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ASX Announcement 31 July 2018

Exploration Update

Focus Minerals Ltd (ASX:FML, "the Company", "Focus") is pleased to provide an update on the Company's recent exploration activities at Laverton and Coolgardie.

Highlights

- A $6m exploration budget was approved for Laverton.
- Following an extensive review of historical and recent drilling of the Lancefield deposit, the company updated the Lancefield mineral resource as follows,
    - Inferred Resource of 3.9Mt grading 6.3 g/t gold for 793,000 contained ounces.
- Drilling commenced at Karridale.
- A Mining Lease application was submitted for Bonnie Vale.

Laverton Project Update

Karridale – Burtville

Project review is underway and will be completed in the 3rd quarter of 2018.

On June 28 the company commenced stage 1 drilling of the Karridale-Burtville extension area and the south Karridale resource development area (Figure 2).

As of 25 July, a total of 25 RC holes (18KARC001 – 18KARC025) totalling 3,706m have been completed. 1917 samples had been collected from drilled holes, of which, 1393 samples had been delivered to labs in Kalgoorlie. Final results had been received for 757 of the total submitted samples. The following selected intersections have been calculated using a lower cut of 0.5 g/t Au and maximum 2m internal dilution:

- 18KARC001 2m @ 1.25 g/t Au from 106m
- 18KARC004 4m @ 1.16 g/t Au from 48m
- 18KARC008 4m @ 2.12 g/t Au from 117m
- 18KARC009 2m @ 1.71 g/t Au from 21m
- 18KARC010 3m @ 2.89 g/t Au from 40m
- 18KARC010 3m @ 1.17 g/t Au from 105m

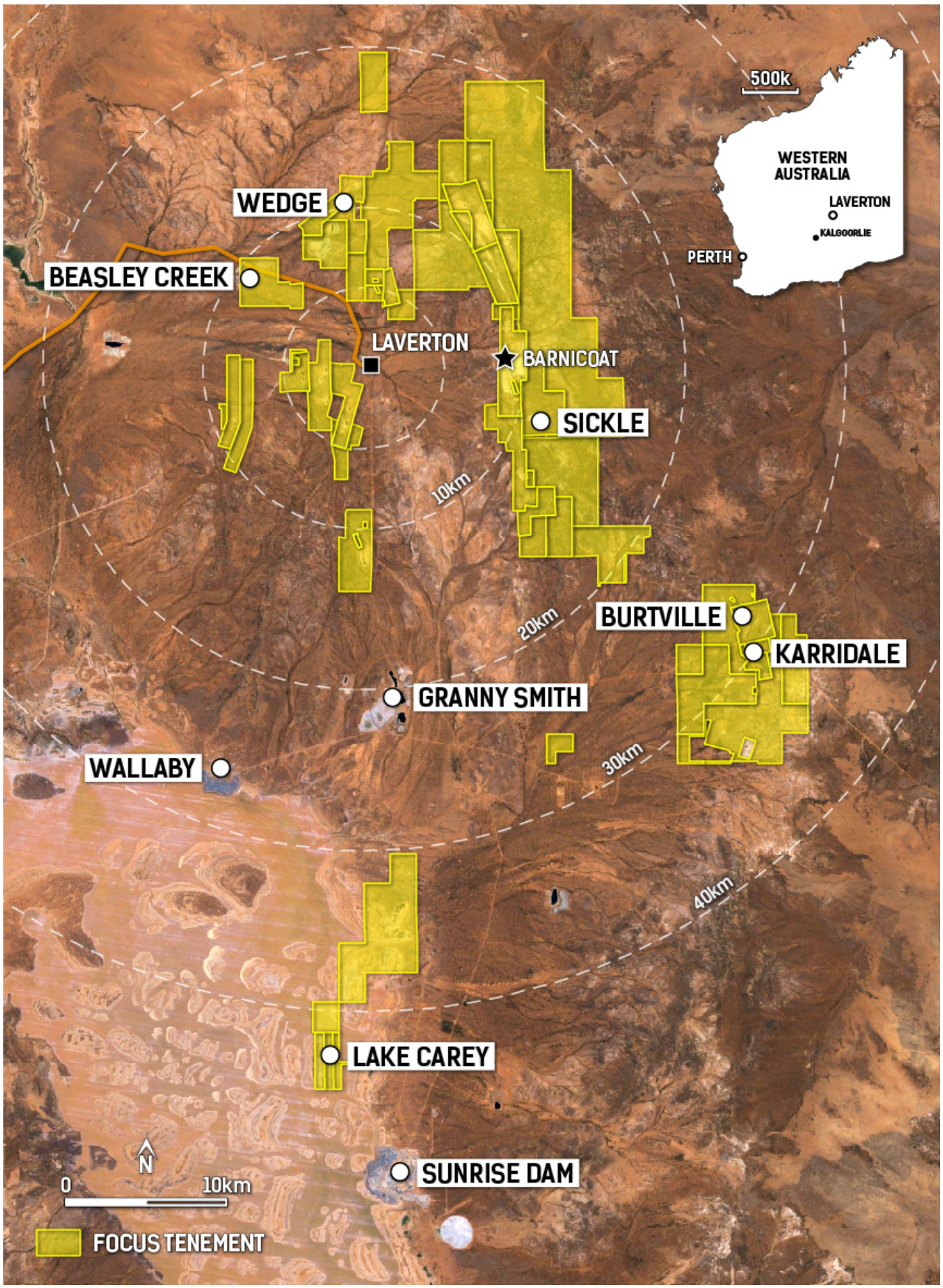

Figure 1: Map of Focus Minerals Laverton Tenements (Yellow Polygons)

