

## ASX ANNOUNCEMENT

31 July 2014

### JUNE 2014 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 30 June 2014.

#### Highlights

- **Steady progress at Halleys East open pit**
- **First Ore batch milled April 2014 and gold pours completed May 2014**
- **Second milling campaign commenced in July 2014**

#### Progress at Halleys East open pit continues

At quarter end Beacon had mined approximately 511,000 bank cubic metres (BCM's) which represents approximately 82% of the final pit design.

The initial focus of the mining was on accessing ore from the smaller internal starter pit with recent progress being made on the cut back for the main pit as the Company progresses the operations at Halleys East.



**Halleys East open cut mine at 31 July 2014**

**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](http://www.beaconminerals.com) **Phone** 08 9322 6600 **Facsimile** 08 9322 6610

Waste to ore ratios will improve significantly as mining progresses.

At the end of June Beacon had 9,200 wmt of high grade ore and 2,800 wmt of lower grade flushing ore at the FMR mill ahead of the second Milling campaign. In addition to these tonnes, there were 1,950 wmt tonnes of high grade and 4,500 wmt of lower grade ore stockpiled at the mine ROM ore pad. All ore blocks from grade control drilling are being further grade controlled by truck dump sampling before cartage to the mill.

#### **First Ore batch milled April 2014 and gold pour completed May 2014**

Beacon announced on 15 May 2014 that it had completed its first milling campaign at the FMR Greenfields processing facility.



**First Bullion from FMR Investments Pty Ltd Mill in Coolgardie**

The ore processing resulted in 8,613 dmt being milled with an overall mill feed grade of 7.35 gpt. This included the low grade flush ore processed at the completion of the higher grade ore. The average mill recovery was 89.76%.

The processing of this first parcel of ore confirmed that:

1. The grade control drilling, ore block determination and truck dump sampling procedures being used on site have been confirmed by the mill feed grades of the first high grade ore (8.70 gpt vs predicted 9.23 gpt) and the flush ore (2.98 gpt vs predicted 2.77 gpt) processed.
2. The clay ore from the upper zones is high in moisture and presented some handling and classification issues during the processing. This will improve as mining moves deeper into the ore profile.
3. FMR operating personnel were able to react quickly to develop the milling conditions for this ore type.

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**Greenfields Mill, Coolgardie Western Australia**

During the quarter, road haulage and ore deliveries were affected by a succession of rainfall events in both the Menzies and Coolgardie Shires.

**Second milling campaign commenced in July 2014**

On 23 July 2014 Beacon announced that processing of the second parcel of ore had commenced at the FMR Investments Pty Ltd Greenfields Mill in Coolgardie.

This second parcel of ore, currently being processed, will be completed by the end of July 2014. The milling summary for the campaign will be available early August.

Beacon will continue to deliver ore over the coming months as the Company progresses the development of the pit at Halleys East.

**Capital Structure**

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

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

**SCHEDULE OF MINERAL TENEMENT INTERESTS**

Beacon Minerals Limited (ASX:BCN) (Beacon or Company) provides the following schedule of mineral tenement interests held by the Company for the quarter ended 30 June 2014 as required by ASX Listing Rule 5.3.

**Beacon Minerals Limited mineral tenement interest as at 30 June 2014;**

<b>PROJECT/LOCATION</b>	<b>TENEMENT</b>	<b>INTEREST AT THE BEGINNING OF THE QUARTER</b>	<b>INTEREST AT THE END OF THE QUARTER</b>
Barlee, Western Australia	E77/1713	100%	100%
Barlee, Western Australia	M77/1254	100%	100%
Barlee, Western Australia	L77/0243	100%	100%
Barlee, Western Australia	L30/0057	0%	100%
Barlee, Western Australia	L29/0124	100%	100%
Youanmi, Western Australia	E57/0946	100%	100%

**OTHER OPPORTUNITIES**

Several advanced mining projects have been submitted to the Company for review, however Beacon's focus continues to be on the Halleys East operations.

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

The estimate of Probable Mining 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.

## 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")

30 June 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	2,526	2,526
1.2 Payments for		
(a) exploration & evaluation	(5)	(40)
(b) development	-	(1,788)
(c) production	(2,516)	(4,006)
(d) administration	(113)	(525)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	31
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – GST & Fuel Tax Rebate	39	36
– DMP Bond	-	239
<b>Net Operating Cash Flows</b>	<b>(63)</b>	<b>(3,527)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	(260)
(b) equity investments	-	42
(c) other fixed assets	(13)	(176)
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)	-	-
<b>Net investing cash flows</b>	<b>(13)</b>	<b>(394)</b>
1.13 Total operating and investing cash flows (brought forward)	(76)	(3,921)

+ See chapter 19 for defined terms.

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

<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	2	2
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	4,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Interest and Trustee Fee	(356)	(518)
<b>Net financing cash flows</b>		<b>(354)</b>	<b>3,484</b>
<b>Net increase (decrease) in cash held</b>		<b>(430)</b>	<b>(437)</b>
1.20	Cash at beginning of quarter/year to date	824	831
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>394</b>	<b>394</b>

**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	674
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	17
	Hire of plant and equipment	355
	Debenture Note Interests	220

**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

- 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

+ See chapter 19 for defined terms.

**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	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production *	2,400
4.4 Administration	300
<b>Total</b>	<b>2,700</b>

\* Does not include any receipts from production.

**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	374	52
5.2 Deposits at call	20	20
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	752
<b>Total: cash at end of quarter (item 1.22)</b>	<b>394</b>	<b>824</b>

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### 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	L30/0057 - WA Miscellaneous Tenement Lease	0%	100%

#### 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	1,443,429,242	-	-
7.4				
	320,000	320,000	\$0.005	\$0.005
	-	-	-	-
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	<b>Options</b> (description and conversion factor)	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	(320,000)	(320,000)	\$0.005	\$0.005
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

## 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 give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway  
Company secretary

Date: 31 July 2014

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.

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+ See chapter 19 for defined terms.

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

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- 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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+ See chapter 19 for defined terms.