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# BEACONSFIELD GOLD MINES LIMITED

91-3293

31 July 1991

The Director of Mines  
Mines Department  
PO Box 56  
ROSNY PARK TAS 7018



<b>MINES</b>	
File Ref. E.L. 7	88
<b>10 SEP 1991</b>	
Doc. Ref.	
Action Officer	Initials
REFERS TO	
FOORES	9.9.91
Resubmit to	Date

Dear Sir

BEACONSFIELD OPERATIONS PTY LIMITED ANNUAL REPORT 1990/91 *EL 7/88*

Please find outlined below the major activities carried out by Beaconsfield Operations Pty Limited.

### Hart Shaft Rehabilitation

Once again the majority of site activities and expenditure centred on the Hart Shaft Rehabilitation. The water table was lowered to the 160 metre level during the early part of the year and maintained at this level for the latter part of the year.

The shaft from surface to 160 metres is in good sound condition. Shaft services including ladderway, rising mains and cables extend to the 150 metre old cistern chamber level whilst shaft guides have been installed within 10 metres of this level.

During the year a cross cut was driven on the 150 metre level, from the Hart Shaft to the Main Shaft. A total of 150 metres of cross cut was completed and successfully connected with the Main Shaft which was unfortunately found to be filled with surface rubble.

A diamond drillhole was drilled from the cistern chamber towards the Grubb Shaft to explore for a sulphide hanging wall reef, reported in the old records. No significant intersections were obtained. The cross cut has now been sealed off at the Hart Shaft.

Two new large Australian designed submersible pumps Everflow 11 Stage 530 kW Vertical Turbines capable of pumping 200 litres per second at 200 metres vertical head were purchased. One of the pumps is now in service, replacing four smaller inefficient pumps, and maintaining the water level at 160 metres.

### North Tasmania Reef

The upper part of the Old North Tasmania Inclined Shaft was recovered and a sampling programme and geological review undertaken. A recommendation for additional exploration work has been prepared by the consulting geologist.

Employment and Safety Statistics

The maximum number of employees on site during the year was fourteen, including permanent salaried and award employees plus casual and contract labour.

During the year one lost time accident, a hand injury, was reported involving a total of fifteen days lost.

Yours faithfully



B BLANCHARD  
Manager Engineering and Project Evaluation

cc Mr J W Dempster  
Inspector of Mines  
Launceston

## BEACONSFIELD OPERATIONS PTY LIMITED

ANNUAL REPORT 1990/91 EL 7/88

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Annual Report

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- Appendix 2 - Exploration licence 7/88 Beaconsfield Report for period ending 31 March 1991 by Allan McGain, Juka Mine Management.
- Appendix 3 - Summary of Exploration and Potential at Beaconsfield as at 30 June 1991 by Livre Holdings Pty Ltd.
- Appendix 4 - Beaconsfield Gold Mines Limited - Annual Report 1991 and Prospectus.

Appendix I - Correspondence between Division of Mines and Beaconsfield Operations concerning further information for the report.

Enquiries: J.G. Oakes  
Phone: 30 8362  
Your ref:  
Our file: JG072.91:JH

Mr R Bottrill  
ROSNY PARK

Beaconsfield Operations Pty Ltd  
GPO Box X2201  
PERTH WA 6001

16 OCT 1991

ATTENTION: Mr R G Denny

**FAXED**  
16.10.91

Dear Mr Denny,

EXPLORATION LICENCE 7/88 - TASMANIA

TCR 91-3293

Your letter of 11 October is acknowledged.

The Supervising Geologist, Mr Ralph Bottrill (Phone 002 30 8359), advises that this information did not deal satisfactorily with four of the items sought in our fax of 9 October.

These were:

1. Details of drilling in cistern chamber, including logs, cross sections, locations, assays etc.
2. Details of sampling and geology in the North Tasmania shaft.
3. Results of "general mapping in adjacent area".
4. Results of attempts at locating old mines.

If the results of drilling, sampling at North Tasmania Mine and general mapping are incomplete, we would appreciate being so advised. Furthermore the plans which you provided are sketchy and should be resubmitted with the AMG co-ordinates clearly marked.

Yours sincerely,

*(AO)*

J.G. Oakes  
EXECUTIVE OFFICER



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# BEACONSFIELD GOLD MINES LIMITED

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21 October 1991

The Director of Mines  
Department of Resources and Energy  
Division of Mines and Mineral Resources  
Gordons Hill Road  
ROSNY PARK TAS 7018

Attention: Executive Officer - J G Oakes  
Supervising Geologist - R Bottrill

Dear Sir

TCR 91-3293

## EXPLORATION LICENCE 7/88 BEACONSFIELD

MINES	
File Ref. E.L. 7/88	
23 OCT 1991	
Doc. Ref. 912	
Action Officer	Initials
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RSB	RSB
REG	
Resubmit to	Date

Further to your faxed letter of 16 October 1991 requesting further information regarding the above Exploration Licence we advise the following:

- Point 1            The drilling in the cistern chamber etc in fact referred to the Hart shaft de-watering etc and represents work undertaken on Mining Lease 1435 P/M. ✓
- Point 2            Please find attached a further report which we apologise for not submitting previously which describes work carried out in the North Tasmania mine area. ✓
- Points 3 and 4    Only preliminary work was carried out as an extension to past general mapping in an attempt to locate old mines which was unsuccessful. ✓

Also attached is a copy of the plan from the previously lodged report with the appropriate AMG co-ordinates shown.

We trust this completes your requirements concerning EL 7/88 reporting for 1991 and again apologise for the oversight in not previously supplying the attached report.

Yours faithfully

R G Denny  
Tenement officer

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Appendix 2 - Exploration licence 7/88 Beaconsfield Report for period ending 31 March 1991 by Allan McGain, Juka Mine Management.

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EXPLORATION LICENCE 7/88 BEACONSFIELD

REPORT FOR PERIOD ENDED 31 MARCH 1991

FOR

BEACONSFIELD GOLD MINES PTY. LTD.

BY

ALLAN McGAIN F.R.M.I.T., M.AUS.I.M.M.

JUKA MINE MANAGEMENT PTY. LTD.

424 ST. KILDA ROAD, MELBOURNE.

APRIL 1991

SUMMARY

A literature search of old workings and field mapping have concentrated on the North Tasmania-Dundee workings in the Brandy Creek area, 1.2km north of the Tasmania Reef at Beaconsfield.

Complex faulting is evident in the area along with different lode characteristics to those at the Tasmania Reef.

Further exploration in this area is recommended bearing in mind that the target is for smaller, narrower reefs than the Tasmania Lode.

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- 2 -

## INTRODUCTION

Exploration Licence 7/88 has undergone extensive reduction from its original size and is now 5km square. It surrounds the town of Beaconsfield and covers the old mill and tailings sites to the east of the town.

Beaconsfield Gold Mines are currently placing their major exploration effort into cross cutting from the Hart Shaft to the old Tasmania Lode workings at the No. 3 level, some 150m from the surface. Dewatering the old workings to their full extent is being carried out at the same time.

Exploration of EL 7/88 is being carried out to try and locate mineable deposits which would keep the operation cash positive while the dewatering operations continue.

## WORK COMPLETED

A literature search of the old workings in the Brandy Creek area has been carried out by mine staff using the facilities of the Tasmanian Mines Department archives and copies of old reports of the Tasmania Gold Mining Company recently located in a private collection of miscellaneous mine records.

Field work has consisted of check mapping old Mines Department plans and Amax plans, trying to locate old shafts such as the Beacon in the area. These shafts appear to have been filled by farming and housing developments to the north of the Beaconsfield hospital. Two large trenches north of Brandy Creek, excavated in relatively recent times, were sampled for quartz vein material on the dumps but no trace of gold was detected.

## DISCUSSION OF RESULTS

The grits and conglomerates of the Cabbage Tree Hill formation which lie to the immediate west of the Tasmania Reef can be traced north along Cabbage Tree Hill to the area of Brandy Pond Dam in the north east corner of the tenement. The mine sequence of sandstone, siltstone and shale can be similarly traced to the north in the vicinity of the Dundee Shaft. The contact of the two rock types lies some 60m east of the old North Tasmania shaft.

The mine sequence is the obvious exploration target in which to locate reefs parallel to the Tasmania reef. Exploration throughout the history of the field has concentrated on this feature and it is probable that the mine series contains no large near-surface parallel reefs in the north west corner of the tenement. Old prospecting and shaft sinking operations, old alluvial operations in Brandy Creek, and recent exploration techniques have all failed to find a near surface repetition of the Tasmania Reef.

The grits and conglomerates west of the mine sequence have historically proved to be of relatively minor interest for gold production. However, the Little Wonder and various other mines in the Cabbage Tree grits produced gold from quartz sulphide veins and operated their own battery for many years.

At the North Tasmania mine north of Brandy Creek the lode occurred in grits and sandstones and was extensively prospected by the North Tasmania Gold Mining Company in the years 1904-7 when they drove east along the reef for some 180m. At 55m east the lode was faulted 65m south at the grit-mine sequence contact. On locating the reef again, it was driven for 120m east in the mine sequence where numerous small faults dislocated the lode.

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- 3 -

Apparently no quartz carbonate reef was present, as in the Tasmania Reef, but only the quartz - sulphide veins - which are very important gold hosts in the Tasmania Reef. The sulphides also appear to be different at the North Tasmania mine with chalcopyrite predominating over pyrite, arsenopyrite and galena and the presence of tetrahedrite. It is notable that some stoping of the North Tasmania lode was carried out within the grit sequence while none was done within the mine sequence.

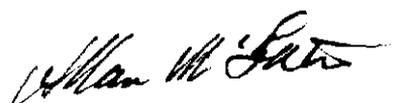
It is therefore possible that the North Tasmania and the various reefs to the north of the field represent a different target to that of the Tasmania Reef. This target is likely to be one of quartz sulphide veins 1/2 to 2m wide which can be mineralised in the grit sequence or in the mine sandstone siltstone sequence.

Further evidence of gold mineralisation in the north west of the tenement is found in the various old alluvial workings along Brandy Creek. These workings extend for at least 350m along the creek and overlie the mine sequence rocks. Production of alluvial gold from this area is not known. It is assumed that veins similar to that at North Tasmania gave rise to this gold mineralisation, and that other undetected lodes might occur in the vicinity of Brandy Creek.

#### ONGOING EXPLORATION

Further work in the north western area of the tenement is recommended. It is proposed to reappraise in detail all the old descriptions of workings to determine if an overall pattern can be defined with fault and lode directions and mineralisation characteristics. From this it may be possible to select a lode to explore which might have the tonnage and grade potential to provide an adequate cash flow to the Company while dewatering operation are under way at the Hart Shaft.

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A Division of Incharge Inspection and Testing Services Australia Pty. Ltd.

145012

Analabs - A Division of Incharge Inspection & Testing Services

Phone (004) 31 6837

14 Thirkell St. Coee Tas 7320

Fax (004) 31 8890

# ANALYTICAL REPORT No. 102250.60.07867

THIS REPORT MUST BE READ IN CONJUNCTION WITH THE ACCOMPANYING ANALYTICAL DATA

INVOICE TO:

Beaconsfield Gold Mines Ltd  
PO Box 58  
Beaconsfield  
Tasmania 7270

ORDER No.

PROJECT

4624

DATE RECEIVED

RESULTS REQUIRED

02/04/91

ASAP

No. OF PAGES OF RESULTS

DATE REPORTED

No. OF COPIES

TOTAL No. OF SAMPLES

1

09/04/91

1

13

SAMPLE NUMBERS

SAMPLE DESCRIPTION

ELEMENT/METHOD

86M .8/20

RO Prep: 6P005,6P009,6P011,6P018

Au, Au(R), Au(S)/66309, Au/RAW, Au/Wt

RESULTS

TO

Mr. Allan McLean  
Beaconsfield Gold Mines Ltd  
PO Box 58  
Beaconsfield  
Tasmania 7270

RESULTS

TO

RESULTS

TO

REMARKS

AUTHORISED OFFICER

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# ANALABS

A Division of Incepage Inspection and Testing Services Australia Pty Ltd

## ANALYTICAL DATA

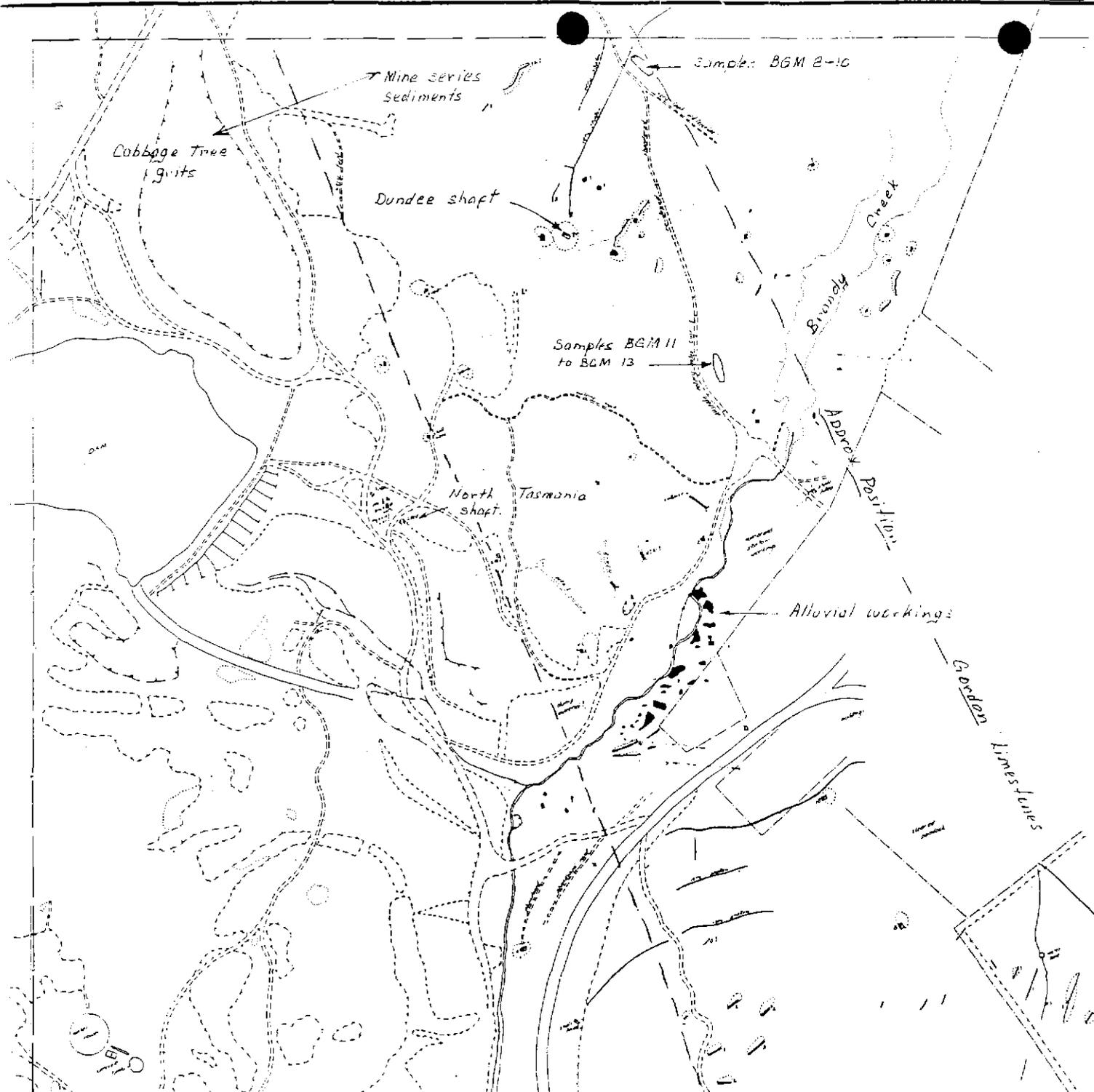
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TUBE No	SAMPLE No.	Al	Al(R)						
1	BGM 8	<0.008	-						
2	BGM 9	<0.008	-						
3	BGM 10	<0.008	-						
4	BGM 11	<0.008	-						
5	BGM 12	<0.008	-						
6	BGM 13	<0.008	-						

17									
18									
19									
20									
21									
22									
23	DETECTION	0.008	0.008						
24	UNITS	ppm	ppm						
25	METHOD	66309	66309						

Results in ppm unless otherwise specified  
 T = element present, but concentration too low to measure  
 X = element concentration is below detection limit  
 - = element not determined

AUTHORISED OFFICER





EL 7/85 Boundary (approx.)



0013

145011

5 cm



**BEACONSFIELD  
GOLD MINES LIMITED**

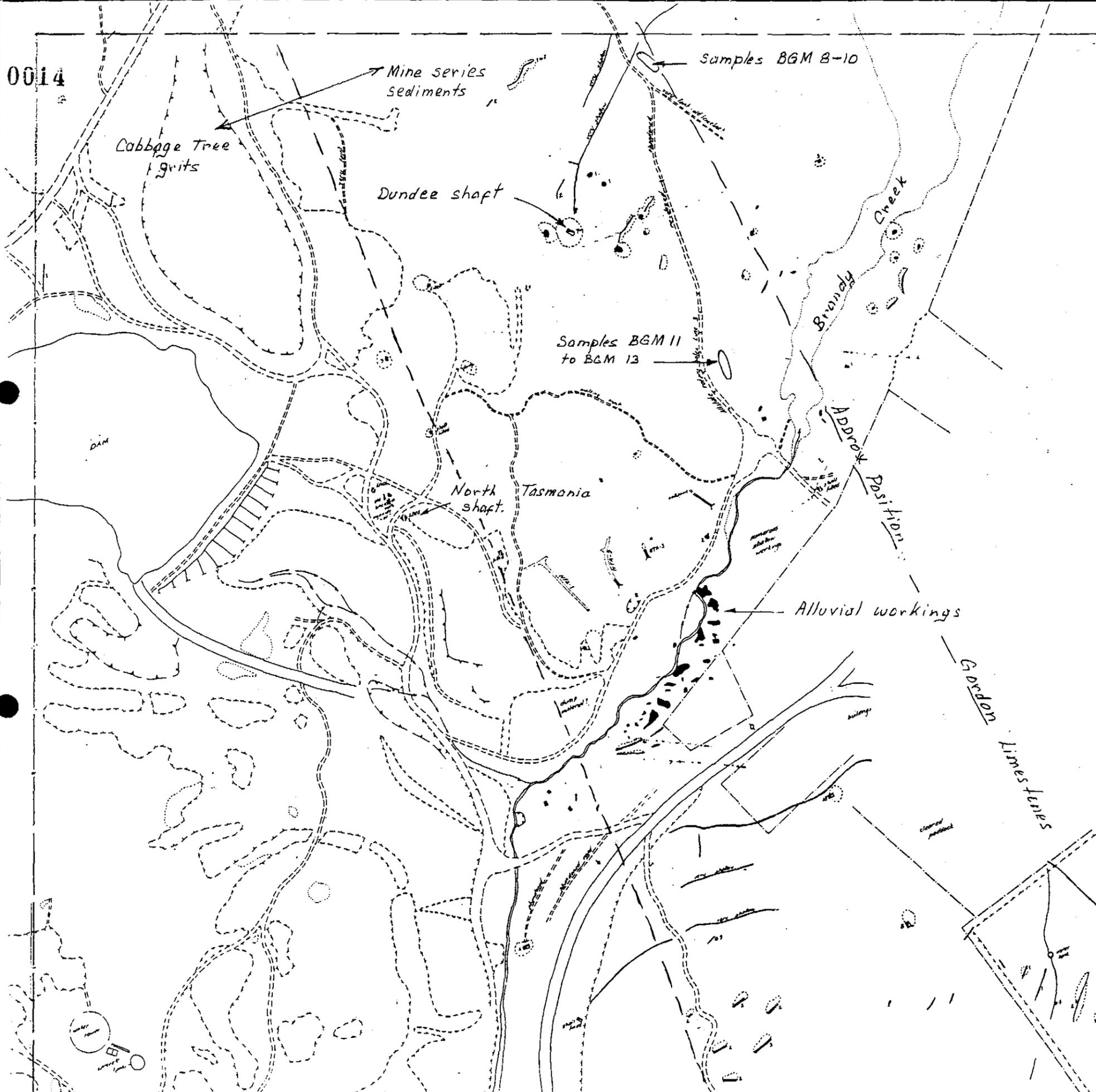
EL 7/85 BEACONSFIELD

TITLE  
SURFACE PLAN  
BRANDY CREEK AREA

DRAWN A. McEain	SCALE 1:2000	DRG No.	FE.
DATE 16-4-91	ENG	2 of 2000	

0014

EL 7/88 Boundary (approx.)



