

Beaconsfield Gold NL
EL 29/2008 – Salisbury Hill
Year 1 Annual Report

Ken Morrison
30 September 2009

CONTENTS

SUMMARY	1
INTRODUCTION & TENEMENT DETAILS	1
EXPLORATION AIMS & PHILOSOPHY	4
SUMMARY OF PREVIOUS EXPLORATION	5
YEAR 1 EXPLORATION RESULTS	7
Airborne Geophysics	7
Drilling	17
Soil Surveys	26
EXPENDITURE	28
ENVIRONMENTAL & REHABILITATION ACTIVITIES	29
CONCLUSIONS & FUTURE WORK	29
REFERENCES	31

Table 1	Geophysical Survey Parameters
Table 2	Best Intersections-Eaglehawk Gully Prospect
Table 3	Expenditure

Figure 1	Location Map
Figure 2	Geology & Exploration Sites Map
Figure 3	Magnetics Map RTP
Figure 4	Magnetics Map 1VD
Figure 5	Magnetics Map IYD
Figure 6	Total Radiometrics Map
Figure 7	DTM Map
Figure 8	Simplified Geology Map
Figure 9	Magnetic Linears Airphoto
Figure 10	Drilling Targets Airphoto
Figure 11	Drill Site Airphoto
Figure 12	Salisbury North Drill Section
Figure 13	Blue Tier Drill Section
Figure 14	Eaglehawk Gully Drill Section
Figure 15	Jarmans & Wings West Prospect Map
Figure 16	Jarmans Drill Section
Figure 17	Wings West Drill Section
Figure 18	Temco Soil Survey Map
Figure 19	New Prospects Map

APPENDIX A Soil Geochemistry Report

CD 1	Year 1 Annual Report + drilling and soil survey data
CD 2	Airborne geophysics survey data

SUMMARY

Drill targets were generated on five prospects using a combination of C-horizon gold +/- arsenic soil geochemistry and interpreted Tasmania Reef conformable fault structures, derived mainly from discontinuities in aeromagnetic horizontal derivative imaging.

36 reverse circulation percussion holes (3436 metres) were drilled on the Jarmans, Wings West, Salisbury North, Blue Tier and Eaglehawk Gully prospects. Geochemically anomalous gold with apparent structural control was encountered in all prospects but only the Blue Tier and Eaglehawk Gully drilling returned significant sub economic intersections. SHRC24 at Eaglehawk Gully achieved the best result: 10m @ 0.56ppm Au from 80m down hole.

A conclusion from the overall disappointing results is that the previously applied soil anomaly threshold of 5ppb Au is an order of magnitude too low to discriminate structures with significant gold enrichment. However, coincident soil anomalies and magnetic lineaments remain the most effective drill target generation method at sites lacking outcropping mineralised structures.

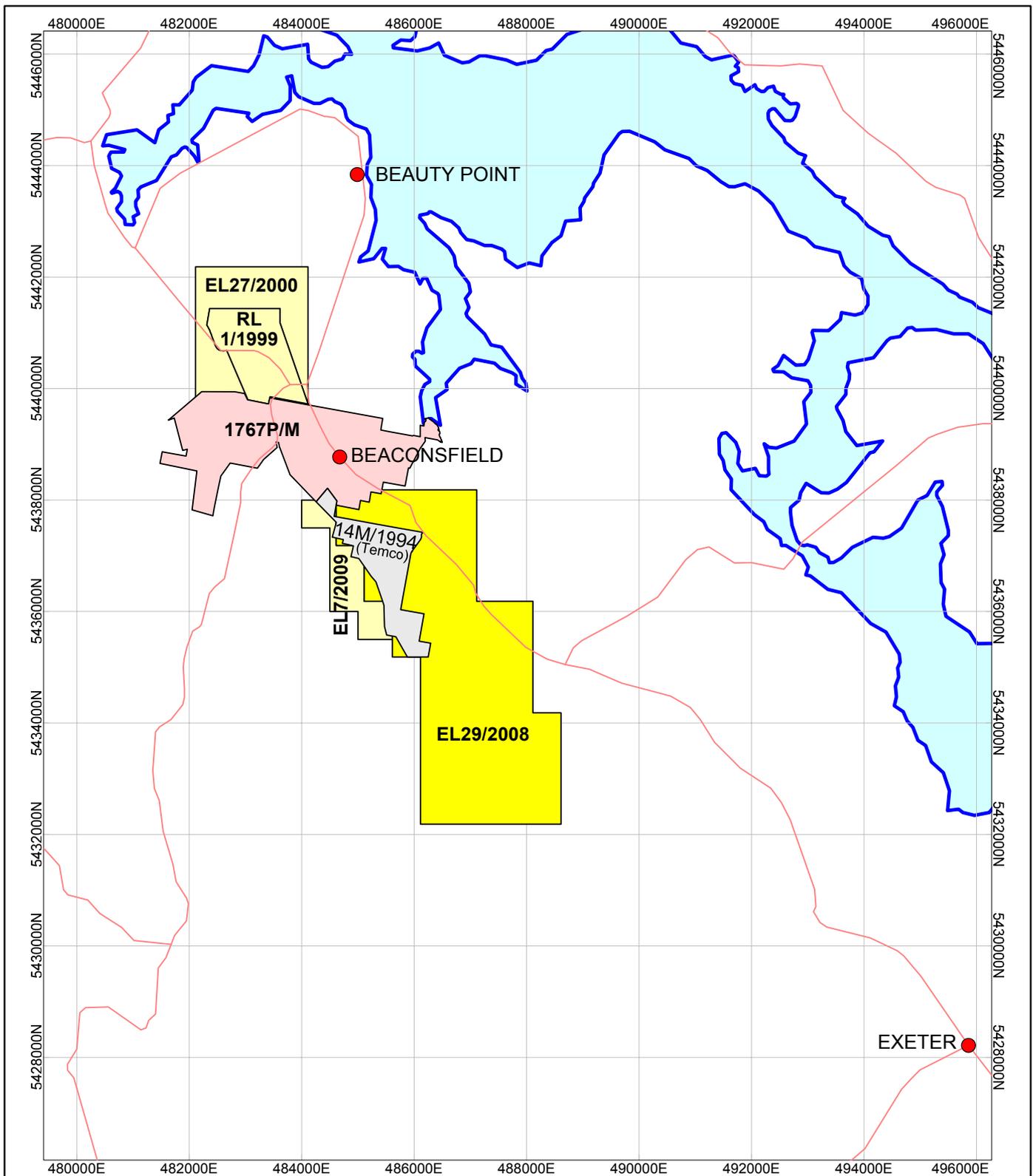
By arrangement with Temco at Bell Bay, a 1060 sample C-horizon soil survey was completed on that part of the Temco mining lease 14M/1994 within the area covered by EL 29/2008. Integration of the Temco survey results with all earlier soil data on the EL generated four new high ranking prospects requiring follow-up close spaced soil sampling and probable drilling. Three of the prospects are in Middle Arm Gorge and the other is at Blue Tier. All three are inside ML 14M/1994. Several lower ranking soil anomalies also need follow-up work.

An orientation A-horizon soil survey at Bulls Road in the south of EL 29/2008 showed potential for effective anomaly definition at substantially lower sampling and assay costs than were incurred previously.

INTRODUCTION & TENEMENT DETAILS

EL 29/2008 is a 12 km² licence centred approximately 4 km SE of Beaconsfield (Figure 1). The EL was awarded to Beaconsfield Gold NL (BGNL) as the successful tenderer for Exploration Release Area 714 in September 2008, for a term of 5 years until 30 September 2013. The ground was formerly held as EL 20/1994, by Allstate Prospecting Pty Ltd on behalf of the Beaconsfield Mine Joint Venture (BMJV), a joint venture between Allstate Explorations NL and Beaconsfield Gold NL. EL 20/1994 expired in October 2007 and the ground was re-released by Mineral Resources Tasmania (MRT) as ERA 714.

The regional geology within and around the current EL is shown on Figure 2. The main targets of exploration interest to BGNL are gold mineralised structures hosted within the NNW-SSE trending strike ridge of thrust fault bounded Ordovician sedimentary (and very minor volcanic) rocks within the Salisbury Hill Formation and the Eaglehawk Gully Formation. These rocks are the strike extension of the host stratigraphy in the Tasmania Gold Mine (recently renamed from the “Beaconsfield Gold Mine”).



1000 0 1000 2000 3000

(meters)

GDA94 / Map Grid of Australia zone 55

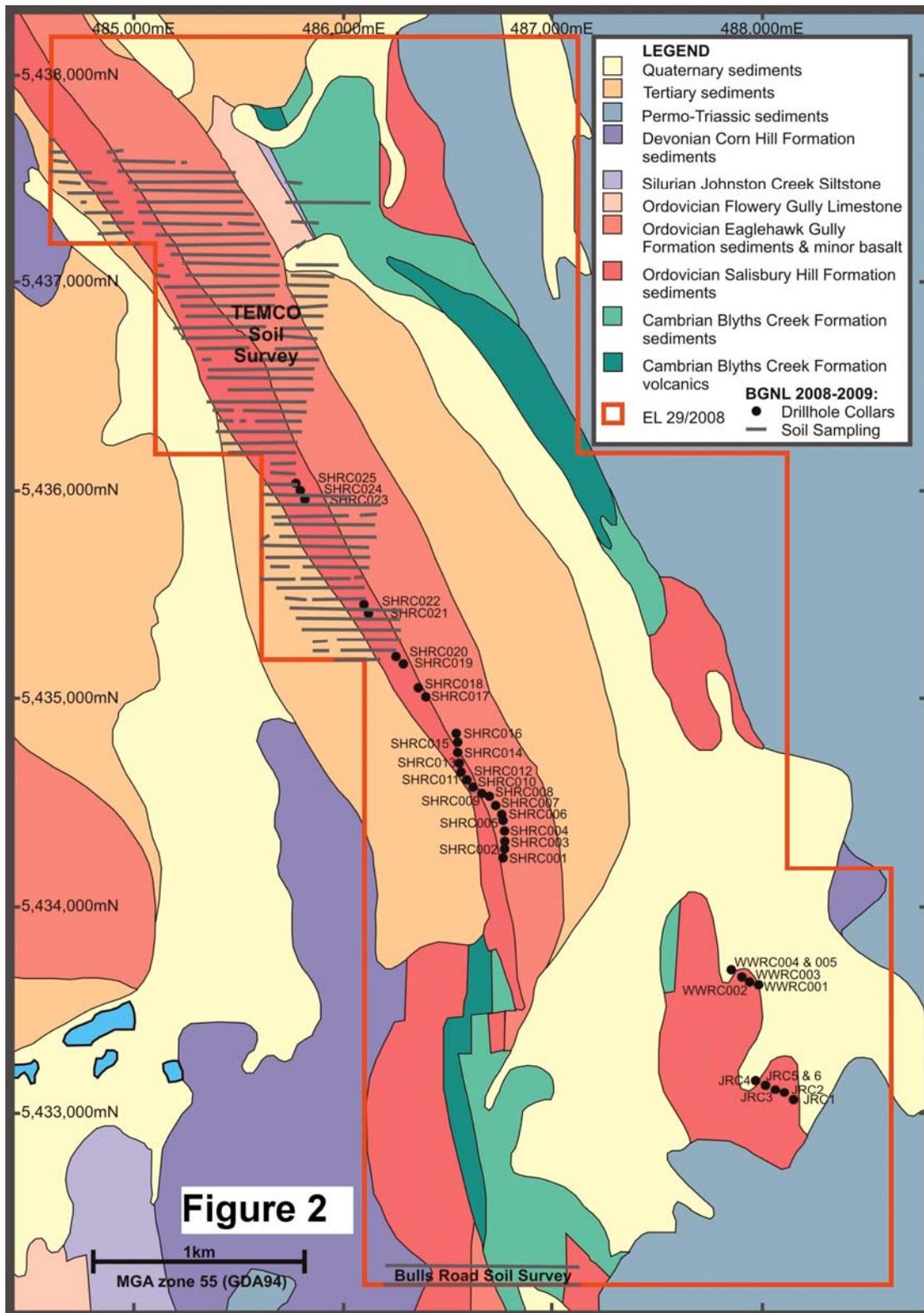
BEACONSFIELD GOLD NL

EL29/2008 - Salisbury Hill

Figure 1
Tenement Location Map

Author: KM / PM

Date: Aug 2009



All weather access to most parts of EL 29/2008 is available via 2WD and 4WD roads and tracks connected to the sealed West Tamar Highway and Flowery Gully Road and all services and equipment needed for year round exploration are available in the Beaconsfield district.

This report covers exploration completed in licence Year 1, ending on 30 September 2009. In late 2007, during the period when the predecessor EL 20/1994 was nearing its expiry date, an opportunity arose to conduct a helimagnetic-radiometric survey over the area which subsequently became EL 29/2008. This survey was considered essential to enable the exploration aims for the area to be fully tested so BGNL proceeded with the contract. The results of the survey have not been previously reported, as processing and interpretation were incomplete at the time of the EL 20/1994 Final Report (Morrison, 2007). The survey is included in the current report and has been an integral part of the drill target generation strategy to date on EL 29/2008.

A substantial portion of EL 29/2008 is overlain by the Temco mining lease 14M/1994 (Figure 1), which include rights to Category 1 commodities. An access agreement between BGNL and Temco resulted in a soil survey being conducted on the Temco ground during the Year 1 exploration program. Cooperation between the two parties will continue to be pursued by BGNL to permit access to any gold resources which may be discovered by future drilling of structural/geochemical anomalies generated within the area covered by 14M/1994. However at the time of this report, no formal arrangement for the transfer of gold rights on 14M/1994 is in place.

EXPLORATION AIMS & PHILOSOPHY

The Tasmania Reef is a Devonian orogenic quartz + carbonate + sulphide + gold (“mesothermal”) reef occupying a transverse dilational shear which strikes northeasterly and dips steeply to the southeast. The reef is located in the Cabbage Tree Hill thrust slice which is bound by the underlying and overlying Cabbage Tree and Cobblestone Creek Thrusts respectively. The reef is only economic where it cuts the siliciclastic strata of the Denison Group. Other mineralized structures parallel the orientation of the Tasmania Reef both in the immediate mine environment (South Reef, Inner South Reef and North Reef) and further afield (North Tasmania and Pease Creek). Thus the principal model for mineralisation being targeted is steeply dipping, discrete reefs filling dilational strike-slip faults paralleling the Tasmania Reef within the Cabbage Tree thrust slice.

However, there are occurrences of gold mineralization in other structural settings in the region. In particular, gold at the Salisbury goldfield in EL 29/2008 occurs in shallowly southwest dipping quartz veins in the immediate hangingwall of a small branch thrust off the main Cabbage Tree Thrust, and in low angle east dipping veins conformable with the Cabbage Tree Thrust. Further, mineralisation in the Moonlight-cum-Wonder workings on the Beaconsfield mine lease appears to occupy the fold hinge of a north-northwest trending syncline, and the carbonaceous pyrite veinlet stockwork style of mineralization encountered at North Pease Creek also appears to be stratiform and controlled by structures in the hangingwall of the Cabbage Tree Thrust.

Experience gained to date exploring in the Beaconsfield district indicates that a

combination of high resolution airborne magnetics, soil geochemistry and reverse circulation percussion drilling has been the most effective strategy for generating and testing anomalies sourced from structurally controlled gold mineralization.

The treatment plant for the Tasmania Gold Mine is located 5 km NW of the EL centre and has excess capacity beyond the achievable production rate from the Tasmania Mine. This provides a comparative advantage when exploring in northeast Tasmania, in that the minimum deposit size required for economic mining is smaller than would be required for a stand-alone operation.

SUMMARY OF PREVIOUS EXPLORATION

A comprehensive review of early prospecting and mining activities around Salisbury, Salisbury Hill and Middle Arm Gorge, commencing in the late 1870s, together with an account of modern exploration, is given in MacDonald (2000) and is the source of the pre 1995 work summarized below.

Modern exploration began in 1980 and four phases of work occurred prior to BMJV activity.

1980-1982

AMAX held EL 39/81 and cut 10.8 km of grid lines, on which they conducted geological mapping, -80# soil sampling a ground magnetics survey and channel sampling within the old adits at Salisbury (Poltock, 1980). They achieved a best channel sample result of 7m @ 4.37 g/t Au, sampled along low angle veining, in the Powerline Adit at Salisbury.

1985

Goldfields exploration Pty Ltd held EL 17/73 and concentrated on further testing the Salisbury prospect and adjoining Johnson Creek Fault zone (Pease, 1984). They completed regional scale stream sediment and aeromagnetic surveys, extended the AMAX soil grid and drilled four diamond drill holes (S3-6). The results were disappointing, with a best assay interval of 0.63 g/t Au over about one metre in S3.

1988

Independent explorers Harry Stacpoole and John Miedecke jointly entered an agreement with BHP to further explore Salisbury which at that time was held by BHP within their silica mining lease CML 145M/79. Several costeans were developed around the old Salisbury workings and 7 short vertical open hole percussion holes were drilled to a maximum depth of 22 metres (Stacpoole and Miedecke, 1988). The best result was only 11m @ 0.2 g/t Au but later underground mapping showed that the drill holes were too short to intersect one of the vein sets present (MacDonald, 2000).

1987-1989

Beaconsfield Gold Mines Ltd held EL 7/88 and conducted a regional BLEG drainage survey and flew more aeromagnetics over the area (Hicks, 1989). Creeks draining the areas around old workings at Salisbury, Eaglehawk Gully and Middle Arm Gorge returned anomalous values but no further drilling was conducted.

Exploration by BMJV commencing in 1995 and occurred in three phases.

1995-2001

Low intensity prospect generation field work and data compilation was conducted by BMJV during the period when the Beaconsfield gold mine was being constructed and ramped up to full production.

- Mapping and rock chip sampling around old gold diggings, abandoned quarries and major structures, combined with a ground magnetics survey over the southern part of the current EL (Hills, 1997, MacDonald, 1998).
- A 2062 sample C-horizon soil survey with 100 metre line spacing and 50 metre sample spacing (MacDonald, 1999). Part of the survey was located outside the area now held under EL 29/2008 (Hills and MacDonald, 1999).
- Infill soil sampling, mapping and sampling of old underground and surface workings, re-logging drill core from pre BMJV exploration and modeling of structural/stratigraphic controls on mineralisation, particularly around the Salisbury-Johnsons Creek Fault area (MacDonald, 2000).

2002-2004

- In November 2002 Diamond Ventures NL farmed-in to EL 20/1994 as part of a joint tenement joint venture between Diamond Ventures (the JV operator) and BMJV (Bucknell, 2003). Diamond Ventures conducted an intensive 18 month work program on EL 20/1994 following on from the prospects identified previously by BMJV.
- The BMJV soil survey was extended and infilled to 25 metre sample spacing in places and 16 vertical RC percussion holes (551m) were drilled on the Salisbury prospect. Best results were 1 m down hole @ 4.1 g/t Au from 35m in BRC6 and 2m down hole @ 2.18 g/t Au from 10m in BRC10 (Bucknell, 2003).
- Some of the better soil anomalies were tested with a 12 tonne track mounted hydraulic rotary/percussion blast hole rig, combined with excavator pits to check drill results inconsistent with the soil anomalies. The results down graded the anomalies tested (Bucknell and Morrison, 2003a).
- Two RC percussion and one DDH (242m) tested the Johnsons Creek Fault zone in the south of the current EL. Best result was 2m down hole @ 5.3 g/t Au from 52m in BFRC17 (Bucknell and Morrison, 2003b).
- A follow-up 145m DDH test of the Johnsons Creek structure did not encounter significant mineralization. The stratigraphic interpretation from core implies a rotational dextral displacement of the Ordovician rocks and the Cobblestone Creek Thrust Fault in that area (Morrison, 2004).

The Diamond Ventures JV was terminated in 2004.

2005-2007

Following a 2004 partial relinquishment and extension of term, BMJV continued

prospect and regional scale exploration within the remaining approximately 12 km² of the EL.

- Two DDHs tested the structure controlling the topographic discontinuity at Middle Arm Gorge in the north of the EL. B52 and daughter wedges B52a and B52b reached a total depth of 652.5m and intersected reef style structures with minor mineralization. Best results were 0.8m down hole @ 4.4 g/t Au from 587.15m and 4.8m down hole @ 0.2 g/t Au from 587.95m (MacDonald, 2006). The follow-up hole B53 had less drilling problems than B52 and reached a total depth of 522.3m. An unmineralised structure was intersected between 187.6-190.9m down hole and was interpreted as the primary structure controlling Middle Arm Gorge (MacDonald, 2007).
- A 305 line km helimagnetic/radiometric survey was flown by GPXair, utilizing helicopter and contractor availability following from the 2007 MRT regional airborne geophysics program in NE Tasmania.

YEAR 1 EXPLORATION RESULTS

Airborne Geophysics

On 9th September 2007, GPX Airborne flew a helicopter aeromagnetic and radiometric survey for BGNL over the area now covered by EL 29/2008. As mentioned in the introduction, interpretation of the survey results has not been previously reported and was a key component of the drill site targeting approach used during the past year. Digital data supplied by the contractor are enclosed as CD 2, which includes ASCII located data files and ER Mapper grid files showing the basic data types.

Table 1 Survey Parameters

Job number:	2313
Line km surveyed:	305
Line spacing:	50 metres
Line direction:	090° and 270°
Tie line spacing:	500 metres
Tie line direction:	000° and 180°
Sensor height:	60 metres
Magnetometer sample rate:	10 Hz
Spectrometer sample rate:	1 Hz recording 256 channels
Altimeter sample rate:	10 Hz
Base magnetometer sample rate:	1 Hz

Subsequent processing, by consultant geophysicist Philip Muir, trialled various techniques to enhance any generally ENE-WSW oriented structures that might be present. Such structures parallel the Tasmania Reef at Beaconsfield and are therefore prospective targets. The flightline direction for this survey is east-west which ensures that any significant target structures will cross multiple flightlines as well as intersect geological strike at a high angle.

Figures 3 to 7 show various geophysical data and processed images. All of these

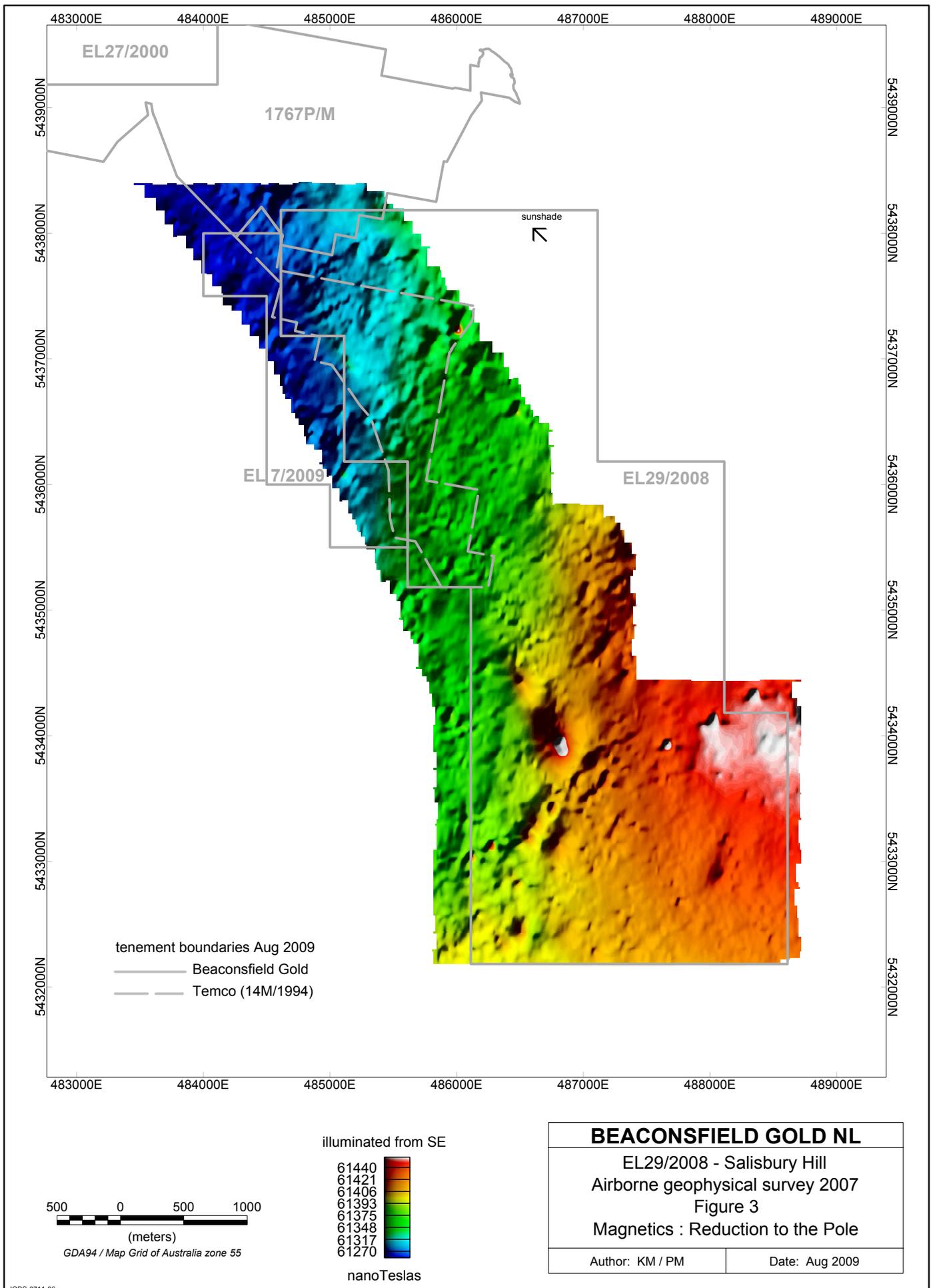
images use sun-shading from a south-easterly direction. Reduced-to-the-pole magnetics is shown in Figure 3 which illustrates the basic magnetic data. Hints of ENE-WSW structures can be seen crossing the survey particularly in the northern and central portions. Some cultural anomalies are present, and are especially prominent in the southern portion of the survey where power pylons spaced at approximately 500m cross the survey area at a bearing of about 060 degrees.

