BEACON MINERALS LIMITED

ABN 64 119 611 559

2012 ANNUAL REPORT

CORPORATE DIRECTORY

BOARD OF DIRECTORS
Geoffrey Greenhill – Executive Chairman
Graham McGarry – Managing Director
Marcus Michael – Executive Director

COMPANY SECRETARY
Sarah Shipway

REGISTERED OFFICE
Level 1, 115 Cambridge Street
WEST LEEDERVILLE WA 6007

T: 08 9322 6600
F: 08 9322 6610
E: admin@beaconminerals.com.au
W: www.beaconminerals.com.au

ASX Code: BCN

SHARE REGISTRY
Advanced Share Registry
150 Stirling Highway
NEDLANDS WA 6009

SOLICITORS
Steinepreis Paganin

AUDITORS
HLB Mann Judd

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Halleys East Mining Proposal Lodged

Beacon Minerals Limited ("Beacon" or "the Company") announced on the 24 November 2011 that it had submitted to the Department of Mines and Petroleum in Western Australia ("DMP") a Mining Proposal for the Halleys East resource located at its Barlee Gold Project, 200 kilometres north of Southern Cross.

Sale of Barlee Gold Project to Ramelius

On the 8 December 2011 the Company announced it had signed an agreement to sell Barlee Gold Project Mining Lease ML 77/1254, of which Beacon holds an 80% interest, to Ramelius for the following consideration:

- Payment of $4.0 million cash, representing reimbursement of exploration expenditure;
- Royalty of $80 per ounce for gold produced from 1 to 40,000 ounces from the ML;
- Royalty of $160 per ounce for gold produced from 40,001 to 100,000 ounces from the ML; and
- Royalty of 2.0% of the value of gold produced from the ML above 100,000 ounces.

To complete the sale, shareholder approval was required as a condition precedent under the terms of the sale agreement with Ramelius. The Company issued a notice of meeting to be held on 12 March 2012 to approve the sale.

S249D Notice to Remove Directors

On the 27 January 2012 Beacon received a S249D of the *Corporations Act* notice, requesting that the Company convene a meeting of shareholders to remove Paul Lloyd, Darryl Harris and Matthew Egan as Directors of the Company and appoint Geoffrey Greenhill, Graham McGarry and Marcus Michael as Directors of the Company.

Sale of Barlee Gold Project Voted Down at General Meeting

At the General Meeting held on 12 March 2012, shareholders voted down the approval sought to sell the Barlee Gold Project Mining Lease 77/1254 to Ramelius.

Change of Board

On the 19 March 2012 the Company advised that Graham McGarry, Geoff Greenhill and Marcus Michael had been appointed as Directors of the Company and Sarah Shipway appointed as Company Secretary.

Paul Lloyd, Darryl Harris and Matthew Egan had resigned as Directors of the Company effective 19 March 2012 and Paul Lloyd also resigned as the Company Secretary.

Significant Reduction in Corporate Overheads

Since the appointment of the 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. These and other operational changes have led to significant reductions in corporate overheads.

Progress the Halleys East Mining Proposal
An assessment by the DMP of the Halleys East Mining Proposal lodged in November 2011 by the previous Board revealed a number of deficiencies that are required to be rectified prior to the resubmission of the Mining Proposal.

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 to review the available geological and mining data.

The Company engaged, mobilised and completed diamond and reverse circulation drilling at Halleys East in June 2012.

The percussion drilling program was designed to:

a) Investigate ground water flows to satisfy requirements in respect to the preparation of the mining proposal; and
b) Complete infill drilling within the ore body to establish greater confidence in the ore zone.

The diamond drilling program was designed to:

a) Provide core to assist in the geotechnical pit design required by the DMP in respect of the mining proposal; and
b) Provide samples for additional metallurgical test work.

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

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

On the 11 September 2012 the Company announced the results of the reverse circulation and diamond drilling that was completed in June 2012 at Halleys East.

A total programme of 23 vertical RC holes *(BRC401-423)* for 1,177m was completed to infill the existing resource, while 2 angled geotechnical diamond holes *(HE003-004)* were completed for a total of 233.1m.

All assay results have been returned from the programme and the most significant intercepts (above 3g/t Au) are summarised in the table below. All intercepts represent uncut, down-hole intercepts and all gold analyses were conducted by Fire Assay with an AAS finish (0.01ppm Au detection limit) on individual 1m split samples.

Halleys East Gold Deposit - June 2012 RC & DDH Results

Hole ID	MGA Coords	Dip/ Mag Azi	Total Depth	Intercept	Geology
BRC401	703157E 6737500N	-90	57m	38-39m, 1m @ 27.00gt Au 42-43m, 1m @ 3.25g/t Au **47-50m, 3m @ 15.02g/t Au**	Mafic lower saprolite Mafic saprock Mafic saprock & fresh porphyry
BRC403	703130E 6737491N	-90	45m	12-13m, 1m @ 12.40g/t Au 26-27m, 1m @ 11.00g/t Au	Lower saprolite Mafic lower saprolite

Continued…

Hole ID	MGA Coords	Dip/ Mag Azi	Total Depth	Intercept	Geology
BRC405	703177E 6737585N	-90	75m	**57-64m, 7m @ 15.72g/t Au**	Silica(Si)-altered basalt
BRC406	703194E 6737566N	-90	81m	20-21m, 1m @ 3.12g/t Au **35-40m, 5m @ 9.33g/t Au**	Lower saprolite Lower saprolite & quartz veining
BRC409	703184E 6737528N	-90	70m	**38-48m, 10m @ 69.26g/t Au** **59-61m, 2m @ 12.06g/t Au** 66-70m, 4m @ 3.00g/t Au	Si-altered mafic/porphyry saprock Mafic saprock & fresh basalt Fresh basalt, some Si-alteration
BRC410	703178E 6737535N	-90	35m	19-23m, 4m @ 3.02g/t Au	Mottled clays & lower saprolite
BRC413	703182E 6737565N	-90	80m	19-22m, 3m @ 4.46g/t Au	Mottled clays
BRC414	703190E 6737541N	-90	50m	15-18m, 3m @ 3.53g/t Au 41-42m, 1m @ 4.23g/t Au	Mottled clays Mafic lower saprolite
BRC416	703166E 6737517N	-90	64m	16-20m, 4m @ 3.42g/t Au **48-64m, 16m @ 41.16g/t Au**	Mottled clays Si-altered basalt
BRC417	703161E 6737526N	-90	65m	**13-27m, 14m @ 9.62g/t Au** **36-39m, 3m @ 12.12g/t Au** 52-53m, 1m @ 3.40g/t Au	Mottled clays & lower saprolite Mafic lower saprolite Fresh basalt, minor porphyry
BRC419	703152E 6737518N	-90	50m	**14-17m, 3m @ 6.14g/t Au** **26-40m, 14m @ 12.30g/t Au**	Mottled clays Lower saprolite
BRC420	703144E 6737512N	-90	40m	**14-30m, 16m @ 11.98g/t Au** 33-34m, 1m @ 23.4g/t Au	Mottled clays & lower saprolite Lower saprolite
BRC421	703137E 6737505N	-90	40m	**15-17m, 2m @ 8.54g/t Au**	Mottled clays & lower saprolite
BRC422	703166E 6737503N	-90	65m	35-36m, 1m @ 6.21g/t Au 52-54m, 2m @ 4.14g/t Au	Mafic saprock & quartz veining Mafic saprock & Si-altered basalt
HE003	703215E 6737469N	-60/320	113.1m	**104-106m, 2m @ 11.52g/t Au** 109-111m, 2m @ 4.73g/t Au	Si-altered mafic & Si flooding Si-altered mafic & Si flooding

The results confirm the high-grade tenor of the Halleys East gold mineralisation.

The intercepts from diamond hole HE003 provide the deepest indication to date of the down-dip and/or down-plunge continuity of the Halleys East mineralisation.

Further investigation and drilling of the deeper mineralised system is warranted and will be conducted in due course. Final engineering, geotechnical, metallurgical, pit design and resource/reserve studies are currently in progress.

