

REGIONAL EXPANSION

We have now completed our first program for the year. The main thrust of this initial program was to explore for potential mineralisation regionally in order to find more Halleys East type deposits. This regional exploration included both geochemical sampling and RAB drilling at previously identified soil anomalies.

This initial 15,000 metre program was the first of the 50,000 metres of exploration drilling planned for this year. Significant regional mineralised targets were identified from the recent RAB drilling and these will be followed up with RC drilling in the next program, anticipated to commence in early June.

March Drilling Results

The results from the 5,900 metre RC and 8,300 metre RAB drilling program completed in March have now been received and have once again reinforced our belief that significant undiscovered mineralisation exists over the 300 square kilometre Barlee tenement.

Results from RC drilling included:

Halleys

- ❖ 3 m @ 18.4 g/t Au (EOH)*
- ❖ 3 m @ 27.3 g/t Au
- ❖ 4 m @ 15.4 g/t Au
- ❖ 10 m @ 3.5 g/t Au

Phil

- ❖ 7 m @ 9.2 g/t Au
- ❖ 9 m @ 3.9 g/t Au
- ❖ 4 m @ 3.3 g/t Au
- ❖ 2 m @ 3.8 g/t Au

Crabman

- ❖ 3m @ 5.2 g/t Au

Mineralisation is open in the Halleys and Phil deposits at depth, however the Company believes that exploration dollars are better spent in defining further regional shallow, high grade targets similar to Halleys East. The low cost ounces obtained from such deposits will assist in the goal of establishing a stand alone processing facility.

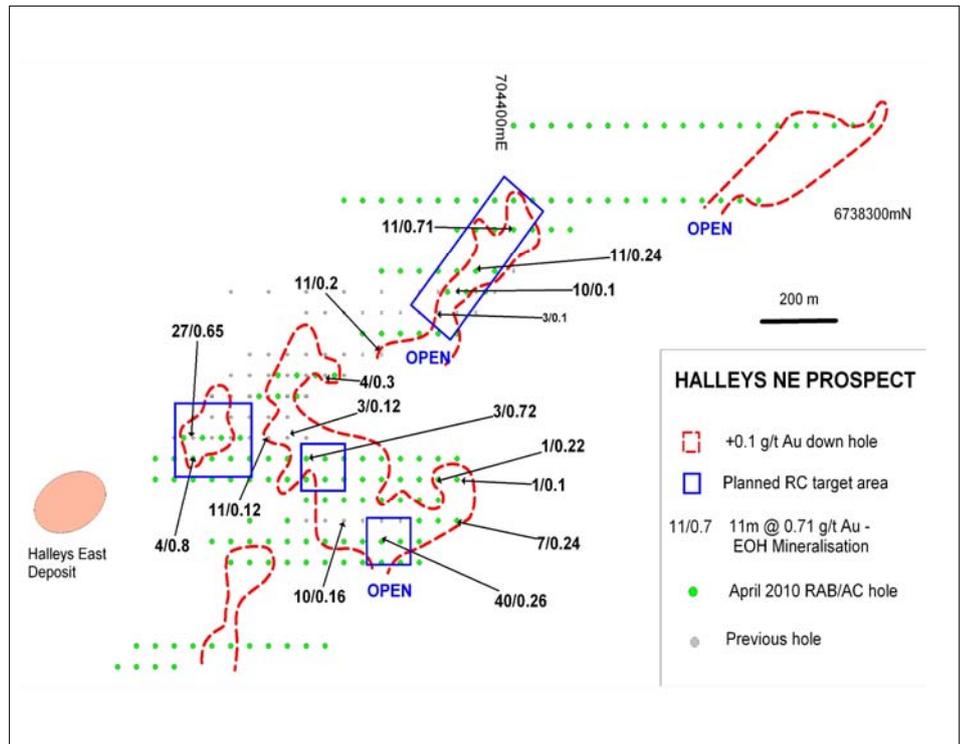
Regional and infill RAB drilling returned highly encouraging results including **16m @ 0.34 g/t, 11m @ 0.71 g/t (EOH) and 4m @ 0.85 g/t Au (EOH).** * EOH – End of Hole

Infill RAB drilling of the anomaly at Halleys NE has defined 4 RC drill targets to be tested in the upcoming program. Further RAB drilling is planned on the anomalies identified from the geochemical sampling in order to define further RC drill targets.

Upcoming June Drilling Program

A further drilling program is currently being planned by the exploration team and is expected to commence in early June.

We anticipate this will further expand the mineralised region at Barlee and define additional Halleys East type targets.



This next program will consist of approximately:

- 4,000 metres of RC drilling focussed on defined target areas.
- 400 metres of diamond drilling.
- 10,000 metres of RAB regional drilling.
- 500 geochemical regional samples.

Geochemical Extension of the Barlee Gold Province

The initial 2,000 regional samples have generated several anomalous areas. It is anticipated that following

the receipt of the remaining first pass regional and infill soil results expected over the coming weeks the initial RAB drill programs can be planned for June. Four main areas are considered a priority to date:

'Kink Anomaly' – The Kink Anomaly contains over 1,500 metres of mineralised area and overlies a complex deformed area of greenstone approximately 10 km northeast of Halleys.

'Lost Bolt South Anomaly' – Three distinct north easterly trending anomalies have been defined at Lost Bolt South, located 8 Km south of Halleys. The main area encompasses some 750m x 400m.

'Straddle Anomaly' – The Straddle is over 300m long, trending ENE and is located 5 Km to the south west of Halleys.

'Fenceline Anomaly' – The Fenceline anomaly, located 4 Km to the west of Halleys, occurs within Beacons 100% owned E77/1364 and is over 400 m in length.



Mining Licence

The company has commenced application for a Mining Licence for the Halleys East area of its Barlee tenements.

The initial ML application will be approximately 12 square kilometres and will cover the current Halleys East and Phil JORC inferred resource as well the prospective targets at Halleys NE and Crabman South.

The ML when granted will provide the company with flexibility in alternate treatment options, either at the

nearest toll treatment facility, or at its own facility as additional resources are found at Barlee.

Preliminary scoping study figures indicate a strong positive cash flow due to the high grade shallow nature of the JORC inferred resource (74,000 oz), anticipated low processing costs (~ AUD 350 to 550 / oz – depending on transport costs) and the current gold price which is over AUD 1,350 / oz.

Metallurgical and Operating Cost Scoping Study

A metallurgical testwork program and cost study has been commissioned with METS to determine the process characteristics of the Halleys East and Phil deposits.

It is anticipated this program will take 10 weeks and will provide the company with valuable information including gold recovery, grinding indices and other relevant metallurgical data which will be used to develop more detailed operating costs for treating the ore.



These cost models will allow a more detailed evaluation of the treatment options.

Diamond drilling proposed for the June program will provide additional metallurgical samples and geotechnical and geological information for mine planning.

Exploration Manager – Lyle Thorne

As a bit of history Lyle worked as a geologist for Helix Resources when they explored the Barlee Project back in 2002. He has always had a great belief in the Barlee region and is committed to exploring the area which he believes has great potential.

We are looking forward to reporting further significant gold results from our upcoming exploration program at Barlee.

Please email us at admin@beaconminerals.com if you have any questions or would like to receive all company announcements and updates electronically.

In accordance with Listing Rules 5.6 of the Australian Securities Exchange, the exploration results contained in this report has been compiled by Mr. Darryl Harris, a consultant to the company. Mr. Harris is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience with the mineralisation reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Mineral Resources and Reserves. Mr. Harris consents to the inclusion in the report of the matters base on the information in the form and context in which it appears.