



ASX RELEASE

27-Jan-11

The company continued exploration activities during the quarter at the Barlee Gold Project, located 200km north of Southern Cross in Western Australia. The following activities were completed:

- Completion of regional Aircore drilling program
- Commencement of detailed airborne geophysical survey
- Acquisition of additional tenements proximal to the Barlee gold project
- Completion of initial metallurgical test work at Halleys East.

Drilling - A total of 105 Aircore holes for 4,618m were completed at three prospect areas, Eastside, Halleys NE and Russell. This regional program was aimed at further defining and extending prospects/anomalies identified from exploration drill results received in earlier programs at the three prospects. Detailed results and collar locations are provided in Attachments 1 to 4.

Significant results from the assays received include:

- **12m @ 1.12 g/t Au**
- **28m @ 0.43 g/t Au (inc. 8m @ 0.8 g/t Au)**
- **16m @ 0.36 g/t Au (inc. 4m @ 0.92 g/t Au)**
- **20m @ 0.37 g/t Au (inc. 4m @ 1.19 g/t Au)**
- **4m @ 1.56 g/t Au**
- **4m @ 3.6 g/t Au**
- **4m @ 0.92 g/t Au**
- **36m @ 0.31 g/t Au EOH (inc. 8m @ 0.75 g/t)**
- **6m @ 0.30 g/t Au EOH (inc. 2m @ 0.88 g/t Au)**
- **8m @ 0.56 g/t Au**
- **8m @ 0.55 g/t Au**

Stock Exchange

ASX: BCN

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Airborne Geophysical Survey - GPX Surveys commenced the ultra-detailed airborne geophysical survey during the quarter. Due to mechanical difficulties with the aircraft the completion of the survey had to be extended until early January 2011. The company now expects to receive preliminary data in late January 2011.

Tenement Acquisition -The company entered into an option agreement to purchase tenements adjacent to its Barlee Gold Project. These additional tenements will increase the landholding in the area by approximately 100 square kilometres and provide substantial upside exploration potential for the company. This option agreement is for the purchase of tenements E77/1711, E77/1712, E77/1713 and E77/1714 (see Attachment 5). Beacon may elect by 30 November 2011 to earn a 100% interest in the tenements by paying the Vendor the sum of \$100,000 plus \$15,000 reimbursement of costs incurred.

The tenement area covered by the option agreement totals approximately 100 square kilometres and includes highly prospective greenstone mineralisation as well as contact zones with granite and banded iron formations. This provides substantial landholding in addition to the 300 square kilometres currently held by Beacon.

Metallurgical Testwork - The company released results of preliminary metallurgical testwork completed on diamond core composite sample from Halleys East Deposit. The results of this testwork show that the oxide material from Halleys East is free milling and amenable to conventional Carbon In Leach processing with recoveries to 96%.

Key process parameters were:

- Bond Work Index of 10.8 Kwh/t – medium hardness ore
- Standard grind size applicable for gold recovery
- Up to 23% of gold may be recoverable by gravity techniques
- 96% recovery at -75 micron and 24 hour residence time

Should you have any questions in relation to the above matters, please contact the undersigned on telephone (08) 9476 9200.

For and on behalf of
BEACON MINERALS LIMITED



Darryl Harris
Managing Director

Attachment 1 – Aircore Drilling Summary
Attachment 2 – Significant Aircore Drilling Results
Attachment 3 – Eastside Collar Location Map
Attachment 4 – Russell Collar Location Map
Attachment 5 – Barlee Project Tenement Location Map

The information in this report, as it relates to:

- A) *Exploration Results, is based on information compiled and/or reviewed by Mr. Lyle Thorne who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).*
- B) *Resource Estimates, is based on information compiled and/or reviewed by Mr. Byron Dumbleton who is a member of the AIG (Australian Institute of Geoscientists).*
- C) *Metallurgical and Processing Estimates are based on information compiled and/or reviewed by Mr. Darryl Harris who is a member of the AusIMM.*

All persons have the relevant experience with the mineralisation reported on to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". All persons consent to the inclusion in the report of the matters based on the information in the form and context in which they appear.

Down hole widths quoted. Due to the preliminary nature of the exploration drilling, the company is unable to state if mineralised widths approximate true width. The Company also advises that it is uncertain as to whether further drilling in these areas will lead to the discovery of potentially economic mineralisation.

