



23rd September 2009

[Insert Name]

[Insert Address]

Dear Shareholder,

NOTICE TO SHAREHOLDERS OF NON-RENOUCEABLE RIGHTS ISSUE

We are writing to you in relation to your shareholding in Beacon Minerals Limited (**Company**).

On 21 September 2009, the Company announced to ASX a pro-rata non-renounceable rights issue of approximately 357,047,912 fully paid ordinary shares in the Company (**Shares**) on the basis of one (1) new Share for every one (1) Share held on the record date at an issue price of \$0.022 per Share, to raise approximately \$7.85 million (**Rights Issue**).

The Company has lodged an offer document in relation to the Rights Issue with the ASX and this document will be dispatched to shareholders of the Company on 1 October 2009 (**Offer Document**). The Offer Document outlines the terms of the Rights Issue in detail and is available for viewing on the announcements page of the ASX website (www.asx.com.au) and the Company's website (www.beaconminerals.com).

The Rights Issue will proceed in accordance with the following timetable:

Announcement of Rights Issue, lodgement of cleansing notice, Offer Document and Appendix 3B with ASX	21 September 2009
Dispatch of Rights Issue notice to shareholders and option holders	23 September 2009
Ex date (date from which Shares commence trading without the entitlement to participate in the Rights Issue)	24 September 2009
Record Date for determining entitlements to participate in the Rights Issue	30 September 2009
Dispatch of Offer Document and Entitlement and Acceptance Form	1 October 2009
Opening Date of the offer	1 October 2009
Closing Date of the offer*	16 October 2009
Company notifies ASX of under subscriptions**	20 October 2009
Allotment of new Shares, dispatch of holding statements**	26 October 2009
Trading of new Shares expected to commence on ASX**	27 October 2009

* Subject to the ASX Listing Rules, the directors reserve the right to extend the closing date for the Rights Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue of the new Shares.

** These dates are indicative only.

The capital structure of the Company on completion of the Rights Issue shall be as follows:

Shares

Shares on issue as at the date of this letter	357,047,912
Shares offered pursuant to the Rights Issue	<u>357,047,912</u>
Total Shares on issue at completion of the Rights Issue	<u>714,095,824</u>

Options

Exercisable @ \$0.01 quoted options expire 31 August 2010	239,244,102
Exercisable @ \$0.20 quoted options expire 31 August 2010	16,587,934
Exercisable @ \$0.30 unquoted options expire 31 August 2010	45,283,580
Exercisable @ \$0.20 unquoted options expire 31 May 2011	6,000,000
Exercisable @ \$0.27 unquoted options expire 1 August 2012	<u>150,000</u>
Total options on issue at completion of the Rights Issue¹	<u>307,265,616</u>

¹ Assumes no options are exercised prior to completion of the Rights Issue.

The Rights Issue will raise approximately \$7.85 million before costs (assuming the Rights Issue is fully subscribed or that any shortfall is placed by the directors). It is intended that these funds will be used to accelerate exploration of the Company's highly prospective gold project at Barlee, north of Southern Cross in Western Australia. Additionally, the Rights Issue will provide the Company with general working capital and enable it to retire debt of approximately \$1.5 million.

Should you have any queries in relation to the Rights Issue, please do not hesitate to contact the Company on (08) 9476 9200.

Yours sincerely



Darryl Harris
Managing Director
Beacon Minerals Limited