

## Barlee starts to show its true potential

Welcome to the latest shareholder update from Beacon Minerals Ltd, where we keep you informed on the progress and future plans of the company.

The update comes at an exciting time for us, as we are poised in the third week of November to start the first of a series of comprehensive drilling programs after completion of our recent capital raising.

The Barlee gold project, north of Southern Cross in the Eastern Goldfields of Western Australia is beginning to return our belief in this highly prospective area and we have received encouraging results from work carried out over the past few months.

As can be seen from the RC and diamond drilling gold intercepts on the attached map, the latest results from Barlee have reinforced our belief that we are on the verge of proving an important gold producing province.

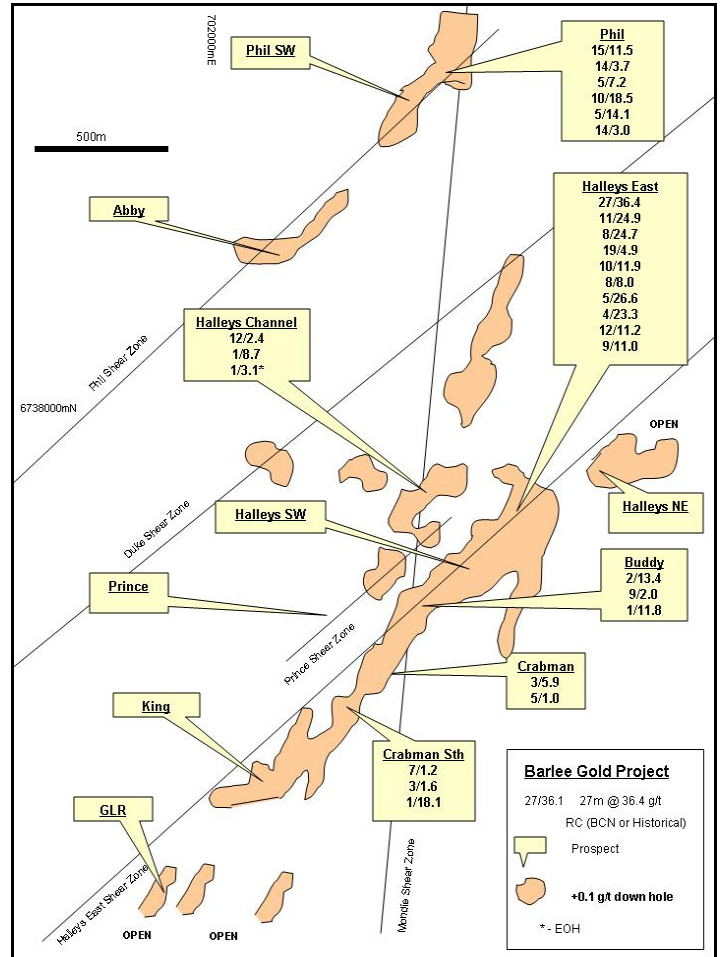
The most recent drilling program, conducted in August, returned very encouraging results, including a new mineralised intercept of **12m @ 11.23 g/t Au**. This has come from the previously untested western zone of the Halleys East prospect at Barlee.

We were also pleased with results at the down plunge testing of the extension of the Phil South target, which has been shown to remain open and where drilling intersected **14m @ 3.03 g/t Au**.



The diamond drilling completed on Halleys East and Phil during the last campaign has provided our geologists with valuable information relating to the structural controls of the mineralised zones. Review of this core has assisted

in the further definition of targets for the upcoming drilling programs.



The new drilling program, which will be conducted in three stages, will further test both Halleys East and Phil South, while also exploring newly identified mineralised zones at the Crabman South and Phil North areas.

It now appears likely that Halleys and Phil will provide the basis for our initial foray into mining, although there is still substantial upside having only evaluated 5 per cent of the total landholding Beacon controls at the Barlee Gold Project.

The drilling programs getting under way in November involve extensive reverse circulation and rotary air blast evaluation and will involve about 10,000 metres of drilling.

The RC drilling will focus on Halleys East, Crabman South and Phil, while the RAB work will be used to further define the mineralised regional targets. This will be backed by further intensive soil geochemistry work.



# SHAREHOLDER UPDATE

## NOVEMBER 2009

We have made many presentations to interested financial parties both in Western Australia and the Eastern States and have received a significant amount of interest and positive feedback.