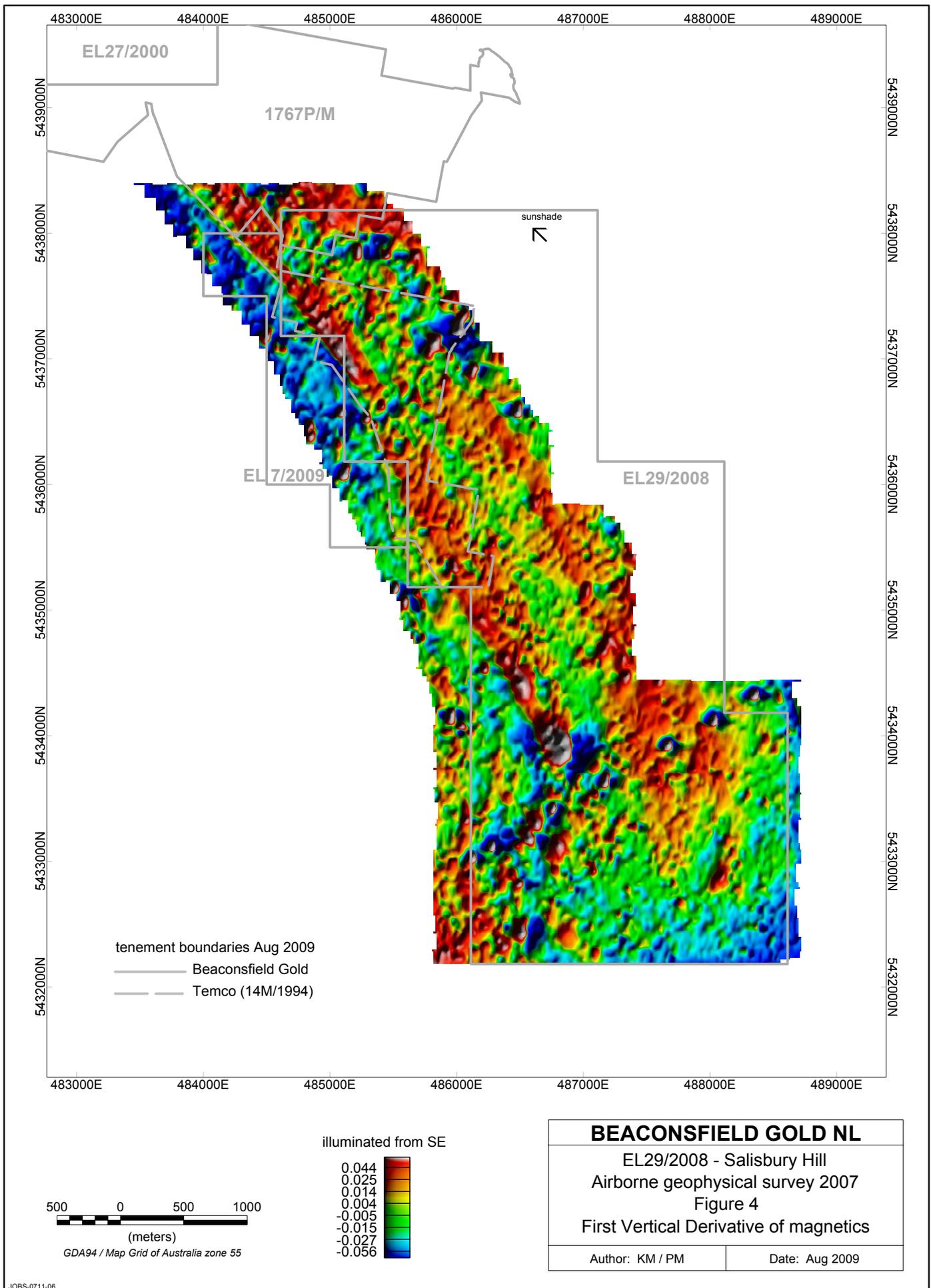
The first-*vertical*-derivative of the magnetics is shown in Figure 4. This processing enhances narrower features that have magnetic sources nearer the surface, while suppressing broader responses from deeper sources. The responses from different stratigraphic horizons start to become clearer in this image. Hints of ENE-WSW structures can be seen but are still not particularly clear.

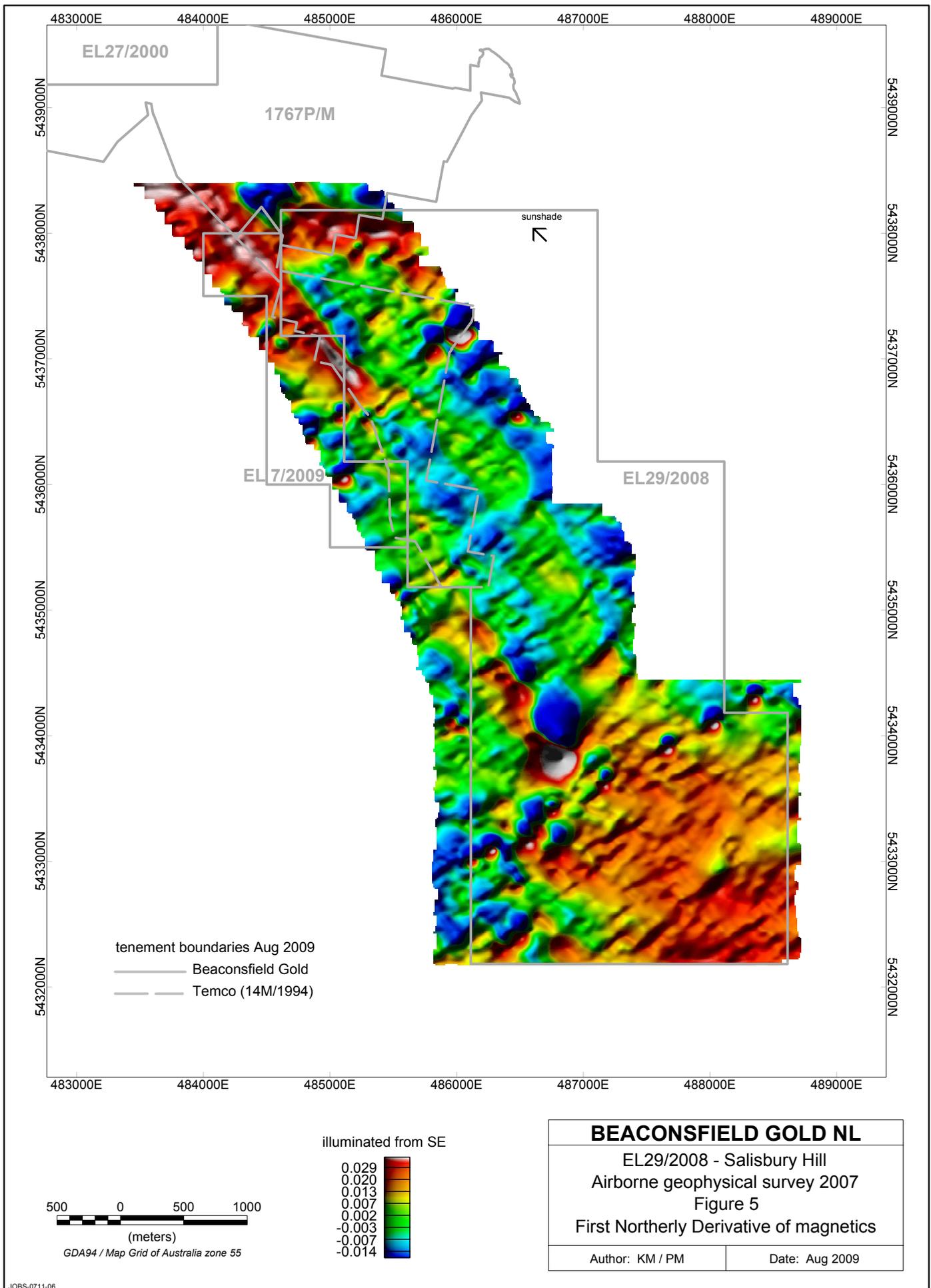
The first-*northerly*-derivative of the magnetics is shown in Figure 5. This horizontal derivative also enhances narrower features that have magnetic sources nearer the surface but uses the gradient in the northerly direction to achieve this and is thus biased towards enhancing features with an east-west orientation component. Unlike the vertical derivative, this northerly horizontal derivative is asymmetric in that it will produce a paired positive/negative anomaly over a single discrete magnetic source. With the addition of sun-shading the physical meaning of anomalies on this image are not simple to understand, however this processing does enhance quite well several ENE-WSW structures that are potential exploration targets.

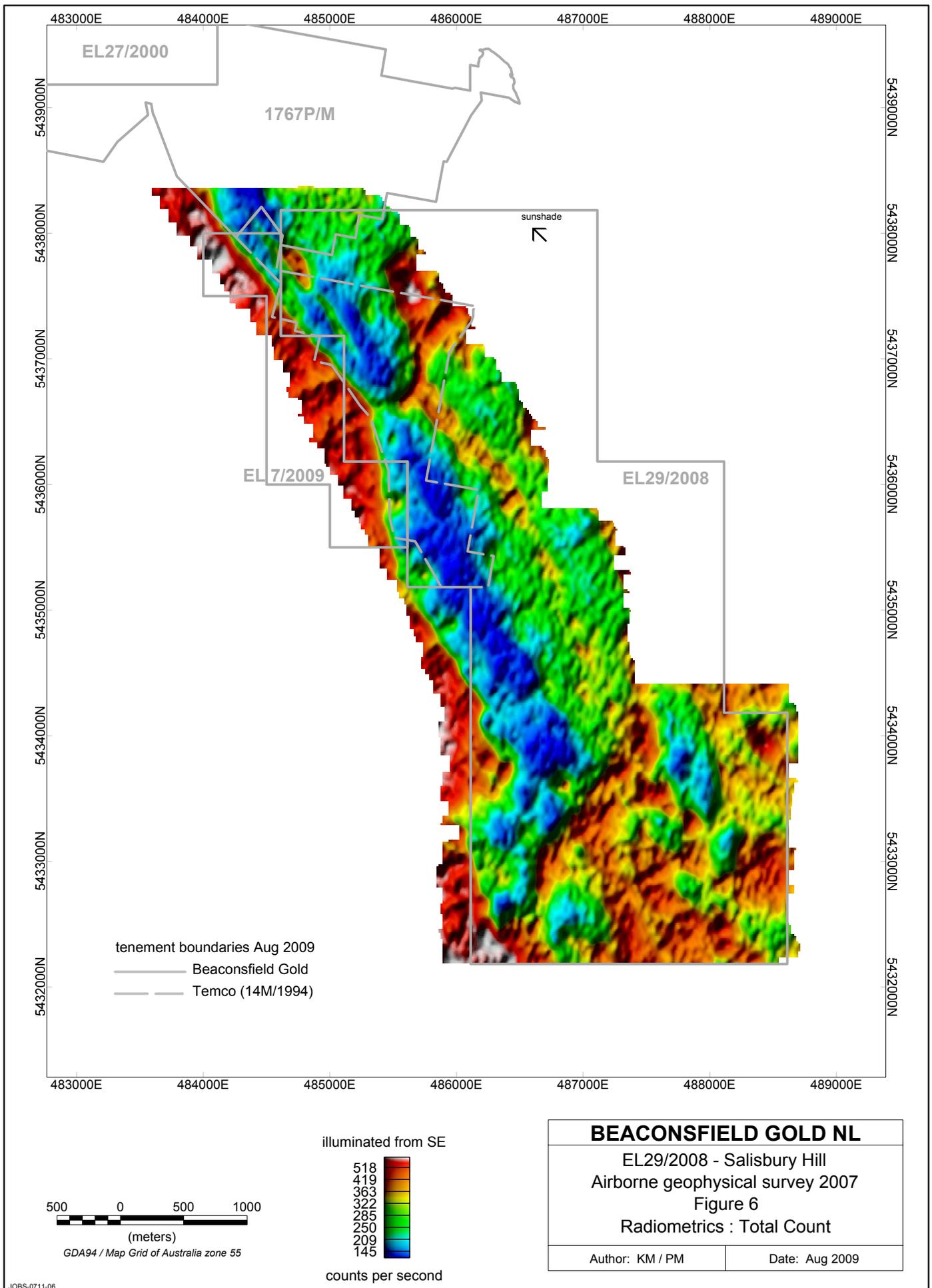
Total-count radiometrics is shown in Figure 6. In the northern and central portions of the survey area the data appears to correlate reasonably well with the stratigraphy. This correlation is mainly due to the thorium contribution to total count and therefore may be reflecting contrast in detrital monazite content between the stratigraphic units. In the southern portion the relationship with radiometrics is less obvious. The geological structure is more complex and Cambrian rocks comprising a diverse suite of black slates, carbonates, quartz sandstones, green and purple shales, polymict conglomerates and mafic volcanics contrast with the strike ridge of uniform Ordovician siliciclastic rocks along Salisbury Hill. A digital terrain image produced from all the survey data is shown in Figure 7 and it also appears to reflect the regional thrust-controlled stratigraphy (Figure 8) and also clearly shows the dextral offset along the Johnson Creek Fault and the juxtaposition of the Cambrian rocks to the southeast of the fault.

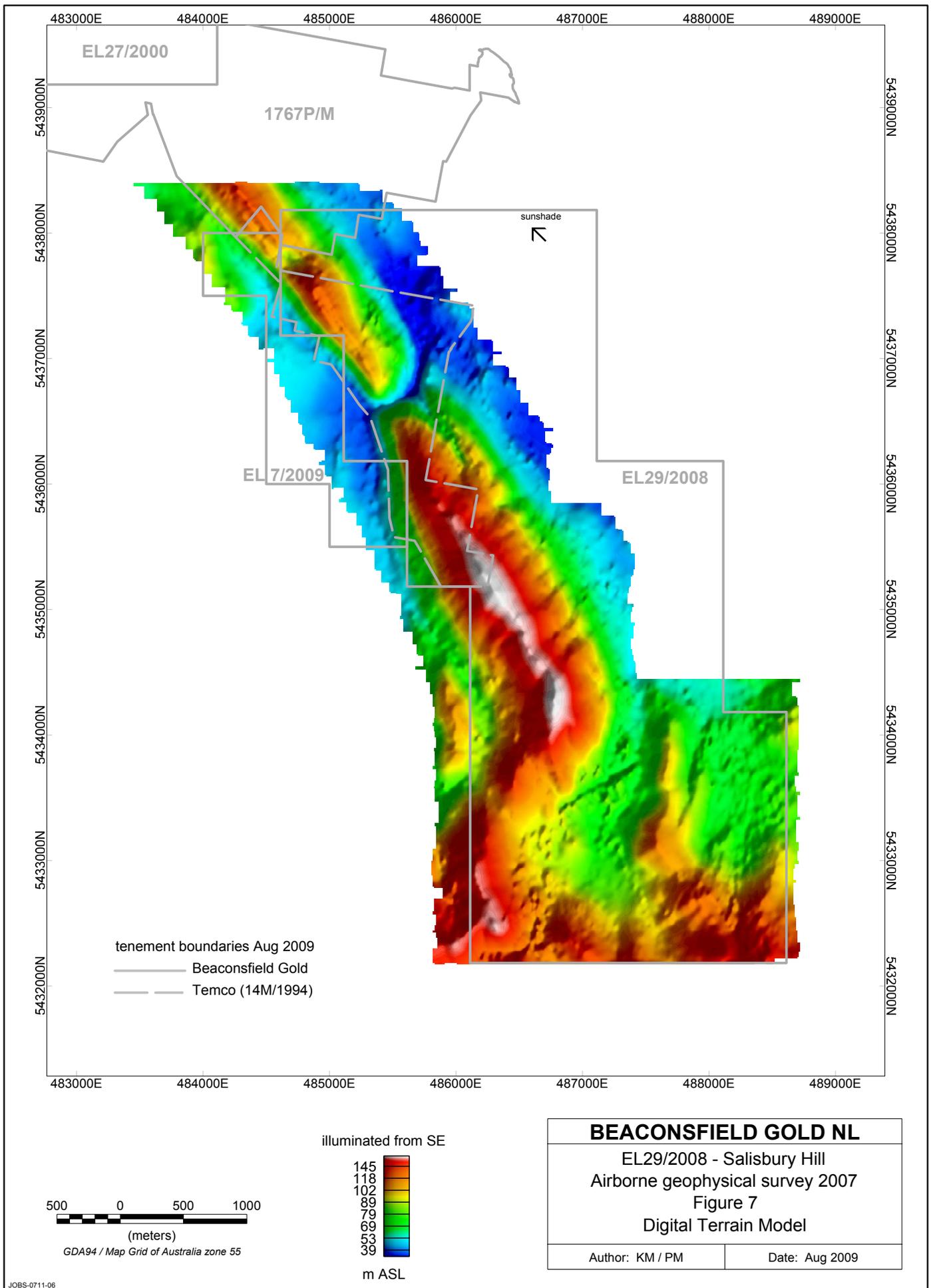
Figure 9 shows a suite of ENE-WSW structures interpreted mainly from the first-*northerly*-derivative in Figure 5. Those lineaments, judged to have the highest ranking potential for being sourced by dilational shears, were drill tested (Figure 10) as close to the stratigraphic contact between the Salisbury Hill Formation and the Eaglehawk Gully Formations as was logistically and environmentally practical.

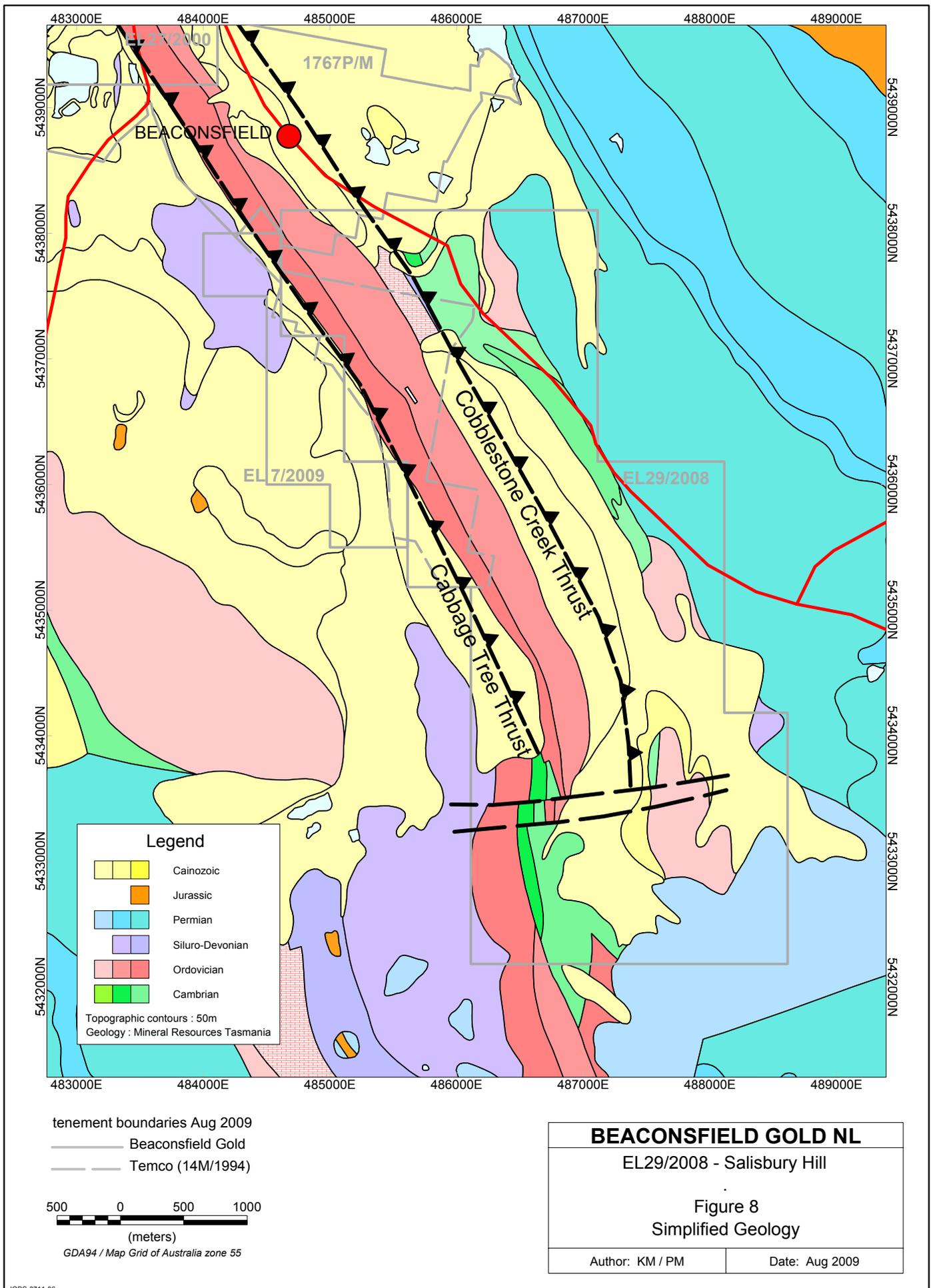


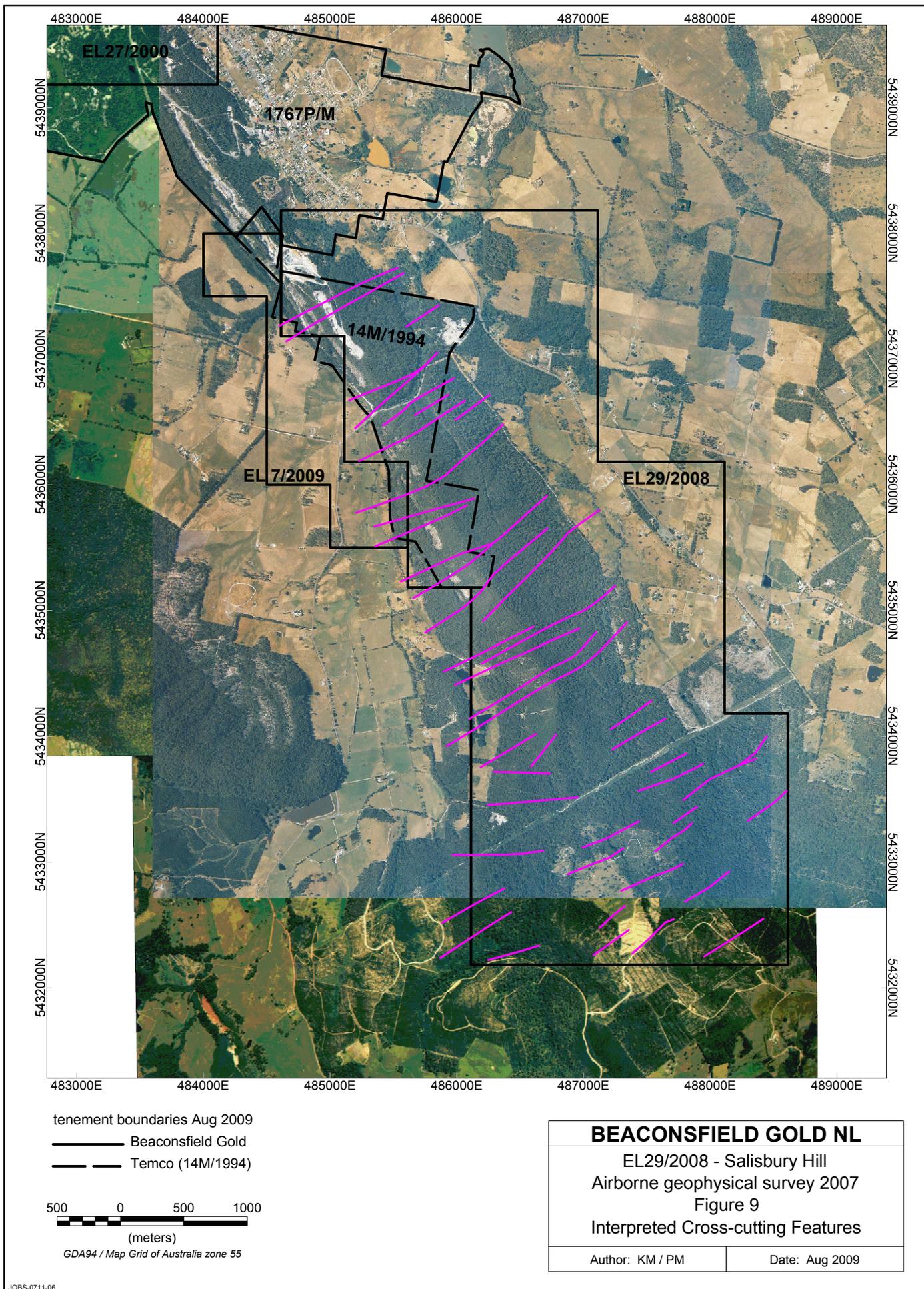






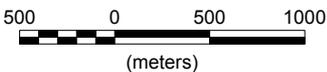






tenement boundaries Aug 2009

- Beaconsfield Gold
- Temco (14M/1994)



