

## **ASX ANNOUNCEMENT**

20 January 2014

### **DECEMBER 2013 QUARTERLY ACTIVITIES AND CASH LOW REPORT**

Beacon Minerals Limited (ASX:BCN) (Beacon or Company) is pleased to present its Quarterly Activities Report for the period ended 31 December 2013.

#### **Highlights**

- **Successful completion of \$4.0m debenture note funding**
- **Completion of mine development at Halleys East**
- **Mining of Ore Commences**
- **First Ore to be milled Q1 2014**

#### **Successful Completion of Debenture Note Funding**

On 31 December 2013 the Company announced that it had finalised the \$4.0m debenture note funding. The Directors of Beacon have moved quickly to progress the status of the Halleys East gold project.

#### **Completion of Mine Development at Halleys East and Mining of Ore Commences**

Development of the mine site has now been completed. All necessary infrastructure including road access and camp site facilities are operational. Overburden at the Halleys East open pit has been removed and ore mining has commenced.



**Halleys East open cut mine 16 January 2014**

#### **Grade Control Drilling**

Beacon has completed 5,668m of grade control drilling using a 4m x 4m drill pattern to a depth of 12m. All samples have been assayed at SGS Laboratories, Kalgoorlie, Western Australia and ore blocks have been developed on the basis of this data.

#### **First Ore on ROM Pad**

Beacon has delivered its first batch of ore to the Run of Mine (ROM) pad from RL436 (surface is RL448) of the open pit at the Halleys East mine site. The ore will be trucked through Menzies to FMR investments Pty Ltd Greenfields milling facility in Coolgardie.

**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



**Removal of waste at the Halleys East open pit**



**Grade control drilling on the pit floor**

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**Ore block mark-up RL436**



**Ore being selectively mined at Halleys East**

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**First ore to be transported on the ROM pad**

#### **Expected Date of First Milling**

The Company expects the first milling program to commence at the FMR Investments Pty Ltd milling facility Q1 2014.

**Managing Director Graham McGarry** said “We are pleased with our progress so far. In challenging market conditions, the Company has financed the Halleys East gold project and is now set to produce gold. This has been essentially the board’s sole focus since taking office and we are pleased to see it come to fruition.”

#### **Capital Structure**

As at the date of this report the Company has the following capital structure:

<b>Fully Paid Ordinary Shares (BCN)</b>	<b>1,493,109,242</b>
<b>Listed Options (BCNO) exercisable at \$0.005 on or before 30 September 2015</b>	<b>798,022,924</b>

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## **OTHER OPPORTUNITIES**

Several advanced mining projects have been submitted to the Company for review, however Beacon's focus continues to be on the mine development at Halleys East.

The Company confirms its commitment to continue to pursue other opportunities in the minerals sector both in Australia and offshore.

## **CASH POSITION**

As at 31 December 2013 Beacon had cash reserves of approximately \$2.503m.

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  
**Beacon Minerals Ltd**  
M: 0419 991 713

Graham McGarry  
Managing Director  
**Beacon Minerals Ltd**  
M: 0409 589 584

Marcus Michael  
Executive Director  
**Beacon Minerals Ltd**  
M: 0418 908 091

The estimate of Probable Mining Reserves relating to the Halleys East deposit were first announced to the market on 30 October 2013. The Company confirms it is not aware of any new information or data that materially affects the information included in those market announcements and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not been changed.

## Appendix 5B

### Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

Beacon Minerals Limited

ABN

64 119 611 559

Quarter ended ("current quarter")

31 December 2013

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(6)	(29)
(b) development	(1,390)	(1,788)
(c) production	-	-
(d) administration	(228)	(305)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – GST & Fuel Tax Rebate	47	5
– DMP Bond	-	239
<b>Net Operating Cash Flows</b>	<b>(1,573)</b>	<b>(1,868)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	(260)
(b) equity investments	42	42
(c) other fixed assets	(9)	(84)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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>33</b>	<b>(302)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,540)	(2,170)
	<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	4,000	4,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – borrowing costs	(158)	(158)
	<b>Net financing cash flows</b>	<b>3,842</b>	<b>3,842</b>
	<b>Net increase (decrease) in cash held</b>	<b>2,302</b>	<b>1,672</b>
1.20	Cash at beginning of quarter/year to date	201	831
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>2,503</b>	<b>2,503</b>

### Payments to directors of the entity, associates of the directors, 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	457
1.24	Aggregate amount of loans to the parties included in item 1.10	-

### 1.25 Explanation necessary for an understanding of the transactions

	\$'000
Directors fees and remuneration	74
Accounting, corporate, bookkeeping and secretarial services	29
Hire of plant and equipment	283
3% fee for relevant issue of Debentures to related parties	71

### 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

#### 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

+ 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	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production *	4,800
4.4 Administration	238
<b>Total</b>	<b>5,038</b>

\* Does not include any receipts from production.

**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	187	13
5.2 Deposits at call	816	790
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	1,500	28
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,503</b>	<b>831</b>

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+ See chapter 19 for defined terms.



**Appendix 5B****Mining exploration entity and oil and gas exploration entity quarterly report****Changes in interests in mining tenements and petroleum tenements**

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E77/1297 Exploration Licence	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	L29/0124 Miscellaneous Tenement Lease	0%	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>	1,493,109,238	1,443,109,238	-
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>			

+ See chapter 19 for defined terms.

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>	798,022,928	798,022,928	<i>Exercise price</i> \$0.005	<i>Expiry date</i> 30 September 2015
7.8	Issued during quarter	400,000,000	400,000,000	\$0.005	30 September 2015
7.9	Exercised during quarter	-	-	-	-
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  
Company secretary

Date: 20 January 2014

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.

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+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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- 2        The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum 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 or petroleum 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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