



## **ASX ANNOUNCEMENT**

19 July 2019

### **BEACON SIGNS OPTION TO PURCHASE TENEMENTS UPDATE**

Further to the ASX release dated 18 July 2019, Beacon Minerals Limited (**ASX: BCN**) wishes to advise the below terms in relation to 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 2). 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 1). 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.

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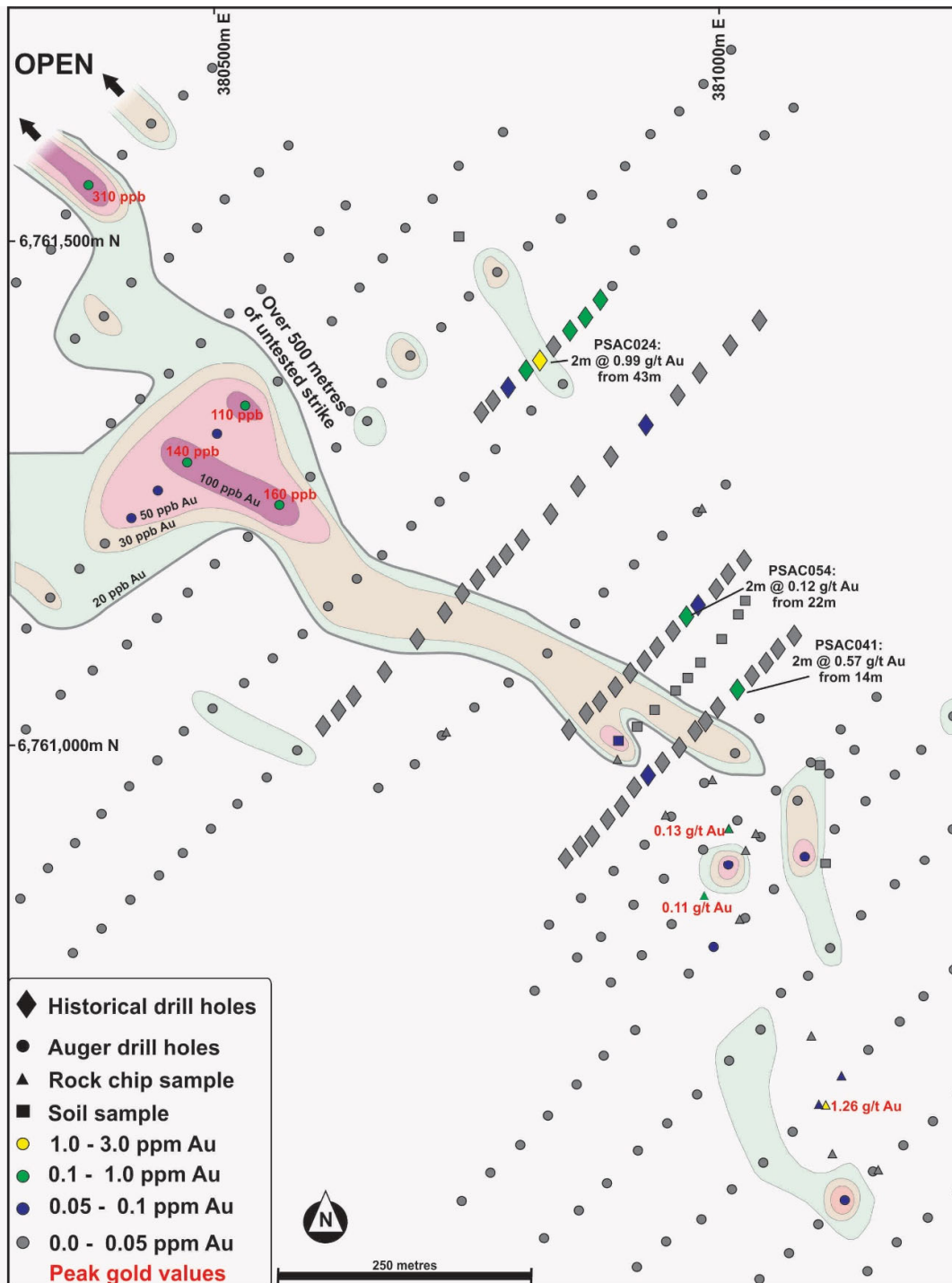


Figure 1: Gold in soil auger anomaly over 1km strike length; showing peak value of 310ppb and open to north west and south east (significant intercepts for the aircore holes can be found in Appendix 1)



**Figure 2: Locality of E31/1039 relative to Leonora and Menzies in the Eastern Goldfields of WA**

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#### **Competent Persons Statement**

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

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consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#### **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.

