



## QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2011

### ASX RELEASE

25-Oct-11

No site activities were carried out in the September Quarter with the key focus being on preparation of a Proposal to Mine, based on the mining and toll treatment of the shallow high grade resource at Halleys East. The aim of this approach is to develop a cash flow for the Company while still carrying out regional exploration for more Halleys East type targets.

Key activities for the period included:

- Preparation of the Mining Proposal
- Continuing discussions with local process plant operators regarding options for toll treatment of Halleys East
- Planning of Geotechnical drilling for the Mining Proposal
- Compilation of representative samples for further confirmatory metallurgical testwork
- Independent review of all geological data and identification of additional regional exploration targets
- Planning of further regional exploration program for Barlee

During the quarter the company has directed its efforts into completing the Mining Proposal for the Halleys East Deposit. This process is being overseen by Auralia Mining Consulting and incorporates the study of numerous key areas for submission to the Department of Mines and Petroleum to obtain permission to mine. Areas covered by this study include:

- native title
- environmental baseline studies and planning
- resource modeling
- mine planning
- transportation studies
- feasibility evaluation and financial modeling.

The company is pleased to announce that to date there have been no major issues encountered with any aspect of the proposal and that it is in the final stages of completion before submission to the Department of Mines.

Stock Exchange

ASX: BCN

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The native title evaluation by Kellie Hill Consulting has shown no native title claims or registered aboriginal heritage sites exist within the Barlee Project area. Flora and fauna surveys completed by Alexander Holm & Associates indicated no threatened species or ecological communities were located in the project area.

A revision of the resource model was commenced by BKD Resources with the objective of maximising the grade for toll treatment purposes and updating the model, based on infill drilling completed in the second quarter. Various grade versus tonnage results from this model are still being evaluated and used by Auralia Consulting to refine project economics in relation to various mining scenarios.

Discussion continued with three alternate process plant operators for toll treatment of the ore, in order to establish the best economic option with regards to treatment costs.

As part of the requirements for toll treatment, further representative sample was collected for testwork to ensure consistency in the metallurgical recovery of the Halleys East ore.

Aiming to further the exploration potential of the Barlee Gold Project the company commissioned an independent geological report to highlight any additional prospective gold targets within the project area. From this report several key targets were identified and planning is underway to test these targets for possible gold mineralisation. During the same program it is proposed to complete geotechnical drilling over the Halleys East Deposit to assist with refining the existing resource model and mine plan.

The company has also been reviewing other gold project opportunities during the quarter 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***

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# 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")

30 September 2011

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$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	(128)	(128)
(b) development	-	-
(c) production	-	-
(d) administration	(185)	(185)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	15
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>	<b>(298)</b>	<b>(298)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
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>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(298)</b>	<b>(298)</b>

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

1.13	Total operating and investing cash flows (brought forward)	(298)	(298)
<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>		(298)	(298)
1.20	Cash at beginning of quarter/year to date	1,720	1,720
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	<b>Cash at end of quarter</b>	1,422	1,422

**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
1.2	Aggregate amount of payments to the parties included in item 1.2	79
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 \$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	200
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>400</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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	179	686
5.2 Deposits at call	1,243	1,034
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,422</b>	<b>1,720</b>

### 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		
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> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (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 (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and Conversion factor)</i>	150,000 1:1	-	<i>Exercise price</i> 27 cents	<i>Expiry date</i> 1/08/2012
7.8 Issued during quarter				

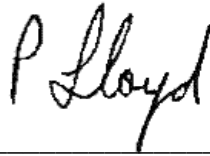
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7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	<b>Debentures</b> (totals only)			

### 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: 25 October 2011

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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