



BEACON
MINERALS LIMITED

ABN 64 119 611 559

FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by Beacon Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.



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This Appendix 4D is provided to shareholders as required by ASX Listing Rule 4.2A.

1. Entity and Reporting Period

Beacon Minerals Limited

ASX Code: BCN

ACN: 119 611 559

Reporting period: **Half Year ended 31 December 2022**

Corresponding period: Half Year ended 31 December 2021

2. Results for announcement to the market

	6 months 31 Dec 2022 Amount \$	6 months 31 Dec 2021 Amount \$	Percentage increase/(decrease)
Gold sales	36,761,502	35,664,079	3%
Total comprehensive profit for the period	3,758,350	7,348,067	(49%)

	Amount per share AU\$	Amount franked per share AU\$
Final Dividend	\$0.001	100%
Record Date for determining entitlement to final dividend	Wednesday, 30 November 2022	
Date final dividend payable	Friday, 9 December 2022	

3. Net Tangible Assets per share

	As at	
	31 December 2022	31 December 2021
Net tangible assets per share	\$0.0164	\$0.0151

Additional information supporting the Appendix D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half year ended 31 December 2022.

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The Directors are pleased to submit their report on Beacon Minerals Limited (ASX: BCN) ("Beacon" or "Consolidated Entity") for the half-year ended 31 December 2022.

DIRECTORS

The names of the directors who held office during or since the end of the half-year and up to the date of this report are:

Director	Title	Date of Appointment	Date of Retirement
Graham McGarry	Executive Chairman/ Managing Director	19 March 2012	-
Geoffrey Greenhill	Non-Executive Director	19 March 2012	-
Sarah Shipway	Non-Executive Director	11 June 2015	-

REVIEW OF FINANCIAL RESULTS

A summary of revenue and results for the half-year is set out below:

	2022
	\$
Revenue	36,849,999
Profit/(Loss) From Ordinary Activities After Income Tax	<u>3,758,350</u>

For the six-month period gold sales were \$36,761,502 and cost of goods sold for the period was \$29,402,815. Administration costs during the period was \$1,005,654, exploration and development expenditure of \$627,303, finance costs were \$514,924, interest income during the period of \$88,497 and other income of \$133,112.

The result for the six-month period is a profit of \$3,758,350.

On 24 November 2022 a fully franked dividend totalling \$0.001 per share was declared and paid during the period.



REVIEW OF OPERATIONS

Beacon Minerals Limited (ASX:BCN) (Beacon or the Company) is pleased to present its review of operations for the half-year ended 31 December 2022.

HIGHLIGHTS

PRODUCTION

- 13,506 ounces of gold produced in the six months ended 31 December 2022
- A record 432,121 dry tonnes milled in the six months ended 31 December 2022
- Gold sales for the six months was 14,254 ounces at an average sale price of \$2,579/oz for sale receipts of \$36.75 million
- Beacon had cash of \$5.15 million and 1,126 ozs of gold in bullion, on hand, or in transit at the end of the period

FINANCIAL AND CORPORATE

- Acquisition of 100% of the Geko Tenements for a cash consideration of \$7.75 million and a \$3.0 million royalty from production at a rate of 4% of the recovered gold value until \$10.75 million in total consideration has been paid
- A fully franked dividend totalling \$3.7 million was paid to shareholders on 9 December 2022

EXPLORATION

- During the six months, 219 holes for 5,046 m of aircore drilling and 191 holes for 7,160 m of RC drilling was completed at the MacPhersons Project.
- Best assay results from A-Cap RC drilling includes:
 - *ACGC024* 13 metres @ 2.53g/t Au from 25 metres
 - *ACGC030* 3 metres @ 9.54 g/t Au from 31 metres
Including 1 metre @ 18.5 g/t Au from 32 metres
 - *ACGC031* 6 metres @ 5.47 g/t Au from 23 metres
Including 1 metre @ 22.1 g/t Au from 23 metres
 - *ACGC053* 9 metres @ 4.53 g/t Au from 26 metres
Including 2 metres @ 17.35 g/t Au from 32 metres
- Best assay results from MacPhersons RC drilling includes:
 - *MPGC006* 14 metres @ 2.3 g/t Au from 31 metres
 - *MPGC017* 2 metres @ 16.8 g/t Au from 47 metres
Including 1 metre @ 29.8 g/t Au from 48 metres
 - *MPGC095* 2 metres @ 15.04 g/t Au from 16 metres