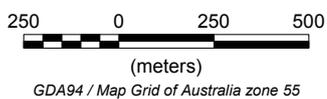
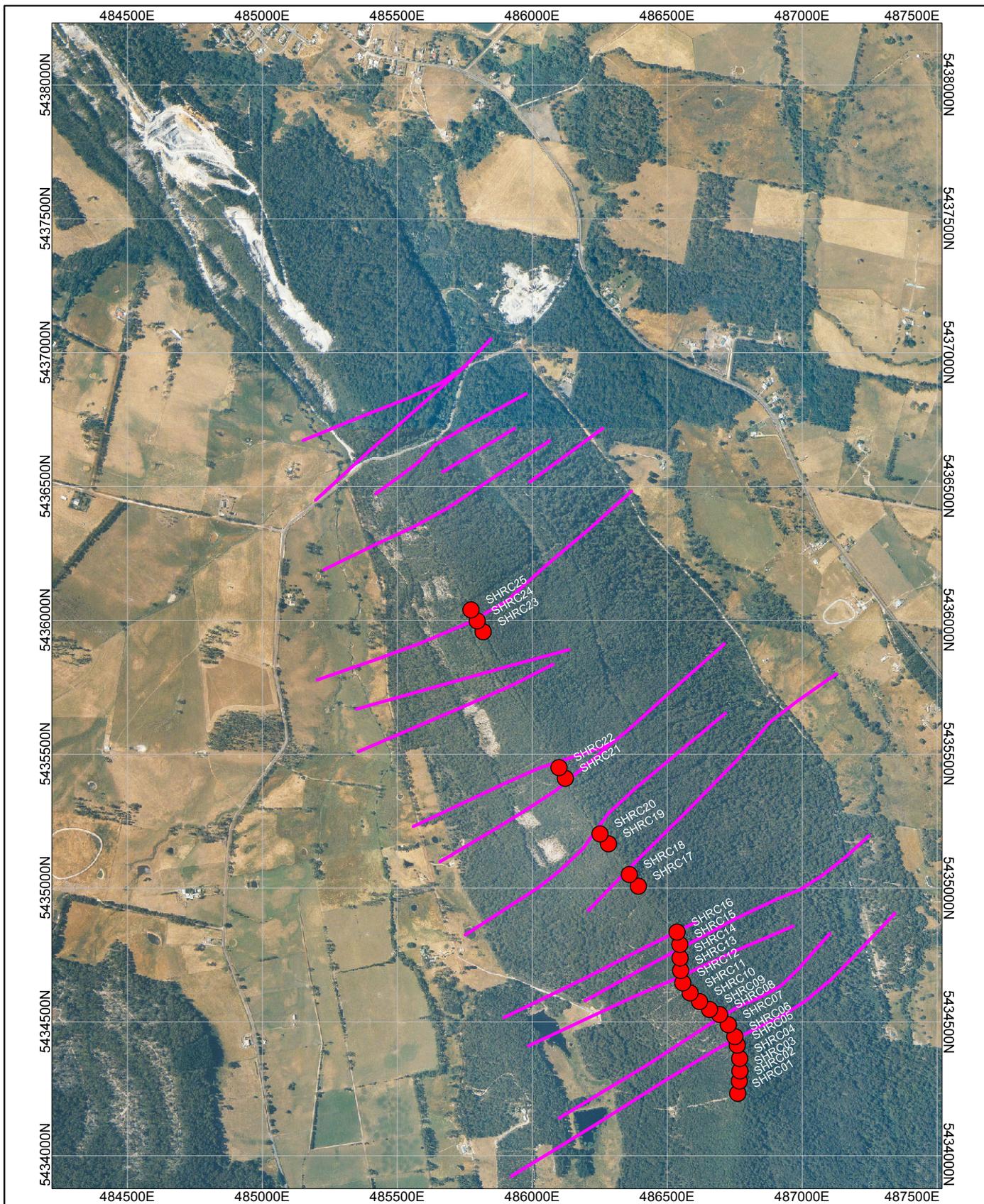
GDA94 / Map Grid of Australia zone 55

BEACONSFIELD GOLD NL

EL29/2008 - Salisbury Hill
 Airborne geophysical survey 2007
 Figure 9
 Interpreted Cross-cutting Features

Author: KM / PM

Date: Aug 2009



BEACONSFIELD GOLD NL

EL29/2008 - Salisbury Hill

Figure 10

Priority Magnetic Lineaments
and Drill Collars

Author: KM / PM

Date: Aug 2009

Drilling

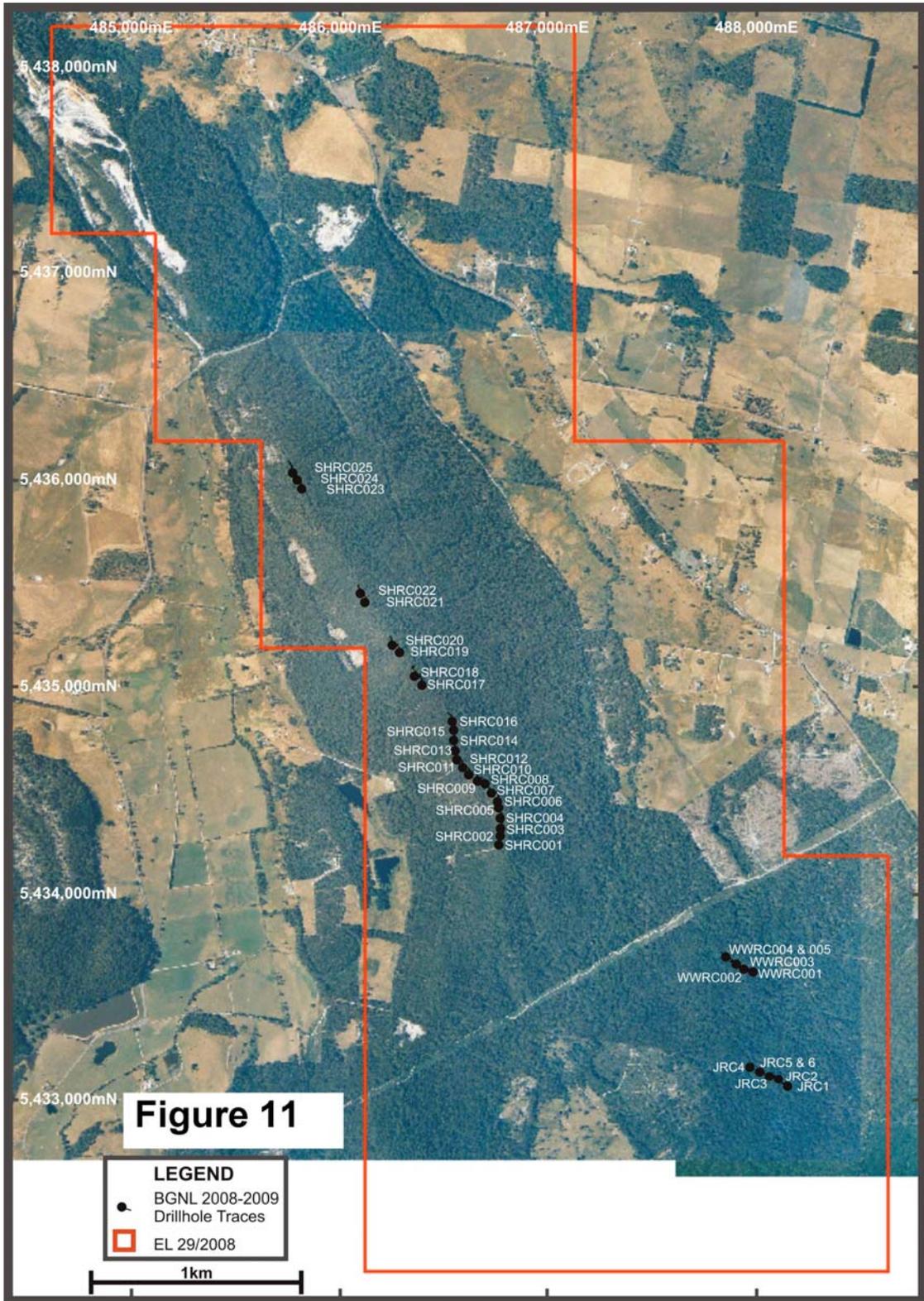
36 reverse circulation percussion holes were drilled on five prospects for a total of 3436 metres. Three prospects (Salisbury North, Blue Tier and Eaglehawk Gully) are located along the Salisbury Hill ridgeline, in Ordovician Mine Sequence correlate stratigraphy and the remaining two (Jarmans and Wings West) are in the southeast of the EL, hosted in Cambrian Blyths Creek Formation rocks (Figures 2 & 11). The drilling occurred in two campaigns, both awarded to Spaulding Drillers from Devonport, Tasmania. The 11 hole campaign at Jarmans and Wings West used a track mounted G&K 850 rig and the 25 hole program on Salisbury Hill used the track mounted SD 800, which is a smaller, lighter and slightly more maneuverable rig. Both rigs were supported by a track mounted compressor/booster compressor vehicle and operated by a three man crew. All holes were drilled with a Premier PR4 hammer and a nominal bit diameter of 120 mm. Samples were split on site through a three tier riffle splitter and combined into two metre composite calico bag samples of approximately 2 kg for assaying at Amdel Adelaide.

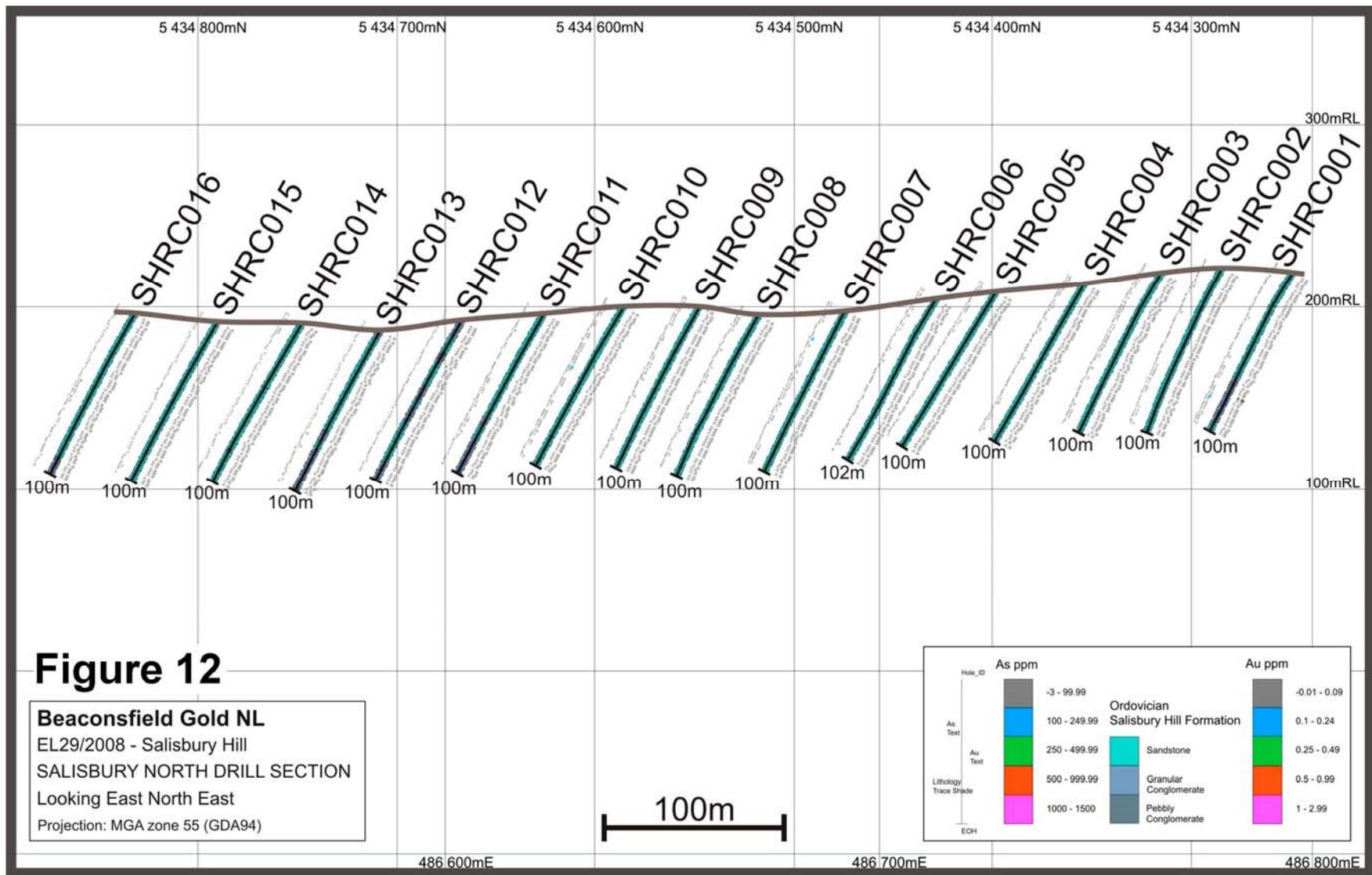
The Salisbury drilling was designed to test as many of the high ranking linear features interpreted from the airborne magnetics (Figure 10) as could be accessed reasonably easily along the Salisbury Hill ridge top and by avoiding ML 14M/1994. The ridge top 4WD track required minor widening to create viable access but no additional earthworks were necessary. Some low tenor (5ppb gold threshold) soil anomalism from earlier surveys exists along the ridge top and on the basis of the lineament and soil anomaly locations three prospects are recognised: Salisbury North, Blue Tier and Eaglehawk Gully. All 25 SHRC series holes were azimuthed to the NNW on the assumption that the targets were SE dipping Tasmania Reef-conformable structures. The location of the ridge top track allowed the drilling to test the structural targets in the favourable part of the stratigraphic sequence, ie close to the Salisbury Hill Formation-Eaglehawk Gully Formation contact, where the chance of conglomerate-sandstone juxtaposition on a strike-slip structure is maximized and brittle deformation dilation conditions are more likely.

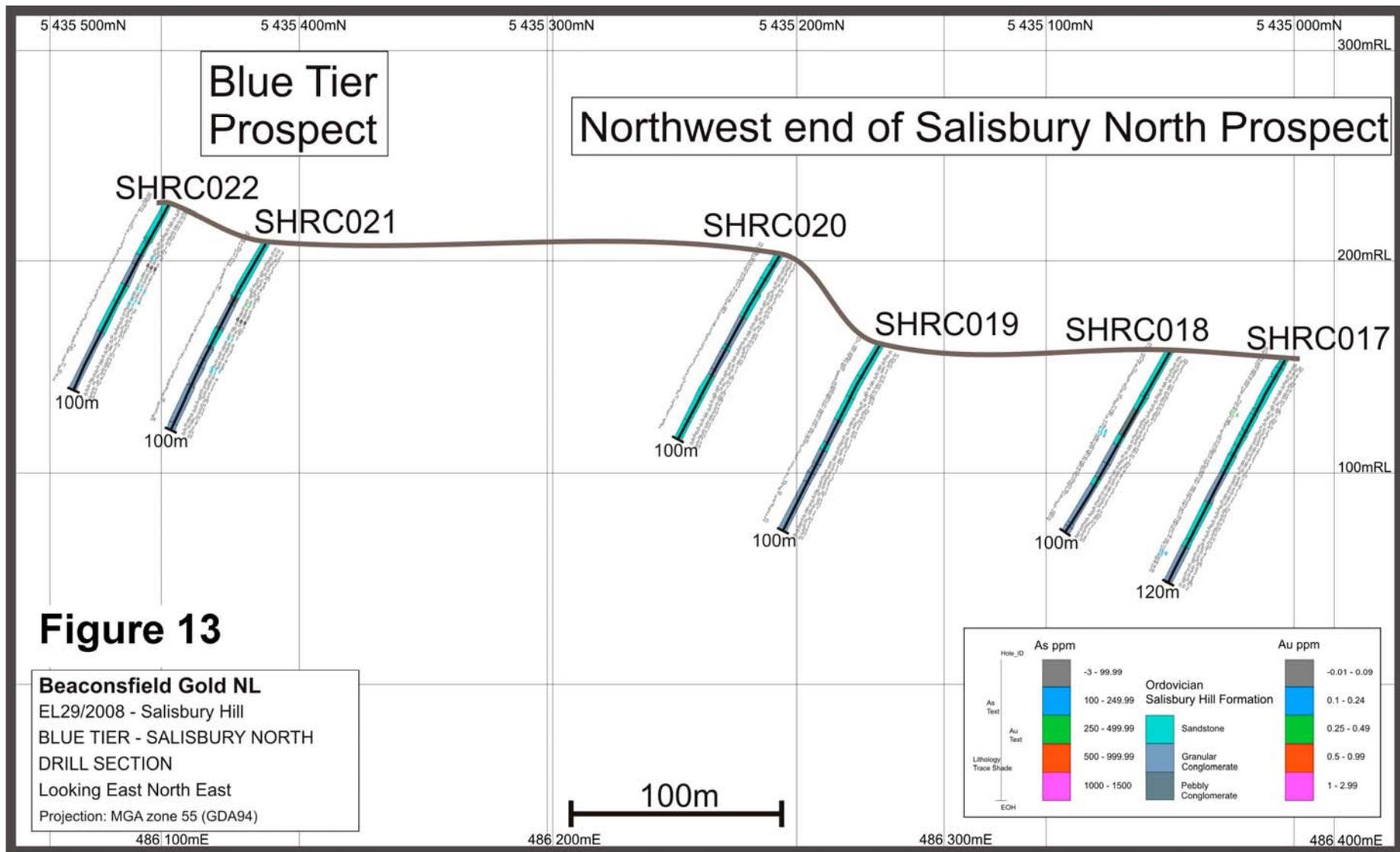
Results are shown on the sections Figures 12-14 and logs, survey and assay data are enclosed on CD 1. Overall the results were disappointing. Geochemically elevated intervals in the 10-100 ppb Au range were encountered on the three prospects at positions consistent with several of the magnetic lineaments being caused by weakly mineralised structures but the 5ppb threshold for anomaly definition is ineffective in discriminating between structures containing traces of gold and those with significant mineralization. Results improved towards the north of the traverse and the two holes testing the Eaglehawk Gully prospect (SHRC24 and 25) intersected encouraging mineralization, as shown in table below.

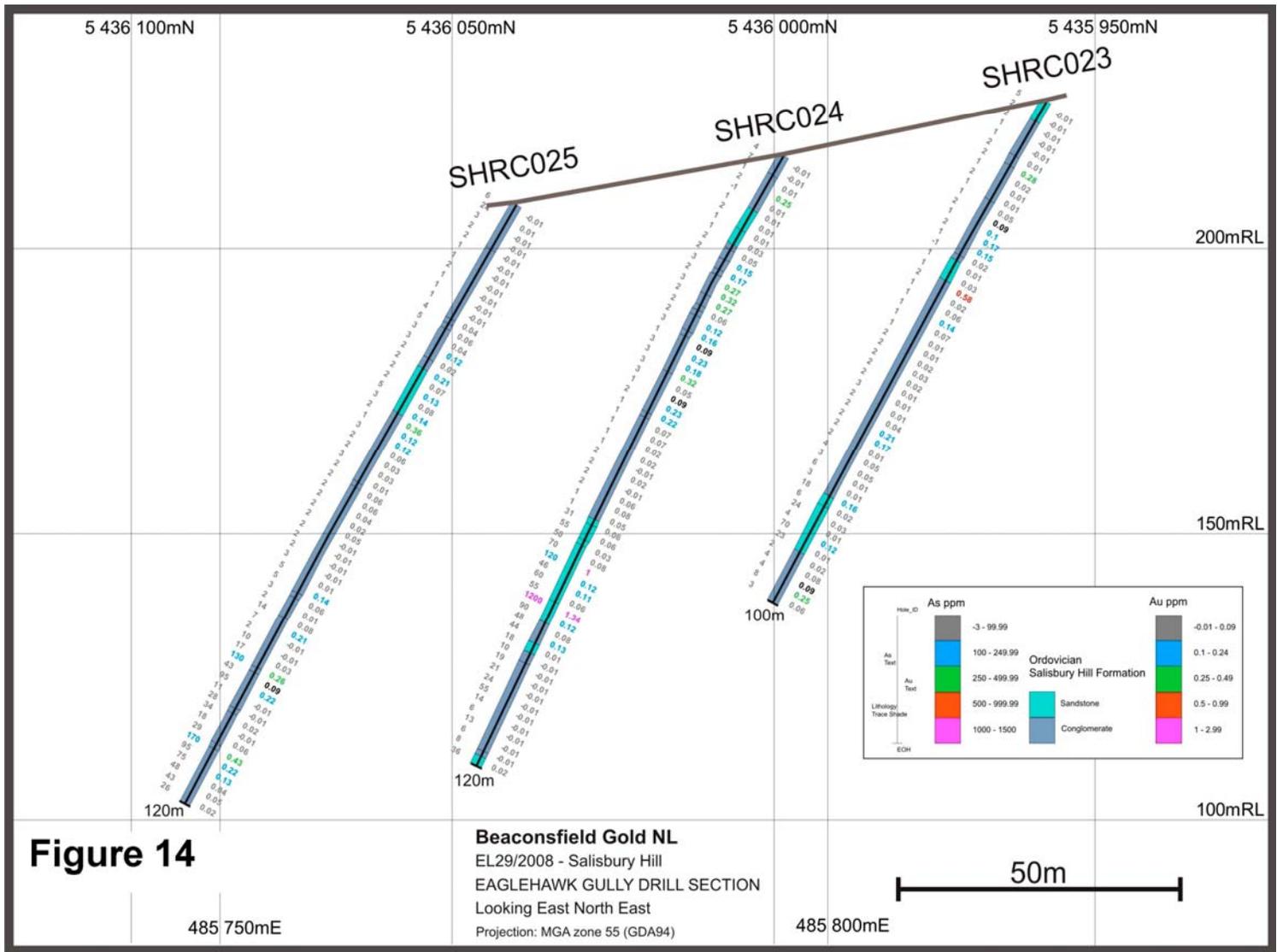
Table 2 Best Intersections–Eaglehawk Gully Prospect