Attachment 1 – Aircore Drilling Summary

A total of 105 vertical and inclined aircore drill holes (BRB1697-1801, 4,618m) were completed at several prospect areas, Eastside 2 & 3, Halleys NE and Russell. Drilling was aimed at further defining and extending the anomalous RAB-Aircore geochemistry obtained from previous drilling programs.

Drilling at Eastside 3 returned several significant drill intercepts including **28m @ 0.43 g/t Au (inc. 8m @ 0.8g/t Au), 4m @ 3.6 g/t Au, 4m @ 0.92 g/t Au and 8m @ 0.55 g/t Au**. Mineralisation occurs in sheared basalts and saprolitic material, and has extended the Eastside 3 prospect to the northeast by approximately 250m. The anomalous zone is open along strike and at depth.

At Eastside 2, located approximately 400m west of Eastside 3 (see Attachment 3), two lines of Aircore drilling north of BRB1285 (20m @ 1.0g/t Au – June 2010) returned further anomalous assay results including **8m @ 0.56 g/t Au** and **12m @ 0.3 g/t Au**. This zone trends northeast for approximately 250m-300m and is open at depth and to the north.

Further anomalous gold intervals were also recorded from inclined infill Aircore drilling completed at Russell. The drilling, located on 25m-50m spaced traverses was designed to improve confidence in targeting initial RC drilling programs planned for Early 2011. Mineralisation was observed to occur in shallow lateritic material as well as in sheared mafics with associated quartz veining.

Significant intercepts include; **12m @ 1.12 g/t Au, 16m @ 0.36 g/t Au (inc. 4m @ 0.92 g/t Au), 36m @ 0.31 g/t EOH (inc. 8m @ 0.75 g/t Au), 6m @ 0.3 g/t Au EOH (inc. 2m @ 0.88 g/t Au), 20m @ 0.37 g/t Au (inc. 4m @ 1.19 g/t Au), 4m @ 1.56 g/t Au and 14m @ 0.4 g/t au EOH**.

At Halleys NE, anomalous gold was recorded in the two wide spaced traverses completed. Mineralisation is spatially associated with shearing in both mafic and granitic rocks. Anomalous gold mineralisation at Halleys NE occurs over a large area, and the company plans to use the ultra-detailed aeromagnetic data to aid in identification of subtle structural features that may be associated with bedrock mineralisation to help focus further drilling campaigns.