SUBSEQUENT TO THE HALF YEAR END

- 6,000-ounce forward contract at an average net gold price of A\$2,729 per ounce
- Beacon acquired 19.8% interest in Maximus Resources (ASX: MXR)



Beacon's performance during the six months ended 31 December 2022 reflects the regular and consistent performance of the Jaurdi Gold Project, with record tonnes milled for the half year.

Production Update for the six months ended 31 December 2022

Mining in Lost Dog Panel 4 continued at the start of the half year and was completed in October. The mining fleets transitioned to Panel 3 the most eastern and final Panel of the Lost Dog pit. Ore mining was minimal for the half year due to the pre stripping required in Panel 3 resulting in a reduction in ore stockpiles with 278kt and 8k oz's remaining on the Jaurdi ROM at the half year ending 31 December 2022.

Mill throughputs remained steady during the half year achieving an annualised throughput of 840kt/yr. Head grade was lower than previous periods as the lower grade sections of the Lost Dog orebody are being mined however, grades are forecast to increase in the next half as ore from Panel 3 is mined.



Figure 1: Lost Dog Pit on 24 January 2023

Beacon is pleased to provide the production numbers for six month ended 31 December 2022 at Jaurdi.

Operation	Unit	Sep-22 Qtr	Dec-22 Qtr	Total YTD
Ore Mined	BCM	121,000	90,000	211,000
Waste Mined	BCM	285,444	575,000	860,444
Ore milled	DMT	222,173	209,948	432,121
Head grade	gpt	1.13	1.03	1.08
Tails grade	gpt	0.14	0.08	0.11
Recovered grade	gpt	0.99	0.95	0.97
Gold Produced	oz	7,088	6,418	13,506
Gold Sold	oz	7,937	6,317	14,254
Average Gold Sales Price	A\$/oz	2,535	2,633	2,579

**Rounding errors may occur

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During the period Beacon purchased, using its cash reserves, 7 x 100 Tonne rigid trucks which are now being commissioned in Panel 3 at Lost Dog Open Pit. The trucks will complete the mining of silcrete material in Panel 3. Articulated trucks will be utilised to mine the clay material in Panel 3.

These rigid trucks have been purchased for the mining activities at MacPhersons Reward and Geko where the material to be mined and the ground conditions will enable these trucks to mine more effectively. Beacon will continue with the owner operator mining model in the foreseeable future.

The Company has a \$5.0 million equipment finance arrangement and as of 31 December 2022 Beacon had drawn down \$0.94 million of the facility. During the half year there was no additional draw down on the debt facility.

EXPLORATION UPDATE

Drilling during the December period consisted of 219 holes for 5,046 m of aircore drilling and 191 holes for 7,160 m of RC drilling. Drilling during the six months was focused on grade control for MacPhersons and A-Cap. Aircore drilling was completed at A-cap South and for waste dump sterilisation at Tycho. See the previously released quarterly reports for a full commentary on results.

Drilling completed during the six months included:

Prospect	Drilling Type	Number of Holes	Total Metres
MacPhersons Reward	RC	117	3,828
A-Cap	RC	74	3,332
A-Cap South	Aircore	106	3,803
Sterilisation	Aircore	104	1,027
Spall's Haul	Aircore	9	216
Total	-	410	12,206

Best assay results from the A-Cap grade control drilling program included:

