

ASX ANNOUNCEMENT

20 June 2019

COMMISSIONING COMMENCES FOR AUSTRALIA’S NEXT GOLD PRODUCER

HIGHLIGHTS

- Commissioning has commenced at the Jaurdi Gold Project, Australia’s next gold producer
- Commissioning and production ramp up phase expected to continue through until August/September 2019
- Full production expected to be reached in Q4 2019 for an initial target throughput of 500,000t and circa 25,000 ounces of gold recovered per annum
- PFS Results indicate forecast Life of Mine (LOM) revenue of \$208.5 million and surplus operating cash flow of \$98.4 million at a AUD\$1,650 gold price (versus current spot price of circa AUD\$1,955) with circa \$17 million of applicable Australian carried forward tax losses
- LOM all-in sustaining cost of \$870/oz
- Ore Reserves provide a mine life of 5 years which is likely to increase with the inclusion of the Black Cat Resources and exploration upside, with a 15,000 -20,000 metre drill program to commence in the coming months
- 60,000t of commissioning ore has been screened and crushed

Beacon Minerals Limited (ASX: BCN) is pleased to announce that the commissioning phase has commenced at the Company’s 100% owned Jaurdi Gold Project, located circa 35kms northwest of Coolgardie. Commissioning will progressively ramp up with full production expected in Q4 2019.

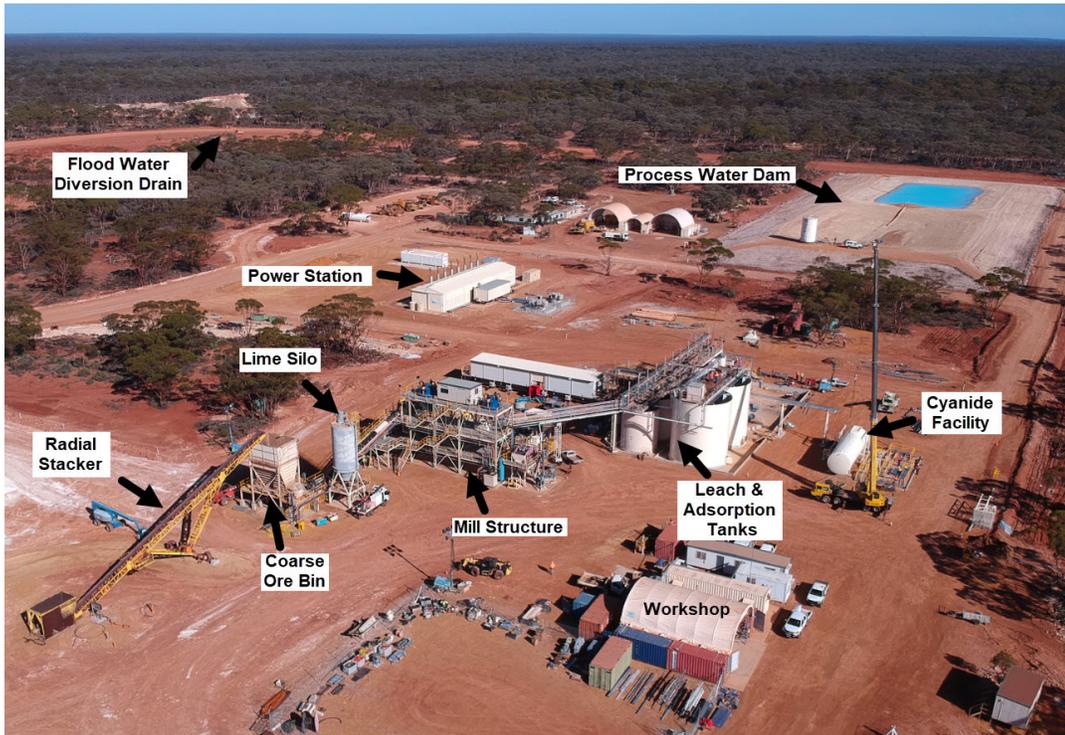


Figure 1: Jaurdi Gold Project – 19 June 2019

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Plant Commissioning

Beacon is pleased to advise of the following developments on site:

- Steel fabrication is complete;
- Feed hopper, stacker and coarse ore bin in place;
- Mill conveyor in place;
- Lime silo installed;
- Bulk cyanide tank and associated steelwork is on site and being installed;
- SAG and Ball mill liners installed;
- Pumps installed;
- Tails screen and hopper installed;
- Pipework is ongoing with water commissioning of the plant planned for second week of July 2019;
- Process water dams and associated tank and piping completed.

