

ASX ANNOUNCEMENT

31 July 2019

JUNE 2019 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

HIGHLIGHTS

- Beacon commenced commissioning of the Plant at the Jaurdi Gold project during the June Quarter.
- Commissioning is progressing in line with schedule
- Full production is expected to be reached in Q4 2019 for an initial target throughput of 500,000tpa and circa 25,000 ounces of gold recovered per annum
- PFS Results indicate forecast Life of Mine (LOM) revenue of \$208.5 million and surplus operating cash flow of \$98.4 million at a AUD\$1,650 gold price (versus current spot price of > AU\$2,000) with circa \$17 million of applicable Australian carried forward tax losses
- During the quarter, the company completed a \$7.1 million Rights Issue, strongly supported by the Company's Directors and Major Shareholders
- Subsequent to the end of the quarter, Beacon agreed to an option on the "Stockdale" tenement and consolidated its land holding in the Jaurdi Region
- The Company has \$4.2 million in cash reserves at the end of the Quarter

Beacon Minerals Limited (ASX: BCN) (Beacon or Company) is pleased to present its Quarterly Activities Report for the period ended 30 June 2019.

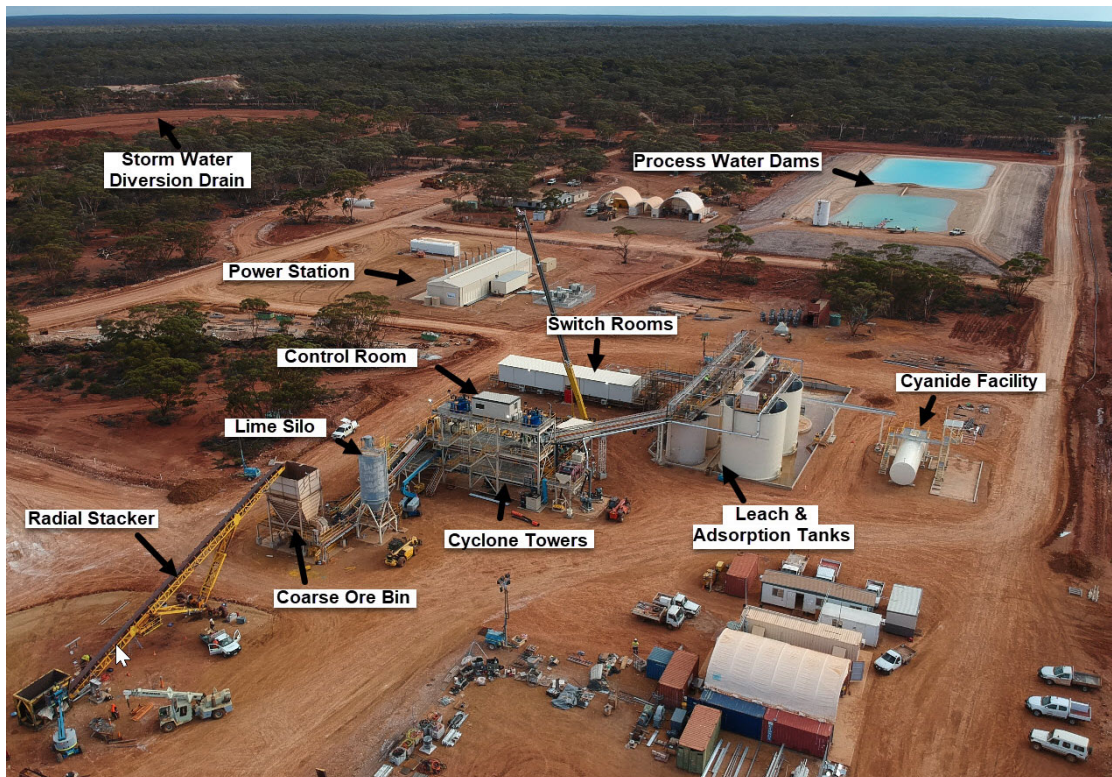


Figure 1: Jaurdi Gold Project – 4 July 2019

Commissioning Update

Beacon is pleased to provide an update on the commissioning phase at the Company's 100% owned Jaurdi Gold Project, located approximately 35kms northwest of Coolgardie. As previously announced, commissioning commenced on 20 June 2019 and will progressively ramp up towards full production expected to be reached in Q4 2019.

