ASX ANNOUNCEMENT

16 February 2014

BEACON TO ACQUIRE AND FARM IN TO HIGHLY PROSPECTIVE WA GOLD GROUND

Highlights

- **Beacon secures exclusive option to purchase highly prospective Exploration Licence 57/921 near Sandstone, Western Australia**
- **rock chip and soil sample results within and adjacent to a Shallow Prospecting Excavation on E57/921 include >100 ppm gold and 26.68 ppm gold**
- **short term option to carry out bulk sampling over Shallow Prospecting Excavation**
- **immediate shallow drilling programme to commence over and adjacent to the Shallow Prospecting Excavation**
- **In addition, Beacon has entered into Farm-in with Black Oak Minerals Limited (ASX:BOK) on the adjacent tenements E57/961, P57/1108 and P57/1109**

Beacon Minerals Limited (ASX: BCN) (**"Beacon"** or "**Company"**) is pleased to announce that it has secured an exclusive option (**"Option"**) and Farm-in (**"Farm-in"**) arrangement to explore approximately 74 km^2 area (**"Project"**) located 4km west of the Sandstone township in Western Australia.

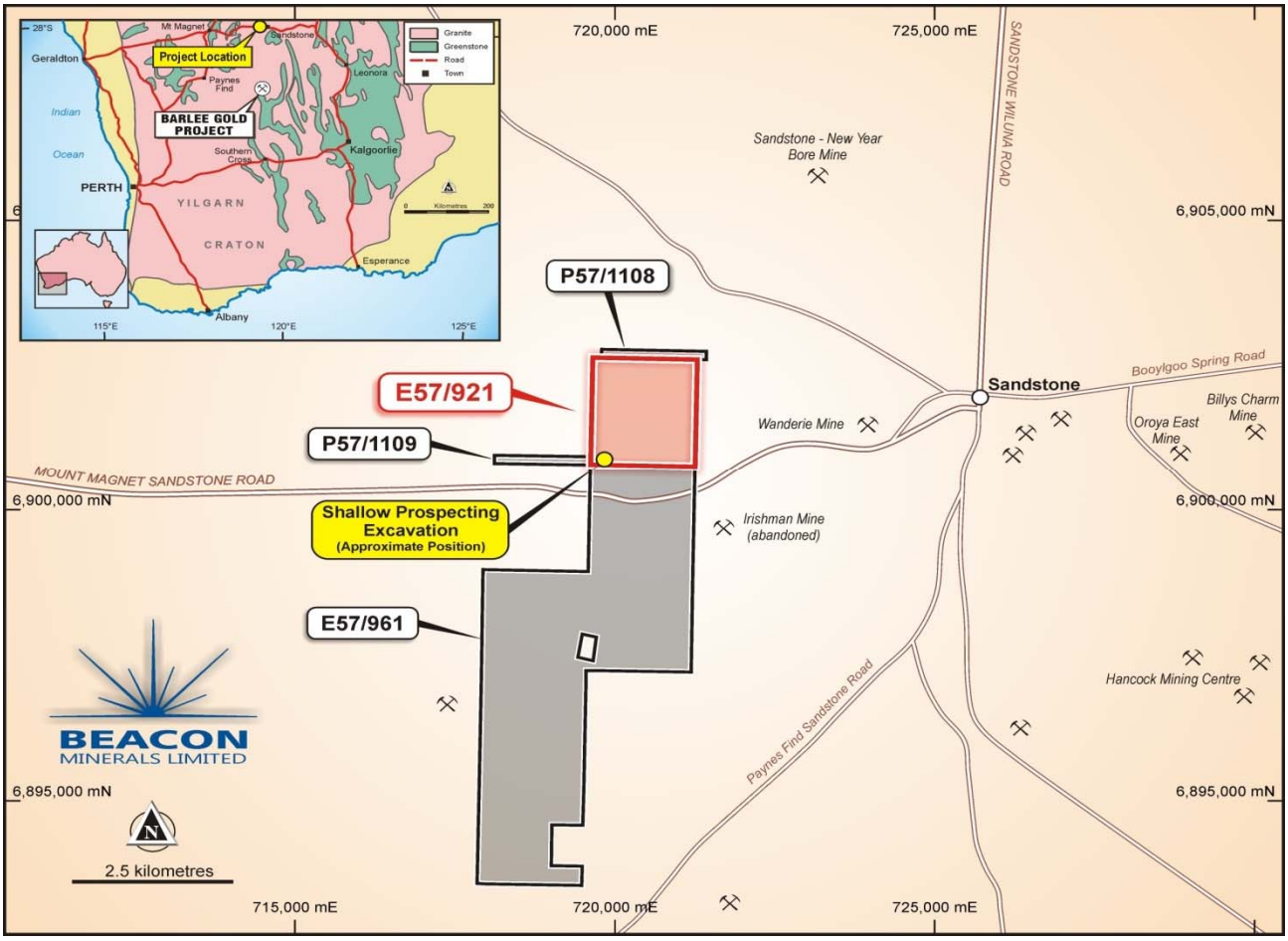

Figure 1 - Sandstone regional location map

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

Beacon has entered into an exclusive option to purchase Exploration Licence E57/921 and entered into a farm in and joint venture with Black Oak Minerals Limited ("**Black Oak Minerals**") on E57/961, P57/1108 and P57/1109 located approximately 4km west of Sandstone, Western Australia (**"Project"**).

Historical Exploration

E57/921 has previously been the focus of intense prospecting activities by modern day prospectors with metal detectors and has also included some small scale low impact mining activities. The main prospect within E57/921 is the **Golden Raven prospect**. While the exact amount of recovered gold is not known, a large amount of eluvial gold and specimen gold has been identified and recovered from the near surface at the Golden Raven Prospect.

Recent Rock Chip & Soil Sampling

Two phases of rock chip and soil sampling have been completed at the Golden Raven prospect on and near existing shallow low impact mine workings. Both programs have returned high-grade values from the sampling.

