BEACON
MINERALS LIMITED
ACN 119 611 559

ANNUAL REPORT 2020

CORPORATE DIRECTORY

BOARD OF DIRECTORS
Geoffrey Greenhill – Executive Chairman
Graham McGarry – Managing Director
Alexander McCulloch – Executive Director
Sarah Shipway – Non-Executive Director
Rodney Johns – Non-Executive Director

COMPANY SECRETARY
Sarah Shipway

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SECURITIES EXCHANGE CODES
BCN – Ordinary Shares
BCNOB – Listed Options

SHARE REGISTRY
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AUDITORS
William Buck Audit (WA) Pty Ltd

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Dear Fellow Shareholder

On behalf of the Board of Directors, I am pleased to present Beacon Mineral Limited's ("Beacon" or "the Company") Annual Report for the financial year ended 30 June 2020.

Beacon's strategy to create a low-cost production facility at Jaurdi came to fruition this year with the first gold bar produced early in September 2019 and on-going production from the Jaurdi Plant since September.

This year was also a very solid financial performance from Beacon with $42.7 million in gold sales.

Beacon is also increasing its exploration activities with exploration recommencing last month. Beacon has tenements contiguous to the Jaurdi Gold Project and we look forward to exploring the potential of these tenements throughout the year.

We would like to thank our team for the effort put in this year. Our staff and employees are an important part in Beacon meeting its milestones, our team have been invaluable to the on-going success of the Company.

As advised in July 2020 this will be my last year as the Chairman of Beacon. This role has been challenging but at the same time very rewarding. The Company continues to go from strength to strength and I wish the Board continued success in the future. I thank the Board for their support during my time as the Chairman.

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

Geoffrey Greenhill
Executive Chairman

Maiden Gold Bar from the Jaurdi Gold Project – 10 September 2019

Beacon Minerals Limited (ASX:BCN) (Beacon or Company) is pleased to present its review of operations for the year ended 30 June 2020.

HIGHLIGHTS

PRODUCTION

- **Maiden Gold Bar from Jaurdi Gold Project in September 2019**
- **Gold production at Jaurdi for the year was 19,766 ounces**
- **Gold sales for the year was 17,509 ounces at an average sale price of $2,356/oz for sale receipts of $41.0 million (5,000 ozs delivered into the hedge book at an average price of 2,590/oz)**
- **Beacon had cash of $15.3 million and 1,501 ozs[1] on hand at 30 June 2020**
- **Ore stockpiles at 30 June 2020 were 373,000 LCM, containing 24,000 ounces of gold**

EXPLORATION

- **Two exploration campaigns completed on the Jaurdi and Stockdale Prospects**
- **Three Phase drilling campaign completed at Panther**
- **Panther Mineral Resource Update**
    - **Total Mineral Resource 224,436 @ 1.36g/t for 9,814 Ounces including:**
        - **Indicated Mineral Resource 41,121 @ 1.94g/t for 2,565 Ounces**
        - **Inferred Mineral Resource 183,315 @ 1.23g/t for 7,249 Ounces**

ACQUISITION OF TENEMENTS

- **Acquisition of the Panther lease located 7kms from the Jaurdi Project**
- **Acquisition of mining lease M16/560 from Boulder Investments Group Pty Ltd. This tenement lies immediately to the south of Beacons M16/529 and contains a part of the known Lost Dog orebody**
- **Option to purchase Prospecting Licences P25/2555, P25/2556, P25/2557 and P25/2558 held by RM & MA Lindsay**

CORPORATE

- **$8.0m raised via a placement to accelerate exploration and resource definition programmes at the Jaurdi Gold Project**
- **Appointment of Rodney Johns as Non-Executive Director**

1. 689 ounces ($1.78 million) was sold to The Perth Mint on 30 June 2020 and payment was received by Beacon after 30 June 2020.

JAURDI GOLD PROJECT

During the year the Jaurdi Gold Project produced 19,766 ozs of gold**.**

The Company expects production from Jaurdi to be 6,400 to 6,800 ozs for the September 2020 quarter.

PRODUCTION SUMMARY

Beacon is pleased to provide the production numbers for the first three full quarters of production at Jaurdi.

Quarter Ended	Gold Production Ounces (oz)
30 June 2020	6,711
31 March 2020	6,905
31 December 2019	4,649

Since its maiden gold pour in September 2019 the Company has generated $41.0 million in cash receipts from the sale of 17,509 ounces at an average realised sale price of $2,356/oz.

At 30 June 2020 the Company had 1,501 ozs on hand (689 ounces, (being $1.78 million) was sold to The Perth Mint on 30 June 2020 and payment was received by Beacon after 30 June 2020).

Quarter Ended	BCM's
30 June 2020	417,766
31 March 2020	405,617
31 December 2019[(1)]	356,592

1. Mining ceased on 20 December 2019 for the Christmas break

Mined Ore Stocks

At 30 June 2020 ore stockpiles were surveyed at 373,000 LCM containing approximately 24,000 ounces of gold.

Below are the highlights for the first three full quarters of operations at Jaurdi.

Operation	Unit	December 2020 Qtr	March 2020 Qtr	June 2020 Qtr
Ore Mined	BCM	238,305	274,148	31,046
Waste Mined	BCM	118,287	131,469	386,655
Ore milled	DMT	119,009	124,685	138,192
Head grade	gpt	1.47	1.97	1.72
Tails grade	gpt	0.26	0.25	0.21
Recovered grade	gpt	1.21	1.72	1.51
Gold Produced	oz	4,649	6,905	6,711
Cost Summary				
Cash cost	$/oz	1,139	1,080	998
Royalties	$/oz	131	141	134
Total cash cost	$/oz	1,270	1,221	1,132

Sales	Unit	December 2019 Qtr	March 2020 Qtr	June 2020 Qtr	Total December to June Quarters
Gold Sold	oz	4,594	5,033	6,730	16,357
Average Gold Sales Price	A$/oz	$2,176	$2,346	$2,486	$2,365

Capital expenditure for the first full three quarters was approximately $6.788 million.

Beacon is continually reviewing operations and investing capital to maximise production and optimise operational costs. An additional lime silo was installed to provide redundancy during the local wet season.

During the year Beacon completed capital upgrades on the feed end of the plant with a new feed hopper and belt feeder installed and commissioned.

Figure 1: Jaurdi Gold Project - Feed Hopper and Belt Feeder

Tailings Dam Update

During the year the Company advised that waste from Panel 1 and from Panel 2 had been used to form the embankment wall between Panel 2 and Panel 1. The establishment of the new in pit tailings dam was completed on 14 May 2020 and the Panel 1 mined area has been commissioned as a tailings storage facility ("TSF") (Figure 2).

The TSF wall has enabled mining to continue in Panel 2 whilst TSF Panel 1 is utilised as a tailings dam.

Beacon has commenced the design and approval process for:

- a new circular IWL TSF facility 700 metres north of the Jaurdi Treatment Plant
- utilisation of the Panther pit as a TSF when open pit mining is complete

Final future TSF facilities will comprise:

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

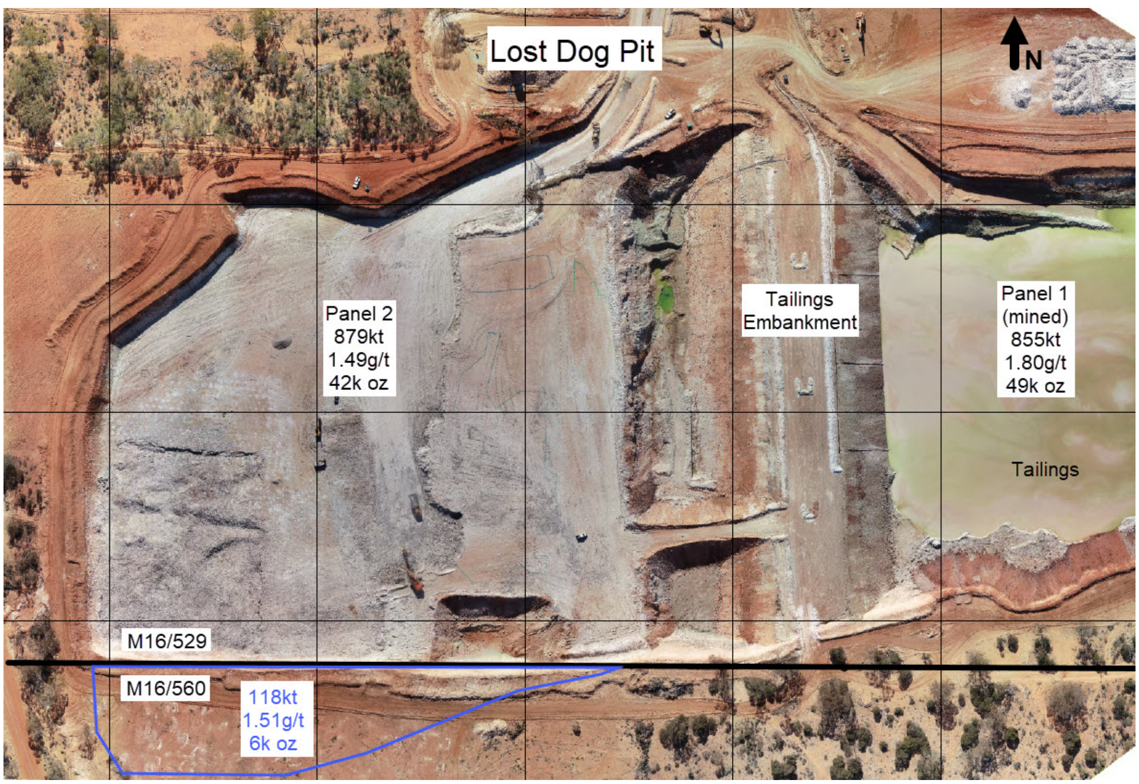

Figure 2 – Lost Dog Panel 1 and 2 from 1 July 2020

Forward Contracts
Beacon advises that gold will continue to be delivered into the hedge book as per the hedge schedule in Table 1:

Table 1: Hedging as at 30 June 2020

Month	Quantity oz	Price A$/oz
July 2020	1,000	2,475
August 2020	1,000	2,475
September 2020	1,000	2,531
October 2020	1,000	2,528
November 2020	1,000	2,525
Total	**5,000**	**2,507**

The forward contracts provide a secure cash margin on a portion of Beacon's 2020 gold production.

EXPLORATION UPDATE

Panther Mineral Resource Update

Beacon has completed an extensive 125-hole 3 phase RC drilling program at the Panther Deposit. A total of 7,700 meters was drilled to improve the geological and mineralogical understanding of the Panther Deposit.

Subsequent to the year end the Company provided an updated Mineral Resource Estimate for the Panther Deposit.

