Focus Minerals Limited

ABN 56 005 470 799

Annual Report

For the year ended 31 December 2019

Corporate Directory

ABN 56 005 470 799

Directors

Dianfei Pei	Chairman - Non-Executive, Non-Independent
Zhaoya Wang	Director - Executive
Gerry Fahey	Director - Independent
Zaiqian Zhang	Director - Executive

Company Secretary
Zaiqian Zhang

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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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Poised to Become the Next Gold Producer in Western Australia

Dear Shareholders,

On behalf of the Board of Directors, I would like to thank you for your continued support and your valuable and much appreciated feedback and recommendations over the past few years. Your input has helped to shape the Company and our future direction.

It is my pleasure to present you my report on activities undertaken in 2019 as we progressed our goal of transforming Focus into Western Australia's next gold producer.

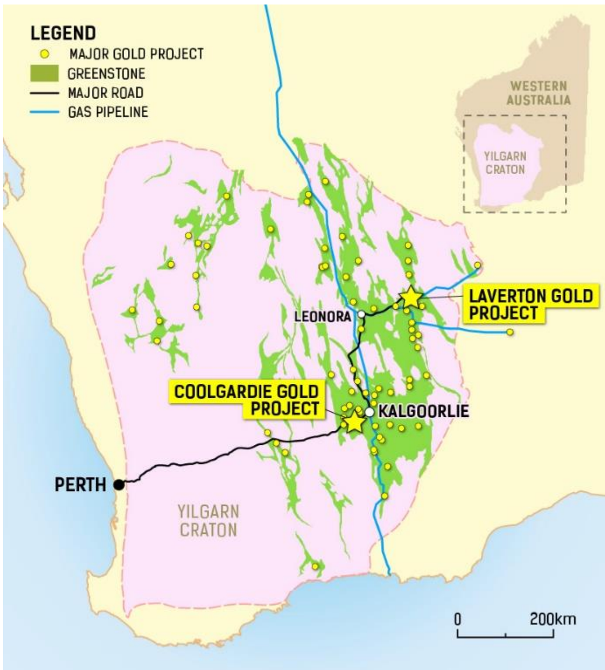

Figure 1: Project Locations

Focus' 100%-owned Laverton Gold Project (**Laverton**) has continued to deliver on its great potential as we work towards increasing the known mineralisation to underpin our Stage 1 production development plan (**Stage 1**). At present, Laverton has a Mineral Resource of 1.1Moz of gold at an average grade of 1.5g/t. Pleasingly, 84% of the Mineral Resource is in the Indicated category and was delivered at a discovery cost of less than A$15/oz – a tremendous credit to our exploration team.

Stage 1 will be an open-pit operation based on the following deposits:

- **Karridale**: providing the bulk volume of ounces from the start of production;
- **Beasley Creek**: a low-cost opportunity to add higher-grade ore to Stage 1;
- **Telegraph**: a small but low-cost opportunity that offers a good option for future portal location for accessing Lancefield's underground mineralisation; and
- **Lancefield North and Wedge**: great additions towards the end of the Stage 1 production pipeline.

In early February 2020, Focus completed the Scoping Study for Stage 1 and the results confirmed that Focus was on the right path. As a result, Focus has expedited the process of gathering information for the necessary feasibility studies.

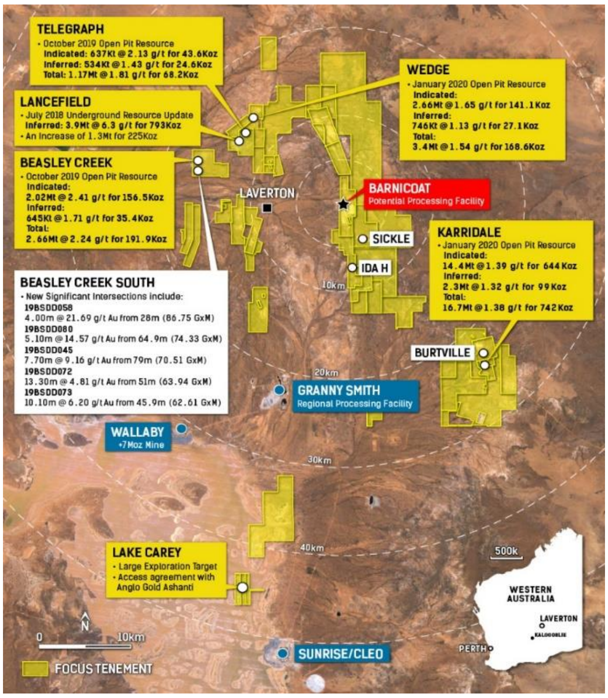

Figure 2: Stage 1 Mineral Resources

Following the outstanding results from Beasley Creek South,[1] Focus has deployed three drill rigs to confirm a Mineral Resource that can be added as a low start-up cost, high-grade, open pit option to the existing Stage 1 portfolio of deposits.

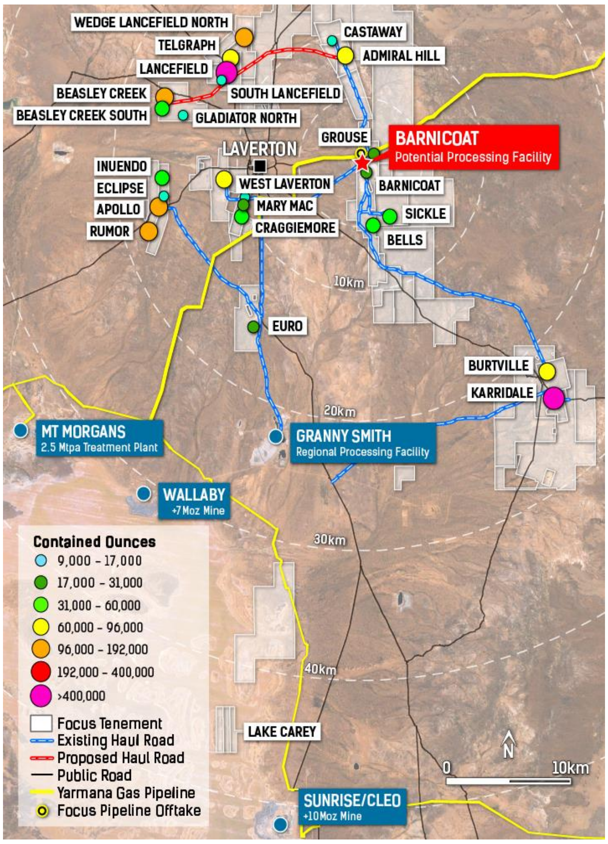

Figure 3: Laverton Overview with Key Infrastructure

Focus has also made a good process on its Stage 2 planning, for an expanded and increased production profile, with a focus on the following prospects and targets:

- **Karridale – Burtville**: completed initial footprint drilling and announced exploration targets; and
- **Lake Carey**: obtained up to $150,000 in funding through WA's Exploration Incentive Scheme; completed a three-diamond hole programme in March 2020 with assay results pending.

The 100%-owned Coolgardie Gold Project (**Coolgardie**) remains a non-core asset. Focus had planned to divest Coolgardie and spent 2019 in negotiation with several parties. Disappointingly, we were not able to complete divestment because of approval issues. However, Coolgardie has clearly demonstrated its significant market value and, in a soaring gold price environment, the Board continues to consider alternative plans to realise the potential of the Project and deliver value for all Focus shareholders. In March 2020, Focus completed a 3,000m drilling programme at Coolgardie, targeting resource extensions in the Brilliant area (among others). Assay results are pending.

During the year under review Focus successfully built an efficient and agile team of experienced professionals who are able to deliver high-quality mineral resources at a very low cost.

The start of 2020 has delivered unprecedented conditions at a global level because of the novel coronavirus pandemic and the resultant significant economic impacts, including in Focus' sphere of operation. However, the Board is confident that Focus is well positioned to weather these uncertain times and continue its quest to produce outstanding results for shareholders. Our mission remains to become Western Australia's next profitable, sustainable and disciplined gold producer.

Yours faithfully,

Dianfei Pei
Chairman of the Board

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[1] ASX Announcement on 30 January 2020

Operations Review

Overview

In 2019, Focus Minerals Ltd continued to maintain and improve the quality of its Laverton and Coolgardie projects with total expenditure of $14.5 million. This investment resulted in the delivery of:

Laverton

- Indicated and inferred Resource Update at Karridale comprising: 16.7MT @ 1.4g/t Au for 742Koz
- Indicated and inferred Resource Update at Beasley Creek comprising: 2.6MT @ 2.2g/t Au for 192Koz
- Indicated and inferred Resource Update at Wedge comprising: 3.4MT @ 1.5g/t Au for 169Koz
- Indicated and inferred Resource Update at Telegraph comprising: 1.2MT @ 1.8g/t Au for 68Koz
- Increase of Laverton Indicated Open Pit Resources of 850koz from 85km drilling at less than $15/oz
- Significant new resource potential developed at Beasley Creek South
- HG Resource potential developed at Karridale
- Located up dip and shallow mineralisation at Gladiator West
- First targeted RC at Mt Lebanon

Coolgardie

- Very strong mineralisation located at Brilliant North improving open pit resource potential
- Significant results from Emu Hill and Ada
- Confirm strong gold mineralisation at Nepean that is coincident with large soil geochem anomaly
- Detailed AMAG flown over several prospective tenement groups to guide 2020 targeted drilling

Exploration

Focus drilled at both the Laverton and Coolgardie project areas in 2019. Majority of the exploration expenditure was completed on the Laverton project.

