

6 December 2023

BEACON TO ACQUIRE AN INTEREST IN THE LADY IDA GOLD PROJECT

- Beacon has entered into a binding offer letter setting out the terms of a proposed earn-in and joint venture arrangement in relation to the Lady Ida Gold Project
- Beacon will enter into an earn-in and joint venture agreement in relation to the Lady Ida Gold Project pursuant to which Beacon can acquire up to a 100% interest
- The Lady Ida Gold Project is located circa 29kms from the Company's Jaurdi Gold Processing Plant which is located circa 50kms west of Kalgoorlie
- The earn in and joint venture will significantly increase the Company's existing mine life

Beacon Minerals Limited (ASX:BCN) (**Beacon** or **the Company**) is pleased to provide an update to its ASX announcement dated 20 July 2023. The Company advises that it has entered into a binding offer letter which sets out the terms and conditions upon which Beacon (or its nominee) and Geoda Pty Ltd and Lamerton Pty Ltd (together, **GL**) agree to enter into an earn-in and joint venture agreement in relation to the Lady Ida Project (defined below) pursuant to which the Company can acquire up to 100% of the Lady Ida Project from GL.

The Lady Ida Project consists of M16/262, M16/263, M16/264, L15/224, L16/58, L16/62, L16/103 and applications L16/138 and L16/142 (**Lady Ida Project**).

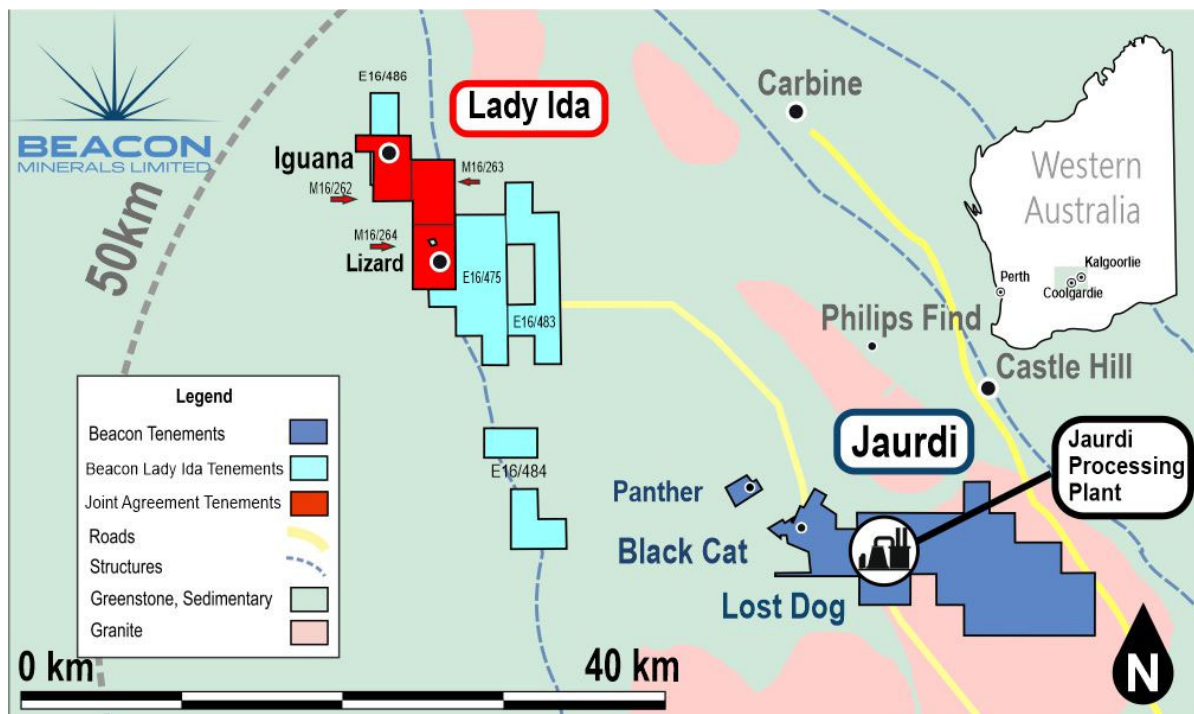


Figure 1: Location of the Jaurdi Gold Project and the Lady Ida Project

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GL acquired a beneficial interest in the Lady Ida Project on 23 September 2023. GL is currently awaiting transfer of the legal interest in the Tenements by the Department of Mines, Industry Regulations and Safety (**DMIRS**) which is expected to occur shortly.

Beacon has entered into an agreement with GL setting out the terms of a proposed earn-in and joint venture agreement in relation to the Lady Ida Project.

Geoda Pty Ltd (**Geoda**) and Lamerton Pty Ltd (**Lamerton**) are related parties of Beacon as Lamerton is controlled by Managing Director, Graham McGarry and Geoda is controlled by Non-Executive Director, Geoff Greenhill. The earn-in and joint venture agreements are therefore subject to, amongst other matters, all related party shareholder approvals being obtained by the Company. Such approvals will include shareholder approval pursuant to Listing Rule 10.1 (which will include the commission of an independent expert's report to accompany the notice of meeting).

