

31 August 2023

APPENDIX 4E – PRELIMINARY FINAL REPORT

Under ASX Listing Rule 4.3A

The Appendix 4E is provided to shareholders as required under ASX Listing Rule 4.3A.

Current Reporting Period 1 July 2022 to 30 June 2023

Prior Reporting Period 1 July 2021 to 30 June 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key information

	Y/E 30 June 2023	Y/E 30 June 2022	Change %	
Ore Milled (DMT)	854,010	790,735	8%	↑
Gold Sales (ounces)	26,742	28,434	(6%)	↓
Gold Production (ounces)	29,110	29,770	(2%)	↓
Revenue (\$)	\$72.29m	\$71.16m	2%	↑
Average Gold Price (\$) /oz	\$2,703	\$2,526	7%	↑
Net cash inflow from operations (\$)	\$21.33m	\$33.29m	(36%)	↓
Net profit before tax (\$)	\$7.55m	\$21.93m	(66%)	↓
Net profit after tax (\$)	\$4.45m	\$14.83m	(70%)	↓
Cash and cash equivalents (\$)	\$4.36m	\$12.73m	(66%)	↓
Earnings Per Share (\$)	\$0.0014	\$0.0041	(66%)	↓
Dividends paid (\$)	\$3.76m	\$9.04m	(58%)	↓
Net assets (\$)	\$62.29m	\$58.71m	6%	↑
Plant and Equipment (\$)	\$12.51m	\$11.74m	7%	↑
Exploration and evaluation assets (\$)	\$32.12m	\$17.85m	80%	↑
Hedged ounces at 30 June	-	-	-	-

1. Rounding errors may occur
2. Bullion held at the Perth Mint as at 30 June 2023 was 3,316 ounces

Details relating to dividends

	Date Declared	Record Date	Date Paid	Cents Per Share	\$M
Dividend	24.11.2022	30.11.2022	9.12.2022	\$0.001	\$3.76

1. The dividend paid during the year was fully franked.

NET TANGIBLE ASSETS PER SHARE

	As At	
	30 June 2023 Per Share	30 June 2022 Per Share
Net tangible assets per share	\$0.0166	\$0.0161

DETAILS OF SUBSIDIARIES AND ASSOCIATES

Entities where control was gained or lost

On 27 September 2022 the Company incorporated Beacon Minerals Limited R.P. in Timor Leste a 100% owned subsidiary of Beacon Minerals Limited.

Other than the above there were no entities where control was gained or lost.

Details of associates

There are no associates to the Company.

COMMENTARY ON THE RESULTS FOR THE PERIOD

Key performance measures were as follows:

- **Total Comprehensive Profit was 70% lower than FY2022** attributable to an increase in production expenses at the Jaurdi Gold Project and an increase in the amortisation expense at the Jaurdi Gold Project from \$15,201,167 in FY 2022 to \$21,239,196 in FY 2023, being a 40% increase in amortisation costs. Total comprehensive profit for the 2023 financial year was \$4,451,149 (2022: \$14,827,621).
- **Gold Sales Revenue was 2% higher than FY2022** as a result of an increase in the average gold price. Gold sales revenue for the 2023 financial year was \$72,295,246 (2022: \$71,164,917).
- **Cost of sales was 35% higher than FY 2022** as a result of mill throughput increase of 8% and associated increase in total processing costs. Beacon expended an additional \$3.6 million on processing when compared to the previous year. Cost of sales includes amortisation charges which increased by 40% compared to FY 2022. Cost of goods sold for the 2023 financial year was \$61,694,756 (2022: \$45,775,488).
- **Net cash inflow from operations was 36% lower than FY 2022** as a result on an increase in expenditure on mining and exploration activities from \$30,994,796 in FY 2022 to \$42,291,131 in FY 2023, being a 37% increase. Increases in costs such as salary and wages, fuel and pre-stripping contributed to the increase in the expenditure, the increases were seen across the industry.
- **Plant and Equipment was 7% higher than FY 2022** attributable to the Company moving to an owner operator model for open pit mining, with mining fleet purchased during the year. Plant and equipment as at 30 June 2023 was \$12,508,269 (2022: \$11,741,476).
- **Basic earnings per share** for the year ended 30 June 2023 on a statutory basis was \$0.0014 per share (2022: \$0.0041).

- **Dividends paid:** A fully franked dividend of \$0.001 was paid (total franked dividends 2022: \$0.025), total funds paid was \$3.76m (2022: \$9.04m)
- **Listed Options** were exercised during the FY2023 raising \$2.88 million (2022: \$1.44 million).

