

ASX ANNOUNCEMENT

26 April 2023

MARCH 2023 QUARTERLY REPORT

HIGHLIGHTS

PRODUCTION

- 8,008¹ ounces of gold produced
- 215,092 dry tonnes milled
- Gold recoveries of 89.7% achieved
- Ore stockpiles of 242k tonnes containing 10,600 ozs
- 100,000 ounces of gold has now been produced from the Jaurdi Gold Project

FINANCIAL AND CORPORATE

- Gold sales for the quarter were 8,045 ounces at an average sale price of \$2,766/oz for sale receipts of \$22.26 million
- Cash costs (excluding royalties) of A\$1,740/oz
- Beacon had cash of \$8.23 million and 1,276² ozs of gold in bullion, on hand, or in transit at the end of the quarter
- Capital expenditure for the quarter totalled A\$1.179 million which included exploration costs, capital works and plant and equipment purchases, net of surplus equipment sale receipts
- Corporate Expenditure for quarter totalled A\$3.859 million which included the acquisition of the interest in MXR, deposit for the acquisition of four exploration licences at Lady Ida and hire purchase payments.
- Beacon acquired 19.8% interest in Maximus Resources (ASX:MXR)
- Beacon agrees to acquire the Lady Ida Gold Project and four additional Exploration Licences, all within close proximity to the Company's Jaurdi Gold Processing Plant located circa 50kms West of Kalgoorlie

EXPLORATION

- No drilling undertaken for the quarter as focus shifted to Geko and Lady Ida acquisitions
- New exploration prospects are being assessed and ranked against existing prospects

Beacon Minerals Limited (ASX: BCN) (Beacon or the Company) is pleased to present its Quarterly Activities Report for the period ended 31 March 2023.

Production Update for the March 2023 Quarter

Gold production was higher than previous quarters due to:

- planned higher grade ore from Panel 3 processed; and
- higher gold recoveries than budgeted.

Mining in Lost Dog Pit Panel 3 (eastern panel) continued throughout the quarter. Ground water inflows were greater than expected and resulted in more sheeting material being trucked into the pit. At the end of March 242kt of ore were stockpiled on the Jaurdi ROM containing 10,600 ozs.

The Jaurdi processing plant continues to exceed PFS achieving a milling rate of 860k annually. Gold recovery was 89.7% for the quarter being approximately 5% higher than PFS. Lost Dog Panel 2/4 In-pit TSF was commissioned during the quarter.



Figure 1: Lost Dog Pit on 15 March 2023

Beacon is pleased to provide the production numbers for the last four quarters at Jaurdi.

Operation	Unit	Jun-22 Qtr	Sept-22 Qtr	Dec-22 Qtr	Mar-23 Qtr
Ore Mined	BCM	186,000	121,000	90,000	125,000
Waste Mined	BCM	423,000	285,444	575,000	257,000
Ore Milled	DMT	204,755	222,173	209,948	215,092
Head grade	gpt	1.25	1.13	1.03	1.29
Tails grade	gpt	0.15	0.14	0.08	0.13
Recovered grade	gpt	1.1	0.99	0.95	1.16
Gold Produced	oz	7,255	7,088	6,418	8,008 ¹
Gold Sold	oz	7,483	7,937	6,317	8,045
Average Sale Price	A\$/oz	2,628	2,535	2,633	2,766
Cost Summary					
Cash cost	\$/oz	1,245	1,250	1,206	1,166
Pre strip Panel 4	\$/oz	389	182	81	0
Pre strip Panel 3	\$/oz	-	151	583	320
Royalties	\$/oz	146	122	145	144
Ore Stock & GIC movements	\$/oz	(517)	106	(191)	220
Corporate Costs	\$/oz	104	56	81	34
Sustaining costs (excluding capital expenditure)		1,367	1,867	1,905	1,884

*Rounding errors may occur

Note 1 – March 2023 quarter revised upwards from 7,540oz (as reported in the March 2023 Production Update released on 12 April 2023) to 8,008oz to reflect gold in circuit assay correction and the final, now received, mint outturn.

Capital Update for the March 2023 quarter

Capital Expenditure for March 2023 Quarter	A\$'000
Capital Works	105
Plant and Equipment	1,579
Exploration	115
Surplus Equipment Sales	(652)
Other	32
Total	1,179

The 7 x 100 tonne rigid trucks were commissioned during the quarter on the remaining silcrete material available to be mined. Equipment acquired in the truck/excavator package and surplus to requirements was sold.

Corporate Expenditure for March 2023 Quarter	A\$'000
Acquisition of MXR	2,671
Deposit for Lady Ida tenements	1,100
Income Tax payments	-
Hire Purchase repayments	88
Total	3,859

The Company has a \$5.0 million debt facility and as of 31 March 2023 Beacon had drawn down \$0.869 million of the facility. During the quarter there was no additional draw down on the debt facility.

