

ASX ANNOUNCEMENT

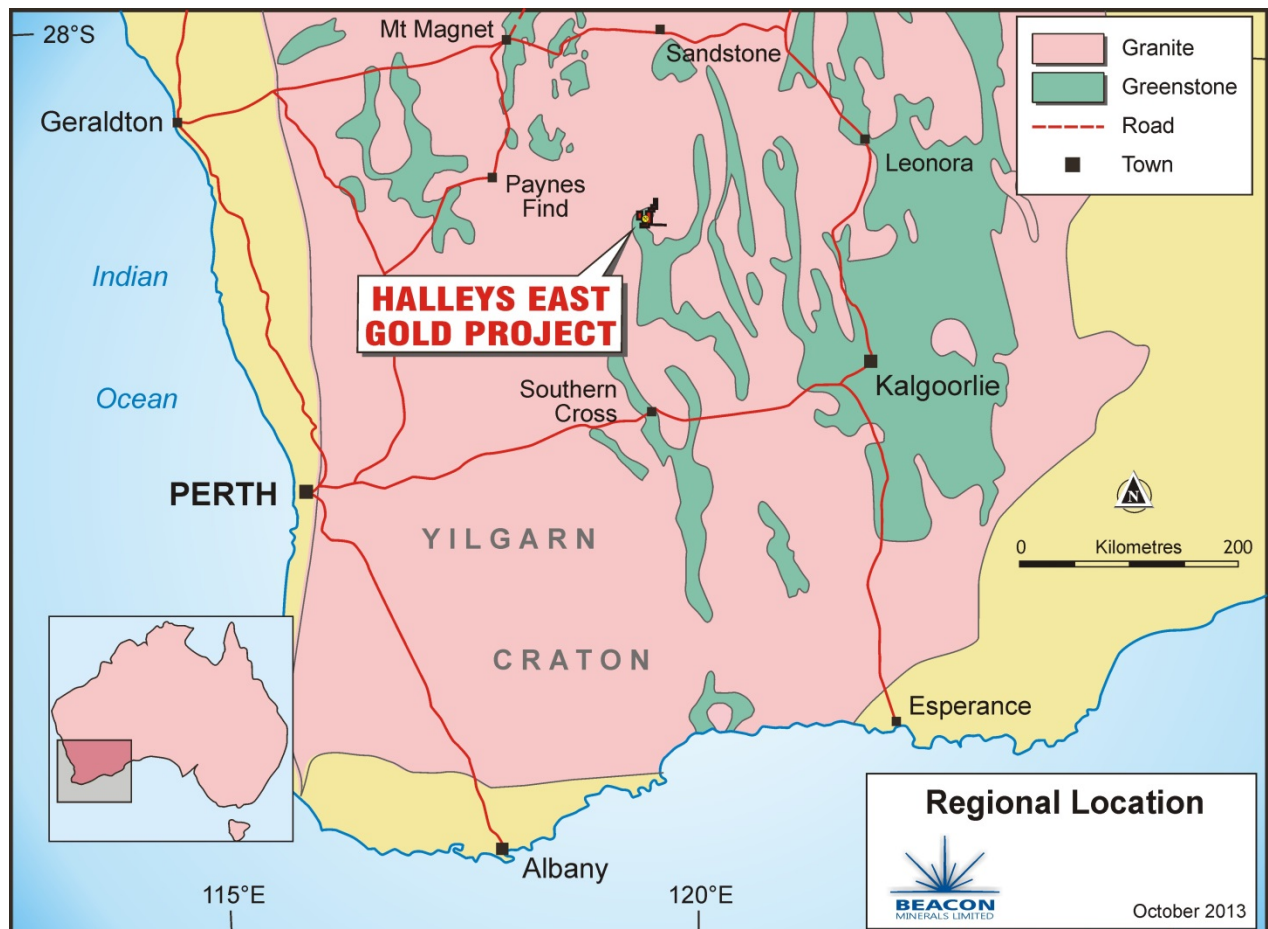
29 October 2013

SEPTEMBER 2013 QUARTERLY ACTIVITIES AND CASHFLOW REPORT

Beacon Minerals Limited (ASX:BCN) (**Beacon** or **Company**) is pleased to present its Quarterly Activities Report for the period ended 30 September 2013.