But the proof is the bottom line and in late October we were able to announce that we had successfully closed off a rights issue and then subsequently placed a portion of the shortfall to raise an initial amount of \$3.68 million.

Further discussions have been held with interested parties and we anticipate placing the remainder of the shortfall within a short time. This funding will be used to both retire the company debt we have incurred from our previous exploration and, more importantly, fund the crucial exploration work at Barlee. We believe the Barlee Gold Project will lift Beacon from explorer to producer status.

The goal remains to become a producer within a short time frame, with a stand-alone operation at Barlee based on our current exploration target of at least 500,000 ounces of contained gold. Our immediate aim through both the recently completed and the upcoming exploration programs, is to generate enough information to allow us to compile a JORC-compliant resource statement to support a processing facility.

**The first of those, which is regarded as the initial major stepping stone on our way to producer status, is anticipated in late November, when we plan to release the first JORC-compliant resource statement for Halleys East. We regard this as a milestone for Beacon.**

The major reason for focussing on the Barlee Gold project is that it lies in an easily accessible area of the rich North Yilgarn goldfields, which historically have seen some of Australia's most important and highly-profitable operations.

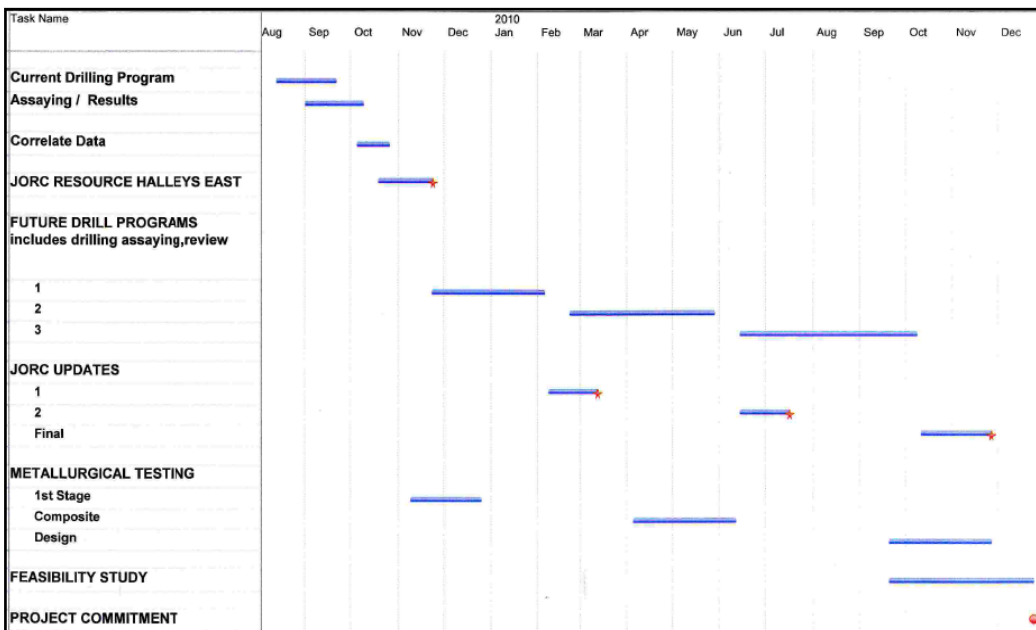
The Barlee neighbourhood, for example, has seen mines such as Copperhead, Lord Henry, Youanmi and Mt Ida join the resource history books as major operations. Barlee itself is a large, previously unexplored area, which was overlooked mainly because of the soil-covered nature of the region. But more modern techniques, as has been shown by some of Western Australia's most important recent mining discoveries, allow us to properly evaluate the potential of the target area.

We now know the mineralisation is high grade in some areas and is still open at the two most important directions – along strike and at depth.

By shifting our focus solely to Barlee and concentrating on the potential there, we believe we have a project which is not only showing solid results to date but also has enormous potential to become a highly-profitable producer in a comparatively short time frame.

Most importantly, Beacon is committed to achieving its goals. We are a small, tightly managed company with one aim – to move into production with a series of small high grade open pit mines, probably initially kick-started by Halleys East.

**The capital raised through the faith shown in Beacon by the shareholders is going one place – into the ground to achieve that goal.**



We thank our existing shareholders for your support and feel confident that we will have further exciting news on the exploration / development front in the near future.

Please email us at [admin@beaconminerals.com](mailto:admin@beaconminerals.com) if you would like to receive all company announcements and updates electronically.