

9 April 2019



Dear Option holder

BEACON MINERALS LIMITED – PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE

As announced on 9 April 2019, Beacon Minerals Limited (ACN 119 611 559) (**Company**) is undertaking a 1:5 pro rata non-renounceable entitlement issue (**Entitlement Issue** or **Offer**) of approximately 418,792,257 fully paid ordinary shares (**New Shares**) with 1 free attaching Option (**New Option**) (exercisable at \$0.025 on or before 17 August 2022) for every 2 New Shares subscribed for and issued to raise approximately \$7,119,468. The price of New Shares under the Offer is \$0.017 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 9 April 2019.

The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). The Company must pay the Underwriter a lead management fee of \$40,000 and an underwriting fee of 6% of the total amount raised pursuant to the Offer. The Company must also reimburse the Underwriter for costs incidental to the Offer.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer	\$	%
Jaurdi Gold Project	5,000,000	70%
Exploration expenditure	350,000	5%
Expenses of the Offer	528,057	7%
Working capital	1,241,411	18%
Total	\$7,119,468	100%

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 18 April 2019, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 418,792,257 New Shares resulting in total Shares on issue of approximately 2,512,753,541.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Entitlement Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before 5.00pm (WST) on 18 April 2019 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at Level 1, 115 Cambridge Street, West Leederville WA 6007;

- A notice of exercise of options (attached to this letter);
- An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Beacon Minerals Limited" and crossed "Not Negotiable".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by Beacon Minerals Limited **no later than 5:00pm (WST) on 18 April 2019**. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, please contact your financial adviser or the Company Secretary, Sarah Shipway, on +61 (08) 9322 6600.

Yours sincerely

Geoffrey Greenhill
Executive Chairman
Beacon Minerals Limited

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

BEACON MINERALS LIMITED

ABN 64 119 611 559

TERMS AND CONDITIONS OF THE OPTIONS EXPIRING 17 AUGUST 2022 AT \$0.025 (BCNOB)

- (a) Subject to paragraph (k), each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5:00pm (WST) on 17 August 2022 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse.
- (c) The amount payable upon exercise of each Option is \$0.025 (Exercise Price).
- (d) The Options held by each Optionholder may be exercised in whole or in part.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised (Exercise Notice); and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (i) Subject to the satisfaction of the requirements of the ASX Listing Rules, the Company will apply for quotation of the Options on ASX.
- (j) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) Other than as contemplated by paragraph (k), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (n) The Options are transferable subject to any restriction or escrow arrangement imposed by ASX or under applicable Australian securities laws.

APPLICATION FORM ON EXERCISE OF LISTED OPTIONS EXPIRING 5.00PM (WST) 17 AUGUST 2022

To the Directors, Beacon Minerals Limited

I/We hereby exercise

option(s) and hand you herewith my/our cheque for

being \$0.025 per option on application for

ordinary shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and in accordance with the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our SRN/HIN (as shown on my/Issuer Sponsored holding statement or CHESS holdings statement) is

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1

Director

Securityholder 2

Director/Company Secretary

Securityholder 3

**Sole Director and
Sole Company Secretary**

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Security Transfer Australia needs to sight a certified copy of the Power of Attorney.

Day/Date Month