BEACON MINERALS LIMITED

ABN 64 119 611 559

2016 ANNUAL REPORT

CORPORATE DIRECTORY

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

COMPANY SECRETARY
Sarah Shipway

KALGOORLIE OFFICE
144 Vivian Street
BOULDER WA 6432

REGISTERED OFFICE
Level 1, 115 Cambridge Street
WEST LEEDERVILLE WA 6007

T: 08 9322 6600
F: 08 9322 6610
E: admin@beaconminerals.com.au
W: www.beaconminerals.com.au

STOCK EXCHANGE CODES
BCN – Ordinary Shares

SHARE REGISTRY
Security Transfer Registrars
770 Canning Highway
APPLECROSS WA 6153

P: 08 9315 2333
F: 08 9315 2233

SOLICITORS
Jeremy Shervington

AUDITORS
William Buck Audit (WA) Pty Ltd

CONTENTS **PAGE**

Beacon Minerals Limited (ASX:BCN) (Beacon or Company) is pleased to present its review of operations for the year ended 30 June 2016.

HIGHLIGHTS

- **Halleys East rehabilitation and ore cartage is completed**
- **Beacon Executes Ore Purchase Agreement**
- **Beacon Completes Sale of Refractory Ore to Northern Star**

HALLEYS EAST PROJECT

Rehabilitation work at the Halleys East project was completed during the year and the tenement position reduced to the minimum size while maintaining the monitoring commitment to the DMP.

All infrastructure and equipment was removed from the Halleys East mining site during the year.

Figure 1 – Halleys East Pit – June 2015

Letter of Intent Executed

On 4 February 2016 the Company announced that it had entered into a letter of intent (LoI) with Northern Star Resources Limited (Northern Star) to process the Company's high grade refractory ore under an ore purchase agreement.

Northern Star operates the Kanowna Belle processing facilities (KB Facility) in the Eastern Goldfields region of Western Australia approximately 18km north of Kalgoorlie. The KB Facility has a successful history and has the capability to treat both refractory and free milling ores.

The LoI included typical specifications for the ore being supplied, details pertaining to the delivery of the ore and other standard purchase terms. The transaction was conditional upon, amongst other things, Northern Star completing confirmatory testwork for gold recovery on the delivered ore.

Crushing and sampling of this ore commenced on 3 February 2016 and was completed on 18 February 2016. 12,199 DMT was crushed and delivered to the KB Facility.

Figure 2 – Commencement of Crushing and Sampling - February 2016

Sale of Refractory Ore

The Company advised on 13 July 2016 that it had entered into an agreement with Northern Star to purchase Beacon's high grade refractory ore under an Ore Purchase Agreement.

A total of 12,199 tonnes of gold ore was sold to Northern Star at $611.87 per tonne, nett of all costs.

The average grade of the parcel was 15.53g/t with a metallurgical recovery of 87.5%.

Managing Director Graham McGarry commented:

"The completion of the sale of the refractory ore during the year highlights the success at Halleys East and the continued efforts of the Directors to deliver a positive result to the Company's shareholders.

"Beacon would like to acknowledge the collaborative approach taken by both parties to achieve this mutually beneficial transaction.

"Rehabilitation at Halleys East is completed and is being monitored annually in accordance with the Mine Closure Plan."

SANDSTONE

During the year the Company advised that it had completed a follow-up drilling programme at the Sandstone West Prospects, Golden Raven and Golden Raven North (Figure 3).

Previous prospecting activities by prospectors and exploration work by Beacon had identified the Golden Raven gold prospect, which is located approximately 5km west of the Murchison town of Sandstone. Recent prospecting activities had identified a further prospect area, located approximately 800m to the north-northeast of Golden Raven, which had been named the Golden Raven North prospect.

At Golden Raven, a programme total of 27 angled aircore holes for 1,444m (GRAC035-061) was completed, while at Golden Raven North a smaller programme of 6 angled aircore holes was completed for 472m (GRAC062-067).

All holes were drilled to blade refusal, thereby testing the entire regolith profile. There were few intercepts of interest from either prospect area.

For details in relation to the results of this drilling program please see ASX announcement 3 December 2015 Follow-Up Aircore Drilling at Sandstone West Project.

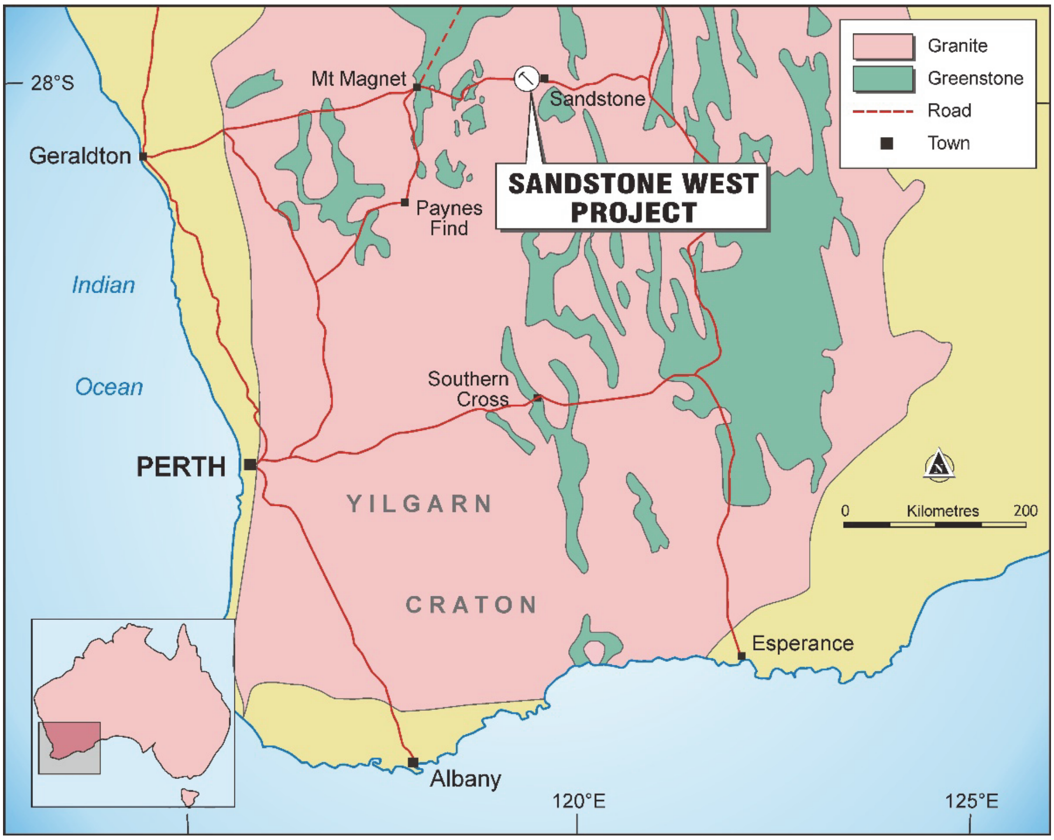

Figure 3 - Location of Sandstone West Project

Further Work

The entire Golden Raven prospect area has now been tested with angled aircore drilling and while a saprolite-hosted, gold-mineralised system occurs below the low impact mining excavation (now rehabilitated), the overall grade is low and there are few intercepts above 1g/t Au. The latest round of aircore drilling indicates that the gold mineralisation appears to be restricted to the area below the low impact mining activities.

