ASX ANNOUNCEMENT

30 October 2013

BEACON SET TO GENERATE CASHFLOW FROM HALLEYS EAST

Highlights

- **Beacon to accelerate mining operations with JORC 2012 - compliant Probable Reserve of 58,500t @ 10.6g/t and 20,000 ounces of contained gold**
- **Halleys East Gold Project forecast to generate significant cash surplus based on gold price of AU$1,350/oz and all in operating cost of $721/oz**
- **Final stages of $4.0m debenture issue, subject to shareholder approval being completed**
- **Milling agreement in place**
- **Western Australian State government approval to mine in place**

Beacon Minerals Limited (**Beacon** or the **Company**) is pleased to advise, subject to shareholder approval and the successful completion of the proposed $4.0m debenture issue, that it intends to accelerate mining operations at Halleys East.

Probable Mining Reserve
Beacon's geological model was prepared by Perth based resource geologist Byron Dumpleton of BKD Resources Pty Ltd and the Mineral Reserve compiled by Kalgoorlie based Gary McCrae of Minecomp Pty Ltd.

Minecomp Pty Ltd has prepared a pre-feasibility level open pit mine design study for the Halleys East Project. The pre-feasibility study resulted in a Probable Mining Reserve of 58,500t @ 10.6g/t containing 20,000 Au/oz. The pre-feasibility study results in the recovery of 18,430oz of gold at a cash operating cost per ounce of $685/oz.

Beacon are to pay a royalty to Duketon Consolidated Pty Ltd (**Duketon**) of $36.00 per ounce of gold recovered for a total all in operating cost of $721/oz. An advance payment of $250,000, representing the first 6,944 ounces of recovered gold has already been paid to Duketon.

Mining Operations
The Halleys East campaign is expected to be completed within 18 months of commencement of operations.

The Company has all the relevant Western Australian State government approvals to allow mine development at the site.

The mine camp has been established and preliminary work has commenced on topsoil and overburden removal. A trial grade control drilling programme at Halleys East has been completed.

Ore mined at Halleys East will be trucked through Menzies to FMR Investments Pty Ltd Greenfields mill in Coolgardie. Beacon will pay FMR a fixed toll milling fee per tonne of ore processed (see 22 October 2013 ASX announcement, "Milling Agreement and Interim Funding").

Managing Director Graham McGarry said "The Company is finally poised to ramp up operations at Halleys East subject to the successful debenture issue. The board will continue to focus on maximising shareholder value from the Halleys East Gold Project whilst consciously minimising corporate and overhead costs."

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	Graham McGarry	Marcus Michael
Executive Chairman	Managing Director	Executive Director
Beacon Minerals Ltd	**Beacon Minerals Ltd**	**Beacon Minerals Ltd**
M: 0419 991 713	M: 0409 589 584	M: 0418 908 091

Competent Persons Statement for Halleys East Gold Project

The information in this report that relates to Exploration Results is based on information compiled by Lyle Thorne a Consultant Exploration Geologist through his company Abbyrok Pty Ltd. Mr Thorne is a member the Australasian Institute of Mining and Metallurgy. Mr Thorne has sufficient experience of relevance to the style of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Addition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Thorne consents to the inclusion in this report of the matters based on information in the form and context in which it appears for the Exploration Results prior to December 2011. Mr. Thorne, a member of Lards Super Fund AC, owns 1,089,459 shares in the Beacon Minerals Limited.