Sampling has involved the sampling of in-situ weathered bedrock material (indurated saprolite), which has been exposed by the low impact mining activities, along with sampling of ferricrete and ferruginous soil, which form a shallow 1-2m thick horizon above the in-situ weathered profile. Most of the eluvial gold appears to have been hosted by the upper 1-2m thick ferricrete-soil profile, however, a number of high-grade results (greater than 5ppm gold) have also been returned from the in-situ weathered bedrock. Table 1 summarises the most significant results and Figure 2 shows the complete set of rock chip and soil sample results with sample numbers.

Table 1 – Golden Raven Rock Chip Samples – High Grade (>5ppm Au)

Sample No	MGA East	MGA North	Gold (ppm)	Comments
RH001	719836	6900871	16.8	Soil sample
RH004	719840	6900886	25.68	In-situ indurated saprolite
RH005	719840	6900888	15.52	Indurated saprolitic rubble from workings
RH006	719846	6900894	28.57	As for RH005
RH014	719841	6900884	9.76	Highly ferruginous indurated saprolite
RH016	719843	6900888	8.83	Unconsolidated pisolitic material
RH021	719852	6900885	12.85	Stockpiled ferruginous soil & ferricrete
RH022	719847	6900880	32.2	Stockpiled ferruginous soil & ferricrete
RH023	719833	6900873	>100	Southern composite soil line
RH024	719826	6900879	8.33	Stockpiled ferruginous soil & ferricrete
RH025	719831	6900886	7.61	Stockpiled ferruginous soil & ferricrete

Immediate Shallow Drilling Program to Commence

Beacon has commenced a shallow drilling program, using a blast-hole rig, at Golden Raven over and adjacent to the existing shallow prospecting excavation. This work is being completed within an area covered by a pre-existing and approved Department of Mines & Petroleum POW (Program of Work). The track mounted blast hole rig will drill six meter deep vertical holes on a 3m x 3m and 3m x 4m pattern to cover the currently known gold-anomalous zone, as identified from shallow prospecting activities. The drill pattern will be extended both north and south of the shallow low impact mining activities to better define the extent of the identified zone. The results of the shallow blast hole drilling will be reported as they become available.

