



## **ASX ANNOUNCEMENT**

31 October 2019

### **SEPTEMBER 2019 QUARTERLY ACTIVITIES AND CASH FLOW REPORT**

#### **HIGHLIGHTS**

- **Processing plant continues to perform well with the Company now in the commercial production phase and ramping up towards full production in the December Quarter**
- **1,512 ounces of gold produced in the commissioning period and quarter ending 30 September 2019**
- **1,152 ounces sold in the quarter at an average realised sale price of \$2,217.91/oz for total cash receipts of \$2.55 million**
- **An additional 634 ounces has been sold post the end of the quarter for an average price of \$2,196.75/oz (total receipts \$1.39 million). The total ounces sold to date are 1,786 ounces at an average realised sale price of \$2,210.40/oz.**
- **Exploration at Jaurdi is underway with the focus on resource definition drilling commencing on the western side of the Lost Dog orebody and regional exploration on the tenements located to the east of the current mining area**
- **Acquisition of the Panther lease located 7kms from the Jaurdi Project. The lease contains a JORC Resource of over 10,000 ounces of gold with significant exploration potential**
- **Mining activities have now recommenced as part of the commercial production phase**
- **\$8.0m raised via a placement that raised additional funds to accelerate exploration and resource definition programmes at Jaurdi Gold Project**

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

#### **JAUARDI GOLD PROJECT**

##### **Plant Commissioning and Production Update**

The Company is pleased to report that it has poured and sold 1,152 ounces of refined gold to the end of September 2019 at an average realised sale price of \$2,217.91/oz for cash receipts of \$2.55 million.

Since September 2019 to today's date the Company has poured and sold an additional 634 ounces of refined gold at an average sale price of \$2,196.75/oz for cash receipts of \$1.39 million. Further gold has been produced and refining outturns are expected shortly.

The processing plant continues to perform well with gold production increasing. Full production expected in the December Quarter as the Company moves into the commercial production phase.

**BEACON MINERALS LIMITED ACN 119 611 559**

**Kalgoorlie Office** 144 Vivian Street, Boulder, WA 6432

**Registered Office** Level 1, 115 Cambridge Street, PO Box 1305, West Leederville, WA 6007

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Circuit stocks at the end of 30 September 2019 were 360 recoverable ounces. Total gold produced through the commissioning period to the end of September was 1,512 ounces of gold.

The Company continues to ramp up to commercial production. Mining activities on site and have now recommenced providing ore from Panel 1.

The Company also commenced exploration drilling on 27 September 2019 with the aim of growing the Resource inventory. Only 10% of the paleochannel system at Jaurdi has been explored. The Company is aiming to add additional ounces to grow the mine life.

The Company continues to review opportunities to extend the mine life at Jaurdi and will keep the market informed of any developments.



**Figure 1 – Maiden Gold Bar from the Jaurdi Gold Project – 10 September 2019**





**Figure 2: Mining Activities at Jaurdi Gold Project – 19 September 2019**



**Figure 3: Key Milestones in the Jaurdi Gold Project Development**

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**Managing Director Graham McGarry commented:**

