

ASX ANNOUNCEMENT

28 April 2017



MARCH 2017 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

Beacon Minerals Limited (ASX:BCN) (Beacon or Company) is pleased to present its Quarterly Activities Report for the period ended 31 March 2017.

Highlights

- **Beacon Purchases Jaurdi Gold Project**
- **Jaurdi Lost Dog Maiden Resource**

Beacon Executes Option to Purchase Jaurdi Gold Project

On 3 January 2017, the Company announced that it had 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).

On the 5 April 2017 the Company announced that it had executed the option to purchase the ML from Fenton and Martin on 30 March 2017. The Company has applied to the Minister of Mines for the tenement transfer approval.

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 had 110 days to undertake due diligence on the Jaurdi Gold Project. The following summarises the work completed by Beacon during the 110-day option period:

- Drilled 186 reverse circulation holes totalling 5,337 metres in two drilling campaigns;
 - Included in this was a close spaced grade control program in the Western Arm.
- Surveyed and collated all drill holes including relevant historical holes drilled by previous explorers.
- Drilled 6 PQ diamond core holes for density, moisture and metallurgical compositing.
- Undertaken a ground gravity survey over an area including the known mineralisation.
- Completed conventional bottle rolls on a selected suite of samples from the RC drilling.
- Observed the trial mining by Fenton and Martin of a parcel of 9,400 tonnes from the Western Arm of the Lost Dog Mineral Resource.
- Observed the processing of part of the 9,400 tonne parcel through the FMR owned Greenfields conventional processing plant at Coolgardie.
- Reviewed prospective areas in the general vicinity and applied for an exploration licence of approximately 10,000 Hectares east of M16/529.

The exploration work done during the option period indicates that there are no major impediments to Beacon establishing a mining operation at the Lost Dog at current gold prices either by:

- a. Processing ore through a conventional gold treatment plant when the physical characteristics of the ore are suitable; and/or

- b. Establishing a site processing route designed to handle the clay portion of the ore and blending of the more competent crushed siltstone for subsequent CIL extraction of the gold

The key terms of the Option to Purchase Agreement with Fenton and Martin were 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.

Milling Campaign Results

Under the terms of the option agreement with Martin and Fenton a parcel of 9,400 metric wet tonnes was mined and carted to the FMR owned Greenfields Mill. A total of 4,265 dry metric tonnes of the ore was processed until milling was halted due to moisture in the ore causing handling issues in the crushing process. The milling and CIP processing of the ore has provided Beacon with valuable processing information in terms of future treatment requirements. The assayed ore grades of the parcel and the recovery achieved (91.8%) was in line with Beacon's expectations. A total of 15.897 kg's of fine gold was recovered during the processing of the ore. A joint mining campaign between Beacon and the Vendors over the close spaced drilled area in the Western Arm of the deposit is being assessed for the completion of the balance of the Vendors ore entitlement.

Gravity Programme

The trial gravity survey was completed in March 2017 and the data collected has been evaluated by Southern Geoscience. The orientation survey consisted of 50 metre spaced N-S lines; with stations positioned on 25 metre centres along these lines. The survey has produced three "walk up" drill targets to test for palaeochannel style gold mineralisation. The diagram below is a Bouguer Anomaly BA1VD (i.e. BA of one vertical derivative) where the "cooler" colours represent a lower density response and the hotter colours represent a higher denser response. The palaeochannel is a lower density feature than the surrounding bedrock.

It can be clearly seen there are three "lower density", undrilled areas defined by the BA1VD image which potentially represents the continuation of the palaeochannel along strike. These three zones represent "walk up" drill targets for Beacon. The Company has engaged Ausdrill Kalgoorlie to mobilise to Jaurdi on 10 April 2017 to commence drilling of the three targets identified.