Attachment 2 – Significant Aircore Drilling Results

DHID	AREA	EAST_94	NORTH_94	AZ/DIP	DEPTH	FROM	RESULT (g/t)
BRB1697	Eastside 3	704500	6737450	00/90	67	36	28m @ 0.43
					Inc.	44	8m @ 0.8
BRB1698	Eastside 3	704550	6737450	00/90	74	68	6m @ 0.12 EOH
BRB1699	Eastside 3	704600	6737500	00/90	64	36	4m @ 0.1
BRB1700	Eastside 3	704550	6737500	00/90	57	48	8m @ 0.19
BRB1701	Eastside 3	704500	6737500	00/90	55	36	8m @ 0.2
						48	7m @ 0.1 EOH
BRB1703	Eastside 3	704550	6737550	00/90	48	32	4m @ 0.1
BRB1704	Eastside 3	704600	6737550	00/90	72	32	4m @ 0.1
BRB1705	Eastside 3	704650	6737550	00/90	66	60	4m @ 0.1
BRB1708	Eastside 3	704550	6737600	00/90	60	20	4m @ 0.1
						56	4m @ 0.1 EOH
BRB1709	Eastside 3	704500	6737600	00/90	34	16	4m @ 0.2
						28	4m @ 0.92
BRB1711	Eastside 3	704550	6737650	00/90	48	16	8m @ 0.55
						44	4m @ 0.3 EOH
BRB1712	Eastside 3	704600	6737650	00/90	69	20	4m @ 0.42
						44	4m @ 0.1
BRB1715	Eastside 3	704800	6737700	00/90	52	36	4m @ 3.6
BRB1716	Eastside 3	704750	6737700	00/90	41	20	4m @ 0.1
BRB1718	Eastside 3	704600	6737700	00/90	51	32	4m @ 0.1
BRB1719	Eastside 3	704550	6737700	00/90	39	20	19m @ 0.27 EOH
BRB1723	Eastside 3	704600	6737600	00/90	60	36	4m @ 0.1
BRB1729	Eastside 2	704100	6737800	00/90	50	20	12m @ 0.3
BRB1730	Eastside 2	704150	6737800	00/90	45	44	1m @ 0.15 EOH
BRB1735	Eastside 2	704150	6737850	00/90	43	20	8m @ 0.56
BRB1736	Eastside 2	704100	6737850	00/90	51	20	8m @ 0.25
BRB1738	Eastside 2	704000	6737850	00/90	57	20	8m @ 0.1
BRB1743	Halleys NE	705120	6738180	00/90	42	40	2m @ 0.21 EOH
BRB1745	Halleys NE	705020	6738180	00/90	45	28	4m @ 0.1
						40	4m @ 0.23
BRB1751	Halleys NE	705175	6738320	00/90	47	20	4m @ 0.2
						44	3m @ 0.1 EOH
BRB1752	Halleys NE	705225	6738320	00/90	45	45	1m @ 0.1 EOH
BRB1754	Halleys NE	705325	6738320	00/90	50	32	4m @ 0.19
BRB1769	Russell	703260	6738500	60/270	57	28	8m @ 0.19
BRB1773	Russell	703160	6738400	60/270	39	12	4m @ 0.12
BRB1780	Russell	703180	6738375	60/270	43	20	4m @ 0.29
BRB1781	Russell	703200	6738375	60/270	45	20	12m @ 0.1
						40	5m @ 0.1 EOH
BRB1782	Russell	703220	6738375	60/270	52	40	12m @ 0.2 EOH
BRB1784	Russell	703140	6738325	60/270	38	24	12m @ 0.29
BRB1785	Russell	703160	6738325	60/270	39	16	16m @ 1.12

						36	3m @ 0.1 EOH
BRB1786	Russell	703180	6738325	60/270	41	20	16m @ 0.36
					Inc.	28	4m @ 0.92
BRB1787	Russell	703200	6738325	60/270	48	40	8m @ 0.2 EOH
BRB1788	Russell	703165	6738275	60/270	30	16	14m @ 0.4 EOH
BRB1789	Russell	703090	6738225	60/270	30	0	12m @ 0.1
BRB1790	Russell	703110	6738225	60/270	39	4	4m @ 1.56
BRB1791	Russell	703130	6738225	60/270	41	4	20m @ 0.37
					Inc.	4	4m @ 1.19
BRB1792	Russell	703150	6738225	60/270	42	4	28m @ 0.24
BRB1793	Russell	703170	6738225	60/270	39	24	12m @ 0.32
BRB1795	Russell	703070	6738175	60/270	30	0	4m @ 0.2
BRB1796	Russell	703090	6738175	60/270	18	0	4m @ 0.45
BRB1797	Russell	703110	6738175	60/270	36	0	8m @ 0.4
						16	4m @ 0.3
RB1798	Russell	703130	6738175	60/270	30	0	20m @ 0.22
						24	6m @ 0.3 EOH
					Inc.	28	2m @ 0.88
BRB1799	Russell	703150	6738175	60/270	36	0	36m @ 0.31
					Inc.	28	8m @ 0.75
BRB1800	Russell	703170	6738175	60/270	39	4	4m @ 0.1
BRB1801	Russell	703190	6738175	60/270	42	0	4m @ 0.1

Results calculated at + 0.1 g/t, with maximum of 1 sample internal dilution.

Repeat assays averaged.