At Golden Raven North, a number of deep, generally saprolite-hosted intercepts >0.1g/t Au indicate some gold prospectivity and further drilling may be warranted. Drilling to date indicates that any target will be deep and probably low-grade.

OTHER OPPORTUNITIES

The Company confirms its commitment to continue to pursue other opportunities in the minerals sector in Australia.

JORC 2012

Probable Ore Reserves

The estimate of Probable Ore Reserves relating to the Halleys East deposit were first announced to the market on 30 October 2013. The Company confirms it is not aware of any new information or data that materially affects the information included in those market announcements and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not changed.

Exploration

The Annual Report contains information extracted from the following announcements which are available for viewing on the Company's website www.beaconminerals.com:

- 3 December 2015 Follow-Up Aircore Drilling At Sandstone West Project

The Company confirmed it is not aware of any new information or data that materially affects the information included in this Annual Report relating to exploration activities carried out at the Sandstone West Project

Golden Raven Prospect and all material assumptions and technical parameters underpinning the exploration activities in those market announcements continue to apply and have not been changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

CORPORATE UPDATE

Debenture Note Repayments

The Company announced on 5 August 2015 that the final $2.0 million repayment in relation to the Company's debenture notes had been made, 5 months earlier than its due date. After the repayment the Company had repaid all the debenture notes on issue.

For the key terms of the debenture notes please see the 7 October 2013 Notice of Annual General Meeting.

Sale of Consolidated Tin Mines Shares

Beacon advised on 5 August 2015 that it had sold 13,219,917 shares in Consolidated Tin Mines (ASX:CSD) at $0.055 per share. Proceeds from the sale was $714,324, net of brokerage fees.

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 2015 to 30 June 2016. 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 33 years and have had substantial success in developing mining projects in WA, SA, QLD and the NT.

Mr Greenhill and Mr McGarry are the executives in charge of the day to day management of the Group's activities.

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.

Mr Greenhill and Mr McGarry are the executives in charge of the day to day management of the Group's activities.

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 Chartered Accountants Australia and New Zealand.

Ms Shipway is the director in charge of corporate governance and statutory reporting activities.

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

Company	Date of Appointment	Date of Resignation
Argent Minerals Limited	11 June 2015	16 September 2015
St George Mining Limited	11 June 2015	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
Geoffrey Greenhill	59,863,334
Graham McGarry	85,937,376
Sarah Shipway	2,542,000

SHARE OPTIONS

At the date of this report the Group had no options on issue. During the year 795,661,203 Listed Options, exercisable at $0.005 on or before 30 September 2015 expired. 2,041,721 Listed Options were exercised at $0.005 per share during the financial year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Group was the development and production of gold from the Halley's East open pit gold mine, Western Australia.

RESULTS AND REVIEW OF OPERATIONS

The result of the consolidated entity for the financial year ended 30 June 2016 is an after income tax loss of $1,849,719 (2015: profit of $5,098,921).

A review of operations of the consolidated entity during the year ended 30 June 2016 is provided in the "Review of the Operations" immediately preceding this Directors' Report.

LIKELY DEVELOPMENTS

The consolidated entity's focus over the next financial year will be to continue to pursue other opportunities in the minerals sector in Australia. Further commentary on the consolidated entity'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 this financial report.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

DIVIDENDS PAID OR RECOMMENDED

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

DIRECTORS' MEETINGS

During the financial year, 6 meetings of Directors were held. Attendances by each director during the year were as follows:

Name	Eligible to attend	Attended
G Greenhill	6	6
G McGarry	6	6
S Shipway	6	6

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 in line with the market rates and equity related payment. The remuneration policy does not provide a performance linked component.

The Board of Beacon Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Group. 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:

- The remuneration policy and setting the terms and conditions for the Executive directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.

- Executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.

- Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. 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 at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, 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
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 executive directors having regard to performance against goals set at the start of the year, relative to comparable information and independent expert advice.

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, or the fixed salary of a full time employee of the Group.

Remuneration of directors

Remuneration for the financial year ended 30 June 2016.

	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					
2016	198,332	17,417	-	-	**215,749**
2015	100,000	9,500	-	-	**109,500**
G McGarry					
2016	198,332	17,417	-	-	**215,749**
2015	100,000	9,500	-	-	**109,500**
S Shipway (ii)					
2016	-	-	-	-	**-**
2015	-	-	-	-	**-**
M Michael (iii)					
2016	-	-	-	-	**-**
2015	100,000	9,500	-	-	**109,500**
Total					
2016	**396,664**	**34,834**	**-**	**-**	**431,498**
2015	**300,000**	**28,500**	**-**	**-**	**328,500**

(i) No options or shares were granted as part of remuneration.

(ii) Staff of Marshall Michael Pty Ltd, including Non-Executive Director and Company Secretary Sarah Shipway, have provided corporate secretarial, accounting, bookkeeping and general administrative services during the year. Amounts that have been paid or are payable total $74,460 (2015: $83,739). At 30 June 2016 $305 (2015: $21,253) was payable to Marshall Michael Chartered Accountants.

(iii) M Michael retired as Executive Director on 11 June 2015.

(iv) No performance based remuneration was paid during the current or previous year.

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 $50,000 per annum plus statutory superannuation from May 2016, previously the Directors' received a salary of $28,333 per month plus statutory superannuation from December 2015 to April 2016. Prior to December 2015 the Directors' received a salary of $100,000 per annum plus statutory superannuation. The Directors' termination provisions are as follows:

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

Equity based remuneration payments

During the financial year ended 30 June 2016 no equity was granted to directors as part of their remuneration.