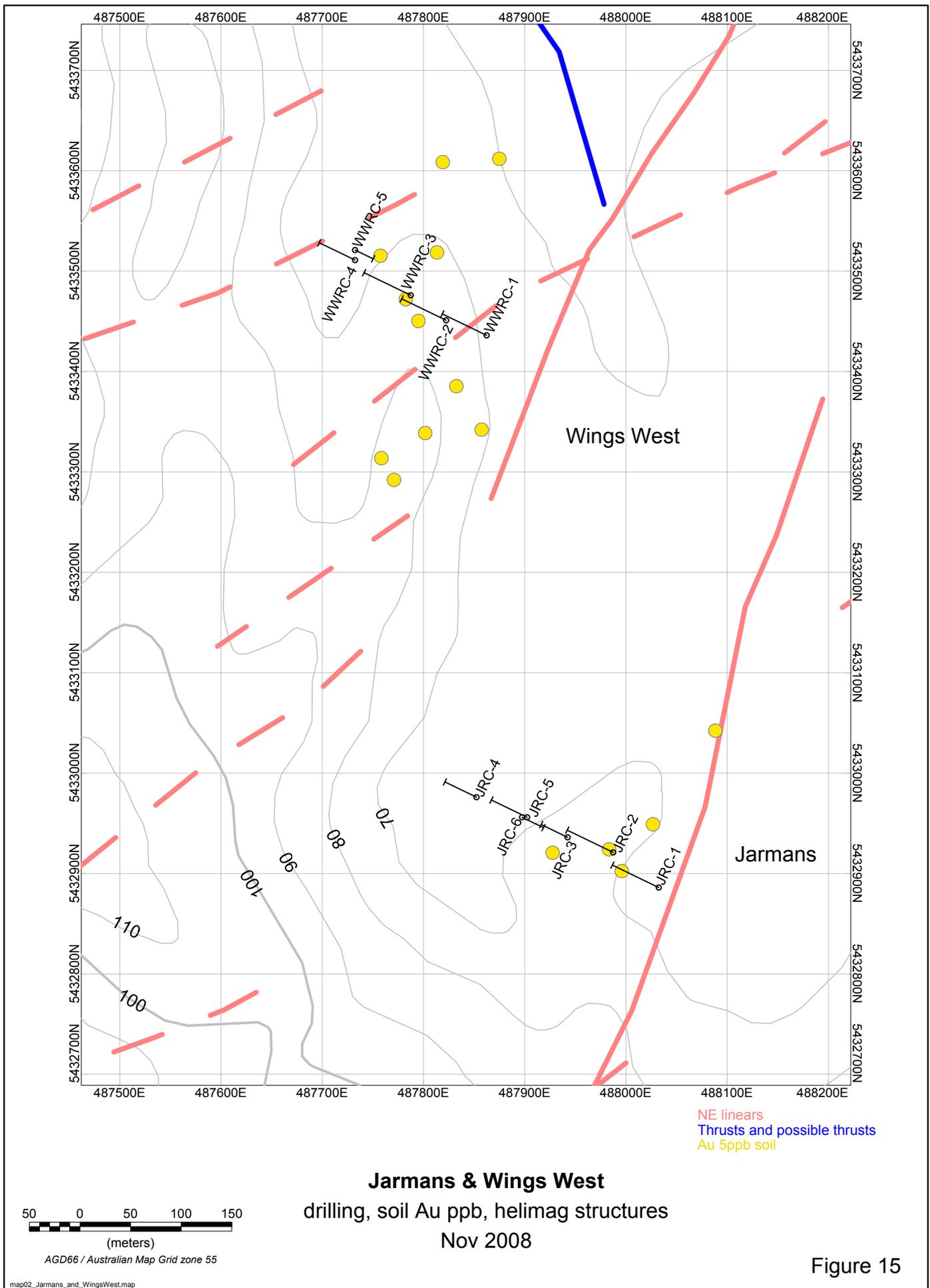
SHRC24	10m @ 0.24ppm Au from 20m
SHRC24	6m @ 0.24ppm Au from 38m
SHRC24	10m @ 0.56ppm Au from 80m (including 88-90m @ 1.34)
SHRC25	6m @ 0.21 ppm Au from 40m
SHRC25	6m @ 0.26 ppm Au from 108m









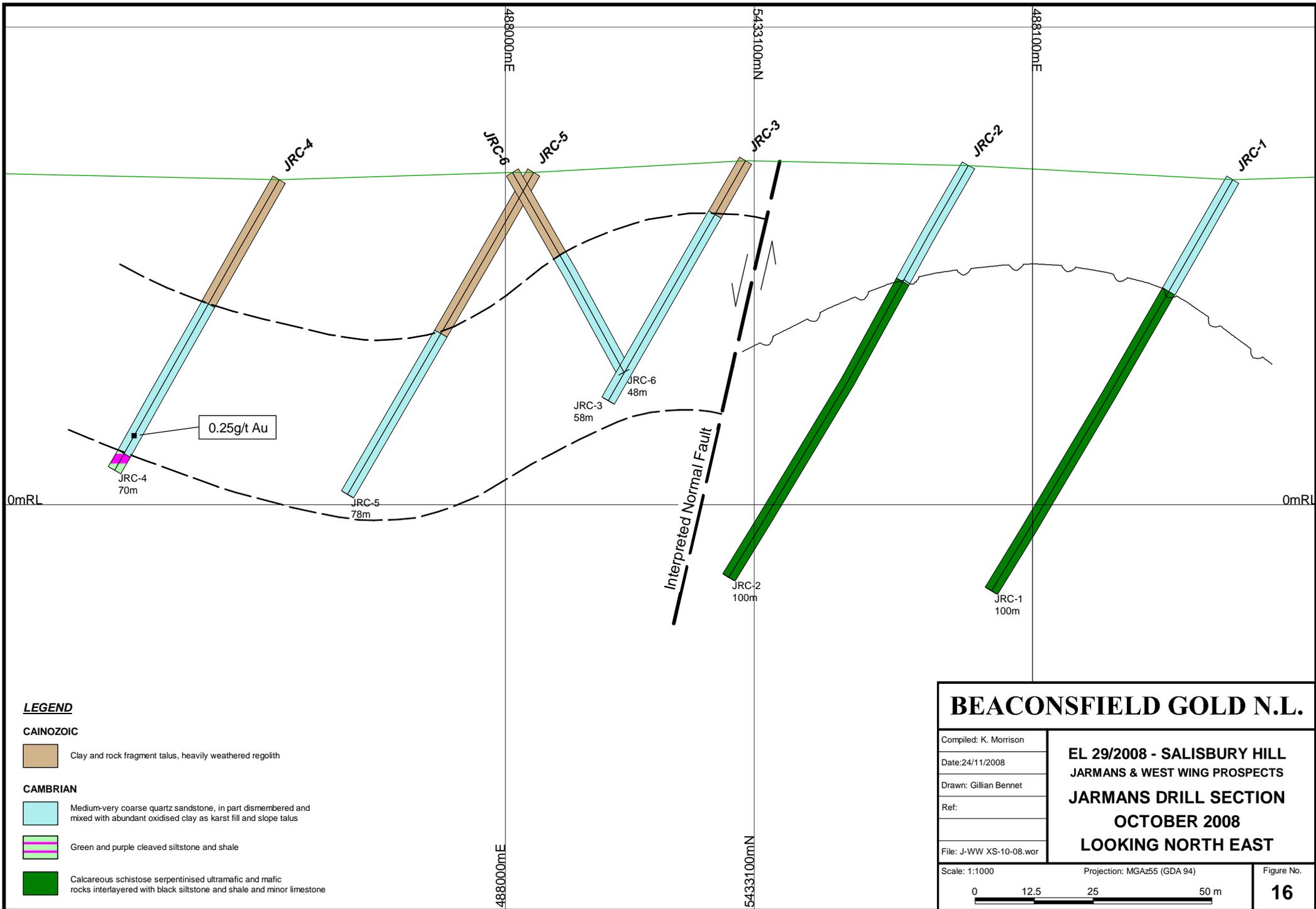


It was not possible on this campaign to extend the traverse further north because of the Temco tenement boundary issue but both the Eaglehawk Gully and Blue Tier prospects require follow-up work.

The Jarmans and Wings West campaign comprised six holes on Jarmans prospect and five on Wings West for a total of 874 metres. Sandstones with common quartz veining were known in the area from previous mapping but it was unclear where in the regional stratigraphy these sandstones belong and similarly, there was uncertainty about whether the prospects were on the Cabbage Tree or Cobblestone Creek Thrust slices. The presence of weak soil and rock chip anomalies around small historic diggings, potentially in the hangingwall of NNE trending structures (Figure 15) was the basis of the prospects and the northwesterly azimuth for the drill holes.

The results (Figures 16 and 17) show that the sandstones are inter layered with ductile purple and green shales and siltstones, calcareous serpentinites and heavily foliated (schistose in places) serpentinitised mafic rocks. Regionally, this package of rocks best correlates with the Blyths Creek Formation stratigraphy at East Beaconsfield, on the Cobblestone Creek Thrust slice. As was the case at East Beaconsfield, common pyrite, quartz veining, silicification, carbonate and apparent fault zones were encountered in the drilling at Jarmans and Wings West but gold mineralization was almost absent. In most cases the gold values above detection level in the drill samples are of a similar tenor as the overlying soil geochemistry anomalies. Best results were 2m @ 0.26 ppm Au in sandstone in JRC4, and 2m @ 0.13 ppm Au in siltstone in WWRC3.

Drilling conditions on both prospects were difficult due to a combination of high water table, deep weathering, especially on structures and apparent karst fill talus accumulations overlying some calcareous serpentinites. Only five holes achieved their 100 metre target depth. No further work is proposed for these prospects and the assignment of the prospect geology to Cambrian Blyths Creek Formation stratigraphy within the Cobblestone Creek Thrust block further down grades the potential of that part of EL 29/2008 southeast of Salisbury.



LEGEND

CAINOZOIC

 Clay and rock fragment talus, heavily weathered regolith

CAMBRIAN

 Medium-very coarse quartz sandstone, in part dismembered and mixed with abundant oxidised clay as karst fill and slope talus

 Green and purple cleaved siltstone and shale

 Calcareous schistose serpentinitised ultramafic and mafic rocks interlayered with black siltstone and shale and minor limestone

BEACONSFIELD GOLD N.L.

Compiled: K. Morrison

Date: 24/11/2008

Drawn: Gillian Bennet

Ref:

File: J-WW XS-10-08.wor

**EL 29/2008 - SALISBURY HILL
JARMANS & WEST WING PROSPECTS
JARMANS DRILL SECTION
OCTOBER 2008
LOOKING NORTH EAST**

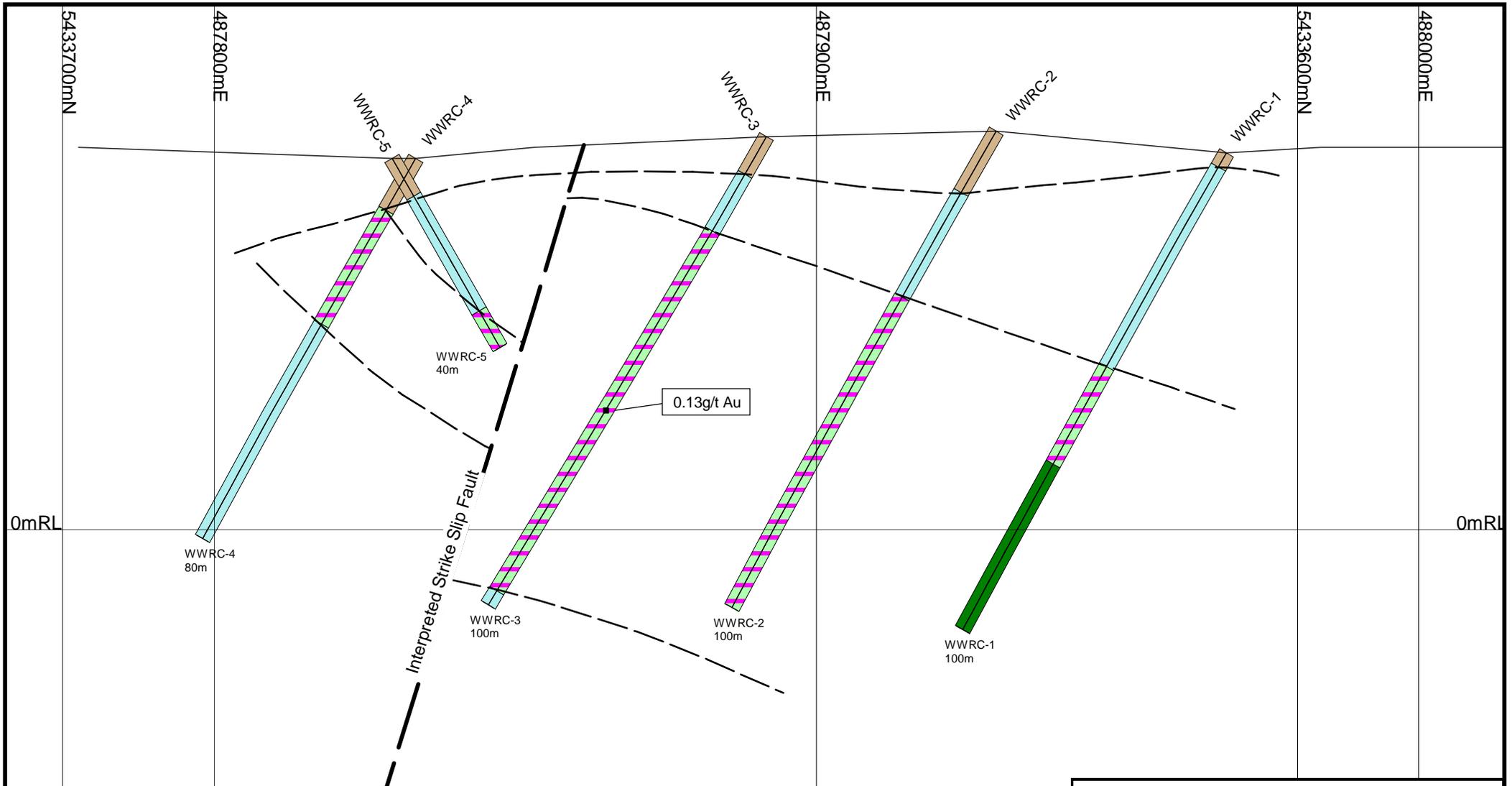
Scale: 1:1000

Projection: MGAz55 (GDA 94)

Figure No.



16



LEGEND

CAINOZOIC

 Clay and rock fragment talus, heavily weathered regolith

CAMBRIAN

 Medium-very coarse quartz sandstone, in part dismembered and mixed with abundant oxidised clay as karst fill and slope talus

 Green and purple cleaved siltstone and shale

 Calcareous schistose serpentinitised ultramafic and mafic rocks interlayered with black siltstone and shale and minor limestone

BEACONSFIELD GOLD N.L.

Compiled: K. Morrison

Date: 24/11/2008

Drawn: Gillian Bennet

Ref:

File: J-WW XS-10-08.wor

Scale: 1:1000

**EL 29/2008 - SALISBURY HILL
JARMANS & WEST WING PROSPECTS
WINGS WEST DRILL SECTION
OCTOBER 2008
LOOKING NORTH EAST**

Projection: MGAz55 (GDA 94)

Figure No.



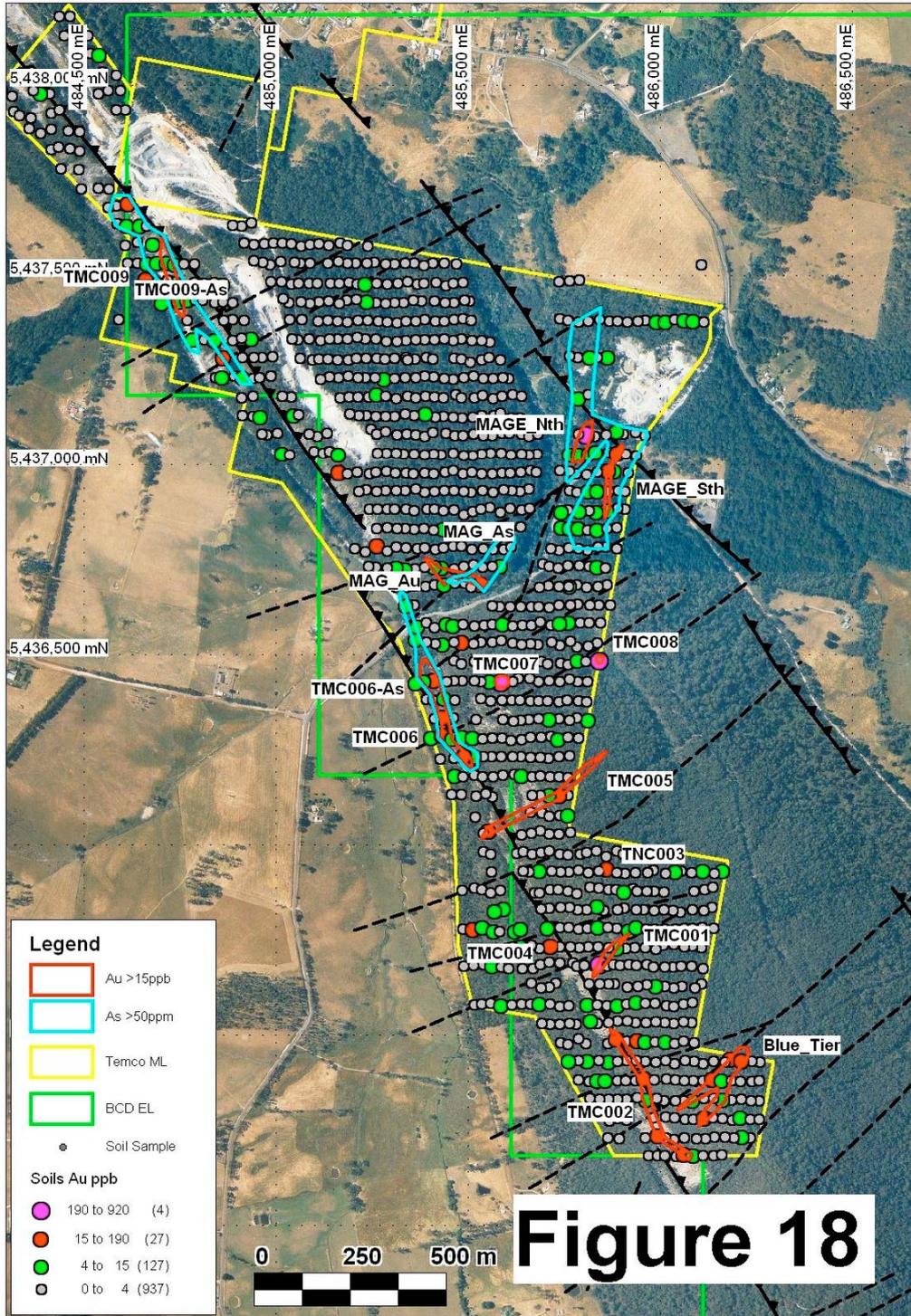
Soil Surveys

Two surveys for a total of 1134 samples were conducted. The main survey consisted of 1060 C-horizon soil samples within the Temco mining lease 14M/1994, under an access agreement with Temco management at Bell Bay. A 74 sample orientation survey was also conducted at Bulls Road in the south of EL 29/2008, to compare C- and A- horizon geochemical patterns on two parallel lines across a previously detected weak and questionable C-horizon gold anomaly. Both surveys were sampled by a two/three person crew from Ron Gregory Prospecting. Survey locations are shown on Figure 2 and the sample and assay data are enclosed in CD 1.

The Temco survey samples were collected on east–west lines with GPS controlled nominal line spacing of 50 metres and sample spacing of 25 metres (Figure 18). Samples were taken by a combination of a hand held power auger drilling down to the target horizon (or refusal), then the actual sample was drilled out with a manual soil auger. Samples were screened in the field through a 7mm mesh sieve and approximately 1 kg of undersize product in a calico bag from each site was sent to the laboratory. Weather and ground conditions were sufficiently dry during the survey so that no sample drying was needed prior to consignment dispatch. All samples were assayed at Amdel, Adelaide; by Fire Assay to 1ppb detection for Au, and by mixed acid (HF) digest/ICPOE for Ag (1 ppm L/D), As (3 ppm), Cu and Zn (2 ppm) and Pb, Bi and Sb (5 ppm). Selected batches of samples were also assayed for Fe (100 ppm) and Mn (5 ppm).

The results were analysed, in combination with all available previous soil data from the area now covered by EL 29/2008, by consultant geochemist Dr Nigel Brand. The results of leveling multi element data from several surveys which used various analytical programs, are presented in a Power Point slide format enclosed as Appendix A. In summary the main findings are:

- 4 high priority anomalies are recognised, three in Middle Arm Gorge and one at Blue Tier (slide 18, Appendix A). The anomalies are based on gold with some pathfinder element support and sit against high priority magnetic lineaments at sites with no previous drilling. The Blue Tier anomaly and the western Middle Arm Gorge anomaly are ready for drilling but the eastern Middle Arm Gorge anomalies occur on transported surficial sediments overlying limestone subcrop, so require confirmation with more detailed deep soil sampling or shallow rotary drilling prior to a full scale RC percussion drilling commitment. The stratigraphic and regolith setting of the eastern Middle Arm Gorge anomalies is similar to the location of the so called “deep lead” (now recognised as karst fill talus) shallow mineralisation worked by the early miners on the Tasmania Reef at Beaconsfield.
- Two groups of medium priority anomalies exist in two different structural settings (Slides 24 and 25, Appendix A). Slide 24 shows two gold anomalies with an apparent orientation conformable with the Tasmania Reef and Slide 25 shows 3 discrete anomalies positioned along the Cabbage Tree Thrust. All require upgrading with infill soil and rock chip sampling.
- Three low level spot gold highs are shown on Slide 26 and as each is defined by just one sample, they need re-sampling at closer spacing.



Most of the soil anomalies are within the Temco lease so further negotiations are needed to enable BGNL to access gold rights in that area.

The Bulls Road orientation soil survey involved comparing C-horizon and A-horizon samples taken from 38 sites on two parallel east-west lines (Figure 2). Apparent gold anomalism with a suspect distribution of anomalous samples along the two lines had been identified on an earlier survey and required checking, creating a second reason for the survey. The C-horizon samples were taken by auger and all field procedures and assay methods were identical to those used in the Temco survey. The A-horizon samples were taken with a small mattock, by scraping off the leaf litter over a roughly 30 cm x 30 cm square area, then scraping samples enriched in surficial black organic rich material. The scrapings were screened through a 5 mm sieve to produce samples of approximately 0.5 kg, which were also sent to Amdel, Adelaide, and assayed for Au, (1 ppb detection), Ag (0.05 ppm), As, Bi, Cu, Pb, Sb and Zn (detection ranging from 2-5 ppm) by their ARM10 method. This method involved an aqua regia partial digest and an ICPOE finish for 8 elements including gold. The digest reagent is intended to dissolve all sulphides and native metals but not the silicates. Sample and assay data are enclosed in CD 1.

A full analysis of the results will be included in the Year 2 report but a preliminary review indicates that the original anomaly has been downgraded and that the A-horizon data is very encouraging as a method for discriminating zones of subtle elevation relative to a stable background population. The faster sampling rate and cheaper assay program gives the A-horizon method a cost advantage of approximately 50% over the previous power auger C-horizon method.

EXPENDITURE

Total expenditure for the 11 month period 30 September 2008 to 30 August 2009 was \$656,534, comprising the following categories.

Table 3	Expenditure
Geoscientific Costs	
Geology	\$153,484.73
Geochemistry	\$138,830.98
Geophysics	\$3,720.00
Remote Sensing	
Drilling & Gridding Costs	
Gridding	
Drilling	\$327,600.62
Land Access Costs	\$25,431.87
Rehabilitation Costs	\$2,870.00
Feasibility Study Costs	
Other Costs	
Administration Costs	\$4,595.99
TOTAL	\$656,534.19

ENVIRONMENTAL & REHABILITATION ACTIVITIES

All drill holes were completed with capped PVC collar pipes protruding 10-20 cm above ground level. As most of the holes are located on vehicle tracks, this approach was taken to make the collars visible enough to be avoided by drivers intending to avoid them but short enough so that a vehicle can straddle the collar without breaking the pipe. No holes were making ground water at the time of capping.

Drill pads on private land at Wings West were rehabilitated by excavator and at the landowner's request, some firewood was salvaged from small eucalypts cut up to provide a slash cover on the pads. A steel boom gate was given to the landowner at Jarmans, to reduce the chance of firewood poaching using access developed for drilling that prospect.

At Salisbury Hill all 25 holes were drilled on a 4WD vehicle track open to the public, in State Forest. The track was widened by excavator to the minimum width judged acceptable for effective and safe RC drilling operations and to provide fire fighting vehicle access in the event of a bush fire.

