

ASX ANNOUNCEMENT

21 June 2023

UPDATE ON THE ACQUISITION OF THE LADY IDA PROJECT

HIGHLIGHTS

- **Tenement Sale Agreement to acquire the Lady Ida Project has been executed**
- **Completion of the acquisition of exploration licences from Ora Banda Mining Ltd**
- **The Company is progressing the Notice of Meeting which will be sent to shareholders in due course**

Beacon Minerals Limited (ASX: **BCN**) ("**Beacon**" or "**the Company**") is pleased to advise that it has entered into a Tenement Sale Agreement to acquire M16/262, M16/263, M16/264, L15/224, L16/58, L16/62, L16/103 and applications L16/138 and L16/142 which together form the "**Lady Ida Project**" from Lamerton Pty Ltd and Geoda Pty Ltd.

The Company further advises that it has completed the acquisition of tenements E16/475, E16/483, E16/484 and E16/486 (the "**Tenements**") from Siberia Mining Corporation Pty Ltd (ABN 97 097 650 194) ("**Siberia**") and Carnegie Gold Pty Ltd (ACN 117 116 097) ("**Carnegie**"). Both are wholly owned subsidiaries of Ora Banda Mining Ltd (ASX: **OBM**) ("**Ora Banda Mining**").

Both of the above transactions were announced to the ASX on 24 March 2023.

These acquisitions are part of the Company's strategy of increasing the mine life at the Jaurdi Gold Project by acquiring projects proximal to Beacon's existing assets that build ore reserves and complement the current operations. This follows the recent acquisitions of the Geko Tenements located circa 15kms from the Jaurdi Mill (refer announcement 16 December 2022) and the MacPhersons Reward Project located circa 45kms from the Jaurdi Mill (refer announcement 24 August 2021), which were both funded out of the Company's existing cash reserves.

The Tenements are located 60 kms NW of the township of Coolgardie in the Eastern Goldfields of Western Australia, with the Lady Ida Project located 29kms NW of Beacon’s Jaurdi Gold Processing Plant (refer Figure 1).