The information in this report that relates to Mineral Resource Estimation is based on information compiled by Mr Byron Dumpleton a Consultant Resource Geologist through his company BKD Resources Pty Ltd. Mr Dumpleton is a member of the Australian Institute of Geologists. Mr Dumpleton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Dumpleton consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Mineral Reserves is based on information compiled by Gary McCrae, Mining Engineer and full time employee of Minecomp Pty Ltd. Mr McCrae is a corporate member the Australasian Institute of Mining and Metallurgy. Mr McCrae has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Resources Committee, the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia." Gary McCrae consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

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.*	• The Halleys East deposit was delineated using Reverse Circulation (RC) and Diamond Core (DC) drilling. A total of 138 RC, 4 Dc tails and 3 core holes have been completed. Holes were sited on a nominal 20 x 20m grid and were generally orientated to the Grid West (330^{o}) at -60^{o}. A total of 23 RC holes were drilled vertically into the main area of mineralisation to validate previous results and the 2011 resource model in 2012 (BRC401 to BRC423). • The drill hole locations were located by handheld GPS and following drilling the majority were picked up using DGPS by independent contractors. Down hole survey using Eastman Camera (at collar and EOH) or Reflex Multi-shot tool during drilling or down hole surveying was completed following drilling. For the holes drilled during the 2012 Infill drilling campaign (BRC401 to BRC423) no down surveys were conducted. • RC drilling was used to obtain 1m samples from which 3kg was pulverized to produce a 30g charge for Fire Assay and ICP-OES finish. Diamond core was HQ size for metallurgical hole (BD001) and NQ_2 size for diamond tails off RC pre-collars. Core was split and half-core was collected over 1m intervals within mineralised zones.
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).*	• RC drilling accounts for the majority of the drilling completed. A 140mm face sampling hammer was used. Depths ranged from 40m to 144m. • Diamond core drilling comprised 1 HQ_3 hole from surface and 5 NQ_2 core 'tails' for Core was orientated using spear method. Pre-collar depths ranges from 60 to 100m. RC holes with DC tails ranged in depth form 158 to 246m.
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*	• Drill core and RC samples recoveries are recorded on the geological logs. There were no major recovery issues observed in the drilling. • RC samples are checked and moisture content, possible contamination and recoveries are noted. Core is reconstructed in continuous lengths and depths marker annotated and checked against core blocks. Any issues are discussed with the drilling

Criteria	JORC Code explanation	Commentary
	loss/gain of fine/coarse material.	contractor. There were no major issues noted. • No relationship appears to exist between recovery and grade.
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.*	• Core holes were geotechnically logged as part of logging process. Two core holes were drilled specifically to test geotechnical aims. All RC chip samples are placed in 1m intervals in chip trays and geologically logged. • Logging of both RC and Core samples recorded lithology, alteration, mineralisation, degree of oxidation, fabric and colour. Core was photographed in both dry and wet form. All RC 1m intervals are stored in plastic chip trays, labeled with interval and hole number. • All RC and core samples were logged in full.
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.*	• Half core was collected and samples on 1m intervals • The preparation of both RC and core samples follows best industry practice. This involves oven drying, coarse crushing (core-only), pulverization of total sample using LM5 mills until 85% passes 75 micron. • Field QA/QC involved field duplicates of RC samples to test repeatability for drilling prior to December 2011. No QA/QC was conducted for 23 Infill/ Resource confirmation holes. • A total of 23 vertical RC holes were drilled into the deposit to validate earlier angled RC holes and resource model. Results of this program were consistent with grade expectations and the complexity of the style and the nature of the resource and confirming grade distribution. • The sample sizes are considered appropriate to the grain size of the material being sampled. Repeatability of higher grade material was generally good.
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.*	• All assays were conducted at accredited assay laboratories. The analytical technique used is Fire Assay from a 30g charge with an ICP_OES finish. This is considered appropriate for the total dissolution of silica based material for gold. All drilling during the 2012 program (23 holes) were re-assayed using 500 g leachwell. • N/A • Laboratory QA/QC samples were involving the use of blanks, duplicates, standards (certified reference materials), replicates as part of in-house procedures. Standard, Repeat and duplicate assays for drilling prior to December 2011 and are within acceptable limits of accuracy for this style of deposit. For Drilling during 2012 QA/QC was

