

## ASX ANNOUNCEMENT

31 October 2018

### SEPTEMBER 2018 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

#### Highlights

- **Pre-Feasibility Study (PFS) Results for the Jaurdi Gold Project**
  - Pre-Feasibility study results confirm Jaurdi Gold Project to be a technically and economically viable project at a 500,000tpa processing capacity;
  - Processing an estimated 2.5Mt @ 1.9g/t (148koz)<sup>2</sup> will deliver 126koz of recovered gold.
  - Pre-production capital cost of \$21.4M;
  - Pre-production payback period 11 months;
  - Ore Reserves provide a mine life of 5 years which is likely to increase with the inclusion of the Black Cat Resources and exploration upside;
  - Forecast Life of Mine (LOM) revenue \$208.5M and surplus operating cash flow of \$98.4M at \$1,650/oz. gold price<sup>1</sup>;
  - Development of one shallow, low strip ratio open pit provides a low mining cost with an extremely low pre-stripping cost;
  - LOM operating cash cost (C1) of A\$830/oz<sup>3</sup>;
  - LOM All-In-Sustaining Cost (AISC) of A\$870/oz<sup>4</sup>;
  - NPV A\$70.49M (before tax);
  - IRR of 75% (before tax);
  - Carried forward Australian tax losses of approximately \$17M up to and including 30 June 2017.
- **Auger Soil Sampling P16/2925 and P16/2926**
- **Subsequent to Quarter End**
  - \$18m in Debentures Issued to fund the Jaurdi Gold Project into Production

<sup>1</sup> Based on production of 148,000oz at \$US1,200 gold price, A\$/US\$ exchange rate of \$0.73. All amounts in A\$ unless otherwise stated.

<sup>2</sup> 100% of the material in the mine plan is classified as an Ore Reserve.

<sup>3</sup> C1 operating costs include all mining, processing costs and royalties.

<sup>4</sup> AISC includes C1 costs plus refining and sustaining capital.

*\*Differences may occur due to rounding.*

Beacon Minerals Limited (ASX: BCN) (Beacon or Company) is pleased to present its Quarterly Activities Report for the period ended 30 September 2018.

### JAURDI GOLD PROJECT UPDATE

During the September quarter the Company has made significant progress at Jaurdi Gold Project which includes:

- Commencement of mining of the Lost Dog Pit;
- Approximately 243k m<sup>3</sup> of waste mined; and
- 3.96kt @ 1.39g/t of ore mined.

Other activities at Jaurdi during the quarter have included:

- Mining fleet mobilised to site;
- Mine site offices, crib room, toilets and workshops have been constructed and completed;
- A 32-room camp has been completed;
- Site roads have been completed;
- Mill tank farm foundations on-going with 75% completed;
- Commencement of earthworks on tailings pipeline corridor;
- Commencement of power station works;
- Drill and blast activities have commenced with 2x Atlas Copco F9 drill rigs
- Eastern waste dump, ROM pad and Panel 1 vegetation and topsoil have been removed; and
- Explosives magazine has been commissioned.

### PRE-FEASIBILITY STUDY RESULTS

During the quarter the Company was pleased to announce the completion of its PFS for the Jaurdi Gold Project. The PFS demonstrates an economically and technically viable project with considerable upside. The key financial parameters are tabled below:

| 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     |
| 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   |

- (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.

**\*Pre-Feasibility Parameters – Cautionary Statement**

The PFS 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 PFS was prepared to an overall level of accuracy of +10%/-5%. It is based on material assumptions outlined elsewhere in this announcement and in Appendix 1 Material Assumptions PFS. The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement.

The Company engaged Minecomp Pty Ltd (“Minecomp”), a Kalgoorlie based company, to carry out the PFS at the Jaurdi Gold Project (“Jaurdi Project”), producing a high level mining and processing schedule.

The PFS investigates the potential economic viability of the Jaurdi Project with the mining and on-site treatment of the Lost Dog Resource.

Independent JORC 2012 estimates of the Mineral Resource at the Jaurdi Project by BM Geological Services (BMGS) total 2.88Mt @ 1.8g/t for 163.1koz of contained gold (refer ASX Announcement 12 July 2017).

The PFS envisages an open pit mine that will deliver material to a 500,000 tpa capacity carbon-in-pulp (CIP) gold treatment facility at the Jaurdi Project.

**Figure 1: 50,000 tonnes of ore on the ROM 26 October 2018**



The open pit will be mined utilizing conventional open pit methods with 90t hydraulic excavator, a fleet of articulated dump trucks and ancillary mining equipment.

The mining strategy is focused on delivering an appropriate blend of ore to the process plant so as to optimise plant recoveries and throughput.

The TSF strategy is based upon depositing tailings into the voids left by open pit mining.

First gold production, based upon the PFS production forecast, is expected in the first half of 2019.

The following results relates to the work carried out by Mr Gary McCrae from Minecomp. All outputs relating to these works are dated May 2018.

### Mineral Resource

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

The Mineral Resource was estimated by BMGS and announced by the Company in June 2017, see Table 1.

