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Focus Minerals Limited

ABN 56 005 470 799

Annual Report

For the year ended 31 December 2021

Corporate Directory

ABN 56 005 470 799

Directors

Dianfei Pei	Chairman - Non-Executive, Non-Independent (resigned 13 th October 2021)
Wanghong Yang	Chairman – Executive (appointed 14 th October 2021)
Zhaoya Wang	Director – Executive
Lingquan Kong	Director – Executive (appointed 14 th January 2021)
Gerry Fahey	Director – Independent
Rodney Johns	Director – Independent (resigned 8 th November 2021)
Richard O'Shannassy	Director – Independent (appointed 19 th November 2021)

Company Secretary

Nicholas Ong

Registered and Head Office

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East Perth WA 6004

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East Perth WA 6892

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Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

Bankers

National Australia Bank
100 St Georges Terrace
Perth WA 6000

Bank of China Perth Branch
Ground Floor, 179 St Georges Terrace
Perth WA 6000

Industrial and Commercial Bank of China
Level 28, 44 St Georges Terrace
Perth WA 6000

Auditor

RSM Australia Partners
Level 32 – Exchange Tower
2 The Esplanade
Perth WA 6000

Solicitors

MinterEllison
Level 4, Allendale Square
77 St Georges Terrace, Perth, WA 6000

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Symbol: FML

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Chairman's Report

Dear Shareholders,

I am pleased to present the 2021 Annual Report for Focus Minerals Limited (ASX:FML), reflecting on the progress made over the past year as we continued to build on the strong foundations of the Coolgardie Gold Project (**Coolgardie**) and Laverton Gold Project (**Laverton**) to ensure we are capable to deliver robust project and returns to shareholders.

In December 2021 the Board approved a plan (the **Resumption Plan**) to pursue the resumption of mining operations at Coolgardie. The Resumption Plan includes the refurbishment of the Three Mile Hill processing plant to its design capacity of 1.2Mtpa. The Focus team is carrying out a number of the preliminary activities and assessments required to advance the proposed resumption of mining and processing operations. The key area of focus is to update and refine all major components of the Coolgardie 2020 PFS. These components include the update of mineral resource estimates, mine design and process engineering, procurement, mine to mill scheduling, tailings storage, infrastructure refurbishment and overall project costing. We have begun the process of applying for the requisite government approvals and permits related to operation activities at Coolgardie, with the Greenfields Mining Proposal submitted in December 2021. Early 2022 should see us commencing the tendering process for several critical components of the Coolgardie Gold Project, such as mining and the process plant refurbishment contracts.

During 2021, the Focus team delivered numerous Mineral Resource upgrades, at Big Blow, Happy Jack, Alicia and Green Light deposits within Coolgardie, supported by 10,739m of reverse circulation and 10,591m of diamond drilling. A further 2,244m were completed for hydrogeological purposes related to mine feasibility studies. Overall Mineral Resource at Coolgardie is now at 38.18Mt @ 2.1g/t for 2.55Moz of gold. Focus will continue to explore and assess other deposits within Coolgardie, with an ambition to extend the Mineral Resource, the Project mine life and improve the project economics.

Towards the end of 2021, Focus successfully raised \$25.95 million by way of a non-renounceable entitlements offer to existing shareholders (**Offer**). In conjunction with the Offer, Focus had secured an additional US\$10 million unsecured loan from Shandong Gold to part fund the planned recommencement of mining operations at Coolgardie and provide working capital to further advance the Laverton Gold Project.

During 2021, we have also been actively drilling at Laverton. Resource and exploration drilling during the year comprised 105 RC holes for 13,647m and 15 DD holes for 2,844.7m. Total Mineral Resource at Laverton is now at 61.78Mt @ 1.8g/t for 3.65Moz of gold. The additional drilling data will contribute to resource update at several deposits within Laverton during the first half of 2022. As the scope of the Laverton Stage 1 PFS only included five deposits, the Focus team will continue to convert more of the Mineral Resources into a JORC 2012-reporting standard to significantly enhance the scale, economics, and value of Laverton.

On behalf of the Board of Directors of Focus Minerals, I thank all shareholders for your continued support, confidence, and patience as we systematically and diligently bring online production at Coolgardie and continue to add value to our Laverton project.

I am confident that the strategies we put in place and the dedication of Focus team will continue to create shareholder value in the years to come.

Yours faithfully,



Wanghong Yang
Chairman of the Board

Operations Review

Overview

During the year in review, Focus adjusted its growth strategy from rapid bulk resource gains to one of feasibility works to facilitate a return to production, initially from the Company's Coolgardie Gold Project (**Coolgardie**). These efforts culminated in the Focus Board approving a plan to pursue the resumption of mining operations at Coolgardie (refer ASX announcement dated 3 December 2021).

Meanwhile at the Laverton Gold Project (**Laverton**), the focus remained on advancing technical work on the Company's significant tenement position with the aim of delivering sufficient open pitable resources to underpin a Stage 1 mining operation. Early in the year, Focus announced the Laverton Stage 1 Open Pit PFS Progressive Results, which included initial reserves for the Project (refer ASX announcements dated 11 March 2021 and 16 April 2021).

During the year, the Company invested \$12.5 million (2020: \$9.8 million) in exploration at Coolgardie and Laverton), including \$1.3 million that was invested in feasibility works to advance the return to mining at Coolgardie.

As at 31 December 2021, the global Mineral Resource total across the Coolgardie and Laverton projects comprised:

Classification	Tonnage (Mt)	Au Grade (g/t)	Au Moz
Laverton and Coolgardie Total Measured	5.04	1.58	0.26
Laverton and Coolgardie Total Indicated	62.72	1.76	3.55
Laverton and Coolgardie Total Inferred	32.20	2.31	2.39
Laverton and Coolgardie Total Mineral Resource	99.96	1.93	6.20

COOLGARDIE in detail

On 3 December 2021, Focus announced that the Board had approved a plan to pursue the resumption of mining operations at Coolgardie (Resumption Plan), utilising the outcomes of the 2020 Coolgardie Prefeasibility Study (PFS). Following Board sign-off, Focus immediately began to carry out a number of preliminary activities and assessments.

The Resumption Plan targets recommencing operations at Coolgardie during late 2022 but acknowledges that this timeframe may change. To advance the Resumption Plan in accordance with such a contracted timeframe, the Company prioritised the following actions, most of which began in 2021 and will continue into 2022:

- Assessment and potential update of Coolgardie 2020 PFS, including selecting contractors to evaluate and undertake the assessment of critical engineering works required such as:
 - recommissioning cost estimate for the Three Mile Hill processing plant; and
 - an assessment of the existing TSF including engineering for final lift;
- Permitting and contractor appointment. The Company has begun the process of applying for the requisite government approvals and permits related to mining activities at Coolgardie and commenced submitting applications for these in December; and
- Finalising funding activities. As detailed earlier in this report, prior to year-end Focus raised \$25.95 million in fresh equity following the completion of a successful entitlement offer and secured an additional US\$10 million unsecured loan facility from the Company's major shareholder, Shandong Gold.

The Board's sign-off of the Resumption Plan in December was made possible by significant lead-in efforts by the Company during the year to progress technical and planning work at Coolgardie. Activities completed and/or commenced included:

- A Mining Proposal for the Greenfields Open Pit was completed and submitted for approval in December. Approval is expected in the June 2022 Quarter;
- Planning work on the infrastructure required to support a return to operation at Three Mile Hill continued;
- Initial engineering for alternate tailings storage facility (TSF) option was advanced;
- Haul road design works commenced and a preferred contractor was selected; and
- Work was progressed on optimising open pit mine designs and schedules to confirm and improve the PFS result.

Focus also advanced hydrogeology studies, noise baseline and modelling work, flora and fauna surveys, geotechnical studies, heritage surveys and blast and vibration modelling work.

A summary of progress made on key deposits that are expected to be part of Coolgardie's initial phase of mining is below:

	Mineral Resource Review	Geotech	Metallurgy	Hydro geology	Material Classification	Heritage	Flora/Fauna	Mine design	Blast Modelling	Mine Proposal
Greenfields (PFS Deposit)	C	C	C	C	A	C	C	C	C	G
Brilliant South (PFS Deposit)	A	C	A	A	A	A	A	A	A	Q2
Bonnie Vale UG (PFS Deposit)	C	Q2	C	Q1	Q1	A	Q1	Q2	Q1	Q3
Alicia	C	C	C	Q1	Q1	Q1	A	Q1	Q1	Q2
Big Blow & Happy Jack	C	C	Q1	Q1	Q1	Q1	A	Q1	Q1	Q2
CNX	C	C	C	C	A	C	A	A	C	Q2

Legend

2020 PFS Deposits

Completed 2021

Waiting for Government Review / Approval

Advanced status targeting March 2022 Quarter

Starting 2022 targeting March 2022 Quarter

Starting 2022 targeting June 2022 Quarter

Starting 2022 targeting Sept 2022 Quarter

PFS
C
G
A
Q1
Q2
Q3

At Coolgardie, Focus completed campaigns of resource and exploration drilling that comprised 97 reverse circulation (RC), RC/diamond (DD) and DD holes for 10,739.1m RC and 10,591.46m of diamond.

A further 31 RC holes for 2,244m were completed for hydrogeological purposes related to mine feasibility studies. Total RC and DD drilling completed at Coolgardie comprised 23,574.6m. In addition, 4,547 auger sample sites were completed on various Coolgardie tenements.

Type	Holes	Metres	RC/DD	RC/DD Meters	Total Holes	Total Meters
DD	28	6,735.1	31	3856.3	59	10,591.5
RC	38	7,136.0	31	3603.1	69	10,739.1
Waterbore (RC)	33	2,244.0			33	2,244.0
Auger Soils	4,547					4,547
Total RC and DD	99	16,115.1	31	7459.4	161	23,574.6

The drilling campaigns and technical assessments resulted in the updating of a number of Mineral Resource Estimates (MRE), namely:

- Big Blow & Happy Jack (refer ASX announcement dated 21 May 2021),
- Alicia (refer ASX announcement dated 20 July 2021),
- CNX (refer ASX announcement dated 24 June 2021),
- CNX (refer ASX announcement dated 24 November 2021),
- Green Light (refer ASX announcement dated 6 December 2021)

As at 31 December 2021, Coolgardie's Total Mineral Resources base comprised:

Classification	Tonnage (Mt)	Au Grade (g/t)	Au Koz
Total Coolgardie Measured Mineral Resource	4.11	1.5	197
Total Coolgardie Indicated Mineral Resource	19.61	2.2	1,399
Total Coolgardie Inferred Mineral Resource Increase	14.46	2.0	950
Total Coolgardie 2021 Mineral Resource	38.18	2.1	2,546

Updated Mineral Resource estimates were advanced for the following deposits and are expected to be completed in the first half of 2022:

- Brilliant South
- Patricia Jean
- Jolly Britton
- Dreadnought

LAVERTON in detail

The Laverton Stage 1 Open Pit PFS Progressive Results (refer ASX announcement dated 16 April 2021) was completed and delivered the follow outcomes:

- Undiscounted pre-tax value \$223M (using an Australian dollar gold price of \$2,207/oz)
- NPV \$132M (5% discount rate)
- Internal rate of return IRR 17.2%

The PFS only considered approximately 21%, or 16.4Mt @ 1.47 g/t Au for 770Koz, of Laverton's global Measured and Indicated Mineral Resources. The conversion rate from considered Measured and Indicated Mineral Resources to combined Proved and Probable Ore Reserve was 71%.

Towards the end of the year, Focus updated the Beasley Creek resource position (refer ASX announcement dated 8 November 2021) following some limited extensional drilling.

As at 31 December 2021, Laverton's Total Mineral Resource base comprised:

Classification	Tonnage (Mt)	Au Grade (g/t)	Au Koz
Total Laverton Measured Mineral Resource	0.92	2.0	59
Total Laverton Indicated Mineral Resource	43.12	1.6	2,152
Total Laverton Inferred Mineral Resource	17.74	2.5	1,443
Total Laverton 2021 Mineral Resource	61.78	1.8	3,654

As at 31 December 2021, Laverton's JORC 2012 Total Proved & Probable Ore Reserves comprised:

Classification	Tonnage (Mt)	Au Grade (g/t)	Au oz
Probable Reserve	12.6	1.34	546,000
Total Ore Reserves	12.6	1.34	546,000

Resource and exploration drilling during the year comprised 105 RC holes for 13,647m and 15 DD holes for 2,844.7m. Total drilling in Laverton comprised 16491.7m.

Type	Holes	Metres	RC/DD	RC/DD Metres	Total Holes	Total Metres
DD	15	2,844.7	-	-	15	2,844.7
RC	105	13,647.0	-	-	105	13,647.0
Total RC and DD	120	16,491.7	-	-	120	16,491.7

Updated Mineral Resources Estimates were advanced for the following deposits and are expected to be completed in the first half of 2022:

- Beasley Creek South
- Euro North
- Lancefield Far North – since announced; refer ASX announcement dated 18 January 2022
- Gladiator West

Funding

In addition to the current \$20 million unsecured loan held with Shandong Gold Group Co. Ltd, Focus secured an additional USD10 million unsecured loan facility with Shandong Gold Financial Holdings Group (Hongkong) Co Limited. The loan is on similar terms with a term of 3 years and an interest rate of 3.5% per annum. As at 31st December 2021, the loan has not yet been drawn down.

On 3rd December, Focus announced a non-renounceable entitlement offer of new Focus shares at an issue price of \$0.25. This offer coincided with the board approving its plan to resume operations at Coolgardie. The offer closed on 23rd December 2021 and resulted in a total of 103,810,080 new shares being issued and total capital raised of \$25,952,520.

Funds raised from the entitlement offer and new unsecured loan will be used to resume operations at Coolgardie.

Takeover bid

On 9th December 2021, Theta Gold Mines Limited (TGM) announced an unsolicited, conditional off-market takeover offer for those Focus shares on issue as at 21st December 2021 (excluding Focus shares issued pursuant to Focus' Entitlement Offer). The original offer was 2 TGM shares for each Focus share. Focus' board recommended that shareholders take no action in relation to the offer.

Operating Result

The full-year loss after income tax for 2021 was \$6.7 million (2020: loss of \$7.9 million). The decrease is largely due to write off tenements subject to forfeiture and related settlement payments in 2020 which did not occur in 2021.

As at 31 December 2021, the Company has a cash balance (consisting of cash and cash equivalent and short-term deposits) of \$27.2 million (2020: \$19.9 million).

Dividends

No dividends have been paid or provided during the year ended 31st December 2021 (2020: nil).

Significant Changes in the State of Affairs

Other than explained in the Review of Operations section above, there have been no significant changes in the state of affairs of the Group to balance date.

Significant Events after Balance Date

Theta Gold Mines Limited (TGM) announced a takeover offer of FML shares in December 2021, offering 2 TGM shares for every 1 Focus share. This was later updated to 5 TGM shares for every 2 Focus shares.

On 28th January 2022, Focus released a target statement in response to TGM's offer, whereby Focus Minerals Directors announced that their recommendation that Focus Shareholders reject TGM's offer. The offer closed on 2nd March 2022 and resulted in TGM acquiring an additional 3,157,868 shares, with a total shareholding of 6,343,699 shares (2.21% of Focus total shareholding).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has limited impact on the Group up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The company has implemented various measures to protect its workforce, coinciding with an increase in case numbers in 2022. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Likely Developments and Expected Results

The Group has now entered an exploration only phase and it is not possible to predict likely developments and expected results as these will be dependent upon exploration success and conversion of existing resources. Focus Board has announced its intention to pursue resumption of operations at Coolgardie. This is subject to obtaining the requisite government approvals and permits.