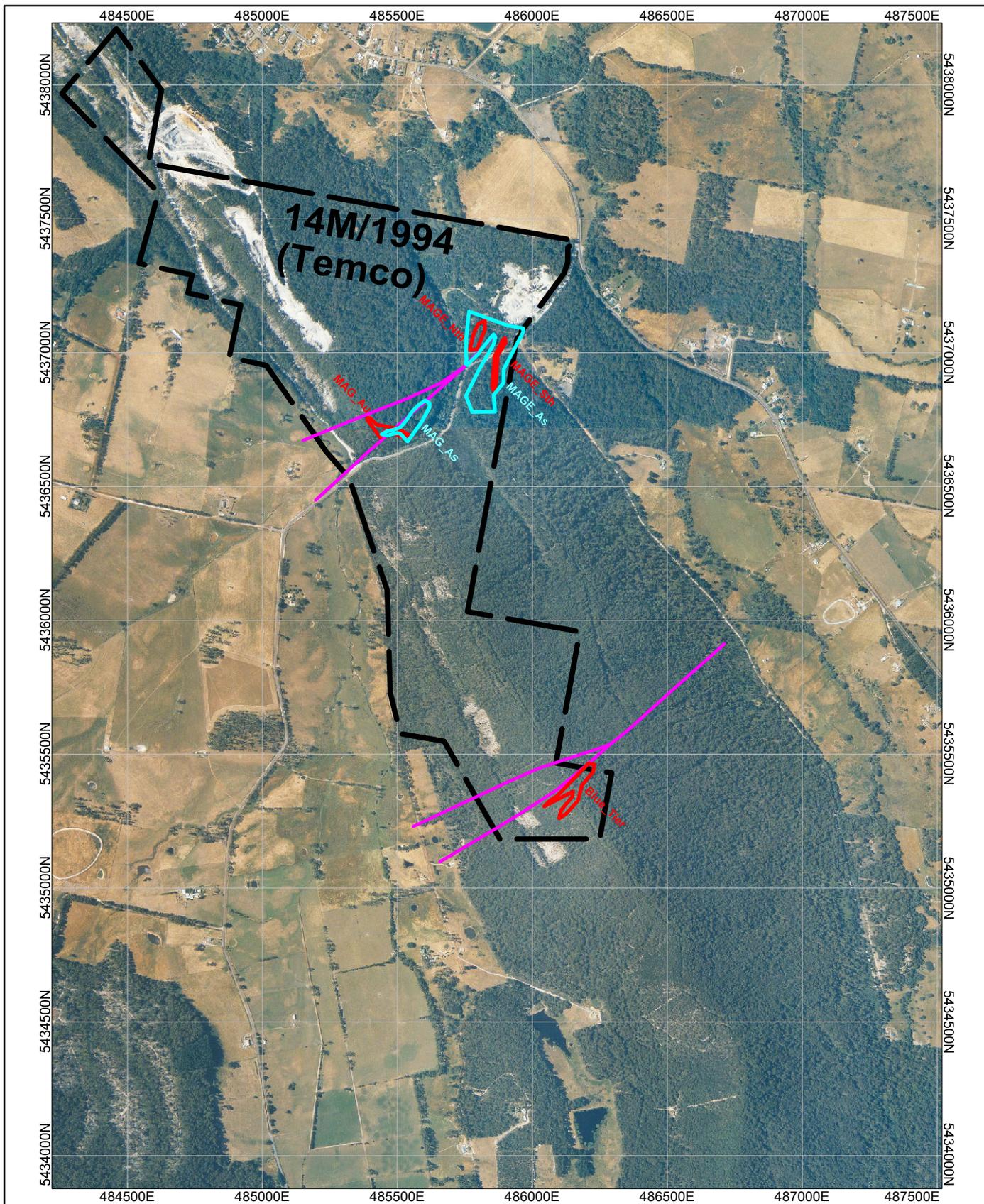
The excavator work was conducted so that many of the plants growing in the rolls of soil pushed off the track will survive. Regrowth progress, evidence of dieback and drill collar pipe condition will be monitored in the 2009 Spring season.

CONCLUSIONS & FUTURE WORK

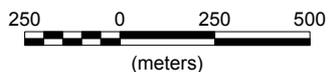
The 36 RC holes drilled in the year to September 2009 have effectively upgraded the prospectivity of the Blue Tier and Eaglehawk Gully prospects and the northern part of Salisbury Hill in general. No further work is planned on the Salisbury North, Jarmans and Wings West prospects.

Detailed interpretation of the 2007 helimagnetics-radiometrics survey and all soil surveys within the area now covered by the EL has generated four high priority anomalies and eight medium to low priority anomalies requiring follow-up field checking and infill soil sampling to firm up drill targets. Three of the high priority anomalies are in Middle Arm Gorge and one is at Blue Tier, immediately south of the recent drilling at Blue Tier (Figure 19). Most of the soil anomalies are partly or entirely inside the area covered by the Temco mining lease 14M/1994 and therefore more advanced arrangements between the two companies are required prior to this work proceeding.

Prospectivity of the Cambrian rocks southeast of the Johnson Creek Fault at Salisbury has been down graded due to the lack of coherent structures, brittle lithologies and convincing soil anomalies. Drilling results from the Jarmans and Wings West prospects confirm the predominance of ductile Cambrian Blyths Creek Formation lithologies in that area and also clearly demonstrate that the previously applied threshold for gold anomalism in soils, of 5ppb, is too low to reflect significant source mineralization. The Salisbury Hill drilling results and the soil geochemistry contouring of untested high priority anomalies indicate that 5ppb is almost an order of magnitude too low.



tenement boundaries Aug 2009
 ——— Temco (14M/1994)



GDA94 / Map Grid of Australia zone 55

BEACONSFIELD GOLD NL

EL29/2008 - Salisbury Hill

Figure 19

High Priority Soil Anomalies
 and associated magnetic lineaments

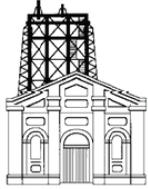
Author: KM / PM

Date: Aug 2009

REFERENCES

- Bucknell, W., 2003. Report on Exploration at Beaconsfield for the Period 8 November 2002 - 31 March 2003, Diamond Ventures NL.
- Bucknell, W. and Morrison, K., 2003a. Report on Exploration at Beaconsfield for the Period 1 April 2003 - 30 June 2003, Diamond Ventures NL.
- Bucknell, W. and Morrison, K., 2003b. Report on Exploration at Beaconsfield for the Period 1 July 2003 - 30 September 2003, Diamond Ventures NL.
- Hicks, J.D., 1989. EL 7/88 Exploration report for the period October 1987 to January 1989, Beaconsfield Gold Mines Ltd.
- Hills, P., 1997. Beaconsfield Mine JV, EL 20/94 Annual Report 1996-97, Allstate Explorations NL.
- Hills, P.B. and MacDonald, G., 1999. Salisbury Hill EL 20/94, Mid-Term Relinquishment Report 1999, Allstate Explorations NL.
- MacDonald, G., 1998. Salisbury Hill EL 20/94, Annual Report 1998, Allstate Explorations NL.
- MacDonald, G., 1999. Salisbury Hill EL 20/94, Annual Report 1998/99, Allstate Explorations NL.
- MacDonald, G., 2000. Salisbury Hill EL 20/94, Annual Report 1999/2000, Allstate Explorations NL.
- MacDonald, G., 2006. EL 20/94 Salisbury Hill, Annual Report 2006, Allstate Explorations NL.
- MacDonald, G., 2007. EL 20/94 Salisbury Hill, Annual Report 2007, Allstate Explorations NL.
- Morrison, K.C., 2004. Report on Exploration at Beaconsfield for the Period 1 April 2004 - 30 June 2004, Diamond Ventures NL.
- Morrison, K., 2007. EL 20/1994 Salisbury Hill Final Report, Beaconsfield Mine Joint Venture.
- Pease, C.D.F., 1984. EL 17/73 Progress report on exploration of the Salisbury Hill area, Tasmania, Goldfields Exploration Pty Ltd.
- Poltock, R.A., 1980. Gold exploration–Salisbury grid, A.P.6/80, Beaconsfield Tasmania, unpublished report for AMAX.
- Stacpoole, H.J. and Miedecke, J., 1988. Consolidated Mining Lease 145M/79, Report on Exploration Programme for the Period January-June, 1985.

APPENDIX A
SOIL GEOCHEMISTRY REPORT



Temco Soils

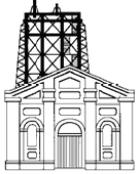
Compiled by Nigel Brand

On behalf of

Beaconsfield Gold NL

Summary and Recommendations

- 13 anomalies have been generated from the TEMCO auger soils program.
 - **4** are considered **high priority** and require further work (MAGE Nth, MAGE Sth, MAG Au and Blue Tier).
 - MAG_AU
 - previously drilled by B53 & B52A which intersected 0.8m @ 4.40 g/t from 587.15 to 587.95m in tension veins. B53 requires logging and sampling. Depending on the results of B53 sampling additional drilling of this target may be warranted.
 - MAG_Nth & MAG_Sth
 - No previous exploration. Unclear if anomaly is developed in transported material. Field inspection required.
 - Blue Tier
 - Recent drilling (SHRC021 & SHRC022) was north of the defined anomaly. Anomaly has a Au-As-Sb association and is interpreted to run sub-parallel to the magnetic liniments. The anomaly is developed on the crest of Salisbury Hill. Drilling (2 holes) required to test main anomaly.
 - **2** are considered **medium priority** trend sub parallel to the interpreted ENE magnetic liniments (TMC001 & TMC005),
 - Depending on the outcome of follow-up drilling at Blue Tier these anomalies may require drill testing
 - **3** are considered **low to medium** and are associated with the Cabbage Tree Thrust (TMC002, TMC006 & TMC009).
 - TMC006 should be field inspected and rock chip samples collected to see if there is any significant Au mineralisation associated with the Cabbage Tree Thrust. Depending to the results of this sampling drill hole B50 should be reassessed and possible further drill testing of the Cabbage Tree Thrust
 - **4** are point anomalies, **low priority** and require resampling (TMC003, TMC004, TMC007, TMC008)
 - A traverse of 7 soils on 50m centers should be collected over these anomalies to see if they repeat.



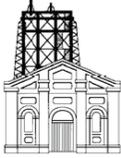
Background Information

- A total of 1095 auger soils collected over the TEMCO tenement between October 2008 & December 2008.
- All auger soils collected by Ron Gregory Prospecting using a hand held power auger to collect a “C” horizon soil (no written protocol).
- Samples were collected on a nominal 50 x 25m grid located by GPS on AGD66 datum in zone 55.
- Field information collected included sample depth, colour, texture and comments.
- Samples were screened to 7 mm with a nominal 1kg sample collected.
- QC protocol of 2 duplicated and 2 standards per 100 samples was introduced part way through the survey.
- Samples were dispatched to AMDEL Laboratories (Adelaide) dried and pulverized and analyzed.
 - All samples were assayed for Au Fire assay to 1 ppb (FA3),
 - All samples were assayed for trace elements Ag (dl 1 ppm), As (dl 3 ppm), Cu (dl 2 ppm), Pb (dl 5 ppm), Zn (dl 2 ppm), Bi (5 ppm), Sb (5 ppm) using a IC3E (mixed acid (HF) & ICP-OES finish).
 - Selected batches were assayed for Fe (n = 398) and Mn (n = 895).

QAQC

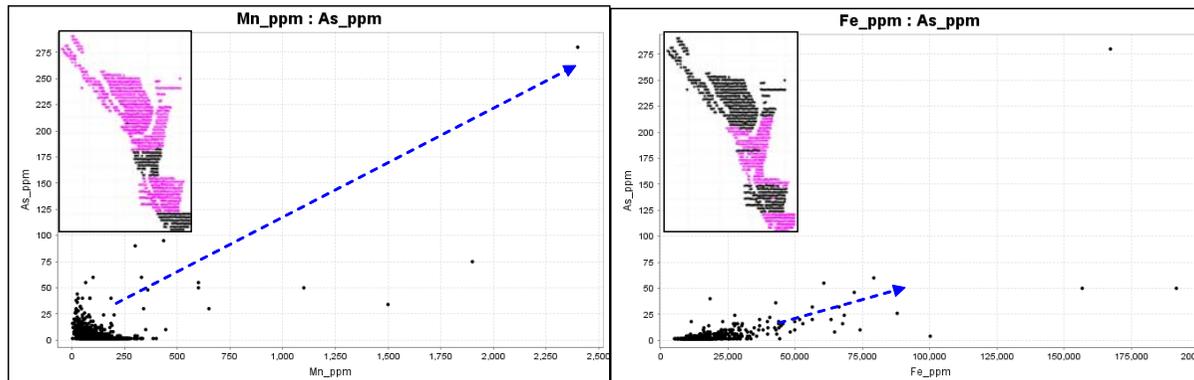
No QAQC data has been assessed to date from the TEMCO survey.

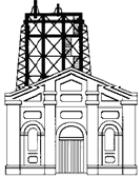
This is required to ensure samples with elevated Au are not standards



Comments & Recommendations (1)

- Ensure all samples are assayed for the complete suite of elements to enable all elements to be utilised during interpretation.
 - In the TEMCO survey not all samples have Fe and Mn assays and due to only partial coverage have not been included in the interpretation.
 - At TEMCO Fe & Mn indicates a correlation with As (scavenging) and can aid to prioritize anomalies due to the association of As-Au to mineralization.

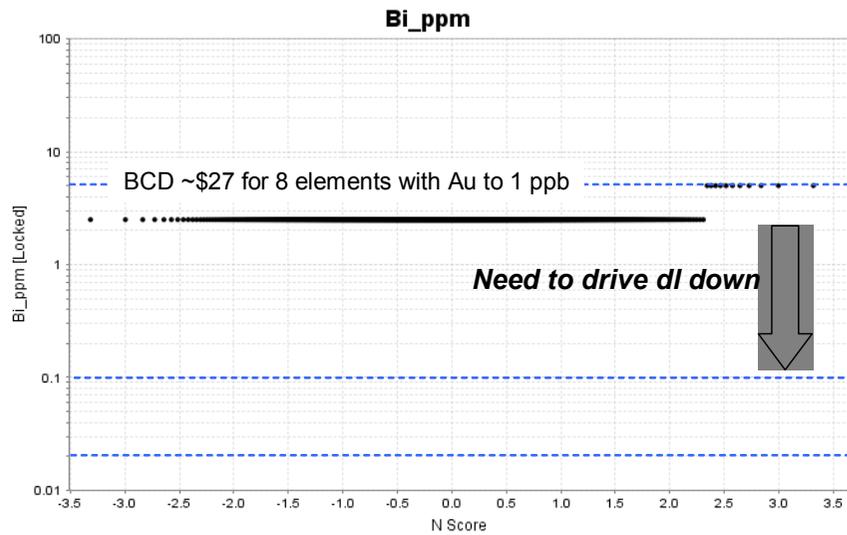




Comments & Recommendations (2)

- As and Sb will aid in prioritizing Au anomalies within the North Tasmania Region, the significance of Bi and Ag in relation to Au mineralization is not known due to the high DLs.
- The current *value adding* of Ag, Bi, Sb (+/- As) to interpretation and prioritizing anomalies is negligible due to the high detection limits [Ag (dl 1 ppm), Bi (5 ppm), Sb (5 ppm) As (dl 3 ppm)].
- It is recommended for exploration samples that detection limits for pathfinder elements are SIGNIFICANTLY reduced.

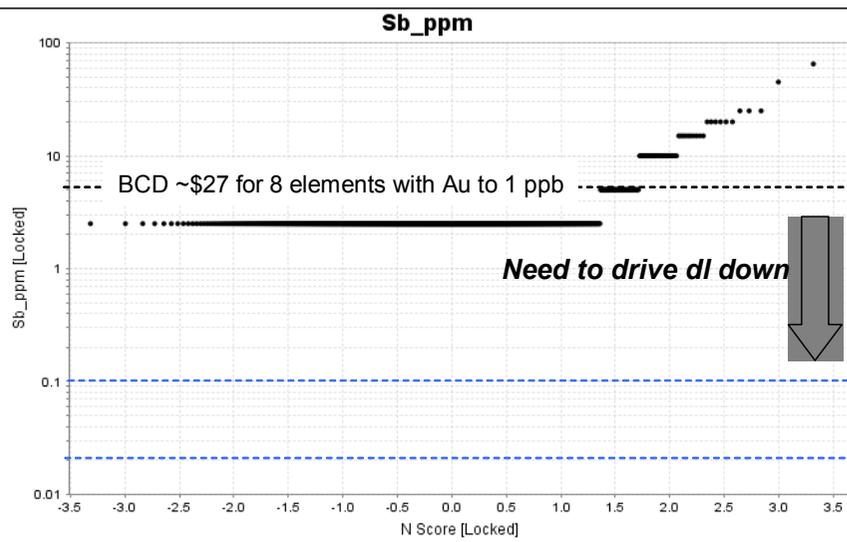
DLs for Bi & Sb



dl 5 ppm (current)

dl 0.1 ppm

dl 0.02 ppm



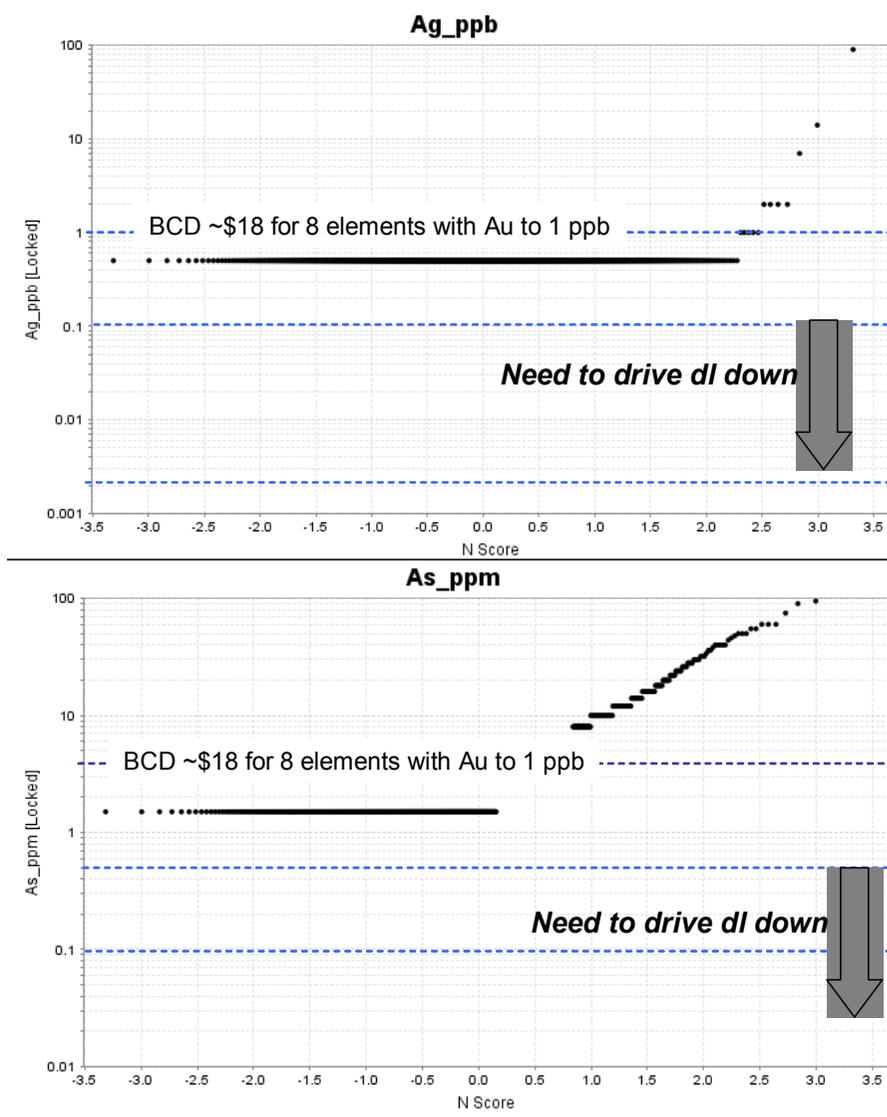
dl 5 ppm (current)

dl 0.1 ppm

dl 0.02 ppm



DLs for Ag & As



dl 1 ppm (current)

dl 0.1 ppm

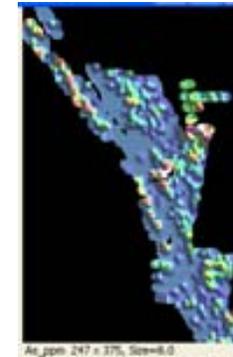
dl 0.002 ppm

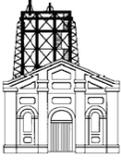


dl 3 ppm (current)

dl 0.5 ppm

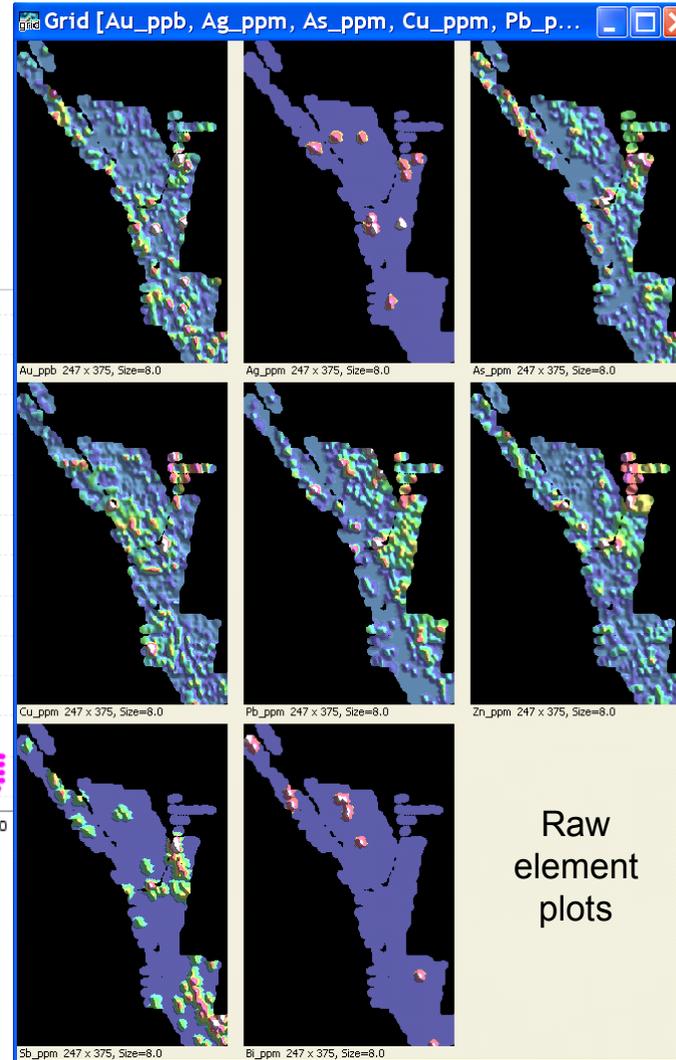
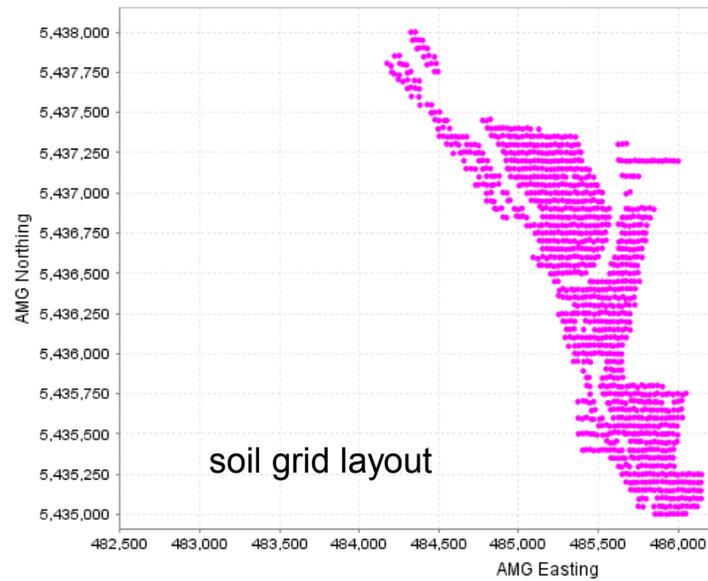
dl 0.1 ppm

