

ASX ANNOUNCEMENT

28 April 2015

MARCH 2015 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

Beacon Minerals Limited (ASX:BCN) (Beacon or Company) is pleased to present its Quarterly Activities Report for the period ended 31 March 2015.

Highlights

- Halleys East open pit mining operations to be completed in April 2015
- Broken ore stock on hand at end of quarter available for milling of 25,295 tonnes at an average head grade of 11.02 g/t Au for a net estimated recovery of 7,619 oz Au.
- Fourth Ore Batch milled in March 2015 and finalised in early April 2015
- Progress towards Milling Campaign Five scheduled for late June 2015
- Option to acquire and Farm into highly prospective Sandstone West Project in Western Australia
- \$5.283 million in cash reserves at 31 March 2015

Progress at Halleys East open pit continues

The focus this quarter has been to progress the open pit at the Company's operations at Halleys East to its completion. Mining will be completed at Halleys East in April 2015.



Figure 1 - Halleys East Pit 7 April 2015

BEACON MINERALS LIMITED ACN 119 611 559

Kalgoorlie Office 144 Vivian Street, Boulder, WA 6432

Registered Office Level 1, 115 Cambridge Street, PO Box 1305, West Leederville, WA 6007

Website www.beaconminerals.com **Phone** 08 9322 6600 **Facsimile** 08 9322 6610

Fourth Ore Batch milled and finalised

Beacon announced on 17 April 2015 that it had completed its fourth milling campaign at the FMR Greenfields processing facility.

A total of 13,248 tonnes at an average grade of 6.09 g/t Au was milled for the recovery of 2,256 oz Au. The parcel was comprised of 7,499 tonnes of high grade and 5,749 tonnes of low grade material. Overall mill recovery was 87%.

2,256 ounces of gold recovered during the campaign has been sold at an average price of AU\$1,527.76 oz.



Figure 2 - Greenfields Mill, Coolgardie Western Australia

For the nine months ended 31 March 2015 the Company sold 9,229 oz at an average price of AU\$1,459 oz and an average C2 Production Cost of \$647 per ounce. Fully Allocated C3 costs per ounce for the same period was \$761.

At the end of the fourth milling campaign a total of 49,106 dry metric tonnes with an average recovered grade of 7.69g/t for a total of 11,054oz had been processed from Halleys East.

To date 11,054 oz have been sold for an average price per ounce of AU\$1,446.

Broken Ore Stock on Hand

Beacon currently has 25,295 tonnes of broken ore stock at an average head grade of 11.02 g/t Au for a net estimated recovery of 7,619 oz Au available for milling.

1,564 tonnes of this material has already been carted to FMR investments Pty Ltd Greenfields Mill.

Milling Campaign Five

Approximately 16,000 tonnes of the broken ore stock currently on hand will be processed during Milling Campaign 5, due to commence in late June 2015.

Beacon continues to deliver ore to the FMR Greenfields Mill as the Company progresses towards Milling Campaign Five.

SANDSTONE WEST – GOLDEN RAVEN PROSPECT

On 16 February 2015 Beacon announced that it had secured an exclusive option (“**Option**”) and Farm-in (“**Farm-in**”) arrangement to explore an area of approximately 74 km² (“**Project**”), located 4km west of the Sandstone township in Western Australia.

