

31 August 2022

APPENDIX 4E – PRELIMINARY FINAL REPORT

Under ASX Listing Rule 4.3A

The Appendix 4E is provided to shareholders as required under ASX Listing Rule 4.3A.

Current Reporting Period	1 July 2021 to 30 June 2022
Prior Reporting Period	1 July 2020 to 30 June 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key information

	Y/E 30 June 2022	Y/E 30 June 2021	Change %	
Ore Milled (DMT)	790,735	573,453	38%	↑
Gold Sales (ounces)	28,434	29,181	(3%)	↓
Gold Production (ounces)	29,770	30,095	(1%)	↓
Revenue (\$)	\$71.16m	\$73.73m	(3%)	↓
Average Gold Price ² (\$) /oz	\$2,503	\$2,526	(1%)	↓
Net cash inflow from operations (\$)	\$33.29m	\$42.30m	(21%)	↓
Net profit before tax (\$)	\$21.93m	\$29.02m	(25%)	↓
Net profit after tax (\$)	\$14.83m	\$20.28m	(27%)	↓
Cash and cash equivalents (\$)	\$12.73m	\$22.04m	(42%)	↓
Earnings Per Share (\$)	\$0.0041	\$0.0065	(37%)	↓
Dividends paid (\$)	\$9.04m	\$25.04m	(63%)	↓
Net assets (\$)	\$58.71m	\$51.47m	14%	↑
Plant and Equipment (\$)	\$11.74m	\$6.71m	75%	↑
Hedged ounces at 30 June	-	7,500	-	-

1. Rounding errors may occur
2. Includes the oz's hedged

Details relating to dividends

	Date Declared	Record Date	Date Paid	Cents Per Share	\$M
Interim Dividend	22.03.2022	05.04.2022	14.04.2022	\$0.00125	\$4.55m
Final Dividend	05.10.2021	19.10.2021	29.10.2021	\$0.00125	\$4.49m

- All dividends were fully franked

NET TANGIBLE ASSETS PER SHARE

	As At	
	30 June 2022 Per Share	30 June 2021 Per Share
Net tangible assets per share	\$0.016	\$0.014

DETAILS OF SUBSIDIARIES AND ASSOCIATES

Entities where control was gained or loss

On 24 August 2021 the Company announced that it had entered into an agreement with Primary Gold Pty Ltd whereby Beacon Mining Pty Ltd acquired all the shares in the capital of MacPhersons Reward Pty Ltd.

Other than the above there were no entities where control was gained or lost.

Details of associates

There are no associates to the Company.

COMMENTARY ON THE RESULTS FOR THE PERIOD

Key performance measures were as follows:

- Total Comprehensive Profit was 27% lower than FY2021** attributable to an increase in production expenses at the Jaurdi Gold Project. Total comprehensive profit for the 2022 financial year was \$14,827,621 (2021: \$20,281,725).
- Gold Sales Revenue was 3% lower than FY2021** as a result of a 3% decrease in gold sales and a decrease in the average gold price. Gold sales revenue for the 2022 financial year was \$71,164,917 (2021: \$73,729,044).
- Cost of sales was 20% higher than FY 2021** as a result of significant mill throughput increase of 38% and associated total processing costs when compared to the previous year. The Company has also incurred cost increases in fuel, cyanide, grinding media and explosives. These cost increases have been seen across the whole mining sector. Cost of goods sold for the 2022 financial year was \$45,775,488 (2021: \$37,862,495).
- Plant and Equipment was 75% higher than FY 2022** attributable to the Company moving to an owner operator model for open pit mining, with mining feet purchased during the year. Plant and equipment as at 30 June 2022 was \$11,741,476 (2021: \$6,714,825).
- Basic earnings per share** for the year ended 30 June 2022 on a statutory basis was \$0.0041 per share (2021: \$0.0065). On a diluted basis, the earnings per share was \$0.0041 per share (2021: \$0.0051).
- Dividends paid** during the FY2022 fully franked dividends totalling \$0.025 (total unfranked dividends 2021: \$0.007), total funds paid was \$9.04m (2021: \$25.04m)
- Listed Options** were exercised during the FY2022 raising \$1.44 million (2021: \$18.02 million).

BEACON MINERALS LIMITED ACN 119 611 559

Registered Address 144 Vivian Street, Boulder, WA 6432

Website www.beaconminerals.com Phone 08 9093 2477

PROVIDE A BRIEF EXPLANATION FOR ANY OF THE FIGURES REPORTED ABOVE NECESSARY TO ENABLE THE FIGURES TO BE UNDERSTOOD:

The Group has reported a comprehensive profit after tax of \$14.83 million for the year ended 30 June 2022 representing a decrease compared to the comprehensive profit after tax of \$20.28 million in 2021. The decrease was due to a significant increase in costs over the last 12 months and a significant mill throughput increase of 38% and associated total processing costs when compared to the previous year. The increases in costs have been seen across the whole mining sector. The following cost increases are indicative of increases that Company has seen:

- Fuel has increased by 58%
- Cyanide has increased by 95%
- Grinding media (40mm) increased by 42%
- Explosives increased by 56%

Gold sales remained consistent over the past two financial years, with 28,434 oz sold during the year ended 30 June 2022 and 29,181 oz sold during the year ended 30 June 2021.

