

ASX ANNOUNCEMENT

24 January 2013

DECEMBER 2012 QUARTERLY ACTIVITIES AND CASHFLOW REPORT

Beacon Minerals Limited (ASX:BCN) (“Beacon” or “Company”) presents its Quarterly Activities Report for the period ended 31 December 2012.

HALLEYS EAST

Resource Update

As announced on 21 December 2012, the July 2012 round of drilling (23 RC and 2 diamond holes) at Beacons Halleys East project has allowed a revised resource to be calculated and more importantly has provided a suite of samples for more detailed metallurgical work to be conducted.

Goldfields Mining Services have updated the data base and recalculated the resource estimate.

The resource modelling resulted in an inferred mineral resource for Halleys East as follows.

Halleys East Global Inferred Resource Estimate			
Cut-off Au g/t	Tonnes	Grade Au g/t	Au Ounces
0.5	678,419	3.15	68,814
0.6	637,991	3.32	68,105
0.7	617,607	3.41	67,675
0.8	578,795	3.59	66,733
0.9	547,132	3.74	65,874
1	516,297	3.91	64,926
1.1	491,972	4.05	64,109
1.2	463,057	4.23	63,041
1.3	437,277	4.41	62,005
1.4	413,786	4.58	60,989
1.5	397,292	4.71	60,223
1.8	360,616	5.03	58,295
2	329,468	5.32	56,384
2.5	260,925	6.13	51,456
3	213,460	6.89	47,260
5	108,459	9.85	34,332

The Halleys East resource has been classified as an inferred resource in accordance with the 2004 Australian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code).

As there is insufficient Quality Assurance / Quality Control (QA/QC) documentation available the resource cannot be classified any higher than an inferred resource. The QA/QC data is critical for validating the integrity and repeatability of the assays. Without this information being documented the confidence in the resource estimation cannot be at the required level for a higher mineral resource classification.

An optimization study by Minecomp, using a gold price of A\$1,600, has outlined a potential mining inventory of 120,189 tonnes @ 7.23 g/t Au for 25,936 oz recovered at a cash operating cost of A\$783.

18% of the ore in this model is in the primary or fresh category.

Metallurgy

Metallurgical work on composites from the oxide, transitional and primary (fresh) zones in the orebody have been completed by ALS Metallurgy (AMMTEC).

Recoveries in the oxide and transitional zones using conventional CIP/CIL processing confirm recoveries of plus 90% can be achieved.

Recoveries in the primary (fresh) ore are variable and unacceptably low using CIP/CIL processing, however, processing by flotation and cyanidation of the flotation tailings achieves recoveries well above 90%.

Previous metallurgical test work conducted during 2010 was confined to the oxide and transitional ore horizons only.

The oxide / transitional ore can be processed at a number of facilities in the Goldfields. Fresh ore processing options exist and preliminary discussions have commenced with a facility that can process this ore type.

Mining Proposal

The Company announced on 21 December 2012 that it had lodged a revised Mining Proposal with the Department of Minerals and Petroleum. This proposal includes the Mine Closure Plan and addresses the issues of heritage, native title, geotechnical design and mine water management.

OTHER OPPORTUNITIES

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

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

CORPORATE ACTIVITIES & CAPITAL STRUCTURE

Non-Renounceable Entitlement Issue

During the quarter the Company finalised the non-renounceable entitlement issue of 2 Shares for every 5 Shares held at an issue price of \$0.004 per Share together with 1 free attaching option exercisable at \$0.005 on or before 30 September 2015 raising a total of \$1,592,117.

Capital Structure

After the completion of the non-renounceable entitlement issue and as at 31 December 2012 the Company has the following capital structure:

Fully Paid Ordinary Shares (BCN)	1,393,102,796
Listed Options (BCNO)	398,029,370

Reduction in Operational Overheads

The Board is pleased to report that there has been a significant reduction in the Company's ongoing operational overheads for the first six months of the unaudited financial year ended 31 December 2012. A comparison of the operational overhead costs is tabled below;

Detail	December 2012 \$ (Unaudited)	December 2011 \$ (Audited)	Difference \$
Administration fees	71,433	190,408	(118,975)
Directors fees	81,750	271,697	(189,947)
Travel, Accommodation and Entertainment	6,729	61,243	(54,514)
TOTAL	159,912	523,348	(363,436)

CASH POSITION

As at 31 December 2012 Beacon had cash reserves of approximately \$1,371,000.

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
Beacon Minerals Limited
0419 991 713

Graham McGarry
Managing Director
Beacon Minerals Limited
0409 589 584

Marcus Michael
Executive Director
Beacon Minerals Limited
0418 908 091

Competent Persons Statement

The information in this report which will relate to the Halleys East project is based on information compiled by Andrew Moulds, a full time employee of Goldfields Mining Services and who is a member of the Australian Institute of Geoscience and Gary McCrae, a full time employee of Minecomp Pty Ltd, who is a member of the Australasian Institute of Mining and Metallurgy. Andrew Moulds and Gary McCrae both have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the March 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Resources Committee, the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia." Andrew Moulds and Gary McCrae consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(217)	(486)
(b) development	-	-
(c) production	-	-
(d) administration	(139)	(337)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/refunded	-	-
1.7 Other - GST	(15)	4
- R&D Tax Incentive	-	314
Net Operating Cash Flows	(367)	(494)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(89)	(89)
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)	-	-
Net investing cash flows	(89)	(89)
1.13 Total operating and investing cash flows (carried forward)	(456)	(583)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(456)	(583)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,516	1,516
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)	-	-
	Net financing cash flows	1,516	1,516
	Net increase (decrease) in cash held	1,060	933
1.20	Cash at beginning of quarter/year to date	311	438
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,371	1,371

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	113
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	41
Accounting, corporate, bookkeeping and secretarial services	40
Underwriting Fee	32

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	350

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	1,371	311
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,371	311

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	EL77/1364	Exploration Licence	100%	NIL
6.2 Interests in mining tenements acquired or increased	L77/0243	Miscellaneous Tenement Lease	NIL	100%

+ See chapter 19 for defined terms.

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) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	1,393,102,796	1,393,102,796	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	398,029,370	398,029,370	0.004	0.004
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	398,029,370	398,029,370	<i>Exercise price</i> 0.005	<i>Expiry date</i> 30 Sep 15
7.8 Issued during quarter	398,029,370	398,029,370	0.005	30 Sep 15
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)	-	-
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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: 24 January 2013

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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