Highlights

- **Purchase of 100% of Halleys East Project**
- **Toll milling agreement executed**
- **Acquisition of Radar Iron Limited camp**
- **Haul road access to Halleys East completed**
- **Poised to commence full scale mining at Halleys East**
- **Debenture note issue for working capital**
- **Interim funding from Lamerton Pty Ltd**



Halleys East regional location map

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 **Phone** 08 9322 6600 **Facsimile** 08 9322 6610

Purchase of 100% of Halleys East Project

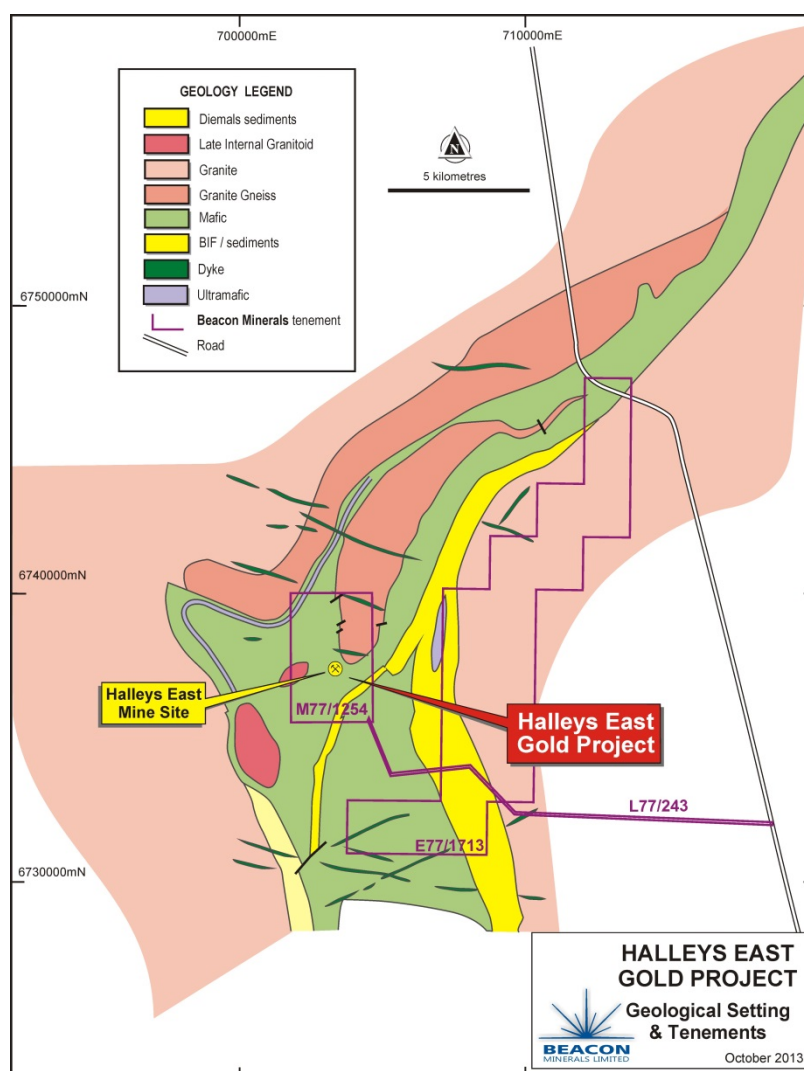
On 9 July 2013 the Company announced that it had reached an agreement with Duketon Consolidated Pty Ltd (“**Duketon**”) to acquire Duketon’s 20% interest in the Halleys East Gold Project.

As a result, Beacon will now have 100% ownership of the Halleys East Gold Project.

On 9 July 2013 the Company issued 100,000,000 ordinary shares to Duketon as consideration for the acquisition of the 20% interest in the Halleys East Gold Project.

50,000,000 of the shares are subject to 12 months voluntary escrow.

Beacon is to pay a royalty of \$36.00 per ounce of gold recovered from the Halleys East Gold Project with an advance payment of \$250,000, representing the first 6,944 ounces of recovered Gold having already been paid.



Halleys East locality map

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Toll Milling Agreement Executed

On 22 October 2013 Beacon announced that it had entered into a toll milling agreement with FMR Investments Pty Ltd (**FMR**) whereby FMR will process ore produced from Beacon's 100% owned and operated Halleys East project.

FMR is the owner and operator of the Greenfield's mill, situated 3 km east of Coolgardie, Western Australia. The mill has provided a first class toll milling facility to the gold industry for over twenty years.

Under the terms of the agreement, Beacon will transport ore mined at Halleys East through Menzies to FMR's Greenfields mill in Coolgardie. Beacon will pay FMR a fixed toll milling fee per tonne of ore processed.



FMR investments Pty Ltd , Greenfield's mill, Coolgardie WA

Acquisition of Radar Iron Limited Camp

During the quarter Beacon acquired Radar Iron Limited's Diemals mine camp. The camp includes water tanks, kitchen, accommodation dongas, a sea container, a generator and an office. The camp has been well maintained and is in excellent condition.

Acquiring a camp was an important step in commencing activities at the Halleys' East Project and avoids the potentially long lead time and considerably greater expense of building a new camp.

