



**BEACON**  
MINERALS LIMITED

AN ASX LISTED COMPANY (ASX:BCN)

**\$18.0M DEBENTURE NOTE ISSUE TO BRING JAURDI GOLD PROJECT INTO PRODUCTION**  
TO SOPHISTICATED OR PROFESSIONAL INVESTORS ONLY  
SEPTEMBER 2018



# DISCLAIMERS

## SOPHISTICATED OR PROFESSIONAL INVESTORS

Debenture Holders will be sophisticated or professional investors and as such the Beacon Minerals Limited (**Beacon Minerals** or the **Company**) will not be preparing a disclosure document, but has appointed a security trustee in accordance with Part 2L.1 of the Corporations Act in relation to the Debenture Issue. The Debentures will not be quoted on ASX.

## FORECASTS AND FORWARD LOOKING STATEMENTS

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

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# EXECUTIVE TEAM

## **Executive Chairman Geoff Greenhill AWASM, MAusIMM**

graduated from the Western Australian School of Mines obtaining an Associateship in Metallurgy in 1973. Mr Greenhill has held various senior metallurgical roles, and has designed and commissioned ore processing facilities across Australia. He is highly respected within the mining industry and has a strong track record in creating shareholder value.

## **Graham McGarry and Geoff Greenhill**

have been in business together for over 30 years and have developed 8 open pits and 6 underground mines and built and commissioned 5 processing facilities for gold, copper and nickel in WA, SA, NT and QLD. Most of these were developed and funded personally by Mr McGarry and Mr Greenhill.

## **Project Manager Alex McCulloch**

has 38 years of experience in the mining industry and has worked in Australia, North America and Tanzania as well as visiting many other mining jurisdictions in Africa and Asia. Mr McCulloch started his career as a Mine Surveyor and completed a Mine Engineering qualification at the WA School of Mines whilst working at the “Superpit” gold mine in Kalgoorlie. He has worked for Barrick Gold Corp, Newmont Mining Corp and Rio Tinto in various Mining Engineering roles and later moved into mining contracting where he rose to the position of COO - Australian Operations for Ausdrill Limited.

## **Managing Director Graham McGarry CPA, CD,**

is an experienced and seasoned ‘hands on’ miner, with an impressive track record in turning early stage projects into viable and attractive investment propositions. Mr McGarry spent eight years with Amalg Resources as Managing Director, and was responsible for the development of the Eloise Copper Mine in Queensland from ‘bare paddock’ to an underground mine producing 500,000 tpa of copper/gold ore. Mr McGarry has developed numerous successful mining projects across Australia.