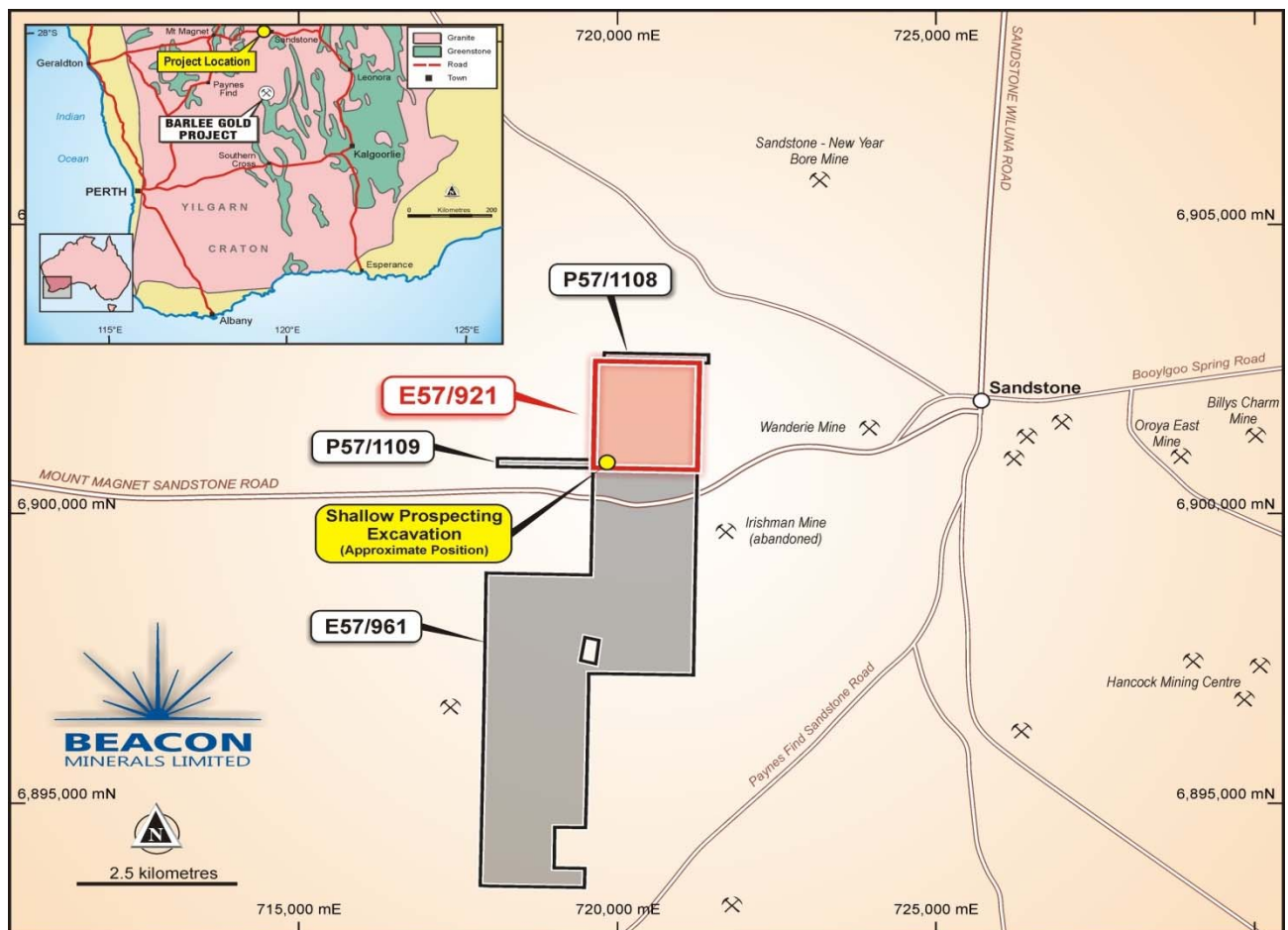


Figure 3 - Sandstone regional location map

Beacon has entered into an exclusive option to purchase Exploration Licence E57/921 and entered into a farm in and joint venture with Black Oak Minerals Limited (“**Black Oak Minerals**”) on E57/961, P57/1108 and P57/1109 located approximately 4km west of Sandstone, Western Australia (“**Project**”).

For further details of the transaction option and farm in terms see the ASX announcement of 16 February 2015 and the Schedule of Mineral Tenements contained in this quarterly report.

Historical Exploration

E57/921 has previously been the focus of intense prospecting activities by modern day prospectors with metal detectors and has also included some small scale low impact mining activities. The main prospect within E57/921 is the **Golden Raven prospect**. Whilst the exact amount of recovered gold is not known, a large amount of eluvial gold and specimen gold has been identified and recovered from the near surface at the Golden Raven Prospect.

March 2015 Blast Hole Drilling Results

In March 2015 Beacon completed a shallow drilling program to test the top 6m of the regolith profile for economic accumulations of gold at the Golden Raven prospect within the Sandstone West Project.