**Table 1 – Lost Dog Mineral Resource**

| Classification | Tonnes (Kt)  | Au g/t (g/t) | Au (kOz)     |
|----------------|--------------|--------------|--------------|
| Measured       | 30           | 1.6          | 1.5          |
| Indicated      | 2,752        | 1.8          | 158.4        |
| Inferred       | 101          | 1.0          | 3.2          |
| <b>Total</b>   | <b>2,883</b> | <b>1.8</b>   | <b>163.1</b> |

Calculations have been rounded to the nearest 1,000t, 0.1g/t grade and 100 ounces

*For further details see JORC Code 2012 Edition – Table Report Template Sections 1, 2, 3 starting on page 194 of the report attached to the Appendix of ASX announcement dated 29 August 2018.*

### Mining and Metallurgical Factors and Assumptions

Mining at the Jaurdi Project is to be performed using conventional open pit mining techniques. Mining equipment will comprise articulated dump trucks, matching 90t hydraulic excavator with additional ancillary equipment rounding out the fleet.

Beacon envisages that load and haul activities will be undertaken by owner operators using a mixture of owned and dry hired equipment. All drill and blast and grade control drilling will be undertaken by contractors. All technical and managerial direction will be provided by Beacon.

The Lost Dog, June 2017 Resource was imported into Whittle pit optimisation software. The optimisation analysis included inputs from Beacon’s Executive Directors and external consultants. These input parameters comprised contractor estimates based upon experience and were inclusive of all on-site operating costs. Where applicable these costs, were reflective of the use of articulated trucks and matching equipment. Milling costs were reflective of treatment at an on-site milling facility.

The metallurgical recovery used in this study is based upon testwork conducted by ALS Metallurgy Perth, Bureau Veritas Kalgoorlie and the results of a 4,625t trial parcel of Lost Dog ore processed at a nearby

custom milling facility. The 85% recovery used is at the lower end of the range of recoveries established from the testwork.

Geotechnical parameters utilised were based upon the recommendations of Tim Green of Green Geotechnical.

The orebody geometries (shallow, flat lying and nominally 1,200m long, 180m wide and 12m thick) resulted in the application of a mining dilution factor of 2% at 0.00g/t and a mining recovery of 98%. Given these orebody dimensions no allowances were made for minimum mining widths.

Optimisation analysis was conducted for a gold price range of A\$1,000/oz to A\$2,000/oz in A\$50/oz increments, with \$1,650/oz considered to be the “Base Case” gold price.

Inferred Resources were assigned a grade of 0.00g/t and hence categorized as waste material throughout the course of this study.

A state royalty of 2.5% is payable on the average monthly price as advised by the DMIRS Royalties Branch. No allowance has been made for the exemption of this royalty on the first 2,500 ounces produced in each financial year.

A third-party royalty of \$80/oz recovered is also payable.

### Mine Design and Ore Reserve

Open pit mining methods are well known and widely used in the local mining industry. The design was focused on maximizing profitability from the optimised Whittle shells. The optimum and most profitable outcome was to design the pit ramp to single lane at a 1 in 6 gradient which suited the 40t articulated dump truck fleet. This ramp configuration being one which Beacon management has had significant historical exposure to.

The detailed open pit mine design produces a Maiden Ore Reserve of:

**Table 2 – Jaurdi Project Ore Reserve**

| Ore Reserve Category | Tonnes           | Au (g/t)   | Au (oz)        |
|----------------------|------------------|------------|----------------|
| Proved               | 27,000           | 1.6        | 1,400          |
| Probable             | 2,443,000        | 1.9        | 147,100        |
| <b>Total</b>         | <b>2,470,000</b> | <b>1.9</b> | <b>148,500</b> |

Notes:

- Calculations have been rounded to the nearest 1,000t, 0.1g/t grade and 100 ounces
- **For further details see JORC Code 2012 Edition – Table Report Template Sections 1, 2, 3 and 4 starting on page 194 of the report attached to the Appendix of ASX announcement dated 29 August 2018.**

For the purpose of the Ore Reserve Estimate, a marginal cut-off grade of 0.6g/t was calculated based upon an assumed gold price of Au\$1,650/oz and the applicable Western Australian State Government and 3<sup>rd</sup> Party Royalties, ore/waste cost differentials, processing and haulage costs and metallurgical recovery.