Key Terms and Conditions of the Earn-In and Joint Venture

Beacon and GL have agreed the following terms and conditions of the earn-in and joint venture:

- GL and Beacon will develop a mining operation on M16/262.
- The Company will complete, at its cost, an agreed exploration program on the remaining mining leases, being M16/263 and M16/264.
- Subject to the conditions precedent set out below, the Company will manage the Lady Ida Project, including paying all rents, rates and taxes, third party (including native title and heritage) costs, meeting minimum expenditure requirements, progressing L16/138 and L16/142 to grant and dealing with DMIRS matters to keep the tenements in good standing during the term of the Earn-in and JV Agreement (defined below).
- Subject to the Conditions set out below, and in compliance with the ASX Listing Rules, the Company will reimburse GL for exploration expenditure and tenement costs incurred by GL on the Lady Ida Project from 23 September 2023 (being the date GL acquired a beneficial interest in the Lady Ida Project) to the date of execution of the Earn-in and JV Agreement. These costs are expected to be approximately \$500,000 which include tenement rents and exploration drilling costs. These costs will be subject to ASX review.

Commencement of the Earn-in and Joint Venture Agreement is conditional upon the satisfaction or waiver of the following conditions precedent:

- (i) **GL legal title:** transfer of 100% legal interest in the Lady Ida Project to GL by DMIRS;
- (ii) **Shareholder approvals:** the Company obtaining shareholder approval pursuant to ASX Listing Rule 10.1 (which will include provision of an independent expert's report to accompany the notice of meeting prepared for this purpose);
- (iii) **Regulatory approvals:** the Parties obtaining all necessary corporate, governmental and regulatory approvals, consents and waivers pursuant to the ASX Listing Rules, the Corporations Act 2001 (Cth) and any other applicable law to enable completion of the Proposed Transaction;

- (iv) **Third party approvals:** the Parties obtaining all necessary third party approvals, consents and waivers to lawfully undertake the Proposed Transaction;
- (v) **Earn-in / Joint Venture Agreement:** the Parties entering into a formal, unincorporated earn-in joint venture agreement to fully document the terms upon which the Company may acquire a beneficial interest in the Lady Ida Project and the terms, activities, management and conditions upon which the joint venture shall operate, which shall be made on customary terms (**Earn-in and Joint Venture Agreement**); and
- (vi) **Director appointment:** Subject to the Company obtaining shareholder approval pursuant to Listing Rule 10.1 Beacon appointing a fourth director (who, like Sarah Shipway, will be independent from the Lady Ida Project),

(together, the **Conditions**).

If the Conditions are not satisfied (or waived by Beacon) on or before 30 May 2024 or such other date to be agreed by the parties (**End Date**) any party may terminate the agreement by notice in writing to the other parties, in which case, the agreement will be at end and the parties will be released from their obligations (other than in respect of any breaches that occurred prior to termination). The parties will use their commercial best efforts to ensure that the conditions precedent are satisfied before the End Date.

- At the commencement of the Earn-in and Joint Venture Agreement, the Parties' participating interests will be: GL – 100% and Beacon – 0%.
- Beacon will sole fund the Lady Ida Project until the first gold is recovered from M16/262 and processed through the Jaurdi Mill as Beacon's earn-in to the joint venture (**First Milestone**).
- Once the First Milestone has been achieved, the unincorporated joint venture will commence as follows:
 - On achievement of the First Milestone the Company will acquire a 25% beneficial interest in the Lady Ida Project.
 - Once 36,250 ounces of gold have been produced from the Lady Ida Project through the Jaurdi Mill the Company will acquire a further 25% beneficial interest in the Lady Ida Project (bringing the Company's total beneficial interest to 50%).
 - Once 72,500 ounces of gold have been recovered from the Lady Ida Project through the Jaurdi Mill:
 - GL will transfer 100% legal and beneficial ownership of the Lady Ida Project to the Company; and
 - in return for the transfer, a 4.00% net smelter royalty on all gold and silver produced from the Lady Ida Project will be granted by the Company to GL, This will be documented in a royalty deed to be negotiated in good faith with all parties acting reasonably.
- The Company and GL will share the cash costs for mining, cartage and processing on a 50:50 basis from achievement of the First Milestone. Such costs to be funded (as far as possible) from revenue received from each Party's respective 50% share of sales of gold. GL will pay the Company a 5% management fee on all cash costs that relate to mining of the Lady Ida Project ore. Such amount to be deducted from GL's share of revenue.
- Once Beacon has met the First Milestone, GL and the Company will be entitled to the proceeds of sale on their respective 50% of gold until 72,500 ounces have been recovered from the Lady Ida Project.

During the 50:50 period, GL's share of revenue from the Lady Ida Project will be paid in cash (after deducting the costs contribution and management fee) by the Company on a quarterly basis.

Beacon will now move to prepare the Earn-in and Joint Venture Agreements and a notice of general meeting in order for the parties to progress the Conditions in a timely manner.

Authorised for release by the Board of Beacon Minerals Limited.

For more information contact:

Graham McGarry
Managing Director/Chairman
Beacon Minerals Ltd
M: 0459 240 379

Sarah Shipway
Non-Executive Director
Beacon Minerals Ltd

Disclaimer

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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.

BEACON MINERALS LIMITED ACN 119 611 559

Registered Address 144 Vivian Street, Boulder, WA 6432

Website www.beaconminerals.com **Phone** 08 9093 2477

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.