



BEACON
MINERALS LIMITED

ABN 64 119 611 559

FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 2021 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 2021

Corresponding period: Half Year ended 31 December 2020

2. Results for announcement to the market

	6 months 31 Dec 2021 Amount \$	6 months 31 Dec 2020 Amount \$	Percentage increase/(decrease)
Gold sales	35,664,079	38,624,874	(8%)
Total comprehensive profit/(loss) for the period	7,348,067	12,520,092	(42%)

	Amount per share AU\$	Amount franked per share AU\$
Interim Dividend	\$0.00125	100%
Record Date for determining entitlement to interim dividend		Tuesday, 19 October 2021
Date Interim dividend payable		Friday, 29 October 2021

3. Net Tangible Assets per share

	As at	
	31 December 2021	31 December 2020
Net tangible assets per share	\$0.0151	\$0.0156

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 2021.



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 2021.

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	-
Jason Bontempo	Non-Executive Director	10 November 2020	7 January 2022

REVIEW OF FINANCIAL RESULTS

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

	2021
	\$
Revenue	35,669,605
Profit/(Loss) From Ordinary Activities After Income Tax	<u>7,348,067</u>

For the six-month period gold sales were \$35,664,079 and cost of goods sold for the period was \$24,502,209. Administration costs during the period was \$717,030, exploration and development expenditure of \$571,459, finance costs were \$3,986, interest income during the period of \$5,526 and other income of \$1,357,853.

The result for the six-month period is a profit of \$7,348,067.

On 5 October 2021 a fully franked dividend totalling \$0.00125 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 2021.

HIGHLIGHTS**PRODUCTION**

- 15,154 ounces of gold produced in the six months ended 31 December 2021
- A record 381,886 dry tonnes milled in the six months ended 31 December 2021
- Gold sales for the six months was 14,847 ounces at an average sale price of \$2,450/oz for sale receipts of \$36.4 Million
- Beacon had cash of \$17.7 million and 1,077 ounces of bullion on hand/gold in transit at the end of the period
- Beacon poured its second tonne of gold in the December 2021 quarter

FINANCIAL AND CORPORATE

- The Company currently has no forward gold sales in place
- Finance facility entered into with low interest rates as Beacon moves to an owner operator model for open pit mining
- The owner operator model is expected to reduce cash operating costs by more than \$70/oz with less than a 2 year pay back on the capital investment
- Capital expenditure for the six months totalled A\$8.450 million which included capital works, plant and equipment purchases, gravity circuit / gold room installations, the new Jaurdi TSF, exploration and Panel 4 pre-strip.

EXPLORATION

- During the six months, 450 holes for 13,596m of aircore drilling and 34 holes for 2,038m of RC drilling was completed at the Jaurdi Gold Project.
- Best intercepts from prospects drilled include:
 - *B21RC001* 11 metres @ 2.76 g/t Au from 55 metres (Big Cat)
 - *LS21RC005* 7 metres @ 2.21 g/t Au from 101 metres (Lynx South)
 - *LDGC1109* 5 metres @ 13.53g/t Au from 21 metres (Lost Dog Panel 4)
 - *BSRC018* 3 metres @ 4.39 g/t Au from 42 metres to EOH (Black Cat South)
 - *HP21AC054* 3 metres @ 4.10g/t Au from 33 metres (Heine's)
 - *L21RC003* 13 metres @ 2.45 g/t Au from 26 metres (Lynx)
- Exploration field work has commenced at the MacPhersons Project



Beacon's performance during the six months ended 31 December 2021 reflects the regular and consistent performance of the Jaurdi Gold Project. Record tonnes were milled for the quarter.

Dry weather and continual refinement in ore blending ratios/sizing contributed to record through put for the quarter.

Production Update for the six months ended 31 December 2021

Mining continued in Lost Dog Panel 2 and Panel 4 during the past 6 months. Waste stripping of Panel 4 was prioritised, the material was overhauled to the new Jaurdi TSF. Mining contractor Hampton Mining and Civil were engaged in November to expedite the construction of the TSF. Ore mining was minimal for the half year resulting in a reduction in ore stockpiles of 218kt with 328kt and 12k oz's remaining on the Jaurdi Rom at the end of the period.

