

BEACON
MINERALS LIMITED

ACN 119 611 559



ANNUAL REPORT 2022

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**CORPORATE DIRECTORY****BOARD OF DIRECTORS**

Graham McGarry – Executive Chairman/MD
 Geoffrey Greenhill – Non-Executive Director
 Sarah Shipway – Non-Executive Director

COMPANY SECRETARY

Sarah Shipway

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SECURITIES EXCHANGE CODES

BCN – Ordinary Shares

SHARE REGISTRY

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AUDITORS

William Buck

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Dear Fellow Shareholder

On behalf of the Board of Directors, I am pleased to present the Beacon Minerals Limited ("Beacon" or "the Company") Annual Report for the financial year ended 30 June 2022.

This year's Annual Report demonstrates the success Beacon has had over the last 12 months and is further highlighted with the payment of two fully franked dividends totalling \$0.0025 per share.



During the past 12 months Beacon has managed significant cost increases coupled with operations being affected by COVID-19. We continue to manage these and have implemented measures to reduce Beacon's exposure.

We have emphasized over the years that our core strengths are turning exploration projects into viable and profitable gold producing assets, setting Beacon apart and also positioning the Company for future growth.

We have done well operationally in very challenging times at the Jaurdi Gold Project this year. We have also been busy assessing new opportunities with the objective of adding value to the Company and its shareholders. The process is ongoing and we look forward to adding resources to our portfolio in the future.

Exploration drilling totalled 20,724 metres at Jaurdi and MacPhersons during the year. We will continue a steady exploration effort. We thank our exploration team who have worked diligently in a difficult environment where many components of the industry are fully extended.

We continue to monitor returns to shareholders and will continue to balance returns against growth opportunities that may emerge in financial year 2023.

I would like to take this opportunity to thank all employees, contractors and consultants who have contributed to the Jaurdi Gold Project and its production performance.

On behalf of my fellow Directors, we thank you, the shareholders, for your support and look forward to another exciting year ahead.

Graham McGarry
Executive Chairman/Managing Director

Beacon Minerals Limited (ASX:BCN) (Beacon or Company) is pleased to present its review of operations for the year ended 30 June 2022.

HIGHLIGHTS**PRODUCTION**

- Gold production at Jaurdi for the year was 29,770 ounces
- Beacon had cash of \$12.76 million and 1,833 ounces of gold on hand at 30 June 2022
- Ore stockpiles at 30 June 2022 were 339,000 LCM containing 9,200 ounces of gold
- Jaurdi TSF completed and commissioned

EXPLORATION

- Beacon acquired MacPhersons Reward Project
- 20,724 metres of exploration drilling completed during the year

CORPORATE

- Fully franked dividend payments totalling \$0.0025 per share:
 - Final dividend: \$0.00125 per share
 - Interim dividend: \$0.00125 per share
- \$1.4 million raised via the exercise of options
- 9,000 ounce forward gold contracts entered into during the year, the Company received \$672,000 from the closure of the 9,000 ounce forward contract
- There are no forward contracts in place, Beacon retains the ability to negotiate new forward contracts for up to 15,000 ounces.
- Finance facility entered into with low interest rates as Beacon moves to an owner operator model for open pit mining.

JAUARDI GOLD PROJECT

During the year the Jaurdi Gold Project produced 29,770 ounces of gold.

PRODUCTION SUMMARY**Mining**

At 30 June 2022 ore stockpiles were surveyed at 339,000 LCM containing approximately 9,200 ounces of gold.

Mining activities continued in Lost Dog Panel 2 (LDP2) and moved into LDP4 in September through until the end of the financial year. Waste material from LDP4 was overhauled to the Jaurdi TSF and used in construction of the outer wall.

The Jaurdi mill processed a record 791,000 DMT for the year and produced 29,770 ounces of gold. Throughput was 38% higher than FY 2021 and 58% higher than the 2018 PFS numbers.



Figure 1: Lost Dog Panel 4 on 25 July 2022



Figure 2 – Lost Panel 4 and Jaurdi TSF on 12 January 2022

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Below are the highlights for the four quarters of production at Jaurdi.

Operation	Unit	Sep-21 Qtr	Dec-21 Qtr	Mar-22 Qtr	Jun-22 Qtr
Ore Mined	BCM	61,000	2,000	57,000	186,000
Waste Mined	BCM	148,000	313,000	297,000	423,000
Total Mined	BCN	209,000	315,000	354,000	609,000
Ore milled	DMT	166,211	215,675	204,094	204,755
Head grade	gpt	1.62	1.28	1.28	1.25
Tails grade	gpt	0.24	0.16	0.16	0.15
Recovered grade	gpt	1.38	1.12	1.12	1.10
Gold Produced	oz	7,375	7,779	7,361	7,255

Beacon is continually reviewing operations and investing capital to maximise production and optimise operational costs. Major expenditure throughout the year included the below:

- Gravity Circuit installed and commissioned
- Jaurdi TSF constructed and commissioned
- Mobile equipment purchased

Tailings Dam

The new Jaurdi TSF was completed, commissioned and Time Limited Operation approvals received.

Final future TSF will comprise:

- New above ground circular tailings dam 700 metres north-west of the treatment plant
- Lost Dog In-Pit TSF Panels 2 and 4 when mining is complete

Forward Contracts

During the year the Company received \$672,000 from the closure of 9,000 ounces forward contract. The Company retains the right to negotiate new forward contracts for up to 15,000 ounces.

Beacon has no forward sales of gold as at the date of this report. The continuing strong spot gold price and the change in the forward curve back into contango (i.e., higher future prices than spot prices) management will review our forward position when prices exceed \$2,700 AUD per ounce.

ACQUISITION OF TENEMENTS

In August 2021 the Company acquired all of the shares in MacPhersons Reward Pty Ltd, which holds the MacPhersons Reward Project. The Project is located 45km southeast of the Company's Jaurdi Gold Project and 5km southeast of the Coolgardie township. The acquisition of MacPhersons Reward represents an important strategic opportunity for Beacon to optimise the value of its existing infrastructure and capture significant operational synergies.

The MacPhersons Reward Project consists of:

- Six granted mining leases
- Two pending mining leases
- Nine prospecting licences (One pending extension)
- Three miscellaneous licences

The consideration for the acquisition was A\$14.0 million in cash. This was paid on 23 August 2021 on completion of the transaction. Execution of the share sale agreement and completion of the Acquisition occurred simultaneously with the consideration for the Acquisition being funded from the Company’s current cash reserves.

For further details please see ASX release 24 August 2021 “Beacon Acquires MacPhersons Reward Project”.

EXPLORATION

Exploration fieldwork progressed at both the Jaurdi and MacPhersons projects during the reporting year. A large portion of exploration work consisted of early stage aircore drilling to test and prove up targets from surface soil anomalies, with a smaller amount of RC drilling at established targets. Field sampling and mapping also commenced at MacPhersons around historic workings, costeans and other outcrops.

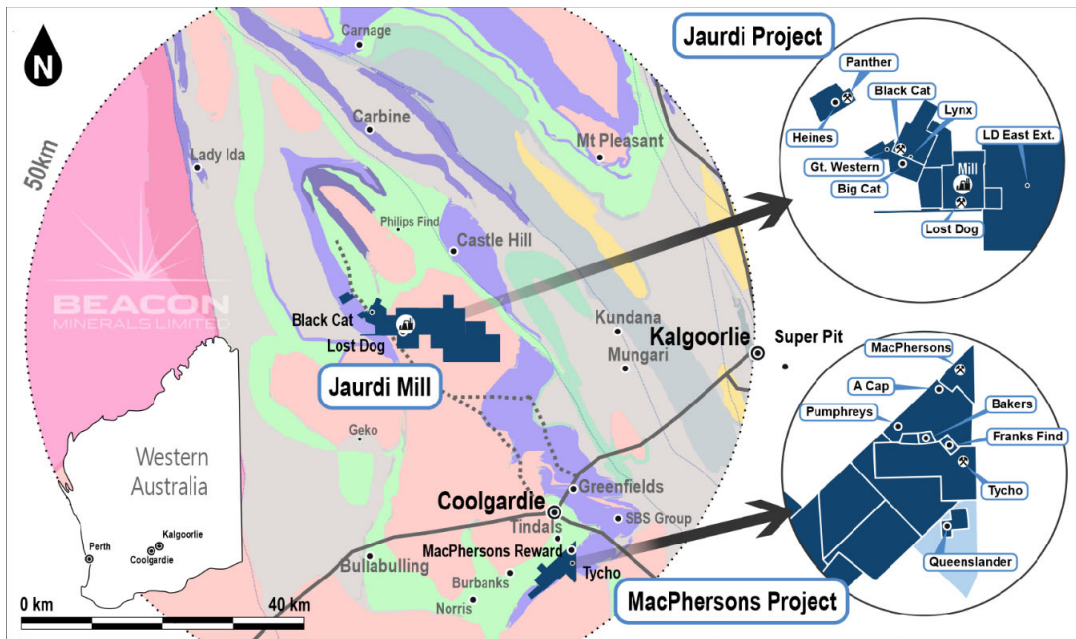


Figure 3 – Beacon Project location map

At Jaurdi RC drilling targeted primary mineralisation at Big Cat and Lynx and Lynx South prospects identified in FY2021. Primary mineralisation was identified at both Lynx and Lynx South. At Big Cat, the paleochannel has appeared to have created a stripped profile across the insitu regolith, partially obscuring the supergene enriched zone which has, along with the depth of cover, made exploration harder in this area. However, the extent of the regolith anomaly at Big Cat is still enticing and further work will continue in smaller targeted campaigns. Aircore drilling was also completed at Heine’s, Great Western, Lynx and Big Cat with mixed results, however all areas drilled returned assays worthy of follow up work.

Exploration work changed focus to the MacPhersons Project prospects later in the year with several targets being tested. Queenslander, Creswick and Franks Find prospects were defined by substantial historic shafts and costeans along with drilling of varying quality. All RC drill programs returned ore grade intercepts.

In anticipation of mining at MacPhersons Reward aircore drilling was undertaken in areas for planned waste dumps and infrastructure. This drilling included two soil anomalies near A-Cap, Quartzite prospect and MacPhersons waste dump sterilisation. South of A-Cap, drilling intercepted gold in regolith over a 200m strike parallel to the MacPhersons Tonalite.

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Table 1 – Exploration Drilling for FY21

Prospect	Drilling Type	Number of Holes	Total Metres
Heine's	Aircore	57	2,235
Lynx	Aircore	18	1147
Great Western	Aircore	73	4,334
Far East Palaeochannel	Aircore	44	1,232
Big Cat	Aircore	14	923
A-Cap	Aircore	74	1,904
Quartzite	Aircore	48	659
Sterilisation	Aircore	111	1,193
Aircore Drilling		439	13627
Lynx	RC	3	276
Lynx South	RC	5	630
Big Cat	RC	7	828
Queenslander	RC	62	2,125
Creswick	RC	29	813
A-Cap	RC	8	655
Franks Find	RC	11	768
Pumphreys	RC	15	1,002
RC Drilling		140	7097
Jaurdi Drilling		221	11,605
MacPhersons Drilling		358	9,119
Total Exploration Drilling		579	20,724

CORPORATE UPDATE

Beacon Fully Franked Dividend Payment

During the year the Board of Beacon Minerals announced two fully franked dividends:

- 5 October 2021 Interim dividend: \$0.00125 per share
- 22 March 2022 Final dividend: \$0.00125 per share

A total of \$9.1 million was paid in dividend payments.

Exercise of Options

During the year a total of \$1.4 million was raised via the exercise of 57,994,379 listed options. Subsequent to the year end 115,297,647 Listed Options were exercised and 34,348,092 Listed Options expired, unexercised. As of the date of this report there are no Listed Options on issue.

Competent Person Statement – Exploration Results and Targets

The information in this report that relates to the Jaurdi Gold Project has been compiled by Mr Zane Padman, a full-time employee of Beacon Minerals. Mr Padman is a Member of the Australian Institute of Mining and Metallurgy. Mr Padman 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 Padman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This report contains information extracted from the following report which is available on the Company's website at www.beaconminerals.com.au:

- 28 July 2022 June 2022 Quarterly Activities Report

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.

Disclaimer

This Report 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 Report.