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 second half of 2012.

Other Opportunities

The Company intends to continue to pursue opportunities in the minerals sector in Australia and elsewhere, taking into account the geological and economic merits of any opportunities presented.

Percussion drill rig in operation at Halleys East – June 2012

Diamond drill rig in operation at Halleys East – June 2012

Capital Raising
On the 14 September 2012 the Company announced a 2 for 5 non-renounceable entitlements issue of shares at $0.004 per new share, to raise up to $1.592 million, before costs.

Existing shareholders were offered the opportunity to purchase two (2) new shares for every five (5) shares held by them as at the record date of 28 September 2012 at a price of $0.004 per share. In addition, for every one (1) share purchased under the entitlements issue, shareholders will receive one (1) free option.

The key terms of the free options are:

- the exercise price of each option shall be $0.005 cent each;
- the Company will apply to have the options quoted on the ASX;
- the expiry date of each option shall be 30 September 2015; and,
- options may be exercised at any time prior to expiry.

The entitlements issue will be made pursuant to a prospectus lodged with ASIC on the 17 September 2012 (the “Entitlements Prospectus”).

Upon full subscription of the entitlements issue of 398,029,370 shares, the number of ordinary shares issued by the Company shall increase from 995,073,426 to 1,393,102,796.

Beacon currently has no options on issue as part of its capital structure. Following the issue of the free options under the entitlements issue, a total of 398,029,370 options will be issued by the Company assuming full subscription.

The entitlement issue has been underwritten for $1,000,000. The Directors have underwritten $600,000 and a further $400,000 has been underwritten by other parties, being a total of 250,000,000 shortfall shares and 250,000,000 shortfall new options.

Shares on Issue
At the date of this report the Company had 995,073,426 fully paid ordinary shares on issue. The Company had no options on issue.

Competent Persons Statement
Information in the Directors Report entitled “Progress the Halleys East Mining Proposal” that relates to exploration and drilling results is based on information compiled by Greg Jorgensen, an independent, Kalgoorlie-based Consulting Exploration Geologist, who is a Member of The Australian Institute of Geoscientists. Mr Jorgensen has sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of The JORC Code. Mr Jorgensen consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Directors of Beacon Minerals Limited ("Beacon" or "the Company") submit herewith the annual financial report of Beacon Minerals Limited for the period 1 July 2011 to 30 June 2012. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company during the financial year and as at the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Geoffrey Greenhill AWASM, MAusIMM
Executive Chairman
Appointed 19 March 2012

Geoffrey Greenhill graduated from the Western Australian School of Mines obtaining an Associateship in Metallurgy in 1973. Mr Greenhill has held various senior metallurgical roles and has designed and commissioned ore processing facilities across Australia. He is highly respected within the mining industry and has a strong track record in creating shareholder value. Mr Greenhill and Mr McGarry have been business partners for 26 years and have had substantial success in developing mining projects in WA, SA, QLD and the NT. Both Directors' are based in Kalgoorlie WA.

During the past three years he has not served as a director of any other public companies.

Graham McGarry CPA, CD
Managing Director
Appointed 19 March 2012

Graham McGarry is an experienced and seasoned 'hands on' miner, with an impressive track record in turning early stage projects into viable and attractive investment propositions. Mr McGarry spent eight years with Amalg Resources NL as a Managing Director and was responsible for the development of the Eloise Copper Mine in Queensland from 'bare paddock' to an underground mine producing 500,000 tpa of copper/gold ore. Mr McGarry has developed numerous successful mining projects across Australia.

During the past three years he has not served as a director of any other public companies.

Marcus Michael CA, B.Bus
Executive Director
Appointed 19 March 2012

Marcus Michael is a Chartered Accountant and has over 20 years industry experience. He has provided consulting services to a broad range of public and private entities.

Marcus Michael has been involved with private equity consulting, capital and debt funding and corporate reconstruction since 1990 and is a Director of Marshall Michael Pty Ltd, Chartered Accountants.

Marcus Michael graduated from Curtin University in 1990 with a Bachelor of Business and has been a member of the Institute of Chartered Accountants since 1994.

During the past three years he has served as a director of the following public companies;

Company	Date of Appointment	Date of Resignation
Argent Minerals Limited	April 2007	Not Applicable
St George Mining Limited	October 2009	Not Applicable

Paul Lloyd CA, B.Bus, Chairman, appointed 9 May 2006, resigned 19 March 2012

On the 9 February 2012 the Company appointed Neil Fearis as an alternative director to Paul Lloyd. The appointment was made solely to enable Mr Fearis to chair the Shareholders meeting on 12 March 2012 and 27 March 2012.

On the 19 March 2012 the 249D notice provided to shareholders as part of a General Meeting Notice was withdrawn by the requisitioning shareholders. The withdrawal of the 249D notice eliminated the need for the 27 March 2012 shareholder meeting.

Paul Lloyd resigned as a Director on the 19 March 2012. Neil Fearis was no longer an alternative director from that date.

Darryl Harris B.Sc, MAusImm, Managing Director, appointed 31 July 2008, resigned 19 March 2012

Matthew Egan, Non-Executive Director, appointed 9 May 2006, resigned 19 March 2012

COMPANY SECRETARY

Sarah Shipway was appointed Company Secretary of Beacon Minerals Limited on 19 March 2012. Sarah has a Bachelor of Commerce from the Murdoch University and is a member of the Institute of Chartered Accountants in Australia.

DIRECTORS' INTERESTS

At the date of this report, the Directors held the following interests in Beacon Minerals.

Name	Ordinary Shares
Geoffrey Greenhill	10,825,000
Graham McGarry	20,375,000
Marcus Michael	6,800,000

On 10 September 2012 each of the Directors (through their respective related party entities) entered into agreements with the Company to underwrite a total of $600,000 of the shares issued under the Entitlement Issue Prospectus dated 17 September 2012. Under the agreements the Directors will be entitled to an underwriting fee of 5% of the underwritten amount.

Marshall Michael Pty Ltd Chartered Accountants, of which Marcus Michael is a Director, provided accounting, bookkeeping and secretarial services to the Company on ordinary commercial terms.

Other than the above the Directors' have no interest, whether directly or indirectly, in a contract or proposed contract with Beacon during the financial year.

SHARE OPTIONS

During the financial year the Company had on issue 150,000 options exercisable at $0.27 on or before 1 August 2012. During the year no options were exercised. At the date of this report the Company has no options on issue.

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration in Western Australia.

RESULTS AND REVIEW OF OPERATIONS

The result of the entity for the financial year ended 30 June 2012 is an after income tax comprehensive loss of $940,165 (2011: loss of $1,287,936).

A review of operations of the Company during the year ended 30 June 2012 is provided in the "Review of the Operations" immediately preceding this Directors' Report.

LIKELY DEVELOPMENTS

The Company's focus over the next financial year will be on its key project, the Barlee Gold Project. Further commentary on the Company's planned activities over the forthcoming year is provided in the Review of Operations.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Company during the financial year, other than those noted in this financial report.

ENVIRONMENTAL ISSUES

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' MEETINGS

During the financial year, 8 meetings of Directors were held. Attendances by each director during the year were as follows:

Name	Eligible to attend	Attended
G Greenhill*	3	3
G McGarry*	3	3
M Michael*	3	3
P Lloyd**	5	5
D Harris**	5	5
M Egan**	5	4

*****G Greenhill, G McGarry and M Michael were appointed to the Board on the 19 March 2012
******P Lloyd, D Harris and M Egan retired from the Board on the 19 March 2012

REMUNERATION REPORT – AUDITED

Remuneration policy

The remuneration policy of Beacon Minerals Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and equity related payments. The Board of Beacon Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive directors and other senior staff members is developed approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.

- Executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.

- The entity is an exploration entity and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the entity moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.

- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual General Meeting and is currently $250,000 per annum. Fees for non-executive directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

- At the Company's 2011 Annual General Meeting held on the 22 November 2011 the Company received its 'first strike' against its Remuneration Report. On the 19 March 2012 the Directors' in office during the 'first strike' resigned and new Directors' were appointed. The new Board responded to the 'first strike' by significantly reducing the Executive Director's base salaries.

Details of directors and executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the entity.

Directors	Position Held as at 30 June 2012 and any changes during the year
G Greenhill	Executive Chairman – Commenced 19 March 2012
G McGarry	Managing Director – Commenced 19 March 2012
M Michael	Executive Director – Commenced 19 March 2012
P Lloyd	Chairman – Retired 19 March 2012
D Harris	Managing Director – Retired 19 March 2012
M Egan	Non-Executive Director – Retired 19 March 2012

The Company does not have any executives that are not Directors.

Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive directors having regard to performance against goals set at the start of the year, relative to comparable information and independent expert advice.

Except as detailed in the Remuneration Report, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations Regulations, or the fixed salary of a full time employee of the Company.

Remuneration of directors and executives

Remuneration for the financial year ended 30 June 2012.

	Short Term Benefits		Post Employment Benefits	Long Term Benefits	Equity settled share-based payments		
Directors	**Salary and Fees $**	**Non-Monetary (i) $**	**Superannuation $**	**Long Service Leave $**	**Shares/Options (ii) $**	**Termination Benefits $**	**Total $**
G Greenhill							
2012	12,500	264	1,125	-	-	-	**13,889**
2011	-	-	-	-	-		-
G McGarry							
2012	12,500	264	1,125	-	-	-	**13,889**
2011	-	-	-	-	-		-
M Michael							
2012	12,500	264	1,125	-	-	-	**13,889**
2011	-	-	-	-	-		-
P Lloyd							
2012	132,000	2,785	-	-	-	50,000	**184,785**
2011	265,000	2,626	-	-	-	-	**267,626**
D Harris							
2012	158,600	3,345	-	-	-	50,000	**211,945**
2011	240,500	2,626	-	-	-	-	**243,126**
M Egan							
2012	16,000	338	1,440	-	-	-	**17,778**
2011	24,000	2,626	2,160	-	-	-	**28,786**
Total							
2012	**344,100**	**7,260**	**4,815**	**-**	**-**	**100,000**	**456,175**
2011	**529,500**	**7,878**	**2,160**	**-**	**-**	**-**	**539,538**

(i) Non-monetary benefits are for directors' and officers' liability and legal expense insurance premiums.

(ii) No options or shares were granted as part of remuneration.

Employment contracts of directors and executives

On the 25 January 2012 the Company renewed the services agreements with the two executive directors, Darryl Harris and Paul Lloyd. A summary of the service agreements is as follows:

- The agreements were entered into on 2 March 2010 and have a term of 2 years;
- The agreements were renewed on the 25 January 2012 for a further 2 years;
- The remuneration is based on days worked at $1,300 and $1,500 per day for Darryl Harris and Paul Lloyd respectively;
- On termination of the engagement by the Company or the executive, a period of 3 months notice is required;
- On termination of the engagement by the Company, the Company will pay fees being the average of the fees paid during the first year of consulting and the estimated annual fee payable during the second year of consulting. If the executive terminates the engagement within 12 months of a change of control occurring over the operation and shareholder base of the Company, the Company will pay fees being the average of the fees paid during the first year of consulting and the estimated annual fee payable during the second year of consulting.

Paul Lloyd and Darryl Harris resigned from office on 19 March 2012.

The Company has entered into an executive services agreement with Mr Geoffrey Greenhill, Mr Graham McGarry and Mr Marcus Michael (collectively the Directors) whereby the Director receives remuneration of $50,000 per annum plus statutory superannuation. The agreement provides that the Director will be paid a salary from 1 April 2012. The agreement may be terminated subject to a 3 month notice period.

On 10 September 2012 each of the Directors (through their respective related party entities) entered into agreements with the Company to underwrite a total of $600,000 of the shares issued under the Entitlement Issue Prospectus dated 17 September 2012. Under the agreements the Directors will be entitled to an underwriting fee of 5% of the underwritten amount.

Equity based remuneration payments

During the financial year ended 30 June 2012 no equity was granted to directors as part of their remuneration.

END OF REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the year the Company agreed to pay an annual insurance premium of $7,260 (2011: $7,878) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty.

SHARE OPTIONS

Unissued shares

The Company at 30 June 2012 had 150,000 unlisted options on issue, none of these options were exercised and they lapsed on 1 August 2012.At the date of this report there are no options on issue.

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

EVENTS SUBSEQUENT TO BALANCE DATE

On the 1 August 2012 the 150,000 unlisted options on issue lapsed.

On the 14 September 2012 the Company announced a 2 for 5 non-renounceable entitlements issue of shares at $0.004 per new share, to raise up to $1.592 million.

Existing shareholders will be offered the opportunity to purchase two (2) new shares for every five (5) shares held by them as at the record date of 28 September 2012 at a price of $0.004 per share. In addition, for every one (1) share purchased under the Entitlements Issue, shareholders will receive one (1) free option.

The key terms of the free options are:

- the exercise price of each option shall be $0.005 cent each;
- the Company will apply to have the options quoted on the ASX;
- the expiry date of each option shall be 30 September 2015; and,
- options may be exercised at any time prior to expiry.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of the affairs of the Company in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2012 has been received, forms part of the directors' report and can be found on page 38 of the financial report.

NON-AUDIT SERVICES

The Company's auditor, HLB Mann Judd, did not provide any non-audit services to the Company during the financial year ended 30 June 2012.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the directors.

GEOFFREY GREENHILL
Executive Chairman
Dated this 24 September 2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

Australian Dollar ($)	Note	30 JUNE 2012 $	30 JUNE 2011 $
REVENUE FROM CONTINUING OPERATIONS	3	**85,117**	**194,307**
EXPENDITURE			
Administration expenses	4	1,287,483	1,474,219
Exploration and development expenditure written off	10	51,960	8,024
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		**(1,254,326)**	**(1,287,936)**
Income tax refund/(expense)	5	314,161	-
LOSS FROM CONTINUING OPERATIONS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**(940,165)**	**(1,287,936)**
OTHER COMPREHENSIVE INCOME			
Revaluation to fair value	12(c)	(332,392)	243,399
Income tax relating to components of other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS		**(1,272,557)**	**(1,044,537)**
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**(1,272,557)**	**(1,044,537)**
LOSS PER SHARE			
Basic and diluted	15	(0.09)	(0.14)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

Australian Dollar ($)	Note	30 JUNE 2012 $	30 JUNE 2011 $
CURRENT ASSETS			
Cash and cash equivalents	15(a)	409,720	1,688,368
Trade and other receivables	7	378,174	87,262
Other assets	8	5,485	5,259
TOTAL CURRENT ASSETS		**793,379**	**1,780,889**
NON CURRENT ASSETS			
Other financial assets	9	771,543	1,114,700
Plant and equipment	10	4,297	11,682
Deferred exploration expenditure	11	5,910,857	5,467,268
Other asset	12	27,000	27,000
TOTAL NON CURRENT ASSETS		**6,713,697**	**6,620,650**
TOTAL ASSETS		**7,507,076**	**8,401,539**
CURRENT LIABILITIES			
Trade and other payables	13	448,621	70,527
TOTAL CURRENT LIABILITIES		**448,621**	**70,527**
TOTAL LIABILITIES		**448,621**	**70,527**
NET ASSETS		**7,058,455**	**8,331,012**
EQUITY			
Issued Capital	14(a)	21,958,170	21,958,170
Reserves	14(c)	(88,993)	960,032
Accumulated losses	13	(14,810,722)	(14,587,190)
TOTAL EQUITY		**7,058,455**	**8,331,012**

