

BEACON MINERALS LIMITED

ABN 64 119 611 559

PROSPECTUS

For a non-renounceable entitlements issue of 1 Option for every 2 Shares held by Shareholders on the Record Date at an issue price of 1 cent per Option to raise approximately \$169,250.

IMPORTANT NOTICE

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to another document the information in which is deemed to be incorporated in this Prospectus.

This document (and those documents incorporated by reference) should be read in its entirety. If you are in any doubt as to the contents of this document (and those documents incorporated by reference) you should consult your stockbroker or other professional adviser without delay.

Options offered by this Prospectus are considered speculative in nature.

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Important Notice

This Prospectus is dated 16 February 2007.

A copy of this Prospectus was lodged with the ASIC on 16 February 2007. The ASIC and ASX take no responsibility for the contents of this Prospectus.

No Options will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made within seven (7) days after the date of this Prospectus for permission for the Options offered by this Prospectus to be listed for Quotation.

Applicants should read this document (and those documents incorporated by reference) in their entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Options. There are risks associated with an investment in the Company and the Options offered under this Prospectus must be regarded as a speculative investment. The Options offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Options.

Details of the definitions and abbreviations used in this Prospectus are set out in Section 7 of this Prospectus.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, the Prospectus incorporates all other necessary information by reference to information contained in the September 2006 Prospectus lodged with ASIC on 4 September 2006.

In referring to the September 2006 Prospectus, the Company:

- (a) identifies the September 2006 Prospectus as being relevant to the offer of Options under this Prospectus and containing information that will provide investors and their professional advisers information to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to:
 - (A) the Options; and
 - (B) the underlying Shares;
 - (ii) the capacity of the Company to issue the underlying Shares; and
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
- (b) refers investors and their professional advisers to Section 4 of this Prospectus which summarises the information in the September 2006 Prospectus deemed to be incorporated in this Prospectus;
- (c) informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the September 2006 Prospectus by contacting the Company at its principal place of business during normal business hours during the Offer Period or by visiting the Company's website at www.beaconminerals.com; and
- (d) advises that the information in the September 2006 Prospectus will be primarily of interest to investors and their professional advisers or analysts.

I. CORPORATE DIRECTORY & IMPORTANT DATES

Board of Directors

Paul Lloyd (Chairman)
Lyle Thorne
Matthew Egan

Auditors

HLB Mann Judd
15 Rheola Street
West Perth, Western Australia 6005

Company Secretary

Paul Lloyd

Solicitors to the Company

Murcia Pestell Hillard Pty Ltd
Level 3, 23 Barrack Street
Perth, Western Australia 6000

Principal Place of Business

Level 2
46 Ord Street
West Perth, Western Australia 6005
Australia
Telephone: +61 8 9476 9200
Facsimile: +61 8 9476 9099
Email: info@beaconminerals.com
Website: www.beaconminerals.com

Independent Geological Consultants

Passeres Group Pty Ltd
Trading as Ravensgate
49 Ord Street
West Perth, Western Australia 6005
Australia

Registered Office

30 Ledger Road
Balcatta, Western Australia 6021
Australia

ASX Code

BCN- shares

Share Registry

Advanced Share Registry Services
110 Stirling Hwy
Nedlands, Western Australia, 6009
Australia
Telephone: +61 8 9389 8033
Facsimile: +61 8 9389 7871

IMPORTANT DATES*

Announcement of Offer	8 February 2007
Lodgement of Prospectus and Appendix 3B	16 February 2007
Notice sent to Shareholders containing information required by Appendix 3B	20 February 2007
Shares commence trading ex Entitlement basis	21 February 2007
Record Date for determining Entitlements	27 February 2007
Prospectus despatch date and Opening Date	2 March 2007
Closing Date of the Offer	21 March 2007
Deferred settlement trading commences	22 March 2007
Notification to ASX of under subscriptions	27 March 2007
Issue of Options & despatch of holding statements	29 March 2007

*These dates are indicative only and are subject to change without notice, subject to the provisions of the Corporations Act and the Listing Rules. The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Options are expected to commence trading on ASX may vary.