At Laverton 559 holes for 72,440.3m were completed comprising 52,926.8m RC and 19,513.5m DD. Holes were targeted within 180m of surface to deliberately search for shallow mineralisation that may be amenable to open pit extraction.

At Coolgardie 32 holes were drilled for 4,132.7m comprising 3,753.3m RC and 379.2m DD.

2019 drilling programs were highly successful with 438 of 591 (74%) holes intersecting mineralisation exceeding 0.5g/t Au.

Significant Intersections

For 2019 significant intersections were calculated with a 0.5g/t Au cut off and, up to 3m internal dilution. For diamond core as a result of issues with core recovery in parts of Beasley Creek significant intersections were calculated using full dilution (assigned 0.00g/t au) for any core loss.

It is worthwhile considering a qualitative measure of the significance of each intersection rather than simply listing every intersection. Gold grade multiplied by downhole width (GxM) provides a simple qualitative means of ranking significant Au drill intersections. A base case cut off for significant intersections within 200m of surface that may be amenable to open pit extraction is around 6 GxM e.g. 1.5g/t Au x 4m width, 2g/t Au x 3m width or 3g/t Au x 2m width etc.

For deeper and potentially UG mineralisation a base case GxM of 10 could be considered significant e.g. 2g/t Au x 5m width, 3g/t Au x 3.3m width of 4g/t Au x 2.5m width etc.

In 2019, 591 holes were drilled across the Laverton and Coolgardie Projects. Of these holes only 1 is considered deep with the remainder targeting mineralisation within 200m from surface. In 2019, 249 holes intersected individual mineralised intervals exceeding 6 GxM, 176 holes intersected individual mineralised intervals exceeding 10 GxM, and 25% (90 holes) intersected individual mineralised intervals exceeding 20 GxM.

HOLE ID	DRILL TYPE	Grid ID	COLLAR EAST (m)	COLLAR NORTH (m)	COLLAR RL (m)	DIP	AZIMUTH	EOH	Intersection 0.5g/t cut off, Max 3m Internal Dilutions, Core Loss 0.00g/t Au
19KARC004	RC	MGA94_51	466043	6815933	470	-60.8	147.0	220	22.00m @ 1.35g/t from 64m
19KARC007	RC	MGA94_51	466081	6815976	470	-60.2	146.5	206	6.00m @ 12.67g/t from 145m
19KARC016	RC	MGA94_51	465496	6815677	469	-58.5	143.8	216	13.00m @ 1.54g/t from 48m
19KARC018	RC	MGA94_51	465458	6815732	469	-60.7	145.5	180	2.00m @ 10.72g/t from 146m
19KARC028	RC	MGA94_51	465348	6815888	468	-60.0	145.0	242	3.00m @ 18.76g/t from 187m
19KARC030	RC	MGA94_51	465885	6815322	471	-67.0	145.0	151	10.00m @ 2.73g/t from 47m
19KARC034	RC	MGA94_51	465882	6815553	470	-57.5	147.3	180	15.00m @ 3.36g/t from 26m
19KARC035	RC	MGA94_51	465807	6815588	471	-60.3	145.4	222	6.00m @ 5.9g/t from 155m
19KARC041	RC	MGA94_51	465619	6815650	470	-59.8	149.0	227	4.00m @ 5.92g/t from 190m
19KARC042	RC	MGA94_51	465590	6815621	470	-60.0	144.3	239	4.00m @ 6.86g/t from 194m
19KARC042	RC	MGA94_51	465590	6815621	470	-60.0	144.3	239	2.00m @ 23.57g/t from 185m
19KARC043	RC	MGA94_51	465713	6815516	470	-60.1	141.2	197	11.00m @ 2.22g/t from 104m
19KARC044	RC	MGA94_51	465689	6815547	470	-60.0	146.3	203	4.00m @ 18.17g/t from 78m
19KARC050	RC	MGA94_51	466000	6815316	471	-60.0	145.0	121	4.00m @ 13.67g/t from 7m
19KARC054	RC	MGA94_51	465619	6815787	469	-60.7	148.2	234	19.00m @ 1.34g/t from 30m
19KARC059	RC	MGA94_51	465622	6815572	470	-60.4	145.8	208	4.00m @ 6.27g/t from 168m
19KARC060	RC	MGA94_51	465593	6815545	469	-60.2	146.5	208	9.00m @ 2.35g/t from 130m
19KARC061	RC	MGA94_51	465783	6815622	471	-61.8	147.1	210	12.00m @ 7.63g/t from 140m
19KARC062	RC/DD	MGA94_51	465727	6815565	470	-60.3	144.1	198.1	2.68m @ 12.95g/t from 89.32m
19KARC082	RC	MGA94_51	465764	6815444	470	-60.0	145.0	145	7.00m @ 3.07g/t from 35m
19KARC091	RC	MGA94_51	466021	6815567	471	-53.5	148.3	150	8.00m @ 7.94g/t from 114m
19KARC095	RC	MGA94_51	465803	6815534	470	-60.5	149.9	186	8.00m @ 3.08g/t from 118m
19KARC101	RC	MGA94_51	465638	6815681	471	-62.3	145.9	250	4.00m @ 16.84g/t from 150m