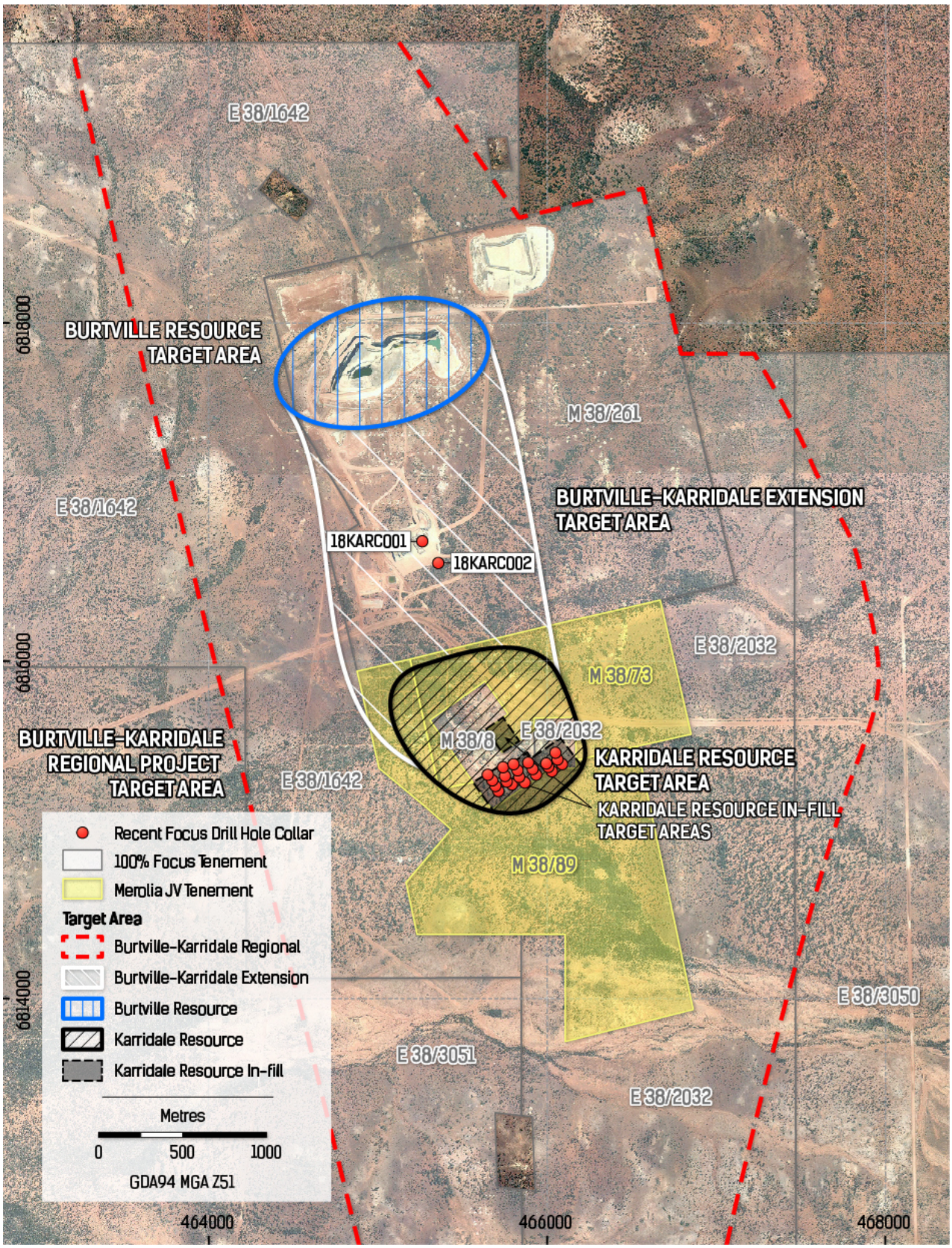

Figure 2: Greater Karridale - Burtville Project Area (Red Dashed), Karridale Resource Area Reported to the ASX on 23 Feb 2018 (Black Cross Hatched), Historic Burtville Mine Area (Blue Hatched), Karridale-Burtville Extension Target (White Cross Hatched), Karridale Infill Resource Drilling Target (Dark Stiple). Holes Drilled in the reporting period (Red Dots)

