

ASX ANNOUNCEMENT

31 January 2019

DECEMBER 2018 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

Highlights

- Jaurdi Gold Project transitions from Mining to construction of the processing facility and associated infrastructure.
- Mining costs are in line with the costs reported in the Company’s pre-feasibility study dated 29 August 2018.
- Trial mining below the water table.
- A small grade control drilling programme consisting of 63 holes for 1,432 metres was undertaken at the Lost Dog deposit in October 2018.
- \$18m in Debentures Issued to fund the Jaurdi Gold Project into Production.



Figure 1: Jaurdi Gold Project Mill – 22 January 2019



Figure 2 – Jaurdi Gold Project Looking North – 24 January 2019



Figure 3 – Jaurdi Gold Project Looking South – 24 January 2019

Beacon Minerals Limited (ASX: BCN) (Beacon or Company) is pleased to present its Quarterly Activities Report for the period ended 31 December 2018.

JAURDI GOLD PROJECT UPDATE

During the December quarter focus at the Jaurdi Gold Project has been transitioning from mining of the Lost Dog Pit to construction of the processing facility and associated infrastructure.

Mining

During October 108,000 BCM were mined from Panel 1 of the Lost Dog Pit producing 53,000 tonnes of ore at 1.51g/t. Mining costs per bcm were slightly higher than previous quarter due to the higher portion of silcrete material that required drill and blasting.

Trial mining below the water table was done and water inflows evaluated for the future mining and pumping requirements.

Water from the trial mining was pumped to an existing pit on the west side of the orebody. Recirculation of the pit water was evident during the trial.

Mining was put on hold from the 31 October 2018 and the mining crew deployed to other civil projects on the site.

Dec 18 Quarter	Mining Costs (\$)	BCM Moved	BCM (\$)	Ore t mined	g/t mined	Cum. Oz's mined	Civil Cost (\$)
Total	695,463	108,016	6.43	53,171	1.51	2,576	1,049,205

Table 1: Mining Summary - FY19 December Quarter

Project to Date	Mining Costs (\$)	BCM Moved	BCM (\$)	Ore t mined	g/t mined	Cum. Oz's mined	Civil Cost
Total	1,815,735	353,284	5.14	56,866	1.50	2,741	1,159,611

Table 2: Mining Summary - Project to Date

Mining costs are in line with the costs reported in the Company's pre-feasibility study dated 29 August 2018.

Grade Control Drilling – Extension to Mining Panel 1

A small drilling programme consisting of 63 holes for 1,432 metres was undertaken at the Lost Dog deposit in October 2018 extending the Mining Panel 1, RCGC pattern to the west. The holes were drilled to fill in gaps left after the removal of a historical waste dump. Drilling results were better than expected and significant intercepts of gold mineralisation are shown below.

Sampling was collected through a cyclone and split through a rig mounted cone splitter. All sample components were taken as a 12.5% split of the original. 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 was completed on a 12.5m x 12.5m pattern. The grade control Mineral Resource will be revised in the June 2019 quarter upon completion of further RC grade control drilling to the east of Mining Panel 1.

Significant Grade Control Intercepts

- LDGC285: 10 m @ 2.45 g/t Au from 20 metres
- LDGC287: 22 m @ 1.87 g/t Au from 6 metres
- LDGC291: 13 m @ 2.24 g/t Au from 3 metres
- LDGC293: 18 m @ 2.77 g/t Au from 7 metres
- LDGC294: 9 m @ 4.0 g/t Au from 4 metres
- LDGC295: 20 m @ 3.11 g/t Au from 0 metres
- LDGC296: 11 m @ 2.22 g/t Au from 2 metres
- LDGC300: 14 m @ 5.03 g/t Au from 10 metres
- LDGC306: 9 m @ 3.42 g/t Au from 8 metres
- LDGC311: 10 m @ 2.15 g/t Au from 0 metres
- LDGC314: 10 m @ 2.25 g/t Au from 6 metres