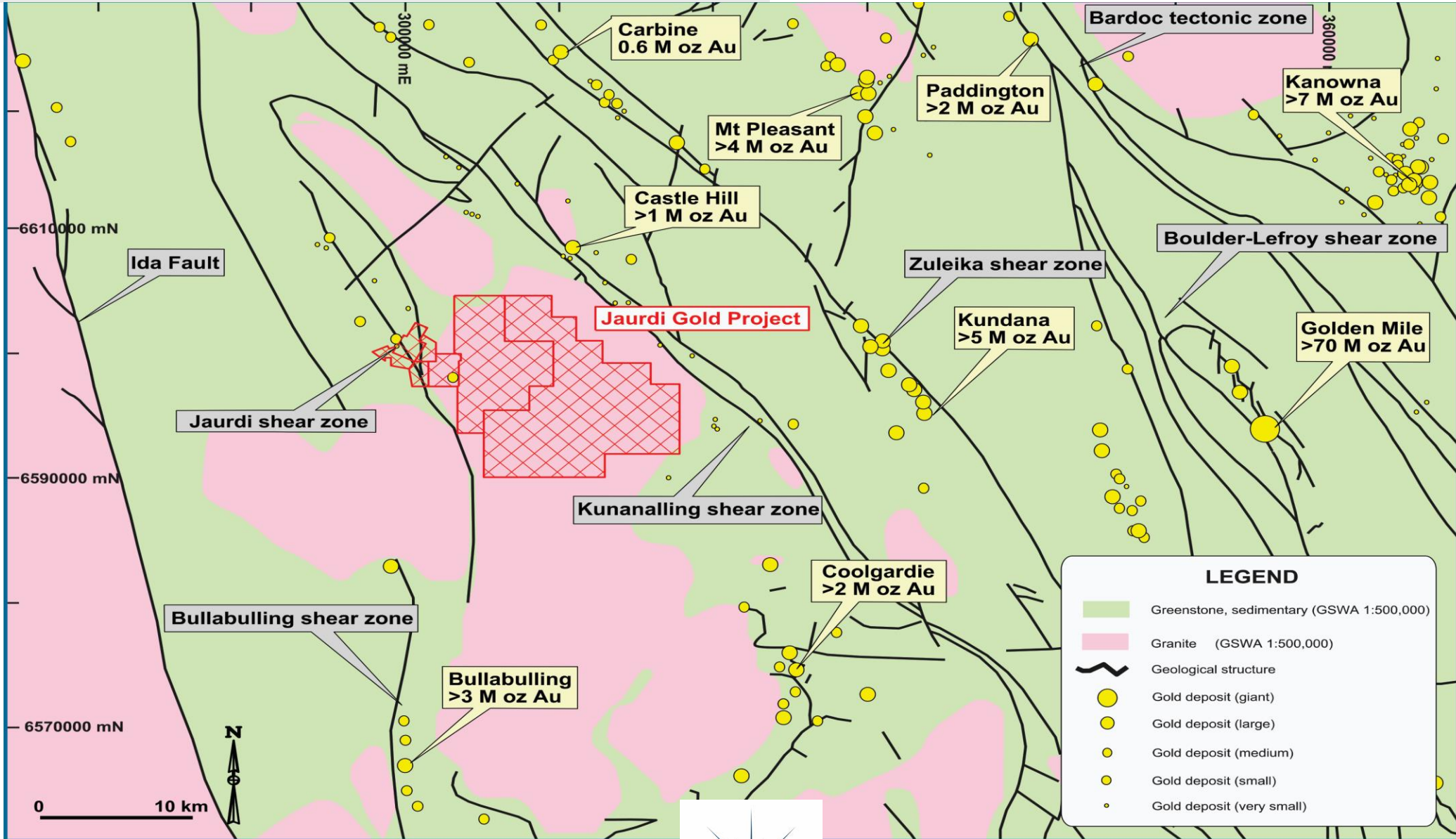
## **Director/Company Secretary Sarah Shipway CA, B.Com**

was appointed Company Secretary of Beacon in 2012 and Non-Executive Director in 2015. Ms. Shipway is a Chartered Accountant with extensive experience in advising listed exploration companies. Ms. Shipway is also Non-Executive Director of St George Mining Limited (ASX: SGQ) and Company Secretary of Cardinal Resources Limited (ASX: CDV).

## THE VALUE EQUATION

- WA gold miner focused on developing the shallow, low cost Jaurdi Gold Project located 35km NW of Coolgardie
- Lost Dog mineral resource 2.9Mt at 1.76g/t Au (163,100oz)
- Black Cat mineral resource 0.41Mt at 1.7g/t Au (21,880oz) – *not included in reserve*
- Pre-feasibility completed – low cost (opex and capex), high margin, low risk
- Targeting first quarter 2019 production with camp and offices in place, initial earthworks underway and construction of the planned processing plant to commence
- Surrounded by high priority gold exploration targets

# LOCATION OF JAURDI GOLD PROJECT



# PROJECT MINERAL RESOURCES

## LOST DOG

CLASSIFICATION	TONNES ('000)	AU(G/T)	OUNCES ('000)
Measured	30	1.6	1.5
Indicated	2,752	1.8	158.4
Inferred	101	1	3.2
<b>Total</b>	<b>2,883</b>	<b>1.8</b>	<b>163.1</b>

## BLACK CAT

CLASSIFICATION	TONNES ('000)	AU(G/T)	OUNCES ('000)
Indicated	164	1.9	9.9
Inferred	244	1.5	12.0
<b>Total</b>	<b>408</b>	<b>1.7</b>	<b>21.9</b>