Samples collected as composite samples to a maximum of 4m

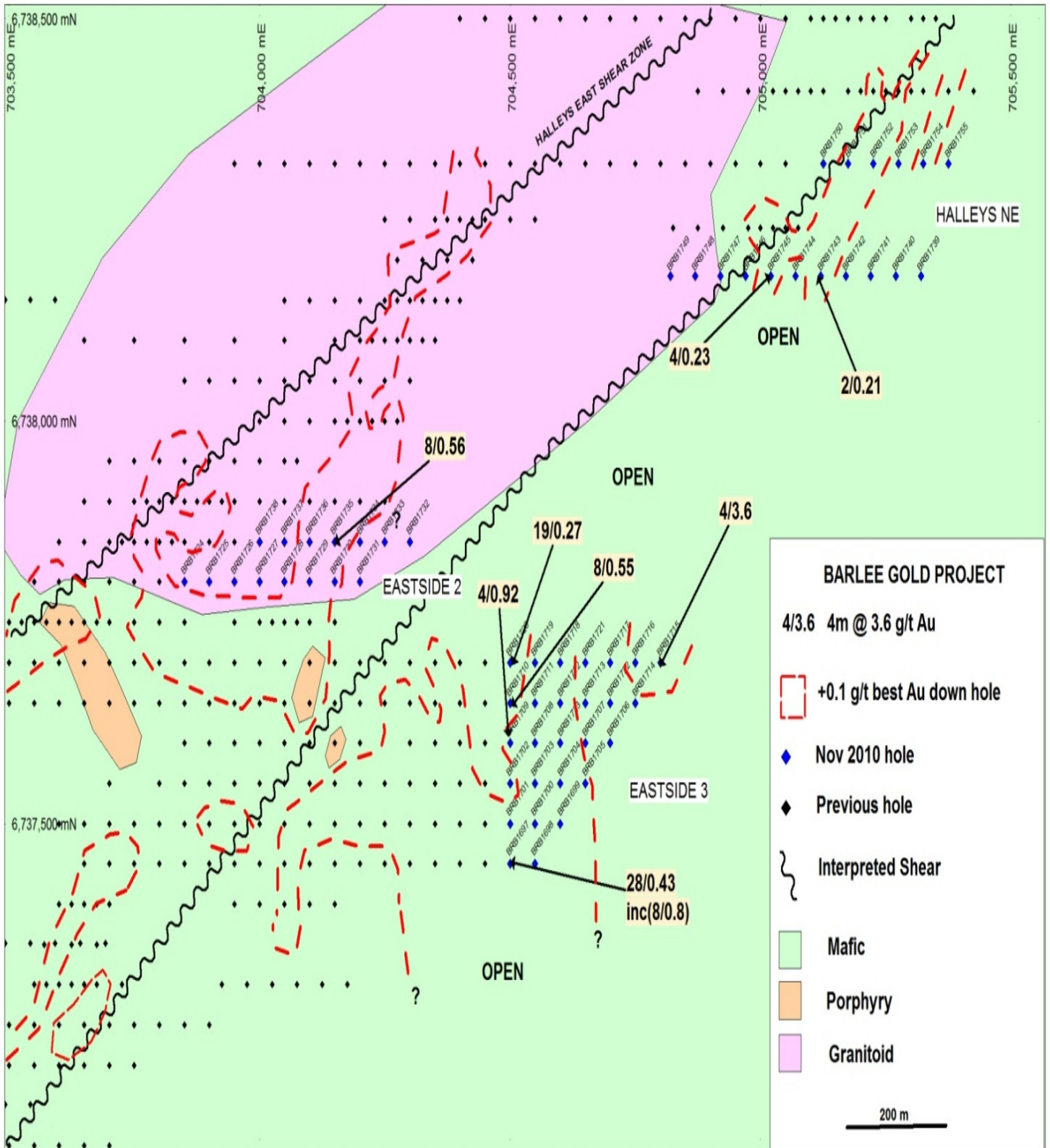
Duplicate samples inserted routinely.

Assays sent to Inspectorate Kalassay in Kalgoorlie. Gold determination via Fire Assay-AAS Finish to 0.01 ppm DL.