Commissioning activities will involve:

- Energisation and testing of HV and LV transformers commenced today
- Testing of electrical drives (73), instrumentation and process control systems will follow the HV/LV commissioning. This work is a lengthy process and needs to be done systematically and safely.
- Wet commissioning of the plant is expected to commence mid-July

Directors Graham McGarry and Geoff Greenhill are experienced mine developers and operators having built and run numerous open-pit and underground mines throughout Australia over a long career in the mining industry. Beacon's owner-operator model for the processing plant has the Company recruiting its own specialist team, some of these people are already in place. The Company continues to recruit and has been successful in filling key roles.

Beacon further advises that 26 ounces of gold was recovered from the SAG mill during relining activities.

Mine Development

The mining operations at Jaurdi will recommence in August. The Company currently has sufficient ore stockpiled for commissioning the plant. Mine development and production will be focused on ore immediately available in Panel 1 when mining needs to recommence.

Beacon has initiated an exploration program with the aim of increasing the Jaurdi Gold Project Resource. Mineralisation remains open at both ends of the current resource.

Pre-feasibility Study (PFS)

The Company released its PFS results to the market on 29 August 2018 which outlined the following key metrics which lead to proceed to the decision to mine:

- 500,000tpa processing capacity;
- Processing an estimated 2.5Mt @ 1.9g/t (148koz)² will deliver 126koz of recovered gold;
- Pre-production capital cost of \$21.4M;

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- Pre-production payback period 11 months;
- Ore Reserves provide a mine life of 5 years which is likely to increase with the inclusion of the Black Cat Resources and exploration upside;
- Forecast Life of Mine (LOM) revenue \$208.5M and surplus operating cash flow of \$98.4M at \$1,650/oz. gold price;
- Development of one shallow, low strip ratio open pit provides a low mining cost with an extremely low pre-stripping cost;
- LOM operating cash cost (C1) of A\$830/oz;
- LOM All-In-Sustaining Cost (AISC) of A\$870/oz;
- NPV A\$70.49M (before tax);
- IRR of 75% (before tax); and
- Carried forward Australian tax losses of approximately \$17M up to and including 30 June 2017.

With today's Australian dollar spot gold price at circa \$1,955, vs the \$1,650 price used in the PFS, there is significant upside to the operational cash surplus outlined above. For full details of the PFS, please refer to the PFS announcement dated 29 August 2018

Forward Gold Sale Contract

Beacon has advanced discussions regarding a forward sale gold contract via a put option from its 100% owned Jaurdi Gold Project. The Company's strategy is to secure a portion of the annual production to take advantage of the recent strong increase in the gold price. The Company continues to progress the contract and will advise shareholders of details once finalised and executed.

A Forward sale will only be effected when the plant is in a steady state.

Managing Director Graham McGarry said:

"The on-going progress at Jaurdi is a testament to the team we have in place. The site is a hive of activity with the final stages of pre-commissioning being completed.

"The gold price today at circa \$1,955 per ounce, when compared to the gold price of \$1,650 per ounce used for the PFS is very positive for the Project and will only increase the Company's success and Shareholder value from the Jaurdi Project.

"The Company executed an option over the Jaurdi Prospect in January 2017. Within 3 years the Company has moved from greenfield exploration to building and commissioning of a plant. First gold production expected in Q4 2019. Beacon is also positioned for further growth as the next phase of exploration begins."

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 is in the process of commissioning its 500,000 tpa gold processing facility at the Jaurdi Gold Project.

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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 circa \$1,955/oz (refer to PFS announcement dated 29 August 2018).

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Competent Person Statement

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 reports which are available on the Company's website at 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 exploration results 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.

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.

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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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