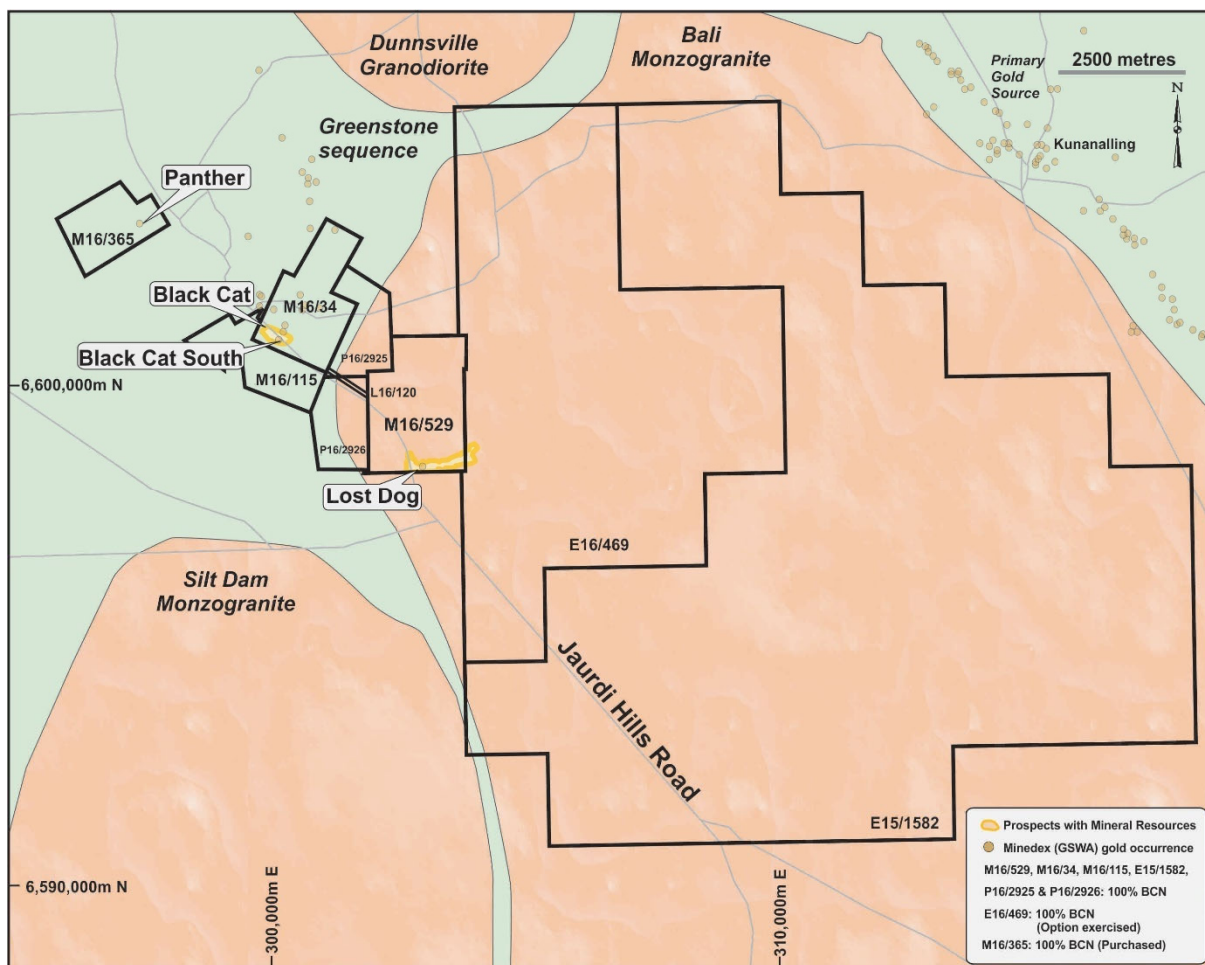
“Beacon has achieved several key milestones during the September 2019 quarter, which included the first gold production. As Figure 3 above demonstrates, Beacon has made great strides in two and half years and we look forward to the future as the Company is now in the commercial production phase.

“Beacon thanks all members of our team for their sustained efforts and the generation of strong cashflows for shareholders into the future.”

**AQUISITION OF PANTHER TENEMENT**

Subsequent to the quarter end Beacon was pleased to announce the acquisition of the Panther tenement. The newly acquired tenement was purchased from Corinthian Mining Pty Ltd for the sum of \$125,000.

The Tenement is located approximately 7 kilometres northwest along the Jaurdi Hills Road from the Jaurdi processing plant (see Figure 4).



**Figure 4: Locality diagram detailing Beacon Minerals tenement holding relative to the Panther deposit**

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A Mineral Resource was estimated in line with the JORC 2012 guidelines and is reported in Table 1.

**Table 1: Panther Mineral Resource by classification (Au > 0.8 g/t)**

Resource Category	Tonnes ('000)	Grade (g/t Au)	Ounces
Indicated	57	2.74	5,050
Inferred	70	2.49	5,625
<b>Total</b>	<b>127</b>	<b>2.60</b>	<b>10,675</b>

The gold mineralisation at Panther is hosted within the Panther Shear, which has been identified on the eastern wall of the historic pit. This structure is associated with shallow 10 -15 metre east dipping extensional quartz veins. The veins are stacked with an extension direction orthogonal to the dip of the shear. Sectional analysis of the shear has revealed the shear trend north-south with subtle inflexions to the east and west. The Panther Shear dips at an average of 55° to the west and the mineralisation has a moderate 30° plunge to the north (Figures 5 to 8).