This Report contains summary information about Beacon, its subsidiaries and their activities which is current as at the date of this Report. The information in this Report 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 Report 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 Report 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 Report are accurate, the information provided in this Report has not been independently verified.

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The Directors of Beacon Minerals Limited (“Beacon” or “the Company”) submit herewith the annual financial report of Beacon Minerals Limited and its subsidiaries (“the Group”) for the period 1 July 2021 to 30 June 2022. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report is as follows:

DIRECTORS

The names and particulars of the directors of the Group during the financial year and as at the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Graham McGarry CPA, CD
 Executive Chairman/Managing Director
 Appointed 19 March 2012

Graham McGarry is an experienced and seasoned ‘hands on’ miner, with a track record in turning early-stage projects into viable and attractive investment propositions. Mr McGarry spent eight years with Amalg Resources NL as Managing Director and was responsible for the development of the Eloise Copper Mine in Queensland from ‘bare paddock’ to an underground mine producing 500,000 tpa of copper/gold ore. Mr McGarry has developed numerous successful mining projects across Australia.

During the past three years he has not served as a director of any other public company.

Geoffrey Greenhill AWASM, MAusIMM
 Non-Executive Director
 Appointed 19 March 2012

Geoffrey Greenhill graduated from the Western Australian School of Mines obtaining an Associateship in Metallurgy in 1973. Mr Greenhill has held various senior metallurgical roles and has designed and commissioned ore processing facilities across Australia. He is highly respected within the mining industry and has a strong track record in creating shareholder value. Mr Greenhill and Mr McGarry have been business partners for over 36 years and have had substantial success in developing mining projects in WA, SA, QLD and the NT.

During the past three years he has not served as a director of any other public company.

Sarah Shipway CA, B.Com
 Non-Executive Director
 Appointed 11 June 2015

Sarah Shipway was appointed Non-Executive Director on 11 June 2015 and was appointed Company Secretary on 19 March 2012. Ms Shipway has a Bachelor of Commerce from Murdoch University and is a member of the Chartered Accountants Australia and New Zealand.

Ms Shipway is the director in charge of corporate governance and statutory reporting activities and is also Company Secretary for Cardinal Resources Limited (previously ASX/TSX: CDV), St George Mining Limited (ASX: SGQ) and American West Metals Limited (ASX: AW1).

During the past three years she has served as a director of the following public companies;

Company	Date of Appointment	Date of Resignation
St George Mining Limited	11 June 2015	Not Applicable

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Jason Bontempo CA, B.Com
 Non-Executive Director
 Appointed 10 November 2020
 Retired 7 January 2022

Mr Bontempo has 22 years' experience in public company management, corporate advisory, investment banking and public company accounting, since qualifying as a chartered accountant with Ernst & Young. Mr Bontempo has worked primarily serving on the board and the executive management of minerals and resources public companies focusing on advancing, financing and developing mineral resource assets and business development.

Mr Bontempo also provides corporate advice and services for the financing of resource companies across multiple capital markets and resource asset acquisitions and divestments.

COMPANY SECRETARY

Sarah Shipway was appointed Company Secretary on 19 March 2012. For details relating to Sarah Shipway, please refer to the details on directors above.

DIRECTORS' INTERESTS

At the date of this report, the Directors held the following interests in Beacon Minerals.

Name	Ordinary Fully Paid Shares	Unlisted Options
Graham McGarry	387,998,570	40,000,000
Geoffrey Greenhill	238,365,346	40,000,000
Sarah Shipway	5,253,467	20,000,000

SHARE OPTIONS

At the date of this report the Group had no listed options on issue and 180,000,000 unlisted options on issue.

During the year ended 30 June 2022 57,994,379 Listed Options were exercised. Subsequent to the year end the Company had 115,297,647 Listed Options exercised and 34,348,092 Listed Options expired, unexercised.

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration, development and production in Western Australia.

RESULTS AND REVIEW OF OPERATIONS

The result of the consolidated entity for the financial year ended 30 June 2022 is a profit after income tax of \$14,827,621 (2021: profit after income tax of \$20,281,725).

A review of operations of the Group during the year ended 30 June 2022 is provided in the "Review of Operations" immediately preceding this Directors' Report.

LIKELY DEVELOPMENTS

The Group's focus over the next financial year will be on its key projects, the Jaurdi Gold Project and the MacPhersons Reward Project. Further commentary on the Company's planned activities over the forthcoming year is provided in the Review of Operations.

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SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Group during the financial year, other than those noted in the "Review of Operations" immediately preceding this Directors' Report.

ENVIRONMENTAL ISSUES

The Company's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance are identified either by external compliance audits or inspections by relevant government authorities. There have been no known breaches of environmental laws and regulations by the Company during the financial year.

DIVIDENDS PAID OR RECOMMENDED

During the year ended 30 June 2022 the Directors paid two fully franked dividends totalling \$0.0025 per share:

- Final dividend: \$0.00125 per share
- Interim dividend: \$0.00125 per share

DIRECTORS' MEETINGS

During the financial year, 10 meetings of Directors were held. Attendances by each director during the year were as follows:

Name	Eligible to attend	Attended
G McGarry	10	10
G Greenhill	10	10
S Shipway	10	10
J Bontempo	6	6

REMUNERATION REPORT – AUDITED

Remuneration policy

The remuneration policy of Beacon Minerals Limited has been designed to align directors' objectives with shareholder and business objectives by providing fixed remuneration which is assessed on an annual basis.

The Board of Beacon Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- Options and performance incentives may be issued particularly as the Company is now a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.

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- The Board policy is to remunerate non-executive directors for time, commitment and responsibilities. The Executive Directors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$250,000 per annum. To align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.
- The Company issues performance-based remuneration to directors and executives of the Company. The measures are specifically tailored to align personal and shareholder interest.

Company Performance

The table below shows the performance of the Group as measured by the Group's revenue, profits/(loss), share price and EPS over the last five years. Remuneration of Key Management Personnel is not dependent on the performance of the Company.

	2018	2019	2020 RESTATED	2021	2022
	\$	\$	\$	\$	\$
Revenue	84,213	424,303	42,833,931	73,749,271	71,171,847
Other income	3,892	308,008	61,038	756,650	729,823
Net profit/(loss)	(4,161,027)	(8,860,121)	19,021,854	20,281,725	14,827,621
Share price 30 June	0.017	0.029	0.040	0.035	0.027
EPS (cents per share)	(0.214)	(0.411)	0.0044	0.0065	0.0041

Remuneration Consultants

No remuneration consultant was engaged in the current financial year.

Details of directors and executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the entity.

Directors	Title	Date of Appointment	Date of Retirement
G McGarry	Executive Chairman/ Managing Director	19 March 2012	Not Applicable
G Greenhill	Non-Executive Director	19 March 2012	Not Applicable
S Shipway	Non-Executive Director	11 June 2015	Not Applicable
J Bontempo	Non-Executive Director	10 November 2020	7 January 2022

Executive Directors' remuneration and other terms of employment are reviewed annually by the directors having regard to performance against goals set at the start of the year and relative to comparable information.

Except as detailed in the Remuneration Report, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the *Corporations Regulations 2001*, or the fixed salary of a full time employee of the Group.

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Executive Remuneration Tables

The actual remuneration earned by Executives in FY2022 is set out below. The information is considered relevant as it provides shareholders with a view of the remuneration actually paid to Executives for performance in FY2022. The value of remuneration includes equity grants where the Executive received control of the shares in FY2022 and different from the remuneration disclosures in the below table, which discloses the value of grants which may or may not be exercised in future years.

Executive Actual Remuneration Earned in FY2022

Directors	Salary and Fees ¹	Long Service Leave/Annual Leave	Short-Term Incentive	LTI Plan Rights	Total
	\$	\$	\$	\$	\$
G McGarry	275,000	-	-	-	275,000
G Greenhill	113,300	-	-	-	113,300
S Shipway	69,450	-	-	-	69,450
J Bontempo⁽²⁾	20,004	-	-	-	20,004

1. Salary and fees comprise base salary, superannuation and leave entitlements. It reflects the total of "salary and fees" and "superannuation" in the statutory remuneration table.

2. Retired on 7 January 2022.

Remuneration for the financial year ended 30 June.

Directors	Short Term Benefits	Post-Employment Benefits	Long Term Benefits	Equity settled share-based payments	Total
	Salary and Fees	Superannuation	Long Service Leave/Annual Leave	Shares/Options (i)	
	\$	\$	\$	\$	\$
G McGarry					
2022	250,000	25,000	-	-	275,000
2021	175,000	16,625	-	322,998	514,623
G Greenhill					
2022	103,000	10,300	-	-	113,300
2021	79,942	12,036	46,757	322,998	461,733
S Shipway					
2022	69,450	-	-	-	69,450
2021	82,782	-	-	161,499	244,281
J Bontempo (iv)					
2022	20,004	-	-	-	20,004
2021	25,560	-	-	161,499	187,059
A McCulloch (v)					
2022	-	-	-	-	-
2021	72,222	11,751	51,471	-	135,444
R Johns (iii), (v)					
2022	-	-	-	-	-
2021	11,988	1,139	-	-	13,127
Total					
2022	442,454	35,300	-	-	477,754
2021	447,494	41,551	98,228	968,994	1,556,267

(i) During the previous year the unlisted options were issued to Directors.

(ii) No performance-based remuneration was paid during the current or previous year.

(iii) Appointed on 21 July 2020.

(iv) Appointed on 10 November 2020 and retired on 7 January 2022.

(v) Resigned on 10 November 2020.

Employment contracts of directors

The Group has entered into an executive services agreement with Mr Graham McGarry, whereby Mr McGarry receives remuneration of \$300,000 per annum plus statutory superannuation. Prior to 1 January 2022 Mr McGarry was remunerated \$200,000 per annum plus statutory superannuation.

Mr McGarry's termination provisions are as follows:

	NOTICE PERIOD	PAYMENT IN LIEU OF NOTICE
Employer initiated termination:		
- without reason	3 months	6 months
- serious misconduct	0 months	0 months
Employee initiated termination:	3 months	Not specified

The Group has entered into an agreement with Mr Geoffrey Greenhill, whereby Mr Greenhill receives remuneration of \$40,000 per annum plus statutory superannuation. The Company will also pay a fee of \$1,500 per day (based on an 8-hour workday) for any services provided to the Company outside the role of Non-Executive Director.

Prior to 11 November 2020 the Company had entered into an executive services agreement with Mr Greenhill, whereby Mr Greenhill received remuneration of \$150,000 per annum plus statutory superannuation.

Mr Greenhill's termination provisions are as follows:

	NOTICE PERIOD	PAYMENT IN LIEU OF NOTICE
Employer initiated termination:		
- without reason	0 months	0 months
- serious misconduct	0 months	0 months
Employee initiated termination:	0 months	Not specified

The Group has entered into an executive service agreement with Ms Sarah Shipway, whereby Ms Shipway is paid a fee of \$150 per hour for services rendered to the Company, prior to 1 January 2021 Ms Shipway was paid a fee of \$125 per hour for services rendered to the Company. Ms Shipway's termination provisions are as follows:

	NOTICE PERIOD	PAYMENT IN LIEU OF NOTICE
Employer initiated termination:		
- without reason	3 months	3 months
- serious misconduct	0 months	0 months
Employee initiated termination:	3 months	3 months

The Group has entered into an agreement with Mr Jason Bontempo, whereby Mr Bontempo receives remuneration of \$40,000 per annum plus statutory superannuation. The Company will also pay a fee of \$1,500 per day (based on an 8-hour workday) for any services provided to the Company outside the role of Non-Executive Director.

Mr Bontempo' termination provisions are as follows:

	NOTICE PERIOD	PAYMENT IN LIEU OF NOTICE
Employer initiated termination:		
- without reason	0 months	0 months
- serious misconduct	0 months	0 months
Employee initiated termination:	0 months	Not specified

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

In accordance with the constitution, except as may be prohibited by *the Corporations Act 2001* every Officer or agent of the Group shall be indemnified out of the property of the entity against any liability incurred by him/her in his/her capacity as Officer or agent of the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

No indemnity has been obtained for the auditor of the Group.

