

5 July 2024

Dear Shareholders

### **EXTRAORDINARY GENERAL MEETING**

An extraordinary general meeting of Beacon Minerals Limited (**Company**) is scheduled to be held at The Boulevard Centre, 99 The Boulevard, Floreat WA 6014 on Friday, 9 August 2024 at 11:00am (AWST) (**Meeting**).

The Directors have made the decision that a physical meeting will be held. Accordingly, Shareholders will be able to attend the Meeting in person.

It will be helpful for Shareholders who wish to attend the Meeting in person to register their attendance by contacting the Company Secretary, Sarah Shipway via email at [sarahs@beaconminerals.com.au](mailto:sarahs@beaconminerals.com.au) by no later than 5:00pm (AWST) on 8 August 2024. This will greatly assist the Company to manage any amendments required to the Meeting format. The Company will endeavour to adopt a format that will best ensure that all Shareholders who wish to attend are able to participate.

The Company **strongly encourages Shareholders to lodge a directed proxy form prior to the Meeting and register their attendance prior to the Meeting if they are attending**. Questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the Meeting, for example by preparing answers in advance to Shareholders questions. However, questions may also be raised during the Meeting.

In accordance with provisions under the *Corporations Act 2001* (Cth), the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has previously requested a hard copy. Please find below links to important Meeting documents:

- Notice of Meeting and Explanatory Statement: [www.beaconminerals.com.au](http://www.beaconminerals.com.au)

Alternatively, a complete copy of the Notice of Meeting and Explanatory Statement has been posted on the Company's ASX market announcements page.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting and Explanatory Statement.

In order to receive electronic communications from the Company in the future, please update your Shareholder details online at [www.automicgroup.com.au](http://www.automicgroup.com.au) and log in with your unique shareholder identification number and postcode (or country for overseas residents), which you can find on your enclosed personalised proxy form. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab.



If you are unable to access the Notice of Meeting and Explanatory Statement online, please contact the Company Secretary, Sarah Shipway, on +61 437 220 697 or via email at [sarahs@beaconminerals.com.au](mailto:sarahs@beaconminerals.com.au).

The Company will notify Shareholders via the Company's website at [www.beaconminerals.com.au](http://www.beaconminerals.com.au) and the Company's ASX Announcement Platform at [asx.com.au](http://asx.com.au) (ASX: BCN) if changing circumstances impact the planning or arrangements for the Meeting.

This announcement is authorised for market release by the Board of Beacon Minerals Limited.

Sincerely,

Sarah Shipway  
Non-Executive Director / Company Secretary  
**Beacon Minerals Limited**

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**BEACON MINERALS LIMITED**  
**ACN 119 611 559**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 11:00am (WST)  
**DATE:** 9 August 2024  
**PLACE:** The Boulevard Centre  
99 The Boulevard  
Floreath WA 6014

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Independent Expert has concluded that the transaction the subject of Resolution 1 of the General Meeting is not fair but reasonable to non-associated shareholders.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders 5:00pm (AWST) on 7 August 2024.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 - APPROVAL OF LADY IDA PROJECT TRANSACTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.1 and for all other purposes, approval is given for the Company to execute the Earn-In, JV and Tenement Transfer Agreement in relation to the Lady Ida Project and for the transactions contemplated therein, on the terms and conditions set out in the Explanatory Statement."*

**Short Explanation:** The Company and its wholly owned subsidiary, Beacon Mining Pty Ltd (ACN 603 853 916), propose to enter into an Earn-in, JV and Tenement Transfer Agreement with Lamerton Pty Ltd (ACN 008 739 928) and Geoda Pty Ltd (ACN 056 002 192), pursuant to which Beacon Mining Pty Ltd will earn up to 50% beneficial ownership as a tenant in common of an undivided share in the Tenements and the Applications which constitute the Lady Ida Project; Geoda Pty Ltd, Lamerton Pty Ltd and Beacon Mining Pty Ltd will form an unincorporated joint venture to mine and develop the Lady Ida Project and Geoda Pty Ltd and Lamerton Pty Ltd will transfer 100% legal and beneficial ownership of the Lady Ida Project to Beacon Minerals on the terms set out in the Earn-In, JV and Tenement Transfer Agreement. Lamerton Pty Ltd and Geoda Pty Ltd are controlled by related parties by virtue of being companies controlled by Graham McGarry and Geoff Greenhill, respectively. As such, pursuant to Listing Rule 10.1.1, the transaction the subject of the Earn-in, JV and Tenement Transfer Agreement must be approved by Shareholders of the Company in accordance with Listing Rule 10.1. In addition, as Geoda Pty Ltd and Lamerton Pty Ltd may be reimbursed for expenditure on the Lady Ida Project, will receive profits from the sale of products produced from the Lady Ida Project and will be granted a royalty if transfer of 100% legal and beneficial ownership of the Lady Ida Project to Beacon Minerals occurs, these matters constitute the giving of a financial benefit to related parties of the Company, and, as a quorum of directors cannot be formed to consider whether any exceptions apply, the Company is also seeking approval pursuant to section 195(4) and section 208 of the Corporations Act.

**Independent Expert's Report:** Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined that the transaction is not fair but reasonable to the non-associated Shareholders in the Company.

**A voting exclusion and prohibition statement applies to this Resolution. Please see below.**

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**Dated: 28 June 2024**

**By order of the Board**

**Sarah Shipway**  
**Non-Executive Director and Company Secretary**

## Voting Prohibition Statement

### Resolution 1 – Approval of Lady Ida Project Transaction

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 1 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 1 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 1 Excluded Party,, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

### Resolution 1 – Approval of Lady Ida Project Transaction

Lamerton Pty Ltd and Geoda Pty Ltd (or any of their associates) or any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 437 220 697.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND

#### 1.1 Earn-In, Joint Venture and Tenement Transfer Agreement

On 16 March 2023, Lamerton Pty Ltd (ACN 008 739 928) (**Lamerton**) and Geoda Pty Ltd (ACN 056 002 192) (**Geoda**) (together, **GL**) entered into an agreement with Siberia Mining Corporation Pty Ltd (ABN 97 097 650 194) (**Siberia**) for the acquisition of tenements M16/262, M16/263, M16/264, L15/224, L16/58, L16/62 and L16/103 (**Tenements**) and applications L16/138 and L16/142 (**Applications**), which together form the **Lady Ida Project**, and all of Siberia's right, title and interest in third party agreements relating to the Tenements and all mining information pertaining to the Tenements and the Applications. Completion of the acquisition of the Lady Ida Project by GL occurred on 23 September 2023. Details of the Tenements are set out in Schedule 2.

The Company proposes to enter into an earn-in, joint venture and tenement transfer agreement with GL pursuant to which:

- (a) the Company's wholly owned subsidiary Beacon Mining Pty Ltd (ACN 603 853 916) (**Beacon Mining**) will earn up to 50% beneficial ownership as a tenant in common of an undivided share in the Tenements and the Applications;
- (b) GL and Beacon Mining will form an unincorporated joint venture to mine and develop the Lady Ida Project; and
- (c) GL will transfer 100% legal and beneficial ownership of the Lady Ida Project to Beacon Minerals,

on the terms and conditions as summarised in Schedule 1 (the **Earn-In, JV and Tenement Transfer Agreement**).

The Company will not execute the Earn-In, JV and Tenement Transfer Agreement unless it receives Shareholder approval for Resolution 1.

The Earn-In, JV and Tenement Transfer Agreement will be subject to and conditional upon satisfaction of the following conditions precedent on or before 5:00pm (AWST) on 31 August 2024:

- (a) the Company obtaining the Shareholder approvals contemplated by this Notice of Meeting;
- (b) the Parties obtaining all necessary corporate, governmental and regulatory approvals, consents and waivers pursuant to the ASX Listing Rules, the Corporations Act and any other applicable law to lawfully undertake the matters set out in the Earn-In, JV and Tenement Transfer Agreement;
- (c) the Parties obtaining all necessary third-party approvals, consents and waivers to lawfully undertake the matters set out in the Earn-In, JV and Tenement Transfer Agreement; and

- (d) subject to the Company obtaining the Shareholder approvals referred to in (a) above, the Company appointing a fourth director who must be independent from the Lady Ida Project,

together, the **Conditions**.

The Conditions are for the benefit of the Company and as such may only be waived with the prior written consent of the Company.

As part of the Earn-In, JV and Tenement Transfer Agreement:

- (a) Subject to:
  - (i) satisfaction (or waiver by Beacon Mining) of the last of the Conditions; and
  - (ii) compliance with the ASX Listing Rules, which will include the Company providing to ASX for review documentation to evidence the proposed reimbursement of exploration expenditure incurred by GL on the Tenements and ASX determining that such proposed reimbursement is permissible pursuant to Listing Rule 10.7,

the Company will reimburse GL for exploration expenditure and Tenement costs incurred by GL on the Lady Ida Project from 23 September 2023 to the execution date of the Earn-In, JV and Tenement Transfer Agreement. As at the date of this Notice, these costs are estimated to be \$500,000, however, as noted above, are subject to ASX review.

- (b) With effect from the First Earn-in Completion Date, GL and Beacon Mining will be entitled to the proceeds of sale on the sale of Products on a Percentage Share basis (being 50:50) until 72,500 ounces of gold has been produced from the Lady Ida Project through the Jaurdi Mill.
- (c) During the period set out in (b) above, GL's share of revenue from the Lady Ida Project will be paid in cash (after deducting the costs contemplated in the Earn-In, JV and Tenement Transfer Agreement, which includes a management fee payable by GL to the Manager (Beacon Mining) in respect of the management of the Joint Venture, equal to 5% of all cash costs that relate to Mining and Treatment) by Beacon Mining each Quarter.
- (d) On and from the Commencement Date, the Parties shall have access to the Existing Ore Stockpiles and Laterites for the purpose of Mineral production. Any Product produced from the Existing Ore Stockpiles or Laterites located on the Lady Ida Project will be shared between Beacon Mining and GL in their Percentage Share and deposited at the metals storage accounts of Beacon Mining, Geoda and Lamerton at the Perth Mint on the following basis:
  - (i) 50%: Beacon Mining;
  - (ii) 25% Geoda; and
  - (iii) 25% Lamerton.

- (e) If transfer of 100% legal and beneficial ownership of the Lady Ida Project to Beacon Minerals occurs in accordance with the Earn-In, JV and Tenement Transfer Agreement, GL will be granted a 4% Net Smelter Return royalty payable in kind.

A summary of the material terms of the Earn-In, JV and Tenement Transfer Agreement (including defined terms) are set out in Schedule 1.

## **1.2 Purpose of the Earn-In, JV and Tenement Transfer Agreement**

The Earn-In, JV and Tenement Transfer Agreement is part of the Company's strategy to increase the mine life at the Jaurdi Gold Project by acquiring an interest in projects proximal to existing assets that build mine reserves and compliment current operations.

The Lady Ida Project has significant strategic value to the Company given it is situated on mining leases proximate to the Company's Jaurdi Mill and that due diligence completed by the Company has indicated it could be brought into production.

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## **2. RESOLUTION 1 – APPROVAL OF LADY IDA PROJECT TRANSACTION**

### **2.1 General**

As set out at Section 1.1 above, the Company proposes to enter into the Earn-In, JV and Tenement Transfer Agreement pursuant to which:

- (a) Beacon Mining will earn up to 50% beneficial ownership as a tenant in common of an undivided share in the Tenements and the Applications;
- (b) GL and Beacon Mining will form the Joint Venture; and
- (c) GL will transfer 100% legal and beneficial ownership of the Lady Ida Project to Beacon Minerals,

on the terms and conditions set out in the Earn-In, JV and Tenement Transfer Agreement.

Graham McGarry and Geoff Greenhill are Directors of the Company and are also directors and controllers of Lamerton and Geoda respectively. Accordingly, for the purposes of ASX Listing Rule 10.1.1 and section 195(4) and section 208 of the Corporations Act, Shareholder approval is required for the Company to execute the Earn-In, JV and Tenement Transfer Agreement and undertake the matters contemplated by the Earn-In, JV and Tenement Transfer Agreement.

A summary of the material terms of the Earn-In, JV and Tenement Transfer Agreement (including defined terms) are set out in Schedule 1.

Resolution 1 seeks Shareholder approval for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.1 and all other purposes for the Company to execute the Earn-In, JV and Tenement Transfer Agreement in relation to the Lady Ida Project and for the transactions contemplated therein.

### **2.2 Independent Expert's Report**

Listing Rule 10.5.10 requires a notice of meeting containing a resolution to approve a transaction under Listing Rule 10.1 to include a report on the Acquisition from an independent expert.

The Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd (**Independent Expert**) (a copy of which is attached as Annexure A to this Notice) sets out a detailed independent examination of the Earn-In, JV and Tenement Transfer Agreement (including the Royalty the subject of the Royalty Deed) to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 1. The Independent Expert has concluded that the transaction as set out in the Earn-In, JV and Tenement Transfer Agreement the subject of Resolution 1 is **not fair but reasonable** to the non-associated Shareholders.

**Shareholders are urged to carefully read the Independent Expert's Report in full to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.**

## **2.3 Director Recommendation**

After carefully considering all aspects of the Earn-In, JV and Tenement Transfer Agreement and the Independent Expert's Report, Sarah Shipway, as the sole independent director, considers that the Earn-In, JV and Tenement Transfer Agreement is in the best interests of Shareholders and recommends that Shareholders vote in favour of Resolution 1.

Graham McGarry and Geoff Greenhill each have a material personal interest in the outcome of Resolution 1 on the basis that GL, being companies controlled by them (and which they are each a director of) will receive the benefits contemplated by the Earn-In, JV and Tenement Transfer Agreement should Resolution 1 be approved and the Earn-In, JV and Tenement Transfer Agreement becomes unconditional. For this reason, Graham McGarry and Geoff Greenhill do not believe that it is appropriate for them to make a recommendation in relation to Resolution 1.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

## **2.4 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The reimbursement of expenditure on the Lady Ida Project (if approved by ASX), revenue from the sale of Products produced from the Lady Ida Project, receipt of Product produced from the Existing Ore Stockpiles and Laterites and the Royalty the subject of the Royalty Deed (which will be entered into if transfer of 100% legal and beneficial ownership of the Lady Ida Project to Beacon Mining occurs) are financial benefits and Geoda and Lamerton are related parties of the Company by virtue of being controlled by Directors (Geoff Greenhill in relation to Geoda and Graham McGarry in relation to Lamerton).

As the financial benefits under the Earn-In, JV and Tenement Transfer Agreement (including the Royalty under the Royalty Deed) are proposed to be issued to all of the Directors other than Sarah Shipway (being 2 out of the 3 Directors of the Company), the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the Earn-In, JV and Tenement Transfer Agreement. Accordingly, Shareholder approval is sought in accordance with Chapter 2E of the Corporations Act.

## **2.5 Section 195(4) of the Corporations Act**

Section 195 of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

All but one of the Directors comprising the Board have a material personal interest in the outcome of Resolution 1. A quorum therefore cannot be formed to consider the matters contemplated by Resolution 1 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolution 1 for the purposes of section 195(4) of the Corporations Act.

## **2.6 ASX Listing Rule 10.1**

ASX Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire or dispose of, or agree to acquire to dispose of, when the consideration to be paid for the asset or the value of the asset being disposed of constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to ASX under the Listing Rules from:

- 10.1.1 a related party;
- 10.1.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.1.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company;
- 10.1.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.1.5 a person whose relationship with the company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Graham McGarry and Geoff Greenhill are Directors of the Company and are also directors and controllers of Lamerton and Geoda, respectively. Based on the Company's audited accounts for the half year ended 31 December 2023, 5% of the equity interest in Beacon is approximately \$3.49 million. The amounts payable by the Company to acquire an interest in the Lady Ida Project will exceed this figure. Accordingly, for the purposes of ASX Listing Rule 10.1.1,

Shareholder approval is required in relation to the Earn-In, JV and Tenement Transfer Agreement.

## **2.7 Technical information required by ASX Listing Rule 10.5 and section 219 of the Corporations Act**

Pursuant to and in accordance with ASX Listing Rule 10.5 the following information is provided in relation to Resolution 1:

- (a) the Company and Beacon Mining have entered into the Earn-In, JV and Tenement Transfer Agreement with GL, companies which are controlled by Directors Graham McGarry and Geoff Greenhill. Mr McGarry is a director of Lamerton and Mr Greenhill is a director of Geoda;
- (b) Graham McGarry and Geoff Greenhill are Directors of the Company and also control Lamerton and Geoda, respectively. Accordingly, GL are deemed related parties under Listing Rule 10.1.1 and are the related parties which a financial benefit is proposed to be given;
- (c) the purpose of the Earn-In, JV and Tenement Transfer Agreement is for the Company to acquire an interest in the Lady Ida Project by developing the Lady Ida Project with the intention of increasing the mine life at the Jaurdi Gold Project;
- (d) the nature of the financial benefits to be given to GL are set out in Section 1.1 above and in further detail in Schedule 1;
- (e) a summary of the material terms of the Earn-In, JV and Tenement Transfer Agreement (including defined terms and the Royalty the subject of the Royalty Deed) is set out in Schedule 1;
- (f) an indicative timetable for the Earn-In, JV and Tenement Transfer Agreement and commencing the earn-in and joint venture arrangements is set out at Section 2.9 below;
- (g) the Company will fund all of the costs of the Earn-In, JV and Tenement Transfer Agreement from its current cash reserves;
- (h) the relevant interests of Geoda and Lamerton in securities of the Company as at the date of this Notice are set out below:

	Shares
Geoda Pty Ltd <sup>1</sup>	238,365,346
Lamerton Pty Ltd <sup>2</sup>	404,998,570

### **Notes:**

- 1. These Shares are held by Mr Geoffrey Greenhill and Ms Gwenda Greenhill <Greenhill Super Fund A/C>.
- 2. Comprising 113,375,354 Shares held by Lamerton Pty Ltd and 291,623,216 Shares held by Lamerton Pty Ltd ATF Mac's Super Fund A/C.

- (i) a voting exclusion statement is included in Resolution 1 of this Notice; and

- (j) an Independent Expert's Report, which includes a valuation of the financial benefit that GL will receive if Resolution 1 is passed is included at Annexure A of the Notice.

## **2.8 Technical Information required by Listing Rule 14.1A**

If Resolution 1 is passed, the Company will be able to proceed with the Earn-In, JV and Tenement Transfer Agreement. If Resolution 1 is not passed, the Company cannot proceed with the Earn-In, JV and Tenement Transfer Agreement.

## **2.9 Indicative Timetable**

<b>Event</b>	<b>Date</b>
Company announced offer letter regarding joint venture and earn-in proposal	6 December 2023
Company dispatches Notice of Meeting	5 July 2024
Shareholders approve the Acquisition	9 August 2024
Company executes Earn-In, JV and Tenement Transfer Agreement and announces execution	9 August 2024
Conditions to Earn-In, JV and Tenement Transfer Agreement satisfied (including announcement of new Director)	23 August 2024
Earn-In period commences	26 August 2024

The above dates are indicative only and are subject to change at the Board's discretion in accordance with the Corporations Act and ASX Listing Rules.

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## GLOSSARY

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*Defined terms used in the Earn-In, JV and Tenement Transfer Agreement are defined in the "Definitions in the Earn-In, JV and Tenement Transfer Agreement" section of Schedule 1.*

*Defined terms used in the Royalty Deed are defined in the "Definitions in the Royalty Deed" section of Schedule 1.*

**\$** means Australian dollars.

**Applications** has the meaning given in Section 1.1.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Beacon Mining** has the meaning given in Section 1.1.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Beacon Minerals Limited (ACN 119 611 559).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Earn-In, JV and Tenement Transfer Agreement** has the meaning given in Section 1.1.

**Geoda** has the meaning given in Section 1.1.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Lady Ida Project** has the meaning given in Section 1.1.

**Lamerton** has the meaning given in Section 1.1.

**Listing Rules** means the Listing Rules of ASX.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Siberia** has the meaning given in Section 1.1.

**Tenements** has the meaning given in Section 1.1.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 – SUMMARY OF THE EARN-IN, JV AND TENEMENT TRANSFER AGREEMENT

<b>Parties</b>	<p>Beacon Mining Pty Ltd (<b>Beacon Mining</b>)</p> <p>Lamerton Pty Ltd and Geoda Pty Ltd (together, <b>GL</b>)</p> <p>Beacon Minerals Limited (<b>Company</b>)</p>
<b>Summary</b>	<p>GL holds a 100% legal and beneficial interest in the Tenements and a 100% beneficial interest in the Applications which together form the <b>Lady Ida Project</b>.</p> <p>Beacon Mining is a wholly owned subsidiary of Beacon Minerals. Beacon Mining wishes to acquire an interest in the Lady Ida Project.</p> <p>The Earn-In, JV and Tenement Transfer Agreement sets out the terms and conditions upon which:</p> <ul style="list-style-type: none"> <li>(a) Beacon Mining will earn up to 50% beneficial ownership as a tenant in common of an undivided share in the Tenements and the Applications;</li> <li>(b) GL and Beacon Mining will form the Joint Venture; and</li> <li>(c) GL will transfer 100% legal and beneficial ownership of the Lady Ida Project to Beacon Minerals.</li> </ul>
<b>Conditions</b>	<p>The Earn-In, JV and Tenement Transfer Agreement is subject to and conditional upon the satisfaction of the following conditions precedent on or before 5:00pm (WST) on 31 August 2024 (<b>End Date</b>):</p> <ul style="list-style-type: none"> <li>(a) the Company obtaining the Shareholder approvals contemplated by this Notice of Meeting;</li> <li>(b) the Parties obtaining all necessary corporate, governmental and regulatory approvals, consents and waivers pursuant to the ASX Listing Rules, the Corporations Act and any other applicable law to lawfully undertake the matters set out in this Agreement;</li> <li>(c) the Parties obtaining all necessary third-party approvals, consents and waivers to lawfully undertake the matters set out in this Agreement; and</li> <li>(d) subject to the Company obtaining the Shareholder approvals referred to above, the Company appointing a fourth director who must be independent from the Lady Ida Project,</li> </ul> <p>(together, the <b>Conditions</b>).</p> <p>The Conditions are for the benefit of Beacon Mining and are only capable of waiver by Beacon Mining.</p> <p>If the Conditions are not satisfied, or waived by Beacon Minerals, by the End Date (or such other date agreed by the Parties), any Party may terminate the Earn-In, JV and Tenement Transfer Agreement by notice in writing to the other Parties in which case, the agreement constituted by the Earn-In, JV and Tenement Transfer Agreement will be at end and the Parties will be released from their obligations under the Earn-In, JV and Tenement Transfer Agreement (other than in respect of any breaches that occurred prior to termination).</p>
<b>Reimbursement of expenditure to GL</b>	<ul style="list-style-type: none"> <li>(a) Subject to: <ul style="list-style-type: none"> <li>(i) satisfaction (or waiver by Beacon Mining) of the last of the Conditions; and</li> <li>(ii) compliance with the ASX Listing Rules, which will include</li> </ul> </li> </ul>

	<p>the Company providing to ASX for review documentation to evidence the proposed reimbursement of exploration expenditure incurred by GL on the Tenements and ASX determining that such proposed reimbursement is permissible pursuant to Listing Rule 10.7,</p> <p>the Company will reimburse GL for exploration expenditure and Tenement costs incurred by GL on the Lady Ida Project from 23 September 2023 to the execution date the Earn-In, JV and Tenement Transfer Agreement is executed by the last of the Parties (<b>Execution Date</b>).</p> <p>(b) GL agrees to provide the Company with all assistance required by the Company to meet ASX's review requirements in item (a)(i) above.</p> <p>(c) GL acknowledge and agree that the reimbursement of any expenditure on the Lady Ida Project as contemplated above will ultimately be for ASX to determine and GL will have no right to claim reimbursement of expenditure from the Company or Beacon Mining if ASX does not approve such reimbursement.</p>
<b>GL Warranties and Indemnities</b>	GL have provided various warranties to the Company and Beacon Mining in relation to the Tenements considered standard for an agreement of this nature.
<b>Responsibilities during First Earn-In Period</b>	<p>From the Commencement Date until the Joint Venture Commencement Date:</p> <p>(a) GL and Beacon Mining will work together to develop an agreed staged mining operation on M16/262, with the Parties acting reasonably and collaboratively.</p> <p>(b) Beacon Mining will complete, at its cost, an exploration program on M16/263 and M16/264.</p> <p>(c) Beacon Mining will:</p> <ul style="list-style-type: none"> <li>(i) undertake development at the Lady Ida Project;</li> <li>(ii) control and manage the spend and exploration plans for the Lady Ida Project;</li> <li>(iii) pay all rents, rates, taxes and third party (including native title and heritage) costs of the Lady Ida Project;</li> <li>(iv) pay any costs of any rehabilitation obligations on M16/262 as required by the Department;</li> <li>(v) undertake and satisfy the minimum expenditure obligations in relation to the Tenements at its sole expense;</li> <li>(vi) progress the grant of the Applications and meet all costs associated with the grant of the Applications (and, if any Applications are granted, undertaking and satisfying the minimum expenditure obligations in relation to the tenements awarded upon grant of the Applications) at its sole expense;</li> <li>(vii) deal with all Department matters to keep the Tenements in good standing;</li> <li>(viii) conduct all exploration activities on the Tenements in accordance with good and generally accepted Australian exploration practice;</li> </ul>