Table 1 2019 Karridale individual drill intersections exceeding 20 GxM

HOLE ID	DRILL TYPE	Grid ID	COLLAR EAST (m)	COLLAR NORTH (m)	COLLAR RL (m)	DIP	AZIMUTH	EOH	Intersection 0.5g/t cut off, Max 3m Internal Dilutions, Core Loss 0.00g/t Au
19BSDD002	DD	MGA94_51	434261	6838596	433	-54.7	317.1	201.0	4.80m @ 6.08g/t from 187m
19BSDD002	DD	MGA94_51	434261	6838596	433	-54.7	317.1	201.0	6.27m @ 5.94g/t from 177.23m
19BSDD004	DD	MGA94_51	434319	6838940	435	-43.0	257.5	208.5	10.50m @ 4.45g/t from 158.5m
19BSDD007	DD	MGA94_51	434010	6839072	433	-42.0	65.6	219.1	18.59m @ 4.03g/t from 115.6m
19BSDD008	DD	MGA94_51	434007	6839072	434	-41.7	45.5	216.7	14.30m @ 2.35g/t from 126.65m
19BSDD011	DD	MGA94_51	434301	6839007	435	-47.3	273.8	217.9	16.45m @ 1.61g/t from 171m
19BSDD011	DD	MGA94_51	434301	6839007	435	-47.3	273.8	217.9	6.95m @ 4.14g/t from 140.3m
19BSDD013	DD	MGA94_51	434007	6839071	433	-46.5	80.7	211.6	13.80m @ 1.77g/t from 159.2m
19BSDD013	DD	MGA94_51	434007	6839071	433	-46.5	80.7	211.6	15.60m @ 3.37g/t from 138.2m
19BSDD015	DD	MGA94_51	434027	6839039	430	-44.8	97.0	244.2	15.00m @ 4.63g/t from 175.5m
19BSDD016	DD	MGA94_51	434273	6838696	435	-38.2	268.8	200.6	5.00m @ 5.35g/t from 163m
19BSDD017	DD	MGA94_51	434318	6838941	435	-38.6	267.9	205.0	12.90m @ 3.91g/t from 166.1m
19BSDD019	DD	MGA94_51	434025	6839044	430	-40.0	67.2	224.9	14.00m @ 2.89g/t from 120.9m
19BSDD022	DD	MGA94_51	434282	6839148	435	-34.8	240.1	241.0	3.86m @ 5.75g/t from 197m
19BSDD023	DD	MGA94_51	434264	6839167	435	-27.4	252.1	225.0	9.30m @ 3.59g/t from 201.3m
19BSDD024	DD	MGA94_51	434154	6838546	435	-40.7	319.8	195.1	12.86m @ 8.78g/t from 159.61m
19BSDD027	DD	MGA94_51	434310	6838783	434	-41.3	280.4	192.3	5.50m @ 4.13g/t from 166.1m
19BSDD028	DD	MGA94_51	434290	6839130	435	-35.9	230.7	230.3	6.70m @ 4.68g/t from 183.3m
19BSDD028	DD	MGA94_51	434290	6839130	435	-35.9	230.7	230.3	22.00m @ 2g/t from 201m
19BSDD030	DD	MGA94_51	434257	6838593	434	-44.0	304.8	190.3	15.10m @ 3.41g/t from 160.9m
19BSDD038	DD	MGA94_51	434152	6838547	434	-30.7	328.8	187.3	16.00m @ 1.25g/t from 157m
19BSDD040	DD	MGA94_51	434319	6838943	435	-35.9	248.4	195.7	2.00m @ 11.11g/t from 166m
19BSDD040	DD	MGA94_51	434319	6838943	435	-35.9	248.4	195.7	7.00m @ 5.44g/t from 172m
19BSRC004	RC	MGA94_51	433934	6839269	436	-65.5	28.7	174.0	6.00m @ 4.36g/t from 38m
19BSRC006	RC	MGA94_51	433865	6839343	435	-50.1	11.1	144.0	20.00m @ 1.07g/t from 44m
19BSRC015	RC	MGA94_51	434013	6838552	435	-49.9	326.6	136.0	12.00m @ 2.41g/t from 29m
19BSRC016	RC	MGA94_51	434024	6838540	435	-50.0	324.0	150.0	7.00m @ 8.13g/t from 54m
19BSRC026	RC	MGA94_51	433933	6839281	436	-63.4	75.8	126.0	23.00m @ 4.15g/t from 23m
19BSRC043	RC	MGA94_51	433894	6839316	435	-74.5	25.6	126.0	10.00m @ 3.41g/t from 99m
19BSRD004	RC/DD	MGA94_51	434341	6838874	435	-61.6	265.3	229.9	22.91m @ 1.5g/t from 188.8m
19BSRD006	RC/DD	MGA94_51	434342	6838880	435	-57.2	275.7	226.9	26.80m @ 2.15g/t from 177m
19BSRD008	RC/DD	MGA94_51	434155	6838545	434	-59.5	354.1	179.0	13.00m @ 11.22g/t from 155m
19BSRD012	RC/DD	MGA94_51	434195	6838469	433	-48.6	322.1	259.9	18.45m @ 1.83g/t from 197m
19BSRD014	RC/DD	MGA94_51	434300	6838589	433	-60.7	286.8	229.9	16.93m @ 1.75g/t from 198.5m
19BSRD017	RC/DD	MGA94_51	434358	6838782	434	-64.3	283.9	264.3	10.64m @ 2.15g/t from 248.2m
19BSRD017	RC/DD	MGA94_51	434358	6838782	434	-64.3	283.9	264.3	29.30m @ 2.3g/t from 214.7m
19BSRD018	RC/DD	MGA94_51	434312	6838668	434	-65.2	315.0	280.8	15.21m @ 2.31g/t from 214.79m
19BSRD025	RC/DD	MGA94_51	434299	6839008	435	-56.2	267.2	193.7	11.80m @ 2.26g/t from 181.2m
19BSRD026	RC/DD	MGA94_51	434300	6839007	435	-60.5	242.2	182.1	17.13m @ 1.19g/t from 164m
19BSRD028	RC/DD	MGA94_51	434154	6838544	435	-50.2	267.8	210.6	20.85m @ 1.73g/t from 175m

Table 2 2019 Beasley Creek individual drill intersections exceeding 20 GxM

HOLE ID	DRILL TYPE	Grid ID	COLLAR EAST (m)	COLLAR NORTH (m)	COLLAR RL (m)	DIP	AZIMUTH	EOH	Intersection 0.5g/t cut off, Max 3m Internal Dilutions, Core Loss 0.00g/t Au
19BSDD045	DD	MGA94_51	433978	6838019	432.3	-60.3	272.5	111.3	6.10m @ 8.77g/t from 83.7m
19BSDD050	DD	MGA94_51	434028	6837976	431.6	-61.5	276.0	150.5	10.30m @ 4.76g/t from 129.7m
19BSDD058	DD	MGA94_51	433927	6838130	432.5	-61.1	271.7	43.6	4.00m @ 21.69g/t from 28m
19BSDD060	DD	MGA94_51	433937	6838039	431.7	-61.1	270.6	71.4	20.50m @ 2.48g/t from 31.5m
19BSDD061	DD	MGA94_51	433918	6838018	432.0	-60.0	271.5	79.8	12.00m @ 4.4g/t from 36m
19BSDD062	DD	MGA94_51	433908	6837980	432.1	-61.6	267.2	45.0	9.80m @ 3.62g/t from 26.6m
19BSDD063	DD	MGA94_51	433919	6837960	432.2	-61.5	271.2	78.3	18.00m @ 3.32g/t from 31m
19BSDD067	DD	MGA94_51	434023	6837847	432.2	-60.8	267.0	150.3	9.10m @ 2.37g/t from 111.9m
19BSDD071	DD	MGA94_51	434027	6837948	432.4	-60.6	267.2	163.9	10.25m @ 3.57g/t from 134m
19BSDD071	DD	MGA94_51	434027	6837948	432.4	-60.6	267.2	163.9	3.40m @ 11.46g/t from 47m
19BSDD072	DD	MGA94_51	433938	6837938	431.4	-61.1	267.9	79.9	13.30m @ 4.82g/t from 51m
19BSDD073	DD	MGA94_51	433929	6837978	432.6	-61.8	270.1	72.5	10.30m @ 6.24g/t from 45.7m
19BSDD074	DD	MGA94_51	433997	6837913	431.7	-60.4	268.2	133.9	3.96m @ 14.81g/t from 116m
19BSDD075	DD	MGA94_51	434032	6837885	432.4	-59.8	264.0	156.2	8.80m @ 3.6g/t from 33m
19BSDD075	DD	MGA94_51	434032	6837885	432.4	-59.8	264.0	156.2	9.10m @ 3.59g/t from 125.9m
19BSRC056	RC	MGA94_51	434109	6838196	431.7	-89.3	163.1	150.0	4.00m @ 5.53g/t from 13m
19BSRC066	RC	MGA94_51	434021	6837881	432.38	-60	268.5	145	12.00m @ 2.57g/t from 115m

Table 3 2019 Beasley Creek South individual drill intersections exceeding 20 GxM

HOLE ID	DRILL TYPE	Grid ID	COLLAR EAST (m)	COLLAR NORTH (m)	COLLAR RL (m)	DIP	AZIMUTH	EOH	Intersection 0.5g/t cut off, Max 3m Internal Dilutions, Core Loss 0.00g/t Au
19LNDD001	DD	MGA94_51	439605	6842056	451	-46.9	241.9	173.7	6.44m @ 8.16g/t from 143.36m
19LNRC003	RC	MGA94_51	439582	6841921	451	-56.4	265.8	170	7.00m @ 3.52g/t from 142m
19LNRC093	RC	MGA94_51	439585	6841919	453	-64.1	276.9	162	11.00m @ 4.19g/t from 144m

Table 4 2019 Telegraph individual drill intersections greater than 20 GxM

HOLE ID	DRILL TYPE	Grid ID	COLLAR EAST (m)	COLLAR NORTH (m)	COLLAR RL (m)	DIP	AZIMUTH	EOH	Intersection 0.5g/t cut off, Max 3m Internal Dilutions, Core Loss 0.00g/t Au
19LNRC025	RC	MGA94_51	441228	6844595	457	-51.2	301.5	90	6.00m @ 5.07g/t from 83m
19LNRC026	RC	MGA94_51	441204	6844578	457	-50.6	298.3	84	9.00m @ 2.66g/t from 73m
19LNRC030	RC	MGA94_51	441156	6844512	456	-50.7	300.4	72	6.00m @ 5.32g/t from 57m
19LNRC031	RC	MGA94_51	441181	6844499	456	-50.6	301.5	102	8.00m @ 4.62g/t from 82m
19LNRC052	RC	MGA94_51	442670	6849358	469	-49.8	265.7	174	9.00m @ 2.31g/t from 39m
19LNRC061	RC	MGA94_51	441298	6844767	459	-60.6	272.1	108	16.00m @ 3.7g/t from 44m
19LNRC078	RC	MGA94_51	441217	6844715	459	-60.7	302.3	54	5.00m @ 4.18g/t from 44m

Table 5 2019 Lancefield North individual drill intersections greater than 20 GxM

HOLE ID	DRILL TYPE	Grid ID	COLLAR EAST (m)	COLLAR NORTH (m)	COLLAR RL (m)	DIP	AZIMUTH	EOH	Intersection 0.5g/t cut off, Max 3m Internal Dilutions, Core Loss 0.00g/t Au
19WDDD002	DD	MGA94_51	440114	6843052	455	-61.8	325.2	79.9	7.00m @ 14.88g/t from 63m
19WDRC019	RC	MGA94_51	440305	6843154	455	-49.9	323.3	78	7.00m @ 3.36g/t from 63m
19WDRC048	RC	MGA94_51	440046	6842989	454	-54.9	328.8	96	9.00m @ 2.26g/t from 75m