PROVIDE A BRIEF EXPLANATION FOR ANY OF THE FIGURES REPORTED ABOVE NECESSARY TO ENABLE THE FIGURES TO BE UNDERSTOOD:

The Group has reported a comprehensive profit after tax of \$4.45 million for the year ended 30 June 2023 representing a decrease compared to the comprehensive profit after tax of \$14.82 million in 2022. The decrease was due to:

- Increased depreciation and amortisation charge from \$17.3 million (FY 2022) to \$24.1 million (FY 2023), the increase is a result of a write down of the Jaurdi treatment plant from \$12.5 million (FY 2022) to \$5.8 million (FY 2023).
- Total wages paid for FY 2023 was \$12.6 million compared to \$10.1 million FY 2022 a significant increase representing the competitive labour market in the mining industry and the introduction of a quarterly bonus scheme to employees of Beacon to ensure that the Company can continue to attract high calibre employees.
- Mine grade was 9% below budget due to a shortfall in the Jaurdi ounces.
- The Company, during the year, purchased 19.8% of the shares in Maximus Resources Ltd (MXR), at the end of the year the shares were revalued down to market value by \$773,672 (FY 2022: Nil).

Gold sales was lower in 2023 compared to 2022, with 26,742 ozs sold during the year ended 30 June 2023 and 28,434 ozs sold during the year ended 30 June 2022. Bullion held at the Perth Mint as at 30 June 2023 was 3,316 ounces. Subsequent to the year end the 3,316 ounces were sold at \$2,875/ oz for sale receipt of \$9.53 million.

The average gold price realised by the Company for the year ended 30 June 2023 increased to \$2,703 oz from \$2,526 oz compared to the year ended 30 June 2022.

Operational costs per ounce have increased as lower grade ore from panels 2 and 4 was processed.

Cash on hand was \$4.36 million at 30 June 2023 (2022: \$12.73 million). The cash on hand has reduced compared to previous year attributable acquisitions completed during the year by the Company. During the FY 2023 the Company has acquired the Geko Project and the Lady Ida exploration tenements which totalled a cash consideration of \$10.9 million (2022: \$14.1 million). In addition, the Company also acquired a 19.8% interest in Maximus Resources for \$2.66 million.

During the year ended 30 June 2023 Australian tax payments totalled \$5.4 million (2022: \$7.16 million). The payment of taxes has allowed the Company to pay fully franked dividends.

During the 2023 financial year the Group's operations did achieve the planned results, apart from a 9% shortfall in Panel 4 ounces.

Total production for the Group in the 2023 financial year was 29,110 oz (2022: 29,770 oz), and gold sales amounted to 26,742 oz (2022: 28,434 oz) at an average gold price of \$2,703 oz (2022: \$2,526 oz). The steady production and subsequent gold sales during the year ended 30 June 2023 reflects the regular and consistent performance of the Jaurdi Gold Project.

Mined volumes during the year were 1,818,000 BCM's (2022: 1,487,000 BCM's).

Total net cash contribution from operations was \$21.33 million (2022: \$33.29 million). The cash inflow from gold sales was consistent with the prior year. The Company's costs have increased, the increase has been seen across the industry for expenses such as salary and wages and fuel.

The Company has developed long-term tailings storage capacity of a minimum of 3.8m DMT. We continue to refresh plant and equipment assets and this year acquired a 7 x 100t rigid trucks and 2 x 1250-8 excavators. The Company, during the year, expended \$3.9 million on plant and equipment (2022: \$5.85 million).

During the year ended 30 June 2023 the Company expended \$1.08 million on exploration and development activities, a small decrease since the prior year when \$1.37 million was expended on exploration and development.

Impact of COVID-19

Minimum time was lost due to positive covid cases. The Company has eased Covid-19 protocols in line with the WA Health Department advice.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Australian Dollar (\$)	30 JUNE 2023 \$	30 JUNE 2022 \$
Gold sales	72,295,246	71,164,917
Interest Revenue	146,064	6,930
REVENUE	72,441,310	71,171,847
Cost of goods sold	(61,694,756)	(45,775,488)
GROSS PROFIT/(LOSS)	10,746,554	25,396,359
Other income	835,890	729,823
EXPENDITURE		
Administration expenses	(2,032,631)	(2,409,676)
Exploration and development expenditure written off	(1,083,034)	(1,373,528)
Finance expenses	(27,769)	(411,017)
Loss on financial assets	(893,408)	-
PROFIT/(LOSS) BEFORE INCOME TAX	7,545,602	21,931,961
Income tax (expense)/benefit	(2,320,781)	(7,104,340)
PROFIT/(LOSS) AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY	5,224,821	14,827,621
OTHER COMPREHENSIVE EXPENSE		
Other comprehensive expense	(773,672)	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE GROUP	4,451,149	14,827,621
EARNINGS/(LOSS) PER SHARE		
Basic earnings/(loss) per share	0.0014	0.0041
Diluted basic earnings/(loss) per share	0.0014	0.0041