Mill throughputs continued to rise during the half year with a record 382k tonnes processed for the period. Head grade is lower than previous periods as the lower grade sections of the Lost Dog orebody are being mined however, produced ounces exceed guidance due to greater throughputs being achieved.

Beacon is pleased to provide the production numbers for six month ended 31 December 2021 at Jaurdi.

Operation	Unit	Sep-21 Qtr	Dec-21 Qtr	Total YTD
Ore Mined	BCM	61,000	2,000	63,000
Waste Mined	BCM	148,000	313,000	461,000
Ore milled	DMT	166,211	215,675	381,886
Head grade	gpt	1.62	1.28	1.42
Tails grade	gpt	0.24	0.16	0.19
Recovered grade	gpt	1.38	1.12	1.23
Gold Produced	oz	7,375	7,779	15,154
Gold Sold	oz	5,690	9,157	14,847
Average Gold Sales Price	A\$/oz	2,443	2,455	2,450

**Rounding errors may occur

Beacon have now moved to an owner operator model for open pit mining, with the existing hire mining fleet being purchased from the supplier. This included 1 x 90 Excavator, 3 x 45t Articulated Dump Trucks, 1 x 40t Articulated Dump Truck and a Service Truck.

The owner operator model is expected to reduce cash operating costs by more than \$70/oz with less than a 2 year pay back on the capital investment.

**Capital Update for the six months ended 31 December 2021**

Capital Expenditure for December 2021 Period	A\$'000
Capital Works	322
Plant and Equipment	2,979
Gravity Circuit / Gold Room	197
Tailings Storage Facility (TSF)	3,158
Pre-Strip Panel 4	1,278
Exploration	516
Total	8,450

During the period the Company received approval from Caterpillar Finance for up to \$5.0 million at interest rates between 1.9% and 4.5%.

As at 31 December 2021 Beacon had drawn down \$578,000 of the facility with the purchase of a Caterpillar Excavator. Two further items of mobile plant will be financed from the facility and will be delivered in the March 2022 quarter.

Native Title Resolution

The Company would like to advise that a Native Title compensation agreement between the Marlinyu Ghoorlie Group and Beacon Mining Pty Ltd has been signed for tenement M16/561. Mining approvals for the Lost Dog Panel 3 (eastern panel) will now be advanced in the coming months.

COVID-19

Beacon has successfully implemented the Western Australian Government's mandatory COVID-19 vaccination for all workers and has measures in place to implement the booster mandate. Approximately 10% of the Jaurdi Gold Project workforce resigned following the vaccine mandate.

The Company continues to manage its operations in compliance with COVID-19 regulations issued by the State and Commonwealth authorities.

EXPLORATION UPDATE

Drilling during the quarter consisted of 450 holes for 13,596m of aircore drilling and 34 holes for 2,038m of RC drilling. Drilling during the six months was focused on grade control for Lost Dog Panel 4, which was completed prior to mining. A second round of RC drilling was completed at the Lynx, Lynx South and Big Cat prospects. First pass aircore drilling was completed at Great Western, Far East and Heine's, see the previous quarterly reports for a full commentary on results.



Drilling completed during the six months included:

Prospect	Drilling Type	Number of Holes	Total Metres
Lynx	RC	3	276
Lynx South	RC	5	630
Big Cat	RC	7	828
Lost Dog	Aircore	288	6,328
Lost Dog	RC	19	304
Heine's	Aircore	57	2,235
Lynx	Aircore	4	214
Great Western	Aircore	57	3,587
Far East Palaeochannel	Aircore	44	1,232
Total	-	484	15,634

TIMOR-LESTE

Beacon has established a presence in Timor-Leste with the employment of a Dili based geologist. The Mineral Code was promulgated and socialisation of the code was well advanced at quarter end.

In December 2021 ANPM invited Beacon to submit new applications for exploration licenses and 8 applications were submitted on 4 January 2022. The areas applied for are prospective for copper and gold.