There have been on-going developments on site since the 20 June 2019 ASX release, with commissioning progressing well and according to schedule. Since commissioning commenced and up to the last ASX release dated 5 July 2019, Beacon achieved the following key commissioning items:

- The 6MW power station comprising 8 generating sets has been commissioned and is supplying base load power to the milling area for the ongoing commissioning;
- Power has been reticulated to high and low voltage transformers and MCC cabinets;
- Plant compressor installed, air lines have been installed and testing has commenced;
- Engineers have commenced installation of the SCADA plant control system (Citect);
- Raw water and process water dam constructed, associated infrastructure is installed and commissioned;
- Process slurry pump gland water circuit installed;
- Tailings pipe line to the Black Cat Tailings Storage Facility has been constructed and pressure testing has commenced;
- Potable water and safety shower circuit installed; and
- 3 bores have been equipped and are providing raw water to the process dam.

Wet commissioning of the Plant has now commenced and Beacon plans to release a separate commissioning update to the market shortly detailing all the key progressions since the last update on the 5 July 2019.

In conjunction with the commissioning activities that have been occurring, site management have been assembling the plant operations and maintenance teams in line with the Owner Operator model that has been adopted. To date the Company has employed 60% of the budgeted processing team.

Directors Graham McGarry and Geoff Greenhill are experienced mine developers and operators having built and run numerous open-pit and underground mines throughout Australia over a long career in the mining industry. Beacon's owner-operator model for the processing plant has the Company recruiting its own specialist team.

ACQUISITION OF ADDITIONAL TENEMENTS

Exploration Licence E31/1039

Subsequent to the quarter end the Company was pleased to advise that Beacon had executed an option to purchase the Kookynie Exploration Licence E31/1039 (the Stockdale Prospect) from Diana and Lindsay Stockdale (Stockdale).

The Stockdale Prospect is located 66km south east of Leonora and 205km north east of Kalgoorlie via the Gold Fields Highway and the Kookynie-Mount Remarkable Road (see Figure 3). The prospect lies 15km south east of the Apollo Hill gold deposit along the Keith-Kilkenny Shear Zone.

The terms of the Stockdale Prospect option agreement include the following:

- Beacon has paid \$10,000 for a 16-month option; and
- Beacon has the option to pay \$40,000 for an additional 12-month option.

After 28 months Beacon will have the opportunity to purchase the Stockdale Prospect for \$250,000. Beacon will also be required to pay a 1% net smelter return royalty in relation to any minerals mined on the tenement.

Beacon will undertake exploration on the tenement which will include an initial 2,000 metre RC drilling programme.

Exploration activity to date on the Stockdale Prospect has been limited to:

- soil auger and surface soil geochemistry;
- rock chip sampling; and
- air core drilling.

This work on the Stockdale Prospect has yielded a north west orientated soil auger anomaly defined over a 1km strike with an untested 500 metres in the north west with a peak value of 310 ppb Au (see Figure 2). This is the widest part of the anomaly (greater than 300 metres) and has not been tested by any form of exploration drilling. A marked deviation occurs within the south eastern part of the anomaly which may represent a structural flexure within the stratigraphy. The anomaly is open to both the north west and south east.