5 cm

145015



**BEACONSFIELD GOLD MINES LIMITED**

EL 7/88 BEACONSFIELD

TITLE  
SURFACE PLAN  
BRANDY CREEK AREA

DRAWN A.M'Gain	SCALE 1:2000	DRG. No.	REV.
DATE 10-4-91	ENG		

Appendix 3 - Summary of Exploration and Potential at Beaconsfield as  
at 30 June 1991 by Livre Holdings Pty Ltd.

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SUMMARY OF EXPLORATION AND POTENTIAL  
 AT BEACONSFIELD, TASMANIA.  
 FOR BEACONSFIELD GOLD MINES LTD.  
AS AT 30 JUNE 1991.

LIVRE HOLDINGS PTY. LTD.  
 Allan McGain.  
 1/7/1991.

MINES	
File No.	EL 7/88
23 OCT 1991	
To:	
Action Officer	Initials
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CORRES	21.10 91
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1] INTRODUCTION:-

This report is a summary of Exploration carried out at Beaconsfield during April - June 1991. Activities have been concentrated on access and drilling to the Tasmania workings via Harry's Crosscut, drilling for the "South Lode" from the 150m level and exploration of the North Tasmania workings at Brandy Creek.

2] HARRY'S CROSS CUT:-

Harry's Crosscut successfully located the Main Shaft and the No.3 level crosscut (Florence Shaft level reference). The No.3 crosscut was proved to be full of collapsed back material and the shaft was full of near-surface rubble and old mine timber. There is some possibility that the No.3 level cross cut has collapsed at the intersection point with Harry's Crosscut, due to the close proximity of a north-south pugy fault, and that it still may be open further toward the reef. However, there is a general tendency in Harry's Crosscut for the sediment to be more broken by strongly jointed zones as the main reef is approached. This suggests that not only is the No.3 level crosscut collapsed but the old workings will be in a similar state.

A diamond drill hole, DDH 150L/2, was drilled to the hanging wall reef to intersect a possible floor pillar 2m below the intersection of the No.3 cross cut with the hanging wall reef. The hole was designed to test the 10m interval between the hanging wall and main reef. The drill hole hit timber and old stope fill at 39.8m and was abandoned at 41.0m. A 0.25m interval of lode material (Quartz, pyrite and chalcoppyrite) was intersected from 36.5m to 36.75m which assayed at 3.32gm p/t.

Drill results indicate that all possible pillars were removed before the level was abandoned. This still leaves the question on the nature of the horse between the hanging wall and the main reef unanswered, but it can be assumed that if floor pillars were robbed, narrow veins within the horse might also have been removed.

Drillhole 150L/2 indicates that the rocks between the hanging wall lode and Harry's Crosscut are highly broken in places (as in the assumed fault between 9m and 11m) but fairly competent over most of the interval - given that the drillhole ran sub parallel to the bedding. If the crosscut is extended at some time in the future, ground conditions are expected to be similar to those encountered toward the end of Harry's Crosscut. There is little encouragement to extend it at this stage.

3] SOUTH LODE:-

Diamond drillhole DDH 150L/1 was drilled south from the 150' level plat at 160° TN to intersect a possible south lode at 30 to 40m. (Refer to report by C.Roberts, May '91). No vein or lode of any apparent consequence was intersected in the drillhole which was extended to 60m to give the zone a thorough test. The negative results did not warrant a second drillhole toward the Grubb Shaft to confirm the old report of a lode in the vicinity.

It is concluded that old reports of lode intersections at the Grubb Shaft, Bonanza Shaft and the No.3 level south crosscut refer to localised mineralisation which has limited strike extent.

It is worth noting that a narrow quartz, pyrite, chalcopyrite vein 10mm to 20mm thick was intersected within a strong joint system adjacent to the Main Shaft breakthrough. This joint system was previously intersected in Harry's Crosscut (at 100m from the plat) 22m distant where no evidence of sulphides was seen. Numerous quartz carbonate veinlets along joints were evident in both localities. If such a joint system were to coalesce and contain sulphides, it might be reported as a "promising lode" in old reports. Similarly, the quartz sulphide intersected near the hanging wall in DDH150L/2 looked promising but contained low gold values.

4] NORTH TASMANIA INCLINED SHAFT:-

The old inclined shaft was cleaned out to 24m down the incline with stulls and ladders placed. Sampling of the exposed reef and fault material was carried out along with geological mapping.

The North Tasmania Mine is quite significant in the regional setting of Beaconsfield. It has a strong shear - controlled quartz reef system up to 2m wide which lies sub - parallel to the Tasmania Reef (about 45° magnetic) and is broken by faults with a similar trend to the main cross course fault. These features were recognised by the old Tasmania Company which explored along the lode and its faulted offsets to the south east for some 250 metres at the 420' level. This development work crossed under Brandy Creek and headed toward the hospital.

Surface mapping has confirmed the existence of a major north south fault (the London Adit fault) which cuts off the North Tasmania Reef immediately west of the inclined shaft. The fault dips steeply west, occupies a breccia zone about 6m wide, and appears to have considerable lateral movement with the west block north.

At least two other faults displace the North Tasmania Reef. These are sub parallel in strike to the London Adit fault but appear to dip east at about 75°. One of these faults appears to displace the North Tasmania Reef by some 70 metres with the west block north. This interpretation is made from old level plans and reports. There appears to be no surface expression of the offset lode.

The North Tasmania Reef, where exposed in the incline shaft is a strong quartz-filled shear system from one to two metres thick. Quartz veining throughout the shear is highly variable ranging from brecciated siltstone with an occasional thin stringer (at the shaft collar) to a one metre thick vugy quartz lode with adjacent 1 metre thick quartz stockwork (at 22m level). A similar variability in quartz veining is exhibited in the accessible stopes.

The shear system appears to be strong and continuous with sheared and pugy sediments occupying the shear with or without quartz. The quartz is mostly dull white in colour with minor translucent - grey variations. Occasional traces of sulphides occur with minor iron staining in quartz and on joints. A sample (No. NT35) of sulphides at the 22m level assayed 0.9g Au/t. The shear appears to cut the sediments on both walls fairly abruptly and appears to be a tension fault.

Assays from all parts of the workings were quite low with 1 to 2g - Au/t being typical of the quartz veins and lesser values from the sheared or stockworked sediments. The best assay was 6g Au/t from a pugy quartz - sediment breccia 0.3m thick on the lode hanging wall 17m down the inclined shaft. These results tend to explain the erratic nature of the stoping in the mine where every attempt was made to find an ore shoot. Old reports, although written in a very encouraging style, also indicate that the lode is similar in the lower workings

#### 5] NORTH TASMANIA - REGIONAL GEOLOGY:-

The geology of the region has been outlined by J. Hicks (1989). The recent work around the North Tasmania Reef has located significant structures within Hicks's outline.

The Tasmania Reef fault can be traced through the Garfield Adit and Kelly's Lookout road cutting where it appears to be branching out or "horse tailing" into a zone some 75m wide. This fault system meets the London Adit fault at Brandy Creek where it has either been to the north or has then run along the London Adit fault. It appears that the old prospectors were trying to locate the Tasmania Reef fault in the London Adit but were a little too far north to intersect it.

Drag on bedding at the mouth of the London Adit indicates that the west block moved north. The amount of horizontal displacement could be in order of 100 metres or more. Parallel faults such as those in the North Tasmania workings would add to the total displacement along the London Adit fault. The fault disappears under cover to the north. Its southerly extension is not known.

Tertiary cover blankets the area west of the Cabbage Tree formation which formed a topographic high during Tertiary times. A low but broad topographic high still exists north of Brandy Creek. The relative difference between the northern topographic high and the southern high near the mine suggests that there may be a thinner sequence of grits and quartzites toward the north which was eroded more easily. Alternatively, there may be an area of shallow tertiary cover over the grit sequence in the north. Tertiary sands have been intersected in the end of the London Adit indicating a steep Tertiary land surface dipping west which probably closely follows the boundary of the Cabbage Tree formation and the underlying Cambrian graphitic shales.

## 6] EXPLORATION POTENTIAL:-

### (i) Tasmania Reef Fault

The Tasmania Reef fault is considered to be the main control for the Tasmania Reef. It has not been traced east or south of the mine but towards the west it turns north along the strike of the Cabbage Tree grits. It is assumed that the fault is poorly mineralised within the grits.

It is proposed that the Tasmania Reef fault be followed to the north west as far as possible to determine if it swings out of the grits into the underlying less competent graphitic shales where it might swing to the west and provide a similar structure to that at the Tasmania Reef.

The presence of the London Adit fault suggests that the Tasmania Reef fault has been displaced to the north and may extend under the area of Brandy Pond. Alternatively, the London Adit fault and the Tasmania Reef fault may be the same structure - in which case the structure should be followed north.

A covered interval of about 400 metres of strike extends from the North Tasmania mine to the sand gravel quarries in the north. Part of this interval has been tested to date but further work is warranted.

Good exposure exists in the northern sand/gravel pits where minor folding and faulting have occurred in the Cabbage Tree formation. Tertiary cover blankets the area north of the quarries where Hicks previously proposed that exploration be carried out for repetitions of the Tasmania Reef. This area is still worthy of exploration.

### (ii) North Tasmania Reef

This reef has many similarities to the Tasmania Reef in that it has the same strike and dip, occupies a similar position in the Cabbage Tree formation, has a quartz reef containing pyrite, chalcopyrite and gold values and is cut to the west by a fault parallel to the main cross course fault. These similarities are too significant to be ignored and further exploration of the reef is recommended.

7] EXPLORATION PROPOSALS:-

## (i) North Tasmania

- a. Trenching, mapping and sampling around the reef to the east and in the area to the north west, to locate faults and reef offsets.
- b. Drilling below the old workings and on any strike extensions located by trenching RC drillholes are recommended with diamond tails through the reef.
- c. Accessing the lower workings via the main shaft if drilling results are encouraging.

## (ii) London Adit - Brandy Pond

- a. Trenching, mapping and sampling to follow the Tasmania Reef and Brandy Pond faults.
- b. Drilling short vertical holes through the Tertiary sediments to define the contact of the Cabbage Tree formation, with the underlying black shales. Targets for deeper drilling could then be proposed.

## (iii) Area toward West Arm

A short drilling programme to test the depth of the Tertiary and Permian sediments north of the Main Arm road is recommended to determine if a geochemical drilling programme is warranted.

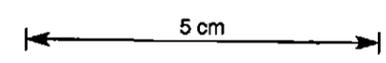
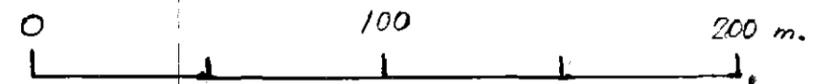
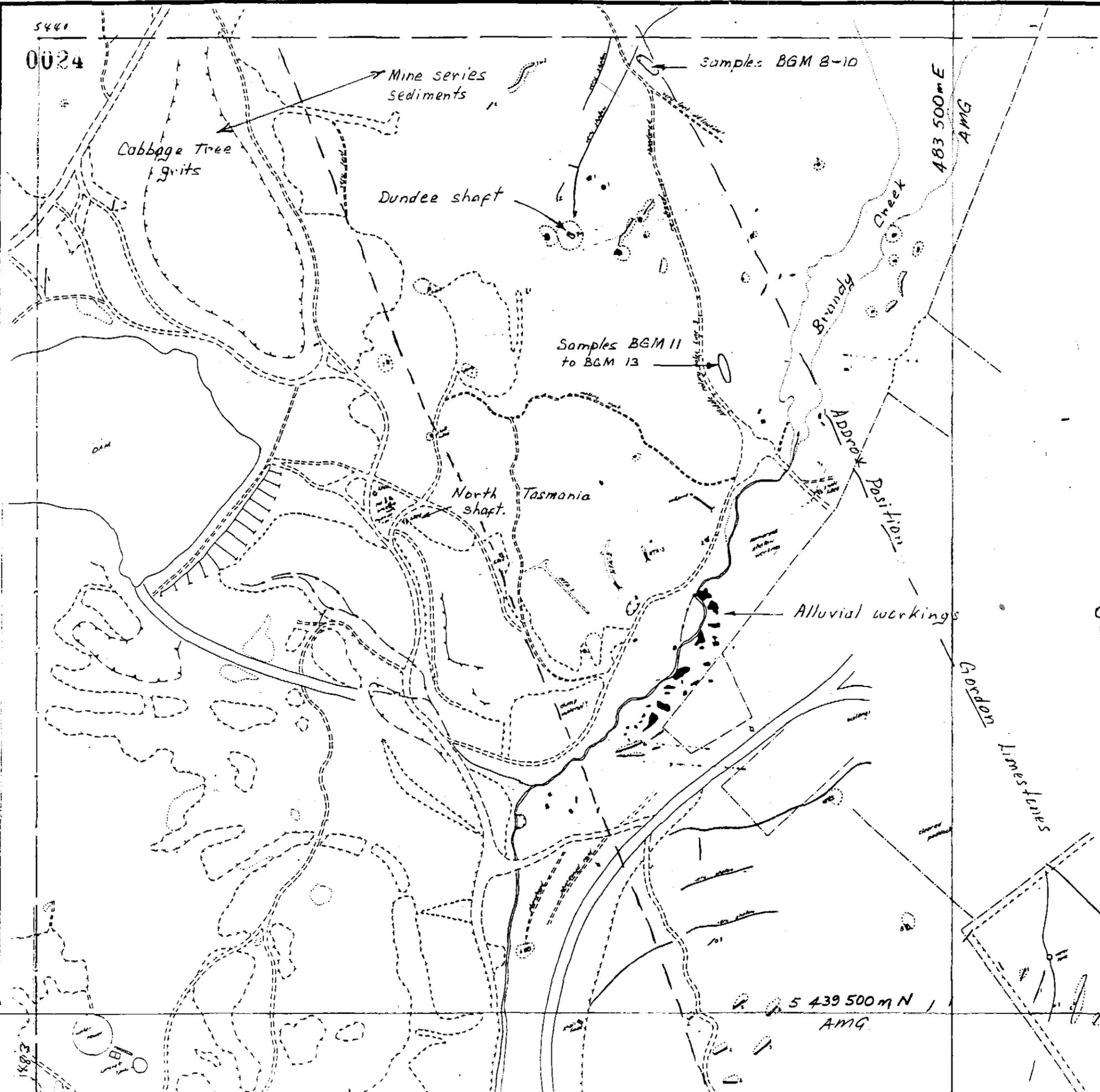
8] PROPOSED BUDGET:-

	\$	\$
<b>NORTH TASMANIA</b>		
Trenching/backfilling	7,000	
Sampling/assaying	2,500	
Mapping, reporting	7,000	
Travel, accommodation, field costs	<u>2,500</u>	<u>19,000</u>
<b>LONDON ADIT - BRANDY POND - NORTHERN QUARRY</b>		
Trenching/backfilling	10,000	
Sampling/assaying	5,500	
Mapping, reporting	10,000	
Travel, accommodation, field costs	3,000	
Vertical drillholes - 6 holes to 80m	<u>10,000</u>	<u>38,000</u>
<b>NORTHERN AREA - WEST ARM</b>		
Vertical drillholes - say:		
- 6 holes to 80m	10,000	
Assaying	<u>2,000</u>	<u>12,000</u>
		<b><u>BUDGET TOTAL: 69,000</u></b>

5440

0024

EL 7/88 Boundary (approx.)



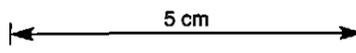
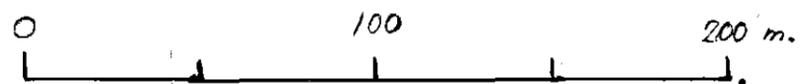
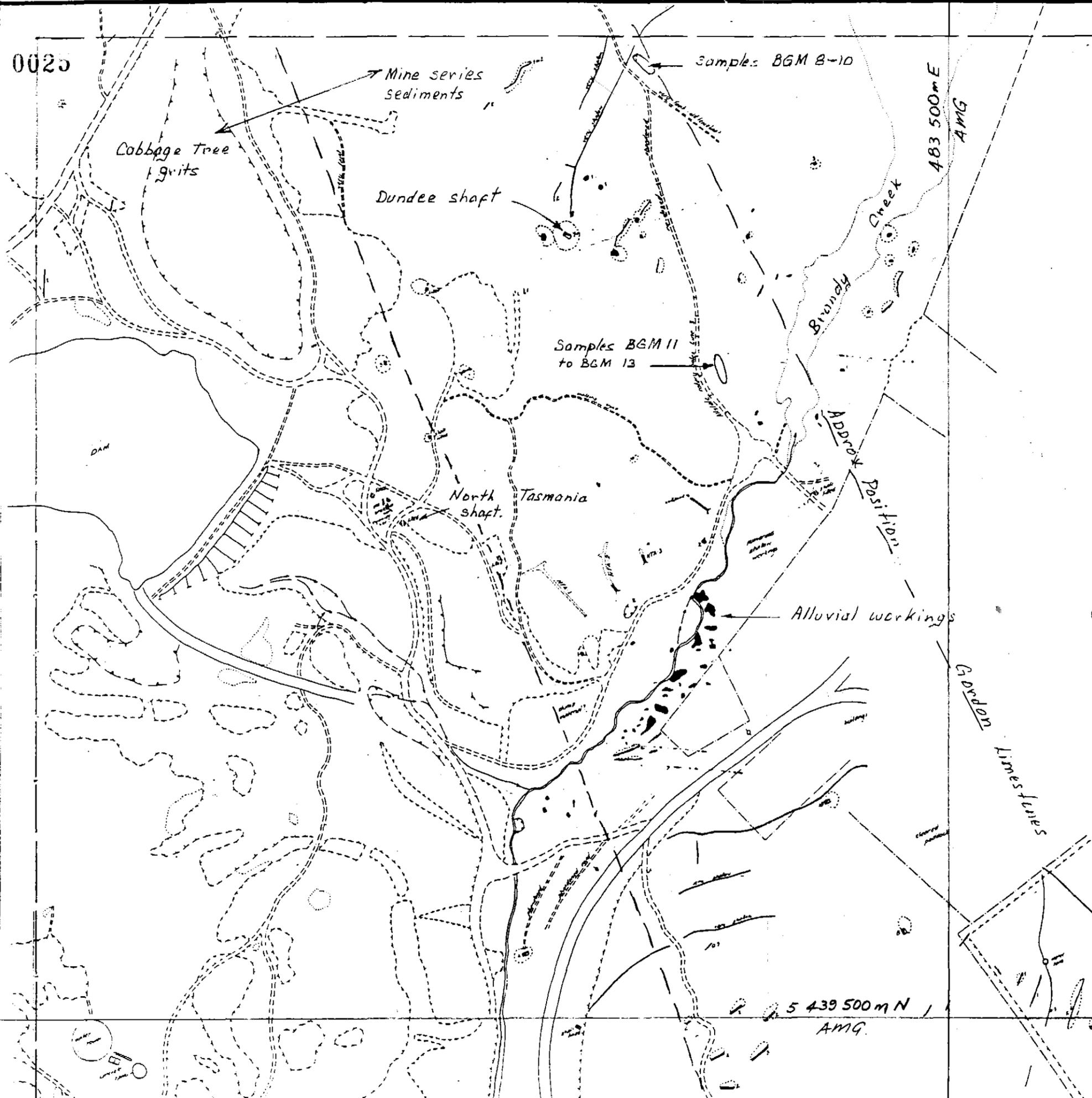
**BEACONSFIELD  
GOLD MINES LIMITED**

EL 7/88 BEACONSFIELD

TITLE  
SURFACE PLAN  
BRANDY CREEK AREA

DRAWN A. McGain	SCALE 1:2000	DRG No.	RE.
DATE 10-4-91	ENG		

EL 7/88 Boundary (approx.)