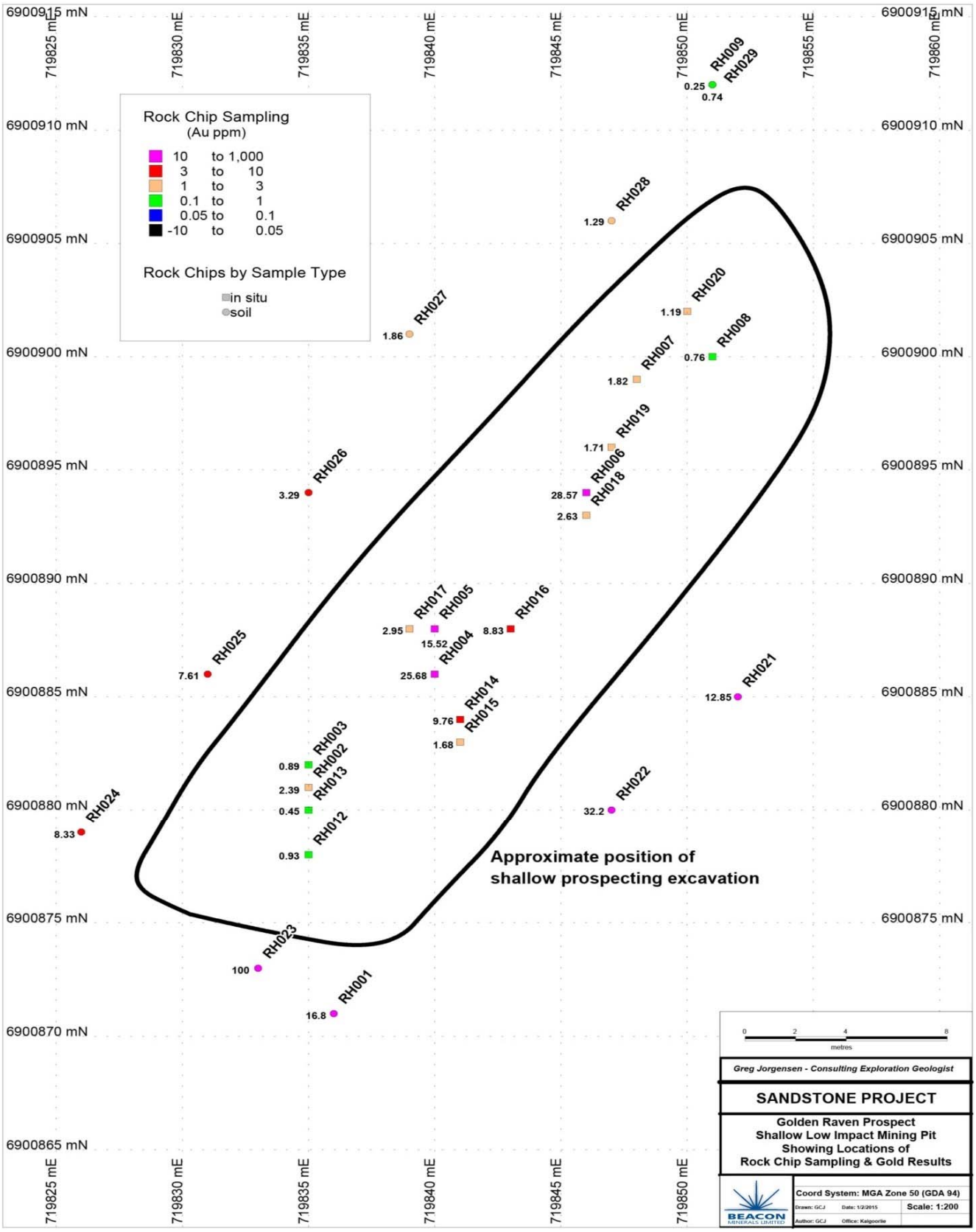

Figure 2: ppm Au rock chip sample results and sample number

E57/961 Agreement Terms:

A summary of the terms and conditions of the Option are as follows:

(a) Option Period: Initially 12 months (in consideration of the payment of a $50,000 option fee – which has been paid) and able to be extended to 24 months upon payment of an additional $50,000 option fee (**"Option Period"**).

(b) Option Exercise Price: The Option may be exercised by either (at the election of the vendor):
   (i) payment of $1.5 million in cash; or
   (ii) the delivery of gold bullion to the value of $1.5 million to the vendor.

(c) Rights of Beacon during Option Period: During the Option Period, Beacon is permitted to undertake such exploration work on the Project as it sees fit, subject to the Mining Act. Beacon will also be provided with all mining information in respect of the Project.

(d) Conditions: The obligations under the Option are subject to Mining Act approval and good title.

(e) Completion: Completion of the acquisition of the Project will occur on the date that is 70 business days after the exercise of the Option.

(f) Bulk Sample Option: In addition to the Option, Beacon is granted the additional option to undertake a bulk sample program of up to 1,800 tonnes of ore, and retain any product derived therefrom, subject to Beacon exercising such option and making a cash payment to the vendor of $250,000 (**"Bulk Sample Option"**).