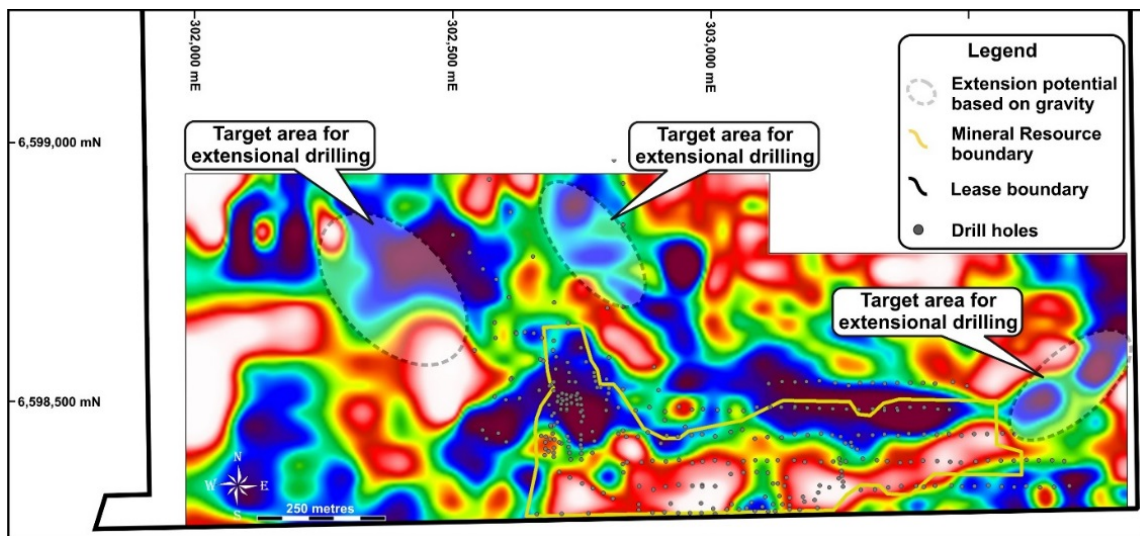


Figure 1: First derivative Bouguer Anomaly images showing the lower density zones which represent potential mineralised extensions to the Lost Dog ore system