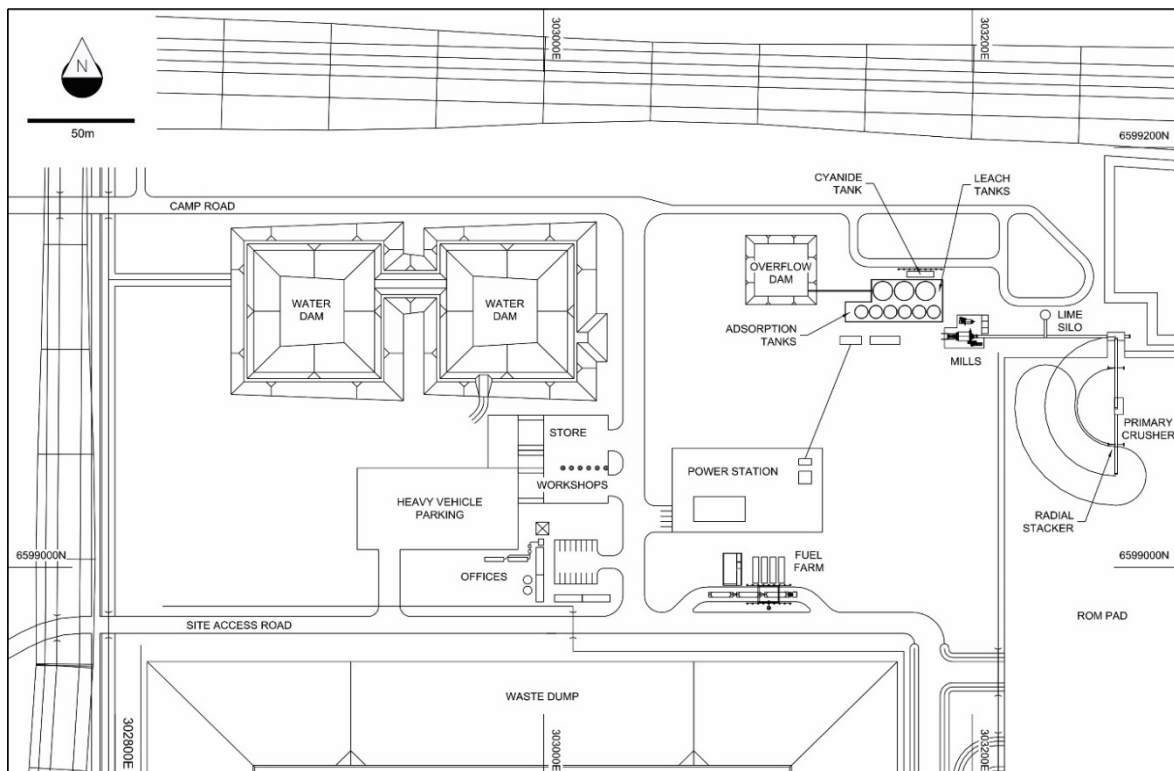
## Ore Processing

Beacon have acquired many of the key processing components for the construction of a 500,000tpa processing plant. Major equipment acquired to date is as follows:

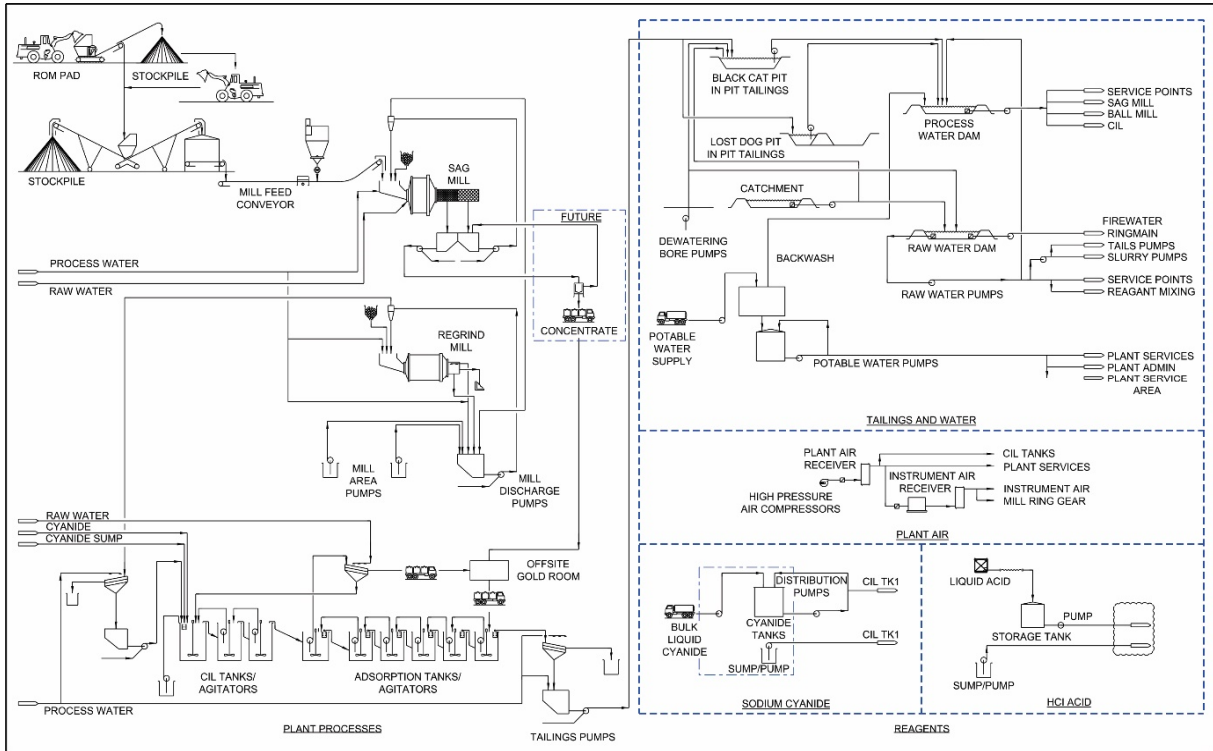
- SAG mill – 1500kW, 4m x 6m;
- Ball mill – 450kW, 3m x 4m;
- Adsorption tanks – 6 x 200m<sup>3</sup>;
- Leach tank agitators and superstructure to suit 3 x 630m<sup>3</sup> tanks;
- Radial stacker – 35m;
- Coarse ore bin and feeder;
- MCC switch rooms; and
- Process slurry pumps.

The process plant general arrangement is shown in Figure 2 and the process flow diagram for the 0.5Mtpa processing plant is illustrated in Figure 3. All main elements that comprise the processing plant are typical of conventional CIP plants operating throughout the WA Goldfields. The treatment circuit has been designed to produce a grind of P100 106µm and a leach retention time of 15 hours. The Company has made a financial provision for an additional Leach Tank if required.

**Figure 2: Process Plant Arrangement**



**Figure 3: Process Design Flowsheet**



**Tailings Storage Facility (TSF)**

The TSF strategy is based on backfilling the void left by open pit mining. The open pit will be mined in panels and engineered retaining walls will be constructed to provide tailings disposal cells. Initially the Black Cat Pit will be utilised as a tailings facility until Panel 1 of the Lost Dog open pit has been prepared. The estimated tailings capacity of the Black Cat and Lost Dog open pits is 5,000,000 tonnes.