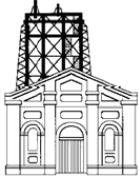




TEMCO Soils

Attribute Map





Assessment of the TEMCO auger-soil grid

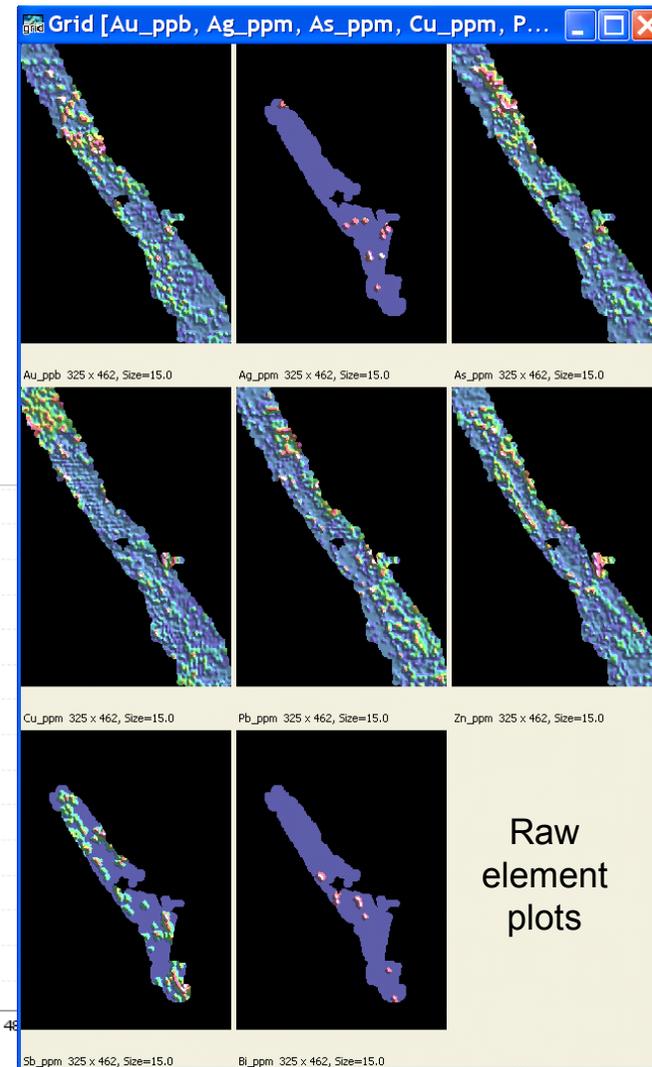
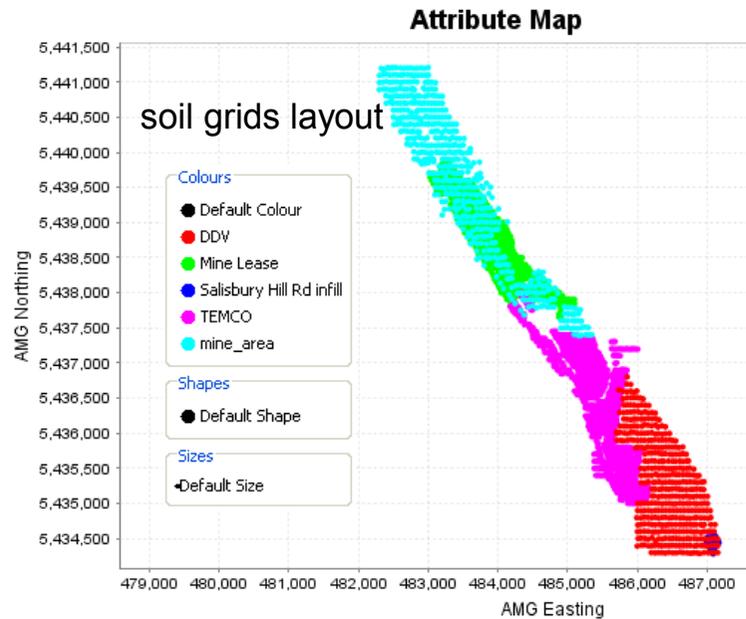
To assist the interpretation of TEMCO augersoils, existing soil data over the Beaconsfield mineral field have been combined into one data set.

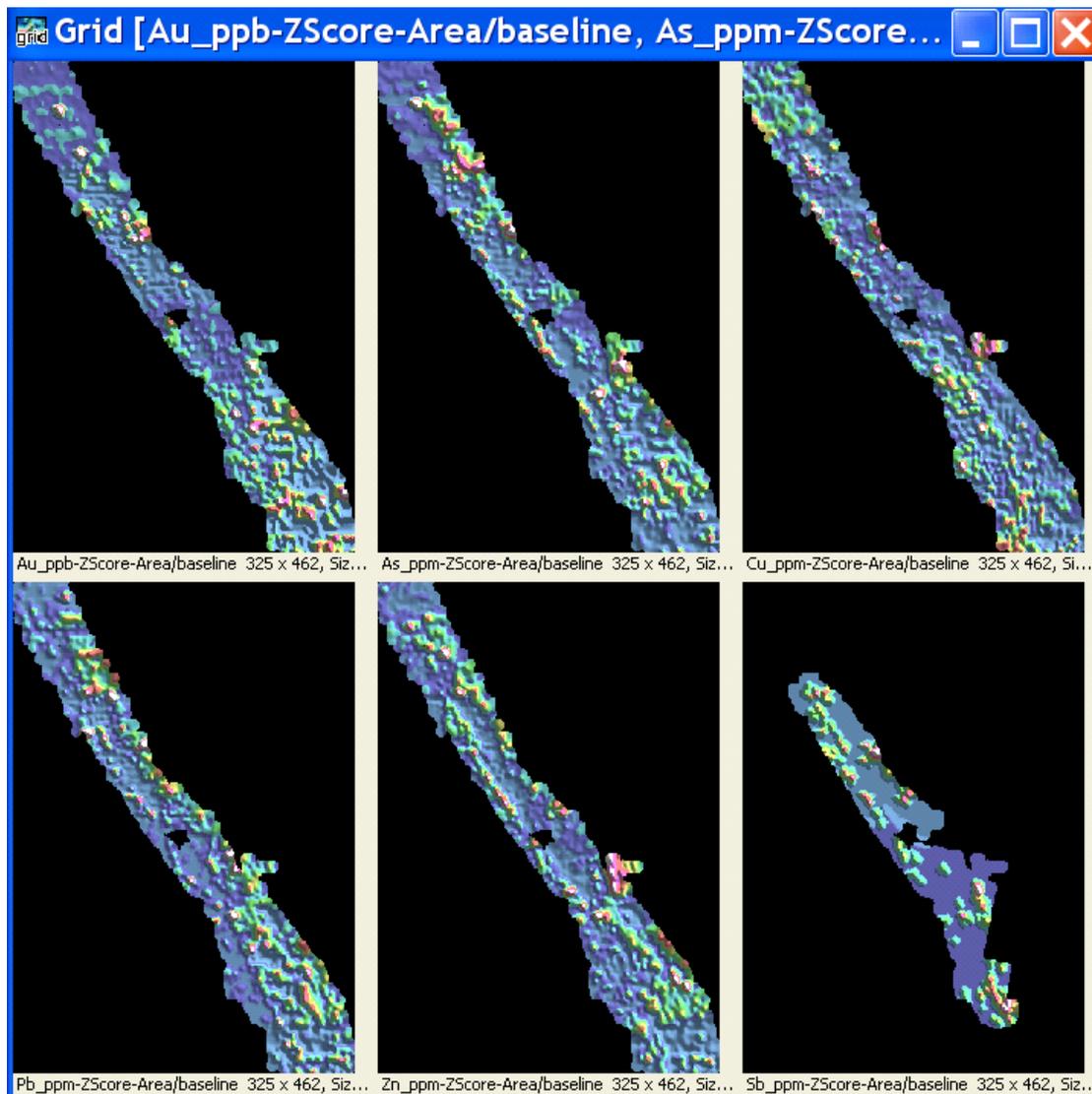
Due to variable assay and sampling techniques used to collect data over the mineral field, the individual surveys have been leveled to enable the data to be assessed as one data set.

TEMCO SOILS

Integrated with adjacent soil grids

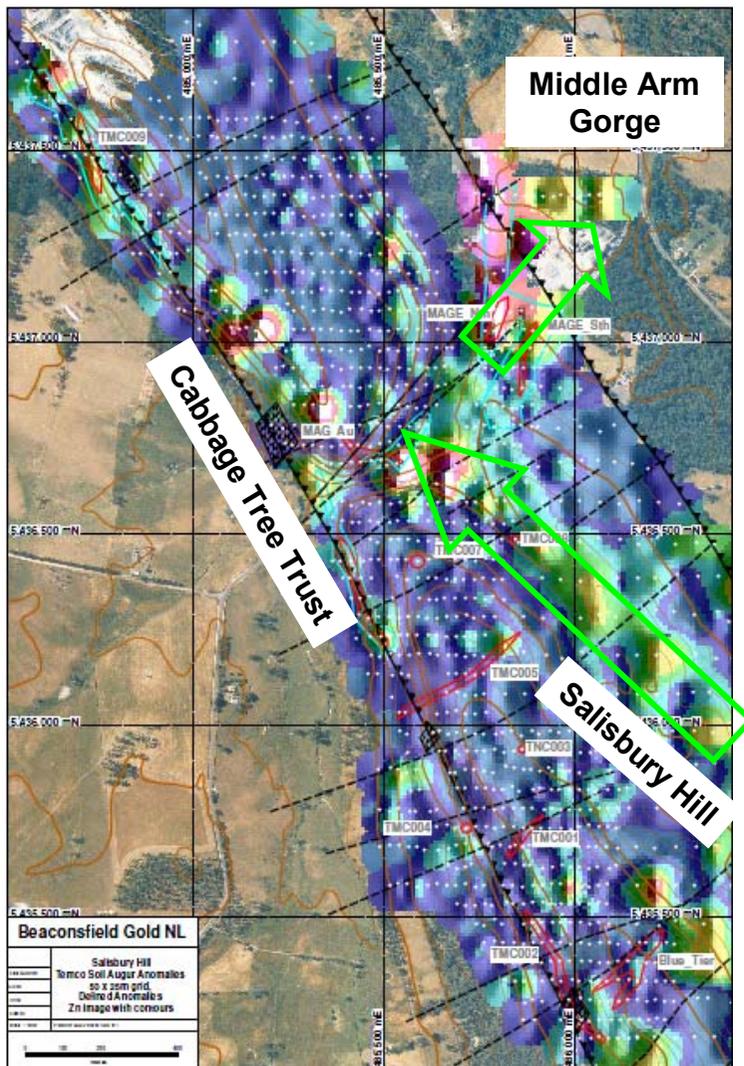
To assist the interpretation of TEMCO auger soils, existing soil data over the Beaconsfield mineral field have been combined into one data set.





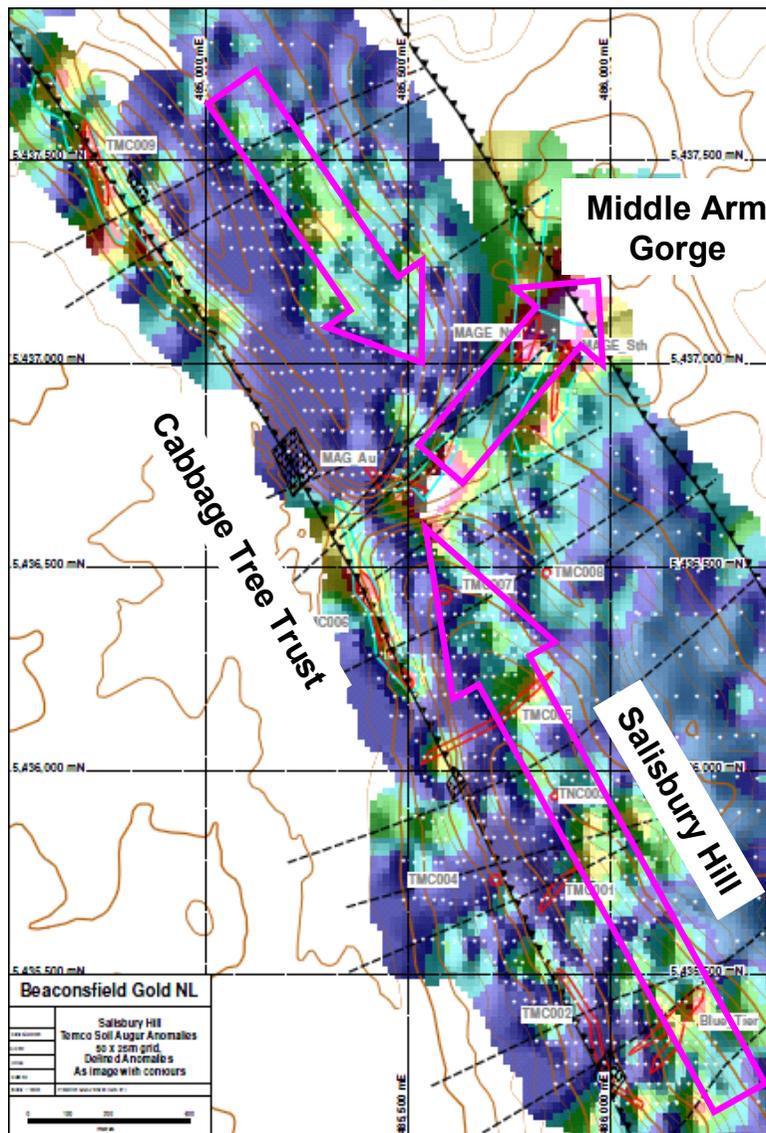
Levelled by grid

Due to variable assay and sampling techniques used to collect data over the mineral field, the individual surveys have been levelled to enable the data to be assessed as one data set.



Zn Distribution

- Off the cuff observation.
 - Zn associated with the Cabbage Tree Trust, a known association.
 - Zn also appears to follow a valley cut into the eastern flank of Salisbury Hill possibly mapping out a lithological unit or structure at a specific erosion level.
 - Zn is also elevated at the eastern end of Middle Arm Gorge (?transported)

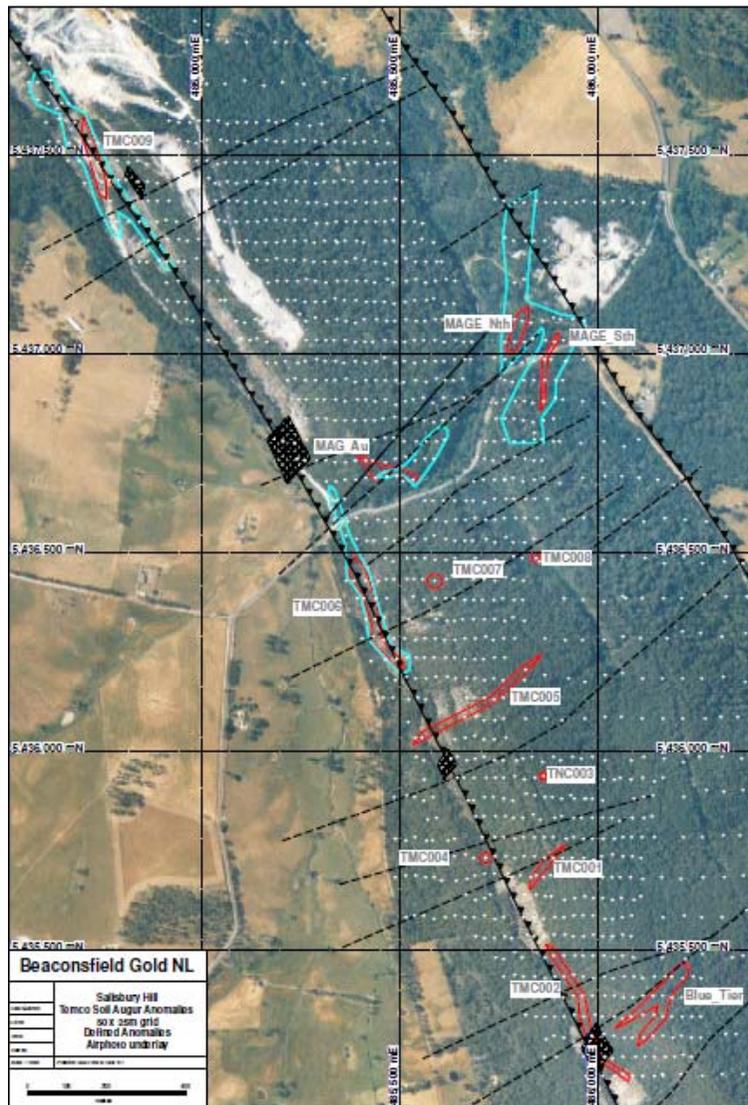


As Distribution

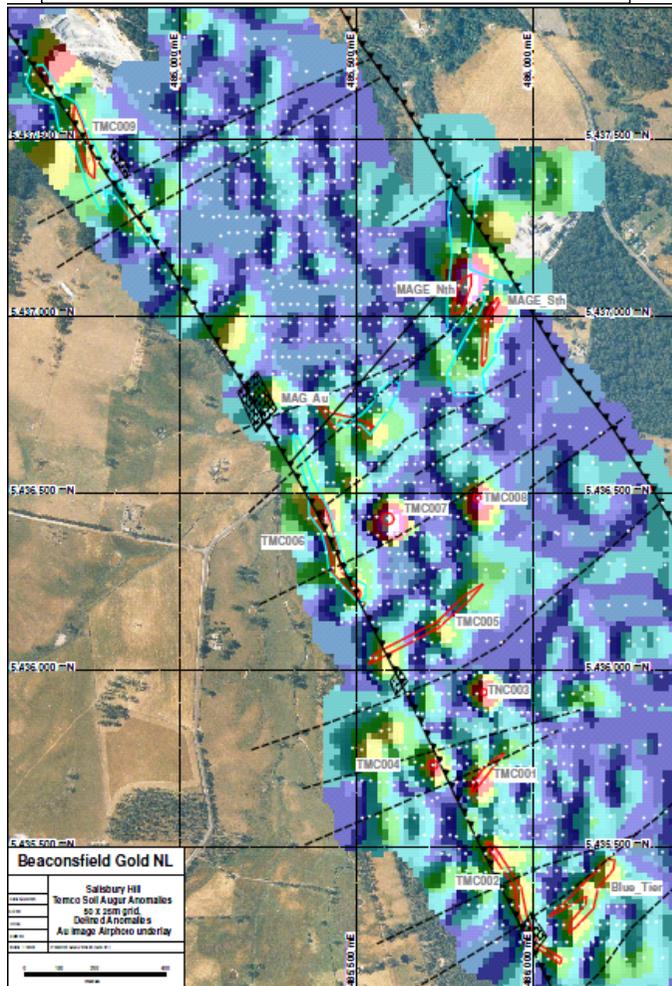
- Off the cuff observation.
 - As associated with the Cabbage Tree Trust, a known association.
 - As also appears to follow the topographic crest/spur and eastern flank of Salisbury Hill.
 - At Middle Arm Gorge elevated As has accumulated within the valley (?transported)

Anomalies Generated

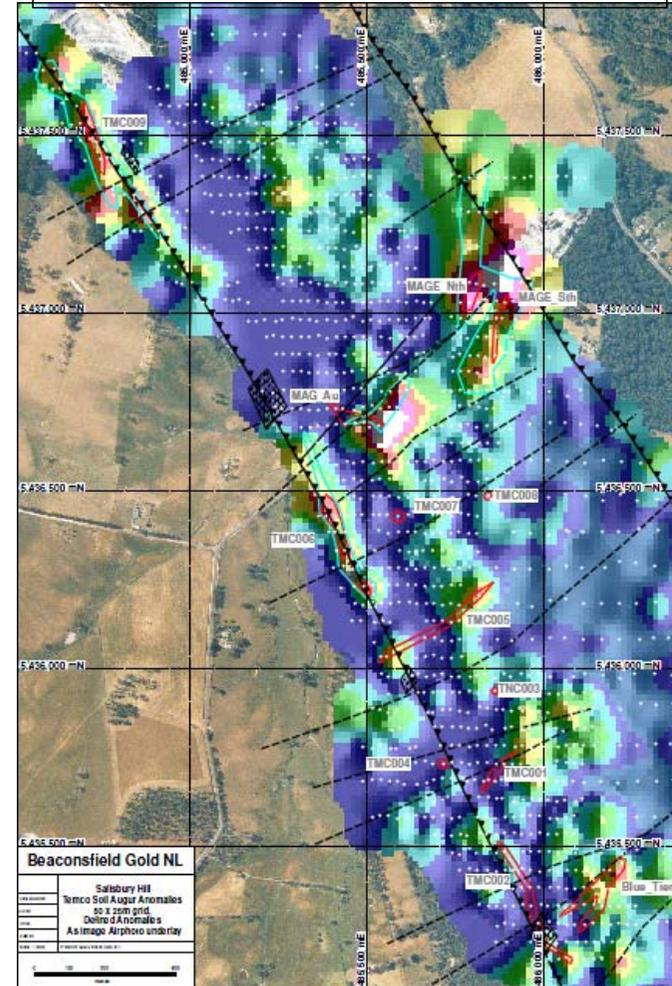
- 13 anomalies have been generated from the TEMCO augersoils program.
- Of these 13 anomalies
 - 4 are considered high priority and require further work (MAGE Nth, MAGE Sth, MAG Au and Blue Teir).
 - 2 are considered medium priority trend sub parallel to the interpreted ENE magnetic liniments (TMC001 & TMC005),
 - 3 are considered low to medium and are associated with the Cabbage Tree Thrust (TMC002, TMC006 & TMC009)
 - 4 are point anomalies, low priority and require resampling (TMC003, TMC004, TMC007, TMC008)