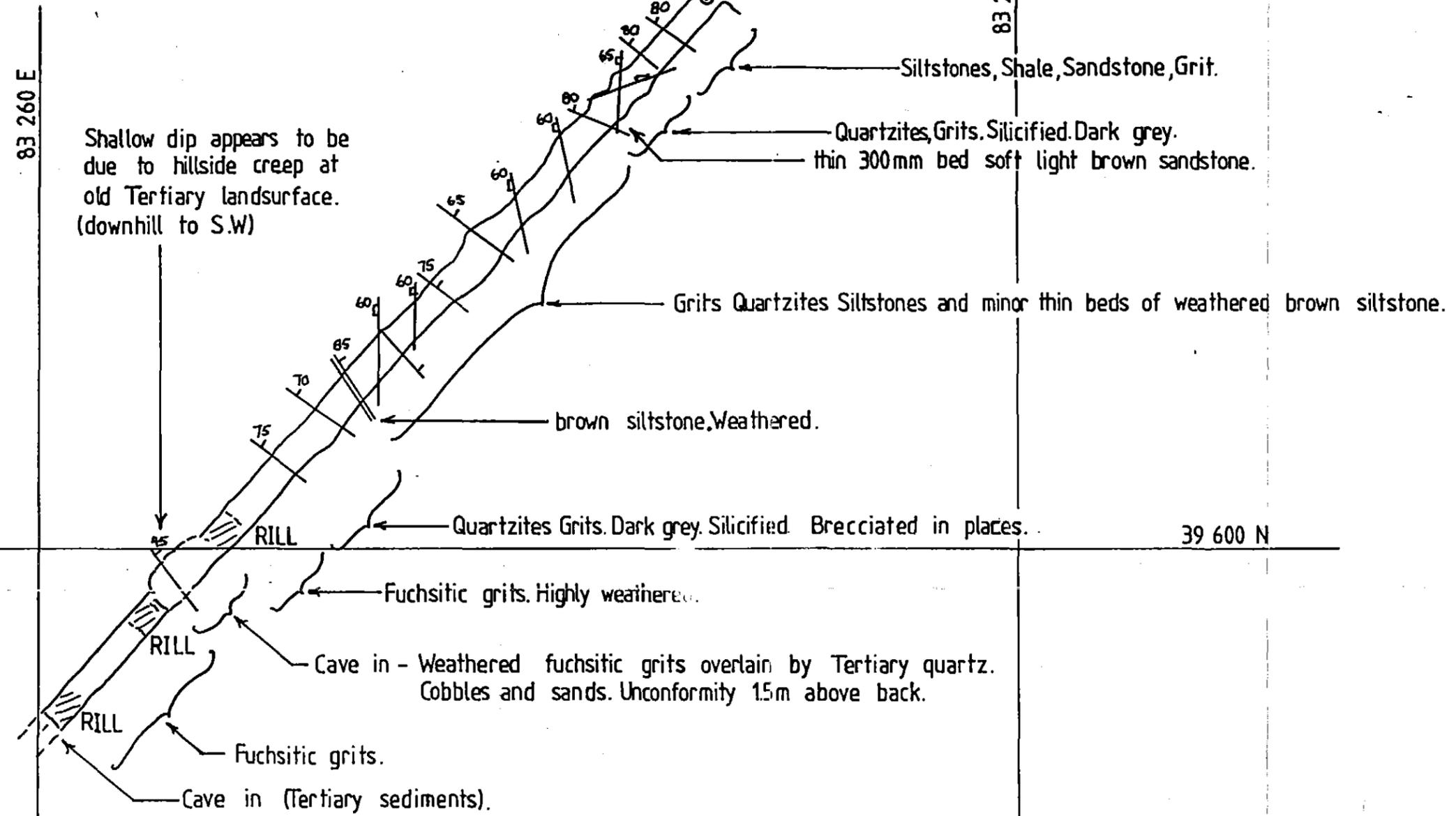


 <b>BEACONSFIELD GOLD MINES LIMITED</b>			
EL 7/88 BEACONSFIELD			
TITLE SURFACE PLAN BRANDY CREEK AREA			
DRAWN A. McGain	SCALE 1:2000	ORG. No.	REV.
DATE 10-4-91	ENG		

0026

145027

Survey point F. (G.J.W & Co.) 24/6/1991.  
Floor level 50.3m.



39 600 N

5 cm

PLATE 3

 <b>BEACONSFIELD GOLD MINES LIMITED</b>			
LONDON ADIT			
TITLE BRANDY CREEK GEOLOGICAL PLAN			
DRAWN	SCALE 1 : 250	DRG. No.	REV
DATE JUN 1991	ENG		

Siliceous siltstones (very hard)

Brecciated and oxidised clays and sandstones lightly iron stained.

Clayey siltstones and grits in F-Wall.

Grits. Minor quartz veins in F-Wall.

Vugy white quartz. Minor sediments.

Grey sandstones and fine grits (bedded).

Stoped area

Brecciated and silicified siltstone with quartz veining parallel reef.

Veins 10-15% of rock.

Vugy white quartz and minor brecciated silicified sediment. Veining generally parallel vien trend. Quartz is dull white and opaque. Some minor translucent quartz along shale bedding planes at right angles to reef.

Bedded sandstones and siltstones.

Quartz vein in clayey siltstone. (bedded)

Dark grey grits and quartzites.

Soft chloritic lode with minor quartz veining.

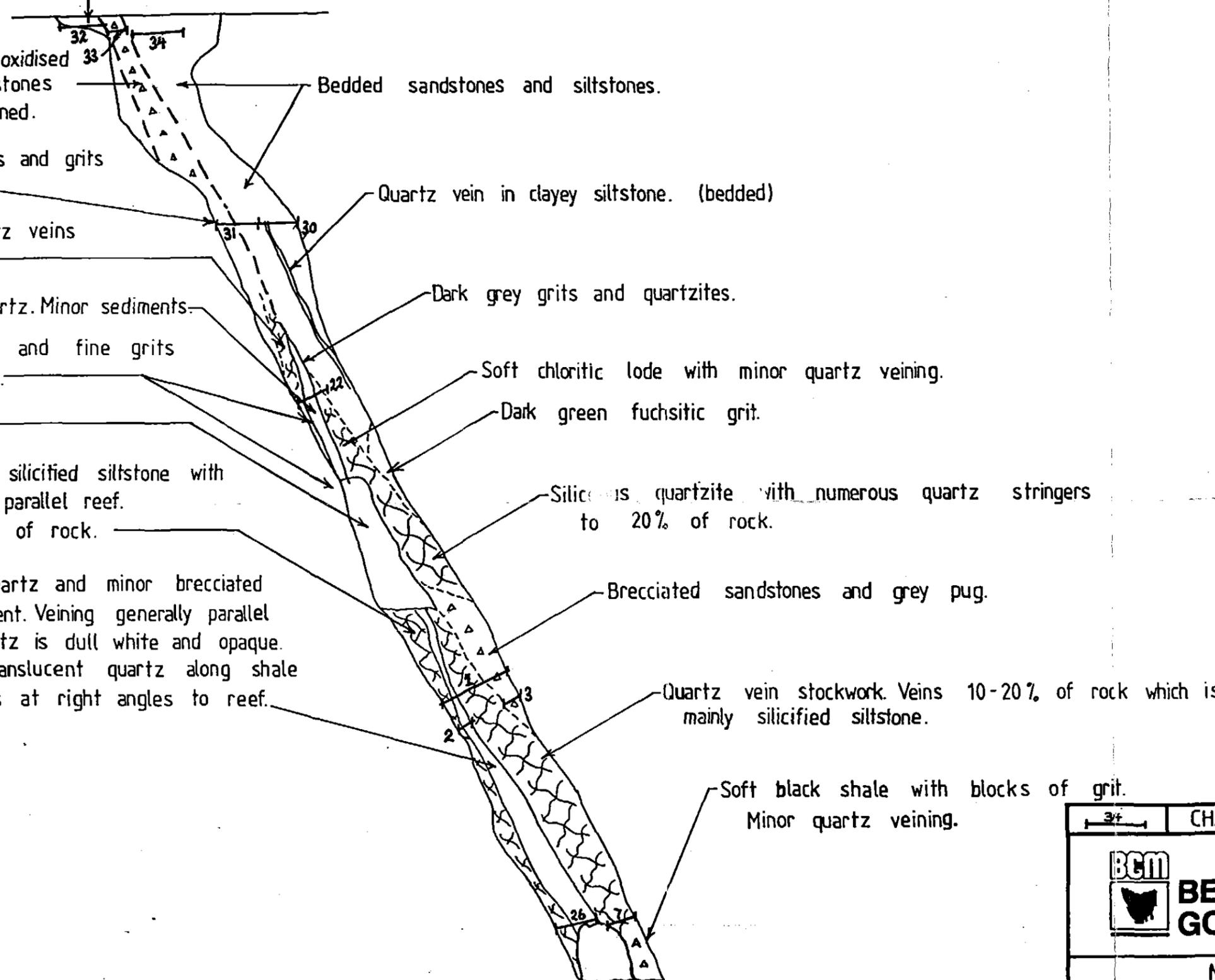
Dark green fuchsitic grit.

Siliceous quartzite with numerous quartz stringers to 20% of rock.

Brecciated sandstones and grey pug.

Quartz vein stockwork. Veins 10-20% of rock which is mainly silicified siltstone.

Soft black shale with blocks of grit. Minor quartz veining.



5 cm

PLATE 4

3f		CHANNEL SAMPLE LOCATION	
		<b>BEACONSFIELD GOLD MINES LIMITED</b>	
NORTH TASMANIA			
TITLE INCLINED SHAFT. LOOKING EAST			
DRAWN	SCALE 1:100	DRG. No.	REV
DATE	ENG		

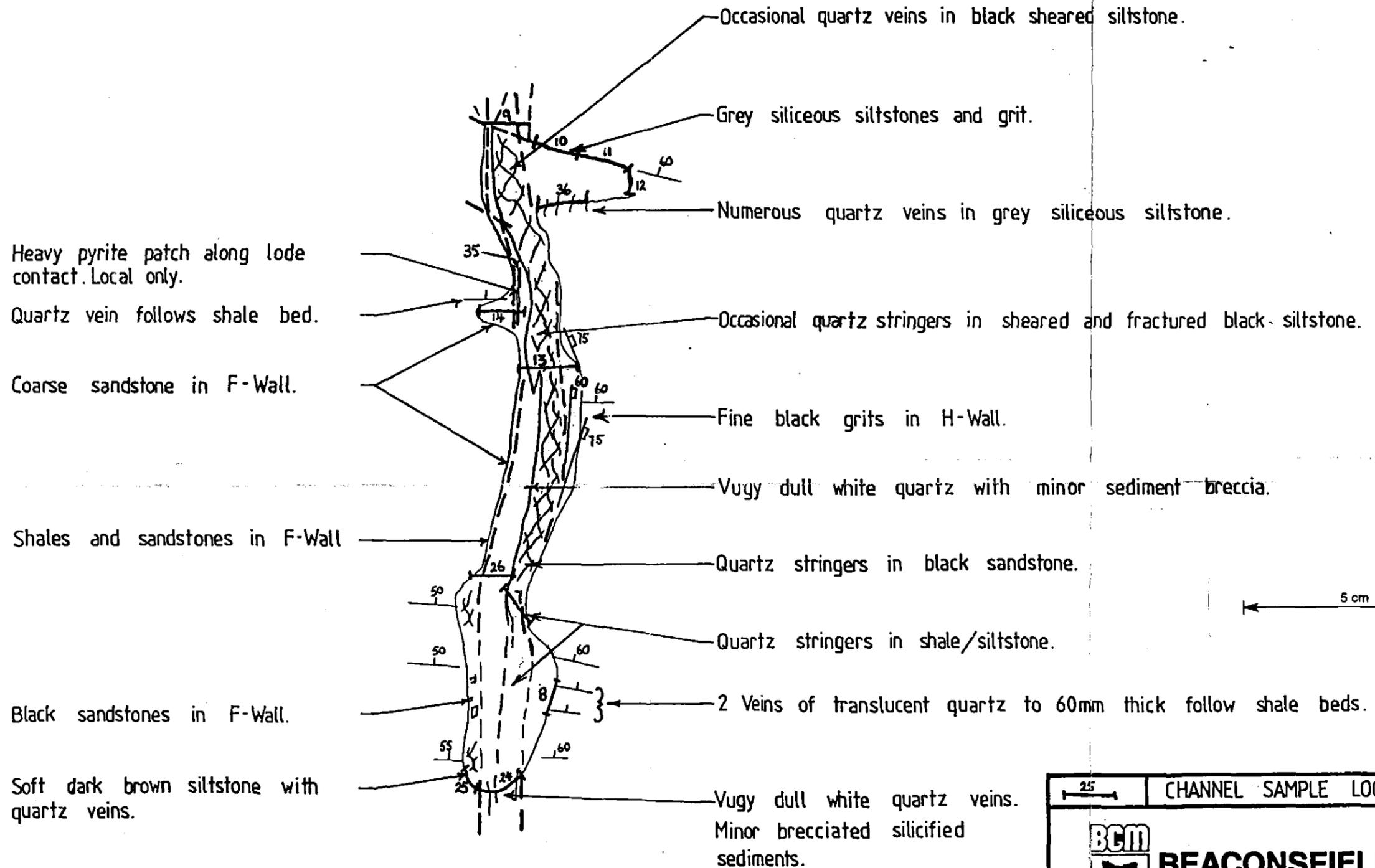
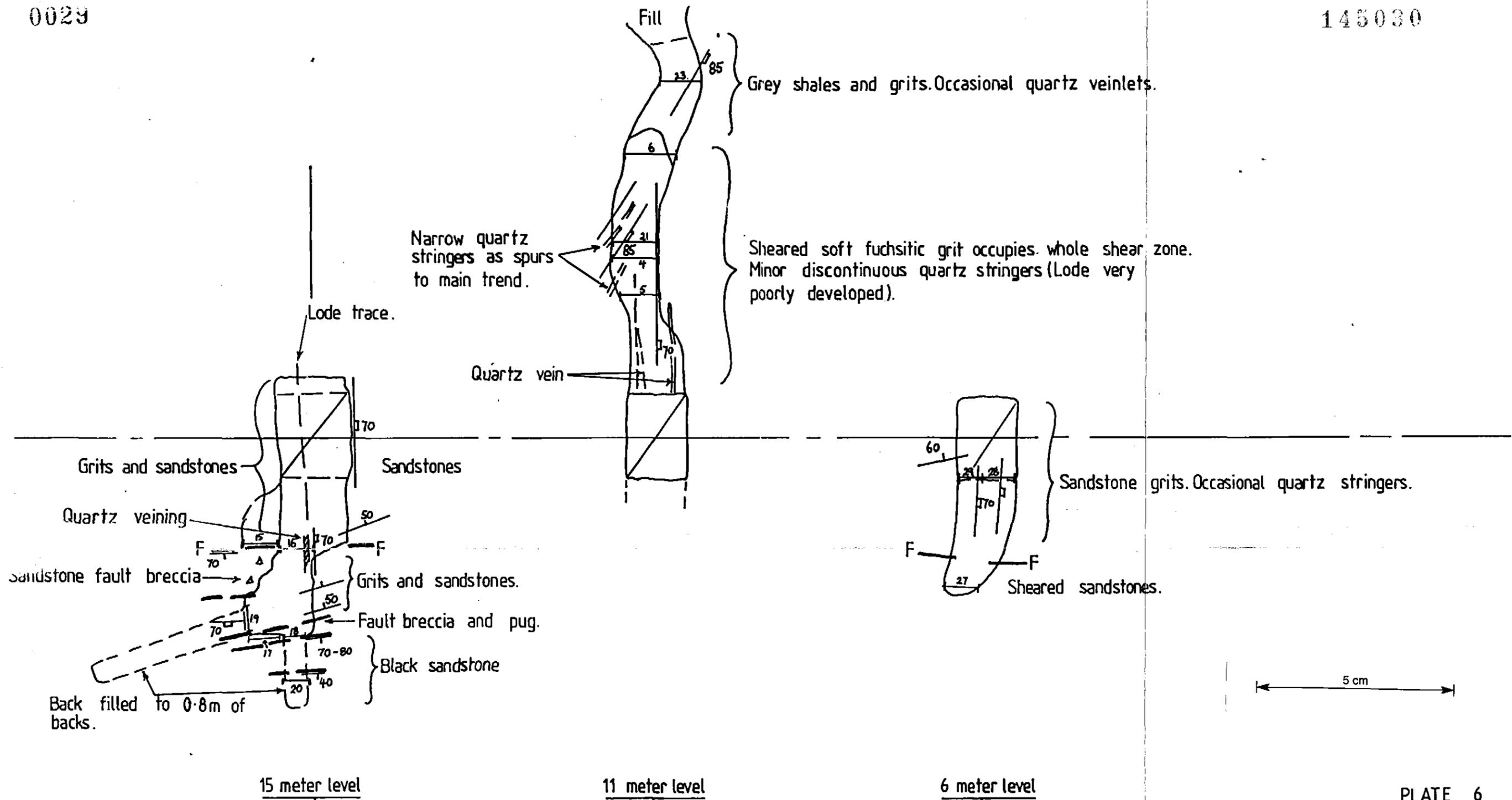


PLATE 5

25		CHANNEL SAMPLE LOCATION.	
		<b>BEACONSFIELD GOLD MINES LIMITED</b>	
NORTH TASMANIA			
TITLE INCLINED SHAFT 24m LEVEL			
DRAWN	SCALE 1:100	ORG. No.	REV
DATE	ENG		



21		CHANNEL SAMPLE LOCATION.	
		<b>BEACONSFIELD GOLD MINES LIMITED</b>	
		NORTH TASMANIA	
TITLE		INCLINED SHAFT LEVEL PLANS.	
DRAWN	SCALE 1:100	DRG. No.	REV
DATE	ENG		

0030

145031

REFERENCE POINT 691-5 G.J.W&Co. 24/6/91.