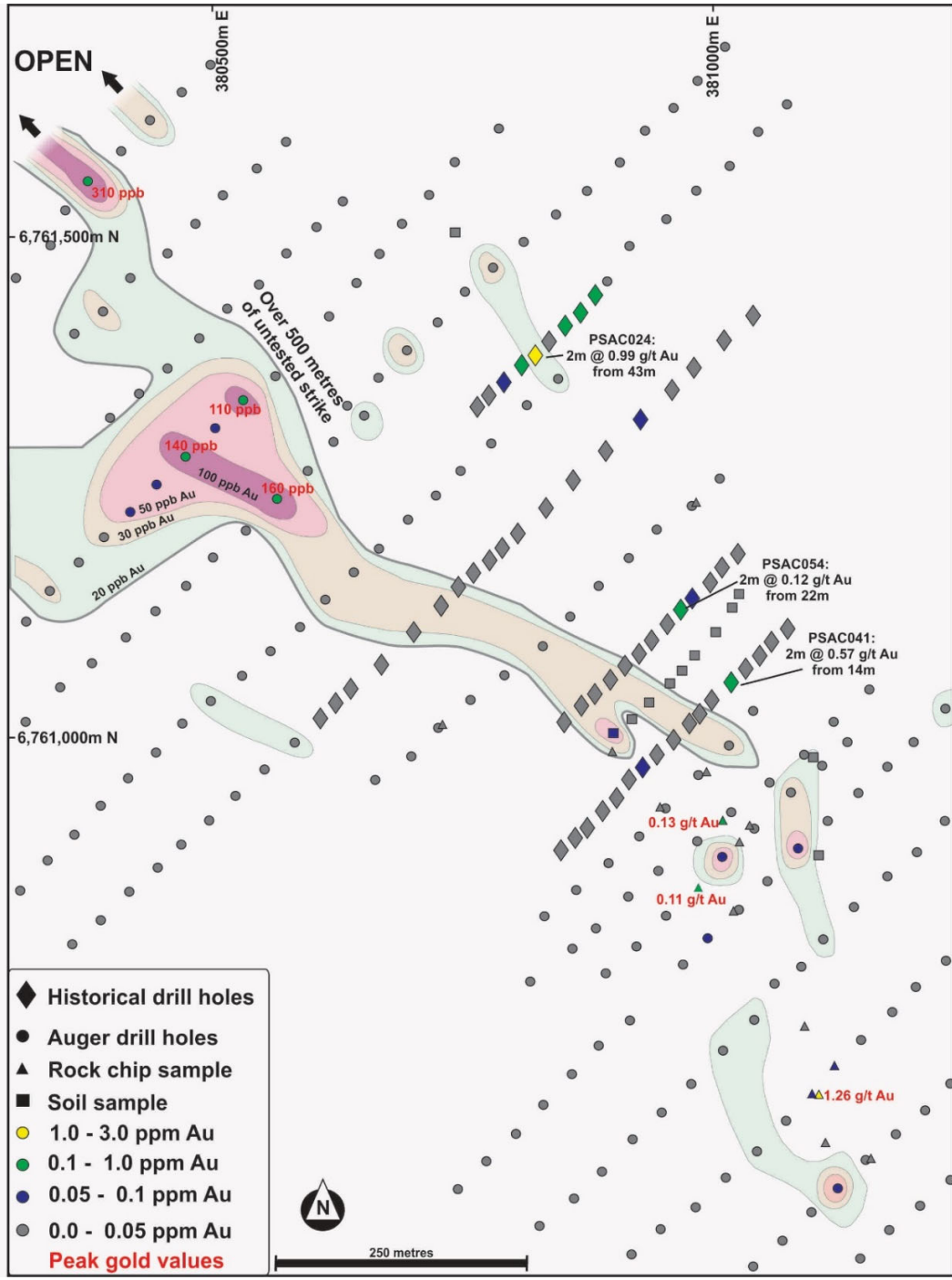


Figure 2: Gold in soil auger anomaly over 1km strike length; showing peak value of 310ppb and open to north west and south east (*significant intercepts for the aircore holes are detailed in Table 1*)

Table 1: Significant intersections for the aircore drilling at the Stockdale Prospect

Hole_ID	MGA_Easting	MGA_Northing	Elevation	Dip	Azimuth_Mag	From	To	Au g/t	Total_Depth
PSAC024	380,822.39	6,761,380.61	338.25	-60	225	43	45	0.99	45
PSAC041	381,016.86	6,761,051.17	341.93	-60	225	14	16	0.57	16
PSAC054	380,967.11	6,761,126.01	338.59	-60	225	22	24	0.12	28



Figure 3: Locality of E31/1039 relative to Leonora and Menzies in the Eastern Goldfields of WA

Prospecting Licences P16/2925 and P16/2926

Further to the quarter end Beacon purchased, for a total of \$25,000, P16/2925 and P16/2926 from Australian Livestock Pty Ltd. Beacon has also agreed to pay a royalty of \$80 per troy ounce for all ounces of gold recovered from these Prospecting Licences.