- **Total Mineral Resource 224,436 @ 1.36g/t for 9,814 Ounces including:**
  - **Indicated Mineral Resource 41,121 @ 1.94g/t for 2,565 Ounces**
  - **Inferred Mineral Resource 183,315 @ 1.23g/t for 7,249 Ounces**

The new Mineral Resource Estimate (MRE) for Panther includes

- Additional 125 RC drill holes for 7,700 metres from recent Beacon drilling; and
- Improved geological understanding from RC drilling and historical pit mapping.

The updated MRE for Panther using lower cut grade of 0.6g/t gold for reporting is detailed in Table 2 below:

Classification	Tonnes	Au Cut	Ounces
Indicated	41,121	1.94	2,565
Inferred	183,315	1.23	7,249
Total	**224,436**	**1.36**	**9,814**

Table 2: July 2020 Mineral Resource Estimate

The classification for the Panther deposit has been defined by the increased geological understanding from recent RC drilling and the confidence in the continuity of mineralising features.

For further information in relation to the updated mineral resource estimate at Panther, please see ASX dated 13 July 2020 *"Panther Mineral Resource Update"*.

Panther Metallurgy

Metallurgical work done by ALS Metallurgy indicates recoveries of +95% can be expected from the Panther deposit.

Reagent consumptions are as expected for this ore type.

The Company will process the ore from the Panther deposit at the Jaurdi processing plant.

The Company is now lodging the required documentation for the mining approvals from the Department of Mines and Petroleum to mine at Panther. Ultimately the Panther pit will be utilised as a tailings dam once mining has been completed.

Exploration Resumed

On 31 August 2020 Beacon announced that exploration had resumed on its tenements which are contiguous to the 100% owned Jaurdi Gold Project.

The planned 15,300 metre exploration programme will be a combination of RC and Air Core drilling.

The programmes will test near-mine priority targets.

Target Name/Description	Tenement	Drilling Technique	Estimated Metres
Black Cat South Res Def.	M16/34	Reverse Circulation	2,000
Golden Cat Alluvial Area	M16/34	Reverse Circulation	1,000
Lynx Soil Anomaly	M16/34 & 115	Air Core	1,500
Alley Cat Trend	M16/34	Air Core	2,000
Extension of Lost Dog	E16/469	Air Core	3,800
Stockman's Prospecting Licences	P16/2925 & 2926	Air Core	5,000

Figure 3 – 28 August 2020 RC Drilling on site

Figure 4 – 11 August 2020 Air Core Drilling Commenced on Site

The Company advised on 14 September 2020 that a total of 157 holes and 5,158 metres of exploration drilling had been completed. The table below provides further details.

LOCATION	TENEMENT	RIG	HOLES	METRES
LD East (Palaeo)	E16/469	A/C	76	2,992
Lynx Cat	M16/34 & 115	RC	25	1,028
Alley Cat	M16/34	RC	56	1,138

Assay results from these exploration campaigns are pending. It is expected that these assays will be delayed due to the exploration activity in the gold sector.

ACQUISTION OF TENEMENTS

Panther Prospect

During the year Beacon was pleased to announce the acquisition of the Panther tenement. The newly acquired tenement was purchased from Corinthian Mining Pty Ltd for the sum of $125,000.

The Tenement is located approximately 7 kilometres northwest along the Jaurdi Hills Road from the Jaurdi processing plant (see Figure 5).

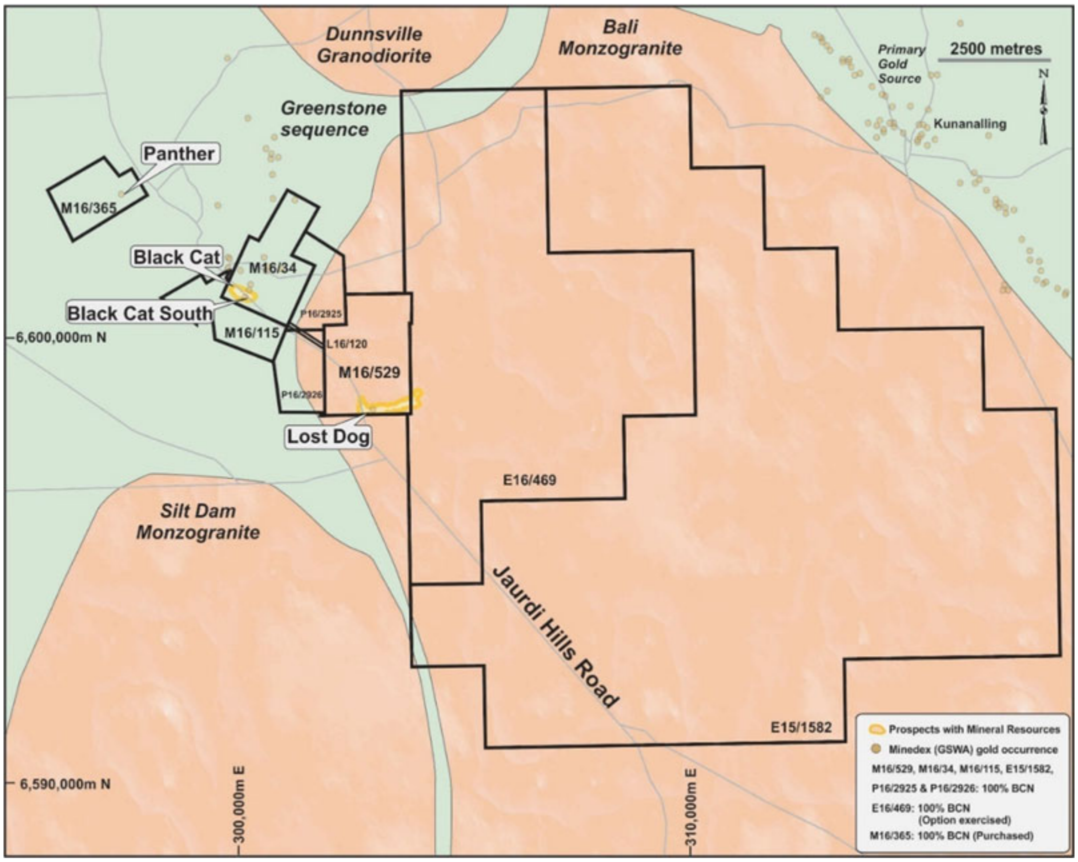

Figure 5: Locality diagram detailing Beacon Minerals tenement holding relative to the Panther deposit

Mining Lease M16/560

During the year Beacon advised that the Company has purchased mining lease M16/560 from Boulder Investments Group Pty Ltd for the sum of $1.0 million.

The tenement lies immediately to the south of Beacons M16/529 and contains a part of the known Lost Dog orebody.

Approximately 60 x 25m air-core holes have been drilled on M16/560 by the previous owners and Beacon will drill additional grade control holes prior to commencing mining.

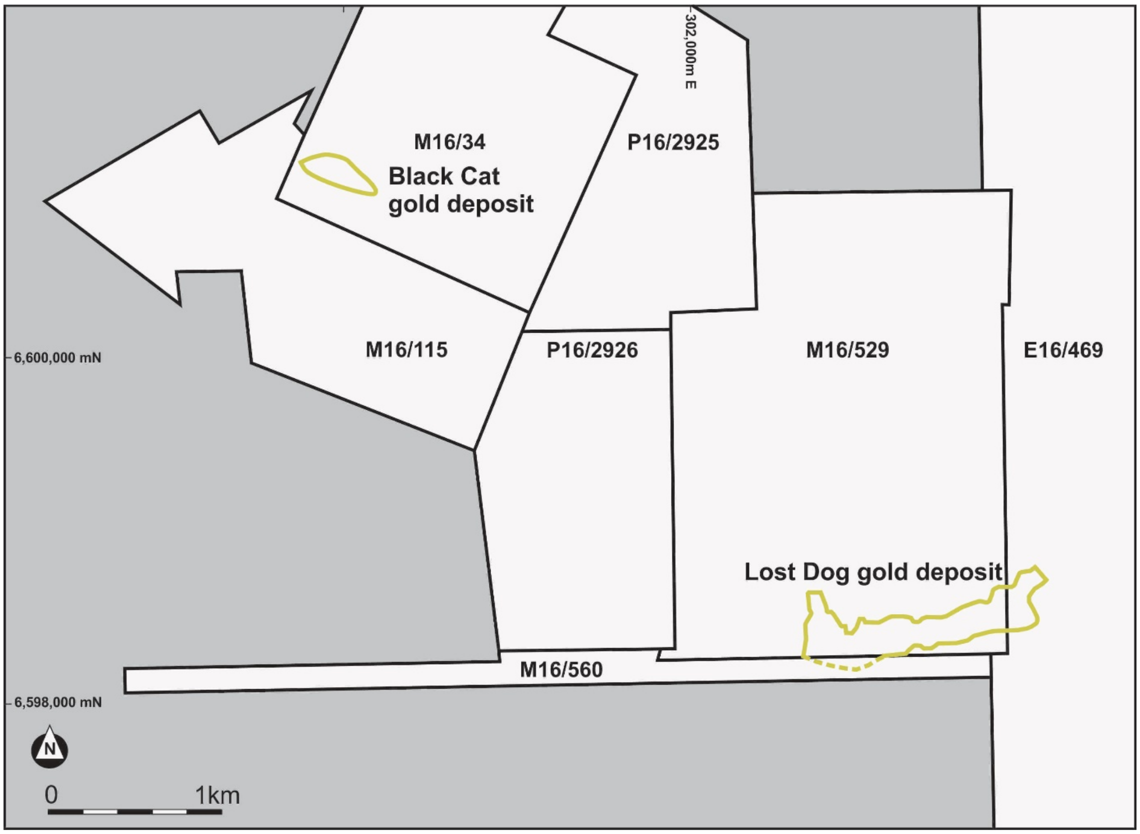

Figure 6 – Location of Mining Lease M16/560

Prospecting Licences - Option Agreement

On 31 March 2020 the Company executed an exclusive option to purchase Prospecting Licences P25/2555, P25/2556, P25/2557 and P25/2558 held by RM & MA Lindsay. In addition to these optioned tenements, Beacon has also marked out and applied for two adjoining prospecting licences P25/2675 and P25/2676 (Figure 7).

The area is prospective for gold, base metals and platinum group elements and Beacon will follow-up on historical work carried out on the ground, particularly the exploration work carried out by Melbourne Resources in the late 1980's.

