



**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

STOCK EXCHANGE ANNOUNCEMENT

FACILITATION UPDATE

Further to the Company's release of 17 June 2005, the parties met in facilitation in late June 2005. The Directors are pleased to announce that the Beaconsfield Mine Joint Venture ("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 the in-principle settlement.

The BBR Companies were responsible for the design, supply, construction and commissioning of the gold treatment plant and backfill plant at the Beaconsfield Mine. Whilst the arbitration award made against the BBR Companies in January 2004 was in excess of \$60 million (Beaconsfield Gold group share in excess of \$29 million), plus interest, the professional indemnity insurance was capped at \$20 million under the terms of the construction contract.

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

As previously announced, when Beaconsfield Gold came out of receivership in March 2004, \$4 million of interest due to the Company's 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.

Brian Coulter
Company Secretary

6 July 2005