64 shallow vertical holes were completed for a total of 385 metres.

The results as announced to the ASX on 3 March 2015 include;

- **1m @ 7.42 g/t Au**
- **6m @ 20.00 g/t Au**
- **4m @ 8.29 g/t Au**
- **4m @ 3.41 g/t Au**

These results are significant and clearly indicate the presence of a gold-mineralised system within the upper parts of the in situ portion of the regolith profile.

Beacon will complete a follow up program with deeper aircore and possibly some RC drilling to test the entire regolith profile and the hypogene (fresh rock) below the identified prospect area at Golden Raven.

A broader program of regional auger geochemistry will follow.

Beacon has received approval for the proposed aircore program from the Western Australian Department of Mines and Petroleum and a mark out of the drill pattern has been completed on site. The Company expects to commence drilling early May 2015.

CASH RESERVES

As at 31 March 2015 the Company had approximately \$5.283 million in cash reserves.

CAPITAL STRUCTURE

As at the date of this report the Company has the following capital structure:

| | |
|--|----------------------|
| Fully Paid Ordinary Shares (BCN) | 1,493,429,242 |
| Listed Options (BCNO) exercisable at \$0.005 on or before 30 September 2015 | 797,702,924 |

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OTHER OPPORTUNITIES

The Company confirms its commitment to continue to pursue other opportunities in the minerals sector both in Australia and offshore.

Should shareholders have any questions regarding Beacon, please feel free to contact Executive Chairman Geoff Greenhill, Managing Director Graham McGarry or Executive Director Marcus Michael.

Geoff Greenhill
Executive Chairman
Beacon Minerals Ltd
M: 0419 991 713

Graham McGarry
Managing Director
Beacon Minerals Ltd
M: 0409 589 584

Marcus Michael
Executive Director
Beacon Minerals Ltd
M: 0418 908 091

SCHEDULE OF MINERAL TENEMENT INTERESTS

Beacon Minerals Limited provides the following schedule of mineral tenement interests held by the Company for the quarter ended 31 March 2015 as required by ASX Listing Rule 5.3.

Beacon Minerals Limited mineral tenement interest as at 31 March 2015;

| TENEMENT | PROJECT/LOCATION | INTEREST AT THE BEGINNING OF THE QUARTER | INTEREST AT THE END OF THE QUARTER |
|----------|-------------------------------|--|------------------------------------|
| | Halleys East Project | | |
| L29/0124 | Menzies | 100% | 100% |
| L30/0057 | Evanston / Menzies | 100% | 100% |
| L77/0243 | Lake Barlee | 100% | 100% |
| M77/1254 | Halleys East Lake Barlee | 100% | 100% |
| E77/0273 | Barlee | 100% | 100% |
| E77/2156 | Halleys East Lake Barlee (1) | 0% | 0% |
| | | | |
| | Sandstone West Project | | |
| E57/0921 | Henning (2) | 0% | 0% |
| E57/0961 | Black Oak Minerals (3) | 0% | 0% |
| P57/1108 | Black Oak Minerals (3) | 0% | 0% |
| P57/1109 | Black Oak Minerals (3) | 0% | 0% |
| | | | |
| E57/0946 | Youanmi | 100% | 100% |

Summary of Terms:

- Option to acquire E77/2156 for \$1,000 on or before 31 December 2015.
- Initial option period expiring 27.1.2016 with further option period of 12 months for a payment of \$50,000 to 27.1.2017. \$1.5m to exercise option.
- Beacon can earn a 50% interest in the Project by making expenditure of \$250,000 within 2 years. Once Beacon has earned a 50% interest in the Project, Beacon can progressively earn additional interests of 1% by sole funding installments of \$5,000. Black Oak Minerals may elect to contribute to its portion of expenditure, in which case, Beacon will not acquire an additional interest. Upon Beacon having an interest of 80% in the Project, Black Oak Minerals will be free carried until a decision to mine is made. Once a decision to mine is made, both Black Oak Minerals and Beacon will be required to contribute in accordance with their respective joint venture interests or be diluted in accordance with an industry standard formula. Beacon will be the manager of the joint venture while it is sole funding expenditure or has a majority interest in the joint venture.