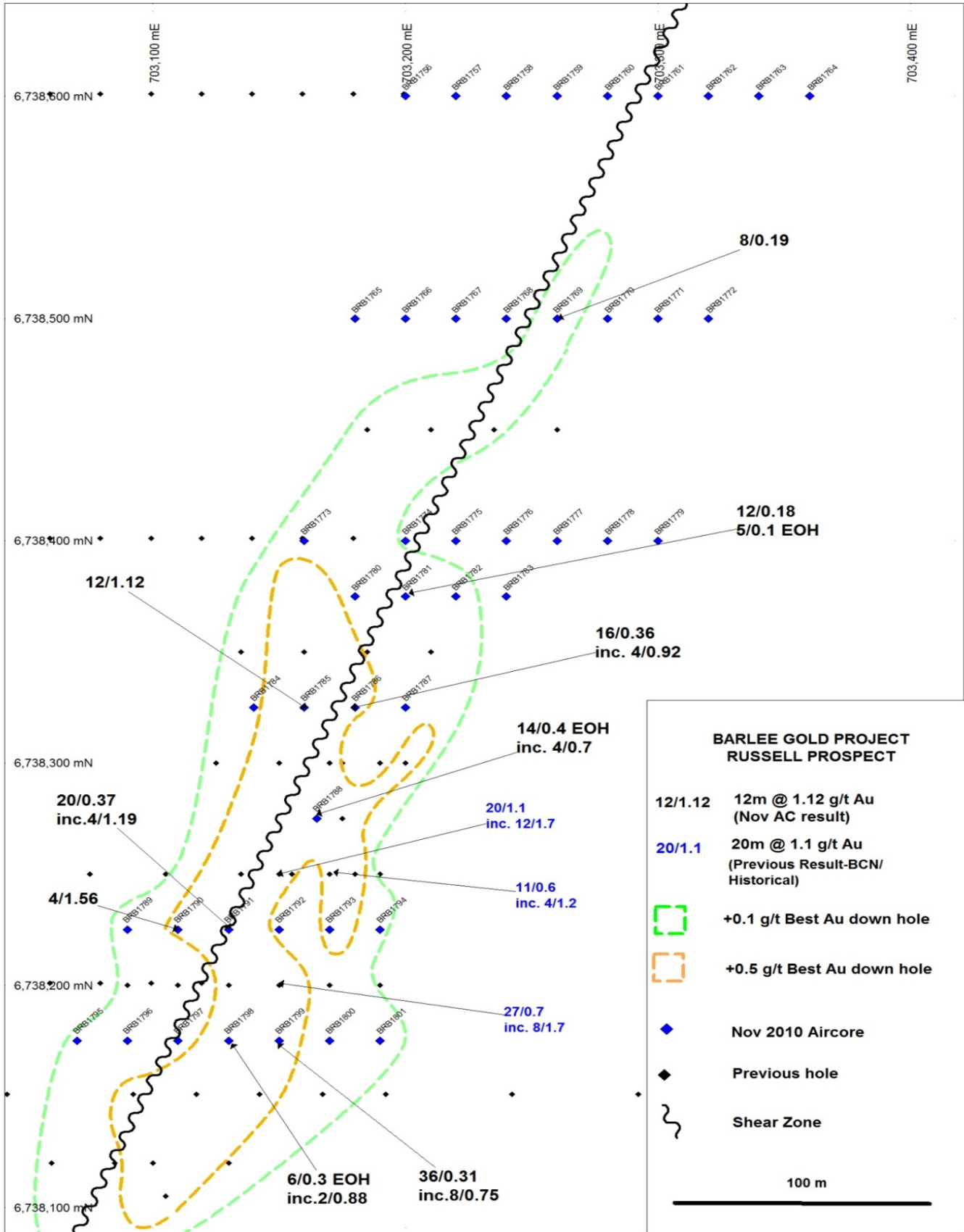
All holes drilled to blade refusal.

