

ASX ANNOUNCEMENT

7 June 2018

Jaurdi Gold Project - UPDATE

Highlights

- Exercise of Option to Purchase Exploration Licence E16/469
- Exploration Potential of the Eastern Paleo Channel System
- Update on Status of Key Approval/Licence Documents
- Completion of Initial Grade Control Program
- Confirmation of Adequate Process Water Supply
- Commencement of Exploration Activities on Prospecting Licences P16/2925 and P16/2926

Option to Purchase Exploration Licence E16/469

Beacon Minerals Limited (“**Beacon**” or the “**Company**”) is pleased to advise that it has continued to consolidate its tenement holding in relation to the Jaurdi Gold Project by exercising its option to purchase Exploration Licence 16/469. The tenement is contiguous with Mining Lease 16/529 and contains over 9,000 ounces of the Lost Dog mineral resource.

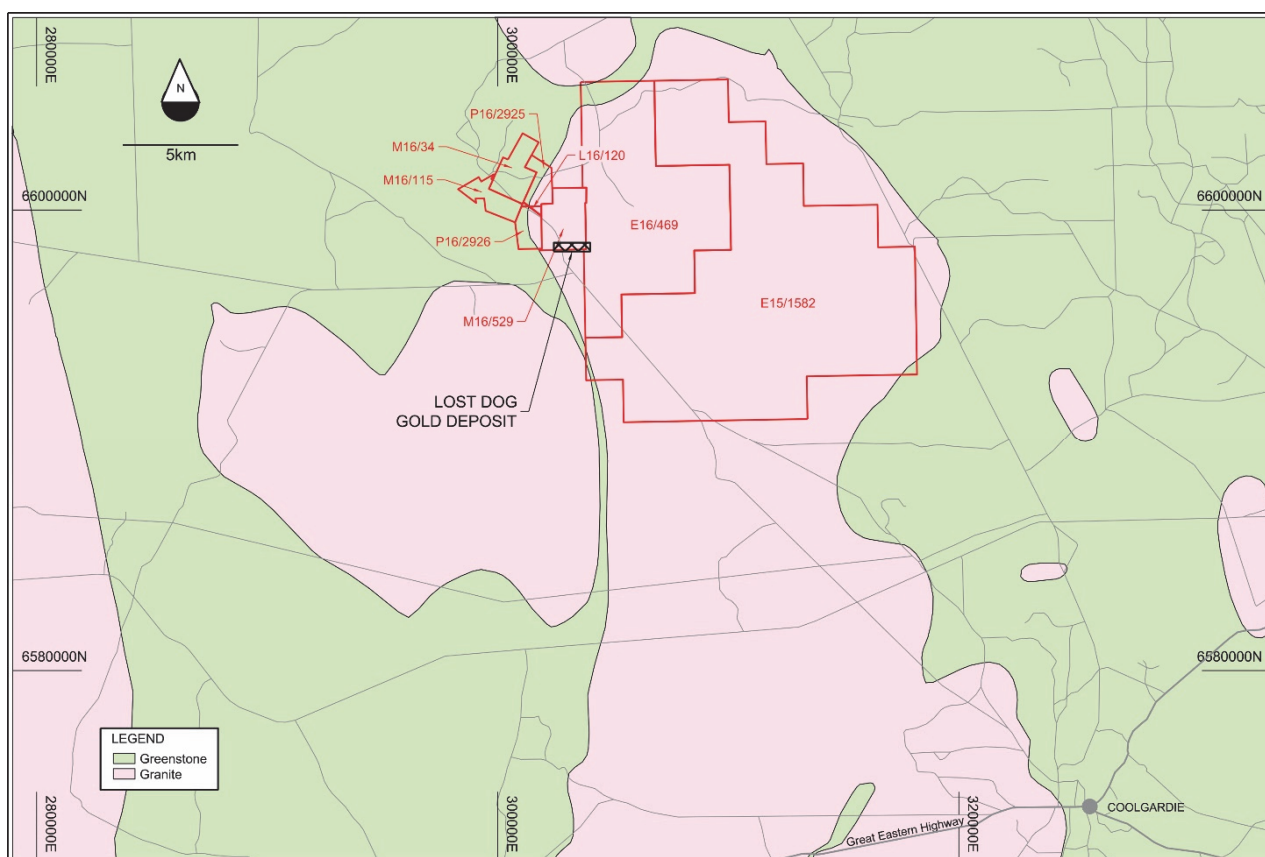


Figure 1: Locality diagram detailing Jaurdi Gold Project Tenements

Table 1: Jaurdi Gold Project Tenement Listing

Tenement ID	Registered Holder	Interest
M16/34	Beacon Mining Pty Ltd	100% owned
M16/115	Beacon Mining Pty Ltd	100% owned
M16/529	Beacon Mining Pty Ltd	100% owned
E15/1582	Beacon Mining Pty Ltd	100% owned
L16/120	Beacon Mining Pty Ltd	100% owned
E16/469	SG Argus and Zephyr Mining Pty Ltd	Option to purchase exercised – pending final transfer documentation/approvals
P16/2925 and P16/2926	Australian Livestock Suppliers Pty Ltd	Option to purchase agreement in place

Exploration potential of the eastern paleo channel system

With the benefit of the information gathered from exploration activities over the past 18 months, including aerial/ground geophysics and several drill campaigns, Beacon’s consulting geologists have built an improved understanding of the genesis of the Lost Dog orebody. Figure 2 shows four high priority exploration targets which lie to the east of the Lost Dog orebody. The Company plans to prioritise these targets in the next phase of exploration activities.