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

Australian Dollar ($)	ISSUED CAPITAL $	SHARE OPTION RESERVE $	EQUITY BENEFITS RESERVE $	FAIR VALUE RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
BALANCE AT 1 JULY 2010	**19,468,839**	**169,250**	**547,383**	**-**	**(13,299,254)**	**6,886,218**
Total comprehensive loss	-	-	-	234,339	(1,278,876)	(1,044,537)
Shares issued during the year	2,627,206	-	-	-	-	2,627,206
Shares issue expense	(137,875)	-	-	-	-	(137,875)
Transfer from share option and equity benefits reserves	-	-	-	-	-	-
BALANCE AT 30 JUNE 2011	**21,958,170**	**169,250**	**547,383**	**243,399**	**(14,587,190)**	**8,331,012**
BALANCE AT 1 JULY 2011	**21,958,170**	**169,250**	**547,383**	**243,399**	**(14,587,190)**	**8,331,012**
Total comprehensive loss	-	-	-	(332,392)	(940,165)	(1,272,557)
Shares issued during the year	-	-	-	-	-	-
Share issue expense	-	-	-	-	-	-
Transfer from share option and equity benefits reserves	-	(169,250)	(547,383)	-	716,633	-
BALANCE AT 30 JUNE 2012	**21,958,170**	**-**	**-**	**(88,993)**	**(14,810,722)**	**7,058,455**

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

Australian Dollar ($)	Note	30 JUNE 2012 $	30 JUNE 2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,044,249)	(1,279,010)
Interest received		51,579	172,307
Net cash outflows from operating activities	16(b)	**(992,670)**	**(1,106,703)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		5,000	-
Proceeds from the sale of listed investments		14,773	-
Purchase of listed investments		-	(871,301)
Purchase of plant and equipment		(3,611)	-
Payments for deferred exploration expenditure		(302,140)	(2,784,897)
Net cash outflows from investing activities		**(285,978)**	**(3,656,198)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	2,402,206
Share issue expenses		-	(137,875)
Net cash inflows from financing activities		**-**	**2,264,331**
Net decrease in cash and cash equivalents		**(1,278,648)**	**(2,498,570)**
Cash and cash equivalents at the beginning of the financial year		1,688,368	4,186,938
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	16(a)	**409,720**	**1,688,368**

The above statement of cash flows should be
read in conjunction with the accompanying notes

1 CORPORATE INFORMATION

The financial report of Beacon Minerals Limited ("Beacon" or "the Company") for the year 1 July 2011 to 30 June 2012 was authorized for issue in accordance with a circular resolution of the directors on 24 September 2012.

Beacon is a Company limited by shares, incorporated in Australia. The Company's shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activity of the Company is mineral exploration.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of the Financial Report

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

(b) Going Concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Company has recorded a net accounting loss of $940,165 and net operating cash outflow of $992,670 for the year ended 30 June 2012. The directors believe the going concern basis is appropriate as:

- The cash assets of the Company at 30 June 2012 were $436,720; and,
- On the 14 September 2012 the Company announced a 2 for 5 non-renounceable entitlement issue of shares at an issue price of $0.004 per new share with a 1 for 1 free attaching option to raise approximately $1.575 million before costs. The capital raising is underwritten to the amount of $1,000,000.

As a result of the above, the Board is confident that the Company will have sufficient funds to finance its operations in the 2012/2013 Financial Year.

(c) Adoption of new and revised standards

The following new standards and amendments to standards are mandatory for the financial year beginning 1 July 2011.

- Amendments to AASB 7 'Financial Instruments: Disclosure';
- Amendments to AASB 101 'Presentation of Financial Statements';
- AASB 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project'; and,
- AASB 124 'Related Party Disclosures'; (revised December 2009).

The adoption of these standards did not have any impact in the current period or any prior period and is unlikely to affect future periods.

The Company has also reviewed all the new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2012. As a result of this review the Directors' have determined that there is no impact of the new and revised Standards and no change to accounting policies.

(d) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

(e) Income Tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and,
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are not recognised in equity and not in profit or loss.

(f) Exploration and evaluation expenditure

Exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The cost of acquisition of an area of interest and exploration expenditure relating to that area of interest are carried forward as an asset in the statement of financial position in the year in which they are incurred, where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also meant
   a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternately, by its sale; or
   b. exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise economically recoverable reserves.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that their carrying amount exceeds their recoverable amount and where this is the case and impairment loss is recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in the previous year.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

(g) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(h) Cash and cash equivalents

Cash and short-term deposits in the Company's statement of financial position comprises of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Company's statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

(j) Impairment of assets

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. As asset's recoverable amount is the higher of its fair value; less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(k) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash Flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the statement of comprehensive income.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

(n) Financial assets

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the financial instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity. A financial liability is removed from the statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and financial liabilities classified as held for trading are measured at fair value through profit or loss.

Upon initial recognition a financial asset or financial liability is designated as at fair value through profit or loss when:

(a) an entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through profit or loss;
(b) doing so results in more relevant information, because either:
    (i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing gains or losses on them on different bases; or
    (ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to key management personnel.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value through profit or loss.

A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.

Financial assets not measured at fair value comprise:

(a) loans and receivables being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest rate method;

(b) held-to-maturity investments being non-derivative financial assets with fixed or determinable payments and fixed maturity that will be held to maturity. These are measured at amortised cost using the effective interest method; and,

(c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost together with derivatives that are linked to and must be settled by the delivery of such investments.

Available-for-sale financial assets are non-derivative financial assets, which are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments or financial assets as at fair value through profit or loss.

A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised directly in equity, through the statement of changes in equity (except for impairment losses and foreign exchange gains or losses) until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss.

Regular way purchases of financial assets are accounted for as follows:

- financial assets held for trading – at trade date
- held-to-maturity investments – at trade date
- loans and receivables – at trade date
- available-for-sale financial assets – at trade date

Except for the following all financial liabilities are measured at amortised cost using the effective interest rate method:

(a) financial liabilities at fair value through profit or loss and derivatives that are liabilities measured at fair value.; and

(b) financial liabilities that arise when a transfer of financial asset does not qualify for derecognition or are accounted for using the continuing involvement approach.

The amortised cost of a financial asset or a financial liability is the amount initially recognised minus principal repayments, plus or minus cumulative amortisation of any difference between the initial amount and maturity amount and minus any write-down for impairment or uncollectability.

(o) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Plant and equipment – 3-7 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(p) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(r) Exploration and evaluation costs carried forward

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, the recoverable amount has been assessed by reference to the higher of 'fair value less costs to sell' and 'value in use'. In determining value in use, future cash flows are based on:

- Estimates of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- Estimated production and sales levels;
- Estimate future commodity prices;
- Future costs of production;
- Future capital expenditure; and/or
- Future exchange rates.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

(s) Impairment of available-for-sale financial assets

The Group follows the guidance of AASB 139 *Financial Instruments: Recognition and Measurement* to determine when an available-for-sale financial asset is impaired. The determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investments is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

(t) Comparative information

Comparative information has been amended where necessary to ensure compliance with current year disclosures.

3 REVENUE

	30 JUNE 2012	**30 JUNE 2011**
	$	**$**
Interest	56,335	172,307
Gain on sale of listed investments	4,008	-
Other	24,774	22,000
	85,117	**194,307**

4 EXPENSES

Administration expenses include the following expenses:

	30 JUNE 2012 $	30 JUNE 2011 $
Depreciation of plant and equipment	3,103	7,044
Accounting expenses	122,148	274,079
Consulting fees	515,794	280,884
Rent expenses	136,323	114,964
Legal fees	81,649	8,053
Promotions and advertising	16,331	318,362
Travel and accommodation	67,460	153,879
Wages and salaries	118,344	80,083
Superannuation expense	12,223	7,425
Other expenses	214,108	229,446
	1,287,483	**1,474,219**

5 INCOME TAX

(a) Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	30 JUNE 2012 $	30 JUNE 2011 $
Loss before income tax	(1,254,326)	(1,287,936)
Income tax calculated at 30%	(376,298)	(386,381)
Tax effect of;		
- Expenses not allowed	1,811	2,407
- Temporary differences	(125,114)	-
- Research and Development rebate	314,161	-
Future income tax benefit not brought to account	499,601	383,974
Income tax attributable to operating losses	**314,161**	**-**

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	30 JUNE 2012 $	30 JUNE 2011 $
Australian accumulated tax losses	4,178,673	1,157,952
Accrued interest	(1,598)	-
Prepayments	(1,646)	-
Accruals	(54,121)	-
Deferred exploration expenditure	(1,773,257)	-
Section 40-880 deduction	80,542	298,888
Unrecognised deferred tax assets relating to the above temporary differences	**2,428,593**	**1,447,840**

The benefits will only be obtained if;

(i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised.
(ii) The Company continues to comply with the conditions in deductibility imposed by the Law; and
(iii) No change in tax legislation adversely affected the Company in realising the benefits from the deductions or the losses.