	<ul style="list-style-type: none"> <li>(ix) keep the Tenements in good standing under the Act; and</li> <li>(x) comply with the <i>Mining Act 1978</i> (WA), the terms and conditions of the Tenements, and other laws that relate to the Tenements, or the performance of exploration or mining under this Agreement.</li> </ul>
	(d) GL will: <ul style="list-style-type: none"> <li>(i) grant Beacon Mining the sole and exclusive right to access, explore and mine the Tenements at Beacon Mining's sole cost;</li> <li>(ii) provide all necessary assistance and rights of access to enable Beacon Mining to exercise its rights under the Earn-In, JV and Tenement Transfer Agreement;</li> <li>(iii) not do or fail to do anything in respect of the Tenements (other than those things required to be done by Beacon Mining under this Agreement) which may adversely affect Beacon Mining's rights under the Earn-In, JV and Tenement Transfer Agreement;</li> <li>(iv) not do anything which may prejudice the validity, subsistence or good standing of the Tenements or result in the Tenements being at risk of forfeiture or non-renewal;</li> <li>(v) make available to Beacon Mining all information with respect to the Lady Ida Project which is in the possession or control of GL, promptly upon request by Beacon Mining;</li> <li>(vi) promptly provide Beacon Mining with copies of any notice, correspondence or other information received by GL from the Department or any other Authority or other person in respect of the Lady Ida Project;</li> <li>(vii) not permit the creation of any Encumbrance or sell, assign or otherwise deal with or dispose of the whole or any part of its interest in the Lady Ida Project, except with the prior consent of Beacon Mining;</li> <li>(viii) not, without the prior written consent of Beacon Mining, enter into any agreement or arrangement or take any action whatsoever in relation to the Lady Ida Project (other than arrangements which permit persons approved by Beacon Mining to undertake metal detecting sampling and surface disturbance for metal detecting so long as such activities do not adversely affect Beacon Mining's rights or obligations under the Earn-In, JV and Tenement Transfer Agreement);</li> <li>(ix) not surrender all or any part of any Tenements without the prior consent of Beacon Mining other than relinquishment of the whole or part of the area of the Tenements in accordance with the terms and conditions of the Tenements and the Act;</li> <li>(x) provide reasonable assistance as necessary to enable Beacon Mining to maintain the Tenements in good standing and to enable Beacon Mining to comply with its obligations.</li> </ul>
<b>First Earn-In</b>	(a) The Parties agree that GL shall transfer to Beacon Mining a 25%

	<p>Tenement Interest. GL's obligation to complete the transfer of a 25% Tenement Interest is conditional on:</p> <ul style="list-style-type: none"> <li>(i) Beacon Mining sole funding the Lady Ida Project until: <ul style="list-style-type: none"> <li>(A) the first gold is recovered from M16/262; and</li> <li>(B) processed through Beacon Minerals' Jaurdi Mill,</li> </ul> <p>which must be achieved within the First Earn-In Period (<b>First Earn-in</b>); and</p> <li>(C) Beacon Mining having provided to GL a notice of obligation to transfer in accordance with the terms of the Earn-In, JV and Tenement Transfer Agreement.</li> </li></ul> <p>(b) The First Earn-In will be met when:</p> <ul style="list-style-type: none"> <li>(i) an independent third-party metallurgist, such individual to be agreed between Beacon Mining and GL, confirms in writing to Beacon Mining and GL that the First Earn-In has been achieved; and</li> <li>(ii) Beacon Mining and GL receive written confirmation of the first outturn by the Perth Mint including appropriate GIC adjustments.</li> </ul>								
<b>Revenue sharing</b>	<p>(a) With effect from the First Earn-in Completion Date, GL and Beacon Mining will be entitled to the proceeds of sale on the sale of Products on a Percentage Share basis until 72,500 ounces of gold having been produced from the Lady Ida Project through the Jaurdi Mill.</p> <p>(b) During the Percentage Share period set out in item (a) above, GL's share of revenue from the Lady Ida Project will be paid in cash (after deducting the costs contemplated in the Earn-In, JV and Tenement Transfer Agreement, which includes a management fee payable by GL to the Manager in respect of the management of the Joint Venture, equal to 5% of all cash costs that relate to Mining and Treatment) by Beacon Mining each Quarter.</p>								
<b>Establishment of Joint Venture and interests</b>	<p>With effect from the Joint Venture Commencement Date, the Joint Venturers agree to establish the Joint Venture as an unincorporated joint venture according to the terms and conditions contained in the Earn-In, JV and Tenement Transfer Agreement.</p> <p>The Joint Venture Interests of the Joint Venturers as at the Joint Venture Commencement Date are:</p> <table border="1"> <thead> <tr> <th>GL's Joint Venture Interest</th><th>Beacon Mining's Joint Venture Interest</th></tr> </thead> <tbody> <tr> <td>50%</td><td>50%</td></tr> </tbody> </table> <p>The Tenement Interests of the Joint Venturers as at the Joint Venture Commencement Date are:</p> <table border="1"> <thead> <tr> <th>GL's Tenement Interest</th><th>Beacon Mining's Tenement Interest</th></tr> </thead> <tbody> <tr> <td>75%</td><td>25%</td></tr> </tbody> </table>	GL's Joint Venture Interest	Beacon Mining's Joint Venture Interest	50%	50%	GL's Tenement Interest	Beacon Mining's Tenement Interest	75%	25%
GL's Joint Venture Interest	Beacon Mining's Joint Venture Interest								
50%	50%								
GL's Tenement Interest	Beacon Mining's Tenement Interest								
75%	25%								
<b>Objects and scope of the</b>	<p>The objects of the Joint Venture are to undertake Joint Venture Activities associated with the Lady Ida Project and, in particular, to:</p>								

<b>Joint Venture</b>	<p>(a) mine and, as appropriate, crush, screen, beneficiate, process, convey, handle, store and stockpile Ore, overburden and waste extracted from the Mine, and produce Products;</p> <p>(b) decommission any Joint Venture Property no longer required for Mining and Treatment and Rehabilitate any areas within the Mining Area where the Joint Venture has ceased Mining;</p> <p>(c) maintain the Tenements and further explore and evaluate the Mining Area for reserves of Ore;</p> <p>(d) do all things incidental to any of the objects as resolved by the Management Committee; and</p> <p>(e) undertake such other activities as the parties agree from time to time,</p> <p>upon the terms and conditions set out in the Earn-In, JV and Tenement Transfer Agreement.</p>
<b>Second Earn-In</b>	<p>(a) The Parties agree that Beacon Mining will be entitled to receive an additional 25% Tenement Interest (bringing Beacon Mining's Tenement Interest to 50%) and that GL must transfer the additional interest to Beacon Mining, conditional upon:</p> <p>(i) the First Earn-In being satisfied; and</p> <p>(ii) 36,250 ounces of gold (being an additional 36,249 ounces to the First Earn-In) having been produced from the Lady Ida Project through the Jaurdi Mill within the Second Earn-In Period, <b>(Second Earn-in);</b> and</p> <p>(iii) Beacon Mining having provided to GL a notice of obligation to transfer in accordance with the terms of the Earn-In, JV and Tenement Transfer Agreement.</p> <p>(b) The Second Earn-In will be met when an independent third-party metallurgist, such individual to be agreed between Beacon Mining and GL, confirms in writing to Beacon Mining and GL that the Second Earn-In has been achieved.</p>
<b>Use of Jaurdi Mill</b>	<p>Beacon Mining and the Company covenant that the Ore recovered from the Lady Ida Project will be given priority access to the Jaurdi Mill until 72,500 ounces of gold has been recovered from the Lady Ida Project.</p>
<b>Withdrawal from Agreement</b>	<p>(a) Beacon Mining may withdraw from the Earn-In, JV and Tenement Transfer Agreement at any time prior to achievement of the First Earn-In or the Second Earn-In by giving not less than 30 days' prior written notice to GL subject to Beacon Mining having satisfied on a daily pro rata basis all the obligations in respect of the Tenements imposed by the Mining Act (including expenditure conditions but excluding relinquishment obligations) for the whole of the Tenements year in which the withdrawal is effective.</p> <p>(b) As from the end of the 30-day period of notice of withdrawal, Beacon Mining:</p> <p>(i) the agreement to transfer the first 25% Tenement Interest (if terminated prior to achievement of the First Earn-In) or the agreement to transfer a further 25% (if terminated after the First Earn-In but prior to achievement of the Second Earn-In) is terminated;</p>

	<ul style="list-style-type: none"> <li>(ii) relinquishes all right, title or interest in the Lady Ida Project other than in respect to mined Products in process prior to the end of the 30-day period; and</li> <li>(iii) must promptly provide to GL all technical information relating to the Lady Ida Project held by Beacon Mining.</li> </ul>
<b>Management Committee, Voting and Decision Making</b>	<ul style="list-style-type: none"> <li>(a) A Management Committee is established on the Joint Venture Joint Venture Commencement Date. Each Joint Venturer must appoint two (2) representatives to the Management Committee in writing.</li> <li>(b) Beacon Mining must appoint (and may dismiss) its representative to be chair of the Management Committee. Beacon Mining must cause the chair to preside at all meetings of the Management Committee.</li> <li>(c) On any resolution or at any meeting of the Management Committee, a Joint Venturer (other than a Defaulting Joint Venturer) may cast, through its representatives, one vote per representative.</li> <li>(d) At meetings of the Management Committee, the Manager is not entitled to vote, however the chair will have a second or casting vote.</li> <li>(e) Unless otherwise specified in this Agreement or in Schedule 2, all decisions of the Management Committee must be determined by majority vote. Certain decisions, including: variation of certain cash costs, adjusting production capacity sale or disposition of Joint Venture Property or the Tenements over a certain dollar amount, creation of an encumbrance of a Joint Venture Interest and approval of terms and conditions of contracts over a certain dollar figure, must be made by unanimous vote.</li> </ul>
<b>Existing Ore Stockpiles and Laterites</b>	<ul style="list-style-type: none"> <li>(a) On and from the Commencement Date, the Parties shall have access to Existing Ore Stockpiles and Laterites located on the Lady Ida Project for the purpose of Mineral production.</li> <li>(b) None of the gold (if any) produced from the Existing Ore Stockpiles or Laterites will be included in the calculations of "ounces of gold produced from the Lady Ida Project through the Jaurdi Mill" for the purposes of calculating whether the First Earn-in, Second Earn-in or the milestone to trigger transfer of the Lady Ida Project to Beacon Mining.</li> <li>(c) Any Product produced from the Existing Ore Stockpiles or Laterites will be shared between Beacon Mining and GL in their Percentage Share.</li> <li>(d) Each Quarter, any Product produced from the Existing Ore Stockpiles or Laterites will be deposited at the metals storage accounts of Beacon Mining, Geoda and Lamerton at the Perth Mint on the following basis: <ul style="list-style-type: none"> <li>(i) 50%: Beacon Mining;</li> <li>(ii) 25%: Geoda; and</li> <li>(iii) 25%: Lamerton.</li> </ul> </li> <li>(e) The cash costs of cartage and milling of the Existing Ore Stockpiles and delivery of Product to the Perth Mint will be borne by Beacon Mining and GL in accordance with their Percentage Share.</li> <li>(f) The cash costs of mining, cartage and milling of the Laterites</li> </ul>

	and delivery of Product to the Perth Mint will be shared between Beacon Mining and GL in accordance with their Percentage Share.
<b>Assignment</b>	<p>(a) A Joint Venturer may not assign the whole or any part of its Joint Venture Interest otherwise than:</p> <ul style="list-style-type: none"> <li>(i) as permitted by the Earn-In, JV and Tenement Transfer Agreement; or</li> <li>(ii) with the consent of all the other Joint Venturers, which they may give or refuse in their absolute discretion.</li> </ul> <p>(b) Any purported dealing by a Joint Venturer with its Joint Venture Interest contrary to the Earn-In, JV and Tenement Transfer Agreement is void.</p>
<b>Consent to caveat</b>	Beacon Mining may lodge caveats against the Tenements forbidding the registration of any dealing (including any Encumbrance) with any of the Tenements. GL consent to the lodgement of such caveats and must do all things reasonably necessary to assist Beacon Mining in lodging such caveats.
<b>Terms of Transfer of Lady Ida Project</b>	<p>(a) The Parties agree that GL will transfer to Beacon Mining the remaining 50% Tenement Interest in the Lady Ida Project, in addition to the Tenement Interests to be transferred under the First and Second Earn-in.</p> <p>(b) The transfer of the remaining 50% Tenement Interest is conditional upon 72,500 ounces of gold having been produced from the Lady Ida Project through the Jaurdi Mill (being an additional 36,250 ounces to the Second Earn-In) and verified in accordance with item (d) below.</p> <p>(c) In consideration for the transfer, Beacon Mining will grant GL the Royalty on the terms and conditions set out in the Royalty Deed.</p> <p>(d) The achievement of 72,500 ounces of gold having been produced from the Lady Ida Project through the Jaurdi Mill must be verified by an independent third-party metallurgist, such individual to be agreed between Beacon Mining and GL and confirmed in writing to Beacon Mining and GL, which evidences the total ounces recovered from the Lady Ida Project since the Joint Venture Commencement Date being 72,500 ounces. This calculation will not include any gold produced from the existing ore stockpiles or laterites.</p> <p>(e) Within 7 Business Days after receipt of the confirmation set out in item (d) above and Ministerial consent to the transfer of the Tenements under the Mining Act:</p> <ul style="list-style-type: none"> <li>(i) Settlement of the transfer of the Lady Ida Project will take place at 11:00am at the office of Beacon Mining or at such other time or place as the parties may agree (<b>Settlement</b>); and</li> <li>(ii) the Parties must deliver all documents due at Settlement (including signed counterparts of the Royalty Deed) to each other.</li> </ul>
<b>Termination of Joint Venture</b>	<p>The Joint Venture commences on the Joint Venture Commencement Date and continues until the earliest to occur of any of the following <b>Termination Events</b></p> <ul style="list-style-type: none"> <li>(a) all Non-Defaulting Joint Venturers (for themselves and as attorney for each Defaulting Joint Venturer) agree in</li> </ul>

	<p>writing to terminate the Joint Venture;</p> <p>(b) the Management Committee determines unanimously that all economically recoverable reserves of Products in the Mining Area have been recovered;</p> <p>(c) the Management Committee determines unanimously that Joint Venture Activities should cease due to a failure to obtain approval under the Act for any required proposals for the extension of Mining into any undeveloped deposits within the Mining Area upon terms and conditions acceptable to all the Joint Venturers;</p> <p>(d) the Joint Venturers cease to hold any interest in any Tenement;</p> <p>(e) if Beacon Mining has not commenced Mining at the Iguana Deposit on M16/262 by 31 December 2027; or</p> <p>(f) upon completion of the transfer of the Lady Ida Project to Beacon Mining as contemplated in the Earn-In, JV and Tenement Transfer Agreement,</p> <p>and further until completion of the winding up of all Joint Venture Activities.</p>
<b>Other terms</b>	<p>The Earn-In, JV and Tenement Transfer Agreement otherwise contains terms considered standard for an agreement of this type relating to: use and ownership of Joint Venture Property, the Tenements and Applications; functions and meetings of the Management Committee; term of appointment and remuneration of the Manager and functions, powers and duties of the Manager; programmes, budget and called sums; Joint Venture accounting and audits; term, suspension of the Joint Venture; consequences of default; dispute resolution process.</p>
<b>Definitions in the Earn-In, JV and Tenement Transfer Agreement</b>	<p><b>Authority</b> is any government department, local government council, government or statutory authority or any other person or entity under a Law which has a right to impose a requirement or whose consent is required with respect to Joint Venture Activities.</p> <p><b>Capital Works</b> means capital works and services, either associated with a development to further support, expand, suspend, Rehabilitate or abandon Mining and Treatment, as approved by the Management Committee.</p> <p><b>Commencement Date</b> means the date on which the last of the Conditions are satisfied (or waived).</p> <p><b>Department</b> means the Department of Energy Mines Industry Regulation and Safety) for Western Australia or such other body, department or instrumentality responsible for administration of the Act from time to time and includes any registrar or warden.</p> <p><b>Development</b> means the construction, supply, completion and commissioning of a commercial Mining and Treatment operation for extraction and processing of Products, including the construction or supply of Mining Plant, an Ore pad and associated crushing systems, conveyors, stockpiles, loading systems, utilities, vehicles, offices, workshops, and all other facilities, systems, plant, equipment and personnel required for the safe and efficient development, operation and rehabilitation of the Mine in accordance with the Mine Plans, and may include Mining or Treatment.</p> <p><b>End Date</b> means 5:00pm (WST) on 31 August 2024.</p> <p><b>Existing Ore Stockpiles</b> means all low-grade stockpiles existing on the Tenements as at the Execution Date.</p>

**Execution Date** means the date the Earn-In, JV and Tenement Transfer Agreement is executed by the last of the Parties to it which will be no earlier than the date on which Resolution 1 is approved by Shareholders.

**First Earn-in Completion Date** means the date Beacon Mining satisfies the First Earn-in which must be on or before 31 December 2027, unless otherwise agreed in writing between the Parties.

**First Earn-In Period** means the period from the Commencement Date to the First Earn-in Completion Date.

**Joint Venture** means the unincorporated joint venture, formed by the Parties to mine and develop the Lady Ida Project upon the terms and conditions set out in the Earn-In, JV and Tenement Transfer Agreement.

**Joint Venturer** means a party which holds a Joint Venture Interest but does not include a party in its capacity as Manager.

**Joint Venture Accounts** means the accounts denominated in the currency determined by the Management Committee on an accrual basis maintained by the Manager on behalf of the Joint Venturers in accordance with the Earn-In, JV and Tenement Transfer Agreement, including the Accounting Procedure, and containing a record of all charges and credits that are attributable to the Joint Venture consistent with standard accounting procedures, expenditure classifications and reporting formats as accepted by the Management Committee.

**Joint Venture Activities** means all Exploration, Mining, Treatment, Rehabilitation and Mine Closure activities involved in the acquisition, use, development, operation and maintenance of Joint Venture Property and all other activities, undertakings, and operations undertaken by the Joint Venturers pursuant to the Earn-In, JV and Tenement Transfer Agreement.

**Joint Venture Commencement Date** means the date on which GL is deemed to have granted Beacon Mining the First Earn-In Interest.

**Joint Venture Interest** means the following rights, liabilities and obligations of a Joint Venturer determined under the Earn-In, JV and Tenement Transfer Agreement:

- (a) the obligation, subject to the terms of the Earn-In, JV and Tenement Transfer Agreement, to contribute its Percentage Share of all Joint Venture Expenditure;
- (b) the ownership of and the right to receive in kind and to dispose of for its own account its Percentage Share of Products produced under the Earn-In, JV and Tenement Transfer Agreement; and
- (c) all other rights, liabilities and obligations accruing to or incurred by the Joint Venturers in or arising out of the Earn-In, JV and Tenement Transfer Agreement in its Percentage Share.

**Joint Venture Property** means all rights, titles, interest, claims, benefits and all other property of whatever kind, real or personal, from time to time owned by any Joint Venturer for the purposes of the Joint Venture, and includes the Joint Venture Accounts.

**Laterites** means all near surface laterites located on the Tenements proved up by GL prior to the Execution Date.

**Management Committee** means the committee of representatives of the Joint Venturers established under this Agreement to supervise the management of the Joint Venture

**Manager** means Beacon Mining or such other person or entity as may be engaged or appointed by the Management Committee as Manager

from time to time under the Earn-In, JV and Tenement Transfer Agreement.

**Mine Closure** means all or any action or conduct by the Manager for the purpose of suspending or Abandoning all, or a severable part of, the Joint Venture Activities or Joint Venture Property under the Earn-In, JV and Tenement Transfer Agreement whether by way of demolition, removal, destruction, conversion, placement on permanent care and maintenance or other basis, or any similar action or conduct, and all other action or conduct as the Manager considers necessary to comply with all applicable Laws, the requirements of an Authority or Good Australian Mining Practice in relation to such Mine Closure.

**Minerals** means gold and silver.

**Mining** means all operations associated with the extraction of Ore from the Mining Area, and haulage and delivery to the Treatment Plant, including pre-stripping, and the removal and disposal of overburden and waste, but does not include Development, Treatment, Rehabilitation or Mine Closure.

**Mining Area** means the whole of the area within the Tenements set out in Schedule 1 depicted on the plan contained in the Earn-In, JV and Tenement Transfer Agreement, and any other additional Tenements or areas of land applied for or acquired for the purposes of the Earn-In, JV and Tenement Transfer Agreement.

**Mining Plant** means all Capital Works, plant, equipment, machinery, facilities and other infrastructure required to carry out Mining operations.

**Ore** means any Mineral or mixture of Minerals of intrinsic economic interest located in or on the Earth's crust at a concentration above background level.

**Party** or **Parties** means the parties to The Earn-In, JV and Tenement Transfer Agreement, as the case may be, and their successors and permitted assigns.

**Percentage Share** means 50% GL and 50% Beacon Mining.

**Products** means all Minerals or metallic Ores, concentrates, metals and other mineralised products derived from Minerals, processed, smelted or refined from Ores extracted from the Mining Area under the Earn-In, JV and Tenement Transfer Agreement which are capable of being sold.

**Quarter** means a calendar quarter ending 31 March, 30 June, 30 September and 31 December in any year and Quarterly has the corresponding meaning.

**Rehabilitation** means all undertakings, works and efforts for the reclamation, revegetation, decontamination and cleaning up of the Mining Area and Joint Venture Property associated with, or preparing for, the suspension or final physical shutdown of all or part of Mining or Treatment, or as otherwise determined by the Management Committee, in a safe and workmanlike manner including, without limitation, the payment of all Shutdown Costs in accordance with all applicable Laws, and Authorisations granted to the Joint Venturers, including all applicable rehabilitation objectives, indicators, compliance criteria, and "**Rehabilitate**" has an equivalent meaning.

**Second Earn-in Completion Date** means the date Beacon Mining satisfies the Second Earn-in.

**Second Earn-In Interest** means a further 25% Tenement Interest, which will bring Beacon Mining's Tenement Interest to 50%.

**Second Earn-in Period** means the period commencing on the First Earn-In

	<p>Completion Date and ending on the Second Earn-in Completion Date.</p> <p><b>Tenement Interest</b> means beneficial ownership as a tenant in common of an undivided share in its Tenement Share of the Tenements and the Applications</p> <p><b>Tenement Share</b> means the percentage Tenement Interest which a Joint Venturer has in the Tenements and Applications in accordance with the Earn-In, JV and Tenement Transfer Agreement.</p> <p><b>Treatment</b> means the processing, smelting, and refining of Ore, overburden and waste up to and including producing Products, and includes crushing, weighing, sampling, assaying, refining, treatment, transportation, handling, storage, loading and delivery of the Products, but does not include Mining or Development.</p>
<b>Royalty and Royalty Deed</b>	<p>At settlement of the transfer of 100% legal and beneficial interest in the Lady Ida Project to Beacon Mining, the GL, Beacon Mining and the Company must deliver signed counterparts of the Royalty Deed to each other.</p> <p>The key terms of the Royalty are as follows:</p> <ul style="list-style-type: none"> <li>(a) from the date on which settlement occurs in accordance with the terms of the Earn-In, JV and Tenement Transfer Agreement (<b>Commencement Date</b>), for each Quarter in which any Product is produced and sold, removed or otherwise disposed of, the Payer agrees to pay to the Payees the Royalty calculated in accordance with the Royalty Deed.</li> <li>(b) The obligation to pay the Royalty accrues upon the receipt by the Payer of revenue received from the sale or other disposal of Products, or as otherwise set out in the Royalty Deed.</li> <li>(c) The Purchaser must pay the Royalty to Geoda and Lamerton on a 50:50 basis.</li> <li>(d) The Payees have elected to receive the Royalty in kind as Refined Gold and Silver.</li> <li>(e) The Royalty will be satisfied in Refined Gold and Silver to be placed into nominated metal accounts at the Perth Mint in the respective names of Lamerton and Geoda (on a 50:50 basis).</li> <li>(f) The Payees agree to hold harmless the Payer from any liability imposed as a result of the election of the Payees to receive the Royalty "in kind".</li> </ul>
<b>Definitions in the Royalty Deed</b>	<p><b>Concentrate</b> means Ore in which particular Minerals are the principal components having commercial value.</p> <p><b>Doré</b> means impure bullion produced by treating Ore and other material containing Precious Metals.</p> <p><b>Gross Revenue</b> means the gross proceeds actually received by Beacon Mining or applied to its benefit, in Australian dollars, or in Australian dollar equivalent, from the sale or other disposal of Products to the owner or operator of a Refinery, or in relation to the Products, including the proceeds received from an insurer in the case of loss of, or damage to, the Products (net of any excess paid in respect of that loss or damage), less any applicable penalties, refunds, claims or discounts.</p> <p><b>Guarantor</b> means Beacon Minerals.</p> <p><b>Minerals</b> means gold and silver.</p> <p><b>Mining Area</b> means the area within the boundaries of the Tenements existing at the date of the Royalty Deed where mining activities are</p>

conducted from time to time during the term of the Royalty Deed, and any other area to which the parties agree the Royalty Deed applies.

**Net Smelter Return** means, for a Quarter, Gross Revenue and Adjustments (as defined in the Royalty Deed) (whether plus or minus) minus Allowable Deductions (as defined in the Royalty Deed) for that Quarter.

**Payees** means Geoda and Lamerton.

**Payer** means Beacon Mining.

**Precious Metals** means gold group metals.

**Product** means a mineral or metallic product extracted and recovered from the Mining Area which is capable of being sold or otherwise disposed of, including gold and silver. **Quarter** means a period of 3 consecutive months commencing on 1 January, 1 April, 1 July or 1 October in any year, other than the first Quarter which commences on the Commencement Date and expires on the date immediately preceding the next to occur of 1 January, 1 April, 1 July or 1 October.

**Refined Gold and Silver** means bullion refined from Doré or Concentrates of Precious Metals to a form that meets good delivery standards in the London Bullion Market, or comparable terminal market.

**Royalty** means the royalty payable in kind by Beacon Mining to GL under the Royalty Deed calculated by multiplying 4% by the Net Smelter Return.