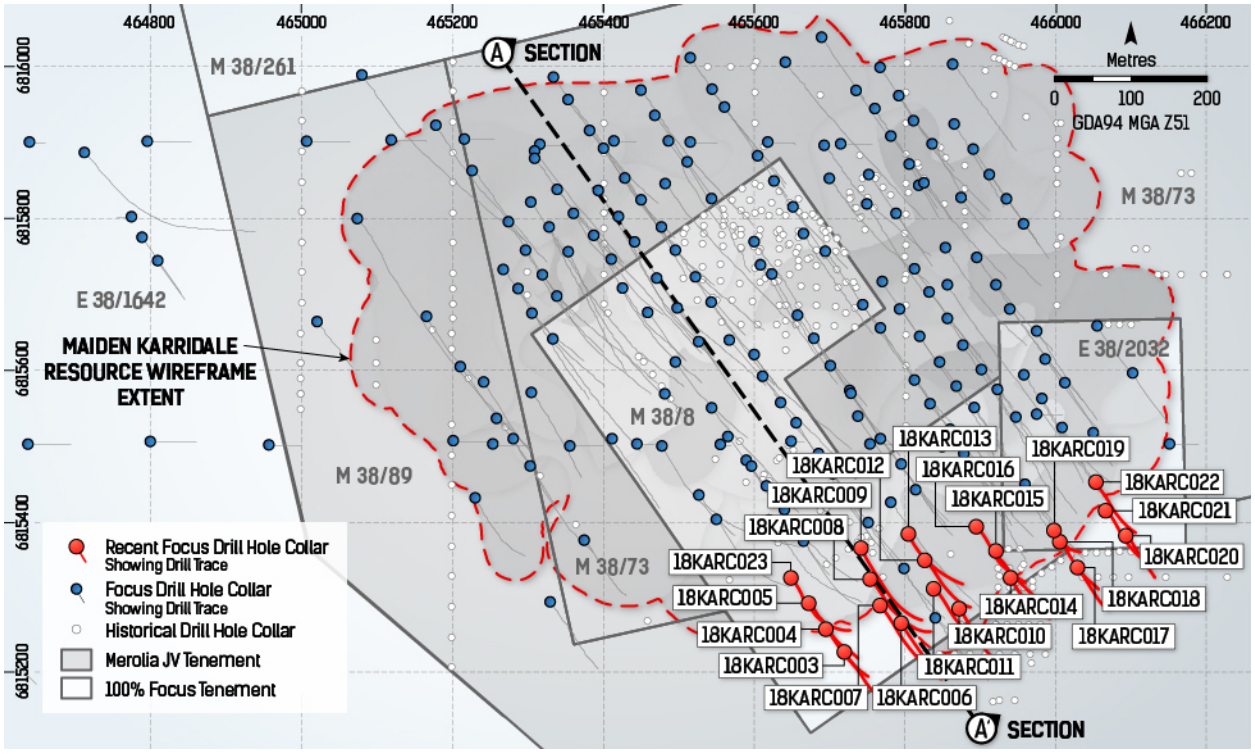

Figure 3: Detail South Karridale Resource Extension Drilling. Holes drilled in the reporting period are labelled and have red traces

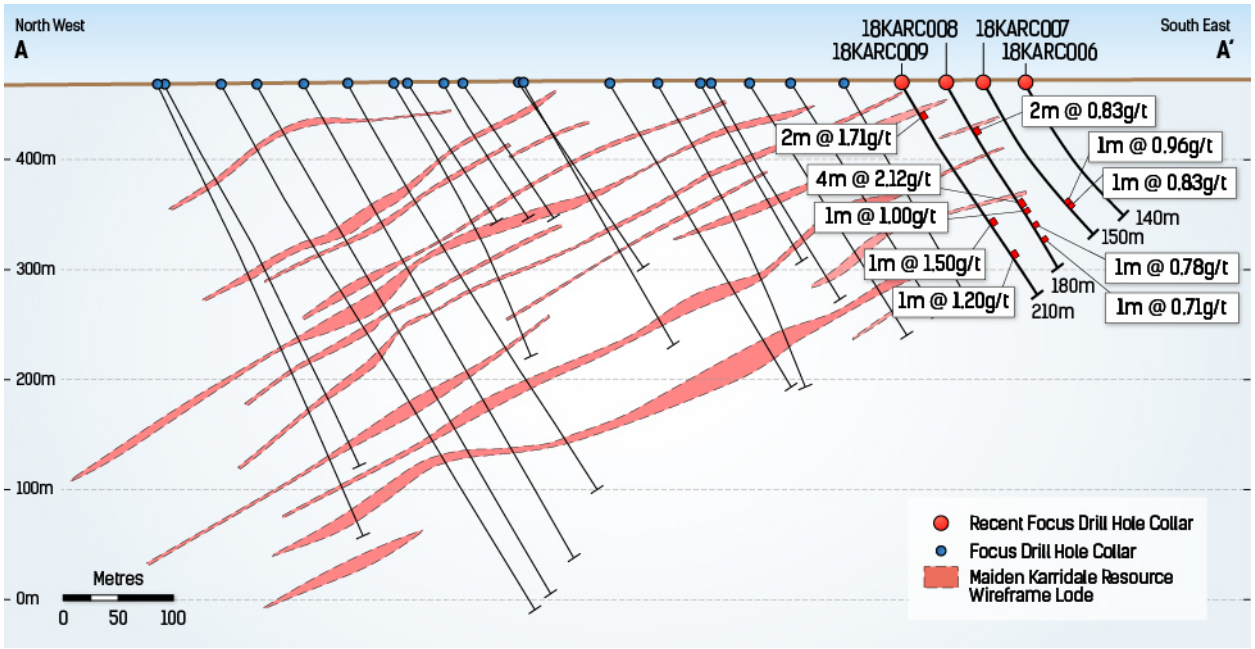

Figure 4 Drill Section View towards the NE Showing selected intersections in the southern Karridale resource extension area. Holes drilled in the reportion period have red dot collar symbols

Lancefield

On 23 July, the Company updated the mineral resource of the Lancefiled project, following an extensive review of the historical and 2017 drilling data. The newly updated resource is reported above a 4g/t cut-off for the main lode, comprising:

- Inferred Resource 3.9Mt grading 6.3g/t gold for 793,000 contained ounces.

Lake Carey

Geophysical surveying at Lake Carey using a combination of gravity and passive seismic has been partially completed. The survey has provided encouraging results that the technique can be successfully applied for mapping the base of lake cover in detail to assist drill hole planning.