(g) Bulk Sample Option Period: Initially one month (which will end on 28 February 2015) and able to be extended on a week by week basis for up to 4 additional weeks upon progressive payments of $15,000 for each additional week (**"Bulk Sample Option Period"**).

(h) Vendor right to undertake Bulk Sample Program: In the event that Beacon does not exercise the Bulk Sample Option, the vendor will be permitted to undertake the bulk sample program for a period of 4 months and retain any product derived therefrom.

(i) The vendor has received approval from the DMP to undertake a bulk sample program whereby a total of 1,800 tonnes or ore may be treated by gravity circuit. The program of works is based upon the bulk sample program lasting approximately 6 months and the approval to undertake the program of works is valid until 20 October 2018.

(j) Warranties: Standard warranties for a transaction of this nature have been made, including with respect to good title. The vendor has specifically warranted that part of the Project is subject to an application for a special prospecting licence and that the vendor will use its best endeavours to oppose the application for the special prospecting licence.

Farm in and joint venture with Black Oak Minerals on E57/961, P57/1108 and P57/1109

A summary of the terms and conditions of the Farm-in are as follows:

(a) Conditions: The obligations under the Farm-In are subject to Black Oak Minerals having good title and certain deeds of assignment and assumption being executed in respect of certain obligations attaching to the Project. The existing obligations include those arising under a Heritage Agreement, the Sandstone Royalty Agreement (which created the obligation to pay royalties to Herald Resources Limited and International Annax Ventures Inc on the basis of $12.50 per ounce of fine gold attributed their respective deemed shares of production ie in aggregate $25.00 per ounce of fine gold) and the Troy Royalty Agreement (which created a 2% net smelter royalty on all production from the tenements the subject of the Farm-In). Beacon will only assume the obligations under those agreements to the extent of its participating interest in the Project.

(b) Farm-In:

i. Beacon can earn a 50% interest in the Project by making expenditure of $250,000 within 2 years;

ii. Once Beacon has earned a 50% interest in the Project, Beacon can progressively earn additional interests of 1% by sole funding installments of $5,000. Black Oak Minerals may elect to contribute to its portion of expenditure, in which case, Beacon will not acquire an additional interest.

iii. Upon Beacon having an interest of 80% in the Project, Black Oak Minerals will be free carried until a decision to mine is made. A decision to mine may be made once a proposal for mining operations in the joint venture area or any part thereof based on a study that demonstrates the commercial viability of mining and is of a standard suitable to be submitted to a potential financier as the basis for financing the development and operation of the mine contemplated in the study and is capable of supporting a decision to mine.

iv. Once a decision to mine is made, both of Black Oak Minerals and Beacon will be required to contribute in accordance with their respective joint venture interests or be diluted in accordance with an industry standard formula.

v. Beacon will be the manager of the joint venture while it is sole funding expenditure or has a majority interest in the joint venutre.

(c) Other terms and conditions: Other standard terms and conditions associated with farm-ins and joint ventures are included.

(d) Warranties: Standard warranties for a transaction of this nature have been made, including with respect to good title.

Should shareholders have any questions please feel free to contact Executive Chairman Geoff Greenhill, Managing Director Graham McGarry or Executive Director Marcus Michael.