**Production Target**

The detailed open pit mine design has been used to schedule a potential production profile for the Jaurdi Project.

**Table 3 – Jaurdi Project Design Physicals**

| Mining Reserve  | Total Volume | Stripping Ratio | Ounces Recovered | C1 – Cash Cost per Ounce |
|-----------------|--------------|-----------------|------------------|--------------------------|
| 2.47 Mt @1.9g/t | 4.44Mbcm     | 1.9:1           | 126,300          | \$830                    |

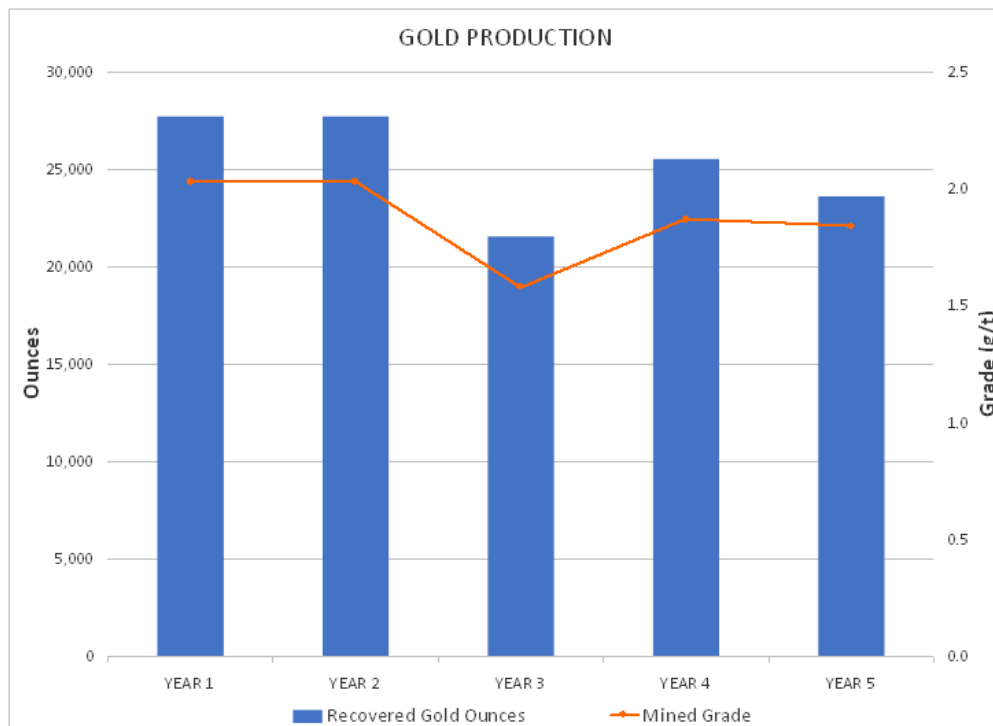
A simplified, high level global scoping level production schedule based upon the open pit mine design physicals has been completed for the Jaurdi Project. The main constraint applied to the production schedule is the 500,000tpa capacity of the processing plant. The maximum pit depth (32.5 metres) and the low strip ratio (average 1.9:1) enables the mining and processing schedules to be run in parallel which minimises the working capital requirement.

**Table 4 – Production Target Schedule**

| Key Parametrers         | Year 1  | Year 2  | Year 3  | Year 4    | Year 5    | Total            |
|-------------------------|---------|---------|---------|-----------|-----------|------------------|
| Waste Tonnes            | 620,000 | 620,000 | 700,000 | 1,290,000 | 1,800,000 | <b>5,030,000</b> |
| Mined Ore Tonnes        | 500,000 | 500,000 | 500,000 | 500,000   | 500,000   | <b>2,500,000</b> |
| Mined Gold Grade        | 2.0     | 2.0     | 1.6     | 1.9       | 1.7       | <b>1.9</b>       |
| Processing Input Tonnes | 500,000 | 500,000 | 500,000 | 500,000   | 500,000   | <b>2,500,000</b> |
| Recovered Gold Ounces   | 27,790  | 27,790  | 21,580  | 25,500    | 23,830    | <b>126,490</b>   |

Note: 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.

**Figure 4: Gold Production (Annual)**



### Capital Costs

Capital costs have been estimated as follows:

**Table 5 – Estimated Capital Costs**

| Estimated Capital Costs       | (A\$M)      |
|-------------------------------|-------------|
| Expenditure to Date           | 5.6         |
| Processing Plant Construction | 14.0        |
| Waste Pre-Strip               | 1.8         |
| Sustaining Capital            | 5.0         |
| <b>Total</b>                  | <b>26.4</b> |