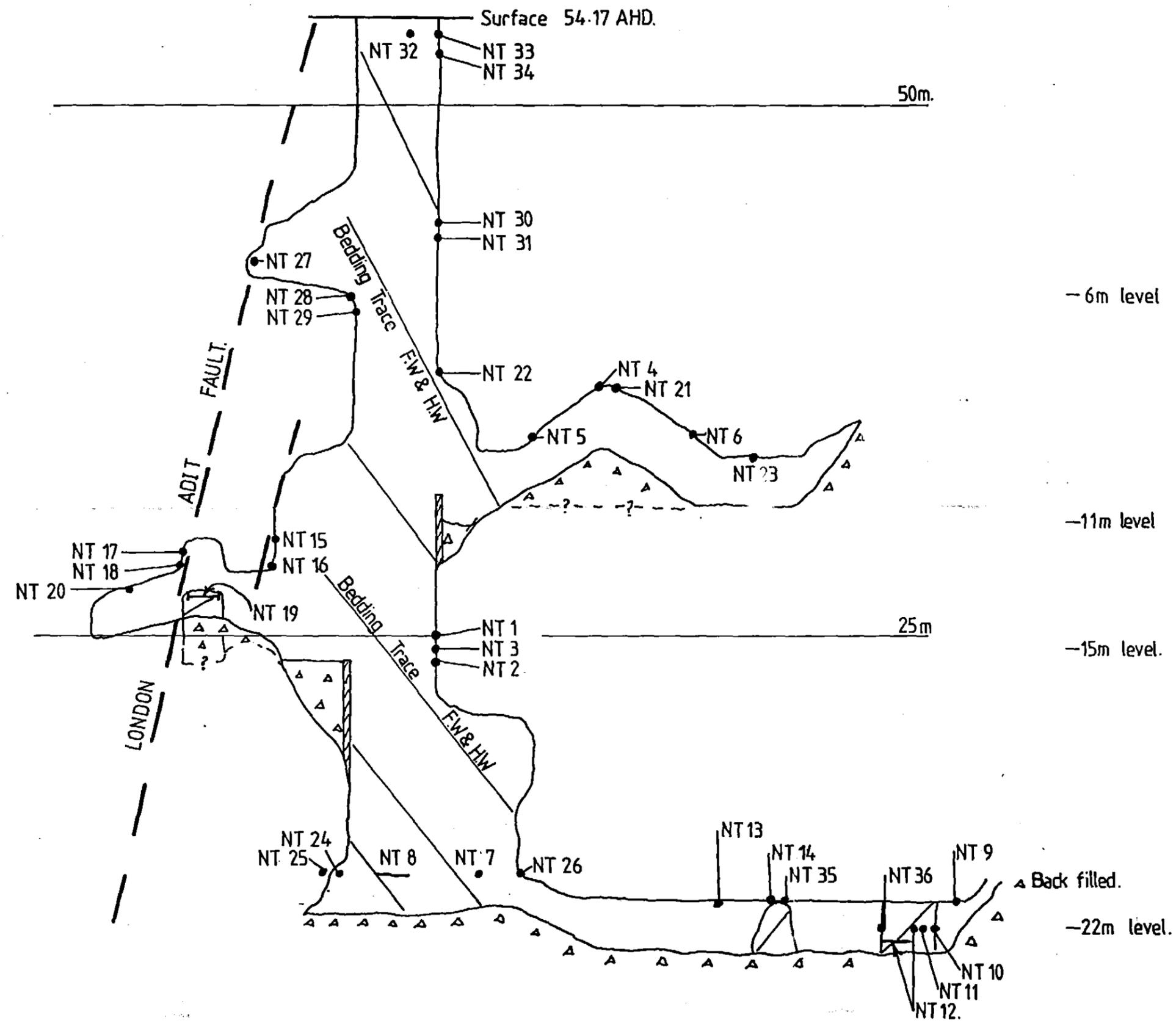


PLATE 7

NT 20	CHANNEL SAMPLE LOCATION.
<b>BEACONSFIELD GOLD MINES LIMITED</b>	
NORTH TASMANIA	
TITLE <b>INCLINED SHAFT          VERTICAL PROJECTION OF WORKINGS          LOOKING NORTH WEST.</b>	
DRAWN	SCALE 1:100.
DATE	ENG
DRG. No.	REV

0031

145032

file:\WORK\ASSAY

## BEACONSFIELD GOLD MINES LIMITED

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## ASSAY DATA - LOCATIONS - RECORDABLE RESULTS (ppm)

DATE	LOCATION	SAMP.No.	Au	Au(R)	Cu	Ag	ORD/No.	ANALYTICAL.REP/No.
06/06/91	NORTH TASMANIA MINE	NT01	0.852		22	0.9	4788	102250.60.08014
"	"	NT02	0.889	1.050 (S)	38	2.0	"	"
"	"	NT03	6.210	-	10	0.7	"	"
"	"	NT04	0.114	-	95	<0.5	"	"
"	"	NT05	0.425	-	25	1.1	"	"
"	"	NT06	0.597	-	45	1.0	"	"
"	"	NT07/A	2.050	-	1485	5.5	"	"
26/06/91	NORTH TASMANIA MINE	NT07/B	0.260	-	32	<0.5	4861	102250.60.08073
"	"	NT08	0.092	-	58	<0.5	"	"
"	"	NT09	0.588	-	136	1.9	"	"
"	"	NT10	0.062	-	18	<0.5	"	"
"	"	NT11	0.108	-	10	<0.5	"	"
"	"	NT12	0.037	-	6	<0.5	"	"
"	"	NT13	1.080	-	124	1.4	"	"
"	"	NT14	0.343	-	44	0.8	"	"
"	"	NT15	0.108	-	23	<0.5	"	"
"	"	NT16	0.058	-	11	<0.5	"	"
"	"	NT17	0.063	-	14	<0.5	"	"
"	"	NT18	0.054	0.050	10	<0.5	"	"
"	"	NT19	0.247	-	11	<0.5	"	"
"	"	NT20	<0.008	-	16	<0.5	"	"
"	"	NT21	0.182	-	22	<0.5	"	"

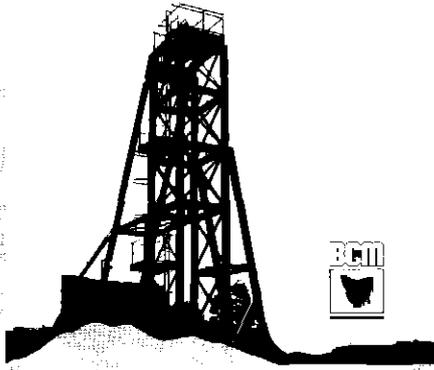


Appendix 4 - Beaconsfield Gold Mines Limited - Annual Report 1991 and Prospectus.

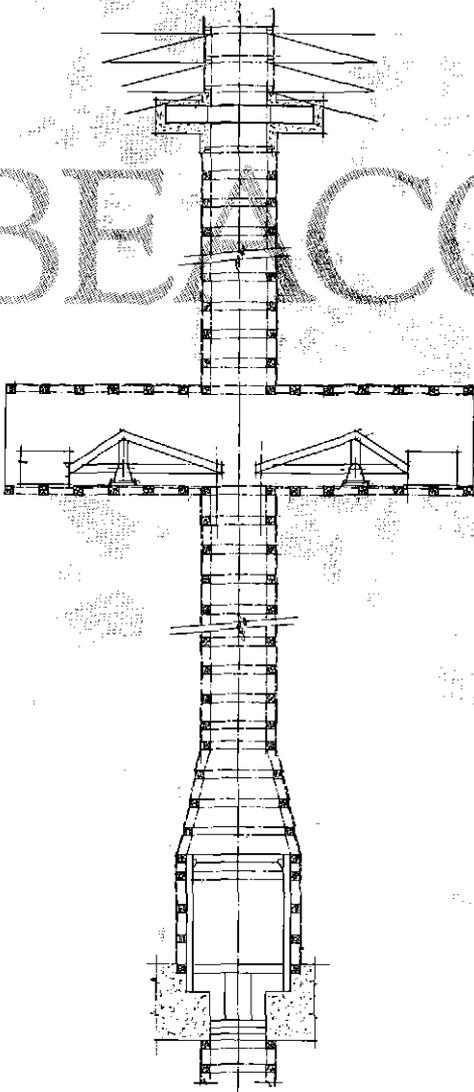
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BEACONSFIELD  
GOLD MINES  
LIMITED  
A.C.N. 009 561 031

145035



# BEACONSFIELD



**ANNUAL REPORT 1991**  
**AND**  
**PROSPECTUS**  
**for a proposed**  
**1 for 1 Non-renounceable Rights Issue**

Important Note: This document as a whole constitutes the Prospectus and should be read in its entirety. If you do not understand its contents, you should consult your stockbroker, solicitor, accountant or other professional adviser without delay.

**Directors**

Mr. H.J. Stacpoole (Chairman)  
 Mr. D.R.L. Burt (Executive)  
     Alternate Mr. B. Blanchard  
 Mr. K.E. Fletcher (Executive)  
     Alternate Mr. A.B. Evans  
 Mr. H.D. Kennedy  
 Mr. R.A. Radford

**Secretaries**

Mr. D.J. Gore F.C.P.A., F.C.I.S., F.C.I.M.  
 Miss J.S. Green

**Registered Office**

9th Floor, AMP Building  
 86 Collins Street  
 HOBART Tasmania 7000  
 Telephone: (002) 34 4933  
 Telex: AA 58273  
 Facsimile: (002) 34 1297

**Principal Office**

6th Floor, East Point Plaza  
 233 Adelaide Terrace  
 PERTH Western Australia 6000  
 Telephone: (09) 325 7755  
 Telex: AA 94632  
 Facsimile: (09) 325 3608

**Mine Office**

5 West Street  
 BEACONSFIELD Tasmania 7251  
 Telephone: (003) 83 1300  
 Facsimile: (003) 83 1368

**Management**

ACM Gold Management Pty Limited  
 (A.C.N. 009 636 113)  
 6th Floor, East Point Plaza  
 233 Adelaide Terrace  
 PERTH Western Australia 6000  
 Telephone: (09) 325 7755  
 Telex: AA 94362  
 Facsimile: (09) 325 3608



**BEACONSFIELD  
 GOLD MINES LIMITED**

**A.C.N. 009 561 031**

**Auditors**

Ernst & Young  
 Level 17, AMP Building  
 140 St George's Terrace  
 PERTH Western Australia 6000

**Bankers**

ANZ Banking Group Limited  
 77 St George's Terrace  
 PERTH Western Australia 6000

**Share Registry**

C.M. & R. Services Pty Ltd  
 8th Floor, AMP Building  
 86 Collins Street  
 HOBART Tasmania 7000

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Application Form — Marketable Parcel	35
Rights Issue Application Form	Attached

This Prospectus is dated 2 October 1991. No securities will be allotted or issued on the basis of this Prospectus later than six months after the date of issue of the Prospectus. A copy of this Prospectus was lodged with the Australian Securities Commission on 2 October 1991. The Australian Securities Commission takes no responsibility for the contents of the Prospectus.

**1991 Annual General Meeting**

Notice is hereby given that the Fifth Annual General Meeting of Shareholders of the Company will be held in the Beaconsfield Community Centre, 92 Weld Street, Beaconsfield, Tasmania at 11.30 a.m. on Thursday 24 October, 1991.



## BEACONSFIELD GOLD MINES LIMITED

Dear Shareholder,

Since its float in 1987 the Company's objective has been to prove that the deeps of the Tasmania Reef contain an ore reserve upon which to base a new and profitable mining operation.

The possibility that such a reserve exists can be clearly recognised from the old mining records and from the results of the limited surface diamond drilling carried out.

The decision in 1987 to go underground to confirm this possibility was based on a view that, at a gold price of over A\$600/oz in a tax free environment, the chances of proving sufficient ore to support a new and profitable mining operation were considered to be excellent. Underground testing would not only give a definitive result but would also facilitate the earliest possible commencement of production.

In 1991, with gold below A\$500/oz and new taxation imposts on the gold mining industry, it is difficult to justify the continuation of the high cost underground dewatering and exploration and development program unless there can be greater confidence that significant reserves are present at depth.

Over the last two years the Company has continued dewatering at a slower rate to conserve cash (at 30 June 1991, the Company had remaining funds of \$1.2 million) and has examined lower cost ways of establishing a high confidence ore reserve so that proper long term decisions can be made. In the last year, consideration has been given to joint venturing the project with an incoming participant funding the next stage of development, but approaches to likely participants have not resulted in any worthwhile offers being made.

Your Directors have now decided that the most appropriate way to gain a better understanding of the deep ore position is to conduct a surface diamond drilling program. A program to give 40 intersections from four primary holes is planned at an estimated cost of approximately \$2.8 million. The program is possible because of modern drilling techniques which provide a high level of directional drilling control. It is expected that this program will produce results that will allow a sound decision to be made on the future development of Beaconsfield.

It is proposed to raise the funds for this program by way of a pro rata issue.

At this year's Annual General Meeting (Notice of which is given in Section 6 on page 14 and the proxy form, which you are requested to complete and return, is enclosed at page 15), approval will be sought for a capital reduction and subsequent consolidation of Beaconsfield's existing issued shares so that there would be 8.5 million Beaconsfield shares on issue (instead of 85 million) with a par value of 50 cents per share (more detailed information regarding the capital reconstruction is contained in Section 5).

The Directors expect that the Company's share price will rise by a factor of approximately ten to reflect the lower number of shares on issue. A 1 for 1 non-renounceable rights issue at 50 cents per share would then raise a maximum of \$4.25 million (details relating to the issue are contained in Section 1). Following the issue there would be a maximum of 17 million Beaconsfield shares on issue (assuming that all shareholders accept their full entitlement). The rights issue would not be underwritten.

**As the operations are at the exploration stage only, investment in the shares offered is of a speculative nature.**

Beaconsfield's major shareholders, Allstate Prospecting Pty. Ltd. (34.9%) and ACM Gold Mines Limited (35.8%), are both supportive of the proposed drilling program and rights issue and have agreed to take up not less than 1,700,000 and 3,043,366 New Shares respectively.

Shareholders who will, after the capital reconstruction and rights issue, hold less than a marketable parcel of 500 shares, may also apply for a further number of shares so that their holding will then constitute a marketable parcel, enabling them to trade their shares on the Australian Stock Exchange Limited. Any shares so issued would be in addition to those issued pursuant to the rights issue.

Approval will also be sought at the Annual General Meeting for cancellation of options on issue which, due to their expiry dates and exercise prices, are unlikely to be exercised (see page 12 for more information). The cancellation of the options will mean that new options can be issued in the future to employees under the existing, shareholder-approved Staff Investment Plan.



H.J. Stacpoole

Chairman

24 September 1991

## DETAILS OF RIGHTS ISSUE

**Important Note: Whilst this Section contains specific information relating to the rights issue, this document as a whole constitutes the Prospectus and should be read in its entirety. If you do not understand its contents, you should consult your stockbroker, solicitor, accountant or other professional adviser without delay.**

### SPECULATIVE INVESTMENT

As operations are at the exploration stage only, investment in the shares offered is of a speculative nature.

### KEY DATES

Announcement of Rights Issue	24 September 1991
Annual General Meeting (at Beaconsfield)	11.30am Thursday, 24 October 1991
Shares quoted ex-rights and post-consolidation	Monday, 11 November 1991
Books closing date for determining shareholders' entitlements to New Shares	5.00 p.m. (EST) Friday, 15 November 1991
Latest time and date for acceptance and payment in full*	5.00 p.m. (EST) Friday, 6 December 1991
Allotment of New Shares	Tuesday, 7 January 1992
Certificates for New Shares despatched	Tuesday, 21 January 1992

\* **Please Note:** Your acceptance form must be received by the Company at 6th Floor, East Point Plaza, 233 Adelaide Terrace, Perth, WA 6000 with your cheque by no later than **5.00 p.m. Eastern Standard Time ("EST") on Friday, 6 December 1991.**

### ISSUE PRICE

The issue price of the New Shares is 50 cents per share which is payable in full on application.

### ISSUE SUBJECT TO SHAREHOLDER AND COURT APPROVAL

The proposed capital reduction and consolidation (more detailed information in relation to which is given in Section 5) is subject to the approval of shareholders and the Federal Court. The approval of shareholders will be sought at the Annual General Meeting, to be held on Thursday, 24 October 1991, asking them to pass certain Resolutions listed in Section 6. Once the approval of shareholders has been obtained, an application will be made to the Federal Court for its approval of the capital reduction and consolidation. As Court approval depends on factors not necessarily within the Company's control, dates after Thursday, 24 October 1991 may change. If there is a change, you will be notified by the Company.

Notification that the approval of shareholders and the Court has been obtained will be mailed to all shareholders after they have been attained.

### EFFECT OF CAPITAL REDUCTION AND CONSOLIDATION

The reasons for effecting the capital reconstruction are given in Section 5.

The number of shares held by each shareholder after the capital reconstruction will be approximately one-tenth of the number held before the reconstruction. The total number of shares on issue will be reduced from 85 million to 8.5 million 50 cents par value shares by the reconstruction.

Directors expect that the Company's share price will rise by a factor of approximately ten to reflect the lower number of shares on issue.

### ENTITLEMENT

Once the capital reconstruction is complete, shareholders will be offered by way of rights one new Ordinary Share ("New Share") for every one Ordinary Share held on that date. Books closing date is expected to be 5.00 p.m. (EST) on Friday, 15 November 1991.

The number of shares to which you will be entitled is shown on the attached Rights Issue Application Form. This entitlement has been calculated on the basis of the number of shares which you held on 23 September 1991 (adjusted for the effects of the proposed Capital Reconstruction) but, since the books closing date for determining entitlements to New Shares is 15 November 1991, your entitlement to New Shares may change if you buy or sell shares during that period.

To remove any doubt about your entitlement to New Shares, we will send you a notice confirming your entitlement when we advise you that the approval of shareholders and the Federal Court to the capital reconstruction has been obtained, which is anticipated to be shortly after 15 November 1991.

If you have sold, or intend to sell, all your holding of shares (other than ex-rights) please hand this document and the Application Form to the stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

Any entitlements not taken by shareholders by 5.00pm (EST) on 6 December 1991 will lapse.

**ACCEPTANCE**

The offer may be accepted in whole or in part from 15 November 1991 to 5.00 p.m. (EST) on 6 December 1991, provided the capital reconstruction has been completed.

Acceptance must not exceed the number of shares to which you are entitled.

Instructions for completion and lodgement of acceptances are set out on the Application Form.

**MARKETABLE PARCELS**

If the number of shares which you will hold after the capital reconstruction plus your entitlement to New Shares pursuant to the rights issue is less than 500 Ordinary Shares, you may apply for a further number of New Shares (at 50 cents per share payable in full on application) so that your total holding will constitute a marketable parcel of 500 Ordinary Shares, which may be traded on the Australian Stock Exchange Limited.

If you wish to subscribe for such further New Shares, complete the enclosed Application Form — Marketable Parcel. Instructions for completion and lodgement are set out on the Application Form — Marketable Parcel.

**OVERSEAS RESIDENTS**

Owing to the legal requirements of other countries, it is not considered practical, having regard to the timetable for the issue, for this offer to be extended to any shareholder whose registered address is outside Australia and copies of this document are being sent to such shareholders only because they contain copies of the 1991 Annual Report and Notice of Annual General Meeting.

Consequently, no applications for shares will be accepted from, and shares will not be issued to, shareholders with registered addresses outside Australia and those shareholders should disregard the Application Forms sent to them with this document.

This Prospectus and accompanying documents do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

**STOCK EXCHANGE LISTING**

Application for official quotation of the New Shares on the ASX will be made by not later than Monday 7 October 1991. The New Shares may be traded on the ASX on a deferred delivery basis from 9 December 1991.

**MARKET PRICES**

The lowest and highest market sales prices on the ASX during the 3 months immediately preceding 24 September 1991 and the respective dates of those sales, were 5 cents on 2 July 1991 and 8.5 cents on 20 September 1991.

The last market sale price on the ASX on 23 September 1991 was 8.5 cents.

**CONSENTS AND DISCLOSURE OF INTERESTS**

- (a) Ernst & Young have given and have not withdrawn their consent to the issue of this Prospectus with the Auditor's Report in the form and context in which it appears.
- (b) ACM Gold Mines Limited ("ACMGM") has given and has not withdrawn its consent to the issue of this Prospectus with the Report on Operations (Section 2) and the Review of Progress since Company Flotation and Proposed Surface Drilling Program (Section 3) in the form and context in which they appear.  
In the preparation of this Prospectus, ACMGM's role was limited to the preparation of Section 2 which appears on page 5 and Section 3 which appears on page 7, and is to be taken to be named only in respect of those parts and to have authorised the issue of only those parts. Consequently, ACMGM has not been involved in the review or preparation of other information included in the Prospectus and accordingly is not responsible for any other matter included in, or omitted from, the Prospectus.
- (c) Other than as disclosed in the 1991 Annual Report, no Director or expert has any interest in the promotion of, or any property proposed to be acquired by, the Company.

**RIGHTS ATTACHING TO THE NEW SHARES**

The New Shares will rank equally in all respects with the existing Ordinary Shares. Rights attaching to Ordinary Shares include: to participate in respect of any future dividends; to requisition, attend and vote at meetings of shareholders; to participate in bonus or pro rata issues of shares; and to receive a distribution of any surplus assets on a winding up of the company.