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**SCHEDULE 2 – TENEMENTS**

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Tenement	Grant Date	Size	State	Registered Holder
M16/262	12/03/1999	989.35 Ha	Western Australia	GEODA PTY LTD AND LAMERTON PTY LTD (50:50)
M16/263	12/03/1999	999.15 Ha	Western Australia	GEODA PTY LTD AND LAMERTON PTY LTD (50:50)
M16/264	12/03/1999	990.95 Ha	Western Australia	GEODA PTY LTD AND LAMERTON PTY LTD (50:50)
L15/224	10/01/2000	163.00 Ha	Western Australia	GEODA PTY LTD AND LAMERTON PTY LTD (50:50)
L16/58	13/12/1999	114.80 Ha	Western Australia	GEODA PTY LTD AND LAMERTON PTY LTD (50:50)
L16/62	13/12/1999	42.80 Ha	Western Australia	GEODA PTY LTD AND LAMERTON PTY LTD (50:50)
L16/103	06/07/2016	14.98 Ha	Western Australia	GEODA PTY LTD AND LAMERTON PTY LTD (50:50)



# **Beacon Minerals Limited**

Independent Expert's Report

**Opinion: Not fair but reasonable**

13 June 2024



## Financial Services Guide

13 June 2024

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Beacon Minerals Limited ('Beacon' or 'the Company') to provide an independent expert's report on the proposal to enter into an earn-in, joint venture and tenement transfer agreement with Geoda Pty Ltd ('Geoda') and Lamerton Pty Ltd ('Lamerton') (collectively known as 'GL') in relation to the Lady Ida Gold Project, pursuant to which the Company can acquire up to 100% of the project ('Proposed Transaction'). GL are related parties of Beacon as Lamerton is controlled by Managing Director, Mr Graham McGarry and Geoda is controlled by Non-Executive Director, Mr Geoff Greenhill. You are being provided with a copy of our report because you are a shareholder of Beacon and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Beacon to assist you in deciding on whether or not to approve the proposal.

### Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

### Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of



the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$22,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Beacon.

**Other Assignments** - In June 2023 we provided an independent expert's report to Beacon on a proposal to acquire the Lady Ida Gold Project from Lamerton and Geoda (**Proposed Acquisition**). Beacon was to fund the Proposed Acquisition through the issue of debentures to professional and sophisticated investors to raise up to \$20 million. The debenture issue was to be secured against all of the Company's tenements pursuant to a deed of mortgage, and security over all of the assets of the Company, pursuant to a combined security deed (**'Security Interest'**). For every one debenture that was to be issued to a debenture holder, the Company was to grant that debenture holder 20 Options exercisable at \$0.0375 each on or before the date that is four years from the date of issue (**'Debenture Options'**). Additionally, the Company was to pay a 4% fee to each of the debenture holders, calculated on the face value of their debentures (**'Debenture Fee'**). The directors of Beacon, being Graham McGarry, Geoff Greenhill and Sarah Shipway, and persons associated with them, intended to subscribe for \$5.2 million of the debenture issue, subject to shareholder approval (**'Related Party Debenture Issue'**). BDO opined on the Proposed Acquisition, the Related Party Debenture Issue and the grant of Security Interest to related parties. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement was approximately \$40,000.

Additionally, BDO Corporate Tax (WA) Pty Ltd provided fringe benefits tax consulting services for the 2023 financial year to Beacon. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement was approximately \$2,309.

#### **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Beacon for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

#### **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

#### **Complaints resolution**

##### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

#### **Compensation Arrangements**

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

#### **Referral to External Dispute Resolution Scheme**

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:



Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	<a href="http://www.afca.org.au">www.afca.org.au</a>
Email:	<a href="mailto:info@afca.org.au">info@afca.org.au</a>
Interpreter Service:	131 450

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by Valuation and Resource Management Pty Ltd

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13 June 2024

The Directors  
Beacon Minerals Limited  
144 Vivian Street  
Boulder WA 6432

Dear Directors

## INDEPENDENT EXPERT'S REPORT

### 1. Introduction

On 23 September 2023, Geoda Pty Ltd (**'Geoda'**) and Lamerton Pty Ltd (**'Lamerton'**) (collectively known as **GL**) acquired a beneficial interest in the Lady Ida Project. Subsequently, on 6 December 2023, Beacon Minerals Limited (**'Beacon'** **'Beacon Minerals'** or **'the Company'**) entered into a binding offer letter with GL which sets out the terms and conditions upon which the parties agree to enter into an earn-in, joint venture and tenement transfer agreement. An agreement based on the binding offer letter has been prepared that the parties propose to enter into upon shareholder approval being obtained. (**'Earn-In, JV and Tenement Transfer Agreement'**) in relation to the Lady Ida Project (**'Lady Ida Project'** or **'the Project'**). In particular, pursuant to the Earn-In, JV and Tenement Transfer Agreement the Company can acquire up to 100% of the Lady Ida Project from GL (**'Proposed Transaction'**). The Earn-In, JV and Tenement Transfer Agreement outlines the key terms and conditions which include the consideration payable by Beacon to GL to acquire an interest in the Project (**'the Consideration'**). Lamerton and Geoda are controlled by Beacon directors, Graham McGarry and Geoff Greenhill, respectively.

### 2. Summary and opinion

#### 2.1 Requirement for the report

The directors of Beacon have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion as to whether the Proposed Transaction is fair and reasonable to the non-associated shareholders of Beacon (**'Shareholders'**).

Our Report is prepared pursuant to ASX listing rule 10.1 and 10.5, and Chapter 2E of the Corporations Act 2001 (**'Corporations Act'** or **'the Act'**) and is to be included in the Notice of Meeting for Beacon in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

#### 2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**'ASIC'**) Regulatory Guides Regulatory Guide 76 **'Related party transactions'** (**'RG 76'**), Regulatory Guide 111 **'Content of Expert's Reports'** (**'RG 111'**) and Regulatory Guide 112 **'Independence of Experts'** (**'RG 112'**).

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

- How the value of the assets being acquired compares to the value of the consideration to be paid for the assets;
- The likelihood of an alternative offer being made to Beacon;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- The position of Shareholders should the Proposed Transaction not proceed.

## 2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is not fair but reasonable to Shareholders.

In our opinion, the Proposed Transaction is not fair because we are unable to conclude on the value of the Consideration in our assessment of the Second Milestone and the Transfer of the Project. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to Shareholders are greater than the disadvantages.

In particular, the Proposed Transaction is in line with Beacon's strategy of increasing the mine life at the Jaurdi Project, through the acquisition of projects proximal to the existing Jaurdi Project operations, being the Lady Ida Project. In addition, given the advanced nature of the Lady Ida Project, production could commence relatively quickly. As such, Beacon will hold a more comprehensive portfolio of gold mineral assets proximal to Coolgardie, bolstering its presence as an Australian-focused gold producer and in turn, this may increase the likelihood of Shareholders participating in a takeover premium in the future. Furthermore, in the event the Lady Ida Project does not become economically viable, the structure of the Consideration protects Shareholders.

## 2.4 Fairness

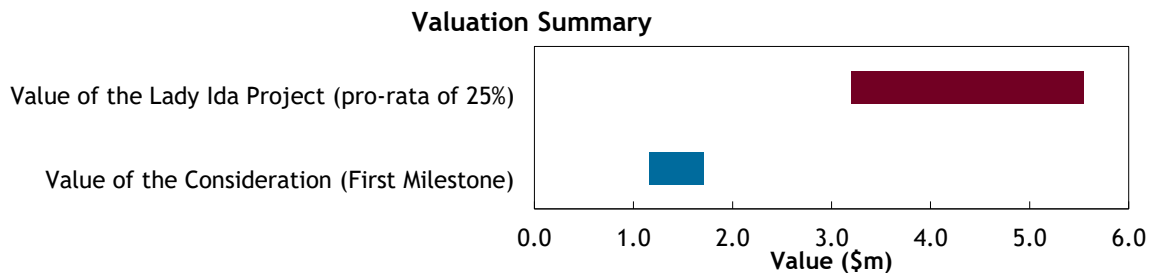
Pursuant to the Earn-In, JV and Tenement Transfer Agreement between the Parties, the Consideration payable for the Proposed Transaction is staged upon achievement of specific milestones, as outlined in Section 9. In Section 12 we assessed fairness by comparing the value of the Lady Ida Project received upon the First Milestone payment being made. As such we have determined that the value of the Lady Ida Project, on a pro-rata basis, compares to the value of the Consideration, as detailed below. We note that the First Milestone and the Second Milestone are as defined in section 4 of our report (refer below).

### First Milestone

	Ref	Low \$	Preferred \$	High \$
Value of the Lady Ida Project (pro-rata of 25%)	10	3.2	4.4	5.6
Value of the Consideration (First Milestone)	11	1.2	1.4	1.7

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and an alternate offer, the First Milestone under the Proposed Transaction is fair for Shareholders.

### Second Milestone and the Transfer of the Project

As outlined in Section 9 and 12, we note we do not have reasonable grounds to assess the likelihood and timing of future production from the Lady Ida Project and so we have not valued the elements of the Consideration that are contingent in nature, namely the Second Milestone and the Transfer of the Project. As such, we have been unable to consider the value of the Lady Ida Project on a pro-rata basis relative to the value of the Consideration to be paid for the Lady Ida Project up until the achievement of the Second Milestone and the Transfer of the Project. Therefore, as we are unable to conclude on the value of the respective contingent Consideration, we consider that the Second Milestone and the Transfer of the Project under the Proposed Transaction are not fair for Shareholders.

### Conclusion

We note that RG 111 states that an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. Therefore, pursuant to RG 111, all points on the valuation range are valid for making a fairness conclusion. Given that we are unable to conclude on the value of the contingent Consideration in our assessment of the Second Milestone and the Transfer of the Project, our overall assessment is that the Proposed Transaction is not fair.

## 2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.1	The Proposed Transaction is in line with Beacon's strategy of increasing the mine life at the Jaurdi Project	13.2	Beacon may have to seek additional funding to progress its interest in the Lady Ida Project
13.1	Production from the Lady Ida Project could commence relatively quickly		
13.1	The Proposed Transaction will result in Beacon acquiring assets that are complimentary to its existing portfolio, which may improve the attractiveness of the Company's shares and the likelihood of a potential takeover in the future		
13.1	The structure of the Consideration protects Shareholders, should the Lady Ida Project not be economically viable		

Other key matters we have considered include:

Section	Description
13.3	Alternative Proposal
13.4	Consequences of not approving the Proposed Transaction

## 3. Scope of the Report

### 3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

Lamerton and Geoda are considered related parties of Beacon, as Directors Graham McGarry and Geoff Greenhill are also directors and controllers (via interest in the ordinary shares) of Lamerton and Geoda, respectively. Based on the Company's audited accounts for the half year ended 31 December 2023, 5% of the equity interest in Beacon is approximately \$3.49 million. The value of the Consideration payable for Lady Ida Project exceeds this figure, therefore the Lady Ida Project is considered to be a substantial asset for the purpose of the ASX Listing Rules.

Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Proposed Transaction. Under RG 111 the report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Beacon.

### 3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1 and Chapter 2E this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Transaction as if it were not a control transaction.

### 3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Proposed Transaction is a control transaction. As such, we have not included a premium for control.

RG 111 states that a comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between how the value of the Lady Ida Project compares to the value of the Consideration for each milestone as per the Earn-In, JV and Tenement Transfer Agreement (fairness - see Section 12 'Is the Proposed Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

*'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'*

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

## 4. Outline of the Proposed Transaction

On 23 September 2023, Geoda and Lamerton acquired a beneficial interest in the Lady Ida Project. At that time, GL was awaiting the transfer of the legal interest in the tenements by the Department of Mines, Industry Regulations and Safety ('DMIRS'). The transfers were effected on 25 March 2024.

Subsequently, on 6 December 2023, Beacon Minerals entered into a binding offer letter with GL which sets out the terms and conditions upon which the parties agree to enter into an Earn-In, JV and Tenement Transfer Agreement in relation to the Lady Ida Project pursuant to which the Company can acquire up to 100% of the Lady Ida Project from GL. We note that GL have executed and provided the Earn-In, JV and Tenement Transfer Agreement to Beacon, however, execution of the agreement is subject to shareholder approval.

In particular, the Lady Ida Project consists of the following tenements M16/262, M16/263, M16/264, L15/224, L16/58, L16/62, L16/103 and applications L16/138 and L16/142.

### Key terms of the Earn-In, JV and Tenement Transfer Agreement

The key terms of the Earn-In, JV and Tenement Transfer Agreement are:

- Beacon's wholly owned subsidiary, Beacon Mining Pty Ltd ('Beacon Mining'), will earn up to 50% beneficial ownership as a tenant in common of an undivided share in the tenements and applications which constitute the Lady Ida Project;
- GL and Beacon Mining will form an unincorporated joint venture to mine and develop the Lady Ida Project;
- GL will transfer 100% legal and beneficial ownership of the Lady Ida Project to Beacon Minerals; and
- Subject to the conditions set out below, and compliance with the ASX Listing Rules, Beacon will reimburse GL for exploration expenditure and tenement costs incurred by GL on the Lady Ida Project from 23 September 2023 to the execution date of the Earn-In, JV and Tenement Transfer Agreement. As at the date of our Report, these costs are estimated to be \$500,000, however, these costs will be subject to ASX review.

### Conditions precedent

The Earn-In, JV and Tenement Transfer Agreement is conditional upon the satisfaction or waiver of the following conditions precedent:

- i) Shareholder approvals: Beacon obtaining shareholder approval pursuant to ASX Listing Rule 10.1 and sections 195(4) and 208 of the Corporations Act;
- ii) Regulatory approvals: Beacon and GL (known as the **Parties**) obtaining all necessary corporate, governmental and regulatory approvals, consents and waivers pursuant to the ASX Listing Rules, the Corporations Act 2001 and any other applicable law to enable completion of the Proposed Transaction;
- iii) Third party approvals: the Parties obtaining all necessary third party approvals, consents and waivers to lawfully undertake the Proposed Transaction; and
- iv) Director appointment: subject to Beacon obtaining shareholder approval pursuant to Listing Rule 10.1, Beacon appointing a fourth independent director.

(together 'the Conditions')

If the Conditions are not satisfied on or before 31 August 2024 or such other date to be agreed by the Parties ('End Date'), any party may terminate the agreement by notice in writing to the other party, in which case, the agreement will be at end and the parties will be released from their obligations (other than in respect of any breaches that occurred prior to termination). The parties will use their commercial best efforts to ensure that the conditions precedent are satisfied before the End Date.

### Earn-In and JV milestones

Beacon's interest in the Lady Ida Project is contingent upon the achievement of the following milestones, which are further detailed in Schedule 1 of the Company's Notice of Meeting:

#### 1. Establishment of Joint Venture

- At the commencement of the Earn-In, JV and Tenement Transfer Agreement, the Parties' participating interests will be GL - 100% interest and Beacon - 0% interest;
- From the commencement date until the JV commencement date, GL and Beacon will work together to develop an agreed staged mining operation on M16/262, with the Parties acting reasonably and collaboratively. In addition, Beacon will complete, at its cost, an exploration program on M16/263 and M16/264.

#### 2. First Earn-In

- Beacon and GL's responsibilities during the First Earn-In Period are specified in the Notice of Meeting.
- Beacon will sole fund the Lady Ida Project until the first gold is recovered from M16/262 and processed through the Jaurdi Mill as Beacon's earn-in (25%) to the joint venture ('First Milestone');
- With effect from the JV commencement date, the JV interests of the Parties are 50% for GL and 50% for Beacon, whilst the tenement interests of the Parties are 75% for GL and 25% for Beacon.

#### 3. Second Earn-In

- Once 36,250 ounces ('oz') of gold have been produced from the Lady Ida Project through the Jaurdi Mill, Beacon will acquire a further 25% beneficial interest in the Lady Ida Project (bringing Beacon's total beneficial interest to 50%) ('Second Milestone');
- Beacon and GL will share the cash costs for mining, cartage and processing on a 50:50 basis from achievement of the First Milestone. Such costs to be funded (as far as possible) from revenue received from each party's respective 50% share of sales of gold. GL will pay Beacon a 5% management fee on all cash costs that relate to mining of the Lady Ida Project ore, with such amount to be deducted from GL's share of revenue.
- Once Beacon has met the First Milestone, GL and Beacon will be entitled to the proceeds of sale on their respective 50% of gold until 72,500 oz have been recovered from the Lady Ida Project. During the 50:50 period, GL's share of revenue from the Lady Ida Project will be paid in cash (after deducting the costs contribution and management fee) by Beacon on a quarterly basis.

#### 4. Transfer of the Project

- Once 72,500 oz of gold have been recovered from the Lady Ida Project through the Jaurdi Mill:
  - i) GL will transfer the remaining 50% legal and beneficial ownership of the Lady Ida Project to Beacon ('Transfer of the Project'); and

- ii) In consideration for the transfer, and as per the terms and conditions set out in the Royalty Deed, a 4.00% net smelter royalty (**'Net Smelter Royalty'**) on all gold and silver produced from the Lady Ida Project will be granted by Beacon to GL.

#### Existing Ore Stockpiles and Laterites

On and from the commencement date of the Earn-In, JV and Tenement Transfer Agreement, the Parties shall have access to all low-grade stockpiles and all near surface laterites (proved up prior to the execution date of the Earn-In, JV and Tenement Transfer Agreement) (**'Existing Ore Stockpiles and Laterites'**) for the purpose of mineral production.

None of the gold (if any) produced from the Existing Ore Stockpiles or Laterites will be included in the calculations of "ounces of gold produced from the Lady Ida Project through the Jaurdi Mill" for the purposes of calculating whether the First Earn-in, Second Earn-in or the Transfer of the Project milestones have been met.

Any product produced from the Existing Ore Stockpiles or Laterites located on the Lady Ida Project will be shared between Beacon and GL in their percentage share (50% GL and 50% Beacon) and deposited at the metals storage accounts of Beacon and GL at the Perth Mint on the following basis:

- (i) 50%: Beacon;
- (ii) 25% Geoda; and
- (iii) 25% Lamerton.

## 5. Profile of Beacon

### 5.1 History

Beacon is an ASX listed gold producer, developer and explorer with projects based in Western Australia. Beacon's flagship asset is its 100% owned Jaurdi Gold Project ('**Jaurdi Project**') located northwest of Coolgardie. The Company also owns the MacPhersons Reward Project and the Geko Tenements, which are located nearby to the Jaurdi Project. Furthermore, the Company recently acquired the Mt Dimer Project and was awarded a series of copper exploration licences in Timor Leste. Beacon was incorporated in Australia on 9 May 2006 and gained admission onto the ASX on 20 October 2006. Beacon's registered office is located in Boulder, Western Australia.

The current board of directors of Beacon are:

- Graham McGarry - Executive Chairman and Managing Director;
- Geoffrey Greenhill - Non-Executive Director; and
- Sarah Shipway - Non-Executive Director and Company Secretary.

### 5.2 Jaurdi Project

The Jaurdi Project is located 35 kilometres ('**kms**') northwest of Coolgardie, Western Australia and consists of three mining centres, Lost Dog, Panther and Black Cat, in addition to the Jaurdi gold processing plant. The area is well serviced by infrastructure including a network of quality roads, the Kalgoorlie airport and an established mining supply network. The Jaurdi Project was acquired from Fenton and Martin Mining Developments Pty Ltd in September 2017 for \$100,000 and a royalty stream on the gold produced from the project tenements.

In August 2018, the Company announced the completion of its Pre-Feasibility Study ('**PFS**') for the Jaurdi Project. The PFS confirmed the technical and economic viability of project, based on an open pit mine that would deliver material to a new 500,000 tonnes per annum ('**tpa**') capacity carbon-in pulp ('**CIP**') treatment facility ('**Jaurdi Mill**'). The PFS estimated an initial mine life of five years, based on ore reserves at the time.

Commissioning of the Jaurdi Project's 500,000 tonnes per annum gold processing plant began in June 2019 and a maiden gold bar was subsequently produced in September 2019. The Jaurdi Gold Mine was officially opened on 29 November 2019. In October 2019, the Company announced the acquisition of additional tenements surrounding the Jaurdi Project, including the Panther mining lease (M16/365) which it acquired from Corinthian Mining Pty Ltd for \$125,000.

During 2020, production ramped up at the Jaurdi Project and significant ore stockpiles were established. The Company also completed drilling at the Panther deposit and Black Cat, Golden Cat, Lynx Cat, Alley Cat and Stockman's prospects, with a focus on extending the mine life at the Jaurdi Project. During the 2020 December quarter, Beacon advanced the design and approval process for a new circular Tailings Storage Facility ('**TSF**'). The new TSF would have capacity of two million dry tonnes, adding three years of tailings storage to current throughput. Construction and commissioning of the TSF was completed in June 2022.

The Jaurdi mill processed a total 854,000 dry metric tonnes ('**DMT**') during the 2023 financial year ('**FY23**'), an 8% increase from the previous year, for gold production to total 29,110 ounces ('**oz**'). As a result of the Company's acquisition of the Geko Tenements (further detailed below in Section 5.4), ore stockpiles as at 30 June 2023 significantly increased from the prior financial year to amount to 626,750

tonnes containing 22,000 oz Au. Mining activities were recently completed at Lost Dog at the particular panels of 2, 3 and 4, during the 2023 calendar year.

The Company is currently continuing to explore the Jaurdi project with the focus on building resources and reserves and testing prospective greenfield targets.

### 5.3 MacPhersons Reward Project

The MacPhersons Reward Project (**'MacPhersons Project'**) is located 45km southeast of Beacon's Jaurdi Project and 5km southeast of the Coolgardie township. Beacon acquired its 100% interest in the MacPhersons Project from Primary Gold Pty Ltd (**'Primary Gold'**) in August 2021 for cash consideration of \$14 million. The MacPhersons Project consists of six granted mining leases, two pending mining leases, nine prospecting licences (one pending extension) and three miscellaneous licences.

In 2017, Primary Gold completed an initial JORC 2012 compliant resource, reserve and conceptual mining study. Primary Gold was taken over by Hanking Australia Investments Pty Ltd in 2018, and after further drilling, a non-compliant JORC 2012 resource was released to the Hong Kong Stock Exchange in December 2020.

Following the acquisition of the MacPhersons Project in 2021, Beacon commissioned Cube Consulting Pty Ltd to provide an updated independent Mineral Reserve Estimate (**'MRE'**) following pit optimization work. Additionally, Entech Pty Ltd were commissioned by Beacon to provide an independent Ore Reserve Statement for the MacPhersons Project.

Exploration work during FY23 consisted of several reverse circulation and air core drilling programs. More recently, the Company was granted all relevant mining approvals during the December 2023 quarter and subsequently commenced initial mining activities which involved pre-stripping waste, clearing and topsoil removal work. Beacon expects its first ore for the project during the March 2024 quarter and intends to release an updated Mineral Resource and Reserve estimate for the MacPherson Project in the near future.

### 5.4 Geko Tenements

The Geko tenements are located 15km south-south-west of the Jaurdi Mill and 26km northwest of Coolgardie. The Geko tenements consist of mining lease M15/621 and miscellaneous licence L15/355 (**'Geko Tenements'**). Notably, the processing of low-grade stockpiles from the Geko Tenements will form the majority of the ore processed within the first six months of 2024, alongside the Lost Dog panels of 2, 3 and 4.

There is access between the Jaurdi Mill and the Geko Tenements via a network of unsealed public and private roads. To maximise the potential of the Geko Tenements, Beacon is intending to leverage the proximity to the Jaurdi Mill, the surrounding mining infrastructure and existing operational team. The acquisition also forms part of the strategy to increase the mine life at the Jaurdi Project.

The Geko pit was previously mined by Coolgardie Minerals Ltd between 2018 and 2019 before it went into receivership. SMS Innovative Mining Solutions Pty Ltd mined the pit between 2020 and 2021, before ceasing mining in 2021 due to water management issues and a wall failure in the pit.

Beacon acquired a 100% interest in the Geko Tenements in 2022 from Geko Pit Pty Ltd (**'Geko Pit'**). The consideration payable to Geko Pit for the acquisition was:

- A cash payment of \$7.75 million (excluding GST) at completion of the acquisition; and
- An additional \$3.0 million from production at a rate of 4% of the recovered gold value until a total of \$10.75 million has been paid.

Subsequently, Beacon released a Mineral Resource Estimate for the Geko Deposit on 31 May 2023. More recently, during the December 2023 quarter, Beacon focused on resource definition drilling whilst care and maintenance works were commissioned to remedy unsatisfactory environmental issues.

On 19 February 2024, Beacon announced it had entered into an amendment deed with Geko Pit to amend the consideration payable for the Geko Tenements, in particular, the royalty component, to the following:

- \$150,606.73 (plus GST) and \$113,581.12 (plus GST) was paid by Beacon to Geko Pit on 18 October 2023 and 19 January 2024, respectively, from gold recovered from processing existing low grade stockpiles in the September and December 2023 quarters;
- \$1,500,000 (plus any applicable GST) to be paid on the execution of the amendment deed;
- \$500,000 (plus any applicable GST) to be paid on 31 December 2024; and
- \$735,812.15 (plus any applicable GST) to be paid on 31 December 2025.

In addition, Beacon has extended the completion date from 31 December 2026 to 31 December 2028. This further extends a previously agreed option period, for which Beacon granted Geko Pit to acquire the tenements back for nil consideration ('Option'), to a period commencing on 31 December 2028 and ending on 31 March 2029.

Further, Beacon has entered into a Water Rights Access Deed with Geko Pit in relation to the Geko Tenements. Under the deed, if the Option is exercised by Geko Pit, Beacon will have access to the Geko Tenements to take and extract any amount of water from the tenements that Beacon requires to use at its Jaurdi Mill from time to time.

## 5.5 Mt Dimer Project

The Mt Dimer Project is located 113km north-west of the Jaurdi gold processing plant, and 140km north-west of the township of Coolgardie. On 22 December 2023, Beacon completed the acquisition of an 100% interest in the Mt Dimer Project from Aurumin Dimer Pty Ltd ('Aurumin') for consideration payable of:

- A cash payment of \$3.0 million (excluding GST) at completion of the acquisition; and
- Payment of a 2.0% net smelter royalty on gold recovered from the Mt Dimer tenements above 12,000 ounces and all other minerals, pursuant to a royalty agreement to be entered into by the parties.

