

ASX ANNOUNCEMENT

23 September 2020

Jaurdi Gold Project - Ore Reserve Statement

Beacon Minerals Limited (ASX: BCN) wishes to confirm the ore reserve statement as at 30 June 2020. The following table sets out the Lost Dog ore reserves as at 30 June 2020.

Project	Commodity Type	Category of Ore Reserve	30 June 2020	30 June 2019	Geographical Location
Jaurdi Gold Project	Gold	Proved	1,380,000t @ 1.6g/t gold	1,010,000t @ 1.8 g/t gold	Australia
Jaurdi Gold Project	Gold	Probable	796,000t @ 1.9g/t gold	1,440,000 @ 1.8 g/t gold	Australia
Jaurdi Gold Project	Gold	Total	2,180,000t @ 1.7g/t gold and 118,600 oz of contained gold	2,440,000t @ 1.8g/t gold and 143,100 oz of contained gold	Australia

(1) Rounding errors may occur.

Minecomp Pty Ltd (Minecomp) were commissioned by the Company to produce an end of financial year 2020 Reserve Statement for the Lost Dog orebody which forms part of the Jaurdi Gold Project in Western Australia.

Minecomp is an independent mining engineering consulting practice located in Kalgoorlie Western Australia. Minecomp maintains best in class industry standard governance arrangements and internal controls with respect to the calculation of ore reserves.

The above table replaces and clarifies the table reported in the 30 June 2020 Annual Report to Shareholders.

Authorised for release by the Board of Beacon Minerals Limited.

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JORC 2012 Mineral Resources and Ore Reserve Statement - Competent Person Statement

The information in the Mineral Resources and Ore Reserves Statement is based on information compiled by Gary McCrae, Mining Engineer, a full-time employee of Minecomp Pty Ltd. The information in the Mineral Resources and Ore Reserve Statement is based on, and fairly represents, information and supporting documentation prepared by Mr McCrae. Mr McCrae is a corporate member of the Australasian Institute of

Mining and Metallurgy. Mr McCrae has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 prepared by the Joint Ore Resources Committee, the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia.” The Mineral Resources and Ore Reserves Statement as a whole is approved by Mr McCrae in the form 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.

JORC Section 4 - Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.	The Mineral Resource for the Lost Dog Prospect was estimated by BMGS in June 2017 (jaurdi_bmgs_1706.mdl). Where applicable the resource has been superseded by the July 2019 Grade Control block model (ldgc_master.mdl) and June 2020 Grade Control block models (ldgc_master.mdl and p2_ld.mdl).
	Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	Where applicable the resource model has been depleted by material mined to June 2020. 30 June 2020 ore stockpile surveys. The Mineral Resource is inclusive of the Ore Reserves.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	A site visit by the Competent Person was undertaken prior to the commencement of the pre-feasibility study. Additional site visits would not materially affect the determination of the Ore Reserve.
	If no site visits have been undertaken indicate why this is the case.	Additional site visits would not materially affect the determination of the Ore Reserve.
Study status	The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.	The study is considered to be to a pre-feasibility level of confidence (+/- +10/-5%).
	The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable	The Ore Reserve is a combination of the August 2018 pre-feasibility study, updated resource modelling and mined ore stockpile surveys.

	and economically viable, and that material Modifying Factors have been considered.	Ore reserves are classified as Proved and Probable.
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	The cut-off grade is calculated as part of the mine optimisation analysis. For Ore Reserve calculations the cut-off grade was 0.5 g/t gold (diluted).
Mining factors or assumptions	The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).	The Mineral Resource model was factored to generate diluted Ore Reserve during the calculation process. A detailed mine design has also been completed.
	The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.	Mining method is conventional open-pit with drill and blast, excavate, load and haul. The ore zone geometry coupled with the low stripping ratio (<1.9 (waste) to 1 (ore) and maximum pit depth (<32.5m) indicate that Lost Dog is most suited to mining by conventional open pit mining methods.
	The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.	An external geotechnical report provided pit slopes and recommended inputs for optimisation. Grade Control, where applicable has been RC drilled from surface on a 12.5x12.5m staggered grid.
	The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).	The Ore Reserve has been determined using a combination of the June 2017 resource estimate model and the July 2019 and June 2020 Grade Control block models, with the Grade Control models taking precedence in areas of overlap.
	The mining dilution factors used.	Additional mining dilution of 2% was applied.