6 AUDITOR'S REMUNERATION

Amounts received or due and receivable by the Company's Auditors;

	30 JUNE 2012 $	30 JUNE 2011 $
Auditing and review of the Company's financial statements	29,220	26,250
	29,220	**26,250**

7 RECEIVABLES AND OTHER ASSETS

Trade and Other Receivables

	30 JUNE 2012 $	30 JUNE 2011 $
Other receivables	24,544	572
GST refund	39,469	86,690
Income tax refund – Research and Development rebate	314,161	-
	378,174	**87,262**

Other receivables include amounts outstanding for reimbursements of $19,218 (2011: NIL), accrued interest of $5,326 (2011: NIL). GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities.

8 OTHER ASSETS

	30 JUNE 2012 $	30 JUNE 2011 $
Prepayment	5,485	5,259
	5,485	**5,259**

9 OTHER FINANCIAL ASSETS

	30 JUNE 2012 $	30 JUNE 2011 $
Investment in listed shares (available-for-sale assets)		
At cost	860,536	871,301
Revaluation to fair value	(88,993)	243,399
	771,543	**1,114,700**

10 PLANT AND EQUIPMENT

	30 JUNE 2012 $	30 JUNE 2011 $
Plant and Equipment		
At cost	12,571	48,047
Less: accumulated depreciation	(8,274)	(36,365)
Total plant and equipment	**4,297**	**11,682**

Plant and equipment	**30 JUNE 2012**	**30 JUNE 2011**
	$	**$**
Carrying amount at the beginning of the year	11,682	18,726
Additions	3,611	-
Disposals	(7,893)	-
Depreciation expense	(3,103)	(7,044)
Total carrying amount at end of the year	**4,297**	**11,682**

11 DEFERRED EXPLORATION EXPENDITURE

	30 JUNE 2012	**30 JUNE 2011**
	$	**$**
Exploration and evaluation – at cost		
Balance at the beginning of the year	5,467,268	3,064,810
Expenditure incurred	495,549	2,410,482
Expenditure written off	(51,960)	(8,024)
	5,910,857	**5,467,268**

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation on sale of the respective area.

12 OTHER ASSETS

Term Deposit	27,000	27,000
	27,000	**27,000**

13 TRADE AND OTHER PAYABLES

	30 JUNE 2012	**30 JUNE 2011**
	$	**$**
Trade and other payables	445,324	70,527
Employee entitlements	3,297	-
	448,621	**70,527**

Trade and other payables amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are yet to be paid. The amounts are unsecured and are usually paid within 30 days of recognition.

14 ISSUED CAPITAL

	30 JUNE 2012	**30 JUNE 2011**
	$	**$**
(a) Issued and paid up capital		
At the beginning of reporting year	21,958,170	19,468,839
Shares issued during the year	-	225,000
Shares issued pursuant to exercise of options	-	2,402,206
Transaction costs	-	(137,875)
At reporting date 995,073,426 (30 June 2011: 995,073,426) fully paid ordinary shares	**21,958,170**	**21,958,170**

Movement in Ordinary Shares	**Number**	**Number**
At the beginning of reporting year	995,073,426	739,825,816
Shares issued during the year	-	15,000,000
Shares issued pursuant to exercise of options	-	240,220,610
At reporting date	**995,073,426**	**995,073,426**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

(b) Reserves

Movement in $0.20 31 August 2011 Options (i)	**Number**	**Number**
At the beginning of the reporting period	-	16,587,934
Expiry of options	-	(16,587,934)
At reporting date	**-**	**-**

(i) Each option entitled the holder to subscribe to one share at an issue price of $0.20 on or before 31 August 2011.

Movement in $0.20 31 May 2011 Options (ii)	**Number**	**Number**
At the beginning of the reporting period	-	6,000,000
Expiry of options	-	(6,000,000)
At reporting date	**-**	**-**

(ii) Each option entitled the holder to subscribe to one share at an issue price of $0.20 on or before 31 May 2011.

Movement in $0.27 1 August 2012 Options (iii)	**Number**	**Number**
At the beginning of the reporting period	150,000	150,000
Expiry of options	-	-
At reporting date	**150,000**	**150,000**

(iii) Each option entitled the holder to subscribe to one share at an issue price of $0.27 on or before 1 August 2012. The options lapsed on the 1 August 2012.

Movement in $0.30 31 August 2010 Options (iv)	**Number**	**Number**
At the beginning of the reporting period	-	45,283,580
Expiry of options	-	(45,283,580)
At reporting date	**-**	**-**

(iv) Each option entitled the holder to subscribe to one share at an issue price of $0.30 on or before 31 August 2010.

Movement in $0.01 31 August 2010 Options (v)	**Number**	**Number**
At the beginning of the reporting period	-	240,220,610
Exercise of options	-	(240,220,610)
Expiry of options	-	-
At reporting date	**-**	**-**

(v) Each option entitled the holder to subscribe to one share at an issue price of $0.01 on or before 31 August 2010.

(c) Fair Value Reserve (i)

	30 JUNE 2012 $	30 JUNE 2011 $
At the beginning of the reporting period	243,399	-
Revaluation of listed investments	(332,392)	243,399
	(88,993)	**243,399**

(i) The fair value reserve records the movement in the market value at 30 June 2012 of the investment in listed shares held by Company.

(d) Equity Benefits Reserve (ii)

	30 JUNE 2012 $	30 JUNE 2011 $
At the beginning of the reporting period	547,383	547,383
Transfer from reserve to accumulated losses	(547,383)	-
	-	**547,383**

(ii) The equity benefits reserve records the value of equity benefits provided to employees, directors and consultants as part of their remuneration. At 30 June 2012 these benefits had lapsed.

(e) Option Premium Reserve (iii)

	30 JUNE 2012 $	30 JUNE 2011 $
At the beginning of the reporting period	169,250	169,250
Transfer from reserve to accumulated losses	(169,250)	-
	-	**169,250**

(iii) This option premium reserve recorded the proceeds from the issue of options at $0.01 as per the prospectus dated 16 February 2007. At 30 June 2012 these options had been exercised.

15 LOSS PER SHARE

	30 JUNE 2012 $	30 JUNE 2011 $
Basic loss per share after income tax attributable to members of the Company (cents per shares)	(0.09)	(0.14)
Basic loss per share (cents per share)	**(0.09)**	**(0.14)**
Earning used in calculation of total diluted earnings per share	(940,165)	(1,287,936)
Earnings used in the calculation of diluted earnings per share from continuing operations	**(940,165)**	**(1,287,936)**
	Number	**Number**
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	995,073,426	948,408,473
Weighted average number of ordinary shares for diluted earnings per share	**995,073,426**	**948,408,473**

This calculation does not include shares under option that could potentially dilute basic earnings per share in the future as the options on issue are out of the money and the Company has incurred a loss for the year.