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Australian Dollar (\$)	30 JUNE 2023 \$	30 JUNE 2022 \$
CURRENT ASSETS		
Cash and cash equivalents	4,363,088	12,731,871
Trade and other receivables	608,429	480,352
Other assets	1,259,655	913,147
Inventories	22,246,004	15,188,150
Income tax receivable	749,766	-
TOTAL CURRENT ASSETS	29,226,942	29,313,520
NON CURRENT ASSETS		
Plant and equipment	12,508,269	11,741,476
Development expenditure	12,111,862	21,352,343
Exploration and evaluation assets	32,115,239	17,848,294
Financial assets at fair value through other comprehensive income	1,897,649	-
TOTAL NON CURRENT ASSETS	58,633,019	50,942,113
TOTAL ASSETS	87,859,961	80,255,633
CURRENT LIABILITIES		
Trade and other payables	4,847,949	5,926,134
Income tax liability	-	1,547,122
Provisions	1,078,899	831,441
Plant and equipment loan	308,724	299,927
TOTAL CURRENT LIABILITIES	6,235,572	8,604,624
NON CURRENT LIABILITIES		
Plant and equipment loan	484,662	793,386
Provisions	18,463,652	10,881,684
Deferred tax liability	389,641	1,266,506
TOTAL NON CURRENT LIABILITIES	19,337,955	12,941,576
TOTAL LIABILITIES	25,573,527	21,546,200
NET ASSETS	62,286,434	58,709,433
EQUITY		
Issued Capital	71,928,694	69,046,073
Reserves	1,699,038	1,723,038
Accumulated losses	(11,341,298)	(12,059,678)
TOTAL EQUITY	62,286,434	58,709,433

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Australian Dollar (\$)

	ISSUED CAPITAL \$	SHARE OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
BALANCE AT 1 JULY 2022	69,046,073	1,723,038	(12,059,678)	58,709,433
Profit for the year	-	-	5,224,821	5,224,821
Other comprehensive expense	-	-	(773,672)	(773,672)
Total comprehensive profit	-	-	4,451,149	4,451,149
<i>Transactions with owners recorded directly in equity</i>				
Shares issued during the year	-	-	-	-
Options exercised during the year	2,882,621	(24,000)	24,000	2,882,621
Dividends paid	-	-	(3,756,769)	(3,756,769)
Share issue expense	-	-	-	-
BALANCE AT 30 JUNE 2023	71,928,694	1,699,038	(11,341,298)	62,286,434
BALANCE AT 1 JULY 2021	67,597,464	1,729,038	(17,855,037)	51,471,465
Profit for the year	-	-	14,827,621	14,827,621
Other comprehensive expense	-	-	-	-
Total comprehensive profit	-	-	14,827,621	14,827,621
<i>Transactions with owners recorded directly in equity</i>				
Shares issued during the year	-	-	-	-
Options exercised during the year	1,448,609	(6,000)	6,000	1,448,609
Dividends paid	-	-	(9,038,262)	(9,038,262)
Share issue expense	-	-	-	-
BALANCE AT 30 JUNE 2022	69,046,073	1,723,038	(12,059,678)	58,709,433

BEACON MINERALS LIMITED ACN 119 611 559

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CONSOLIDATED STATEMENT OF CASH FLOWS

Australian Dollar (\$)	30 JUNE 2023 \$	30 JUNE 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from sale of gold	71,401,838	72,463,482
Receipt from government grants	-	102,515
Expenditure on mining and exploration activities	(42,291,131)	(30,944,796)
Payments to suppliers and employees	(2,479,433)	(1,168,028)
Interest received	129,224	7,882
Payments of interest on plant and equipment loan	(27,769)	(16,017)
Payments for taxes	(5,404,970)	(7,156,478)
Net cash inflows/(outflows) from operating activities	21,327,759	33,288,560
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of plant and equipment	682,755	-
Purchase of plant and equipment	(3,987,736)	(5,855,973)
Payments for development and exploration expenditure	(11,618,293)	(14,254,296)
Payments for term deposits	-	(20,000)
Payments to acquire tenements	(10,900,103)	(14,719,593)
Payment to acquire shares	(2,671,321)	-
Net cash outflows from investing activities	(28,494,698)	(34,849,862)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds on exercise of options	2,882,621	1,448,600
Payment of dividends	(3,756,769)	(9,038,262)
Payments in relation to plant and equipment loan	(327,696)	(159,014)
Net cash inflows/(outflows) from financing activities	(1,201,844)	(7,748,676)
Net increase/(decrease) in cash and cash equivalents	(8,368,783)	(9,309,978)
Cash and cash equivalents at the beginning of the financial year	12,731,871	22,041,849
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4,363,088	12,731,871

DISCLAIMER

The Appendix 4E – Preliminary Final Report has not been subject to audit and there is no audit report provided. However, a substantial part of the financial information in the Appendix 4E has been extracted from the Beacon Minerals 2023 financial report which will be audited by William Buck, who we expect will issue an unqualified audit report. The audit report forms part of Beacon's 2023 annual report which is expected to be released on 31 August 2023.

Authorised for release by the Board of Beacon Minerals Limited

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Beacon Minerals Ltd
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