**SUMMARY OF ACTION BY SHAREHOLDERS**

You should refer to the enclosed Application Form for a summary of the methods by which you may deal with your entitlement to New Shares. Shareholders wishing to apply for further New Shares sufficient to increase their holding to 500 Ordinary Shares, should refer to the enclosed Application Form — Marketable Parcel.

## REPORT ON OPERATIONS



## ACM GOLD MANAGEMENT PTY. LIMITED

A.C.N. 009 636 113

12 August 1991

The Directors  
Beaconsfield Gold Mines Limited  
9th Floor  
AMP Building  
86 Collins Street  
HOBART TAS 7000

Dear Sirs

**Report on the Operations of Beaconsfield Gold Mines Limited,  
by ACM Gold Management Pty Limited for the year ended 30 June 1991**

**Hart Shaft Rehabilitation**

The dewatering and rehabilitation of the old Hart Shaft continued during the early part of the year. The water table was lowered to approximately 160 metres below shaft collar ("BSC") and maintained close to this level for the latter part of the year.

The Cistern Chamber exposed at approximately 150 metres BSC is now fully supported and the shaft between 150 metres and 160 metres BSC has been rehabilitated. The Hart Shaft from surface to 160 metres BSC is in good sound condition and fully equipped with ladderway, rising mains, guides and cables.

A 150 metres exploration cross cut has been completed from the Hart Shaft Cistern Chamber (at 150 metre level) to the old Main Shaft. The Main Shaft was successfully connected but found to be filled with surface rubble and old timbers. A connection to the Main Shaft cross cut close to this level was also found in a collapsed state.

Exploration diamond drill holes, designed to intersect a sulphide hanging wall lode reported in the old records, were drilled from the Hart Shaft at the 150 metre level. No significant intersections were obtained.

Two new large Australian designed submersible pumps, Everflow 11 Stage 530 KW Vertical Turbines capable of pumping 200 litres per second at 200 metres vertical head, were purchased during the second half of the year. One of the pumps is now in service, replacing the four smaller less efficient pumps. Power costs are still a major expense and while the large pump operation shows some saving, discussions are continuing with the Tasmanian Hydro Electric Commission regarding the most appropriate tariff.

The settling dam area is being maintained in a satisfactory condition with successful rehabilitation growth close to the town.

**Tenements and Exploration**

Mining Lease applications were approved and Consolidated Lease 1435P/M now covers the main area over the Tasmania Reef, settling dams and discharge route to the estuary (refer to Figure 1 on page 17).

A Prospecting Claim covering the North Tasmania Reef was obtained and included in Exploration Licence EL 7/88. This licence is renewable annually, with a minimum expenditure condition of \$5,000. Exploration Licence application ELA 16/91 has also been submitted extending North from EL 7/88 (refer to Figure 1).

The upper part of the North Tasmania Inclined Shaft was recovered and a sampling programme and review undertaken. A recommendation for additional inexpensive exploration work has been prepared.

Mining Lease 1435 P/M was granted on 1 September 1990 for an initial term of 21 years. The lessee is entitled to renewal of the lease. However, the lease could be liable to forfeiture action if compliance to conditions pursuant to the Mining Act 1929, Regulations and revisions thereto and the grant of the lease, are not adhered to.

#### **Proposed Surface Drilling Program**

The Hart Shaft, as reported, has been dewatered to 160 metres BSC and is now in a sound stable condition. Possible alternatives for confirmation of the ore resource have been assessed. It is now recommended that a surface drilling program be adopted as the next activity phase. The program has been designed to block out the Tasmania Reef on a 50 metre by 50 metre grid below 450 metres BSC. The surface program would be less expensive than the alternative of shaft dewatering followed by underground development and drilling. A successful surface drilling program would provide sufficient information to proceed with a metallurgical testwork program and a final feasibility study.

#### **Employment and Safety Statistics**

The maximum number of employees on site at any one time during the year was fourteen, including permanent salaried and award employees plus casual and contract labour. The current number employed is six.

During the year one lost time accident, a hand injury, was reported involving a total of fifteen days lost.

Yours faithfully

ACM Gold Management Pty Limited



D J Gore  
Director



B Blanchard  
Manager of Engineering  
and Project Evaluation

REVIEW OF PROGRESS SINCE COMPANY FLOTATION  
AND PROPOSED SURFACE DRILLING PROGRAM

## BACKGROUND

### The Tasmania Mine

The Company was floated in March 1987 and the \$11.4m net proceeds were raised with the intention of developing the Beaconsfield gold project, centred on the old Tasmania Gold Mine, which is located on the Tamar River estuary, 40 km northwest of Launceston, Tasmania (refer to Figure 2 on page 17).

The underground quartz reef Tasmania Mine was operated from 1877 for 37 years, during which time approximately 838,000 ounces of gold were produced from 1,073,000 tonnes of ore at a recovered grade of 24.3 grams per tonne (g/t). Economic conditions and technical circumstances in 1914 led to the cessation of mining and the subsequent flooding of the shaft and workings.

Between 1965 and 1987, considerable research and exploration efforts by the Tasmanian Mines Department and a number of mining companies culminated in the decision to establish Beaconsfield Gold Mines Limited ("BGM").

Between 1980 and 1982, a joint venture comprising a number of mining companies re-established the collar of the Hart Shaft (one of the shafts of the old Tasmania Gold Mine) which included a concrete collar and lining to 37 metres, and shaft recovery to 57 metres below surface.

In 1986, the joint venture analysed available historical mine data, including reports of mining results from contemporary newspaper accounts, and the intersections achieved with the limited deep drilling carried out previously from the surface. This analysis resulted in the estimation of an inferred resource extending below the Tasmania Mine workings as follows:

	<b>Tonnes</b>	<b>Gold Grade (g/t)</b>	<b>Contained Gold (ounces)</b>
Inferred Resource	670,000	24	517,000

### Management of the Project and Major Shareholders

ACM Gold Management Pty. Limited (a wholly-owned subsidiary of ACM Gold Limited) provides technical and operational management of the project for BGM. The management agreement provides for ACM Gold Management to be remunerated on the basis of cost reimbursement plus an agreed fee (see page 32 for details of the fees paid in the year ending 30 June, 1991).

BGM's major shareholders are Allstate Prospecting Pty. Ltd. (34.9%) and ACM Gold Mines Limited (35.8%) and they, together with Allstate Explorations N.L. and ACM Gold Limited, are bound by an agreement whereby they have agreed to regulate their rights and entitlements as shareholders of BGM including their entitlements to vote on the election of Directors of BGM. They have also given each other the right to pre-empt any proposal by any of them to sell or otherwise dispose of certain shares in BGM by purchasing such shares themselves and have agreed to restrict their ability to acquire additional shares in BGM without the other parties' consent.

### **Initial Program**

The original capital program for BGM consisted of two stages. The first, to prove sufficient ore reserves to commit to production, involved renovating the Hart Shaft, dewatering the mine, deepening the Hart Shaft from 417 metres to 570 metres and undertaking exploration development. The second stage, which was subject to successful completion of the first, involved further mine development and construction of a treatment plant.

The estimated \$8.5 million to complete Stage 1 did not provide for the extraordinary technical difficulties encountered in the soft, saturated clays which constituted the top 100 metres of the shaft. This is more fully discussed below.

At the outset it was recognised by BGM that Stage 1, the Hart Shaft recovery program, must progress through three separate steps before the economics of commencing full scale mining could be established:

- Step 1. Recover the upper collapsed section of the Hart Shaft. This was made particularly difficult because the new upper section of shaft had to be located precisely over the estimated position of the old Hart Shaft, and with the same orientation. Interpretation of old photographs and careful measurements from original mine buildings proved successful, as was demonstrated when the original Hart Shaft timbers were eventually recovered.
- Step 2. Develop a pumping technique which would permit the rapid dewatering of the Tasmania Mine. Tests and mine records had indicated that some 8.6 million litres (1.9 million gallons) of water per day must be pumped from the mine merely to maintain a constant water level. This equates to 100 litres per second. Each additional 100 litres per second results in the water level being drawn down approximately three metres per month.
- Step 3. Clear Hart Shaft, develop access to the upper section of the unmined reef and carry out underground exploration in order to demonstrate that the inferred gold resources exist.

### **PROGRESS SINCE 1987**

The first two steps in the Tasmania Mine recovery program have been achieved.

#### **Program — Hart Shaft**

Highlights of the Hart Shaft recovery are as follows:

- **June 1987** (refer Figure 3 on page 18)
  - Collar established and shaft lined with concrete to 47 metres.
  - Pumps located above shaft blockage.
  - Clay continually flowing into new shaft opening.
  - Water table at 52 metres.
- **June 1988** (refer Figure 4 on page 18)
  - New ground support system using steel spiling and steel shaft furnishing sets to 60 metres.
  - Pumps located below the blockage via boreholes through the blockage.
  - Head frame, winder house and services erected.
  - Water table lowered to 62 metres.
- **June 1989** (refer Figure 5 on page 18)
  - Hart Shaft timbers located and new shaft work linked directly and within close tolerances with original shaft timbers.
  - Five submersible pumps in operation.
  - Shaft recovery made simple because of the very good condition of the original Hart Shaft timber sets.
  - Water table at 105 metres.

- **June 1990** (refer Figure 6 on page 19)
  - Refurbishment of old shaft timber sets proceeding. Several chambers off the Hart Shaft recovered in good condition.
  - Seven pumps operating
  - Water table lowered to 154 metres
- **June 1991**
  - Two 530 KW submersible pumps of Australian design purchased; one installed and operating.
  - Cross-cut on 150 metres horizon intersects old Main Shaft and a cross-cut from old workings of the Tasmania Mine. This is the first recorded re-entry of the mine since the cessation of production in 1914.
  - Shaft ground conditions and support system in excellent condition.
  - Pumping restricted to maintaining the water level at around 160 metres pending review of project feasibility work.

#### **Program — Surface**

The surface works at the Tasmania Mine have kept pace with shaft development. Besides resurfacing and sealing the area around the Hart Shaft, a new winder head frame and electrical switchgear have been erected. Of particular significance has been the completion of the upgraded drainage and water handling system designed to permit continuous pumping from the mine at rates of up to 1,000 litres of water per second. Water pumped from the mine is piped via buried mains to a series of sedimentation and settling dams where iron oxide and other suspended solids are precipitated before the water is released. Water from the mine is non-toxic and potable.

BGM has maintained exemplary standards in handling environmental issues including the discharge of water, sound proofing of mining activities and rehabilitation and beautification of mine areas within the township of Beaconsfield.

#### **Program — Regional Exploration**

The Tasmania Mine is based on the quartz Tasmania Reef filling an old fault structure which transgresses a series of sediments. The reef is bounded by a conglomerate to the west and a limestone to the east, and has an average strike length of some 390 metres for the 650 metres of down-dip length over which the reef was mined. The target for BGM is the extension of the reef below the previously mined workings.

BGM has continued to explore its Beaconsfield tenements for repetitions or extensions of the Tasmania Reef by drilling and geochemical sampling. The upper part of the old North Tasmania Mine Inclined Shaft, located to the north of Beaconsfield on a structure similar to the Tasmania Reef, was recovered by BGM in May 1991 and a sampling program and review was undertaken. Information gained from this exercise, plus drilling to delineate a postulated deep-lead close to the Tasmania Reef, has provided the basis for a proposed initial, inexpensive surface drilling program in the Company's tenements several kilometres north of Beaconsfield.

#### **Program — Expenditure**

The March 1987 float of BGM provided some \$11.4 million after costs for the Tasmania Mine program. The technical difficulties encountered in the early phases of the program resulted in major expenditure overruns. Until the support system using spiling and steel sets was perfected, the difficult ground conditions and uncertainties of the depth of the shaft collapse made the overall project economics uncertain. However, since the blockage was cleared, the major elements of the technical risk associated with the project have been overcome.

Expenditure to date is summarised in Table 1.

**Table 1**  
**Tasmania Mine Expenditure Summary**  
**March 1987 — June 1991**  
**(\$000's)**

Phase	Surface and Collar Establishment	Clear Blockage	Dewater to 160 metres	Total
Term	4/87-3/88 12 months	4/88-2/89 11 months	3/89-6/91 28 months	
Shaft Recovery, Services	1,211	1,584	1,568	4,363
Power	65	269	1,060	1,394
Pumps and Maintenance	275	689	1,042	2,006
Winder/Headframe	105	161		266
Surface Drainage	137	127	177	441
Surface Electrics	181	136	156	473
Drilling, Exploration and Hydrology		257	398	655
Engineering and Management	364	801	475	1,640
	2,338	4,024	4,876	11,238

The Company had funds of \$1.2 million at 30 June 1991. Cash is being conserved at the present time by operating the dewatering system only as necessary to hold the water in the Hart Shaft at around the 160 metres level.

#### THE FUTURE

The technical uncertainties which confronted the Company in 1987 have been largely overcome. Shaft recovery, pumping, mine development and water disposal are all well defined and managed. The Company is now well placed to review the program to undertake the third and final step in Stage 1 of the original program — determination of ore reserves.

Two clear options have been reviewed to pursue ore reserve determination:

#### Option 1:

Original plan — clear Hart Shaft, develop access to the upper section of the unmined reef, and close-drill the first 200 metres of reef dip extension. This approach would depend on completing the dewatering program before embarking on the reef drilling exercise.

#### Option 2:

Revised plan — maintain the water level in the mine at its present position, and undertake a deep drilling program from the surface. Modern drilling equipment, including directional gear for initiating deep daughter holes from the primary surface drill holes, and the dewatering of the upper 160 metres of the Beaconsfield sediments (which were previously difficult to drill) combine to make a deep drilling program attractive.

The program proposed involves testing the Tasmania Reef on a 50 metre by 50 metre grid pattern with diamond drill holes wedged and controlled from a series of four vertical prime holes (namely, drill holes B18, B19, B20 and B21 — refer to Figure 7 on page 20).

The drill strategy is in part dictated by the fact that the ore resource plunges steeply under the Beaconsfield township, and consequently drill sites are limited. However, the steep plunge and the relative softness of the lithological formations at Beaconsfield work in favour of the strategy.

Drill holes B18 and B19 would be drilled first, effectively testing 200 metres of the Tasmania Reef panel below the old mine workings. The deeper tier of intersections (B20, B21) would then be drilled. Utilising two drill rigs, the program duration would be approximately 12 months.

A successful drilling program would provide sufficient split core to proceed with a metallurgical testwork program in addition to submitting the reef intersections for gold assay. Following the metallurgical work and the estimation of drill-indicated mineable reserves, a final feasibility study would be prepared as the basis for decisions on project development and funding.

A summary of past production and diamond drilling results to date are shown on Figure 8 on page 20.

## GLOSSARY OF TECHNICAL TERMS

<b>Assay</b>	any chemical or physical method to determine the total content of any element in a rock or other material.
<b>Beds</b>	applied to sedimentary rocks and refers to a particular layer distinguished from other layers above and below.
<b>Conglomerate</b>	a sedimentary rock containing large rounded rock fragments.
<b>Deep Lead</b>	an old river course.
<b>Diamond Drilling</b>	method of obtaining a rock core by drilling using a diamond impregnated bit.
<b>Dilution</b>	waste or low grade ore that may be included with the ore extracted during mining.
<b>Exploration Licence</b>	a licence granted under the Tasmanian Mining Act which grants the licensee the right to prospect and search for mining products.
<b>Fault</b>	a fracture in the sub-strata along which movement has occurred.
<b>Hanging Wall</b>	the wall or rock on the upper side of fault or ore body.
<b>Head Grade</b>	the grade of ore feed to a treatment plant.
<b>Inferred Resource</b>	an estimate, inferred from geoscientific evidence, drill holes, underground openings, or other sampling procedures and before testing and sampling information is sufficient to allow a more reliable and systematic estimation.
<b>Intersection</b>	applies to that portion of a drill hole which has cut through the mineralisation.
<b>Limestone</b>	rock composed mainly of calcium carbonate.
<b>Lithology</b>	description of rocks on the basis of their characteristics.
<b>Lode</b>	tabular, relatively narrow deposit of valuable minerals between defined boundaries.
<b>Mineable Reserve</b>	that portion of the mineralised body which, after allowing for anticipated mining recovery and dilution, can be mined and treated profitably.
<b>Mineralisation</b>	the occurrence of metals and their chemical compounds within a mass of rock.
<b>Mining Lease</b>	a lease granted under the Tasmanian Mining Act which grants the lessee the right to mine the land, take and remove minerals and do all things necessary to effectually carry out mining operations in, on or under the land.
<b>Ore</b>	mineralised rock that can be mined and treated at a profit.
<b>Ounce</b>	a troy ounce of gold weighs 31.10348 grams.
<b>Panel</b>	a working block of ore.
<b>Quartz</b>	a common mineral composed of silica.
<b>Recovery</b>	percentage of valuable constituents extracted from an ore.
<b>Reef</b>	a tabular body occupying a fissure or fault which may contain valuable minerals occurring as a lode.
<b>Sandstone</b>	a rock formed by compaction and cementing of sand grains.
<b>Sediments</b>	rocks formed by precipitation or deposition of particles in media such as water or ice.
<b>Siltstone</b>	a detrital sedimentary rock composed of silt and clay.
<b>Strike</b>	the direction of a bed or layer of rock in a horizontal plane.
<b>Sulphide</b>	mineral consisting of a chemical combination of sulphur with a metal.

## INFORMATION ON THE PROPOSED CAPITAL RECONSTRUCTION

**Reconstruction of Capital**

The Company's shares have, for some time, been trading at significantly below their par value. One of the consequences of having shares which are trading below par is that it is technically difficult to raise further equity, because Court approval is required.

As the Company is proposing to make a 1 for 1 non-renounceable rights issue, the Directors believe that it is appropriate to effect a capital reconstruction before the making of such an issue. Based on the Company's market price of 8.5 cents on 23 September 1991, the capital reconstruction should result in the market value of the Company's issued shares exceeding their par value and this will avoid the need to obtain Court approval to the issue of shares at a discount. This should also avoid the need to obtain Court approval in the future in respect of any other issues of equity which may be made.

Accordingly, the Directors propose a number of resolutions, the effect of which will be to reduce the par value of each Ordinary Share by 45 cents to 5 cents and then consolidate 10 existing Ordinary Shares into one new Ordinary Share of 50 cents (fractions will be rounded). No cash will be distributed to shareholders as part of this process. **Although the number of your shares and the shares on issue will be reduced, this reduction is proportional and it will not reduce the value of your equity in the company.**

**Federal Court Approval**

The resolutions involving the reduction of capital will require the confirmation of the Federal Court before they are effective.

You will receive notification of the Court's approval.

**Cancellation of Options on Issue**

Currently, there are 4,527,000 unquoted options to subscribe for shares in the Company on issue, as follows:

- (a) 2,750,000 options issued to ACM Gold Mines Limited as part of its agreement to subscribe for shares offered pursuant to the 1987 float. These options are exercisable at \$1.00 each before 4 February 1992; and
- (b) 1,777,000 options issued in accordance with the Staff Investment Plan exercisable at 50 cents each before dates ranging from 4 March 1992 to 1 September 1993.

Given the market value of the Company's shares, it is very unlikely that these options would be exercised within the time permitted and the Directors have determined that it is preferable to cancel them prior to the capital reconstruction and rights issue. The cancellation will also enable the Company to issue new options to selected employees in the future pursuant to the Staff Investment Plan. Whilst all persons entitled to those options have consented to their cancellation, the Listing Rules of the Australian Stock Exchange Limited ("ASX") also require the consent of shareholders to such cancellation and, accordingly, the Directors propose a resolution approving the cancellation.

**Existing Certificates and Capital Gains Tax**

In the event that all approvals are obtained, shareholders will be requested to return their existing 50 cent share certificates. Those certificates will be cancelled, whereupon new certificates will be issued for the appropriate number of shares at 50 cents. This process may constitute a disposal of a shareholder's shares for Capital Gains Tax purposes. Shareholders are therefore advised to take advantage of a roll-over provision in the Income Tax Assessment Act (Section 160ZZP).