Environmental Regulations

The Group's operations hold licences issued by the relevant regulatory authorities. These licences specify the limits and regulate the management associated with the operations of the Group. At the date of this report the Group is not aware of any breach of those environmental regulations which apply to the Group's operations. The Group continues to comply with its specified regulations.

Indemnification and Insurance of Directors and Officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Ore Reserves and Mineral Resources Tables

2020 / 2021 JORC 2012 Ore Reserves Comparison Table

COOLGARDIE GOLD PROJECT		2020 Reserves			2021 Reserves			Change		
		Tonnes Mt	Grade Au g/t	Ounces	Tonnes Mt	Grade Au g/t	Ounces	Tonnes Mt	Grade Au g/t	Ounces
Brilliant Project – Open Pit Reserve	Proven	-	-	-	-	-	-	-	-	-
	Probable	3.72	1.58	188,000	3.72	1.58	188,000	0	0	0
	Total	3.72	1.58	188,000	3.72	1.58	188,000	0	0	0
Bonnie Vale Project – Underground	Proven									
	Probable	0.86	5.26	145,500	0.86	5.26	145,500	0	0	0
	Total	0.86	5.26	145,500	0.86	5.26	145,500	0	0	0
Greenfields Open Pit Reserve	Proven	1.48	1.37	65,500	1.48	1.37	65,500	0	0	0
	Probable	0.58	1.24	23,000	0.58	1.24	23,000	0	0	0
	Total	2.06	1.34	88,500	2.06	1.34	88,500	0	0	0
Total Coolgardie	Total Proven	1.48	1.38	65,500	1.48	1.37	65,500	0	0	0
	Total Probable	5.16	2.15	356,500	5.16	2.15	356,500	0	0	0
	Total Ore Reserves	6.64	1.98	422,000	6.64	1.98	422,000	0	0	0

2020 / 2021 JORC 2012 Ore Reserves Comparison Table

LAVERTON GOLD PROJECT		2020 Reserves			2021 Reserves			Change		
		Tonnes Mt	Grade Au g/t	Ounces	Tonnes Mt	Grade Au g/t	Ounces	Tonnes Mt	Grade Au g/t	Ounces
Karridale – Open Pit Reserve	Proven	-	-	-	-	-	-	-	-	-
	Probable	-	-	-	5.8	1.1	205,000	5.8	1.1	205,000
	Total	-	-	-	5.8	1.1	205,000	5.8	1.1	205,000
Burtville – Open Pit Reserve	Proven	-	-	-	-	-	-	-	-	-
	Probable	-	-	-	3.5	0.9	103,000	3.5	0.9	103,000
	Total	-	-	-	3.5	0.9	103,000	3.5	0.9	103,000
Beasley Creek – Open Pit Reserve	Proven	-	-	-	-	-	-	-	-	-
	Probable	-	-	-	1.8	2.3	133,000	1.8	2.3	133,000
	Total	-	-	-	1.8	2.3	133,000	1.8	2.3	133,000
Beasley Creek South – Open Pit Reserve	Proven	-	-	-	-	-	-	-	-	-
	Probable	-	-	-	0.7	2.7	64,000	0.7	2.7	64,000
	Total	-	-	-	0.7	2.7	64,000	0.7	2.7	64,000
Wedge – Open Pit Reserve	Proven	-	-	-	-	-	-	-	-	-
	Probable	-	-	-	0.8	1.6	41,000	0.8	1.6	41,000
	Total	-	-	-	0.8	1.6	41,000	0.8	1.6	41,000
Total Proven		-	-	-	-	-	-	-	-	-
Total Laverton	Total Probable	-	-	-	12.6	1.34	546,000	12.6	1.34	546,000
Total Ore Reserves		-	-	-	12.6	1.34	546,000	12.6	1.34	546,000

Mineral Resources Table

Coolgardie Gold Project

Coolgardie Surface Mineral Resources						
Prospect	JORC	Classification	Tonnes	Grade (g/t)	Ounces	Reporting Cut-Off Grade (g/t)
Alicia	JORC 2004	Indicated	505,000	1.56	25,500	0.8g/t
	JORC 2004	Inferred	0	0.00	0	
	JORC 2004	Total	505,000	1.56	25,500	
Big Blow	JORC 2004	Indicated	321,000	2.57	26,500	0.7g/t
	JORC 2004	Inferred	178,000	0.96	5,500	
	JORC 2004	Total	499,000	2.00	32,000	
Bird in Hand	JORC 2004	Indicated	210,000	1.96	13,500	1g/t
	JORC 2004	Inferred	107,000	2.00	6,500	
	JORC 2004	Total	317,000	1.97	20,000	
Cookes	JORC 2004	Indicated	120,000	2.38	9,000	1g/t
	JORC 2004	Inferred	47,000	3.25	5,000	
	JORC 2004	Total	167,000	2.62	14,000	
Cyanide	JORC 2004	Indicated	34,000	2.17	2,500	1g/t
	JORC 2004	Inferred	84,000	1.80	5,000	
	JORC 2004	Total	118,000	1.91	7,500	
Dreadnought	JORC 2004	Indicated	1,900,000	2.00	122,000	1g/t
	JORC 2004	Inferred	145,000	1.70	8,000	
	JORC 2004	Total	2,045,000	1.98	130,000	
Empress	JORC 2004	Indicated	128,000	1.97	8,000	1g/t
	JORC 2004	Inferred	12,000	2.32	1,000	
	JORC 2004	Total	140,000	2.00	9,000	
Friendship	JORC 2004	Inferred	100,000	1.43	4,500	1g/t
Griffiths	JORC 2004	Inferred	104,000	2.74	9,000	1g/t
Happy Jack	JORC 2004	Indicated	322,000	1.32	13,500	0.7g/t
	JORC 2004	Inferred	203,000	1.37	9,000	
	JORC 2004	Total	525,000	1.34	22,500	
Lady Charlotte	JORC 2004	Indicated	137,000	1.64	7,000	1g/t
	JORC 2004	Inferred	346,000	1.51	17,000	
	JORC 2004	Total	483,000	1.55	24,000	
Perseverance	JORC 2004	Inferred	53,000	2.43	4,000	
Tindals Pit	JORC 2004	Indicated	257,000	2.71	22,500	1g/t
	JORC 2004	Inferred	288,000	2.36	22,000	
	JORC 2004	Total	545,000	2.53	44,500	
Undaunted	JORC 2004	Indicated	187,000	1.97	12,000	1g/t
	JORC 2004	Inferred	126,000	1.93	8,000	
	JORC 2004	Total	313,000	1.95	20,000	

Prospect	JORC	Classification	Tonnes	Grade (g/t)	Ounces	Reporting Cut-Off Grade (g/t)
Brilliant	JORC 2012	Indicated	5,706,000	2.14	392,500	0.5g/t
	JORC 2012	Inferred	771,000	2.00	50,000	
	JORC 2012	Total	6,477,000	2.12	442,500	
Green Light	JORC 2012	Indicated	445,000	1.14	16,500	0.5g/t
	JORC 2012	Inferred	773,000	1.18	29,	
	JORC 2012	Total	1,218,000	1.17	45,500	
CNX	JORC 2012	Measured	2,699,000	1.08	94,000	0.5g/t
	JORC 2012	Indicated	1,094,000	1.08	38,000	
	JORC 2012	Inferred	817,000	1.00	26,000	
	JORC 2012	Total	4,610,000	1.06	158,000	
Greenfields	JORC 2012	Measured	1,148,000	1.75	64,500	0.8g/t
	JORC 2012	Indicated	1,515,000	1.53	74,500	
	JORC 2012	Total	2,663,000	1.62	139,000	
Hillside	JORC 2004	Inferred	437,000	4.42	62,000	1g/t
Lindsays	JORC 2004	Indicated	4,350,000	1.70	238,000	1g/t
	JORC 2004	Inferred	1,490,000	1.60	77,000	
	JORC 2004	Total	5,840,000	1.67	315,000	
King Solomon/ Queen Sheba	JORC 2004	Inferred	1,400,000	2.00	90,000	1g/t
Lord Bob	JORC 2004	Inferred	820,000	1.60	42,000	0.8g/t
Norris - Grosmont	JORC 2004	Inferred	1,620,000	2.44	127,000	1g/t
Total		Measured	3,847,000	1.28	158,000	
Total		Indicated	17,231,000	1.84	1,021,500	
Total		Inferred	9,921,000	1.91	608,000	
Total Coolgardie Surface			30,999,000	1.79	1,787,500	

Coolgardie Underground Mineral Resources						
Prospect	JORC	Classification	Tonnes	Grade (g/t)	Ounces	Reporting Cut-Off Grade (g/t)
Bird in Hand	JORC 2004	Indicated	282,000	3.07	28,000	2.0
	JORC 2004	Inferred	90,000	2.76	8,000	
	JORC 2004	Total	372,000	3.00	36,000	
Countess	JORC 2004	Measured	50,000	3.46	5,500	2.0
	JORC 2004	Indicated	127,000	2.88	12,000	
	JORC 2004	Inferred	0	0.00	0	
	JORC 2004	Total	177,000	3.04	17,500	
Cyanide	JORC 2004	Indicated	516,000	4.65	77,000	2.0
	JORC 2004	Inferred	77,000	5.53	13,500	
	JORC 2004	Total	593,000	4.76	90,500	
Empress	JORC 2004	Measured	13,000	4.10	2,000	2.0
	JORC 2004	Indicated	175,000	3.40	19,000	
	JORC 2004	Inferred	13,000	7.50	3,000	
	JORC 2004	Total	201,000	3.71	24,000	
Griffiths	JORC 2004	Inferred	39,000	2.90	4,000	2.0
Perseverance	JORC 2004	Measured	154,000	5.30	26,000	2.0
	JORC 2004	Indicated	438,000	4.50	64,000	
	JORC 2004	Inferred	18,000	4.30	2,000	
	JORC 2004	Total	610,000	4.70	92,000	
Tindals	JORC 2004	Measured	51,000	3.40	5,500	2.0
	JORC 2004	Indicated	179,000	2.83	16,000	
	JORC 2004	Inferred	72,000	3.10	7,000	
	JORC 2004	Total	302,000	2.99	28,500	
Brilliant	JORC 2012	Indicated	0	0.00	0	1.5
	JORC 2012	Inferred	3,730,000	2.30	248,500	
	JORC 2012	Total	3,730,000	2.30	248,500	
Quarry Reef (Bonnie Vale)	JORC 2012	Indicated	658,000	7.70	162,000	1.5
	JORC 2012	Inferred	503,000	3.50	56,000	
	JORC 2012	Total	1,161,000	5.88	218,000	
		Measured	268,000	4.53	39,000	
		Indicated	2,375,000	4.95	378,000	
		Inferred	4,542,000	2.34	342,000	
Total Coolgardie Underground			7,185,000	3.29	759,000	

Coolgardie Total Surface and Underground Mineral Resources			
Classification	Tonnes	Grade (g/t)	Ounces
Total Measured Resource	4,114,000	1.5	197,000
Total Indicated Resource	19,606,000	2.2	1,399,500
Total Inferred Resource	14,463,000	2.0	950,000
TOTAL COOLGARDIE	38,184,000	2.1	2,546,500

Mineral Resources Table

Laverton Gold Project

Laverton Surface Mineral Resources						
Prospect	JORC	Classification	Tonnes	Grade (g/t)	Contained Ounces	Reporting Cut-Off Grade (g/t)
Admiral Hill	JORC 2004	Indicated	660,000	1.40	30,000	0.8
	JORC 2004	Inferred	1,310,000	1.10	46,000	
	JORC 2004	Total	1,970,000	1.20	76,000	
Barnicoat	JORC 2004	Indicated	340,000	1.30	14,000	0.5
	JORC 2004	Inferred	250,000	1.00	8,000	
	JORC 2004	Total	590,000	1.17	22,000	
Bells	JORC 2004	Indicated	594,000	1.99	38,000	0.5
	JORC 2004	Inferred	36,000	1.44	2,000	
	JORC 2004	Total	630,000	1.96	40,000	
Castaway	JORC 2004	Indicated	247,000	1.55	13,000	1.0
	JORC 2004	Inferred	28,000	1.80	2,000	
	JORC 2004	Total	275,000	1.58	15,000	
Grouse	JORC 2004	Indicated	447,000	1.69	24,000	1.0
	JORC 2004	Inferred	27,000	1.33	1,000	
	JORC 2004	Total	474,000	1.67	25,000	
Sickle	JORC 2004	Measured	390,000	1.65	21,000	1.0
	JORC 2004	Indicated	198,000	2.56	16,000	
	JORC 2004	Inferred	152,000	3.11	15,000	
	JORC 2004	Total	740,000	2.19	52,000	
Burtville	JORC 2004	Indicated	5,095,000	1.00	159,000	0.6
	JORC 2004	Inferred	1,554,000	0.90	47,000	
	JORC 2004	Total	6,649,000	0.96	206,000	
Karridale	JORC 2012	Indicated	22,149,000	1.36	968,500	0.6
	JORC 2012	Inferred	5,584,000	1.22	219,000	
	JORC 2012	Total	27,733,000	1.33	1,187,500	
Craggiemore	JORC 2004	Indicated	575,000	2.16	40,000	1.0
	JORC 2004	Inferred	113,000	2.74	10,000	
	JORC 2004	Total	688,000	2.26	50,000	
Euro	JORC 2004	Indicated	255,000	1.69	14,000	1.0
	JORC 2004	Inferred	314,000	1.70	17,000	
	JORC 2004	Total	569,000	1.70	31,000	
Mary Mac	JORC 2004	Indicated	232,000	2.20	16,000	1.0
	JORC 2004	Inferred	9,000	1.60	1,000	
	JORC 2004	Total	241,000	2.18	17,000	
Mary Mac South	JORC 2004	Indicated	435,000	1.59	22,000	1.0
	JORC 2004	Inferred	90,000	1.81	5,000	
	JORC 2004	Total	525,000	1.63	27,000	
West Laverton	JORC 2004	Measured	0	0.00	0	1.0
	JORC 2004	Indicated	1,252,000	2.10	84,500	
	JORC 2004	Inferred	116,000	1.80	6,500	
	JORC 2004	Total	1,368,000	2.07	91,000	
Apollo	JORC 2004	Measured	512,000	2.20	36,000	0.8
	JORC 2004	Indicated	910,000	2.00	59,000	
	JORC 2004	Inferred	560,000	3.03	54,000	
	JORC 2004	Total	1,982,000	2.34	149,000	
Inuendo	JORC 2004	Indicated	180,000	2.90	17,000	1.0
	JORC 2004	Inferred	380,000	2.30	28,000	
	JORC 2004	Total	560,000	2.49	45,000	
Eclipse (Garden Well)	JORC 2004	Measured	19,000	2.68	2,000	0.8
	JORC 2004	Indicated	63,000	1.77	4,000	
	JORC 2004	Inferred	152,000	1.70	8,000	
	JORC 2004	Total	234,000	1.80	14,000	
Gladiator North	JORC 2004	Indicated	48,000	1.70	3,000	1.0
	JORC 2004	Inferred	123,000	1.60	6,000	
	JORC 2004	Total	171,000	1.63	9,000	
Rumor	JORC 2004	Indicated	1,590,000	2.10	107,000	1.0
	JORC 2004	Inferred	1,060,000	2.10	72,000	
	JORC 2004	Total	2,650,000	2.10	179,000	
Beasley Creek	JORC 2012	Indicated	3,727,000	2.04	244,000	0.5
	JORC 2012	Inferred	386,000	1.64	20,500	
	JORC 2012	Total	4,114,000	2.00	264,500	