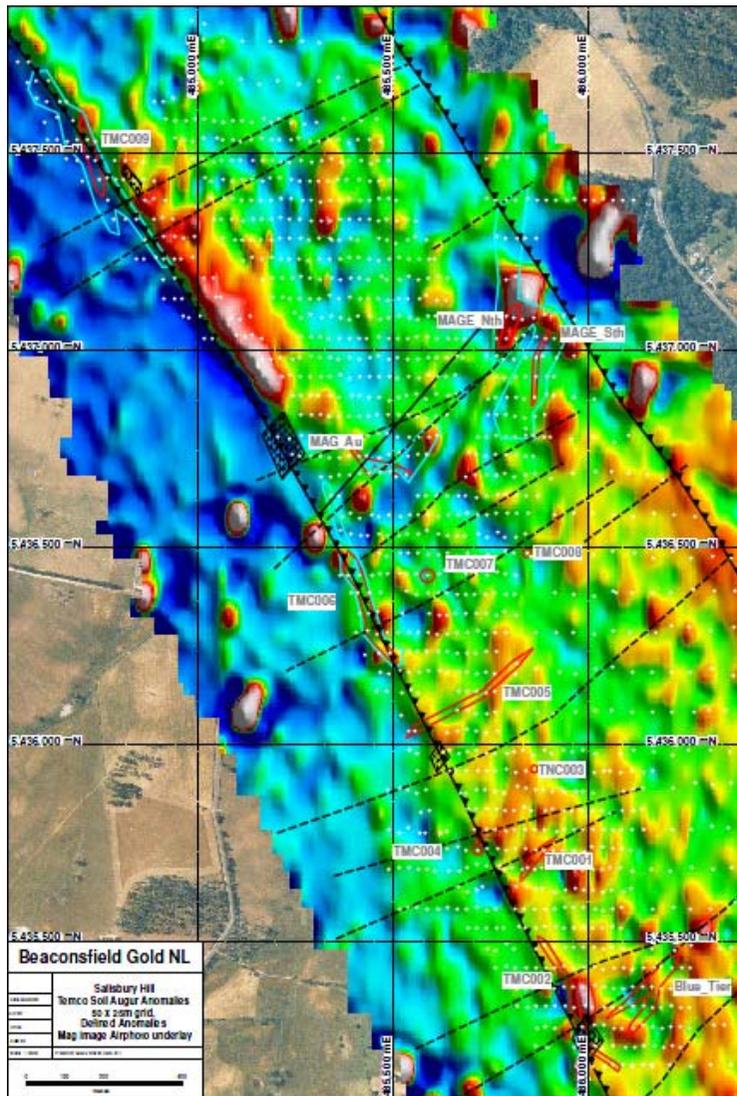
Gold Image of TEMCO augerresults

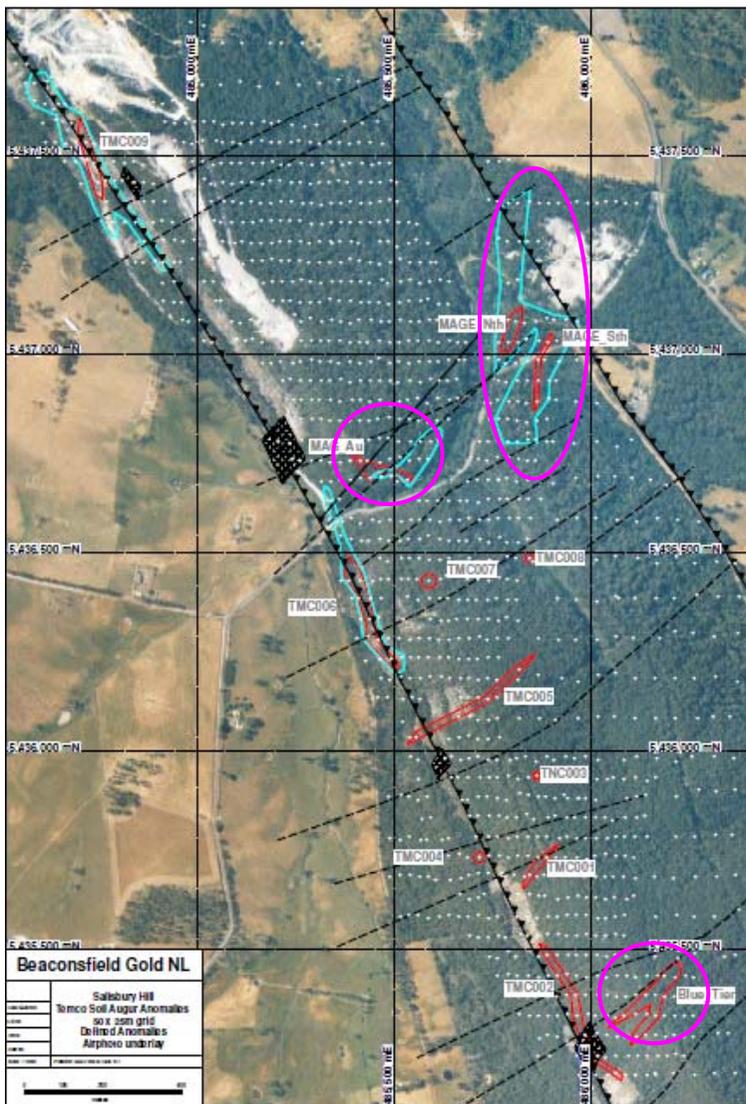


Arsenic Image of TEMCO augerresults



Heli-mag Image with TEMCO auger anomalies



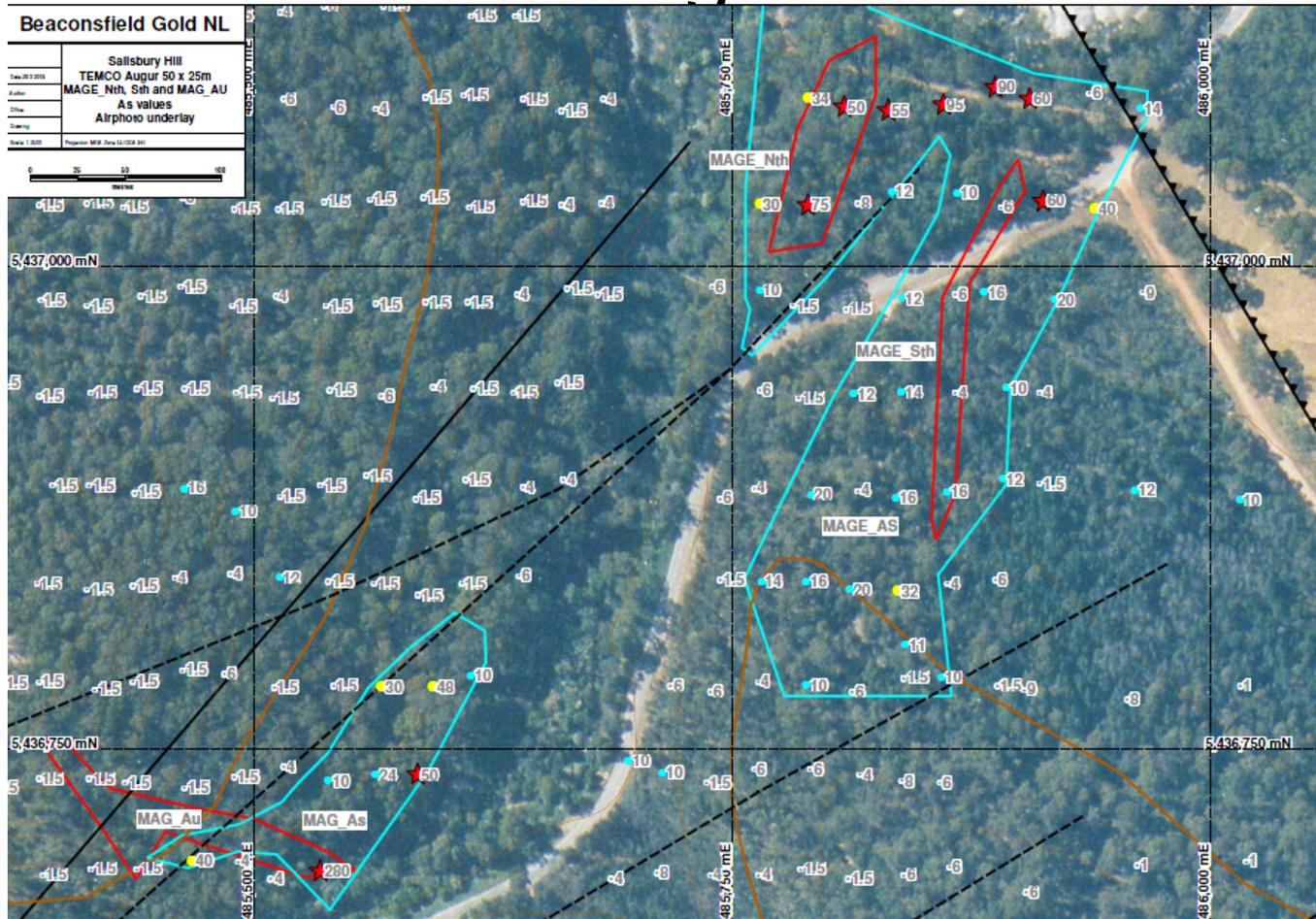


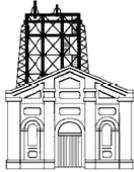
High Priority Anomalies

4 are considered high priority and require further work

(MAGE Nth, MAGE Sth, MAG Au and Blue Teir).

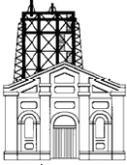
Middle Arm Gorge – As values



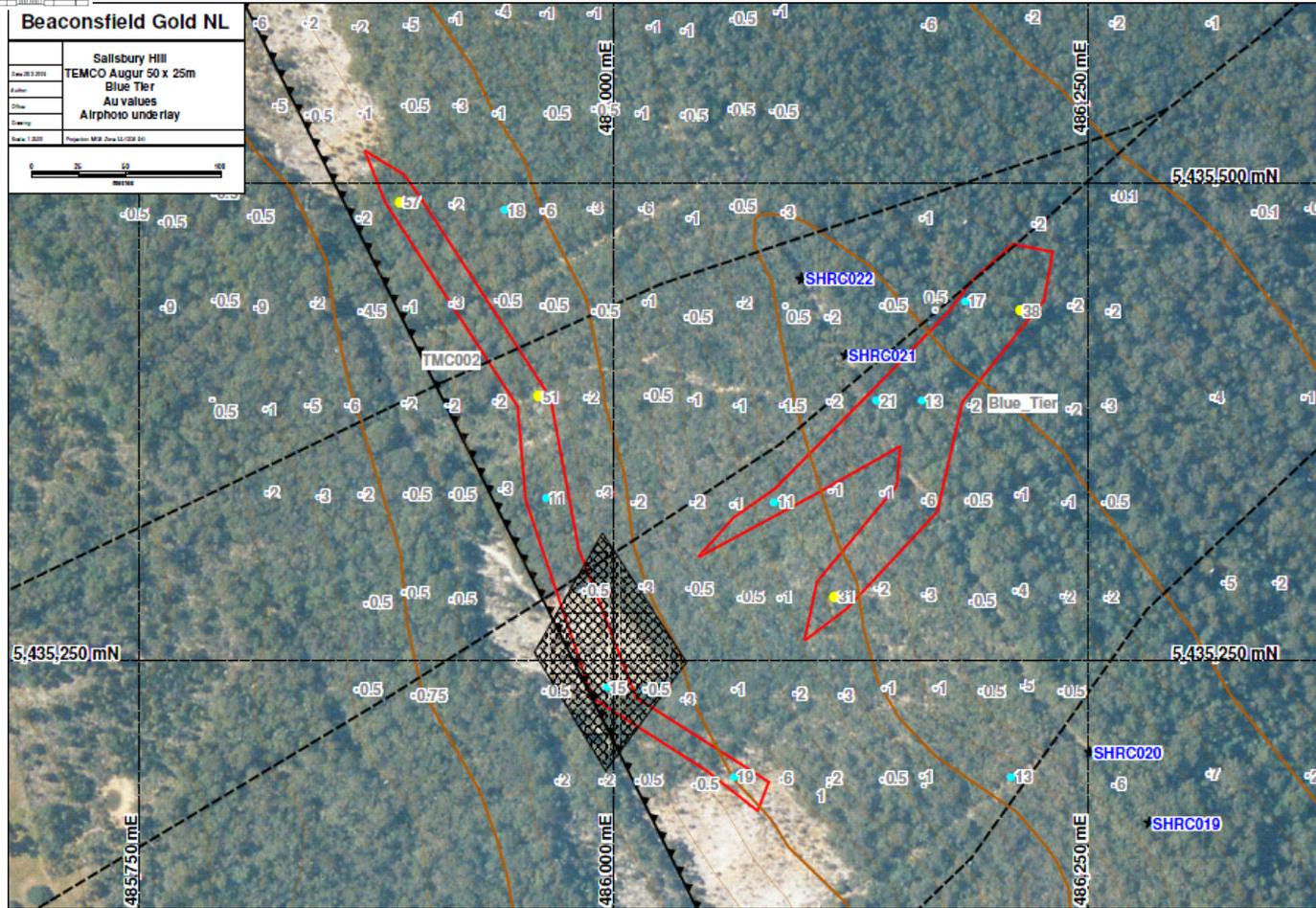


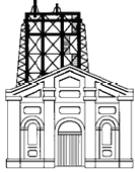
Middle Arm Gorge

- Middle Arm Gorge
 - MAG_AU
 - previously drilled by B53 & B52A which intersected 0.8m @ 4.40 g/t from 587.15 to 587.95m in tension veins. B53 requires logging and sampling
 - Depending on the results of B53 sampling additional drilling of this target may be warranted.
 - MAGE_Nth & MAGE_Sth
 - No previous exploration.
 - Unclear if anomaly is developed in transported material.
 - Field inspection required.
 - Depending on the field inspection drilling of this target may be warranted.



Blue Tier – Au values





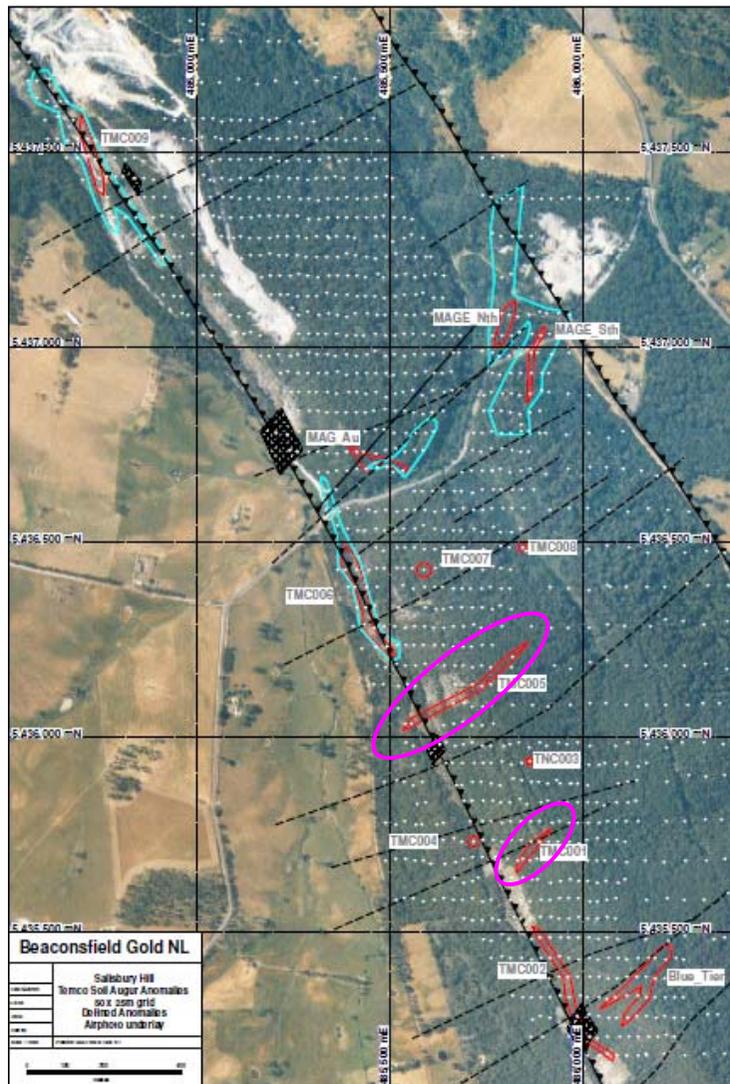
Blue Tier

- Recent drilling (SHRC021 & SHRC022) was north of the defined anomaly
- Anomaly has a Au-As-Sb association and is interpreted to run sub-parallel to the magnetic liniments.
- The anomaly is developed on the crest of Salisbury Hill
- Drilling (2 holes) required to test main anomaly

Medium Priority Anomalies

2 are considered medium priority trend sub parallel to the interpreted ENE magnetic liniments (TMC001 & TMC005),

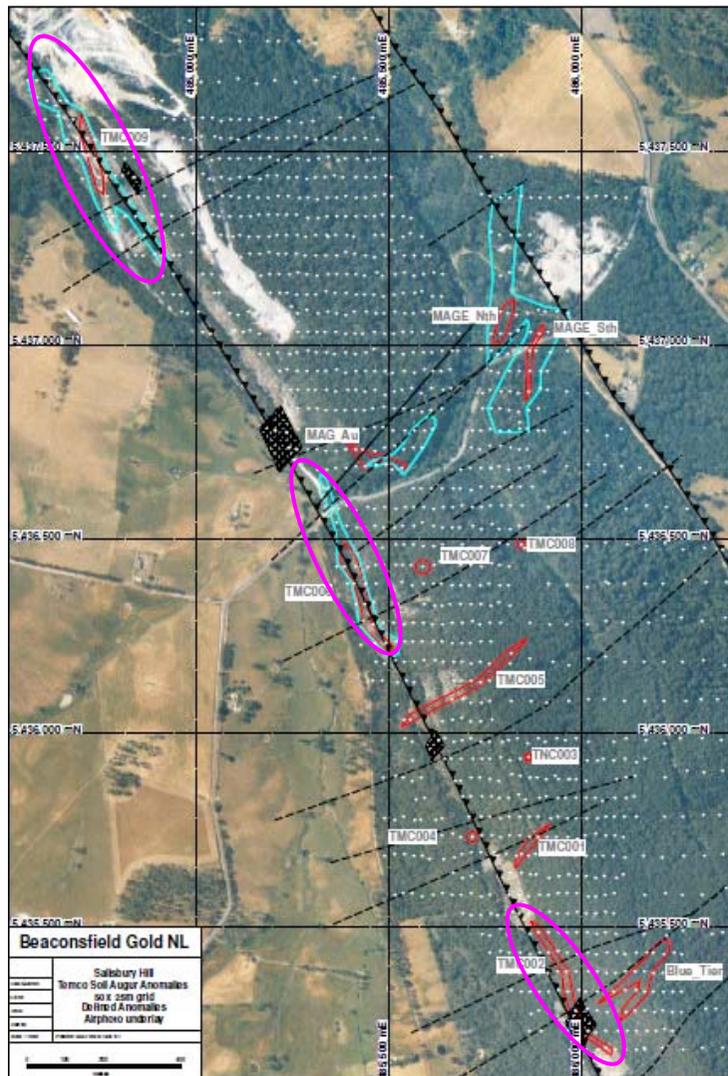
Depending on the outcome of follow-up drilling at Blue Tier these anomalies may require drill testing



Low/Medium Priority Anomalies

3 are considered low to medium
and are associated with the
Cabbage Tree Thrust (TMC002,
TMC006 & TMC009)

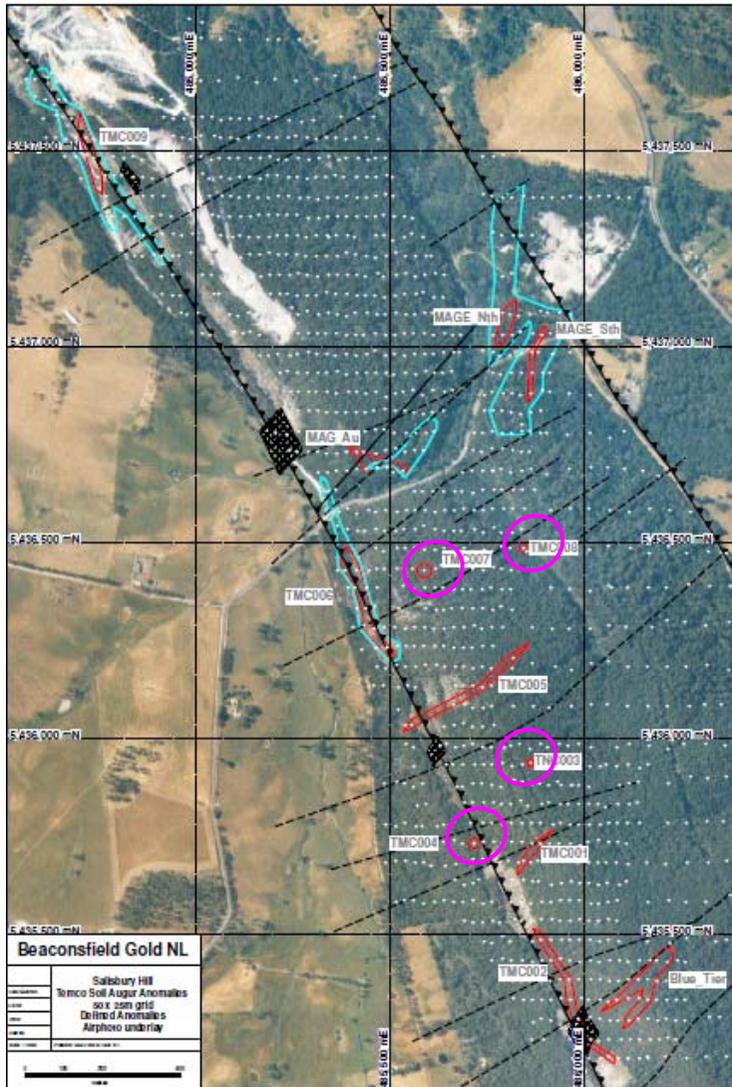
TMC006 should be field inspected
and rock chip samples collected to
see if there is any significant Au
mineralisation associated with the
Cabbage Tree Trust. Depending
to the results of this sampling drill
hole B50 should be reassessed
and possible further drill testing of
the Cabbage Tree Trust



Low Priority Anomalies

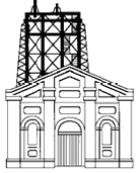
4 are point anomalies, low priority and require resampling (TMC003, TMC004, TMC007, TMC008)

A traverse of 7 soils on 25m centers should be collected over these anomalies to see if they repeat.



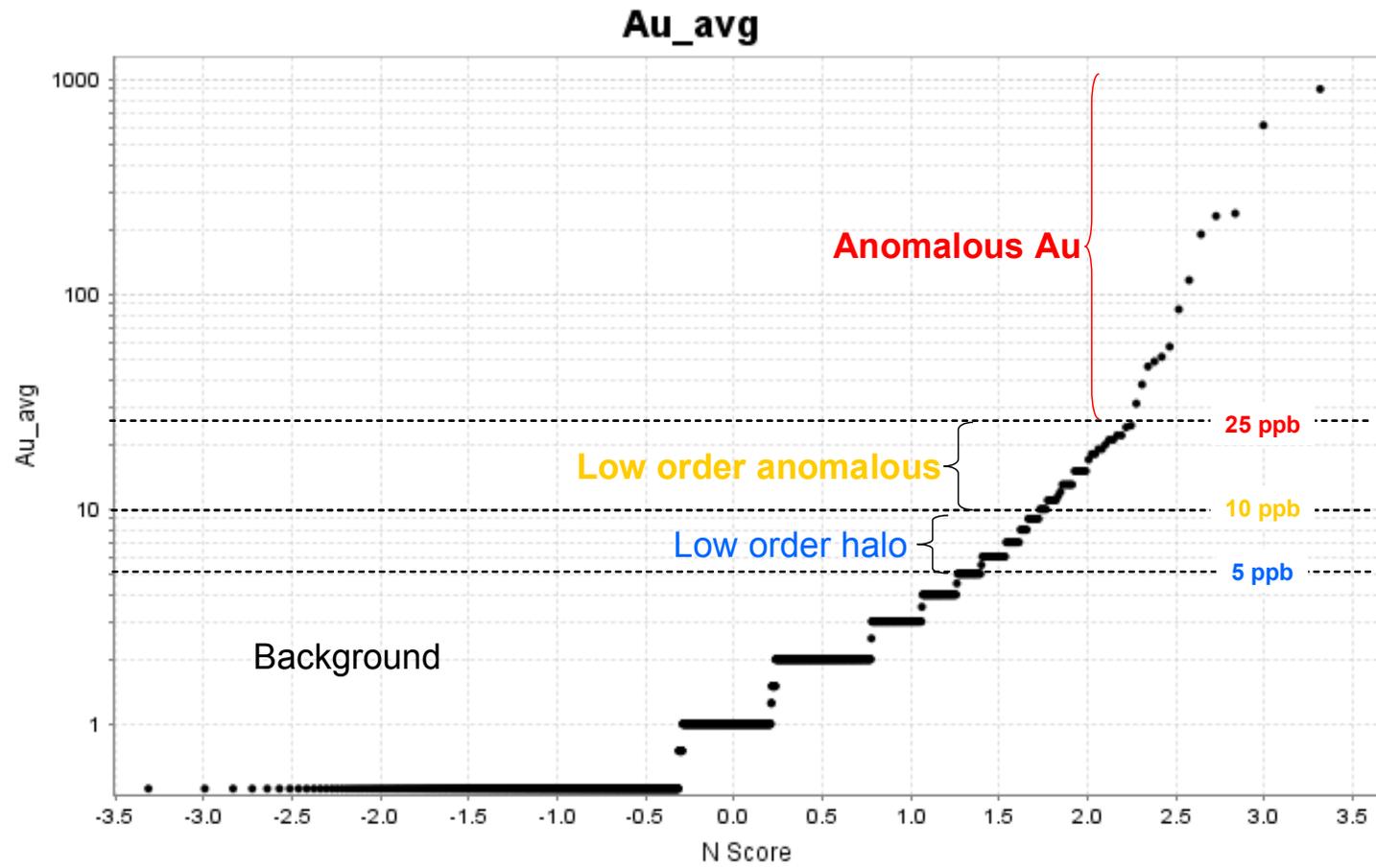
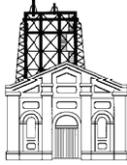
Summary and Recommendations