2. CHAIRMAN'S LETTER

Dear Shareholder,

As indicated in the Initial Public Offering Prospectus dated 4 September 2006, your Directors committed to an offer of Options to Shareholders of the Company within three to six months after the Shares commenced trading on the ASX. This Prospectus contains that offer and I urge all Shareholders to consider this opportunity carefully.

All Shareholders registered as at 5pm WST on 27 February 2007 will be entitled to participate in this non-renounceable entitlements issue of Options on the basis of 1 Option for every 2 Shares held.

The closing date for acceptance of the Offer is 21 March 2007. The Board recommends all Shareholders take up their Entitlement.

The Directors take this opportunity to thank Shareholders for their support since the Company's quotation on ASX and look forward to your continued support in the future.

Please feel free to contact myself if you have any questions.

Yours sincerely

A handwritten signature in black ink that reads "P Lloyd". The signature is written in a cursive, slightly slanted style.

Paul Lloyd
Chairman
16 February 2007

3. DETAILS OF THE OFFER

3.1 Details of the Offer

This Prospectus is for a pro-rata non-renounceable entitlements issue of Options at an issue price of one cent (\$0.01) each to Shareholders on the basis of one (1) Option for every two (2) Shares held at the Record Date. The principal purpose of the Offer is to provide a benefit to Shareholders who have retained their Shares through to the Record Date by enabling them to acquire Options to subscribe for additional Shares in the Company at an exercise price of 20 cents each and an expiry date of 31 August 2010.

The Company will raise up to \$169,250 from the Offer (before costs of the Offer and which amount may increase if any existing Options are exercised prior to the Record Date). These funds will be applied initially towards the costs of the Offer (approximately \$15,000), with any balance to be applied towards working capital. If less than the full subscription is received the funds will be applied in same manner.

If no funds are raised as a result of this Offer, the Company has sufficient working capital to meet its obligations as set out in the September 2006 Prospectus.

In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number.

3.2 Acting on your Entitlement

The number of Options to which you are entitled is calculated as at the Record Date and is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

As a Shareholder, you may accept your Entitlement in whole or in part only or do nothing (in which case you will receive no benefit from your Entitlement).

If you wish to take up all or part of your Entitlement, you will need to complete the Entitlement and Acceptance Form in accordance with the instructions set out in the form and lodge it with the appropriate payment no later than 5pm WST on the Closing Date at:

Advanced Share Registry Services

PO Box 1156
NEDLANDS
Western Australia 6909

or

110 Stirling Highway
NEDLANDS
Western Australia 6009

Cheques should be made payable to "Beacon Minerals Limited – Issue Account" and crossed "Not Negotiable".

Your acceptance cannot exceed your Entitlement as shown on the Entitlement and Acceptance Form. If it does, your acceptance will be deemed to be for your maximum Entitlement and any surplus application monies will be returned.

This Offer is non-renounceable and accordingly, Shareholders may not sell or transfer their Entitlements.

Your completed Entitlement and Acceptance Form together with the application monies must be received no later than 5pm WST on the Closing Date, subject to the right of the Company to extend the Offer Period (in accordance with the Corporations Act and Listing Rules).

No interest will be payable to Applicants on application monies and any interest earned thereon will be retained by the Company irrespective of whether any Options are issued pursuant to the Offer.

If the Offer does not proceed, application monies will be refunded as soon as practicable after the Closing Date and in any event, no later than 14 days after the Closing Date.

3.3 Minimum subscription and over-subscriptions

There is no minimum subscription and over-subscriptions will not be accepted.

3.4 Stock Exchange quotation

The Company will apply to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Options offered under this Prospectus.

If ASX does not grant permission for Official Quotation of the Options within three (3) months after the date of this Prospectus, or such longer period as may be allowed by ASIC, none of the Options offered by this Prospectus will be allotted or issued and the Company will repay all application monies received (without interest).

The fact that ASX may grant Official Quotation of the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

3.5 Closing Date of the Offer

The Closing Date for receipt of acceptances is 5pm WST on 21 March 2007. The Directors reserve the right, in their absolute discretion, to extend the Closing Date, subject to compliance with the Listing Rules which requires the Directors to give at least 6 Business Days notice to ASX prior to the Closing Date to extend the Closing Date.

