



HALLEYS EAST METALLURGICAL TESTWORK

ASX RELEASE

6-Oct-10

Beacon Minerals Ltd is pleased to announce that preliminary metallurgical testwork has indicated that the Halleys East ore is free milling and amenable to conventional Carbon in Leach gold processing techniques for 96% recovery of gold.

This preliminary testwork has returned the following key results :

- Bond Work Index for grinding – 10.8 Kwh/t which indicates medium hardness
- Standard grind size required for gold recovery
- 23% gold recoverable by gravity
- 96 % overall gold recovery at 75 micron grind and 24 hours residence time

This program was initiated to determine the suitability of the shallow, high grade Halleys East mineralised zone, which contains a JORC inferred resource of 299,000 tonnes at 6.7 g/t for 64,000 ounces of gold, to standard Carbon in Leach processing techniques for recovery of the gold.

A 12 square kilometre Mining Lease application has been lodged over the Halleys East and Phil resources. The granting of the Mining Lease is expected in the first quarter of 2011, and the company is evaluating various processing options, including toll treatment, while still aggressively exploring for further mineralisation on the Barlee tenements. **Initial studies indicate an in situ operating cash cost of A\$ 382 per oz Au compared to the current gold price of approximately US\$ 1,340.**

Should you have any questions in relation to the above matters, please contact the undersigned on telephone (08) 9476 9200.

For and on behalf of
BEACON MINERALS LIMITED

Darryl Harris
Managing Director

Attachment 1 – Processing Cost Basis

Stock Exchange

ASX: BCN

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The information in this report, as it relates to Resource Estimates, is based on information compiled and/or reviewed by Byron Dumpleton Member of the AIG (Australian Institute of Geoscientists) who are eligible to sign off on JORC resources and reserves. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Byron Dumpleton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

In accordance with Listing Rules 5.6 of the Australian Securities Exchange, the Processing Cost evaluations contained in this report have been compiled/reviewed by Mr. Darryl Harris. Mr. Harris is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience with the information reported on to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Harris consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Attachment 1 – Processing Cost Basis

Halleys East Pit	Cut Off – 0.8 g/t		Grade and Tonnage	
Waste 2,107,878	Ore 271,305	Au g/t 6.72	Ounces 58,573	Strip Ratio 7.77
Input Costs \$AUD		Total Costs		
Task	AUD/BCM	AUD/t	AUD Total Costs	AUD/oz
Waste	6.00	2.50	5,269,695	89.97
Ore	6.00	2.50	678,263	11.58
Blasting	3.00	1.25	2,973,979	50.77
Dayworks	0.30	0.13	309,294	5.28
Dewatering	0.20	0.08	190,335	3.25
Grade Control		2.00	4,758,366	81.24
Rehab	0.30	0.13	309,294	5.28
Processing		26.00	7,053,930	120.43
Admin		3.00	813,915	13.90
Recovery %	96		\$22,357,069	\$381.70
Sales USD	1,340			
Revenue Exchange				
AUD	0.961	1,394	\$78,406,147	
Haulage		40.00	\$10,852,200	\$185.28

These preliminary scoping numbers are based on :

- Ore and Waste figures based on “Conceptual pit design” for the JORC inferred resource of 299,000 tonnes at 6.7 g/t for 64,000 ounces of gold
- Current industry rates for mining and haulage costs and administration
- Processing costs and recovery based on metallurgical testwork
- Revenues at current gold price and exchange rate on 6th October 2010

The figures used for the estimated mining and processing costs are preliminary in nature and should not be construed as indications for a potentially economic mining scenario.