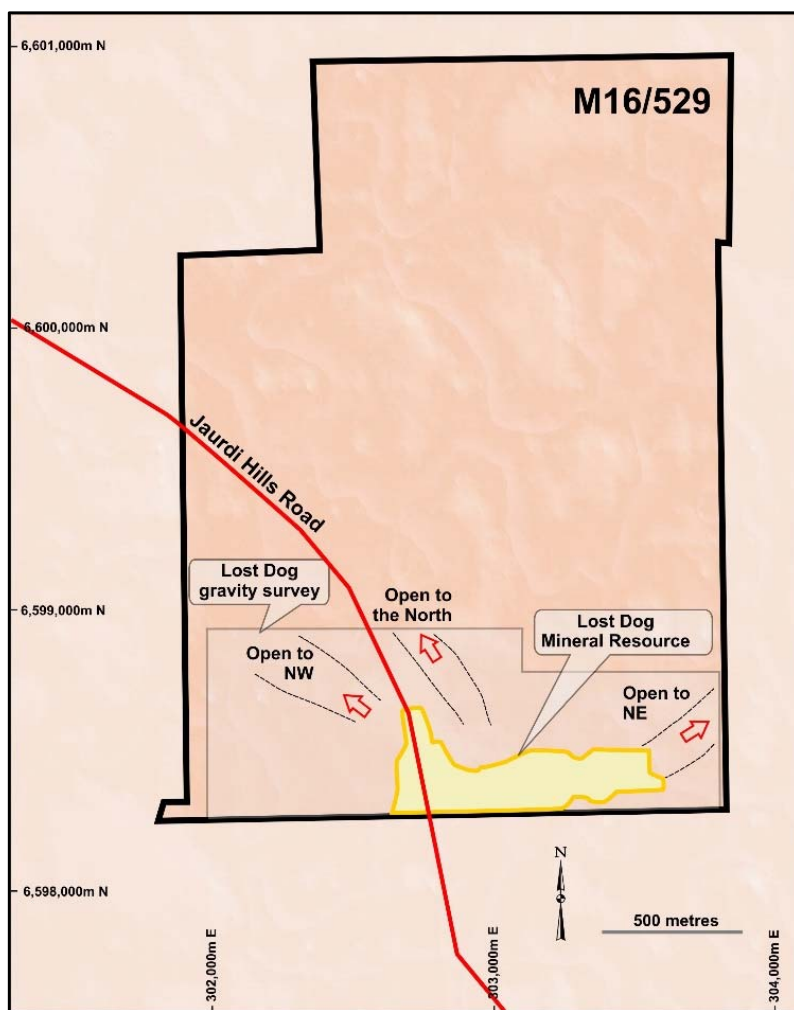


Figure 2: Locality diagram of M16/529 showing outline of trial gravity survey

Diamond Drilling

A six hole PQ3 diamond drill core programme was completed at the Lost Dog prospect for the purpose of undertaking geo-metallurgical test work. A suite of whole core samples was submitted to Bureau Veritas in Kalgoorlie for SG analysis and moisture determination. The set of samples consisted of 20 core samples of the four basic rock types within the palaeochannel; siltstone unit, siltstone-clay unit, clay-siltstone unit and a clay unit.

The previous estimate of the insitu dry density from open pit samples averaged 2.2 g/cm^3 . The results from this round of test work downgraded this estimate significantly due to the high inherent moisture content measured during the laboratory testwork. Table 1 below shows the extent of the variability in each of the four identified rock types. These new insitu dry SG determinations have been used to update the Mineral Resource.



Figure 3 A vuggy and breccia-textured siltstone of JDD004 (JDSG37: 14.73 – 15.00 metres).
The sample had a wet SG of 2.18 g/cm^3 .

Mineral Resource Update

Following completion of the diamond core drilling program, Beacon updated shareholders with a Mineral Resource update of the previously released JORC 2012 Lost Dog Maiden Mineral Resource. Upon completion of a specific-gravity (SG) and moisture analysis of the diamond core, extremely high moisture content within several mineralised lithological units have resulted in the downgrade of the dry SG value used to calculate insitu ore tonnages.

Table 1: Lost Dog Mineral Resource estimate by classification (Au > 0.5 g/t)

Classification	Rock Type	Volume	Tonnes	Grade	Ounces	Moisture	Insitu Density-Dry
		m ³	t	g/t Au	Oz	%	t/m ³
MEASURED	Siltstone	1,361	3,267	1.19	125	2%	2.4
	Silt/Clay	2,539	3,555	1.43	163	25%	1.4
	Clay/Silt	10,822	12,986	1.45	605	31%	1.2
	Claystone	9,314	10,245	2.91	959	35%	1.1
Sub Total		24,036	30,053	1.92	1,852	29%	1.3
INDICATED	Siltstone	460,522	1,105,254	1.53	54,368	2%	2.4
	Silt/Clay	421,332	589,865	2.02	38,308	25%	1.4
	Clay/Silt	244,537	293,445	1.91	18,020	31%	1.2
	Claystone	48,755	53,630	1.98	3,414	35%	1.1
Sub Total		1,175,146	2,042,194	1.74	114,110	14%	1.7
INFERRED	Siltstone	29,395	70,547	0.9	2,041	2%	2.4
	Silt/Clay	21,069	29,497	1.06	1,005	25%	1.4
	Clay/Silt	714	857	1.31	36	31%	1.2
	Claystone	0	0	0	0	35%	1.1
Sub Total		51,178	100,901	0.95	3,082	9%	2.0
Grand Total		1,250,360	2,173,148	1.70	119,044	14%	1.7

The defined mineralisation at Lost Dog remains unchanged, with the Eastern Arm of the Jaurdi palaeochannel orebody extending 850 metres in length and strikes East-West, having an average thickness of 8 metres and an average width of 175 metres, and remains open to the North East. The Eastern Arm joins the Western Arm of the system where it is orientated at 330 degrees and has a strike length of 250 metres, an average thickness of 7 metres and an average width of 140 metres. The Western Arm is also open to the North West. Both Arms of the Jaurdi system are located 10 metres below the surface.

The Jaurdi Gold Project overlies a portion of the Bali Monzogranite immediately adjacent to the Jaurdi Hills-Dunnsville greenstone sequence. The Lost Dog gold mineralisation is hosted in either a bleached, siliceous siltstone or an interbedded clay and siltstone unit.

The Mineral Resource has been drilled out using both reverse circulation and air core drilling techniques; the two techniques were required to drill through the host lithology's. The resource estimate was carried out using 125 holes drilled by Beacon in Stage 1 and 2 for 3,647m. A total of 87 historical AC drill holes for 2,365m were also used. Sampling was collected through a cyclone and split through a rig mounted riffle

splitter. One metre samples were collected to obtain a 3 to 4 Kg sample. All samples were pulverised to typically 95% passing -75µm to produce a 50g charge for Fire Assay with an AAS finish.