Diamond core was sampled on geological intervals, cut using a conventional clipper saw and half core was submitted for analysis. Reverse circulation, rotary air blast and air core sampling was collected through a cyclone and split through a rig mounted cone splitter or a three tier Jones riffle splitter. 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 Mineral Resource has been constructed using reverse circulation (39 holes), air core (35 holes), rotary air blast (78 holes) and diamond core (2 holes) drill hole data. Grade estimation was completed using Ordinary Kriging. Snowden Supervisor was utilised to develop a nested spherical variogram with two structures for each domain hosting a suitable sample population. The dataset underwent a normal scores transformation for variogram modelling, before being back-transformed for grade estimation with 3DS Surpac. Domains lacking a suitable sample population for variogram modelling were estimated using Inverse-Distance-Squared techniques. Resource classification was assigned based on sample density and slope of regression values (Figure 7). A range of cut-off grades was reviewed (Figure 8); however, 0.8 g/t Au was selected as the cut-off grade for reporting.

The historical drilling was completed on a 20m x 20m to 20m x 40m pattern over the entire deposit. The purpose of this drilling was to understand the short scale continuity of the mineralisation with the aim to use this in the resource modelling process. The density of drilling for this style of deposit has given sufficient confidence to classify the Mineral Resource as Indicated and Inferred. The Mineral Resource is reported below the historical open pit mined by Kinver Mining in 2001. Historical production from mining in 2001 was 70,720 tonnes at 2.66 g/t Au for 6,051 ounces.



