

ASX ANNOUNCEMENT

16 January 2020

JAUARDI GOLD PROJECT PRODUCTION UPDATE

HIGHLIGHTS

- **Production continues to ramp up at the Jaurdi Gold Project:**
 - 1,364 ounces of gold produced during the month of October 2019
 - 1,511 ounces of gold produced during the month of November 2019
 - 1,774 ounces of gold produced during the month of December 2019
- **5,746.74 ounces sold to date at an average realised sale price of \$2,184.47/oz for total cash receipts of \$12.55 million**
- **Forward sales contract executed for a portion of future gold production equating to 5,000 ounces at a forward price of A\$2,331 per ounce**



Figure 1 – Managing Director Graham McGarry and Resident Mine Manager Darren Gaby at Jaurdi 8 January 2020

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Beacon Minerals Limited (ASX: BCN) is pleased to provide a production update at its 100% owned Jaurdi Gold Project.

Beacon advises that it has entered into a 5,000 ounce forward gold contract to be delivered in monthly instalments from February to June 2020 at a forward price of A\$2,331 per ounce.

The forward contracts provide a secure cash margin on a portion of Beacon's future gold production.

Beacon is also pleased to provide the production numbers for the first three months of commercial production.

- October 2019 gold production of 1,364 ounces (oz);
- November 2019 gold production of 1,511 oz , approximately 11% higher than the month of October 2019.
- December 2019 gold production of 1,774 oz, approximately 17% higher than the month of November 2019.

To date the Company has generated \$12.55 million in cash receipts from the sale of 5,746.74 ounces at an average realised sale price of \$2,184.47/oz, since its maiden gold pour in September 2019.

In December Beacon commissioned a third leach tank to allow for higher clay/silcrete ratios at lower process pulp densities.

Mining activities have also been ramped up using two fleets of gear. The following ore and waste volumes were moved over the last three months:

- 123,623 BCM for October;
- 146,073 BCM for November; and
- 94,105 BCM for December (mining ceased on 20 December 2019 for the Christmas break).

It is expected that the increase in mining activities will remain until March 2020 to complete the mining of Panel 1 and the establishment of a new tailings dam.

Significant mined ore stocks will be developed as a result of this increase in mining activities.

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Figure 2 – Two fleets mining ore in the Lost Dog pit on 18 December 2019

Beacon is continually reviewing operations and making changes to optimise operational costs. To this end, Beacon purchased new equipment to limit hire charges and lower operating costs. The equipment purchased is listed below and can be seen in Figure 3.

- Findlay 893 screen;
- Caterpillar 980M front end loader; and
- a Caterpillar 349F excavator.



Figure 3 – Screening and Crushing on the Jaurdi ROM pad.

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Managing Director Graham McGarry commented:

“We are pleased with the progress made during the first three months of production delivering the Company’s objective of becoming a low-cost gold producer.

“The results are really encouraging as the team continue to lift production and increase gold output.”



Figure 4: Key Milestones in the Jaurdi Gold Project Development

About Beacon Minerals Limited (ASX:BCN)

Beacon Minerals Limited is an ASX Listed Company with its current focus being the Company’s 100% owned Jaurdi Gold Project and is transitioning to a gold producing Company.

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The Company has commissioned its 500,000 tpa gold processing facility at the Jaurdi Gold Project and has now completed its first full quarter of production.

The Jaurdi Gold Project 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 in excess of AU\$2,240/oz (refer to PFS announcement dated 29 August 2018).

Beacon confirms that it is not aware of any new information of data that materially affects the information included in its PFS announcement dated 29 August 2018. All material assumptions and technical parameters underpinning the estimates used in the PFS announcement continue to apply and have not materially changed.

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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:

- 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 production targets 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. All material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

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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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