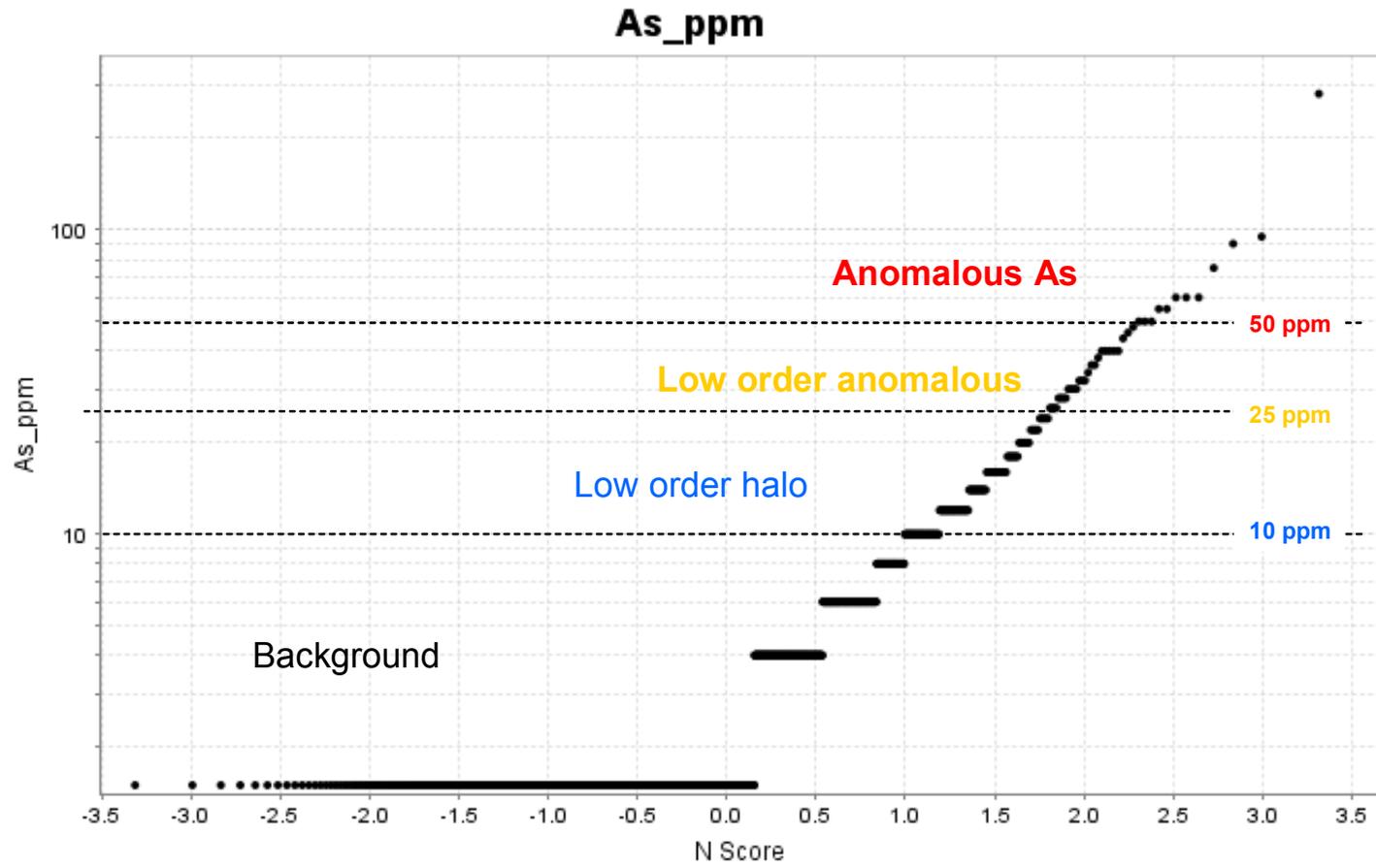
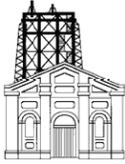
- 13 anomalies have been generated from the TEMCO augersoils program.
 - 4 are considered **high priority** and require further work (MAGE Nth, MAGE Sth, MAG Au and Blue Tier).
 - MAG_AU
 - previously drilled by B53 & B52A which intersected 0.8m @ 4.40 g/t from 587.15 to 587.95m in tension veins. B53 requires logging and sampling. Depending on the results of B53 sampling additional drilling of this target may be warranted.
 - MAG_Nth & MAG_Sth
 - No previous exploration. Unclear if anomaly is developed in transported material. Field inspection required.
 - Blue Tier
 - Recent drilling (SHRC021 & SHRC022) was north of the defined anomaly. Anomaly has a Au-As-Sb association and is interpreted to run sub-parallel to the magnetic liniments. The anomaly is developed on the crest of Salisbury Hill. Drilling (2 holes) required to test main anomaly.
 - 2 are considered **medium priority** trend sub parallel to the interpreted ENE magnetic liniments (TMC001 & TMC005),
 - Depending on the outcome of follow-up drilling at Blue Tier these anomalies may require drill testing
 - 3 are considered **low to medium** and are associated with the Cabbage Tree Thrust (TMC002, TMC006 & TMC009).
 - TMC006 should be field inspected and rock chip samples collected to see if there is any significant Au mineralisation associated with the Cabbage Tree Trust. Depending to the results of this sampling drill hole B50 should be reassessed and possible further drill testing of the Cabbage Tree Trust
 - 4 are point anomalies, **low priority** and require resampling (TMC003, TMC004, TMC007, TMC008)
 - A traverse of 7 soils on 50m centers should be collected over these anomalies to see if they repeat.

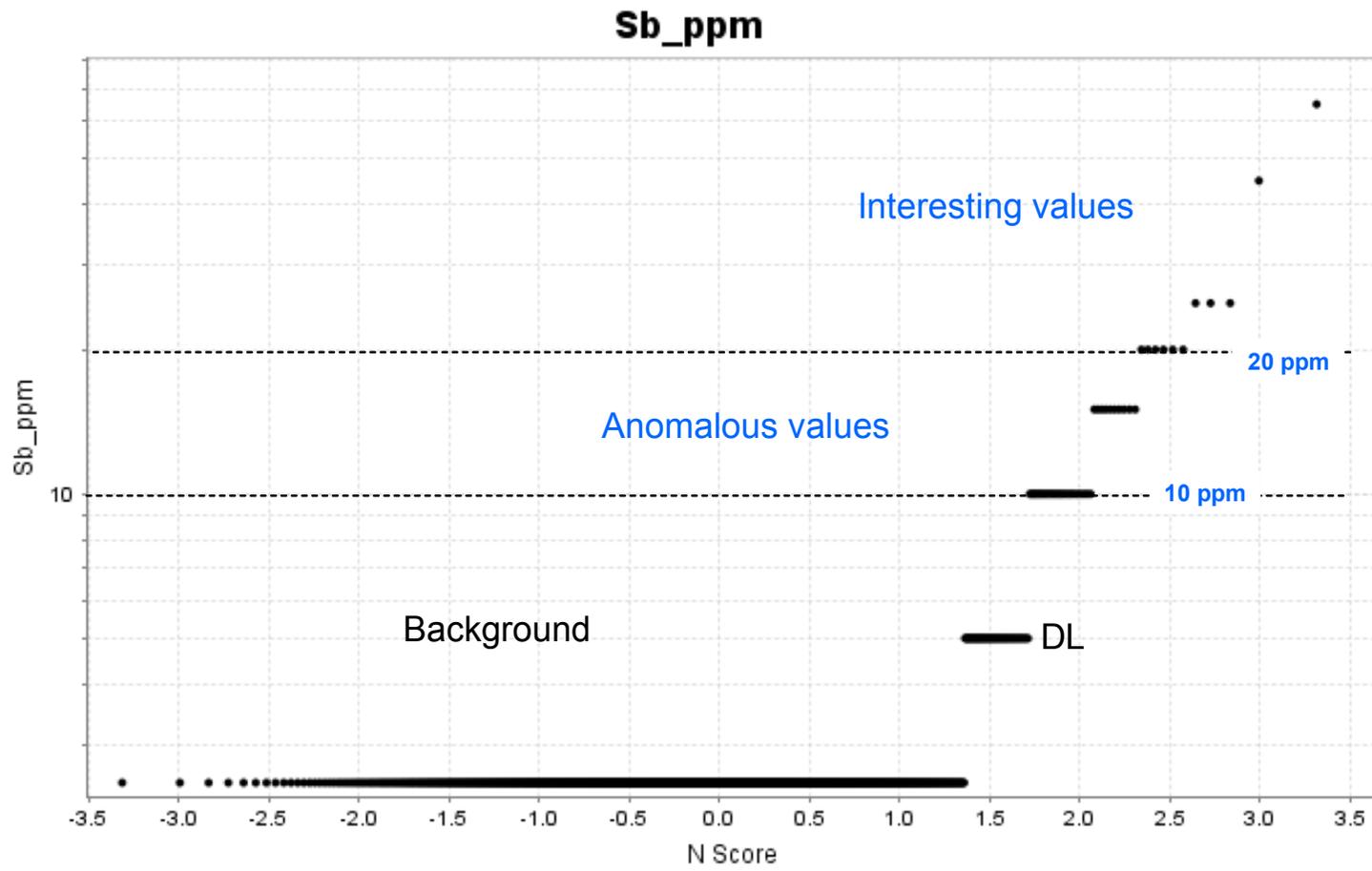
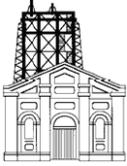


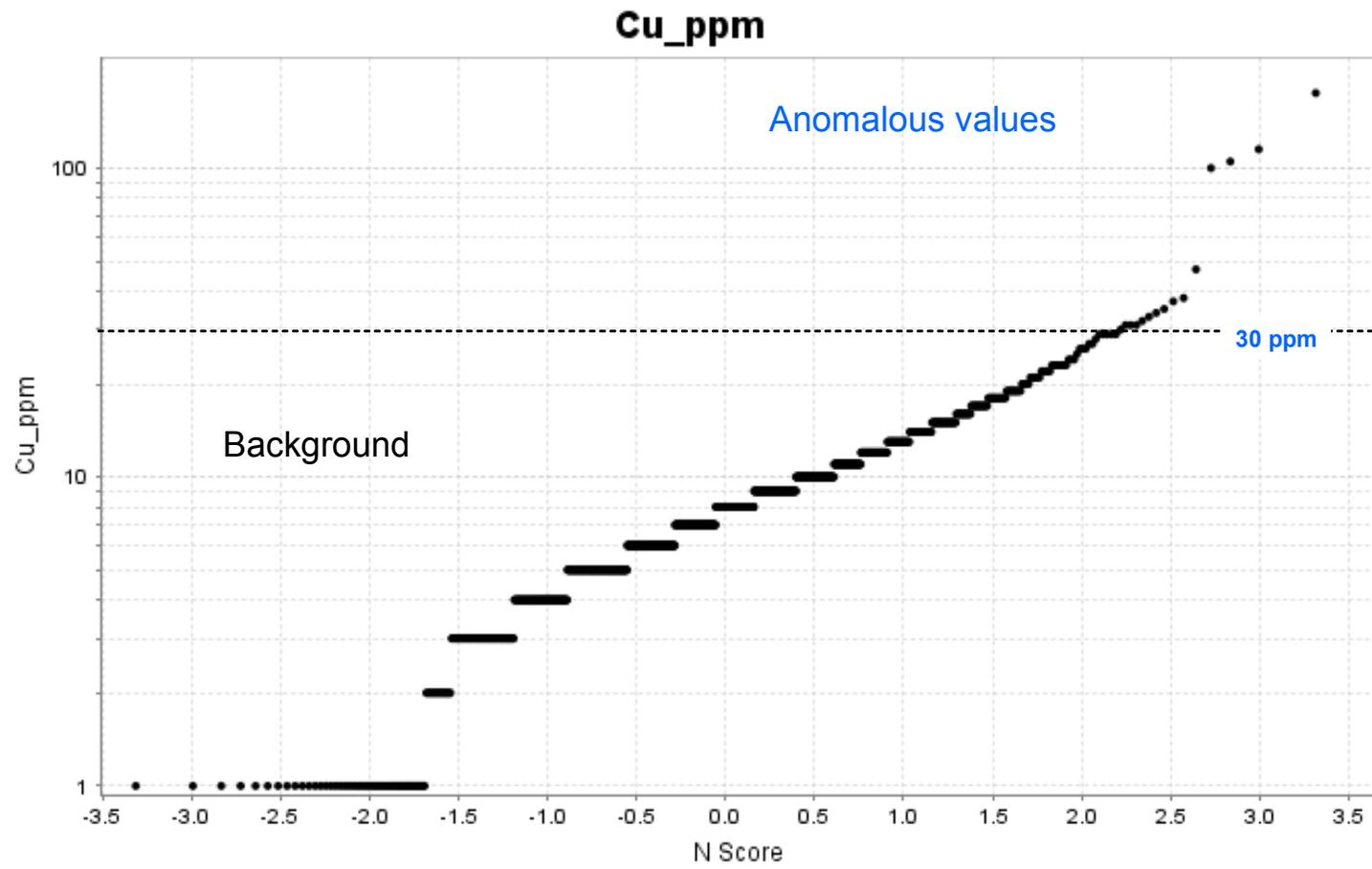
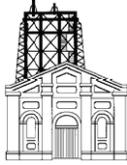
Appendix

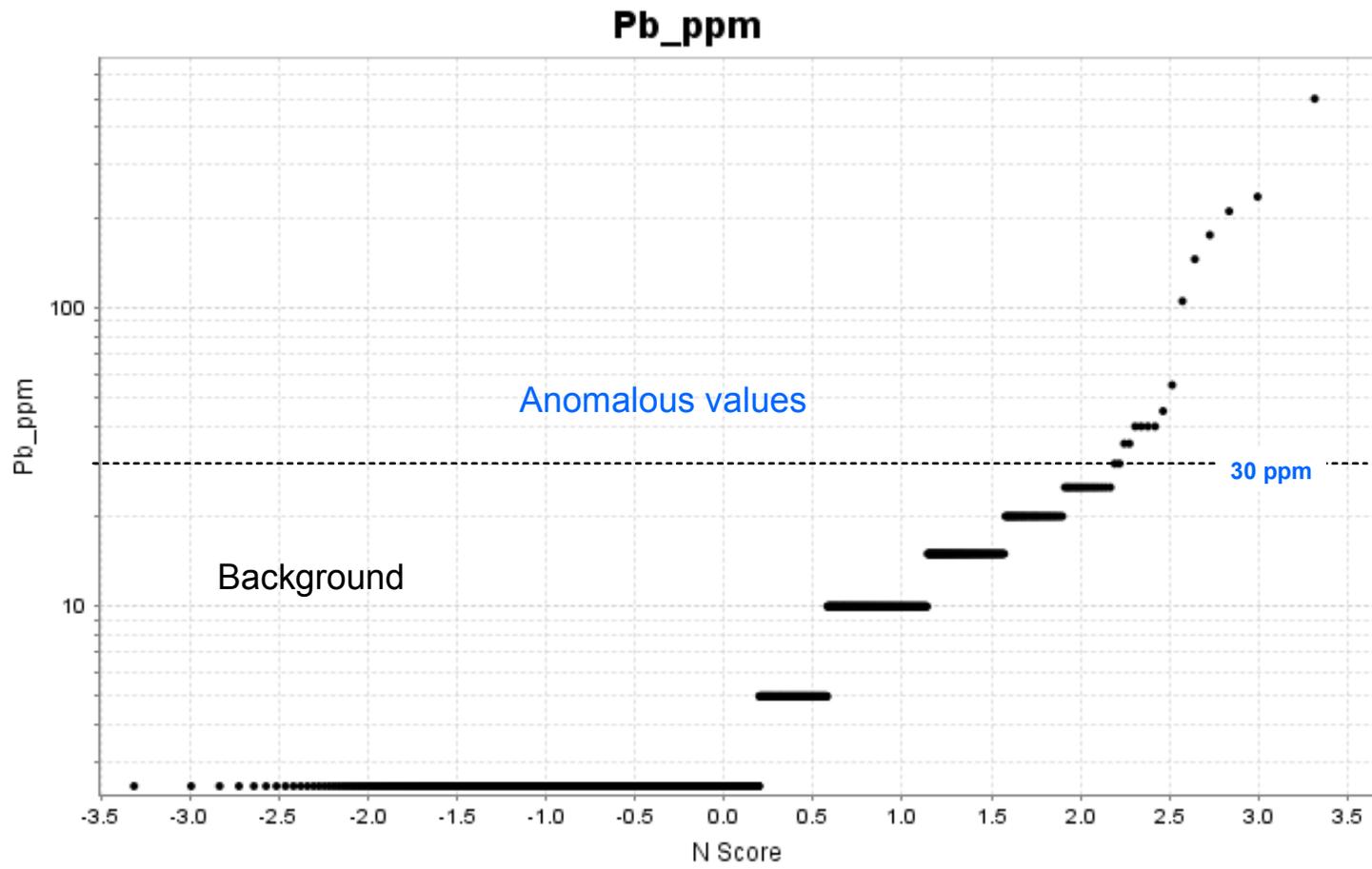
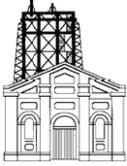
Element distribution – probability plot

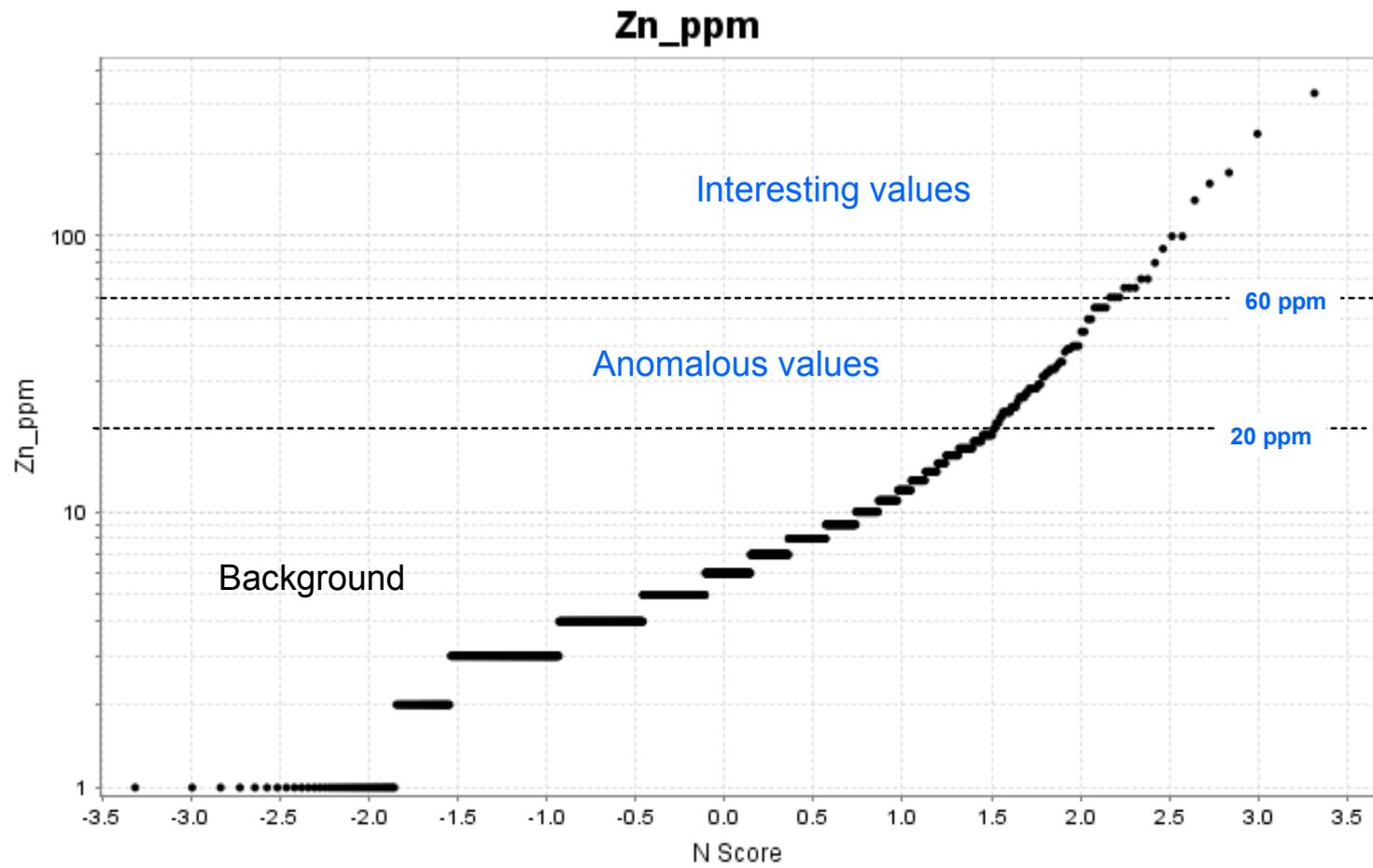
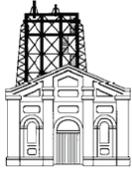


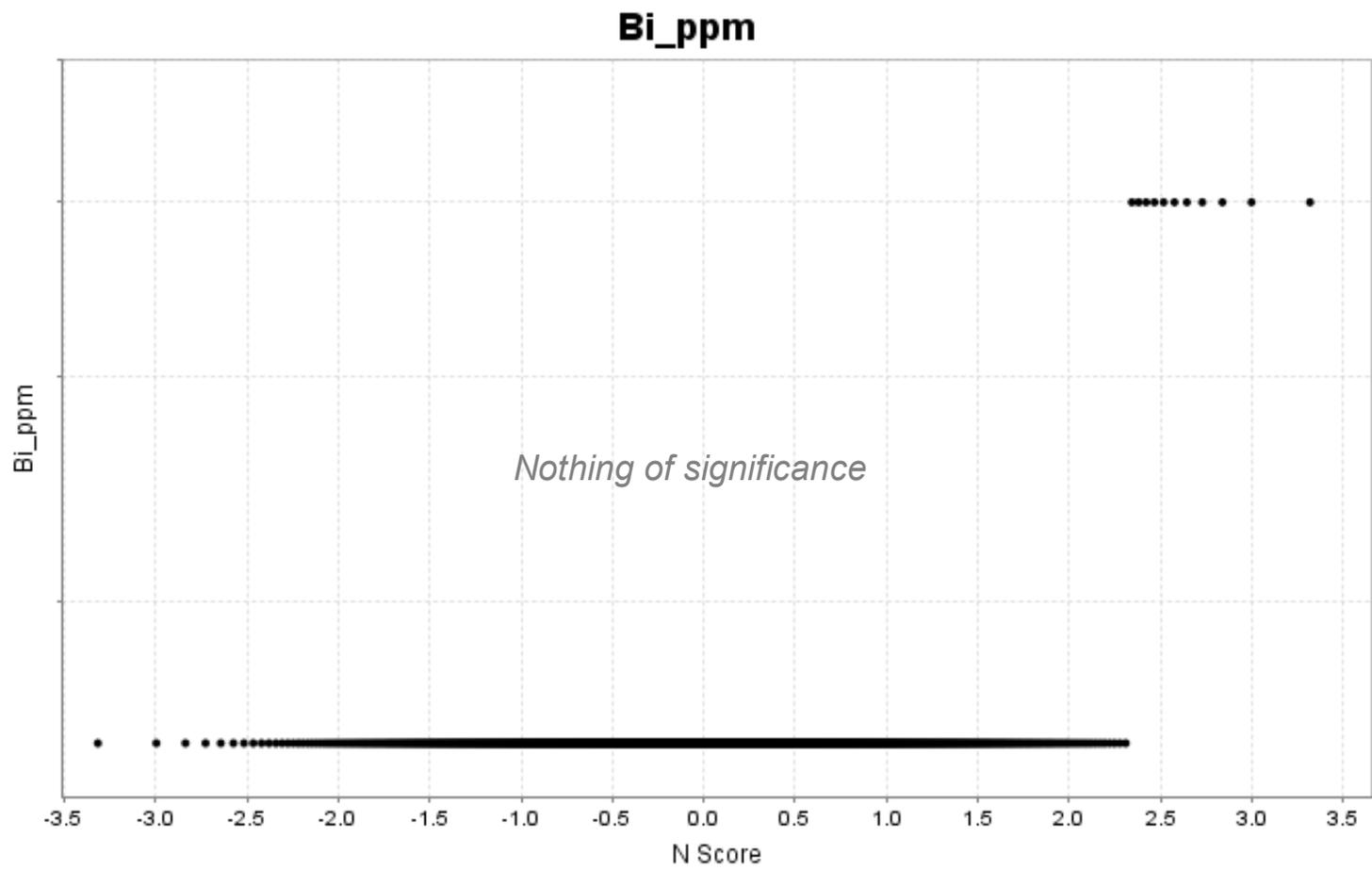
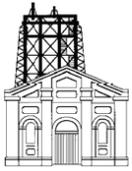


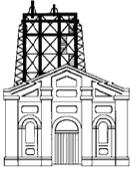












Appendix - Data Errors

- The following samples have had their easting's corrected in the working file. The coordinated should be verified and corrected in the master database.
 - SNo 12479 add 500m to the east so sample lies between 12478 & 12480
 - SNo 12552 subtract 1000m of the easting do sample lies between 12552 and 12554.