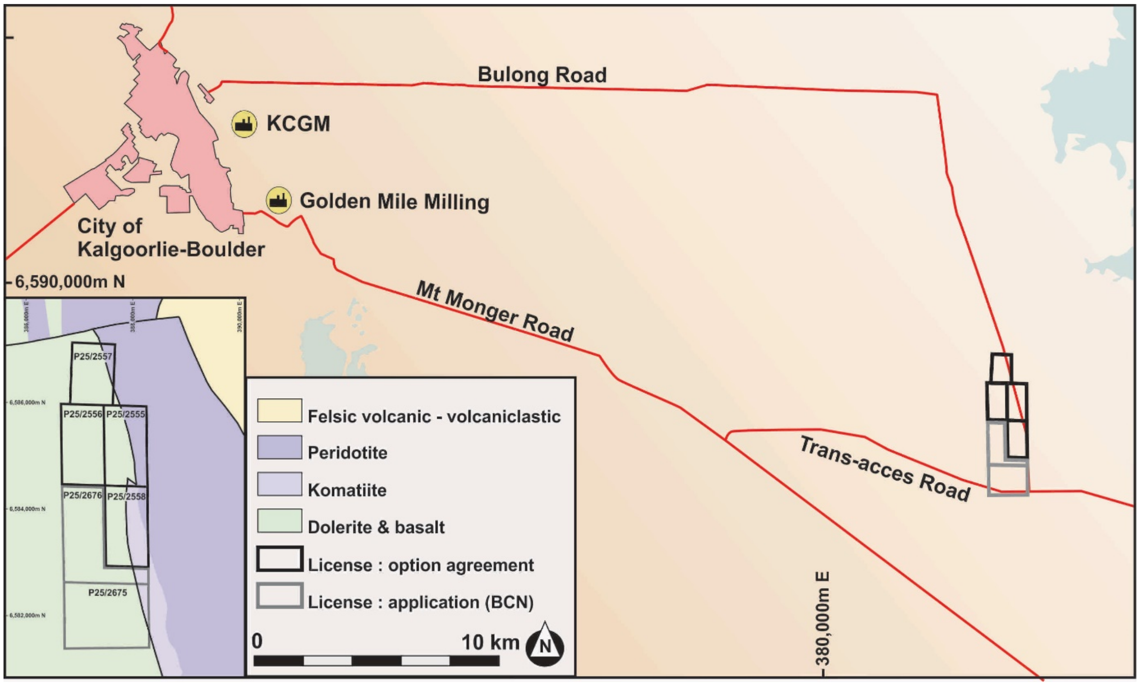

Figure 7: Location of Trans-line Prospecting Licences

The terms of the option agreement include the following:

- Beacon has paid $10,000 for an 18-month option; and
- Beacon can extend the option period for an additional 12 months for $40,000.

After 30 months Beacon will have the opportunity to purchase the Prospecting Licences for $250,000. Beacon will also be required to pay a 1% net smelter royalty in relation to any minerals mined on the licences.

CORPORATE UPDATE

Capital Raising

During the year the Company advised that it had completed a placement that raised additional funds to accelerate exploration and resource definition programmes at its Jaurdi Gold Project.

The Company issued 190,476,191 fully paid shares at $0.042 per share to raise $8,000,000.

Patersons Securities Limited acted as Lead Manager to the Placement.

During the year 159,316,609 Listed Options exercisable at $0.025 on or before 17 August 2022 were exercised in the Company.

Debentures

In October 2018 the Company issued $18.0 million in debentures. The debentures on issue can be repaid from October 2020 which will be one year earlier than the due date.

Beacon is reviewing all options in relation to full or partial repayment of the debentures as it continues to review various development scenarios.

Board Update

Subsequent to the year end the Company advised that Executive Chairman Mr Geoffrey Greenhill will not be seeking re-election at the 2020 Annual General Meeting(1). Mr Greenhill's retirement will be effective at the beginning of the Shareholder Meeting.

Mr Greenhill joined the Board in March 2012 and has been integral in the Company's success at the Halley's East Project and more recently the Jaurdi Gold Project.

Mr Greenhill has made a major contribution to Beacon during his time with Beacon as the Company has been transformed from an exploration company to a producer. Both the Halleys East Project and the Jaurdi Gold Project have added significant value for shareholders.

Following Mr Greenhill's retirement Mr Graham McGarry will be appointed Executive Chairman and Mr Alexander McCulloch will be appointed Managing Director of Beacon.

The Company was also pleased to announce the appointment of Mr Rodney Johns as a Non-Executive Director of Beacon.

Mr Johns is a Senior Mining Industry Professional with a background in technical and operations management and company development. Mr Johns' graduated from the Western Australian School of Mines specialising in metallurgy in 1988. He is currently contracted as an operational and management consultant with Rand Mining and Tribune Resources, overseeing their Australian operations, projects in Ghana and the Philippines.

Prior to this Mr Johns was COO for Echo Resources from November 2016 to July 2018 and previously General Manager/Director of La Mancha Resources Australia from 2009 to 2015.

(1) The date of Beacon's 2020 Annual General Meeting is to be advised.

Competent Person Statement – Jaurdi Gold Project

The information in this report that relates to the Ore Reserves is based on information compiled by Mr Gary McCrae, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. The estimated ore reserves and/or mineral resources underpinning the production target have been prepared by Mr McCrae in accordance with the requirements in Appendix 5A (JORC Code). Mr McCrae is a full-time employee of Minecomp Pty Ltd. Mr McCrae has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McCrae consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person Statement – Exploration Results

The information in this report that relates to the Panther Mineral Resource Estimate has been compiled by Mr Andrew Bewsher, a full-time employee of BM Geological Services. Mr Bewsher is a Member of the Australian Institute of Geoscientists. Mr Bewsher has been engaged as a consultant by Beacon Minerals Limited. Mr Bewsher has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bewsher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

- 13 July 2020 Panther Mineral Resource Update
- 29 August 2018 Pre - Feasibility Study (PFS) Results for the Jaurdi Gold Project

The Company confirms that it is not aware of any new information or data that materially affects the production targets included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements. All material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

Disclaimer

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

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

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

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

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

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

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

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

The Directors of Beacon Minerals Limited ("Beacon" or "the Company") submit herewith the annual financial report of Beacon Minerals Limited and its subsidiaries ("the Group") for the period 1 July 2019 to 30 June 2020. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report is as follows:

DIRECTORS

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

Geoffrey Greenhill AWASM, MAusIMM
Executive Chairman
Appointed 19 March 2012

Geoffrey Greenhill graduated from the Western Australian School of Mines obtaining an Associateship in Metallurgy in 1973. Mr Greenhill has held various senior metallurgical roles and has designed and commissioned ore processing facilities across Australia. He is highly respected within the mining industry and has a strong track record in creating shareholder value. Mr Greenhill and Mr McGarry have been business partners for over 35 years and have had substantial success in developing mining projects in WA, SA, QLD and the NT.

Mr Greenhill advised the Board that he will not be seeking re-election at the 2020 Annual General Meeting and will retire from the Board effective from the beginning of the Shareholder Meeting. This was advised to the ASX on 21 July 2020.

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

Graham McGarry CPA, CD
Managing Director
Appointed 19 March 2012

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

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

Alexander McCulloch
Executive Director
Appointed 19 August 2019

Alex is a mining engineer who graduated from the WA School of Mines in 1997. He has over 37 years' experience in the mining industry. Alex has previously worked at a number of open pit operations in Australia and overseas, including the start-up and ongoing production of an open pit copper/gold mine in NSW and more recently in the evaluation, planning and operation of mineral projects in the WA Goldfields.

Alex was appointed Project Manager of the Jaurdi Gold Project in January 2017. His appointment was to manage the Jaurdi Project's due diligence option period and assist with bringing the project into production.

Through Alex's contacts in the mining industry the Jaurdi Gold Project was brought to the attention of the Beacon Board. The appointment of Alex as the Director of Development will support Beacon's objective of company growth via exploration and/or acquisition opportunities as appropriate.

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

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

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

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

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

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

Rodney Johns
Non-Executive Director
Appointed 21 July 2020

Mr Johns is a Senior Mining Industry Professional with a background in technical and operations management and company development. Mr Johns' graduated from the Western Australian School of Mines specialising in metallurgy in 1988. He is currently contracted as an operational and management consultant with Rand Mining and Tribune Resources, overseeing their Australian operations, projects in Ghana and the Philippines.

Prior to this Mr Johns was COO for Echo Resources from November 2016 to July 2018 and previously General Manager/Director of La Mancha Resources Australia from 2009 to 2015.

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

Company	Date of Appointment	Date of Resignation
Focus Minerals Ltd	4 September 2020	Not Applicable

COMPANY SECRETARY

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

DIRECTORS' INTERESTS

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

Name	Ordinary Fully Paid Shares	Listed Options
Geoffrey Greenhill	188,382,040	49,983,306
Graham McGarry	244,366,268	90,222,603
Alexander McCulloch	105,102,138	10,051,069
Sarah Shipway	4,067,200	1,186,267
Rodney Johns	681,480	370,370

SHARE OPTIONS

At the date of this report the Group had 906,805,520 options on issue. During the year ended 30 June 2020:

- 159,316,609 Listed Options were exercised.

PRINCIPAL ACTIVITIES

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

RESULTS AND REVIEW OF OPERATIONS

The result of the consolidated entity for the financial year ended 30 June 2020 is an after-income tax profit of $10,908,843 (2019: after income tax loss $8,680,121).

A review of operations of the Group during the year ended 30 June 2020 is provided in the "Review of Operations" immediately preceding this Directors' Report.

LIKELY DEVELOPMENTS

The consolidated entity's focus over the next financial year will be on its key project, the Jaurdi Gold Project. Further commentary on the Company's planned activities over the forthcoming year is provided in the Review of Operations.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

ENVIRONMENTAL ISSUES

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

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

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' MEETINGS

During the financial year, 8 meetings of Directors were held. Attendances by each director during the year were as follows:

Name	Eligible to attend	Attended
G Greenhill	8	8
G McGarry	8	8
A McCulloch	8	8
S Shipway	8	8

REMUNERATION REPORT – AUDITED

Remuneration policy

The remuneration policy of Beacon Minerals Limited has been designed to align directors' objectives with shareholder and business objectives by providing fixed remuneration which is assessed on an annual basis. The remuneration policy does not provide a performance linked component.

The Board of Beacon Minerals Limited believes the remuneration policy to be appropriate. All key management personnel are directors of the Group.

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

- Executives, including the Managing Director, receive a base salary and superannuation. Options and performance incentives may be issued and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.

- The Board policy is to remunerate non-executive directors for time, commitment and responsibilities. The Executive Directors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently $250,000 per annum. Fees for non-executive directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Details of directors and executives

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

Directors	Title	Date of Appointment	Date of Retirement
G Greenhill	Executive Chairman	19 March 2012	Not Applicable
G McGarry	Managing Director	19 March 2012	Not Applicable
A McCulloch	Executive Director	19 August 2019	Not Applicable
S Shipway	Non-Executive Director	11 June 2015	Not Applicable

The Group does not have any key management personnel that are not Directors.

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

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

Remuneration of directors

Remuneration for the financial year ended 30 June.

