30 June 2005, the Company's hedge book was 60,000 ounces of flat forwards and spot deferreds, with deliveries out to February 2007, at an average price of \$586 per ounce.

The marked-to-market value of the hedge book at 30 June 2005, when the spot price of gold was A\$572.63 per ounce, was negative \$764,000.

6.1 Gold Hedging as a Percentage of Ore Reserves/Resources

BMJV ore reserves at 30 June 2005 were approximately 285,000 ounces, of which Beaconsfield Gold's 48.49% direct interest was approximately 138,200 ounces. As a percentage of those ore reserves, therefore, Beaconsfield Gold at 30 June 2005 was approximately 43% hedged.

Total BMJV resources at 30 June 2005 were approximately 495,000 ounces, of which Beaconsfield Gold's 48.49% direct interest was approximately 240,000 ounces. As a percentage of those total resources, therefore, Beaconsfield Gold at 30 June 2005 was approximately 25% hedged.

7. NEW BANKING ARRANGEMENTS WITH CBA

On 25 January 2005, the Company completed arrangements for new banking facilities with CBA.

The new CBA facilities 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.
- (c) A gold hedging facility providing the Company with the ability to forward sell up to a maximum of 75% of the Company's gold reserves. This gives 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 are initially available until 31 December 2006.

8. ARBITRATION AWARD

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.

In late June 2005 the BMJV participants and the professional indemnity insurer of the BBR Companies reached an in-principle settlement whereby the insurer will pay \$13 million as full settlement of the

insurer's exposure, subject to the provision of certain third party releases. The BMJV participants are now seeking those releases in order to progress settlement.

The Beaconsfield Gold group's 48.49% share of the \$13 million in-principle settlement is approximately \$6.3 million.

In March 2004, \$4 million of interest due to the Company's then secured creditor was set aside, to be repaid only from 50% of any proceeds received by Beaconsfield Gold from the BBR arbitration. As a result, it is anticipated that approximately \$3.15 million of this contingent liability will be repaid as a result of the in-principle settlement, reducing the contingent liability to approximately \$0.85 million.

9. CLAIM AGAINST ALLSTATE EXPLORATIONS NL ("Allstate")

On 3 November 2004, Beaconsfield Gold lodged a Proof of Debt 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.

On 18 April 2005, the Allstate Deed Administrators formally advised the Company that the Proof of Debt had been rejected.

On 2 May 2005, Beaconsfield Gold filed an application in the Supreme Court of Victoria appealing against the Allstate Deed Administrators' rejection of the Proof of Debt. The appeal process is continuing.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2005 \$'000	2004 \$'000
Revenue from ordinary activities excluding interest	1	40,543	40,400
Costs of production		22,314	18,903
Other expenses related to ordinary activities	2(c)	2,487	3,718
<i>Profit from ordinary activities before interest, amortisation, depreciation and income tax expense</i>		15,742	17,779
Interest received	1	(505)	(111)
Borrowing costs expense	2(a)	405	3,834
Interest expense/(reversal) – relating to agreement with former banker and BBR claim - refer Note below		3,152	(4,000)
Depreciation and amortisation expenses	2(b)	5,964	6,329
Profit from ordinary activities before income tax expense		6,726	11,727
Income tax benefit relating to ordinary activities	3	787	-
Net profit attributable to members of Beaconsfield Gold NL		7,513	11,727
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of Beaconsfield Gold NL		7,513	11,727
Basic earnings per share (cents per share)		5.12	12.35
Diluted earnings per share (cents per share)		5.04	12.33

In 2004 \$4.0 million of interest expense was reversed in accordance with the Company's banking facility agreement with a former banker.

That agreement provided that \$4.0 million of interest accrued prior to 2004 would be payable only from the Company's share of proceeds from the Beaconsfield Mine Joint Venture (BMJV) claims in respect of losses suffered by the BMJV participants associated with the design, procurement, construction and commissioning of the treatment plant at Beaconsfield by Bateman, Brown & Root (BBR).

In June 2005 the BMJV participants and the professional indemnity insurer of BBR reached an in-principle settlement whereby the insurer will pay \$13 million to the BMJV participants.

