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## **ASX ANNOUNCEMENT**

25 January 2007

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
4<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

### **QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2006**

#### **HIGHLIGHTS**

##### **Greenvale**

- Completion of 14 holes for 1,486 m of RC drilling at the Cockie Prospect, with significant results received including 34m @ 1.0% Cu and 3m @ 9.1 g/t Au.
- Commencement of regional exploration including soil and rock chip sampling along the Cockie mineralized trend, with results to 5% copper returned from rock chip samples.
- Heads Of Agreement with Glengarry Resources to earn an 80% interest in the Lucky Creek Project, tripling the Company's ground holding and providing access to advanced zinc, copper and gold prospects.

##### **Barlee**

- Granting of E77/1297 allowing drilling to be fast-tracked for early 2007.
- Integration of all historical data and identification of new targets at Pioneer Project.

## QUEENSLAND

### **GREENVALE PROJECT - Cockie Prospect (See Map 1 attached)**

A total of 14 RC drill holes for 1,486 m were completed over 500 m of strike at the Cockie Prospect, which represents the first drilling in the Greenvale project area for 15 years. The drilling aimed to define the shallow oxide mineralisation at the Cockie Prospect, with additional holes drilled to +150 m depth testing deeper portions for primary sulphide mineralisation. The mineralisation occurs within and proximal to the contact between the Cockie Springs Tonalite, a porphyritic intrusive rock, as well as metamorphosed sediments and volcanics belonging to the Lucky Creek Group.

Results for the first three holes, CRC01-03 were received, with significant results presented below. All holes were drilled towards -60° to 328°, with the exception of CRC 013 which was drilled towards 128° due to rig access issues.

Hole	East	North	Depth (m)	From (m)	Result
CRC001	267440	7904335	91	13	11 m @ 0.5% Cu, 0.13g/t Au
CRC002	267380	7904295	100 <i>inc.</i>	0 8	100 m @ 0.56% Cu, 0.11g/t Au, 1.1g/t Ag 34 m @ 1.0% Cu, 0.16g/t Au, 1.4g/t Ag, 150ppm Mo
CRC003	267267	7904270	100 <i>inc.</i> <i>inc.</i> <i>inc.</i>	20 52 80 81	45 m @ 0.4% Cu, 0.11g/t Au, 1.2g/t Ag 13 m @ 0.54% Cu, 0.2g/t Au, 1.2g/t Ag, 140ppm Mo 3 m @ 9.1g/t Au 1 m @ 17.8g/t Au

*Samples collected at 1 metre intervals via cyclone and 75:25 splitter, sent to ALS Chemex in Townsville. Gold analysed via Fire Assay and AAS finish. Base Metals analysed by Aqua Regia digest and ICP-AES. Maximum of 2m of internal dilution, at +0.3% Cu.*

Although broad-spaced drilling completed by the previous explorer intersected significant Copper (Cu) - Gold (Au) mineralisation, no systematic assaying for other mineral elements was completed.

Beacon has analysed for a range of mineral elements, including Molybdenum (Mo), and Silver (Ag), and Mo to 0.1%, Cu to 3.2%, Au to 0.8g/t and Ag to 5 g/t were returned over individual metres within the oxide profile.

The gold intersection of 3 m @ 9.1g/t Au in CRC003 is a new, previously unrecognized zone of mineralisation which is hosted in an altered amphibolitic schist with silica-carbonate veining and 5-10% fine grained pyrite. This zone occurs below the main zone of Cu-Au mineralisation. A historical drill hole, P17 completed nearby, was terminated at 40 m and would not have intercepted either the new high grade gold zone or the copper-gold mineralisation. See Map 2 attached for more information.

Results from the remaining holes will be reported next quarter.

## Regional Exploration

Regional rock chip sampling programs returned several anomalous results. Sampling was completed west of the Company's drilling at Cockie and also south of outcropping gossans anomalous in base metals at One Mile Dam, located 5 kms southwest of Cockie.

Sample	East	North	Cu	Au (g/t)	Zn (ppm)	Ag (g/t)
474230	266425	7904160	0.1%	0.17	-	0.6
474231	266300	7904280	5.4%	0.23	250	4.4
474235	262293	7901600	0.13%	-	-	0.2
474237	262118	7901490	-	-	700	0.3

### Cockie-style mineralisation (Cu-Au)

Two samples collected approximately 700 m west of Beacon's drilling and along strike from Cockie assayed 5.4% Cu, 0.23g/t Au and 4.4 g/t Ag, and 0.17g/t Au, 0.6g/t Ag and 0.1% Cu from malachite stained gossaneous material. Systematic soil sampling has been completed in the area (see below).