3.6 Allotment and Issue of Options

Allotment and issue of the Options will take place on or around 29 March 2007. Application monies will be held in a subscription account until the issue of Options has been made. This account has been established and will be kept by the Company in trust for each Applicant. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether the issue of Options takes place.

Statements of holding for the Options will be mailed as soon as possible after the Closing Date.

If no issue of Options is made, all application monies paid will be refunded, without interest, as soon as practicable.

No Options will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

3.7 Underwriting

This Offer is not underwritten.

3.8 Shortfall

Any Entitlements not taken up under the Offer will be placed by the Directors in their sole discretion within three months of the close of the Offer Period as permitted under the Listing Rules.

3.9 Overseas Shareholders

The Offer constituted by this Prospectus is made to residents of Australia and New Zealand only.

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Shareholders outside of Australia and New Zealand ("**Excluded Shareholders**") having regard to:

- the number of Shareholders with registered addresses in countries outside of Australia and New Zealand;
- the number and value of the securities to be offered to Shareholders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the relevant overseas jurisdictions.

Accordingly, the Company is not required to make offers under the Prospectus to Shareholders outside of Australia and New Zealand.

3.10 Privacy

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a shareholder, facilitate distribution payments and corporate communications to you as a shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

3.11 Enquiries

If you have any queries regarding your Entitlement, or how to apply for Options, please contact the Company on (08) 9476 9200.

4. INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS

4.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however, it incorporates by reference information contained in the September 2006 Prospectus lodged with the ASIC.

The information to be incorporated by reference into this Prospectus is the September 2006 Prospectus, summarised below in Section 4.2 of this Prospectus, and will primarily be of interest to investors and their professional advisers or analysts.

Investors and their professional advisers are able to obtain a copy of the September 2006 Prospectus free of charge by contacting the Company at its principal place of business during normal business hours during the Offer Period. The September 2006 Prospectus is also available by searching ASIC's records in relation to the Company, or by visiting the Company's website at www.beaconminerals.com

4.2 Summary of Information Deemed to be Incorporated

Set out below is a summary of the information contained in the September 2006 Prospectus that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether they need to obtain a copy of the September 2006 Prospectus for the purposes of making an informed investment decision in relation to the Options offered pursuant to this Prospectus.

The Sections referred to in this Section 4.2 are references to Sections in the September 2006 Prospectus.

The September 2006 Prospectus

Page 3 – Capital Structure

Page 3 contains details of the proforma capital structure of the Company and details of the proposed non-renounceable issue of options, the purpose of this current Prospectus.

Sections 2 & 3 – Investment Highlights / Details of the Offer

Sections 2 and 3 contain an overview of the investment opportunity, details of the number of Shares offered, use of funds and other matters of an administrative nature. Section 2 also contains summary information about the Company's three exploration projects.

Section 4 – Directors and Management

Section 4 contains information relating to each of the Directors of the Company as at the date of the September 2006 Prospectus. It also contains details of the Company's practices in relation to the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

Section 5 – Independent Geologists Report

Section 5 consists of a report prepared by the Independent Geologist, Passeres Group Pty Ltd trading as Ravensgate, on the Company's exploration projects in Queensland and Western Australia. The report provides details in respect of project location and access, the geology and mineralisation of the project area, past mining activity in the region, and exploration potential and the proposed expenditure budget.

Ravensgate concluded that all three projects have advanced prospects ready for further drill testing, which may be capable of providing shallow oxide resources that could allow a relatively short lead time to potential production.

Section 6 – Independent Solicitor’s Report on Title

Section 6 comprises of a report prepared by Cullen Babington Hughes Pty Ltd ("**Independent Solicitor’s Report on Title**"). The Independent Solicitor’s Report was included in the September 2006 Prospectus to assist investors and their financial advisers in making an assessment on the mining tenements in which the Company has a legal interest, the ownership and status of those mining tenements, agreements entered into by the Company with various parties to acquire an interest in other mining tenements and details of those other mining tenements.