	Short Term Benefits	Post-Employment Benefits	Long Term Benefits	Equity settled share-based payments	
Directors	**Salary and Fees**	**Superannuation**	**Long Service Leave**	**Shares/Options (i)**	**Total**
	$	**$**	**$**	**$**	**$**
G Greenhill					
2020	150,000	14,250	-	-	**164,250**
2019	150,000	14,250	-	-	**164,250**
G McGarry					
2020	150,000	14,250	-	-	**164,250**
2019	150,000	14,250	-	-	**164,250**
A McCulloch (iii)					
2020	183,333	17,417	-	-	**200,750**
2019	-	-	-	-	**-**
S Shipway					
2020	65,963	-	-	-	**65,963**
2019	78,936	-	-	-	**78,936**
Total					
2020	**549,296**	**45,917**	**-**	**-**	**595,213**
2019	**378,936**	**28,500**	**-**	**-**	**407,436**

(i) No options or shares were granted as part of remuneration.
(ii) No performance-based remuneration was paid during the current or previous year.
(iii) Appointed on 19 August 2019.

Employment contracts of directors

The Group has entered into an executive services agreement with Mr Geoffrey Greenhill and Mr Graham McGarry (collectively the Directors) whereby each Director receives remuneration of $150,000 per annum plus statutory superannuation. The Directors' termination provisions are as follows:

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

The Group has entered into an executive services agreement with Mr Alexander McCulloch whereby Mr McCulloch receives remuneration of $200,000 per annum plus statutory superannuation. Mr McCulloch's termination provisions are as follows:

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

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

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

Equity based remuneration payments

During the financial year ended 30 June 2020 no equity was granted to directors as part of their remuneration.

Ordinary shareholdings of key management personnel

Directors	Balance at 1 July 2019 (ii)	Options exercised during the year	Net other change	Balance at 30 June 2020
Geoffrey Greenhill	148,382,040	40,000,000	-	188,382,040
Graham McGarry	204,366,268	40,000,000	-	244,366,268
Alexander McCulloch	105,102,138	-	-	105,102,138
Sarah Shipway	4,067,200	-	-	4,067,200
Total	**461,917,646**	**80,000,000**	**-**	**541,917,646**

Directors	Balance at 1 July 2018	Options exercised during the year	Net other change (i)	Balance at 30 June 2019
Geoffrey Greenhill	113,311,239	-	35,070,801	148,382,040
Graham McGarry	147,039,186	-	57,327,082	204,366,268
Sarah Shipway	3,389,333	-	677,867	4,067,200
Total	**263,739,758**	**-**	**93,075,750**	**356,815,508**

(i) Issue under the Entitlement Issue Prospectus dated 9 April 2019. Directors' Graham McGarry and Geoffrey Greenhill were sub-underwriters for the Entitlement Issue.

(ii) Or at date of appointment.

Option holdings of key management personnel

Directors	Balance at 1 July 2019 (i)	Options exercised during the year	Net other change	Balance at 30 June 2020
Geoffrey Greenhill	89,983,306	(40,000,000)	-	49,983,306
Graham McGarry	130,222,603	(40,000,000)	-	90,222,603
Alexander McCulloch	10,051,069	-	-	10,051,069
Sarah Shipway	1,186,267	-	-	1,186,267
Total	**231,443,245**	**(80,000,000)**	**-**	**151,443,245**

Directors	Balance at 1 July 2018	Options exercised during the year	Net other change (ii), (iii)	Balance at 30 June 2019
Geoffrey Greenhill	53,447,905	-	36,535,401	89,983,306
Graham McGarry	52,559,061	-	77,663,542	130,222,603
Sarah Shipway	847,333	-	338,934	1,186,267
Total	**106,854,299**	**-**	**114,537,877**	**221,392,176**

(i) Or at date of appointment.

(ii) Issue under the Entitlement Issue Prospectus dated 9 April 2019. Directors' Graham McGarry and Geoffrey Greenhill were sub-underwriters for the Entitlement Issue.
(iii) Issued under the debenture issue.

McVerde Minerals Pty Ltd, of which Graham McGarry and Geoffrey Greenhill are directors, provided equipment hire to the Company on ordinary commercial terms. Amounts that have been paid or payable total $2,221,515 (2019: $1,422,486). At 30 June 2020 $246,508 (2019: $73,590) was payable to McVerde Minerals.

Mangelsdorf Engineering Pty Ltd, of which Graham McGarry and Geoffrey Greenhill are directors, provided manufacturing and repairs to equipment and general engineering maintenance to the Company on ordinary commercial terms. Amounts that have been paid or payable total $24,477 (2019: $171,298). At 30 June 2020 $720 (2018: $1,547) was payable to Mangelsdorf Engineering.

Kinetiq Solutions Pty Ltd, a Company which Geoffrey Greenhill's son has an interest in, provided electrical services to the Company on ordinary commercial terms. Amounts that have been paid or payable total $2,091,107 (2019: $2,894,476). At 30 June 2020 $0 (2019: $115,896) was payable to Kinetiq Solutions.

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

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

During the year $653,113 (2019: $0) of interest was paid on the debentures.

In May 2019 Graham McGarry and Geoffrey Greenhill each entered into agreements with the Company, whereby the Directors' would underwrite 62,760,705 and 27,893,647 of the shares issued under the Entitlement Issue Prospectus dated 9 April 2019, respectively.

Graham McGarry and Geoffrey Greenhill also each entered into agreements with the Company, whereby the Directors' would commit to taking up their full entitlement under the April 2019 Entitlement Issue.

Under these agreements the Directors' were entitled to an underwriting fee of 4%, of their firm commitment and underwritten amount. Graham McGarry and Geoffrey Greenhill received a fee of $73,667 and $34,378, respectively under their agreements.

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

	2016 $	2017 $	2018 $	2019 $	2020 $
Revenue	2,958,285	7,533,762	84,213	424,303	42,833,931
Other income	5,397	-	3,892	308,008	2,181,099
Net profit/(loss)	(1,897,256)	1,601,707	(4,161,027)	(8,860,121)	10,908,843
Share price 30 June	0.004	0.020	0.017	0.029	0.040
EPS (cents per share)	(0.123)	0.107	(0.214)	(0.411)	0.0039

END OF REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

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

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

SHARE OPTIONS

Unissued shares

The Group at 30 June 2020 had 908,536,920 options on issue.

CORPORATE GOVERNANCE STATEMENT

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

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

EVENTS SUBSEQUENT TO REPORTING DATE

On 8 July 2020, 1,700,000 Listed Options were exercised in the Company.

On 22 July 2020 the Company advised that subject to Shareholder approval 10,000,000 unlisted options exercisable at $0.053 within two years from the date of issue will be issued to a director of the Company.

On 4 August 2020, 4,400 Listed Options were exercised in the Company.

On 4 August 2020, 30,000,000 Unlisted Options exercisable at $0.053 on or before 3 August 2023 were issued to employees of the Company.

On 21 August 2020, the Company announced the appointment of Mr Rodney Johns as a Non-Executive Director of the Company.

On 31 August 2020, 27,000 Listed Options were exercised in the Company.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, is it not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is evolving and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received, forms part of the directors' report and can be found on page 54 of the annual report.

NON-AUDIT SERVICES

The Company's auditor, William Buck Audit (WA) Pty Ltd, did not provide any non-audit services to the Group during the financial year ended 30 June 2020.

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

On behalf of the directors.

GEOFFREY GREENHILL
Executive Chairman
Dated this 17 September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

Australian Dollar ($)	Note	30 JUNE 2020 $	30 JUNE 2019 $
Gold sales		42,793,668	-
Interest Revenue		40,263	116,295
REVENUE		**42,833,931**	**116,295**
Cost of goods sold		(28,966,754)	-
GROSS PROFIT/(LOSS)		**13,867,177**	**-**
Other income	3	2,181,099	308,008
EXPENDITURE			
Administration expenses		(2,045,128)	(733,432)
Exploration and development expenditure written off		(376,731)	(6,081,755)
Finance expenses		(3,050,307)	(2,289,237)
PROFIT/(LOSS) BEFORE INCOME TAX		**10,576,110**	**(8,680,121)**
Income tax benefit	4	332,733	-
PROFIT/(LOSS) AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**10,908,843**	**(8,680,121)**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE GROUP		**10,908,843**	**(8,680,121)**
PROFIT/(LOSS) PER SHARE			
Basic profit/(loss) per share	16(a)	0.0039	(0.0041)
Diluted profit/(loss) per share	16(b)	0.0029	(0.0041)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

Australian Dollar ($)	Note	30 JUNE 2020 $	30 JUNE 2019 $
CURRENT ASSETS			
Cash and cash equivalents	17(a)	15,367,426	4,256,185
Trade and other receivables	6	2,251,578	261,444
Other assets	7	2,155,192	3,639,018
Inventories	8	4,330,147	-
Deferred tax asset	4	332,733	-
TOTAL CURRENT ASSETS		**24,437,076**	**8,156,647**
NON CURRENT ASSETS			
Plant and equipment	9	4,900,100	2,631,962
Development expenditure	10	21,029,781	16,424,945
TOTAL NON CURRENT ASSETS		**25,929,881**	**19,056,907**
TOTAL ASSETS		**50,366,957**	**27,213,554**
CURRENT LIABILITIES			
Trade and other payables	11	3,543,801	3,181,458
Provisions		430,400	51,099
TOTAL CURRENT LIABILITIES		**3,974,201**	**3,232,557**
NON CURRENT LIABILITIES			
Debentures	12	18,000,000	18,000,000
TOTAL NON CURRENT LIABILITIES		**18,000,000**	**18,000,000**
TOTAL LIABILITIES		**21,974,201**	**21,232,557**
NET ASSETS		**28,392,756**	**5,980,997**
EQUITY			
Issued Capital	13	49,573,794	38,070,878
Reserves	14	1,902,716	2,337,227
Accumulated losses	15	(23,083,754)	(34,427,108)
TOTAL EQUITY		**28,392,756**	**5,980,997**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

Australian Dollar ($)	ISSUED CAPITAL $	SHARE OPTION RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
BALANCE AT 1 JULY 2019	**38,070,878**	**2,337,227**	**(34,427,108)**	**5,980,997**
Total comprehensive profit	-	-	10,908,843	10,908,843
Shares issued during the year	8,000,000		-	8,000,000
Options issued during the year	-	-	-	-
Options exercised during the year	3,982,916	(434,511)	434,511	3,982,916
Share issue expense	(480,000)	-	-	(480,000)
BALANCE AT 30 JUNE 2020	**49,573,794**	**1,902,716**	**(23,083,754)**	**28,392,756**
BALANCE AT 1 JULY 2018	**31,128,999**	**348,325**	**(26,095,312)**	**5,382,012**
Total comprehensive loss	-	-	(8,680,121)	(8,680,121)
Shares issued during the year	7,119,468		-	7,119,468
Options issued during the year	-	2,337,227	-	2,337,227
Options exercised during the year	320,825	(273,660)	273,660	320,825
Options expired during the year	-	(74,665)	74,665	-
Share issue expense	(498,414)	-	-	(498,414)
BALANCE AT 30 JUNE 2019	**38,070,878**	**2,337,227**	**(34,427,108)**	**5,980,997**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

Australian Dollar ($)	Note	30 JUNE 2020 $	30 JUNE 2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from sale of gold		41,013,157	-
Receipt from government grants/rebates		2,179,843	74,835
Expenditure on mining interests		(35,241,197)	(5,990,519)
Payments to suppliers and employees		(977,594)	(611,308)
Interest received		43,528	114,470
Net cash inflows/(outflows) from operating activities	17(b)	**7,017,737**	**(6,412,522)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of plant and equipment		11,038	-
Purchase of plant and equipment		(2,996,439)	(1,518,842)
Payments for development and exploration expenditure		(1,074,216)	(15,137,790)
Payments for term deposits		(20,000)	-
Net cash outflows from investing activities		**(4,079,617)**	**(16,656,632)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		8,000,000	7,119,468
Proceeds on exercise of options		3,983,188	320,825
Proceeds from debenture issue		-	18,000,000
Payments for issue of shares		(480,000)	(498,415)
Interest on debenture notes		(3,330,067)	(566,908)
Net cash inflows/(outflows) from financing activities		**8,173,121**	**24,374,970**
Net increase/(decrease) in cash and cash equivalents		**11,111,241**	**1,305,816**
Cash and cash equivalents at the beginning of the financial year		4,256,185	2,950,369
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	17(a)	**15,367,426**	**4,256,185**

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

1 CORPORATE INFORMATION

The consolidated financial report of Beacon Minerals Limited ("Beacon" or "the Company") and its consolidated entities ("consolidated entity" or "Group") for the year 1 July 2019 to 30 June 2020 was authorised for issue in accordance with a circular resolution of the directors on 17 September 2020.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of the Financial Report

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

The financial report is presented in Australian dollars.