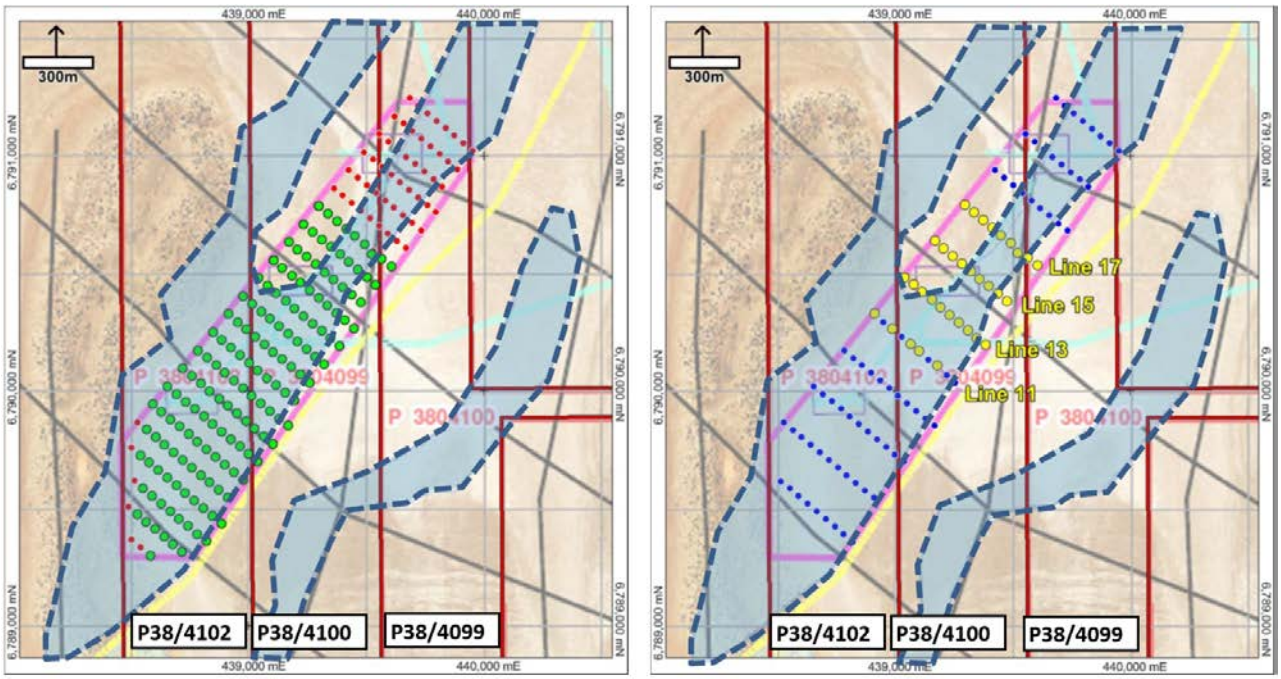

Figure 5: Location of completed gravity stations (green dots). Outstanding gravity survey site (Red Dots). Location of completed passive seismic stations (yellow dots). Outstanding passive survey sites (Blue Dots). The central parts of the tenement (Red Outlines) are interpreted to host isoclinal folded and thrusted BIF units (Blue Polygons) that are the potential source of NNE trending Au anomalies in historic wide spaced drill holes.

Mapping of the depth of cover will be used to better define the location of prospective BIF geology and inferred cross faults. Focus intends to design a drilling programme following the completion of the survey up to test this greenfields exploration target.

The Lake Carey tenements comprise of P38/4099, P38/4100 and P38/4102 were extended for 4 years on 05 July 2018.