Notes:

1. The Mineral Resource is classified in accordance with JORC, 2012 edition.
2. The Mineral Resources are contained within M16/529, M16/115 and E16/469.
3. Inferred ore from Lost Dog and all of the Black Cat mineral resource is not included in the PFS evaluation

## JAURDI (LOST DOG ONLY) PFS PHYSICAL METRICS

Mine Life (years)	5
LOM Mill Feed (Mt)	2.47
LOM Waste Mined (Mt)	4.69
LOM Strip Ratio (Waste:Ore)	1.9:1
Mineral Resource (Mt)	2.9
Mineral Reserve (Mt)	2.47
Average Head Grade (g/t)	1.9
Annual Mill Throughput (t)	500,000
Plant Recovery (%)	85
LOM Gold Production (oz)	126,259

Note:

1. Lost Dog Inferred ore (101kt) not included.

For further information, refer to the Company's ASX announcement entitled "PFS Results for Jaurdi Gold Project" dated 29 August 2018.

**Pre-Feasibility Parameters – Cautionary Statement:** The Base Case in the announcement of [insert date] is based on Proved and Probable Ore Reserves derived from Measured and Indicated Mineral Resources respectively. No Inferred Mineral Resource was included in the estimation of Ore Reserves. The Base Case was prepared to an overall level of accuracy of +10%/-5%. It is based on material assumptions outlined elsewhere in that announcement and in Appendix 1 Material Assumptions Base Case of that announcement. The Company has concluded it has a reasonable basis for providing the forward-looking statements included in that announcement.

## Jaurdi (Lost Dog Only) PFS Financial Metrics

Key Financial Parameter*	A\$1,650 oz
NPV (A\$M)	\$70.49m
Revenue (A\$M) <sup>1</sup>	\$208.5m
Operating Costs (A\$M)	\$89.5m
Royalties	\$15.5m
Surplus Cashflow (A\$M)	\$98.4m
Initial Capital Costs (A\$M)	\$21.4m
Sustaining Capital Costs (A\$M)	\$5.0m
EBITD (A\$M)	\$103.5m
C1 Cash Cost (A\$oz)	\$830
AISC (A\$oz)	\$870
IRR (%)	75.04%
Payback (months)	11 months

For further information, refer to the Company's ASX announcement entitled "PFS Results for Jaurdi Gold Project" dated 29 August 2018.

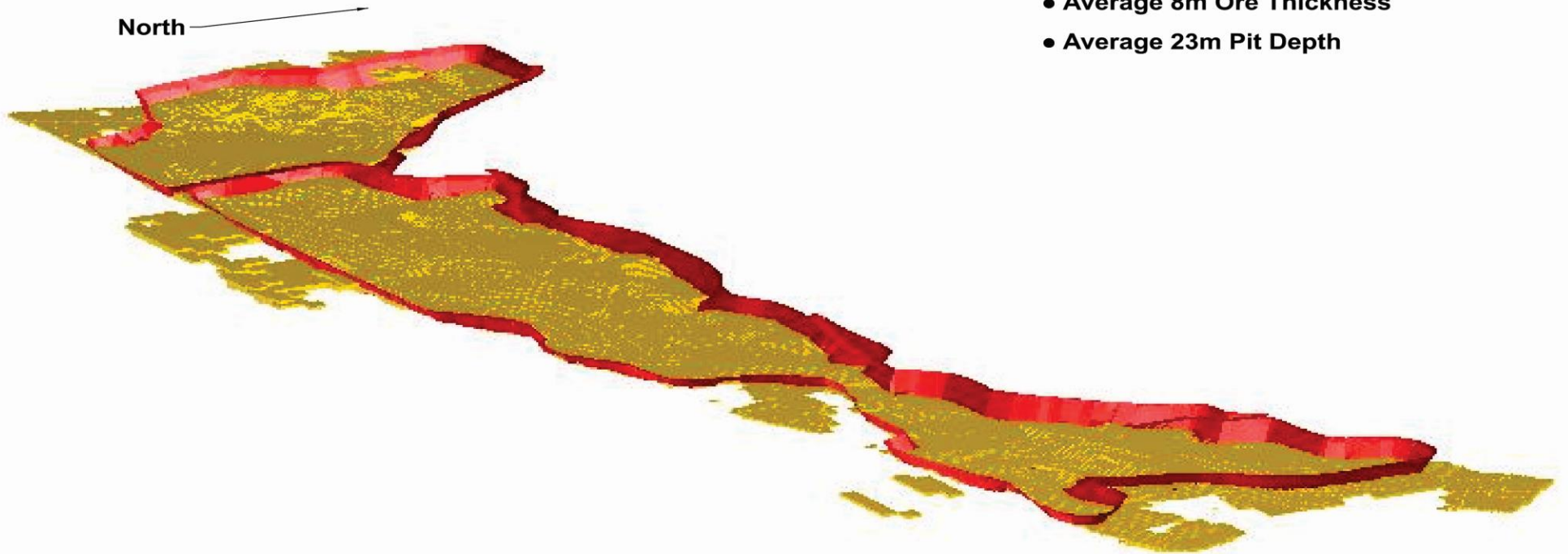
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1. Includes year 5 Lost Dog mill feed will be supplemented with approx. 30,000 tonnes from the Black Cat North open pit to fill the mill to its 500,000 tpa capacity.