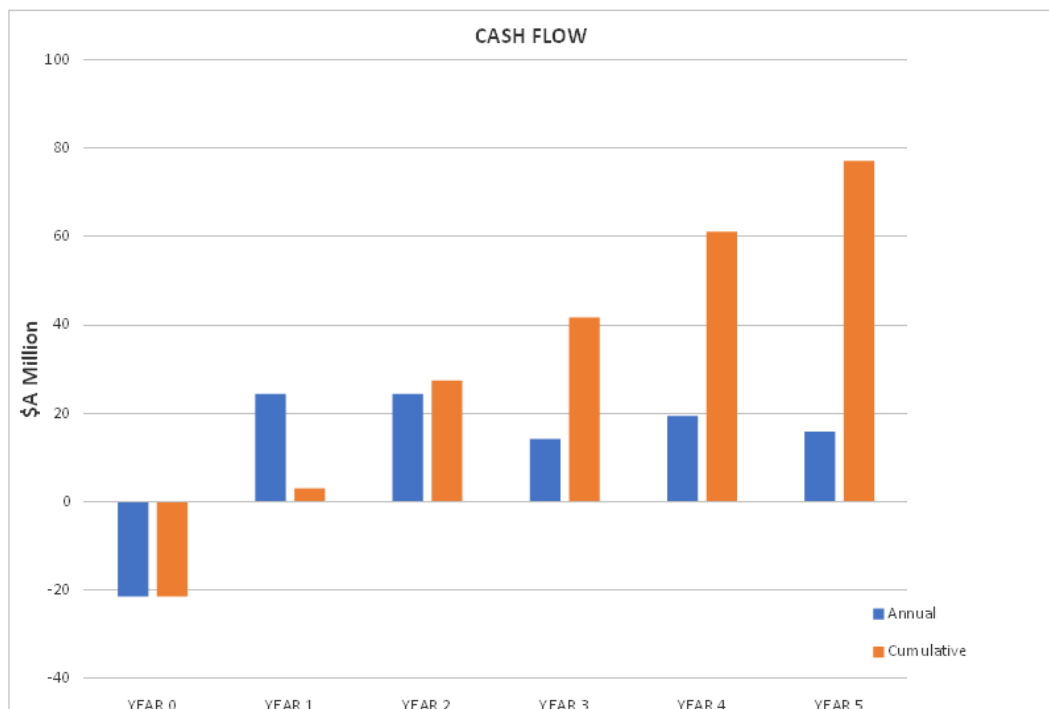
## Financial Analysis

A high level financial analysis was undertaken on the Jaurdi Project using cost inputs provided by Beacon and work undertaken for this mining study. Upfront capital of AU\$21.4M (\$5.6m actual expenditure to date and \$15.8m estimated pre-production construction) was included in the financial analysis to account for the acquisition, relocation and refurbishment of a second hand processing plant with a nominal 0.5Mtpa throughput and other Project start-up costs. Sustaining capital of AU\$1.0m/year was also included.

**Table 6: Production Target Cashflow**

| Annual Production Financials (\$M)     | Year 0  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total        |
|--|---------|--------|--------|--------|--------|--------|--------------|
| <b>Mining Cost</b>                     | -       | 3.3    | 3.3    | 3.5    | 5.3    | 6.7    | <b>22.1</b>  |
| <b>Grade Control Cost</b>              | -       | 0.3    | 0.3    | 0.3    | 0.3    | 0.3    | <b>1.5</b>   |
| <b>Variable Processing Cost</b>        | -       | 12.5   | 12.5   | 12.5   | 12.5   | 12.5   | <b>62.5</b>  |
| <b>General and Administration Cost</b> | -       | 0.7    | 0.7    | 0.7    | 1.0    | 1.3    | <b>4.4</b>   |
| <b>Royalties</b>                       | 0.9     | 2.6    | 3.4    | 2.6    | 3.1    | 2.9    | <b>15.5</b>  |
| <b>Capital Cost</b>                    | 21.4    | 1.0    | 1.0    | 1.0    | 1.0    | 1.0    | <b>26.4</b>  |
| <b>Revenue</b>                         | -       | 45.8   | 45.8   | 35.6   | 42.1   | 39.2   | <b>208.5</b> |
| <b>Cashflow</b>                        | -       | 25.4   | 24.6   | 15.0   | 18.9   | 14.5   | <b>98.4</b>  |
| <b>Discounted Cashflow</b>             | (22.30) | 24.85  | 23.55  | 14.05  | 17.32  | 13.01  | <b>70.48</b> |

**Figure 5: Production Target Cashflow**



### **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);
- Relocation of Lawlers plant items purchased in February 2018 (completed);
- The construction of processing plant (on-going);
- Preparation of the ROM pad (completed); and
- Construction of the TSF tailings line and decant water line to the Black Cat open pit (on-going).

### **Project Finance**

The financing required to acquire, explore, construct and commission the Jaurdi Gold Project is as follows:

- Actual total expenditure to date - \$5.6M;
- Estimated pre-production construction - \$15.8M.

### **Risks and Opportunities**

Key risks identified during the PFS work include, but are not limited to:

- Access to project funding;
- Adverse movements in the United States gold price;
- Adverse movements in the USD:AUD exchange rates; and
- Not achieving the processing production rates and metallurgical recovery rates.

**Key opportunities identified during the PFS work include, but are not limited to:**

- Achieving higher mill throughput rates. The installed SAG Mill power is in excess of the power requirements for a 500ktpa plant installation;
- Improved metallurgical recovery; and
- Expansion of the resource base via exploration success and/or acquisitions.

### **AUGER SOIL SAMPLING P16/2925 AND P16/2926**

Auger soil sampling completed on the P16/2925-2926 leases has identified the area as having the potential to host further palaeochannel gold, as well as primary bedrock sources. A total of 770 auger soil samples were collected, but returned only small, spotty gold-in-auger soil anomalies, which are unlikely to be associated with significant gold accumulations (Figure 6).