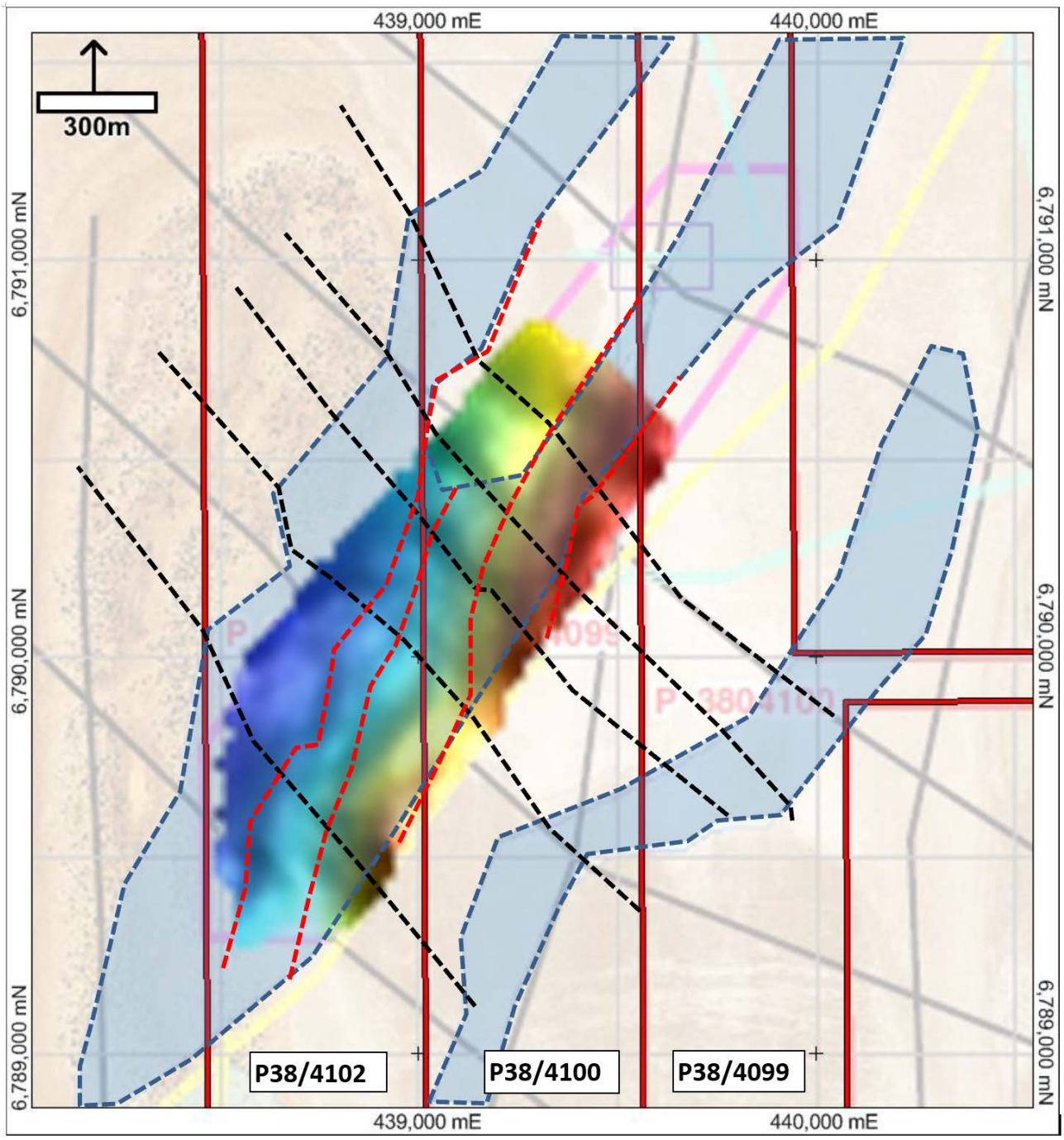

Figure 6: Preliminary Bouguer Anomaly Image with interpreted BIF (Blue Polygon) Cross Faults (Black Dashed) and Inferred Shear zones (Red Dashed)

Laverton Planned Work

Programs of Work have been completed for all priority drilling areas for the next three months. Reviews of additional Laverton drilling targets for the 2018 field season are being progressed to drilling approval and program of work application.

Progress has been made to secure a diamond drilling contractor to start at Laverton in August 2018.

Coolgardie Project Update

A mining lease application was submitted at Bonnie Vale on 13/07/2018. PoWs have been approved for drilling on and around Treasure Island.

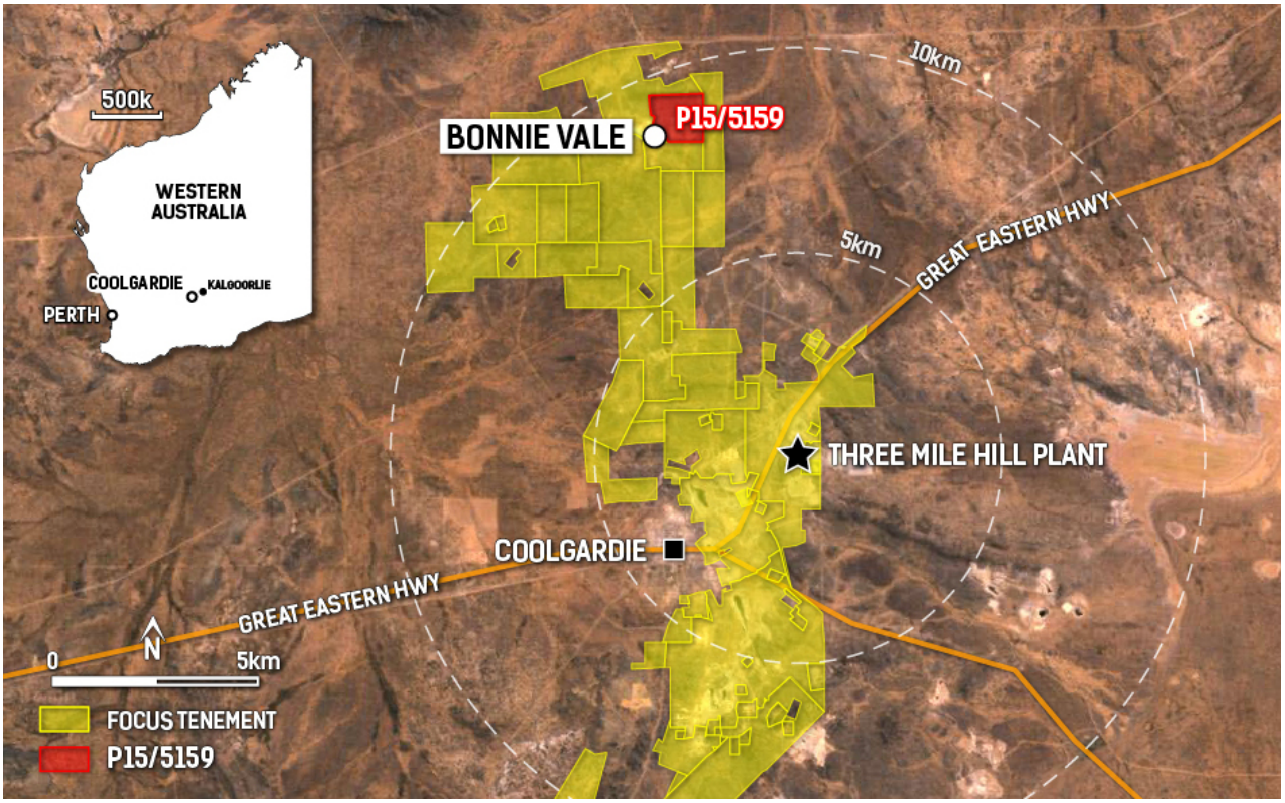

Figure 7: Location Map of Coolgardie Project Tenements Highlighting the location of the new Bonnie Vale Mining Lease Application