The drilling has been completed on a 25m x 50m pattern over the entire deposit. In addition, a close spaced drilling programme was completed in the Western Arm on a 10m x 10m pattern. The purpose of this drilling was to understand the short scale continuity of the mineralisation with the aim to use this in the resource modelling process. The density of drilling for this style of deposit has given sufficient confidence to categorise the Mineral Resource predominantly as Measured and Indicated (98%).

Grade estimation was completed using ordinary Kriging. A nested spherical variogram with two structures was derived for each domain using Snowden Supervisor software. The variogram was created as normal scores and was back transformed for use with 3DS Surpac. A suite of cut-off grades was presented; however, a 0.5g/t Au was selected as the optimal cut-off grade.

The mining method considered at this early stage is conventional drill and blast and load and haul with an excavator and large open pit mining equipment.

The current defined Mineral Resource estimate is situated entirely on granted Mining Lease M16/529.

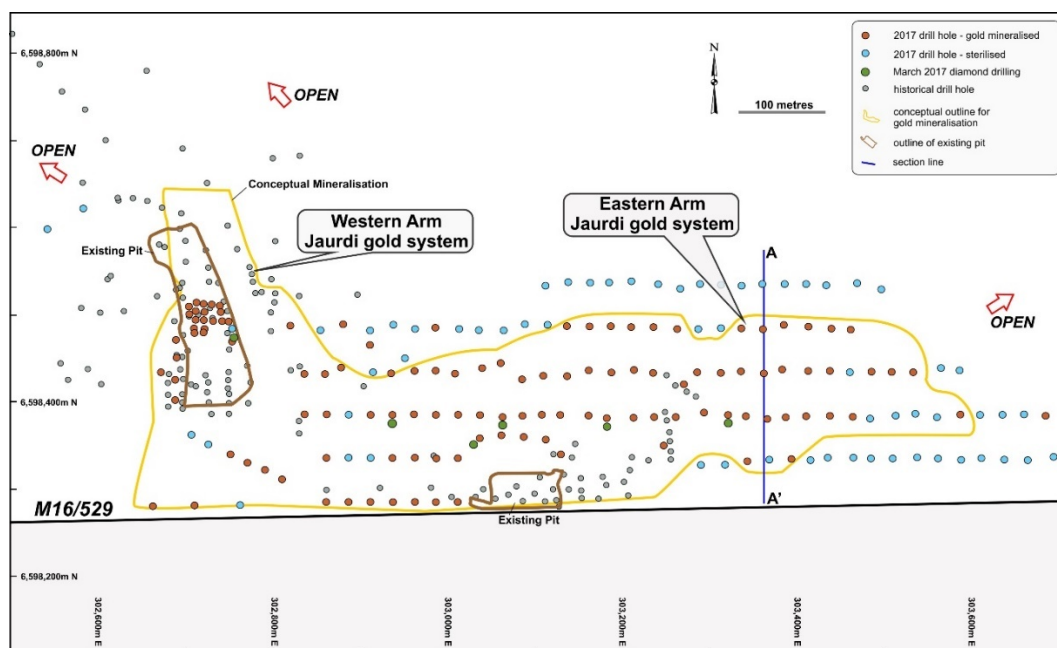


Figure 4: Plan of the Jaurdi palaeochannel showing the drilling which has defined both the Eastern and Western Arms