Ordinary shareholdings of key management personnel

Directors	Balance at 1 July 2015	Options exercised during the year	Net other change	Balance at 30 June 2016
Geoffrey Greenhill	59,863,334	-	-	59,863,334
Graham McGarry	85,937,376	-	-	85,937,376
Sarah Shipway	2,542,000	-	-	2,542,000
Total	**148,342,710**	**-**	**-**	**148,342,710**

Directors	Balance at 1 July 2014 (ii)	Options exercised during the year	Net other change (i)	Balance at 30 June 2015 (iii)
Geoffrey Greenhill	59,863,334	-	-	59,863,334
Graham McGarry	85,233,333	-	704,043	85,937,376
Marcus Michael	58,228,333	-	-	58,228,333
Sarah Shipway	2,542,000	-	-	2,542,000
Total	**205,867,000**	**-**	**704,043**	**206,571,043**

(i) On market transaction for cash consideration.

(ii) Balance at the beginning of the financial year or at the date of appointment.

(iii) Balance at the end of the financial year or at the date of retirement.

Option holdings of key management personnel

Directors	Balance at 1 July 2015	Options exercised during the year	Net other change (i)	Balance at 30 June 2016
Geoffrey Greenhill	92,371,667	-	(92,371,667)	-
Graham McGarry	138,691,667	-	(138,691,667)	-
Sarah Shipway	2,512,000	-	(2,512,000)	-
Total	**233,575,334**	**-**	**(233,575,334)**	**-**

Directors	Balance at 1 July 2014 (ii)	Options exercised during the year	Net other change	Balance at 30 June 2015 (iii)
Geoffrey Greenhill	92,371,667	-	-	92,371,667
Graham McGarry	138,691,667	-	-	138,691,667
Marcus Michael	40,761,666	-	-	40,761,666
Sarah Shipway	2,512,000	-	-	2,512,000
Total	**274,337,000**	**-**	**-**	**274,337,000**

(i) Expired during the year.
(ii) Balance at the beginning of the financial year or at the date of appointment.
(iii) Balance at the end of the financial year or at the date of retirement.

On the 11 November 2013 Graham McGarry, Geoffrey Greenhill and Oceanic Capital Pty Ltd (together the "Related Parties"), which is a Company controlled by the parents of Marcus Michael, through their respective related party entities, participated in the issue of Debenture Notes in the Company. The Related Parties participation was approved at the Company's Annual General Meeting held on 7 November 2013. The face value of each debenture note is $1.00 and for every 1 debenture note issued, the Company granted 100 listed options. The terms and conditions of the Debenture Notes are detailed in Note 16(c).

The interest payable on the Debenture Notes is 18% per annum. During the year $8,275 (2015: $160,715) was paid or payable to Graham McGarry and $4,473 (2015: $86,873) to Geoffrey Greenhill, through their respective related party entities and $8,275 (2015: $160,715) was paid or payable to Oceanic Capital Pty Ltd. At 30 June 2016 $0 (2015: $12,943) interest was payable to Graham McGarry, through his respective related party and Oceanic Capital Pty Ltd and $0 (2015: $6,996) interest was payable to Geoffrey Greenhill, through his respective related party entity.

On the 5 August 2015 the Debenture Notes were repaid, at the date of this report there were no debenture notes on 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 $93,974 (2015: $864,078). At 30 June 2016 $0 (2015: $0) was payable to McVerde Minerals. During the year the Company sold McVerde plant and equipment for $110,825 (2015: $0), the transaction was at arms-length.

Staff of Marshall Michael Pty Ltd, including Non-Executive Director and Company Secretary Sarah Shipway, have provided corporate secretarial, accounting, bookkeeping and general administrative services during the year. Amounts that have been paid or are payable total $74,460 (2015: $83,739). At 30 June 2016 $305 (2015: $21,253) was payable to Marshall Michael Chartered Accountants.

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.

	2012 $	2013 $	2014 $	2015 $	2016 $
Revenue	85,117	43,303	2,558,186	13,508,884	2,958,285
Net profit/(loss)	(1,272,557)	(1,300,948)	(7,535,996)	5,257,100	(1,892,256)
Share price 30 June	0.005	0.003	0.003	0.003	0.004
EPS (cents per share)	(0.09)	(0.10)	(0.0051)	0.3414	(0.1234)

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 in his 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.

During the year the Group agreed to pay an annual insurance premium of $8,880 (2015: $8,880) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Group. The insurance premium relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and what ever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty.

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

SHARE OPTIONS

Unissued shares

The Group at 30 June 2016 had no 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.

Throughout the 2016 financial year the Group's governance was consistent with the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

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

EVENTS SUBSEQUENT TO REPORTING DATE

On 20 July 2016 the Group announced that it had received proceeds of $8,210,673, including GST, from Northern Star Resources Limited (Northern Star) in relation to the purchase of Beacon's high grade refractory ore under the Ore Purchase Agreement.

A total of 12,199 tonnes of gold ore was sold to Northern Star at $611.87 per tonne, nett of all costs.

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 consolidated entity, 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 2016 has been received, forms part of the directors' report and can be found on page 53 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 2016.

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 21 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

Australian Dollar ($)	Note	30 JUNE 2016 $	30 JUNE 2015 $
Gold sales		2,947,119	13,460,724
Interest revenue		11,166	48,120
REVENUE		**2,958,285**	**13,508,844**
Cost of goods sold	4(a)	(4,330,974)	(6,751,922)
GROSS PROFIT/(LOSS)		**(1,372,689)**	**6,756,922**
Other income	3	5,397	194,597
Administration expenses		(280,800)	(461,859)
Exploration and development expenditure written off	12	(130,641)	(210,781)
Finance costs	4(b)	(70,986)	(1,179,958)
PROFIT/(LOSS) BEFORE INCOME TAX		**(1,849,719)**	**5,098,921**
Income tax refund/(expense)	5	-	-
PROFIT/(LOSS) AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**(1,849,719)**	**5,098,921**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss:			
Revaluation of other financial assets to fair value		-	158,179
Reclassification adjustments relating to available for sale financial assets disposed of during the year	18(b)	(47,537)	-
TOTAL COMPREHENSIVE PROFIT/(LOSS)		**(1,897,256)**	**5,257,100**
TOTAL COMPREHENSIVE PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE GROUP		**(1,897,256)**	**5,257,100**
EARNINGS/(LOSS) PER SHARE			
Basic and diluted	19	(0.1234)	0.3414