The two Prospecting Licences are located between the Black Cat and Lost Dog gold deposits which host a network of gold bearing palaeochannels within the Jaurdi region.

Beacon now controls the majority of the paleochannels from the north west to the east south east which total 18 Kilometres, see Figure 4. The gold mineralisation within the palaeochannels has potentially drawn from the primary deposits of the Black Cat and Kunanalling goldfields.

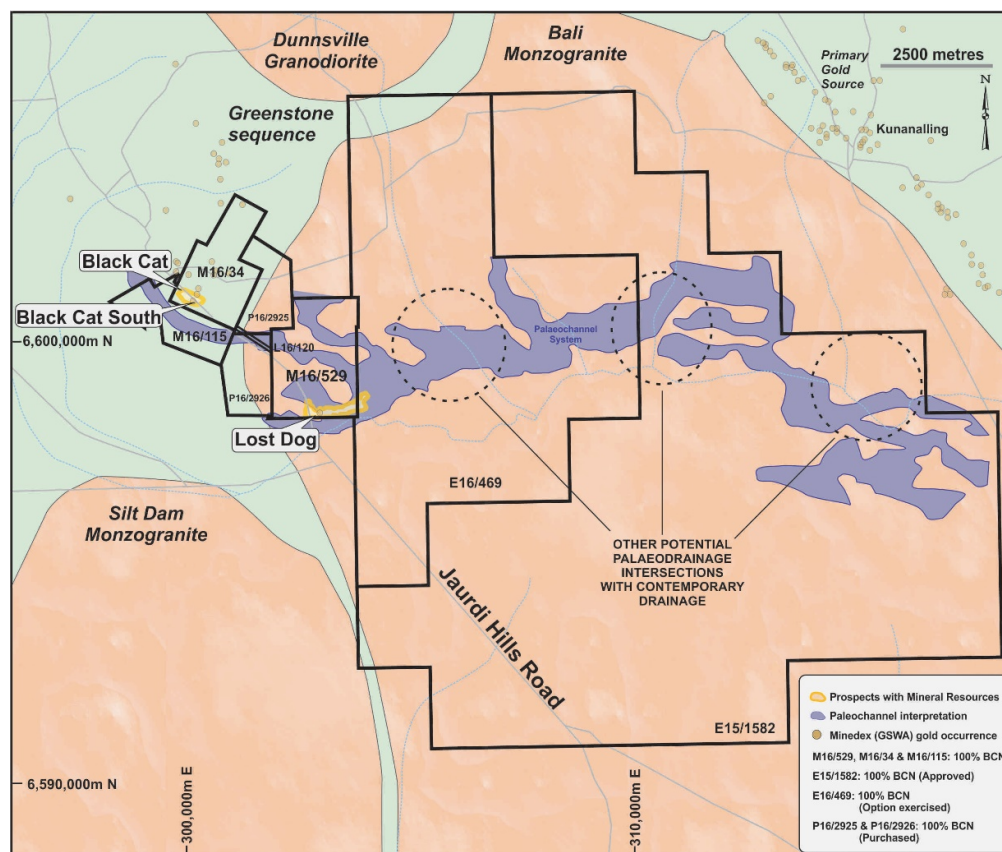


Figure 4: Locality of P16/2925 and 2926 relative to the Black Cat and Lost Dog gold deposits

CORPORATE

During the period the Company completed an Entitlement Issue made pursuant to the Prospectus dated 9 April 2019, to raise approximately \$7.1 million.

The Entitlement Issue was fully underwritten by Patersons Securities Limited and was strongly supported by Directors Graham McGarry and Geoffrey Greenhill and other key management.

CASH RESERVES

As at 30 June 2019 the Company had approximately \$4.2m in cash reserves.

