



**BEACONSFIELD
GOLD N.L.**

A.C.N 057 793 834

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FINANCIAL RESULTS – 30 JUNE 2006

Beaconsfield Gold announces full year results significantly impacted by the tragic Anzac Day rockfall at the Beaconsfield Mine.

- **Net loss of \$14.3 million including \$11.4 million non-operating expenses related to suspension of mining**
- **Beaconsfield Mine produces 81,983 ounces of gold (down 35%)**
- **Gold sales revenue of \$24.2 million**
- **Total effective cash of \$9.6 million at 30 June 2006**

Beaconsfield Gold NL (ASX: BCD or the "Company") today announced earnings before interest, tax, depreciation and amortisation (EBITDA) from ordinary activities of \$3.1 million for the year ended 30 June, 2006 (2005: \$15.7 million), following a year dominated by the impact of the tragic rockfall at the Beaconsfield Mine on 25 April (Anzac Day).

The total net loss for the year of \$14.3 million (2005 profit \$7.8 million) included \$11.4 million of non-operating costs related to, or incurred as a direct result of, the April rockfall and suspension of mining activities. These costs are broken down as follows:

	<u>\$ million</u>
• Mine care and maintenance	1.1
• Expenditure directly related to incident	0.8
• Employee redundancy and work cover premiums	1.0
• Close out of gold hedge contracts and fair value of ineffective gold hedge contracts	<u>8.5</u>
TOTAL	<u>11.4</u>

Depreciation and amortisation charges and Company exploration costs written off totalled \$5.1 million for the year.

Cash on hand at the end of the year was \$8.1 million following the successful \$5.5 million share placement on 30 June to sophisticated and professional investors. A further \$1.5 million was held by Allstate, as Manager of the BMJV, on behalf of the Company.

The Beaconsfield mine produced 81,983 ounces of gold during the year, 35% less than in the previous year. BCD Chief Executive Officer Bill Colvin said that "gold production was severely impacted by the temporary closure of high grade stopes following a seismic event in October 2005 and by the total suspension of mine production following the Anzac Day incident".

The Company reported that the lower production resulted in a 29% reduction in the Company's sales revenue to \$24.2 million for the year.

The hedge book at 30 June consisted of 30,000 ounces of gold at an average price of \$608 per ounce.

In line with the new AIFRS accounting standards, and the Company's temporary inability to deliver gold into its hedge contracts, Beaconsfield Gold's gold hedging no longer meets the strict AIFRS criteria of effective hedging. Movements in the hedge book marked-to-market value are now required to be brought to account through earnings, resulting in a cost of \$6.5 million for the year.

As a consequence of the impact on the Company's financial position of the Anzac Day incident, the interim dividend for the year, which was announced on 3 May and subsequently deferred, has now been cancelled.

"It is the intention of the Board to recommence distributing a proportion of free cash flow to shareholders in the form of dividends as soon as financial circumstances permit," Mr Colvin said.

Mr Colvin also expressed an optimistic outlook for the Company going forward.

"Whilst mining operations at Beaconsfield remain suspended, significant progress has been made towards completing the work necessary to seek approval from the Chief Inspector of Mines to re-open the mine," Mr Colvin said.

On 6 September the Manager of the Beaconsfield Mine Joint Venture announced the initial findings of a geotechnical assessment of the Beaconsfield Mine by Coffey Mining.

Mr Colvin said "the geotechnical consultants believe that there are no geotechnical reasons for the mine not to reopen, and the Joint Venture has financial assistance from the Federal Government to reopen the mine and to continue its development."

Whilst there remains some uncertainty as to the re-opening of the Beaconsfield mine, the Company believes it is well positioned for the future.

"We are well placed to move to 100% ownership of the Beaconsfield mine, especially following the recent court ruling which confirmed our comprehensive pre-emptive rights. Additionally, we are looking forward with anticipation to significant exploration activity at Stavely in Western Victoria," Mr Colvin said.

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