

2008 will be Beacon's golden year

WHEN Beacon Minerals listed on the ASX in mid-2006, the company had a key objective – to drill its two exploration projects, the Barlee gold project in Western Australia and the Greenvale gold, zinc and copper project in north Queensland.

Exploration drilling is something the Beacon boys know all about. Chairman Matthew Egan is the managing director and owner of Egan Drilling, a mineral drilling contractor operating in Western Australia with annual revenue of A\$4 million (US\$3.7 million) and major customers such as BHP Billiton and Barrick Gold. Managing director Paul Lloyd, a chartered accountant with 20 years' experience in the resources sector, spent ten years as finance general manager for a Western Australia-based international drilling firm. Exploration director Lyle Thorne is a senior geologist who has held a variety of senior exploration roles with companies such as DeBeers Ltd, Perseverance Mining Ltd, Eagle Mining Corporation Ltd and Helix Resources Ltd.

Few junior explorers can boast such a triumvirate of drilling and exploration expertise, and this expertise is now focused on proving up the gold potential of the Barlee Project, an area of highly-prospective greenstone belt 200km north of Southern Cross. It is an area Lyle Thorne understands intimately.

A decade ago Mr Thorne was senior geologist leading the search team of then platinum-seeker Helix Resources, and he was confident the Barlee area had excellent potential for hosting a number of significant gold deposits.

When Beacon was formed, Mr Thorne did not hesitate to return to his old stomping ground and was keen to put his theories to the test. First-pass shallow air core drilling at Barlee in early 2007 yielded some highly encouraging results and have validated Mr Thorne's belief in Barlee's gold potential.

Initial results from the first seven holes of a 47-hole, 5,000m reverse circulation (RC) drilling programme at the Barlee prospect (BCN 80%) produced very encouraging high grade hits including;

Halleys East:

■ 11m at 24.9g/t gold (including 2m at 32g/t and 3m at 64.7g/t).

■ 8m at 6.6g/t gold (including 2m at 18.5g/t).

■ 2m at 55.1g/t gold.

■ 19m at 4.9g/t gold (including 2m at 28.7g/t).

The company has further RC holes planned at other prospects where encouraging aircore results were received. These include:



Locations of Beacon projects in Australia

Faith: 10m at 3.6g/t (including 2m at 10.2g/t ends in mineralisation).

Phil: 24m at 2.7g/t (including 4m at 12.4g/t), and 8m at 5.9g/t gold.

Buddy: 8m at 3.5g/t, including 4m at 6.3g/t gold. Rating Beacon a 'speculative buy', Intersuisse

Investment Research said in a note March 31 that BCN has had immediate success with RC drilling at the Halleys East prospect within its Barlee gold project. "Assay results for the first seven holes have been received and all holes contain mineralised intercepts," said Intersuisse.

THE TEAM

PAUL LLOYD

Managing director

Paul Lloyd is a chartered accountant with over 20 years' commercial experience. He operates his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. After commencing his career with an international accounting firm, Mr Lloyd was employed for about 10 years as general manager, finance, for a Western Australia-based international drilling contractor, working extensively in Asia and Africa. He is currently a director of Target Energy Ltd, an ASX-listed company with US oil and gas interests.



LYLE THORNE

Executive director

Lyle Thorne is a geologist with more than 16 years' experience in the mineral resources industry. He holds a degree in applied science, majoring in geology, from the University of Ballarat, and he is a member of the Australian Institute of Mining and Metallurgy. Mr Thorne began his career as a geologist with mining and exploration companies including De Beers and Perseverance Mining. He was senior exploration geologist at Eagle Mining Corporation and principal geologist at Helix Resources Ltd. In 2003, Mr Thorne joined and subsequently became a partner of Ravensgate, a geological consulting company.