The average gold price realised by the Company for the year ended 30 June 2022 decreased to \$2,503 oz from \$2,526 oz compared to the year ended 30 June 2021, the average gold price includes the hedged oz.

The Group has managed operational costs with cost per ounce for the year ended 30 June 2022 being \$1,609 oz and \$1,298 oz for the year ended 30 June 2021.

Cash on hand was \$12.73 million at 30 June 2022 (2021: \$22.04 million). The cash on hand has reduced compared to previous year attributable to the taxation payment of \$7.16m (2021: \$0). The payment of taxes has allowed the Company to pay fully franked dividends during the year. The Company has also acquired the MacPhersons Reward Project during the period for a cash consideration of \$14.0m (2021: \$0).

During the 2022 financial year the Group's operations did achieve the planned results.

Total production for the Group in the 2022 financial year was 29,770 oz (2021: 30,095 oz), and gold sales amounted to 28,434 oz (2021: 29,181 oz) at an average gold price of \$2,503 oz (2021: \$2,526 oz). The steady production and subsequent gold sales during the year ended 30 June 2022 reflects the regular and consistent performance of the Jaurdi Gold Project.

Mined volumes during the year were 1,487,000 BCM's (2021: 1,530,000 BCM's).

Total net cash contribution from operations was \$33.29 million (2021: \$42.3 million). The cash inflow from gold sales was consistent with the prior year. During the year the Company paid \$7.16 million in Australian taxes compared to no Australian taxes paid in the year ended 30 June 2021 as the Company utilized its prior accumulated tax losses.

During the year the Company completed the purchase of all the issued shares in MacPhersons Reward Pty Ltd ("MacPhersons") on 24 August 2021. The Company paid \$14.0 million in cash consideration for the acquisition of the MacPhersons Project and \$720,000 in costs were incurred in relation to the acquisition.

Growth capital during the year was concentrated on capital improvement projects at the Jaurdi Gold Project and reviewing and investing capital to maximise production and optimise operational costs. Major

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items purchased throughout the year were the new Jaurdi TSF, conversion to the owner operator mining model and installation and commissioning of a gravity circuit.

During the year ended 30 June 2022 the Company expended \$1.37 million on exploration and development activities, a decrease since the prior year when \$2.68 million was expended on exploration and development.

Included in the exploration and development expenditure for the year was the Group's additional drilling at its exploration projects to further advance potential growth projects.

Impact of COVID-19

Covid-19 has impacted production at the Jaurdi Gold Project during the year due to lost shifts resulting from isolation protocols. 24-man weeks have been lost during the period. The Company continues to review protocols with the objective of reducing lost shifts due to isolation protocols.

The Company has eased Covid-19 protocols in line with the WA Health Department advice.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Australian Dollar (\$)	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	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	(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	0.0041	0.0065
Diluted basic earnings/(loss) per share	0.0041	0.0051

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Australian Dollar (\$)	30 JUNE 2022 \$	30 JUNE 2021 \$
CURRENT ASSETS		
Cash and cash equivalents	12,731,871	22,041,849
Trade and other receivables	480,352	481,899
Other assets	913,147	1,871,039
Inventories	15,188,150	12,887,192
Other financial assets	-	671,998
TOTAL CURRENT ASSETS	29,313,520	37,953,977
NON CURRENT ASSETS		
Plant and equipment	11,741,476	6,714,825
Development expenditure	21,352,343	19,552,689
Deferred tax asset	-	531,410
Tenement acquisition	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	5,926,134	3,857,947
Income tax liability	1,547,122	4,073,876
Provisions	831,441	532,957
Plant and equipment loan	299,927	-
TOTAL CURRENT LIABILITIES	8,604,624	8,464,780
NON CURRENT LIABILITIES		
Plant and equipment loan	793,386	-
Provisions	10,881,684	4,816,656
Deferred tax liability	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	69,046,073	67,597,464
Reserves	1,723,038	1,729,038
Accumulated losses	(12,059,678)	(17,855,037)
TOTAL EQUITY	58,709,433	51,471,465

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Australian Dollar (\$)	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	-	-	(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	-	-	(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

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CONSOLIDATED STATEMENT OF CASH FLOWS

Australian Dollar (\$)	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	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	12,731,871	22,041,849

DISCLAIMER

The Appendix 4E – Preliminary Final Report has not been subject to audit and there is no audit report provided. However, a substantial part of the financial information in the Appendix 4E has been extracted from the Beacon Minerals 2022 financial report which will be audited by William Buck, who we expect will issue an unqualified audit report. The audit report forms part of Beacon’s 2022 annual report which is expected to be released at the beginning of September 2022.

Authorised for release by the Board of Beacon Minerals Limited

Graham McGarry
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Beacon Minerals Ltd
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Non-Executive Director
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