The Lost Dog palaeochannel system, which hosts the significant Lost Dog gold deposit to the southeast of P16/2925 & 2926, is known to continue into these two prospecting licences and the auger soil sampling programme has identified the continuation of this low order, >10ppb Au anomalism of this palaeochannel system within the two tenements. The large >10ppb Au gold-in-auger soil anomaly identified within

M16/529 continues into P16/2926 and likely covers the northwesterly continuation of the palaeochannel system, which hosts the Lost Dog gold deposit to the southeast. The northwesterly continuation of this palaeochannel can be inferred from VTEM imagery (Figure 7) and from where it has been drilled and confirmed within both M16/529 in the southeast and M16/115 in the northwest. From that, the inferred position of the palaeochannel within P16/2926 (near the P16/2926-2925 tenement boundary) can be approximated and may provide the potential for further palaeochannel-hosted gold, requiring further drill testing.

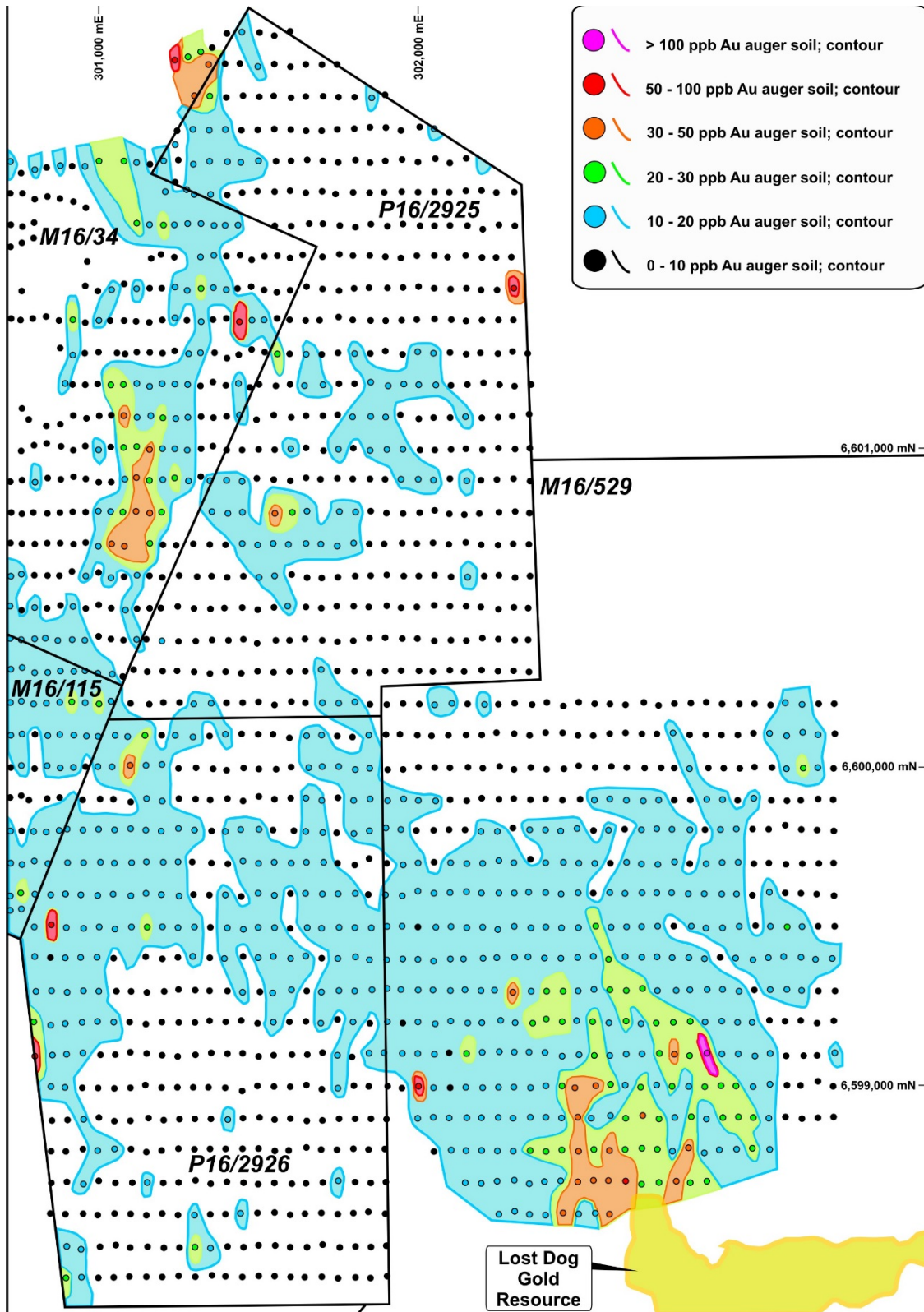


Figure 6: Auger soil sampling results showing continuation of the broad >10ppb Au anomaly north west of the Lost Dog deposit