Beacon has recently commenced a reverse circulation drilling program which was to be concluded by April 2024. Subsequently, on 7 June 2024, Beacon announced a maiden mineral resource estimate for the Mt Dimer Project.

## 5.6 Copper Exploration in Timor-Leste

On 18 April 2024, Beacon announced it had been granted six exploration licences in Timor Leste. Furthermore, Beacon announced it had entered into a non-binding term sheet with Murak Rai Timor, E.P., a state-owned mining company established in Timor-Leste in relation to a joint venture pertaining to six prospective polymetallic copper concessions in Timor-Leste. Notably, the concessions were acquired via public tender through the National Petroleum and Minerals Authority which was the first public release of mineral licences in Timor-Leste since independence.

In particular, the combined concessions cover an area of approximately 300km<sup>2</sup> and approximately 50km<sup>2</sup> concessions occur in two contiguous groups referred to each as the 'Baucau' and 'Ossu' concessions in which are located approximately 90km east south-east of the capital city, Dili, Timor-Leste.

Beacon has since commenced the planning of field work in the form of mapping and gravity surveys and envisages for exploration activities to begin in the final quarter of 2024.

## 5.7 Recent corporate events

### Borrowings

During the December 2023 quarter, Beacon renewed its facility with Caterpillar Finance to borrow up to \$5.0 million, at interest rates between 2.79% and 2.99%. The debt facility is intended to be used to fund the purchase of equipment. As at 31 December 2023, Beacon had drawn down \$1.50 million of the debt facility.

Beacon further established a \$4.725 million finance facility with Komatsu Corporate Finance Pty Ltd. As at 31 December 2023, \$1.725m had been drawn down by Beacon to fund the purchase of an excavator.

### Dividends

On 8 December 2023, Beacon paid a fully franked dividend of \$0.001 per share to its shareholders, which totalled \$3.76 million.

### Hedging

On 20 October 2023, Beacon entered a 14,000 ounce forward gold contract to be delivered in monthly instalments from November 2023 to June 2024 with MKS (Switzerland) S.A., at an average gold price of \$3,080/oz. As at 31 December 2023, Beacon had closed out 4,000 oz of the forward contract for a hedging gain of \$275,000. A balance of 10,000 ounces remains committed from January 2024 to June 2024.

### Acquisition of a 19.82% interest in Maximus Resources Limited

On 30 January 2023, Beacon executed a share purchase agreement to acquire Pantoro Limited's 19.82% shareholding in Maximus Resources Limited ('**Maximus**'). Beacon purchased the 63,254,972 shares held by Pantoro Limited at \$0.042 per share, using existing cash reserves, representing at 7% premium to the closing market price of \$0.039 on 27 January 2023. Maximus is a junior explorer holding 48km<sup>2</sup> of Tenements across the Spargoville Shear Zone located 20km from Kambalda, which is considered one of Western Australia's premier gold and nickel districts. Maximus is developing several small high-grade operations across its tenement portfolio.

## 5.8 Historical Statements of Financial Position

Consolidated Statement of Financial Position	Reviewed as at 31-Dec-23 \$	Audited as at 30-Jun-23 \$	Audited as at 30-Jun-22 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	14,351,125	4,363,088	12,731,871
Trade and other receivables	1,516,591	608,429	480,352
Other assets	1,184,562	1,259,655	913,147
Inventories	16,782,857	22,246,004	15,188,150
Income tax receivable	1,605,692	749,766	-
<b>TOTAL CURRENT ASSETS</b>	<b>35,440,827</b>	<b>29,226,942</b>	<b>29,313,520</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	15,744,699	12,508,269	11,741,476
Development expenditure	31,727,545	12,111,862	21,352,343
Exploration and evaluation assets	19,880,109	32,115,239	17,848,294
Financial assets at fair value through other comprehensive income	2,733,924	1,897,649	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>70,086,277</b>	<b>58,633,019</b>	<b>50,942,113</b>
<b>TOTAL ASSETS</b>	<b>105,527,104</b>	<b>87,859,961</b>	<b>80,255,633</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5,981,625	4,847,949	5,926,134
Income tax liability	-	-	1,547,122
Provisions	1,134,628	1,078,899	831,441
Plant and equipment loan	923,162	308,724	299,927
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,039,415</b>	<b>6,235,572</b>	<b>8,604,624</b>
<b>NON-CURRENT LIABILITIES</b>			
Plant and equipment loan	2,171,014	484,662	793,386
Provisions	20,469,347	18,463,652	10,881,684
Deferred tax liability	5,144,780	389,641	1,266,506
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>27,785,141</b>	<b>19,337,955</b>	<b>12,941,576</b>
<b>TOTAL LIABILITIES</b>	<b>35,824,556</b>	<b>25,573,527</b>	<b>21,546,200</b>
<b>NET ASSETS</b>	<b>69,702,548</b>	<b>62,286,434</b>	<b>58,709,433</b>
<b>EQUITY</b>			
Issued capital	71,928,694	71,928,694	69,046,073
Reserves	-	1,699,038	1,723,038
Accumulated losses	(2,226,146)	(11,341,298)	(12,059,678)
<b>TOTAL EQUITY</b>	<b>69,702,548</b>	<b>62,286,434</b>	<b>58,709,433</b>

Source: Beacon's reviewed financial statements for the half-year ended 31 December 2023 and audited financial statements for the years ended 30 June 2023 and 30 June 2022

## Commentary on Historical Statements of Financial Position

- Cash and cash equivalents decreased from \$12.73 million as at 30 June 2022 to \$4.36 million as at 30 June 2023. This decrease was primarily the result of a payment for the acquisition of the Geko Tenements of \$10.90 million and the acquisition of an interest in Maximus Resources of \$2.67 million, as outlined in Section 5.4 and 5.6, respectively. Cash and cash equivalents increased from \$4.36 million as at 30 June 2023 to \$14.35 million at 31 December 2023. This increase was primarily the result of receipts from the sale of gold amounting to \$48.63 million, partially offset by expenditure on production activities of \$20.8 million and a payment for the acquisition of the Mt Dimer Project of \$4.96 million, as outlined in Section 5.5.
- Trade and other receivables of \$1.52 million at 31 December 2023 comprise of fuel tax rebates, accrued interest and GST refund.
- Other assets of \$1.18 million as at 31 December 2023 consists of term deposits, prepayments and a gain on financial asset relating to the Company's gold forward contracts.
- Inventories of \$16.78 million as at 31 December 2023 consists of crushed ore stock, carbon and other stock, critical spares, gold in transit, gold in circuit and ore stockpiles.
- Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Exploration and evaluation expenditure is reclassified as development expenditure when technical and commercial viability of the mineral resource is demonstrated. Development expenditure increased from \$12.11 million as at 30 June 2023 to \$31.73 million as at 31 December 2023. This increase was the result of a reclassification of the MacPhersons Reward Project, amounting to \$18.00 million, as the Company commenced site setup works in preparation for mining in October 2023.
- Exploration and evaluation assets decreased from \$32.12 million as at 30 June 2023 to \$19.88 million as at 31 December 2023. This decrease was primarily the result of the aforementioned reclassification of the MacPhersons Reward Project, partially offset by the acquisition of the Mt Dimer Project of \$3.18 million. Exploration and evaluation assets as at 30 June 2023 relate to the acquisition of the Geko Tenements from Geko Pit on 16 December 2022, with the remaining balance attributable to rehabilitation costs.
- Financial assets at fair value through other comprehensive income solely comprise the Company's 19.82% interest in Maximus Resources Limited.
- Current provisions solely relate to employee entitlements and non-current provisions comprise of a rehabilitation provision and deferred consideration relating to the acquisition of the Geko Tenements. The rehabilitation revision relates to the estimated cost of rehabilitation and restoration of the areas disturbed by mining activities up to the recording date, in accordance with the company's environmental policy and applicable legal requirements. The deferred consideration comprises of a royalty from production at a rate of 4% of the recovered gold value until a total of \$3.0 million, in addition to the initial consideration, has been paid.
- Plant and equipment loan of \$2.17 million as at 31 December 2023 relates to two finance facilities, each with Caterpillar Finance and Komatsu Australia Corporate Finance Pty Ltd ('Komatsu Australia Corporate Finance'). Caterpillar Finance and the Company had entered into an agreement for up to \$5.0 million which incurs interest between 2.79% and 6.0% to fund the purchase of equipment. As at 31 December 2023, \$3.09 million of the facility had been drawn down. In addition, Komatsu Australia Corporate Finance and the Company had entered into an

agreement for \$4.725 million at an interest rate of 6.55% to acquire assets. As at 31 December 2023, \$1.725 million of the facility had been drawn down.

## 5.9 Historical Statement of Profit or Loss and Other Comprehensive Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Reviewed as at 31-Dec-23 \$	Audited as at 30-Jun-23 \$	Audited as at 30-Jun-22 \$
Gold sales	48,631,568	72,295,246	71,164,917
Interest revenue	246,995	146,064	6,930
<b>Revenue</b>	<b>48,878,563</b>	<b>72,441,310</b>	<b>71,171,847</b>
Cost of goods sold	(31,345,325)	(61,694,756)	(45,775,488)
<b>Gross profit</b>	<b>17,533,238</b>	<b>10,746,554</b>	<b>25,396,359</b>
<i>Gross profit margin</i>	<i>36%</i>	<i>15%</i>	<i>36%</i>
Other Income	39,125	835,890	729,823
Gain on financial asset	914,556	-	626,567
<b>Expenditure</b>			
Administration expenses	(1,351,305)	(2,032,631)	(2,409,676)
Expenditure on mining and exploration activities	(1,104,685)	(1,083,034)	(1,373,528)
Finance expenses	(365,617)	(27,769)	(411,017)
Loss on financial asset	-	(893,408)	-
<b>Profit from ordinary activities before income tax</b>	<b>15,665,312</b>	<b>7,545,602</b>	<b>21,931,961</b>
Income tax (expense)/benefit	(4,828,705)	(2,320,781)	(7,104,340)
<b>Profit from ordinary activities after income tax</b>	<b>10,836,607</b>	<b>5,224,821</b>	<b>14,827,621</b>
<b>Other comprehensive income</b>	<b>336,276</b>	<b>(773,672)</b>	<b>-</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>11,172,883</b>	<b>4,451,149</b>	<b>14,827,621</b>

Source: Beacon's reviewed financial statements for the half-year ended 31 December 2023 and audited financial statements for the years ended 30 June 2023 and 30 June 2022

### Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Subsequent to the year ended 30 June 2023 and included in the half-year ended 31 December 2023, a total 3,316 ounces ('oz') of gold was sold at \$2,875/oz amounting to \$9.53 million. Revenue increased from \$71.16 million for the year ended 30 June 2022 to \$72.30 million for the year ended 30 June 2023 which primarily related to an increase in mining operations and related gold sales. During FY23, total gold production was 29,110 oz whereby the average sale price was \$2,703/oz.
- Cost of goods sold increased from \$45.78 million for the year ended 30 June 2022 to \$61.70 million for the year ended 30 June 2023. This represented a 35% increase and was a result of a significant increase in mill throughput and associated processing costs.
- Other income during FY23 predominantly relates to a profit from the sale of plant and equipment during the year, whilst other income during FY22 largely relates to the net gain on financial instruments, namely gold forward contracts.
- Gain and loss on financial assets relate to movement in gold forward contracts.

- Other comprehensive income relates to a revaluation increase/decrease in the value of the Company's 19.82% holding in Maximus Resources Limited.

## 5.10 Capital Structure

The share structure of Beacon as at 5 June 2024 is outlined below:

	Number
Total ordinary shares on issue	3,756,768,171
Top 20 shareholders	1,865,794,129
Top 20 shareholders - % of shares on issue	49.66%

Source: Beacon's share registry data

The range of shares held in Beacon as at 5 June 2024 is as follows:

Holding Ranges	Holders	Total Units	Percentage of Issued Capital (%)
1 - 1,000	93	16,068	0.00%
1,001 - 5,000	26	64,795	0.00%
5,001 - 10,000	42	353,134	0.01%
10,001 - 100,000	1,572	73,926,079	1.97%
100,001 - and over	1,737	3,682,408,095	98.02%
<b>TOTAL</b>	<b>3,470</b>	<b>3,756,768,171</b>	<b>100.00%</b>

Source: Beacon's share registry data

The ordinary shares held by the most significant shareholders as at 5 June 2024 are detailed below:

Holder Name	Holding	Percentage of Issued Capital (%)
Lamerton Pty Ltd	291,623,216	7.76%
Mr Colin Petroulas	288,000,000	7.67%
Oceanic Capital Pty Ltd	238,916,667	6.36%
Mr Geoffrey Warren Greenhill & Mrs Gwenda Joy Greenhill	238,365,346	6.34%
<b>Subtotal</b>	<b>1,056,905,229</b>	<b>28.13%</b>
Others	2,699,862,942	71.87%
<b>Total ordinary shares on issue</b>	<b>3,756,768,171</b>	<b>100.00%</b>

Source: Beacon's share registry data

We note Beacon does not have any options or performance rights on issue as at the date of our Report.

## 6. Profile of GL

### 6.1 Geoda and Lamerton

Geoda and Lamerton are related parties of Beacon as Lamerton is controlled by Beacon's Managing Director, Graham McGarry and Geoda is controlled by Beacon Non-Executive Director, Geoff Greenhill. On 19 September 2023, Geoda and Lamerton, known as GL, completed the acquisition of the Lady Ida Gold Project from Ora Banda Mining Limited ('Ora Banda'), via its wholly-owned subsidiary Siberia Mining Corporation Pty Ltd.

### 6.2 Lady Ida Gold Project

The Lady Ida Project is comprised of M16/262, M16/263, M16/264, L15/224, L16/58, L16/62, L16/103, L16/138 and application L16/142, which Beacon will acquire from Lamerton and Geoda. The Lady Ida Project is located approximately 35km northwest of Beacon's Jaurdi Mill. The project is centred on a sequence of mafic and ultramafic volcanics on the western edge of the greenstone belt, located east of the Ida Lineament. The Lady Ida Project hosts the Iguana, Blue Tongue and Lizard open-cut deposits.

Extensive exploration was undertaken on the Lady Ida Project by Delta Gold NL ('Delta') in the early 1990's. The deposits were mined by Delta in the late 1990s and placed into care and maintenance in the early 2000s.

The Lady Ida Project was later acquired by Ora Banda, as the tenements are in close proximity to Ora Banda's Davyhurst Processing Plant. Ora Banda undertook drilling on the tenements but ultimately decided to sell the non-core tenements to Lamerton and Geoda for \$10 million.

In August 2022 Ora Banda released a JORC 2012 compliant resource and reserve on the Lady Ida project, as set out below:

#### Mineral Resource Estimate

Project		Cut Off	Measured		Indicated		Inferred		Total Material		
		(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz)
Iguana	OP	1.0	148	2.0	3847	1.7	146	1.7	4,141	1.7	226
	U/G	2.0	-	-	357	3.5	314	2.7	671	3.1	68
	Total	-	-	-	4,204	1.8	460	2.4	4,812	1.9	294
Lizard	-	1.0	106	4.0	75	3.7	13	2.8	194	2.8	24
Total	-	-	254	2.8	4,279	3.7	473	4.8	5,006	2.0	318

#### Ore Reserve Estimate

JORC Classification	Deposit	Tonnes ('000t)	Grade (g/t Au)	Total Material ('000oz.)
Proved	Iguana	100	2.0	-
Probable	Iguana	1,800	1.7	-
Total	All	1,910	1.7	107

Beacon's due diligence has indicated the project can be brought into production relatively quickly. The acquisition fulfills the Company's strategy to increase the mine life at the Jaurdi Project by acquiring projects in proximity to existing assets that build mine reserves and complement the current operations.

Further information on the Lady Ida Project can be found in the independent technical assessment and valuation report prepared by Valuation and Resource Management Pty Ltd ('VRM') ('**Technical Specialist Report**') in Appendix 3 of our Report.

## 7. Economic analysis

Beacon is exposed to the risks and opportunities of the Australian market through its listing on the ASX, and being headquartered in Australia. As such, we have presented an economic analysis of Australia.

In its May 2024 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') made the decision to leave the cash rate target unchanged at 4.35%. Prior to the May meeting, the board of the RBA ('the RBA Board') had also held interest rates steady, following a 25-basis point increase made in November 2023. The decision to hold the cash rate steady at the May meeting was to facilitate inflation returning to the RBA's inflation target of 2-3% within a reasonable timeframe and ongoing moderate growth in employment. Elevated interest rates were intended to ease inflationary pressures and return inflation to its target rate within a reasonable timeframe. Recent data reviewed by the RBA Board on inflation, the labour market and economic activity, in addition to the revised set of forecasts, indicates that inflation remains high and easing more gradually than expected.

Subsequent to its peak in December 2022 at 7.8%, inflation continued to gradually decrease over the 2023 calendar year towards the RBA inflation target of 2-3%. The RBA outlined in the May 2024 statement that the consumer price index ('CPI') indicator grew by 3.6% over the year to 31 March 2024, down from 4.1% over the year to 31 December 2023, suggesting further progress in the decline in inflation. However, the RBA considers that in the near term, inflation is forecast to be higher than the target band because of the recent rise in domestic petrol prices and higher than expected services price inflation. The forecast for CPI inflation reveals it is expected to continue to decline to the target range in the second half of 2025, and to the midpoint in 2026.

According to the RBA, data from the March 2024 quarter indicated that growth in the Australian economy was lower than originally forecasted at the time of the February Monetary Policy Statement. Over the past year, the combination of high inflation, growth in tax payments, and higher interest rates has led to a decline in real household disposable income. At the same time, investments in dwellings have also declined, which reflects low building approvals, affordability concerns, and capacity constraints in new housing supply. On housing affordability, the RBA notes higher interest rates, elevated construction costs and construction delays have negatively weighed on buyer sentiment, reducing the demand for new buildings, particularly in the high-density residential sector. On new housing supply, the RBA highlights constraints in the latter stages of construction, where there is particular shortage in skilled labour. The high demand for skilled labour is exacerbated by elevated construction activity in the private non-residential and public sectors for which there is a significant pipeline of work.

Since the beginning of 2024, equity prices in Australia have increased to reach a record high, similarly experienced in the advanced economies of the United States and Japan, as a result of recent declines in bond yields. The rise in equity prices is likely indicative of growing market confidence in the potential for inflation to align with central bank targets with minimal adverse impact on future earnings.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed on demand in Australia. For 2024, it is anticipated that Gross Domestic Product growth in Australia's key trading partners will remain substantially below historical norms. In China, growth is expected to slow over the next two years as the post-pandemic rebound in services consumptions fades and the property sector remains weak.

Regarding the labour market, conditions continue to ease gradually although it remains tight. As growth in the economy is forecast below trend, employment is predicted to expand at a slower rate than the labour force and the unemployment rate is anticipated to gradually rise to around 4.40% in June 2025.

Additionally, wage growth has also increased over the past year, but has peaked with indications it will moderate over the year ahead.

### Outlook

While there are encouraging signs that inflation is moderating, the economic outlook remains uncertain. To-date, medium-term inflation expectations have been consistent with the inflation target and the RBA Board emphasised the importance of this remaining the case. Services price inflation remains high, as observed overseas however it is expected to gradually decline as domestic inflationary pressures moderate and growth in labour and non-labour costs ease.

Conditions in the labour market are expected to further ease to align broadly with full employment conditions that can be sustained over time without contributing to inflationary pressures in the coming years. Nominal wage growth is expected to remain strong in the near term and then gradually decline in line with the labour market easing.

Economic growth in Australia is forecast to remain subdued reflecting a softer near-term outlook for household consumption and dwelling investment. Growth is expected to gradually increase from late 2024 as inflation declines and pressure on household income eases. However, the full impact of policy tightening on household consumption is uncertain and there remains a high level of uncertainty around the outlook for the Chinese economy and the implications of the conflicts in Ukraine and the Middle East.

**Source:** [www.rba.gov.au](http://www.rba.gov.au) Statement by Michele Bullock, Governor: Monetary Policy Decision dated 7 May 2024 and prior periods, and BDO analysis

## 8. Industry analysis

Beacon is a gold producing company and is listed on the ASX. As such, we have presented an overview of the relevant industry segments on the basis that these form part of the considerations for our overall assessment. We have presented an analysis of the gold industry.

### 8.1 Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years. More recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine, and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

The mining and mineral processing techniques applied to gold is determined by the nature of the ore deposit. Gold contained in oxide ore deposits are typically of low grade and are simple to extract and readily amenable by cyanidation. Consequently, highly disseminated gold can be contained within sulphide minerals which require mining, crushing, grinding and to be followed by gravity separation to recover the gold, subject to flotation to concentrate the sulphide mineral fraction containing the gold. Inherently, the costs associated with the treatment of oxide ore are significantly less than of sulphide ores.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2017	2018	2019	2020	2021	2022	2023
Mine production	3,576	3,656	3,596	3,482	3,589	3,625	3,644
Net producer hedging	(26)	(12)	6	(39)	(7)	(13)	17
Recycled gold	1,112	1,132	1,276	1,293	1,136	1,140	1,237
<b>Total supply</b>	<b>4,662</b>	<b>4,776</b>	<b>4,878</b>	<b>4,736</b>	<b>4,718</b>	<b>4,752</b>	<b>4,899</b>

Source: World Gold Council Statistics, 31 January 2024

The World Gold Council expects gold to remain supported with the development of new mines in North America, Asia and Australia scheduled for 2024. Heightened geopolitical tension during a key election year for many major economies and ongoing financial uncertainty from weakening global economic conditions should see gold experience persisting strong demand. Continued purchases by major central banks and concerns about a global recession is anticipated to offer further backing for the commodity. However, the risk of tighter monetary policy or an economic soft landing, particularly concerning the USA economy, could result in gold divestment.

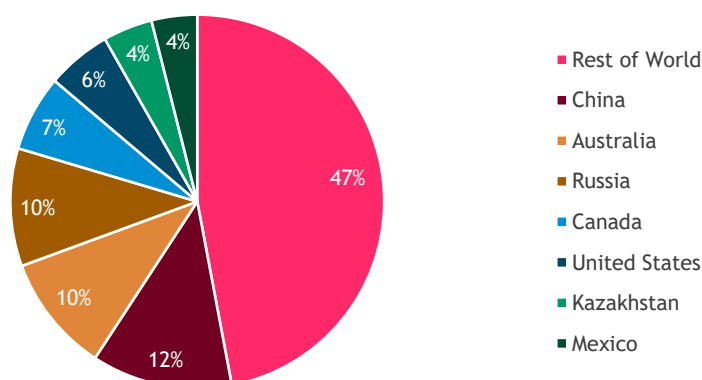
Gold ore mining is a capital intensive and high-cost process, which becomes increasingly difficult and more expensive as the quality of ore reserves diminish. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

The gold industry is geographically diverse as China, Australia and Russia lead global gold production. According to the United States Geological Survey ('USGS'), total estimated global gold ore mined for 2023 was approximately 3,000 metric tonnes. The charts below illustrate the estimated global gold production and reserves by country for 2023.

## Gold production and reserves

The USGS estimates that overall global gold production in 2023 remained relatively unchanged from 2022 as production decreases in Peru and Mali were more than offset by production increases in Kazakhstan, South Africa and Tanzania.

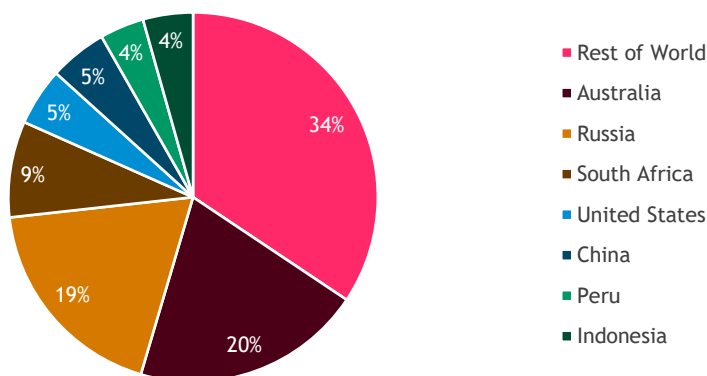
Gold Production by Country, CY23



Source: U.S. Geological Survey, January 2024

Despite China leading global gold production in 2023, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 48% of global gold reserves.

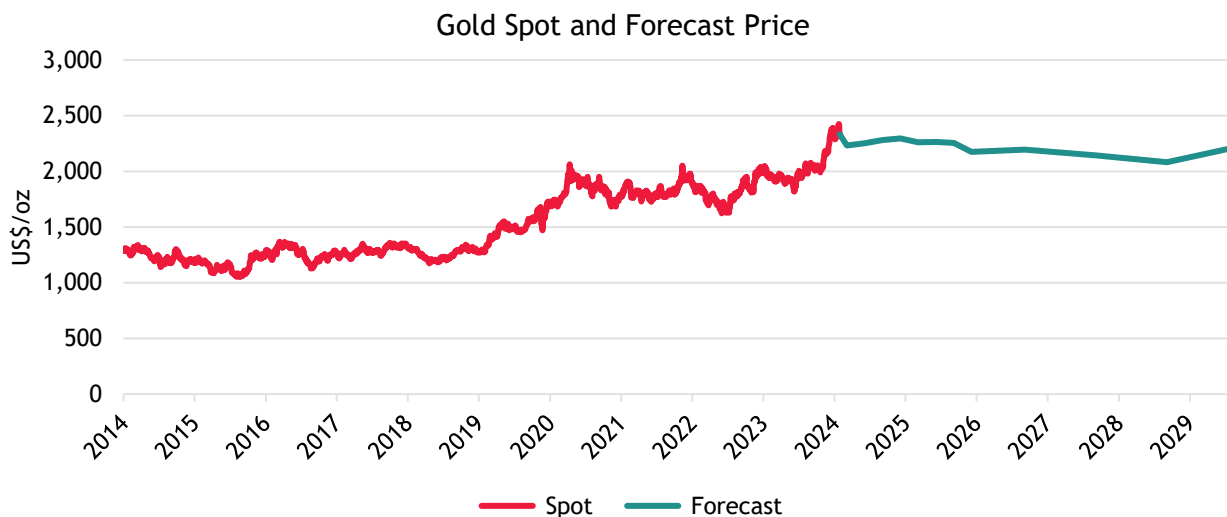
Gold Reserves by Country, as at January 2024



Source: U.S. Geological Survey, January 2024

According to USGS, Australia's gold reserves amount to 12,000 tonnes, representing over 20% of global reserves and the largest held by any one country.