The Company's share of this settlement is \$6.304 million and under the terms of the Company's previous banking facility agreement, 50% of this amount (\$3.152 million) is payable to the former banker.

The financial accounts will record a contingent liability of \$0.848 million, being the balance payable to the former banker from future recoveries of the BBR claim. This will partly offset the contingent asset relating to the BBR claim.

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	2005 \$'000	2004 \$'000
CURRENT ASSETS			
Cash assets		3,871	3,416
Receivables		10,321	5,877
Inventories		1,331	1,815
Other		-	328
TOTAL CURRENT ASSETS		15,523	11,436
NON-CURRENT ASSETS			
Other financial assets	5	-	-
Property, plant & equipment	6	14,053	14,782
Exploration, evaluation & development	7	6,545	6,692
Deferred tax assets	3	787	-
Other		434	163
TOTAL NON-CURRENT ASSETS		21,819	21,637
TOTAL ASSETS		37,342	33,073
CURRENT LIABILITIES			
Payables		6,418	6,089
Interest-bearing liabilities	8	453	3,267
Provisions		1,007	853
TOTAL CURRENT LIABILITIES		7,878	10,209
NON-CURRENT LIABILITIES			
Payables		330	330
Interest-bearing liabilities	9	282	2,235
Provisions		1,367	863
TOTAL NON-CURRENT LIABILITIES		1,979	3,428
TOTAL LIABILITIES		9,857	13,637
NET ASSETS		27,485	19,436
EQUITY			
Contributed equity	10	80,601	77,782
Accumulated losses	11	(53,116)	(58,346)
TOTAL EQUITY		27,485	19,436

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

	Notes	2005 \$'000	2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold & silver sales		33,859	39,745
Interest received		318	64
Payments to suppliers and employees		(24,914)	(25,761)
Borrowing costs		(1,260)	(967)
NET CASH FLOWS FROM OPERATING ACTIVITIES	12	8,003	13,081
CASH FLOWS FROM INVESTING ACTIVITIES			
Mine development expenditure		(2,039)	(2,900)
Purchase of property, plant & equipment		(2,996)	(672)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(5,035)	(3,572)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(3,152)	(26,258)
Repayment of lease principal		(177)	(203)
Payment of dividend on ordinary shares		(2,283)	-
Payment to cash collateral account		-	(2,000)
Proceeds from borrowings		502	-
Proceeds from issue of shares		612	11,134
Payment of share issue costs		(15)	(733)
Proceeds from issue of convertible notes		-	9,000
Proceeds from cash collateral account		2,000	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(2,513)	(9,060)
NET INCREASE IN CASH HELD		455	449
Add opening cash brought forward		3,416	2,967
CLOSING CASH CARRIED FORWARD	12	3,871	3,416

NOTES TO THE FINANCIAL STATEMENTS

	2005 \$'000	2004 \$'000
1. REVENUE FROM ORDINARY ACTIVITIES		
Revenues from operating activities		
Gold & silver sales	34,193	39,589
Total revenues from operating activities	34,193	39,589
Revenues from non-operating activities		
Interest received	505	111
BBR claim recoveries	6,304	650
Other revenue	46	161
Total revenues from non-operating activities	6,855	922
Total revenues from ordinary activities	41,048	40,511
2. EXPENSES AND LOSSES		
(a) Borrowing costs expensed		
Interest expense	317	2,346
Amortisation of establishment fees	58	122
Borrowing expenses	30	1,366
Total borrowing costs expensed	405	3,834
(b) Depreciation and amortisation expenses		
Amortisation of non-current assets		
Exploration, evaluation and development costs	2,239	2,819
Total amortisation of non-current assets	2,239	2,819
Depreciation of non-current assets		
Buildings	57	48
Mining plant and equipment	3,539	3,317
Plant and equipment under lease	129	145
Total depreciation of non-current assets	3,725	3,510
Total depreciation and amortisation expenses	5,964	6,329
(c) Other expenses		
Royalties	489	1,704
Management and administration	1,998	2,014
	2,487	3,718