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## APPENDIX 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          |

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## APPENDIX 2

### JORC Code, 2012 Edition – Table 1 Report – Sampling Techniques and Data for Stockdale Prospect

#### Section 1 Sampling Techniques and Data

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

| Criteria                   | JORC Code explanation  | Commentary   |
|----------------------------|--|--|
| <b>Sampling techniques</b> | 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.   | Soil samples were taken by scraping off organic material and digging down about 10 to 15 cm into the soil horizon.<br><br>Soil auger samples were taken from the end of hole auger spoils.<br><br>Aircore samples were collected through a rig mounted cyclone. The one metre spoils were sampled using a scoop.   |
|                            | Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.  | A single sample was taken from the base of the 10 to 15 cm hole in the case of a soils sample. This was considered representative of this horizon.<br><br>The soil auger sample was taken from the end of hole spoil; which was deemed representative of this horizon.<br><br>The aircore sample was sampled using a scoop through the entire sample to represent the full one metre interval. |
|                            | Aspects of the determination of mineralisation that are Material to the Public Report.<br>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 | The soil, soil auger and aircore samples were collected being 2 to 3 Kg in size as per the respective means stated above. This samples were pulverised to produce a 25 gram charge for analysis by fire assay.   |

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| Criteria  | JORC Code explanation   | Commentary   |
|---|---|--|
|   | (eg submarine nodules) may warrant disclosure of detailed information.  |  |
| <b>Drilling techniques</b>                            | 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). | Auger drilling was completed in the September quarter of 2015 by Peel Mining Limited. Auger holes were drilled to an average of 0.7 m.<br><br>Aircore holes were drilled using a 4 inch face sampling bit and drilled to refusal.  |
| <b>Drill sample recovery</b>                          | Method of recording and assessing core and chip sample recoveries and results assessed.   | No significant sample recovery issues were encountered.  |
|   | Measures taken to maximise sample recovery and ensure representative nature of the samples.   | When poor sample recovery is encountered, the geologist and driller endeavoured to rectify the problem to ensure maximum sample recovery.  |
|   | 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.  | Sample recoveries were generally high for soil auger and aircore holes. Insufficient data is available to determine if a relationship exists between recovery and grade.   |
| <b>Logging</b>  | 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.   | All end of hole soil auger samples were examined by a geologist. All one metre sample intervals from the aircore drill holes were collected and sampled.   |
|   | Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.  | All geological logging is qualitative in nature.   |
|   | The total length and percentage of the relevant intersections logged  | The logging of the soil collected for sampling is the material collected at the base of the 10 to 15 cm hole. The auger soil sample logged is the material at the base of the auger hole drilled. All one metre sample intervals collected from the air core drilling was logged by the geologist. |
| <b>Sub-sampling techniques and sample preparation</b> | If core, whether cut or sawn and whether quarter, half or all core taken.   | All samples were dried and reconciled against the company submission.  |
|   | If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.   | All sets of samples were collected without being screened or split.  |
|   | For all sample types, the nature, quality and appropriateness of the sample preparation technique.  | The sample preparation technique is appropriate for the soli and soil auger sample types.  |

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| Criteria  | JORC Code explanation  | Commentary  |
|---|--|---|
|   | Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.  | ALS have laboratory standard procedures for sub sampling of the soil, soil auger and aircore samples.   |
|   | 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.   | Duplicate sampling was taken in the field and results were deemed adequate.   |
|   | Whether sample sizes are appropriate to the grain size of the material being sampled.  | Sample sizes were deemed appropriate for the grain size of the material being sampled.  |
| <b>Quality of assay data and laboratory tests</b> | The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.   | <p>ALS Laboratory (Kalgoorlie) was used for Au analysis carried out on the samples. The laboratory techniques below are for all samples submitted to ALS and are considered appropriate for the style of mineralisation defined for the surrounding Apollo Hill district.</p> <ul style="list-style-type: none"> <li>○ Au-ST43 super trace Au – 25g AR</li> <li>○ Au – ARO43 Au AR overrange -25g</li> </ul> <p>The QA/QC data includes standards, duplicates, and laboratory checks. In-house QA/QC tests are conducted by the lab on each batch of samples with standards supplied by the same companies that supplied Peel Mining.</p> |
|   | 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. | No geophysical tools were used.   |
|   | 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.                     | Peel Mining submitted standards, duplicates and blanks as part of their QA/QC regime which has been deemed to demonstrate acceptable levels of accuracy and precision for the sample types employed.  |
| <b>Verification of sampling and assaying</b>      | The verification of significant intersections by either independent or alternative company personnel.  | All geological logging and sampling were completed in spreadsheets, which were then transferred to a database for validation and compilation. Electronic copies of all information are periodically backed up. BCN geologists have reviewed this data and are satisfied with the efficacy of the Peel data.   |