Prospect	JORC	Classification	Tonnes	Grade (g/t)	Contained Ounces	Reporting Cut-Off Grade (g/t)
Beasley Creek South	JORC 2012	Indicated	751,000	3.56	86,000	0.8
	JORC 2012	Inferred	263,000	3.49	29,500	
	JORC 2012	Total	1,014,000	3.54	115,500	
Telegraph	JORC 2012	Indicated	638,000	2.13	43,500	0.8
	JORC 2012	Inferred	534,000	1.43	24,500	
	JORC 2012	Total	1,172,000	1.81	68,000	
Wedge - Lancefield North	JORC 2012	Indicated	2,660,000	1.70	141,000	0.8
	JORC 2012	Inferred	750,000	1.10	27,000	
	JORC 2012	Total	3,410,000	1.50	168,000	
South Lancefield	JORC 2004	Indicated	72,000	4.00	9,000	1.0
	JORC 2004	Inferred	3,000	5.00	1,000	
	JORC 2004	Total	75,000	4.04	10,000	
		Measured	921,000	1.99	59,000	
		Indicated	43,118,000	1.55	2,152,500	
		Inferred	13,794,000	1.47	650,000	
Total Laverton Surface			57,834,000	1.54	2,861,500	

Laverton Underground						
Prospect	JORC	Classification	Tonnes	Grade (g/t)	Contained Ounces	Reporting Cut-Off Grade (g/t)
Lancefield	JORC 2012	Indicated	0	0.0	0	4.0
	JORC 2012	Inferred	3,944,000	6.3	793,000	
	JORC 2012	Total	3,944,000	6.3	793,000	
Subtotal		Measured	0	0.0	0	
Subtotal		Indicated	0	0.0	0	
Subtotal		Inferred	3,944,000	6.3	793,000	
Total Laverton Underground			3,944,000	6.3	793,000	

TOTAL Laverton			
Classification	Tonnes	Grade (g/t)	Ounces
Total Measured Resource	921,000	2.0	59,000
Total Indicated Resource	43,118,000	1.6	2,152,500
Total Inferred Resource	17,738,000	2.5	1,443,000
TOTAL LAVERTON	61,778,000	1.8	3,654,500

Mineral Resources Table – Comparison to Previous Year**Coolgardie Gold Project Resource Updates**

		2020					2021					Difference			
		Category	Tonnes	Grade g/t	Ounces	Cut Off	Category	Tonnes	Grade g/t	Ounces	Cut Off	Tonnes	Grade g/t	Ounces	Cut Off
Green Light	Measured		-	-	-		JORC 2012	-	-	-		-	-	-	
	Indicated		-	-	-		JORC 2012	445,000	1.15	16,500	0.5 g/t	445,000	1.15	16,500	
	Inferred		-	-	-		JORC 2012	773,000	1.17	29,000		773,000	1.17	29,000	
Total Green Light			-	-	-		JORC 2012	1,218,000	1.16	45,500	0.5 g/t	1,218,000	1.16	45,500	
CNX	Measured	JORC 2004	-	-	-	0.7 g/t	JORC 2012	2,698,500	1.08	94,000	0.5 g/t	2,698,500	1.08	94,000	-0.2 g/t
	Indicated	JORC 2004	-	-	-	0.7 g/t	JORC 2012	1,094,000	1.08	38,000	0.5 g/t	1,094,000	1.08	38,000	-0.2 g/t
	Inferred	JORC 2004	2,599,000	1.50	123,000	0.7 g/t	JORC 2012	817,500	1.00	26,000	0.5 g/t	1,781,500	1.69	-97,000	-0.2 g/t
Total CNX		JORC 2004	2,599,000	1.47	123,000	0.7 g/t	JORC 2012	4,610,000	1.06	158,000	0.5 g/t	2,011,000	0.54	35,000	-0.2 g/t
Big Blow	Measured	JORC 2004	-	-	-	1.0 g/t No RL cut off	JORC 2012	-	-	-	0.7 g/t 270mRL	-	-	-	0.7 g/t cut off and limited to 270 mRL
	Indicated	JORC 2004	281,000	3.40	31,000	1.0 g/t No RL cut off	JORC 2012	321,000	2.57	26,500	0.7 g/t 270mRL	40,000	-3.50	-4500	0.7 g/t cut off and limited to 270 mRL
	Inferred	JORC 2004	79,000	3.00	8,000	1.0 g/t No RL cut off	JORC 2012	178,000	0.96	5,500	0.7 g/t 270mRL	99,000	-0.79	-2500	0.7 g/t cut off and limited to 270 mRL
Total Big Blow		JORC 2004	360,000	3.31	39,000	1.0 g/t	JORC 2012	499,000	1.99	32,000	0.5 g/t	139,000	-1.57	-7,000	-0.3 g/t
Happy Jack	Measured	JORC 2004	-	-	-	1.0 g/t No RL cut off	JORC 2012	-	-	-	0.7 g/t 270mRL	-	-	-	-0.3 g/t
	Indicated	JORC 2004	249,000	2.03	16,000	1.0 g/t No RL cut off	JORC 2012	322,000	1.30	13,500	0.7 g/t 270mRL	73,000	-1.07	-2500	-0.3 g/t
	Inferred	JORC 2004	99,000	3.11	10,000	1.0 g/t No RL cut off	JORC 2012	203,000	1.38	9,000	0.7 g/t 270mRL	104,000	-0.30	-1000	-0.3 g/t
Total Happy Jack		JORC 2004	348,000	2.34	26,000	1.0 g/t	JORC 2012	525,000	1.33	22,500	1.5 g/t	177,000	-0.62	-3,500	-0.5 g/t

		2020					2021					Difference			
		Category	Tonnes	Grade g/t	Ounces	Cut Off	Category	Tonnes	Grade g/t	Ounces	Cut Off	Tonnes	Grade g/t	Ounces	Cut Off
Alicia	Measured	JORC 2004	-	-	-	1.0 g/t No RL cut off	JORC 2012	-	-	-	0.8 g/t Main Zone only 260mRL	-	-	-	-0.2 g/t
	Indicated		681,000	1.95	43,000			505,000	1.56	25,500		-176,000	3.09	-17,500	
	Inferred		25,000	1.70	2,000			0	0.00	0		-25,000	2.49	-2,000	
Total Alicia		JORC 2004	706,000	1.98	45,000	1.0 g/t	JORC 2012	505,000	1.56	25,500	1.5 g/t	-201,000	3.02	-19,500	-0.2 g/t
Total Coolgardie Resources Updated			4,013,000	1.81	233,000			7,357,000	1.20	283,500		3,344,000	0.47	50,500	

Laverton Gold Project Resource Updates

		2020					2021					Difference			
		Category	Tonnes	Grade g/t	Ounces	Cut Off	Category	Tonnes	Grade g/t	Ounces	Cut Off	Tonnes	Grade g/t	Ounces	Cut Off
Beasley Creek	Measured	JORC 2012	-	-	-	0.6 g/t	JORC 2012	-	-	-	0.5 g/t	-	-	-	-0.1 g/t
	Indicated		3,036,000	2.21	215,500			3,727,000	2.04	244,000		691,000	1.28	28,500	
	Inferred		592,000	1.66	31,500			386,500	1.65	20,500		- 205,500	1.66	- 11,000	
Total Beasley Creek		JORC 2012	3,628,000	2.12	247,000	0.6 g/t	JORC 2012	4,113,500	2.00	264,500	0.5 g/t	485,500	1.12	17,500	-0.1 g/t
Total Laverton Resources Updated			3,628,000	2.12	247,000			4,113,500	2.00	264,500		485,500	1.12	17,500	

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Competent Persons' Statement

The Coolgardie Gold Project Ore Reserve estimates were undertaken by Dr David Trembath, an employee of Mining One Consultants. Dr Trembath is a member of The Australasian Institute of Mining and Metallurgy with a chartered professional status in mining. Dr Trembath has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Trembath consents to the inclusion in this Annual Report of the matters based on the information compiled by himself in the form and context in which it appears.

The information in this announcement that relates to Laverton Gold Project Ore Reserves is based on an assessment completed by Mr Igor Bojanic who is a Fellow of the Australasian Institute of Mining and Metallurgy and is a full-time employee of RPM Advisory Services Pty Ltd (RPMGlobal).

RPMGlobal and Mr Bojanic were engaged by FML to complete the Preliminary Feasibility Study investigating the technical and financial viability of mining the Karridale, Burtville, Beasley Creek, Beasley Creek South and Wedge Mineral Resources. Mr Bojanic has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Bojanic consents to the inclusion in any report or public announcement of the matters based on his information in the form and context in which it appears

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Alex Aaltonen, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Aaltonen is an employee of Focus Minerals Limited. Mr Aaltonen has sufficient experience that 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.

The Mineral Resource estimates for Big Blow, Happy Jack, Alicia were undertaken by Ms Hannah Kosovich, an employee of Focus Minerals. Ms Hannah Kosovich is a member of Australian Institute of Geoscientists and has sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Aaltonen and Ms Hannah Kosovich consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The CNX and Beasley Creek Mineral Resource estimates were undertaken by Mr Michael Job, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Job is an independent consultant employed by Cube Consulting. Mr Job has sufficient experience that is relevant to the style of mineralization 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.

Mr Job consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this Annual Report that relates to Minerals Resources is based on, and fairly represents, information compiled by Hannah Kosovich who is a member of the Australian Institute of Geoscientists. Ms Kosovich is employed by Focus Minerals Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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*. Ms Kosovich consents to the inclusion in this report of the matters based on the information compiled by herself in the form and context in which it appears.

Focus Minerals confirms that to the best of its knowledge, Focus is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Summary of Governance Arrangements and Internal Controls

Focus Minerals ensures that the Mineral Resources and Ore Reserve estimates are subject to governance arrangements and internal controls up to a corporate level within the company. Internal and external reviews of the Mineral Resource estimation procedures and results are carried out. An external consultancy firms have been used to generate the ore reserves that were subject to internal reviews by the consultants.

The General Manager – Exploration, is responsible for monitoring the planning, prioritisation and progress of exploratory and resource definition drilling programs across the company and the estimation and reporting of resources. These definition activities are conducted within a framework of quality assurance and quality control protocols covering aspects including drill hole location, sample collection, sample preparation and analysis as well as sample and data security.

Focus Minerals reports its Mineral Resources and Ore Reserves on an annual basis, in accordance with the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (the JORC code) 2004 and 2012 Edition. Mineral Resources are quoted inclusive of Ore Reserves. Competent Persons named by Focus Minerals are members of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

Directors' Report

The Directors present their report on the Group comprising of Focus Minerals Limited – the parent company (referred to as “the Company”) – and its subsidiaries (together referred to as “the Group” or “Focus” or “consolidated entity”) at the end of, or during the year ended 31 December 2021.

Directors

The directors of the Company at any time during or since the end of the year and up to the date of this report, unless otherwise indicated, are:

Name	Designation & Independence Status
Dianfei Pei*	Chairman – Non-Executive, Non-Independent
Wanghong Yang**	Chairman – Executive
Zhaoya Wang	Director – Executive
Lingquan Kong***	Director – Executive
Gerry Fahey	Director – Independent
Rodney Johns****	Director – Independent
Richard O'Shannassy*****	Director - Independent

*Mr Pei resigned as Chairman on 13th October 2021

**Mr Yang was appointed as Chairman on 14th October 2021

***Mr Kong was appointed as a Director on 14th January 2021

****Mr Johns resigned as a Director on 8th November 2021

***** Mr O'Shannassy was appointed as a Director on 19th November 2021

Details of the Directors' qualifications, experience, special responsibilities, and details of directorships of other listed companies can be found on pages 24 to 26 and in the remuneration report on pages 29 to 34.

Information on Directors, Officers and Senior Management

Directors	Designation & Independence Status	Experience, Expertise & Qualifications
<p>Dianfei Pei</p> <p><i>Resigned on 13^h October 2021</i></p>	<p>Chairman</p> <p><i>Non-Executive Non-Independent</i></p>	<p>Mr Pei is a mining engineer with over 30 years of relevant experience. He has been in several senior positions within Shandong Gold Group, such as Resident Manager of Ling Long Mine and Chief Health and Safety Inspector of the Group. Currently, he is the Deputy General Manager of Shandong Gold Group.</p> <p>Mr Pei has a Master's degree in Mining Engineering at University of Science and Technology Beijing.</p> <p>Directorships of other ASX listed companies: None</p>
<p>Wanghong Yang</p> <p><i>Appointed as Chairman on 14 October 2021</i></p>	<p>Chairman</p> <p><i>Executive</i></p>	<p>Mr Yang was an Executive Director and Interim CEO of Focus between 2013 and 2017. He was then appointed Vice President of the Business Development Unit of Shandong Gold International Co., Ltd.</p> <p>Prior to his role at Focus he worked at Shandong Gold International Mining Corporation as Financial Controller. He joined Shandong Gold Group in 2008 as the Group's Senior Manager of Capital Management before becoming the Deputy General Manager of Shandong Gold International Mining Corporation Limited.</p> <p>Mr Yang has a Bachelor's degree in Accounting from Renmin University of China and a Master's degree in Applied Finance from Macquarie University.</p> <p>Directorships of other ASX listed companies: None</p>
<p>Zhaoya Wang</p> <p><i>Appointed as Director on 17 November 2017</i></p>	<p>Director</p> <p><i>Non-Executive Non-Independent</i></p> <p><i>Executive since 19 July 2018</i></p>	<p>Mr Wang is a mining engineer who began his career at Shandong Gold in 1994. He has served various management positions in three of Shandong Gold's mine sites.</p> <p>He has a Master's degree in Project Management at Science and Technology University of Shandong and a bachelor degree in Mining at Inner Mongolia University of Science and Technology in China.</p> <p>Directorships of other ASX listed companies: None</p>