The report summarises the three material contracts, which impact upon the Company:

- the “Straits Exploration Sale Agreement – Greenvale Project”, being an agreement between the Company and Straits Exploration (Australia) Pty Limited for the sale of two tenements making up the Greenvale Project, for the issue of 1,500,000 Shares in the Company and a 2% royalty on the value of ore produced from the project;
- the “Duketon Option Sale Agreement – Barlee Project”, being an agreement between the Company and Duketon Consolidated Limited for the sale of an 80% interest in one tenement known as the Barlee Project, for the payment of \$10,000 and the issue of 500,000 Shares in the Company;
- the “Pioneer Sale Agreement – Pioneer Project”, being an agreement between the Company and Trent Paterson Stehn, Harry Carmody and Neil Gill for the sale of four tenements and two applications making up the Pioneer Project, for the payment of \$20,000 and the issue of 400,000 Shares in the Company.

Section 7 – Independent Accountant’s Report

Section 7 comprises of a report prepared by HLB Mann Judd, ("**Independent Accountant’s Report**"). The Independent Accountant’s Report was included in the September 2006 Prospectus to assist investors and their financial advisers in making an assessment of the financial position of the Company.

The Independent Accountant’s Report contains the unaudited balance sheet and an unaudited pro-forma balance sheet as at 16 August 2006 which reflected the position of the Company on the basis that various transactions, including the issue of the Shares offered under the September 2006 Prospectus, have been completed.

Section 8 - Risk Factors

Section 8 notes that an investment in Beacon has risks reasonably expected of an investment in a mineral exploration business. It details a number of factors that may impact on the success and future profitability of the Company. The factors referred to include, amongst others, industry risk, economic risks, market conditions, additional requirements for capital, regulatory issues and government regulation, exploration and development risks, risks associated with the ability to exploit successful discoveries, and the speculative nature of the investment.

Section 9 - Additional Information

Section 9 sets out additional information required to be disclosed in the September 2006 Prospectus including:

- Company incorporation;
- Company tax status and financial year;
- A statement that the Directors are not aware of any litigation of a material nature pending or threatened which may significantly affect the Company;
- Rights attaching to Shares;
- Terms and conditions of Options;
- Directors' interests and remuneration;
- Interests of persons named in the September 2006 Prospectus;
- Consents of persons named in the September 2006 Prospectus;
- Costs of the offer;
- Electronic Prospectus; and
- Director's Responsibility Statement and Consent.

5. ADDITIONAL INFORMATION

5.1 Listing on ASX and Capital Structure

Beacon was admitted to the Official List on 18 October 2006 with Official Quotation of its Shares commencing on 20 October 2006.

Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

	Shares	Options ³	Other options
Securities on issue at present	33,850,000 ¹	-	6,000,000 ²
Options offered by this Prospectus (assuming no existing options are exercised prior to the Record date)	-	16,925,000	-
Total at completion of the Offer (assuming all Entitlements are taken up)	33,850,000	16,925,000	6,000,000

Notes:

1. Includes 8,390,500 Shares classified as restricted securities until 20 October 2008, and 93,750 Shares classified as restricted securities until 24 July 2007 and 1,422,000 Shares classified as restricted securities until 26 July 2007 and 2,400,000 Shares classified as restricted securities until 9 October 2007.
2. The terms and conditions of these options are disclosed in Section 9.6 of the September 2006 Prospectus. All 6,000,000 options are held directly by Directors and are classified as restricted securities until 20 October 2008.
3. Options are exercisable at 20 cents each on or before 31 August 2010.

5.2 Activities since issue of September 2006 Prospectus and Further Material Contracts

Activities since listing on ASX

In the limited time since ASX listing the Company has:

- Completed the first drilling and soil sampling program at the Greenvale Project in North Queensland. With significant intercepts of 34m @ 1.0% Cu, 0.16g/t Au, 1.5g/t Ag, 66 m @ 0.61% Cu, 0.1 g/t Au, 1.4 g/t Ag, and 3 m @ 9.1g/t Au;
- Entered into a Joint Venture Farm-in agreement with Glengarry Resources Limited over tenements surrounding and along strike from the company's Greenvale Project. The tenements cover 195 square kilometres, which effectively triples the company's ground holding in the area to cover over 300 square kilometres. The company can spend \$850,000 over three years to earn 80% equity in the project and must spend \$125,000 in the first six months before it can elect to withdraw from the Joint Venture;
- Identified several uranium anomalies within a large calcrete drainage system at the Barlee Project. The company intends to advance the uranium anomalies through further exploration and will consider future development options once the extent of the uranium mineralisation anomalies have been defined and tested;
- Commenced a 6,000 metre drilling program at the Barlee Gold Project 200 kilometres North of Southern Cross in Western Australia.