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 2016

Australian Dollar ($)	Note	30 JUNE 2016 $	30 JUNE 2015 $
CURRENT ASSETS			
Cash and cash equivalents	20(a)	194,063	1,459,011
Trade and other receivables	7	806	35,377
Other assets	8	71,222	102,077
Other financial assets	10	-	819,635
Inventory	9	3,698,446	5,123,543
Development expenditure	13	-	594,913
TOTAL CURRENT ASSETS		**3,964,537**	**8,134,556**
NON CURRENT ASSETS			
Other financial assets		-	800
Plant and equipment	11	64,306	220,449
Exploration and evaluation expenditure	12	6,270	6,746
TOTAL NON CURRENT ASSETS		**70,576**	**227,995**
TOTAL ASSETS		**4,035,113**	**8,362,551**
CURRENT LIABILITIES			
Trade and other payables	14	55,669	360,060
Provisions	15	-	136,000
Borrowings – debenture notes	16	-	2,000,000
TOTAL CURRENT LIABILITIES		**55,669**	**2,496,060**
TOTAL LIABILITIES		**55,669**	**2,496,060**
NET ASSETS		**3,979,444**	**5,866,491**
EQUITY			
Issued Capital	17	23,776,759	23,766,550
Reserves	18	-	627,037
Accumulated losses		(19,797,315)	(18,527,096)
TOTAL EQUITY		**3,979,444**	**5,866,491**

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 2016

Australian Dollar ($)	ISSUED CAPITAL $	SHARE OPTION RESERVE $	FAIR VALUE RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
BALANCE AT 1 JULY 2015	**23,766,550**	**579,500**	**47,537**	**(18,527,096)**	**5,866,491**
Total comprehensive loss	-	-	(47,537)	(1,849,719)	(1,897,256)
Shares issued during the year	-	-	-	-	-
Options exercised during the year	10,209	-	-	-	10,209
Options expired during the year	-	(579,500)	-	579,500	-
Share issue expense	-	-	-	-	-
BALANCE AT 30 JUNE 2016	**23,776,759**	**-**	**-**	**(19,797,315)**	**3,979,444**
BALANCE AT 1 JULY 2014	**23,766,550**	**579,500**	**(110,642)**	**(23,626,017)**	**609,391**
Total comprehensive profit	-	-	158,179	5,098,921	5,257,100
Shares issued during the year	-	-	-	-	-
Options exercised during the year	-	-	-	-	-
Share issue expense	-	-	-	-	-
BALANCE AT 30 JUNE 2015	**23,766,550**	**579,500**	**47,537**	**(18,527,096)**	**5,866,491**

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 2016

Australian Dollar ($)	Note	30 JUNE 2016 $	30 JUNE 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from the sale of gold		2,947,119	13,460,724
Payments to suppliers and employees		(2,909,116)	(9,844,752)
Interest received		13,248	47,345
GST and fuel tax rebates received		37,690	242,232
Other		-	40,107
Net cash inflows/(outflows) from operating activities	20(b)	**88,941**	**3,945,656**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		163,033	2,119
Proceeds from the sale of listed investments		704,216	93,015
Purchase of plant and equipment		(3,856)	(67,814)
Payments for deferred exploration expenditure		(136,651)	(129,889)
Net cash outflows from investing activities		**726,742**	**(102,569)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of options		10,209	-
Payments in relation to debenture notes		(90,840)	(756,253)
Repayment of debenture notes		(2,000,000)	(2,000,000)
Net cash inflows/(outflows) from financing activities		**(2,080,631)**	**(2,756,253)**
Net increase/(decrease) in cash and cash equivalents		**(1,264,948)**	**1,086,834**
Cash and cash equivalents at the beginning of the financial year		1,459,011	372,177
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	20(a)	**194,063**	**1,459,011**

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 2015 to 30 June 2016 was authorized for issue in accordance with a circular resolution of the directors on 21 September 2016.

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 of the AASB. Except for the cashflow information, the financial report has also been prepared on an accruals basis and is based on historical costs.

For the purposes of preparing the financial statements, the Group is a for-profit entity. The financial report is presented in Australian dollars.

(b) Historical Cost Convention

These financial statements have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

(c) 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 (including any structured entities). 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 28.

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.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(d) Adoption of new and revised standards

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2016 but determined that their application to the financial statements is either not relevant or not material.

(e) 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").

(f) 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 as part of the cost of that asset. All other borrowing costs are expensed as part of financing costs in the period incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

(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.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are not recognised in equity and not in profit or loss.

(h) 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.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

(i) 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 demonstrable. 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 units-of-production basis.

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

(j) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(k) 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.

(l) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

(m) Inventories

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. 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.

Cost is determined by the weighted average method and comprises of direct purchase costs and an appropriate portion of fixed and variable overhead costs.

(n) 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 other than those that receive defined benefit entitlements 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 define contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect the employees' defined contribution entitlements is limited to its obligation for an unpaid superannuation guarantee contributions 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.

(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. As 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) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the Group, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

As at 30 June 2016 there were no options on issue (2015: 797,702,924 Listed Options). The effect of these options is anti-dilutive on the earnings per share calculation as the exercise price of the options is above the average market value for the year.

(q) 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.

(r) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of profit or loss and other comprehensive income.

(s) Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes party to the contractual provisions of the financial instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity. A financial liability is removed from the statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and financial liabilities classified as held for trading are measured at fair value through profit or loss.

Upon initial recognition a financial asset or financial liability is designated as at fair value through profit or loss when:

(a) an entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through profit or loss;
(b) doing so results in more relevant information, because either:

(i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing gains or losses on them on different bases; or
(ii) a Group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to key management personnel.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value through profit or loss.

A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.

Financial assets not measured at fair value comprise:

(a) loans and receivables being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest rate method;
(b) held-to-maturity investments being non-derivative financial assets with fixed or determinable payments and fixed maturity that will be held to maturity. These are measured at amortised cost using the effective interest method; and,
(c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost together with derivatives that are linked to and must be settled by the delivery of such investments.

Available-for-sale financial assets are non-derivative financial assets, which are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments or financial assets as at fair value through profit or loss.

A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised directly in equity, through the statement of changes in equity (except for impairment losses and foreign exchange gains or losses) until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss.

Regular way purchases of financial assets are accounted for as follows:

- financial assets held for trading – at trade date
- held-to-maturity investments – at trade date
- loans and receivables – at trade date
- available-for-sale financial assets – at trade date

Except for the following all financial liabilities are measured at amortised cost using the effective interest rate method:
(a) financial liabilities at fair value through profit or loss and derivatives that are liabilities measured at fair value; and
(b) financial liabilities that arise when a transfer of financial asset does not qualify for derecognition or are accounted for using the continuing involvement approach.