Criteria	JORC Code explanation	Commentary
		controlled by the Accredited Laboratory SGS-Kalgoorlie.
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.*	• Significant intersections have been verified by the field geologist(s), Exploration Manager and Directors. • No twinned holes have been completed. • Geological data was collected using handwritten log sheets which detailed geology (weathering, structure, alteration, mineralisation), sampling quality and intervals, sample numbers, QA/QC and survey data. This data, together with the assay data received from the laboratory and subsequent survey data were entered into Access databases and verified. • N/A
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.*	• The majority of drill collar positions were picked-up using DGPS by independent contractors. Eastman single shot cameras or Reflex Multi-shot tools were used to collect down hole survey information. Gyroscopic downhole tools were also used to collect survey information subsequent to the completion of drilling where possible. • Grid system is GDA 94 Zone 50. Local grid has also been used for estimation purposes and geological interpretation and drill planning. The local grid is design so that sections are approximately perpendicular to the average strike of the resource. The grid has a rotation of 50 degrees to the west. • Surface RL data collected using DGPS. Some holes not picked up by DGPS were assigned the average topographic height. Topography around the resource is flat with minimal variance in the Halleys East area.
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.*	• Drill holes for Halleys East were completed on a nominal 20 x 20m or 20 x 30m grid with drilling down to 10 x 10m between 20020mN to 20130mN which covers the majority of the main ore zones. • The drill spacing is adequate for the grade continuity and is appropriate for Mineral Resource and Ore Reserve estimation. • Samples were composited to1 metre lengths.
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.*	• Both inclined and vertical RC drilling has been completed within the mineralised zones with good correlation observed between data sets. • No orientation based sampling bias has been identified in the data to date.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Chain of Custody is managed by the Company. Samples are stored on site generally in polyweave bags containing 5-10 samples. The bags are securely tied and freighted directly to the laboratory in secure cages with appropriate documentation listing sample numbers and analytical methods requested.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Re-sampling of mineralised RC intervals using a riffle splitter has been completed. These were submitted to an Umpire Laboratory. A total of 126 pulp duplicates for Halleys East resource area was evaluated. The regression for the splits as with the duplicates demonstrates very good correlation. Based on QA/QC analysis at the percussion chip level the Halleys East mineralisation show very good reproducibility for drilling prior to December 2011. No QA/QC was conducted for the 2012 Infill/Resource model confirmation drilling.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• All assay results are checked against unique samples numbers. Pre-numbered bags are checked and samples numbers are routinely checked whilst RC drilling against the interval to minimize errors. A sampling sheet detailing pre-number sample numbers and core intervals is completed during the sampling process of core. Assay data is received via email and verified against the Access database. Current database is stored and Managed by Minecomp Pty Ltd, Kalgoorlie.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Mr. Lyle Thorne, acting as a Competent Person for the geology and exploration portions of the Table was involved with the project from 2007-2011 and has made numerous site visits during this time, often during drilling programmes. He was part of the team that developed the Geological Interpretation for the Halleys East Deposit.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• The confidence in the global geological model is considered good for this style of deposit. Gold mineralisation defined to date occurs proximal to the contact between sheared felsic porphyries and mafic-ultramafic rocks. The Halleys East Prospect is masked beneath ~ 6m of transported laterite/soils. The overall shear system for the Halleys