## Gold prices



Source: Bloomberg and Consensus Economics Survey dated 20 May 2024

The figure above illustrates the historical fluctuations in the gold spot prices from April 2014 to May 2024 and the consensus economics forecast for gold prices for 2024 through to 2029.

Over the period from 2014 through to 2019, the gold price fluctuated primarily between US\$1,100/oz and US\$1,400/oz. Throughout 2020, gold prices fluctuated significantly. Demand for gold increased in response to the uncertainty created by the pandemic, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst growing uncertainty. Gold spot prices fell to a yearly low of US\$1,471/oz, before rallying in late

July and early August to exceed US\$2,000/oz. COVID-19 was the primary driver of the increase in gold price, as central banks injected billions of dollars into financial markets and investors flocked to safe asset. Additionally, the prevailing low interest rate environment at the time increased access to capital, which further spurred investment in gold.

Through to early January 2021, the price of gold increased due to further fallout from the US Election, climbing back over US\$1,900/oz after remaining in the US\$1,800s/oz through most of December 2020. For the rest of 2021, the price of gold traded between US\$1,600/oz and US\$1,900/oz as demand fluctuated throughout the year. Rising US treasury yields initially threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. However, concerns regarding the spread of the Delta Variant of COVID-19 increased gold's appeal as a safe-haven asset. The price of gold exceeded US\$1,800/oz in early July 2021, though this was quickly reversed in the following months as the US Federal Reserve signalled policy tightening, which coming sooner than anticipated, drove US treasury yields and a stronger US dollar. Towards the end of the year, gold prices strengthened following the US Federal Reserve's announcement to reduce purchases of Government bonds, as well as the release of US inflation data which revealed an annualised inflation rate of 6.2%, its highest level since 1990.

The invasion of Ukraine by Russia in February 2022 saw gold prices climb above US\$1,900/oz and peak at US\$2,039/oz during March, in response to several economic sanctions on Russia and the release of US inflation data which indicated an annualised inflation rate of 8.5%. In May 2022, the price of gold weakened to US\$1,800/oz following the US Federal Reserve's aggressive monetary tightening to control rising inflation. The gold price continued to decline until September 2022, before it staged a recovery driven by a combination of slowing US inflation, depreciation of the US dollar, and increased gold demand by central banks for reserve diversification.

In the first quarter of 2023, several financial institutions, such as the Credit Suisse Group AG and the Silicon Valley Bank, faced liquidity and investor confidence issues. A lack of confidence in some parts of the banking sector supported the gold price. Early April 2023 saw gold prices surpass US\$2,000/oz as investors speculated a nearing of the end of interest rate tightening in the US. During the months of January and February 2024, gold continued to largely trade above US\$2,000/oz, however, since March 2024, the gold price rapidly increased to over US\$2,400/oz in May, reaching a record high. The high gold price is attributed to several factors including geopolitical instability from conflicts in Ukraine and the Middle East, global inflation, and an increase holding in gold by central banks in developing countries.

Consensus Economics forecasts a broadly declining trend in gold price over the current period to the end of 2028 but still remains high compared to historical price levels. In the medium-term, from CY26 to CY28, the gold price is expected to range between US\$2,083/oz and US\$2,196/oz. The long term (CY2029-CY2033) nominal forecast is slightly higher than the mid-term, at approximately US\$2,221/oz.

**Source:** Bloomberg, Consensus Economics, IBISWorld, World Gold Council and Reuters

## 9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME');
- Discounted cash flow ('DCF');
- Quoted market price basis ('QMP');
- Net asset value ('NAV'); and
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

As outlined in Section 3.3, RG 111.57 states that a proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. Where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired.

In performing our assessment of whether the Proposed Transaction is fair to Shareholders for the purpose of ASX Listing Rule 10.1, we have considered the value of the Lady Ida Project relative to the value of the Consideration to be paid for the Lady Ida Project.

Pursuant to the Earn-In, JV and Tenement Transfer Agreement between the Parties, the Consideration payable for the Proposed Transaction is staged upon achievement of specific milestones as outlined in the table below.

Milestone	Beneficial interest earned by Beacon	Achievement condition	Consideration
First Milestone	25%	First gold recovered from M16/62 and processed through the Jaurdi Mill	Beacon's holding costs (minimum expenditure to ensure the tenements are kept in good standing) and proceeds earned from the JV
Second Milestone	50%	36,250 oz Au produced from the Lady Ida Project through the Jaurdi Mill	
Transfer of the Project	100%	72,500 oz Au recovered from the Lady Ida Project through the Jaurdi Mill	In addition to the above, a 4.00% Net Smelter Royalty on all gold and silver produced from the project

Source: Earn-In, JV and Tenement Transfer Agreement

In performing our valuation of the Consideration to be paid for the Lady Ida Project, we have had regard to the consideration payable upon the achievement of the First Milestone. As determined by VRM in the Technical Specialist Report, we have further considered the estimated costs that Beacon will likely incur to advance the Lady Ida Project at which point the First Milestone will be achieved. These costs include obtaining regulatory approvals, updating the Ore Reserves to account for the modifying factors associated with Beacon's operations and minor additional drilling.

In order to provide an assessment of the value of the contingent components of the Consideration, comprising the consideration payable for the achievement of the Second Milestone and the Transfer of the Project, we would need to make assumptions around the likelihood and timing of the relevant milestones and events being met resulting in the contingent components of the Consideration becoming payable. As we do not have reasonable grounds to assess the likelihood and timing of future production on the Lady Ida Project, we have not valued the elements of the Consideration that are contingent in nature, namely the Second Milestone and the Transfer of the Project.

Accordingly, in performing our assessment of whether the Proposed Transaction is fair to Shareholders for the purpose of ASX Listing Rule 10.1, we have based our valuation on the achievement of the First Milestone, whereby Beacon will earn a 25% beneficial interest in the Lady Ida Project. Therefore, we have considered the value of the Lady Ida Project on a pro-rata basis relative to the value of the Consideration to be paid for the Lady Ida Project up until the achievement of the First Milestone.

### Technical Specialist

In performing our valuation of the Lady Ida Project, we have relied on the independent technical assessment and valuation report (**‘Technical Specialist Report’**) prepared by VRM. The Technical Specialist Report provides an assessment of the market value of the Lady Ida Project.

VRM’s Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) (**‘VALMIN Code’**) and the Australasian Code for Reporting on Exploration Results, Mineral Resources and Ore Reserves (2012 Edition). We are satisfied with the valuation methodologies adopted by VRM, which we consider are in accordance with the industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by VRM are detailed in the Technical Specialist Report, attached as Appendix 3 to our Report.

## 10. Valuation of the Lady Ida Project

In performing our valuation of the Lady Ida Project, we have relied on the Technical Specialist Report prepared by VRM.

We instructed VRM to provide an independent market valuation of the Lady Ida Project. VRM considered a number of different valuation methods when valuing the Mineral Resource and Exploration Potential of the Lady Ida Project. VRM applied the Resource multiple methodology as the primary valuation approach to value the Mineral Resource and the Kilburn valuation approach as the primary valuation approach to value the Exploration Potential. The preferred valuation range has been determined based on the primary valuations.

As outlined in Section 6.2, the Lady Ida Project constitutes three mining leases, five miscellaneous licences and one miscellaneous licence application. As detailed in the Technical Specialist Report, the miscellaneous licences (and application) do not allow exploration for or exploitation of minerals. Therefore, VRM do not consider these to have a material value and in turn are not valued in their report.

The range of values for the Lady Ida Project as determined by VRM is set out below:

Lady Ida Project Valuation					
Asset Valued	Valuation Method	Valuation Type	Low (\$m)	Preferred (\$m)	High (\$m)
M16/262 and M16/264	Resource Multiple	Primary	14.5	19.3	24.1
	Yardstick	Secondary	11.1	17.0	22.9
M16/263	Kilburn	Primary	0.3	0.7	1.1
	PEM	Secondary	0.4	0.5	0.6
Royalty	Royalty 2%	Deducted from valuation	(2.0)	(2.5)	(3.0)
<b>Total Project Value</b>	<b>VRM Preferred</b>		<b>12.8</b>	<b>17.5</b>	<b>22.2</b>

Source: Technical Specialist Report prepared by VRM

As outlined in Section 9, we have valued the Lady Ida Project on a pro-rata basis as per Beacon's earned beneficial interest of 25%. We consider a pro-rata value to be appropriate as it reflects Beacon's corresponding participating interest in the Lady Ida Project and in turn, this value captures the Company's share in the assets, liabilities, revenues and expenses of the project. No discount for minority is appropriate because the Parties are working together toward a shared goal. The range of values for the Lady Ida Project on the basis is set out below:

Lady Ida Project Valuation (pro-rata of 25%)					
Asset Valued	Valuation Method	Valuation Type	Low (\$m)	Preferred (\$m)	High (\$m)
M16/262 and M16/264	Resource Multiple	Primary	3.63	4.83	6.03
	Yardstick	Secondary	2.78	4.25	5.73
M16/263	Kilburn	Primary	0.08	0.18	0.28
	PEM	Secondary	0.10	0.13	0.15
Royalty	Royalty 2%	Deducted from valuation	(0.5)	(0.6)	(0.8)
<b>Total Project Value</b>	<b>VRM Preferred</b>		<b>3.2</b>	<b>4.4</b>	<b>5.6</b>

Source: Technical Specialist Report prepared by VRM and BDO Analysis

The table above indicates a range of values between \$3.2 million and 5.6 million, with a preferred value of \$4.4 million. For further information on VRM's approach and conclusions, refer to the VRM Technical Specialists Report, which is included as Appendix 4 of our Report.

## 11. Valuation of the Consideration

As outlined in Section 9, we have considered the value of the Consideration to be paid for the Lady Ida Project up until the achievement of the First Milestone.

### 11.1 Valuation of the First Milestone

In determining the value of the Consideration up until the achievement of the First Milestone, we have considered Beacon's holding costs (minimum expenditure to ensure the tenements are kept in good standing) and proceeds earned from the JV.

In our valuation, we have adopted a timing assumption around the achievement of the First Milestone, being 15 November 2026, as advised by Management. Management has provided details of tenement holding costs for the period up until achievement of the First Milestone. We have outlined these expenses in the table below.

	Annual tenement holding costs up until achievement of the First Milestone \$
M16/262	99,000
M16/263	100,000
M16/264	99,100
<b>Net present value</b>	<b>660,665</b>

Source: Technical Specialist Report and BDO Analysis

We note the above annual tenement holding costs coincide with the minimum exploration commitments outlined in the Technical Specialist Report which were either provided or confirmed from the original tenement certificates or Department of Energy, Mines, Industry Regulation and Safety for the Lady Ida Project.

We have used the Australian Government bond rate as at the date of our Report, as a proxy for the risk-free rate over the effective period up until the date of achievement of the First Milestone. Management has advised that Beacon expects to achieve the First Milestone by 15 November 2026. The 2-year Australian Government bond rate as at 29 May 2024 was 4.124%, which we have used as an input in our calculation of the net present value of the Consideration.

As outlined in the Technical Specialist Report, VRM have considered there to be no Ore Reserves within the project to be current. We understand in order for Beacon to fulfil the First Milestone, Beacon will likely incur additional costs to advance the Lady Ida Project. These additional costs include obtaining regulatory approvals, updating the Ore Reserves to account for the modifying factors associated with Beacon's operations and minor additional drilling. As outlined in the Technical Specialist Report, VRM have estimated these additional costs which are outlined in the table below.

	Low \$m	Midpoint \$m	High \$m
Estimated additional costs to be incurred by Beacon upon achieving the First Milestone	0.50	0.75	1.00

Source: Technical Specialist Report prepared by VRM

Therefore, our assessed value for the Consideration to be paid for the Lady Ida Project up until the achievement of the First Milestone is to be in the range of \$1.2 million to \$1.7 million, with a midpoint of \$1.4 million, as outlined in the table below.

	Low \$m	Midpoint \$m	High \$m
Tenement holdings costs	0.66	0.66	0.66
Estimated additional costs to be incurred by Beacon upon achieving the First Milestone	0.50	0.75	1.00
<b>Value of the Consideration (First Milestone)</b>	<b>1.2</b>	<b>1.4</b>	<b>1.7</b>

Source: BDO Analysis

## 12. Is the Proposed Transaction fair?

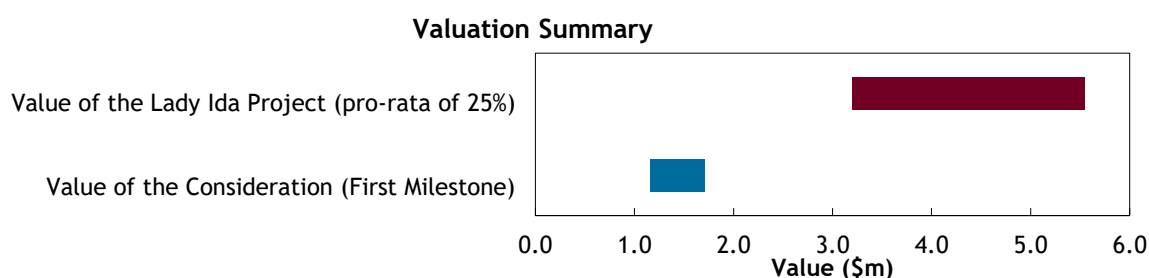
As outlined in Section 9, pursuant to the Earn-In, JV and Tenement Transfer Agreement between the Parties, the Consideration payable for the Proposed Transaction is staged upon achievement of specific milestones. Accordingly, in performing our assessment of whether the Proposed Transaction is fair to Shareholders for the purpose of ASX Listing Rule 10.1, we have based our valuation on the achievement of the First Milestone, the Second Milestone and the Transfer of the Project, separately.

### First Milestone

The value of the Lady Ida Project on a pro-rata basis relative to the value of the Consideration to be paid up until the achievement of the First Milestone is compared below:

	Ref	Low \$m	Preferred \$m	High \$m
Value of the Lady Ida Project (pro-rata of 25%)	10	3.2	4.4	5.6
Value of the Consideration (First Milestone)	11	1.2	1.4	1.7

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of a superior proposal, the First Milestone under the Proposed Transaction is fair for Shareholders, as the low, preferred and high value of the Lady Ida Project (on a pro-rata basis of 25%) is greater than the Consideration up until the First Milestone.

### Second Milestone and the Transfer of the Project

As outlined in Section 9, in order to provide an assessment of the value of the contingent components of the Consideration, comprising the consideration payable for the achievement of the Second Milestone and the Transfer of the Project, we would need to make assumptions around the likelihood and timing of the relevant milestones and events being met resulting in the contingent components of the Consideration becoming payable.

We note we do not have reasonable grounds to perform a valuation of the elements of the Consideration that are contingent in nature, namely the Second Milestone and the Transfer of the Project, on the basis whereby Beacon is yet to release a restated Ore Reserve Estimate. In addition, we note VRM have not adopted a discounted cash flow methodology in their assessment of the Lady Ida Project.

As we do not have reasonable grounds to assess the likelihood and timing of future production on the Lady Ida Project, we have not valued the elements of the Consideration for the Second Milestone and the Transfer of the Project. As such, we are unable to consider the value of the Lady Ida Project on a pro-rata basis relative to the value of the Consideration to be paid for the Lady Ida Project up until the achievement of the Second Milestone and the Transfer of the Project. Therefore, the Second Milestone

and the Transfer of the Project under the Proposed Transaction are not fair for Shareholders, as we are unable to conclude on the value of the respective staged Consideration.

### Conclusion

We note that RG 111 states that an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. Therefore, pursuant to RG 111, all points on the valuation range are valid for making a fairness conclusion, which we note is pertinent to our valuation of the First Milestone. On the basis on which we are unable to conclude on the value of the Consideration in our assessment of the Second Milestone and the Transfer of the Project, our overall assessment is that the Proposed Transaction is not fair.

## 13. Is the Proposed Transaction reasonable?

### 13.1 Advantages of Approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is in line with Beacon's strategy of increasing the mine life at the Jaurdi Project	The acquisition of the Lady Ida tenements is in line with Beacon's strategy of increasing the mine life at the Jaurdi Project, through the acquisition of projects proximal to the existing Jaurdi Project operations, with the Lady Ida project located approximately 35km from the Jaurdi Mill. This follows the acquisition of other recent projects, including the MacPherson's Project and Geko Tenements.
Production from the Lady Ida Project could commence relatively quickly	Given the close proximity of the Lady Ida Project to the Jaurdi Mill, in addition to the advanced nature of the exploration asset, due diligence completed by the Company has indicated the Lady Ida Project could be brought into production in the near term.
The Proposed Transaction will result in Beacon acquiring assets that are complimentary to its existing portfolio, which may improve the attractiveness of the Company's shares and the likelihood of a potential takeover in the future	<p>If the Proposed Transaction is approved, Beacon will hold a more comprehensive portfolio of gold mineral assets proximal to Coolgardie, bolstering its presence as an Australian-focused gold producer. As a result, this may make the Company's shares appear more attractive and potentially increase the likelihood of the Company receiving a takeover offer in the future. Therefore, the Proposed Transaction may potentially increase the likelihood of Shareholders participating in a takeover premium in the future.</p> <p>Further, the increased attractiveness of the Company's shares arising from the Proposed Transaction may improve the liquidity of the Company's shares. This would improve Shareholders' ability to realise their investment on market, should they choose to exit their investment.</p>
The structure of the Consideration protects Shareholders, should the Lady Ida Project not be economically viable	<p>The Consideration under the Proposed Transaction and the Earn-In, JV and Tenement Transfer Agreement is structured in such a way as to protect Shareholders in the event the Lady Ida Project does not become economically viable in the future, preventing the Company from overpaying for the assets.</p> <p>The Consideration is contingent in nature and will only become payable in the event that the Lady Ida Project becomes economically viable in the future. The Consideration will become payable should the relevant conditions and milestones be satisfied, and satisfying these conditions and milestones would be value accretive to Shareholders.</p>

Advantage	Description
	<p>Specifically, in order for each of the contingent components of consideration to be payable, the following conditions and milestones will need to be met:</p> <ul style="list-style-type: none"> <li>• <b>First Milestone:</b> first gold is recovered from M16/62;</li> <li>• <b>Second Milestone:</b> 35,250 oz of gold produced from the Lady Ida Project is processed through the Jaurdi Mill; and</li> <li>• <b>Transfer of the Project:</b> 72,500 oz of gold produced from the Lady Ida Project is processed through the Jaurdi Mill.</li> </ul> <p><b>Net Smelter Royalty:</b> Following the achievement of the Transfer of the Project whereby GL will transfer 100% legal and beneficial ownership of the Lady Ida Project to Beacon in return for a 4.00% Net Smelter Royalty on all gold and silver produced from the project.</p> <p>We further note the Directors of Beacon will only proceed with the Earn-In, JV and Tenement Transfer Agreement, which pertains to the Lady Ida Project, if they believe that the project is economically viable. This will be informed by future studies that are currently not available for assessment in our fairness considerations.</p>

## 13.2 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Beacon may have to seek additional funding to progress its interest in the Lady Ida Project	<p>As per the key terms of the Earn-In, JV and Tenement Transfer Agreement, Beacon will sole fund the Lady Ida Project up until the achievement of the First Milestone. As outlined in Section 5.7, we understand Beacon's cash and cash equivalents balance as at 31 December 2023 to be \$14.35 million, and as outlined in Section 11, the tenement holdings costs and additional costs to be incurred by Beacon up until the achievement of the First Milestone is expected to be between \$1.2 million and \$1.7 million. Although Beacon currently has sufficient funds to fulfil its minimum expenditure requirements to achieve the First Milestone, Beacon may require additional funds in the future in order to progress its interest in the Lady Ida Project as per the terms of the Earn-In, JV and Tenement Transfer Agreement. Beacon may require additional funds to mitigate potential working capital issues.</p>

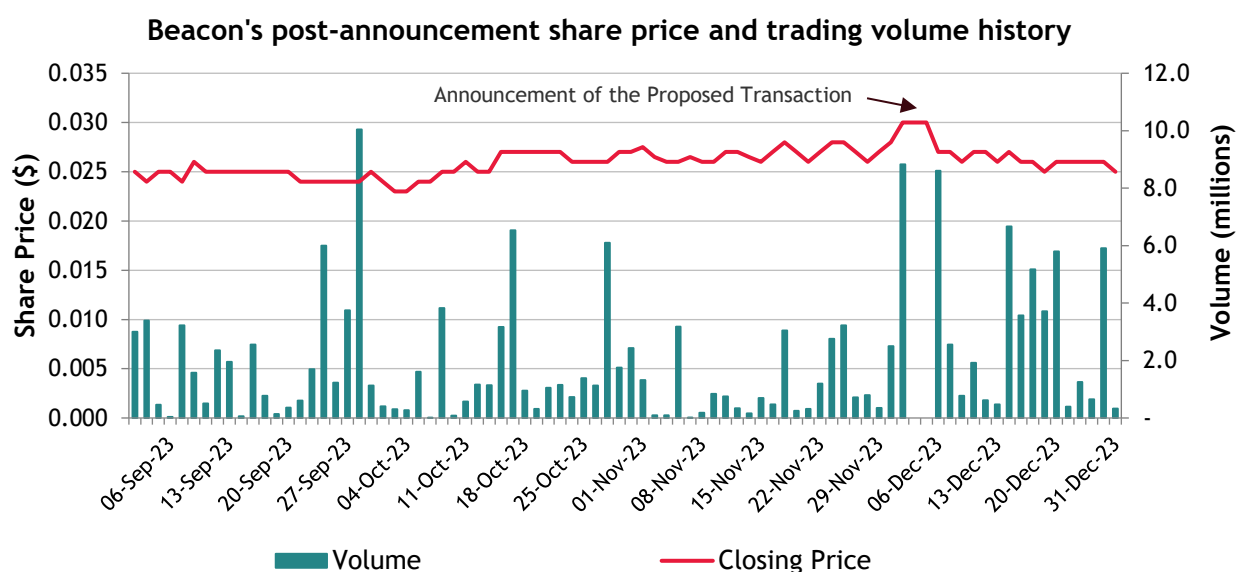
### 13.3 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Beacon a premium over the value resulting from the Proposed Transaction.

### 13.4 Consequences of not Approving the Proposed Transaction

#### Potential decline in Beacon's share price

We have analysed movements in Beacon's share price since the Proposed Transaction was announced. A graph of Beacon's share price and trading volume leading up to, and following the announcement of the Transaction is set out below.



Source: Bloomberg

The closing share price of a Beacon share from 1 September 2023 to 31 December 2023 ranged from a low of \$0.023 to a high of \$0.030.

The Proposed Transaction was announced on 6 December 2023. On the date the Proposed Transaction was announced, the share price closed at \$0.026, up from a closing price of \$0.030 on the previous trading day, being 1 December 2023, the day prior to the trading halt entered into on 4 December 2023. On that day, 8.61 million shares were traded, representing approximately 0.23% of Beacon's current issued capital. Following the announcement of the Proposed Transaction, the daily share price of Beacon has fluctuated from a low of \$0.026 on several days, being 8 December 2023, 13 December 2023 and 16 December 2023, to a high of \$0.027 on several days, being 7 December 2023, 11 December 2023, 12 December 2023 and 14 December 2023.

The above analysis indicates that there is uncertainty in the market about the potential effect of the acceptance of the Proposed Transaction.

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is not fair but reasonable to the Shareholders of Beacon.

## 14. Sources of information

This report has been based on the following information:

- Draft Notice of Meeting on or about the date of this report;
- Reviewed financial statements of Beacon for the half year ended 31 December 2023;
- Audited financial statements of Beacon for the years ended 30 June 2023 and 30 June 2022;
- Independent Valuation Report of the Mineral Assets to be acquired dated 7 June 2024 prepared by VRM;
- Budgeted expenditure and tenement holding costs for the Lady Ida Project;
- Draft Earn-in, Joint Venture and Tenement Transfer Agreement with GL; and
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Beacon.

## 15. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$22,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Beacon in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Beacon, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to GL and Beacon and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of GL and Beacon and their respective associates.

A draft of this report was provided to Beacon and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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## 16. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

## 17. Disclaimers and consents

This report has been prepared at the request of Beacon for inclusion in the Notice of Meeting which will be sent to all Beacon Shareholders. Beacon engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report on the proposal to enter into an earn-in, joint venture and tenement transfer agreement with GL in relation to the Lady Ida Gold Project, pursuant to which the Company can acquire up to 100% of the project.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Beacon. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Beacon, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for the mineral assets held by GL.