- *ACGC011 13 metres @ 1.67 g/t Au from 35 metres*
- *ACGC024 13 metres @ 2.53g/t Au from 25 metres*
- *ACGC026 2 metres @ 13.42 g/t Au from 0 metres*
Including 1 metre @ 25.8 g/t Au from 1 metre
- *ACGC030 3 metres @ 9.54 g/t Au from 31 metres*
Including 1 metre @ 18.5 g/t Au from 32 metres
- *ACGC031 6 metres @ 5.47 g/t Au from 23 metres*
Including 1 metre @ 22.1 g/t Au from 23 metres
And 4 metres @ 6.3 g/t Au from 32 metres
Including 1 metre @ 22.0 g/t Au from 33 metres
- *ACGC036 7 metres @ 3.82 g/t Au from 35 metres*
- *ACGC037 5 metres @ 5.38 g/t Au from 35 metres*
Including 1 metre @ 17.7 g/t Au from 37 metres
- *ACGC042 18 metres @ 1.7 g/t Au from 22 metres*
- *ACGC047 11 metres @ 2.51 g/t Au from 38 metres*
- *ACGC053 9 metres @ 4.53 g/t Au from 26 metres*
Including 2 metres @ 17.35 g/t Au from 32 metres
- *ACGC074 21 metres @ 1.96 g/t Au from 24 metres*

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Best assay results from the MacPhersons Reward grade control drilling program included:

- *MPGC006* 14 metres @ 2.3 g/t Au from 31 metres
- *MPGC017* 2 metres @ 16.8 g/t Au from 47 metres
Including 1 metre @ 29.8 g/t Au from 48 metres

Best composite assay results from the second phase aircore drilling program at A-Cap South included:

- *MR22AC115* 6 metres @ 1.98 g/t Au from 62 metres
- *MR22AC134* 6 metres @ 5.20 g/t Au from 45 metres
- *MR22AC152* 7 metres @ 2.31 g/t Au from 30 metres
Including 1 metre @ 11.00 g/t Au from 35 metres

TIMOR-LESTE

We continue to maintain our presence in Timor-Leste. The direct award of sand and gravel tenements for historic activities were granted by the Timor-Leste Government in December 2022.

CORPORATE UPDATE

Gold on hand and in transit totalled 1,126 ounces as at 31 December 2022.

Beacon has received approval with Caterpillar Finance for up to \$5.0 million at market interest rates between 2.79% and 2.99%. As at 31 December 2022 Beacon had drawn down \$0.94 million of the facility.

A fully franked dividend of \$0.001 per share totalling \$3.75m was paid on 9 December 2022. Dividends paid by Beacon from March 2021 total \$37.83 million, with \$12.79 million being fully franked.

Subsequent to the period end, Beacon entered into a 6,000 forward gold contract to be delivered in monthly instalments from February 2023 to April 2023. The forward net price is A\$2,729 per ounce. On 24 February 2023 the Company closed out 2,000 ounces of the forward contract at A\$2,681 per ounce.

Subsequent to the period end the Company announced that it had executed a share purchase agreement ("Share Purchase Agreement") to acquire Pantoro Limited's ("Pantoro") 19.82% shareholding in Maximus Resources Limited (ASX: MXR) ("Maximus").

The parcel of 63,254,972 shares held by Pantoro were purchased by Beacon at A\$0.042 per share, representing a 7% premium to the closing market price of \$0.039 on 27 January 2023.

Beacon funded the purchase of the shares using the Company's current cash reserves. For additional information please see ASX release dated 30 January 2023 "*Beacon to Acquire 19.8% Interest in Maximus Resources*".

JORC Compliance Statement

The information in this report relating to exploration results and targets has been compiled by Mr. Zane Padman B.Sc. MAusIMM. Mr. Padman has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities 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. Mr. Padman is a full-time employee of Beacon Minerals and is eligible to and may participate in short-term and long-term incentive plans of the Company as disclosed in its annual reports and disclosure documents.



The information in this report referring to the Jaurdi Gold Project Mineral Resource Estimates and Ore Reserves (Black Cat, Lost Dog and Stockpiles) is extracted from the report entitled:

- 31 January 2023 December 2022 Quarterly Activities Report
- 20 October 2022 September 2022 Quarterly Activities Report

These are available to view on Beacon Minerals website at www.beaconminerals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. 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.