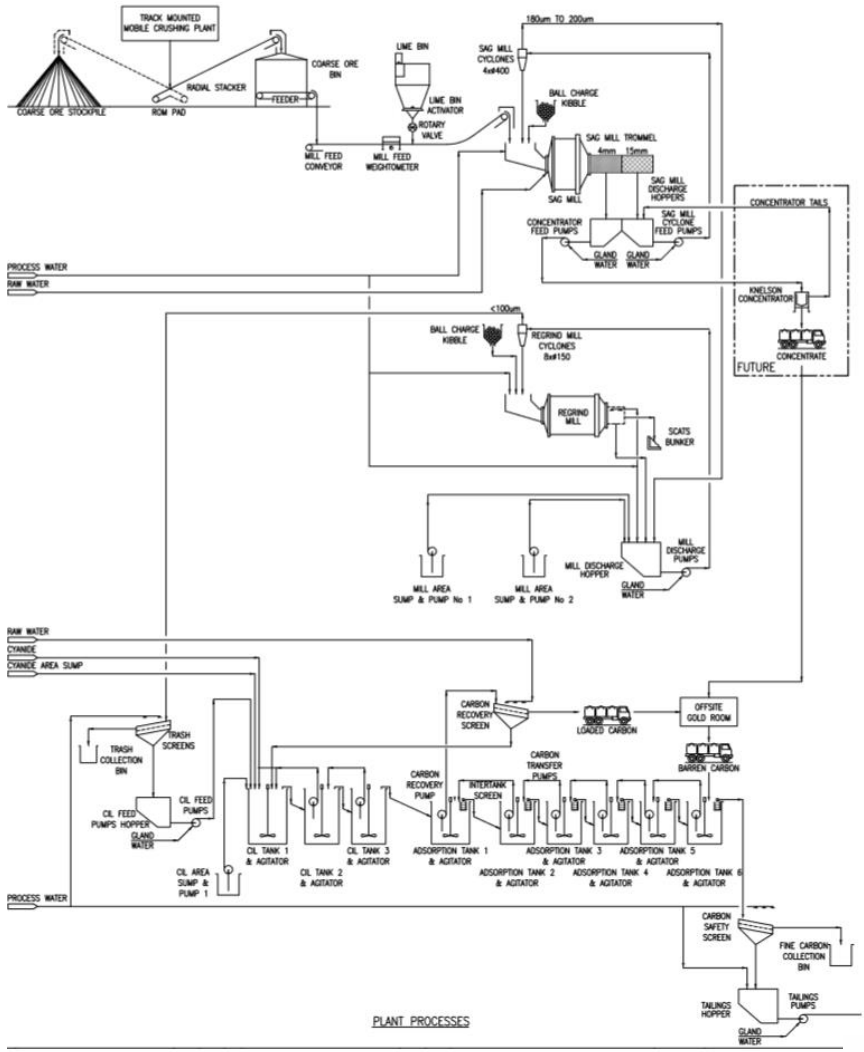
# JAUARDI OPEN PIT DESIGN

North



- Approximately 1300m Long
- Average 180m Wide
- Average 8m Ore Thickness
- Average 23m Pit Depth

