



## QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2011

### ASX RELEASE

24-Jan-12

The key focus for the quarter was the preparation of a Proposal to Mine, based on the mining and toll treatment of the shallow high grade resource at Halleys East (part of the Barlee Gold project) as well as continuing discussions with potential toll treatment operators and parties interested in the purchase of the Halleys East resource.

Key activities for the period included:

- Continuing discussions with relevant parties regarding toll treatment and sale options for Halleys East culminating in the agreement for the sale of Mining Lease (ML) 77/1254 to Ramelius Resources Limited
- Finalisation and submission to the Department of Mines and Petroleum in Western Australia (DMP) of the Mining Proposal

The payment terms for sale of the Mining Lease to Ramelius are:

- Payment of \$4 million cash representing reimbursement of exploration expenditure.
- Royalty of \$80 per ounce for gold produced from 1 to 40,000 ounces from the ML.
- Royalty of \$160 per ounce for gold produced from 40,001 to 100,000 ounces from the ML.
- Royalty of 2.0% of the value of gold produced from the ML above 100,000 ounces.

At the completion of the transaction, which is subject to shareholder approval, BCN will have;

- Cash reserves of approximately \$5,000,000.
- Listed securities in Consolidated Tin Mines Ltd with an estimated value of \$900,000.
- Royalty income from the production of gold from the mining lease.
- 388 square kilometres of exploration ground at the Barlee Gold Project.

In parallel with the toll treatment and sale discussions, the Mining Proposal for ML 77/1254 was submitted to the DMP on the 6 December 2012. The proposal and conceptual mine planning was managed by Auralia Mining Consulting with BKD Resources completing the resource estimation and geological modeling, Alexander Holm and Associates the environmental survey and KHC the native title survey.

The Mining Proposal was based on extracting gold bearing resource from Halleys East and trucking to a nominated third party processing plant for toll treatment. Key highlights of the Mining Proposal were :

- An initial economically optimized mining resource of 172,000 tonnes at 7.5 g/t gold for 42,000 ounces.

Stock Exchange

ASX: BCN

#### Contact Details

Level 2, 46 Ord Street  
West Perth, WA 6005

PO Box 140  
West Perth, WA 6872

Tel: +61 8 9476 9200  
Fax: + 61 8 9476 9099

admin@beaconminerals.com  
www.beaconminerals.com

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## QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2011 ( cont )

- Environmental studies indicated no endangered flora or fauna present in the ML
- No registered Aboriginal heritage sites exist and there are no native claims within the project area

As part of the mining proposal various detailed discussions were held were held with relevant parties during the quarter including :

- Potential purchasers of the resource
- Third party process plant operators for toll treatment options.
- Contract mining and trucking operators
- Shire authorities regarding potential road upgrade requirements, transport movements and other development consents required.
- DMP for completion of ground clearance permitting and project management plan

Over the period the company also reviewed other gold project opportunities to provide additional upside to its current portfolio.

Should you have any questions in relation to the above matters, please contact the undersigned on telephone (08) 9476 9200.

For and on behalf of  
BEACON MINERALS LIMITED



**Darryl Harris**  
**Managing Director**

*The information in this report, as it relates to:*

- A) *Exploration Results, is based on information compiled and/or reviewed by Mr. Lyle Thorne who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).*
- B) *Resource Estimates, is based on information compiled and/or reviewed by Mr. Byron Dumpleton who is a member of the AIG (Australian Institute of Geoscientists).*
- C) *Metallurgical and Processing Estimates are based on information compiled and/or reviewed by Mr. Darryl Harris who is a member of the AusIMM.*

*All persons have the relevant experience with the mineralisation reported on to qualify as a Competent Person as defined in the 2004 Edition of the " Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ". All persons consent to the inclusion in the report of the matters based on the information in the form and context in which they appear.*

*Down hole widths quoted. Due to the preliminary nature of the exploration drilling, the company is unable to state if mineralised widths approximate true width. The Company also advises that it is uncertain as to whether further drilling in these areas will lead to the discovery of potentially economic mineralisation.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Beacon Minerals Limited

ABN

64 119 611 559

Quarter ended ("current quarter")

31 December 2011

### Consolidated statement of cash flows

|   | Current quarter<br>\$A'000 | Year to date (6<br>months)<br>\$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 and evaluation                                  | (122)                      | (249)                                 |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (319)                      | (504)                                 |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 22                         | 36                                    |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Other (provide details if material)                         | -                          | -                                     |
| <b>Net Operating Cash Flows</b>                                 | (419)                      | (717)                                 |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of:                                   |                            |                                       |
| (a)prospects  | -                          | -                                     |
| (b)equity investments   | -                          | -                                     |
| (c) other fixed assets  | (2)                        | (2)                                   |
| 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>                                 | (2)                        | (2)                                   |
| 1.13 Total operating and investing cash flows (carried forward) | (421)                      | (719)                                 |

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

|      |  |       |       |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (421) | (719) |
|      | <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 – Capital Raising costs                              | -     | -     |
|      | <b>Net financing cash flows</b>                            | -     | -     |
|      | <b>Net increase (decrease) in cash held</b>                | (421) | (719) |
| 1.20 | Cash at beginning of quarter/year to date                  | 1,422 | 1,720 |
| 1.21 | Exchange rate adjustments to item 1.20                     | 0     | 0     |
| 1.22 | <b>Cash at end of quarter</b>                              | 1,001 | 1,001 |

**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<br>\$A'000 |
|-----|--|----------------------------|
| 1.2 | Aggregate amount of payments to the parties included in item 1.2 | 133                        |
| 1.2 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.2 Explanation necessary for an understanding of the transactions

Consulting fees and salaries.

**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

Not Applicable

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

Not Applicable

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### Financing facilities available

Add notes as necessary for an understanding of the position.

|                                 | Amount available<br>\$A'000 | Amount used<br>\$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             | 220        |
| <b>Total</b>                   | <b>420</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<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 38                         | 179                         |
| 5.2 Deposits at call  | 963                        | 1,243                       |
| 5.3 Bank overdraft  | -                          | -                           |
| 5.4 Other (provide details)   | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b>  | <b>1,001</b>               | <b>1,422</b>                |

### Changes in interests in mining tenements

|     | Tenement<br>reference | Nature of interest<br>(note (2))                              | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-----|-----------------------|---|--|----------------------------------|
| 6.1 |                       | Interests in mining tenements relinquished, reduced or lapsed |  |                                  |
| 6.2 |                       | Interests in mining tenements acquired or increased           |  |                                  |

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

**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) | Amount paid up per security (see note 3) |
|--|--------------|---------------|---------------------------------------|--|
| 7.1 <b>Preference securities</b><br><i>(description)</i>   |              |               |                                       |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(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<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              |              |               |                                       |  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  |              |               |                                       |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |              |               |                                       |  |
| 7.7 <b>Options</b><br><i>(description and Conversion factor)</i>   | 150,000 1:1  | -             | <i>Exercise price</i><br>27 cents     | <i>Expiry date</i><br>1/08/2012          |
| 7.8 Issued during quarter  |              |               |                                       |  |

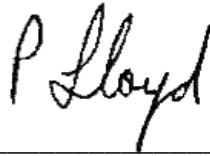
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|      |   |  |  |  |
|------|---|--|--|--|
| 7.9  | Exercised during quarter                  |  |  |  |
| 7.10 | Expired during quarter                    |  |  |  |
| 7.11 | <b>Debentures</b><br><i>(totals only)</i> |  |  |  |

### 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: \_\_\_\_\_  
Director/Company Secretary

Date: 24 January 2012

Print name: Paul Lloyd

### 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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