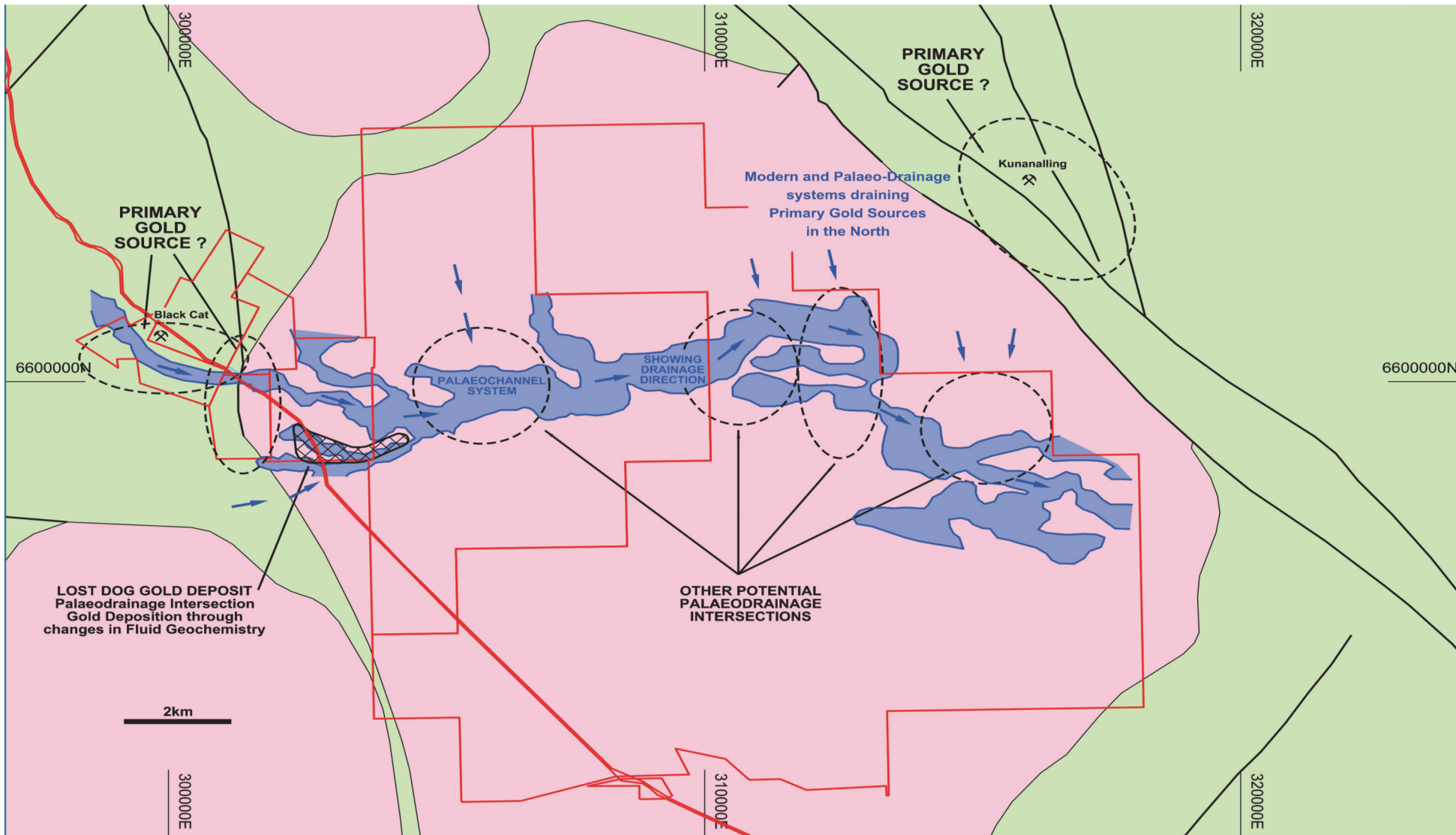


Figure 2: High Priority Paleo Channel Exploration Targets

Update on Status of Key Approval/Licence Documents

Further to our ASX announcement from 3 April 2018 the Company is pleased to provide an update in relation to the lodgement of key documents at the Western Australian Department of Water and Environmental Regulation (DWER) and Department of Mines, Industry Regulation and Safety (DMIRS). The following table of key documents and the status of the key documents for the Jaurdi Gold Project:

Table 2: Update on Status of Key Approval/Licence Documents

Approval Document	Approval Department	Status
Works Approval and Licence	DWER	Pending
Mining Proposal	DMIRS	Pending
Mine Closure Plan	DMIRS	Pending
Project Management Plan	DMIRS	Approved
Dangerous Goods Licence	DMIRS	Approved
Explosive Storage Licence	DMIRS	Approved

Feedback from DWER and DMIRS has been positive and the pending approvals are expected in the month of June 2018.

Completion of initial grade control program

Reverse circulation grade control drilling of the initial mining area was completed on 31 May 2018 with some 273 holes for 6,161 metres of drilling. All samples have been submitted and detailed grade modelling will be undertaken once the assaying and surveying processes are complete.

Given the large size and shallow nature of the “Lost Dog” orebody, only one round of grade control drilling is required in each mining area which assists greatly in the efficiency of the mining cycle.

Confirmation of adequate process water supply

Beacon has been advised by its consultant Hydrologist that the eight (8) production bores that have been installed and pump tested will provide a more than adequate supply of process water for the process plant. Subject to decant water recovery rates, it is likely that only five (5) of the production bores will need to be equipped to provide sufficient process water, with the other bores being kept in reserve.