### One Mile Dam – (Base Metals)

At the One Mile Dam prospect, the Company is targeting Balcooma-style base metal mineralisation in felsic volcanics. Reconnaissance rock chip sampling targeting extensions to the known base metal mineralisation has discovered new gossans up to 800 m south of the original area discovered by previous explorers. The samples returned peak assay values to 0.13% Cu and 700 ppm Zn. Systematic soil sampling is planned in the area to further define the anomaly prior to initial drill testing.

### Soil Sampling

Regional soil sampling commenced during the quarter, with a total of 990 soil samples collected and sent to ALS-Chemex in Townsville for analysis of Gold (Au), Copper (Cu), Silver (Ag), Zinc (Zn), Cobalt (Co), Lead (Pb), Molybdenum (Mo) and Uranium (U).

Samples were collected at 50 m intervals along 200 m spaced grid lines and covered over 4-5 km of strike to the northeast and southwest of the Cockie Prospect, as well as targeting regional Balcooma-style base metal targets to the east of Cockie. Results are expected in early 2007.

The sampling completed to date covers approximately 20% of the interpreted Cockie mineralized trend targeted by Beacon, and the soil sampling program will resume in early 2007.

## **Lucky Creek Joint Venture – Glengarry Resources Ltd.**

The Company has entered into a Heads of Agreement with Glengarry Resources Ltd (ASX Code: GGY) (“Glengarry”) relating to a joint venture on tenements surrounding the Greenvale Project. The tenements cover 195 square kilometres, which effectively triples Beacon’s ground holding in the area to over 300 square kilometres. See Map 3 attached.

The Lucky Creek Group is interpreted to be analogous to the Balcooma Metavolcanics, which host Kagara Zinc’s Balcooma, Surveyor and Dry River South deposits some 15 kilometres to the west.

Under the terms of the JV agreement, Beacon must spend \$850,000 over three years to earn 80% equity in the tenements, with Glengarry free-carried until the completion of a positive feasibility study. Beacon must spend \$125,000 in the first six months after signing the joint venture document before it can elect to withdraw.

The JV tenements have received some moderate, although sporadic exploration over the last fifteen years, and a number of prospects that have been discovered require immediate investigation. The Cockie mineralised trend, which lies within Beacon’s tenure and is considered highly prospective for copper-gold-molybdenum mineralisation, has increased in length from 14 kms to at least 22 kms.

No exploration specifically targeting this style of mineralisation along the contact of the Cockie Springs porphyritic Tonalite has been completed on the JV tenements, and the Company intends to extend its regional sampling programmes along strike as soon as possible.

### **Lucky Creek JV - Galah Dam Prospect**

Within the new JV ground, at the Galah Dam Prospect, Homestake Mining and Glengarry have completed RC and limited diamond drilling within metamorphosed felsic volcanics belonging to the Lucky Creek Group targeting Volcanic-hosted massive sulphide (VMS) mineralisation (Cu-Zn-Au-Ag).

This work resulted in the discovery of stringer-style disseminated base metal sulphide mineralisation in the felsic volcanics. Significant intercepts including **16m @ 4.5% Zn, 1.1 g/t Au, 0.5% Cu, 13 g/t Ag (inc. 5m @ 8.5% Zn), 9m @ 2.4% Zn, 1.1 g/t Au, 0.1% Cu and 13 g/t Ag, 8m @ 3.5% Zn, 0.2g/t Au (inc. 1m @ 6.9% Zn) , 27m @ 1.3% Zn, 0.3g/t Au**, although not all holes were analysed for base metals.

The drilling has only tested 200m of strike within the felsic volcanic sequence, which is known to occur for over 10 kilometres within the tenement.

Beacon plans to complete detailed exploration including ground based geophysics over the felsic volcanic sequence to locate further drilling targets.

Combined with the Company's 100% owned One Mile Dam base metals prospect, Galah Dam gives Beacon access to two highly prospective, but historically lightly explored areas, in a potentially new VMS-style base metal district.

