

ASX ANNOUNCEMENT

15 May 2014

HALLEYS EAST FIRST GOLD POUR AND PROGRESS UPDATE

Beacon Minerals Limited (**Beacon** or the **Company**) is pleased to advise that it has completed its first milling campaign at the FMR Greenfields processing facility.



First Bullion from FMR Investments Pty Ltd Mill in Coolgardie

The ore processing resulted in 8,613 dmt being milled with an overall mill feed grade of 7.35 gpt. This included the low grade flush ore processed at the completion of the higher grade ore. The average mill recovery was 89.76%.

The processing confirmed that:

1. The grade control drilling, ore block determination and truck dump sampling procedures being used on site have been confirmed by the mill feed grades of the first high grade ore (8.70 gpt vs predicted 9.23 gpt) and the flush ore (2.98 gpt vs predicted 2.77 gpt) processed.
2. The clay ore from the upper zones is high in moisture and presented some handling and classification issues during the processing. This will improve as mining moves deeper into the ore profile.
3. FMR operating personnel were able to react quickly to develop the milling conditions for this ore type.

BEACON MINERALS LIMITED ACN 119 611 559

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Road haulage and ore deliveries have been affected by a succession of rainfall events in both the Menzies and Coolgardie Shires.

At the end of April 2014 Beacon had mined in excess of 402,000 bank cubic metres (BCM's) which represents 62.8% of the final pit design. To date a total of 40,000 tonnes of ore have been mined.

Waste to ore ratios will improve significantly as mining progresses.

Careful grade control has resulted in 20,000 tonnes of high grade and lower grade flushing ore being stockpiled for cartage to the mill.

Managing Director Graham McGarry said "This is a significant milestone for Beacon. From the date the current board took control in March 2012 it has taken just over 24 months to obtain DMP mining approval, debt and equity fund the project and complete the first gold pour. This has been achieved in what must be considered the most difficult period in recent history for small miners and explorers.

"There has been a huge effort put in by our small team of staff and contractors who have all contributed to this Company milestone.

"Beacon will continue to take a conservative and cautious approach to the way we run the business."

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.

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