The section also allows taxpayers to elect that the cancellation of their shares in exchange for new shares will have no adverse capital gains tax consequences. In so doing, shareholders will be taken not to have disposed of their old shares, and their new shares will be deemed to have the same cost base as the old shares. The relevant election will need to be made to the Commissioner of Tax in the shareholder's income tax return. A draft Form of Election is set out below.

Owing to the complexity of the tax legislation, the above comments are indicative only and do not attempt to take into consideration the capital gains tax implications for individual taxpayers, share traders or for overseas residents. Shareholders are thus advised to consult their own professional advisers.

**Recommendation**

The Directors are of the view that the above proposals are in the best interests of the Company and its shareholders and they urge you to vote in favour of all resolutions.

A Proxy Form is included for your use on page 15.

If you have any queries please contact Daryl Gore on (09) 325 7755 or Michael Trumbull on (03) 614 5477.

**\* ELECTION THAT SECTION 160ZZP OF THE INCOME TAX ASSESSMENT ACT 1936 APPLY**

1. During the year of income ended 30 June 1992 Beaconsfield Gold Mines Limited by way of a reduction of capital cancelled 45 cents on each of the 85,000,000 50 cent fully paid ordinary shares on issue (the "Original Shares") and then consolidated ten of the 5 cent shares into one new 50 cent fully paid ordinary share (the "New Share") held by each shareholder.
2. I the undermentioned (the shareholder) held (                    ) Original Shares prior to the cancellation of capital and the consolidation of ten 5 cent shares into one New Share.
3. The market value of the New Shares is not less than the market value of the Original Shares.
4. The shareholder received no consideration other than the New Shares.

The shareholder HEREBY ELECTS that Section 160ZZP of the Income Tax Assessment Act 1936 apply in respect of the original 50 cent fully paid shares upon which 45 cents of capital was reduced.

DATED the                    day of                    19

\_\_\_\_\_  
Name of Shareholder

\_\_\_\_\_  
Signature of Shareholder

\* Check with your own Tax Advisor as the Company takes no responsibility for the effectiveness of this Election.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Fifth Annual General Meeting of the members of Beaconsfield Gold Mines Limited will be held at the Beaconsfield Community Centre, 92 Weld Street, Beaconsfield, Tasmania on Thursday, 24 October, 1991 at 11.30 a.m. for the purpose of laying before the Meeting the Company's Annual Report and for the purpose of considering, and if thought fit, passing the following resolutions as Special Resolutions:

**1. REDUCTION OF CAPITAL**

That pursuant to Article 9.2 of the Articles of Association of the Company and Section 195 of the Corporations Law and subject to confirmation of the Federal Court of Australia, the issued share capital of the Company be reduced by cancelling paid up share capital that is lost or not represented by available assets to the extent of 45 cents upon each of the outstanding 85,000,000 fully paid ordinary shares amounting in total to \$38,250,000 and by reducing the nominal value of 85,000,000 such ordinary shares from 50 cents each to 5 cents each per share.

**2. AUTHORISED CAPITAL**

That, pursuant to Article 9.1.1. of the Articles of Association of the Company, upon the order of the Federal Court of Australia confirming the reduction of capital in Resolution 1 being lodged at the Australian Securities Commission:

- (a) the Authorised Capital of the Company shall be \$100,000,000 divided into 85,000,000 shares with a par value of 5 cents and 191,500,000 shares with a par value of 50 cents each; and
- (b) Paragraph 3 of the Memorandum of Association of the Company be amended by inserting the following paragraph in substitution for the existing reference to the capital of the Company:

"The capital of the Company is \$100,000,000 divided into 85,000,000 shares of 5 cents each and 191,500,000 shares of 50 cents each."

**3. CONSOLIDATION OF CAPITAL AND AUTHORISED CAPITAL**

That, pursuant to Article 9.1.1 of the Articles of Association of the Company, upon the order of the Federal Court of Australia confirming the reduction of capital in Resolution 1 being lodged at the Australian Securities Commission and Resolution 2 being passed:

- (a) the 85,000,000 5 cent fully paid ordinary shares be consolidated on the basis that every ten 5 cent fully paid ordinary shares be consolidated into one fully paid ordinary share of 50 cents, with fractions on consolidations being rounded up or down to the nearest whole number (and in the case of a fraction being one half, rounded down to the nearest whole number) and all share certificates currently on issue be cancelled and new certificates be issued accordingly;
- (b) the Authorised Capital of the Company shall be \$100,000,000 divided into 200,000,000 shares with a par value of 50 cents each; and
- (c) Paragraph 3 of the Memorandum of Association of the Company be altered by inserting the following paragraph in substitution for the existing reference to the capital of the Company:

"The capital of the Company is \$100,000,000 divided into 200,000,000 shares of 50 cents each."

**4. CANCELLATION OF EXISTING OPTIONS**

That the Company shall be authorised to effect the cancellation of all options to subscribe for shares in the Company on issue at 30 June 1991.

By Order of the Board



D.J. Gore  
SECRETARY

24 September 1991

PROXY FORM



BEACONSFIELD GOLD MINES LIMITED

PROXY FORM FOR ANNUAL GENERAL MEETING CALLED FOR THURSDAY, 24 OCTOBER 1991 AT 11.30 A.M. AT THE BEACONSFIELD COMMUNITY CENTRE, 92 WELD STREET, BEACONSFIELD, TASMANIA

I/We ... of ... appoint ... or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 24 October 1991 at 11.30 a.m. at the Beaconsfield Community Centre, 92 Weld Street, Beaconsfield, Tasmania and at any adjournment thereof.

Signed Date If a corporation affix common seal Should the member desire to direct the proxy how to vote, the member should place a mark(s) in the appropriate box against each item below, otherwise the proxy may vote as he/she thinks fit or abstain from voting:

Table with 3 columns: Resolution, Yes, No. Rows include: 1. Reduction of Capital, 2. Authorised Capital, 3. Consolidation of Capital and Authorised Capital, 4. Cancellation of Existing Options.

PLEASE NOTE:

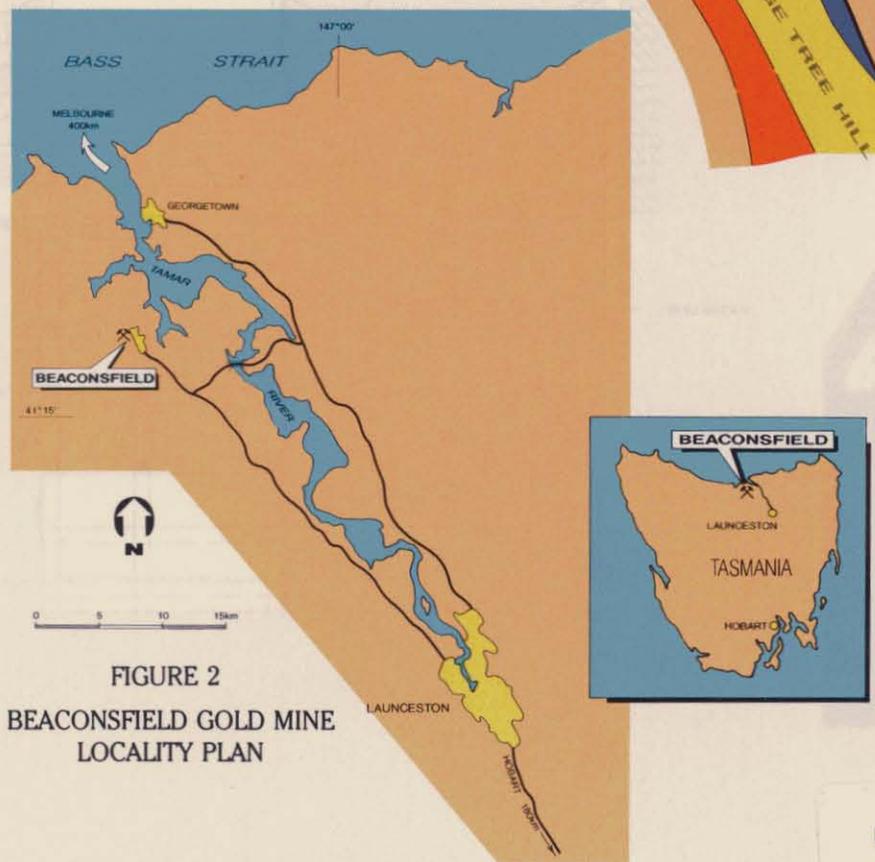
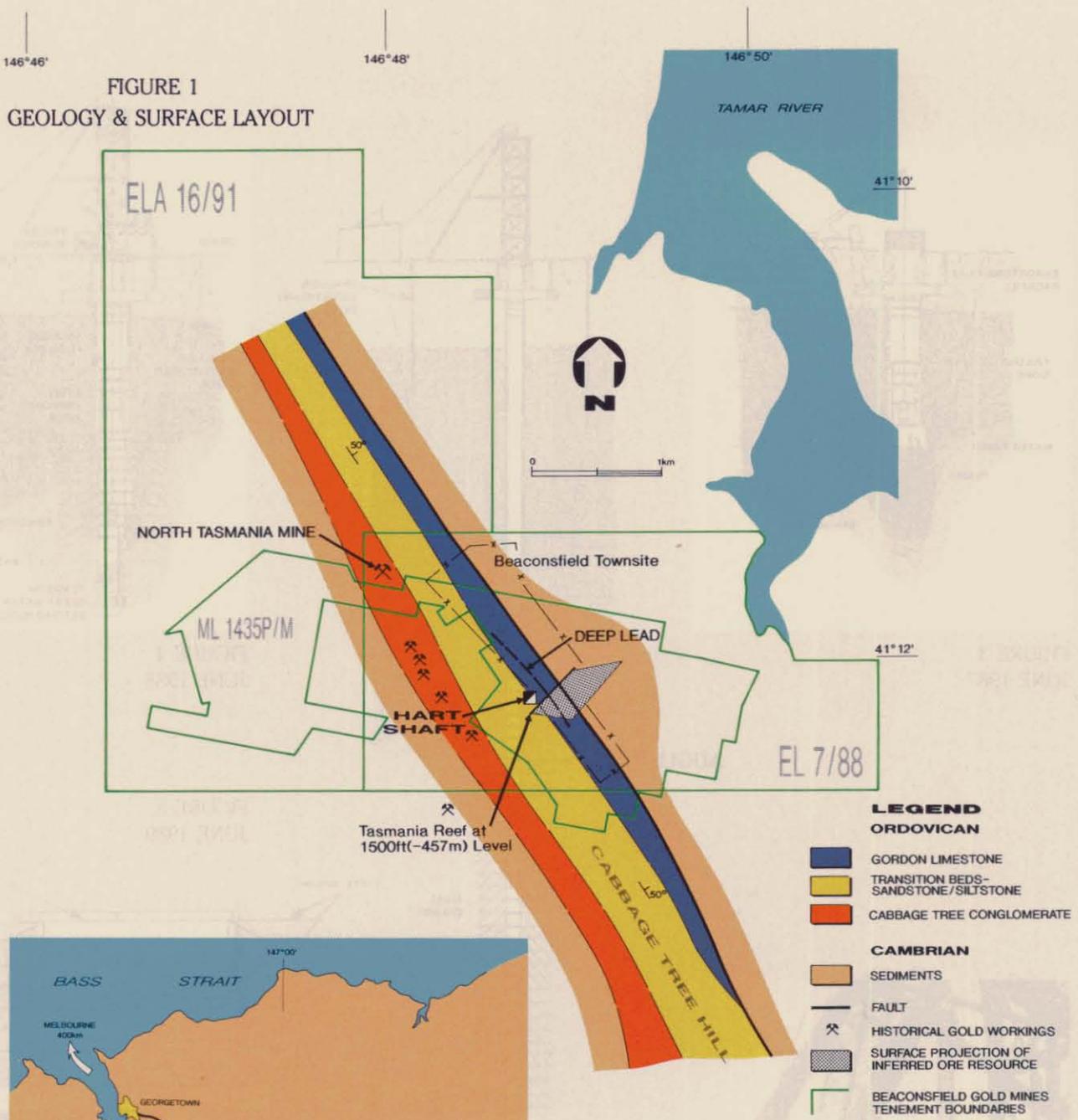
A person appointed as a proxy need NOT be a member of the company. Where a proxy is appointed by a member's attorney, the power of attorney must be lodged with the proxy form. A proxy for a corporation must be appointed under the seal of the corporation or by an officer or duly authorised attorney of the corporation. Should you wish to vote by proxy, the Proxy Form must be received by the Company at least 48 hours before the time for holding the meeting. The Proxy Form should be mailed to the Company, at 6th Floor East Point Plaza, 233 Adelaide Terrace, Perth WA 6000.

Cut here and return Proxy Form to 6th Floor, East Point Plaza, 233 Adelaide Terrace, Perth WA 6000.

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REVERSE OF PROXY FORM



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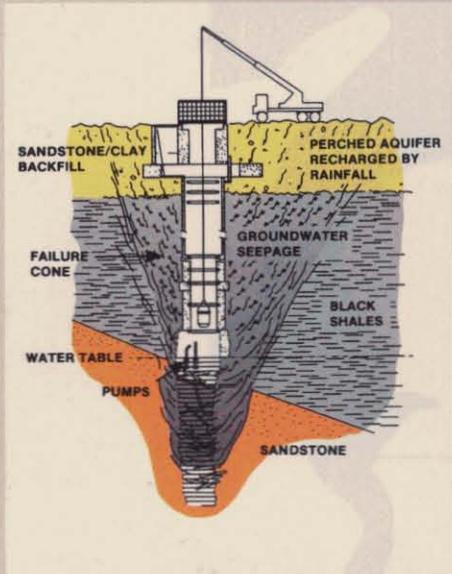


FIGURE 3  
JUNE 1987

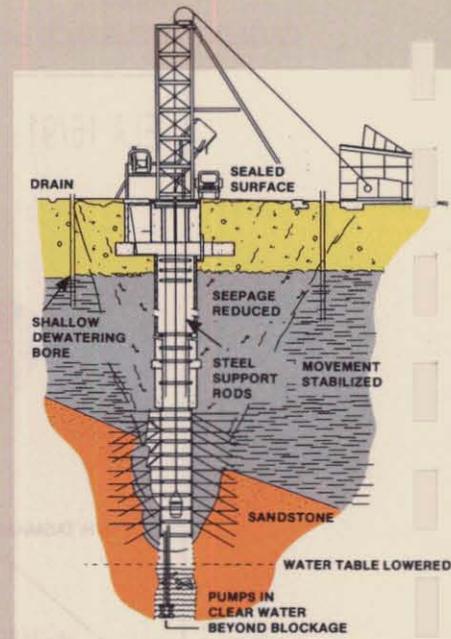
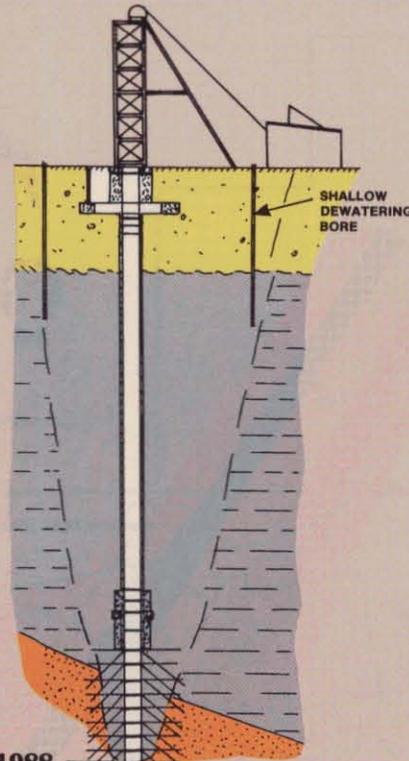
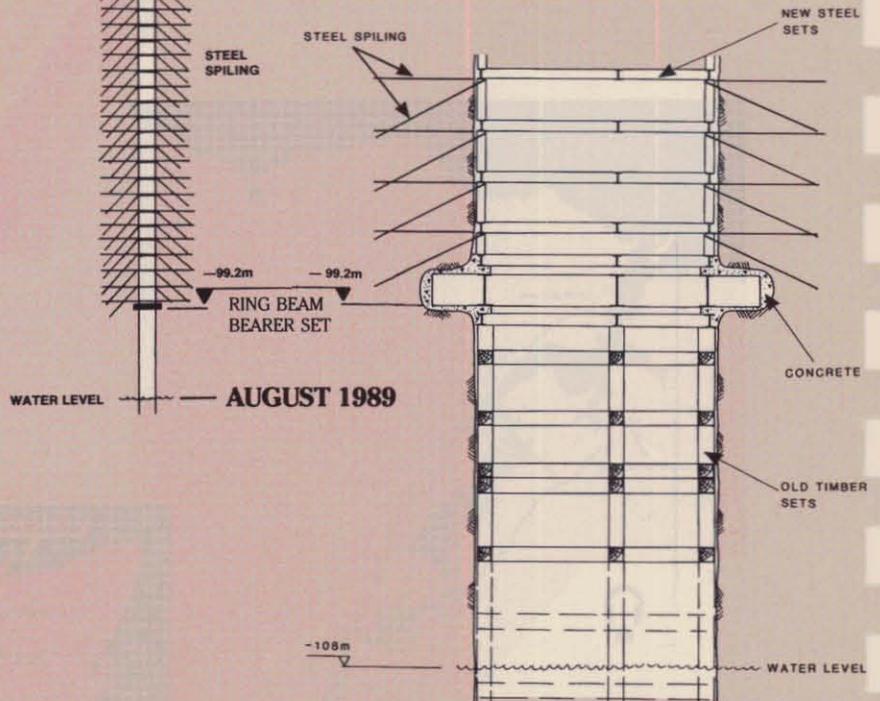


FIGURE 4  
JUNE 1988

FIGURE 5  
JUNE 1989

AUGUST 1988



Everflow 11 Stage Pump prior to being installed in the Hart Shaft at the -165m level.