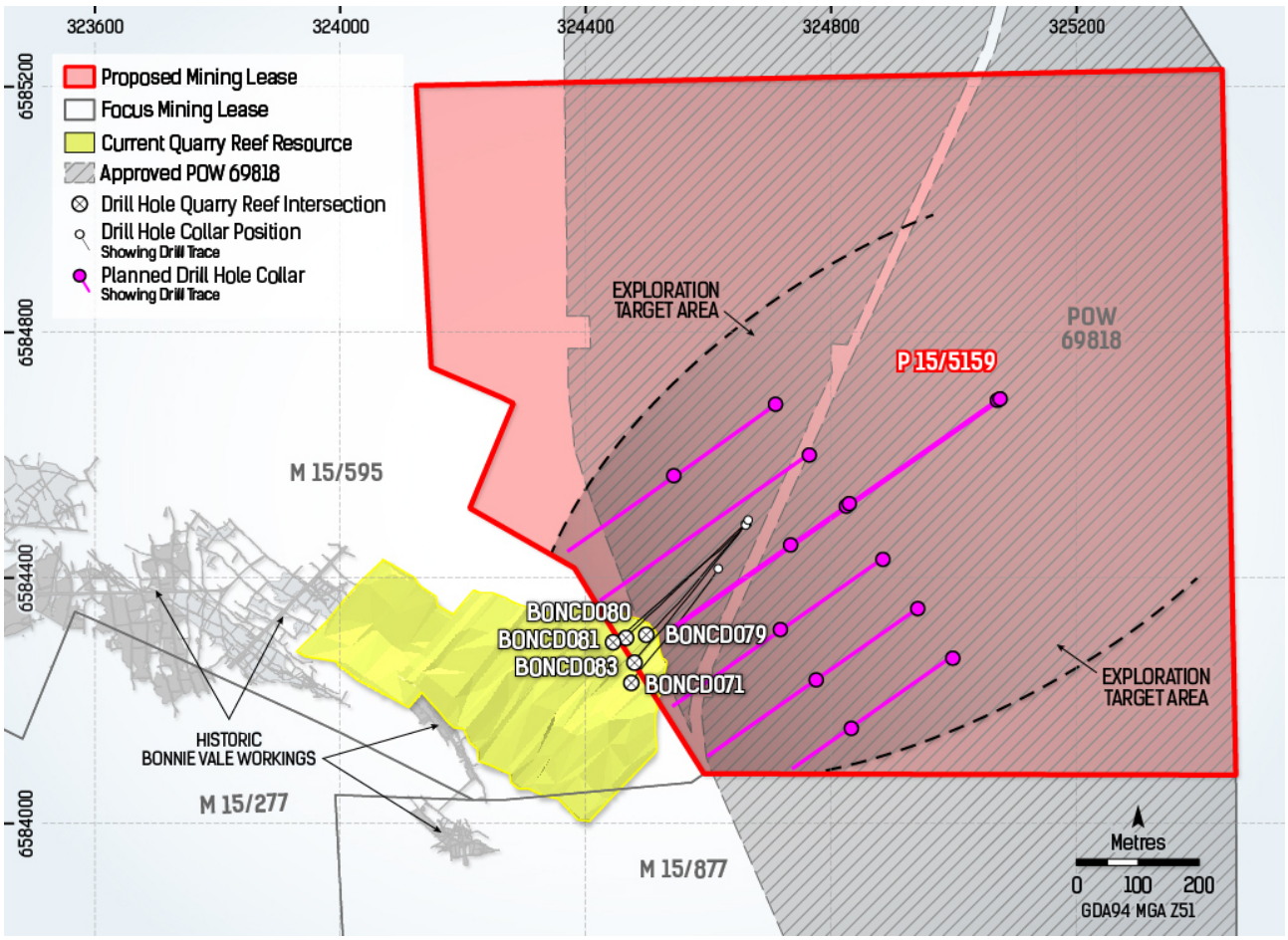

Figure 8: Detail of new Bonnie Vale Mining Lease Application with respect to Bonnie Vale Quarry Reef Resource. Provisional Drill Sections (Magenta Trace)

Coolgardie Planned Work

A drill program will shortly be planned to follow up on targets at Bonnie Vale using existing PoW approvals. These holes will be planned in detail in the 3rd quarter ahead of drilling.

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Focus Minerals Limited

Focus owns two large gold projects in Western Australia's Eastern Goldfields. The company is the largest landholder in the Coolgardie Gold Belt, where it owns the 1.2Mtpa processing plant at Three Mile Hill. 250km to the northeast Focus has the Laverton Gold Project which comprises a significant portfolio of highly prospective tenure. Focus also owns the 1.45Mtpa Barnicoat mill in Laverton which has been on care and maintenance since 2009.

Competent Person's Statement – Laverton Gold Project

The information in this announcement that relates to Exploration Results regarding the Laverton Gold Project is based on information compiled by Mr Jeff Ion, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Member of the Australian Institute of Geoscientists (AIG). Mr Ion holds shares in Focus Minerals Limited and is a director of Jeffrey Geo Pty Ltd, under contract to Focus Minerals Limited. Mr Ion 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 Ion consents to the inclusion in the announcement of the matters based on the information compile by him in the form and context in which it appears.

Competent Person's Statement - Coolgardie Gold Project

The information in this announcement that relates to Exploration Results is based on information compiled by Alex Aaltonen MAUSIMM. Mr Aaltonen 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 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 Aaltonen consents to the inclusion in this announcement of the matters based on the information compiled by him in the form and context in which it appears.