	The mining recovery factors used.	Mining recovery of 98% was applied.
	Any minimum mining widths used.	No minimum widths were utilised with resource lode interpretation being in excess of 120m exclusive of mining dilution.
	The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.	Inferred Resources were not used or included in the mining study nor any subsequent Ore Reserve calculations.
	The infrastructure requirements of the selected mining methods.	The Project has no further infrastructure requirements.
Metallurgical factors or assumptions	The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.	On-site processing utilizes conventional CIP methods which is a tried and tested means of gold extraction from material of this nature.
	Whether the metallurgical process is well-tested technology or novel in nature.	Well-tested existing metallurgical technology.
	The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.	Beacon has mined and milled in excess of 420,000t of Lost Dog ore to date achieving an average gold recovery of 86.7%. The ore milled to date is representative of the ore zones. Based upon these results a gold recovery of 85% has been utilised for the pre-feasibility study.
	Any assumptions or allowances made for deleterious elements.	No deleterious elements are present.
	The existence of any bulk sample or pilot scale test work and the degree to which such samples are	Bulk sample processing (i.e. the 4,300t parcel previously mined) has been carried out.

	considered representative of the orebody as a whole.	
	For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	There are no minerals defined by a specification.
Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	<p>All environmental permitting has been submitted to the Western Australian DMIRS and DWER. All approvals have subsequently been received.</p> <p>Waste rock is typically non-acid forming.</p> <p>Waste material will be stored in conventional above surface waste dumps.</p> <p>Tailings will be stored on site in excavated open pit workings.</p>
Infrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	<p>Site access is via a public road (Jaurdi Hills Road) which passes along the western edge of the main tenement boundary.</p> <p>The tenements comprising the project area are granted mining leases with a combined area of approximately 1,000 hectares.</p> <p>Accommodation is a mixture of residential and on-site</p>
Costs	The derivation of, or assumptions made, regarding projected capital costs in the study.	Capital costs are based upon BCN in-house knowledge and experience in the establishment of similar mining operations. These costs estimates are considered to be within (+10%/-5%).
	The methodology used to estimate operating costs.	Operating costs are based upon contemporary in-house knowledge and experience for similar mining operations. These costs estimates are considered to be within (+10%/-5%).
	Allowances made for the content of deleterious elements.	No deleterious elements present.
	The source of exchange rates used in the study.	Cost models use Australian dollars.
	Derivation of transportation charges.	There are no transport costs.

	The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.	Treatment costs are based on known current milling costs.
	The allowances made for royalties payable, both Government and private.	State royalty of 2.5% and 3 rd Party Royalty of \$80/oz have been incorporated.
Revenue factors	The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.	Using a gold price of Au\$1,650/oz.
	The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	Perth Mint end of financial year metal gold price \$2,012.39
Market assessment	The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.	Gold doré will be sold at the Perth Mint as it is produced.
	A customer and competitor analysis along with the identification of likely market windows for the product.	Market window unlikely to change.
	Price and volume forecasts and the basis for these forecasts.	Price is likely to go up, down or remain same.
	For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	Not industrial mineral.
Economic	The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.	No NPV applied.
	NPV ranges and sensitivity to variations in the significant assumptions and inputs.	Sensitivity analyses have been completed.

Social	The status of agreements with key stakeholders and matters leading to social license to operate.	No Native Title Claimants on DIA over the mining leases.
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:	
	Any identified material naturally occurring risks.	A risk review has been completed. No material risks are identified.
	The status of material legal agreements and marketing arrangements.	There are no material on-going legal and marketing agreements.
	The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	95.7% of Mining Reserves and 96.3% of gold ounces are contained within granted mining tenements. 4% of Mining Reserves and gold ounces are contained within Exploration License E16/469. An option to purchase agreement between BCN the 3rd Party owners of E16/469 has been exercised by BCN. A Project Management Plan and Mining Proposal have been approved by the Western Australian DMIRS.
Classification	The basis for the classification of the Ore Reserves into varying confidence categories.	Reserves are classified according to Resource classification.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	They reflect the Competent Person's view.
	The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	Approximately 60%
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	No audits carried out.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the	Confidence is in line with gold industry standards and the companies aim to provide effective prediction for current and future mining projects.

	Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.	No statistical quantification of confidence limits has been applied.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	Estimates are global.
	Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.	Reserve confidence is reflected by the Proved and Probable category applied, which in turn reflects the confidence of the Mineral Resource. The Reserve is most sensitive to; a) resource grade accuracy, b) gold price c) metallurgical recovery d) ore milling costs.
	It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	Current production data were available has been used.