Ordinary shareholdings of key management personnel

Directors	Balance at 1 July 2021	Options exercised during the year	Net other change (ii)	Balance at 30 June 2022 (i)
Graham McGarry	355,391,026	-	32,607,544	387,998,570
Geoffrey Greenhill	238,365,346	-	-	238,365,346
Sarah Shipway	5,253,467	-	-	5,253,467
Jason Bontempo	-	-	-	-
Total	599,009,839	-	32,607,544	631,617,383

Directors	Balance at 1 July 2020 (i)	Options exercised during the year	Net other change (ii)	Balance at 30 June 2021 (i)
Graham McGarry	244,366,268	109,024,758	2,000,000	355,391,026
Geoffrey Greenhill	188,382,040	49,983,306	-	238,365,346
Sarah Shipway	4,067,200	1,186,267	-	5,253,467
Jason Bontempo	-	-	-	-
Alexander McCulloch	105,102,138	-	-	105,102,138
Rodney Johns	681,480	-	-	681,480
Total	542,599,126	160,194,331	2,000,000	704,793,457

(i) Or at date of resignation.

(ii) The securities were purchased on market at the current market price.

Listed Option holdings of key management personnel

Directors	Balance at 1 July 2021	Options exercised during the year	Net other change	Balance at 30 June 2022 (i)
Graham McGarry	-	-	-	-
Geoffrey Greenhill	-	-	-	-
Sarah Shipway	-	-	-	-
Jason Bontempo	-	-	-	-
Total	-	-	-	-

Directors	Balance at 1 July 2020 (i)	Options exercised during the year	Net other change (ii)	Balance at 30 June 2021
Graham McGarry	90,222,603	(109,024,758)	18,802,155	-
Geoffrey Greenhill	49,983,306	(49,983,306)	-	-
Sarah Shipway	1,186,267	(1,186,267)	-	-
Jason Bontempo	-	-	-	-
Total	141,392,176	(160,194,331)	18,802,155	-

(i) Or at date of resignation.

(ii) Purchase of listed options.

Unlisted option holdings of key management personnel

The terms and conditions of each grant of options over ordinary shares affecting the remuneration of directors and Executive KMP in this financial year or future reporting years is as follows:

Directors	Balance at 1 July 2021	Granted as remuneration	Net other change	Balance at 30 June 2022	Unvested	Value of unvested rights (\$)
Graham McGarry	40,000,000	-	-	40,000,000	-	-
Geoffrey Greenhill	40,000,000	-	-	40,000,000	-	-
Sarah Shipway	20,000,000	-	-	20,000,000	-	-
Jason Bontempo	20,000,000	-	-	20,000,000	-	-
Total	120,000,000	-	-	120,000,000	-	-

Directors	Balance at 1 July 2020	Granted as remuneration (i) (ii)	Net other change	Balance at 30 June 2021	Unvested	Value of unvested rights (\$)
Graham McGarry	-	40,000,000	-	40,000,000	-	-
Geoffrey Greenhill	-	40,000,000	-	40,000,000	-	-
Sarah Shipway	-	20,000,000	-	20,000,000	-	-
Jason Bontempo	-	20,000,000	-	20,000,000	-	-
Total	-	120,000,000	-	120,000,000	-	-

(i) Approved at shareholder meeting held on 15 February 2021.

(ii) Unlisted Options are exercisable at \$0.053 on or before 3 August 2023 and vested upon issue.

Related Party Transactions

McVerde Minerals Pty Ltd, of which Graham McGarry and Geoffrey Greenhill are directors, provided equipment hire to the Company on ordinary commercial terms. Amounts that have been paid or payable total \$1,981,233 (2021: \$2,865,252). At 30 June 2022 \$38,010 (2021: \$234,411) was payable to McVerde Minerals.

McVerde Minerals sold \$2,310,000 (2021: \$352,110) of equipment to Beacon Minerals, the equipment was sold at arm's length and market value.

Mangelsdorf Engineering Pty Ltd, of which Graham McGarry and Geoffrey Greenhill are directors, provided manufacturing and repairs to equipment and general engineering maintenance to the Company on ordinary commercial terms. Amounts that have been paid or payable total \$158,396 (2021: \$100,188). At 30 June 2022 \$829 (2021: \$0) was payable to Mangelsdorf Engineering.

Kinetiq Solutions Pty Ltd, a Company which Geoffrey Greenhill's son has an interest in, provided electrical services to the Company on ordinary commercial terms. Amounts that have been paid or payable total \$188,510 (2021: \$437,232). At 30 June 2022 Nil (2021: \$49,603) was payable to Kinetiq Solutions.

In October 2018 Directors' Graham McGarry and Geoffrey Greenhill participated in the Company's \$18.0m debenture issue. In addition, related parties to Graham McGarry also participated in the debenture issue. Shareholder approval was sought and received on 4 October 2018.

Under the debenture issue Graham McGarry and Geoffrey Greenhill, through their nominated entities, were issued \$2,450,000 and \$950,000 debentures, respectively. Related parties to Graham McGarry were issued \$1,100,000 in debentures. The debenture holders were paid a 3% fee on the debentures issued.

On 12 October 2020 the debentures were repaid in full.

During the year Nil (2021: \$213,739) of interest was paid on the debentures to Graham McGarry, his related parties and Geoffrey Greenhill.

END OF REMUNERATION REPORT

CORPORATE GOVERNANCE STATEMENT

Beacon Minerals Limited is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

The Group's Corporate Governance Statement can be viewed at <http://beaconminerals.com.au/corporate-governance>.

EVENTS SUBSEQUENT TO REPORTING DATE

On 22 August 2022 the Company confirmed that 34,348,092 Listed Options expired, unexercised.

On 22 August 2022 3,386,223 Listed Options were exercised at \$0.025 per share.

On 16 August 2022 26,077,822 Listed Options were exercised at \$0.025 per share.

On 15 August 2022 24,871,424 Listed Options were exercised at \$0.025 per share.

On 11 August 2022 13,656,048 Listed Options were exercised at \$0.025 per share.

On 9 August 2022 11,089,562 Listed Options were exercised at \$0.025 per share.

On 5 August 2022 5,627,738 Listed Options were exercised at \$0.025 per share.

On 4 August 2022 30,588,830 Listed Options were exercised at \$0.025 per share.

Other than the above no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the affairs of the consolidated entity in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2022 has been received, forms part of the directors' report and can be found on page 51 of the annual report.

NON-AUDIT SERVICES

The Company's auditor, William Buck Audit (WA) Pty Ltd, did not provide any non-audit services to the Group during the financial year ended 30 June 2022.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the *Corporations Act 2001*.

On behalf of the directors.



GRAHAM MCGARRY

Executive Chairman/Managing Director

Dated this 5 September 2022

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

Australian Dollar (\$)	Note	30 JUNE 2022 \$	30 JUNE 2021 \$
Gold sales		71,164,917	73,729,044
Interest Revenue		6,930	20,227
REVENUE		71,171,847	73,749,271
Cost of goods sold		(45,775,488)	(37,862,495)
GROSS PROFIT/(LOSS)		25,396,359	35,886,776
Other income	3	729,823	756,650
EXPENDITURE			
Administration expenses		(2,409,676)	(3,116,411)
Exploration and development expenditure written off		(1,373,528)	(2,686,865)
Finance expenses		(411,017)	(1,816,660)
PROFIT/(LOSS) BEFORE INCOME TAX		21,931,961	29,023,490
Income tax (expense)/benefit	4	(7,104,340)	(8,741,765)
PROFIT/(LOSS) AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY		14,827,621	20,281,725
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE GROUP		14,827,621	20,281,725
EARNINGS/(LOSS) PER SHARE			
Basic earnings/(loss) per share	20(a)	0.0041	0.0065
Diluted basic earnings/(loss) per share	20(b)	0.0041	0.0051

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

Australian Dollar (\$)	Note	30 JUNE 2022 \$	30 JUNE 2021 \$
CURRENT ASSETS			
Cash and cash equivalents	21(a)	12,731,871	22,041,849
Trade and other receivables	6	480,352	481,899
Other assets	7	913,147	1,871,039
Inventories	8	15,188,150	12,887,192
Other financial assets	9	-	671,998
TOTAL CURRENT ASSETS		29,313,520	37,953,977
NON CURRENT ASSETS			
Plant and equipment	10	11,741,476	6,714,825
Development expenditure	11	21,352,343	19,552,689
Deferred tax asset	4(b)	-	531,410
Tenement acquisition	12	17,848,294	-
TOTAL NON CURRENT ASSETS		50,942,113	26,798,924
TOTAL ASSETS		80,255,633	64,752,901
CURRENT LIABILITIES			
Trade and other payables	13	5,926,134	3,857,947
Income tax liability		1,547,122	4,073,876
Provisions	14	831,441	532,957
Plant and equipment loan	16	299,927	-
TOTAL CURRENT LIABILITIES		8,604,624	8,464,780
NON CURRENT LIABILITIES			
Plant and equipment loan	16	793,386	-
Provisions	14	10,881,684	4,816,656
Deferred tax liability	4(b)	1,266,506	-
TOTAL NON CURRENT LIABILITIES		12,941,576	4,816,656
TOTAL LIABILITIES		21,546,200	13,281,436
NET ASSETS		58,709,433	51,471,465
EQUITY			
Issued Capital	17	69,046,073	67,597,464
Reserves	18	1,723,038	1,729,038
Accumulated losses	19	(12,059,678)	(17,855,037)
TOTAL EQUITY		58,709,433	51,471,465

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

Australian Dollar (\$)	NOTE	ISSUED CAPITAL \$	SHARE OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
BALANCE AT 1 JULY 2021		67,597,464	1,729,038	(17,855,037)	51,471,465
Total comprehensive profit		-	-	14,827,621	14,827,621
<i>Transactions with owners recorded directly in equity</i>					
Shares issued during the year		-	-	-	-
Options exercised during the year		1,448,609	(6,000)	6,000	1,448,609
Dividends paid	15	-	-	(9,038,262)	(9,038,262)
Share issue expense		-	-	-	-
BALANCE AT 30 JUNE 2022		69,046,073	1,723,038	(12,059,678)	58,709,433
BALANCE AT 1 JULY 2020		49,573,794	1,902,716	(14,970,643)	36,505,867
Total comprehensive profit		-	-	20,281,725	20,281,725
<i>Transactions with owners recorded directly in equity</i>					
Shares issued during the year		-	-	-	-
Options issued during the year		-	1,699,038	-	1,699,038
Options exercised during the year		18,023,670	(1,872,716)	1,872,716	18,023,670
Dividends paid	15	-	-	(25,038,835)	(25,038,835)
Share issue expense		-	-	-	-
BALANCE AT 30 JUNE 2021		67,597,464	1,729,038	(17,855,037)	51,471,465

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

Australian Dollar (\$)	Note	30 JUNE 2022 \$	30 JUNE 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from sale of gold		72,463,482	75,509,556
Receipt from government grants/rebates		102,515	46,745
Expenditure on mining and exploration activities		(30,944,796)	(31,888,808)
Payments to suppliers and employees		(1,168,028)	(1,360,481)
Interest received		7,882	22,462
Payments of interest on plant and equipment loan		(16,017)	-
Payments for taxes		(7,156,478)	-
Net cash inflows/(outflows) from operating activities	21(b)	33,288,560	42,329,474
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of plant and equipment		-	4,000
Purchase of plant and equipment		(5,855,973)	(1,831,581)
Payments for development and exploration expenditure		(14,254,296)	(7,713,075)
Payments for term deposits		(20,000)	-
Payments to acquire tenements		(14,719,593)	-
Net cash outflows from investing activities		(34,849,862)	(9,540,656)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds on exercise of options		1,448,600	18,023,670
Repayment of debentures		-	(18,000,000)
Payment of dividends		(9,038,262)	(25,038,835)
Payments in relation to debentures		-	(1,099,230)
Payments in relation to plant and equipment loan		(159,014)	-
Net cash inflows/(outflows) from financing activities		(7,748,676)	(26,114,395)
Net increase/(decrease) in cash and cash equivalents		(9,309,978)	6,674,423
Cash and cash equivalents at the beginning of the financial year		22,041,849	15,367,426
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	21(a)	12,731,871	22,041,849

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1 CORPORATE INFORMATION

The consolidated financial report of Beacon Minerals Limited (“Beacon” or “the Company”) and its subsidiaries (“consolidated entity” or “Group”) for the year 1 July 2021 to 30 June 2022 was authorised for issue in accordance with a circular resolution of the directors on 5 September 2022.