# JAUARDI PROCESS PLANT FLOWSHEET



- 0.5Mtpa throughput rate
- Gold recovery 85%
- Process includes primary crush, grinding (SAG & Ball Mill), carbon-in-pulp leaching
- Major components acquired

## JAURDI INFRASTRUCTURE

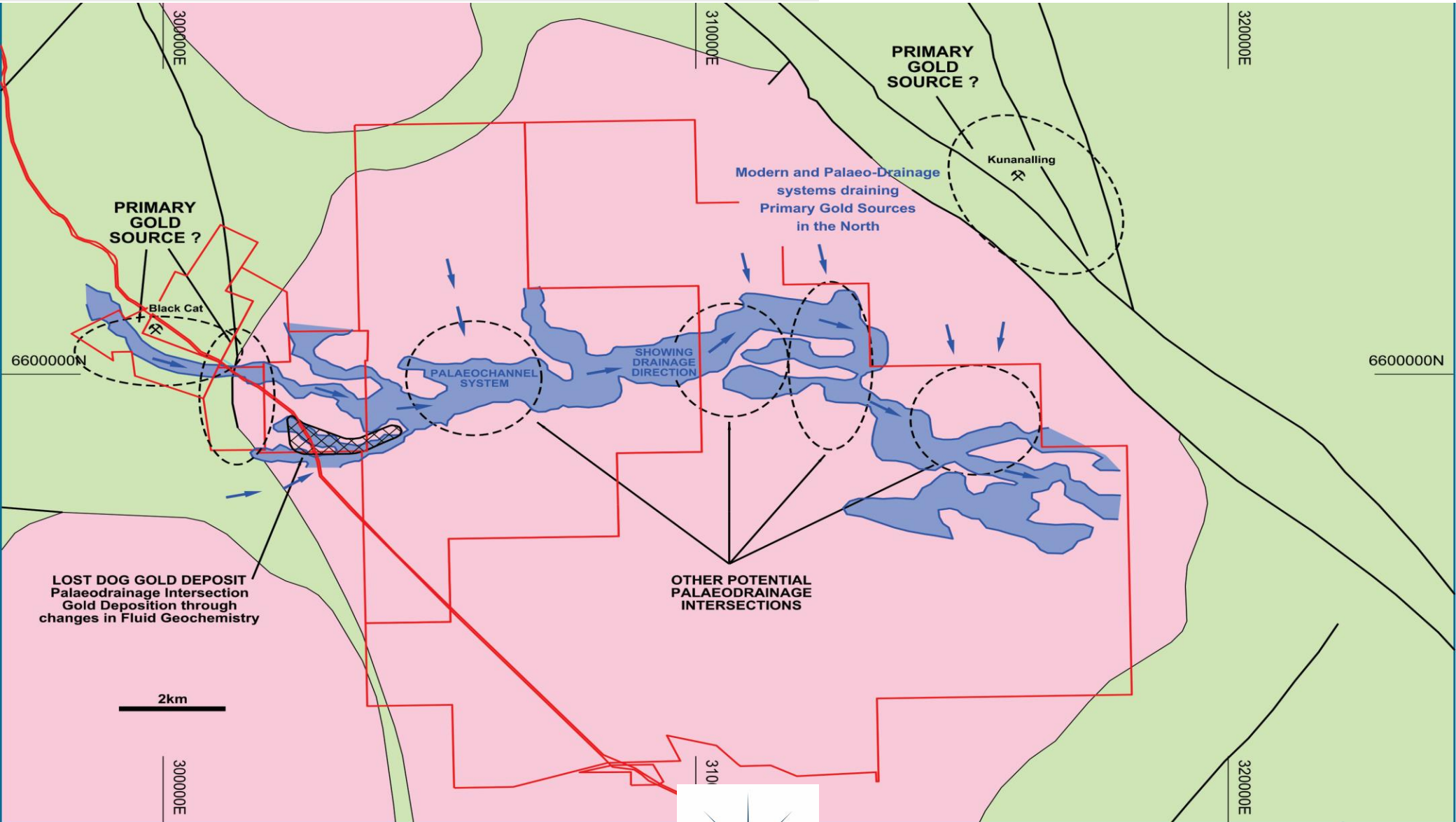
- Close proximity to Coolgardie (35km) and Kalgoorlie (75km)
- Excellent access via bitumen/gravel public roads;
- Ample groundwater available
- Contract diesel power
- Small on-site camp with the majority of personnel based in Coolgardie or Kalgoorlie