The amortised cost of a financial asset or a financial liability is the amount initially recognised minus principal repayments, plus or minus cumulative amortisation of any difference between the initial amount and maturity amount and minus any write-down for impairment or uncollectability.

(t) 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 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 compressive income in the year the asset is derecognised.

(u) 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.

(v) Debenture Notes

Debenture notes are initially recognised at fair value, net of transaction costs incurred. Debenture notes are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the debenture notes using the effective interest method. Fees paid for the debenture notes are capitalised as a prepayment 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 costs.

Debenture notes are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The key terms of the debenture notes are included in note 16(c).

(w) 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 recorded 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. 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.

(x) Contributed equity

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

(y) Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent that it is probably that the economic benefit will flow to the entity and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised.

Gold Sales
Revenue is recognised when there has been a transfer of risks and rewards from the Group to an external party, no further processing is required by the Group, quality and quantity of the goods has been determined with reasonable accuracy, the selling price is fixed or determinable, and collectability is probable.

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.

(z) 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.

Exploration and evaluation costs carried forward
The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, the recoverable amount has been assessed by reference to the higher of 'fair value less costs to sell' and 'value in use'. In determining value in use, future cash flows are based on:

- Estimates of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- Estimated production and sales levels;
- Estimate future commodity prices;
- Future costs of production;
- Future capital expenditure; and/or
- Future exchange rates.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

Impairment of available-for-sale financial assets

The Group follows the guidance of AASB 139 *Financial Instruments: Recognition and Measurement* to determine when an available-for-sale financial asset is impaired. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Rehabilitation obligations

The Group assesses site rehabilitation liabilities annually. The provision is recognised based on an assessment of the estimated costs of closure and reclamation of the areas using internal information concerning environmental issues in the exploration and previously mined areas, together with input from various environmental consultants. Significant estimation is required in determining the provision for site rehabilitation as there are many factors that may affect the timing and ultimate costs to rehabilitate sites where mining and/or exploration activities have previously taken place. These factors include future development/exploration activity, changes in the costs of goods and services required for restoration activity and changes to the legal and statutory framework. These factors may result in future actual expenditure differing from the amounts currently provided.

Rehabilitation work at the Halleys East project was completed during the year and the tenement position reduced to the minimum size while maintaining the monitoring commitment to the DMP.

(aa) Comparative information

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

3 OTHER INCOME

	30 JUNE 2016 $	30 JUNE 2015 $
Gain on sale of assets	196	32,215
Fuel tax rebates	5,201	152,550
Other	-	9,832
	5,397	**194,597**

4 EXPENSES

(a) Cost of Goods Sold

	30 JUNE 2016 $	30 JUNE 2015 $
Opening inventory	5,123,543	2,154,143
Costs of production	1,688,247	7,456,475
Salary and wages	465,571	892,111
Superannuation	43,558	84,627
Royalties	60,369	581,448
Depreciation of mine plant and equipment	53,219	92,853
Amortisation of exploration and development costs	594,913	613,808
Closing inventory	(3,698,446)	(5,123,543)
	4,330,974	**6,751,922**

(b) Finance costs

	30 JUNE 2016 $	30 JUNE 2015 $
Finance costs	70,986	1,179,958
	70,986	**1,179,958**

5 INCOME TAX

(a) Prima facie income tax benefit at 30% on profit/(loss) from ordinary activities is reconciled to the income tax provided in the financial statements

	30 JUNE 2016 $	30 JUNE 2015 $
Profit/(loss) before income tax	(1,849,719)	5,098,921
Income tax calculated at 30%	(554,916)	1,529,676
Tax effect of;		
- Expenses not allowed	16,801	(9,160)
- Temporary differences	564,984	(633,939)
- Section 40-880 deduction	(5,122)	(13,395)
Recoupment of prior year losses	(21,747)	(873,182)
Deferred tax asset not brought to account	-	-
Income tax attributable to operating losses	**-**	**-**

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	30 JUNE 2016 $	30 JUNE 2015 $
Australian accumulated tax losses	6,613,967	7,221,018
Provisions net of prepayments	(28,003)	(366,654)
Deferred exploration expenditure	(1,881)	(178,474)
Section 40-880 deduction	5,122	10,244
Unrecognised deferred tax assets relating to the above temporary differences	**6,589,205**	**6,686,134**

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.

6 AUDITOR'S REMUNERATION

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

	30 JUNE 2016 $	30 JUNE 2015 $
Auditing and review of the Company's financial statements	16,110	22,709
	16,110	**22,709**

7 RECEIVABLES AND OTHER ASSETS

Trade and Other Receivables

	30 JUNE 2016 $	30 JUNE 2015 $
Current		
Accrued interest	151	2,233
GST refund	655	33,144
	806	**35,377**

GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities.

8 OTHER ASSETS

	30 JUNE 2016 $	30 JUNE 2015 $
Short term deposits	21,799	21,185
Prepayments	48,823	42,897
Borrowing costs	600	37,995
	71,222	**102,077**

9 INVENTORY

	30 JUNE 2016 $	30 JUNE 2015 $
At cost		
Ore stockpiles	3,698,446	5,123,543
	3,698,446	**5,123,543**

10 OTHER FINANCIAL ASSETS

	30 JUNE 2016 $	30 JUNE 2015 $
Investment in listed shares (available-for-sale assets)		
At fair value	**-**	**819,635**

Available-for-sale-assets consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.

11 PLANT AND EQUIPMENT

	30 JUNE 2016 $	30 JUNE 2015 $
Plant and Equipment		
At cost	88,581	312,558
Less: accumulated depreciation	(66,355)	(168,297)
Total plant and equipment	**22,226**	**144,261**

	30 JUNE 2016 $	30 JUNE 2015 $
Motor Vehicles		
At cost	100,713	132,569
Less: accumulated depreciation	(58,633)	(56,381)
Total motor vehicles	**42,080**	**76,188**

Plant and equipment	30 JUNE 2016 $	30 JUNE 2015 $
Carrying amount at the beginning of the year	144,261	169,693
Additions	3,856	43,723
Disposals	(91,591)	-
Depreciation expense	(34,300)	(69,155)
Total carrying amount at end of the year	**22,226**	**144,261**

Motor Vehicles	30 JUNE 2016 $	30 JUNE 2015 $
Carrying amount at the beginning of the year	76,188	75,795
Additions	-	24,091
Disposals	(15,189)	-
Depreciation expense	(18,919)	(23,698)
Total carrying amount at end of the year	**42,080**	**76,188**
Total plant and equipment	**64,306**	**220,449**

12 EXPLORATION AND EVALUATION EXPENDITURE

	30 JUNE 2016 $	30 JUNE 2015 $
Exploration and evaluation – at cost		
Balance at the beginning of the year	6,746	87,637
Expenditure incurred	130,165	129,890
Expenditure written off (i)	(130,641)	(210,781)
Transferred to development expenditure (Note 13)	-	-
	6,270	**6,746**

(i) During the year the Group relinquished L30/57 and L29/124 (2015: E77/1713 and E57/0946). During the year exploration expenditure is written off as incurred.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation on sale of the respective area.