The valuer engaged for the mineral asset valuation, VRM, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD**



**Sherif Andrawes**  
Director



**Adam Myers**  
Director

# Appendix 1 - Glossary of Terms

Reference	Definition
A\$, AUD	Australian Dollars
Act	The Corporations Act 2001 Cth
APES	Accounting Professional & Ethical Standards Board
APES 225	APES 223 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The rules under which companies must comply with in order to be listed on the ASX
Aurumin	Aurumin Dimer Pty Ltd
BDO	BDO Corporate Finance (WA) Pty Ltd
Beacon	Beacon Minerals Limited
Beacon Mining	Beacon Mining Pty Ltd
CIP	Carbon-in pulp
Company	Beacon Minerals Limited
Consideration	The amount payable by Beacon to GL to acquire an interest in the Lady Ida Project
Corporations Act	The Corporations Act 2001 Cth
CPI	Consumer price index
DCF	Discounted cash flow
Delta	Delta Gold NL
DMIRS	Department of Mines, Industry Regulations and Safety
DMT	Dry metric tonnes

Reference	Definition
Earn-In, JV and Tenement Transfer Agreement	The terms and conditions under which the parties agree to enter into an earn in and joint venture
End Date	The date, being 31 August 2024 or such other date to be agreed by the Parties, whereby the Conditions are to be satisfied on or before
First Milestone	Beacon solely funding the Lady Ida Project until first gold recovered from M16/62 and processed through the Jaurdi Mill, to earn a 25% interest
FME	Capitalisation of future maintainable earnings
FSG	Financial Services Guide
Fund Finders	Companies that raised in excess of \$10 million
FY23	The financial year ended 30 June 2023
GDP	Gross Domestic Product
Geko Pit	Geko Pit Pty Ltd
Geko Tenements	Mining lease M15/621 and miscellaneous licence L15/355 which are 100% owned by Beacon
Geoda	Geoda Pty Ltd
GL	Geoda and Lamerton
IPOs	Initial public offerings
Jaurdi Mill	A treatment facility contained within the Jaurdi Project
Jaurdi Project	Jaurdi Gold Project, 100% owned by Beacon
JORC 2012	The JORC Code
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
kms	Kilometres
Komatsu Australia Corporate Finance	Komatsu Australia Corporate Finance Pty Ltd
Lady Ida Project	The project upon which the Proposed Transaction is based

Reference	Definition
Lamerton	Lamerton Pty Ltd
MacPhersons Project	MacPhersons Gold Project which is 100% owned by Beacon
Management	Management of Beacon
Maximus	Maximus Resources Limited
MRE	Mineral Resource Estimate
Mt Dimer Project	A group of tenements, 100% owned by Beacon
NAV	Net asset value
Net Smelter Royalty	A 4.00% net smelter royalty on all gold and silver produced from the Lady Ida Project will be granted by Beacon to GL
Option	The option for Geko to acquire the Geko Tenements back for nil consideration
oz	Ounces
Parties	Beacon, Geoda and Lamerton collectively
PFS	Pre Feasibility Study
Primary Gold	Primary Gold Pty Ltd
Proposed Transaction	The proposal for Beacon to enter into an earn-in agreement with Geoda and Lamerton to eventually acquire 100% of the Lady Ida Project
QMP	Quoted market price basis
RBA	Reserve Bank of Australia
Report	This Independent Expert's Report prepared by BDO
RG	Regulatory Guide
RG 111	ASIC Regulatory Guide 111 'Content of Expert's Reports' (March 2011)
RG 76	ASIC Regulatory Guide 76 'Related parties transactions' (March 2011)
RG112	ASIC Regulatory Guide 112 'Independence of Experts' (March 2011)

Reference	Definition
Second Milestone	Once 36,250 ounces of gold are produced from the Lady Ida Project and processed through the Jaurdi Mill, Beacon will earn an additional 25% interest (total 50%)
Shareholders	The Shareholders of Beacon no associated with GL
Technical Specialist Report	The Independent Specialist Report prepared by VRM
the Board	the Board of the RBA
tpa	tonnes per annum
Transfer of the Project	GL to transfer 100% legal and beneficial ownership of the Lady Ida Project to Beacon upon 75,000 ounces of gold has been recovered through the Jaurdi Mill
TSF	Tailings Storage Facility
US\$	United States Dollars
USGS	United States Geological Survey
VALMIN Code	the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VRM	Valuation and Resource Management Pty Ltd

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Australia

# Appendix 2 - Valuation Methodologies

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Methodologies commonly used for valuing assets and businesses are as follows:

## **1 Net asset value**

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

## **2 Quoted market price basis**

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

## **3 Capitalisation of future maintainable earnings**

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

#### **4      *Discounted future cash flows***

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

#### **5      *Market-based assessment***

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

## Appendix 3 - Independent Valuation Report

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# INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION REPORT FOR BEACON MINERALS

Presented To: BDO Corporate Finance (WA) Pty Ltd

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**Distribution** Beacon Minerals Limited  
BDO Corporate Finance (WA) Pty Ltd  
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## Executive Summary

Valuation and Resource Management Pty Ltd (**VRM**) was engaged by Beacon Minerals Limited (ASX: BCN) (**Beacon** or the **Company**) but instructed by BDO Corporate Finance (WA) Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**), including valuation of the potential Joint Venture on the Lady Ida Tenements. The ITAR is prepared to assist BDO in completing their Independent Expert Report (**IER**) in relation to the Joint Venture between Lamerton Pty Ltd (**Lamerton**) and Geoda Pty Ltd (**Geoda**) over the Lady Ida Project proposed to be acquired by Beacon (the **Proposed Transaction**).

This Report has been prepared as a public document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**).

VRM understands that BDO will include the Report within its IER relating to the Proposed Transaction.

This Report is a technical review of three Mining Leases M16/262, M16/263 and M16/264 and six associated miscellaneous licences L15/224, L16/58, L16/62, L16/103, L16/138 and L16/142 collectively termed the Lady Ida Joint Venture Tenements in Western Australia. The Lady Ida Joint Venture Tenements were initially described in the Beacon ASX release of 24 March 2023 (ASX: BCN 24 March 2023) as the Lady Ida Joint Venture Tenements. Beacon subsequently announced that the proposed acquisition could not proceed in the original form (ASX: BCN 20 July 2023) and in December 2023 the Company provided an update in which revised terms and conditions were outlined (ASX: BCN 6 December 2023).

VRM understands that Beacon can acquire up to a 100% interest as follows. The terms of the Proposed Transaction are for Beacon sole funding the Lady Ida Project until first gold is produced from M16/262, at which point Beacon will acquire a 25% interest in the Project. When 36,250oz of gold has been produced, the Beacon equity will increase by an additional 25% to a total of 50%. After 72,500oz of gold has been recovered, an additional 50% for a total of 100% of the Project will be transferred to Beacon. When Beacon has 100% of the Project, Beacon will pay a 4% Net Smelter Royalty (**NSR**) to Lamerton and Geoda on gold and silver recovered from the Lady Ida Joint Venture Tenements.

The tenements are at an advanced exploration to pre-development stage, with Mineral Resource and Ore Reserve estimates reported within the Project. These estimates were reported by previous owners Ora Banda Mining Limited (ASX: OBM) (**Ora Banda**) and are included in Beacon's initial announcement of the acquisition (ASX: BCN release 24 March 2023). While there is some documentation of these Mineral Resource and Ore Reserves within this report VRM does not consider the Ore Reserves to be current for Beacon as the technical inputs into the studies that underpin the Ore Reserves are specific to Ora Banda and therefore possibly not aligned with the JORC Code Modifying Factors that would be considered reasonable for Beacon. Beacon has indicated that the Ore Reserves are proposed to be updated to align with their cost structure if the proposed transaction is completed.

Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of Beacon but rather an asset valuation of the companies' mineral properties.

The Valuation Date is 3 June 2024. The Proposed Transaction was first announced on 24 March 2023, and in July 2023 the Company announced that a revised form was required by the ASX. The current form of the proposed acquisition was reported in December 2023 and given the continued buoyancy of the gold market information up to the current date applies including commodity prices as at 3 June 2024. VRM provided a redacted draft report on 27 March 2024 to BDO for factual accuracy checking by the companies. This report includes updated technical information associated with the factual accuracy checking conducted by the companies.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Beacon along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

### **Summary of the Lady Ida Joint Venture Tenements, Western Australia**

This report is limited to a technical assessment and valuation of the three mining leases and six associated granted miscellaneous licences associated with the three mining leases that constitute the Lady Ida Joint Venture Tenements in Western Australia.

The Lady Ida Project tenements are located within the Kalgoorlie Terrain of the Eastern Goldfields Province of Western Australia. The immediate area covers the Ora Banda domain and specifically the Ida Fault which is the western boundary of the Eastern Goldfields Province. There are two Mineral Resource estimates that have been undertaken by Ora Banda and reported in an ASX release of 1 August 2022 (ASX: OBM 1 August 2022). In addition to the Mineral Resources there is exploration potential within the tenements for shear-hosted gold mineralisation.

### **Conclusions**

Based on the technical review and the analysis undertaken by VRM the market value of the specific Mineral Assets of Beacon has been determined in accordance with the guidelines of the VALMIN Code, including using two separate valuation methods. VRM has applied appropriate rounding to the valuation in line with the variability associated with valuations of this nature.

This valuation has been completed on a sum of the parts basis with the two distinct parts of the Mineral Assets being the current Mineral Resource estimates and the exploration potential on the tenements. As there are two Mineral Resources which are contained on two of the three mining leases, these have been valued using a comparable transaction (Resource Multiple) valuation method with a Yardstick method as a supporting or secondary method. The exploration potential has been valued using the Geoscientific or Kilburn approach as the primary method, and a Prospectivity Enhancement Multiplier valuation approach used as a supporting or secondary valuation method.

The total Lady Ida Joint Venture Tenements also have a significant liability associated with the royalty payable to the vendors of the project. As such, that royalty has been deducted from the Mineral Asset valuation to determine the project value. The value of royalty has been based on a 2% Net Smelter

Royalty (**NSR**) being the difference between the royalties that are imbedded in the Comparable Transactions used in the Mineral Resource valuation (usually around 2%) and the 4% payable to the vendors. Therefore, VRM has determined the likely value of a 2% royalty with a range based on +/- 20%.

Table 1: Valuation Summary of Lady Ida Joint Venture Tenements

Project	Asset	Valuation Method	Method	Low (A\$M)	Mid (A\$M)	High (A\$M)
M16/262 & M16/264	Mineral Resources	Comparable Yardstick	Primary Supporting	14.5	19.3	24.1
M16/263	Exploration Potential	Kilburn PEM	Primary Supporting	0.3	0.7	1.1
Total Lady Ida Joint Venture (100%)				\$14.8	\$20.0	\$25.2
Royalty (Deducted from the Valuation)				(\$2.0)	(\$2.5)	(\$3.0)
VRM Preferred Valuation Range				\$12.8	\$17.5	\$22.2

Note no allowance has been made in the valuations above for the costs to advance the project to first gold from M16/262 at which point Beacon will acquire a 25% interest in the Project.

## 1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**BDO**) commissioned Valuation and Resource Management Pty Ltd (**VRM**), on behalf of Beacon Minerals Limited (ASX: **BCN**) (**Beacon** or the **Company**), to prepare an Independent Technical Assessment and Valuation Report (**ITAR** or **Report**) on the Lady Ida Joint Venture Tenements. These tenements are potentially being acquired by Beacon from Lamerton Pty Ltd (**Lamerton**) and Geoda Pty Ltd (**Geoda**). VRM understands that Lamerton and Geoda are both considered to be related parties to Beacon due to Beacon Director, Mr G McGarry holding a controlling interest in Lamerton and Beacon Director, Mr G Greenhill holding a controlling interest in Geoda. Therefore, VRM understands that Beacon is required to obtain shareholder approval under Australian Securities Exchange (**ASX**) Listing Rule 10.1. The Independent Director of Beacon has requested that BDO prepare an Independent Expert's Report (**IER**) to express an opinion as to if the proposed acquisition is fair and reasonable to the non-associated shareholders of Beacon. This ITAR is intended to be appended to the BDO IER.

The Mineral Assets considered in this review include three Mining Leases, six granted Miscellaneous Licences. As the Miscellaneous Licences do not allow exploration for or exploitation of minerals, they are not considered to have a material value and are therefore not valued in this report.

The Lady Ida Joint Venture Tenements are all located in the Goldfields region of Western Australia (Figure 1).

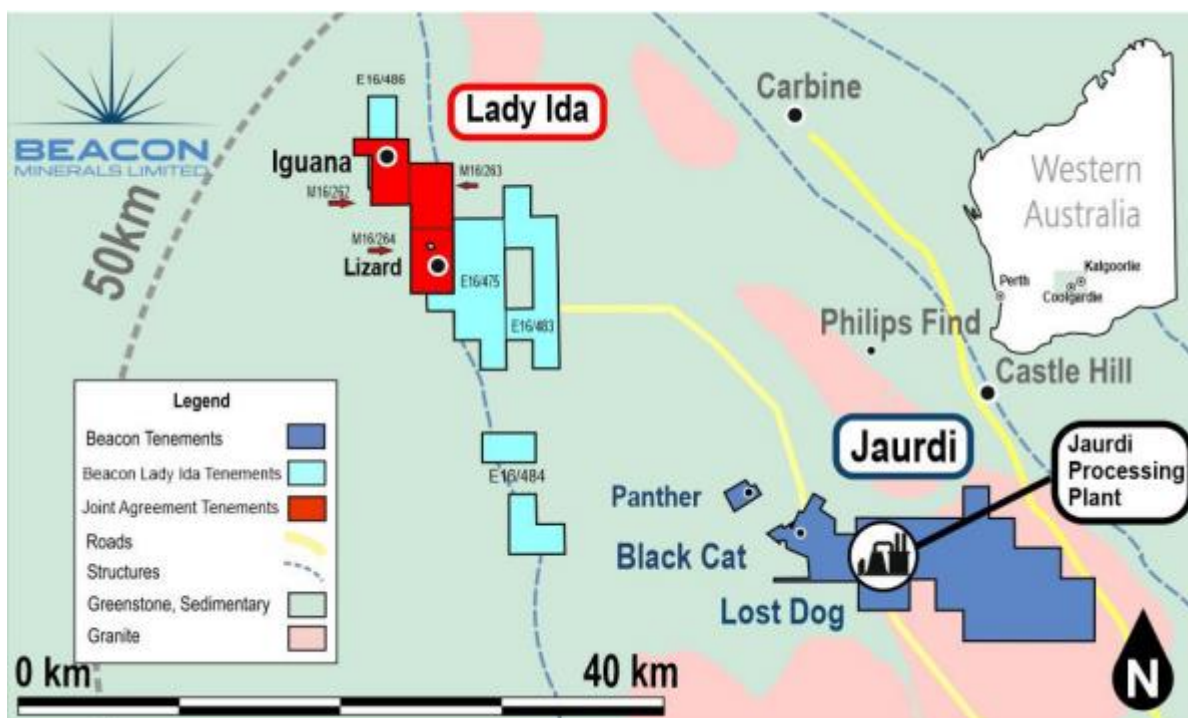


Figure 1: Location of the Lady Ida Joint Venture Tenements (red) described in this report

Source: Beacon ASX release dated 13/02/2024

## 1.1 Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

In preparing the ITAR, VRM has applied the guidelines and principles of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). These codes are also requirements under Australian Securities and Investments Commission (**ASIC**) rules and guidelines and the listing rules of the ASX.

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Beacon and previous owners and associated Competent Persons as referenced in this ITAR and additional publicly available information.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this report and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

## 1.2 Scope of Work

VRM's primary obligation in preparing this ITAR is to independently describe and value the Mineral Assets applying the guidelines of the VALMIN and JORC Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Projects.

VRM has compiled the Report based on the principle of reviewing and interrogating both the documentation of the companies involved and their consultants, and other previous exploration within the area. This Report is a summary of the work conducted, completed, and reported by the companies from pegging or acquisition of the Projects to June 2024, based on information supplied to VRM by the Companies, and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that its review and report will be appended to BDO's IER and as such, it is understood that VRM's review will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the 2015 VALMIN Code.

Much of this report is based on information provided by Beacon along with publicly available data, including ASX releases and public data from various companies currently or previously working existing and nearby tenements. VRM has made all reasonable endeavours to confirm the accuracy, validity and completeness of the technical data that forms the basis of this report. In VRM's opinion the information that has been provided is reasonable under both the VALMIN and JORC Codes and conforms with the Reasonable Grounds Requirements of the Corporations Act 2001 and the ASIC Information Sheet 214 (**INFO214**). The opinions and statements in this report are given in good faith and under the belief that they are accurate and not false nor misleading.

### 1.3 Statement of Independence

VRM was engaged to undertake an ITAR of the Projects that comprise the specific mineral assets of Beacon which is subject to the proposed transaction. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory Guide 111 Content of expert reports (**RG111**) and ASIC Regulatory Guide 112 Independence of Experts (**RG112**).

Mr Paul Dunbar, Ms Deborah Lord, Dr Louis Bucci and VRM has not, within the past two years had any association with Beacon, its individual employees, or any interest in the securities of Beacon or potential interest, nor are they expected to be employed by either Company after the proposed transaction, which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately \$17,500 (ex GST). VRM previously conducted a valuation report for Beacon in 2023 and this report forms an update on that work. Importantly the previous reports and work were not provided to Beacon, Lamerton or Geoda other than as redacted reports to check for factual accuracy.

### 1.4 Competent Persons Declaration and Qualifications

This Report was prepared by Mr Paul Dunbar, Ms Deborah Lord and Dr Louis Bucci as the primary authors. Dr Louis Bucci Peer reviewed the report.

The Report and information that relates to geology, Mineral Asset valuation, review of Mineral Resources and exploration potential was completed by Mr Paul Dunbar, BSc (Hons), MSc, a Competent Person who is a member of the AusIMM and the AIG. Mr Dunbar is a Principal of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Report was peer reviewed by Dr Louis Bucci, PhD, B App Sc (Hons), a Competent Person who is a member of the AIG. Dr Bucci is an associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code.

The report update was completed by Ms Deborah Lord, BSc (Hons), a Competent Person who is a Fellow of the AusIMM and Member of the AIG. Ms Lord is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Ms Lord consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Between 24 March 2023, being the date that the Proposed Transaction was announced and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in this Report that would cause any material change to the conclusions. The valuation date for the report is 3 June 2024.

### 1.5 Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting. VRM has relied on the information publicly available and the following:

- Information and/or reports obtained from Beacon.
- Various ASX releases, including from previous owners and neighbouring companies; and
- Publicly available information, including maps, datasets, and technical publications of the Geological Survey of Western Australia.

This report contains references or statements made by other parties sourced from the following:

- Academic and technical papers and abstracts in publicly available journals.
- ASX Releases by various Companies; and
- Published and unpublished Annual Technical reports for the Tenements.

The authors of these reports have not consented to the use of their statements in this report. These statements are issued in accordance with ASIC Regulatory Guide 55 and ASIC Corporations (Consents to Statements) Instrument 2016/72.

## 1.6 Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by Beacon and other relevant publicly available data to 3 June 2024. Reference has been made to sources of information, published and unpublished, including government reports and reports prepared by previous parties to the areas. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Beacon as detailed in the reference list. In addition, much of the technical information provided by Beacon is also available in ASX releases by previous owners; it is referenced as such in the report below.

A draft of this report, with the valuations redacted, has been provided to Beacon to identify and address any factual errors or omissions prior to finalisation of the report.

## 1.7 Site visit

A site visit to the Tenements was not undertaken during the preparation of this report. Mr Dunbar has previously undertaken site visits to the general area of the project and has a first-hand knowledge of the exploration activities undertaken in the area and the regional and local geology of the area. VRM has verified the information from previous owners via Government agencies and ASX releases and considered that site visits would not result in additional material information given the early-stage nature, remote location, limited outcrop, and minimal sampling associated with the tenements.

## 2. Mineral Assets

The only Mineral Assets that are detailed in this report are the Lady Ida Joint Venture Tenements that Beacon proposes to acquire from Lamerton and Geoda as detailed in the Beacon ASX release of 6 December 2023. VRM understands that Beacon can acquire up to a 100% interest in the tenements.

The Lady Ida Joint Venture Tenements, being three Mining Leases, six Miscellaneous Licences that are reviewed in this report, are detailed in Table 2. The Miscellaneous Licences do not allow mineral exploration or exploitation and are therefore considered to have no material value. The purpose of the Miscellaneous Licences is restricted to road access between the Mining leases that constitute the Lady Ida Joint Venture Tenements and the processing facility and other tenements owned by Beacon. The Project description sections below detail the technical aspects of the Lady Ida Joint Venture Tenements. The list of tenements has been provided by Beacon, and their distribution is presented in the technical section below, and broadly in Figure 1.

### 2.1 Mineral Tenure

According to the databases of the Government of Western Australia Department of Energy, Mines, Industry Regulation and Safety (**DEMIRS**), the licences listed in Table 2 are current and in good order as of June 2024. To the best of VRM's knowledge, they remain in good standing with all statutory filings, reports and documentation including renewals supplied to the various government departments.

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the relevant laws governing mining. As VRM and the authors of this Report are not experts in mining law, no warranty or guarantee, be it expressed or implied, is made by VRM with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

The terms of the Joint Venture (JV) consist of Beacon sole funding the Lady Ida Project until first gold is produced from M16/262, at which point Beacon will acquire a 25% interest in the Project. When 36,250oz of gold has been produced the Beacon equity will increase by an additional 25% to a total of 50%. After 72,500oz of gold has been recovered an additional 50% for a total of 100% of the Project will be transferred to Beacon. When Beacon has 100% of the Project Beacon will pay a 4% Net Smelter Royalty (**NSR**) to Lamerton and Geoda on the gold and silver recovered from the Lady Ida Joint Venture Tenements.

VRM has made an assessment of the cost to advance the project to first gold from M16/262, excluding production costs, these costs are likely to be between \$0.5 million and \$1.0 million and would include some pre-production drilling, re-reporting of the Ore Reserves using costs associated with the Beacon operations and obtaining the regulatory approvals to commence mining. Depending on the timeframe to advance the project to production these costs are significantly above the minimum expenditure commitments on the tenements as detailed in Table 2 below.

Table 2: Lady Ida Joint Venture Tenements considered in this Report

Tenement	Region	Project	Holder	Equity	Status	Area (Ha)	Grant Date	Expiry Date	Minimum Expenditure (\$)
M16/262	Coolgardie	Lady Ida	L&G	100%	Live	989.35	09/03/1999	11/03/2041	\$99,000
M16/263	Coolgardie	Lady Ida	L&G	100%	Live	999.15	09/03/1999	11/03/2041	\$100,000
M16/264	Coolgardie	Lady Ida	L&G	100%	Live	990.95	09/03/1999	11/03/2041	\$99,100
L15/224	Coolgardie	Lady Ida	L&G	100%	Live	163.00	10/01/2000	09/01/2042	N/A
L16/58	Coolgardie	Lady Ida	L&G	100%	Live	114.80	13/12/1999	12/12/2041	N/A
L16/62	Coolgardie	Lady Ida	L&G	100%	Live	42.80	13/12/1999	12/12/2041	N/A
L16/103	Coolgardie	Lady Ida	L&G	100%	Live	14.98	06/07/2016	05/07/2037	N/A
L16/138	Coolgardie	Lady Ida	L&G	100%	Live	346.48	31/07/2023	30/07/2044	N/A
L16/142	Coolgardie	Lady Ida	Siberia	100%	Live	122.59	08/06/2024	07/05/2045	N/A

Notes: L&G – Lamerton Pty Ltd (50%) and Geoda Pty Ltd (50%), Siberia - Siberia Mining Corporation Pty Ltd.

### 3. Lady Ida Joint Venture Project

#### 3.1 Location and Access

The Project is located approximately 485km east northeast of Perth, and between 60km and 70km north northwest of Coolgardie in Western Australia (Figure 2; Table 2). Access to the Project area is available via Great Eastern Highway to Coolgardie then via a series of unsealed gazetted shire roads, station, and exploration / mining tracks.

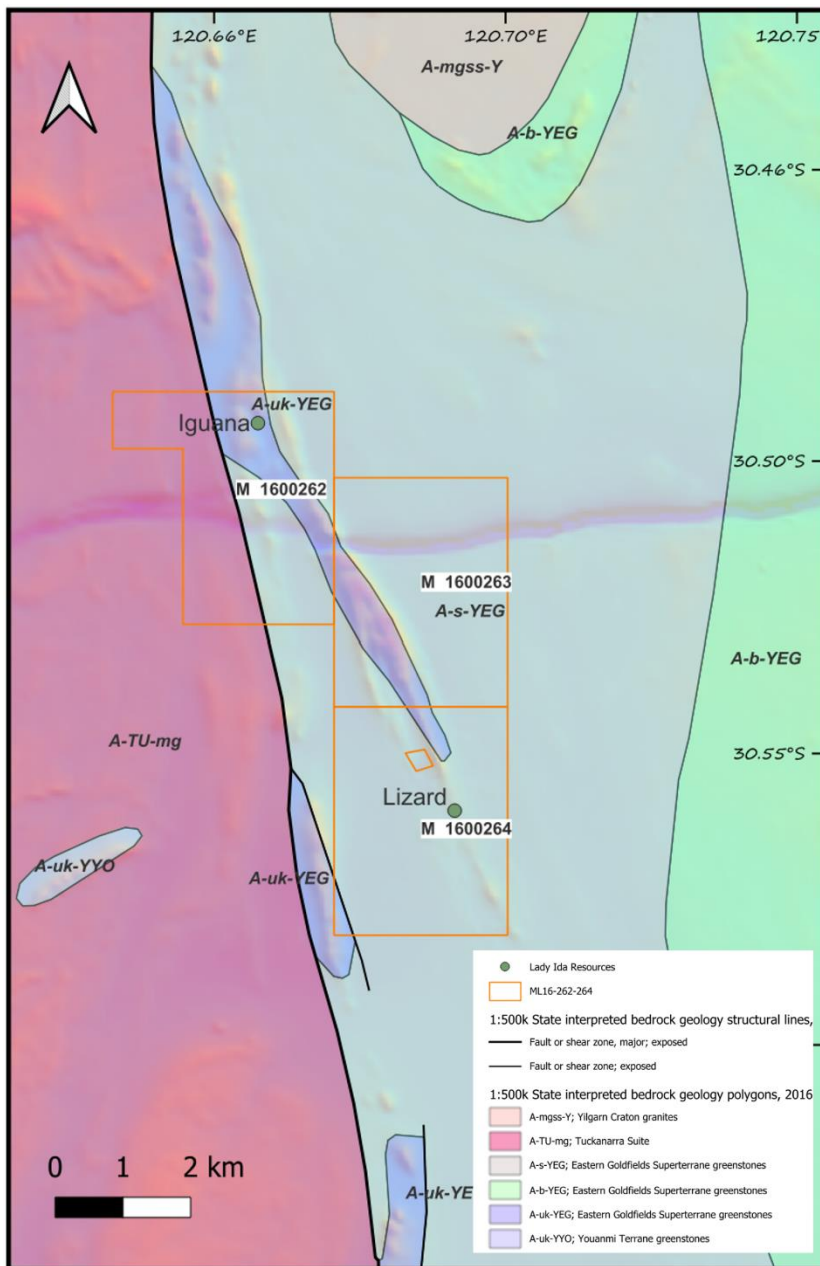


Figure 2: Interpreted geology at the Lady Ida Joint Venture Tenements

Source: GSWA 1:500,000 Geology interpreted.