Forward Looking Statements

This release contains certain "forward looking statements". Forward-looking statements can be identified by the use of 'forward-looking' terminology, including, without limitation, the terms 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future, assumptions which may or may not prove correct, and may be beyond Focus' ability to control or predict which may cause the actual results or performance of Focus to be materially different from the results or performance expressed or implied by such forward-looking statements. Forward-looking statements are based on assumptions and contingencies and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Similarly, no representation is given that the assumptions upon which forward-looking statements may be based are reasonable. Forward-looking statements speak only as at the date of this document and Focus disclaims any obligations or undertakings to release any update of, or revisions to, any forward-looking statements in this document.

Table A: Significant Intersections (Laverton – Karridale)

Intersections are length-weighted averages with minimum cut-offs of 0.5g/t Au and maximum of 2 metres of internal dilution

Hole ID	Easting	Northing	RL	Depth	Dip	Azimuth	From	To	Intersection
	(MGA 94 Zone 51)			(m)		(MGA94)	(m)	(m)	(g/t Au)
Karridale, Laverton Gold Project									
18KARC001	465266	6816702	468	139	-60	147	100	101	1m @ 1.29 g/t
							106	108	2m @ 1.25 g/t
							117	118	1m @ 1.12 g/t
18KARC004	465693	6815258	469	150	-60	146	48	52	4m @ 1.16 g/t
18KARC007	465767	6815291	472	150	-60	146	133	134	1m @ 0.96 g/t
							138	139	1m @ 0.83 g/t
18KARC008	465755	6815322	470	180	-60	144	49	51	2m @ 0.82 g/t
							117	121	4m @ 2.12 g/t
							125	126	1m @ 1.00 g/t
							141	142	1m @ 0.78 g/t
							168	169	1m @ 0.71 g/t
18KARC009	465742	6815362	470	210	-60	153	21	23	2m @ 1.71 g/t
							122	123	1m @ 1.51 g/t
							181	182	1m @ 1.20 g/t
18KARC010	465868	6815264	468	120	-60	150	40	43	3m @ 2.89 g/t
							79	80	1m @ 1.28 g/t
18KARC010	465868	6815264	468	120	-60	150	105	108	3m @ 1.17 g/t

JORC Code, 2012 Edition – Table 1 Report (Laverton)

Section 1 Sampling Techniques and Data – Laverton Gold Project
(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• This report relates to results from Reverse Circulation (RC) drilling. • RC percussion drill chips were collected through a cone splitter straight off the drill rig. The bulk sample from each hole was placed in neat rows directly on the ground (not bagged) with the nominal 3kg calico split sub-sample placed on top of the corresponding pile. All drill bulk samples were chip sampled.. • RC chips were passed through a cone splitter to achieve a nominal sample weight of approximately 3kg. The splitter was levelled at the beginning of each hole. • The entire recovered length of each hole was sampled and submitted for laboratory fire assay Au analysis. 1m split samples were selected over intervals considered prospective for Karridale style mineralisation. All other drilling intervals were 4m composite sampled with a scoop.
Drilling techniques	• All drilling was completed using a face sampling RC hammer • All holes were surveyed using a Solid-State North Seeking Gyro. Survey intervals varied from 10m to 30m.
Drill sample recovery	• FML RC Sample recovery was recorded by a visual estimate during the logging process. • Sample recovery was usually good (>75%) apart from hole 18KARC008 which intersected a historic shaft between 11 and 15m downhole.

Criteria	Commentary
Logging	• All RC samples were geologically logged to record weathering, regolith, rock type, alteration, mineralisation, structure and texture and any other notable features that are present. • The logging information was transferred into the company's drilling database once the log was complete. • Logging was qualitative, however the geologists often recorded quantitative mineral percentage ranges for the sulphide minerals present. • The entire length of all holes was logged.
Sub-sampling techniques and sample preparation	• All samples were collected in a pre-numbered calico bag bearing a unique sample ID. • At the assay laboratory, all samples were oven dried and weighed. Samples in excess of 3kg in weight were riffle split to achieve a maximum 3kg sample weight before being pulverized to 90% passing 75µm. • Gold analysis was by 40g Fire Assay with an AAS Finish. • Bureau Veritas Minerals Kalgoorlie branch was selected to carry out the assay testing. • The assay laboratories' sample preparation procedures follow industry best practice, with techniques and practices that are appropriate for this style of mineralisation. Pulp duplicates were taken at the pulverising stage and selective repeats conducted at the laboratories' discretion. • QAQC checks involved inserting a standard every 20 samples, RC field duplicates where taken using duplicate cone splitting. These duplicate samples will be taken on 5% of drill holes over the entire length of the drill hole. • Regular reviews of the sampling were carried out by the supervising geologist and senior field staff, to ensure all procedures were followed and best industry practice carried out. • The sample sizes were appropriate for the type, style and consistency of mineralisation encountered during this phase of exploration.
Quality of assay data and laboratory tests	• The assay method and laboratory procedures were appropriate for this style of mineralisation. The fire assay technique was designed to measure total gold in the sample. • No geophysical tools, spectrometers or handheld XRF instruments were used for assay determination. • The QA/QC process described above was sufficient to establish acceptable levels of accuracy and precision. All results from assay standards and duplicates were scrutinised to ensure they fell within acceptable tolerances and where they didn't further analysis was conducted as appropriate.
Verification of sampling and assaying	• Significant intervals were visually inspected by company geologists to correlate assay results to logged mineralisation. Consultants were not used for this process. • Primary data is sent in digital format to the company's Database Administrator (DBA) as often as was practicable. The DBA imports the data into an acQuire database, with assay results merged into the database upon receipt from the laboratory. Once loaded, data was extracted for verification by the geologist in charge of the project.