Hole ID	Easting	Northing	RL	Dip	Azimuth	From	To	Interval
LDGC285	303,154.619	6,598,471.693	375.527	-90	000	20	30	10 m @ 2.45 g/t Au
LDGC287	303,134.713	6,598,458.254	383.126	-90	000	6	30	22 m @ 1.87 g/t Au
LDGC291	303,149.383	6,598,458.303	375.26	-90	000	3	16	13 m @ 2.24 g/t Au
LDGC293	303,160.948	6,598,458.778	375.379	-90	000	7	25	18 m @ 2.77 g/t Au
LDGC294	303,170.956	6,598,459.464	375.495	-90	000	4	13	9 m @ 4.0 g/t Au
LDGC295	303,135.456	6,598,434.443	383.347	-90	000	0	20	20 m @ 3.11 g/t Au
LDGC296	303,135.639	6,598,409.059	383.586	-90	000	2	13	11 m @ 2.22 g/t Au
LDGC300	303,166.103	6,598,397.331	374.557	-90	000	10	24	14 m @ 5.03 g/t Au
LDGC306	303,139.858	6,598,371.079	383.822	-90	000	8	17	9 m @ 3.42 g/t Au
LDGC311	303,134.858	6,598,495.242	382.321	-90	000	0	10	10 m @ 2.15 g/t Au
LDGC314	303,134.471	6,598,484.427	382.556	-90	000	6	16	10 m @ 2.25 g/t Au

Table 3 – Significant Grade Control Intercepts

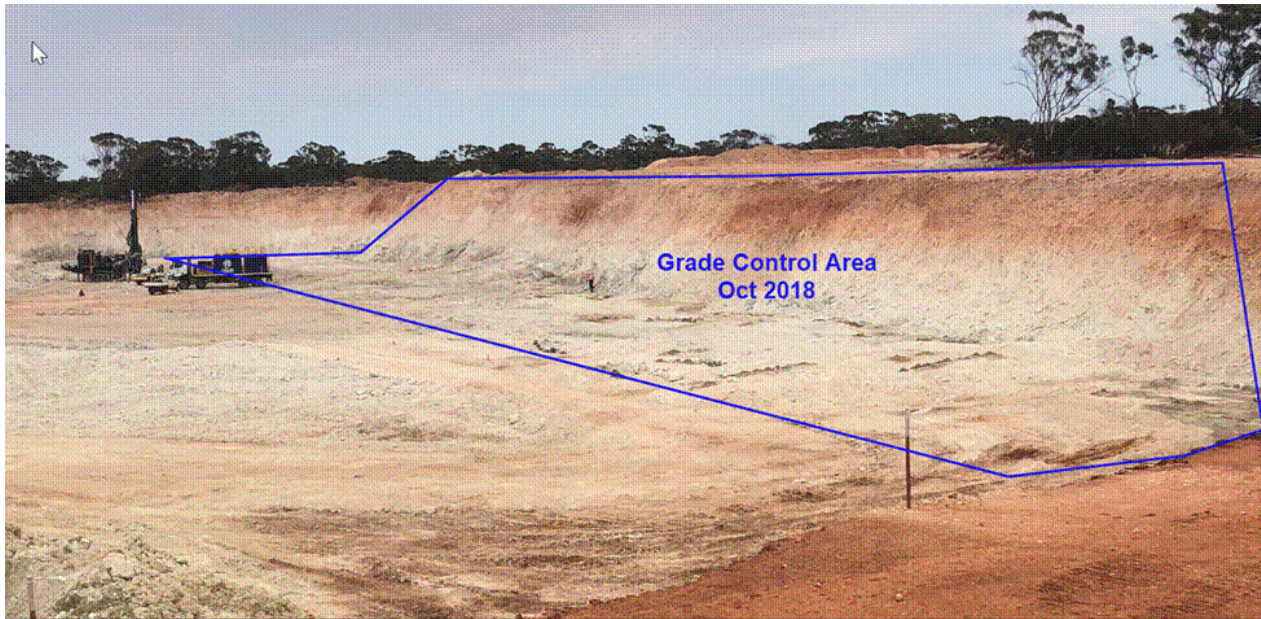


Figure 4 – Grade Control Area – October 2018

Civils

During the period the Company progressed the Jaurdi Gold Project.

- Two clay lined process water dams with a capacity of 5,500 BCM each and a storm water dam with a capacity of 106,000 BCM were partially constructed during the period;
- Earthworks and civils for the tank farm were completed;
- Earthworks and civils for mill area were partially completed; and
- Road and drain access for the tails and water return lines to Black Cat were completed, pipes for the lines were purchased and delivered to site.

Rainfall in the October/November period affected earthworks at the tank farm. The Company continues working diligently towards commissioning.

Mechanical

During the period six adsorption tanks from Lawlers were relocated and placed within the bunded area on site.

A contract for construction and erection of two leach tanks was awarded and site works have commenced.

