

## **ASX ANNOUNCEMENT**

3 July 2012

### **JUNE 2012 QUARTERLY ACTIVITIES AND CASHFLOW REPORT**

#### **HIGHLIGHTS**

- **Progress resubmission of the Halleys East Mining Proposal**
- **Review of geological and mining data**
- **Percussion and Diamond Drilling at Halleys East**
- **Relocation of operational and administrative offices**
- **Reduction of corporate overheads**

Beacon Minerals Limited (“Beacon” or “Company”) is pleased to present the first full Quarterly Activities Report for your recently appointed Board of Directors consisting of Executive Chairman Geoff Greenhill, Managing Director Graham McGarry and Executive Director Marcus Michael.

#### **HALLEYS EAST MINING PROPOSAL**

The Company has been focused on progressing the status of the Halleys East Mining Proposal submitted to the Department of Mines and Petroleum (“DMP”) in November 2011. An assessment of the Mining Proposal by the DMP revealed a number of deficiencies that are required to be rectified prior to the resubmission of the Mining Proposal to the DMP.

These include, but are not limited to;

- haul road locations;
- ground water management; and,
- the provision of additional geotechnical data.

The Company has withdrawn the previously submitted Mining Proposal and has commenced addressing the matters raised by the DMP by engaging the appropriate consultants.

The previously submitted miscellaneous road licence with the DMP that anticipated hauling ore north through Lake Barlee has been withdrawn and a new application has been lodged with the DMP. The revised haul road location accommodates ore haulage north to Mt Magnet and / or east through Menzies.

Beacon has lodged a formal application to haul ore with the Shire of Menzies

The Company previously announced to the ASX that it had received from the DMP on 11 June 2012 approval to undertake percussion and diamond drilling at the Barlee Gold Project. Diamond drilling has been undertaken to address the requirement for additional geotechnical data for pit wall stability and the percussion drilling for infill drilling and ground water and dewatering assessment.

Percussion drilling has been completed and the Board expects the diamond drilling at Halleys East to be completed by the end of July 2012.

**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



**Percussion Drill Rig In Operation at Halleys East**

The percussion drilling program is designed to:

- a) Investigate ground water flows to satisfy requirements in respect to the preparation of the mining proposal; and,
- b) Complete infill drilling within the ore body to establish greater confidence in the ore zone.



**Diamond Drill Rig in Operation at Halleys East**

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The diamond drilling program is designed to:

- a) Provide core to assist in the geotechnical pit design required by the DMP in respect of the mining proposal; and,
- b) Provide samples for additional metallurgical test work.

A mine surveyor has been engaged and all drill collars have now been surveyed.

The current programme will enable an independent mining consultant to complete a revised JORC ore reserve statement.

Once the additional information required to complete the Mining Proposal is finalised, Beacon will resubmit the Mining Proposal to the DMP. This is expected to be completed during the third quarter 2012.

### **MINING OPTIONS**

Beacon continues to explore a number of alternative options for bringing the Barlee Gold Project into production.

There has been strong interest from potential parties to treat ore within economical trucking distance. Negotiations will continue with these interested parties to provide the best financial and corporate outcome for Beacon from the Barlee Gold Project.

### **OPERATIONAL CHANGES**

In addition to the above, since the appointment of your new Board, the Company has focused on reducing corporate overheads and relocating the mining operations to the Kalgoorlie office and administrative operations to the registered office in West Leederville.

This and other recent changes have led to significant reductions in corporate overheads including;

- Reduction of Chairman / Company Secretary daily contract fee of \$1,500 per day plus associated expenses. From 1 July 2011 to the date of retirement approximately \$182,000 of costs had been incurred;
- Reduction of Managing Directors daily contract fee of \$1,300 per day plus associated expenses. From 1 July 2011 to the date of retirement approximately \$208,000 of costs had been incurred;
- Reduction of geological staff salaries by \$85,000 plus associated expenses per annum;
- Termination of Administrative staff resulting in a saving of \$68,000 plus associated expenses per annum;
- Termination of \$10,000 monthly rental payment, a total of \$120,000 per annum plus outgoings; and,
- Significant reduction in marketing, travel and other expenditure.

The Directors confirm that there is currently no charge for the use of the Kalgoorlie or West Leederville offices.

These and other savings to the Company total over \$650,000 per annum.

### **DIRECTORS REMUNERATION**

The Company has resolved to pay each of the Directors a salary of \$50,000 per annum plus statutory superannuation from April 2012.

### **OTHER OPPORTUNITIES**

Beacon intends to continue to pursue other opportunities in the minerals sector in Australia and elsewhere, taking into account the geological and economic merits of any opportunities presented.



**CASH POSITION**

At 30 June 2012, Beacon had cash reserves of approximately \$438,000.

**SHARES ON ISSUE**

Ordinary Shares	995,073,426
\$0.27c Options Expiring 1 August 2012	150,000

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  
0419 991 713

**Graham McGarry**  
Managing Director  
0409 589 584

**Marcus Michael**  
Executive Director  
0418 908 091

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# Appendix 5B

## Mining 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

Name of entity

Beacon Minerals Limited

ABN

64 119 611 559

Quarter ended ("current quarter")

30 June 2012

### 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	-	-
1.2 Payments for (a) exploration & evaluation	(31)	(430)
(b) development	-	-
(c) production	-	-
(d) administration	(180)	(948)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	50
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST	7	28
<b>Net Operating Cash Flows</b>	<b>(196)</b>	<b>(1,300)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(2)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	15	15
(c) other fixed assets	5	5
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>20</b>	<b>18</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(176)</b>	<b>(1,282)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
<b>Net financing cash flows</b>		-	-
<b>Net increase (decrease) in cash held</b>		<b>(176)</b>	<b>(1,282)</b>
1.20	Cash at beginning of quarter/year to date	614	1,720
1.21	Exchange rate adjustments to item 1.20	-	-
<b>1.22 Cash at end of quarter</b>		<b>438</b>	<b>438</b>

**Payments to directors of the entity and associates of the directors**

**Payments to 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	50
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$
Directors fees on retirement	50

**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
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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
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+ 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	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	100
<b>Total</b>	<b>300</b>

### 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	438	48
5.2 Deposits at call	-	566
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>438</b>	<b>614</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

6.2 Interests in mining tenements acquired or increased	EL77/1711	Exploration Licence	NIL	100%
	EL77/1712	Exploration Licence	NIL	100%
	EL77/1713	Exploration Licence	NIL	100%
	EL77/1714	Exploration Licence	NIL	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 <b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>*Ordinary securities</b>	995,073,426	995,073,426	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 <b>*Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	150,000	-	<i>Exercise price</i> 0.27	<i>Expiry date</i> 1 August 2012
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.



7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## 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

Date: 3 July 2012

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.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining 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, 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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