Disclaimer

This ASX announcement (Announcement) has been prepared by Beacon Minerals Limited ("Beacon" or "the Company"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Beacon, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Beacon.

By its very nature exploration for minerals is a high risk business and is not suitable for certain investors. Beacon's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Beacon and of a general nature which may affect the future operating and financial performance of Beacon and the value of an investment in Beacon including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Beacon and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Beacon, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Beacon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.

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SUBSEQUENT EVENTS

On 30 January 2023 the Company advised that it had executed a share purchase agreement to acquire Pantoro Limited's 19.82% shareholding in Maximus Resources Limited (ASX: MXR). The parcel of 63,254,972 shares held by Pantoro was purchased by Beacon at A\$0.042 per share, representing a 7% premium to the closing market price of \$0.039 on 27 January 2023.

The Company advised on 13 January 2023 that Beacon entered into 6,000-ounce forward contract at an average net gold price of A\$2,729 per ounce. On 24 February 2023 the Company closed out 2,000 ounces of the forward contract at A\$2,681 per ounce.

Other than the above there has been no matter or circumstance that has arisen since 31 December 2022, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

This report is made in accordance with a resolution of directors.

Graham McGarry
Executive Chairman/Managing Director
28 February 2023

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

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2022 there have been:

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

William Buck

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

Amar Nathwani

Amar Nathwani
Director

Dated this 28th day of February 2023

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

Australian Dollars (\$)	Note	31 December 2022 \$	31 December 2021 \$
Gold sales		36,761,502	35,664,079
Interest revenue		88,497	5,526
REVENUE		36,849,999	35,669,605
Cost of goods sold		(29,402,815)	(23,122,619)
GROSS PROFIT		7,447,184	12,546,986
Other Income	3	133,112	1,636
EXPENDITURE			
Administration expenses	3	(1,005,654)	(717,030)
Exploration and development expenditure written off		(627,303)	(571,459)
Finance expenses		(514,924)	(27,359)
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		5,432,415	11,232,774
Income tax expense	8	(1,674,065)	(3,884,707)
PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX		3,758,350	7,348,067
Other comprehensive income, net of income tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,758,350	7,348,067
EARNINGS PER SHARE		Cents	Cents
Basic profit/(loss) per share		0.14	0.2
Diluted profit/(loss) per share		0.14	0.2

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

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Australian Dollars (\$)	Note	31 December 2022	30 June 2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		5,150,009	12,731,871
Trade and other receivables		2,231,142	480,352
Other assets		886,190	913,147
Inventories		18,780,115	15,188,150
TOTAL CURRENT ASSETS		27,047,456	29,313,520
NON-CURRENT ASSETS			
Plant and equipment		11,968,035	11,741,476
Development expenditure		20,443,736	21,352,343
Tenement acquisition	9	31,069,095	17,848,294
TOTAL NON-CURRENT ASSETS		63,480,866	50,942,113
TOTAL ASSETS		90,528,322	80,255,633
CURRENT LIABILITIES			
Trade and other payables		5,802,053	5,926,134
Income tax liability		327,495	1,547,122
Provisions	4	966,919	831,441
Hire purchase lease		304,293	299,927
TOTAL CURRENT LIABILITIES		7,400,760	8,604,624
NON-CURRENT LIABILITIES			
Plant and equipment loan		640,140	793,386
Provisions	4	16,944,700	10,881,684
Deferred tax liability		949,267	1,266,506
Deferred consideration	10	3,000,000	-
TOTAL NON-CURRENT LIABILITIES		21,534,107	12,941,576
TOTAL LIABILITIES		28,934,867	21,546,200
NET ASSETS		61,593,455	58,709,433
EQUITY			
Issued capital	5	71,928,514	69,046,073
Reserves	6	1,699,038	1,723,038
Accumulated losses		(12,034,097)	(12,059,678)
TOTAL EQUITY		61,593,455	58,709,433