Table 6 2019 Wedge individual drill intersections greater than 20 GxM

HOLE ID	DRILL TYPE	Grid ID	COLLAR EAST (m)	COLLAR NORTH (m)	COLLAR RL (m)	DIP	AZIMUTH	EOH	Intersection 0.5g/t cut off, Max 3m Internal Dilutions, Core Loss 0.00g/t Au
19BNRC001	RC	MGA94_51	326145	6573394	412	-64.8	119.6	180	9.00m @ 2.29g/t from 119m
19BNRC001	RC	MGA94_51	326145	6573394	412	-64.8	119.6	180	26.00m @ 1.26g/t from 28m
19BNRC001	RC	MGA94_51	326145	6573394	412	-64.8	119.6	180	20.00m @ 1.65g/t from 4m
19BNRC001	RC	MGA94_51	326145	6573394	412	-64.8	119.6	180	30.00m @ 1.2g/t from 65m
19BNRC002	RC	MGA94_51	326150	6573454	412	-64.5	123.33	210	17.00m @ 2.25g/t from 183m
19BNRC003	RC	MGA94_51	326119	6573473	413	-58.4	258.88	114	13.00m @ 1.57g/t from 50m
19BNRC003	RC	MGA94_51	326119	6573473	413	-58.4	258.88	114	18.00m @ 1.46g/t from 28m
19BNRC005	RC	MGA94_51	326148	6573419	413	-65.1	119.77	222	17.00m @ 1.35g/t from 16m
19BNRC005	RC	MGA94_51	326148	6573419	413	-65.1	119.77	222	12.00m @ 3.43g/t from 125m
19BNRC005	RC	MGA94_51	326148	6573419	413	-65.1	119.77	222	28.00m @ 2.8g/t from 144m
19BNRC005	RC	MGA94_51	326148	6573419	413	-65.1	119.77	222	45.00m @ 3.15g/t from 63m
19BNRC005	RC	MGA94_51	326148	6573419	413	-65.1	119.77	222	36.00m @ 6.36g/t from 186m
19NPRC003	RC	MGA94_51	318104	6548328	425	-51.2	77.61	171	4.00m @ 5.08g/t from 68m

Table 7 2019 Coolgardie individual drill intersections greater than 20 GxM

Operating Result

The full-year loss for 2019 was $2.1 million (2018: $4.2 million), which is 50% lower than last year's loss. The reduction in loss was caused by the fact the sale of a portion of a tenement to FMR Investment Pty Ltd for $3.0m, which included the recognition as income $1.5m of prepaid income from the statement of financial position.

On 29 November 2019, Focus announced that the Company could not obtain the approval required to complete the proposed sale of the Coolgardie Gold Project. Given the current strong gold price environment, Focus is reviewing the options for the Coolgardie Gold Project. From an accounting treatment point of view, the Coolgardie Gold Project no longer meets the criteria of non-current assets held for sale as per AASB 5. Focus has made necessary accounting adjustments for the Coolgardie Gold Project.

As at 31 December 2019, the Company has a cash balance (consisting of cash and cash equivalent and short-term deposits) of $13.9 million (2018: $26.8 million).

Subsequent Event

The Covid-19 pandemic is causing disruptions throughout the world. To date, the Company has not experienced any major disruption to its operation. Given the situation is changing rapidly, the Company is unable to estimate or quantify the effects of the Covid-19 and at some stage may cause some delays to planned drilling programs and the field activities.

Except for the aforementioned, 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 consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

Ore Reserves and Mineral Resources Tables

Ore Reserves Table

31 December 2019	Proven Reserves			Probable Reserves			Total Reserves		
	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces
COOLGARDIE GOLD PROJECT									
Tindals Project - UG	-	-	-	-	-	-	-	-	-
Tindals Project - Surface	-	-	-	-	-	-	-	-	-
Tindals Project	-	-	-	-	-	-	-	-	-
Bonnie Vale Project	-	-	-	625	6.2	124,000	625	6.2	124,000
Three Mile Hill Project - Greenfields	-	-	-	1,016	1.4	47,000	1,016	1.4	47,000
Total Coolgardie	***-***	***-***	***-***	***1,641***	***3.2***	***171,000***	***1,641***	***3.2***	***171,000***
TOTAL COMBINED RESERVES	**-**	**-**	**-**	**1,641**	**3.2**	**171,000**	**1,641**	**3.2**	**171,000**

Ore Reserves Table – Comparison to Previous Year

	2018 Probable Reserves			2019 Probable Reserves			Change		
	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces
COOLGARDIE GOLD PROJECT									
Tindals Project - UG	-	-	-	-	-	-	-	-	-
Tindals Project - Surface	-	-	-	-	-	-	-	-	-
Tindals Project	-	-	-	-	-	-	-	-	-
Bonnie Vale Project	625	6.2	124,000	625	6.2	124,000	0	0	0
Three Mile Hill Project - Greenfields	1,016	1.4	47,000	1,016	1.4	47,000	0	0	0
Total Coolgardie	***1,641***	***3.2***	***171,000***	***1,641***	***3.2***	***171,000***	***0***	***0***	***0***
TOTAL COMBINED RESERVES	**1,641**	**3.2**	**171,000**	**1,641**	**3.2**	**171,000**	**0**	**0**	**0**

Mineral Resources Table

Coolgardie Operations

Coolgardie Surface						
Prospect	**Project**	**JORC**	**Classification**	**Tonnes**	**Grade (g/t)**	**Ounces**
Alicia	**Tindals Project**	**JORC 2004**	Indicated	681,000	2.0	43,000
	Tindals Project	**JORC 2004**	Inferred	25,000	1.7	2,000
	Tindals Project	**JORC 2004**	Total	706,000	2.0	45,000
Big Blow	**Tindals Project**	**JORC 2004**	Indicated	281,000	3.4	31,000
	Tindals Project	**JORC 2004**	Inferred	79,000	3.0	8,000
	Tindals Project	**JORC 2004**	Total	360,000	3.3	39,000
Bird in Hand	**Tindals Project**	**JORC 2004**	Indicated	210,000	2.0	13,500
	Tindals Project	**JORC 2004**	Inferred	107,000	2.0	6,500
	Tindals Project	**JORC 2004**	Total	317,000	2.0	20,000
Cookes	**Tindals Project**	**JORC 2004**	Indicated	120,000	2.4	9,000
	Tindals Project	**JORC 2004**	Inferred	47,000	3.3	5,000
	Tindals Project	**JORC 2004**	Total	167,000	2.6	14,000
Cyanide	**Tindals Project**	**JORC 2004**	Indicated	34,000	2.2	2,500
	Tindals Project	**JORC 2004**	Inferred	84,000	1.8	5,000
	Tindals Project	**JORC 2004**	Total	118,000	1.9	7,500
Dreadnought	**Tindals Project**	**JORC 2004**	Indicated	1,900,000	2.0	122,000
	Tindals Project	**JORC 2004**	Inferred	145,000	1.7	8,000
	Tindals Project	**JORC 2004**	Total	2,045,000	2.0	130,000
Empress	**Tindals Project**	**JORC 2004**	Indicated	128,000	2.0	8,000
	Tindals Project	**JORC 2004**	Inferred	12,000	2.3	1,000
	Tindals Project	**JORC 2004**	Total	140,000	2.0	9,000
Friendship	**Tindals Project**	**JORC 2004**	Inferred	100,000	1.4	4,500
Griffiths	**Tindals Project**	**JORC 2004**	Inferred	104,000	2.7	9,000
Happy Jack	**Tindals Project**	**JORC 2004**	Indicated	249,000	2.0	16,000
	Tindals Project	**JORC 2004**	Inferred	99,000	3.1	10,000
	Tindals Project	**JORC 2004**	Total	348,000	2.3	26,000
Lady Charlotte	**Tindals Project**	**JORC 2004**	Indicated	137,000	1.6	7,000
	Tindals Project	**JORC 2004**	Inferred	346,000	1.5	17,000
	Tindals Project	**JORC 2004**	Total	483,000	1.5	24,000
Perseverance	**Tindals Project**	**JORC 2004**	Inferred	53,000	2.4	4,000
Tindals Pit	**Tindals Project**	**JORC 2004**	Indicated	257,000	2.7	22,500
	Tindals Project	**JORC 2004**	Inferred	288,000	2.4	22,000
	Tindals Project	**JORC 2004**	Total	545,000	2.5	44,500
Undaunted	**Tindals Project**	**JORC 2004**	Indicated	187,000	2.0	12,000
	Tindals Project	**JORC 2004**	Inferred	126,000	1.9	8,000
	Tindals Project	**JORC 2004**	Total	313,000	2.0	20,000
Subtotal		**JORC 2004**	Measured	0	0.0	0
Subtotal		**JORC 2004**	Indicated	4,184,000	2.1	286,500
Subtotal		**JORC 2004**	Inferred	1,615,000	2.1	110,000
Total JORC 2004 Tindals Project				**5,799,000**	**2.1**	**396,500**
Brilliant	**Tindals Project**	**JORC 2012**	Indicated	4,523,000	2.3	330,000
	Tindals Project	**JORC 2012**	Inferred	576,000	2.4	44,500
	Tindals Project	**JORC 2012**	Total	5,099,000	2.3	374,500
Subtotal			Measured	0	0.0	0
Subtotal			Indicated	8,707,000		616,500
Subtotal			Inferred	2,191,000		154,500