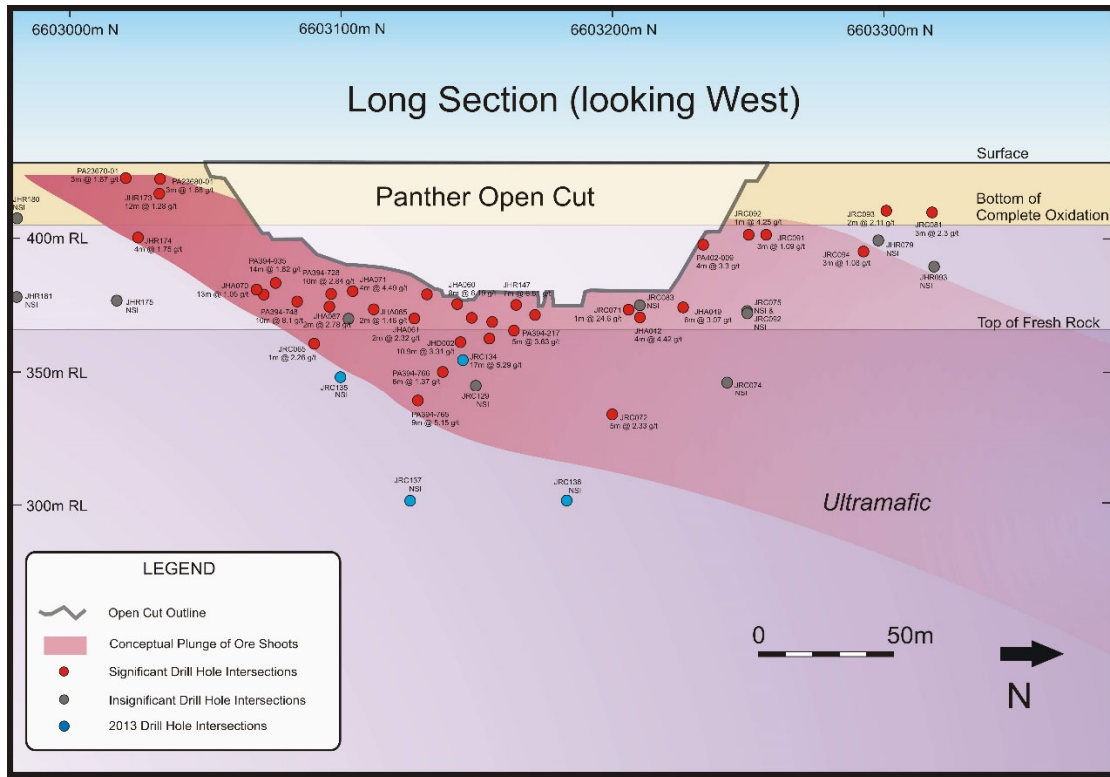


Figure 5: Long section showing the Panther mineralisation

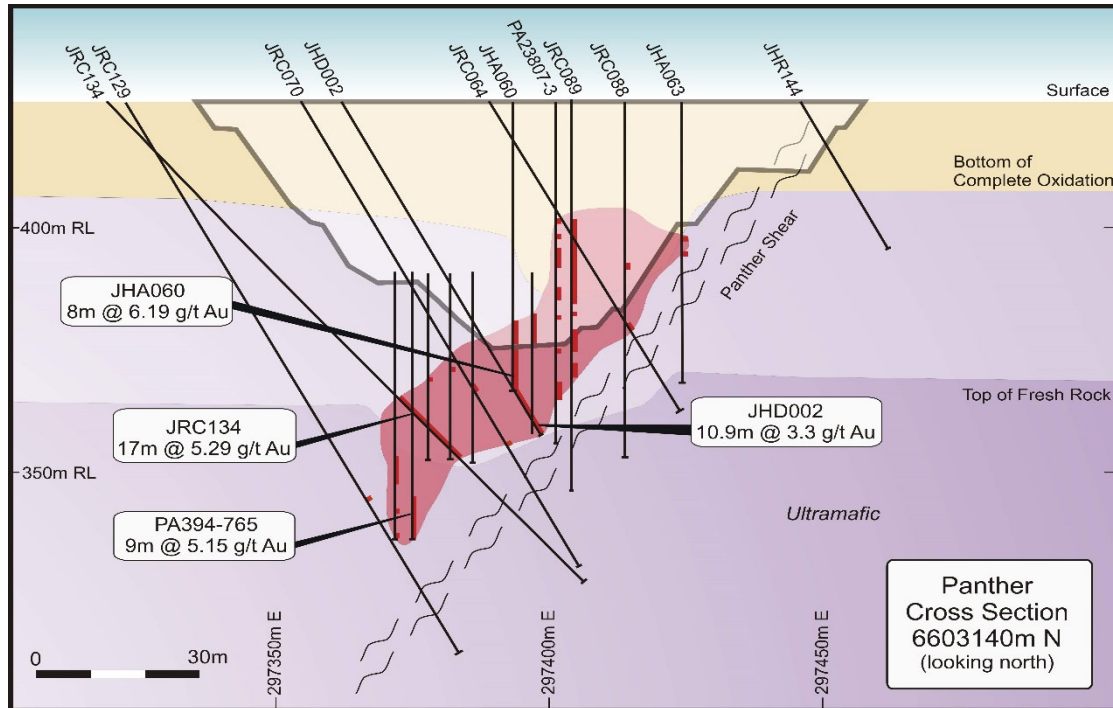


Figure 6: Cross section showing the westerly dipping Panther mineralisation

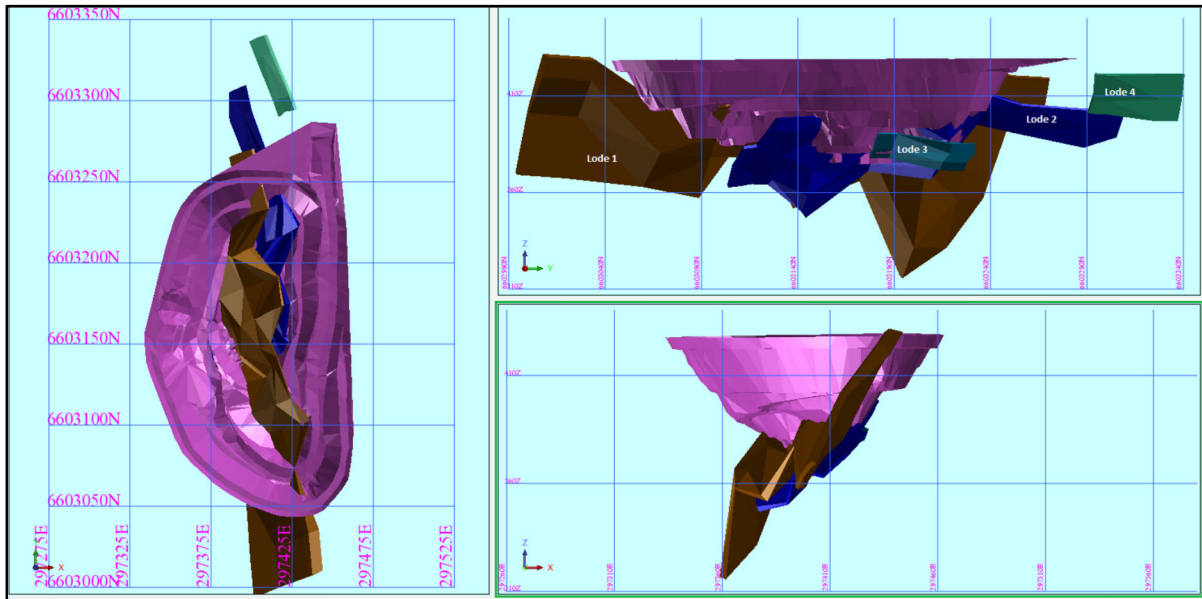


Figure 7: Plan, long section and cross section of the Panther grade solids

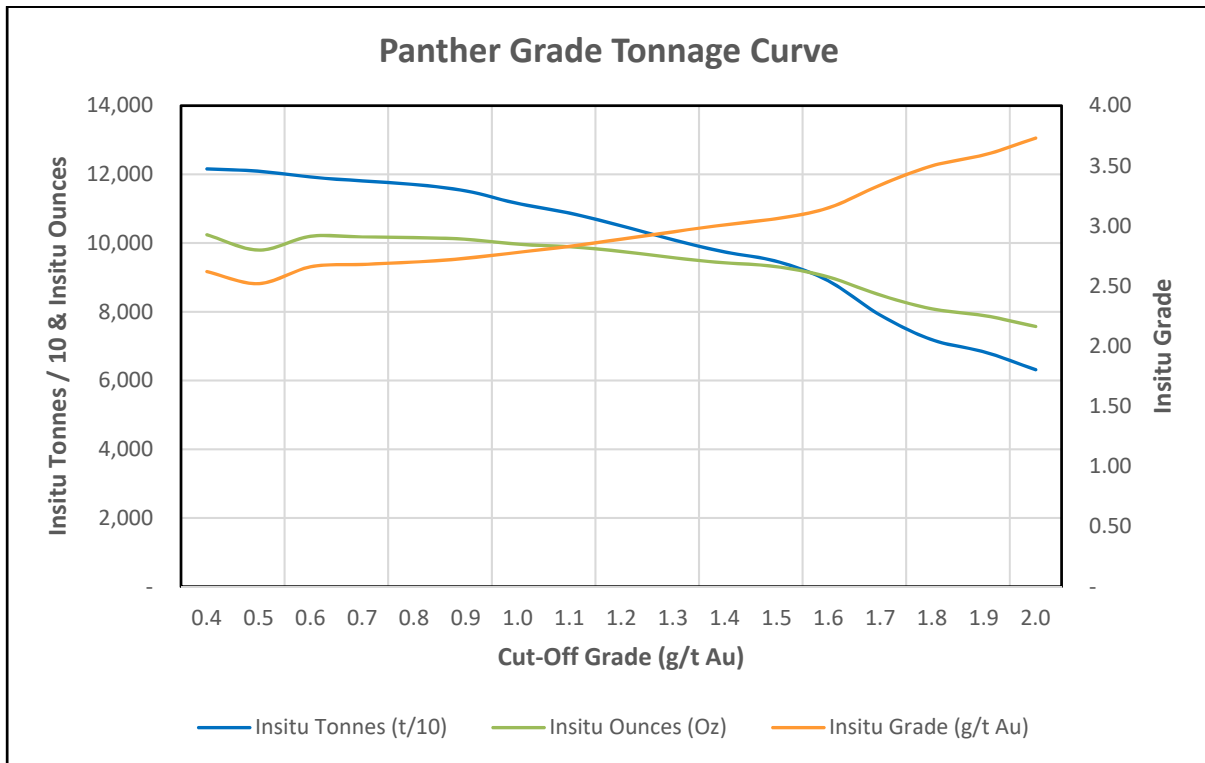


Figure 8: Grade tonnage curve for the Panther Mineral Resource

The mining method considered at this early stage is conventional drill and blast and load and haul using an excavator and articulated dump trucks. Preliminary metallurgical work indicates recoveries within the 90% to 94% range can be expected. The current defined Mineral Resource estimate is situated entirely on granted Mining Lease M16/365.