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Australian Dollars (\$)	ISSUED CAPITAL \$	SHARE OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Balance at 1 July 2022	69,046,073	1,723,038	(12,059,678)	58,709,433
Profit for the period	-	-	3,758,350	3,758,350
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income	-	-	3,758,350	3,758,350
<i>Transactions with owners in their capacity as owners:</i>				
Option exercised during the period (Note 5)	2,882,441	-	-	2,882,441
Options issued during the period	-	-	-	-
Options expired during the period	-	(24,000)	24,000	-
Dividends paid	-	-	(3,756,769)	(3,756,769)
Balance at 31 December 2022	71,928,514	1,699,038	(12,034,097)	61,593,455

	ISSUED CAPITAL \$	SHARE OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Balance at 1 July 2021	67,597,464	1,729,038	(17,854,973)	51,471,529
Profit for the period	-	-	7,348,067	7,348,067
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income	-	-	7,348,067	7,348,067
<i>Transactions with owners in their capacity as owners:</i>				
Option exercised during the period	193,410	-	-	193,410
Options issued during the period	-	-	-	-
Dividends paid	-	-	(4,488,996)	(4,488,996)
Balance at 31 December 2021	67,790,874	1,729,038	(14,995,902)	54,524,010

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



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

Australian Dollars (\$)	31 December 2022	31 December 2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from the sale of gold	36,761,502	37,382,272
Expenditure on production activities	(29,307,781)	(16,105,794)
Payments to suppliers and employees	(675,229)	(787,822)
Payments for taxes	(3,883,337)	-
Interest received	75,265	5,841
Other	(214,923)	373,604
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2,755,497	20,868,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(1,549,183)	(5,186,614)
Payment for term deposit	-	(20,000)
Payments for development activities	-	(1,631,971)
Payment for tenement	(7,750,000)	(14,004,710)
Proceeds from sale of plant and equipment	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(9,299,183)	(20,843,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	2,882,441	193,471
Payments in relation to issue of shares	-	-
Payment of dividend	(3,756,769)	(4,488,996)
Payment on equipment finance	(163,848)	(3,984)
Payments in relation to debenture issue	-	-
Repayment of debentures	-	-
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(1,038,176)	(4,299,509)
Net decrease in cash and cash equivalents	(7,581,862)	(4,274,703)
Cash and cash equivalents at the beginning of the half-year	12,731,871	22,041,844
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	5,150,009	17,767,141

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



NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This Interim Financial Report ('2022 Half Year Report') for the half year ended 31 December 2022 has been prepared in accordance with AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The Interim financial report is intended to provide users with an update on the latest financial statements of Beacon Minerals Limited ("Beacon" or "Parent") and its consolidated entities ("Company" or "Group").

The 2022 Half Year Report does not include all of the information and notes required within the Annual Report for the year ended 30 June 2022. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the half-year ended 31 December 2022.

The 2022 Half Year Report is presented in Australian Dollars (AUD), the predominant functional currency of the Group's operations. In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191, amounts in the 2022 Half Year Report and Directors' report have been rounded off to the nearest dollar, unless otherwise stated.

The preparation of the consolidated interim financial statements in conformity with AASB 134 *Interim Financial Reporting* requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported revenue and expense during the reporting period. All adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The estimates and assumptions used in preparing its consolidated financial statements are reasonable; however, actual results could differ from those estimates. Operating results for the half year ended 31 December 2022 are not necessarily indicative of the results that may be expected for the year ended 30 June 2023.

Accounting Policies

There have been no material changes in the critical accounting policies compared to those applied to the Group's consolidated financial statements as at, and for the year ended 30 June 2022.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. Beacon Minerals Limited has adopted all new and revised Standards issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

New or Amended Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, there was no changes to the financial statements arising from new standards. There was no impact arising from the application of those standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Reporting Basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs, except for forward sale agreements which are reported at fair value through profit and loss.