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Probable Ore Reserves

The estimate of Probable Ore Reserves relating to the Halleys East deposit were first announced to the market on 30 October 2013. The Company confirms it is not aware of any new information or data that materially affects the information included in those market announcements and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not changed.

Exploration

This announcement contains information extracted from the following announcements which are available for viewing on the Company's website www.beaconminerals.com:

- 16 February 2015 Beacon to acquire and farm in to highly prospective gold ground
- 3 March 2015 Sandstone West Golden Raven high grade drilling results

The Company confirmed it is not aware of any new information or data that materially affects the information included in this announcement relating to exploration activities carried out at the Sandstone West Project Golden Raven Prospect and all material assumptions and technical parameters underpinning the exploration activities in those market announcements continue to apply and have not been changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Disclaimer

This ASX announcement (Announcement) has been prepared by Beacon Minerals Limited ("Beacon" or "the Company"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Beacon, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Beacon.

By its very nature exploration for minerals is a high risk business and is not suitable for certain investors. Beacon's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Beacon and of a general nature which may affect the future operating and financial performance of Beacon and the value of an investment in Beacon including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Beacon and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Beacon, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Beacon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Beacon Minerals Limited

ABN

64 119 611 559

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors | 5,367 | 13,078 |
| 1.2 Payments for (a) exploration & evaluation | (17) | (40) |
| (b) development | - | - |
| (c) production | (2,493) | (7,481) |
| (d) administration | (114) | (270) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 16 | 31 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other – GST | (9) | 65 |
| Other – Fuel Tax Rebate | 54 | 134 |
| Net Operating Cash Flows | 2,804 | 5,517 |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects | (50) | (50) |
| (b) equity investments | 43 | 43 |
| (c) other fixed assets | (23) | (59) |
| 1.9 Proceeds from sale of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | (30) | (66) |
| 1.13 Total operating and investing cash flows (carried forward) | 2,774 | 5,451 |

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

| | | | |
|------|--|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | 2,774 | 5,451 |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other – Debenture Issue Expenses | (188) | (562) |
| | Net financing cash flows | (188) | (562) |
| | Net increase (decrease) in cash held | 2,586 | 4,889 |
| 1.20 | Cash at beginning of quarter/year to date | 2,697 | 394 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 5,283 | 5,283 |

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 431 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

| | \$'000 |
|---|--------|
| Directors fees and remuneration | 82 |
| Accounting, corporate, bookkeeping and secretarial services | 25 |
| Hire of plant and equipment | 215 |
| Debenture Note Interest | 109 |

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

| |
|-----|
| N/A |
|-----|

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 150 |
| 4.2 Development | |
| 4.3 Production | 3,400 |
| 4.4 Administration | 400 |
| Total | 3,950 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 2,277 | 1,390 |
| 5.2 Deposits at call | 3,006 | 1,307 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 5,283 | 2,697 |

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

| | Tenement reference and location | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | N/A | N/A | N/A |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased | N/A | N/A | N/A |

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|-----|---------------|---------------|---|--|
| 7.1 | - | - | - | - |
| 7.2 | | | | |
| | | | | |
| | | | | |
| | | | | |
| 7.3 | 1,493,429,242 | 1,493,429,242 | - | - |
| 7.4 | | | | |
| | | | | |
| | | | | |
| 7.5 | - | - | - | - |

+ See chapter 19 for defined terms.

| | | | | | |
|------|---|-------------|-------------|----------------------------------|---|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | - | - | - | - |
| 7.7 | Options <i>(description and conversion factor)</i> | 797,702,924 | 797,702,924 | <i>Exercise price</i> \$0.005 | <i>Expiry date</i> 30 September 2015 |
| 7.8 | Issued during quarter | - | - | - | - |
| 7.9 | Exercised during quarter | - | - | - | - |
| 7.10 | Expired during quarter | - | - | - | - |
| 7.11 | Debentures <i>(totals only)</i> | - | - | | |
| 7.12 | Unsecured notes <i>(totals only)</i> | - | - | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway
Company secretary

Date: 28 April 2015

Print name: Sarah Shipway

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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