Other than as stated in this Prospectus, the Company is not aware of any material matter or circumstance that would impact on the contents of the September 2006 Prospectus or the activities and prospects of the Company and be relevant to assist investors or their professional advisers in making an informed assessment of relevant matters.

Material Contracts

The Independent Solicitor's Report, Section 3, Part 6 of the September 2006 Prospectus which is referred to in Section 4.2 of this Prospectus, set out contracts to which the Company is a party which were considered by the Directors as being material to enable investors to make an informed assessment of the shares being offered under the September 2006 Prospectus. Investors and their professional advisers are referred to those sections of the September 2006 Prospectus in relation to material contracts.

By an agreement dated 12 January 2007 Glengarry Resources Limited (Glengarry) and the Company agreed to form a joint venture for the exploration and development of the following tenements:

<u>Tenement</u>	<u>Area (km²)</u>
EPM 12399	23
EPM 12961	29
EPM 14346	113
EPM 14925	29
MDL 107	1

The Company has the exclusive right to earn an 80% interest in the tenements by spending no less than \$850,000 on exploring or developing the tenements by 12 January 2010.

For EPM's 12399, 12961 and 14925 the annual expenditure commitment is \$268,665 and Glengarry has made application to the Queensland Department of Mines and Energy to amalgamate these tenements into a single tenement. The expenditure commitment for these tenements has been satisfied to date by Glengarry's overall expenditure on its interests in Queensland which the Department has a discretion to allow.

As the Company intends to primarily focus exploration on the other tenements, if the consolidation is not successful and Glengarry is unable to convince the Department that Glengarry's expenditure (including the Company's on any of the tenements) satisfies the Department's requirements then those 3 tenements may be subject to cancellation.

If the consolidation is not successful the parties have agreed to negotiate in good faith as to appropriate adjustment to the allocation of the Company's expenditure on the 3 tenements.

The Company may not withdraw from the joint venture until it has spent \$125,000 on exploration by 12 July 2007 or any extension of that date agreed by the parties. On such a withdrawal the Company will also be liable for any rehabilitation obligations arising from its activities and must have spent a sufficient amount on each tenement to meet the pro rata expenditure commitment for each tenement up to the withdrawal date.

From the date the Company gives notice to Glengarry of spending not less than \$850,000 a joint venture will be formed with the interest of Glengarry to be free carried until the completion of a positive feasibility study which will enable the joint venture to obtain project finance for the development of the tenements and the conduct of commercial mining operations. During this period the Company is responsible for management of the tenements and all costs associated with the tenements, including the obligation to keep them in good standing.

On completion of the feasibility study Glengarry may elect to sell its interest to the Company for fair market value or continue to hold its interest subject to the terms of the Agreement and contribute to the ongoing costs and expenses or dilute its share.

As at the date of this Prospectus no party has issued any notice of default pursuant to the Agreement.

A true copy of each of the material contracts referred to in the September 2006 Prospectus and this Prospectus will be available for inspection at the Company's registered office during office hours.

The Company has not entered into any additional material contracts to those summarised in the September 2006 Prospectus or above.

5.3 Continuous Disclosure and Documents Available for Inspection

The Company is listed on ASX and its Shares are quoted on ASX. The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from or inspected at, an office of the ASIC. This includes the September 2006 Prospectus referred to in Section 4 of this Prospectus.