13 DEVELOPMENT EXPENDITURE

	30 JUNE 2016 $	30 JUNE 2015 $
Halleys East		
Balance at beginning of period	594,913	1,208,721
Transferred from exploration and evaluation expenditure	-	-
Amortisation expense	(594,913)	(613,808)
Balance at reporting date	**-**	**594,913**

14 TRADE AND OTHER PAYABLES

	30 JUNE 2016 $	30 JUNE 2015 $
Trade and other payables	55,669	360,060
	55,669	**360,060**

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.

15 PROVISIONS

	30 JUNE 2016 $	30 JUNE 2015 $
Current		
Rehabilitation (i)	-	136,000
	-	**136,000**

(i) Provision for Rehabilitation

	30 JUNE 2016 $	30 JUNE 2015 $
Balance at beginning of reporting period	136,000	136,000
Provisions made during the year	-	-
Provisions used during the year	(136,000)	-
Provisions reversed during the year	-	-
	-	**136,000**

Nature and Purpose of Provision for Rehabilitation

The nature of rehabilitation activities include dismantling and removing structures, rehabilitating mines, reclamation and revegetation of affected areas. Additional disturbances or changes in rehabilitation cost estimates will be recognised as additional or changes to the corresponding asset and rehabilitation liability when incurred.

Rehabilitation work at the Halleys East project was completed during the year and the tenement position reduced to the minimum size while maintaining the monitoring commitment to the DMP.

16 BORROWINGS – DEBENTURE NOTES

	30 JUNE 2016 $	30 JUNE 2015 $
(a) Total non-current secured liabilities		
Debenture notes		
Balance at the beginning of the year	2,000,000	4,000,000
Issue of debenture notes (Note 16 (c))	-	-
Repayment of debenture notes (i)	(2,000,000)	(2,000,000)
	-	**2,000,000**

(i) On the 5 August 2015 the Company repaid $2.0 million of Debenture notes. There are no Debentures Notes on issue at the date of this report.

	Interest rates %	30 JUNE 2016 $	30 JUNE 2015 $
(b) Maturity dates			
11 November 2015	18%	-	3,050,000
18 November 2015	18%	-	850,000
31 December 2015	18%	-	100,000
		-	**4,000,000**

(c) Terms and Conditions of Debenture Notes

On the 31 December 2013 the Company announced that it had completed the issue of $4.0 million Debenture Notes to sophisticated and professional investors.

The key terms of the Debenture Issue were as follows:

(a) the face value of each Debenture ("Debentures") will be $1.00 and each Debenture Holder must subscribe for a minimum of 100,000 Debentures which will have a total face value of $100,000 ("Minimum Subscription");

(b) for every one Debenture that is issued to a Debenture Holder, the Company will grant that Debenture Holder 100 Options, the Options will be issued on the same term and conditions of those already on issue. The maximum number of Options to be issued under the Debenture Issue is 400,000,000;

(c) the Debentures will not be listed on the ASX;

(d) the term of the Debentures is 24 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 18 months from the date of issue ("Early Repayment");

(e) the interest rate payable on the Debentures is 18% 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 6 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");

(f) Interest will be paid no later than 30 days after the relevant Record Date;

(g) the Debentures will be secured by the Company granting a Mortgage over Mining Lease 77/1254 in favour of a Security Trustee acting on behalf of all the Debenture Holders ("Security Trustee");

(h) the Debentures will not entitle a Debenture Holder to any voting rights in the Company;

(i) 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;

(j) 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 7 days of its due date; and
(v) other events of default typical of this type of transaction occurring; and

(k) the Company has 30 days to remedy any Event of Default which occurs pursuant to the Debenture Issue.

17 ISSUED CAPITAL

Issued and paid up capital

	30 JUNE 2016	**30 JUNE 2015**
	$	**$**
At the beginning of reporting year	23,766,550	23,766,550
Shares issued during the year	-	-
Shares issued pursuant to exercise of options	10,209	-
Transaction costs	-	-
At reporting date 1,495,470,963 (30 June 2015: 1,493,429,242) fully paid ordinary shares	**23,776,759**	**23,766,550**

Movement in Ordinary Shares	**Number**	**Number**
At the beginning of reporting year	1,493,429,242	1,493,429,242
Shares issued pursuant to exercise of options	2,041,721	-
At reporting date	**1,495,470,963**	**1,493,429,242**

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.

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.

18 RESERVES

(a) Option Reserves

	30 JUNE 2016	30 JUNE 2015
	$	$
At the beginning of reporting year	579,500	579,500
Expiry of options	(579,500)	-
Transaction costs	-	-
At reporting date	**-**	**579,500**

	2016	2015
Movement in $0.005 30 September 2015 Options (i)	**Number**	**Number**
At the beginning of the reporting period	797,702,924	797,702,924
Expired during the year	(795,661,203)	-
Exercised during the year	(2,041,721)	-
At reporting date	**-**	**797,702,924**

(i) Each option entitles the holder to subscribe to one share at an issue price of $0.005 on or before 30 September 2015.

(b) Fair Value Reserve (i)

	30 JUNE 2016	30 JUNE 2015
	$	$
At the beginning of the reporting period	47,537	(110,642)
Revaluation of listed investments	-	158,179
Reclassification adjustments relating to available for sale financial assets disposed of during the year	(47,537)	-
	-	**47,537**

(i) The fair value reserve records the movement in the market value of the investment in listed shares held by Company.

(c) Reserves

Nature and Purpose of Reserves

The share option reserve is used to record the value of share-based payments.

	30 JUNE 2016	30 JUNE 2015
	$	$
Option reserve (Note 18(a))	-	579,500
Fair value reserve (Note 18(b))	-	47,537
At reporting date	**-**	**627,037**

19 EARNINGS/(LOSS) PER SHARE

	30 JUNE 2016	30 JUNE 2015
	$	$
Basic earnings/(loss) per share after income tax attributable to members of the Company	(0.1234)	0.3414
Basic earnings/(loss) per share	**(0.1234)**	**0.3414**

Earnings used in calculation of total basic earnings per share	(1,849,719)	5,098,921
Earnings used in the calculation of diluted earnings per share	**(1,849,719)**	**5,098,921**

	Number	Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	1,499,053,518	1,493,429,242
Weighted average number of ordinary shares for diluted earnings per share	**1,499,053,518**	**1,493,429,242**

As at 30 June 2016 the Company had no options on issue (30 June 2015: 797,720,924 Listed Options) the effect of these options is anti-dilutive on the earnings per share calculation as the exercise price of the options is above the average market value for the year.