16 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	30 JUNE 2012 $	30 JUNE 2011 $
Current - Cash at bank	409,720	1,688,368
	409,720	**1,688,368**

(b) Reconciliation of loss after tax to net cash flows from operations

	30 JUNE 2012 $	30 JUNE 2011 $
Loss from continuing operations after income tax	(940,165)	(1,278,936)
Depreciation of plant and equipment	3,103	7,044
Exploration and development expenditure written off	51,960	8,024
Promotions and advertising paid via option/share issue	-	225,000
Gain on sale of investment	(4,008)	-
(Increase) /decrease in assets		
- Trade and other receivables	(288,021)	52,789
- Prepayments	(226)	65,164
Increase / (decrease) in liabilities		
- Trade and other payables	184,687	(185,788)
Net cash outflows from operating activities	**(992,670)**	**(1,106,703)**

17 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors
Geoffrey Greenhill
Graham McGarry
Marcus Michael
Executives
Geoffrey Greenhill – Executive Chairman from 19 March 2012

Graham McGarry – Managing Director from 19 March 2012
Marcus Michael – Executive Director from 19 March 2012
Paul Lloyd – Chairman retired on 19 March 2012
Darryl Harris – Managing Director retired on 19 March 2012
Matthew Egan – Non-Executive Director retired on 19 March 2012

(b) Compensation of key management personnel

	30 JUNE 2012 $	30 JUNE 2011 $
Salary, fees and leave	344,100	537,378
Non monetary	7,260	-
Post employment benefits – superannuation	4,815	2,160
Termination benefits	100,000	-
	456,175	**539,538**

The Company has applied the option under Corporations Amendments Regulation 2006 to transfer key management personnel remuneration disclosures required by AASB 124 Related Party Disclosures paragraphs Aus 25.4 to Aus 25.7.2 to the Remuneration Report section of the Directors' Report. These transferred disclosures have been audited.

Ordinary shareholdings of key management personnel

Directors	Balance at 1 July 2011 (i)	Options exercised during the year	Net other change (ii)	Balance at 30 June 2012 (iii)
Geoffrey Greenhill	10,825,000	-	-	10,825,000
Graham McGarry	20,375,000	-	-	20,375,000
Marcus Michael	6,800,000	-	-	6,800,000
Paul Lloyd	6,180,000	-	5,000,000	11,180,000
Darryl Harris	1,178,000	-	5,000,000	6,178,000
Matthew Egan	1,521,947	-	-	1,521,947
Total	**46,879,947**	**-**	**10,000,000**	**56,879,947**

Directors	Balance at 1 July 2010	Options exercised during the year	Net other change (ii)	Balance at 30 June 2011
Paul Lloyd	4,330,000	2,100,000	(250,000)	6,180,000
Darryl Harris	1,016,000	162,000	-	1,178,000
Matthew Egan	1,521,947	-	-	1,521,947
Total	**6,867,847**	**2,262,000**	**(250,000)**	**8,879,947**

(i) Balance at 1 July 2011 or at the date the Director was appointed by the Company if appointed after 1 July 2011.
(ii) On market transactions for cash consideration.
(iii) Balance at 30 June 2012 or at date of retirement for Directors who retired on or before 30 June 2012.

(c) Option holdings of key management personnel

Directors	Balance at 1 July 2011	Options exercised during the year	Net other change	Balance at 30 June 2012
Geoffrey Greenhill	-	-	-	-
Graham McGarry	-	-	-	-
Marcus Michael	-	-	-	-
Paul Lloyd	-	-	-	-
Darryl Harris	-	-	-	-
Matthew Egan	-	-	-	-
Total	**-**	**-**	**-**	**-**

Directors	Balance at 1 July 2010	Options exercised during the year	Net other change	Balance at 30 June 2011
Paul Lloyd	4,100,000	(2,100,000)	(2,000,000)	-
Darryl Harris	2,462,000	(162,000)	(2,300,000)	-
Matthew Egan	2,635,974	-	(2,635,974)	-
Total	**9,197,974**	**2,262,000**	**(6,935,974)**	**-**

(d) Other transactions and balances with Key Management Personnel

The Directors' on the 10 September 2012 entered into separate agreements with the Company, whereby the Directors' will underwrite a total of $600,000 of the shares issued under the Entitlement Issue Prospectus dated 17 September 2012. Under the agreements the Directors' will be entitled to an underwriting fee of 5% of the underwritten amount.

Mr Michael is a director and has a beneficial interest in Marshall Michael Chartered Accountants. Staff of Marshall Michael Pty Ltd, including the Company Secretary Sarah Shipway, have provided corporate secretarial, accounting, bookkeeping and general administrative services during the year. Amounts that have been paid or are payable total $56,160 (2011: NIL).

Mineral drilling contracting services were received from and service fees paid to Egan Drilling Services, a related party of Matthew Egan. Amounts that have been paid or are payable total NIL (2011: $261,980).

18 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitment

In order to maintain the current rights of tenure to exploration tenements, the Company has the following discretionary exploration expenditure requirements.

	30 JUNE 2012 $	30 JUNE 2011 $
Not later than one year	382,500	345,005
Later than one year but not later than five years	2,069,000	786,600
Later than five years	-	-
	2,451,500	**1,143,625**

19 OPERATING LEASES

Non cancellable operating lease for the office premises:

	30 JUNE 2012 $	30 JUNE 2011 $
Not later than one year (i)	-	81,140
Later than one year but not later than five years	-	-
	-	**81,140**

(i) The operating lease has a sub-tenant who is liable for 50% of these commitments.

20 EVENTS SUBSEQUENT TO BALANCE DATE

On the 1 August 2012 the 150,000 unlisted options on issue lapsed.

On the 14 September 2012 the Company announced a 2 for 5 non-renounceable entitlements issue of shares at $0.004 per new share, to raise up to $1.592 million.

Existing shareholders will be offered the opportunity to purchase two (2) new shares for every five (5) shares held by them as at the record date of 28 September 2012 at a price of $0.004 per share. In addition, for every one (1) share purchased under the Entitlements Issue, shareholders will receive one (1) free option.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of the affairs of the Company in future financial years.

21 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2012	Note	Floating interest rate $	Fixed interest rate $	Non-interest bearing $	Total $	Weighted average interest rate %
Financial assets						
Cash and cash equivalents	15(a)	409,720	-	-	409,720	1.21
Term deposit	12	-	27,000	-	27,000	1.14
Trade and other receivables	7	-	-	378,174	378,174	-
Available-for-sale financial assets	9	-	-	771,543	771,543	-
Total financial assets		**409,720**	**27,000**	**1,149,717**	**1,586,437**	**-**
Financial liabilities						
Trade and other payables	13	-	-	448,621	448,621	-
Total financial liabilities		**-**	**-**	**448,621**	**448,621**	**-**

2011	Note	Floating interest rate $	Fixed interest rate $	Non-interest bearing $	Total $	Weighted average interest rate %
Financial assets						
Cash and cash equivalents	15(a)	681,980	1,066,388	-	1,748,368	1.74
Term deposit	12		27,000	-	27,000	1.14
Trade and other receivables	7	-	-	87,262	87,262	-
Available for sale financial assets	9	-	-	1,114,700	1,114,700	-
Total financial assets		**681,980**	**1,093,388**	**1,201,962**	**2,977,330**	**-**
Financial liabilities						
Trade and other payables	13	-	-	70,527	70,527	-
Total financial liabilities		**-**	**-**	**70,527**	**70,527**	**-**

Based on the cash and cash equivalents balances at 30 June 2012 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by $4,367 (2011: $17,044).

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

(c) Fair value of financial instruments

AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quotes process (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table present the group's assets and liabilities measured and recognised at fair value at 30 June 2012.

	Level 1 $	Level 2 $	Level 3 $	Total $
2012				
Available-for-sale financial assets	771,543	-	-	771,543
	771,543	**-**	**-**	**771,543**
2011				
Available-for-sale financial assets	1,114,700	-	-	1,114,700
	1,114,700	**-**	**-**	**1,114,700**

(d) Financial risk management

The Company's financial instruments consist mainly of deposits with recognised banks, investment in bank bills up to 90 days, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The Directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The main risks the Company is exposed to through its financial instruments is the depository banking institution itself, holding the funds, and interest rates. The Company's credit risk is minimal as being an exploration Company it has no significant financial assets other than cash and term deposits.