(b) Statement of compliance

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

(c) Going Concern

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has recorded a profit before income tax of $10,576,110 and a net operating cash inflow of $7,017,737 for the year ended 30 June 2020.

As at 30 June 2020 the Company had a cash balance of $15,367,426

The Board is confident that the Group will have sufficient funds to finance its operations for the foreseeable future.

(d) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Beacon Minerals Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in note 25.

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

(e) Significant accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Significant accounting estimates and judgements include Development Expenditure in note 2(q), share based payments 2(w) and useful life of plant and equipment 2(n).

(f) Revenue

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

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

Fuel tax rebate
Fuel tax rebate is measured at the fair value of the consideration received or receivable. Fuel tax rebate is recognised as other income when the claim for the rebate is received from the Australian Taxation office

(g) Income Tax

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

(h) Deferred Income Tax

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

Deferred income tax liabilities are recognised for all taxable temporary differences, other than for the exemptions permitted under accounting standards. At 30 June 2020 there are no unrecognised temporary differences associated with the Group's investment in subsidiaries.

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

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

Recovery of deferred tax assets

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

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

(i) Cash and cash equivalents

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

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

(j) Trade and other receivables

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

(k) Inventory

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

(i) Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to the grant and that the grant will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which grants are intended to compensate. If the grant relates to expenses or losses already incurred by the entity, or to provide immediate financial support to the entity with no future related costs, the income is recognised int eh period in which it becomes receivable.

(l) Goods and services tax (GST)

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

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

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

(m) Borrowing Costs

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

(n) Plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(o) Impairment of assets

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

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

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(p) Exploration and evaluation expenditure

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

(q) Development expenditure

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

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

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

(r) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(s) Provisions

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

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

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

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

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

Site rehabilitation

The Group is not at a stage to record the present value of the estimated costs of legal and constructive obligations to restore operating locations in the period in which the obligation is incurred. The nature of rehabilitation activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, and reclamation and revegetation of affected areas. When recorded the provision is a best estimate of the present value of the expenditure required to settle the rehabilitation obligation at the reporting date, based on current legal requirements and technology.

(t) Debenture notes

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

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

Debenture notes are classified as non-current liabilities.

The key terms of the debenture notes are included in note 12(c).

(u) Contributed equity

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

(v) Basic and diluted earnings per share

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

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

(w) Share based payments

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

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

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

(x) Employee benefits

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

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

Defined contribution superannuation benefits
All employees of the Group received defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.50% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of the employee's defined superannuation contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to the employees' defined superannuation contribution entitlements is limited to its obligation for an unpaid superannuation guarantee contribution at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

(y) Adoption of new and revised standards

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

In the current financial year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Company include:

- AASB 16 Leases

The adoption of the aforementioned standard has resulted in no impact on the financial statements of the Company for the financial year ended 30 June 2020. A discussion on the adoption of AASB 16 is included below.

Changes in Accounting Policies

AASB 16 Leases
AASB 16 Leases has replaced the previous accounting requirements for leases under AASB 117 Leases. Under the previous requirements, leases were classified based on their nature as either finance leases which were recognised on the Statement of Financial Position, or operating leases, which were not recognised on the Statement of Financial Position.

Under AASB 16 Leases, the Company's accounting for operating leases as a lessee will result in the recognition of a right-of-use (ROU) asset and an associated lease liability on the Statement of Financial Position. The lease liability represents the present value of future lease payments, with the exception of short-term and low value leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard.

The Company's adoption of AASB 16 has resulted in no impact to the financial statements of the Company due to the fact that the Company has not entered into any transactions or arrangements that would be accounted for as a lease under the new standard.

(z) Comparative information

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

3 OTHER INCOME

	30 JUNE 2020 $	30 JUNE 2019 $
Fuel tax rebates	2,120,061	258,206
Other income	61,038	49,802
	2,181,099	**308,008**

4 INCOME TAX

(a) Current Tax

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

	30 JUNE 2020 $	30 JUNE 2019 $
Profit/(loss) before income tax	10,576,110	(8,680,121)
Income tax calculated at 27.50%	2,908,430	(2,387,033)
Tax effect of;		
- Expenses not allowed	(13,750)	-
- Temporary differences	(221,119)	526,174
- Section 40-880 deduction	(86,288)	(59,888)
Carry forward tax losses	(2,254,540)	1,920,747
Income tax attributable to operating profit	**332,733**	**-**

(b) Deferred Income Tax

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

	30 JUNE 2020 $	30 JUNE 2019 $
Australian accumulated tax losses	7,307,491	6,627,162
Provisions net of prepayments	(1,737,137)	(407,192)
Capitalised development expenditure	(5,467,743)	-
Section 40-880 deduction	230,122	215,658
Unrecognised deferred tax assets relating to the above temporary differences	-	6,435,628
Recognised deferred tax asset	332,733	-
Income tax benefit recognised in Profit or loss	332,733	**-**

The benefits will only be obtained if;

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

5 AUDITORS REMUNERATION

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

	30 JUNE 2020 $	30 JUNE 2019 $
Auditing and review of the Company's financial statements	29,660	19,750
	29,660	**19,750**

6 RECEIVABLES AND OTHER ASSETS

Trade and Other Receivables

	30 JUNE 2020 $	30 JUNE 2019 $
Current		
Trade receivable	1,780,512	-
Fuel tax rebate	217,227	-
Accrued interest	3,182	6,828
GST refund	244,827	254,616
Other	5,830	-
	2,251,578	**261,444**

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

7 OTHER ASSETS

	30 JUNE 2020 $	30 JUNE 2019 $
Short term deposits	60,382	40,000
Prepayments (i)	567,996	1,531,910
Other current assets	325,232	138
Borrowing costs	1,201,582	2,066,970
	2,155,192	**3,639,018**

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

8 INVENTORY

	30 JUNE 2020 $	30 JUNE 2019 $
At cost		
Gold in circuit	1,049,344	-
Crush ore stock, carbon and other stock	426,155	
Ore stockpiles	2,854,648	
	4,330,147	**-**

9 PLANT AND EQUIPMENT

	30 JUNE 2020 $	30 JUNE 2019 $
Plant and Equipment		
At cost	5,923,184	3,120,210
Less: accumulated depreciation	(1,264,547)	(564,979)
Total motor vehicle and plant and equipment	**4,658,637**	**2,555,231**

	30 JUNE 2020 $	30 JUNE 2019 $
Motor Vehicles		
At cost	357,996	164,531
Less: accumulated depreciation	(116,533)	(87,800)
Total motor vehicles	**241,463**	**76,731**

	30 JUNE 2020 $	30 JUNE 2019 $
Plant and equipment		
Carrying amount at the beginning of the year	2,555,231	1,557,474
Additions	2,802,974	1,456,071
Disposals	-	(1,056)
Depreciation expense	(699,568)	(457,258)
Total carrying amount at end of the year	**4,658,637**	**2,555,231**

	30 JUNE 2020 $	30 JUNE 2019 $
Motor Vehicles		
Carrying amount at the beginning of the year	76,731	22,253
Additions	193,465	63,818
Disposals	-	-
Depreciation expense	(28,733)	(9,340)
Total carrying amount at end of the year	**241,463**	**76,731**
Total motor vehicles and plant and equipment	**4,900,100**	**2,631,962**

10 DEVELOPMENT EXPENDITURE

	30 JUNE 2020 $	30 JUNE 2019 $
Jaurdi Gold Project		
Balance at the beginning of the year	16,424,945	-
Development expenses	8,004,984	16,424,945
Amortisation expense	(3,400,148)	-
Balance at reporting date	**21,029,781**	**16,424,945**

11 TRADE AND OTHER PAYABLES

	30 JUNE 2020	30 JUNE 2019
	$	$
Trade and other payables	3,543,801	3,181,458
	3,543,801	**3,181,458**

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

12 DEBENTURES ISSUE

(a) Total non-current secured liabilities	**30 JUNE 2020**	**30 JUNE 2019**
	$	$
Debentures	18,000,000	18,000,000
	18,000,000	**18,000,000**

(b) Maturity Dates	**Interest Rate**	**30 JUNE 2020**	**30 JUNE 2019**
	%	$	$
9 October 2021	12%	9,650,000	9,650,000
11 October 2021	12%	8,350,000	8,350,000
		18,000,000	**18,000,000**

(c) Terms and conditions of debentures

On 9 October 2018 the Company announced that it had completed the issue of $18.0 million debentures to sophisticated and professional investors.