20 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

	30 JUNE 2016 $	30 JUNE 2015 $
Current - Cash at bank	194,063	1,459,011
	194,063	**1,459,011**

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

	30 JUNE 2016 $	30 JUNE 2015 $
Profit/(Loss) after income tax	(1,849,719)	5,098,921
Non cashflows from profit/(loss)		
Depreciation of plant and equipment	53,219	92,853
Exploration and development expenditure written off	595,389	712,302
Gain on sale of investment	(196)	32,254
Finance costs	70,987	756,253
(Increase) /decrease in assets		
- Trade and other receivables	34,571	122,663
- Other assets	(5,727)	627,590
- Inventory	1,425,097	(2,969,401)
Increase / (decrease) in liabilities		
- Trade and other payables	(234,680)	(527,779)
- Provisions	-	-
Net cash inflows from operating activities	**88,941**	**3,945,656**

21 SHARE BASED PAYMENTS

(i) On 9 July 2013 the Company issued 100,000,000 ordinary shares, at an issue price of $0.003 per share, to Duketon Consolidated Pty Ltd as consideration for the acquisition of the 20% interest in the Halleys East Gold Project.

(ii) The Company agreed and approved at the Annual General Meeting held on 7 November 2013 to issue 100 options for every 1 Debenture Note issued to Debenture holders. The Options are exercisable at $0.005 on or before 30 September 2015. The Company issued 400,000,000 options under this agreement. Using the Black & Scholes option model and based on the assumption below the 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
Options	305,000,000	11.11.2013	$0.003	$0.005	30.09.15	2.53%	110%	$0.0013
Options	85,000,000	18.11.2013	$0.004	$0.005	30.09.15	2.53%	110%	$0.0020
Options	10,000,000	31.12.2013	$0.003	$0.005	30.09.15	2.53%	110%	$0.0013

22 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

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

(b) Compensation of key management personnel

	30 JUNE 2016 $	30 JUNE 2015 $
Short term employment benefits		
Salary, fees and leave	396,663	300,000
Post employment benefits		
Superannuation	34,833	28,500
Total key management personnel compensation	**431,496**	**328,500**

(c) Other transactions and balances with Key Management Personnel

Staff of Marshall Michael Pty Ltd, including Non-Executive Director and Company Secretary Sarah Shipway, have provided corporate secretarial, accounting, bookkeeping and general administrative services during the year. Amounts that have been paid or are payable total $74,460 (2015: $83,739). At 30 June 2016 $305 (2015: $21,253) was payable to Marshall Michael Chartered Accountants.

On the 11 November 2013 Graham McGarry, Geoffrey Greenhill and Oceanic Capital Pty Ltd (together the "Related Parties"), which is a Company controlled by the parents of Marcus Michael, through their respective related party entities, participated in the issue of Debenture Notes in the Company. The Related Parties participation was approved at the Company's Annual General Meeting held on 7 November 2013. The face value of each debenture note is $1.00 and for every 1 debenture note issued, the Company granted 100 listed options. The terms and conditions of the Debenture Notes are detailed in Note 16(c). The debenture notes were repaid on 5 August 2015, at 30 June 2016 there were no debenture notes on issue.

The interest payable on the Debenture Notes is 18% per annum. During the year $8,275 (2015: $160,715) was paid to Graham McGarry and $4,473 (2015: $86,873) to Geoffrey Greenhill, through their respective related party entities and $8,275 (2015: $160,715) was paid or payable to Oceanic Capital Pty Ltd. At 30 June 2015 $0 (2015: $12,943) interest was payable Graham McGarry, through his respective related party and Oceanic Capital Pty Ltd and $0 (2015: $6,996) interest was payable to Geoffrey Greenhill, through his respective related party entity.

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 $93,974 (2015: $864,078). At 30 June 2016 $0 (2015: $0) was payable to McVerde Minerals. During the year the Company sold McVerde plant and equipment for $110,825 (2015: $0), the transaction was at arms-length.

23 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitment

In order to maintain the current rights of tenure to exploration tenements, the Group has the following discretionary exploration expenditure requirements.

	30 JUNE 2016 $	30 JUNE 2015 $
Not later than one year	20,511	26,423
Later than one year but not later than five years	-	-
Later than five years	-	-
	20,511	**26,423**

24 EVENTS SUBSEQUENT TO REPORTING DATE

On 20 July 2016 the Group announced that it had received proceeds of $8,210,673, including GST, from Northern Star Resources Limited (Northern Star) in relation to the purchase of Beacon's high grade refactory ore under the Ore Purchase Agreement.

A total of 12,199 tonnes of gold ore was sold to Northern Star at $611.87 per tonne, nett of all costs.

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 consolidated entity, the results of those operations, or the state of the affairs of the consolidated entity in future financial years.

25 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 2016 a 1% movement in interest rates would increase/decrease the profit/(loss) for the year before taxation by $1,941 (2015: $14,590).

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.

(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, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Company does not have any material credit risk exposure to any single debtor or Group of debtors under financial instruments entered into by the Group.

(d) Fair value of financial instruments

The Group measures and recognises the following asset at fair value on a recurring basis after initial recognition:

- available-for-sale financial assets

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	Level 1 $	Level 2 $	Level 3 $	Total $
2016				
Available-for-sale financial assets	-	-	-	-
	-	**-**	**-**	**-**
2015				
Available-for-sale financial assets	819,635	-	-	819,635
	819,635	**-**	**-**	**819,635**

Except as detailed in note 25 (d) above, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value.

(e) Financial risk management policies

The Group's financial instruments consist mainly of deposits with recognised banks, investment in bank bills up to 90 days, 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 in bank bills. 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.

(f) Commodity price risk

Commodity price risk arises from fluctuations in market prices of gold. The Group has not entered into any forward commodity price contracts as at 30 June 2016 and is currently exposed to commodity price risk on future sales. The Group monitors market expectations on future commodity prices and considers entering into longer term contracts or commodity swaps or put options positions if necessary to manage the risk in a manner consisted with its risk management objectives.