Directors	Designation & Independence Status	Experience, Expertise & Qualifications
<p>Gerry Fahey</p> <p><i>Appointed on 18 April 2011</i></p>	<p>Director</p> <p><i>Independent</i></p>	<p><i>Qualifications:</i> BSc (Hons) Geology, FAusIMM, MAIG, MAICD</p> <p>Mr Fahey is a geologist with over 40 years' experience. He was chief geologist for Delta Gold between 1992-2002 where he gained extensive resource, mine development and feasibility study experience on projects including Kanowna Belle and Sunrise in Australia and Ngezi Platinum in Zimbabwe. Mr Fahey began his career as a mine geologist in the Irish base-metals industry on projects such as Tynagh, Avoca, and Tara Mines (Navan). On migrating to Australia in 1988, he gained further operational experience in Western Australia and the Northern Territory (Whim Creek and Dominion Mining), prior to joining Delta Gold. He formed FinOre Mining Consultants in 2005, which merged with CSA Global in 2006 and is currently Principal Mining Geologist with CSA Global specialising in mining geology, mine development and training.</p> <p>Mr Fahey is a former member of the Joint Ore Reserve Committee (JORC) and a former Board Member (Federal Councillor) of the Australian Institute of Geoscientists (AIG).</p> <p>Directorships of other ASX listed companies:</p> <ul style="list-style-type: none"> Prospect Resources Limited (Non-Executive Director: appointed July 2013, ongoing)
<p>Rodney Johns</p> <p><i>Resigned as Independent director on 8th November 2021 (appointed Chief Operating Officer)</i></p>	<p>Director</p> <p><i>Independent</i></p>	<p><i>Qualifications:</i> BappSc (Extractive Metallurgy)</p> <p>Mr Johns has extensive experience in the WA gold sector, having held senior positions at Delta Gold, Placer Dome, La Mancha Resources and Echo Resources that included oversight and delivery of growth strategies, new processing plants and mine optimisations. In addition to his current role as a consultant to the WA mining sector, Mr Johns was previously a Non-Executive Director of Beacon Minerals Limited (ASX: BCN).</p>
<p>Lingquan Kong</p> <p><i>Appointed on 14th January 2021</i></p>	<p>Director</p> <p>Executive</p>	<p><i>Qualifications:</i> Meng (Mining Engineering)</p> <p>Mr Kong joined Focus in September 2019 as the company's Principal Mining Engineer. Prior to joining Focus, Mr Kong spent five years as a Director and General Manager at Vatukoula Gold Mines in Fiji, focusing on long term mine planning, production management, cost assessment and stakeholder relations. During his time at Focus Minerals, he has been pivotal in managing the pre-feasibility studies for Coolgardie and Laverton, including mine planning and engineering.</p> <p>Directorships of other ASX listed companies:</p> <ul style="list-style-type: none"> Cardinal Resources Limited (appointed 1st February 2021). Cardinal Resources Limited was delisted from ASX on 8th February 2021

Directors	Designation & Independence Status	Experience, Expertise & Qualifications
<p>Richard O'Shannassy</p> <p><i>Appointed on 19th November 2021</i></p>	<p>Director</p> <p><i>Independent</i></p>	<p><i>Qualifications: B. Juris, LLB (Hons), Law</i></p> <p>Mr O'Shannassy has more than 35 years of experience as a commercial lawyer. He served on mining industry committees over several years and is a member of Energy & Resources Law Association and the Law Society of Western Australia.</p> <p>Mr O'Shannassy was general counsel and company secretary at Hardman Resources, a non-executive director of Avenirra (formerly Minemakers) and Key Petroleum Limited.</p>

Note: For director's special responsibilities during the year ended 31 December 2021, please refer to the Remuneration Report

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Senior Management

Zhaoya Wang - Chief Executive Officer

Please refer to the directors' section for information about Mr Wang.

Lingquan Kong – Principal Engineer/ Director

Please refer to the directors' section for information about Mr Kong.

Nicholas Ong – Company Secretary (contract)

Qualifications: *B. Comm, MBA*

Appointed: 19th October 2020

Mr Nicholas Ong has more than 16 years of experience in corporate governance and listing compliance, including 7 years working as a Principal Advisor at the ASX. He is the Managing Director of Minerva Corporate and provides non-executive director and Company Secretary services to several ASX listed companies. He is a fellow of the Governance Institute of Australia.

Alex Aaltonen – General Manager Exploration

Qualifications: *B.Sc Geology (Hons), MAUSIMM*

Appointed: 19 February 2018

Mr Alex Aaltonen has more than 20 years of mining, resource development and exploration experience. He has worked in geology management and leadership roles in Australia, Eastern Europe, Middle East, Asia and South America.

Mr Aaltonen has developed in depth experience in a broad range of deposit styles including gold, gold-copper-polymetallic, IOCGU, uranium, vanadium-polymetallic, tin-tungsten and graphite. Mr Aaltonen has extensive experience in managing and rejuvenating existing projects and or building teams and facilities for new projects.

Fengfan Sun – Chief Financial Officer

Qualifications: *MBus (Financial Accounting) , CPA*

Appointed: 1st December 2020

Mr Fengfan Sun has many years of invaluable experience in leading and developing successful finance teams in listed and unlisted gold companies. He was employed by Focus as a senior accountant from June 2013 to February 2018 and was appointed as Focus Limited's Chief Financial Officer in December 2020. Fengfan is responsible for managing the financial aspects of Focus' strategy which includes financial planning and reporting, capital management, tax, treasury and investor relations.

Rodney Johns – Chief Operating Officer

Qualifications: *BappSc (Extractive Metallurgy)*

Appointed: 9th November 2021 (former Independent Director)

Mr Johns has extensive experience in the WA gold sector, having held senior positions at Delta Gold, Placer Dome, La Mancha Resources and Echo Resources that included oversight and delivery of growth strategies, new processing plants and mine optimisations. In addition to his current role as a consultant to the WA mining sector, Mr Johns was previously a Non-Executive Director of Beacon Minerals Limited (ASX: BCN).

Interests in the Shares and Options of the Company and Related Bodies Corporate

At the date of this report, the direct and indirect interests of directors in the shares and options of the Company were:

	Ordinary Shares	Options (Unlisted)
Gerry Fahey	25,640	-
Zhaoya Wang	-	-
Rodney Johns	-	-
Lingquan Kong (appointed 14 th January 2021)	-	-
Richard O'Shannassy (appointed 19 th November 2021)	-	-
Wanghong Yang (appointed 14 October 2021)	-	-

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Board		Audit and Risk Committee		Remuneration and Nominations Committee		Technical Committee	
	A	B	A	B	A	B	A	B
Directors								
Dianfei Pei	2	2	2	2	-	-	-	-
Lingquan Kong	3	3	-	-	-	-	-	-
Wanghong Yang	1	1	-	-	-	-	-	-
Gerry Fahey	3	3	2	2	-	-	-	-
Zhaoya Wang	3	3	-	-	-	-	-	-
Rodney Johns	2	2	2	2	-	-	-	-
Richard O'Shannassy	1	1	-	-	-	-	-	-

A – Number of meetings attended.

B – Number of meetings held during the time the director held office or was a member of the relevant committee during the year.

Capital Structure

Ordinary shares

As at the date of this report, the Company had on issue 286,558,645 fully paid ordinary shares.

Share Options

Options Issued

There were no options issued during the year ended 31 December 2021.

Options Exercised

There were no options exercised during the year ended 31 December 2021.

As at the date of this report, there are no unissued ordinary shares under options.

Principal Activities

The principal activity of the Company during the year was gold exploration in Western Australia.

Remuneration Report (Audited)

This report, prepared in accordance with the *Corporations Act 2001*, contains detailed information regarding the remuneration arrangements for the Directors and Senior Executives who are the 'key management personnel' (KMP) of the Company and the Group. The Board formed the view that the three most senior people in the organisation, being the Chief Executive Officer (CEO), Chief Financial Officer, Chief Operating Officer and General Manager – Exploration are, in addition to the directors, the only executives who satisfy the "key management personnel" criteria during the period. The tables disclosing remuneration for this period and comparatives only include these KMPs.

The KMP for the year ended 31 December 2021 are listed in the table below:

Director	Capacity	Change during the Year
Dianfei Pei	Non-Executive, Non-Independent	Resigned on 13 th October 2021
Wanghong Yang	Executive Chairman	Appointed on 14 th October 2021
Gerry Fahey	Independent	None
Zhaoya Wang	Director, Executive	None
Richard O'Shannassy	Independent	Appointed on 19 th November 2021
Rodney Johns	Independent	Resigned on 8 th November 2021 (appointed as Chief Operating Officer on the same day).
Lingquan Kong	Director, Executive	Appointed on 14 th January 2021

Current Executive	Capacity	Change during the Year
Alex Aaltonen	General Manager – Exploration	None
Fengfan Sun	Chief Financial Officer	None
Rodney Johns	Chief Operating Officer	Appointed on 9 th November 2021

Remuneration Objectives

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high-quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The expected outcomes of the remuneration structure are:

- Retaining and motivating key executives; and
- Attracting high quality management to the Company.

Remuneration and Nominations Committee Established

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the executive team. The Board has established a Remuneration and Nominations Committee, comprising all the non-executive directors.

Members of the Remuneration and Nominations Committee during the year were:

- Gerry Fahey - Committee Chairman; and,
- Dianfei Pei. (resigned 13th October 2021)
- Rodney Johns (appointed 30th March 2021, resigned 8th November 2021)
- Richard O'Shannassy (appointed 2nd December 2021)

The Remuneration and Nominations Committee did not meet during the year.

Compensation of Key Management Personnel

Remuneration Structure

In accordance with best practice of the *Corporate Governance Principles and Recommendations 3rd Edition*, the remuneration structures for non-executive directors and executive directors are separate and distinct.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team, subject to the following section relating to non-executive directors. The committee did not meet this year.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company.

During the year, Mr Pei retired after 5 years as Chairman and was paid \$40,000 under this benefit. (2020: Nil).

The committees of the Board, as of the date of this report, their Chair and members are presently as follows:

Board Member	Position	Audit & Risk	Technical	Remuneration and Nominations
Wanghong Yang	Chair <i>Executive</i>	-	-	-
Gerry Fahey	Director <i>Independent</i>	C	C	C
Zhaoya Wang	Director <i>Executive</i>	-	-	-
Richard O'Shannassy	<i>Director Independent</i>	M	-	M
Lingquan Kong (appointed 14 th January 2021)	Director <i>Executive</i>	-	M	-

C=Chairman, M=Member

The following fees have applied:

- Chairman of the Board \$80,000 per annum
- Other non-executive directors \$50,000 per annum

The compensation provided to the Directors in these circumstances is fixed, which reflects the time commitment and responsibilities of their roles.

At present, the maximum aggregate remuneration of directors' fees is \$230,000 per annum of which \$201,279 (2020: \$146,154) has been paid to the directors as fees during the year.

Voting and comments made at the company's 2020 Annual General Meeting ('AGM')

At the 2021 AGM, 92.3% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Senior Executive and Executive Director Remuneration

Remuneration primarily consists of fixed and performance-based remuneration where determined by the Remuneration and Nominations Committee. The Company had established an equity-based scheme that will allow the executive team to share in the success of Focus. Any issue of an equity component to executive directors is subject to the approval of shareholders in general meeting and it is a policy of the current Board that Directors do not participate in equity-based proposals.

Fixed Remuneration

Fixed remuneration is reviewed by the Remuneration and Nominations Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating additional cost for the Group.

Performance Based Remuneration

For the year ended 31 December 2021, the Company did not set any KPIs.

During the year ended 31 December 2021, no discretionary bonuses were awarded. In 2020, the Company awarded a \$20,000 discretionary bonus to Alex Aaltonen.

No options were issued during the year (2020: None). At this stage, no LTI programmes are in place.

Key Management Personnel Contracts

The key terms of the employment contracts for the key management personnel are summarised as follows:

Zhaoya Wang – Chief Executive Officer

Base Salary:	\$420,000 per annum plus superannuation guarantee
Other Benefits:	Apartment rent is covered by the Company
Term:	Permanent starting from 19 July 2018
Termination:	Four weeks' notice

Alex Aaltonen – General Manager – Exploration

Base Salary:	\$275,000 per annum plus superannuation guarantee
Term:	Permanent starting from 19 February 2018
Termination:	Four weeks' notice

Fengfan Sun – Chief Financial Officer

Base Salary:	\$250,000 per annum plus superannuation guarantee
Term:	Permanent starting from 1 December 2020
Termination:	Four weeks' notice

Rodney Johns – Chief Operating Officer

Base Salary:	\$400,000 per annum plus superannuation guarantee
Term:	Permanent starting from 9 November 2021
Termination:	1 month notice
Bonus	Maximum short term incentive bonus of 40% of base salary, depending on the satisfaction of applicable KPI's

Wanghong Yang – Executive Chairman

Wanghong Yang's executive contract is yet to be finalised. No remuneration has yet been paid.

Lingquan Kong – Principal Mining Engineer/ Director

Base Salary:	\$210,000 per annum plus superannuation guarantee
Term:	Permanent fixed term from 4 th September 2019. Maximum period of 48 months
Termination:	Four weeks' notice

Remuneration Tables

Directors' remuneration for the year ended 31 December 2021

	Short-Term Benefits				Post-Employment Benefits		Total	%
	Salary	Fees	Other	Non Monetary benefits	Super-annuation	Other		
	\$	\$	\$	\$	\$	\$	\$	Performance Related
								\$
Directors								
Gerry Fahey	-	50,000	-	-	4,875	-	54,875	-
Zhaoya Wang	424,939	-	-	55,221	41,444	-	521,604	-
Richard O'Shannassy	-	5,705	-	-	571	-	6,276	-
Lingquan Kong	233,772	-	-	-	22,752	-	256,524	-
Wanghong Yang	-	-	-	-	-	-	-	-
Former Directors								
Dianfei Pei*	-	62,796	40,000	-	-	-	102,796	-
Rodney Johns**	-	42,778	-	-	4,153	-	46,931	-
Total	658,711	161,279	40,000	55,221	73,795	-	989,006	-

*Dianfei Pei resigned on 13th October 2021. Other Short -term benefits include retirement allowance.

** Rodney Johns resigned as a director and was appointed Chief Operating Officer.

Directors' remuneration for the year ended 31 December 2020

	Short-Term Benefits				Post-Employment Benefits		Total	%
	Salary	Fees	Other	Non Monetary benefits	Super-annuation	Other		
	\$	\$	\$	\$	\$	\$	\$	Performance Related
								\$
Directors								
Dianfei Pei	-	80,000	-	-	-	-	80,000	-
Gerry Fahey	-	50,000	-	-	4,750	-	54,750	-
Zhaoya Wang	420,000	-	-	53,489	39,900	-	513,389	-

Rodney Johns	-	16,154	-	-	1,535	-	17,689	-
Former Directors								
Zaiqian Zhang*	336,405	-	-		21,699	-	358,104	-
Total	756,405	146,154		53,489	67,884	-	1,023,932	-

*Zaiqian Zhang resigned on 9th October 2020. Salary shown includes termination benefits.

Remuneration of the key management personnel for the year ended 31 December 2021

	Short-Term Benefits				Post-Employment Benefits		Total	%
	Salary	Fees	Other	Non Monetary benefits	Super-annuation	Other		
	\$	\$	\$	\$	\$	\$	\$	Performance Related
Current Executive								
Alex Aaltonen	299,939	-	-	-	29,206	-	329,145	-
Fengfan Sun	254,490	-	-	-	24,824	-	279,314	-
Rodney Johns*	57,949	-	-	-	5,795	-	63,744	-
Total	612,378	-	-	-	59,825	-	672,203	-

* Rodney Johns commenced as Chief Operating Officer from 9th November 2021

Remuneration of the key management personnel for the year ended 31 December 2020

	Short-Term Benefits				Post-Employment Benefits		Total	%
	Salary	Fees	Other	Non Monetary benefits	Super-annuation	Other		
	\$	\$	\$	\$	\$	\$	\$	Performance Related
Current Executive								
Alex Aaltonen	237,967	-	20,000	-	22,607	-	280,574	7%
Fengfan Sun	20,833	-	-	-	1,979	-	22,812	-
Total	258,800	-	20,000	-	24,586	-	303,386	-

Relationship between Remuneration and Focus Minerals' Performance

The majority of salary is fixed while small portions of remuneration, such as bonus and share option, are linked to the Company's performance. Although there is some linkage to the Company's performance, it is not closely aligned.

The following table shows key performance indicators for the Company over the last five reporting periods.