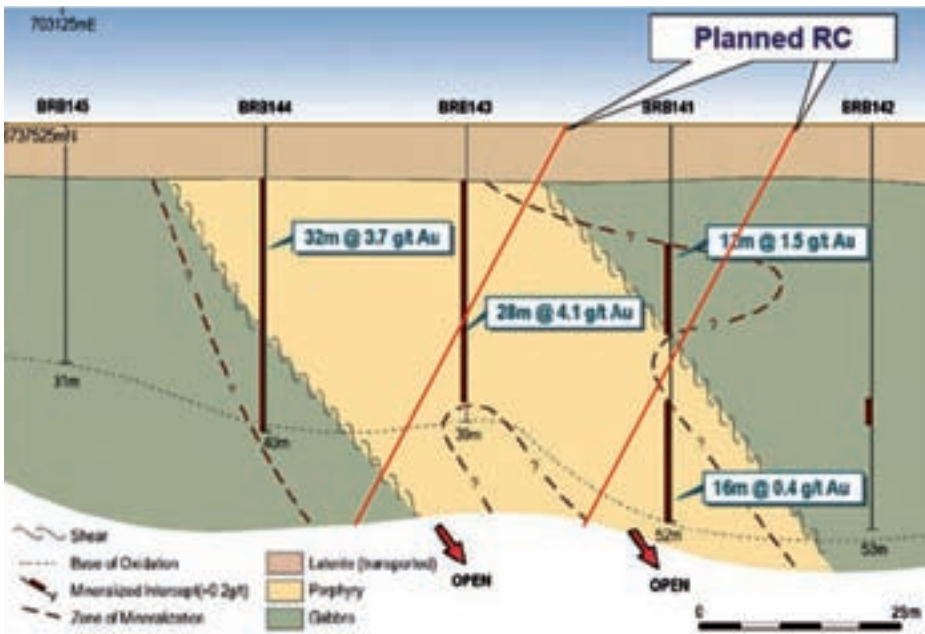


MATTHEW EGAN

Non-executive chairman

Matthew Egan has been associated with the exploration and mining industry for more than 20 years. He began his career with his family-owned mineral-drilling contracting company, working up to the position of managing director. He negotiated and won long-term contracts with key mining companies that resulted in the company employing 120 staff with achieving an annual turnover of A\$12 million. This resulted in the sale of Aquadrill to DrillCorp Ltd in 1998. He is currently the managing director and owner of Egan Drilling Services.





The Barlee project

Beacon holds about 400 km² of largely unexplored ground covering most of the Barlee region and has already identified a substantial number of priority targets, which will be drilled this year.

Paul Lloyd told WMS that within the next 12 months Beacon will spend about A\$1 million on exploration drilling. This will include deeper RC holes at Barlee to probe for more extensive high grade mineralisation at depth, and regional exploration targeting prospective shear zones.

Mr Lloyd adds: "Barlee is our main focus for 2008 and if our future drilling results are positive, we could potentially have a JORC-compliant resource at Barlee as early as the end of this year. The delays in exploring Greenvale caused by the

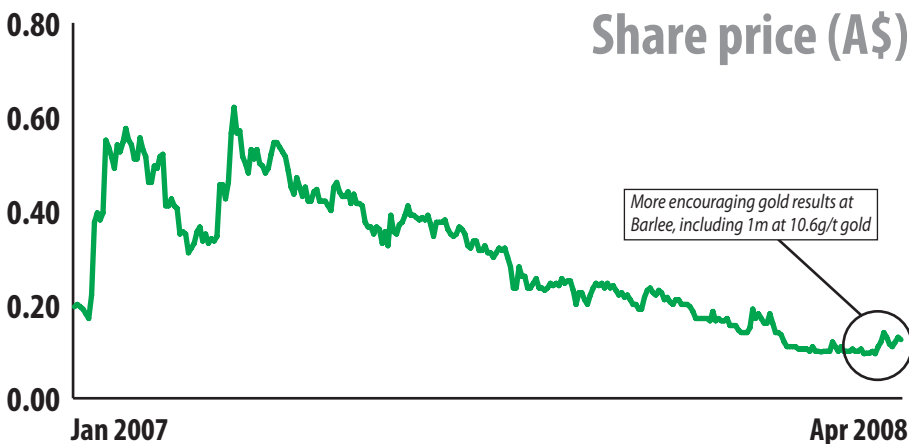
massive floods across north Queensland earlier this year prevented us from spending any time or money on exploration there, which allowed us to ramp up our efforts at Barlee. This now seems to be a blessing in

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With gold prices now soaring above US\$1,000/oz, Beacon appears well positioned to capture the market's attention.

"It's been a while since anyone announced a new gold discovery in Western Australia, and the market is very keen to see another one soon. Our strategy is to make 2008 a golden year for Beacon," says Mr Lloyd.



VITAL STATISTICS

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SHARE INFORMATION

Listed: ASX
Ticker: BCN
Shares on issue: 25,796,148 ordinary shares, 8,390,500 ordinary restricted shares, and three sets of options totalling 22.74 million and exercisable at A\$0.20-0.27 from August 2010 to August 2012
Market cap: US\$4 million
Net cash: A\$1.6 million
Shareholders: Paul Geoffrey & Sharon Marie Lloyd 8.1%, Straits Exploration Australia Pty Ltd 4.2%