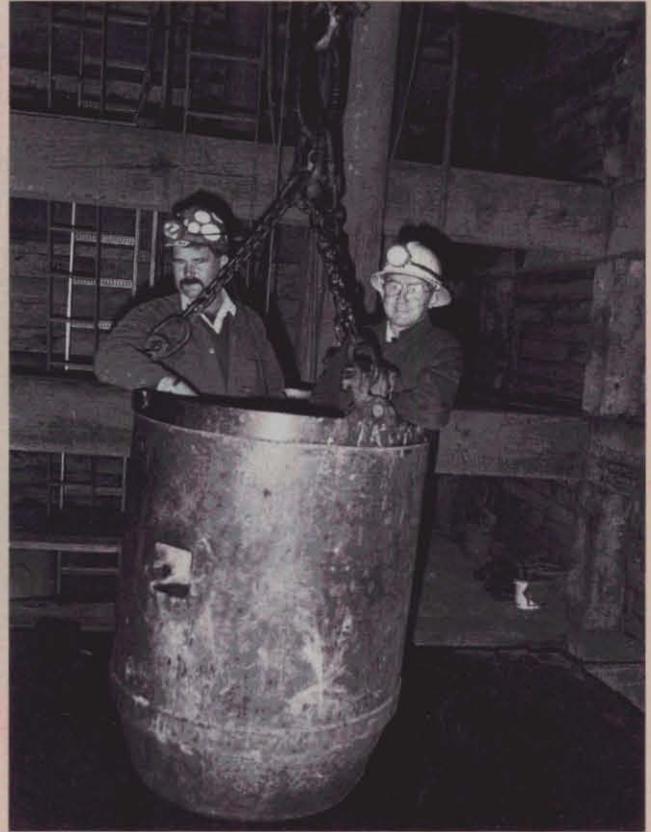
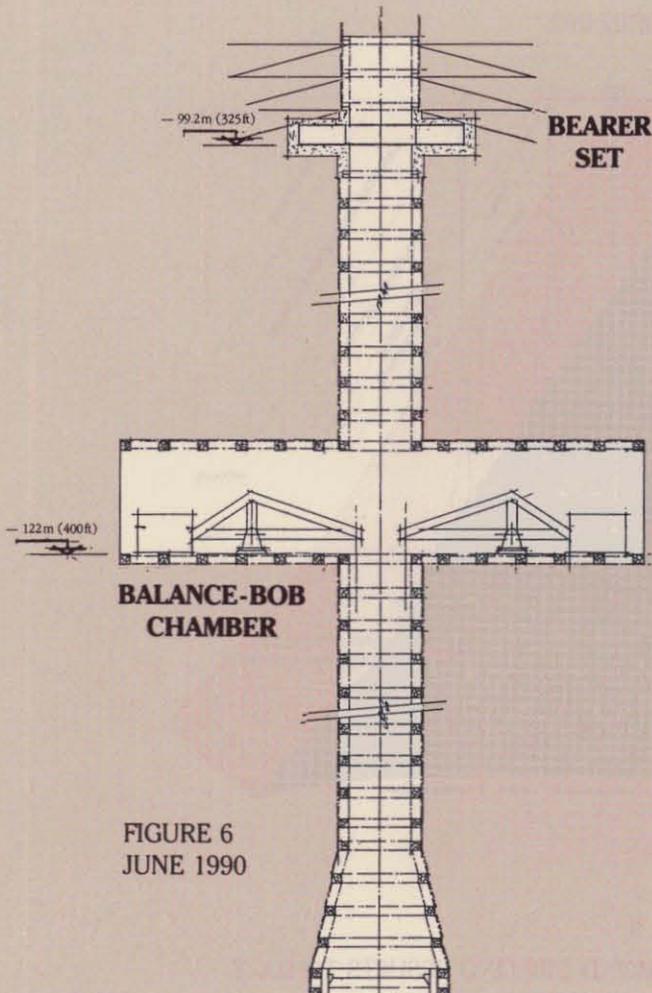
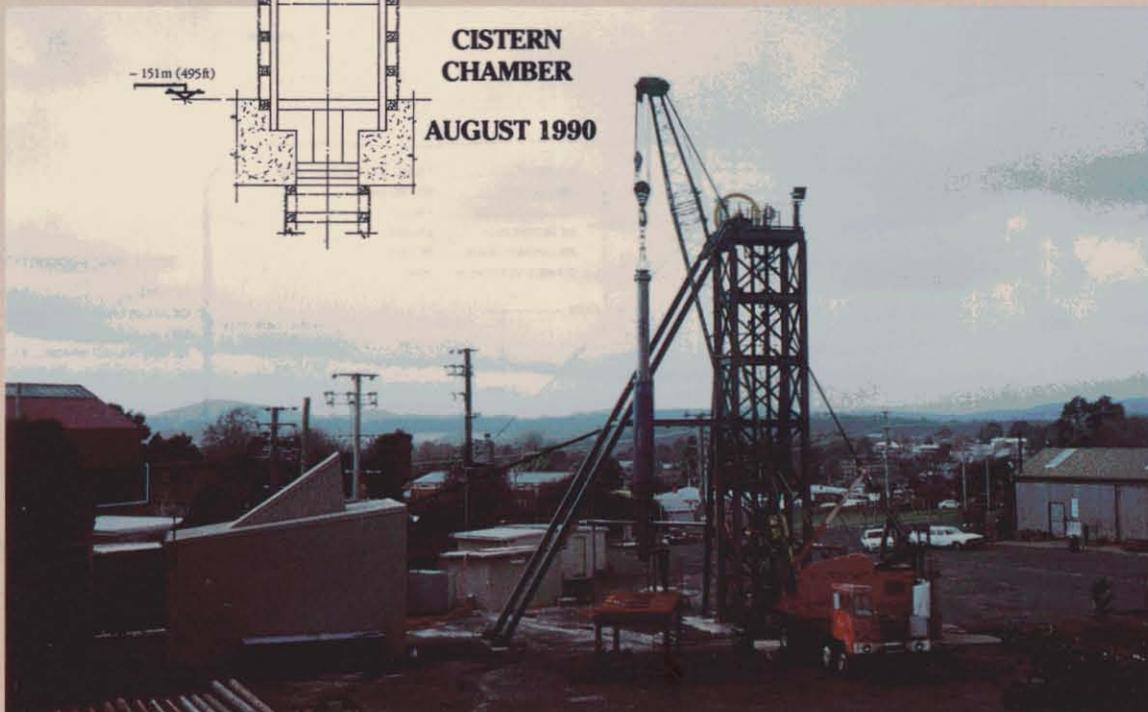


Photo Courtesy EXAMINER — LAUNCESTON





ANNUAL REPORT 1991



# ANNUAL REPORT

The Directors present their report on the results of Beaconsfield Gold Mines Limited for the financial year ended 30 June 1991 and the state of affairs of the company at that date.

#### **DIRECTORS AND COMPANY SECRETARIES**

The names of the Directors in office at the date of this report are: Messrs HJ Stacpoole, DRL Burt, KE Fletcher, HD Kennedy and RA Radford. The Joint Company Secretaries at the date of this report are: Mr DJ Gore and Miss JS Green.

#### **Henry James Stacpoole (Chairman)**

Mr Stacpoole is a Launceston businessman, Managing Director of Stacpoole Enterprises Pty Ltd, which is involved with equipment hire, drilling and mining exploration. He is Vice-President of the Tasmanian Chamber of Mines.

#### **David Richard Lee Burt (Executive Director)**

Mr Burt is a Science graduate (Geology) of the University of Western Australia and completed post graduate studies at the Imperial College, London. He commenced his career with Western Mining Corporation Ltd. in 1962. In 1966, he joined Metals Exploration Limited where he was Exploration Manager for nine years. He joined Australian Consolidated Minerals Ltd as Managing Director in 1979 and is now Joint Managing Director of both Australian Consolidated Minerals Ltd and ACM Gold Limited and a Director of North Flinders Mines Limited. Mr Burt has 29 years experience in natural resource exploration, development and management.

#### **Kenneth Edward Fletcher (Executive Director)**

Mr Fletcher is a geologist who graduated from the Royal Melbourne Institute of Technology in 1960. He was appointed Managing Director of Austamax Resources Limited and subsidiary companies in August 1985 and Joint Managing Director of Australian Consolidated Minerals Ltd in February 1986. He is also Joint Managing Director of ACM Gold Limited and a Director of North Flinders Mines Limited, Comada Energy Limited, Clutha Limited and Coho Resources Limited. Mr Fletcher has 29 years experience in natural resource exploration, development and management.

#### **Henry David Kennedy (Director)**

Mr Kennedy is a geologist who received his BA degree in geology from the University of Minnesota in 1958, and MA degree in geology from the University of Missouri in 1960. Mr Kennedy has 30 years experience in petroleum and minerals exploration in North America, Australia and New Zealand and is a director of a number of companies operating in the resources industry.

#### **Roy Antony Radford (Director)**

Mr Radford is a Chartered Accountant who was admitted to membership of the New Zealand Society of Accountants in 1960. He is executive chairman of New Zealand Oil & Gas Limited, Mineral Resources (NZ) Limited, Gold Resources Limited, Pan Pacific Petroleum NL and a director of Allstate Explorations NL. Mr Radford has 23 years financial and management experience in the minerals and petroleum industry.

#### **Alan Bartle Evans (Alternate Director)**

Mr Evans, is a Bachelor of Commerce (Acc) from the University of New South Wales. He joined Australian Consolidated Minerals Ltd in 1986 and was appointed a director of that Company in August 1990. Mr Evans has 20 years experience in marketing and financing in the natural resources sector. He is also General Manager — Commercial of ACM Gold Limited and a director of Comada Energy Limited, Clutha Limited, Coho Resources Limited and North Flinders Mines Limited.

#### **Barrie Blanchard (Alternate Director)**

Mr Blanchard, is a Mining Engineer who graduated from Doncaster College of Technology, UK in 1962. He is a member of the Australian Institute of Mining and Metallurgy. Mr. Blanchard was appointed Manager of Engineering and Project Evaluation of Austamax Resources Limited in May 1984 and to the same position with Australian Consolidated Minerals Ltd in December 1985. During the period 1975-1981 he fulfilled various Mine Management, Consulting and Evaluation roles with RTZ Consultants and its successor Golder Moffitt and Associates. He was an alternate director of Australian Consolidated Minerals Ltd from July 1984 to December 1985.

#### **Daryl John Gore (Joint Company Secretary)**

Mr Gore, is a Fellow of the Australian Society of Certified Practising Accountants and the Institute of Corporate Managers, Secretaries and Administrators, and an affiliate of the Securities Institute of Australia. He joined Australian Consolidated Minerals Ltd in 1979 as Company Secretary, a position he still holds today and was appointed a director in August 1990.

**Jill Susan Green (Joint Company Secretary)**

Miss Jill Green is an Associate Solicitor at the firm Messrs. Simmons Wolfhagen in Hobart. She specialises in the Commercial area of the law with emphasis on Corporate work. She has been resident company secretary since mid-1990.

**PRINCIPAL ACTIVITY**

The principal activity of the company during the financial period was to rehabilitate and develop the existing Beaconsfield Gold Mine and to explore surrounding properties.

**OPERATING RESULTS**

The operating profit of the group for the financial period before providing for income tax and abnormal items was \$73,688 (1990 — \$375,740). After providing for income tax and abnormal items the Group recorded an operating loss of \$37,401,403 (1990 profit, \$182,186).

**DIVIDEND**

The directors do not recommend the payment of a dividend.

**REVIEW OF OPERATIONS**

A review of operations is contained in pages 5 and 6.

**EVENTS AFTER BALANCE DATE**

On the 24 September 1991 the company announced that it would seek shareholder approval to make a capital reduction of 45 cents per share (\$38.25 million) and a subsequent consolidation of the shares into 50 cent shares for the purpose of raising additional capital to carry out a surface diamond drilling program to increase confidence in the underground resource prior to committing to the completion of the mine dewatering and project feasibility.

Subject to the above shareholder approval and the approval of the court the company will proceed with a one for one share issue at 50 cents per share to raise approximately \$4 million to complete the proposed surface diamond drilling program.

**LIKELY DEVELOPMENTS**

Otherwise than already outlined in this report, the directors are of the opinion that to comment on the likely developments would prejudice the interests of the company and therefore the information on the likely developments required by Section 305(11) of the Corporations Law has not been included.

**DIRECTORS' BENEFITS**

No Director of the holding company has received or become entitled to receive any benefit other than:

- (i) a benefit included in the aggregate amount of emoluments received or due and receivable as shown in the accounts; or
- (ii) the fixed salary of a full time employee of the Company or of a related corporation,

by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except any benefit which may be deemed to arise from amounts paid in the ordinary course of business from work done or services rendered by Stacpoole Enterprises Pty Ltd (of which Mr H J Stacpoole is Managing Director) and ACM Gold Management Pty Limited (of which Messrs D.R.L. Burt and K.E. Fletcher are Directors) which will receive an amount not exceeding \$5,000 for preparation of sections 2 and 3 of this prospectus.

Signed in accordance with a resolution of the Directors.



H J Stacpoole  
Director



K E Fletcher  
Director

Perth, Western Australia

24 September 1991

FOR YEAR ENDED 30 JUNE 1991

	Note	Group		Holding Company	
		1991	1990	1991	1990
OPERATING REVENUE	3	<b>307,095</b>	669,620	<b>307,095</b>	567,041
OPERATING PROFIT/(LOSS) BEFORE INCOME TAX & ABNORMAL ITEMS	3	<b>73,688</b>	375,740	<b>341,511</b>	530,123
ABNORMAL ITEMS BEFORE INCOME TAX	4	<b>(37,603,332)</b>	—	<b>(38,191,584)</b>	—
OPERATING PROFIT/(LOSS) BEFORE INCOME TAX		<b>(37,529,644)</b>	375,740	<b>(37,850,073)</b>	530,123
INCOME TAX ATTRIBUTABLE TO OPERATING PROFIT/(LOSS)	5	<b>(128,241)</b>	193,554	<b>(128,241)</b>	158,082
OPERATING PROFIT/(LOSS) AFTER INCOME TAX		<b>(37,401,403)</b>	182,186	<b>(37,721,832)</b>	372,041
ACCUMULATED LOSSES at the beginning of the financial year		<b>(848,597)</b>	(1,030,783)	<b>(897,962)</b>	(1,270,003)
ACCUMULATED LOSSES at the end of the financial year		<b>(38,250,000)</b>	(848,597)	<b>(38,619,794)</b>	(897,962)

## BALANCE SHEETS

AT 30 JUNE 1991

	Note	Group		Holding Company	
		1991	1990	1991	1990
CURRENT ASSETS					
Cash	6	<b>226,196</b>	2,363,566	<b>211,000</b>	2,347,794
Receivables	7	<b>1,091,254</b>	1,057,880	<b>1,091,254</b>	1,031,976
TOTAL CURRENT ASSETS		<b>1,317,450</b>	3,421,446	<b>1,302,254</b>	3,379,770
NON-CURRENT ASSETS					
Receivables	8	—	—	<b>3,042,470</b>	22,707,773
Investments	9	—	—	—	16,250,000
Property, plant & equipment	10	<b>2,753,754</b>	1,768,201	<b>1,196</b>	1,688
Deferred expenditure	11	<b>947,776</b>	37,743,343	—	—
TOTAL NON-CURRENT ASSETS		<b>3,701,530</b>	39,511,544	<b>3,043,666</b>	38,959,461
TOTAL ASSETS		<b>5,018,980</b>	42,932,990	<b>4,345,920</b>	42,339,231
CURRENT LIABILITIES					
Creditors & borrowings	12	<b>102,922</b>	328,947	<b>8,882</b>	13,207
Provisions	13	<b>44,082</b>	200,019	—	136,559
TOTAL CURRENT LIABILITIES		<b>147,004</b>	528,966	<b>8,882</b>	149,766
NON-CURRENT LIABILITIES					
Creditors & borrowings	14	<b>620,145</b>	620,145	<b>455,001</b>	454,951
Provisions	15	<b>1,831</b>	132,476	<b>1,831</b>	132,476
TOTAL NON-CURRENT LIABILITIES		<b>621,976</b>	752,621	<b>456,832</b>	587,427
TOTAL LIABILITIES		<b>768,980</b>	1,281,587	<b>465,714</b>	737,193
NET ASSETS		<b>4,250,000</b>	41,651,403	<b>3,880,206</b>	41,602,038
SHAREHOLDERS' EQUITY					
Share capital	16	<b>42,500,000</b>	42,500,000	<b>42,500,000</b>	42,500,000
Accumulated losses		<b>(38,250,000)</b>	(848,597)	<b>(38,619,794)</b>	(897,962)
TOTAL SHAREHOLDERS' EQUITY		<b>4,250,000</b>	41,651,403	<b>3,880,206</b>	41,602,038

The accompanying notes form part of these accounts.

FOR YEAR ENDED 30 JUNE 1991

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Statement of Accounting Policies**

The accounting policies adopted by the group are in accordance with accounting principles generally accepted in Australia. The accounts have been prepared in accordance with the historical cost convention.

The accounts have been made out in accordance with the transitional provisions in the Corporations Law and with the requirements in Schedule 5 to the Corporations Regulations.

Unless otherwise stated the accounting policies adopted are consistent with those adopted in the previous financial year.

**Principles of Consolidation**

Group accounts consist of consolidated accounts of the holding company and all subsidiary companies (Note 19). All intercompany transactions and balances, including unrealised profits arising from intra-group transactions have been eliminated.

**Income Tax**

The company has adopted the liability method of tax-effect accounting. Income tax expense shown in the profit and loss account is calculated on the operating profit before tax adjusted for items which, due to the treatment under income tax legislation, create permanent differences between the accounting profit and taxable income (Note 5).

Deferred income tax liability and future income tax benefits represent the tax effect at current rates of timing differences which occur when items of revenue or expenditure are included in the determination of accounting profit in periods different to the periods in which those items are assessable or allowable for income tax purposes.

Future income tax benefits are not brought to account unless realisation of the assets is assured beyond any reasonable doubt. In respect of companies incurring losses, future income tax benefits are not brought to account unless in the opinion of the directors realisation of the benefit is virtually certain.

**Employee Benefits**

Provision is made for long service leave and annual leave estimated to be payable to employees on the basis of statutory and contractual commitments.

**Exploration, Rehabilitation, Evaluation & Development Expenditure**

Costs incurred during the rehabilitation, evaluation and development stages are accumulated. Such costs are only carried forward if:

- a) they are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- b) such activities in the area of interest have not at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Costs are written off as soon as an area has been abandoned or is considered to be non-commercial (see also Note 11). Exploration costs on adjacent areas and elsewhere are written off as incurred.

Once production commences, expenditure accumulated in respect of areas of interest is amortised on a full production basis against the total proven and probable economically recoverable reserves.

Accumulated costs which have not been written off are disclosed in the balance sheet as "deferred expenditure", being a departure from Schedule 5 to the Corporations Regulations. In the opinion of the directors having regard to the nature of the business conducted by the Group, this departure was necessary for the Group accounts to give a true and fair view.

**Property, Plant & Equipment**

Property, plant and equipment are carried at cost. Any gain or loss on the disposal of assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the Group result in the year of disposal.

Assets are depreciated at rates based upon their expected useful lives. Depreciation charged during the pre-production phase is capitalised as development expenditure. Once production commences such expenditure will be amortised on a production basis against the total proven and probable economically recoverable reserves.

FOR YEAR ENDED 30 JUNE 1991

Plant and equipment acquisitions are costs incurred during the rehabilitation, evaluation and development stages referred to above. As such, they are only carried forward if:

- a) they are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- b) such activities in the area of interest have not at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

### Comparative Amounts

Where necessary the figures for the previous year have been reclassified to facilitate comparison.