NOTE 2: OPERATING SEGMENTS

The Consolidated Entity operates in predominantly one business and geographical segment, which involves the exploration, development and sale of minerals in Australia. As at the reporting date there was no material amounts relating to the Group's presence in Timor-Leste.

Major Customers

When there are gold sales, the Group sells to a single external customer, Perth Mint, who accounts for 100% of the external revenue. The Company does not view this as a significant concentration of risk as the Perth Mint is wholly-owned by the Government of Western Australia.

NOTE 3: PROFIT/(LOSS) BEFORE INCOME TAX

The following revenue and expense items are relevant in explaining the financial performance for the half-year.

	31 December 2022	31 December 2021
	\$	\$
Other Income		
Other	133,112	1,636
	<u>133,112</u>	<u>1,636</u>
Administration expenses		
Employment expenses	318,339	523,418
Corporate expenses	687,315	193,612
	<u>1,005,654</u>	<u>717,030</u>

NOTE 4: PROVISIONS

	31 December 2022	30 June 2022
	\$	\$
Current		
Employee entitlements	966,919	831,441
	<u>966,919</u>	<u>831,441</u>
Non-Current		
Rehabilitation	16,944,700	10,881,684
	<u>16,944,700</u>	<u>10,881,684</u>

**Provision for rehabilitation**

Opening balance	10,881,684	4,816,656
Provision made during the period	5,563,060	5,669,693
Provision used during the period	-	-
Provisions re-measured during the year	-	-
Unwind of discount	499,956	395,335
Balance at reporting date	16,944,700	10,881,684

Site Rehabilitation

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site rehabilitation is recognised for the first time 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, if 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.

NOTE 5: ISSUED CAPITAL

	31 December	30 June
	2022	2022
	\$	\$
(a) Issued and paid up capital		
At the beginning of the reporting period	69,046,073	67,597,464
Shares issued during the period	-	-
Shares issued on exercise of options (i)	2,882,441	1,448,609
Transaction costs	-	-
At reporting date 3,756,768,171		
(30 June 2022: 3,641,470,524) fully paid ordinary shares	71,928,514	69,046,073
Movements in Ordinary Shares	Number	Number
At the beginning of reporting period	3,641,470,524	3,583,526,145
Shares issued during the period (i)	115,297,647	57,944,379
Balance at reporting date	3,756,768,171	3,641,470,524

(i) During the period 115,297,647 Listed Options were exercised, the exercise price was \$0.025 per option.

**NOTE 6: RESERVES****(a) Option Reserves**

	31 December 2022	30 June 2022
	\$	\$
At the beginning of the period	1,723,038	1,729,038
Expiry of options	(24,000)	(6,000)
Issued during the period	-	-
	<u>1,699,038</u>	<u>1,723,038</u>

Each option entitles the option holder to a fully paid ordinary share in the Company. All options vested upon issue.

Movement in 17 August 2022 Listed Options exercisable at \$0.025 (i)

	31 December 2022	30 June 2022
	Number	Number
At the beginning of the period	149,645,739	207,590,118
Exercised during the period	(115,297,647)	(57,944,379)
Expiry of options	(34,348,092)	-
	<u>-</u>	<u>149,645,739</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.

Movement in 3 August 2023 Unlisted Options exercisable at \$0.053 (ii)

	31 December 2022	30 June 2022
	Number	Number
At the beginning of the period	180,000,000	180,000,000
Issued during the period	-	-
	<u>180,000,000</u>	<u>180,000,000</u>

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

**NOTE 7: EQUITY – DIVIDENDS**

Dividends paid during the financial half-year were as follows:

	31 December 2022	31 December 2021
	\$	\$
Fully franked final dividend of \$0.001 (31 Dec 2021: \$0.00125) per ordinary share	<u>3,756,769</u>	<u>4,488,996</u>

On 24 November 2022 the directors declared a final dividend of \$0.001 per ordinary share. A total of \$3,756,769 was paid to shareholders on 9 December 2022.