The key terms of the Debentures are as follows:

(a) the Debenture Issue was subject to the Company receiving outstanding works and licence application approvals from the DWER, the Company received approvals on 11 September 2018;
(b) the face value of each Debenture is $1.00 and each Debenture Holder was required to subscribe for a minimum of 100,000 Debentures which would have a total face value of $100,000 (Minimum Subscription);
(c) for every one Debenture that was issued to a Debenture Holder, the Company issued 20 Listed Options;
(d) the Debentures are not listed on the ASX;
(e) the term of the Debentures is 36 months from the date of issue (Term), and the Company holds the right to exercise an early repayment option which may be exercised no less than 24 months from the date of issue (Early Repayment);
(f) the interest rate payable on the Debentures is 12% per annum. Interest will be payable on the paid-up face value of the Debentures and calculated on a daily basis. Interest will be payable to the Debenture Holders 9 months after the date they are issued with Debentures and thereafter every 3 months until the end of the Term, or upon Early Repayment (together the Record Dates);
(g) Interest will be paid no later than 30 days after the relevant Record Date;
(h) the Debentures are secured by the Company granting:
  (i) a Mortgage over Mining Leases 16/0529, 16/0034, 16/0115 and L16/120; and
  (ii) the Security interest pursuant to the Combined Security Deed,
  in favour of a security trustee acting on behalf of all the Debenture Holders (Security Trustee);
(i) the Debentures do not entitle a Debenture Holder to any voting rights in the Company;

(j) the Company must repay the subscription price in full in relation to any Debenture Issue, including accrued but unpaid interest, on the earlier of the following;
  (i) the end of the Term;
  (ii) Early Repayment; or
  (iii) within 30 days on the occurrence of an event of default that has not been remedied;
(k) events of default (Event of Default) include (but are not limited to) the following:
  (i) an external administrator being appointed over any of the assets of the Company and not being removed;
  (ii) the Company being in liquidation or under administration;
  (iii) a material change being made to the Constitution of the Company;
  (iv) a failure to pay interest owed to a Debenture Holder occurring within 20 days of its due date; and
  (v) other events of default typical of this type of transaction occurring;
(l) the Company has 30 days to remedy any Event of Default which occurs pursuant to the Debenture issue.

13 ISSUED CAPITAL

Issued and paid up capital

	30 JUNE 2020 $	30 JUNE 2019 $
At the beginning of reporting year	38,070,878	31,128,999
Shares issued during the year (a)(i), (b)(i)	8,000,000	7,119,468
Shares issued pursuant to exercise of options (a)(ii), (b)(ii)	3,982,916	320,825
Transaction costs	(480,000)	(498,414)
At reporting date 2,862,579,343 (30 June 2019: 2,512,786,543) fully paid ordinary shares	**49,573,794**	**38,070,878**

Movement in Ordinary Shares	**30 JUNE 2020 Number**	**30 JUNE 2019 Number**
At the beginning of reporting year	2,512,786,543	2,013,961,284
Shares issued during the year	349,792,800	498,825,259
At reporting date	**2,862,579,343**	**2,512,786,543**

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

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

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

(a) The following shares were issued during the year ended 30 June 2019:

  (i) On 29 May 2019, the Company completed a Non-Renounceable Entitlement issue made pursuant to the Prospectus dated 9 April 2019. The Entitlement Issue offered 418,792,257 New Shares and 209,396,128 Free Attaching Options, to raise $7,119,468 before costs, on the basis of:

- One (1) New Share for every five (5) Shares held by Shareholders on the Record Date at an issue price of $0.017 per New Share; and
- One (1) Free Attaching Option for every two (2) New Shares issued.

  (ii) Upon exercise of options 80,033,002 shares were issued, refer to note 14.

(b) The following shares were issued during the year ended 30 June 2020:

(i) On 23 August 2020, the Company completed a Placement to Sophisticated investors. Under the Placement 190,476,191 Shares were issued at $0.042 per share, to raise $8,000,000 before costs.

(ii) Upon exercise of 159,316,609 listed options.

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

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

14 RESERVES

(a) Option Reserves

Nature and Purpose of Reserves
The share option reserve is used to record the fair value of options.

	30 JUNE 2020	30 JUNE 2019
	$	$
At the beginning of reporting year	2,337,227	348,325
Expiry of options	-	(74,665)
Exercise of options	(434,511)	(273,660)
Transaction costs	-	-
Issued during the year note (ii)	-	2,337,227
At reporting date	**1,902,716**	**2,337,227**

	2020	2019
Movement in $0.025 17 August 2022 Listed Options (i)	**Number**	**Number**
At the beginning of the reporting period	1,067,853,529	498,490,321
Exercised during the year	(159,316,609)	(33,002)
Issued during the year (ii)	-	569,396,210
At reporting date	**908,536,920**	**1,067,853,529**

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

(ii) Issued under the Non-Renounceable Entitlement Issue made pursuant to the Prospectus dated 9 April 2019 and issued with the $18.0m debenture issue in October 2018.

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

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

Movement in $0.004 31 January 2022 Unlisted Options (i)	**2020 Number**	**2019 Number**
At the beginning of the reporting period	-	80,000,000
Exercised during the year	-	(80,000,000)
Issued during the year	-	-
At reporting date	**-**	**-**

(i) Each option entitles the holder to subscribe to one share at an issue price of $0.004 on or before 31 January 2022.

Movement in $0.025 5 May 2019 Unlisted Options (i)	**2020 Number**	**2019 Number**
At the beginning of the reporting period	-	5,000,000
Expired during the year	-	(5,000,000)
Issued during the year	-	-
At reporting date	**-**	**-**

(i) Each option entitles the holder to subscribe to one share at an issue price of $0.025 on or before 5 May 2019. During the year the options expired, unexercised.

15 ACCUMULATED LOSSES

	30 JUNE 2020 $	**30 JUNE 2019 $**
Accumulated losses at the beginning of the year	(34,427,108)	(26,095,312)
Gain/(Loss) for the year	10,908,843	(8,680,121)
Options exercised during the year	434,511	273,660
Options expired during the year	-	74,665
Dividend paid	-	-
	(23,083,754)	**(34,427,108)**

16 EARNINGS/(LOSS) PER SHARE

(a) Basic Earnings Per Share

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

	30 JUNE 2020 $	**30 JUNE 2019 $**
Profit/(Loss) used in calculation of total basic earnings per share	10,908,843	(8,680,121)
Profit/(Loss) used in the calculation of earnings per share	**10,908,843**	**(8,680,121)**
	Number	**Number**
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	2,819,462,806	2,110,466,511
Basic earnings/(loss) per share after income tax attributable to members of the Company	0.0039	(0.0041)
Basic earnings/(loss) per share	**0.0039**	**(0.0041)**

(b) Basic and Diluted Loss Per Share

As at 30 June 2020 the Company had 908,536,920 (2019: 1,067,853,529) the effect of these options are dilutive on the earnings per share calculation.

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

	30 JUNE 2020 $	30 JUNE 2019 $
Profit/(Loss) used in calculation of total basic earnings per share	10,908,843	(8,680,121)
Profit/(Loss) used in the calculation of earnings per share	**10,908,843**	**(8,680,121)**

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

	Number	Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	2,819,462,806	2,110,466,511
- Listed Options	908,536,920	-
Weighted average number of ordinary shares for diluted earnings per share	**3,727,999,726**	**2,110,466,511**
Diluted earnings/(loss) per share after income tax attributable to members of the Company	0.0029	(0.0041)
Diluted earnings/(loss) per share	**0.0029**	**(0.0041)**

17 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

	30 JUNE 2020 $	30 JUNE 2019 $
Current - Cash at bank	15,367,426	4,256,185
	15,367,426	**4,256,185**

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

	30 JUNE 2020 $	30 JUNE 2019 $
Profit/(Loss) after income tax	10,908,843	(8,680,121)
Non cashflows from profit/(loss)		
Depreciation of plant and equipment	728,301	466,598
Options expense	-	2,337,227
Income tax benefit	(332,733)	-
(Increase) /decrease in assets		
- Trade and other receivables	(2,235,998)	(144,329)
- Other assets	1,537,826	(2,201,889)
- Inventory	(4,330,147)	-
Increase / (decrease) in liabilities		
- Trade and other payables	362,343	1,762,819
- Provisions	379,302	47,173
Net cash inflows/(outflows) from operating activities	**7,017,737**	**(6,412,522)**

18 OPTIONS ISSUED

(i) The Company agreed and approved at a General Meeting held on 4 October 2018 to issue 20 Listed Options for every 1 debenture issued to debenture holders. The options are exercisable at $0.025 on or before 17 August 2022. The Company issued 360,000,000 Listed Options under the agreement. As the Options were listed, they were ascribed the following value:

Date of Issue	Number of Options	Price of Options (a)	Total Value ($)	Expense for the Year ($)
09.10.18	193,000,000	0.006	1,158,000	-
11.09.18	167,000,000	0.006	1,002,000	-

(a) The value of the options was determined at the date it was agreed to issue the options. The value of the options was capitalised at borrowing costs, refer to other assets (note 7).

(b) The options vested upon issue.

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

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

Class of Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	20,000,000	01.08.18	$0.020	$0.025	01.08.21	2.12%	74.94%	$0.0089

(iii) On 4 September 2017 the Company issued 20,000,000 fully paid ordinary shares and 5,000,000 Unlisted Options exercisable at $0.025 on or before 5 May 2019 to acquire tenements M16/0034 and M16/115. On 5 May 2019 the options expired, unexercised.

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

Class of Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	5,000,000	05.05.2017	$0.020	$0.025	05.05.2019	2.21%	169%	$0.015

(iv) On 3 January 2017 the Company agreed to issue 80,000,000 Unlisted Options exercisable at $0.004 on or before 31 January 2022 to Mr Alex McCulloch. On 26 September 2018, 80,000,000 unlisted options were exercised.

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

Class of Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	80,000,000	03.01.2017	$0.004	$0.004	31.01.2022	2.17%	155.70%	$0.0034

19 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors and Executives
Geoffrey Greenhill – Executive Chairman
Graham McGarry – Managing Director
Alexander McCulloch – Executive Director
Sarah Shipway – Non-Executive Director

(b) Compensation of key management personnel

	30 JUNE 2020 $	30 JUNE 2019 $
Short term employment benefits		
Salary, fees and leave	549,296	378,936
Post employment benefits		
Superannuation	45,917	28,500
Total key management personnel compensation	**595,213**	**407,436**

(c) Other transactions and balances with Key Management Personnel

McVerde Minerals Pty Ltd, of which Graham McGarry and Geoffrey Greenhill are directors, provided equipment hire to the Company on ordinary commercial terms. Amounts that have been paid or payable total $2,221,515 (2019: $1,422,486). At 30 June 2020 $246,508 (2019: $73,590) was payable to McVerde Minerals Pty Ltd.

Mangelsdorf Engineering Pty Ltd, of which Graham McGarry and Geoffrey Greenhill are directors, provided manufacturing and repairs to equipment and general engineering maintenance to the Company on ordinary commercial terms. Amounts that have been paid or payable total $24,477 (2019: $171,298). At 30 June 2020 $720 (2018: $1,547) was payable to Mangelsdorf Engineering.

Kinetiq Solutions Pty Ltd, a Company which Geoffrey Greenhill's son has an interest in, provided electrical services to the Company on ordinary commercial terms. Amounts that have been paid or payable total $2,091,107 (2019: $2,894,476). At 30 June 2020 $0 (2019: $115,896) was payable to Kinetiq Solutions.

In October 2019 Directors' Graham McGarry and Geoffrey Greenhill participated in the Company's $18.0m debenture issue. In addition, related parties to Graham McGarry also participated in the debenture issue. Shareholder approval was sought and received on 4 October 2018.

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

During the year $653,113 (2019: $0) in interest was paid on the debentures.

