



ASX ANNOUNCEMENT

30 May 2012

BEACON MINERAL LIMITED INTERIM COMPANY UPDATE

Beacon Minerals Limited ("Beacon" or "Company") is pleased to provide an interim update on the Company's progress at the Barlee Gold Project.

Since the appointment of your new Board on 19 March 2012 the Company has focused on progressing the status of the Halleys East Mining Proposal submitted to the Department of Mines and Petroleum ("DMP") in November 2011, reviewing the available geological and mining data, moving operational and administrative offices and reducing corporate overheads.

Halleys East Mining Proposal

An assessment of the Mining Proposal by the DMP revealed a number of deficiencies that are required to be rectified prior to the resubmission of the Mining Proposal to the DMP.

These include, but are not limited to haul road locations, ground water management and the provision of additional geotechnical data.

The Company has withdrawn the previously submitted Mining Proposal and has commenced addressing the matters raised by the DMP by engaging appropriate consultants.

A diamond and percussion drilling program has been scheduled for June – July 2012. Diamond drilling will be undertaken to address the requirement for additional geotechnical data for pit wall stability and the percussion drilling will be completed for ground water and dewatering assessment.

The previously submitted miscellaneous road licence with the DMP that anticipated hauling ore north through Lake Barlee has been withdrawn and a new application has been lodged with the DMP. The revised haul road location accommodates ore haulage to the north and / or east through Menzies.

Beacon has lodged a formal application to haul ore with the Shire of Menzies.

Once the additional information required to complete the Mining Proposal is finalised, Beacon will resubmit the Mining Proposal to the DMP. This is expected to be completed during the third quarter 2012.

Mining Options

The Company continues to explore a number of alternative options for bringing the Barlee Gold Project into production.

There has been strong interest from potential parties to treat ore within economical trucking distance. Negotiations will continue with these interested parties to provide the best financial and corporate outcome for Beacon from the Barlee Gold Project.

BEACON MINERALS LIMITED ACN 119 611 559

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Operational Changes

In addition to the above, since the appointment of your new Board, the Company has focused on reducing corporate overheads and relocating the mining operations to the Kalgoorlie office and administrative operations to the registered office in West Leederville.

This and other recent changes have led to significant reductions in corporate overheads including;

- Reduction of Chairman / Company Secretary daily contract fee of \$1,500 per day plus associated expenses. From 1 July 2012 to the date of retirement approximately \$182,000 of costs had been incurred;
- Reduction of Managing Directors daily contract fee of \$1,300 per day plus associated expenses. From 1 July 2012 to the date of retirement approximately \$208,000 of costs had been incurred;
- Reduction of geological staff salaries by \$85,000 plus associated expenses per annum;
- Termination of Administrative staff resulting in a saving of \$68,000 plus associated expenses per annum;
- Termination of \$10,000 monthly rental payment, a total of \$120,000 per annum plus outgoings; and,
- Significant reduction in marketing, travel and other expenditure.

The Directors confirm that there is currently no charge for the use of the Kalgoorlie or West Leederville offices.

These and other savings to the Company total over \$650,000 per annum.

Directors Remuneration

The Company has resolved to pay each of the Directors a salary of \$50,000 per annum plus statutory superannuation from April 2012.

Cash Position

At 31 March 2012, BCN had cash reserves of approximately \$614,000.

Shares on Issue

Ordinary Shares	995,073,426
\$0.27c Options Expiring 1 August 2012	150,000

Should shareholders have any questions regarding Beacon, please feel free to contact Managing Director Graham McGarry or Executive Director Marcus Michael on the numbers below.

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Managing Director
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