Geoff Greenhill
Executive Chairman
Beacon Minerals Ltd
M: 0419 991 713

Graham McGarry
Managing Director
Beacon Minerals Ltd
M: 0409 589 584

Marcus Michael
Executive Director
Beacon Minerals Ltd
M: 0418 908 091

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Greg Jorgensen, a self-employed, Kalgoorlie-based Consulting Exploration Geologist, who is a Member of The Australian Institute of Geoscientists. Mr Jorgensen has sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of The JORC Code. Mr Jorgensen consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Sampling has involved rock chip sampling and grab soil sampling from selected sites proximal to and within recent low impact mining workings at the Golden Raven prospect. • Due to access issues, a standard grid pattern for the sampling could not be employed, but rather sampling has been completed across regolith and rock exposed by the shallow prospecting and mining activities. • Conventional rock chip sampling, using a geologist pick to acquire enough representative sample, has been employed, while the soil sampling has involved single grab samples from selected sites or individual samples from approximately 2 metres apart composited into a single sample representing approximately 8 metres in width. • Rock chip sampling focused on sampling weathered bedrock material, interpreted to be in-situ, while the soil sampling focused on sampling the unconsolidated near-surface ferruginous soil and some cemented and broken ferricrete material, which forms a 1-2 metre horizon above the in-situ weathered profile.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling has been completed.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling has been completed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Samples have been logged by regolith and/or rock type by Mr Greg Jorgensen, a Kalgoorlie-based independent Consulting Exploration Geologist.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Total preparation of the sample was completed by ALS Global Kalgoorlie assay laboratory. Samples are crushed to 70% less than 6 millimetres and then pulverized to better than 85% passing 75 microns. • Field duplicate sampling was not employed.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Gold only analyses have been completed by ALS Global Kalgoorlie assay laboratory using a 50 gm Fire Assay with an AAS (Atomic Absorption Spectroscopy) finish.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All sampling, geological logging and assay data has been captured digitally using standard WA Department of Mines & Petroleum file structure protocols and will be stored by Beacon Minerals Limited and ultimately by the GSWA (Geological Survey of Western Australia) WAMEX database. • All sampling and assay data has been compiled, interpreted and reported to Beacon Minerals Limited by Mr Greg Jorgensen, a Kalgoorlie-based Consulting Exploration Geologist with over 28 years of experience in mineral exploration and mining, predominantly for gold in the Eastern Goldfields of Western Australia. • There have been no adjustments or averaging applied to the raw data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample points were located in the field using a hand-held GPS with 5 metre or better accuracy. • Grid projection used was MGA Zone 50 (GDA 94). • No topographic control was required.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• A regular grid pattern could not be employed due the location and distribution of suitable sampling points within the shallow workings, however, samples of the in-situ weathered bedrock material were collected approximately every 3-5 metres apart along the shallow workings and provides an acceptable coverage of the exposed regolith within the shallow workings. • Soil sampling was completed approximately every 10 metres along the strike of the workings and on both sides of the workings. Sampling was generally of stockpiled ferruginous soil and ferricrete material, which had originally covered the immediate prospect area. • Some limited composite soil sampling has been employed as previously described. • A summary map showing the locations of the sampling in relation to the approximate position of the shallow workings is shown attached to the body of the text.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Samples were collected to provide maximum coverage of the regolith and geology exposed by the shallow low impact mining workings. • At this early stage of exploration, the orientation of any possible gold-mineralised structure is largely unknown.
Sample security	• *The measures taken to ensure sample security.*	• Numbered calico bags were used to collect the samples, which were transported directly to the selected ALS Global Kalgoorlie assay laboratory. • All sample preparation and analyses were completed in Kalgoorlie.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sampling and assay techniques used are considered to be mineral exploration industry standard and appropriate for the current stage of exploration. Audits and reviews are not considered necessary at this stage of exploration.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Sampling was conducted within Exploration Licence E57/921. Beacon Minerals Limited, has an agreement with the holder of this tenement, as described in the body of this announcement, to conduct exploration work within the tenement. There are no known Native Title Claims over the tenement area and there are no known sites of aboriginal significance within the tenement area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Refer to this ASX announcement for a brief description Golden Raven prospect. • Field inspection indicates that some vertical rotary air blast (RAB) or aircore drilling has been previously completed close to the shallow low impact mining workings, but has stopped short of these workings and the strike of these workings, meaning that the immediate area of the workings has not been tested by this drilling. The nature and detail of this historical drilling is not known and a review of the WA Department of Mines and Petroleum WAMEX mineral exploration reporting database shows no record of this drilling. Further investigations into this historical drilling are continuing.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The tenement area lies within the northern parts of the Sandstone greenstone belt, which is located within the central-north of the Yilgarn Craton of Western Australia. • As a general guideline, exploration is targeting modest to large sized, but high-grade, lode, shear and/or stock work-hosted gold deposits in the order of 20,000 – 500,000 ounces of contained gold at a grade above 3 grams per tonne gold. The Yilgarn Craton of Western Australia hosts a large number of gold deposits of this type and size range.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• No drilling has been completed.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No averaging of the raw assay data has been implemented. Raw data has been used to determine the locations of gold-anomalous samples, zones and trends. Geological assessment and interpretation has been used to determine the relevance of the identified anomalous areas with respect to the sampled regolith.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The geometry and orientation of gold-mineralised zones is not well understood at this stage of exploration.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• The location of all sampling is shown in the accompanying map attached to the body of the text. The gold grade of each sample is also shown.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All assay results are shown on the summary map attached to the body of the text.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other substantive data currently considered necessary at this stage of exploration.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Assay results will be further assessed to determine whether additional exploration, such as aircore and/or reverse circulation drilling will be warranted.

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