The camp has been moved from the Radar Iron Limited site and is now in operation at Halleys East.



Accommodation Dongas included in the acquisition of the Halleys East camp

Haul Road access to Halleys East Completed

Beacon has now completed the haul road access from the Halleys East site to the main Diemals Road. Ore will be transported east to Menzies and then onto FMR's Greenfield's mill, Coolgardie WA.



Construction of the haul road access to Halleys East being completed

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Poised to Commence Mining at Halleys East

On 27 June 2013 the Company received Department of Mines and Petroleum approval to commence mining operations at Halleys East.

Beacon has commenced topsoil and overburden removal. Trial grade control drilling at Halleys East will commence shortly.



Top soil and overburden removal at Halleys East

Debenture Note Issue for Working Capital

On 3 October 2013 the Company announced that it was in the closing stages of finalising transaction documents in relation to a proposed debenture issue to sophisticated and professional investors. It is anticipated that a portion of the sophisticated and professional investors will include related parties of the Company, being each of the three Directors of Beacon or persons associated with them (Related Parties).

As a result of the involvement of the Related Parties in the proposed debenture issue, the Company is seeking shareholder approval at the 7 November 2013 Annual General Meeting in accordance with Section 195(4) of the Corporations Act (and various other provisions of the Corporations Act and the ASX Listing Rules).

Subject to obtaining the necessary shareholder approvals at the Company's Annual General Meeting, the proposed debenture issue has the potential to provide the Company with up to \$4 million in funding which will be used to assist with the Company's financing requirements in relation to the Halleys East Gold Project. It is proposed that the debentures will be secured by a mortgage over the Halleys East Gold Project.

The Board believes that the proposed transaction is beneficial to shareholders and the Company to assist with the financing requirements for the Halley's East Gold Project.

Extensive details in relation to the proposed debenture issue are contained in the Company's Notice of Annual General Meeting which has been sent to shareholders and is available from the Company's website. Key terms of the proposed debenture issue are set out in the ASX announcement of 3 October 2013.

The Directors of the Company caution that although the proposed debenture issue is in its final stages at a transactional level, there is no guarantee that the raising of funds under the proposed debenture issue will eventuate.

Interim Funding from Lamerton Pty Ltd

On 22 October 2013 the Company announced that Lamerton Pty Ltd, a company related to the Company's Managing Director Graham McGarry, has provided an unsecured loan facility to the Company of \$200,000. No fees are payable to Lamerton Pty Ltd in relation to the facility and interest on the facility will be levied at the prevailing overdraft interest rate charged by the Bank and reimbursed to Lamerton Pty Ltd at cost.

Capital Structure

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

Fully Paid Ordinary Shares (BCN)	1,493,109,238
Listed Options (BCNO)	398,022,928

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 30 September 2013 Beacon had cash reserves of approximately \$201,000.

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

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")

30 September 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(23)	(23)
(b) development	(398)	(398)
(c) production	-	-
(d) administration	(77)	(77)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – GST	(42)	(42)
– DMP Bond	239	239
Net Operating Cash Flows	(295)	(295)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(260)	(260)
(b) equity investments	-	-
(c) other fixed assets	(75)	(75)
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	(335)	(335)

+ 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)	(630)	(630)
	Cash flows related to financing activities		
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 (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(630)	(630)
1.20	Cash at beginning of quarter/year to date	831	831
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	201	201

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	141
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	58
Accounting, corporate, bookkeeping and secretarial services	33
Hire of plant and equipment	50

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

On 9 July 2013 the Company issued 100,000,000 ordinary shares to Duketon Consolidated Pty Ltd as consideration for the acquisition of the 20% interest in the Halley's East Gold Project.

50,000,000 of shares are subject to 12 months voluntary escrow.

- 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

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 – *Cash outflow for the next quarter is conditional on shareholder approval at the 7 November 2013 Annual General Meeting and the successful completion of the proposed debenture issue to sophisticated and professional investors.	1,150*
4.4 Administration	100
Total	1,250

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	201	13
5.2 Deposits at call	-	790
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	28
Total: cash at end of quarter (item 1.22)	201	831

+ 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	M77/1254 Mining Lease	80%	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	-	-	-	-
7.2				
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	1,493,109,238	1,443,109,238	-	-
7.4				
	(a) Increases through issues	100,000,000	\$0.003	\$0.003
	(b) Decreases through returns of capital, buy-backs	42	\$0.005	\$0.005
		-	-	-
7.5				
	*Convertible debt securities (description)			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(description and conversion factor)</i>	398,022,982	398,022,982	<i>Exercise price</i> \$0.005	<i>Expiry date</i> 30 September 2015
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	42	42	\$0.005	30 September 2015
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <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: 29 October 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.

+ See chapter 19 for defined terms.

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

- 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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