The Company will on request by investors and their professional advisers provide a copy of all documents used to notify ASX of information relating to the Company under the provisions of the Listing Rules since the date of issue of the September 2006 Prospectus. As at the time of lodging this Prospectus the only such documents were:

Date	Details
14 September 2006	Disclosure Document
18 October 2006	Admission to Official List
18 October 2006	Market Release: Pre-quotation Disclosure
18 October 2006	Distribution Schedule
18 October 2006	Updated statement of commitments based on actual funds raised
18 October 2006	Updated pro-forma balance sheet based on actual funds raised
18 October 2006	Top 20 shareholders
18 October 2006	Confirmation of Completion of Sale Agreement
18 October 2006	Full Terms & Conditions of options on issue
18 October 2006	Appendix 1A – ASX Listing application & agreement
19 October 2006	Constitution
23 October 2006	Drilling commences at Greenvale Copper-Gold Project
27 October 2006	Initial Director's Interest Notice x 3
17 November 2006	Becoming a substantial holder
21 November 2006	GGY: Agreement signed with Beacon Minerals Limited
21 November 2006	Beacon Triples Land Holding at Greenvale Project
21 November 2006	Media Release – Greenvale Project
24 November 2006	Change of Director's Interest Notice
27 November 2006	Significant drilling results from Greenvale
16 January 2007	Potential large mineralised systems at Greenvale confirmed
18 January 2007	Change of Address
22 January 2007	Barlee Uranium Targets Identified
22 January 2007	Audio Broadcast with MD
23 January 2007	Drilling commences at Barlee gold targets
25 January 2007	Second Quarter Activities & Cashflow Reports
29 January 2007	Drilling confirms Greenvale Prospectivity
8 February 2007	Non-renouceable rights issue of Options

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal hours.

5.4 Trading History

The Company's Shares commenced Official Quotation on 20 October 2006. The highest and lowest recorded market sale prices of the Shares quoted on ASX during the period from commencement of Official Quotation to the date of this Prospectus were 67.5 cents on 1 February 2007 and 17 cents on 11 January 2007 respectively.

The last market sale price of the Shares on ASX on the last day that trading took place in these Shares prior to the date of this Prospectus was 49.5 on 15 February 2007.

The Company has no options over Shares that are currently quoted on ASX.

5.5 Pro-Forma Balance Sheet

The Pro-Forma Balance Sheet upon completion of this Offer is essentially the same as the Pro-Forma Balance Sheet included in Section 7 of the September 2006 Prospectus and which is incorporated by reference into this Prospectus (Independent Accountant's Report) adjusted only for the following:

- (a) ongoing normal operating expenditure and corresponding decrease in cash assets;
- (b) an increase in cash assets of approximately \$169,250 (assuming all Entitlements are taken up), reduced by expenses of the Offer of approximately \$15,000; and
- (c) an increase in contributed equity of approximately \$154,250.

As there has been no material change since the Pro-Forma Balance Sheet included in the September 2006 Prospectus, a further Pro-Forma Balance Sheet of the Company showing the effects of this Offer has not been included in this Prospectus.

5.6 Terms and Conditions of Options

The Options offered pursuant to this Prospectus will be issued on the following terms:

- (a) the Options may be exercisable at any time prior to 5:00pm WST on 31 August 2010 (Expiry Date). Options not exercised on or before the Expiry Date will automatically lapse;
- (b) the exercise price of each Option is 20 cents;
- (c) the Options may be exercised wholly or in part by completing an application form for Shares (Notice of Exercise) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- (d) the Company will apply to ASX to have the Options granted Official Quotation;
- (e) other than as specified in (i) and (j) below an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (f) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation;
- (g) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to optionholders when the initial holding statement is sent;

- (h) there will be no participating entitlement inherent in the Options to participate in any new issues of capital which may be offered to Shareholders during the currency of the Options without exercising the Options. Prior to any new pro rata issue of securities to Shareholders, optionholders will be notified by the Company in accordance with the requirements of the ASX Listing Rules;
- (i) in the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
- (j) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an option holder are to be changed in a manner consistent with the ASX Listing Rules;
- (k) the Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for the transfer of options at any time until 31 August 2010, subject to any restrictions which may be imposed by ASX; and
- (l) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

5.7 Rights Attaching to Shares upon Conversion of Options

The rights attaching to Shares in the Company are:

- a) set out in the Constitution of the Company, a copy of which is available for inspection at the registered office of the Company during normal business hours; and
- a) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASTC Settlement Rules and the general law.