NOTES TO THE FINANCIAL STATEMENTS

	2005 \$'000	2004 \$'000
3. INCOME TAX		
The prima facie tax, on operating profit differs from the income tax provided in the financial statements as follows:		
Prima facie tax on profit from ordinary activities	2,018	3,518
Tax effect on permanent differences	2	114
Deferred tax assets recognised (not previously brought to account)	(2,807)	(3,632)
Income tax benefit attributable to operating profit	(787)	-

Deferred tax assets

Future income tax benefit – non-current	787
---	-----

4. DIVIDENDS

	Cents per share	Total amount \$'000	Franked/ unfranked	Date of Payment
Dividends recognised in the current year are:				
2005 – Dividend paid during the year				
Interim – ordinary	1.5	2,283	Unfranked	8 April 2005

Subsequent events

Dividends proposed and not recognised as a liability [1].

Since the end of the financial year, the directors declared the following dividends:

Final – ordinary	1.5	2,298	Unfranked	7 December 2005
------------------	-----	-------	-----------	-----------------

[1] The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2005 and will be recognised in subsequent financial reports.

	2005 \$'000	2004 \$'000
5. OTHER FINANCIAL ASSETS (Non-Current)		
Shares listed on a Stock Exchange	19,957	19,957
Provision for diminution in value	(19,957)	(19,957)
	-	-

The investment above is the Company's 25.62% (2004 25.62%) interest in Allstate Explorations NL ("Allstate"). The market value of this investment at 30 June 2005 is nil (2004 \$Nil) following the appointment of an administrator to Allstate and the suspension of trading in the shares on 8 June 2001. The principal activity of Allstate is also the production of gold through its participation in the Beaconsfield Mine Joint Venture. The Company has determined that it does not have the capacity to either control or significantly influence the operations of Allstate.

NOTES TO THE FINANCIAL STATEMENTS

	2005 \$'000	2004 \$'000
6. PROPERTY, PLANT & EQUIPMENT		
<i>Land and Buildings</i>		
Land & buildings – at cost	417	329
Accumulated depreciation	(177)	(120)
	240	209
 <i>Plant and Equipment</i>		
Mining plant & equipment – at cost	29,833	27,427
Accumulated depreciation	(16,708)	(13,169)
	13,125	14,258
 <i>Plant and equipment under lease – at cost</i>		
	928	426
Accumulated depreciation	(240)	(111)
	688	315
Total property, plant and equipment	14,053	14,782

7. EXPLORATION, EVALUATION & DEVELOPMENT COSTS

Exploration, evaluation and development costs carried forward in respect of mining areas of interest in production phase	19,677	17,585
Accumulated amortisation	(13,132)	(10,893)
	6,545	6,692

8. INTEREST-BEARING LIABILITIES (Current)

Convertible note (secured)	200	-
Bank loan (secured)	-	3,152
Lease liability	253	115
	453	3,267

Convertible notes are secured by a second ranking charge (behind Commonwealth Bank) over the fixed and floating assets.

NOTES TO THE FINANCIAL STATEMENTS

	2005 \$'000	2004 \$'000
9. INTEREST-BEARING LIABILITIES (Non-Current)		
Lease liability	282	95
Convertible Notes (secured)	-	2,140
	282	2,235

10. CONTRIBUTED EQUITY

(a) Issued and paid up capital

Ordinary shares fully paid - Listed	80,595	77,758
Partly paid shares - Unlisted	6	24
	80,601	77,782

(b) Movements in shares on issue

	2005		2004	
	Number of Shares	\$'000	Number of Shares	\$'000
(i) Ordinary shares fully paid:				
Beginning of the financial year	143,897,309	77,758	75,677,102	60,536
Issued during the year	9,123,922	2,837	68,220,207	17,955
Less transactions costs	-	-	-	(733)
End of the financial year	153,021,231	80,595	143,897,309	77,758
(ii) Partly paid shares:				
Beginning of the financial year	3,850,000	24	-	-
Issued during the year	-	-	3,850,000	39
Converted to ordinary shares	(1,800,000)	(18)	-	-
Less transaction costs	-	-	-	(15)
End of financial year	2,050,000	6	3,850,000	24