## 3.2 Regional Geology and Exploration History

The Project is located within the Ora Banda Domain of Kalgoorlie Terrane, the most western terrane of the Eastern Goldfields Province of the Archaean Yilgarn Craton (Cassidy et.al., 2006, Groves et.al., 1998 and Wyche, 1998). The Project straddles the Ida Fault which marks the boundary between the Barlee Terrane of the Southern Cross Province and the Kalgoorlie Terrane of the Eastern Goldfields Province. Major crustal scale structures in the project include the Ida Fault to the west and Bullabulling Shear Zone close to the eastern portion of the Project. The Zuleika Shear to the east of and not within the project tenements is located to the east of the Bullabulling Shear Zone and Kunanalling Shear Zone separates the Coolgardie and Ora Banda Domains of the Kalgoorlie Terrane. The Zuleika Shear is host to multiple major gold deposits while a splay associated with the Kunanalling Shears Zone hosts the mineralisation that Beacon is currently exploiting at Jaurdi (Figure 2). These regionally significant mineralised structures are evidence of the exploration potential within the Project.

### 3.2.1 Previous Exploration and Mining

The region has an extended history of exploration and mining, with gold first discovered at Davyhurst in 1897. Modern exploration dates to the 1980s with several companies initially holding small tenement holdings prior to consolidation that continued through to the 2000s.

In 2005, Monarch Gold Mining Company Ltd (**Monarch**) acquired the Davyhurst Project from Croesus Mining NL (**Croesus**) and in early 2006, expanded its tenement position via a merger with Siberia. From 2006 to 2008 Monarch undertook reverse circulation (**RC**) throughout the belt on several deposits to better define mineralisation and to update Mineral Resource estimates prior to mining (Monarch, 2007). In 2008, Monarch was re-named to Swan Gold Mining Limited (**Swan Gold**). Swan Gold became Eastern Goldfields Limited (ASX: EGS) in 2015. In November 2018, administrators were appointed to EGS. EGS was recapitalised and renamed Ora Banda Mining Ltd in June 2019.

The Swan Gold Prospectus, (Castle 2013) summarises the Lady Ida Mineral Resource estimates as at 30 June 2008. The Iguana and Lizard historical resources were reported using the guidelines of the JORC Code (2004), (Castle 2013). These Mineral Resources have since been re-estimated using the guidelines included in the 2012 edition of the JORC Code. These re-estimated Mineral Resources are included in this report.

As documented with the Swan Gold Prospectus (Castle, 2013), the Lady Ida area was previously explored by Delta Gold NL (**Delta**) and MPI Mines Ltd (**MPI**) including the area around the Lizard deposit. Previous exploration included soil sampling, auger drilling and rotary air blast (**RAB**) drilling to define several linear zones of gold mineralisation.

Delta mined the Lizard, Iguana and Blue Tongue deposits in 2000 to 2001 and material was transported to the Greenfields mill in Coolgardie, 75 km away. Production from these three pits is reported to be 699,152 tonnes (**t**) at an average grade of 2.92 g/t Au for 61,700 oz of gold (Castle 2013 and Castle 2015) (Figure 3). Metallurgical recovery was reported to be in excess of 94% however the mineralisation that was exploited was predominantly oxide material. The ASX release that documents the Mineral Resource estimates report lower recoveries in the primary or fresh material.

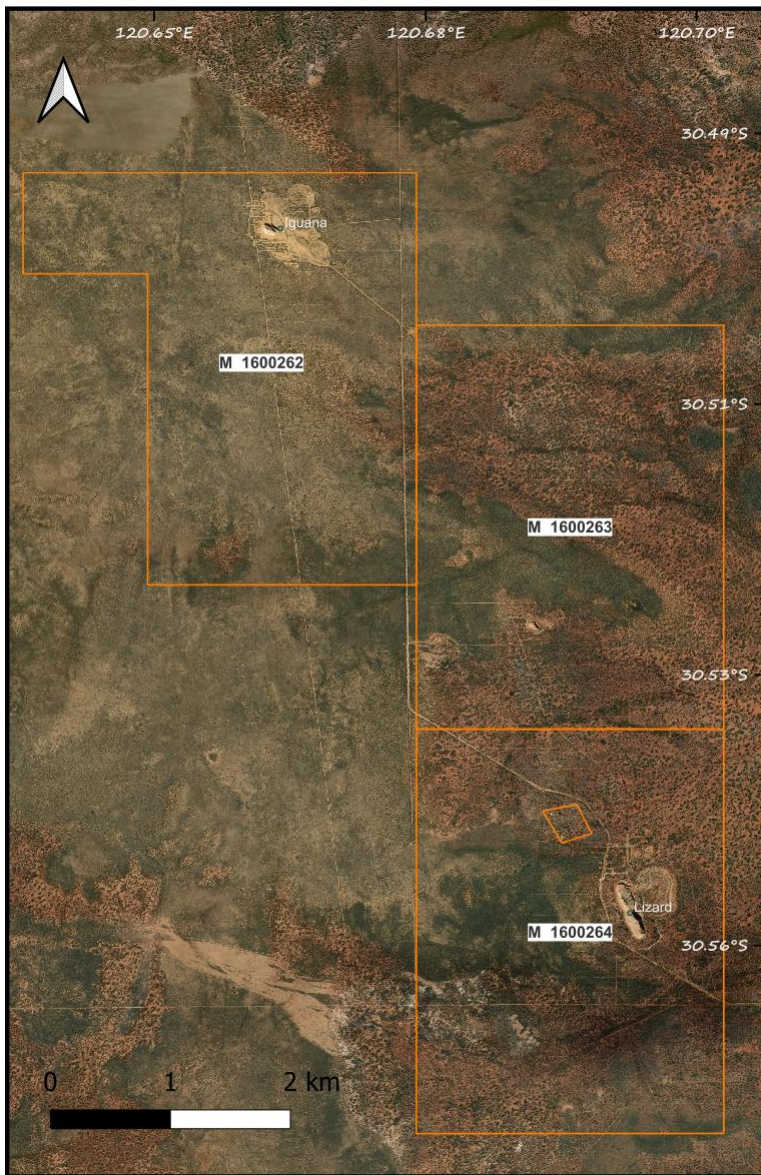


Figure 3: Bing aerial image of Lizard and Iguana Pits and the Lady Ida Joint Venture tenements

Source: Bing Aerial Imagery

The **Iguana deposit** is reported by the Company as being hosted by mafic and ultramafic intrusive volcanic and volcanogenic sedimentary lithologies which strike 320° and dip at 70° to 90° to the west. The mafic (metabasalt) unit consists of quartz-chlorite-biotite-hornblende with minor feldspar, and hornblende occurs as both porphyroblasts and aggregates interlocked with quartz and biotite that show original igneous textures at times. The ultramafic units are strongly magnetic, serpentinised and tremolite-chlorite rich. Minerals noted in thin section descriptions are amphibole, chlorite, carbonate, serpentine, olivine, and opaques (likely to be magnetite). Later cross-cutting medium to coarse grained pegmatite dykes dip gently west. The detailed mineralogy of these pegmatite intrusions has not been reported and may provide a target for lithium exploration.

Iguana is a structurally controlled gold system hosted in ductile shears that are contained between north-trending thrust faults; the late-stage brittle Reptile fault to the east and a second bounding fault

to the west. A strong foliation is noted sub-parallel to the stratigraphy. Mineralisation is offset by several late northeast trending faults, which also appear to be mineralised in some areas. Structurally, the host rocks are characterised by a penetrative metamorphic cleavage with a down-dip stretching lineation. In the central pit area boudinaged felsic layers occur with the structures intensifying towards the main shear and plunging shallowly to the north.

Regional metamorphism is upper greenschist to mid amphibolite facies with local hydrothermal alteration associated with the mineralising event. Intense biotite-hornblende-silica alteration is proximal to the ore zones and gold is present in quartz veins and the associated biotite alteration of the amphibole schist. Arsenopyrite is the main ore mineral and gold is noted within these grains. Gold has also been recorded in potassium feldspar veinlets that brecciates the main shear fabric.

As arsenopyrite is the main ore mineral, in VRM's opinion, it is likely that metallurgical recoveries in the primary or fresh portions of the Mineral Resources may be significantly lower than the recoveries stated in the Ora Banda Mineral Resource estimate ASX release of 1 August 2022.

The **Lizard deposit** is situated seven kilometres southeast of Iguana and the pit extends approximately 500m from north to south and is 75m wide and 55m deep. Mineralisation at Lizard is hosted by a thin chlorite – amphibole altered tholeiitic metabasalt within a sequence of chloritic ultramafic units. The dominant foliation orientation dips 65° towards 070°.

The pit was reportedly mined in two stages, commencing in the north, with this area subsequently backfilled from waste material extracted from the southern second stage of mining. There is a reported gap in mineralisation between these two areas and the deposit remains open below the pit and continues to the south. Potential for parallel zones of mineralisation exists with isolated anomalous zones noted in waste dump sterilisation drilling. Exploration potential is recognised to the north of the pit based on anomalous RC drilling intercepts.

### 3.2.2 Mineral Resource Estimates

Two Mineral Resource estimates that are estimated using the guidelines outlined in the 2012 JORC Code have been completed and reported on the Lady Ida Joint Venture Tenements. The Iguana Mineral Resource is located on M16/262, and the Lizard Mineral Resource is located on M16/264. These were most recently updated and reported in the 1 August 2022 ASX release of Ora Banda (ASX OBM ASX release 1 August 2022). For the specific details including the JORC tables associated with the reporting of the Mineral Resource estimates, VRM directs the reader of this report to the Ora Banda ASX release. Beacon re-reported these Mineral Resource estimates in the 24 March 2023 ASX release. Table 3, extracted from the Beacon ASX release, details the Mineral Resource estimates. The Mineral Resources were initially reported and completed by Mr Ross Whittle-Herbert who was the Competent Person for Mineral Resource estimates detailed in the 1 August 2022 ASX release. The Beacon ASX release which re-reported the Mineral Resource estimates included a Competent Person's statement from Mr Zane Padman. Mr Padman is a Member of the AusIMM and at the time of the report was a full-time employee of Beacon. Mr Padman is no longer an employee of Beacon.

Figure 4 shows the block model for the Iguana Mineral Resource at a 1g/t cut-off however the complete Mineral Resource as reported in Table 3 is estimated at a 0.5g/t Au cut-off.

Table 3: Lady Ida Joint Venture Mineral Resource estimates

PROJECT		CUT OFF	MEASURED		INDICATED		INFERRED		TOTAL MATERIAL		
		(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
IGUANA	OP	0.5	148	1.9	3,847	1.7	146	1.7	4,141	1.7	226
	U/G	2.0	-	-	357	3.5	314	2.7	671	3.1	68
	TOTAL	-	-	-	4,204	1.8	460	2.4	4,812	1.9	294
LIZARD	-	0.5	106	4.0	75	3.7	13	2.8	194	3.8	24
TOTAL	-	-	254	2.8	4,279	3.7	473	4.8	5,006	2.0	318

Note: Initially reported in the OBM ASX release 1 August 2022 as at 30 June 2022, re reported in BCN ASX release 24 March 2023.

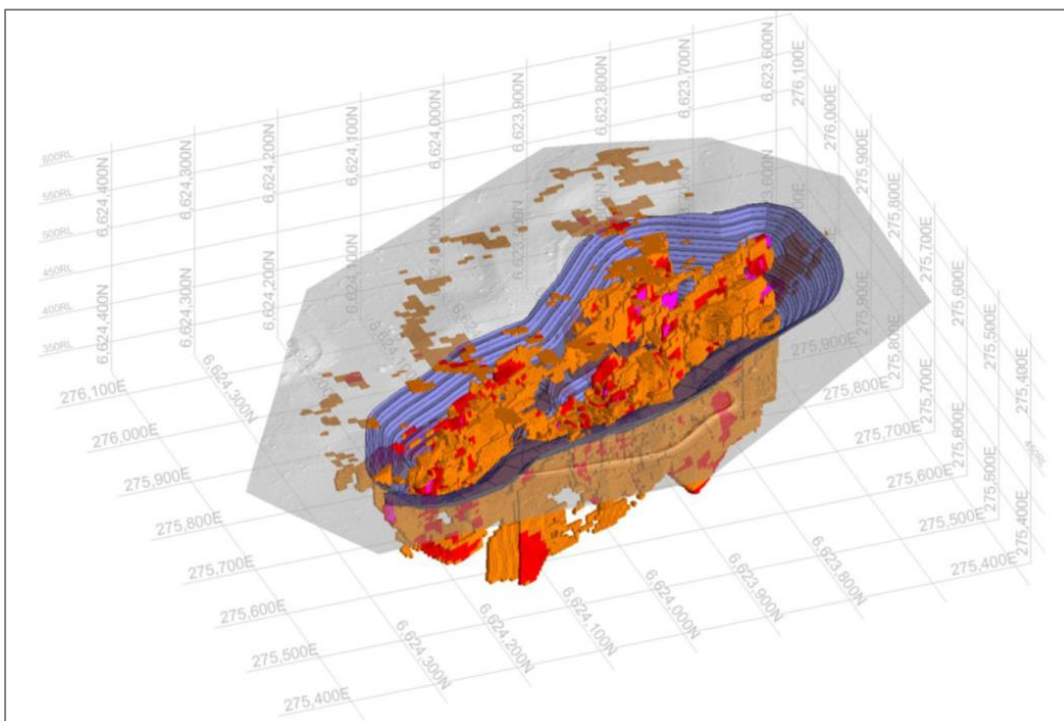


Figure 4: Iguana Open Pit design showing the diluted block model at a 1ppm Au cut-off.

Source: OBM Mineral Resource ASX release 1 August 2022

VRM has undertaken a limited high-level review to the Mineral Resource estimates as reported and has not re-reported or re-estimated the Mineral Resources.

VRM considers the Mineral Resource estimate to be a robust global estimate that has been prepared in accordance with the 2012 version of the JORC Code. Nonetheless, there are several aspects that could be addressed to increase the confidence in the estimate. VRM considers that the domaining and grade distribution may represent a valid global estimate however the specific grade distribution and geological continuity may not be accurately reflecting the local geological and grade variability within the deposit as reported in the Mineral Resource.

Finally, VRM considers that while the classification of the Mineral Resources is reasonable, it appears to have been undertaken on a subjective basis based on drill spacing and may be optimistic. The 1 August

2022 ASX release is also internally inconsistent regarding the drill hole pierce point spacing that determines the Mineral Resource estimate classification. For example, in one section of the ASX release, the spacing is detailed as being areas of Grade Control Drilling classified as Measured, <40m as Indicated >40m. In a different section of the ASX release, the spacing is reported as being <30m and >30m for Indicated and Inferred classifications, respectively. VRM cautions that this spacing may generate an optimistic and overly smoothed grade profile and classification of the Mineral Resource estimate.

VRM and the Competent Person who originally signed off on the Mineral Resources recommends additional work be completed including additional drilling prior to further Mineral Resource estimation. VRM was supplied additional information on analytical results from holes drilled in 2023. These holes (numbered IGRC23001 to IGRC23026) are located within the area of the Mineral Resource and should be included in the next update. In the meantime, VRM considers that the 2022 Mineral Resource estimates are reasonable and provide the most accurate basis for the valuation of the Project.

### 3.2.3 Ore Reserve estimates

The Ore Reserves for the Iguana Deposit were reported in the 24 March 2023 ASX release, where Beacon announced the initial Proposed Transaction. While these were most recently reported and detailed in the Ora Banda ASX release of 1 August 2022, VRM considers that these Ore Reserves are not current for Beacon due to the differences in the Modifying Factors that have been used in determining the Ore Reserves. The Modifying Factors are considered to be project and owner specific due to different assumptions and costs along with the availability of capital being different for each company.

Beacon has reported that if the transaction completes then they will re-estimate the Ore Reserves based on the Modifying Factors specific to Beacon. VRM cautions that these may make a material impact on the overall Ore Reserves, and on that basis, VRM has not used the Ore Reserves in the valuation of the project and does not consider them to be current Ore Reserves for Beacon.

Table 4 below details the Ore Reserves as reported. VRM cautions that these Ore Reserves may not be current and should not be relied upon.

Table 4: Iguana Ore Reserves

PROJECT AREA	DEPOSIT	PROVED		PROBABLE		TOTAL MATERIAL		
		('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
<b>LADY IDA TOTAL</b>	Iguana	100	2.0	1,800	1.7	1,910	1.7	107

Note: These Ore Reserves are as reported in the BCN ASX release of 24 March 2023 and re-reported from the OBM ASX release of 1 August 2022 as at 30 June 2022.

VRM has however used these Ore Reserves to determine the valuation of the royalty, as there has been a study into the development of the deposit which provides a more accurate reflection of the royalty value than using the global Mineral Resource reported above.

VRM has made an assessment of the likely costs to update the Ore Reserves to reflect the modifying factors associated with Beacon's operations. In VRM's opinion to update the Ore Reserves would likely cost between \$0.1 million and \$0.2 million. The likely cost required to advance the project to first gold, which is the point that Beacon will acquire a 25% interest in the project would be between \$0.5 million and \$1.0 million and would include some pre-production drilling, updating the Ore Reserves using costs associated with the Beacon operations and obtaining the regulatory approvals to commence mining

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#### 3.2.4 Exploration Potential

The area remains prospective for additional gold mineralisation. Due to the previous protracted legal disputes associated with the tenements, there has been limited exploration on the tenements since 2010 when the gold price averaged A\$1,371.06/oz, compared to the current price of A\$3,300.9/oz (20 March 2024).

In VRM's opinion, the strike extent of the mineralised thrust faults that host both the Iguana and Lizard Mineral Resources remain a viable target for further exploration.

## 4. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 5 and provides a guide as to the most applicable valuation techniques for different assets.

Table 5: VALMIN Code 2015 valuation approaches suitable for Mineral Properties.

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Overall VRM has used a sum of the parts valuation approach with those parts being the two of the Mining Lease tenements which contain Mineral Resource estimates which are best described as Advanced Exploration to Pre- Development assets while the other mining lease is an early-stage exploration asset.

VRM considers that the two mining leases which contain the Mineral Resource estimates are most appropriately valued based on the Mineral Resource estimates. These tenements have been valued using a Comparable Transaction (Resource Multiple) approach as a primary method with a Yardstick approach used as a secondary or supporting valuation method. The tenement that does not contain the Mineral Resources is an early-stage exploration project that should be valued using a Geoscientific or Kilburn approach, with a Prospectivity Enhancement Multiplier (PEM) valuation as a secondary approach.

### 4.1 Previous Valuations

VRM is not aware of any previous valuations for the specific Mineral Assets being acquired by Beacon, aside from the previously mentioned work completed by VRM in 2023.

### 4.2 Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 3 June 2024 being the valuation date of this Report and considering information up to 3 June 2024. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM. As of the Valuation Date in VRM's opinion, there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

### 4.3 General Assumptions

The Mineral Assets being acquired by Beacon are valued using appropriate methodologies as described in Table 5 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon.
- The valuations only relate to the Mineral Assets located within the tenements controlled by the respective Companies, and not the Companies, their shares or market value.
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licence will remain active.
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe.
- That the owners of the mineral assets can obtain the required funding to continue exploration activities.
- The gold price used in the valuation is US\$2,337.70 based on the London PM fix for the day prior (source Kitco.com) and the US\$ to AUD exchange rate of 0.6682 based on the mid-market rate as of 3 June 2024 (Source XE.com). This results in an AUD gold price of \$3,498.40.
- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

### 4.4 Market Analysis

Given the Project being valued in this Report is dominantly prospective for gold, it is important to note the current market conditions and supply and demand fundamentals of the precious metal markets. The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe-haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Global uncertainty in regard to banking stability in the US, political instability in Europe, the lingering effects of the COVID-19 pandemic, the state of the world economy and the current inflationary environment has driven an increase in the gold price since early 2020. Figure 5 shows the gold price in USD over the last five years.



Figure 5: Five Year Spot Price for Gold in US\$

Source: S&P Capital IQ accessed on 7/6/2024

While the gold price is high in Australian dollars there is a strong bias toward advanced projects obtaining funding and the earlier stage projects being difficult to attract investment money.

VRM considers that the overall gold market, especially for projects without a completed feasibility study is generally flat, due to the inflationary economic climate created by the COVID-19 pandemic and the wars in Ukraine and Gaza, coupled with global supply chain issues and in Australia, the lack of a skilled labour force to build and operate new projects. Further, such projects have a heightened risk element around permitting. In the current climate, funding for gold projects is competing with a vast array of funding opportunities in the critical minerals and clean energy space making a crowded market for gold project finding.

When normalising the transaction valuation to the gold price, VRM has elected to use the spot US dollar gold price for normalisation of the resource multiples.

## 4.5 Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

At the Valuation Date, VRM considers that there are no current Ore Reserves estimated for the Lady Ida Joint Venture Tenements, and as such, a DCF based approach is not considered to be a suitable valuation approach.

### 4.5.1 Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource Estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to five years in either the same geopolitical region or same geological terrane. The comparable transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Projects.

#### 4.5.2 Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports as outlined in Table 6. The US\$-AUS\$ exchange rate and gold price as of 3 June 2024 and documented above have been used to determine the yardstick valuation.

Table 6: Typical Yardstick Multiples used for Gold Projects

Resource or Reserve Classification	Lower Yardstick Multiple (% of Spot Price)	Upper Yardstick Multiple (% of Spot Price)
Ore Reserves	5%	10%
Measured Resources (less Proved Reserves)	2%	5%
Indicated Resources (less Probable Reserves)	1%	2%
Inferred Resources	0.5%	1%

#### 4.6 Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation.
- Comparable transactions (purchase) based on the Properties' area or Mineral Resource estimates (both current and historic).
- Joint Venture terms based on the Properties' area; and

- A prospectivity enhancement multiplier (PEM).

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves.

The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

#### 4.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation, it is a method that when applied correctly by a suitably experienced specialist, enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost (**BAC**), which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. For the Beacon tenements, the BAC has been determined using the exploration commitments for the tenement and the annual rent payments. These commitments were either provided and confirmed from the original tenement certificates or DEMIRS for the Lady Ida tenements in Western Australia.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a

specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 7, along with the base acquisition costs tabulated in the appendices, an overall technical valuation is determined.

Table 7: Ranking Criteria used to determine the geoscientific technical valuation

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified		
2.5			Significant intersections – not correlated on section	Favourable geological setting
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Mineralised zones exposed in prospective host rocks	
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The total technical valuation was not discounted to derive a total market valuation by making a locational adjustment. No premium (or discount) was applied to the technical valuation for the locational risks with the tenement due to it being a granted Mining Lease and there being previous mining on the adjacent tenements. A 20% premium to the technical valuation was applied to account for the high or near all-time high gold price in Australian Dollars.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for the surrounding exploration potential.

#### 4.6.2 Prospectivity Enhancement Multiplier (PEM) Valuation

As outlined in Table 5 and in the VALMIN Code a cost – based or appraised value method is an appropriate valuation technique for early-stage exploration Properties. Under this method, the previous

exploration expenditure is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (PEM) involves a factor which is related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 8 below. VRM considers the PEM valuation method as a secondary valuation method and no higher PEM ranges are used once a JORC 2012 Mineral Resource has been estimated. In the opinion of the author, it is preferable to use Resource multiples for comparable transactions once a JORC 2012 resource has been estimated, however, if there are no comparable transactions then a PEM is a viable valuation method.

Table 8: Prospectivity Enhancement Multiplier (PEM) ranking criteria

PEM Ranking Criteria	
Range	Criteria
0.2 – 0.5	Exploration downgrades the potential
0.5 – 1	Exploration has maintained the potential
1.0 – 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting, mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

## 5. Valuation of the Mineral Assets

The Mineral Assets valued as a part of this IER are the tenements that form the Lady Ida Joint Venture Tenements located near Coolgardie, Western Australia. There are Mineral Resource estimates for the Lizard and Iguana Deposits on two of the three Mining Leases that form the Lady Ida Joint Venture Tenements.

There are no Ore Reserves within the project that VRM consider to be current. Therefore, in VRM's opinion, an income valuation approach is not a suitable valuation method. VRM has undertaken a valuation based on several techniques, these being a comparable transaction (resource multiplier) and Yardstick method as a cross check for the reported Mineral Resource estimates. The adjacent Mining Lease has been valued considering a Kilburn or Geoscientific valuation method and a PEM method as described further below.

There is a 4% NSR royalty associated with the Project payable to the vendors being Lamerton and Geoda. This royalty is valued separately and deducted from the value of the Mineral Resources in the summary section of the Mineral Asset Valuation.

### 5.1 Comparable Transactions – Resource Multiples

For the tenements containing Mineral Resource estimates, an analysis of completed gold transactions was compiled for Australia for the past five years and included resources of less than 1 million ounces and more than 15,000 ounces, which were not Reserves and not part of an existing mining operation. The final set of data used to derive the valuation included 26 transactions involving gold resources in Western Australia, as detailed in Appendix A. The comparable transactions were all announced prior to the Proposed Transaction being announced in December 2023 and do not include transactions announced or completed subsequent to the Proposed Transaction being announced and the valuation date. Most of the comparable transactions used for projects are compiled from projects with no feasibility studies. The resource multiples based on these 26 transactions have been normalised to the gold price at the transaction date for each of the 26 transactions with that normalised against the gold price at the valuation date (3 June 2024).