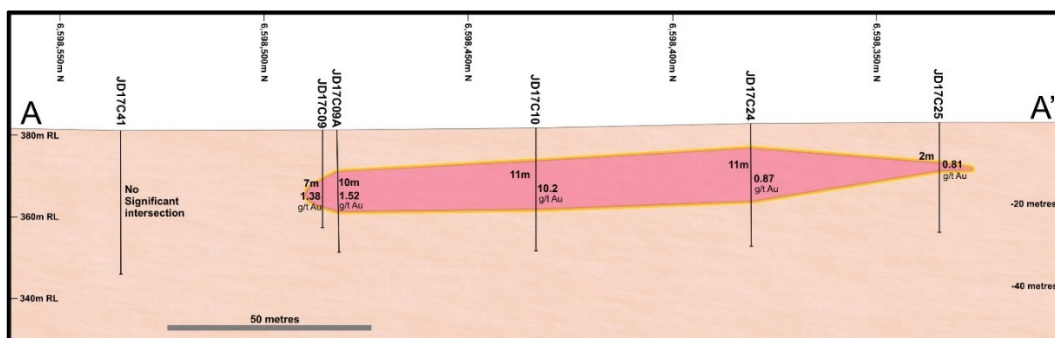


Figure 5: Cross section A – A' of the East Arm of the Jaurdi palaeochannel

CASH RESERVES

As at 31 March 2017 the Company had approximately \$2.887 million in cash reserves.

CAPITAL STRUCTURE

As at the date of this report the Company has the following capital structure:

Fully Paid Ordinary Shares (BCN)	1,495,470,963
Unlisted Options ex. \$0.004 on or before 31 January 2022	80,000,000

OTHER OPPORTUNITIES

Senior management and external consultants have undertaken desk top reviews, and where justified, field inspections. Discussions continue and shareholders will be advised immediately of any material outcomes.

Should shareholders have any questions regarding Beacon, please feel free to contact Executive Chairman Geoff Greenhill or Managing Director Graham McGarry.

Geoff Greenhill
Executive Chairman
Beacon Minerals Ltd
M: 0419 991 713

Graham McGarry
Managing Director
Beacon Minerals Ltd
M: 0409 589 584

COMPETENT PERSON STATEMENT:

The information in this report that relates to the Jaurdi Gold Project Mineral Resource estimation is based on information compiled by Mr Richard Finch and Mr Darryl Mapleson, both full time employees of BM Geological Services. Mr Finch is a Member of the Australian Institute of Mining and Metallurgy, while Mr Mapleson is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Finch and Mr Mapleson have sufficient experience that is relevant to the style of the mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

This ASX announcement contains information extracted from the following reports, which are available on the Company's website at www.beaconminerals.com.au.

- 5 April 2017 Jaurdi Gold Project – Update
- 10 March 2017 Jaurdi Mineral Resource – Lost Dog Maiden Resource Update
- 3 March 2017 Jaurdi Gold Project – Lost Dog Maiden Mineral Resource

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

SCHEDULE OF MINERAL TENEMENT INTERESTS

Beacon Minerals Limited provides the following schedule of mineral tenement interests held by the Company for the quarter ended 31 March 2017 as required by ASX Listing Rule 5.3.

Beacon Minerals Limited Mineral Tenement interest as at 31 March 2017;

TENEMENT	PROJECT/LOCATION	INTEREST AT THE BEGINNING OF THE QUARTER	INTEREST AT THE END OF THE QUARTER
	Halleys East Project		
M77/1254	Halleys East Lake Barlee	100%	0%
	Jaurdi Gold Project		
ML16/526	Jaurdi, Coolgardie	0%	0% ⁽¹⁾

⁽¹⁾ On 30 March 2017 the Company executed the documentation for the purchase of the mining lease ML16/529 and has applied to the Minister of Mines for the tenement transfer approval.

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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Beacon Minerals Limited

ABN02

Quarter ended ("current quarter")

64 119 611 559

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	7,464
1.2 Payments for		
(a) exploration & evaluation	(256)	(303)
(b) development	-	-
(c) production	-	(515)
(d) staff costs	(45)	(126)
(e) administration and corporate costs	(28)	(138)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	60
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(6)	(10)
1.9 Net cash from / (used in) operating activities	(321)	6,432

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	(3,739)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(3,739)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,208	194
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(321)	6,432

+ See chapter 19 for defined terms

1 September 2016

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(3,739)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,887	2,887

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,887	3,208
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,887	3,208

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

32

-

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A		

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A			

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	250
9.2	Development	-
9.3	Production	-
9.4	Staff costs	40
9.5	Administration and corporate costs	50
9.6	Other -	-
9.7	Total estimated cash outflows	340

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	M77/1254	Mining Licence	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Sarah Shipway
Non- Executive Director/Company secretary

Date: 28 April 2017

Print name: Sarah Shipway

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.