Contract structural steel packages have been let for the milling area and deliveries to site have commenced.

Electrical/Power

During the period site offices and stores area were prepared and completed.

Several long leads items were ordered during the period, including but not limited to:

- 3 x Transformers
- HV and LV switch boards
- Variable speed drives

Kalgoorlie Power Systems have been awarded the power supply contract. They have mobilised to site and site construction has commenced.

DEBENTURE NOTE ISSUE

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

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

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

Proceeds from the debenture issue will be used to fund the development of the Company's Jaurdi Gold Project.

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

CASH RESERVES

As at 31 December 2018 the Company had approximately \$10.4m in cash reserves.

CAPITAL STRUCTURE

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

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

OTHER OPPORTUNITIES

Senior management and external consultants continue to review new project opportunities. 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.

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Graham McGarry
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Beacon Minerals Ltd
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Competent Persons Statement

The information in this report that relates to exploration results was authorised by Mr Darryl Mapleson, a Principal Geologist and a full-time employee of BM Geological Services, who are engaged as consultant geologists to Beacon Minerals Limited. Mr Mapleson is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Mapleson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to act 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 Mapleson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Mapleson has an interest in the Company by virtue of BM Geological Services holding 100,000 debentures, for more information on the terms of the debentures please refer to the notice of general meeting issued on 5 September 2018.

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 December 2018 as required by ASX Listing Rule 5.3.

Beacon Minerals Limited Mineral Tenement interest as at 31 December 2018;

TENEMENT	PROJECT/LOCATION	INTEREST AT THE BEGINNING OF THE QUARTER	INTEREST AT THE END OF THE QUARTER
	Jaurdi Gold Project		
M16/529	Jaurdi, Coolgardie	100%	100%
E16/0469	Jaurdi, Coolgardie	0%	0% ⁽¹⁾
M16/0034	Jaurdi, Coolgardie	100%	100%
M16/0115	Jaurdi, Coolgardie	100%	100%
P16/2925	Jaurdi, Coolgardie	0%	0% ⁽²⁾
P16/2926	Jaurdi, Coolgardie	0%	0% ⁽²⁾
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.

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 1

JORC Code, 2012 Edition - Table 1 Report - Jaurdi Gold Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	The sampling for the Lost Dog grade control has been a from reverse circulation (RC) drilling. A total of 63 RC grade control (RCGC) holes for 1,432 metres were completed to the east of the initial programme completed in Mining Panel 1.
	Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.	The drill hole collar locations were surveyed by DGPS using Kalgoorlie based registered surveyors of Minecomp Pty Ltd. Sampling was carried out under Beacon's protocols and QAQC procedures as per industry best practice. See further details below.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	The RC holes were drilled using a 133 mm face-sampling bit. One metre samples were collected through a cyclone and split through a rig mounted riffle splitter. A sample size of approximately 3-4kg was collected for each metre. All samples were pulverised at the lab to -75um, to produce a 50g charge for Fire Assay with an AAS finish.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit	The RC drilling rig, owned and operated by Raglan Drilling, was used to collect the samples for this Panel 1 Extension grade control programme. The RC drill bit has a diameter of 133 mm.

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Criteria	JORC Code explanation	Commentary
	or other type, whether core is oriented and if so, by what method, etc).	
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	The majority of samples were dry. Ground water ingress occurred in some holes at rod change, but overall the holes were kept dry. Typically, drilling operators ensured water was lifted from the face of the hole at each rod change to ensure water did not interfere with drilling and to make sure samples were collected dry. RC recoveries were visually estimated, and recoveries recorded in the log as a percentage. Recovery of the samples was good, generally estimated to be full, except for some sample loss at the collar of the hole.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC face-sample bits and dust suppression were used to minimise sample loss. Drilling airlifted the water column above the bottom of the hole to ensure dry sampling. RC samples are collected through a cyclone and then split to capture a 3 to 4 Kg sample.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No relationship between recovery and grade has been identified.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	All chips and drill core were geologically logged by a BM Geological Services geologist using the Beacon Minerals geological logging legend and protocol.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of RC chips and drill core records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All samples are wet-sieved and stored in a chip tray.
	The total length and percentage of the relevant intersections logged	All holes were logged in full.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable. The drill holes are reverse circulation in nature.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	One-metre drill samples were collected below a rig mounted cyclone and riffle splitter, and an average 3-4 kg sample was collected in a pre-numbered calico bag, and positioned on top of the reject. >98% of samples were dry.