Applying this methodology, the normalised median was \$47.54/oz of contained gold with the average multiple of \$61.96/oz of contained gold. VRM considers that a range should be determined and based on the comparable transactions has elected to determine the range as +/- 25% from the average resource multiple for the Lady Ida Joint Venture Tenements that contain the delineated Mineral Resources.

The resource multiples detailed above and supported by the information in Appendix A have been used along with the Mineral Resource estimates in Table 3 to derive the value of the Mineral Resources within the tenements that contain Mineral Resources. The contained gold in the Mineral Resources has been calculated by VRM based on the reported Resource tonnage and grades, and results in a slightly different contained gold compared to the declared Mineral Resources. This variation is due to rounding in the estimates. The exploration potential away from these tenements has been determined by a Geoscientific and PEM method.

Table 9 below summarises the valuation of the Mineral Resources on the Lady Ida Joint Venture tenements potentially being acquired by Beacon.

Table 9: Comparable transaction valuation of the Mineral Resource estimates

Comparable Transaction Valuation Mineral Resource estimates			
	Lower (-25 %) \$M	Preferred (Average) \$M	Upper (+25 %) \$M
Mineral Resource Estimates (contained Au oz)		311,500	
Resource Multiple (\$/oz contained Au)	\$46.47	\$61.96	\$77.45
Mineral Resource Valuation (\$A million)	14.5	19.3	24.1

Note appropriate rounding has been applied to the valuation totals.

Therefore, VRM considers that the Mineral Resources within the Lady Ida Joint Venture Tenements have a market value, based on comparable transactions, of between **\$14.5 million** and **\$24.1 million** with a preferred valuation of **\$19.3 million**.

## 5.2 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or supporting valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a supporting approach for valuation of Ore Reserves and / or Mineral Resources and is based on a percentage of the current metal price.

For the gold Mineral Resource estimates, a common yardstick value would be between 0.5% and 5% of the current gold price, dependent on the Mineral Resource classification as at the Valuation Date. For lower classification levels such as Inferred Mineral Resources, this percentage is lower, reflecting the higher uncertainty compared to Indicated or Measured categories. A lower Yardstick Value of 0.25% to 0.5% can be used for JORC 2004 Inferred Resources. The risks relating to the resources described above have been incorporated into the Yardstick approach. The yardstick multiples are commonly used for gold transactions and has been developed by the valuation industry as a basis of possible project valuations based on a large dataset of gold transactions.

VRM has applied a range of percentage values, corresponding to the classification of the gold Ore Reserves and Mineral Resources within the Projects and the gold (\$/oz) prices at the Valuation Date in order to value the resources within the Projects. The valuations are summarised in Table 10.

Table 10: Yardstick valuation of the Mineral Resources within Lady Ida Joint Venture Tenements

Yardstick Valuation Summary					
Classification	Yardstick Factors	Mineral Resource ('000 oz Au)	Lower (\$M)	Midpoint (\$M)	Upper (\$M)
Mineral Resource estimates					
Measured Au Resources	2.0 – 5.0%	23	1.59	2.78	3.97
Indicated Au Resources	1.0 – 2.0%	252	8.82	13.24	17.65
Inferred Au Resources	0.5 – 1.0%	37	0.64	0.96	1.28
Mineral Resource Valuation (\$M)		312	11.1	17.0	22.9

Note – Yardstick Valuation based on a gold price of A\$3302.90/oz, appropriate rounding has been applied to the valuation.

Therefore, VRM considers the Mineral Resources estimates within the Lady Ida Joint Venture Tenements as detailed above to be valued, based on a yardstick approach, at between **\$11.1 million** and **\$22.9 million** with a preferred valuation of **\$17.0 million**.

### 5.3 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project.

In addition to ensuring the rankings are correct, deriving the BAC is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing. The costs of tenement applications and targeting have not been included.

To determine the market value, the technical value has been discounted as follows:

- Non-Market Risks: no discount nor premium has been applied to the tenement valuation due to the geopolitical risks including, access issues, environmental approvals, and possible heritage delays are considered insignificant due to the tenement being a granted Mining Lease with previous mining on the adjacent tenements; and
- Gold: a 20% premium was applied to the project valuations due to the high to all-time high gold price in Australian Dollars.

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1.5 and 2.0, the On-Property Criteria between 1.5 and 2.0, the Anomaly Factor between 1.0 and 1.5 while the Geology Criteria are considered to be between 1.0 and 1.5. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix B, this has determined the technical value. The technical value was then discounted by relevant factors as outlined above. The results are provided below in Table 11.

Table 11: Geoscientific valuation of the Lady Ida Joint Venture Project.

Tenement	Geoscientific (Kilburn) Valuation (A\$)		
	Lower (\$M)	Preferred (\$M)	Upper (\$M)
M16/263	0.3	0.7	1.1

Appropriate rounding to the total valuation has been undertaken.

The Geoscientific valuation for the M16/263 within the Lady Ida Joint Venture Tenements which does not contain Mineral Resources is considered by VRM to have a market value in Australian dollars of between **A\$0.3 million** and **A\$1.1 million** with a preferred value of **A\$0.7 million**.

#### 5.4 Prospectivity Enhancement Multiplier (PEM) Valuation

VRM has undertaken a PEM valuation of the tenements based on the exploration expenditure for the past six years as extracted from the DEMIRS online tenement database Mineral Titles Online with the expenditure detailed in the Form 5 reports. VRM would typically limit the expenditure to the past five years and exclude administration costs however in this case as the tenements have been under expended due to the previous wardens court actions there has been minimal exploration expenditure when compared to the minimum expenditure commitments, for those reasons VRM has expanded the expenditure to include all form 5 expenditure for the past six years. Project acquisition costs were excluded from the analysis as these are considered sunk costs and not contributing to geological / prospectivity knowledge.

This expenditure has been multiplied by the prospectivity enhancement multiplier as detailed previously in Table 8. To generate a range in the PEM valuation, VRM has assessed the effectiveness of the exploration expenditure and therefore used an upper and lower PEM multiple, to generate a range of likely values of the Projects. The preferred valuation is the average of the upper and lower PEM valuation. Table 12 details the expenditure, the PEM multiples, and the valuations for the Lady Ida Project.

Table 12: PEM valuation of the Lady Ida Joint Venture Tenement.

Project	Expenditure (\$)	PEM Valuation by Tenement				
		PEM Low	PEM High	Lower (\$M)	Upper (\$M)	Preferred (\$M)
M16/263	417,382	1.0	1.3	0.42	0.48	0.54
Total				0.4	0.5	0.5

Note: Appropriate rounding has been undertaken.

For the Lady Ida Project, the fair market valuation as determined by the PEM valuation method has resulted in a rounded value of between **\$0.4 million** and **\$0.5 million** with a preferred valuation of **\$0.5 million**.

## 5.5 Royalty Valuation

There is a 4% NSR royalty associated with the Project payable to the vendors being Lamerton and Geoda.

It is common for comparable transactions, including the transactions used to determine the Comparable Transaction (Resource Multiples), that are the basis of the valuation of the Mineral Resources within the Lady Ida Joint Venture Tenements, to include an imbedded royalty which typically falls within the 1.5% – 2.5% range. Therefore, VRM considers that the Comparable Transaction Valuation based on the Mineral Resource multiples includes this typical 2% royalty which has been imbedded in the Comparable Transaction valuation. Under the Proposed Transaction, the royalty payable to the vendors is 4%, which is considerably unusually high. VRM considers that the difference between a typical royalty which is commonly associated with project transactions and the 4% royalty payable to the vendors should be deducted from the project valuation. VRM has determined the value of this royalty based on the gold price at the Valuation Date (\$3,498.40/oz) and using the Ore Reserves reported in the Beacon ASX release (107,000oz Au) for this purpose, with the following discounts applied. The value of the royalty is therefore based on the difference between the Vendor royalty (4%) and the commonly imbedded royalty (2%); therefore, the potential royalty valuation has been based on a 2% royalty.

Additional discounts to the estimated Ore Reserves have also been applied based on the metallurgical recovery at the processing plant (90%), the refinery costs (refining fee, batch costs, refining assay costs, insurance etc) assumed to be \$15/oz, refining recovery (assumed at 98%), and the mining recovery (95%; from Ore Reserve JORC Table 1 information). A significant discount of 50% has also been applied to account for the risk of advancing to production. While the latter discount is somewhat subjective, given the likely delays in progressing the project to a full feasibility and the additional exploration work costs required prior to a development decision, along with the Mining and Mineral Resource risks, this discount is considered reasonable. Table 13 below summarises the methodology applied to the royalty valuation. This results in the additional royalty above the royalty imbedded in the Resource Multiple valuation of approximately \$2.5 million.

Table 13 Royalty Valuation Methodology

Criteria	Factors
Royalty Rate	2%
Gold Price	\$3,498.40
Contained Gold	107,000
2% of Gold Value	\$7.49 million
Less Transport, insurance refining costs (~\$15/oz)	\$1.61 million
Value less additional costs	\$5.88 million
Recovery Factors	95% Mining, 90% Metallurgy, 98% Refining
Execution Risk Discount	50%
Valuation of the 2% Royalty	\$2.5 million

Note Appropriate rounding has been applied. The royalty rate of 2% is the 4% payable to the vendor less the 2% royalty which is imbedded in the comparable transaction valuation.

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To determine a range for the royalty valuation, VRM has assigned a +/- 20% range, resulting in a royalty valuation range for the royalty in excess of the commonly imbedded royalty of 2% of **\$2.0 million** to **\$3.0 million** with a preferred royalty valuation of **\$2.5 million**.

## 6. Risks and Opportunities

As with all mineral assets there are several associated risks and opportunities and therefore also with the valuation of those assets. Some non-geological or mining related technical risks and opportunities that are common to most projects include the risks associated with security of tenure, native title claims, environmental approvals, social, geopolitical, and regulatory approval risks. These risks have been accounted for in the valuation.

The largest opportunity within any of the projects is future exploration both along strike of the two Mineral Resources within the mineralised shear and at depth below the currently defined Mineral Resources. There has been limited exploration completed on the Lady Ida Joint Venture Tenements since the tenements were first subject to a forfeiture application in 2011.

As with all exploration projects, a key technical risk is that further exploration will not result in identifying a body of mineralisation sufficiently large or high enough grade to be considered an economic Mineral Resource.

### Opportunities

- The Lady Ida project contains two Mineral Resources at the Iguana and Lizard deposits. These have previously been exploited when the gold price was significantly lower than the current prices, therefore there is considerable potential for Resource expansion both adjacent to the Mineral Resources and at depth.
- The proximity to two major crustal scale structures that are known to host gold deposits in the region provides an exploration opportunity provided sufficient exploration is undertaken.

### Risks

- Given that the Mineral Resources are both below and adjacent to existing pits, there are risks that the Mineral Resources may not be exploitable due to the previous mining of the supergene gold mineralisation. There are also risks involved in undertaking a cut back on existing mining voids.
- An additional risk is that the metallurgy completed to date does not accurately reflect the metallurgy of the deposits at depth, especially due to the main ore mineral being arsenopyrite which often results in metallurgically challenging ore.
- There is a risk that the reconciliation between the Mineral Resource (and future Ore Reserves once estimated) and material delivered to the mill.
- There are risks that the grade and geological complexity and continuity may not be accurately reflected in the Mineral Resource estimates.
- Finally, there are risks associated with any mining development that the Modifying Factors used in the delineation of Ore Reserves are not achieved.

## 7. Preferred Valuations

This valuation has been completed on a sum of the parts basis with the two distinct parts of the Mineral Assets being the current Mineral Resource estimates and the exploration potential on the tenements. Based on the technical review and the analysis undertaken by VRM, the market value of the Mineral Assets of Beacon has been determined in accordance with the guidelines of the VALMIN Code, including using two separate valuation methods. VRM has applied appropriate rounding to the valuation in line with the variability associated with valuations of this nature.

Based on the analysis presented, VRM considers the market value of the Lady Ida Joint Venture Tenements (excluding the royalty) to be between A\$14.8 million and A\$25.2 million with a preferred value of A\$20.0 million. No allowance has been made in the valuations above for the costs to advance the project to first gold from M16/262 at which point Beacon will acquire a 25% interest in the Project. VRM estimates that the costs to first gold, excluding production costs, would be between \$0.5 million and \$1.0 million. These costs would cover the costs of obtaining regulatory approvals, updating the Ore Reserves to account for the modifying factors associated with the Beacon operations and minor additional drilling.

The Lady Ida Joint Venture Tenements have a liability associated with the Project, being the royalty payable to the vendors of the project. The value of royalty has been based on a 2% NSR royalty being the difference between the royalties that are imbedded in the Comparable Transactions used in the Mineral Resource valuation and the 4% payable to the vendors. If the Royalty payable to the vendors is accounted for in the total value of the Mineral assets, then the valuation ranges would be decreased to a range of **\$12.8 Million** and **\$22.2 million** with a preferred valuation of **\$17.5 million**.

Table 13 presents a summary of the valuation results using Comparable transaction (Resource Multiples) and a yardstick valuation for the tenements that contain the two Mineral Resources. The Geoscientific (Kilburn) and PEM valuation approaches were used for the exploration potential on the remaining tenement. VRM's preferred valuation range (after accounting for the royalty) was based on these primary and secondary valuation methods.

Figure 6 provides a visual comparative analysis of the valuation results by method for each Project, and VRM's preferred valuation range.

Table 14: Valuation Summary Projects by method

Project	Asset	Valuation Method	Method	Low M\$	Mid M\$	High M\$
M16/262 & M16/264	Mineral Resources	Comparable Yardstick	Primary	14.5	19.3	24.1
M16/263	Exploration Potential	Kilburn PEM	Primary	0.3	0.7	1.1
			Supporting	0.4	0.5	0.5
Total Lady Ida Joint Venture (100%)				14.8	20.0	25.2
Royalty	Deducted from the Valuation			(\$2.0)	(\$2.5)	(\$3.0)
VRM Preferred Valuation Range				\$12.8	\$17.5	\$22.2

Note: the totals may not add due to rounding in the valuations. No allowance has been made in the valuations above for the costs to advance the project to first gold from M16/262 at which point Beacon will acquire a 25% interest in the Project.

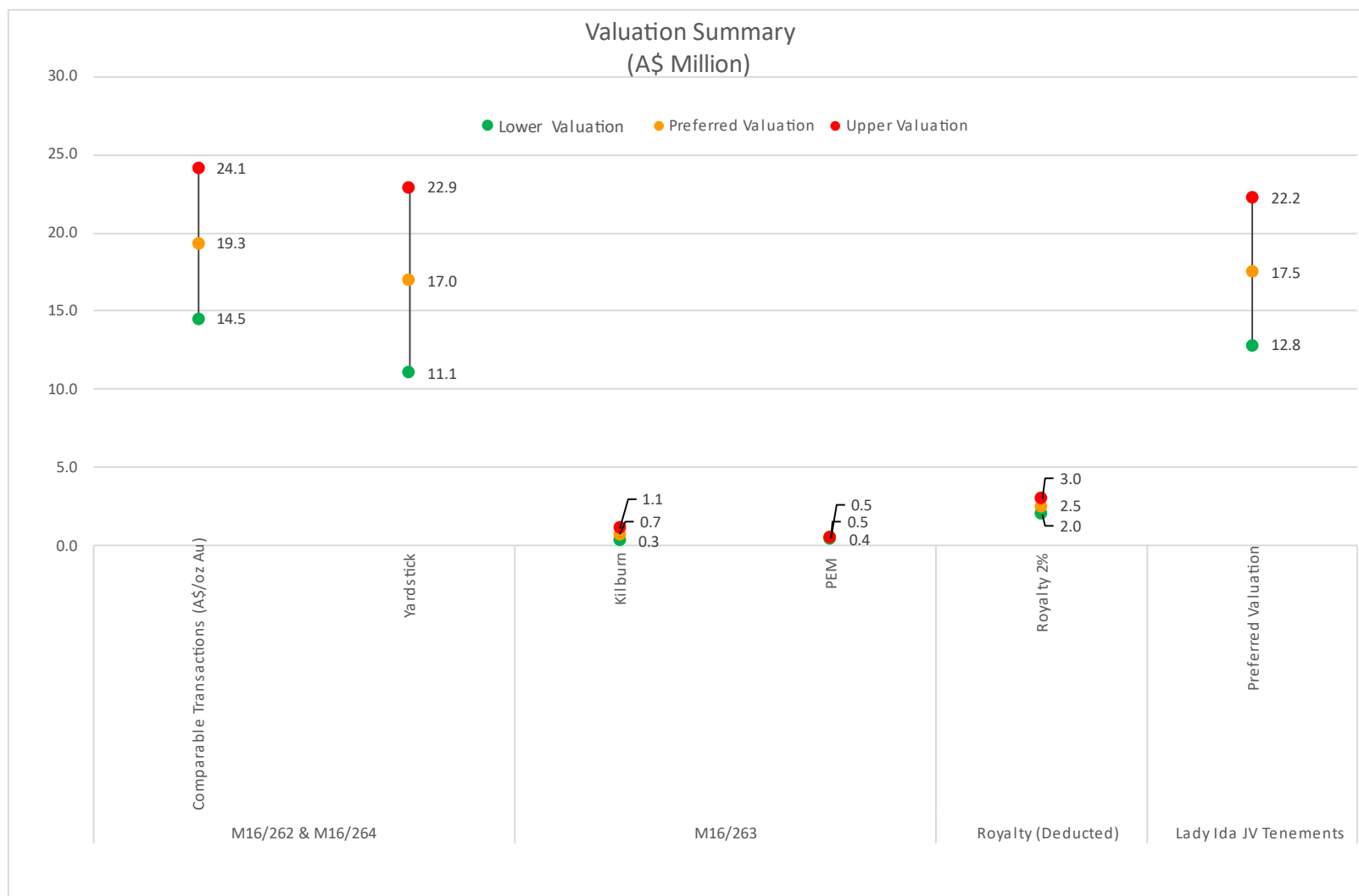


Figure 6: Valuations as determined by the relevant method for each component of the Lady Ida Joint Venture Tenements, and VRM's preferred valuation range.

## 8. References

The references below document the main documents referred to in this report. All ASX announcements have been sourced from the ASX and from the various companies' websites with only the more significant ASX releases listed below.

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## Appendix A Comparable Transaction Analysis

Table 15: Comparable gold transactions used in this analysis (Source S&P Capital IQ)

Agreement Date	Deal Value (A\$M)	Property	Equity Acquired (%)	Mineral Resource oz at Acquisition	Au Price at transaction date A\$	Normalisation Ratio	Resource Multiple A\$/oz Au	Normalised A\$/oz Au
5/08/2019	2.50	Bulong South, Cowarna, Glandore	100	23,580	1457.49	1.4785007	106.02	170.05
29/07/2020	3.55	Paris	100	32,700	1955.46	1.1019913	108.56	129.78
17/03/2021	18.00	Kurnalpi	100	189,400	1727.24	1.2475973	95.04	128.63
18/04/2019	13.50	Box Well, Deep South	100	206,800	1275.31	1.6897068	65.28	119.66
13/09/2021	11.00	Mount Ida	100	141,000	1795.24	1.2003409	78.01	101.59
1/08/2019	1.10	Western Queen	100	21,000	1413.94	1.5240392	52.38	86.60
14/04/2020	1.50	Radio	93.75	26,813	1731.06	1.2448442	59.67	80.58
26/08/2020	9.00	Linden	100	138,699	1940.06	1.1107388	64.89	78.19
19/10/2020	5.00	Tuckanarra	80	80,739	1906.81	1.1301074	61.93	75.92
9/07/2019	7.67	Goongarrie, Goongarrie Lady, Menzies	100	195,210	1397.13	1.5423762	39.29	65.74
23/04/2020	1.30	Albury Heath	100	27,000	1737.64	1.2401303	48.15	64.78

Agreement Date	Deal Value (A\$M)	Property	Equity Acquired (%)	Mineral Resource oz at Acquisition	Au Price at transaction date A\$	Normalisation Ratio	Resource Multiple A\$/oz Au	Normalised A\$/oz Au
2/04/2020	2.50	Wild-Viper	100	62,100	1606.88	1.341046	40.26	58.57
11/05/2020	6.53	Spargos Reward	100	177,000	1695.70	1.2708026	36.86	50.82
12/01/2021	14.47	Kookynie	100	414,000	1845.49	1.1676574	34.95	44.27
18/10/2023	3.00	Mt Dimer	100	82,000	1941.40	1.1099722	36.59	44.05
22/03/2021	1.50	Penny's Find	50	47,000	1740.01	1.2384412	31.91	42.88
31/08/2020	1.40	Eureka	100	43,100	1967.93	1.0950085	32.48	38.59
17/12/2021	10.00	Millrose	100	346,000	1803.45	1.1948765	28.90	37.46
3/06/2019	0.05	Spargos Reward	15	18,900	1319.82	1.6327226	17.64	31.24
8/10/2020	0.45	Mt Dimer	100	18,000	1889.49	1.1404665	25.00	30.93
4/12/2020	5.00	Lindsays	100	215,100	1833.94	1.1750112	23.25	29.63
20/12/2021	0.75	Penny's Find	50	40,000	1795.30	1.2003008	18.75	24.41
5/05/2021	1.75	Horse Well	37	95,090	1783.33	1.2083574	18.40	24.12
22/06/2021	1.13	Xanadu	100	78,000	1780.75	1.2101081	14.44	18.95

Agreement Date	Deal Value (A\$M)	Property	Equity Acquired (%)	Mineral Resource oz at Acquisition	Au Price at transaction date A\$	Normalisation Ratio	Resource Multiple A\$/oz Au	Normalised A\$/oz Au
22/05/2020	2.50	Mission/Cables	100	185,527	1736.32	1.2410731	13.48	18.14
21/06/2019	5.33	Youanmi	70	833,420	1393.47	1.5464273	9.14	15.34

Statistic	Non-Normalised A\$/oz	Normalised A\$/oz
Average	44.66	61.96
Median	36.72	47.54
Maximum	108.56	170.05
Minimum	9.14	15.34
75th Percentile	62.67	82.09
25th Percentile	22.12	30.61
Count	26	26

## Appendix B Geoscientific Analysis

Table 16: Geoscientific Valuation of M16/263

Tenure <sup>1</sup>	BAC (AUS\$)	Off Property Factor		On Property Factor		Anomaly Factor		Geology Factor		Technical Valuation (A\$)			Fair Market Valuation (A\$M)		
		L <sup>2</sup>	H <sup>2</sup>	L	H	L	H	L	H	Lower	Preferred	Upper	Lower	Preferred	Upper
M16/263	\$100,000	1.5	2.0	1.5	2.0	1.0	1.5	1.0	1.5	\$225,000	\$562,000	\$900,000	\$0.27	\$0.68	\$1.08
<i>Total</i>										<i>\$225,000</i>	<i>\$562,000</i>	<i>\$900,000</i>	<i>\$0.3</i>	<i>\$0.7</i>	<i>\$1.1</i>

<sup>1</sup>Tenements M16/262 and M16/264 are not included as they have not been valued using this method and are valued by comparable transactions

<sup>2</sup>L is Low, H is High

## Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [[Mineralogy Database \(webmineral.com\)](http://webmineral.com)] and Wikipedia ([Wikipedia](http://wikipedia.org)).

The terms listed below are taken from the 2015 VALMIN Code ([The VALMIN Code - 2015 Edition](#)).

**Annual Report** means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Australasian** means Australia, New Zealand, Papua New Guinea and their off-shore territories.

**Code of Ethics** means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

**Corporations Act** means the *Australian Corporations Act 2001 (Cth)*.

**Experts** are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1 of the VALMIN Code.

**Exploration Results** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <https://www.jorc.org/> for further information.

**Feasibility Study** means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

**Financial Reporting Standards** means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the *Corporations Act*.

**Independent Expert Report** means a Public Report as may be required by the *Corporations Act*, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

**Information Memoranda** means documents used in financing of projects detailing the project and financing arrangements.

**Investment Value** means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

**Life-of-Mine Plan** means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

**Market Value** means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 of the VALMIN Code for guidance on Market Value.

**Materiality** or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 of the VALMIN Code for guidance on what is Material.

**Member** means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

**Mineable** means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

**Mineral Asset** means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

**Mine Design** means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

**Mine Planning** includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

**Mineral** means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

**Mineralisation** means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

**Mineral Project** means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

**Mineral Securities** means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

**Mineral Resource** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Mining** means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging, etc.).

**Mining Industry** means the business of exploring for, extracting, processing and marketing Minerals.

**Modifying Factors** is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to <https://www.jorc.org/> for further information.

**Ore Reserve** is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to <https://www.jorc.org/> for further information.

**Petroleum** means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

**Petroleum Resources and Petroleum Reserves** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to [Society of Petroleum Engineers \(SPE\) | Oil & Gas Membership Association](#) for further information.

**Practitioner** is an Expert as defined in the *Corporations Act*, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

**Preliminary Feasibility Study (Pre-Feasibility Study)** means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

**Professional Organisation** means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

**Public Presentation** means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build goodwill.

**Public Report** means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 of the VALMIN Code for guidance on Public Reports.

**Quarterly Report** means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Reasonableness** implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

**Royalty** or **Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

**Securities** has the meaning as defined in the *Corporations Act*.

**Securities Experts** are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the *Corporations Act*, ASIC Regulatory Guides and ASX Listing Rules.

**Scoping Study** means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

**Specialists** are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

**Technical Assessment** is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

**Technical Assessment Report** involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

**Technical Value** is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

**Tenure** is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

**Transparency** or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

**Valuation** is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

**Valuation Approach** means a grouping of valuation methods for which there is a common underlying rationale or basis.

**Valuation Date** means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report must not be more than 12 months apart.

**Valuation Methods** means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

**Valuation Report** expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

**Value** means the Market Value of a Mineral Asset.



# Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Beacon Minerals Limited | ABN 64 119 611 559

Your proxy voting instruction must be received by **11.00am (AWST) on Wednesday, 07 August 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



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