The applications will be reviewed by ANPM and the Minister responsible. There is no guarantee that any or all applications will be approved by the Timor-Leste government.

CORPORATE UPDATE

Bullion on hand and gold in transit totalled 1,077 ounces as at 31 December 2021.

Beacon has received approval from Caterpillar Finance for up to \$5.0 million at interest rates between 1.9% and 4.5%. As at 31 December 2021 Beacon had drawn down \$578,000 of the facility.

Beacon has no forward sales of gold as at the date of this report. Management monitors the forward position of the Company and considers amongst other items the continuing strong spot gold price and the change in the forward curve back into contango (i.e., higher future prices than spot prices) in determining forward sales.

On 5 October 2021 the Company paid a fully franked dividend of \$0.00125 per share.

MD/Chairman Graham McGarry commented:

“The payment of dividends of \$0.00825 per ordinary share totalling (\$29.5 million) in calendar year 2021 is a milestone for Beacon, we will continue to monitor returns to shareholders, balanced against growth opportunities that may emerge in calendar year 2022.”

**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:

- "June 2021 Quarterly Activities Report" released on the 30th July 2021.
- "Beacon Doubles Resource Inventory, Mine Life Extended" released on the 19th October 2021.

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.



SUBSEQUENT EVENTS

There has been no matter or circumstance that has arisen since 31 December 2021, 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 12.

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

A handwritten signature in black ink, appearing to read 'Graham McGarry', positioned above the printed name.

Graham McGarry

Executive Chairman/Managing Director

28 February 2022

**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 2021 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 2022

ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151
PO Box 748
South Perth WA 6951
Telephone: +61 8 6436 2888
williambuck.com



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

Australian Dollars (\$)	Note	31 December 2021 \$	31 December 2020 \$
Gold sales		35,664,079	38,624,874
Interest revenue		5,526	12,228
REVENUE		35,669,605	38,637,102
Cost of goods sold		(24,502,209)	(21,174,556)
GROSS PROFIT		11,167,396	17,462,546
Other Income	3	1,357,853	1,378,627
EXPENDITURE			
Administration expenses	3	(717,030)	(530,503)
Employee expenses – equity based		-	(487,795)
Exploration and development expenditure written off		(571,459)	(565,875)
Finance expenses		(3,986)	(1,816,660)
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		11,232,774	15,440,340
Income tax expense		(3,884,707)	(2,920,248)
PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX		7,348,067	12,520,092
Other comprehensive income, net of income tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		7,348,067	12,520,092
EARNINGS PER SHARE		Cents	Cents
Basic profit/(loss) per share		0.2	0.4
Diluted profit/(loss) per share		0.2	0.3

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 31 DECEMBER 2021**

Australian Dollars (\$)	Note	31 December 2021	30 June 2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		17,767,141	22,041,849
Trade and other receivables		1,464,196	481,899
Other assets		958,165	1,871,039
Inventories		12,394,199	12,887,192
Other financial assets		-	671,998
TOTAL CURRENT ASSETS		32,583,701	37,953,977
NON-CURRENT ASSETS			
Plant and equipment		11,148,053	6,714,825
Development expenditure		18,094,278	19,552,689
Exploration and evaluation		-	531,410
Tenement acquisition	9	16,929,296	-
TOTAL NON-CURRENT ASSETS		46,171,627	26,798,924
TOTAL ASSETS		78,755,328	64,752,901
CURRENT LIABILITIES			
Trade and other payables		8,481,779	3,857,947
Income tax liability		6,908,333	4,073,876
Provisions	4	724,316	532,957
Hire purchase lease		140,670	-
TOTAL CURRENT LIABILITIES		16,255,098	8,464,780
NON-CURRENT LIABILITIES			
Hire purchase lease		407,680	-
Provisions	4	7,049,700	4,816,656
Deferred tax liability		518,840	-
TOTAL NON-CURRENT LIABILITIES		7,976,220	4,816,656
TOTAL LIABILITIES		24,231,318	13,281,436
NET ASSETS		54,524,010	51,471,465
EQUITY			
Issued capital	5	67,790,874	67,597,464
Reserves	6	1,729,038	1,729,038
Accumulated losses		(14,995,902)	(17,855,037)
TOTAL EQUITY		54,524,010	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 HALF YEAR ENDED 31 DECEMBER 2021

