

ASX ANNOUNCEMENT

27 January 2016

DECEMBER 2015 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

Beacon Minerals Limited (ASX:BCN) (Beacon or Company) is pleased to present its Quarterly Activities Report for the period ended 31 December 2015.

Highlights

- **Halleys East rehabilitation and ore cartage is completed**
- **Sixth milling campaign expected to commence during the March 2016 quarter**
- **Sandstone Drilling Update**

Progress at Halleys East project

Rehabilitation work at the Halleys East project is now essentially complete and the tenement position will be reviewed this quarter with a view to rationalising the mining lease to a minimum size to maintain the commitment to the DMP.

All infrastructure and equipment has been removed from the Halleys East mining site.

The Company expects that milling campaign six will commence during the March 2016 quarter.



Figure 1 – Halleys East Pit – June 2015

SANDSTONE WEST – SANDSTONE WEST PROJECT

During the quarter the Company advised that it had completed a follow-up drilling programme at the Sandstone West Prospects, Golden Raven and Gold Raven North (Figures 2 and 3).

Previous prospecting activities by prospectors and exploration work by Beacon had identified the Golden Raven gold prospect, which is located approximately 5km west of the Murchison town of Sandstone. Recent prospecting activities had identified a further prospect area, located approximately 800m to the north-northeast of Golden Raven, which had been named the Golden Raven North prospect.

At Golden Raven, a programme total of 27 angled aircore holes for 1,444m (GRAC035-061) was completed, while at Golden Raven North a smaller programme of 6 angled aircore holes was completed for 472m (GRAC062-067).

All holes were drilled to blade refusal, thereby testing the entire regolith profile. There were few intercepts of interest from either prospect area.

For details in relation to the results of this drilling program please see ASX announcement 3 December 2015 Follow-Up Aircore Drilling at Sandstone West Project.

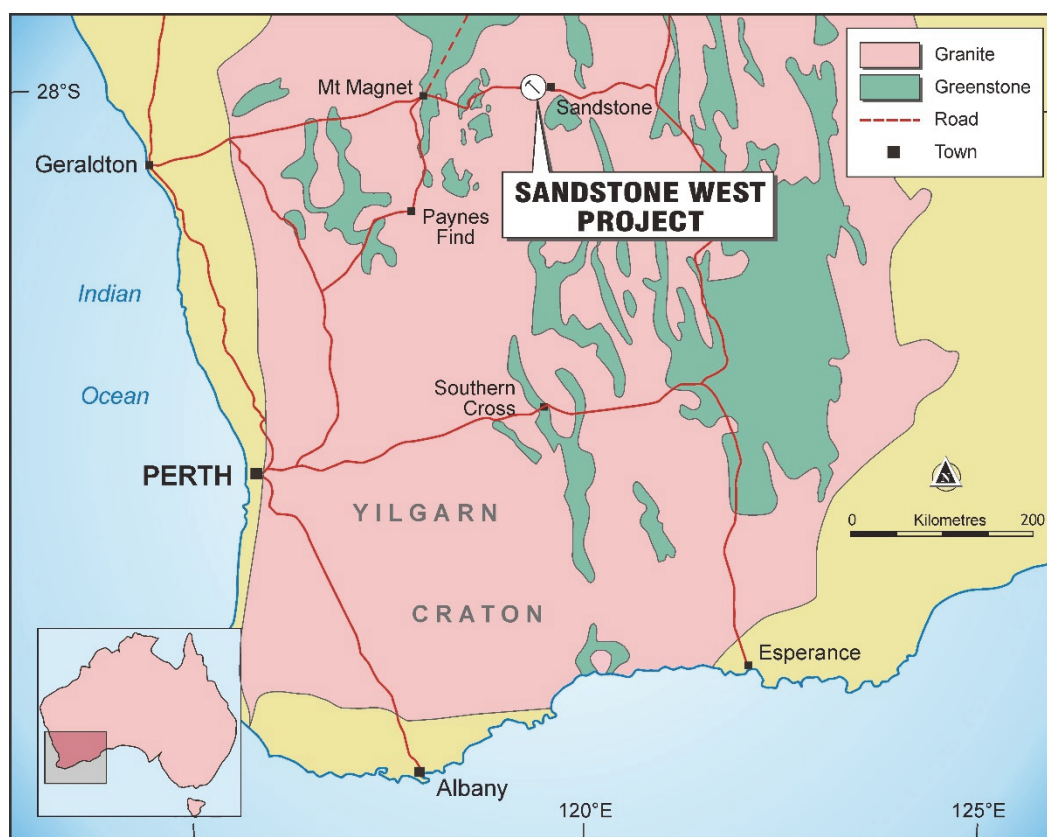


Figure 2 - Location of Sandstone West Project



Figure 3 - Sandstone West Project Tenure and Location of Prospects

Further Work

The entire Golden Raven prospect area has now been tested with angled aircore drilling and while a saprolite-hosted, gold-mineralised system occurs below the low impact mining excavation (now rehabilitated), the overall grade is low and there are few intercepts above 1g/t Au. The latest round of aircore drilling indicates that the gold mineralisation appears to be restricted to the area below the low impact mining activities.