Prospect	Project	JORC	Classification	Tonnes	Grade (g/t)	Ounces
Total Tindals Project				**10,898,000**	**2.2**	**771,000**
CNX	**Three Mile Hill Project**	**JORC 2004**	Indicated	794,000	1.6	41,000
	Three Mile Hill Project	**JORC 2004**	Inferred	90,000	1.4	4,000
	Three Mile Hill Project	**JORC 2004**	Total	884,000	1.6	45,000
Greenfields	**Three Mile Hill Project**	**JORC 2012**	Indicated	1,328,000	1.7	72,500
	Three Mile Hill Project	**JORC 2012**	Inferred	66,000	2.0	4,500
	Three Mile Hill Project	**JORC 2012**	Total	1,394,000	1.7	77,000
Subtotal			Measured	0	0.0	0
Subtotal			Indicated	2,122,000	1.7	113,500
Subtotal			Inferred	156,000	1.7	8,500
Total Three Mile Hill Project				**2,278,000**	**1.7**	**122,000**
Hillside	**Lindsays-Bayleys Project**	**JORC 2004**	Inferred	437,000	4.4	62,000
Lindsays	**Lindsays-Bayleys Project**	**JORC 2004**	Indicated	4,350,000	1.7	238,000
	Lindsays-Bayleys Project	**JORC 2004**	Inferred	1,490,000	1.6	77,000
	Lindsays-Bayleys Project	**JORC 2004**	Total	5,840,000	1.7	315,000
King Solomon/Queen Sheba	**Lindsays-Bayleys Project**	**JORC 2004**	Inferred	1,400,000	2.0	90,000
Subtotal			Measured	0	0.0	0
Subtotal			Indicated	4,350,000	1.7	238,000
Subtotal			Inferred	3,327,000	2.1	229,000
Total Lindsays-Bayleys Project				**7,677,000**	**1.9**	**467,000**
Lord Bob	**Norris Project**	**JORC 2004**	Inferred	820,000	1.6	42,000
Norris - Grosmont	**Norris Project**	**JORC 2004**	Inferred	1,620,000	2.4	127,000
Subtotal			Measured	0	0.0	0
Subtotal			Indicated	0	0.0	0
Subtotal			Inferred	2,440,000	2.2	169,000
Total Norris Project				**2,440,000**	**2.2**	**169,000**
Total			Measured	0	0.0	0
Total			Indicated	15,179,000	2.0	968,000
Total			Inferred	8,114,000	2.2	561,000
Total Coolgardie Surface				**23,293,000**	**2.0**	**1,529,000**

Coolgardie Underground						
Prospect	**Project**	**JORC**	**Classification**	**Tonnes**	**Grade (g/t)**	**Ounces**
Bird in Hand	**Tindals Project**	**JORC 2004**	Indicated	282,000	3.1	28,000
	Tindals Project	**JORC 2004**	Inferred	90,000	2.8	8,000
	Tindals Project	**JORC 2004**	Total	372,000	3.0	36,000
Countess	**Tindals Project**	**JORC 2004**	Measured	50,000	3.5	5,500
	Tindals Project	**JORC 2004**	Indicated	127,000	2.9	12,000
	Tindals Project	**JORC 2004**	Inferred	0	0.0	0
	Tindals Project	**JORC 2004**	Total	177,000	3.0	17,500
Cyanide	**Tindals Project**	**JORC 2004**	Indicated	516,000	4.7	77,000
M15/646	**Tindals Project**	**JORC 2004**	Inferred	77,000	5.5	13,500
	Tindals Project	**JORC 2004**	Total	593,000	4.8	90,500
Empress	**Tindals Project**	**JORC 2004**	Measured	13,000	4.1	2,000
	Tindals Project	**JORC 2004**	Indicated	175,000	3.4	19,000
	Tindals Project	**JORC 2004**	Inferred	13,000	7.5	3,000
	Tindals Project	**JORC 2004**	Total	201,000	3.7	24,000
Griffiths	**Tindals Project**	**JORC 2004**	Inferred	39,000	2.9	4,000
Perseverance	**Tindals Project**	**JORC 2004**	Measured	154,000	5.3	26,000
	Tindals Project	**JORC 2004**	Indicated	438,000	4.5	64,000
	Tindals Project	**JORC 2004**	Inferred	18,000	4.3	2,000
	Tindals Project	**JORC 2004**	Total	610,000	4.7	92,000
Tindals	**Tindals Project**	**JORC 2004**	Measured	51,000	3.4	5,500
	Tindals Project	**JORC 2004**	Indicated	179,000	2.8	16,000
	Tindals Project	**JORC 2004**	Inferred	72,000	3.1	7,000
	Tindals Project	**JORC 2004**	Total	302,000	3.0	28,500
Subtotal			Measured	268,000	4.5	39,000
Subtotal			Indicated	1,717,000	3.9	216,000
Subtotal			Inferred	309,000	3.8	37,500
Total Tindals JORC 2004 Project				**2,294,000**	**4.0**	**292,500**
Brilliant	**Tindals Project**	**JORC 2012**	Indicated	155,000	3.7	18,500
	Tindals Project	**JORC 2012**	Inferred	633,000	4.1	82,500
	Tindals Project	**JORC 2012**	Total	788,000	4.0	101,000
Subtotal			Measured	268,000	4.5	39,000
Subtotal			Indicated	1,872,000	3.9	234,500
Subtotal			Inferred	942,000	4.0	120,000
Total Tindals Project UG				**3,082,000**	**4.0**	**393,500**
Quarry Reef	**Bonnie Vale Project**	**JORC 2012**	Indicated	519,000	9.1	152,500
	Bonnie Vale Project	**JORC 2012**	Inferred	420,000	3.9	52,500
	Bonnie Vale Project	**JORC 2012**	Total	**939,000**	**6.8**	**205,000**
Subtotal			Indicated	519,000	9.1	152,500
Subtotal			Inferred	420,000	3.9	52,500
Total Bonnie Vale Project				**939,000**	**6.8**	**205,000**
			Measured	268,000	4.5	39,000
			Indicated	2,391,000	5.0	387,000
			Inferred	1,362,000	3.9	172,500
Total Coolgardie Underground				**4,021,000**	**4.6**	**598,500**

Total Measured Resource				**268,000**	**4.5**	**39,000**
Total Indicated Resource				**17,570,000**	**2.4**	**1,355,000**
Total Inferred Resource				**9,476,000**	**2.4**	**733,500**
TOTAL COOLGARDIE				**27,314,000**	**2.4**	**2,127,500**