In May 2019 Graham McGarry and Geoffrey Greenhill each entered into agreements with the Company, whereby the Directors' would underwrite 62,760,705 and 27,893,647 of the shares issued under the Entitlement Issue Prospectus dated 9 April 2019, respectively.

Graham McGarry and Geoffrey Greenhill also each entered into agreements with the Company, whereby the Directors' would commit to taking up their full entitlement under the April 2019 Entitlement Issue.

Under these agreements the Directors' were entitled to an underwriting fee of 4%, of their firm commitment and underwritten amount. Graham McGarry and Geoffrey Greenhill received a fee of $73,667 and $34,378, respectively under their agreements.

20 COMMITMENTS AND CONTINGENCIES

(a) Commitments

Mineral exploration commitments

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

	30 JUNE 2020 $	30 JUNE 2019 $
Not later than one year	43,818	30,926
Later than one year but not later than five years	-	4,534
- Expenditure commitment	33,720	189,940
Later than five years	-	-
	77,538	**225,400**

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

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

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

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

Beacon Mining Pty Ltd entered into a royalty agreement with Corinthian Mining Pty Ltd in relation to mining lease M16/365. Under the agreement Beacon will pay a royalty of 4% of the recovered gold.

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

Physical Gold Delivery Commitments

As part of the risk management policy of the Group, the Group has entered into a gold forward contract to manage the gold price of a proportion of anticipated sales of gold. The contracts are accounted for as a sale contract with revenue recognised once gold has been delivered. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 9 Financial Instruments. Hence no derivatives are recognised. The contracted sales price is rounded to the nearest dollar.

	Gold for physical delivery ounces	Contracted gold sale price $	Value of committed sales $
Between one and five years – fixed forward contracts	5,000	2,502	12,510,000

The Group has no other gold sale commitments (June 2019: Nil).

21 EVENTS SUBSEQUENT TO BALANCE DATE

On 8 July 2020, 1,700,000 Listed Options were exercised in the Company.

On 22 July 2020 the Company advised that subject to Shareholder approval 10,000,000 unlisted options exercisable at $0.053 within two years from the date of issue will be issued to a director of the Company.

On 4 August 2020, 4,400 Listed Options were exercised in the Company.

On 4 August 2020, 30,000,000 Unlisted Options exercisable at $0.053 on or before 3 August 2023 were issued to employees of the Company.

On 21 August 2020, the Company announced the appointment of Mr Rodney Johns as a Non-Executive Director of the Company.

On 31 August 2020, 27,000 Listed Options were exercised in the Company.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, is it not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

22 FINANCIAL RISK MANAGEMENT

(a) Interest Rate Risk

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

Based on the cash and cash equivalents balances at 30 June 2020 a 1% movement in interest rates would increase/decrease the profit/(loss) for the year before taxation by $11,342 (2019: $7,373).

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

(b) Liquidity risk management

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

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments (e.g. borrowing repayments). The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Maturity analysis

	Carrying Amount $	Contractual Cash Flows $	<6 months $	6-12 months $	1-5 years $	>5 years $
Year ended 30 June 2020						
Trade and other payables	3,543,801	3,543,801	3,543,801	-	-	-
Debentures	18,000,000	20,294,873	921,105	921,105	18,552,663	
	21,543,801	**23,838,674**	**4,464,906**	**921,105**	**18,552,663**	
Year ended 30 June 2019						
Trade and other payables	3,181,458	3,181,458	3,181,458	-	-	-
Debentures	18,000,000	24,479,010	2,175,866	1,087,036	21,216,108	
	21,181,458	**27,660,468**	**5,357,324**	**1,087,036**	**21,216,108**	

(c) Credit Risk

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

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

(e) Financial risk management policies

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

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

(f) Commodity price risk

Commodity price risk arises from fluctuations in market prices of gold. To manage commodity price risk the Group entered into Gold forward contracts refer to note 20(a). The Group monitors market expectations on future commodity prices and considers entering into longer term contracts or commodity swaps or put option positions if necessary, to manage the risk in a manner consistent with its risk management objectives.

(h) Foreign Currency Risk

The Group is not exposed to any foreign currency risk as at 30 June 2020.

23 INTER COMPANY LOANS

The Company has two 100% owned subsidiaries disclosed in note 25. At 30 June 2020 the balance due from the subsidiaries were:

Australian Dollar ($)	**30 JUNE 2020**	**30 JUNE 2019**
	$	**$**
Beacon Mining Pty Ltd	19,976,322	28,249,614
Beacon Mining Services Pty Ltd	4,556,769	1,372,236
	24,533,091	**29,621,850**

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

Related party transactions between the Group and other related parties are disclosed in note 19(c).

24 SEGMENT REPORTING

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

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

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

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

25 SUBSIDIARIES

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

Subsidiaries of Beacon Minerals Limited	Country of Incorporation	Percentage owned %	
		2020	2019
Beacon Mining Pty Ltd	Australia	100%	100%
Beacon Mining Services Pty Ltd	Australia	100%	100%

26 PARENT COMPANY DISCLOSURE

(a) Financial Position as at 30 June

Australian Dollar ($)	30 JUNE 2020 $	30 JUNE 2019 $
Assets		
Current assets	41,205,196	6,476,961
Non-current assets	35,357	47,049
Total assets	**41,240,553**	**6,524,010**
Liabilities		
Current liabilities	1,092,807	3,146,106
Non-current liabilities	18,000,000	18,000,000
Total liabilities	**19,092,807**	**21,146,106**
Net Assets	**22,147,746**	**(14,622,096)**
Equity		
Issued Capital	49,573,734	38,070,878
Reserves	1,902,716	2,337,227
Accumulated losses	(29,328,704)	(25,786,009)
Total equity	**22,147,746**	**14,622,096**

(b) Financial Performance for the year ended 30 June

Australian Dollar ($)	30 JUNE 2020 $	30 JUNE 2019 $
Profit (loss) for the year	(4,429,533)	(26,401,816)
Other comprehensive income	-	-
Total comprehensive income (loss)	**(4,429,533)**	**(26,401,816)**

(c) Guarantees entered into by the Parent Entity

The parent entity has not provided guarantees to third parties as at 30 June 2020.

27 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the reporting period ended 30 June 2020. Those which may be relevant to the Company are set out in the table below, but these are not expected to have any significant impact on the Company's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Company
AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*	1 January 2020	1 July 2020
AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*	1 January 2020	1 July 2020
Conceptual Framework	1 January 2020	1 July 2020
2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*	1 January 2020	1 July 2020

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

(a) The consolidated financial statements and the notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its performance for the year ended that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*, and:

(b) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

(b) The financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 2 (b).

This declaration has been made after receiving the declarations from the board of directors' required to be made in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.

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

On behalf of the Board

Geoffrey Greenhill
Executive Chairman

Dated this 17 September 2020
Perth, Western Australia

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

I declare that, to the best of my knowledge and belief during the year ended 30 June 2020 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

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

Robin Judd
Director

Dated this 17th day of September 2020

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Beacon Minerals Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Beacon Minerals Limited (the Company and its subsidiaries (the Group)), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

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

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CARRYING VALUE OF INVENTORY	
Area of focus **Refer also to note 2(k) and 8**	**How our audit addressed it**
The Group have commenced gold production at the Jaurdi project. Inventories are required to be carried at lower of cost and net realisable value. Significant judgement is required to be exercised by management in assessing value of inventories. The valuation required significant judgments and estimations by management, including the following: — Estimated quantity of gold contained within ore inventory; — Estimated quantity of gold contained within Gold in Circuit inventory; and — The evaluation costs that are directly attributable to production. The results of these assessments materially affect the disclosures.	Our audit procedures included: — Evaluating the quantity of gold by agreeing estimated volume to third party evidence; — We assessed the experience of the consultants who estimated the quantity of inventory. We examined the assumptions used in the model for the estimates; — We reviewed managements determination of costs in valuing the Gold inventory; and — Evaluated management's judgement and assumption used in determining the need for any provision for impairment.

CARRYING VALUE OF DEVELOPMENT EXPENDITURE	
Area of focus **Refer also to notes 2(q) and 10**	**How our audit addressed it**
There has been significant progress on the development of the Jaurdi Gold project which has been capitalised during the year. Significant judgement is exercised by management in assessing carrying value of development expenditure, and there is a risk that the accounting criteria associated with the capitalisation of development expenditure may no longer be appropriate and that capitalised costs exceed the value in use.	Our audit procedures included: — Reviewing the directors' assessment of the criteria for the capitalisation of development expenditure of whether there are any indicators of impairment to capitalised costs; — Reviewing amortisation of the development expenditure and ensuring that it is in line with the lifecycle of the mine; — Assessing the viability of the new tenements and whether there were

An impairment review is only required if an impairment trigger is identified. Due to the nature of the mining industry, indicators of impairment applying the value in use model include: — Significant decrease seen in global mineral prices — Changes to exploration plans — Loss of rights to tenements — Changes to reserve estimates — Costs of extraction and production	any indicators of impairment to those development expenditure capitalised in the current period; and — We assessed the adequacy of the Group's disclosures in respect of the transactions.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 19 to 22 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Beacon Minerals Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

William Buck

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

Robin Judd
Director
Dated this 17th day of September 2020

The following table sets out Beacon Minerals Limited ore reserves as at 30 June 2020.

Project	Commodity Type	Category of Ore Reserve	30 June 2020	30 June 2019	Geographical Location
Jaurdi Gold Project	Gold	Proved	1,380,000 @ 1.6 g/t gold	1,010,000t @ 1.8 g/t gold	Australia
Jaurdi Gold Project	Gold	Probable(1)	796,000 @ 1.9 g/t gold	2,440,000t @ 1.8 g/t gold and 143,100 oz of contained gold	Australia

(1) Probable Ore Reserve is inclusive of the Proved Ore Reserve.
(2) Rounding errors may occur.

Minecomp Pty Ltd (Minecomp) has been commissioned by the Company to produce an end of financial year 2020 Reserve Statement for Lost Dog which forms part of the Jaurdi Gold Project in Western Australia.

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

Please see Appendix 1 for JORC table.

JORC 2012 Mineral Resources and Ore Reserve Statement - Competent Person Statement
The information in the Mineral Resources and Ore Reserves Statement is based on information compiled by Gary McCrae, Mining Engineer, a full-time employee of Minecomp Pty Ltd. The information in the Mineral Resources and Ore Reserve Statement is based on, and fairly represents, information and supporting documentation prepared by Mr McCrae. Mr McCrae is a corporate member of the Australasian Institute of Mining and Metallurgy. Mr McCrae has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Resources Committee, the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia." The Mineral Resources and Ore Reserves Statement as a whole is approved by Mr McCrae in the form in which it appears.