Fully paid ordinary shares issued during the year include the conversion of 6,466,666 convertible notes and the issue of a like number of fully paid ordinary shares. Also 1,800,000 partly paid shares were converted to ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

	2005	2004
	\$'000	\$'000
11. ACCUMULATED LOSSES		
Accumulated losses	<u>(53,116)</u>	(58,346)
Balance at beginning of year	(58,346)	(70,073)
Net profit attributable to members of Beaconsfield Gold NL	<u>7,513</u>	11,727
Total available for appropriation	(50,833)	(58,346)
Dividends paid	<u>2,283</u>	-
Balance at the end of the year	<u>(53,116)</u>	<u>(58,346)</u>
12. STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash		
Cash balances comprise:		
Cash on hand	<u>3,871</u>	3,416
Closing cash balance	<u>3,871</u>	<u>3,416</u>
(b) Reconciliation of the Operating Profit after Tax to Net Cash Flows from Operations:		
Operating profit after tax	7,513	11,727
Non-Cash Items		
Amortisation of non-current assets	2,297	2,941
Depreciation of non-current assets	3,725	3,510
Provision for rehabilitation	504	559
Changes in assets and liabilities		
Receivables	(6,115)	(3,745)
Inventories	484	(148)
Trade & other creditors & borrowings	558	(2,112)
Employee entitlements	154	349
Other assets	<u>(1,117)</u>	-
Net cash flows from operating activities	<u>8,003</u>	<u>13,081</u>

NOTES TO THE FINANCIAL STATEMENTS

	2005	2004
13. EARNINGS PER SHARE		
Basic earnings per share (cents)	5.12	12.35
Diluted earnings per share (cents)	5.04	12.33

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	Consolidated			
	2005		2004	
EARNINGS PER SHARE ("EPS")	Basic EPS \$'000	Diluted EPS \$'000	Basic EPS \$'000	Diluted EPS \$'000
The following reflects the income and data used in the calculation of basic and diluted EPS:				
Net profit	7,513	7,513	11,727	11,727
Adjustments:				
Borrowing expenses	-	-	-	514
Imputed interest	-	244	-	83
Earnings used in calculating basic and diluted EPS	7,513	7,757	11,727	12,324

	No of Shares	No. of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	146,747,247	94,994,765
Effect of dilutive securities:		
Convertible notes	5,219,909	2,199,052
Partly paid shares	206,826	2,003,810
Share options	1,120,690	776,862
Convertible note holders borrowing expenses	464,260	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	153,758,932	99,974,489

	2005	2004
14. NET TANGIBLE ASSET BACKING		
Net tangible asset backing per ordinary security	\$0.179	\$0.135

15. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS

Beaconsfield Gold NL is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (A-IFRS) which will be applicable for the financial year ending 30 June 2006. In 2005 the Company conducted a review of the potential impacts of transitioning to A-IFRS. Priority has been given to the preparation of an opening balance sheet in accordance with A-IFRS as at 1 July 2004,

NOTES TO THE FINANCIAL STATEMENTS

Beaconsfield Gold's transition date to A-IFRS. This will form the basis of accounting for A-IFRS in the future, and is required when Beaconsfield Gold prepares its first fully compliant financial report for the year ended 30 June 2006.

Set out below are the key areas where accounting policies are expected to change on adoption of A-IFRS and our best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005 and on net profit for the year ended 30 June 2005.

The figures disclosed are management's best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to A-IFRS may differ from the estimates disclosed due to:

- (a) ongoing work being undertaken by internal resources;
- (b) potential amendments to A-IFRS and interpretations thereof being issued by the standard-setters and International Financial Reporting Interpretations Committee; and
- (c) emerging accepted practice in the interpretation and application of A-IFRS and Urgent Issues Group Interpretations.

The following reconciliations outline the likely impacts on the current year result and financial position of the consolidated entity had the financial statements been prepared under A-IFRS, based on the accounting policy decisions current at the date of this financial report.

As described above, readers of the financial report should note that further developments in A-IFRS may result in changes to the accounting policy decisions and, consequently, the likely impacts outlined in the following reconciliations.