NOTE 8: INCOME TAX**Income Tax**

	31 December 2022	31 December 2021
	\$	\$
Current tax expense	1,949,804	2,834,457
Under/over provision	41,500	-
Deferred tax expense	<u>(317,239)</u>	<u>1,050,250</u>
Income tax expense	<u>1,674,065</u>	<u>3,884,707</u>

NOTE 9: ACQUISITION OF GEKO TENEMENTS

On 16 December 2022 the Company announced it had acquired 100% interest in the Tenements M15/621 and miscellaneous licence L15/355 from Geko Pit Pty Ltd. The Tenements are 15kms SSW of Beacon's Jaurdi Gold Processing Plant.

Management has accounted for this transaction as an acquisition of assets and not as a business combination since, at the date of acquisition, the Geko Tenements did not have the processes and outputs expected of an operating business.

The material transaction events in relation to the purchase are as follows:

- The Geko Tenements consist of:
 - M15/621
 - Miscellaneous licence L15/355

- Beacon acquired the ore stockpiles and 100% interest in the tenements for a cash consideration of \$7.75 million and a \$3.0 million royalty from production at a rate of 4% of recovered gold value. The ore stockpiles were transferred to Beacon upon acquisition.



Consideration for the acquisition was:

Details	Amount \$
Cash	7,750,000
Acquisition costs	50,000
Stamp duty	602,935
Rehabilitation - provision	5,563,060
Deferred consideration	3,000,000
	<u>16,965,995</u>

The assets acquired were the tenements and the ore stockpiles.

NOTE 10: DEFERRED CONSIDERATION

	31 December 2022	31 December 2021
	\$	\$
NON-CURRENT		
Deferred consideration ⁽¹⁾	3,000,000	-
Total non-current deferred consideration	<u>3,000,000</u>	<u>-</u>

Note:

- (1) The acquisition of the Geko Tenements includes a royalty from production at a rate of 4% of the recovered gold value until a total of \$3,000,000 in addition to the initial consideration has been paid. In the event that the Group does not exhaust value equivalent to \$3,000,000 from production the Group will pay a top up to the vendor and the capped amount of \$3,000,000 within 12 months of completion of the rehabilitation obligations.

NOTE 11: FINANCIAL LIABILITIES

The Group entered into a finance facility with Caterpillar Finance for up to \$5.0m at interest rates between 2.79% and 2.99% to fund the purchase of equipment.

As at 31 December 2022, \$0.944m of the facility had been drawn down secured over the assets purchased with the facility and recognised as Plant and Equipment Loan.

NOTE 12: COMMITMENTS AND CONTINGENCIES

There have been no significant changes to commitments or contingencies since 30 June 2022.

NOTE 13: SUBSEQUENT EVENTS

On 30 January 2023 the Company advised that it had executed a share purchase agreement to acquire Pantoro Limited's 19.82% shareholding in Maximus Resources Limited (ASX: MXR). The parcel of 63,254,972 shares held by Pantoro was purchased by Beacon at A\$0.042 per share, representing a 7% premium to the closing market price of \$0.039 on 27 January 2023.

The Company advised on 13 January 2023 that Beacon entered into 6,000-ounce forward contract at an average net gold price of A\$2,729 per ounce. On 24 February 2023 the Company closed out 2,000 ounces of the forward contract at A\$2,681 per ounce.



There has been no other matter or circumstance that has arisen since 31 December 2022, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

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DIRECTORS' DECLARATION

The directors of the Consolidated Entity declare that:

1. the financial statements and notes, as set out on pages 12 to 22 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the half year ended on that date of the Consolidated Entity;
2. In the directors' opinion 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Graham McGarry
Executive Chairman/Managing Director
Beacon Minerals Limited
Perth, 28 February 2023

Independent auditor's review report

To the shareholders of Beacon Minerals Limited

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Beacon Minerals Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Beacon Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of Management for the Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Independent auditor's review report to members (cont.)

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

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

Amar Nathwani

Amar Nathwani
Director

Dated this 28th day of February 2023