Criteria	JORC Code explanation	Commentary
	• *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	East resource has to date been interpreted as shallow to moderate dipping mineralized horizons contained within a steep to near vertical shear system. The zones with the greatest areas of mineralized continuity have developed within the oxide boundary, with the mineralization breaking up and forming more discrete zones within the fresh rock. These mineralized zones have develop a supergene cover which a dispersed laterally both along and across strike. Mineralisation within fresh rock appears to be associated with, but not limited to, intrusive quartz-feldspar porphyries and quartz veining with host rocks exhibiting increased amounts of disseminated sulphides, dominantly Pyrite (4<8%) with rare occurrences of Pyrrhotite and Arsenopyrite (<1%). Where quartz veining and/or porphyry is absent, mineralisation is associated within heavily sheared mafic-ultramafics exhibiting similar amounts of sulphides and distinct biotite alteration in areas. • The geological interpretation has been based on geological and grade boundaries. Due to high grades, tight mineralization boundaries were developed to prevent the potential of over spreading the high grade zones. • Alternative interpretations can have an effect for both volume of the ore zones and grade. • The continuity of the intrusive felsic porphyries can be variable, due to their intrusive nature. Secondary, post-mineralisation faulting appears to have a minimal impact in the areas of good continuity.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Halley's East Deposit is based on several discrete shoots over an area approximately 170 m north - south, 120 m east - west and with mineralisation starting from a depth of 5 to 15 m below the surface to a depth of approximately 20 to 100m below the surface, with shoot lengths ranging from 20 to 80 m.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• The resource estimation for grade was estimated using Ordinary kriging. The software package for the grade estimation, variography and geological interpretation was Surpac. Only Gold was estimated Search radius of 30 metres in line of the variography range. Anisotropy was used for the search ellipsoid with a minimum of 10 and maximum of 30 samples used for the estimation. Estimation of grade was within interpreted hard grade boundaries based on a nominal 0.3 G/t Au with a minimum of 2m down hole. Extreme grades were domained separately to prevent the over spreading of grade.

Criteria	JORC Code explanation	Commentary
	• *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Halleys East is a maiden resource with no mining history. • No deleterious elements were estimated. • The resource was modelled using a 10 mN by 5 mE by 5 mZ with sub celling down to 2.5 mN by 1.25 mE and 1.25 mZ. Each ore domain has been flagged and modelled separately. • The Z direction selected at 5 metres to reflect the possible selected mining bench height. • N/A • Ore grade boundries were defined within the Halleys East shear zone. • A top cuts were set to the 97.5 percentile with cuts ranging from 1.2 to 71 Au g/t pending on domain. • Block model volume validation was validated against ore solid wireframes for each ore domain. Block model validation for grade was conducted both by visually expecting model sections by northings at 10 metre increments, by benches at 5 metre increments and by swath plots by section northings. In summary as it can be demonstrated in the swath blots the block model tends to overestimate at the edges of the domains.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on dry bases.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The nominal 0.3 g/t Au cutoff grade used for the mineralized interpretation was chosen as this appears to reflect the natural background grade cutoff.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Only assumption made regarding to possible mining practices is the setting of the model in the Z direction to 5 metres with sub celling to 2.5 metres. The most likely bench height for open pit mining (+/- 1m). No account has been taken for mining dilution along or across strike.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made*	• Metallurgical test work was conducted by AMMTEC on ½ HQ drill core. 43.5kg from hole BD002 and 8 kg form BRC113D. The metallurgical test work indicates that the resource will be suitable for Cyanide extraction. As typical for most ore bodies of this style and nature. Grade recoveries are expected to be approximately 94 % for