The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards

Beacon is a Company limited by shares, incorporated in Australia. The Company’s shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activity of the consolidated entity are described in the Directors’ Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Preparation of the Financial Report*

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards issued by the Australian Accounting Standards Board and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

(b) *Statement of compliance*

Compliance with AASB ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

(c) *Principles of Consolidation*

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Beacon Minerals Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in note 29.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(d) *Significant accounting estimates and judgements*

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future

periods if the revision affects both current and future periods. Significant accounting estimates and judgements include development expenditure in note 2(s), share based payments 2(z), useful life of plant and equipment 2(o), inventory 2(k) and site rehab 2(h).

(e) Revenue

Revenue from sale of gold is recognised when the gold is delivered and control has passed to the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(f) Income Tax

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

(g) Deferred Income Tax

Deferred tax balances are determined using the balance sheet method, which provides for temporary differences at the balance sheet date between accounting carrying amounts and the tax basis of assets and liabilities.

Deferred income tax liabilities are recognised for all taxable temporary differences, other than for the exemptions permitted under accounting standards. At 30 June 2022 there are no unrecognised temporary differences associated with the Group's investment in subsidiaries.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that future profits will be available to utilise these deductible temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are only offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognised on the balance sheet. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations of existing tax laws in Australia.

To the extent that future cashflows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in Australia could limit the ability of the Group to obtain tax deductions in future periods.

(h) Site Rehabilitation

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site rehabilitation is recognised in respect of the estimated cost of rehabilitation and restoration of the areas disturbed by mining activities up to the reporting date, but not yet rehabilitated. The Group's accounting policy is as follows.

When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of related mining assets. At each reporting date the site rehabilitation provision is re-measured to reflect any changes in discount rates and timing or amounts to be incurred. Additional disturbances or changes in rehabilitation costs are recognised as additions or changes to the corresponding asset and rehabilitation provision prospectively from the date of change. For closed sites, or where the carrying value of the related asset has been reduced to nil either through depreciation and amortisation or impairment, changes to estimated costs are recognised immediately in the statement of comprehensive income.

Unwinding of Discount on Provisions

The unwinding of discount on provisions represents the cost associated with the passage of time. Rehabilitation provisions are recognised at the discounted value of the present obligation to restore, dismantle and rehabilitate each mine site with the increase in the provision due to the passage of time being recognised as a finance cost.

(i) Cash and cash equivalents

Cash and cash equivalents comprised of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Group's statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an expected credit loss provision. An estimate for the expected credit loss is made based on the historical risk of default and expected loss rates at the inception of the transaction. Inputs are selected for the impairment expected credit loss calculation based on the Company's past history, existing market conditions as well as forward looking estimates.

(k) Inventory

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product, including royalties.

(l) Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to the grant and that the grant will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which grants are intended to compensate. If the grant relates to expenses or losses already incurred

by the entity, or to provide immediate financial support to the entity with no future related costs, the income is recognised in the period in which it becomes receivable.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a net basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised. Borrowing costs are expensed as part of the finance costs in the period incurred. Borrowing costs consists of options issued in relation to the debentures.

(o) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

The cost of acquired assets also includes the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow or resources required to settle the obligation or from changes in the discount rate.

Where parts of an item of plant and equipment have different lives, they are accounted for as separate items (major components) of plant and equipment.

Depreciation

Depreciation of an asset begins when the asset is available for use.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Plant and equipment – 2-7 years
Motor vehicles – 2-5 years

The assets’ residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item.

Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income in the year the asset is derecognised.

(p) Impairment of the development expenditure asset

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value; less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets, and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a

revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(q) Other financial assets

Financial instruments are measured at fair value through profit and loss are classified at 'fair value through profit or loss' when they are either held for trading purposes, short-term profit taking or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by KMP on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss if electing to choose 'fair value through profit or loss'.

The fair value is estimated using inputs other than quoted prices, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The Group's financial instruments are valued using valuation techniques that employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and spot and forward rate curves of the underlying commodity. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for the commodity swaps designated in hedge relationships and the gold forward contracts recognised at fair value.

(r) Exploration and evaluation expenditure

Exploration and evaluation expenditure on areas of interest are expensed as incurred. Costs of acquisition will normally be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

(s) Development expenditure

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Exploration and evaluation expenditure is reclassified to development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstratable. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised on a straight line basis.

Changes in factors, such as estimates of proved and probable reserves, that affect the unit-of-production calculations are dealt with on a prospective basis.

Development expenditure is reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the development expenditure is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(t) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the

Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(v) Debenture notes

Debenture notes are initially recognised at fair value. Debentures notes are subsequently measured at amortised costs. Any difference between the proceeds and the redemption amount is recognised in profits or loss over the period of the debenture notes using the effective interest method. Fees paid for the debenture notes are capitalised as a borrowing cost and amortised over the period of the facility to which it relates.

Debenture notes are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

(w) Contributed equity

Ordinary shares are classified as contributed equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the period but not distributed at reporting date.

(y) Basic and diluted earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential of ordinary fully paid ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential of ordinary fully paid shares.

(z) Share based payments

Equity-settled share-based payments can be provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using an option pricing model.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the quoted price of the ordinary shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

(aa) Employee benefits

Short-term employee benefits

Provision is made for the Group's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Defined contribution superannuation benefits

All employees of the Group received defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (in financial year ended 30 June 2022, 10% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of the employee's defined superannuation contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to the employees' defined superannuation contribution entitlements is limited to its obligation for an unpaid superannuation guarantee contribution at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

(bb) Adoption of new and revised standards

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

In the current financial year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

There was no change to the financial statement.

(cc) Comparative information

Comparative information has been amended where necessary to ensure compliance with current year disclosures.

3 OTHER INCOME

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Gain on financial asset (i)	626,567	671,998
Other income	103,256	84,652
	<u>729,823</u>	<u>756,650</u>

- (i) The net gain on financial instruments at fair value through profit or loss relates to these gold forward contracts that do not qualify for the own use exemption. During the financial year the Group sold gold with a weighted average contracted price of \$2,503.

4 INCOME TAX

(a) Income Tax

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Current tax expense	4,968,591	4,073,876
Under/over provision	337,831	-
Deferred tax expense	1,797,918	4,667,889
Income tax attributable to operating profit	<u>7,104,340</u>	<u>8,741,765</u>

(b) Current Tax

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Profit/(loss) before income tax	21,931,961	29,023,490
Income tax calculated at 30% (2021: 30%)	6,579,588	8,707,047
Tax effect of;		
- Non-deductable expenses	16,286	54,968
- Non-assessable income	-	(20,250)
- Under/over provision	337,831	-
- Timing difference previously not recognised now recognised	170,635	-
Income tax attributable to operating profit	<u>7,104,340</u>	<u>8,741,765</u>

(b) Deferred Income Tax

Deferred income tax as at 30 June relates to the following:

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Australian accumulated tax losses	-	-
Provisions	3,513,939	1,641,080
Accrued expenses	12,600	13,500
Accrued income	-	(286)
Prepayments	-	-
Capitalised development expenditure	(1,775,326)	(1,198,658)
Exploration	(1,085,797)	-
Section 40-880 deduction	87,505	176,515
Plant and equipment	(2,019,427)	-
Other	-	(100,741)
Unrecognised deferred tax assets relating to the above temporary differences	-	-
Recognised deferred tax (liability)/asset	(1,266,506)	531,410

The benefits will only be obtained if;

- (i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised.
- (ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
- (iii) No change in tax legislation adversely affect the Company in realising the benefits from the deductions or the losses.

5 AUDITORS REMUNERATION

Amounts received or due and receivable by the Company's Auditors;

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Auditing and review of the Company's financial statements	48,551	37,000
	48,551	37,000

6 RECEIVABLES AND OTHER ASSETS
Trade and Other Receivables

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Current		
Fuel tax rebate	129,922	216,096
Accrued interest	-	952
GST refund	350,131	264,851
Other	299	-
	480,352	481,899

Fuel tax rebate and GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. The Group does not have any expected credit loss.

7 OTHER ASSETS

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Short term deposits	80,388	60,384
Prepayments (i)	832,759	982,104
Other current assets	-	828,551
Borrowing costs	-	-
	<u>913,147</u>	<u>1,871,039</u>

(i) Includes \$400,000 pre-paid royalty to Mr Steven Argus and Zephyr Mining Pty Ltd, the holders of exploration licence E16/469.

8 INVENTORY

	30 JUNE 2022	30 JUNE 2021
	\$	\$
At cost		
Crushed ore stock, carbon and other stock	758,571	392,880
Critical spares	560,033	-
Gold in transit	2,976,649	-
Gold in circuit	1,692,582	1,041,434
Ore stockpiles	9,200,315	11,452,878
	<u>15,188,150</u>	<u>12,887,192</u>

9 OTHER FINANCIAL ASSETS

As part of the risk management policy of the Group, the Group has the ability to enter into a gold forward contract to manage the gold price of a proportion of anticipated sales of gold, these assets are accounted for as financial assets at fair value through profit or loss. These assets are classified as Level 2, as they are valued using valuation techniques that employ the use of market observable inputs.

The amounts disclosed are the amounts that would need to be paid to the counter party when the transaction takes effect. Due to their short-term nature, the amounts have been estimated using the gold spot price applicable at reporting date.

The net gain on financial instruments at fair value through profit or loss relates to these gold forward contracts do not qualify for the own use exemption. Fair value of open contracts at balance date are recognised on the balances sheet as "financial assets".

At 30 June 2022 the Company did not have a gold forward contract.

10 PLANT AND EQUIPMENT

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Plant and Equipment		
At cost	15,677,455	8,684,905
Less: accumulated depreciation	(4,408,667)	(2,410,661)
Total motor vehicle and plant and equipment	<u>11,268,788</u>	<u>6,274,244</u>

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Motor Vehicles		
At cost	764,724	632,957
Less: accumulated depreciation	(292,036)	(192,376)
Total motor vehicles	472,688	440,581
	30 JUNE 2022	30 JUNE 2021
	\$	\$
Plant and equipment		
Carrying amount at the beginning of the year	6,274,244	4,658,637
Additions	7,112,013	2,840,824
Disposals	(119,464)	(74,641)
Depreciation expense	(1,998,005)	(1,150,576)
Total carrying amount at end of the year	11,268,788	6,274,244
	30 JUNE 2022	30 JUNE 2021
	\$	\$
Motor Vehicles		
Carrying amount at the beginning of the year	440,581	241,462
Additions	140,025	264,171
Disposals	(8,257)	(16,133)
Depreciation expense	(99,661)	(48,919)
Total carrying amount at end of the year	472,688	440,581
Total motor vehicles and plant and equipment	11,741,476	6,714,825

11 DEVELOPMENT EXPENDITURE

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Jaurdi Gold Project		
Balance at the beginning of the year	19,552,689	21,029,781
Development expenses	14,524,291	2,896,418
Rehab	2,476,530	4,816,656
Amortisation expense	(15,201,167)	(9,190,166)
Balance at reporting date	21,352,343	19,552,689

12 TENEMENT ACQUISITION

	30 JUNE 2022	30 JUNE 2021
	\$	\$
MacPhersons Reward Project		
Balance at the beginning of the year	-	-
Acquisition costs	14,720,979	-
Rehab	3,127,315	-
Balance at reporting date	17,848,294	-

Acquisition of MacPhersons Reward Project

The Company completed the purchase to acquire all the shares in MacPhersons Reward Pty Ltd ("MacPhersons") on 24 August 2021. The MacPhersons Reward Project is located 45km southeast of the

Company's Jaurdi Gold Project and 5km southeast of the Coolgardie township. The acquisition of MacPhersons Reward represents an important strategic opportunity for Beacon to optimise the value of its existing infrastructure and capture significant operational synergies. The MacPhersons Reward Project consists of:

- Six granted mining leases.
- Two pending mining leases.
- Nine prospecting licences (One pending extension)
- Three miscellaneous licences.

The Company paid \$14.0 million in cash consideration for the acquisition of the MacPhersons Project.