(g) Sensitivity

The table below summarises the impact of increases/decreases of the gold price on the Group's post-tax profit for the year. The analysis is based on the assumption that the gold price had increased/decreased by AUD$100 per ounce (2015: increased/decreased by AUD$100 per ounce with all other variables held constant.

Index	**Impact on post-tax profit**	
	2016	**2015**
Gold price – increase A$100	196,503	922,975
Gold price – decrease A$100	(196,503)	(923,975)

(h) Foreign Currency Risk

The Group is not exposed to any foreign currency risk as at 30 June 2016.

26 RELATED PARTIES

The Group has no related parties other than the 100% owned subsidiaries disclosed in note 28. At 30 June 2016 balances due from the subsidiaries were:

Australian Dollar ($)	30 JUNE 2016 $	30 JUNE 2015 $
Beacon Mining Pty Ltd	245,281	108,527
	245,281	**108,527**

These amounts comprise of funds provided by the parent company for exploration activities. At 30 June 2016, the loan on balance owing from Beacon Mining Pty Ltd was fully impaired.

27 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 purposed are consistent with those applied in the preparation of these financial statements.

Major Customers
The Group supplies to a single external customer for gold sales who accounts for 100% of the external revenue (2015: 100%).

28 SUBSIDIARIES

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

On 11 February 2015 the Company purchased the shares in Beacon Mining Pty Ltd for $1.00.

Subsidiaries of Beacon Minerals Limited	Country of Incorporation	Percentage owned %	
		2016	2015
Beacon Mining Pty Ltd	Australia	100%	100%

29 PARENT COMPANY DISCLOSURE

(a) Financial Position as at 30 June

Australian Dollar ($)	30 JUNE 2016 $	30 JUNE 2015 $
Assets		
Current assets	3,958,990	8,129,791
Non-current assets	315,858	335,722
Total assets	**4,274,848**	**8,465,513**
Liabilities		
Current liabilities	300,949	2,604,585
Non-current liabilities	-	-
Total liabilities	**300,949**	**2,604,585**
Net Assets	**3,973,899**	**5,860,928**
Equity		
Issued Capital	23,776,759	23,766,550
Reserves	-	627,037
Accumulated losses	(19,802,860)	(18,532,659)
Total equity	**3,973,899**	**5,860,928**

(b) Financial Performance for the year ended 30 June 2016

Australian Dollar ($)	30 JUNE 2016 $	30 JUNE 2015 $
Profit (loss) for the year	(1,849,701)	5,093,358
Other comprehensive income	-	-
Total comprehensive income (loss)	**(1,849,701)**	**5,093,358**

(c) Guarantees entered into by the Parent Entity

The parent entity has not provided guarantees to third parties as at 30 June 2016.

30 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

  The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The Directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.

  This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

  The Directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

- AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).

  AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

  The Directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures.

- Other standards not yet applicable

  There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

In the opinion of the Directors of Beacon Minerals Limited ("the Company")

(a) The consolidated financial statements and the notes of the Company 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 2016 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 Company 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 (d).

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 2016.

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 21 September 2016
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 ENTITY

I declare that, to the best of my knowledge and belief during the year ended 30 June 2016 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

Conley Manifis
Director

Dated this 21st day of September, 2016

CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEACON MINERALS LIMITED AND ITS CONTROLLED ENTITY

Report on the Financial Report

We have audited the accompanying consolidated financial report of Beacon Minerals Limited (the Company) and the entities it controlled at year's end or from time to time during the financial year (the consolidated entity) on 15 to 46. The consolidated financial report comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 Note 2 (e), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEACON MINERALS LIMITED AND CONTROLLED ENTITIES (CONT)

Auditor's Opinion

In our opinion:

a) the financial report of the consolidated entity on pages 15 to 46 is 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 2016 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2 (e).

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 9 to 13 of the directors' report for the year ended 30 June 2016. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of Beacon Minerals Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

William Buck

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

Conley Manifis
Director

Dated this 21st day of September, 2016

The following table sets out Beacon Minerals Limited ore reserves as at 30 June 2016.

Project	Commodity Type	Category of Ore Reserve	30 June 2016	30 June 2015	Geographical Location
Halleys East	Gold	Probable Ore Reserve	12,199t @ 15.53/t gold and 6,091oz of contained gold	26,681t @ 11.16g/t gold and 9,575oz of contained gold	Australia

The Company engaged Minecomp to complete the annual review of Mineral Resources and Ore Reserves. 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.

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 and 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 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 21 September 2016

As at 21 September 2016 the distribution of shareholders was as follows:

Ordinary shares

Size of holding	Number of holders
1 – 1,001	26
1,001 – 5,000	23
5,001 – 10,000	21
10,001 – 100,000	288
100,001 and over	1,088
Total	**1,446**

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 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 %
Oceanic Capital Pty Ltd	106,200,333	7.62%
Graham McGarry	73,233,333	5.26%

4. Top 20 Shareholders

The names of the 20 largest shareholders as at 21 September 2016 who hold 38.15% of the fully paid ordinary shares of the Company were as follows;

Class	Number
Oceanic Capital PL	120,437,743
Lamerton PL	54,859,043
Geoda PL	50,530,000
Riverfront Nom PL <MCM Fam A/C>	45,428,333
Amalgamated Diaries Ltd	34,860,000
First Inv Ptnrs PL	34,651,444
McGarry Helen Gayle	34,150,000
Yarandi Inv PL <Griffith Fam No 2>	30,000,000
Lamerton PL <Mac's S/F A/C>	21,745,000
Sykes John Barrie + A E <JB & AE Sykes S/F>	18,000,000
Wise Daniel Paul <Ark Inv A/C>	17,000,000
Tre PL <Time Road Super A/C>	14,000,000
Fleeton Terry Raymond	13,687,748
Arredo PL	12,800,000
Ladyman Super PL <Ladyman Superfund A/C>	12,500,000
Rangeview Asset PL	12,500,000
Kurucu Yusuf <A N K Fam A/C>	12,000,000
AWD Cons PL	11,000,000
Super MSJ PL <MSJ S/F A/C>	10,000,000
Allua Hldgs PL <DRG A/C>	10,000,000

MINERAL TENEMENT INFORMATION

Beacon Minerals Limited mineral interests at 21 September 2016:

PROJECT/LOCATION	TENEMENT	REGISTERED HOLDER	INTEREST
Barlee, Western Australia	E77/0273	Beacon Minerals Limited	100%
Barlee, Western Australia	M77/1254	Beacon Minerals Limited	100%

BEACON
MINERALS LIMITED
ABN 64 119 611 559