CAPITAL STRUCTURE

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

Fully Paid Ordinary Shares (BCN)	2,629,028,152
Listed Options ex. \$0.025 on or before 1 August 2022	951,611,920
Unlisted Options ex. \$0.025 on or before 1 August 2021	20,000,000

About Beacon Minerals Limited (ASX:BCN)

Beacon Minerals Limited is an ASX Listed Company with its current focus being at the Company's 100% owned Jaurdi Gold Project and transitioning to a gold producing Company.

The Company is in the process of commissioning its 500,000 tpa gold processing facility at the Jaurdi Gold Project.

The Jaurdi Gold Project Pre-Feasibility (PFS) results outline a forecast life of Mine (LOM) surplus operating cashflow of \$98.4 million at a gold price of \$1,650 per ounce versus today's gold price in excess of AU\$2,000/oz (refer to PFS announcement dated 29 August 2018).

Beacon confirms that it is not aware of any new information or data that materially affects the information included in its PFS announcement dated 29 August 2018. All material assumptions and technical parameters underpinning the estimates used in the PFS announcement continue to apply and have not materially changed.

For more information contact:

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

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

Competent Person Statement – Ore Reserves

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 it appears.

This ASX announcement contains information extracted from the following report which are available on the Company’s website at www.beaconminerals.com.au:

- 29 August 2018 Pre-Feasibility Study (PFS) Results for the Jaurdi Gold Project

The Company confirms that it is not aware of any new information or data that materially affects the production targets 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. All material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

Competent Person Statement – Exploration Results

The information in this report that relates to the Stockdale Prospect has been compiled by Mr Darryl Mapleson, a full-time employee of BM Geological Services. Mr Mapleson is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Mapleson have been engaged as a consultant by Beacon Minerals Limited. Mr Mapleson 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 Mapleson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This ASX announcement contains information extracted from the following report which are available on the Company’s website at www.beaconminerals.com.au:

- 17 July 2019 Beacon Signs Option to Purchase Tenements Update

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in the original market announcement 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.

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 June 2019 as required by ASX Listing Rule 5.3.

Beacon Minerals Limited Mineral Tenement interest as at 30 June 2019;

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%	100% ⁽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%
L16/0122	Jaurdi, Coolgardie	-	100%
E15/1582	Jaurdi, Coolgardie	100%	100%
E31/0139	Jaurdi, Coolgardie	-	0% ⁽³⁾

1. Beacon has executed an Option to Purchase Agreement with Mr Steven Argus and Zephyr Mining Pty Ltd, the holder of licence E16/469.
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. Subsequent to the quarter end the Company purchased P16/2925 and P16/2926.
3. Beacon has executed an Option to Purchase Agreement with Diana and Lindsay Stockdale the holdings of the Kookynie Exploration Licence E31/0139.

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 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	50	50
1.2 Payments for		
(a) exploration & evaluation	-	(1,536)
(b) development	(6,207)	(16,865)
(c) production	-	-
(d) staff costs	(629)	(2,149)
(e) administration and corporate costs	(165)	(803)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	114
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)	227	123
1.9 Net cash from / (used in) operating activities	(6,699)	(21,066)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(313)	(1,523)
(b) tenements (see item 10)	(25)	(525)
(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 (12 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	(338)	(2,048)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares net costs	6,653	6,653
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
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to debenture issue	-	(553)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	6,653	24,420

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,640	2,950
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(6,699)	(21,066)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(338)	(2,048)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	6,653	24,420
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	4,256	4,256

Mining exploration entity and oil and gas exploration entity quarterly report

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	290	163
5.2 Call deposits	3,966	4,477
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)	4,256	4,640

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	278
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	

	\$'000
Directors fees and remuneration	102
Hire of plant and equipment	176

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

-

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	(20)
9.2 Development	(3,271)
9.3 Production	(4,270)
9.4 Staff costs	(489)
9.5 Administration and corporate costs	(160)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(8,390)*

*Does not include receipts from production

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	L16/0122, Jaurdi	Miscellaneous Licences	-	100%

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 July 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.