Details of the acquisition costs are as follows:

	30 JUNE 2022
	\$
MacPhersons Gold Project	
Cash consideration	14,000,000
Stamp duty	714,915
Costs incurred	6,064
Project acquisition cost	<u>14,720,979</u>

The acquisition was accounted for as an asset acquisition and not a business acquisition under AASB 3.

13 TRADE AND OTHER PAYABLES

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Trade and other payables	<u>5,926,134</u>	<u>3,857,947</u>
	<u>5,926,134</u>	<u>3,857,947</u>

Trade and other payables amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are yet to be paid. The amounts are unsecured and are usually paid within 30 days of recognition.

14 PROVISIONS

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Current		
Employee entitlements	<u>831,441</u>	<u>532,957</u>
	<u>831,441</u>	<u>532,957</u>
Non-Current		
Rehabilitation	<u>10,881,684</u>	<u>4,816,656</u>
	<u>10,881,684</u>	<u>4,816,656</u>
Provision for rehabilitation		
Balance at 1 July	4,816,656	-
Provision made during the period	5,669,693	4,769,911
Provision used during the period	-	-
Provisions re-measured during the year	-	-
Unwind of discount	<u>395,335</u>	<u>46,745</u>
Balance at 30 June	<u>10,881,684</u>	<u>4,816,656</u>

Site Rehabilitation

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site rehabilitation is recognised in respect of the estimated cost of rehabilitation and restoration of the areas disturbed by mining activities up to the reporting date, but not yet rehabilitated. The Group's accounting policy is as follows.

When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of related mining assets. At each reporting date the site rehabilitation provision is re-measured to reflect any changes in discount rates and timing or amounts to be incurred. Additional disturbances or changes in rehabilitation costs are recognised as additions or changes to the corresponding asset and rehabilitation provision prospectively from the date of change. For closed sites, or where the carrying value of the related asset has been reduced to nil either through depreciation and amortisation or impairment, changes to estimated costs are recognised immediately in the statement of comprehensive income.

Unwinding of Discount on Provisions

The unwinding of discount on provisions represents the cost associated with the passage of time. Rehabilitation provisions are recognised at the discounted value of the present obligation to restore, dismantle and rehabilitate each mine site with the increase in the provision due to the passage of time being recognised as a finance cost.

15 DIVIDENDS

	30 JUNE 2022	30 JUNE 2021
	\$	\$
<i>Declared and paid during the year:</i>		
Dividends on ordinary shares		
Final dividend: \$0.00125 per share (2021: Nil)	4,549,266	-
Interim dividend: \$0.00125 per share (2021: \$0.002)	4,488,996	7,153,953
Special dividend: Nil (2021: \$0.005)	-	17,884,882
	<u>9,038,262</u>	<u>25,038,835</u>
<i>Dividend franking account</i>		
Amount of franking credits available to shareholders of Beacon Minerals for subsequent financial years	3,299,093	-
	<u>3,299,093</u>	<u>-</u>

16 PLANT AND EQUIPMENT LOAN FACILITY

Total secured liabilities

The total secured liabilities (current and non-current) are as follows

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Current		
Plant and equipment loan	299,927	-
	<u>299,927</u>	<u>-</u>
Non-Current		
Plant and equipment loan	793,386	-
	<u>793,386</u>	<u>-</u>

Assets pledged as security

The loans are secured over the assets under the loan facility agreement.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

Total facilities	30 JUNE 2022	30 JUNE 2021
	\$	\$
Plant and equipment loan facility	5,000,000	-
	<u>5,000,000</u>	<u>-</u>
Unused at the reporting date	30 JUNE 2022	30 JUNE 2021
	\$	\$
Plant and equipment loan facility	3,906,687	-
	<u>3,906,687</u>	<u>-</u>

17 ISSUED CAPITAL

Issued and paid up capital

	30 JUNE 2022	30 JUNE 2021
	\$	\$
At the beginning of reporting year	67,597,464	49,573,794
Shares issued during the year	-	-
Shares issued pursuant to exercise of options (a), (b)	1,448,609	18,023,670
Transaction costs	-	-
At reporting date fully paid ordinary shares	<u>69,046,073</u>	<u>67,597,464</u>

	30 JUNE 2022	30 JUNE 2021
	Number	Number
Movement in Ordinary Shares		
At the beginning of reporting year	3,583,526,145	2,862,579,343
Shares issued during the year	57,944,379	720,946,802
At reporting date	<u>3,641,470,524</u>	<u>3,583,526,145</u>

The Group does not have authorised capital or par value in respect of its issued capital.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

- (a) The following shares were issued during the year ended 30 June 2022:
 - (i) Upon exercise of listed options 57,994,379 shares were issued, refer to note 18; and
- (b) The following shares were issued during the year ended 30 June 2021:
 - (ii) Upon exercise 700,946,802 listed options being exercised, refer to note 18; and
 - (iii) Upon exercise of 20,000,000 unlisted options being exercised, refer to note 18.

Capital Management

The Board's policy in relation to capital management is to regularly and consistently monitor future cash flows against expected expenditures for a rolling period of up to 12 months in advance. The Board determines the Group's needs for additional funding by way of either share issues or loan funds depending on market conditions at the time. The Board defines working capital in such circumstances as its excess liquid funds over liabilities, and defines capital as being the ordinary share capital of the Group and retained profits.

There were no changes in the Group's approach to capital management during the year.

18 RESERVES
(a) Option Reserves
Nature and Purpose of Reserves

The share option reserve is used to record the fair value of options.

	30 JUNE 2022	30 JUNE 2021
	\$	\$
At the beginning of reporting year	1,729,038	1,902,716
Expiry of options	-	-
Exercise of options	(6,000)	(1,872,716)
Transaction costs	-	-
Issued during the year	-	1,699,038
At reporting date	<u>1,723,038</u>	<u>1,729,038</u>

	2022	2021
	Number	Number
Movement in \$0.025 17 August 2022 Listed Options (i)		
At the beginning of the reporting period	207,590,118	908,536,920
Exercised during the year	(57,944,379)	(700,946,802)
Issued during the year	-	-
At reporting date	<u>149,645,739</u>	<u>207,590,118</u>

- (i) Each option entitles the holder to subscribe to one share at an issue price of \$0.025 on or before 17 August 2022.

	Number	Number
Movement in \$0.025 1 August 2021 Unlisted Options (i)		
At the beginning of the reporting period	-	20,000,000
Exercised during the year	-	(20,000,000)
Issued during the year	-	-
At reporting date	<u>-</u>	<u>-</u>

- (i) Each option entitles the holder to subscribe to one share at an issue price of \$0.025 on or before 1 August 2021.

	2022	2021
	Number	Number
Movement in \$0.053 3 August 2023 Unlisted Options		
At the beginning of the reporting period (i)	180,000,000	-
Exercised during the year	-	-
Issued during the year	-	180,000,000
At reporting date	<u>180,000,000</u>	<u>180,000,000</u>

- (i) Each option entitles the holder to subscribe to one share at an issue price of \$0.053 on or before 3 August 2023. The options vested on issue.

19 ACCUMULATED LOSSES

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Accumulated losses at the beginning of the year	(17,855,037)	(14,970,643)
Profit/(Loss) for the year	14,827,621	20,281,725
Options exercised during the year	6,000	1,872,716
Options expired during the year	-	-
Dividend paid	(9,038,262)	(25,038,835)
	<u>(12,059,678)</u>	<u>(17,855,037)</u>

20 EARNINGS/(LOSS) PER SHARE
(a) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of the basic earnings per shares are as follows:

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Profit/(Loss) used in calculation of total basic earnings per share	<u>14,827,621</u>	<u>20,281,725</u>
Profit/(Loss) used in the calculation of earnings per share	<u>14,827,621</u>	<u>20,281,725</u>

	Number	Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	<u>3,601,813,834</u>	<u>3,102,132,783</u>

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Basic earnings/(loss) per share after income tax attributable to members of the Company	<u>0.0041</u>	<u>0.0065</u>
Basic earnings/(loss) per share	<u>0.0041</u>	<u>0.0065</u>

(b) Diluted Loss Per Share

As at 30 June 2022 the Company had 149,645,739 (2021: 207,590,118) Listed Options on issue, the effect of these options are dilutive on the earnings per share calculation.

The earnings used in the calculation of diluted earnings per share is as follows:

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Profit/(Loss) used in calculation of total basic earnings per share	<u>14,827,621</u>	<u>20,281,725</u>
Profit/(Loss) used in the calculation of earnings per share	<u>14,827,621</u>	<u>20,281,725</u>

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Number	Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	3,601,813,834	3,102,132,783
- Listed Options with dilutive effect	<u>40,262,264</u>	<u>207,590,118</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>3,642,076,098</u>	<u>3,309,722,901</u>
	30 JUNE 2022	30 JUNE 2021
	\$	\$
Diluted earnings/(loss) per share after income tax attributable to members of the Company	<u>0.0041</u>	<u>0.0051</u>
Diluted earnings/(loss) per share	<u>0.0041</u>	<u>0.0051</u>

21 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Current - Cash at bank	<u>12,731,871</u>	<u>22,041,849</u>
	<u>12,731,871</u>	<u>22,041,849</u>

(b) Reconciliation of cash flows from operations with profit/(loss) after income tax

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Profit/(Loss) after income tax	14,827,621	20,281,724
Non cashflows from profit/(loss)		
Depreciation of plant and equipment	2,097,666	1,199,495
Options expense	-	1,699,038
Capitalised development costs	7,319,470	7,713,074
(Increase) /decrease in assets		
- Trade and other receivables	175,333	1,769,680
- Other assets	821,479	284,153
- Inventory	6,409,152	(5,310,499)
- Deferred tax asset	1,797,916	8,741,765
- Current tax liability	(2,526,754)	-
Increase / (decrease) in liabilities		
- Trade and other payables	2,068,186	1,031,831
- Provisions	298,491	4,919,213
Net cash inflows/(outflows) from operating activities	<u>33,288,560</u>	<u>42,329,474</u>

22 OPTIONS ISSUED

- (i) On 26 September 2018 the Company issued 20,000,000 Unlisted Options exercisable at \$0.025 on or before 1 August 2021 to an employee of the Company. The options vested upon issue.

During the year ended 30 June 2021 20,000,000 unlisted options were exercised.

Using the Black & Scholes option model and based on the assumptions below, the Unlisted Options were ascribed the following value:

Class of Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	20,000,000	01.08.18	\$0.02	\$0.025	01.08.21	2.21%	74.94%	\$0.0089

- (ii) On 3 August 2020 the Company agreed to issue 30,000,000 Unlisted Options exercisable at \$0.053 on or before 3 August 2023 to employees of the Company. The options vested upon issue.

Class of Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	30,000,000	03.08.2020	\$0.041	\$0.053	03.08.23	0.27%	70.23%	\$0.0163

- (iii) On 4 January 2021 the Company agreed to issue 150,000,000 Unlisted Options exercisable at \$0.053 on or before 3 August 2023 to directors and employees of the Company. The options vested upon issue.

Class of Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	150,000,000	04.01.21	\$0.033	\$0.053	03.08.23	0.10%	62.39%	\$0.0081

Of the above unlisted granted, the following were issued to key management personnel:

Key Management Personnel	Grant Date	Number of Performance Rights
G McGarry	04.01.21	40,000,000
G Greenhill	04.01.21	40,000,000
S Shipway	04.01.21	20,000,000
J Bontempo	04.01.21	20,000,000

23 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors and Executives

Graham McGarry – Executive Chairman/Managing Director

Geoffrey Greenhill – Non-Executive Director

Sarah Shipway – Non-Executive Director

Jason Bontempo – Non-Executive Director – Appointed 10 November 2020 and retired on 7 January 2022

Alexander McCulloch – Executive Director – Retired on 10 November 2020

Rodney Johns – Non-Executive Director – Appointed on 21 July 2020 and retired on 10 November 2020

(b) Compensation of key management personnel

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Salary, fees and leave	442,454	447,494
Superannuation	35,300	41,551
Long service leave/ annual leave	-	98,228
Equity based payments – note 22	-	968,994
Total key management personnel compensation	<u>477,754</u>	<u>1,556,267</u>

(c) Other transactions and balances with Key Management Personnel

McVerde Minerals Pty Ltd, of which Graham McGarry and Geoffrey Greenhill are directors, provided equipment hire to the Company on ordinary commercial terms. Amounts that have been paid or payable total \$1,981,233 (2021: \$2,865,252). At 30 June 2022 \$38,010 (2021: \$234,411) was payable to McVerde Minerals.