YEAR ENDED 30 JUNE 2005	Notes	Consolidated \$'000
Net Profit After Tax as reported under AGAAP		7,513
Changes in decommissioning expenses	(a)	(43)
Changes in the fair value of designated hedges	(c)	-
Net Profit After Tax under A-IFRS		7,470

AS AT 30 JUNE 2005	Notes	Consolidated \$'000
Net Assets (AGAAP)		27,485
Property, Plant & Equipment	(a)	649
Provisions	(a)	(1,116)
Net Assets (A-IFRS)		27,018

AS AT 30 JUNE 2005	Notes	Consolidated \$'000
Total Equity (AGAAP)		27,485
Change in retained earnings – adjustment on transition to A-IFRS	(a)	(424)
Change in retained earnings – adjustment to current year profit	(a)	(43)
Total Equity (A-IFRS)		27,018

The following explanatory notes relate to the reconciliations above and describe, for significant items, the differences between the accounting policies under A-IFRS and the current treatment of those items under AGAAP.

(a) Provision for rehabilitation

AASB 137 "Provisions, Contingent Liabilities and Contingent Assets" requires the rehabilitation, restoration and decommissioning obligations associated with the retirement or disposal of mine site assets to be recognised when the disturbance and obligation occurs. The provision is measured at the present value of the future expenditure and a corresponding asset is also recognised under AASB 116

NOTES TO THE FINANCIAL STATEMENTS

“Property, Plant and Equipment”. The capitalised cost is amortised over the life of the project and a provision is increased as further disturbance occurs which creates a further obligation to rehabilitate. Associated discounting of the liability unwinds throughout the life of the provision, with this unwind being recognised as an interest expense.

Currently under AGAAP, Beaconsfield Gold has a rehabilitation liability which progressively increases over the life of the operation. The build up is taken to the profit and loss account as the liability is raised.

The transitional adjustment at 1 July, 2004 will result in recognizing a related rehabilitation asset of \$1,033,000, an increase in the rehabilitation provision of \$1,457,000 due to the requirement to present value the liability, and a net increase in accumulated losses of \$424,000. The restated profit impact for the year ended 30 June 2005 will result in a net decrease to the rehabilitation provision of \$341,000 and an amortisation expense of \$384,000, resulting in a net reduction in profit for the 30 June 2005 financial year of \$43,000 from the reversal of the AGAAP expense and expensing the amortisation of the rehabilitation asset and the unwinding of the discounting of the liability.

(b) Property, plant and equipment

In accordance with AASB 116 “Property, Plant and Equipment” Beaconsfield Gold has elected to continue to recognise non-current assets on transition to A-IFRS at cost. Consequently, there will not be any impact for Beaconsfield Gold as non-current assets are currently carried at cost.

(c) Derivative financial instruments

Beaconsfield Gold has elected to apply the first-time adoption exemption available to defer the date of transition of AASB 132 “Financial Instruments: Disclosure and Presentation” and AASB 139 “Financial Instruments: Recognition and Measurement” until 1 July 2005. Accordingly, there will be no quantitative impacts on the restated 30 June 2005 financial statements.

However, it is expected that required adjustments on 1 July 2005 will be wholly attributable to derivatives designated as cash flow hedges, which will be recognised in the balance sheet position at their fair value. It is expected this will result in an increase in other financial liabilities of \$764,000 on 1 July 2005. From this date changes in fair value of cash flow hedges that meet the detailed hedge accounting requirements will be recognised directly in equity until the hedged transaction occurs.

(d) Exploration and evaluation

AASB6 Exploration and Evaluation of Mineral Resources has now been released which grandfathers accounting treatments which have previously been adopted by AASB1022. No material change is expected from the implementation of this standard.

(e) Accumulated losses

With limited exceptions, adjustments required on first-time adoption of A-IFRS are recognised directly in accumulated losses (or if appropriate another category of equity) at the date of transition to A-IFRS. The cumulative effect of these adjustments for the consolidated entity on transition to A-IFRS will be an increase in accumulated losses of \$96,000.

(f) Restated A-IFRS Statement of Cash Flows for the year ended 30 June 2005

No material impacts are expected to the cash flows presented under AGAAP on adoption of A-IFRS.