Mineral Resources Table

Laverton Operations

Laverton Surface						
Prospect	**Project**	**JORC**	**Classification**	**Tonnes**	**Grade (g/t)**	**Contained Ounces**
Admiral Hill	**Barnicoat Project**	**JORC 2004**	Indicated	660,000	1.4	30,000
	Barnicoat Project	**JORC 2004**	Inferred	1,310,000	1.1	46,000
	Barnicoat Project	**JORC 2004**	Total	1,970,000	1.2	76,000
Barnicoat	**Barnicoat Project**	**JORC 2004**	Indicated	340,000	1.3	14,000
	Barnicoat Project	**JORC 2004**	Inferred	250,000	1.0	8,000
	Barnicoat Project	**JORC 2004**	Total	590,000	1.2	22,000
Bells	**Barnicoat Project**	**JORC 2004**	Indicated	594,000	2.0	38,000
	Barnicoat Project	**JORC 2004**	Inferred	36,000	1.4	2,000
	Barnicoat Project	**JORC 2004**	Total	630,000	2.0	40,000
Castaway	**Barnicoat Project**	**JORC 2004**	Indicated	247,000	1.6	13,000
	Barnicoat Project	**JORC 2004**	Inferred	28,000	1.8	2,000
	Barnicoat Project	**JORC 2004**	Total	275,000	1.6	15,000
Grouse	**Barnicoat Project**	**JORC 2004**	Indicated	447,000	1.7	24,000
	Barnicoat Project	**JORC 2004**	Inferred	27,000	1.3	1,000
	Barnicoat Project	**JORC 2004**	Total	474,000	1.7	25,000
Sickle	**Barnicoat Project**	**JORC 2004**	Measured	390,000	1.7	21,000
	Barnicoat Project	**JORC 2004**	Indicated	198,000	2.6	16,000
	Barnicoat Project	**JORC 2004**	Inferred	152,000	3.1	15,000
	Barnicoat Project	**JORC 2004**	Total	740,000	2.2	52,000
Subtotal			Measured	390,000	1.7	21,000
Subtotal			Indicated	2,486,000	1.7	135,000
Subtotal			Inferred	1,803,000	1.3	74,000
Total Barnicoat Project				**4,679,000**	**1.5**	**230,000**
Burtville	**Karridale - Burtville Project**	**JORC 2004**	Indicated	1,207,000	1.4	54,000
	Karridale - Burtville Project	**JORC 2004**	Inferred	708,000	1.8	41,500
	Karridale - Burtville Project	**JORC 2004**	Total	1,915,000	1.5	95,500
Karridale	**Karridale - Burtville Project**	**JORC 2012**	Indicated	14,406,000	1.4	644,000
	Karridale - Burtville Project	**JORC 2012**	Inferred	2,326,000	1.3	98,500
	Karridale - Burtville Project	**JORC 2012**	Total	16,732,000	1.4	742,500
Subtotal			Measured	0	0.0	0
Subtotal			Indicated	15,613,000	1.4	698,000
Subtotal			Inferred	3,034,000	1.4	140,000
Total Karridale - Burtville Project				**18,647,000**	**1.4**	**838,000**
Craggiemore	**Central Laverton Project**	**JORC 2004**	Indicated	575,000	2.2	40,000
	Central Laverton Project	**JORC 2004**	Inferred	113,000	2.7	10,000
	Central Laverton Project	**JORC 2004**	Total	688,000	2.3	50,000
Euro	**Central Laverton Project**	**JORC 2004**	Indicated	255,000	1.7	14,000
	Central Laverton Project	**JORC 2004**	Inferred	314,000	1.7	17,000
	Central Laverton Project	**JORC 2004**	Total	569,000	1.7	31,000
Mary Mac	**Central Laverton Project**	**JORC 2004**	Indicated	232,000	2.2	16,000
	Central Laverton Project	**JORC 2004**	Inferred	9,000	1.6	1,000

Prospect	Project	JORC	Classification	Tonnes	Grade (g/t)	Contained Ounces
Mary Mac	**Central Laverton Project**	**JORC 2004**	Total	241,000	2.2	17,000
Mary Mac South	**Central Laverton Project**	**JORC 2004**	Indicated	435,000	1.6	22,000
	Central Laverton Project	**JORC 2004**	Inferred	90,000	1.8	5,000
	Central Laverton Project	**JORC 2004**	Total	525,000	1.6	27,000
West Laverton	**Central Laverton Project**	**JORC 2004**	Measured	0	0.0	0
	Central Laverton Project	**JORC 2004**	Indicated	1,252,000	2.1	84,500
	Central Laverton Project	**JORC 2004**	Inferred	116,000	1.8	6,500
	Central Laverton Project	**JORC 2004**	Total	1,368,000	2.1	91,000
Subtotal			Measured	0	0.0	0
Subtotal			Indicated	2,749,000	2.0	176,500
Subtotal			Inferred	642,000	1.9	39,500
Total Central Laverton Project				**3,391,000**	**2.0**	**216,000**
Apollo	**Chatterbox Project**	**JORC 2004**	Measured	512,000	2.2	36,000
	Chatterbox Project	**JORC 2004**	Indicated	910,000	2.0	59,000
	Chatterbox Project	**JORC 2004**	Inferred	560,000	3.0	54,000
	Chatterbox Project	**JORC 2004**	Total	1,982,000	2.3	149,000
Inuendo	**Chatterbox Project**	**JORC 2004**	Indicated	180,000	2.9	17,000
	Chatterbox Project	**JORC 2004**	Inferred	380,000	2.3	28,000
	Chatterbox Project	**JORC 2004**	Total	560,000	2.5	45,000
Beasley Creek South	**Chatterbox Project**	**JORC 2004**	Indicated	335,000	2.5	27,000
	Chatterbox Project	**JORC 2004**	Inferred	127,000	2.4	10,000
	Chatterbox Project	**JORC 2004**	Total	462,000	2.5	37,000
Eclipse (Garden Well)	**Chatterbox Project**	**JORC 2004**	Measured	19,000	2.7	2,000
	Chatterbox Project	**JORC 2004**	Indicated	63,000	1.8	4,000
	Chatterbox Project	**JORC 2004**	Inferred	152,000	1.7	8,000
	Chatterbox Project	**JORC 2004**	Total	234,000	1.8	14,000
Gladiator North	**Chatterbox Project**	**JORC 2004**	Indicated	48,000	1.7	3,000
	Chatterbox Project	**JORC 2004**	Inferred	123,000	1.6	6,000
	Chatterbox Project	**JORC 2004**	Total	171,000	1.6	9,000
Rumor	**Chatterbox Project**	**JORC 2004**	Indicated	1,590,000	2.1	107,000
	Chatterbox Project	**JORC 2004**	Inferred	1,060,000	2.1	72,000
	Chatterbox Project	**JORC 2004**	Total	2,650,000	2.1	179,000
Subtotal		**JORC 2004**	Measured	531,000	2.2	38,000
Subtotal		**JORC 2004**	Indicated	3,126,000	2.2	217,000
Subtotal		**JORC 2004**	Inferred	2,402,000	2.3	178,000
Total JORC 2004 Chatterbox Shear Project				**6,059,000**	**2.2**	**433,000**
Beasley Creek	**Chatterbox Project**	**JORC 2012**	Indicated	2,016,000	2.4	156,500
	Chatterbox Project	**JORC 2012**	Inferred	645,000	1.7	35,500
	Chatterbox Project	**JORC 2012**	Total	2,661,000	2.2	192,000
Subtotal			Measured	531,000	2.2	38,000
Subtotal			Indicated	5,142,000	2.3	373,500
Subtotal			Inferred	3,047,000	2.2	213,500
Total Chatterbox Shear Project				**8,720,000**	**2.2**	**625,000**
Telegraph	**Lancefield - Wedge Project**	**JORC 2012**	Indicated	638,000	2.1	43,500

Prospect	Project	JORC	Classification	Tonnes	Grade (g/t)	Contained Ounces
	Lancefield - Wedge Project	**JORC 2012**	Inferred	534,000	1.4	24,500
	Lancefield - Wedge Project	**JORC 2012**	Total	1,172,000	1.8	68,000
Wedge - Lancefield North	**Lancefield - Wedge Project**	**JORC 2012**	Indicated	2,661,000	1.7	141,000
	Lancefield - Wedge Project	**JORC 2012**	Inferred	746,000	1.1	27,000
	Lancefield - Wedge Project	**JORC 2012**	Total	3,406,000	1.5	168,000
Subtotal		**JORC 2012**	Measured	0	0.0	0
Subtotal		**JORC 2012**	Indicated	3,299,000	1.7	184,500
Subtotal		**JORC 2012**	Inferred	1,280,000	1.3	51,500
Total JORC 2012 Lancefield Project				**4,579,000**	**1.6**	**236,000**
South Lancefield	**Lancefield - Wedge Project**	**JORC 2004**	Indicated	72,000	4.0	9,000
	Lancefield - Wedge Project	**JORC 2004**	Inferred	3,000	5.0	1,000
	Lancefield - Wedge Project	**JORC 2004**	Total	75,000	4.0	10,000
Subtotal			Measured	0	0.0	0
Subtotal			Indicated	3,371,000	1.8	193,500
Subtotal			Inferred	1,283,000	1.3	52,500
Total Lancefield Project				**4,654,000**	**1.6**	**246,000**
			Measured	921,000	2.0	59,000
			Indicated	29,361,000	1.7	1,576,500
			Inferred	9,809,000	1.6	519,5000
Total Laverton Surface				**40,091,000**	**1.7**	**2,155,000**

Laverton Underground						
Lancefield Project						
Prospect	**Project**	**JORC**	**Classification**	**Tonnes**	**Grade (g/t)**	**Contained Ounces**
Lancefield	**Lancefield - Wedge Project**	**JORC 2012**	Indicated	0	0.0	0
	Lancefield - Wedge Project	**JORC 2012**	Inferred	3,944,000	6.3	793,000
	Lancefield - Wedge Project	**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 Lancefield Project				**3,944,000**	**6.3**	**793,000**
			Measured	0	0.0	0
			Indicated	0	0.0	0
			Inferred	3,944,000	6.3	793,000
Total Laverton Underground				**3,944,000**	**6.3**	**793,000**

Total Measured Resource				**921,000**	**2.0**	**59,000**
Total Indicated Resource				**29,361,000**	**1.7**	**1,576,500**
Total Inferred Resource				**13,753,000**	**3.0**	**1,312,500**
TOTAL LAVERTON				**44,035,000**	**2.1**	**2,948,000**