Au = gold, EOH= End of Hole

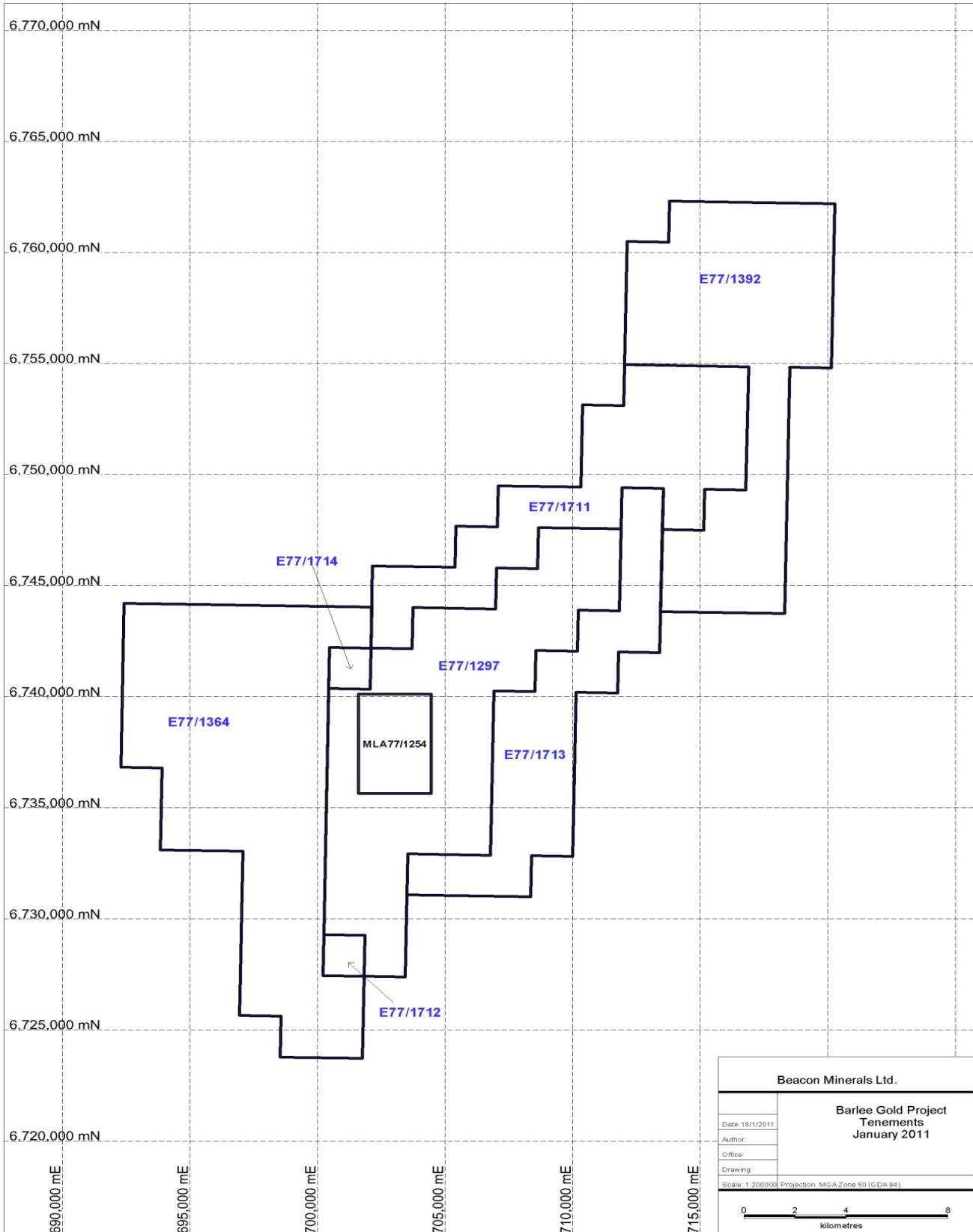
Attachment 3 – Eastside Collar Location Map



Attachment 4 – Russell Collar Location Map



Attachment 5 – Barlee Project Tenement Location Map



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 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6.months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(428)	(1,608)
(b) development	-	-
(c) production	-	-
(d) administration	(222)	(530)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	57	104
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(593)	(2,034)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	(180)	(760)
(c) other fixed assets	-	-
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)	-	-
Net investing cash flows	(180)	(760)
1.13 Total operating and investing cash flows (carried forward)	(773)	(2,794)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(773)	(2,794)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	2,404
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 – Capital Raising costs	-	(139)
	Net financing cash flows	-	2,265
	Net increase (decrease) in cash held	(773)	(529)
1.20	Cash at beginning of quarter/year to date	4,431	4,187
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	Cash at end of quarter	3,658	3,658

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	134
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	1,000
4.2 Development	-
4.3 Production	-
4.4 Administration	270
Total	1,270

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	574	86
5.2 Deposits at call	3,084	4,345
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,658	4,431

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.

Appendix 5B
Mining exploration entity quarterly report

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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	995,073,426	995,073,426		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	15,000,000	15,000,000		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and Conversion factor)</i>	6,000,000 1:1 150,000 1:1	- -	<i>Exercise price</i> 20 cents 27 cents	<i>Expiry date</i> 31/05/2011 1/08/2012
7.8 Issued during quarter				

+ See chapter 19 for defined terms.

7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____
Director/Company Secretary

Date: 27 January 2010

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.