McVerde Minerals sold \$2,310,000 (2021: \$352,110) of equipment to Beacon Minerals, the equipment was sold at arm's length and market value.

Mangelsdorf Engineering Pty Ltd, of which Graham McGarry and Geoffrey Greenhill are directors, provided manufacturing and repairs to equipment and general engineering maintenance to the Company on ordinary commercial terms. Amounts that have been paid or payable total \$158,396 (2021: \$100,188). At 30 June 2022 \$829 (2021: \$0) was payable to Mangelsdorf Engineering.

Kinetiq Solutions Pty Ltd, a Company which Geoffrey Greenhill's son has an interest in, provided electrical services to the Company on ordinary commercial terms. Amounts that have been paid or payable total \$188,510 (2021: \$437,232). At 30 June 2022 Nil (2021: \$49,603) was payable to Kinetiq Solutions.

In October 2018 Directors' Graham McGarry and Geoffrey Greenhill participated in the Company's \$18.0m debenture issue. In addition, related parties to Graham McGarry also participated in the debenture issue. Shareholder approval was sought and received on 4 October 2018.

Under the debenture issue Graham McGarry and Geoffrey Greenhill, through their nominated entities, were issued \$2,450,000 and \$950,000 debentures, respectively. Related parties to Graham McGarry were issued \$1,100,000 in debentures. The debenture holders were paid a 3% fee on the debentures issued.

On 12 October 2020 the debentures were repaid in full.

During the year Nil (2021: \$213,739) of interest was paid on the debentures to Graham McGarry, his related parties and Geoffrey Greenhill.

24 COMMITMENTS AND CONTINGENCIES**(a) Commitments****Mineral exploration commitments**

In order to maintain the current rights of tenure to exploration tenements, the Consolidated Entity is committed to the following rent and minimum expenditure:

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Not later than one year	67,313	34,138
Later than one year but not later than five years	-	-
- Expenditure commitment (i)	-	-
Later than five years	-	-
	<u>67,313</u>	<u>34,138</u>

(i) For the year ended 30 June 2022 the Company had met its expenditure commitments.

Beacon Mining Pty Ltd entered an agreement to purchase Mining Lease M16/529 from Fenton and Martin Mining Developments Pty Ltd ("Fenton and Martin"). Under the agreement Beacon will pay an initial royalty of \$90 per refined ounce of gold for the first 10,000 ounces produced from the tenement and \$80 per refined ounce of gold produced thereafter. A pre-paid royalty of \$1,100,000 has been paid to Fenton and Martin and will satisfy the royalty payments up to this amount. At 30 June 2020 the pre-paid royalty had been exhausted.

Beacon Mining Pty Ltd entered into an agreement to purchase two mining leases, ML 16/34 and ML 16/115 from Flinders Exploration Limited and JH Mining Limited ("Flinders & JH Mining"). Under the agreement Beacon will pay a royalty of 6% for the first 25,000 ounces, 2% for 25,001 to 50,000 ounces and 1.5% for ounces over 50,001 for ML 16/34. For ML 16/115 Beacon will pay \$1.00 for every dry tonne ore mined to \$1,000,000.

Beacon Mining Pty Ltd has entered into an agreement to purchase exploration licence E16/469 from Mr Steven Argus and Zephyr Mining Pty Ltd ("Argus & Zephyr"). Under the agreement Beacon will pay a royalty of 4% of recovered gold. A prepaid royalty of \$400,000 has been paid to Argus & Zephyr and will satisfy the royalty payments up to this amount.

Beacon Mining Pty Ltd entered into an agreement to purchase mining lease M16/560 from Boulder Investments Group Pty Ltd. Under the agreement Beacon will pay a royalty of \$250 per ounce for all ounces recovered in the band of 3,001 ounces to 5,000 ounces (inclusive). For all ounces recovered above 5,000 ounces a royalty of 5% shall be paid.

Beacon Mining has entered into an agreement with Australian Live-Stock Suppliers Pty Ltd ("Australian Live-Stock") to purchase prospecting licences P16/2925 and P16/2926. Under the agreement Beacon will pay a royalty of \$80 per ounce produced from these tenements.

25 EVENTS SUBSEQUENT TO BALANCE DATE

On 22 August 2022 the Company confirmed that 34,348,092 Listed Options expired, unexercised.

On 22 August 2022 3,386,223 Listed Options were exercised at \$0.025 per share.

On 16 August 2022 26,077,822 Listed Options were exercised at \$0.025 per share.

On 15 August 2022 24,871,424 Listed Options were exercised at \$0.025 per share.

On 11 August 2022 13,656,048 Listed Options were exercised at \$0.025 per share.

On 9 August 2022 11,089,562 Listed Options were exercised at \$0.025 per share.

On 5 August 2022 5,627,738 Listed Options were exercised at \$0.025 per share.

On 4 August 2022 30,588,830 Listed Options were exercised at \$0.025 per share.

Other than the above no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the affairs of the consolidated entity in future financial years.

26 FINANCIAL RISK MANAGEMENT

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

Based on the cash and cash equivalents balances at 30 June 2022 a 1% movement in interest rates would increase/decrease the profit/(loss) for the year before taxation by \$12,039 (2021: \$22,691).

The consolidated entity regularly analyses its interest rate exposure and considers the cost of equity as an alternative to debt.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk is the risk that the Group may encounter difficulties meeting commitments associated with financial instruments (e.g. borrowing repayments). The Group manages liquidity risk by monitoring forecast cash flows and the Board determines the Group's needs for additional funding by way of either share issues or loan funds depending on market conditions at the time.

Maturity analysis

	Carrying Amount \$	Contractual Cash Flows \$	<6 months \$	6-12 months \$	1-5 years \$	>5 years \$
Year ended 30 June 2022						
Trade and other payables	5,926,134	5,926,134	5,926,134	-	-	-
Plant and equipment loan	1,093,313	1,093,313	163,847	163,847	765,619	-
	7,019,447	7,019,447	6,089,981	163,847	765,619	-
Year ended 30 June 2021						
Trade and other payables	3,857,947	3,857,947	3,857,947	-	-	-
Debentures	-	-	-	-	-	-
	3,857,947	3,857,947	3,857,947	-	-	-

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount of those assets, as disclosed in the statement of financial position and notes to the financial report.

When there are gold sales the Group has a material credit exposure to a single debtor and has adopted the policy of dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults.

(e) Financial risk management policies

The Group's financial instruments consist mainly of deposits with recognised banks, debentures, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested as deposits with recognised banks. The Directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The main risks the Group is exposed to through its financial instruments is the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as the Group has no significant financial assets other than cash and term deposits and the Group only sells to the Perth Mint which is wholly owned by the Government of Western Australia.

(f) Commodity price risk

Commodity price risk arises from fluctuations in market prices of gold. To manage commodity price risk the Group entered into gold forward contracts refer to note 9. The Group monitors market expectations on future commodity prices and considers entering into longer term contracts or commodity swaps or put option positions if necessary, to manage the risk in a manner consistent with its risk management objectives.

(h) Foreign Currency Risk

The Group is not exposed to any foreign currency risk as at 30 June 2022.

27 INTER COMPANY LOANS

The Company has two 100% owned subsidiaries disclosed in note 29. At 30 June 2022 the balance due from the subsidiaries were:

Australian Dollar (\$)	30 JUNE 2022	30 JUNE 2021
	\$	\$
Beacon Mining Pty Ltd	5,660,952	4,662,372
Beacon Mining Services Pty Ltd	(4,601,926)	(14,295,301)
MacPhersons Reward Pty Ltd	-	-
	<u>1,059,026</u>	<u>(9,632,929)</u>

These amounts comprise of funds provided by the parent company for exploration and development activities.

Related party transactions between the Group and other related parties are disclosed in note 23(c).

28 SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration and development of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

Major Customers

When there are gold sales, the Group sells to a single external customer who accounts for 100% of the external revenue.

29 SUBSIDIARIES

The parent entity, Beacon Minerals Limited, has a 100% interest in Beacon Mining Pty Ltd and Beacon Mining Services Pty Ltd. Beacon Minerals is required to make all the financial and operating policy decisions for these subsidiaries.

Subsidiaries of Beacon Minerals Limited	Country of Incorporation	Percentage owned %	
		2022	2021
Beacon Mining Pty Ltd	Australia	100%	100%
Beacon Mining Services Pty Ltd	Australia	100%	100%

30 PARENT COMPANY DISCLOSURE
(a) Financial Position as at 30 June

Australian Dollar (\$)	30 JUNE 2022	30 JUNE 2021
	\$	\$
Assets		
Current assets	16,140,215	23,230,938
Non-current assets	58,028	71,022
Total assets	16,198,243	23,301,960
Liabilities		
Current liabilities	6,210,678	3,911,549
Non-current liabilities	-	-
Total liabilities	6,210,678	3,911,549
Net Assets	9,987,565	19,390,411
Equity		
Issued Capital	69,046,002	67,597,403
Reserves	1,723,037	1,729,037
Accumulated losses	(60,781,474)	(49,936,029)
Total equity	9,987,565	19,390,411

(b) Financial Performance for the year ended 30 June

Australian Dollar (\$)	30 JUNE 2022	30 JUNE 2021
	\$	\$
Profit (loss) for the year	(1,723,037)	(3,428,426)
Other comprehensive income	-	-
Total comprehensive income (loss)	(1,723,037)	(3,428,426)

(c) Guarantees entered into by the Parent Entity

The parent entity has not provided guarantees to third parties as at 30 June 2022.

31 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the reporting period ended 30 June 2022. Those which may be relevant to the Company are set out in the table below, but these are not expected to have any significant impact on the Company's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Company
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022	1 July 2022
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2023	1 July 2023
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date	1 January 2023	1 July 2023

In the opinion of the Directors of Beacon Minerals Limited (“the Consolidated Entity”)

- (a) The consolidated financial statements and the notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Consolidated Entity’s financial position as at 30 June 2022, and of its performance for the year ended that date; and
 - (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*, and:
- (b) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.
- (b) The financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 2 (b).

This declaration has been made after receiving the declarations from the board of directors’ required to be made in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the *Corporations Act 2001*.

On behalf of the Board



Graham McGarry
Executive Chairman/Managing Director

Dated this 5 September 2022
Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BEACON MINERALS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director
Perth, 5th day of September 2022

Beacon Minerals Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Beacon Minerals Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CARRYING VALUE OF INVENTORY

Area of focus

Refer also to notes 2(k) and 8

The Group's mining activities produce gold ore which is stored in stockpiles prior to milling and then processed to produce gold bars. Gold contained in the material being processed is referred to as Gold In Circuit,

The carrying value of the ore stockpile and Gold in Circuit included in inventory was \$10,892,898, at 30 June 2022.

This was a key audit matter as significant judgement was required by the Group to estimate the quantity of ore contained in the stockpiles .

How our audit addressed it

Our audit procedures included:

- Developing an understanding of how the Group identified the sources of data, methodology used and key assumptions
- Considering the competency, capabilities, objectivity and nature of the work of the external experts who assisted the Group in the preparation of the estimate
- Evaluating the appropriateness of the Group's method for allocating costs to the ore produced in the year by reference to the nature of costs allocated and the requirements of Australian Accounting Standards
- Evaluating the accuracy of the method used to allocate costs.

PROVISION FOR REHABILITATION

Area of focus

Refer also to notes 2(h) and 14

As a result of its mining and processing operations the Group is obliged to restore and rehabilitate the areas disturbed by these operations and remove related infrastructure in accordance with legislative requirements and Group policies.

As at 30 June 2022 the provision for rehabilitation was \$10,881,684.

This is a key audit matter as the estimation of this provision requires significant judgement by the Group in the determination of the restoration activities required, estimation of the cost of these activities and the estimation of the discount rate to present value the future costs.