(e) Foreign Currency Risk

The Company is not exposed to any foreign currency risk as at 30 June 2012.

(f) Market Price Risk

Exposure to market risk arises on financial assets recognised at the end of the reporting period whereby a change in market price will affect future cash flows or the fair value of the financial asset.

The financial asset which primarily exposes the Group to market rate risk is listed investments.

22 SEGMENT REPORTING

For management purposes, the Company is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the Company's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment.

The financial results from this segment are equivalent to the financial statements of the Company as a whole.

The accounting policies applied for internal reporting purposed are consistent with those applied in the preparation of these financial statements.

In the opinion of the Directors of Beacon Minerals Limited ("the Company")

(a) The financial statements and the notes and the additional disclosures included in the directors' report (designated as audited) of the Company are in accordance with the Corporations Act 2001, including:

 (i) Giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended that date; and

 (ii) Complying with Accounting Standards and Corporations Regulations 2001, and:

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Board

Geoffrey Greenhill
Executive Chairman

Dated this 24 September 2012
Perth, Western Australia

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Beacon Minerals Limited for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Beacon Minerals Limited.

Perth, Western Australia	**N G NEILL**
24 September 2012	**Partner, HLB Mann Judd**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Beacon Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Beacon Minerals Limited ("the company"), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the entity.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(d), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

Matters relating to the electronic presentation of the audited financial report and remuneration report

This auditor's report relates to the financial report and remuneration report of Beacon Minerals Limited for the financial year ended 30 June 2012 published in the annual report and included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report and remuneration report. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report and remuneration report. If users of the financial report and remuneration report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information contained in this website version of the financial report and remuneration report.

Auditor's opinion

In our opinion:

(a) the financial report of Beacon Minerals Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(d).

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Beacon Minerals Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Norman Neill

Perth, Western Australia
24 September 2012

N G NEILL
Partner

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**). The Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the Principles and Recommendations.

The Board of the Company currently has in place a Corporate Governance Plan which has been posted in a dedicated corporate governance information section of the Company's website at www.beaconminerals.com.au.

PRINCIPLES AND RECOMMENDATIONS

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions. Compliant: Yes

The Directors monitor the business affairs of the Company on behalf of Shareholders and have adopted a Corporate Governance Plan which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct. The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board.

The Company's Corporate Governance Plan is available on the Company's website at www.beaconminerals.com.au.

1.2 Companies should disclose the process for evaluating the performance of senior executives. Compliant: Yes

Due to the Company's stage of development, it does not yet have any senior executives apart from the Board. However, if the Company appoints senior executives in the future, the Board will monitor the performance of those senior executives including measuring actual performance of senior executives against planned performance.

The Board has adopted a policy to assist in evaluating the performance of senior executives, which is contained in Schedule 6 of its Corporate Governance Plan (Disclosure - Performance Evaluation).

Given the current size and structure of the Board, the Board has not established a separate nomination committee to oversee the performance evaluation of the senior executives.

Until a nomination committee is established, the Board will undertake the obligations of the nomination committee in connection with evaluating the performance of senior executives in accordance with Schedule 6 of its Corporate Governance Plan.

1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1. Compliant: Yes

The Company will explain any departures from Principles and Recommendations 1.1 and 1.2 (if any) in its future annual reports, including whether a performance evaluation for senior executives (if any exist at that time) has taken place in the reporting period and whether it was in accordance with the process disclosed.

The Company has not undertaken any performance evaluation of any senior executive in the last reporting period.

The Company has adopted a Board Charter, which discloses the specific responsibilities of the Board and provides that the Board may delegate responsibility for the day-to-day operations and administration of the Company to the chief executive officer (if appointed).

The Board Charter is contained in Schedule 1 of the Company's Corporate Governance Plan and the Nomination Committee Charter is contained in Schedule 5 of the Company's Corporate Governance Plan.

2. STRUCTURE THE BOARD TO ADD VALUE

2.1 A majority of the Board should be independent directors. Compliant: No

Currently the Company has no independent directors.

The Company's Corporate Governance Plan outlines that the majority of the Board will be comprised of non-executive directors, and where practical, at least 50% of the Board will be independent. However, the Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the expense of an appointment of a majority of independent directors. The current Board structure presently consists of an Executive Chairman, a Managing Director and an Executive Director.

The Board believes that each of the Directors can make, and do make, quality and independent judgements in the best interests of the Company. Any Director who has a conflict of interest in relation to a particular item of business must declare their conflict and abstain from voting or participating in Board deliberations to which a conflict of interest relates.

2.2 The chair should be an independent director. Compliant: No

Geoffrey Greenhill is the Executive Chairman and is a not an Independent Director.

The Company's Corporate Governance Plan provides that the Chairman, where practical, should be a non-executive Director.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to require an independent Chairman. This will be reviewed as the Company develops.

2.3 The roles of chair and chief executive officer should not be exercised by the same individual. Compliant: Yes

The Company's Chairman is Geoffrey Greenhill and the Managing Director is Graham McGarry.

The Company's Corporate Governance Plan provides, where practical, that the chief executive officer should not be the Chairman of the Company during his term as chief executive office or in the future.

2.4 The Board should establish a nomination committee. Compliant: No

Given that the Company is in its early stages of development and given the current size and structure of the Board, the Board has not established a separate nomination committee.

Matters typically dealt with by such a committee are dealt with by the Board. The Board may also seek independent advice to assist with the identification process.

2.5 Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors. Compliant: No

The Company will put a formal process in place as and when the Company's level of operations justifies it. Currently, the Board undertakes the obligations of the nomination committee in connection with evaluating the performance of the Board, its committees and individual directors, and will continue to do so until a nomination committee is established.

2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2. Compliant: Yes

A description of the skills and experience of each of the current Directors is included on the Company's website at www.beaconminerals.com.au.

Given that the Company is in its early stages of development and given the current size and structure of the Board, the Company has not fully complied with Principle 2 of ASX Corporate Governance Council Principles and Recommendations. However, it will seek to do so as it develops and the Board grows.

The Board Charter includes a statement that the Board may seek independent professional advice at the Company's expense.

The Board has not established a nomination committee and its functions are carried out by the Board.

The Company will provide details of any new director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures from CG Principles and Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 in its future annual reports.

3. PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Compliant: Yes

The Company's Code of Conduct, which is included in Schedule 2 of the Company's Corporate Governance Plan, aims to encourage the appropriate standards of conduct and behaviour of the directors, officers and employees of the Company.

3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measureable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. Compliant: Yes

The Company's Diversity Policy, which is included in schedule 10 of the Company's Corporate Governance Plan, recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversifying includes, but not limited to, gender, age, ethnicity and cultural background.

3.3 Companies should disclose in each annual report the measureable objectives for achieving diversity set by the Board in accordance with the diversity policy and progress in achieving them. Compliant: No

Due to the small scale of the Company's operations and the limited number of employees, the Company has not yet set measurable objectives for achieving gender diversity. The Company will consider establishing measurable objectives as it develops.

3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board. Compliant: Yes

	2012	Percentage
Women on the Board	-	0%
Women in Senior Management Role	1	100%
Women Employees	1	25%

3.5 Companies should provide the information indicated in the Guide to reporting on Principle 3. Compliant: Yes.

The Board will include in the Annual Report each year:

- measurable objectives (if any) set by the Board;
- progress against the objectives; and
- the proportion of women employees in the whole organisation at senior management and at Board level.

The Company will explain any departures from CG Principles and Recommendations 3.1, 3.2, 3.3 and 3.4 in the Corporate Governance Statement and its future annual reports.

4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 The Board should establish an audit committee. Compliant: No

A formal Audit and Risk Committee Charter has been adopted by the Company, which is contained in Schedule 3 of the Company's Corporate Governance Plan.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of an audit committee and a nomination committee. The Board considers that, at this stage, no efficiencies or other benefits would be gained by establishing a separate audit committee or a separate nomination committee.

