



## ASX ANNOUNCEMENT

3 January 2017

### BEACON EXECUTES OPTION TO PURCHASE JAURDI GOLD PROJECT

Beacon Minerals Limited (**Beacon** or the **Company**) is pleased to advise that the Company has executed an exclusive option to purchase the Jaurdi Gold Project comprising Mining Lease M16/529 (**ML**) from Fenton and Martin Mining Developments Pty Ltd (**Fenton and Martin**) (**Option to Purchase Agreement**).

The Jaurdi Gold Project is located 35 kilometres north west of Coolgardie and is close to infrastructure, including public and private road access to Coolgardie and Kalgoorlie.

Under the Option to Purchase Agreement, Beacon will have 110 days to undertake due diligence on the Jaurdi Gold Project and will include the following:

- A detailed survey of all previous work on the ML, which includes 114 RAB/RC drill holes by the current and former tenement holders;
- Collation and audit of the data within the BM Geological Services Pty Ltd (**BMGS**) database. BMGS have already undertaken work on the project for current and previous tenement holders; and
- Design and implement a drill program on the ML to:
  - Drill check holes against existing holes;
  - Delineate the extent of the gold mineralised system within the ML; and
  - Compile a resource inventory.
- During the option period Fenton and Martin can continue to mine ore on the tenement up to a maximum of 20,000 tonnes. The mining of this ore will not materially affect the resource tonnes or ounces and will provide valuable information for Beacon's decision to exercise the option.

The key terms of the Option to Purchase Agreement with Fenton and Martin include the following:

- a) Beacon will pay \$100,000 to purchase the ML; and
- b) Beacon will pay an initial royalty of \$90 per refined ounce of gold for the first 10,000 ounces produced from the tenement and \$80 per refined ounce of gold produced thereafter.

A pre-paid royalty of \$900,000 will be paid to Fenton and Martin upon the transfer of the tenement and this amount will satisfy the royalty payments up to this amount.

### Appointment of Project Manager

The Board of Directors is pleased to advise that Mr Alex McCulloch has been appointed Project Manager of the Jaurdi Project for the due diligence period and, if the option is exercised, to Manage the project through to production.

**BEACON MINERALS LIMITED ACN 119 611 559**

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Mr McCulloch is a mining engineer who graduated from the School of Mines in WA in 1997. He has over 37 years experience in the mining industry. Mr McCulloch has previously worked at a number of open pit operations in Australia and overseas, including the start-up and ongoing production of an open pit copper/gold mine in NSW and has more recently been involved in the evaluation, planning and operation of mineral projects in the WA Goldfields.

Mr McCulloch has been providing technical assistance to the Executive Management of Beacon since September 2015. Mr McCulloch has assisted Beacon in the evaluation of more than 40 projects, which have included desk top studies and where required, local and overseas site visits.

Through Mr McCulloch's contacts in the mining industry he has brought the Jaurdi Gold Project to the attention of Beacon's executive management.

Beacon has agreed to issue an unlisted options package in Beacon to Mr McCulloch. The unlisted options will be exercisable at \$0.004 on or before 5 Years from the date of issuing Tranche 1 (**Unlisted Options**).

For Tranche 1 the Company will issue 20,000,000 unlisted options to Mr McCulloch on execution of the Option to Purchase Agreement. Tranche 2 of 60,000,000 unlisted options will be issued to Mr McCulloch on Beacon exercising the option on the Jaurdi Gold Project.

The unlisted options will be issued under the Company's issuing capacity under ASX Listing Rule 7.1.

For further information please contact:

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