Australian Dollars (\$)	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 (Note 5)	193,410	-	-	193,410
Options issued during the period (Note 5)	-	-	-	-
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

	ISSUED CAPITAL \$	SHARE OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Balance at 1 July 2020	49,573,794	1,902,716	(19,837,208)	31,639,302
Profit for the period	-	-	12,520,092	12,520,092
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income	-	-	12,520,092	12,520,092
<i>Transactions with owners in their capacity as owners:</i>				
Option exercised during the period (Note 5)	109,596	-	-	109,596
Options issued during the period (Note 6)	-	487,795	-	487,795
Balance at 31 December 2020	49,683,390	2,390,511	(7,317,116)	44,756,785

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 2021**

Australian Dollars (\$)	31 December 2021 \$	31 December 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from the sale of gold	37,382,272	39,502,237
Receipt from government grants/rebates	373,604	829,952
Expenditure on production activities	(16,105,794)	(12,933,766)
Payments to suppliers and employees	(787,822)	(686,718)
Interest received	5,841	15,410
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	20,868,101	26,727,115
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(5,186,614)	(1,870,968)
Payment for term deposit	(20,000)	-
Payments for development activities	(1,631,971)	(5,963,037)
Payment for tenement	(14,004,710)	-
Proceeds from sale of plant and equipment	-	9,450
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(20,843,295)	(7,824,555)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	193,471	109,596
Payments in relation to issue of shares	-	-
Payment of dividend	(4,488,996)	-
Payment of interest on hire purchase lease	(3,984)	-
Payments in relation to debenture issue	-	(1,099,230)
Repayment of debentures	-	(18,000,000)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(4,299,509)	(18,989,634)
Net decrease in cash and cash equivalents	(4,274,703)	(87,074)
Cash and cash equivalents at the beginning of the half-year	22,041,844	15,367,426
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	17,767,141	15,280,352

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 ('2021 Half Year Report') for the half year ended 31 December 2021 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 2021 Half Year Report does not include all of the information and notes required within the Annual Report for the year ended 30 June 2021. 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 2021, together with any public announcements made during the half-year ended 31 December 2021.

The 2021 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 2021 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 2021 are not necessarily indicative of the results that may be expected for the year ended 30 June 2022.

Accounting Policies

There have been no material changes in the critical accounting policies compared to those disclosures in the Group's consolidated financial statements as at, and for the year ended 30 June 2021.

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.

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.

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 2021 \$	31 December 2020 \$
Other Income		
Fuel tax rebates	1,356,217	1,301,677
Other	1,636	76,950
	<u>1,357,853</u>	<u>1,378,627</u>
Administration expenses		
Employment expenses	523,418	248,824
Corporate expenses	193,612	281,679
	<u>717,030</u>	<u>530,503</u>

NOTE 4: PROVISION

	31 December 2021 \$	30 June 2021 \$
Current		
Employee entitlements	724,316	532,957
	<u>724,316</u>	<u>532,957</u>
Non-Current		
Rehabilitation	7,049,700	4,816,656
	<u>7,049,700</u>	<u>4,816,656</u>
Provision for rehabilitation		
Opening balance	4,816,656	-
Provision made during the period	2,209,671	4,863,401
Provision used during the period	-	-
Provisions re-measured during the year	-	-
Unwind of discount	23,373	(46,745)
Balance at reporting date	<u>7,049,700</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 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 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.