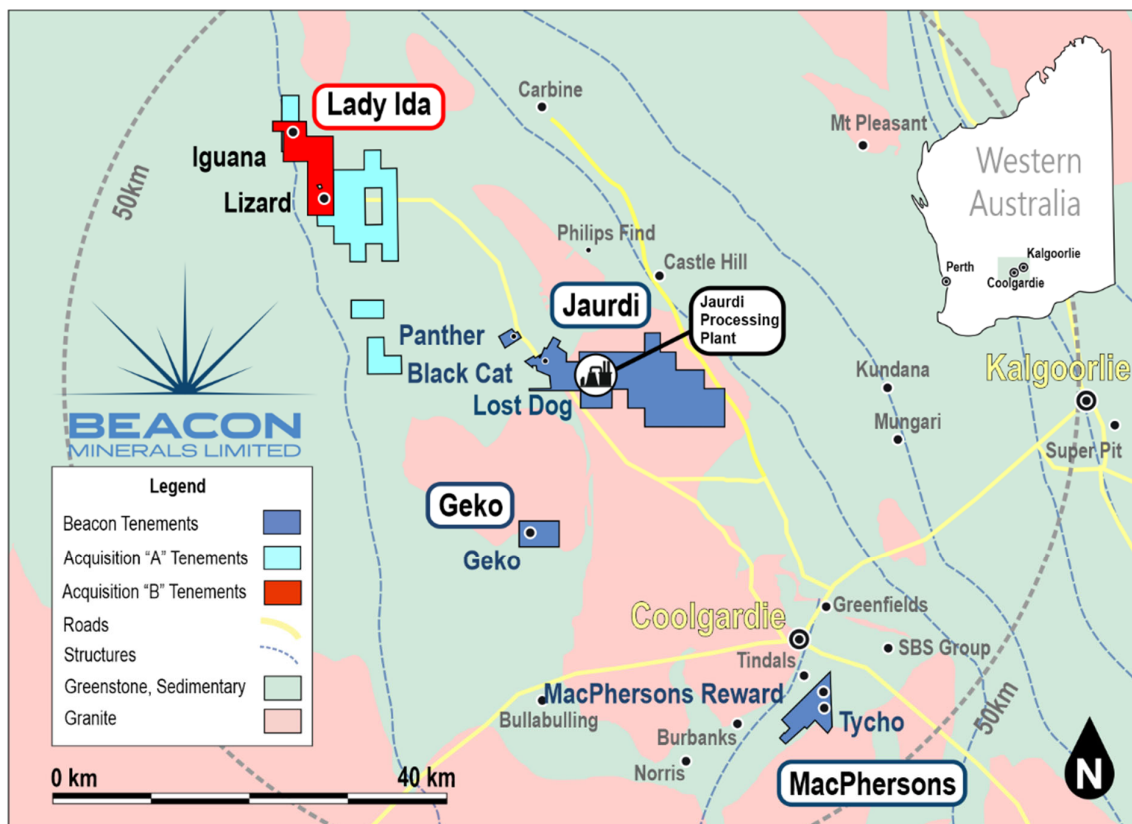


Figure 1: Location of the Jaurdi Gold Project and the Lady Ida Tenements

Key Terms and Conditions of the Lady Ida Acquisition

On 16 March 2023, Lamerton Pty Ltd (“**Lamerton**”) and Geoda Pty Ltd (“**Geoda**”) entered into an agreement with Siberia Mining Corporation Pty Ltd (ABN 97 097 650 194) (**Siberia**) (a wholly owned subsidiary of Ora Banda Mining Ltd (ASX: OBM)) to acquire the Lady Ida Project for a total cash consideration of \$10,000,000 (plus GST).

The Company and its wholly-owned subsidiary, Beacon Mining Pty Ltd (Beacon Mining have entered into a Tenement Sale Agreement with Lamerton and Geoda (together, the “**Vendors**”) for Beacon Mining to purchase the Lady Ida Project from the Vendors following the acquisition from Siberia.

Lamerton and Geoda are related parties of Beacon as Lamerton is controlled by Managing Director, Graham McGarry and Geoda is controlled by Non-Executive Director, Geoff Greenhill. The acquisition is therefore subject to, amongst other matters, related party shareholder approvals being obtained by the Company.

The consideration payable by Beacon for the acquisition of the Lady Ida Project (the “**Acquisition**”) is:

- payment of \$10,000,000 (plus GST) at completion of the Acquisition (“**Completion**”);
- reimbursement to the Vendors of up to \$1,000,000 for verified expenses incurred by the Vendors in relation to the acquisition from Siberia at Completion;
- reimbursement of rent payments made by the Vendors in respect of the Lady Ida Project tenements at Completion;
- repayment of stamp duty of approximately \$600,000 incurred by the Vendors in relation to the acquisition from Siberia; and
- payment of 4.0% net smelter royalty in respect of any gold and silver recovered from the area within the boundaries of M16/262, M16/263 or M16/264 pursuant to a royalty deed to be entered into at Completion (“**Royalty Deed**”).

The Tenement Sale Agreement, and Completion thereof, is subject to and conditional upon satisfaction (or waiver by Beacon) of the following conditions precedent:

- the Vendors acquiring 100% of the legal and beneficial title to the sale assets from Siberia;
- receipt of Ministerial consent to the transfer of the Lady Ida Project tenements under the Mining Act 1978 (WA);
- completing a capital raising of not less than \$15,000,000 by way of the issue of debentures and free-attaching options (“**Debenture Issue**”);
- the Company obtaining all necessary shareholder approvals required to lawfully complete the Acquisition, including:
 - shareholder approval under ASX Listing Rule 7.1 for the issue of free-attaching options to non-related parties of the Company under the Debenture Issue;
 - shareholder approval under ASX Listing Rules 10.1 and 10.11 and sections 195(4) and 208 of the Corporations Act 2001 (Cth) (“**Corporations Act**”) for related parties of the Company to participate in the Debenture Issue;
 - shareholder approval pursuant to ASX Listing Rule 10.1 and sections 195(4) and 208 of the Corporations Act for the Purchaser to acquire the sale assets from the Vendors, including grant of the royalty contemplated by the Royalty Deed;
- the consent of counterparties to third party agreements and entry into Deeds of Covenant or Deed Polls pertaining to the Lady Ida Project, where needed; and
- documentary evidence confirming, to the satisfaction of the Company, that certain applications and objections pertaining to the Lady Ida Project have been withdrawn or dismissed.

If the conditions precedent are not satisfied (or waived by Beacon) on or before 16 December 2023 or such other date to be agreed by the parties (**End Date**) any party may terminate the Tenement Sale Agreement by notice in writing to the other parties, in which case, the Tenement Sale Agreement will be at an end and the parties will be released from their obligations (other than in respect of any breaches that occurred prior to termination). The parties will use their commercial best efforts to ensure that the conditions precedent are satisfied before the End Date.

Completion of the Acquisition will occur on that date which is 5 business days after the satisfaction (or waiver) of the last of the conditions precedent or such other date agreed in writing between the parties.

Beacon will fund the costs of the Acquisition using the funds raised pursuant to the Debenture Issue. For more information in relation to the debenture issue please refer to the Company’s ASX release dated 24 March 2023.

Details in relation to the proposed debenture issue will be contained in the Company's notice of general meeting which will be sent to shareholders in due course.

The Directors of the Company caution that although the proposed Debenture Issue is in its final transactional documentation stage, and a portion of the issue is subject to shareholder approval, there is no guarantee that the raising of funds under the proposed Debenture Issue will be successful.

Authorised for release by the Board of Beacon Minerals Limited.

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Disclaimer

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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.