		2021	2020	2019	2018	2017 Restated
(Loss) attributable to the owners of Focus Minerals Ltd ("'\$000's)		(6,708)	(7,858)	(2,063)	(4,207)	(6,194)
Basic loss per share (Cents per share)		(3.66)	(4.3)	(1.13)	(2.30)	(3.39)
Dividend declared	\$	n/a	n/a	n/a	n/a	n/a
Share Price as at the end of the year	\$	0.39	0.34	0.215	0.175	0.32

Transactions and Balances with Related Parties

Shandong Gold International Mining Corporation Limited is the major shareholder of Focus Minerals Limited. During 2020, Shandong provided an unsecured loan facility to Focus Minerals Limited, totalling \$20 million. Key terms of the facility agreement are as follows:

- Term: 3 years, principal payable at the end of the term
- Interest: 3.5% per annum, payable quarterly in arrears

As at 31st December 2021, the balance of the loan payable to Shandong Gold was \$20 million (2020: \$20 million). Total interest expense for the year ended 31 December 2021 was \$709,722 (2020: \$126,389). Amount of interest payable at reporting date is \$Nil (2020: \$nil).

In addition, there was a payment of director fees to Mr Pei. As at 31 December 2021, the accounts payable balance for his director fees was \$42,388 (2020: \$nil). Details regarding Mr Pei's director's fees are set out in the Director's Report.

All transactions were made on normal commercial terms and conditions and at market rates.

Additional disclosures relating to key management personnel*Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/other	Balance at the end of the year
	No.	No.	No.	No.	No.
<i>Ordinary shares</i>					
Gerry Fahey*	12,820	-	12,820	-	25,640
Dianfei Pei	90,519,954	-	-	(90,519,954)**	-
Zhaoya Wang	-	-	-	-	-
Richard O'Shannassy	-	-	-	-	-
Lingquan Kong	-	-	-	-	-
Wanghong Yang	-	-	-	-	-
Alex Aaltonen	-	-	-	-	-
Fengfan Sun	-	-	-	-	-
Rodney Johns	-	-	-	-	-
	<u>90,532,774</u>	<u>-</u>	<u>12,820</u>	<u>(90,519,954)</u>	<u>25,640</u>

*Gerry Fahey purchased an additional 12,820 under the entitlement offer conducted in December 2021.

** Mr Pei resigned as Chairman and is no longer a related party of Focus.

This is the end of remuneration report.

Proceedings on Behalf of the Company

Other than as disclosed in this report no person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act 2001*.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the Company Who are Former Partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2021 has been received and can be found on page 36 of the Financial Report.

Rounding of Amounts

The Company is of a kind referred to in *Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Wanghong Yang
Chairman of the Board
29 March 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Focus Minerals Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 29 March 2022

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Consolidated Financial Statements

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

	Notes	Consolidated	
		2021 \$'000	2020 \$'000
Revenue from continuing operations	2(a)	78	199
Other Income	2(b)	44	234
Employee expenses	2(c)	(1,578)	(1,400)
Depreciation expenses	2(c)	(263)	(371)
Finance costs	2(c)	(1,476)	(752)
Loss on disposal of tenements	2(c)	(618)	(2,916)
Loss on impairment of inventory	2(c)	(197)	-
Care and maintenance costs		(831)	(934)
Corporate and other expenses	2(c)	(1,867)	(1,918)
Loss Before Income Tax For the Year		(6,708)	(7,858)
Income Tax Expense	4	-	-
Loss After Income Tax For the Year		(6,708)	(7,858)
Other Comprehensive Income for the year, Net of Tax		-	-
Total Comprehensive Loss For the Year		(6,708)	(7,858)
Total Comprehensive Loss Attributable to: Owners of Focus Minerals Limited		(6,708)	(7,858)
Total Comprehensive Loss For the Year		(6,708)	(7,858)
Loss per Share			
Basic Loss per Share (Cents Per Share)	5	(3.66)	(4.30)
Diluted Loss per Share (Cents Per Share)	5	(3.66)	(4.30)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2021**

	Notes	Consolidated 31 December 2021 \$'000	31 December 2020 \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	6	27,251	7,795
Short-term Deposits	6	-	12,096
Trade and Other Receivables	7	835	252
Inventories		5	-
Total Current Assets		28,091	20,143
Non-Current Assets			
Cash and Cash Equivalents -Restricted Cash	6	13,741	13,803
Inventories		1,089	1,291
Plant and Equipment	8	978	804
Right-of-use Assets	9	202	30
Exploration and Evaluation Assets	10	106,961	94,377
Total Non-Current Assets		122,971	110,305
Total Assets		151,062	130,448
Liabilities			
Current Liabilities			
Trade and Other Payables	11	621	749
Provisions	12	278	250
Lease Liabilities	13	92	25
Other Current Liabilities	14	-	101
Total Current Liabilities		991	1,125
Non-Current Liabilities			
Provisions	12	30,397	29,012
Borrowing	15	20,000	20,000
Lease Liabilities	13	119	-
Total Non-Current Liabilities		50,516	49,012
Total Liabilities		51,507	50,137
Net Assets		99,555	80,311
Equity			
Issued Capital	16(a)	453,119	427,167
Reserves	16(c)	(7,178)	(7,178)
Accumulated Losses	16(d)	(346,386)	(339,678)
Total Equity		99,555	80,311

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Issued Capital \$'000	Accumulated Losses \$'000	Reserves \$'000	Total \$'000
Balance as at 31 December 2019	427,167	(331,820)	(7,178)	88,169
Loss after income tax for the year	-	(7,858)	-	(7,858)
Balance as at 31 December 2020	427,167	(339,678)	(7,178)	80,311
Loss after income tax for the year	-	(6,708)	-	(6,708)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity (see note 16)	25,952	-	-	25,952
Balance as at 31 December 2021	453,119	(346,386)	(7,178)	99,555

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Consolidated 2021 \$'000	2020 \$'000
Cash Flows from Operating Activities			
Payments to Suppliers and Employees (Including GST)		(4,225)	(3,639)
Royalties Paid		-	-
Payment of Performance & Other Bonds		-	(30)
Other Income		21	256
Interest Received		98	213
Settlement of Forfeiture Applications		-	(580)
Finance Costs		(720)	(280)
Net Cash Used In Operating Activities	6(ii)	(4,826)	(4,060)
Cash Flows from Investing Activities			
Proceeds from Sale of Non-Current Assets		25	-
Acquisition of Plant and Equipment		(428)	(229)
Payment to Leases		(96)	(131)
(Increase)/Decrease in Short-term Deposits		12,158	(12,000)
Payments for Exploration Expenditure		(12,779)	(9,821)
Net Cash Used In Investing Activities		(1,120)	(22,181)
Cash Flows from Financing Activities			
Proceeds from Rights issue		25,503	-
Proceeds from Borrowings		-	20,167
Repayment of Borrowings		(101)	(66)
Net Cash From Financing Activities		25,402	20,101
Net increase/(Decrease) in Cash and Cash Equivalents		19,456	(6,140)
Cash and Cash Equivalents at the Beginning of the Year		7,795	13,935
Cash and Cash Equivalents at the End of the Year	6(i)	27,251	7,795

The accompanying notes form part of these financial statements.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Focus Minerals Ltd ('the parent entity') and its subsidiaries (the 'Group').

(a) *New or amended Accounting Standards and Interpretations adopted*

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) *Basis of Preparation*

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the parent company.

The financial report covers the consolidated financial statements of Focus Minerals Ltd and controlled entities. Focus Minerals Ltd is a for-profit, listed public company, incorporated and domiciled in Australia.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(c) *Parent entity information*

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

The financial information for the parent entity, Focus Minerals Ltd, disclosed in Note 20 has been prepared on the same basis as the consolidated financial statements other than investments in subsidiaries, which are held at cost.

(d) *Segment Reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

(e) *Principles of Consolidation*

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Focus Minerals Ltd at the end of the reporting period and from time to time during the year. A controlled entity is any entity over which Focus Minerals Limited has control of the entity, demonstrated by the Group's exposure to, or rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. In assessing the ability to control, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 19 to the financial statements.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(f) Revenue Recognition

Revenue is recognised for the major business activities as follows:

Revenue from contracts with customers: Revenue from contracts with customers is recognised when a customer obtains control of the promised asset and the Group satisfies its performance obligations under the contract. Revenue is allocated to each performance obligation. The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for the transferring of promised goods.

Interest Income: Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Dividends: Revenue is recognised when the Group's right to receive the payment is established.

Rental Income: Rental income from mining leases is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

(g) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification for the current reporting period.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(h) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term, highly liquid deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) *Trade and Other Receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(j) *Non-current assets held for sale*

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

(k) *Inventories*

Raw materials and stores, ore stockpiles and work in progress and finished gold stocks are physically measured or estimated and valued at the lower of cost and net realisable value. Net realisable value less costs to sell is assessed annually based on the amount estimated to be obtained from sale of the item of inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure and depreciation and amortisation relating to mining activities, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories of consumable supplies and spare parts expected to be used in production are valued at the lower of weighted average cost, which includes the cost of purchase as well as transportation and statutory charges, or net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified.

During the exploration and development phase, where the cost of extracting the ore exceeds the likely recoverable amount, work in progress inventory is written down to net realisable value.

(l) *Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(m) *Impairment of Financial Assets*

The accounting policy for impairment of financial assets is explained in note 1(o).

(n) *Income Tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting 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:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting 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.

Unrecognised deferred income tax assets attributable to income tax losses are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will be available to allow the deferred tax asset to be recovered.

Determination of future taxable profits requires estimates and assumptions as to future events and outcomes, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgements about commodity prices, ore resources, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

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 recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Focus Minerals Ltd and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(o) *Financial Instruments*

Financial assets

Classification:

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, and
- those to be measured at amortised cost.

The classification depends on whether the financial asset is an equity instrument or a debt instrument, the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement:

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments which are not held for trading, in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in profit or loss.

Impairment:

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Financial liabilities held for trading are measured at FVPL, and all other financial liabilities are measured at amortised cost.

(p) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(q) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes 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 the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation

Depreciation on mobile plant is calculated on a straight-line basis over the estimated useful life of the assets being 2 – 25 years.

Depreciation of underground assets is calculated on a unit of production basis over the period of the life of mine plan.

Depreciation of the mill treatment assets is calculated on a straight-line basis over the estimated useful life of the assets, being 10 years.

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The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may be impaired. Where this is the case then the recoverable amount of this plant and equipment is estimated.

The recoverable amount of plant and equipment is the higher of fair value less costs of disposal 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 be close to its fair value.

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 profit or loss.

De-Recognition 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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(r) *Exploration and Evaluation Assets*

Exploration and evaluation assets incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises direct costs and does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Exploration expenditure for each area of interest is carried forward as an asset provided the rights to tenure of the area of interest are current and one of the following conditions is met:

- The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

Exploration expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, or when the cash generating unit that exploration expenditure assets are a part of are tested for impairment. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount the impairment loss will be measured and disclosed in accordance with AASB 136 Impairment of Assets.

When a decision is made to develop an area of interest, all carried forward exploration expenditure in relation to the area of interest is transferred to Mine Properties and Development.

(s) *Trade and Other Payables*

Trade and other payables are recognised originally at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of each reporting period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(t) *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.

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 a borrowing cost.

(u) *Lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(v) *Employee Benefits*

Wages, Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, leave-in-lieu ("Toil") and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Defined Contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service.

Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(w) *Borrowings*

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(x) *Share-Based Payment Transactions*

Equity Settled Transactions

The Group provides benefits to certain third parties and employees (including senior executives) in the form of share-based payments. Third parties and employees render services to the Group in exchange for shares or rights over shares (“equity-settled transaction”).

The cost of these equity-settled transactions with third parties and employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Focus Minerals Ltd (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant beneficiary becomes fully entitled to the award (“vesting date”).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group’s best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(y) *Issued Capital*

Ordinary shares are classified as 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.

(z) Provision for Rehabilitation

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The mining, extraction and processing activities of the Group give rise to obligations for site restoration and rehabilitation. Restoration and rehabilitation obligations can include facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation and site restoration. Provisions for the cost of each rehabilitation program are recognised at the time that environmental disturbance occurs.

Provision for rehabilitation is initially measured at the expected value of future cash flows required to rehabilitate the relevant site, discounted to their present value. The judgements and estimates applied for the estimation of the rehabilitation provisions are discussed in Note 1(dd).

When provisions for rehabilitation are initially recognised, the corresponding cost is capitalised into the cost of the related assets and is amortised using the units of production method over the life of the mine. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised in finance costs.

At each reporting date, provision for rehabilitation is re-measured to account for any new disturbance, updated cost estimates, inflation, changes to the estimated reserves and lives of operations, new regulatory requirements, environmental policies and revised discount rates. Changes to the provision for Rehabilitation liability are added to or deducted from the related rehabilitation asset and amortised accordingly.

(aa) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. If the assets related to government grants have been fully impaired, amortised or depreciated, the grant received is recorded in the statement of profit or loss as other income.

(bb) Loss per Share

Basic loss per share is calculated as net result attributable to members of the parent, 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.

Diluted loss per share is calculated as net result attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends.
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(cc) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(dd) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

- Reserves and Resources

In order to calculate Ore Reserves and Mineral Resources, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. The Group estimates Mineral Resources based on information compiled by Competent Persons (as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as revised in December 2004 (the 2004 JORC code) or, if updated or more recent, is reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012 Edition). Refer to pages 11 to 19 for which JORC code is used for which resources.

As economic assumptions used to estimate reserves change and as additional geological data is generated during the course of operations, estimates of reserves and mineral resources may vary from period to period. Changes in reported reserves and mineral resources may affect the Group's financial results and financial position in a number of ways, including the following:

Asset carrying values may be affected due to changes in estimated future cash flows;

Depreciation and amortisation charges in profit and loss may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change; and

Restoration and rehabilitation provision may be affected due to changes in the magnitude of future restoration and rehabilitation expenditure.