Criteria	JORC Code explanation	Commentary
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples for the RCGC programme of Panel 1 Extension were prepared at the ALS Laboratory in Kalgoorlie. Samples were dried, and the whole sample pulverised to 90% passing -75um, and a sub-sample of approx. 200g retained. A nominal 50g was used for the fire assay analysis. The procedure is industry standard for this type of sample.
	Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.	A CRM standard, fine blank and field duplicate was submitted at a rate of approximately 1 in 30 samples. At the laboratory, regular Repeats and Lab Check samples are assayed.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	The technique to collect the one metre samples was via a rig mounted riffle splitter. The riffle splitter was routinely inspected by the field geologist. Field duplicates were collected and results were satisfactory, suggesting the duplicate field samples replicated the original samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate to give an indication of mineralisation given the particle size and the preference to keep the sample weight at a targeted 3 to 4kg mass.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	Samples were analysed at the ALS Laboratory in Kalgoorlie. The analytical method used was a 50g Fire Assay with AAS finish for gold. The technique is considered to be appropriate for the material and style of mineralization.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Beacon Minerals protocol for the 2018 RCGC programmes was for a single CRM (Certified Reference Material), fine blank and field duplicate to be inserted in every 90 samples. This at a rate of approximately 1 QA/QC sample per 30 regular samples. At the ALS Laboratory, regular assay Repeats, Lab Standards and Blanks are analysed. Results of the Field and Lab QAQC were analysed on assay receipt. On analysis, all assays passed QAQC protocols, showing no levels of contamination or sample bias. Analysis of field duplicate assay data suggests appropriate levels of sampling precision have been achieved for the sampling technique employed.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Significant results were checked by Beacon Minerals executives and BMGS senior geologists.
	The use of twinned holes.	No twinning of RC grade control holes was completed in this small programme.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All field logging is carried out using a customised logging form on a Tough Book and transferred into an Access database. Assay files are received electronically from the Laboratory. All data is stored in the Jaurdi Gold Project Access database and managed by BMGS in Perth and Kalgoorlie.
	Discuss any adjustment to assay data.	No assay data was adjusted.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	RC hole collar locations were surveyed by a registered Surveyor. The group used was the Kalgoorlie based Minecomp Pty Ltd. All Resource definition holes and RCGC holes were vertical – previous down-hole surveys observed minimal deviation with vertical holes and it was therefore deemed to be not necessary to continue completing down-hole surveys of shallow, vertical holes.
	Specification of the grid system used.	Grid projection is MGA94, Zone 51.
	Quality and adequacy of topographic control.	Minecomp Pty Ltd has completed a topographic survey over the lease picking up the two shallow pits on the Mining Lease and a suite of historical holes.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	The RCGC drill pattern is 12.5 m x 12.5m.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	This spacing is sufficient to test the continuity of mineralisation for this style of mineralisation for mining purposes.
	Whether sample compositing has been applied.	All RC samples collected were 1 metre composites.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	It is considered the orientation of the drilling and sampling suitably captures the “structure” of the palaeochannel style of mineralisation.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	This is not considered material. All holes are drilled vertically and adequately test the mineralisation.

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Criteria	JORC Code explanation	Commentary
Sample security	The measures taken to ensure sample security.	Samples were transported by company transport to the ALS laboratory in Kalgoorlie.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Sampling and assaying techniques are industry-standard. No specific audits or reviews have been undertaken at this stage in the program.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The RC grade control has been within tenement M16/529, of which BCN holds a 100% controlling interest.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is in good standing with the WA DMIRS.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	There have been three campaigns of drilling undertaken on this lease by third parties; previously a suite of Prospecting Licenses. The early phase was completed by a private firm called Coronet Resources in 2007. A second phase of drilling was completed by a group of “prospectors”, the program being supervised by BM Geological Services in 2009. A report was produced outlining an unclassified resource. The third phase of drilling was commissioned by Fenton and Martin Mining Developments in 2015 (the current owners of the Jaurdi Gold Project). BCN has since completed four exploration and grade control campaigns on the tenement.
Geology	Deposit type, geological setting and style of mineralisation.	The Jaurdi Gold Project overlies a portion of the Bali Monzogranite immediately adjacent to the Jaurdi Hills-Dunnsville greenstone sequence. The Bali Monzogranite and Dunnsville Granodiorite to the north, together occupy the core of the gently north