Criteria	Commentary
Location of data points	• Drill collars are surveyed after completion using a DGPS instrument. • A solid state true north seeking gyro has been used to survey the track of each hole • All coordinates and bearings use the MGA94 Zone 51 grid system. • FML utilises Landgate sourced regional topographic maps and contours as well as internally produced survey pick-ups produced by the mining survey teams utilising DGPS base station instruments. • After finishing the drilling hole locations were picked up by DGPS with accuracy of +/-20cm.
Data spacing and distribution	• 18KARC001 and 18 KARC002 were drilled at a nominal 150m drill spacing • 18KARC003 – 18KARC010 were targeted on inferred structures at a nominal 40m x 80m pattern.
Orientation of data in relation to geological structure	• Drilling was designed based on known geological models, field mapping, verified historical data, cross-sectional and long-sectional interpretation. • Where achievable, drill holes were oriented at right angles to strike of deposit, with dip optimised for drill capabilities and the dip of the ore body. True widths are re-calculated based on the geology interpretation.
Sample security	• All samples were reconciled against the sample submission with any omissions or variations reported to FML. • All samples were bagged in a tied numbered calico bag. The bags were placed into plastic green bags with a sample submission sheet and delivered directly from site to the Kalgoorlie laboratories

Section 2 Reporting of Exploration Results (Coolgardie)
(Criteria listed in the preceding section also apply to this section)

Criteria	Commentary
Mineral tenement and land tenure status	• Tenements M38/73 and M38/89 are 91% beneficially held by Focus Minerals (Laverton) Pty Ltd under the Merolia JV with GSM Mining Company Pty Ltd. • All other tenements worked in the drilling covered by this announcement are held 100% by Focus Minerals (Laverton) Pty Ltd. • Privately held royalties exist. Refer to the Focus Minerals 2014 Annual Report released 16/04/2015. • The tenements are in good standing and no impediments to future exploration or permitting are known.
Exploration done by other parties	• Karridale and Burtville are the site of extensive shallow historic workings. • A number of companies including Delta Gold and Sons of Gwalia have conducted modern era exploration around Karridale and Burtville • Sons of Gwalia mined the original pit at Burtville which was later extended by Crescent Gold • The results of previous exploration by other parties were used only as an exploration guide. Focus does not intend to use such work in development or resource studies.
Geology	• Two km to the north of Karridale, the Burtville granodiorite is interpreted to be at the core of a polyphase intrusive complex that are interpreted to include more mafic rocks such as gabbro and dolerite. The intrusives are focused within pelitic and arkosic sediments at the core of the Burtville syncline (covered largely by the Burtville tenements of Focus). Stratigraphically below the sediments are basalts and then ultramafics. The sequence appears to be repeated by early thrusts, now striking north – south. • Mineralisation styles identified at Karridale include:

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td></td><td>

o Flat (possible reverse thrust) northwest dipping shear zones with silica – sericite – carbonate – pyrite + arsenopyrite alteration and quartz carbonate veining.
o Steep dipping, narrow north trending quartz veins, with silica – sericite – carbonate + sulphide alteration and visible gold. Associated with strongly sheared selvages.
o Hydrothermal breccia of unknown morphology and orientation. Strong silica – carbonate – sericite – arsenopyrite – pyrite alteration. Visible gold in associated quartz carbonate vein.
The mineralisation appears hosted by a package of generally fine grained intermediate and basic volcanics or sediments intruded by dolerite or gabbro / diorite units.

</td></tr>
<tr><td>Drill hole information</td><td>
<table>
<tr><th>Hole ID</th><th>Easting</th><th>Northing</th><th>RL</th><th>Depth</th><th>Azimuth</th><th>Dip</th><th>Tenements</th></tr>
<tr><td>18KARC001</td><td>465266</td><td>6816702</td><td>468</td><td>139</td><td>147</td><td>-60</td><td>M38/261</td></tr>
<tr><td>18KARC004</td><td>465693</td><td>6815258</td><td>469</td><td>150</td><td>146</td><td>-60</td><td>M38/008</td></tr>
<tr><td>18KARC007</td><td>465767</td><td>6815291</td><td>472</td><td>150</td><td>146</td><td>-60</td><td>M38/008</td></tr>
<tr><td>18KARC008</td><td>465755</td><td>6815322</td><td>470</td><td>180</td><td>144</td><td>-60</td><td>M38/008</td></tr>
<tr><td>18KARC009</td><td>465742</td><td>6815362</td><td>470</td><td>210</td><td>153</td><td>-60</td><td>M38/008</td></tr>
<tr><td>18KARC010</td><td>465868</td><td>6815264</td><td>468</td><td>120</td><td>150</td><td>-60</td><td>M38/008</td></tr>
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</td></tr>
<tr><td>Data aggregation methods</td><td>• New selected exploration intersections are reported at a 0.5g/t Au lower cut-off and up to 2 m internal dilution.</td></tr>
<tr><td>Relationship between mineralization widths and intercept lengths</td><td>• Holes were drilled orthogonal to mineralisation as much as possible, however the exact relationship between intercept width and true width cannot be estimated exactly in all cases.</td></tr>
<tr><td>Diagrams</td><td>• Accurate collar plans are included in this announcement.</td></tr>
<tr><td>Balanced reporting</td><td>• Drilling results are reported in a balanced reporting style. The ASX announcement shows actual locations of holes drilled, and representative sections as appropriate.</td></tr>
<tr><td>Other substantive exploration data</td><td>• There is no other material exploration data to report at this time.</td></tr>
<tr><td>Further work</td><td>• FML anticipates additional drilling to follow up on encouraging results at Burtville -Karridale.</td></tr>
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