Commencement of exploration activities on Prospecting Licences P16/2925 and P16/2926

Beacon has commenced an auger drilling program on P16/2925 and P16/2926 which are the subject of an option to purchase agreement with Australian Livestock Suppliers Pty Ltd (see Table 1.). The purpose of the exploration is to complete auger soil geochemical coverage of the tenements to determine gold prospectively of the ground.

Historical surface soil sampling by previous companies has produced poorly defined soil geochemical anomalies that may be better defined by auger soil geochemistry where the pedogenic carbonate horizon is preferentially sampled to provide gold-in-auger soil anomalies that may indicate the presence of in situ, regolith and/or bedrock-hosted gold occurrences. Auger soil geochemistry targeting the pedogenic carbonate soil horizon has been successfully used by many explorers since its inception in the early to mid-1990's. Sampling will total 770 auger soil samples over both tenements and is being carried out on a 100x50m spaced grid, which should be suitable to test for both larger gold occurrences and smaller, narrower, but high grade occurrences. The programme is expected to take around one week to complete.

Beacon's Managing Director, Graham McGarry said:

"The Board is very pleased with the progress being made at the Jaurdi Gold Project.

"Exercising the option to purchase of E16/469 provides the tenure for the eastern extent of the Lost Dog orebody as we know it today. Significant exploration potential exists in an exciting and relatively un-explored gold belt.

"We are also pleased that we have secured some of the key regulatory project approvals and are confident that approval for the remaining licences are imminent.

"We look forward to providing further updates as we continue to move the project into production."

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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.

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