There is only one class of share on issue in the Company being fully paid ordinary shares. All shares issued on exercise of the Options issued pursuant to this Prospectus will from the time they are issued, rank *pari passu* with all the Company's existing shares.

The following is a summary of the principal rights of the holders of Shares in the Company but is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Voting

Every holder of shares present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of shares who is present in person or by proxy, attorney or representative has one vote for every fully paid share held by him or her, and a proportionate vote for every partly paid share, registered in such shareholder's name on the Company's share register.

A poll may be demanded by the Chairman of the meeting, by any five shareholders present in person or by proxy, attorney or representative, or by any one or more shareholders who are together entitled to not less than five percent of the total voting rights of, or paid up value of, the shares of all those shareholders having the right to vote at that meeting.

Dividends

Dividends are payable out of the Company's profits and may be declared by the Directors.

Transfer of Shares

A shareholder may transfer shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating

dealings in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of shares, other than a proper market transfer, where permitted or required to do so by the Listing Rules or the ASTC Settlement Rules. The Company must not refuse to register or give effect to or delay or in any way interfere with a proper transfer of shares or other securities.

Meetings and Notice

Each shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of the Company, the Corporations Act or the Listing Rules.

Liquidation Rights

The Company has only one class of shares on issue (with the shares to be issued on exercise of the Options to be of the same class), which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of shareholders divide the whole or any part of the remaining property of the Company. The liquidator can with the sanction of a special resolution of the Company's shareholders vest the whole or any part of the property in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder of the Company can be compelled to accept any shares or other securities in respect of which there is any liability.

Shareholder Liability

As the Shares to be issued on exercise of the Options are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

ASX Listing Rules

Despite anything in the Constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

5.8 Interests of Directors, Experts and Advisors

A full disclosure of the interests of Directors, experts and promoters of and to the Company for the period commencing on incorporation of the Company and to the date of issue of the September 2006 Prospectus are set out in Section 9 of the September 2006 Prospectus and other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

Interests of Directors

As at the date of this Prospectus, the Directors have relevant interests in securities in the Company as set out in the table below:

Shares and Options

Director	Number of Shares	Number of Options
Paul Lloyd	3,030,000 ¹	2,000,000 ¹
Lyle Thorne	1,150,000 ²	2,000,000 ²
Matthew Egan	1,271,947 ³	2,000,000 ³

Notes:

1. Paul Lloyd's interests are held by the following related parties:
 - 2,780,000 Shares are held indirectly by Paul & Sharon Lloyd ATF the Lloyd Superannuation Fund, a superannuation fund of which Paul Lloyd is a beneficiary.
 - 250,000 Shares are held indirectly by Sharon Lloyd (spouse).
 - 2,000,000 Unlisted Options at 20 cents expiring 31 May 2011 are held directly by Paul Lloyd.
2. Lyle Thorne's interests are held by the following related parties:
 - 1,075,000 Shares are held indirectly by Shackelton Capital Pty Ltd, of which Lyle Thorne is a director and shareholder.
 - 75,000 Shares are held directly by Lyle Thorne.
 - 2,000,000 Unlisted Options at 20 cents expiring 31 May 2011 are held directly by Lyle Thorne.
3. Matthew Egan's interests are held by the following related parties:
 - 1,210,000 Shares are held indirectly by Mywest Investments Pty Ltd ATF the Bannister trust. Matthew Egan is a beneficiary of the trust.
 - 61,947 Shares are held indirectly by Centreline Drilling Pty Ltd, of which Matthew Egan is a director and shareholder.
 - 2,000,000 Unlisted Options at 20 cents expiring 31 May 2011 are held directly by Matthew Egan.

Interests of Experts and Advisors

Murcia Pestell Hillard Pty Ltd has acted as Solicitors to the Offer pursuant to this Prospectus and in that capacity has provided legal advice to the Company in relation to the Offer. In respect of this work, the Company will pay approximately \$3,000 for these services. Murcia Pestell Hillard Pty Ltd have not provided other professional services to the Company since incorporation.

HLB Mann Judd has provided professional services to the Company since incorporation of approximately \$7,500.

Passeres Group Pty Ltd (Trading as Ravensgate) has provided professional services to the Company since incorporation of approximately \$1,960.