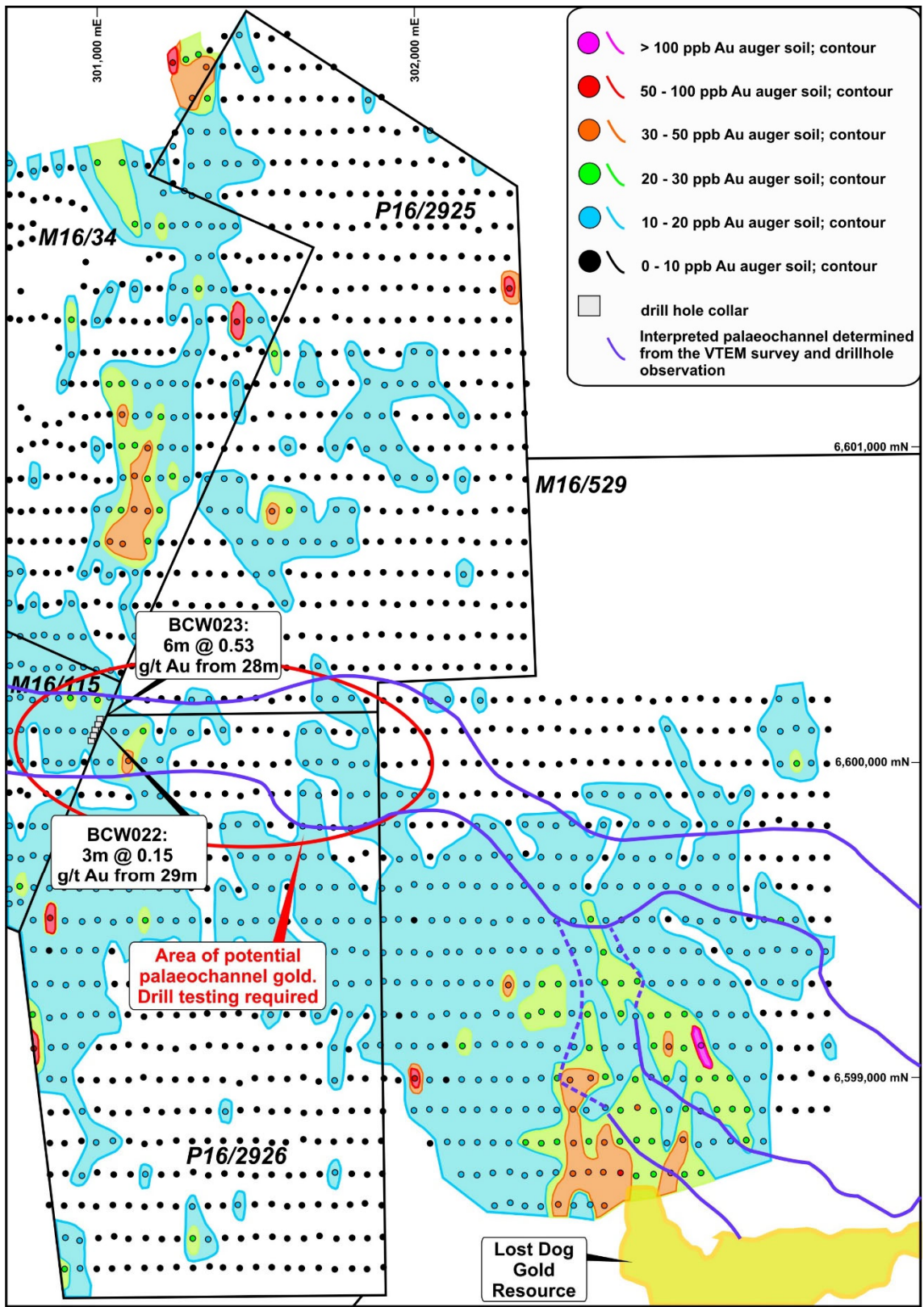


Figure 7: Broad >10ppb gold in auger soil anomaly (blue) coincident with the VTEM identified palaeochannel position north west of the Lost Dog deposit and the area requiring future drill testing

## SUBSEQUENT TO QUARTER END

On 9 October 2018 the Company advised that the initial tranche of \$9.65 million of debentures to sophisticated and professional investors has been issued.

On 12 October 2018 the Company advised that the final tranche of \$8.35 million of debentures to sophisticated and professional investors has been completed.

A total of \$18 million of debentures were issued.

Proceeds from the debenture issue will be used to fund the development of the Company's Jaurdi Gold Project. Production is targeted to commence in Q1 2019.

Patersons Securities Limited acted as Lead Arranger to the Debenture issue.

## CASH RESERVES

As at 30 September 2018 the Company had approximately \$182,000 in cash reserves.

Subsequent to the quarter the Company issued \$18m of debentures to sophisticated and professional investors.

## CAPITAL STRUCTURE

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

|  |                      |
|--|----------------------|
| <b>Fully Paid Ordinary Shares (BCN)</b>                        | <b>2,093,961,284</b> |
| <b>Listed Options ex. \$0.025 on or before 1 August 2022</b>   | <b>858,490,321</b>   |
| <b>Unlisted Options ex. \$0.025 on or before 1 August 2021</b> | <b>20,000,000</b>    |
| <b>Unlisted Options ex. \$0.025 on or before 5 May 2019</b>    | <b>5,000,000</b>     |

## 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

## SCHEDULE OF MINERAL TENEMENT INTERESTS

Beacon Minerals Limited provides the following schedule of mineral tenement interests held by the Company for the quarter ended 30 September 2018 as required by ASX Listing Rule 5.3.

### Beacon Minerals Limited Mineral Tenement interest as at 30 September 2018;

| TENEMENT | PROJECT/LOCATION           | INTEREST AT THE BEGINNING OF THE QUARTER | INTEREST AT THE END OF THE QUARTER |
|----------|----------------------------|--|------------------------------------|
|          | <b>Jaurdi Gold Project</b> |  |                                    |
| M16/529  | Jaurdi, Coolgardie         | 100%                                     | 100%                               |
| E16/0469 | Jaurdi, Coolgardie         | 0%                                       | 0% <sup>(1)</sup>                  |
| M16/0034 | Jaurdi, Coolgardie         | 100%                                     | 100%                               |
| M16/0115 | Jaurdi, Coolgardie         | 100%                                     | 100%                               |
| P16/2925 | Jaurdi, Coolgardie         | 0%                                       | 0% <sup>(2)</sup>                  |
| P16/2926 | Jaurdi, Coolgardie         | 0%                                       | 0% <sup>(2)</sup>                  |
| L16/0120 | Jaurdi, Coolgardie         | 100%                                     | 100%                               |
| E15/1582 | Jaurdi, Coolgardie         | 100%                                     | 100%                               |

1. Beacon has executed an Option to Purchase Agreement with Mr Steven Argus and Zephyr Mining Pty Ltd, the holder of licence E16/469, during the quarter the Company exercised the Option and is pending final transfer documentation/approvals.
2. Beacon has executed an Option to Purchase Agreement with Australian Live-Stock Suppliers Pty Ltd, the holders of prospecting licences P16/2925 and P16/2926.