At One Mile Dam, previous drilling intersected massive sulphide lenses anomalous in copper, zinc and gold. whilst geological mapping located other gossans away from the area drilled that returned gold assays up to 1.8g/t Au.

Ground EM surveys located a strong conductor to the north of the drilling as well as a large bullseye magnetic target to the south of the known gossans, which have not been followed up.

### **Steam Engine Gold Prospect**

At Steam Engine, located south of the Cockie Prospect, Homestake (in the early 1990's) intersected shear hosted gold mineralization in drilling over 300 m within a 1500 m long gold in soil anomaly, including **8 m @ 3.57g/t Au, 9 m @ 4.8 g/t Au, 6 m @ 4.9 g/t Au, 9 m @ 3.5 g/t Au, 10 m @ 2.7 g/t Au and 18 m @ 1.7g/t Au.**

Wide spaced drilling at other prospects returned gold intercepts including 4 m @ 3.5 g/t Au from limited, shallow drilling. No drilling has been completed since this time. Shear hosted gold mineralisation occurs at surface in a number of other parallel structures, and large gold in soil anomalies with peak results to 1.6 g/t Au have been returned from prospects up to 3 km from Steam Engine. These prospects have yet to be drill tested.

Regional soil, rock chip and stream sediment sampling programmes completed by both Glengarry and past explorers have detected other areas worthy of follow-up work which are prospective for both copper and gold. Beacon will integrate all previous data into their exploration database to identify other priority targets.

## **WESTERN AUSTRALIA**

### **Barlee Project**

Exploration licence E77/1297 (BCN:80%) was granted during the quarter at the Company's Barlee Project located 200km north of Southern Cross.

Beacon will accelerate its exploration activities by commencing a 6,000 metre RAB-Aircore drilling program in January 2007.

### **Pioneer Project**

At the Pioneer Project, located 30km north of Norseman, previous exploration data was collated and new target areas identified. These are to be tested in the first half of 2007.

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Attachments:

For further information contact

#### **General Enquiries**

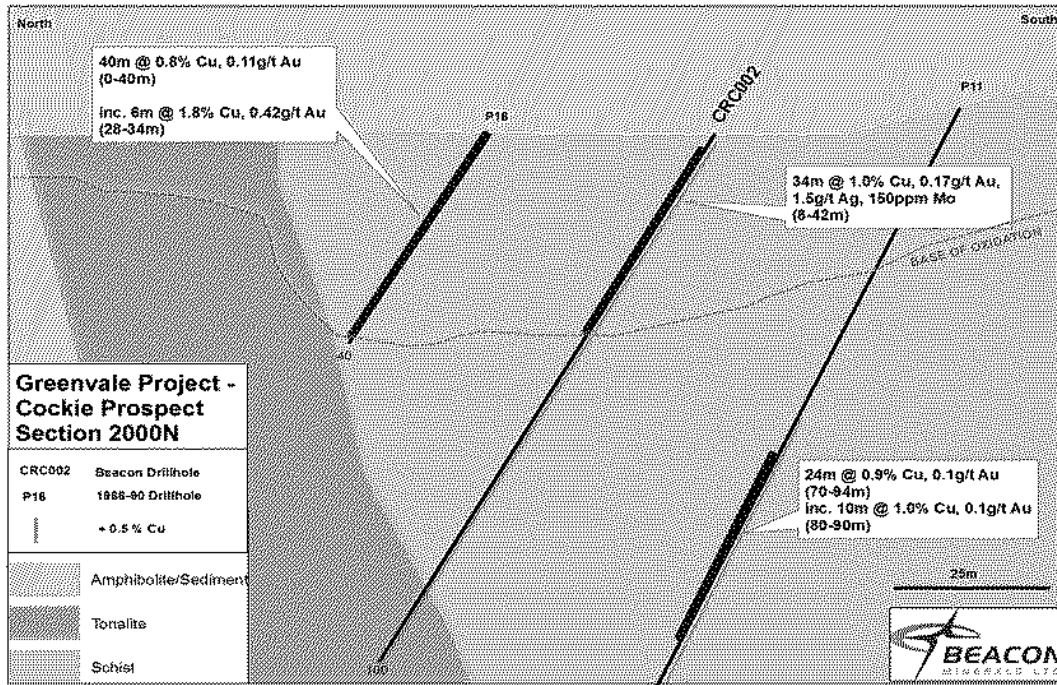
Lyle Thorne  
Managing Director  
Tel: (08) 9476 9200  
[www.beaconminerals.com](http://www.beaconminerals.com)