1. Distribution of holders at 17 September 2020

As at 17 September 2020 the distribution of shareholders was as follows:

Ordinary shares

Size of holding	Number of holders
1 – 1,001	79
1,001 – 5,000	28
5,001 – 10,000	43
10,001 – 100,000	1,560
100,001 and over	1,675
Total	**3,385**

2. Voting Rights

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

3. Substantial shareholders

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

Shareholder	Shares held	Percentage of Interest %
Graham McGarry	244,366,268	9.29%
Oceanic Capital Pty Ltd	234,291,699	8.20%
Geoffrey Greenhill	188,382,040	7.17%

4. Top 20 Shareholders

The names of the 20 largest shareholders as at 17 September 2020 who hold 48.39% of the fully paid ordinary shares of the Company were as follows;

	Number
Oceanic Capital PL	194,300,000
Greenhill G W + G J <Greenhill S/F A/C>	173,448,706
Lamerton PL <Mac's S/F A/C>	156,591,800
McCulloch Alexander John	105,102,138
McGarry Helen Gayle	94,793,102
Lamerton PL	87,774,468
Barry & Diane Stewart Pty Ltd	71,579,219
Greg Bond Pty Ltd <Greg Bond Family S/F A/C>	71,579,219
Peters Investments Pty Ltd	71,428,572
Aigle Royal Capital Pty Ltd <Aigle Royal Capital Dis A/C>	58,000,000
Amalgamated Dairies Ltd	49,999,999
Yarandi Investments Pty Ltd <Griffith Family No 2 A/C>"	49,735,483
Barstow Mining Pty Ltd	37,500,000
Dixson Trust Pty Limited	30,000,000
Payzone Pty Ltd <St Barnabas Super A/C>	23,841,699
Mr David Victor Siebuhr	23,000,000
Citicorp Nominees Pty Limited	22,463,475
Propasco Investments Pty Ltd <Jotalk Family A/C>	22,251,829
CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	22,133,177

Ocean View WA Pty Ltd	20,800,000

5. Top 20 Option holders

The names of the 20 largest option holders as at 17 September 2020 who hold 54.32% of the listed options of the Company were as follows;

	Number
Oceanic Capital PL	87,066,667
Rubi Holdings PL <John Rubino S/F A/C>	66,541,945
Lamerton PL <Mac's S/F A/C>	64,621,717
Greenhill G W + G J <Greenhill S/F A/C>	26,627,750
Lamerton PL	25,600,886
FGI Holdings Pty Ltd <RNH Investment A/C>	20,000,000
Upsky Equity Pty Ltd <Upsky Investment A/C>	20,000,000
Greenhill G W + G J <Greenhill S/F A/C>	19,000,000
McGarry Helen Gayle	18,802,155
Ocean View WA Pty Ltd	18,750,000
Greg Bond Pty Ltd <Greg Bond Family S/F A/C>"	18,452,474
St Barnabas Inv PL <Melvista Fam A/C>	15,283,333
Yarandi Inv PL >Griffith Fam No 2>	14,059,797
Barry & Diane Stewart Pty Ltd <Stewart Family Super FD A/C>	13,552,474
Amalgamated Dairies LTD	13,380,000
Barstow Mining Pty Ltd	13,112,309
McCulloch Alexander John	10,051,069
Three Zebras Pty Ltd <The Judd Family A/C>	10,000,000
Mr Charles Robert Dirck Wittenoom	9,551,069
MBM Corporation Pty Ltd	8,100,000

Beacon Minerals Limited mineral interests at 17 September 2020:

TENEMENT	PROJECT/LOCATION	INTEREST %
	Jaurdi Gold Project	
M16/0529	Jaurdi, Coolgardie	100%
M16/0034	Jaurdi, Coolgardie	100%
M16/0115	Jaurdi, Coolgardie	100%
M16/0365	Jaurdi, Coolgardie	100%
M16/0560	Jaurdi, Coolgardie	100%
P16/2925	Jaurdi, Coolgardie	100%
P16/2926	Jaurdi, Coolgardie	100%
L16/0120	Jaurdi, Coolgardie	100%
L16/0122	Jaurdi, Coolgardie	100%
E16/0469(1)	Jaurdi, Coolgardie	100%
E15/1582	Jaurdi, Coolgardie	100%
E31/1039(2)	Yerilla, North Coolgardie	0%
P25/2555(3)	Transline	100%
P25/2556(3)	Transline	100%
P25/2557(3)	Transline	100%
P25/2558(3)	Transline	100%

(1) Beacon has executed an Option to Purchase Agreement with Mr Steven Argus and Zephyr Mining Pty Ltd, the holders of licence E16/469.

(2) Beacon has executed an Option to Purchase Agreement with Diana and Lindsay Stockdale the holders of the Kookynie Exploration Licence E31/0139. The option in relation to this agreement has not been exercised.

(3) Beacon has executed an Option to Purchase Agreement with Roger and Michael Lindsay, the holders of the 4 Prospecting Licences.

JORC Section 4 - Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.	The Mineral Resource for the Lost Dog Prospect was estimated by BMGS in June 2017 (jaurdi_bmgs_1706.mdl). Where applicable the resource has been superseded by the July 2019 Grade Control block model (ldgc_master.mdl).
	Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	Where applicable the resource model has been depleted by material mined to June 2020. 30 June 2020 ore stockpile surveys. The Mineral Resource is inclusive of the Ore Reserves.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	A site visit by the Competent Person was undertaken prior to the commencement of the pre-feasibility study. Additional site visits would not materially affect the determination of the Ore Reserve.
	If no site visits have been undertaken indicate why this is the case.	Additional site visits would not materially affect the determination of the Ore Reserve.
Study status	The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.	The study is considered to be to a pre-feasibility level of confidence (+/- +10/-5%).
	The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	The Ore Reserve is a combination of the August 2018 pre-feasibility study, updated resource modelling and mined ore stockpile surveys. Ore reserves are classified as Proved and Probable.
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	The cut-off grade is calculated as part of the mine optimisation analysis. For Ore Reserve calculations the cut-off grade was 0.5 g/t gold (diluted).
Mining factors or assumptions	The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).	The Mineral Resource model was factored to generate diluted Ore Reserve during the calculation process. A detailed mine design has also been completed.
	The choice, nature and	Mining method is conventional open-pit with

	appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.	drill and blast, excavate, load and haul. The ore zone geometry coupled with the low stripping ratio (<1.9 (waste) to 1 (ore) and maximum pit depth (<32.5m) indicate that Lost Dog is most suited to mining by conventional open pit mining methods.
	The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.	An external geotechnical report provided pit slopes and recommended inputs for optimisation. Grade Control, where applicable has been RC drilled from surface on a 12.5x12.5m staggered grid.
	The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).	The Ore Reserve has been determined using a combination of the June 2017 resource estimate model and the July 2019 and June 2020 Grade Control block models, with the Grade Control models taking precedence in areas of overlap.
	The mining dilution factors used.	Additional mining dilution of 2% was applied.
	The mining recovery factors used.	Mining recovery of 98% was applied.
	Any minimum mining widths used.	No minimum widths were utilised with resource lode interpretation being in excess of 120m exclusive of mining dilution.
	The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.	Inferred Resources were not used or included in the mining study nor any subsequent Ore Reserve calculations.
	The infrastructure requirements of the selected mining methods.	The Project has no further infrastructure requirements.
Metallurgical factors or assumptions	The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.	On-site processing utilizes conventional CIP methods which is a tried and tested means of gold extraction from material of this nature.
	Whether the metallurgical process is well-tested technology or novel in nature.	Well-tested existing metallurgical technology.
	The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied	Beacon has mined and milled in excess of 420,000t of Lost Dog ore to date achieving an average gold recovery of 86.7%. The ore milled to date is representative of the ore zones.

	and the corresponding metallurgical recovery factors applied.	Based upon these results a gold recovery of 85% has been utilised for the pre-feasibility study.
	Any assumptions or allowances made for deleterious elements.	No deleterious elements are present.
	The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.	Bulk sample processing (i.e. the 4,300t parcel previously mined) has been carried out.
	For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	There are no minerals defined by a specification.
Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	All environmental permitting has been submitted to the Western Australian DMIRS and DWER. All approvals have subsequently been received. Waste rock is typically non-acid forming. Waste material will be stored in conventional above surface waste dumps. Tailings will be stored on site in excavated open pit workings.
Infrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	Site access is via a public road (Jaurdi Hills Road) which passes along the western edge of the main tenement boundary. The tenements comprising the project area are granted mining leases with a combined area of approximately 1,000 hectares. Accommodation is a mixture of residential and on-site
Costs	The derivation of, or assumptions made, regarding projected capital costs in the study.	Capital costs are based upon BCN in-house knowledge and experience in the establishment of similar mining operations. These costs estimates are considered to be within (+10%/-5%).
	The methodology used to estimate operating costs.	Operating costs are based upon contemporary in-house knowledge and experience for similar mining operations. These costs estimates are considered to be within (+10%/-5%).
	Allowances made for the content of deleterious elements.	No deleterious elements present.
	The source of exchange rates used in	Cost models use Australian dollars.

	the study.	
	Derivation of transportation charges.	There are no transport costs.
	The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.	Treatment costs are based on known current milling costs.
	The allowances made for royalties payable, both Government and private.	State royalty of 2.5% and 3rd Party Royalty of $80/oz have been incorporated.
Revenue factors	The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.	Using a gold price of Au$1,650/oz.
	The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	Perth Mint end of financial year metal gold price $2,012.39
Market assessment	The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.	Gold doré will be sold at the Perth Mint as it is produced.
	A customer and competitor analysis along with the identification of likely market windows for the product.	Market window unlikely to change.
	Price and volume forecasts and the basis for these forecasts.	Price is likely to go up, down or remain same.
	For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	Not industrial mineral.
Economic	The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.	No NPV applied.
	NPV ranges and sensitivity to variations in the significant assumptions and inputs.	Sensitivity analyses have been completed.
Social	The status of agreements with key	No Native Title Claimants on DIA over the mining

	stakeholders and matters leading to social license to operate.	leases.
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:	
	Any identified material naturally occurring risks.	A risk review has been completed. No material risks are identified.
	The status of material legal agreements and marketing arrangements.	There are no material on-going legal and marketing agreements.
	The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	95.7% of Mining Reserves and 96.3% of gold ounces are contained within granted mining tenements. 4% of Mining Reserves and gold ounces are contained within Exploration License E16/469. An option to purchase agreement between BCN the 3rd Party owners of E16/469 has been exercised by BCN. A Project Management Plan and Mining Proposal have been approved by the Western Australian DMIRS.
Classification	The basis for the classification of the Ore Reserves into varying confidence categories.	Reserves are classified according to Resource classification.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	They reflect the Competent Person's view.
	The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	Approximately 60%
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	No audits carried out.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify	Confidence is in line with gold industry standards and the companies aim to provide effective prediction for current and future mining projects. No statistical quantification of confidence limits has been applied.

	the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.	
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	Estimates are global.
	Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.	Reserve confidence is reflected by the Proved and Probable category applied, which in turn reflects the confidence of the Mineral Resource. The Reserve is most sensitive to; a) resource grade accuracy, b) gold price c) metallurgical recovery d) ore milling costs.
	It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	Current production data were available has been used.

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