- Exploration and Evaluation Expenditure

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

- Restoration and Rehabilitation Provision

The Group's accounting policy for the recognition of restoration and rehabilitation provision requires significant estimates including the magnitude of possible works required for the removal of infrastructure and of rehabilitation works, future cost of performing the work, the inflation and discount rates and the timing of cash flows. These uncertainties may result in future actual expenditure differing from the amounts currently provided. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

- Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(ee) Rounding

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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(ff) New or amended Accounting Standards and Interpretations adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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Note 2: Revenues and Expenses

	Consolidated	
	2021 \$'000	2020 \$'000
(a) Revenue from continuing operations		
Interest income	78	199
Total revenue from continuing operations	78	199
(b) Other income		
Sundry income	19	234
Gain on disposal of assets	25	
Total other income	44	234
(c) Expenses		
<i>Depreciation Expenses</i>		
Depreciation – Plant and equipment	162	280
Depreciation – Right-of-use assets	101	91
Total depreciation expenses	263	371
<i>Finance Expenses</i>		
Interest provision – Asset Retirement Obligation	612	472
Interest expense paid/payable on lease liabilities	8	4
Interest expense paid/payable on long term borrowings	710	126
Other Finance Costs	146	150
Total finance expenses	1,476	752
<i>Corporate and other expenses</i>		
Professional services and consulting fees	1,083	1,149
Corporate expense	784	769
Total corporate and other expenses	1,867	1,918
<i>Employee Expenses</i>		
Total Employee Expenses	1,578	1,400
Total Employee Expenses	1,578	1,400
<i>Loss on disposal of tenements</i>		
Exploration assets	618	2,916
Total loss on disposal of tenements	618	2,916
<i>Loss on impairment of inventory</i>		
Inventory	197	-
Total loss on disposal of tenements	197	-

Note 3: Segment Reporting

All Focus Minerals Limited's subsidiaries are wholly owned. The Group has three reportable segments, as described below, which are the Group's strategic business units. The business units are managed separately as they require differing processes and skills. The Chief Executive Officer reviews internal management reports on each of these business units on a monthly basis. Segment Financial Information for the year ended 31 December 2021 is presented below:

	2021 Coolgardie \$'000	2021 Laverton \$'000	2021 Corporate \$'000	2021 Consolidated \$'000
Revenue from continuing operations	11	37	30	78
Other income	44	-	-	44
Employee expenses	-	-	(1,578)	(1,578)
Depreciation	(157)	-	(106)	(263)
Finance cost	59	(815)	(720)	(1,476)
Loss on impairment of inventory	(197)	-	-	(197)
Loss on disposal of tenements	(75)	(543)	-	(618)
Care and Maintenance Costs	(341)	(490)	-	(831)
Corporate and Other expenses	(412)	(7)	(1,448)	(1,867)
SEGMENTED LOSS BEFORE TAX	(1,068)	(1,818)	(3,822)	(6,708)
Income taxes	-	-	-	-
SEGMENTED LOSS	(1,068)	(1,818)	(3,822)	(6,708)
Current Assets	500	99	27,492	28,091
Non-Current Assets				
- Restricted Cash	3,111	10,340	290	13,741
- Inventories	1,089	-	-	1,089
- Property, Plant & Equipment	581	388	9	978
- Right-of-Use Assets	-	-	202	202
- Exploration and Evaluation	55,263	51,698	-	106,961
TOTAL ASSETS	60,544	62,525	27,993	151,062
Current Liabilities	147	21	823	991
Other Non-Current Liabilities	13,326	16,852	20,338	50,516
TOTAL LIABILITIES	13,473	16,873	21,161	51,507
NET ASSETS	47,071	45,652	6,832	99,555

Segment Financial Information for the year ended 31 December 2020 is presented below:

	2020 Coolgardie	2020 Laverton	2020 Corporate	2020 Consolidated
	\$'000	\$'000	\$'000	\$'000
Revenue from continuing operations	28	90	81	199
Other income	32	185	17	234
Depreciation	(276)	-	(95)	(371)
Employee expenses	-	-	(1,400)	(1,400)
Finance cost	(234)	(384)	(134)	(752)
Care and Maintenance Costs	(440)	(494)	-	(934)
Loss on disposal of tenements and plant and equipment	(2,545)	(371)	-	(2,916)
Corporate and Other expenses	(91)	(343)	(1,484)	(1,918)
SEGMENTED LOSS BEFORE TAX	(3,526)	(1,317)	(3,015)	(7,858)
Income taxes	-	-	-	-
SEGMENTED LOSS	(3,526)	(1,317)	(3,015)	(7,858)
Current Assets	644	142	19,357	20,143
Non-Current Assets				
- Restricted Cash	3,111	10,345	347	13,803
- Inventories	1,291	-	-	1,291
- Property, Plant & Equipment	632	161	11	804
- Right-of-Use Assets	-	6	24	30
- Exploration and Evaluation	46,214	48,163	-	94,377
TOTAL ASSETS	51,892	58,817	19,739	130,448
Current Liabilities	243	195	688	1,125
Other Non-Current Liabilities	12,690	16,143	20,178	49,012
TOTAL LIABILITIES	12,933	16,338	20,866	50,137
NET ASSETS	38,959	42,479	(1,127)	80,311

Note 4: Income Tax

Consolidated

	31 December 2021 \$'000	31 December 2020 \$'000
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The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

Accounting loss before tax	(6,708)	(7,858)
Tax at the statutory income tax rate of 30% (2020: 30%)	(2,012)	(2,358)
Tax effect of amount which we are not deductible/(taxable) in calculating taxable income:		
Other deductible expense	(3,979)	(4,942)
Fixed assets	(282)	(292)
Rehabilitation provision	186	607
Immediate deduction for exploration costs	(3,557)	(2,078)
Unrecognised tax losses	5,620	4,347
Unrecognised capital losses	-	-
Income tax expense/(benefit) recognised in profit or loss	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. The Company has tax losses arising in Australia. The tax benefit of these losses is available indefinitely for offset against future taxable profits of the companies in which the losses arose, subject to ongoing conditions for deductibility being met.

Tax Consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Group have entered into a tax sharing arrangement with effect from 30 June 2013 in order to allocate income tax expense to the wholly owned controlled entities on pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Focus Minerals Ltd.

Tax Effect Accounting by Members of the Tax Consolidated Group

Members of the tax consolidated group have entered into a tax funding agreement with effect from 30 June 2013. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of *AASB 112 Income Taxes*. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Focus Minerals Ltd.

Unrecognised deferred tax balances

A net deferred tax balance has not been recognised in respect to the following items.

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Deferred tax assets unrecognised:		
Other deductible expenses	253	552
Plant & equipment	(27)	320
Rehabilitation provision	9,053	8,650
Inventory	445	445
Tax losses (revenue in nature)	154,738	148,855
Capital losses	4,338	4,338
Exploration & evaluation expenditure	(32,088)	(28,313)
Total	136,712	134,847

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits thereof.

Note 5: Loss per Share

	Consolidated	
	2021	2020
	Cents per Share	Cents per Share
<i>Basic Loss per share:</i>		
Total Basic Loss per Share	(3.66)	(4.30)
<i>Diluted Loss per share</i>		
Total Diluted Loss per Share	(3.66)	(4.30)
<i>Basic Loss per share</i>	\$000	\$000
Net loss used in the calculation of basic loss per share	(6,708)	(7,858)
Weighted average number of ordinary shares for the purposes of basic loss per share	183,032,976	182,748,565
Adjustments for calculation of diluted loss per share:	-	-
Weighted average number of ordinary shares for the purposes of diluted loss per share	183,032,976	182,748,565

Note 6: Cash, Cash Equivalents, Restricted Cash and Short-Term Deposits

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Cash and cash equivalents	27,251	7,795
Current – Short-term deposits	-	12,096
	27,251	19,891
Non- current – Restricted cash	13,741	13,803

Cash and cash equivalents

Cash at bank earns interest at floating rates based on daily deposit rates.

Cash deposits are made for varying periods up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective commercial short-term deposit rates which is recognised as cash and cash equivalents.

Short-term deposits

Short-term deposits have original maturity longer than three months and shorter than one year.

Restricted cash

Restricted cash includes performance bonds totalling \$13.5 million have been issued by a bank on behalf of the Group in respect of Western Australian mining tenements. The Group has indemnified the bank against any loss arising from the performance bonds and the indemnity is secured against cash deposits. Those are recognised as restricted cash.

In addition, security deposits totalling \$206k are held on Focus' behalf. These are also classified as restricted cash.

(i) Reconciliation to Statement of Cashflows

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and at bank and short-term deposits, net of secured short-term deposits. Cash and cash equivalents as shown in the Statement of Cash Flows is:

	Consolidated	
	2021 \$'000	2020 \$'000
Cash, cash equivalents, restricted cash and short-term deposits	40,992	33,694
Less: Short-term Deposit	-	(12,096)
Less: Restricted cash not available for use	(13,741)	(13,803)
Cash and cash equivalents as per statement of cash flows	27,251	7,795

(ii) Reconciliation of Loss for the Year to Net Cash Flows from Operating Activities

	Consolidated	
	2021	2020
	\$'000	\$'000
Net loss for the year	(6,708)	(7,858)
Adjustments for:		
Depreciation expense	263	371
Gain from disposal of non-current assets	(25)	-
Loss on disposal of tenements	618	2,916
Loss on impairment of inventory	197	-
Finance costs	613	472
<i>(Increase)/decrease in assets:</i>		
Bonds	-	(30)
Current receivables	1	40
Other assets	-	17
<i>Increase/(decrease) in liabilities</i>		
Current payables	147	66
Provisions	68	(54)
Net cash used in operating activities	(4,826)	(4,060)

Note 7: Trade and Other Receivables

	Consolidated	
	31 December	31 December
	2021	2020
	\$'000	\$'000
Interest receivable	-	20
Proceeds receivable from Rights Issue	450	-
Other receivables	385	232
	835	252

Note 8: Plant and Equipment

Non-current	Furniture & fittings \$'000	Plant & Equipment \$'000	Mill assets \$'000	Motor Vehicles \$'000	Assets in progress \$'000	Total \$'000
At 31 December 2020						
Cost	1,288	6,988	31,864	532	211	40,883
Accumulated depreciation	(1,246)	(6,527)	(18,612)	(452)	-	(26,837)
Impairment loss	(2)	(25)	(13,165)	(50)	-	(13,242)
Net book amount	40	436	87	30	211	804
Year ended 31 December 2021						
Opening net book amount	40	436	87	30	211	804
Additions	57	78	-	221	73	429
Depreciation expense	(5)	(101)	(56)	-	-	(162)
Depreciation expense capitalised to Exploration	(23)	(37)	-	(33)	-	(93)
Assets disposed	-	-	(55)	(69)	-	(124)
Accumulated Depreciation on disposals	-	-	55	69	-	124
Closing Carrying Amount	69	376	31	218	284	978
At 31 December 2021						
Cost	1,345	7,066	31,809	684	284	41,188
Accumulated depreciation	(1,274)	(6,665)	(18,613)	(416)	-	(26,968)
Impairment loss	(2)	(25)	(13,165)	(50)	-	(13,242)
Net book amount	69	376	31	218	284	978
At 31 December 2019						
Cost	1,278	6,985	32,294	532	-	41,089
Accumulated depreciation	(1,231)	(6,332)	(18,938)	(441)	-	(26,942)
Impairment loss	(2)	(25)	(13,165)	(50)	-	(13,242)
Net book amount	45	628	191	41	-	905
Year ended 31 December 2020						
Opening net book amount	45	628	191	41	-	905
Additions	10	8	-	-	211	229
Depreciation expense	(4)	(172)	(104)	-	-	(280)
Depreciation expense capitalised to Exploration	(11)	(28)	-	(11)	-	(50)
Assets disposed	-	(5)	(430)	-	-	(435)
Accumulated Depreciation on disposals	-	5	430	-	-	435
Closing net book amount	40	436	87	30	211	804
At 31 December 2020						
Cost	1,288	6,988	31,864	532	211	40,883
Accumulated depreciation	(1,246)	(6,527)	(18,612)	(452)	-	(26,837)
Impairment loss	(2)	(25)	(13,165)	(50)	-	(13,242)
Net book amount	40	436	87	30	211	804

Note 9: Right-of-use Assets

The Group leases land and buildings for its offices and storage under agreements for two – three years. In some cases, the agreements have options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Right-of-use Assets:		
Land and Buildings*	280	245
Less: Accumulated Depreciation	(78)	(215)
Net Carrying Value	<u>202</u>	<u>30</u>

* Cost of Right-of-Use asset for the Perth office was adjusted during 2020. Original calculations include an additional rent payment. During the year a storage unit lease expired. The unit was vacated. As a result, the Right of Use asset has been derecognised.

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings -Right of Use
	31 December \$'000
Consolidated	
Balance at 1 January 2020	145
Depreciation expense	<u>(115)</u>
Balance at 31 December 2020	<u>30</u>
Additions	280
Depreciation expense	<u>(108)</u>
Balance at 31 December 2021	<u><u>202</u></u>

Note 10: Exploration and Evaluation Assets

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Exploration and evaluation assets – at cost	106,961	94,377
Movement Summary:		
Carrying amount at beginning of the year	94,377	85,899
Add – exploration expenditure capitalised	12,468	9,841
Add – rehabilitation liability adjustment classified as Exploration	734	1,553
Less – write-off of tenements allowed to lapse, dropped or sold	(618)	(2,916)
Carrying amount at end of the year	106,961	94,377

The value of the Group's interest in exploration and evaluation assets is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration;
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale; and
- no significant changes in laws and regulations that greatly impact the Group's ability to maintain tenure.

Note 11: Trade and Other Payables

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Trade payables	632	655
Payroll tax and other statutory liabilities	(11)	94
	621	749

Note 12: Provisions

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Current		
Employee benefits		
Balance at the beginning of the year	250	280
(Utilised) / Increase in provision during the year	28	(30)
Balance at the year end	278	250
Non-current		
Employee benefits		
Balance at the beginning of the year	179	203
(Utilised)/ Increase in provision during the year	40	(24)
Balance at the year end	219	179
Provision for Rehabilitation		
Balance at the beginning of the year	28,833	26,809
Additional provisions recognised	734	1,552
Unwinding discount	611	472
Balance at the year end	30,178	28,833
Total	30,397	29,012

Note 13: Lease Liabilities

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Current		
Lease Liabilities	92	25
Non-current		
Lease Liabilities	119	-

Note 14: Other Liabilities

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Insurance – Premium Funding loan	-	101

Note 15: Borrowing

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Related Party Loan	20,000	20,000

Refer to note 17 for further information on financial instruments.

During October 2020, the Group executed a \$20 million loan facility agreement with Shandong Gold Group Co. Ltd (its major shareholder). The loan is payable in full after 3 years. Interest is payable quarterly in arrears at 3.5% per annum. The loan is unsecured and was fully drawn down as at 31st December 2020.

On 8th December 2021, the Group secured an additional US10 million in funding with Shandong Gold Financial Holdings Group (HongKong) Co., Limited. The unsecured loan is payable, 3 years after drawdown. Interest is payable quarterly in arrears at 3.5% per annum. None of this loan was drawn down as at 31st December 2021.

Note 16: Issued Capital and Reserves*Authorised Capital*

The Company does not have an Authorised Capital and there is no par value for ordinary shares.

(a) Ordinary shares

	As at		As at	
	31 December 2021	31 December 2021	31 December 2020	31 December 2020
	No. of shares	\$'000	No. of shares	\$'000
Issued capital	286,558,645	453,119	182,748,565	427,167

Movements in Ordinary Capital

Details	Date	Shares	Issue price	\$'000
Balance	At 1 January 2020 and 31 December 2020	<u>182,748,565</u>		<u>427,167</u>
Balance	1 January 2021	182,748,565		427,167
Issue of shares	31 December 2021	<u>103,810,080</u>	\$0.25	<u>25,952</u>
Balance	31 December 2021	<u><u>286,558,645</u></u>		<u><u>453,119</u></u>

Share Issue Details

During there year, there were 103,810,080 new shares issued (2020: nil). This was done through a 1 for 1 non renounceable entitlement offer for existing Focus's shareholders.

Voting Entitlements

At each shareholder's meeting each ordinary share is entitled to one vote on the calling of a poll, otherwise each shareholder is entitled to one vote on a show of hands.

(b) Capital Management

Management controls the capital of the Group in order to ensure the Group can fund its operations; continue as a going concern and ensure compliance with banking covenants. The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets and cash and cash equivalents. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks, adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

(c) Reserves

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Acquisition reserve	(7,178)	(7,178)
	(7,178)	(7,178)

The acquisition reserve resulted from acquisition of Focus Minerals (Laverton) Pty Ltd.

(d) Reserves

	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Accumulated losses at beginning of the year	(339,678)	(331,820)
Net loss for the year	(6,708)	(7,858)
Accumulated losses at end of the year	(346,386)	(339,678)

(e) Dividends

No dividends have been paid or provided for during the year ended 31 December 2021 (2020: Nil).

(f) Options

Options Issued

No options were issued in the year ended 31 December 2021 (2020: Nil).

Options Exercised

There were no options exercised during the year ended 31 December 2021 (2020: Nil).

