

ASX ANNOUNCEMENT

30 April 2019

MARCH 2019 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

Beacon Minerals Limited (ASX: BCN) (Beacon or Company) is pleased to present its Quarterly Activities Report for the period ended 31 March 2019.

JAUARDI GOLD PROJECT UPDATE

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

Ore crushing and screening

The Company is pleased to advise that screening and crushing of ore stockpiled from the initial mining campaign, announced earlier in the year, will be completed this week. A blend of this ore will comprise the initial feed to the SAG mill.

The Company advised during the quarter that the two leach tanks have been installed and the SAG mill and ball mill were positioned in February 2019.

The Company was particularly pleased to inform that all work carried out to date had occurred without any major injuries or incidents.

The Company advises that commissioning of the plant is expected to be in June 2019.

Prospects

Management continue to review gold prospects outside of the Jaurdi tenement package and within economical trucking distance of the Jaurdi mill.



Figure 1: Jaurdi Gold Project, 29 April 2019

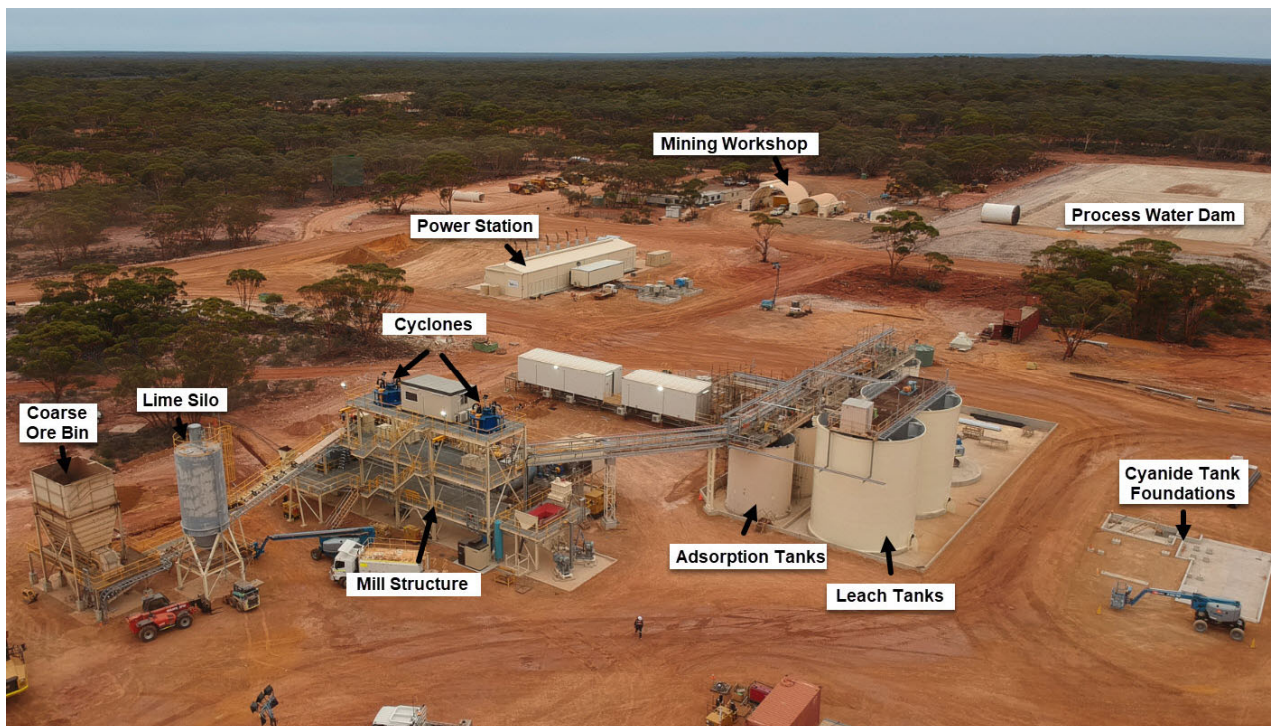


Figure 2: Jaurdi Gold Project, 29 April 2019



Figure 3: Jaurdi Gold Project ROM Pad, 29 April 2019

SUBSEQUENT TO QUARTER END

The Company announced on 9 April 2019 a 1 for 5 non-renounceable entitlement issue at \$0.017 to raise approximately \$7.1 million before costs. Eligible shareholders who subscribe to the offer will also receive 1 free attaching Listed Option for every 2 new shares subscribed for, exercisable at \$0.025 with an expiry of date 18 August 2022.