## PRE-PRODUCTION ACTIVITIES

Pre-production activities at Jaurdi would include the following;

- Identification and development of a process water borefield (**completed**);
- Mining fleet mobilisation (**completed**);
- Construction of offices, workshops/store and camp (**completed**);
- Clearing, grubbing and stockpiling of top-soil and wood mulch (**partially completed**);
- The construction of a processing plant (**on-going**);
- Preparation of the ROM pad (**partially completed**); and
- Construction of the TSF tailings line and decant water line to the Black Cat open pit (**on-going**).

# NEAR MINE EXPLORATION TARGETS



# CORPORATE

## CAPITAL STRUCTURE <sup>(1)</sup>

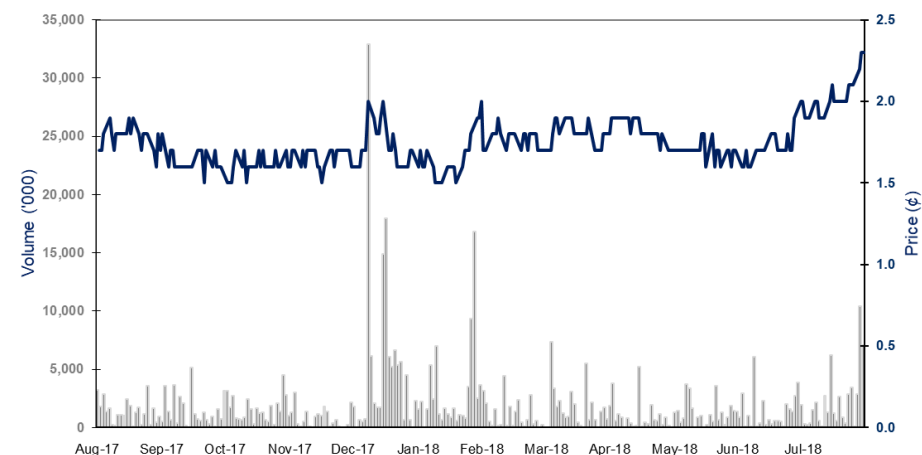
	#
Listed Shares (BCN)	2,013.9m
Listed Options (BCNOB) <i>BCNOB exercise \$0.025 on or before 1 August 2022</i>	498.4m
Unlisted Options <i>ex. \$0.004 on or before 31 January 2022</i>	80.0m
Unlisted Options <i>ex. \$0.025 on or before 5 May 2019</i>	5.0m

## SHARE OWNERSHIP <sup>(1)</sup>

	%
Top 10	35.1%
Top 20	43.3%

**Note 1:** As at 27 August 2018

## BCN Share Price Performance and Volume



## Track Record of Success

- The Company issued \$4.0 million in debenture notes in 2012. The debenture notes were repaid 5 months earlier than the due date.
- In 2016 the Company paid an inaugural dividend of \$0.0025 to shareholders.

## COMPETENT PERSONS

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](http://www.beaconminerals.com.au).

- 29 Aug 2018 PFS Results for the Jaurdi Gold Project
- 22 Sep 2018 Jaurdi Gold Project – Black Cat Mineral Resource Update

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.



144 Vivian Street, Boulder WA 6432

PO Box 423, Kalgoorlie WA 6433

(08) 9093 2477

[beaconminerals.com.au](http://beaconminerals.com.au)