4.2 The audit committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair, who is not chair of the Board;
- has at least three members.

Compliant: No

Refer to 4.1 above.

4.3 The audit committee should have a formal charter. Compliant: Yes

A formal Audit and Risk Committee Charter has been adopted by the Company, which is contained in Schedule 3 of the Company's Corporate Governance Plan.

4.4 Companies should provide the information indicated in the Guide to reporting on Principle 4. Compliant: Yes

The Company does not have an audit committee. The Board carries out the duties of the audit committee.

The Company will explain any departures from the CG Principles and Recommendations 4.1, 4.2 and 4.3 (if any) in its future annual reports.

5. MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies. Compliant: Yes.

The Company's Continuous Disclosure Policy, which is contained in Schedule 7 of the Company's Corporate Governance Plan, is designed to ensure the compliance with ASX Listing Rule disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

5.2 Companies should provide the information indicated in Guide to Reporting on Principle 5. Compliant: Yes.

The Company does not have an audit committee. The Board carries out the duties of the audit committee.

The Company will provide an explanation of any departures from CG Principle and Recommendation 5.1 in its future annual reports.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy. Compliant: Yes.

The Company has adopted a Shareholder Communications Strategy, contained in Schedule 11 of the Company's Corporate Governance Plan, which aims to ensure that the shareholders of the Company are informed of all major developments affecting the Company's state of affairs.

The strategy provides that information will be communicated to shareholders through:

a) the Annual Report which is available on the Company's website;
b) the Interim Financial Report which is placed on the Company's website;
c) the quarterly reports which are placed on the Company's website;

d) disclosures and announcements made to the ASX, copies of which are placed on the Company's website;

e) notices and explanatory memoranda of Annual General Meetings (AGM) and Extraordinary General Meetings (EGM), copies of which are placed on the Company's website;

f) the Chairman's address and the Managing Director's address made at the AGMs and the EGMs, copies of which are placed on the Company's website;

g) the Company's website on which the Company posts all announcements which it makes to the ASX; and

h) the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the Auditor's Report.

6.2 Companies should provide the information indicated in the Guide to reporting on Principle 6. Compliant: Yes

The Company will provide an explanation of any departures from CG Principle and Recommendation 6.1 (if any) in its future annual reports.

7. RECOGNISE AND MANAGE RISK

7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies. Compliant: Yes and No.

Given the Company is in its early stages of development, and given the current size and structure of the Board, the Board has not established a separate audit committee. However the Audit and Risk Committee Charter contained in the Company's Corporate Governance Plan sets out the Company's policies for the oversight and management of material business risks.

The Board will carry out the duties of the audit committee in accordance with the formal terms of reference set out in the Company's Corporate Governance Plan.

The Board will carry out the duties of the audit committee. The Board is responsible for determining the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

7.2 The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks. Compliant: Yes.

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business in addition to those identified by the Audit and Risk Committee (once established). Key operational risks and their management will be recurring items for deliberation at Board Meetings.

7.3 The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. Compliant: Yes.

The Board will seek the relevant assurance from the chief executive officer and chief financial officer (or their equivalents) at the relevant time.

7.4 Companies should provide the information indicated in Guide to Reporting on Principle 7. Compliant: Yes.

The Company will provide an explanation of any departures from CG Principles and Recommendations 7.1, 7.2 and 7.3 (if any) in its future annual reports.

8. REMUNERATE FAIRLY AND RESPONSIBLY

8.1 The Board should establish a remuneration committee. Compliant: No.

A formal Remuneration Committee Charter has been adopted by the Company, which is contained in Schedule 4 of the Company's Corporate Governance Plan. However, given that the Company is in its early stages of development and given the current size and structure of the Board, the Board has not established a separate remuneration committee.

This will be reviewed as the Company's circumstances change.

Until a Remuneration Committee is established, the Board will carry out the duties of the Remuneration Committee in accordance with the formal terms of reference of the Remuneration set out in the Company's Corporate Governance Plan.

8.2 The remuneration committee should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent director; and
- has at least three members.

Compliant: No

Refer to 8.1 above.

8.3 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. Compliant: Yes

Executive Directors remuneration packages may comprise of:

- fixed salary;
- performance based bonuses;
- participation in any share/option scheme; and
- statutory superannuation.

Non-executive Directors receive fixed directors fees only, and do not participate in any performance-based remuneration. Fixed Director's fees may be paid in the form of cash, share options or a combination of both. Share options are issued on similar terms to previous issues by the entity and are considered to be in lieu of cash, not based on performance of the entity.

Full remuneration disclosure, including superannuation entitlements will be provided by the Company in its future annual reports.

8.4 Companies should provide the information indicated in the Guide to reporting on Principle 8. Compliant: Yes.

The Company will provide an explanation of any departures from CG Principles and Recommendations 8.1, 8.2 and 8.3 (if any) in its future annual reports.

1. Distribution of holders at 24 September 2012

As at 24 September 2012 the distribution of shareholders was as follows:

Ordinary shares

Size of holding	Number of holders
1 – 1,001	61
1,001 – 5,000	103
5,001 – 10,000	104
10,001 – 100,000	1,079
100,001 and over	1,300
Total	**2,647**

2. Voting Rights

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote each share held.

3. Substantial shareholders

The Company has no substantial shareholders.

4. Top 20 Shareholders

The names of the 20 largest shareholders as at 24 September 2012 who hold 23.34% of the fully paid ordinary shares of the Company were as follows;

Class	Number
Oceanic Capital Pty Ltd	44,765,932
Forty Traders Limited	24,900,000
Colbern Fiduciary Nominees Pty ltd	20,000,000
Mr Bryan William Alexander	11,000,000
Geoda Pty Ltd	10,825,000
Mr Randall Kaisis	10,545,272
Yarandi Investments Pty Ltd <Griffith Family No. 2 A/C>	10,000,000
Allua Holdings Pty Ltd <Rizon Super Fund A/C>	10,000,000
Allua Holdings Pty Ltd <The DRG A/C>	10,000,000
Lamerton Pty Ltd	9,700,000
BE Copymart Pty Ltd <B&E McConnell S/F A/C>	9,000,000
Tre Pty Ltd <Time Road Superannuation A/C>	8,160,000
Lamerton Pty Ltd <Mac's Super Fund A/C>	7,675,000
Mr Andrew Greenwood	7,651,094
JP Morgan Nominees Australia Limited <Cash Income A/C>	7,325,124
Dr John Narrie Sykes & Mrs Anne Elizabeth Sykes <JB & AE Sykes S/Fund A/C>	7,000,000
Coral Brook Pty Ltd <Lloyd Super Fund A/C>	6,780,000
Mr Maxwell Gregory Sinclair & Mrs Alisa Catherine Sinclair <M & A Sinclair S/F A/C>	5,816,110
Lawrence Crowe Consulting Pty Ltd <L C C Super Fund A/C>	5,750,000
Citicorp Nominees Pty Limited	5,357,908

Beacon Minerals Limited mineral interests at 24 September 2012

PROJECT	TENEMENT	REGISTERED HOLDER	INTEREST
Barlee	M77/1254	Beacon Minerals Limited	80%
		Duketon Consolidated Pty Ltd	20%
Barlee	E77/1297	Beacon Minerals Limited	80%
		Duketon Consolidated Pty Ltd	20%
Barlee	E77/1364	Beacon Minerals Limited	100%
Barlee	E77/1392	Beacon Minerals Limited	100%
Barlee	*E77/1711	Beacon Minerals Limited	100%
Barlee	*E77/1712	Beacon Minerals Limited	100%
Barlee	*E77/1713	Beacon Minerals Limited	100%
Barlee	*E77/1713	Beacon Minerals Limited	100%

* Beacon Minerals Limited exercised the Option Agreement with Equipment Finance Pty Ltd to gain 100% interest in the tenements. On 23 April 2012 the tenements where transferred from Equipment Finance Ltd to the Company.

BEACON
MINERALS LIMITED
ABN 64 119 611 559