At Golden Raven North, a number of deep, generally saprolite-hosted intercepts >0.1g/t Au indicate some gold prospectivity and further drilling may be warranted. Drilling to date indicates that any target will be deep and probably low-grade.

CASH RESERVES

As at 31 December 2015 the Company had approximately \$0.725 million in cash reserves.



CAPITAL STRUCTURE

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

Fully Paid Ordinary Shares (BCN)	1,495,470,963
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OTHER OPPORTUNITIES

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

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

Geoff Greenhill
Executive Chairman
Beacon Minerals Ltd
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Graham McGarry
Managing Director
Beacon Minerals Ltd
M: 0409 589 584

SCHEDULE OF MINERAL TENEMENT INTERESTS

Beacon Minerals Limited provides the following schedule of mineral tenement interests held by the Company for the quarter ended 31 December 2015 as required by ASX Listing Rule 5.3.

Beacon Minerals Limited Mineral Tenement interest as at 31 December 2015;

TENEMENT	PROJECT/LOCATION	INTEREST AT THE BEGINNING OF THE QUARTER	INTEREST AT THE END OF THE QUARTER
	Halleys East Project		
L30/0057	Evanston / Menzies	100%	100%
L77/0243	Lake Barlee	100%	100%
M77/1254	Halleys East Lake Barlee	100%	100%
E77/0273	Barlee	100%	100%
E77/2156	Halleys East Lake Barlee (1)	100%	100%
	Sandstone West Project		
E57/0921	Henning (2)	0%	0%
E57/0961	Black Oak Minerals (3)	0%	0%
P57/1108	Black Oak Minerals (3)	0%	0%
P57/1109	Black Oak Minerals (3)	0%	0%

Summary of Terms:

- Option to acquire E77/2156 for \$1,000 on or before 31 December 2015.
- Initial option period expiring 27.1.2016 with further option period of 12 months for a payment of \$50,000 to 27.1.2017. \$1.5m to exercise option.
- Beacon can earn a 50% interest in the Project by making expenditure of \$250,000 within 2 years. 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. Upon Beacon having an interest of 80% in the Project, Black Oak Minerals will be free carried until a decision to mine is made. Once a decision to mine is made, both 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. Beacon will be the manager of the joint venture while it is sole funding expenditure or has a majority interest in the joint venture.

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Probable Ore Reserves

The estimate of Probable Ore Reserves relating to the Halleys East deposit were first announced to the market on 30 October 2013. The Company confirms it is not aware of any new information or data that materially affects the information included in those market announcements and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not changed.

Exploration

This announcement contains information extracted from the following announcements which are available for viewing on the Company's website www.beaconminerals.com:

- 3 December 2015 Follow-Up Aircore Drilling At Sandstone West Project

The Company confirmed it is not aware of any new information or data that materially affects the information included in this announcement relating to exploration activities carried out at the Sandstone West Project

Golden Raven Prospect and all material assumptions and technical parameters underpinning the exploration activities in those market announcements continue to apply and have not been changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Disclaimer

This ASX announcement (Announcement) has been prepared by Beacon Minerals Limited ("Beacon" or "the Company"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Beacon, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Beacon.

By its very nature exploration for minerals is a high risk business and is not suitable for certain investors. Beacon's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Beacon and of a general nature which may affect the future operating and financial performance of Beacon and the value of an investment in Beacon including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Beacon and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Beacon, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Beacon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future



performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.

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")

31 December 2015

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	38	2,947
1.2 Payments for		
(a) exploration & evaluation	(43)	(109)
(b) development	-	-
(c) production	(771)	(2,141)
(d) administration	(48)	(115)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	21	33
Net Operating Cash Flows	(799)	624
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(3)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	704
(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	(1)	701

+ 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)	(800)	1,325
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	10	10
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of debenture notes	-	(2,000)
1.18	Dividends paid	-	-
1.19	Other – Debenture Issue Expenses	-	(91)
	Net financing cash flows	10	(2,081)
	Net increase (decrease) in cash held	(790)	(756)
1.20	Cash at beginning of quarter/year to date	1,515	1,481
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	725	725

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	138
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	99
Accounting, corporate, bookkeeping and secretarial services	15
Hire of plant and equipment	24

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

+ See chapter 19 for defined terms.

- 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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	40
4.2 Development	-
4.3 Production	220*
4.4 Administration	150
Total	440

*Does not include any receipts from milling and costs of milling

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	105	129
5.2 Deposits at call	620	1,386
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	725	1,515

+ 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	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-

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				
7.3	1,495,470,963	1,495,470,963	-	-
7.4				
7.5	-	-	-	-

+ 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>	-	-	<i>Exercise price</i> -	<i>Expiry date</i> -
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
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
Director/Company Secretary

Date: 27 January 2016

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 and petroleum tenements acquired, exercised or lapsed during the

+ See chapter 19 for defined terms.

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

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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