NOTE 5: ISSUED CAPITAL

	31 December 2021	30 June 2021
(a) Issued and paid up capital	\$	\$
At the beginning of the reporting period	67,597,464	49,573,794
Shares issued during the period	-	-
Shares issued on exercise of options (i)	193,410	18,023,670
Transaction costs	-	-
At reporting date 3,591,264,992 (30 June 2021: 3,583,526,145) fully paid ordinary shares	<u>67,790,874</u>	<u>67,597,464</u>
Movements in Ordinary Shares	Number	Number
At the beginning of reporting period	3,583,526,145	2,862,579,343
Shares issued during the period (i)	7,738,847	720,946,802
Balance at reporting date	<u>3,591,264,992</u>	<u>3,583,526,145</u>

(i) During the period 7,738,847 Listed Options were exercised, the exercise price was \$0.025 per option.

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

	31 December 2021	30 June 2021
	\$	\$
At the beginning of the period	1,729,038	1,902,716
Expiry of options	-	(1,872,716)
Issued during the period	-	1,699,038
	<u>1,729,038</u>	<u>1,729,038</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 2021	30 June 2021
	Number	Number
At the beginning of the period	207,590,118	908,536,920
Exercised during the period	(7,738,847)	(700,946,802)
	<u>199,851,271</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.

Movement in 1 August 2021 Unlisted Options exercisable at \$0.025 (ii)

	31 December 2021	30 June 2021
	Number	Number
At the beginning of the period	-	20,000,000
Exercised during the period	-	(20,000,000)
	<u>-</u>	<u>-</u>

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

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

	31 December 2021 Number	30 June 2021 Number
At the beginning of the period	180,000,000	-
Issued during the period	-	180,000,000
	<u>180,000,000</u>	<u>180,000,000</u>

(iii) 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 2021 \$	31 December 2020 \$
Fully franked final dividend for the year ended 30 June 2021 of \$0.00125 (31 Dec 2020: \$0.00) per ordinary share	4,448,996	-

On 12 February 2021 the directors declared an interim dividend for the year ending 30 June 2021 of \$0.002 per ordinary share and a special dividend of \$0.005 per share. A total of \$25,038,836 was paid to shareholders on 24 March 2021.

NOTE 8: INCOME TAX**Income Tax**

	31 December 2021 \$	30 June 2021 \$
Current tax expense	2,834,457	4,073,876
Deferred tax expense	1,050,250	4,667,889
Income tax expense	<u>3,884,707</u>	<u>8,741,765</u>

NOTE 9: ACQUISITION OF MACPHERSONS REWARD PTY LTD

On 24 August 2021 the Company announced it had acquired all the shares in the capital of MacPhersons Reward Pty Ltd. MacPhersons Reward Pty Ltd was 100% owner of the MacPhersons Reward Project which is located 45km southeast of the Company's Jaurdi Gold Project and 5km southeast of the Coolgardie township.

Management has accounted for this transaction as an acquisition of assets and not as a business combination since, at the date of acquisition, the MacPhersons Reward Project 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 MacPhersons Reward Project costs of:
 - Six granted mining leases
 - Two pending mining leases
 - Nine prospecting licences (one pending extension)
 - Three miscellaneous licences

- Beacon acquired 100% interest in MacPhersons Reward Project for a cash consideration of \$14.0 million.

Consideration for the acquisition was:

Details	Amount \$
Cash	14,000,000
Acquisition costs	4,710
Stamp duty	714,915
Rehab Provision	2,209,671
	<u>16,929,296</u>

The assets acquired were the tenements.

NOTE 10: FINANCIAL LIABILITIES

The Group entered into a finance facility with Caterpillar Finance for up to \$5.0m at interest rates between 1.9% and 4.5% to fund the purchase of equipment.

As at 31 December 2021, \$0.5m of the facility had been drawn down secured over the assets purchased with the facility.

NOTE 11: COMMITMENTS AND CONTINGENCIES

There have been no significant changes to commitments or contingencies since 30 June 2021.

NOTE 12: SUBSEQUENT EVENTS

There has been no matter or circumstance that has arisen since 31 December 2021, 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.



DIRECTORS' DECLARATION

The directors of the Consolidated Entity declare that:

1. the financial statements and notes, as set out on pages 13 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 2021 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 2022

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 2021, 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 2021 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 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.

ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

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 2021 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 2022