	<u>1991</u>	<u>Group</u> 1990
<b>2. CONSOLIDATED SUMMARY OF SOURCES &amp; APPLICATIONS OF FUNDS FOR THE YEAR</b>		
<b>SOURCES OF FUNDS</b>		
Inflows of funds from operations		
Interest — Other	307,095	642,620
Proceeds on disposal of non-current assets	—	27,000
Outflows of funds from operations	<u>(190,466)</u>	<u>(238,783)</u>
Funds from Operations (Note a)	116,629	430,837
<b>Reduction in Assets</b>		
Current Assets		
Cash	2,137,370	—
Receivables	—	3,824,402
<b>Increase in Liabilities</b>		
Current Liabilities		
Bank overdraft	—	35,160
<b>TOTAL SOURCES OF FUNDS</b>	<u><b>2,253,999</b></u>	<u><b>4,290,399</b></u>
<b>APPLICATIONS OF FUNDS</b>		
<b>Increase in Assets</b>		
Current Assets		
Cash	—	2,349,145
Receivables	33,374	—
Non-current assets acquired		
Property, plant & equipment	1,321,623	1,359,435
Deferred expenditure	486,058	234,246
<b>Reduction in Liabilities</b>		
Current Liabilities		
Creditors & borrowings	226,025	217,016
Income tax paid	162,592	130,557
Employee entitlements paid	14,871	—
Non-current provision paid	9,456	—
<b>TOTAL APPLICATIONS OF FUNDS</b>	<u><b>2,253,999</b></u>	<u><b>4,290,399</b></u>
<b>(a) RECONCILIATION OF FUNDS FROM OPERATIONS WITH OPERATING PROFIT BEFORE TAX</b>		
Funds from operations	116,629	430,837
Depreciation & amortisation	(14,363)	(42,147)
Employee entitlement provision	(28,578)	(12,950)
Abnormal write down of deferred expenditure	<u>(37,603,332)</u>	<u>—</u>
Operating profit/(loss) before tax	<u><b>(37 529,644)</b></u>	<u><b>375,740</b></u>

	Group		Holding Company	
	1991	1990	1991	1990
<b>3. REVENUE &amp; EXPENSES</b>				
OPERATING REVENUE				
Interest — Other	<b>307,095</b>	642,620	<b>307,095</b>	567,041
Proceeds on disposal of non-current assets	—	27,000	—	—
	<b>307,095</b>	669,620	<b>307,095</b>	567,041
The operating profit/(loss) before income tax is arrived at after:				
Charging the following items:				
Exploration expenditure written off	<b>36,572</b>	1,174	—	—
Transfers to provisions for:—				
Employee entitlements	<b>28,578</b>	12,950	—	—
Depreciation & amortisation	<b>14,363</b>	42,147	<b>492</b>	782
Crediting the following item:				
Profit on disposal of non-current asset	—	27,000	—	—
<b>4. ABNORMAL ITEMS INCLUDED IN OPERATING PROFIT/(LOSS)</b>				
Amounts charged:				
Write down of deferred expenditure (Note 11) (tax effect — nil)	<b>37,603,332</b>	—	—	—
Provision for non-recovery of amounts due from subsidiaries (tax effect — nil)	—	—	<b>21,941,584</b>	—
Provision for diminution in value of shares in subsidiary (tax effect — nil)	—	—	<b>16,250,000</b>	—
	<b>37,603,332</b>	—	<b>38,191,584</b>	—
<b>5. INCOME TAX</b>				
Prima facie tax on operating profit/(loss) calculated at 39%	<b>(14,636,561)</b>	146,538	<b>(14,761,528)</b>	206,748
Tax effect of permanent differences:				
Non-deductible expenditure	<b>388</b>	—	<b>387</b>	—
Group loss transfer	—	—	<b>(155,286)</b>	—
Non-assessable profit on disposal of fixed assets	—	(10,530)	—	—
Provision for non-recovery of amounts due from subsidiaries	—	—	<b>8,557,218</b>	—
Provision for diminution in value of shares in subsidiary	—	—	<b>6,337,500</b>	—
Provisions — other	—	4,402	—	4,402
Write-down of deferred expenditure	<b>11,987,856</b>	—	—	—
Under/(over) provision for previous year	<b>(7,052)</b>	2,387	<b>(7,052)</b>	—
Timing differences not brought to account	<b>2,769,723</b>	105,373	<b>(12,171)</b>	1,548
Future income tax benefits not previously brought to account	<b>(242,595)</b>	(54,616)	<b>(87,309)</b>	(54,616)
	<b>(128,241)</b>	193,554	<b>(128,241)</b>	158,082

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 1991

	Group		Holding Company	
	1991	1990	1991	1990
Income tax provided comprises:				
Provision attributable to current year	—	169,644	—	136,559
Under/(over) provision for previous year	(7,052)	2,387	(7,052)	—
Provision attributable to future years:				
Deferred income tax liability	(121,189)	21,523	(121,189)	21,523
	<u>(128,241)</u>	<u>193,554</u>	<u>(128,241)</u>	<u>158,082</u>

Future income tax benefits calculated at 39 cents in the dollar of \$2,915,095 for the Group (1990 — \$349,801) and \$803 for the holding company (1990 — \$1,548) relating to exploration expenditure and other timing differences have not been included in the accounts because there is no certainty that the benefits will be realised. The benefits will only be obtainable if:

- i) The group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be realised;
- ii) The group continues to comply with the conditions for deductibility imposed by income tax law; and
- iii) No change in income tax legislation adversely affects the Group realising the benefit of the deduction for the loss.

**6. CASH**

Cash at bank and on hand	15,196	38,566	—	22,794
Funds on deposit	211,000	2,325,000	211,000	2,325,000
	<u>226,196</u>	<u>2,363,566</u>	<u>211,000</u>	<u>2,347,794</u>

**7. RECEIVABLES (Current)**

Prepayments and accrued income	35,415	313,117	35,415	313,117
Bills of exchange	1,055,839	674,879	1,055,839	674,879
Other debtors	—	25,904	—	—
Amounts due from other related corporations	—	43,980	—	43,980
	<u>1,091,254</u>	<u>1,057,880</u>	<u>1,091,254</u>	<u>1,031,976</u>

**8. RECEIVABLES (Non-current)**

Amounts receivable from subsidiary companies	—	—	24,984,054	22,707,773
Less provision for non-recovery	—	—	(21,941,584)	—
	<u>—</u>	<u>—</u>	<u>3,042,470</u>	<u>22,707,773</u>

**9. INVESTMENTS (Non-current)**

Investments not listed on a stock exchange — at cost:				
Shares in subsidiaries	—	—	16,250,000	16,250,000
Provision for diminution in value of shares in subsidiaries	—	—	(16,250,000)	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>16,250,000</u>

	Group		Holding Company	
	1991	1990	1991	1990
<b>10. PROPERTY, PLANT &amp; EQUIPMENT</b>				
Land & buildings at cost	152,391	152,391	—	—
Accumulated depreciation	(30,436)	(15,197)	—	—
	<u>121,955</u>	<u>137,194</u>	<u>—</u>	<u>—</u>
Plant & equipment at cost	3,357,232	2,035,609	2,470	2,470
Accumulated depreciation	(725,433)	(404,602)	(1,274)	(782)
	<u>2,631,799</u>	<u>1,631,007</u>	<u>1,196</u>	<u>1,688</u>
	<u>2,753,754</u>	<u>1,768,201</u>	<u>1,196</u>	<u>1,688</u>

The directors estimate that the current value of land and buildings is approximately equal to the net book value.

Depreciation charged on pre-production phase property, plant and equipment is capitalised as development expenditure. Once production commences such expenditure will be amortised on a production basis against the total proven and probably economically recoverable reserves.

The ultimate value of plant and equipment will depend on the Beaconsfield mine evaluation work and as such, is subject to the same criteria as referred to in Note 11 relating to deferred expenditure.

#### 11. DEFERRED EXPENDITURE

Costs carried forward in respect of areas of interest in the exploration/evaluation phase:

Stamp duty carried forward (note a)	—	645,409	—	—
Rehabilitation, development & evaluation (Note b)	947,776	37,097,934	—	—
	<u>947,776</u>	<u>37,743,343</u>	<u>—</u>	<u>—</u>

- a) The stamp duty expense related to stamp duties which have been paid to the Tasmanian Government. This money was partly refunded to the group and is repayable from the future profits of any mining operations that are carried out (Note 14). The deferred expense has been written off in anticipation of the capital reduction referred to below.
- b) Rehabilitation, development and evaluation expenditure related to the acquisition cost and subsequent expenditure on the Beaconsfield mine. The ultimate value of this asset will depend on results from the evaluation work (including the proposed surface diamond drilling program) which is expected to take some years to complete, and on the future gold price and costs during any operating period.

On the 24 September 1991 the company announced that it would seek shareholder approval to make a capital reduction of 45 cents per share (\$38.25 million) and a subsequent consolidation of the shares into 50 cent shares for the purpose of raising additional capital to carry out a surface diamond drilling program to increase confidence in the underground resource prior to committing to the completion of the mine dewatering and project feasibility. In anticipation of this capital reduction the deferred expenditure has been written down to \$947,776 resulting in an abnormal charge of \$37,603,332 (Note 4).

#### 12. CREDITORS & BORROWINGS (Current)

Bank overdrafts	5,655	213,123	1,366	—
Trade creditors	90,549	106,184	2,641	7,483
Other creditors	6,718	3,916	4,875	—
Amounts due to related corporations	—	5,724	—	5,724
	<u>102,922</u>	<u>328,947</u>	<u>8,882</u>	<u>13,207</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 1991

	Group		Holding Company	
	1991	1990	1991	1990
<b>13. PROVISIONS (Current)</b>				
Employee entitlements	44,082	30,375	—	—
Income tax	—	169,644	—	136,559
	<u>44,082</u>	<u>200,019</u>	<u>—</u>	<u>136,559</u>
<b>14. CREDITORS &amp; BORROWINGS (Non-current)</b>				
Government loan	620,145	620,145	—	—
Amounts due to subsidiary companies	—	—	455,001	454,951
	<u>620,145</u>	<u>620,145</u>	<u>455,001</u>	<u>454,951</u>
<b>15. PROVISIONS (Non-current)</b>				
Deferred income tax	—	121,189	—	121,189
Other	1,831	11,287	1,831	11,287
	<u>1,831</u>	<u>132,476</u>	<u>1,831</u>	<u>132,476</u>
<b>16. SHARE CAPITAL</b>				
AUTHORISED				
200,000,000 ordinary shares of \$0.50 each	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED AND PAID UP				
85,000,000 ordinary shares of \$0.50 each fully paid	<u>42,500,000</u>	<u>42,500,000</u>	<u>42,500,000</u>	<u>42,500,000</u>

	Group		Holding Company	
	1991	1990	1991	1990
	<b>Number</b>		<b>Number</b>	

## OPTIONS (UNQUOTED)

4,527,0004,527,000

Options issued in accordance with the Staff Investment Plan are exercisable at 50 cents each before dates ranging from 4 March 1992 to 1 September 1993. The number of options in issue under the Staff Investment Plan is 1,777,000 (1990 — 1,777,000).

2,750,000 options issued to vendors are exercisable at \$1 each before 4 February 1992.

	Group		Holding Company	
	1991	1990	1991	1990
	<b>Number</b>		<b>Number</b>	

**17. REMUNERATIONS OF DIRECTORS**

The directors of Beaconsfield Gold Mines Limited during the year were:

Messrs H J Stacpoole, D R L Burt, K E Fletcher, H D Kennedy, R A Radford

Amounts received or due and receivable by directors of the group from group companies and related corporations

15,000

14,875

Amounts received or due and receivable by directors of Beaconsfield Gold Mines Limited from that company and related corporations

15,000

14,875

The number of directors whose remuneration falls within the following bands:

\$ 0 — \$9,999

1991  
Number of  
Directors

5

1990  
Number of  
Directors

6

	Group		Holding Company	
	1991	1990	1991	1990
<b>18. AUDITOR'S REMUNERATION</b>				
Amounts received or due and receivable by the auditors for:				
Auditing accounts	11,000	10,000	11,000	10,000
Other services	10,231	1,000	10,231	1,000
	<u>21,231</u>	<u>11,000</u>	<u>21,231</u>	<u>11,000</u>

**19. INVESTMENTS IN SUBSIDIARIES**

	Place of Incorporation	% held by holding company		Book Value of shares held		Contribution to Group profit/(loss) after abnormal items		
		1991	1990	1991	1990	1991	1990	
<b>Holding Company</b>								
Beaconsfield Gold Mines Limited — Ordinary	Tasmania					(37,721,832)	372,041	
<b>Subsidiary Companies</b>								
Beaconsfield Operations Pty Limited — Ordinary*	Tasmania	100.00	100.00	—	16,250,000	(21,467,715)	(190,407)	
<b>Subsidiary of Beaconsfield Operations Pty Limited</b>								
Beaconsfield Tasmania Pty Limited — Ordinary*	Victoria	100.00	100.00			(223,205)	552	
Consolidation Adjustments						<u>22,011,349</u>		
				—	16,250,000	<u>(37,401,403)</u>	182,186	

\*These subsidiaries have adopted the ASC Class Order providing relief from the requirement to prepare separate accounts. A deed of indemnity has been entered into between Beaconsfield Gold Mines Limited and each subsidiary to meet each other's liabilities in the event of a winding up.

**20. SEGMENT INFORMATION**

The group operates within the gold mining/exploration industry in Australia.

**21. RELATED PARTY TRANSACTIONS**

a) The directors of Beaconsfield Gold Mines Limited during the financial year were:

H J Stacpoole  
D R L Burt  
K E Fletcher  
H D Kennedy  
R A Radford

b) The following related party transactions occurred during the financial year.

During the year there have been transactions between Beaconsfield Gold Mines Limited and its wholly owned subsidiary companies. These transactions have been eliminated for consolidation purposes and have not been disclosed elsewhere in the accounts.

The operations of Group companies are managed by ACM Gold Management Pty Limited, a subsidiary of ACM Gold Limited which is a substantial shareholder of Beaconsfield Gold Mines Ltd and a subsidiary of Australian Consolidated Minerals Ltd. Management fees totalling \$40,000 have been paid to this company during the year on a normal commercial basis.

Administration charges of \$338,798 incurred by Beaconsfield Gold Mines Limited during the year were reimbursed by ACM Gold Management Pty Limited pursuant to an agreement whereby Beaconsfield Gold Mines Limited prepaid such charges and are to be reimbursed for that amount, adjusted for interest by ACM Gold Management Pty Limited.

AA Management Pty Ltd ("AA") a wholly owned subsidiary of Australian Consolidated Minerals Ltd, provides management services to companies within the Beaconsfield Group on a cost recovery basis. During the year ended 30 June 1991 the total charges by AA to the Group was \$88,643 (holding company — \$85,093).

The Group has purchased goods and services totalling \$26,203 on a normal commercial basis from Stacpoole Enterprises Pty Ltd of which Mr H J Stacpoole is the Managing Director.

In accordance with a resolution of the directors of BEACONSFIELD GOLD MINES LIMITED, we state that:

1. In the opinion of the directors
  - a) the profit and loss account is drawn up so as to give a true and fair view of the profit of the company for the financial year ended 30 June 1991;
  - b) the balance sheet is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 1991;
  - c) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due including its obligations and liabilities under guarantees and undertakings given to the subsidiaries identified in Note 19.
2. In the opinion of the directors the group accounts are drawn up so as to give a true and fair view of
  - a) the profit of the company and its subsidiaries for the financial year ended 30 June 1991;
  - b) the state of affairs of the company and its subsidiaries as at 30 June 1991 so far as they concern members of the company.
3. The accounts of the company and the group accounts have been made out in accordance with applicable accounting standards.

On behalf of the Board.



H J STACPOOLE  
Director



K E FLETCHER  
Director

Perth, Western Australia, 24 September 1991

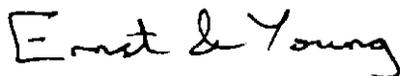
#### AUDITORS' REPORT TO THE MEMBERS OF BEACONSFIELD GOLD MINES LIMITED

We have audited the accounts and group accounts set out on pages 24 to 33 including the Statement by Directors in accordance with Australian Auditing Standards.

In our opinion, the accounts of Beaconsfield Gold Mines Limited and group accounts are properly drawn up in accordance with the provisions of the Corporations Law and so as to give a true and fair view of:

- i) the state of affairs of the company and of the group as at 30 June 1991 and of the loss of the company and of the group for the year ended on that date so far as they concern members of the holding company;
- ii) the other matters required by Division 4 of Part 3.6 of that Law to be dealt with in the accounts and in the group accounts;

and are in accordance with Statements of Accounting Concepts and applicable Accounting Standards.



ERNST & YOUNG



S J FOSTER  
Partner

Perth, Western Australia, 24 September 1991

## SHAREHOLDINGS as at 12 September 1991

(a) The distribution of members and their holdings was as follows:

Size of holdings	Number of Shareholders
1 — 1,000	6,772
1,001 — 5,000	1,116
5,001 — 10,000	323
10,000 — over	288
<b>Total number of shareholders</b>	<b>8,499</b>

(b) The percentage distribution of the 20 largest shareholders was 78.67%.

(c) The Company's issued shares are of one class and carry equal voting rights.

(d) A total of 6,994 shareholders hold less than a marketable parcel of shares.

(e) **Substantial Shareholders**

- Allstate Prospecting Pty Ltd, 4th Floor, 76 Berry Street, North Sydney NSW 2060 : 29,630,788 (34.86%)
- ACM Gold Mines Limited, 6th Floor, 233 Adelaide Terrace Perth WA 6000 : 30,433,663 (35.8%)

(f) **Substantial Optionholders**

- ACM Gold Mines Limited, 6th Floor, 233 Adelaide Terrace, Perth WA 6000 : 2,750,000 options expiring 4 February 1992 at exercise price of \$1.00.

(g) **Directors' Interests**

The interest of Directors in the issued shares of the Company as at 12 September 1991.

	Beneficially held Shares
<b>D R L Burt</b>	5,000
<b>K E Fletcher</b>	5,000
<b>H D Kennedy</b>	25,000
<b>R A Radford</b>	—
<b>H J Stacpoole</b>	142,500

In addition to the shares of which they are beneficially entitled, Messrs Burt and Fletcher, as the directors of ACM Nominees Pty Limited ("Nominees") a wholly owned subsidiary of Australian Consolidated Minerals Ltd are deemed to hold a relevant interest in 1,777,000 options in the Company registered in the name of Nominees and held as trustee of the ACM Staff Investment Plan ("the ACM Plan").

Nominees, as trustee for the ACM Plan, holds 1,777,000 options to acquire the same number of ordinary shares in the Company on payment of 50 cents par value as follows:

No of Options	Expiring
<b>2,000</b>	04/03/92
<b>675,000</b>	26/03/92
<b>1,000,000</b>	01/07/93
<b>100,000</b>	01/09/93

Accordingly, for the purpose of Stock Exchange Listing Requirements 3C(3)(c), Mr D R L Burt is deemed to have a relevant interest in a total of 5,000 shares and an interest in 1,777,000 options in the Company and Mr K E Fletcher is deemed to have a relevant interest in 5,000 shares and an interest in 1,777,000 options in the Company.

(h) The names of the Company's joint secretaries are Daryl John Gore and Jill Susan Green.

## SIGNING OF THE PROSPECTUS BY DIRECTORS

This Prospectus has been signed by, or on behalf of, the Directors of Beaconsfield Gold Mines Limited, whose names appear below.

H.J. Stacpoole*	K.E. Fletcher*	R.A. Radford*
Chairman	Executive Director	Director
D.R.L. Burt	H.D. Kennedy*	*Signed by his agent D.J. Gore
Executive Director	Director	



BEACONSFIELD GOLD MINES LIMITED

APPLICATION FORM — MARKETABLE PARCEL

CLOSING DATE: 5.00 p.m. (EST)

FRIDAY, 6 DECEMBER 1991

Name .....

Address .....

Code .....

Application for Additional New Shares:

Marketable Parcel 500 Ordinary Shares

\*Less holding as at 15 November 1991 Ordinary Shares

\*Less entitlement to New Shares \_\_\_\_\_ Ordinary Shares

Number of additional New Shares  
you can apply for

x \$0.50

Amount payable on application \$ \_\_\_\_\_

\*A notice confirming your holding, and entitlement to New Shares will be sent to you shortly after Friday, 15 November 1991. Please complete the above details from the information contained in that notice.

You may only apply for the exact number of shares which will result in you holding 500 Ordinary Shares after the capital reconstruction has been completed and you have accepted your full entitlement pursuant to the rights issue.

To apply, this Application Form and the amount payable on application must reach the Company at 6th Floor, East Point Plaza, 233 Adelaide Terrace, Perth, WA 6000 before 5.00 p.m. (EST) on Friday, 6 December 1991.

Please ensure that you have inserted your name and address where indicated above.

Payments

- Cheques must be made payable to Beaconsfield Gold Mines Limited and crossed "Not Negotiable".
- Shareholders are asked not to forward cash, postal notes or money orders by mail.
- Receipts will only be issued if specifically requested.

Cut here and return Application Form to 6th Floor, East Point Plaza, 233 Adelaide Terrace, Perth WA 6000.

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145072

REVERSE OF APPLICATION FORM — MARKETABLE PARCEL



- LEGEND
- TERTIARY
- 10 - LATERITE AND QUARTZ RICH GRAVELS.
- LOWER PALAEOGEOIC
- 22 - GORDON LIMESTONE
  - 25 - CALEAREOUS MUDSTONE
  - 29 - CALEAREOUS SANDSTONE / SILTSTONE.
  - 58 - UPPER TRANSITION BEDS
  - 64 - LOWER TRANSITION BEDS
  - 67 - GRAPHITE SHALE.
- CABBAGE TREE FORMATION

140073



PLATE 1



REGIONAL GEOLOGY INTERPRETATION

TITLE  
BEACONSFIELD.

DRAWN	SCALE 1: 5000	DRG. No.	REV.
DATE	ENG		

REVISION	No	DATE	DRN	CHKD	ENG	AE