The Entitlement Issue is fully underwritten by Patersons Securities Limited who is acting as Lead Manager and Underwriter to the Issue. The Entitlement Issue will be made pursuant to a prospectus which has been lodged with ASIC (the “**Entitlement Prospectus**”).

Directors Graham McGarry and Geoff Greenhill have agreed to take up their full entitlements totalling approximately \$1.16m and are also sub-underwriting the issue for a total of approximately \$1.54m. The Issue is further strongly supported by other major shareholders in the Company who have also committed to take up their entitlements and also sub-underwrite the Issue.

The Company is nearing completion of the construction of the Jaurdi processing facility with commissioning of the plant expected in June 2019. 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 of circa \$1,825/oz (refer PFS announcement 29 August 2018)

Upon full subscription of the Entitlement Issue, 418,792,257 Shares and 209,396,128 Options will be issued and the number of Shares on issue in the Company shall increase from 2,093,961,284 to 2,512,753,541. Beacon’s current capital structure has 883,490,321¹ Listed Options on issue with various exercise dates and

prices. Following the issue of the free Listed Options under this Entitlement Issue, a total of 1,092,886,449 Listed Options will be on issue by the Company.

USE OF FUNDS

The funds being raised under the Entitlement Issue will be utilised as follows:

| USE OF FUNDS | \$ |
|-------------------------|------------------|
| Jaurdi Gold Project | 5,000,000 |
| Exploration expenditure | 350,000 |
| Working capital | 1,241,411 |
| Expenses of the Offer | 528,057 |
| TOTAL | 7,119,468 |

The funds will be applied towards completing the construction and commissioning of the 500,000 tpa gold processing facility at the Jaurdi Gold Project with commissioning expected to be in June 2019. The funds will also be applied toward the evaluation, acquisition and development of gold projects within viable trucking distances of the Jaurdi Gold Project.

1. The Company currently has on issue 858,490,321 Listed Options exercisable at \$0.025 on or before 17 August 2022, 20,000,000 Unlisted Options exercisable at \$0.025 on or before 1 August 2021 and 5,000,000 Unlisted Options exercisable at \$0.025 on or before 5 May 2019.

CASH RESERVES

As at 31 March 2019 the Company had approximately \$4.6m 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.

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 31 March 2019 as required by ASX Listing Rule 5.3.

Beacon Minerals Limited Mineral Tenement interest as at 31 March 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% | 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 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 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 March 2019

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 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 | (4,676) | (10,658) |
| (c) production | - | - |
| (d) staff costs | (500) | (1,520) |
| (e) administration and corporate costs | (193) | (638) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 50 | 89 |
| 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) | (135) | (104) |
| 1.9 Net cash from / (used in) operating activities | (5,454) | (14,367) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (300) | (1,210) |
| (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 (9 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 | (300) | (1,710) |
| 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 |
| 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 | - | 17,767 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 10,394 | 2,950 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (5,454) | (14,367) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (300) | (1,710) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 17,767 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 4,640 | 4,640 |

| 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 | 163 | 432 |
| 5.2 Call deposits | 4,477 | 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) | 4,640 | 10,394 |

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 |
|------------------------------------|
| 341 |
| - |

| | \$'000 |
|---------------------------------|---------------|
| Directors fees and remuneration | 93 |
| Hire of plant and equipment | 248 |

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 | (300) |
| 9.2 Development | (3,200) |
| 9.3 Production | - |
| 9.4 Staff costs | (666) |
| 9.5 Administration and corporate costs | (150) |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | (4,316) |

| 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: 30 April 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.