Options Lapsed

During the year ended 31 December 2021, there were no options expired (2020: Nil).

Options Outstanding

There were no options outstanding as at 31 December 2021. (2020: Nil).

Note 17: Financial Instruments

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, and short-term investments, accounts receivable and payable, convertible notes and derivatives.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

Derivatives are used by the Group from time to time for hedging purposes such as forward gold sales agreements. The Group does not speculate in the trading of derivative instruments.

Treasury Risk Management

Risks are reviewed by the Audit and Risk Committee which consists of non-executive directors and senior staff by invitation. This includes the analysis of financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Audit and Risk Committee operates under policies approved by the board of directors. Risk management policies are reviewed and approved by the Board on a regular basis. These include the use of hedging derivative instruments, credit policies and future cash flow requirements.

Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are market risk (including interest rate risk and price risk), credit risk and liquidity risk.

Interest Rate Risk

The Group's exposure to risks of changes in market interest rates relates primarily to the Group's cash balances. The Group's long-term borrowing is maintained at fixed rate.

Credit Risk

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

Credit risk is managed on a group basis and reviewed regularly by the finance department. It arises from exposures to approved customers as well as deposits with financial institutions.

The Audit and Risk Committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only approved banks and financial are utilised;
- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing.

The Group currently holds its cash and cash equivalents with various financial institutions, all of which hold a credit rating of AA. The Group believes the credit risk exposure to these counterparties is manageable.

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations.

Liquidity Risk

The Group manages liquidity risk by monitoring forecast project and operating cash flows and ensuring that a minimum level of uncommitted cash is available for immediate use and consists of cash on deposit and/or utilised borrowing facilities. At the end of the year the Group held deposits at call of \$13.5 million (December 2020: \$13.9 million) that are expected to readily generate cash inflows for managing liquidity risk.

Sensitivity Analysis

Interest Rate Analysis

At 31 December 2021, the Group had \$13.741 million invested in security deposits and performance bonds and \$27.251 million in cash and cash equivalents and short-term deposits. A 1% increase in the interest rate would impact the interest earned by \$409,926. Interest rates on short term deposits are less than 1%, so a 1% decrease in the rate would reduce interest earned to nil.

Maturities of Financial Liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for non-derivative financial liabilities.

Contractual maturities of financial liabilities	Weighted average interest rate	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2021							
Non-derivatives							
Trade payables	-	621	-	-	-	-	621
Related Party Loan	3.50%	-	-	20,000	-	-	20,000
At 31 December 2020							
Non-derivatives							
Trade payables	-	749	-	-	-	-	749
Related Party Loan	3.50%	-	-	-	20,000	-	20,000
Premium Funding Loan	2.31%	101	-	-	-	-	101

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 18: Commitments and Contingencies*Operating Mining tenement expenditure commitments*

As at 31 December 2021, the Group has committed, under tenement landholding conditions, to spend a minimum of \$3.1 million per annum (2020: \$3.1 million).

For the Laverton tenements, the commitment for 2021 is \$1.9 million (2020: \$1.9 million).

For the Coolgardie tenements, the commitment for 2021 is \$1.2 million (2020: \$1.2 million).

Contingent Asset

On 18th September 2020, Focus Minerals Limited entered an agreement to terminate the Coolgardie Rare Metals Venture with Lithium Australia NL. Under the terms of the agreement, Focus Minerals Limited agreed to transfer 3 prospecting licenses in exchange for a conditional grant of royalty equal to 20% of the statutory royalty paid to the State of Western Australia. The licenses were transferred on 24th September 2021. Focus has lodged consent caveats to protect Focus interest in the royalties. As at balance date, the related mining lease application (as conversion of the prospecting licenses) is still pending, therefore the likelihood, amount, and timing of receiving future royalties under the agreement is unknown. Because the royalty income is not virtually certain, no asset has been recognised within these financial statements.

Contingent Liability

There are no contingent liabilities as at 31 December 2021 (2020: Nil).

Note 19: Controlled Entities

The consolidated financial statements include the financial statements of Focus Minerals Ltd and the subsidiaries listed below:

Name	Country of Incorporation	% Equity Interest	
		31 December 2021	31 December 2020
Focus Operation Pty Ltd	Australia	100%	100%
Focus Minerals (Laverton) Pty Ltd	Australia	100%	100%

Note 20: Parent Entity

Set out below is the supplementary information about the parent entity.

	Parent Entity 2021	2020
Results of the parent entity	\$'000	\$'000
Loss for the year	(6,708)	(7,858)
Other comprehensive income	-	-
Total comprehensive loss for the year	(6,708)	(7,858)
Financial position of parent entity at year end		
Current assets	27,492	19,356
Total assets	120,716	101,179
Current Liabilities	823	689
Total liabilities	21,161	20,869
Total net asset	99,555	80,310
Total equity of parent entity comprising of:		
Share capital	453,119	427,167
Option reserve	-	-
Accumulative losses	(353,564)	(346,857)
Total equity	99,555	80,310

Contingent Liability

There are no contingent liabilities as at 31 December 2021 (31 December 2020: Nil).

Ultimate Controlling Entity

The ultimate controlling entity at 31 December 2021 and 2020 was Shandong Gold Group Co., Ltd which owned 62.84% (31 December 2020: 49.53%) of the company's shares.

Financial Support for controlled entities.

The parent entity, Focus Minerals Ltd is providing and will continue to provide financial support to all its controlled entities.

Mining tenement expenditure commitment

As at 31 December 2021, the parent company has committed, under tenement landholding conditions, to spend a minimum of \$1.1 million per annum (2020: \$1.2 million).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 21: Related Party Disclosure*Parent Entity*

Focus Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 19.

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2021 \$	2020 \$
Short-term employee benefits	1,527,589	1,234,848
Post-employment benefits	133,620	92,470
	1,661,209	1,327,318

Terms and Conditions of Transactions with Related Parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Transactions and Balances with Related Parties

Shandong Gold International Mining Corporation Limited is the major shareholder of Focus Minerals Limited. During 2020, Shandong provided an unsecured loan facility to Focus Minerals Limited, totalling \$20 million. Key terms of the facility agreement are as follows:

- Term: 3 years, principal payable at the end of the term.
- Interest: 3.5% per annum, payable quarterly in arrears.

As at 31st December 2021, the balance of the loan payable to Shandong Gold was \$20 million (2020: \$20 million). Total interest expense for the year ended 31 December 2021 was \$709,722 (2020: \$126,389). Amount of interest payable at reporting date is Nil (2020: nil).

As at 31 December 2021, balance owing to Alex Aaltonen of was nil (2020: \$20,000).

In addition, there was a payment of director fees and retirement allowance to Mr Pei. As at 31 December 2021, the account payable balance for his director fees was \$42,388 (2020: nil). Details regarding Mr Pei's director's fees are set out in the Director's Report.

Note 22: Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by Accounting Firm RSM Australia, the auditor of the company, its network firms and unrelated firms.

	2021 \$000	2020 \$000
RSM Australia Partners - <i>Audit and review of the financial statements</i>	60	56
<i>Other services</i>		
RSM Australia Pty Ltd - <i>Tax Services</i>	18	14
RSM Australia Pty Ltd - <i>Tax Consulting</i>	10	20
Total	88	90

Note 23: Significant Events after Balance Date

Theta Gold Mines Limited (TGM) announced a takeover offer of FML shares in December 2021, offering 2 TGM shares for every 1 Focus share. This was later updated to 5 TGM shares for every 2 Focus shares.

On 28th January 2022, Focus released a target statement in response to TGM's offer, whereby Focus Minerals Directors announced that their recommendation that Focus Shareholders reject TGM's offer. The offer closed on 2nd March 2022 and resulted in TGM acquiring an additional 3,157,868 shares, with a total shareholding of 6,343,699 shares (2.21% of Focus total shareholding).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has limited impact on the Group up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The company has implemented various measures to protect its workforce, coinciding with an increase in case numbers in 2022. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

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Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Wanghong Yang
Chairman of the Board
29 March 2022



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOCUS MINERALS LIMITED

Opinion

We have audited the financial report of Focus Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Assets -Refer to Note 10 in the financial statements	
<p>The Group has capitalised exploration and evaluation assets with a carrying value of \$106,961,000 as at 31 December 2021.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> • Determination of whether the exploration and evaluation assets can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; • Assessing whether exploration activities have reached a stage at which the existence of economically recoverable reserves may be determined; and • Assessing whether any indicators of impairment are present and if so, judgement applied to determine and quantify any impairment loss. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining evidence that the Group has valid rights to explore in the specific area; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; • Assessing management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined; • Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; • Assessing and evaluating management's assessment of whether indicators of impairment existed at the reporting date; • Assessing that the impairment expense recognised was appropriately calculated; and • Assessing the appropriateness of the disclosures in the financial report.
Provision for Rehabilitation - Refer to Note 12 in the financial statements	
<p>As a result of the Group's operations in the past, it has an obligation to rehabilitate and restore mine sites. As at 31 December 2021, the Group has brought to account a provision for rehabilitation of \$30,178,000.</p> <p>We considered this to be a key audit matter due to the significant management judgments and estimates involved in assessing the provision for rehabilitation including:</p> <ul style="list-style-type: none"> • Determination of costs to be incurred in future years and its timing; • Complexity involved in the quantification of the provision based on areas disturbed; and • The methodology used to calculate the provision amount to ensure compliance with Australian Accounting Standards. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the process involved in the determination of this provision; • Checking the mathematical accuracy of the model used to calculate the provision; • Reviewing the reasonableness of the inflation rate, discount rate and timing of the rehabilitation cashflows assumptions used in the model; • Reviewing areas of disturbances on a sample basis and management assessment of estimated costs by agreeing to supporting documents; • Ensuring the movement in the provision has been accounted for in accordance with Australian Accounting Standards; and • Assessing the appropriateness of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2021 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Focus Minerals Limited for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 29 March 2022

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Shareholder Information

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 17 March 2021.

Range of Units

Range	Total holders	Units	% Units
1 - 1,000	1,084	491,196	0.17
1,001 - 5,000	1,634	3,949,247	1.38
5,001 - 10,000	425	3,168,659	1.11
10,001 - 100,000	537	16,580,880	5.79
100,001 Over	96	262,368,663	91.56
Rounding			-0.01
Total	3,776	286,556,645	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.255 per unit	1,961	1,664	1,313,653

Substantial Shareholders

As at 18 March 2022, the following had notified the Company as being substantial shareholders:

Shandong Gold International Mining Corporation Limited	181,039,908 ordinary shares
Neil S. Subin, Estate of Lloyd I. Miller, III	15,451,009 ordinary shares

Voting Rights

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

Statement of Quoted Securities

Quoted on the Australian Securities Exchange are 286,558,645 ordinary shares.

**Twenty Largest Shareholders of Each Class of Quoted Securities
Ordinary Fully Paid Shares (ungrouped) as at 22 March 2022**

Rank	Name	Units	% Units
1	SHANDONG GOLD INTERNATIONAL MINING CORPORATION LIMITED	180,079,908	62.84
2	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	11,450,297	4.00
3	CITICORP NOMINEES PTY LIMITED	9,697,034	3.38
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,230,849	3.22
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,796,859	2.72
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,075,270	2.12
7	STONE MINING LIMITED	4,920,958	1.72
8	THETA GOLD MINES LIMITED	4,872,293	1.70
9	KAHUNA CLOTHING AND TRADING CO PTY LTD <UTTLEYMOORE S/F A/C>	2,000,493	0.70
10	MRS ETERNALINA ELLIS	1,600,000	0.56
11	FOCUS MINERALS LIMITED <INELIGIBLE 2021 NRRI A/C>	1,304,426	0.46
12	MR GARY JOHN ROBERTSON	1,045,000	0.36
13	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	995,115	0.35
14	ERIC'S PTY LIMITED <EMPLOYEES PROVIDENT FUND A/C>	989,140	0.35
15	SWISS TRADING OVERSEAS CORP	883,740	0.31
16	MR GEORGE SCOTT MILLING + MRS STEPHANIE MAY MILLING <MILLING SUPER FUND A/C>	829,299	0.29
17	LONERGAN FOUNDATION PTY LTD <LONERGAN FOUNDATION A/C>	771,198	0.27
18	BNP PARIBAS NOMS PTY LTD <DRP>	612,376	0.21
19	MR YIFEI WANG	554,570	0.19
20	PETER ERMAN PTY LIMITED <SUPERANNUATION FUND A/C>	550,544	0.19
Totals: Top 20 holders of ORDINARY SHARES (Total)		246,259,369	85.94
Total Remaining Holders Balance		40,299,276	14.06

Interest in Mining Tenements

Coolgardie Gold Project - Focus Minerals Ltd and its 100% subsidiaries

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Bayleys	M15/0150	Live	100%	WA	Lake Cowan	G15/0043	Pending	0%
WA	Bayleys	M15/0630	Live	100%	WA	Lake Cowan	L15/0408	Pending	0%
WA	Bayleys	M15/1434	Live	100%	WA	Lake Cowan	M15/1882	Pending	0%
WA	Bayleys	M15/1788	Live	100%	WA	Londonderry	P15/5964	Live	100%
WA	Bayleys	P15/5717	Live	100%	WA	Londonderry	P15/5966	Live	100%
WA	Bayleys	P15/5995	Live	100%	WA	Londonderry	P15/5967	Live	100%
WA	Bayleys	P15/6254	Live	100%	WA	Londonderry	P15/5968	Live	100%
WA	Bayleys	P15/6256	Live	100%	WA	Londonderry	P15/5969	Live	100%
WA	Bonnie Vale	M15/0277	Live	100%	WA	Londonderry	P15/5970	Live	100%
WA	Bonnie Vale	M15/0365	Live	100%	WA	Londonderry	P15/5971	Live	100%
WA	Bonnie Vale	M15/0595	Live	100%	WA	Londonderry	P15/5972	Live	100%
WA	Bonnie Vale	M15/0662	Live	100%	WA	Londonderry	P15/6118	Live	100%
WA	Bonnie Vale	M15/0711	Live	100%	WA	Londonderry	P15/6119	Live	100%
WA	Bonnie Vale	M15/0770	Live	100%	WA	Londonderry	P15/6120	Live	100%
WA	Bonnie Vale	M15/0852	Live	100%	WA	Londonderry	P15/6121	Live	100%
WA	Bonnie Vale	M15/0857	Live	100%	WA	Londonderry	P15/6122	Live	100%
WA	Bonnie Vale	M15/0877	Live	100%	WA	Londonderry	P15/6123	Live	100%
WA	Bonnie Vale	M15/0981	Live	100%	WA	Londonderry	P15/6176	Live	100%
WA	Bonnie Vale	M15/1384	Live	100%	WA	Londonderry	P15/6177	Live	100%
WA	Bonnie Vale	M15/1444	Live	100%	WA	Londonderry	P15/6178	Live	100%
WA	Bonnie Vale	M15/1760	Live	100%	WA	Lord Bob	M15/0385	Live	100%
WA	Bonnie Vale	M15/1853	Pending	0%	WA	Lord Bob	M15/1789	Live	100%
WA	Bonnie Vale	P15/5159	Live	100%	WA	Lord Bob	P15/5712	Live	100%
WA	Bonnie Vale	P15/5702	Live	100%	WA	Lord Bob	P15/5939	Live	100%
WA	Bonnie Vale	P15/5703	Live	100%	WA	Lord Bob	P15/6102	Live	100%
WA	Bonnie Vale	P15/5704	Live	100%	WA	Norris	M15/0384	Live	100%
WA	Bonnie Vale	P15/6598	Pending	0%	WA	Norris	M15/0515	Live	100%
WA	Bonnie Vale	P15/6670	Pending	0%	WA	Norris	M15/0761	Live	100%
WA	Infrastructure	G15/0007	Live	100%	WA	Norris	M15/0791	Live	100%
WA	Infrastructure	G15/0046	Pending	0%	WA	Norris	M15/0871	Live	100%
WA	Infrastructure	L15/0027	Live	100%	WA	Norris	M15/1153	Live	100%
WA	Infrastructure	L15/0028	Live	100%	WA	Norris	M15/1422	Live	100%
WA	Infrastructure	L15/0034	Live	100%	WA	Norris	M15/1793	Live	100%
WA	Infrastructure	L15/0042	Live	100%	WA	Norris	P15/6002	Live	100%
WA	Infrastructure	L15/0051	Live	100%	WA	Norris	P15/6033	Live	100%
WA	Infrastructure	L15/0059	Live	100%	WA	Norris	P15/6605	Live	100%
WA	Infrastructure	L15/0063	Live	100%	WA	Three Mile Hill	M15/0154	Live	100%
WA	Infrastructure	L15/0077	Live	100%	WA	Three Mile Hill	M15/0636	Live	100%
WA	Infrastructure	L15/0078	Live	100%	WA	Three Mile Hill	M15/0645	Live	100%
WA	Infrastructure	L15/0088	Live	100%	WA	Three Mile Hill	M15/0781	Live	100%
WA	Infrastructure	L15/0090	Live	100%	WA	Three Mile Hill	M15/0827	Live	100%
WA	Infrastructure	L15/0095	Live	100%	WA	Three Mile Hill	M15/1341	Live	100%