How our audit addressed it

Our audit procedures included:

- Developing our understanding of how the Group identified its obligations under current legislative requirements, determined the methodology to be used, sources of data and assumptions
- Evaluating the appropriateness of the Group's method by it comparing it to the requirements of applicable legislative and regulatory requirements
- Considering the competency, capabilities, objectivity and nature of the work of the external experts who

assisted the Group in the preparation of the estimate

- Evaluating the basis of the discount rate used to present value the costs to the requirements of Australian Accounting Standards
- Evaluating the basis of the unit rates used, inflation rates applied and testing the mathematical accuracy of a sample of calculations.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 13 to 19 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Beacon Minerals Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director

Dated this 5th day of September 2022

The following table sets out Beacon Minerals Limited ore reserves as at 30 June 2022.

Project	Commodity Type	Category of Ore Reserve	30 June 2022	30 June 2021	Geographical Location
Jaurdi Gold Project	Gold	Proved	1.3 million tonnes @ 1.4 g/t gold	0.8 million tonnes @ 1.4 g/t gold	Australia
Jaurdi Gold Project	Gold	Probable	0.4 million tonnes @ 1.4 g/t gold	1.6 million tonnes @ 1.5 g/t gold	Australia
MacPhersons Reward Project	Gold	Proved	0.3 million tonnes @ 1.3 g/t gold	-	Australia
MacPhersons Reward Project	Gold	Probable	1.1 million tonnes @ 1.1 g/t gold	-	Australia

(1) Rounding errors may occur.

Minecomp Pty Ltd (Minecomp) has been commissioned by the Company to produce an end of financial year 2022 Reserve Statement for Lost Dog and Black Cat South which form 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.

Entech Pty Ltd (Entech) has been commissioned by the Company to produce an end of financial year 2022 Reserve Statement for MacPherson and Tyco which form part of the MacPhersons Reward Project in Western Australia.

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

Please see Appendix 1 for JORC table.

Jaurdi Gold Project - JORC 2012 Mineral Resources and Ore Reserve Statement - Competent Person Statement

The information in the Mineral Resources and Ore Reserves Statement for the Jaurdi Gold Project is based on information compiled by Gary McCrae, Mining Engineer, a full-time employee of Minecomp Pty Ltd. The information in the Jaurdi Gold Project 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 for the Jaurdi Gold Project as a whole is approved by Mr McCrae in the form in which it appears.

MacPhersons Reward Project - JORC 2012 Mineral Resources and Ore Reserve Statement - Competent Person Statement

The information in the MacPhersons Reward Project Mineral Resources and Ore Reserves Statement is based on information compiled by Craig Mann, a full-time employee of Entech Pty Ltd. The information in the MacPhersons Reward Mineral Resources and Ore Reserve Statement is based on, and fairly represents, information and supporting documentation prepared by Mr Mann.

Mr Mann is a member of the Australasian Institute of Mining and Metallurgy. Mr Mann 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 MacPherson Reward Mineral Resources and Ore Reserves Statement as a whole is approved by Mr Mann in the form in which it appears.

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1. Distribution of holders at 5 September 2022

As at 5 September 2022 the distribution of ordinary shareholders was as follows:

Size of holding	Number of holders
1 – 1,001	92
1,001 – 5,000	28
5,001 – 10,000	44
10,001 – 100,000	1,720
100,001 and over	1,866
Total	3,750

2. Voting Rights

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote for each share held.

3. Substantial shareholders

The names of the substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are;

Shareholder	Shares held	Percentage of Interest %
Graham McGarry	355,391,026	9.92%
Oceanic Capital Pty Ltd	281,366,667	7.85%
Geoffrey Greenhill	238,365,346	6.65%

4. Top 20 Shareholders

The names of the 20 largest shareholders as at 5 September 2022 who hold 46.20% of the fully paid ordinary shares of the Company were as follows;

	Number
Lamerton Pty Ltd <Mac's S/F A/C>	274,623,216
Oceanic Capital Pty Ltd	272,716,667
Mr Geoffrey Warren Greenhill & Mrs Gwenda Joy Greenhill <Greenhill Super Fund A/C>	219,076,456
McGarry Helen Gayle	120,185,558
Mr Colin Petroulas	120,000,000
Lamerton Pty Ltd	113,375,354
HSBC Custody Nominees Pty Ltd	66,635,634
Peters Investments Pty Ltd	63,279,429
Rubi Holdings Pty Ltd <John Rubino Super Fund A/C>	62,041,945
Citicorp Nominees Pty Limited	61,068,247
Barstow Mining Pty Ltd	49,000,000
Barry & Diane Stewart Pty Ltd <Stewart Family Super FD A/C>	44,000,000
FGI Holdings Pty Ltd <RNH Investment A/C>	41,250,008
Mr George Spiros Papaconstantinos	38,607,340
Mr Greg Bond Pty Ltd <Greg Bond Family S/F A/C>	36,750,000
Payzone Pty Ltd <St Barnabas Super A/C>	31,878,028
St Barnabas Investments Pty Ltd <The Melvista Family A/C>	31,733,333
Dixson Trust Pty Limited	30,000,000
Mr Francis William Regan & Mrs Fariba Regan <The Francis Regan S/F A/C>	30,000,000
Mr Owen Barry Merrett & Mrs Joanne Ross Merrett <Merrett Super Fund A/C>	29,300,000

Beacon Minerals Limited mineral interests at 5 September 2022:

TENEMENT	PROJECT/LOCATION	INTEREST %
Jaurdi Gold Project		
M16/0529	Jaurdi, Coolgardie	100%
M16/0034	Jaurdi, Coolgardie	100%
M16/0115	Jaurdi, Coolgardie	100%
M16/0365	Jaurdi, Coolgardie	100%
M16/0560	Jaurdi, Coolgardie	100%
M16/0561	Jaurdi, Coolgardie	100%
P16/2925	Jaurdi, Coolgardie	100%
P16/2926	Jaurdi, Coolgardie	100%
L16/0120	Jaurdi, Coolgardie	100%
L16/0122	Jaurdi, Coolgardie	100%
L16/0131	Jaurdi, Coolgardie	100%
E16/0469	Jaurdi, Coolgardie	100%
E15/1582	Jaurdi, Coolgardie	100%
L15/0312	MacPhersons Project	100%
L15/0352	MacPhersons Project	100%
L15/0375	MacPhersons Project	100%
M15/0040	MacPhersons Project	100%
M15/0128	MacPhersons Project	100%
M15/0133	MacPhersons Project	100%
M15/0147	MacPhersons Project	100%
M15/0148	MacPhersons Project	100%
M15/1808	MacPhersons Project	100%
P15/5719	MacPhersons Project	100%
P15/5722	MacPhersons Project	100%
P15/5892	MacPhersons Project	100%
P15/5901	MacPhersons Project	100%
P15/5902	MacPhersons Project	100%
P15/6071	MacPhersons Project	100%
P15/6085	MacPhersons Project	100%
P15/6087	MacPhersons Project	100%
P15/6088	MacPhersons Project	100%
P15/6089	MacPhersons Project	100%
P15/6090	MacPhersons Project	100%

JORC Section 4 - Estimation and Reporting of Ore Reserves – Lost Dog

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 Beacon in May 2022 (lost_dog_res_20220501.mdl).
	Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	Where applicable the resource models have been depleted by material mined to 31 May 2022. 31 May 2022 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 on 8th June 2021.
	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 and economically viable, and that material Modifying Factors have been considered.	The Ore Reserve is a combination of updated resource modelling and mined ore stockpile surveys. 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 estimation process. Detailed mine designs for Lost Dog and Black Cat South have also been completed.
	The choice, nature and appropriateness of the selected mining method(s) and other mining	Mining method is conventional open pit with drill and blast, excavate, load and haul. The ore zone geometry coupled with the low stripping

	parameters including associated design issues such as pre-strip, access, etc.	ratio (<2.5 (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 and open pit mine design. 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 the May 2022 resource estimate models generated by BCN (Lost Dog) This resource estimate model was based upon a combination of grade control and exploration drilling.
	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 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.	Current on-site processing utilizes conventional CIP methods and have been proven to be a successful means of gold extraction.
	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 1.6Mt of Lost Dog ore to date achieving an average gold recovery 88%. The ore milled to date is representative of the ore zones. Based upon these results a gold recovery of 88% has been utilised for this study.
	Any assumptions or allowances	No deleterious elements are present.

	made for deleterious elements.	
	The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.	Beacon has mined and milled in excess of 1.6Mt of Lost Dog ore to date achieving an average gold recovery 88%.
	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, except for the Panel 3 mining proposal have subsequently been received. Approval for the Panel 3 mining proposal is expected within the ensuing weeks.</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 at the Jaurdi Project ore treatment plant in excavated open pit workings or the purpose built tailings storage facility.</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 this and similar mining operations. These costs estimates are estimated to be within (+/-5%).
	The methodology used to estimate operating costs.	Operating costs are based upon current in-house knowledge and experience for the Lost Dog mining operation. These costs estimates are estimated to be within (+5%/-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.

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	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 various 3rd Party and Native Title Royalties 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 A\$2,500/oz.
	The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	Perth Mint gold price on the 31st May 2022 was A\$2,559.89/oz.
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	All Native Title agreements where applicable have been successfully established.

	social license to operate.	
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.	<p>All Mining Reserves and gold ounces are contained within granted mining tenements.</p> <p>All Project Management Plans and Mining Proposal bar the Panel 3 mining proposal have been approved by the Western Australian DMIRS. The Panel 3 mining proposal is expected to be received within the coming weeks.</p> <p>A Native Title agreement with regards to M16/561 has been successfully established.</p>
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 88%.
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 Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve	<p>Confidence is in line with gold industry standards and the companies aim to provide effective prediction for current and future mining projects.</p> <p>No statistical quantification of confidence limits has been applied.</p>

	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.	
	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.

JORC Section 4 - Estimation and Reporting of Ore Reserves – Black Cat South

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 Black Cat was estimated by Entech in May 2022 (black_cat_mre_may_2022.mdl).
	Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	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 on 8 June 2021.
	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

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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 and economically viable, and that material Modifying Factors have been considered.	The Ore Reserve is based upon the May 2022 feasibility study. 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 estimation 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 (9.5 (waste) to 1 (ore) and maximum pit depth (70m) indicate that Black Cat South 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.
	The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).	The Ore Reserve has been determined using the May 2022 resource estimate (black_cat_mre_may_2022.mdl).
	The mining dilution factors used.	Additional mining dilution of 10, 15 and 20% at 0.00g/t was applied to oxide, transitional and fresh ore respectively.
	The mining recovery factors used.	Mining recovery of 95% was applied.
	Any minimum mining widths used.	No minimum widths were utilised. Resource lode interpretation varies between 2.5 and 20m.
	The manner in which Inferred Mineral Resources are utilised in	Inferred Resources were not used or included in the mining study nor any subsequent Ore

	mining studies and the sensitivity of the outcome to their inclusion.	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.	Processing at the Jaurdi Gold Project utilizes conventional CIP methods. This 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.	Preliminary metallurgical testwork on material considered to be representative of the Black Cat South ore zones resulted in metallurgical recoveries ranging between 95.9% and 99%. Based upon these results a gold recovery of 92% has been utilised for this 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 considered representative of the orebody as a whole.	No bulk sample or pilot scale test work has been undertaken.
	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.	Environmental permitting is still to be submitted to the Western Australian DMIRS and DWER. Given that Black Cat South is on a granted mining tenement adjacent to a historical open pit operation it is reasonable to assume that all approvals will be received. Waste rock is typically non-acid forming. Waste material will be stored in conventional above surface waste dumps. Tailings will be stored at the Jaurdi Gold Project processing plant site in either excavated open pit

		workings or the purpose built tailing storage facility.
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) to the Jaurdi Gold project processing plant then along the existing tails line and access track.</p> <p>The tenements encompassing the Black Cat South project area are granted mining leases with an area of approximately 340 hectares.</p> <p>Accommodation will be a mixture of residential and on-site at the Jaurdi Gold project.</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 3rd Party Royalty of 6% 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 A\$2,500/oz.
	The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	Perth Mint gold price on the 31 May 2022 was A\$2,559.89/oz.
Market	The demand, supply and stock	Gold doré will be sold at the Perth Mint as it is

assessment	situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.	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	All Mining Reserves and gold ounces are contained within granted mining tenements. A Project Management Plan and Mining Proposal have yet to be submitted to Western Australian DMIRS. Given that Black Cat South is on a granted mining tenement adjacent to a historical open pit operation it is reasonable to assume that all approvals will be received within acceptable timeframes.

