



ASX ANNOUNCEMENT

31 January 2017

2012 JORC CODE - APPENDIX 1

The Appendix 1 required under the 2012 JORC Code for ASX release dated 31 January 2017 "*Successful Stage 1 Drilling Programme Completed at Jaurdi*" is attached.

For further information please contact:

Geoff Greenhill
Executive Chairman
Beacon Minerals Limited
M: +61 (0) 419 991 713

Graham McGarry
Managing Director
Beacon Minerals Limited
M: +61 (0) 409 589 584

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

Website www.beaconminerals.com **Phone** 08 9322 6600 **Facsimile** 08 9322 6610

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Appendix 1

JORC Code, 2012 Edition – Table 1 report – Jaurdi Gold Project January 2017 RC and Aircore drilling

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	The sampling has been carried out using Reversed Circulation and Aircore Drilling (RC and AC). A total of 40 AC holes and 34 RC holes were drilled in this reported programme at the Jaurdi Gold Project. The holes were drilled to depths between 21 metres and 35 metres and angled and were all orientated vertical.
	<i>Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.</i>	The drill hole collar location was picked up by DGOS using the Kalgoorlie based registered surveyors Minecomp. Sampling was carried out under Beacon's protocols and QAQC procedures as per industry best practice. See further details below.
	<i>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.</i>	The RC holes were drilled using a 127 mm face-sampling bit and the AC holes used an 85 mm bit. One metre samples were collected through a cyclone and split through a rig mounted cone splitter. One metre samples were collected to obtain a 3 to 4 Kg sample. All samples were fully pulverised at the lab to -75um, to produce either a 50g charge for Fire Assay with an AAS finish.
Drilling techniques	<i>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 or other type, whether core is oriented and if so, by what method, etc).</i>	The RC and AC drilling rigs, owned and operated by Ausdrill Australia, was used to collect the samples. The face-sampling RC bit has a diameter of 127 mm and the AC drill bit used was an 85 mm bit.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	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 operator's 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.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	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.
	<i>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.</i>	It is not possible to determine if a relationship exists between recovery and grade at this stage of the programme.
Logging	<i>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.</i>	All chips were geologically logged by a BM Geological Services Geologist, using the Beacon Minerals geological logging legend.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of RC and AC chips records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All samples are wet-sieved and stored in a chip tray.
	<i>The total length and percentage of the relevant intersections logged</i>	All holes were logged in full.
Sub-sampling techniques and	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No core was collected.

Criteria	JORC Code explanation	Commentary
sample preparation	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	One-metre drill samples were collected below a rig mounted cyclone and cone 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.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples 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.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.</i>	A standard, fine blank and coarse blank as well as a single field duplicate sample was submitted at a rate of approximately 1 in 30 samples. At the laboratory, regular Repeats and Lab Check samples are assayed.
	<i>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.</i>	The technique to collect the one metre samples was via a rig mounted cone splitter. Measures to keep the cone splitter vertical were made by the geologist, to ensure an even distribution of sample cascaded over the cone splitting device. Field duplicates were collected and results were satisfactory, suggesting the duplicate field samples replicated the original samples.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	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	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Samples were analysed at the ALS Laboratory in Kalgoorlie. The analytical method used was a 50g Fire Assay with AAS finish for gold. The techniques is considered to be appropriate for the material and mineralization.
	<i>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.</i>	Not applicable.
	<i>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.</i>	Beacon Minerals protocol for January 2017 RC and Aircore drilling programme was for a single standard (Certified Reference Material), fine blank, coarse blank and field duplicate to be inserted in every 90 samples. A total of 2,324 samples was submitted as part of the programme, with 20 standards, 16 fine blanks, 19 coarse blanks and 15 field duplicates. This at a rate of approximately 1 Standards, 1.5 blanks and 0.5 Duplicates per 100 samples. At the ALS Laboratory, regular assay Repeats, Lab Standards and Blanks are analysed. In addition, 66 Lab blanks, 50 Lab Repeats and 79 Lab standards were inserted as part of their internal QA/QC programme. 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.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant results were checked by Beacon Minerals executives and BMGS senior geologists.
	<i>The use of twinned holes.</i>	A total of three (3) historical holes and four (4) January 2017 Beacon holes were twinned. All twinned holes confirmed data from their corresponding holes.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	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 Kalgoorlie.
	<i>Discuss any adjustment to assay data.</i>	No assay data was adjusted.
Location of data points	<i>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.</i>	RC and AC hole collar locations were surveyed by a registered Surveyor. The group used was the Kalgoorlie based Minecomp. All holes were vertical. Down hole surveying by Kalgoorlie based ABIM Solutions using an open hole Lihue north seeking gyroscope was completed on selected holes to assess if any deviation of the short holes was occurring. No significant deviation occurred.

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	<i>Specification of the grid system used.</i>	Grid projection is MGA94_51, southern hemisphere.
	<i>Quality and adequacy of topographic control.</i>	Minecomp 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	<i>Data spacing for reporting of Exploration Results.</i>	The drill spacing of this programme was essentially 25mE x 50mN.
	<i>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.</i>	This spacing is sufficient to test the continuity of mineralisation for this style of mineralisation.
	<i>Whether sample compositing has been applied.</i>	All samples collected were 1 metre samples.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	It is considered the orientation of the drilling and sampling suitably captures the “structure” of the palaeochannel style of mineralisation.
	<i>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.</i>	This is not considered material.
Sample security	<i>The measures taken to ensure sample security.</i>	Samples were transported by company transport to the ALS laboratory in Kalgoorlie.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling and assaying techniques are industry-standard. No specific audits or reviews have been undertaken at this stage in the programme.

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	<i>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.</i>	The RC drilling occurred within tenement M16/529, which BCN has an exclusive option agreement with Fenton and Martin Mining Developments Pty Ltd or Option to Purchase Agreement.
	<i>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.</i>	The tenement is in good standing with the WA DMP.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	There have been three campaigns of drilling undertaken on this lease; 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 programme 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).
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>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 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</p> <p>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 programmes 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 400 metres strike (East – West orientated), 150 metres wide and 10 metres deep; and appears open to the East and connects with the Western Arm. Stage 2 drilling will confirm continuity of the mineralisation.</p>

Criteria	JORC Code explanation	Commentary
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>	Refer to Table 1 and 2 in the body of the text.
Data aggregation methods	<p>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.</p>	Grades are reported as down-hole length-weighted averages of grades above 1.0 ppm Au. No top cuts have been applied to the reporting of the assay results.
	<p>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.</p>	Higher grade intervals are included in the reported grade intervals.
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results. 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>	The geometry of the mineralisation has been well established by the recent drilling. There is no ambiguity with the geometry of this relatively planar system.
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>	Refer to Figures 1 to 4 in the body of text.
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>	No misleading results have been presented in this announcement.
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>	Not applicable.
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>	A second stage of drilling (2,000 metres) has been designed by Beacon and will commence on the 1st of February using the Kalgoorlie based contractor Ausdrill. The aim of this programme is to extend the known occurrence of the Eastern Arm mineralisation both to the East and West; by joining up with the historically understood Western Arm orebody and to further extend the Eastern Arm mineralisation to the East.