State	Project	Tenement	Status	Interest
WA	Infrastructure	L15/0096	Live	100%
WA	Infrastructure	L15/0114	Live	100%
WA	Infrastructure	L15/0116	Live	100%
WA	Infrastructure	L15/0119	Live	100%
WA	Infrastructure	L15/0122	Live	100%
WA	Infrastructure	L15/0123	Live	100%
WA	Infrastructure	L15/0126	Live	100%
WA	Infrastructure	L15/0127	Live	100%
WA	Infrastructure	L15/0130	Live	100%
WA	Infrastructure	L15/0161	Live	100%
WA	Infrastructure	L15/0164	Live	100%
WA	Infrastructure	L15/0168	Live	100%
WA	Infrastructure	L15/0169	Live	100%
WA	Infrastructure	L15/0171	Live	100%
WA	Infrastructure	L15/0172	Live	100%
WA	Infrastructure	L15/0173	Live	100%
WA	Infrastructure	L15/0174	Live	100%
WA	Infrastructure	L15/0175	Live	100%
WA	Infrastructure	L15/0177	Live	100%
WA	Infrastructure	L15/0179	Live	100%
WA	Infrastructure	L15/0186	Live	100%
WA	Infrastructure	L15/0193	Live	100%
WA	Infrastructure	L15/0194	Live	100%
WA	Infrastructure	L15/0200	Live	100%
WA	Infrastructure	L15/0211	Live	100%
WA	Infrastructure	L15/0283	Live	100%
WA	Infrastructure	L15/0294	Live	100%
WA	Infrastructure	L15/0371	Live	100%
WA	Infrastructure	L15/0403	Pending	0%
WA	Infrastructure	L15/0405	Pending	0%
WA	Infrastructure	L15/0421	Pending	0%
WA	Lake Cowan	E15/0986	Live	100%

State	Project	Tenement	Status	Interest
WA	Three Mile Hill	M15/1357	Live	100%
WA	Three Mile Hill	M15/1358	Live	100%
WA	Three Mile Hill	M15/1359	Live	100%
WA	Three Mile Hill	M15/1432	Live	100%
WA	Tindals	M15/0023	Live	100%
WA	Tindals	M15/0237	Live	100%
WA	Tindals	M15/0410	Live	100%
WA	Tindals	M15/0411	Live	100%
WA	Tindals	M15/0412	Live	100%
WA	Tindals	M15/0646	Live	100%
WA	Tindals	M15/0660	Live	100%
WA	Tindals	M15/0675	Live	100%
WA	Tindals	M15/0958	Live	100%
WA	Tindals	M15/0966	Live	100%
WA	Tindals	M15/1114	Live	100%
WA	Tindals	M15/1262	Live	100%
WA	Tindals	M15/1293	Live	100%
WA	Tindals	M15/1294	Live	100%
WA	Tindals	M15/1433	Live	100%
WA	Tindals	M15/1461	Live	100%
WA	Tindals	P15/5949	Live	100%
WA	Tindals	P15/5987	Live	100%
WA	Tindals	P15/6251	Live	100%
WA	Tindals	P15/6252	Live	100%
WA	Tindals	P15/6253	Live	100%
WA	Tindals	P15/6257	Live	100%
WA	Tindals	P15/6333	Pending	0%
WA	Lepidolite Hill	M15/1874	Pending	Royalty Interest
WA	Lepidolite Hill	P15/5574	Live	Royalty Interest
WA	Lepidolite Hill	P15/5575	Live	Royalty Interest
WA	Lepidolite Hill	P15/5739	Live	Royalty Interest

Laverton Gold Project - Focus Minerals Ltd and its 100% subsidiaries

State	Project	Tenement	Status	Interest
WA	Admiral Hill-Barnicoat	E38/1864	Live	100%
WA	Admiral Hill-Barnicoat	E38/3232*	Live	100%
WA	Admiral Hill-Barnicoat	E38/3238*	Live	100%
WA	Admiral Hill-Barnicoat	E38/3565*	Pending	0%
WA	Admiral Hill-Barnicoat	E38/3661*	Pending	0%
WA	Admiral Hill-Barnicoat	E38/3691*	Pending	0%
WA	Admiral Hill-Barnicoat	E38/3693*	Pending	0%
WA	Admiral Hill-Barnicoat	M38/0264	Live	100%
WA	Admiral Hill-Barnicoat	M38/0318	Live	100%
WA	Admiral Hill-Barnicoat	M38/0376	Live	100%
WA	Admiral Hill-Barnicoat	M38/0377	Live	100%
WA	Admiral Hill-Barnicoat	M38/0387	Live	100%
WA	Admiral Hill-Barnicoat	M38/0401	Live	100%
WA	Admiral Hill-Barnicoat	M38/0507	Live	100%
WA	Admiral Hill-Barnicoat	M38/1032	Live	100%
WA	Admiral Hill-Barnicoat	M38/1042	Live	100%
WA	Admiral Hill-Barnicoat	P38/4519*	Pending	0%
WA	Burtville	E38/1642	Live	100%
WA	Burtville	E38/2032	Live	100%
WA	Burtville	E38/3050	Live	100%
WA	Burtville	E38/3051	Live	100%
WA	Burtville	E38/3088*	Live	100%
WA	Burtville	E38/3217*	Live	100%
WA	Burtville	E38/3659*	Pending	0%
WA	Burtville	M38/0008	Live	100%
WA	Burtville	M38/0073	Live	91%
WA	Burtville	M38/0089	Live	91%
WA	Burtville	M38/0261	Live	100%
WA	Burtville	M38/1281	Live	100%
WA	Burtville	P38/4547*	Pending	0%
WA	Central Laverton	E38/3424*	Live	100%
WA	Central Laverton	M38/0143	Live	100%
WA	Central Laverton	M38/0236	Live	100%
WA	Central Laverton	M38/0270	Live	100%
WA	Central Laverton	M38/0342	Live	100%
WA	Central Laverton	M38/0345	Live	100%
WA	Central Laverton	M38/0363	Live	100%
WA	Central Laverton	M38/0364	Live	100%
WA	Central Laverton	M38/1187	Live	100%
WA	Central Laverton	P38/4163*	Live	100%
WA	Chatterbox	E38/3639*	Pending	0%
WA	Chatterbox	M38/0049	Live	100%
WA	Chatterbox	M38/0101	Live	100%

State	Project	Tenement	Status	Interest
WA	Infrastructure	L38/0034*	Live	100%
WA	Infrastructure	L38/0052*	Live	100%
WA	Infrastructure	L38/0053*	Live	100%
WA	Infrastructure	L38/0054*	Live	100%
WA	Infrastructure	L38/0055*	Live	100%
WA	Infrastructure	L38/0056*	Live	100%
WA	Infrastructure	L38/0057*	Live	100%
WA	Infrastructure	L38/0063*	Live	100%
WA	Infrastructure	L38/0075*	Live	100%
WA	Infrastructure	L38/0076*	Live	100%
WA	Infrastructure	L38/0078*	Live	100%
WA	Infrastructure	L38/0092*	Live	100%
WA	Infrastructure	L38/0101*	Live	100%
WA	Infrastructure	L38/0108*	Live	100%
WA	Infrastructure	L38/0152*	Live	100%
WA	Infrastructure	L38/0153*	Live	100%
WA	Infrastructure	L38/0160*	Live	100%
WA	Infrastructure	L38/0165*	Live	100%
WA	Infrastructure	L38/0166*	Live	100%
WA	Infrastructure	L38/0173*	Live	100%
WA	Infrastructure	L38/0177*	Live	100%
WA	Infrastructure	L38/0179*	Live	100%
WA	Infrastructure	L38/0183*	Live	100%
WA	Infrastructure	L38/0231*	Live	100%
WA	Infrastructure	L38/0335*	Pending	0%
WA	Infrastructure	L38/0336*	Live	100%
WA	Infrastructure	L38/0337*	Live	100%
WA	Infrastructure	L38/0338*	Live	100%
WA	Infrastructure	L38/0339*	Pending	0%
WA	Lake Carey	E38/2873*	Live	100%
WA	Lake Carey	E38/3604*	Pending	0%
WA	Lake Carey	P38/4099*	Live	100%
WA	Lake Carey	P38/4100*	Live	100%
WA	Lake Carey	P38/4102*	Live	100%
WA	Lancefield	E38/3186*	Live	100%
WA	Lancefield	M38/0037	Live	100%
WA	Lancefield	M38/0038	Live	100%
WA	Lancefield	M38/0159	Live	100%
WA	Lancefield	M38/0547*	Live	100%
WA	Lancefield	M38/1272	Live	100%
WA	Lancefield	P38/4347*	Live	100%
WA	Lancefield	P38/4348*	Live	100%
WA	Lancefield	P38/4349*	Live	100%

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Chatterbox	M38/0535	Live	100%	WA	Prendergast	E38/1725	Live	100%
WA	Chatterbox	M38/0693	Live	100%	WA	Prendergast	E38/1869	Live	100%
WA	Infrastructure	G38/0020*	Live	100%	WA	Prendergast	E38/2862*	Live	100%
WA	Infrastructure	G38/0024*	Live	100%	WA	Prendergast	P38/4091	Live	100%
WA	Infrastructure	G38/0025*	Live	100%	WA	Murrin Murrin	M38/0425*	Live	Au Rights
WA	Infrastructure	G38/0033*	Live	100%	WA	Murrin Murrin	M38/0505*	Live	Au Rights

* see note within Royalty Agreements section for the Laverton Gold Project.

Tenement Abbreviations:

E	=	Exploration Licence
P	=	Prospecting Licence
M	=	Mining Lease
L	=	Miscellaneous Licence
G	=	General Purpose Licence

ROYALTY AGREEMENTS

Coolgardie Gold Project

The Parent Entity has entered into the following deeds of assignment for royalty agreements relating to the Coolgardie Gold Project. The material terms of these royalty agreements are set out in the table below:

Tenements	Royalty
M15/645 (portion of)	\$1.00/tonne crushed and treated
M15/660, M15/646, M15/1114, M15/1262, P15/6251, P15/6252 & P15/6257	\$0.25/tonne mined and treated (after 2,500,000 tonnes of ore have been mined and treated)
M15/646 (portion of)	2% of all future gold production
M15/781 & M15/827	0.5% NSR
M15/365, M15/662, M15/711, M15/770, M15/852, M15/857, M15/981, M15/1384 & M15/1760	2.5% NSR
M15/660 (portion of), M15/646 (portion of), M15/958 & M15/1114	\$10/ounce gold produced (after first 100,000 ounces produced) & 3% NSR on all other metals
M15/958 (portion of)	\$0.75/dry tonne mined and treated & \$1.50/tonne mined and treated
M15/1357 & M15/1358	1.5% NSR on gold & 1% NSR on all other metals
M15/1341 & M15/1359	2.5% NSR on gold & 1% NSR on all other metals
M15/675	\$1/tonne mined and treated
M15/237	1.5% NSR
M15/1461	\$1.00/tonne mined and treated
E15/986	2.5% NSR
P15/6254 (portion of)	\$1.00/tonne mined and treated.

ROYALTY AGREEMENTS Continued**Laverton Gold Project**

The Parent Entity has entered into the following deeds of assignment for royalty agreements relating to the Laverton Gold Project. The material terms of these royalty agreements are set out in the table below:

Tenements	Royalty
M38/376 & M38/377	\$1.50/BCM of ore mined between 100,000BCM and 850,000BCM
M38/143	\$10/ounce gold produced (after the first 50,000 ounces)
All tenements at Laverton owned by Focus Minerals (Laverton) Ltd (<i>all tenements listed in the "Interest in Mining Tenements - Laverton Gold Project" section above except those with an *</i>)	2% NSR
M38/37, M38/38, M38/49, M38/101, M38/159, M38/342, M38/363, M38/364, M38/535, M38/693, M38/1272, E38/1642 & E38/1725	3% of the Gross Revenue for the relevant quarter, if Focus has incurred, after the date of agreement and prior to the first production date, at least \$2,000,000 but not more than \$4,000,000 in Exploration Expenditure;
	2.5% of the Gross Revenue for the relevant quarter, if Focus has incurred, after the date of agreement and prior to the first production date, at least \$4,000,000 but not more than \$6,000,000 in Exploration Expenditure; or
	2% of the Gross Revenue for the relevant quarter, if Focus has incurred, after the date of agreement and prior to the first production date, \$6,000,000 or more in Exploration Expenditure.
M38/1042	\$1.50/tonne of ore mined and treated after 100,000 tonnes & \$0.58/tonne ore mined and milled for first 500,000 tonnes, \$0.05/tonne of ore mined and milled thereafter
M38/73	3% of the gross value of gold recovered
M38/1272	1.5% NSR
M38/693	\$0.75/tonne ore mined
E38/1642 (portion of), E38/2032 (portion of) & E38/3051 (portion of)	1% gross value of gold produced
All tenements within a 50km radius of Laverton Gold Plant Feed Bin.	A quarterly fee equal to the greater of 1.25% of annual tenement fees or \$2,500.
	A quarterly mining fee relating to gold production from the tenements in a calendar year, of: <ul style="list-style-type: none"> • 0 – 50,000oz Au: 0.20% of total gross proceeds of the relevant quarter; • 50,001 – 100,000oz Au: 0.24% of the total gross proceeds of the relevant quarter; • 100,001 – 150,000oz Au: 0.28% of total gross proceeds of the relevant quarter; • 150,001 – 200,000oz Au: 0.33% of total gross proceeds of the relevant quarter; • >200,000oz Au: 0.40% of total gross proceeds of the relevant quarter.
	Scholarship funds payable each calendar year in the amount of \$10,000 where the total annual gold production is less than 100,000oz, and \$20,000 if the total annual gold production is greater than 100,000oz.