OPERATING EXPENDITURE

Operating cost conditions remain challenging. Sourcing staff in the mining industry in Western Australia is very competitive at present. Salary increases and an incentive bonus structure are in place to provide a more competitive market offering.

EXPLORATION UPDATE

Fieldwork continued at MacPhersons Project on several targets that are 'ready to drill', however drilling was deferred for the quarter to allow time to assess the acquisitions of Geko and Lady Ida projects. Targets will now be ranked with new prospects at Lady Ida. Although the Lady Ida sale has not been finalized, Beacon has commenced a strategic plan for exploration and resource definition that aligns with the new anticipated mining schedule.

Data validation at the Geko Project was exhaustive but is now complete and work towards a Beacon mineral resource estimate (MRE) is well advanced through our external consultants.

Grade control drilling is complete for the remainder of the Lost Dog pit and is completed for A-Cap pit at MacPhersons Project.

MD/Chairman Graham McGarry Commented:

"A strong quarter with all key parameters at or near record levels. Lost Dog project has now achieved 100,000 ozs and revised guidance for FY22/23 on track for 28,000 to 30,000 ozs.

"Gold price averaged \$2,766 for the quarter but finished the quarter above \$2,900 oz. Beacon closed out its forward gold sale post quarter end and as at the date of this report has no forwards in place. We will continue to review possible forwards.

"Investments were made in process water supply and tailings dam facilities to maintain higher throughput levels.

"The Geko transaction is complete with the MRE to be announced shortly and the MacPhersons Resource Estimate MRE will also be updated and released. The Lady Ida transaction has advanced with a deposit paid and data made available by the vendor. Shareholders will be sent a notice of meeting in due course in relation to the transaction.

"A vigorous and positive quarter for key stakeholders and shareholders with site management leading the way with plenty of news to come."

NEXT STEPS

The MacPhersons Mineral Resource Estimate (MRE) and Geko MRE were deferred to allow time to assess the Lady Ida Project. Although the Lady Ida sale has not been finalized, Beacon has commenced a strategic plan for exploration and resource definition that aligns with the new anticipated mining schedule.

Shareholders will receive a notice of meeting in due course in relation to the Lady Ida acquisition detailed in the ASX release dated 24 March 2023 *"Beacon Acquires Lady Ida Project"*.

TIMOR-LESTE

We continue to maintain our presence in Timor-Leste. Beacon has lodged a pre-qualification tender, which has been accepted by ANPM representing the Timor-Leste government. A review of data has commenced.

CORPORATE UPDATE

Gold on hand and in transit totalled 1,276² ounces as at 31 March 2023.

Beacon has received approval with Caterpillar Finance for up to \$5.0 million at interest rate of approximately 6.8%. As at 31 March 2023 Beacon had drawn down \$0.869 million of the facility.

During the quarter the Company completed the acquisition of the 19.82% shareholding in Maximus Resources Limited (ASX: MXR) (*"Maximus"*).

The parcel of 63,254,972 shares held by Pantoro was purchased by Beacon at A\$0.042 per share, representing a 7% premium to the closing market price of \$0.039 on 27 January 2023.

Beacon funded the purchase of the shares using the Company's cash reserves. For additional information please see ASX release dated 30 January 2023 *"Beacon to Acquire 19.8% Interest in Maximus Resources"*.

The Company advised during the quarter that it has executed a binding tenement sale agreement with Siberia Mining Corporation Pty Ltd (ABN 97 097 650 194) (*"Siberia"*) and Carnegie Gold Pty Ltd (ACN 117 116 097) (*"Carnegie"*), both of which are wholly owned subsidiaries of Ora Banda Mining Ltd (ASX: OBM) (*"Ora Banda Mining"*), for Beacon Mining to acquire tenements E16/475, E16/483, E16/484 and E 16/486 (the Tenements) which are 100% owned by Siberia and Carnegie (**"Acquisition A"**).

The Company is also advised that it has agreed offer terms to acquire M16/262, M16/263, M16/264, L15/224, L16/58, L16/62, L16/103 and applications L16/138 and L16/142 which together form the *"Lady Ida Project"* from Lamerton Pty Ltd and Geoda Pty Ltd (**"Acquisition B"**).

Both transactions are subject to conditions precedent which are to be satisfied by all parties acting co-operatively.

There is no guarantee the transaction will complete.

For details in relation to the terms of the acquisition, please see ASX release 24 March 2023 *"Beacon Acquires Lady Ida Project"*.

Beacon will fund Acquisition A using the Company's cash reserves and Acquisition B will be funded pursuant to the debenture raising.

Beacon advised that the Company had received firm commitments to raise \$20 million via a debenture issue to professional and sophisticated investors (*"Debenture Issue"*). The Company is now completing the relevant documentation in relation to the debenture issue.

The Directors of the Company caution that although the proposed debenture issue is in its final transactional documentation stage and a portion of the Issue is subject to shareholder approval, there is no guarantee that the raising of funds under the proposed Debenture Issue will be successful.