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Criteria	JORC Code explanation	Commentary
		<p>plunging anticline. The tenement making up the project is located to the west of the anticlinal axis and immediately adjacent to the granite-greenstone contact.</p> <p>The Bali Monzogranite is poorly exposed. The greenstone-granite contact is foliated where exposed. Shear zones developed locally within the adjacent greenstones, may continue within the granite. Gold mineralised palaeochannels are known in the Jaurdi area. Regional magnetic data suggest that the western portion of the project lies within a broad demagnetised corridor following the western contact of the Bali Monzogranite, and which may continue in a north northwest direction through the greenstone sequence to Dunnsville. A magnetic dyke, akin to the Parkeston dyke in the Kalgoorlie area, has intruded this corridor. Another paired east northeast magnetic dyke set is located immediately to the south of the project area. This dyke set is part of the regionally extensive Widgiemooltha Dyke Suite, and passes to the north of Kalgoorlie-Boulder.</p> <p>The Jaurdi Gold Project is located close to the western margin of the Bali Monzogranite immediately to the south east of the exposed Jaurdi Hills greenstone sequence. The tenement is entirely soil covered, with well-developed nodular carbonate increasing in intensity southwards towards an active contemporary drainage.</p> <p>Recent drilling programs have revealed the known soil anomaly overlies an extensive system of Au-bearing sand channels indicating that a major long-lived palaeoalluvial system was present in the area. A typical profile consists of transported lateritic gravels overlying plastic clay zones, which in turn overly thick, water saturated silt and clay sequences with minor cobble layers. Drilling evidence suggests that younger, perched channels overly older channels, indicating that an anastomosing series of paleochannels are present over an east-west distance of at least 800 metres. Two horizons of mineralisation have been identified in the Western Arm with the shallower lode situated between 12 to 16 metres vertical depth, and the second horizon between 18 to 25 metres. The Eastern Arm has been identified by a system which is at least 850</p>

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Criteria	JORC Code explanation	Commentary
		metres strike (East – West orientated), 175 metres wide and 8 metres deep; and appears open to the North-East and connects with the Western Arm.
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> ▪ easting and northing of the drill hole collar ▪ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ▪ dip and azimuth of the hole ▪ down hole length and interception depth ▪ hole length. <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	A total of 63 RC grade control holes were drilled within the programme extending Mining Panel 1. It is deemed unnecessary to report a summary on all of the “grade control” holes considering the June 2017 Mineral Resource reconciled at 101% tonnes, 97% grade and 98% of the ounces as reported in 2018.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	Grades are reported as down-hole length-weighted averages of grades above approximately 0.5 ppm Au. No top cuts have been applied to the reporting of the assay results. Intercepts averaging values significantly less than 0.2 g/t Au were assigned the text “NSI” (No Significant Intercept).
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Higher grade intervals are included in the reported grade intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	<p>The geometry of the mineralisation has been well established by the recent drilling. There is no ambiguity with the geometry of this relatively simple alluvial system.</p>
Diagrams	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	<p>Refer to Figures 1 to 3 in the body of text.</p>
Balanced reporting	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	<p>No misleading results have been presented in this announcement.</p>
Other substantive exploration data	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	<p>There is nothing to report relevant to this programme.</p>
Further work	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<p>Further exploration work is currently under consideration, the details of which will be released in due-course.</p>

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")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(1,536)
(b) development	(5,982)	(5,982)
(c) production	-	-
(d) staff costs	(737)	(1,020)
(e) administration and corporate costs	(280)	(445)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	30	39
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)	214	31
1.9 Net cash from / (used in) operating activities	(6,755)	(8,913)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(480)	(910)
(b) tenements (see item 10)	-	(500)
(c) investments	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(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	(480)	(1,410)
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	-	320
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from debenture issue	18,000	18,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to debenture issue	(553)	(553)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	17,447	17,767
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	182	2,950
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,755)	(8,913)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(480)	(1,410)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	17,447	17,767
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,394	10,394

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	432	182
5.2 Call deposits	9,962	-
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)	10,394	182

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
890
-

	\$'000
Directors fees and remuneration	191
Hire of plant and equipment	699

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

Current quarter \$A'000
-
-

-

Mining exploration entity and oil and gas exploration entity quarterly report

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.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(50)
9.2 Development	(4,000)
9.3 Production	(500)
9.4 Staff costs	(500)
9.5 Administration and corporate costs	(200)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(5,250)

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	-	-	-	-
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 January 2019
(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.