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| Criteria   | JORC Code explanation  | Commentary  |
|--|--|---|
|  | The use of twinned holes.  | BCN is not aware of any twinning of auger holes completed by Peel.  |
|  | Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.   | Peel had their internal standards for processing the primary assay data which was verified visual checks by senior personnel.   |
|  | Discuss any adjustment to assay data.  | No adjustments of assay data were considered necessary.   |
| <b>Location of data points</b>                                 | 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.  | A handheld Garmin GPS was used to define the location of the samples. Standard practice is for the GPS to be left at the collar for a period of 10 minutes to obtain a steady reading. Collars are subsequently pick up after using a DGPS.   |
|  | Specification of the grid system used.   | Grid system used is MGA94 (Zone 51).  |
|  | Quality and adequacy of topographic control.   | The topographical control of the DGPS is considered adequate for this early stage of exploration.   |
| <b>Data spacing and distribution</b>                           | Data spacing for reporting of Exploration Results.   | Sample spacing is variable and appropriate to the geology. Soil samples were taken on a 20m grid. Soil auger and aircore was undertaken on a 40-50 m spacing at Stockdale.  |
|  | 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. | The data spacing for this early stage of exploration is considered appropriate to determine the low-level gold distribution within the soil horizon.  |
|  | Whether sample compositing has been applied.   | No sample compositing was applied.  |
| <b>Orientation of data in relation to geological structure</b> | Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.   | Sample orientation was appropriate for the early stage of exploration and the perceived strike of the structure which potentially hosts gold mineralisation.  |
|  | 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.                   | There is no perceived bias due to the orientation of the soil auger drilling.   |
| <b>Sample security</b>   | The measures taken to ensure sample security.  | The chain of custody is managed by the project geologist who placed the calico sample bags in polyweave sacks. Up to 5 calico sample bags were placed in each sack. Each sack was clearly marked.<br><br>Detailed records were kept of all samples dispatched including the chain of custody. |

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| Criteria                 | JORC Code explanation   | Commentary   |
|--------------------------|---|--|
| <b>Audits or reviews</b> | The results of any audits or reviews of sampling techniques and data. | Data is validated when loading into the database. No formal external audit was undertaken. |

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria                                       | JORC Code explanation  | Commentary   |
|--|--|--|
| <b>Mineral tenement and land tenure status</b> | 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. | The Stockdale prospect is located on E31/1039, held by /Diana and Lindsay Stockdale. It is located 15 Km's SSE of the Apollo Hill god deposit. BCN have taken out an Option Agreement and will have 28 months to undertake exploration on the Exploration Licence.   |
|  | 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.   | The tenement is in good standing and no known impediments exist.   |
| <b>Exploration done by other parties</b>       | Acknowledgment and appraisal of exploration by other parties.  | BCN have reviewed the work by Peel Mining who undertook the soils and auger drilling in 2015. It is deemed to meet industry standards.<br><br>Historic exploration over the Stockdale tenement has been minimal and restricted to prospecting activity prior to Peel Mining's involvement.   |
| <b>Geology</b>                                 | Deposit type, geological setting and style of mineralisation.  | The Project is located in the Archaean aged Norseman Wiluna Belt, Eastern Goldfields Province of the Yilgarn Craton. The prospect occurs within a mineralised structure associated with the Keith-Kilkenny Fault System. Strongly deformed felsic volcanoclastic rocks lie to the west of Apollo Shear, with relatively undeformed pillow basalt and dolerite to the east. Zones of mylonitisation, shearing, brecciation and fracturing caused by movement along this shear zone are present along the contact, resulting in open space structures favourable for the trapping of ore fluids and the formation of ore deposits. Multiple gold mineralising events are interpreted to have occurred in the Apollo Hills region during a complex deformational history. Gold mineralisation is associated with quartz veins and carbonate-pyrite alteration associated with a mafic-felsic contact. |

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| Criteria                        | JORC Code explanation   | Commentary   |
|---------------------------------|---|--|
| <b>Drill hole Information</b>   | <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"> <li>▪ easting and northing of the drill hole collar</li> <li>▪ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>▪ dip and azimuth of the hole</li> <li>▪ down hole length and interception depth</li> <li>▪ hole length.</li> </ul> <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> | <p>All relevant information material to the understanding of the exploration results has been included in the body of the text.</p> <p>No information has been excluded.</p> |
| <b>Data aggregation methods</b> | 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>No length weighting or top cuts have been applied.</p> <p>No metal equivalent values are used for reporting exploration 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.  | No data aggregation methods were employed.   |
|                                 | The assumptions used for any reporting of metal equivalent values should be clearly stated.   | No metal equivalent values have been reported.   |

| Criteria  | JORC Code explanation  | Commentary   |
|---|--|--|
| <b>Relationship between mineralisation widths and intercept lengths</b> | <p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>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> | Given the early stage of the exploration at Stockdale, no inference can be given between the relationship between widths and drill hole orientation. |
| <b>Diagrams</b>   | 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.   | Refer to figures within the text.  |
| <b>Balanced reporting</b>   | 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.  | All results are reported.  |
| <b>Other substantive exploration data</b>                               | 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.            | No other substantive exploration data are available to BCN.  |
| <b>Further work</b>   | <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>   | Future work will involve an RC drilling programme targeting the elevated auger soil anomalies.   |