## **CORPORATE**

During the period the Company was pleased to advise that it had completed a placement that raised additional funding to accelerate exploration and resource definition programmes at its Jaurdi Gold Project.

The Company issued 190,476,191 fully paid shares at \$0.042 per share to raise \$8,000,000.

Patersons Securities Limited acted as Lead Manager to the Placement.

## **CASH RESERVES**

As at 30 September 2019 the Company had approximately \$8.4m in cash reserves.

## **CAPITAL STRUCTURE**

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

<b>Fully Paid Ordinary Shares (BCN)</b>	<b>2,858,632,676</b>
<b>Listed Options ex. \$0.025 on or before 1 August 2022</b>	<b>912,483,587</b>
<b>Unlisted Options ex. \$0.025 on or before 1 August 2021</b>	<b>20,000,000</b>

## **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 has been commissioning its 500,000 tpa gold processing facility at the Jaurdi Gold Project, with Mill throughput currently running 20% above the Pre-Feasibility (PFS) budget.

The Jaurdi Gold Project 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 of approximately AU\$2,200/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.

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For more information contact:

Geoff Greenhill  
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**Beacon Minerals Ltd**  
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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](http://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 Panther Mineral Resource estimate is based on information 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 has 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](http://www.beaconminerals.com.au):

- 16 October 2019 Panther Gold Tenement Acquired

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.

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## 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 2019 as required by ASX Listing Rule 5.3.

### Beacon Minerals Limited Mineral Tenement interest as at 30 September 2019;

TENEMENT	PROJECT/LOCATION	INTEREST AT THE BEGINNING OF THE QUARTER	INTEREST AT THE END OF THE QUARTER
	<b>Jaurdi Gold Project</b>		
M16/0529	Jaurdi, Coolgardie	100%	100%
E16/0469 <sup>(1)</sup>	Jaurdi, Coolgardie	100%	100%
M16/0034	Jaurdi, Coolgardie	100%	100%
M16/0115	Jaurdi, Coolgardie	100%	100%
P16/2925	Jaurdi, Coolgardie	0% <sup>(2)</sup>	100%
P16/2926	Jaurdi, Coolgardie	0% <sup>(2)</sup>	100%
L16/0120	Jaurdi, Coolgardie	100%	100%
L16/0122	Jaurdi, Coolgardie	100%	100%
E15/1582	Jaurdi, Coolgardie	100%	100%
E31/0139 <sup>(3)</sup>	Jaurdi, Coolgardie	0%	0%

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 had executed an Option to Purchase Agreement with Australian Live-Stock Suppliers Pty Ltd, the holders of prospecting licences P16/2925 and P16/2926. During the quarter the Company purchased P16/2925 and P16/2926.
3. Beacon has executed and 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- r i s k 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

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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 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,556	2,556
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(6,904)	(6,904)
(c) production	-	-
(d) staff costs	(687)	(687)
(e) administration and corporate costs	(435)	(435)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	13
1.5 Interest and other costs of finance paid	(1,696)	(1,696)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	161	161
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(6,992)</b>	<b>(6,992)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(228)	(228)
(b) tenements (see item 10)	-	-
(c) investments	-	-



Consolidated statement of cash flows	Current quarter \$A'000	Year to date ( 3 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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(228)</b>	<b>(228)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	8,000	8,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of options	3,880	3,880
3.4 Transaction costs related to issues of shares, convertible notes or options	(480)	(480)
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 Net cash from / (used in) financing activities</b>	<b>11,400</b>	<b>11,400</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	4,256	4,256
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(6,992)	(6,992)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(228)	(228)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	11,400	11,400
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>8,436</b>	<b>8,436</b>

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	1,157	290
5.2 Call deposits	7,279	3,966
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,436</b>	<b>4,256</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

Current quarter \$A'000

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**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
614
-

	\$'000
Directors fees and remuneration	119
Hire of plant and equipment	175
Debenture note interest	320

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

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

N/A

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	300
9.2 Development	-
9.3 Production	5,318
9.4 Staff costs	281
9.5 Administration and corporate costs	67
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>5,966</b>

<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  
Non-Executive Director/Company Secretary

Date: 31 October 2019

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.