Criteria	JORC Code explanation	Commentary
	when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	oxide, approximately 90% for transitional and 92% for Primary.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Project Management Plan for Halleys East Mine has been submitted to the Government of Western Australia Department of Mines and Petroleum and has been approved on 26 June 2013 for tenements M77/1254 and L77/243 for the commencement of mining. (Project No 12736, Registration ID 37959).
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• For the Halleys East resource bulk density values were determined for Oxide, Transitional and Fresh material from drill core. • A total of 232 density measurements were determined on diamond core samples using the 'Archemides Method' (weight in air v's weight in water). Picnometer measurements (52) were used to confirm average density values. • Bulk density was assigned by weathering/material type interpreted from geological logging. The average value from the density measurement for the weathering/material type was assigned to the resource model. Values are 2.14 for Oxide, 2.71 for Transitional and 2.97 for Fresh.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Classification of the resource is based on drilling density, geological confidence and the position of the shoots within the main shear. For this resource Indicated and Inferred material has been classified. Indicated material has been defined by drill spacing of approximate 10m x 10m. Areas of the resource classified as Inferred is based on a nominal drill spacing of 20m x 20m or greater. • The drill density and input data is comprehensive in its coverage for the resource to allow reasonable confidence for the tonnage and grade distribution. • The Mineral Resource estimated appropriately reflects the view of the competent person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No External Audits have been conducted. This is a maiden resource and no mining has occurred.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC code. • The statement relates to global estimate of tonnes and grade. • No production data is available.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource estimate used as the basis for the conversion to an Ore Reserve comprised a standard SURPAC block model format file titled “halleys_east_20oct2013_rev1.mdl”. The ordinary krigged, 97.5% top-cut gold grade attribute was the gold grade estimate used for this Ore Reserve study and was also the attribute used for the announced Mineral Resource estimate. Additional attributes contained within this Mineral Resource estimate model and utilise for the purpose of this Ore Reserve Study were density, weathering and the resource classification. • The Mineral Resources are reported inclusive of the Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• No site visits were undertaken. • Digital images coupled with the simplistic nature of the topography indicated that any site visit would be of little, if any additional benefit, with regards to the generation of the open pit mine design and subsequent calculation of the Ore Reserve estimate.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore.* • *Reserves.*	• An open pit optimisation and subsequent safe, practical and workable open pit mine design study to pre-feasibility level standards

Criteria	JORC Code explanation	Commentary
	• *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	has been performed and generated for the Halleys East Prospect .
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• Cut-off grades were calculated using the formula:-(Sum of Treatment Costs)/[(Mill Recovery)*(Gold Price-Royalty). • Costs included ore haulage and milling costs, grade control costs and the ore/waste differential costs.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The Mineral Resource was converted to an Ore Reserve by initially performing an optimisation study using Whittle software and then completed by generating a detailed, safe, practical and workable open pit mine design based upon the results of the Whittle optimisation study. • The Halleys East Prospect is readily amenable to open pit mining using standard open pit mining techniques and equipment. It has been assumed that the equipment selected to mine the deposit will be suitable to the geometry, size and geological setting of Halleys East Prospect. • Geotechnical parameters used throughout the course of the study were as recommended in the MINEGEOTECH, geotechnical assessment dated 15th November 2012. • Grade Control drilling consist of 10m long, vertical RC holes drilled on a 4m x 4m square pattern. Sampling would occur at 1m intervals. • A mining dilution factor of 20% @ 0.00g/t was incorporated in the Ore Reserve calculations. This figure was considered adequate for a deposit of the geometry, size and geological setting of the Halleys East Prospect. • A mining recovery factor of 95% was incorporated in the Ore Reserve calculations. This figure was considered adequate for a deposit of the geometry, size and geological setting of the Halleys East Prospect. • As Halleys East has no previous mining history no allowances were made for minimum mining widths. • Any portion of the Inferred Mineral Resource which is extracted as a consequence of mining the proposed open pit design has been classified as waste material. Inclusion of the Inferred Mineral Resource would result in a less than 5% increase in profitability.