Mineral Resources Table – Comparison to Previous Year

	JORC Code Edition Year	2018 Mineral Resources			2019 Mineral Resources			Change		
		Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces
COOLGARDIE GOLD PROJECT										
Tindals Project - UG	*2004*	*2,294*	*4.0*	*292,500*	*2,294*	*4.0*	*292,500*	*0*	*0*	*0*
	2012	*788*	*4.0*	*101,000*	*788*	*4.0*	*101,000*	*0*	*0*	*0*
Tindals Project - Surface	*2004*	*5,799*	*2.1*	*396,500*	*5,799*	*2.1*	*396,500*	*0*	*0*	*0*
	2012	*5,099*	*2.3*	*374,500*	*5,099*	*2.3*	*374,500*	*0*	*0*	*0*
Bonnie Vale Project	2012	939	*6.8*	205,000	939	*6.8*	205,000	0	*0*	0
Lindsays-Bayleys Project	2004	7,677	*1.9*	467,000	7,677	*1.9*	467,000	0	*0*	0
Three Mile Hill Project	2004	884	*1.6*	45,000	884	*1.6*	45,000	0	*0*	0
	2012	1,394	*1.7*	77,000	1,394	*1.7*	77,000	0	*0*	0
Norris Project		2,440	*2.2*	169,000	2,440	*2.2*	169,000	0	*0*	0
Total Coolgardie		***27,314***	***2.4***	***2,127,500***	***27,314***	***2.4***	***2,127,500***	***0***	***0***	***0***
LAVERTON GOLD PROJECT										
Barnicoat Project	2004	4,679	1.5	230,000	4,679	1.5	230,000	0	0	0
Burtville Project	2004	1,915	1.5	95,500	1,915	1.5	95,500	0	0	0
Karridale Project	2012	12,760	1.3	538,000	16,732	1.4	742,500	3,972	0.1	204,500
Central Laverton Project	2004	3,391	2.0	216,000	3,391	2.0	216,000	0	0	0
Chatterbox Project	2004	7,689	2.2	540,000	6,059	2.2	433,000	-1,630	0	-107
	2012				2,661	2.2	192,000	2,661	2.2	192,000
Jasper Hills Project - UG	*2004*	*185*	*4.3*	*25,000*	-	-	-	*-185*	*-4.3*	*-25,000*
Jasper Hills Project - Surface	*2004*	*2,439*	*1.7*	*131,000*	-	-	-	*-2,439*	*-1.7*	*-131,000*
Lancefield Project - UG	*2012*	*3,944*	*6.3*	*793,000*	*3,944*	*6.3*	*793,000*	*0*	*0*	*0*
Lancefield Project - Surface	*2004*	*166*	*5.2*	*28,000*	*75*	*4.0*	*10,000*	*-91*	*-1.2*	*-18,000*
	2012	-	-	-	*4,578*	*1.6*	*236,500*	*4,578*	*1.6*	*236,500*
Total Laverton		***37,168***	***2.2***	***2,596,500***	***44,035***	***2.1***	***2,948,500***	***6,867***	***-0.1***	***352,000***
TOTAL COMBINED RESOURCES		**64,482**	**2.3**	**4,724,000**	**71,349**	**2.2**	**5,076,000**	**6,867**	**-0.1**	**352,000**

Competent Persons' Statement

The 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 complied by himself 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 Geologists. 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 complied by herself in the form and context in which it appears.

The information, except for Bonnie Vale, Brilliant (part of the Tindals Project), Greenfields (part of the Three Mile Hill Project), Karridale and Lancefield – UG was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Bonnie Vale, Brilliant (part of the Tindals Project), Greenfields Karridale and Lancefield – UG are reported under the JORC Code 2012.

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 firm has been used to generate the ore reserves and was subject to internal reviews within Mining One 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.

Corporate Governance Statement

This statement outlines the main corporate governance practices that were in place for the year ended 31 December 2019. This statement explains the extent to which the Company complies with *the ASX Corporate Governance Principles and Recommendations 3rd Edition*, including explanations of why certain recommendations have not been followed. For ease of comparison with the Principles and Recommendations, this statement summarises Focus' compliance with each of the 29 specific recommendations. This statement and summaries of Focus' key governance policies, can be found at:

http://www.focusminerals.com.au/investors/governance/

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1: A listed entity should disclose:

(a) the respective roles and responsibilities of its Board and management; and

(b) those matters expressly reserved to the Board and those delegated to management.

Compliant

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. This includes setting the strategic direction for the Company, establishing goals for management and monitoring the achievement of these goals. A summary of the key responsibilities of the Board include:

- Strategy – Providing strategic guidance for the group, including contributing to the development of and approving the corporate strategy;
- Financial performance – Approving budgets, monitoring management and performance;
- Financial reporting and audits – Monitoring financial performance including approval of the annual and half year financial reports and liaising with the external auditors through the Audit and Risk Committee;
- Leadership selection and performance – Appointment, performance assessment and removal of the Chief Executive Officer. Ratifying the appointment and/or removal of other senior management including Company Secretary and other Board members through the Remuneration and Nominations Committee;
- Remuneration – Management of the remuneration and reward systems and structures for senior management and staff through the Remuneration and Nominations Committee;
- Risk management – Ensuring appropriate risk management systems and internal controls are in place, through the Audit and Risk Committee; and
- Relationships with exchanges, regulators and continuous disclosure – Ensuring the capital markets are kept informed of all relevant and material matters ensuring effective communication with shareholders and stakeholders.

The Board has delegated to executive management responsibility for developing in the first instance:

- Strategy – Assisting in developing and implementing corporate strategies and making recommendations;
- Leadership selection and performance – selecting a short list of final candidate management and staff and proposing terms of appointment and evaluating performance;
- Budgets – Developing the annual budget and managing day-to-day operations within budget;
- Risk management – Maintaining risk management frameworks with periodic review by the Risk Committee; and
- Communication – Keeping the Board, shareholders and market informed of material events.

Recommendation 1.2: A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Compliant

The Company, through the Remuneration and Nominations Committee and with the assistance of professional recruitment agencies, conducts in-depth assessments of potential director candidates. When directors are nominated for election or re-election shareholders are provided a summary of the individual's relevant professional background sufficient to enable an informed decision.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Compliant

The Company has established a process whereby all new directors will agree all significant details of their duties and responsibilities. Prior to 2015, directors were informed of the terms of their engagement but the key responsibilities were taken to be strictly in line with statutory and best practice expectations of directors.

Recommendation 1.4: The Company Secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Compliant

The Company Secretary is hired by and is directly accountable to the Board on matters relating to the proper functioning of the Board.

Recommendation 1.5: Gender Diversity

Not Compliant

The Company's policy regarding Equal Employment Opportunity & Diversity is set out on the Company's website and available upon request. The policy does not include measurable diversity objectives as the Board believes that the Company will not be able to successfully meet meaningful objectives given the size and stage of development of the Company.

Recommendations 1.6: A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Compliant

In future years, the Remuneration and Nominations Committee will conduct an annual review of the Board composition and performance of the Board as a whole, the Chief Executive Officer, Company Secretary and senior executives. This review will include:

- Determining the appropriate balance of skills and experience required to suit the Company's current and future strategies;
- Comparing the above requirements against the skills and experience of current directors and executives;
- Assessing the independence of each director;
- Measuring the contribution and performance of each director;
- Assessing any education requirements or opportunities; and
- Recommending any changes to Board procedures, committees or the Board composition.

The Board is presently undergoing a review of its processes regarding Board and senior executive evaluation and no such formal review was undertaken during the year.

Recommendation 1.7: A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of its senior executives; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

<u>Compliant</u>

The Board is presently undergoing a review of its processes regarding Board and senior executive evaluation. The current evaluation processes are described below.

The Remuneration and Nominations Committee will conduct an annual review of the Board composition and performance of the Chief Executive Officer, Company Secretary and senior executives. This review includes:

- Determining the appropriate balance of skills and experience required to suit the Company's current and future strategies;
- Comparing the above requirements against the skills and experience of current directors and executives;
- Assessing the independence of each executive; and
- Assessing any education requirements or opportunities;

The Board meets annually to review the performance of senior executives. This review includes:

- The performance of the senior executive in supplying the Board with information in a form, timeframe and quality that enables the Board to effectively discharge its duties;
- Feedback from other senior executives;
- Any particular concerns regarding the senior executive; and
- Remuneration objectives.

The Board is presently undergoing a review of its processes regarding Board and senior executive evaluation and no such formal review was undertaken during the year.

Principle 2: Structure the Board to add value

Recommendation 2.1: Establish a Nomination Committee

<u>Not Compliant</u>

The Company did not fully comply with this recommendation in the year ended 31 December 2019. The Company has four directors and two of which are Executive Directors, The Committee comprised two directors, all of which were non-executive directors and the Independent Director is the Chair of the Committee.