### Competent Persons Statement

The information in this report that relates to the Ore Reserves is based on information compiled by Mr Gary McCrae, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. The estimated ore reserves and/or mineral resources underpinning the production target have been prepared by Mr McCrae in accordance with the requirements in Appendix 5A (JORC Code). Mr McCrae is a full-time employee of Minecomp Pty Ltd. Mr McCrae has sufficient experience that is relevant to the style of 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". Mr McCrae consents to the inclusion in the report of the matters based on his information in the form and context in which is appears.

The report 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 August 2018 Pre-Feasibility Study Results for the Jaurdi Gold Project

The Company confirms that it is not aware of any new information or data that materially affects the 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 announcement.

### **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

**ABN**

64 119 611 559

**Quarter ended ("current quarter")**

30 September 2018

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date (3<br>months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               | -                          | -                                     |
| 1.2 Payments for  |                            |                                       |
| (a) exploration & evaluation                              | (1,536)                    | (1,536)                               |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) staff costs   | (283)                      | (283)                                 |
| (e) administration and corporate costs                    | (165)                      | (165)                                 |
| 1.3 Dividends received (see note 3)                       | -                          | -                                     |
| 1.4 Interest received                                     | 9                          | 9                                     |
| 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)                   | (183)                      | (183)                                 |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(2,158)</b>             | <b>(2,158)</b>                        |
| <b>2. Cash flows from investing activities</b>            |                            |                                       |
| 2.1 Payments to acquire:                                  |                            |                                       |
| (a) property, plant and equipment                         | (430)                      | (430)                                 |
| (b) tenements (see item 10)                               | (500)                      | (500)                                 |
| (c) investments   | -                          | -                                     |

## Mining exploration entity and oil and gas exploration entity quarterly report

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (3<br/>months)<br/>\$A'000</b> |
|---|--|------------------------------------|--|
|   | (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)  | -                                  | -  |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b>                        | <b>(930)</b>                       | <b>(930)</b>                                   |
| <b>3.</b>                                   | <b>Cash flows from financing activities</b>                                  |                                    |  |
| 3.1   | Proceeds from issues of shares   | -                                  | -  |
| 3.2   | Proceeds from issue of convertible notes                                     | -                                  | -  |
| 3.3   | Proceeds from exercise of share options                                      | 320                                | 320  |
| 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   | -                                  | -  |
| 3.9   | Other (provide details if material)  | -                                  | -  |
| <b>3.10</b>                                 | <b>Net cash from / (used in) financing activities</b>                        | <b>320</b>                         | <b>320</b>                                     |
| <b>4.</b>                                   | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |                                    |  |
| 4.1   | Cash and cash equivalents at beginning of period                             | 2,950                              | 2,950  |
| 4.2   | Net cash from / (used in) operating activities (item 1.9 above)              | (2,158)                            | (2,158)  |
| 4.3   | Net cash from / (used in) investing activities (item 2.6 above)              | (930)                              | (930)  |
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above)             | 320                                | 320  |
| 4.5   | Effect of movement in exchange rates on cash held                            | -                                  | -  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>                            | <b>182</b>                         | <b>182</b>                                     |

| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances  | 182                                | 25                                  |
| 5.2 Call deposits  | -                                  | 2,925                               |
| 5.3 Bank overdrafts  | -                                  | -                                   |
| 5.4 Other (provide details)  | -                                  | -                                   |
| <b>5.5 Cash and cash equivalents at end of quarter<br/>(should equal item 4.6 above)</b>   | <b>182</b>                         | <b>2,950</b>                        |

**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

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| 594                                |
| -                                  |

|                                 | \$'000 |
|---------------------------------|--------|
| Directors fees and remuneration | 128    |
| Hire of plant and equipment     | 466    |

**7. Payments to related entities of the entity and their associates**

- 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

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| -                                  |
| -                                  |

|   |
|---|
| - |
|---|

## Mining exploration entity and oil and gas exploration entity quarterly report

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
|--|---|--|
| 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. |   |  |
| -  |   |  |

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b>  |
|--|-----------------|
| 9.1 Exploration and evaluation                     | (50)            |
| 9.2 Development                                    | (4,000)         |
| 9.3 Production                                     | (600)           |
| 9.4 Staff costs                                    | (300)           |
| 9.5 Administration and corporate costs             | (165)           |
| 9.6 Other (provide details if material)            | -               |
| <b>9.7 Total estimated cash outflows</b>           | <b>(5,115)*</b> |

\*On the 12 October 2018 the Company confirmed the issue of \$18.0 million in debentures. Proceeds from the debentures will be used to fund the development of the Company's Jaurdi Gold Project.

| <b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | <b>Tenement reference and location</b> | <b>Nature of interest</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | -                                      | -                         | -                                       | -                                 |
| 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 Date: 31 October 2018  
(Director/Company secretary)

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.