Criteria	JORC Code explanation	Commentary
		• Infrastructure requirements include site and administration offices, laydown and service areas, on-site camp and associated messing facility, explosive magazines, dewatering bores and fuel storage tanks.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The weathered portion (oxide and transitional) of the Ore Reserve is to be treated through a conventional CIP/CIL processing plant. The primary portion of the Ore Reserve is to be treated through a flotation calcination and cyanidation circuit. Both methods will be conducted at Third Party Toll Treatment facilities. • Both methods of metallurgical processing are considered as proven methods of treatment for the ore types in question. • Sufficient representative composite samples of each of the various ore types within the Halleys East Mineral Resource have been metallurgical tested through accredited metallurgical testing laboratories. Metallurgical testwork achieved recoveries of 94% for oxide material and 90% for transitional material through a CIP/CIL processing plant. Further the metallurgical testwork achieved a recovery of 92% for the primary ore composite when processed through flotation, calcination and cyanidation. • Metallurgical testwork indicated that the high arsenic content primary ore required an alternative treatment path to the free milling oxide/transitional material. Further, the metallurgical testwork indicated that the use of a flotation calcination and cyanidation circuit would maximize the metallurgical recovery. • Bulk sample testing and the establishment of pilot scale testwork were deemed inappropriate for the scale of the operation being contemplated. • The ore reserve estimation has been classified as oxide, transitional and primary. Further areas of high arsenopyrite content within the primary ore have been identified and delineated.
Environmen-tal	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• The waste rock characterizations, residue storage and waste dump design have all been addressed in the Mining Proposal and Project Management Plans, which have been lodged and approved by the Western Australian Department of Minerals and Petroleum.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the*	• The infrastructure, availability of land, power, water, ore haulage, labour and accommodation have all been addressed in the Mining Proposal and Project Management Plans, which have been lodged

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	infrastructure can be provided, or accessed.	and approved by the Western Australian Department of Minerals and Petroleum.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• The projected capital costs and assumptions made were based upon the costs experienced on recent similar sized operations. • The mining operating cost estimates and assumptions were based upon the current industry standard for operations of similar size and nature. Ore milling charges are based figures quoted during discussions between Beacon (BCN) and various regional custom milling facilities. • Allowances for the deleterious high arsenic content primary ore has been made through the selection of an alternative milling process which is at a significantly increased milling cost. • All costs used throughout this study are in Australian dollars. • Supplier quoted prices have been used for ore transport costs. • Gold refining is to be performed by Australian Gold Refineries. The refining charge is of such minor magnitude that it has not been included in the financial evaluation. • The Western Australian Stage Gold Royalty of 2.5% of revenue and a 3rd Party Royalty of $36/oz recovered have been catered for in the Ore Reserve calculations and subsequent financial evaluations.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• A gold price of AUD$1,350/oz has been used for the basis of the Ore Reserve calculations and subsequent financial evaluations.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• All gold produced is to be marketed through Australian Gold Refineries in Perth, Western Australia.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.*	• As the Project is expected to be completed in under 18 months no discount rate has been applied. • Deemed not applicable.

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	• *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Social impacts have all been addressed in the Mining Proposal and Project Management Plans, which have been lodged and approved by the Western Australian Department of Minerals and Petroleum.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• No material naturally occurring risks has been identified for the Halleys East Prospect. • All gold produced will be marketed to the Western Australian based Australian Gold Refineries. • The necessary Mining Proposal and Project Management Plans have been lodged with the Western Australian Department of Minerals and Petroleum. Subsequently the Western Australian Department of Minerals and Petroleum have granted BCN all the necessary approvals to commence open pit mining of the Halleys East Prospect.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• Ore Reserves for the Halleys East Prospect have been classified as Probable as per with JORC Code 2012. • This classification appropriately reflects the Competent Person's, Gary McRae's view of the deposit. • No proportion of the Probable Ore Reserves have been derived from Measured Mineral Resource.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The Ore Reserve estimates have been reviewed by the board and upper management levels of Beacon Minerals Limited. Further comparisons have been made to historical ore reserve estimates for the Halleys East Deposit. Both avenues of review give additional confidence to this Ore Reserve estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local*	• Factors which have the potential to affect the global Ore Reserve estimate include the gold "spot" price, the Ore Resource estimate in terms of resource geometry, estimated gold grades and the depth of weathering, mining dilution and mining recovery factors and the metallurgical recovery factors applied. With the proposed open pit design indicating highly robust economics (with estimated all-in operating cost of Au$721/oz) it would be more than reasonable to conclude that the Halleys East Prospect would yield a high profitable open pit, even allowing for variation in the factors which have the

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	estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	potential to affect the Ore Reserve estimate.