#### **Media Enquiries**

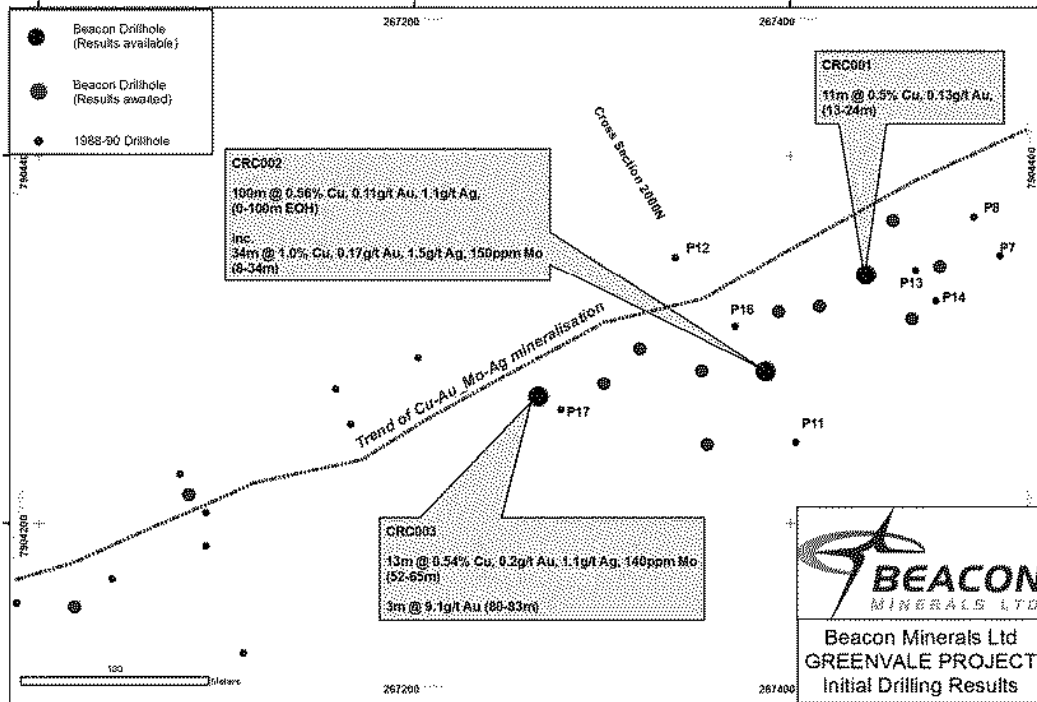
Tony Dawe  
Dawe Media Group  
Mob: 041 3322 110

In accordance with Listing Rules 5.6 of the Australian Stock Exchange, the technical information contained in this report has been compiled by Mr. Lyle Thorne, a full time employee of Beacon Minerals Ltd. Mr. Thorne is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience with the mineralisation reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Mineral Resources and Reserves. Mr. Thorne consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