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	of the reserve is contingent.	
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).	Nil
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 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.	Confidence is in line with gold industry standards and the companies aim to provide effective prediction for current and future mining projects. 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	No current production data is available.

	with production data, where available.	
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JORC Section 4 - Estimation and Reporting of Ore Reserves – MacPhersons Reward Project

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.	A JORC 2012 compliant Mineral Resource estimate was completed by Cube Consulting in December 2020. The mineral resource is inclusive of Gold (Au) only.
	Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	Mineral Resources are reported inclusive of Ore Reserve. The Measured and Indicated portion of the Mineral Resource is included within the Ore Reserve.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	A site visit has been conducted by the competent person (Craig Mann) in July 2022. A site and open pit inspection was undertaken. The site visit confirmed the location and condition of existing open pits and existing infrastructure.
	If no site visits have been undertaken indicate why this is the case.	A site visit by the Competent Person was undertaken in July 2022.
Study status	The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.	A Pre-Feasibility level of study was completed by Entech.
	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 and economically viable, and that material Modifying Factors have been considered.	A Pre-Feasibility level of study was completed by Entech.
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 0.6 g/t gold. Revenue assumptions considered in the cut-off grade calculations were an assumed gold price of AU\$2,500/oz and processing recovery of 90% (Oxide), 92% (Transitional) and 94% (Fresh) as advised by BCN.

<p>Mining factors or assumptions</p>	<p>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).</p>	<p>Ore Reserves have been calculated by generating detailed mining shapes for the proposed open pit. Open pit mine optimisation and detail design has been carried out on the Mineral Resource which forms the basis of the Ore Reserve. Open pit unplanned dilution has been mathematically modelled. Mathematical factors used were 10% (Oxide), 15% (Transitional) and 20% (Fresh) mining dilution with a 95% mining recovery.</p>
	<p>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.</p>	<p>The selected mining methods for the Coolgardie deposit are of a bench mining open pit method. The proposed open pit is to be mined using conventional open pit mining methods (drill, blast, load and haul) by a mining contractor utilising 120 t class excavators and 90 t trucks. This method is used widely in mines across Western Australia and is deemed appropriate given the nature of the ore body.</p>
	<p>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</p>	<p>Pit wall angles are based on recommendations provided by an Entech geotechnical analysis. Assessment of existing open pit walls and ground conditions were included in the geotechnical analysis. The analysis has been completed to a PFS level of detail.</p>
	<p>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</p>	<p>The Mineral Resource model used for optimisation was that detailed previously.</p>
	<p>The mining dilution factors used.</p>	<p>Physicals are reported within the generated open pit mine designs for the open pit Ore Reserve. Mathematical dilution factors used were 10% (Oxide), 15% (Transitional) and 20% (Fresh) based on industry standards for the proposed fleet size and geological spatial characteristics.</p>
	<p>The mining recovery factors used.</p>	<p>Mathematical mining recovery factor used was 95% based on industry standards for the proposed fleet size and geological spatial characteristics.</p>
	<p>Any minimum mining widths used.</p>	<p>A minimum mining width of 20m was applied to open pit design.</p>
	<p>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</p>	<p>Any contained Inferred material included within the mine design has been treated as waste for the purposes of this Reserve estimate. The Ore Reserve is technically and economically viable without the inclusion of Inferred Mineral Resource material.</p>

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	The infrastructure requirements of the selected mining methods.	<p>Infrastructure required for the proposed Coolgardie Open Pit operations have been accounted for and included in all work leading to the generation of the Ore Reserve estimate. Planned infrastructure includes:</p> <ul style="list-style-type: none"> • Offices, workshops and associated facilities; • Dewatering pipeline; • Access / Haul Road; • Waste Dump; and • RoM Pad. <p>Processing will be conducted offsite at the Jaurdi Processing Facility ~55km from the site; hence no processing infrastructure is required.</p>
Metallurgical factors or assumptions	The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.	Processing will be at the established Jaurdi processing facility. Samples from metallurgical studies at the facility have shown it to be amenable to this process. Metallurgical recoveries have been estimated to be 94%.
	Whether the metallurgical process is well-tested technology or novel in nature.	The proposed processing method is carbon-in-pulp (CIP). This method is well-known and widely used in the industry and has been successfully applied to many deposits in the local area with similar geochemical characteristics previously.
	The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.	The Jaurdi processing facility metallurgical test work has shown that the Coolgardie gold is amenable to recovery via the current facility. 90% (Oxide), 92% (Transitional) and 94% (Fresh) recoveries have been used for the pre-feasibility study.
	Any assumptions or allowances made for deleterious elements.	There has been no allowance for deleterious elements as none have been identified in the testwork.
	The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.	Material has been successfully processed during historical operations.
	For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	Not applicable, gold only.
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	<p>The Jaurdi processing facility operates under Department of Water and Environment Regulation (DWER) Licence L9247/2020/1 in accordance with the Environmental Protection Act WA 1986.</p> <p>The Jaurdi processing facility holds two groundwater licences; GWL 201802(4) and GWL 203729(3).</p>

	storage and waste dumps should be reported.	The Jaurdi processing facility mine closure plan has been developed in accordance with the DMP and EPA Guidelines for preparing Mine Closure Plans.
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>All processing infrastructure is in place at the Jaurdi processing facility.</p> <p>The MacPhersons Reward Project is an extension to the current MacPhersons open pit and the mining of the Tycho open pit.</p> <p>The Ore Reserve mine plan will require installation of infrastructure including electrical power (supply, transmission, and distribution), water and compressed air supply, offices, ablutions, workshops, and surface magazines. A dewatering system will also be required. Allowance has been made for supply and installation of this infrastructure. Suitable flat terrain exists for installation of all required infrastructure and the Competent Person sees no reason this infrastructure could not be installed at the site.</p> <p>Access to the site is via existing, well-maintained and gazetted roads. Allowance has been made for upgrade of these haul routes as well as the ore haulage route to the processing plant.</p> <p>Waste material will be dumped against the existing MacPhersons waste dump and construction of a standalone waste dump will occur at Tycho. A run-of-mine (ROM) pad will be required.</p> <p>Labour will be sourced from Kalgoorlie on a residential basis.</p> <p>Sufficient water will be available for operations through normal mine dewatering activities.</p>
Costs	The derivation of, or assumptions made, regarding projected capital costs in the study.	Capital and operating costs have been supplied by BCN, based on supplier and contractor quotes as well as Entech's cost database through the "pre-feasibility study" process. Mining contractors Hamptons were involved in the estimation of mining costs related to the project.
	The methodology used to estimate operating costs.	A capital and operating cost model has been developed in Excel and has been used to complete a life of mine cash flow estimate.
	Allowances made for the content of deleterious elements.	Nil allowance, none expected.
	The source of exchange rates used in	BCN report in Australian dollars. Therefore, no

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	the study.	exchange rate is used or required
	Derivation of transportation charges.	All transportation charges have been supplied by BCN, based on supplier and contractor quotes. This cost component has been used to determine the cut-off grades as well as applied to the operating cash flow estimate.
	The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.	Processing costs are based on data supplied by BCN. This cost component has been used to determine the cut-off grades as well as applied to the operating cash flow estimate. All cost assumption relate to the processing of ore through the existing Jaurdi processing facility.
	The allowances made for royalties payable, both Government and private.	WA State Government royalty of 2.5% as well as a \$2.00/t ore third party private royalty applicable to the MacPhersons open pit has been used in the estimation of the Ore Reserves. This cost component has been used to determine the cut-off grades as well as applied to the operating cash flow estimate.
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.	Revenue has been based on the commodity price and exchange data provided by BCN. Single commodity pricing for gold only, using a long-term gold price of A\$2,500 per ounce 2.5% WA State Government royalty and \$2.00/t ore third party royalty.
	The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	Revenue has been based on the commodity price of \$2,500/oz Gold.
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 from the mine is to be sold at spot price to the Perth mint.
	A customer and competitor analysis along with the identification of likely market windows for the product.	Gold will be sold at spot market price.
	Price and volume forecasts and the basis for these forecasts.	Gold will be sold at spot market price.
	For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	Not an industrial mineral.
Economic	The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and	The Ore Reserve estimate is based on a financial model for that has been prepared at a “pre-feasibility study” level of accuracy economic

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	confidence of these economic inputs including estimated inflation, discount rate, etc.	modelling. All inputs from mining operations, processing, transportation and sustaining capital as well as contingencies have been scheduled and evaluated to generate a full life of mine cost model. <ul style="list-style-type: none"> Economic inputs have been sourced from suppliers or generated from database information relating to the relevant area of discipline. A discount rate of 8% has been applied. The NPV of the project is positive at the assumed commodity prices.
	NPV ranges and sensitivity to variations in the significant assumptions and inputs.	No sensitivities other than gold price were conducted for cost model NPV calculations. Sensitivity analysis indicates that the Reserves are still economically viable with negative commodity price movements of 10%.
Social	The status of agreements with key stakeholders and matters leading to social license to operate.	Agreements are in place and are current with all key stakeholders.
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 formal process to assess and mitigate naturally occurring risks will be undertaken prior to execution. Currently, all naturally occurring risks are assumed to have adequate prospects for control and mitigation.
	The status of material legal agreements and marketing arrangements.	None known. BCN wholly owns the project, and intends to sell gold produced from the operation at spot price.
	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.	<p>All regulatory approvals have been submitted and all permitted. The Coolgardie operations are on a granted mining lease.</p> <p>All required studies such as flora and fauna surveys, stygofauna study, hydrogeological investigations, surface water assessment, pit lake modelling and assessment, geotechnical assessments and modelling, mine-waste characterisation study have been completed.</p> <p>Application to extract water has been submitted to DoW for approval.</p> <p>Tenure of miscellaneous licences for the purposes of a private haul road have been granted.</p>

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		Based on the information provided to him, the Competent Person sees no reason all required approvals will not be successfully granted within a reasonable timeframe.
Classification	The basis for the classification of the Ore Reserves into varying confidence categories.	<p>The Probable Ore Reserve is based on that portion of the Indicated Mineral Resource within the mine designs that may be economically extracted and includes an allowance for dilution and ore loss.</p> <p>The Proved Ore Reserve is based on that portion of the Measured Mineral Resource within the mine designs that may be economically extracted and includes an allowance for dilution and ore loss.</p>
	Whether the result appropriately reflects the Competent Person’s view of the deposit.	The results appropriately reflect the Competent Persons view of the deposit.
	The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	No Measured Mineral Resource contributes to the Probable Ore Reserves.
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	The Ore Reserves reporting processes has been subjected to an internal review by Entech’s senior technical personnel in July 2022.
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 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.	The design, schedule and financial model on which the Ore Reserve is based has been completed to a “pre-feasibility study” standard, with a corresponding level of confidence.
	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.	All modifying factors have been applied to design mining shapes on a global scale.
	Accuracy and confidence discussions	None that are likely to have any impact on the

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	<p>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.</p>	<p>current reserve.</p> <p>Considerations in favour of a high confidence in the Ore Reserve include:</p> <ul style="list-style-type: none"> • The mining process is well-known, and utilises proven technology and methods widely used in the local area, with sufficient data to generate adequate costing estimates to pre-feasibility standard. • There are multiple processing options available within the local area; <p>Considerations in favour of a lower confidence in the Ore Reserve include:</p> <ul style="list-style-type: none"> • Future commodity price forecasts carry an inherent level of risk. The assumed gold price is close to the current spot price. The Ore Reserve is sensitive to adverse gold price movements. • There is a degree of uncertainty associated with geological estimates. The Ore Reserve classifications reflect the levels of geological confidence in the estimates. • There is a degree of uncertainty regarding estimates of impacts of natural phenomena including geotechnical assumptions, hydrological assumptions, and the modifying mining factors, commensurate with the level of study. • Final mine costing will require negotiations with contractors. The Ore Reserve is sensitive to adverse movements in mine costs. <p>Further, i.e. quantitative, analysis of risk is not warranted or considered appropriate at the current level of technical and financial study.</p>
	<p>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.</p>	<p>Pre-mining, no production data to compare to yet.</p>

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