

**ASX ANNOUNCEMENT**

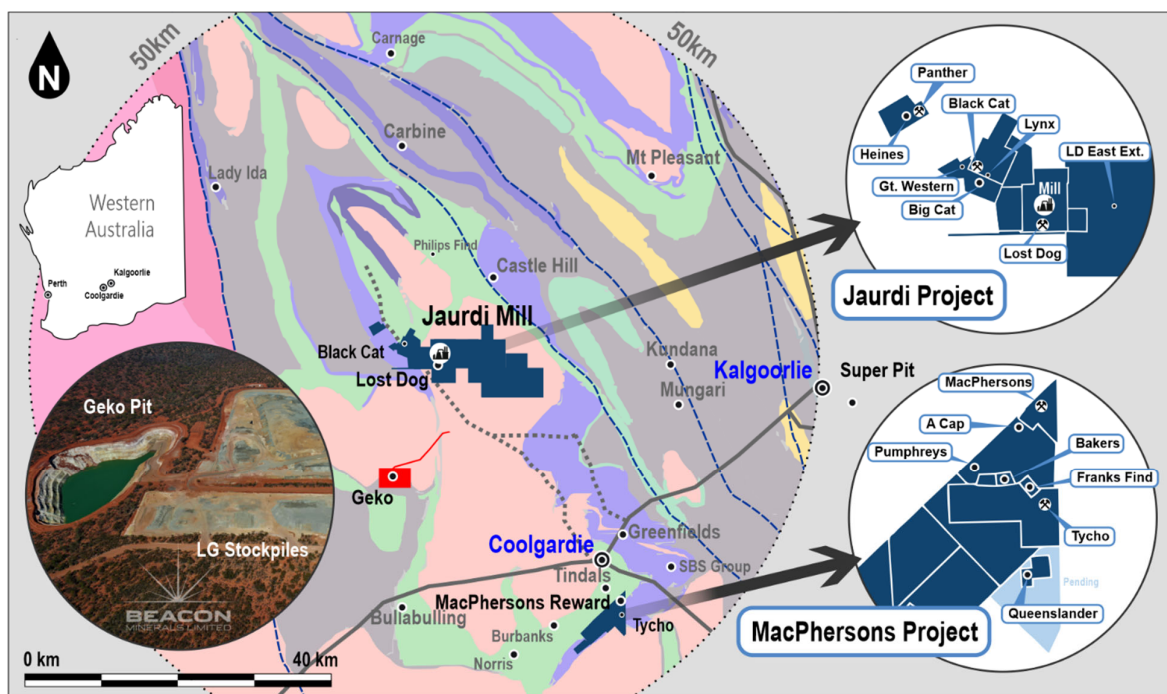
5 October 2022

**OFFER TO ACQUIRE GEKO TENEMENTS**

Beacon Minerals Limited (ASX: **BCN**) (“**Beacon**” or “**the Company**”) is pleased to advise that the Company has executed an Offer Letter with Geko Pit Pty Ltd (“**Geko**”) for Beacon to acquire mining lease M15/621 and miscellaneous licence L15/355 (the **Tenements**) which are 100% owned by Geko (“**Acquisition**”).

The offer to acquire the Geko Tenements is part of the Company’s strategy of increasing the mine life at Jaurdi and acquiring projects that build mine Reserves and complement the current operations. The Acquisition remains subject to and conditional upon Beacon and Geko executing a formal sale agreement. The key terms and conditions of the Acquisition are set out below.

The Geko tenements are located 26km’s NW of the township of Coolgardie in the Eastern Goldfields of Western Australia, which is only 15km’s SSW of Beacon’s Jaurdi Gold Processing Plant (Figure 1).



**Figure 1: Location of Jaurdi Gold Project and the Geko Tenements**

The Geko gold deposit is hosted by mafic rocks which have been altered and deformed to a sericite-quartz-biotite-hornblende schist. The schist overlies an ultramafic sequence, with shear hosted gold occurring at or near the contact which strikes east-west and dips 60° to the south. Mineralisation dips approximately 45°.

The Geko Pit was mined previously by Coolgardie Minerals Ltd. from 2018-2019 before going into receivership, and then by SMS Innovative Mining Solutions Pty Ltd in 2020-2021. Open pit mining ceased in 2021 due to water management issues and a wall failure in the south-west corner of the pit. There are

substantial low-grade stockpiles remaining from previous mining. There is current access between Jaurdi and Geko via a network of unsealed public and private roads.

Beacon looks to leverage its Jaurdi Processing Plant, mining infrastructure and operational team to realise the potential at Geko.

Beacon has conducted significant due diligence on the Acquisition to enable the execution of the Offer Letter to occur and intends to release an updated Mineral Resource and Reserve Estimate for the Acquisition post the completion of the Acquisition.

#### **KEY TERMS AND CONDITIONS OF THE ACQUISITION**

The Company and Geko have executed an Offer Letter pursuant to which Beacon has offered to acquire all of Geko's rights, title and interest in the Tenements on the key terms and conditions set out below.

Completion of the Acquisition is subject to and conditional upon satisfaction (or waiver) of the following material conditions:

- Beacon completing its due diligence investigations on the project within 20 business days commencing on 3 October 2022;
- Execution of a formal sale agreement by Beacon and Geko;
- Geko completing the following:
  - removing the current mortgage from the Tenements;
  - transferring ownership of the ore stockpiles on the Tenements to the Company;
  - Geko transferring the title of the Tenements to a subsidiary of Beacon; and
  - Geko resolving the third-party royalty/net profit interests in the tenements.
- Geko delivering to Beacon written consent for Beacon to apply for further miscellaneous licences on the leases still held by Geko around the Geko mine site.

The consideration payable by Beacon for the Acquisition is:

- A cash payment of \$7,750,000 (excluding GST) at completion of the Acquisition.
- An additional \$3.0 million from production at a rate of 4% of the recovered gold value until a total of \$10.75 million has been paid.

Beacon will fund the costs of the Acquisition using current cash reserves.

The Company expects completion of the Acquisition to occur on or around 31 October 2022.

#### **DIVIDEND PAYMENT**

The Board of Beacon Minerals continue to monitor returns to shareholders balanced against growth opportunities for the Company.

The Company will review the payment of a dividend and provide shareholders with an update when the formal sale agreement is executed.

Authorised for release by the Board of Beacon Minerals Limited.

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#### **Disclaimer**

This ASX announcement (Announcement) has been prepared by Beacon Minerals Limited (“Beacon” or “the Company”). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Beacon, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Beacon.

By its very nature exploration for minerals is a high-risk business and is not suitable for certain investors. Beacon’s securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Beacon and of a general nature which may affect the future operating and financial performance of Beacon and the value of an investment in Beacon including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks, and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Beacon and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social, and other conditions.
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Beacon, are inherently subject to significant technical, business, economic, competitive, political, and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Beacon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or results or otherwise. The words ‘believe’, ‘expect’, ‘anticipate’, ‘indicate’, ‘contemplate’, ‘target’, ‘plan’, ‘intends’, ‘continue’, ‘budget’, ‘estimate’, ‘may’, ‘will’, ‘schedule’ and similar expressions identify forward-looking statements.

All forward looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.