Beacon wishes to further advise that it had approached two banks in relation to providing funding for the Company. There are many aspects considered by the banks when reviewing and assessing funding for a gold producing Company and Beacon was unable to meet the criteria, as a result the Board determined that debentures would be the best funding option available.

The Board of Beacon Minerals continues to monitor returns to shareholders balanced against growth opportunities for the Company, which includes a share consolidation. The Board continues to review a potential share consolidation in conjunction with a material transaction.

Ordinary Shares on issue	3,756,768,171
Unlisted Options on issue*	180,000,000
Market capitalisation	\$123.97 million (\$0.033 share price)
Cash on hand (31 March 2023)	\$8.23 million
Bullion on hand/In Transit (31 March 2023)	1,276 ² ozs
Finance Facility (31 March 2023)	\$5.0 million (with 0.869m draw down)
Income Tax Payment during 31 March 2023 Quarter	-
Fully Franked Interim Dividend Paid (9 December 2022)	\$0.001 per share
Fully Franked Interim Dividend Paid (14 April 2022)	\$0.00125 per share
Fully Franked Final Dividend Paid (29 October 2021)	\$0.00125 per share
Interim Dividend Paid (24 March 2021)	\$0.002 per share
Special Dividend Paid (24 March 2021)	\$0.005 per share

*Exercisable at \$0.053 on or before 3 August 2023

Note 2 - March 2023 quarter revised downwards from 1,303 ozs (as reported in the March 2023 Production Update released on 12 April 2023) to 1,276 ozs being the actual mint outturn.

Authorised for release by the Board of Beacon Minerals Limited.

For more information contact:

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JORC Compliance Statement

The information in this report relating to exploration results and targets has been compiled by Mr. Zane Padman B.Sc. MAusIMM. Mr. Padman has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities 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. Padman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr. Padman is a full-time employee of Beacon Minerals and is eligible to and may participate in short-term and long-term incentive plans of the Company as disclosed in its annual reports and disclosure documents.

BEACON MINERALS LIMITED ACN 119 611 559

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The information in this report referring to the Jaurdi Gold Project Mineral Resource Estimates and Ore Reserves (Black Cat, Lost Dog and Stockpiles) is extracted from the report entitled:

- “Beacon’s Resource and Reserve Statement 2022” released on the 5th September 2022.
- “Beacon Doubles Resource Inventory, Mine Life Extended” released on the 19th October 2021.

These are available to view on Beacon Minerals website at www.beaconminerals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. 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.

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.

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 2023 as required by ASX Listing Rule 5.3.

Beacon Minerals Limited Mineral Tenement interest as at 31 March 2023:

TENEMENT	PROJECT/LOCATION	INTEREST AT THE BEGINNING OF THE QUARTER	INTEREST AT THE END OF THE QUARTER
	Jaurdi Gold Project		
M16/0529	Jaurdi, Coolgardie	100%	100%
M16/0034	Jaurdi, Coolgardie	100%	100%
M16/0115	Jaurdi, Coolgardie	100%	100%
M16/0365	Jaurdi, Coolgardie	100%	100%
M16/0560	Jaurdi, Coolgardie	100%	100%
M16/0561	Jaurdi, Coolgardie	100%	100%
P16/2925	Jaurdi, Coolgardie	100%	100%
P16/2926	Jaurdi, Coolgardie	100%	100%
L16/0120	Jaurdi, Coolgardie	100%	100%
L16/0122	Jaurdi, Coolgardie	100%	100%
L16/0131	Jaurdi, Coolgardie	100%	100%
E16/0469	Jaurdi, Coolgardie	100%	100%
E15/1582	Jaurdi, Coolgardie	100%	100%
L15/0312	MacPhersons, Coolgardie	100%	100%
L15/0352	MacPhersons, Coolgardie	100%	100%
L15/0375	MacPhersons, Coolgardie	100%	100%
M15/0040	MacPhersons, Coolgardie	100%	100%
M15/0128	MacPhersons, Coolgardie	100%	100%
M15/0133	MacPhersons, Coolgardie	100%	100%
M15/0147	MacPhersons, Coolgardie	100%	100%
M15/0148	MacPhersons, Coolgardie	100%	100%
M15/1808	MacPhersons, Coolgardie	100%	100%
P15/5719	MacPhersons, Coolgardie	100%	100%
P15/5722	MacPhersons, Coolgardie	100%	100%
P15/5901	MacPhersons, Coolgardie	100%	0%
P15/5902	MacPhersons, Coolgardie	100%	0%
P15/6071	MacPhersons, Coolgardie	100%	100%
P15/6085	MacPhersons, Coolgardie	100%	100%
P15/6087	MacPhersons, Coolgardie	100%	100%
P15/6088	MacPhersons, Coolgardie	100%	100%
P15/6089	MacPhersons, Coolgardie	100%	100%
P15/6090	MacPhersons, Coolgardie	100%	100%