Cullen Babington Hughes Pty Ltd has provided professional services to the Company since incorporation of approximately \$9,150.

5.9 Consents

Persons who make statements in this Prospectus or who made statements in the September 2006 Prospectus, which are incorporated by reference into this Prospectus need to provide their written consent for such use.

Each of the parties referred to in this Section 5.9:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this or the September 2006 Prospectus with the consent of that party as specified in this Section.

HLB Mann Judd has given its written consent to being named as the Auditor to the Company in this Prospectus and to the inclusion by reference in this Prospectus of its Independent Accountant's Report set out in Section 7 of the September 2006 Prospectus, and to all statements referring to the Independent Accountant's Report, in the form and context in which they are included in the September 2006 Prospectus. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Passeres Group Pty Ltd (Trading as Ravensgate) has given its written consent to the inclusion by reference in this Prospectus of its Independent Geologist's Report set out in Section 5 of the September 2006 Prospectus, and to all statements referring to the Independent Geologist's Report, in the form and context in which they are included in the September 2006 Prospectus. Passeres Group Pty Ltd (Trading as Ravensgate) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Cullen Babington Hughes Pty Ltd has given its written consent to the inclusion by reference in this Prospectus of all statements made by it or attributed to or derived from those statements in the form and context in which they are included in the September 2006 Prospectus. Cullen Babington Hughes Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Murcia Pestell Hillard Pty Ltd as solicitors to the Company;
- (b) Passeres Group Pty Ltd (Trading as Ravensgate) as Independent Geological Consultant;
- (d) Cullen Babington Hughes Pty Ltd as Independent Solicitors reporting on title;
- (e) HLB Mann Judd as auditor to the Company; and
- (f) Advanced Share Registry Services as the share registry of the Company.

5.10 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

5.11 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the Options offered pursuant to this Prospectus. Taxation consequences will depend on particular circumstances. Neither Beacon nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus or any other taxation consequences connected with an investment in the Options or dealing with any Entitlement in this Offer.

5.12 Expenses of the Issue

The total expenses of the Offer are estimated to be \$15,000 comprising legal and due diligence costs, printing, administrative expenses and ASIC and ASX quotation fees.

5.13 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus and also received your relevant original Entitlement and Acceptance form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept other than the relevant original Entitlement and Acceptance Form or any other Entitlement and Acceptance form from a person if it has reason to believe that when that person was given access to the electronic version of the form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

6. AUTHORITY OF DIRECTORS

Each of the Directors has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act.

Dated the 16th day of February 2007



Paul Lloyd
For and on behalf of BEACON MINERALS LIMITED

7. DEFINITIONS

Applicant means a person who submits an Entitlement and Acceptance Form.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd.

ASTC Settlement Rules means the settlement rules of the ASTC (formerly the SCH Business Rules).

ASX means Australian Stock Exchange Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means 5.00 pm WST on 21 March 2007 (unless extended).

Company, Beacon or BCN means Beacon Minerals Limited (ACN 119 611 559).

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company from time to time.

Dollars or \$ means Australian dollars unless otherwise stated.

Entitlement means the non-renounceable entitlement of a Shareholder to subscribe for a particular number of Options calculated on a 1 for 2 basis and on the other terms and conditions of this Prospectus.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form for the Offer attached to or accompanying this Prospectus.

Listing Rules or ASX Listing Rules means the official Listing Rules of ASX.

Offer means the offer of Options pursuant to this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Opening Date means 2 March 2007.

Option Holders means those parties holding options to acquire Shares.

Option means an option to acquire a Share on the terms set out in Section 5.6 of this Prospectus.

Prospectus means this prospectus dated 16 February 2007.

Quotation and Official Quotation means official quotation on ASX.

Record Date means 5.00 pm (WST) on 27 February 2006.

Section means a section of this Prospectus or a section of the September 2006 Prospectus, as appropriate and as the case may be.

September 2006 Prospectus means the prospectus lodged by the Company with the ASIC on 4 September 2006 for the offer of 20,000,000 Shares at an issue price of 20 cents each to raise \$4,000,000

Share means one fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means the Options (if any) not taken up under the Offer.

WST means Western Standard Summer Time, Perth, Western Australia.