**Map 1. Greenvale Project – Cockie Prospect**

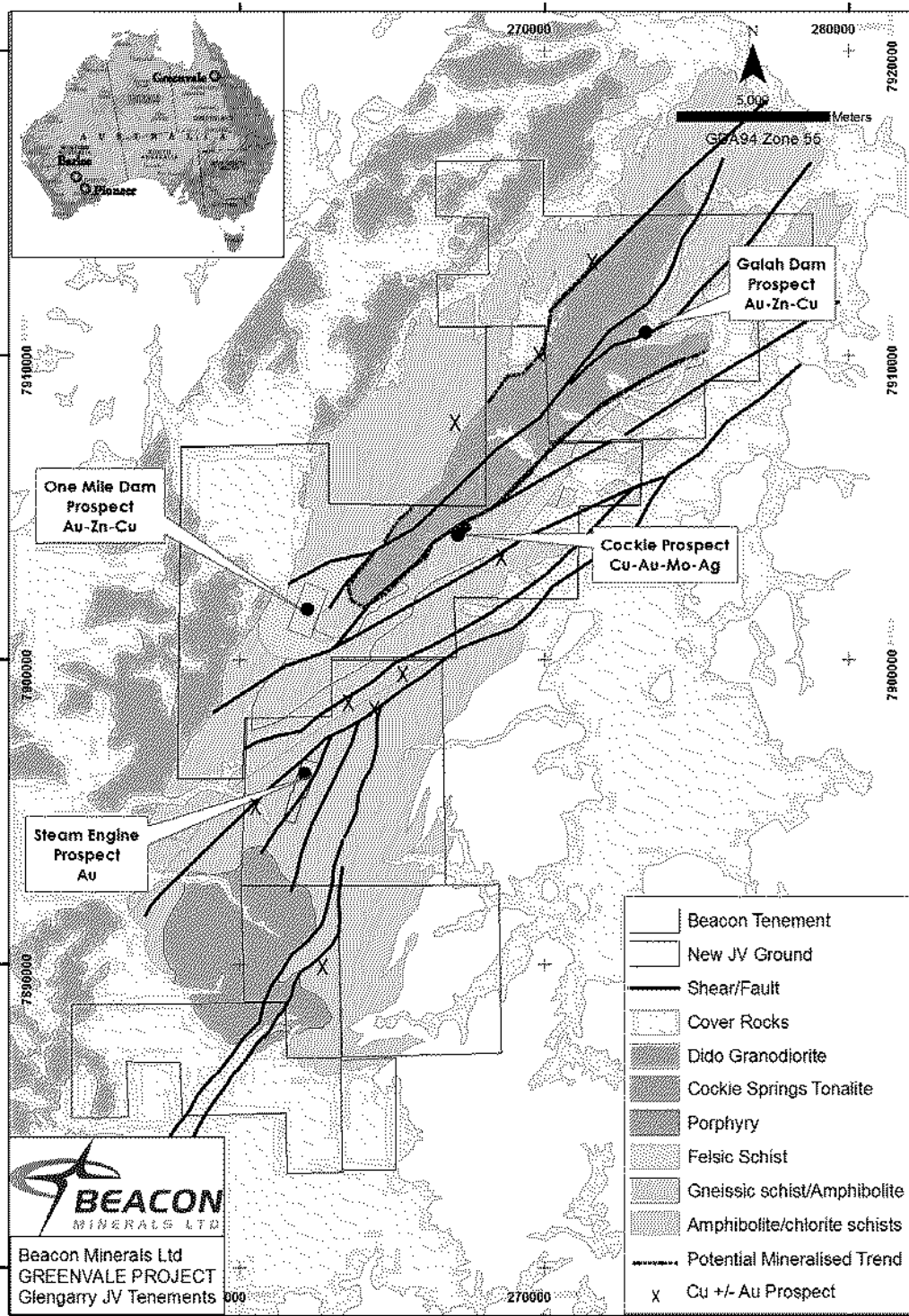


## Map 2. Greenvale – Initial Drilling Results





Map 3. Beacon/ Glengarry JV tenements, Greenvale, QLD



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Beacon Minerals Limited

ABN

64 119 611 559

Quarter ended ("current quarter")

31 December 2006

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (...6...months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(190)	(219)
(b) development	-	-
(c) production	-	-
(d) administration	(67)	(74)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	33	35
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(224)</b>	<b>(258)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(4)	(4)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(4)</b>	<b>(4)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(228)</b>	<b>(262)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(228)	(262)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	2,331	4,203
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue expenses	(216)	(307)
	<b>Net financing cash flows</b>	2,115	3,896
	<b>Net increase (decrease) in cash held</b>	1,887	3,634
1.20	Cash at beginning of quarter/year to date	1,838	91
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	3,725	3,725

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.2	Aggregate amount of payments to the parties included in item 1.2	44
1.2	Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions

Consulting fees and salaries.

**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

Not Applicable

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

Not Applicable

+ See chapter 19 for defined terms.

### 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	380
4.2 Development	-
<b>Total</b>	<b>380</b>

### 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	725	1,838
5.2 Deposits at call	3,000	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,725</b>	<b>1,838</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

**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)	Amount paid up per security (see note 3)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	33,850,000	21,543,750		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	22,400,000	20,000,000		
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and Conversion factor)</i>	<i>Incentive Options</i> 6,000,000 1:1	Nil	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 31/05/2011

+ See chapter 19 for defined terms.

7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	<b>Debentures</b> (totals only)			

### 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: \_\_\_\_\_  
(Company Secretary)

Date: 25 January 2007

Print name: Paul Lloyd

### 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 acquired, exercised or lapsed during the 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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+ See chapter 19 for defined terms.