Recommendation 2.2: Have and disclose a Board skills matrix

<u>Not Compliant</u>

As part of the Board performance review mentioned in the discussion of recommendations 1.6 and 1.7, the Company will develop a new Board skills matrix that effectively maps the skills held by individual directors and the whole Board against the skills deemed most important to achieve shareholder value.

Recommendation 2.3: Independent Directors

<u>Compliant</u>

The Board has accepted that an Independent Director is as defined in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (3rd Edition).

Of the current Board members, Mr Gerry Fahey is considered to meet the criteria as an Independent Director.

The length of service of each director are set out in the Directors' Report.

Recommendation 2.4: A majority of the Board of a listed entity should be Independent Directors

Not Compliant

The structure of the Board does not comply with this recommendation in that a majority of the directors are not independent. During the year ended 31 December 2019, the Board consisted of two executive directors (Mr Zhaoya Wang, CEO and, Mr Zaiqian Zhang, CFO and Company Secretary), one independent director (Mr Gerry Fahey) and one non-executive non-independent director (Mr Dianfei Pei).

The Board has nevertheless determined that the composition of the current Board represents an appropriate mix of directors that have a range of qualifications and expertise enabling them to understand and effectively deal with issues faced by the Company. Though not considered independent for the purposes of this recommendation, the non-executive directors can effectively review and challenge the performance of management. The Board is satisfied that all directors bring an independent judgment to bear on Board decisions. In addition, each director is entitled to seek independent professional advice at the Company's expense on matters directly related to his director responsibilities, in accordance with Company's constitution.

The Board's structure and composition will be reviewed as and when its scale, strategic direction or activities change. The Company will only recommend the appointment of additional directors to the Board where it believes the expertise and value added outweighs the additional cost.

Recommendation 2.5: The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Not Compliant

The Company's Chairman throughout the year was Mr Pei, a non-executive but non-independent director. However, the Board believes that Mr Pei was able to and does bring expertise and independent judgment to all relevant issues falling within the scope of his role as Chairman. The CEO is Mr Zhaoya Wang.

Recommendation 2.6: Director induction and professional development

Compliant

New directors are inducted into the Company's processes and policies in a suite of ways, including the provision of a 'Board manual', interviews with senior management to build awareness of the issues facing the business, and out of session meetings with other directors. All directors are encouraged to undertake ongoing professional development both in their area of technical expertise and in the skills required to effectively execute the role of director.

Principle 3: Act ethically and responsibly

Recommendation 3.1: A listed entity should:

(a) have a code of conduct for its directors, senior executives and employees; and

(b) disclose that code or a summary of it.

Compliant

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all Directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity. A summary of the Code is available upon request.

The Code sets out Focus' commitment to conducting its business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards.

The Board encourages all stakeholders to report unlawful/unethical behaviour and provides protection for those who report potential violations in good faith.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1: Audit Committee

Not Compliant

The Company did not fully comply with this recommendation in the year ended 31 December 2019. The Company has four directors and two of which are Executive Directors, The Committee comprised two directors, all of which were non-executive directors and the Independent Director is the Chair of the Committee.

Recommendation 4.2: CEO and CFO declaration on the financial records

Compliant

The Board has received written confirmation from the CEO and CFO that Focus' financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3: The external auditor should attend the AGM and be available to answer questions from security holders relevant to the audit

Compliant

A partner of PwC, the Company's auditor during the year, was available at the most recent AGM and the newly appointed auditor, RSM Australia Partners will be available at the next AGM to answer questions from shareholders. It is the policy of the Board to always request auditor presence at AGMs.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1: Continuous disclosure policy

Compliant

The Company's Continuous Disclosure Policy sets out the obligations of the Company's directors, officers, employees and consultants in relation to continuous disclosure as well as the Company's obligations under the *Corporations Act* and the *ASX Listing Rules*. The policy also contains procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements and for the monitoring of Company compliance.

The policy is currently being updated and a summary of the current policy is available on the Company's website and upon request.

Principle 6: Respect the rights of security holders

Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website

Compliant

Investors and other stakeholders can find information about the Company on its website http://www.focusminerals.com.au/. Information on the Company's corporate governance practices can be found at:
http://www.focusminerals.com.au/investors/governance/

Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors

Compliant

The Board places significant importance on effective communication with shareholders.

Information is communicated to shareholders through the distribution of the annual and half yearly financial reports, quarterly reports on activities and cash flows, announcements through the ASX and the media, on the Company's website and through the Chairman's address at the Annual General Meeting.

In addition, the Company engages with an external investor and public relations firm to improve the communications between the Company and its stakeholders.

Through the Company's information email address and phone number, and at AGMs, the Company encourages two-way communication with shareholders.

Recommendation 6.3: Disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders

Compliant

The Company facilitates and encourage participation at meetings of security by having sections of each meeting dedicated to questions from the floor. Shareholders are given at least 30 days' notice of security holder meetings and those that are unable to attend in person may email or fax questions they would like answered. The Company provides a direct voting facility to allow security holders to vote ahead of AGMs without having to attend or appoint a proxy.

Recommendation 6.4: Give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically

Compliant

News announcements and other information are sent by email to all persons who have requested their name to be added to the Company's email list. If requested, the Company will provide general information by email, facsimile or post.

Principle 7: Recognise and manage risk

Recommendation 7.1: Risk committee

Not Compliant

The Board has expanded the scope of the Audit and Risk Committee to include monitoring the Company's business risks. The management of business risks also addresses asset, operational, regulatory compliance, personal health, safety and environmental risks.

The Audit and Risk Committee monitors the performance of risk management and internal control systems and reports to the Board on the extent to which it believes the risks are being managed and the adequacy and comprehensiveness of risk reporting from management.

The Company did not fully comply with this recommendation in the year ended 31 December 2019. The Company has four directors and two of which are Executive Directors, The Committee comprised two directors, all of which were non-executive directors and the Independent Director is the Chair of the Committee.

The composition of the committee, a record of its meetings, and the relevant experience of each member of the committee is set out in the Directors Report.

Recommendation 7.2: The Board or a committee of the Board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

Not Compliant

Focus' full Board, led by the Audit and Risk Committee, reviews the Company's risk management framework on a regular basis, however, due to there being no material changes in the Company's environment or activities, no formal review was undertaken this year. Ad hoc reviews may also be conducted when the Board perceives that the risk environment has shifted significantly.

Recommendation 7.3: A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Compliant

The Company does not have an internal audit function as the Board has deemed it is not necessary giving consideration to the size and nature of the Company. Instead, the full Board through the Audit and Risk Committee liaises closely with the Company's external auditor to identify potential improvements to the risk management and internal control processes.

Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Compliant

The Board is keenly aware of the exposure Focus has to economic, environmental and social sustainability risks, an exposure common to most mining and exploration companies. A brief description of the risk mitigations put in place by the Company to manage these material risks are:

Economic: In a period with minimal revenue, the Company is working diligently to minimise cash outflow to ensure its strong cash position is sustained. Future capital investment will be subject to strict financial analysis to ensure the Company protects its economic sustainability.

Environmental: Focus is investing significantly in reducing the environmental impact of past activities and will continue to work closely with the relevant government departments and other stakeholders to manage the Company's environmental sustainability risks in the long term.

Social: The Company has a strong relationship with local stakeholders including local shires, and Aboriginal communities. Focus believes the sustainability of the Company and its local stakeholders are intertwined so is committed to working together with those groups.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1: Remuneration committee

Not Compliant

The Board has expanded the scope of the Nominations Committee to include monitoring the Company's Remuneration matters.

The Remuneraton and Nominations Committee steers the Board in its efforts to attract and retain high quality directors and senior executives. It ensures that the incentives for executive directors and other senior executives work to align their interests to the success of the entity over the long term while appropriately managing risks. The Committee further seeks to ensure that the incentives for non-executive directors do not lessen their independent judgement.

The Company did not fully comply with this recommendation in the year ended 31 December 2019. The Company has four directors and two of which are Executive Directors, The Committee comprised two directors, all of which were non-executive directors and the Independent Director is the Chair of the Committee.

The composition of the committee, a record of its meetings, and the relevant experience of each member of the committee is set out in the Directors Report.

Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Compliant

The maximum amount of Directors' fees is fixed by shareholders at the Annual General Meeting and can only be varied by shareholders in a similar manner. In determining the allocation of fees, the Board takes into account the time demands on each Director, together with the responsibilities undertaken by them and market practices of similar sized businesses in the mining sector.

It is the policy of the Board not to issue Directors incentive shares or options. A Board Retirement Plan is in place to recognise long term service by retiring Board members and taking into account that the Directors agreed to less than market stipends during the period that the Company transitioned from explorer to producer and this practice has continued.

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current period is included in the Remuneration Report contained within the Directors' Report.

Recommendation 8.3: Equity-based remuneration

As the Company does not have an equity-based remuneration scheme, Recommendation 8.3 is not applicable.

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 2019.

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
Gerry Fahey	Director – Independent
Zhaoya Wang	Director – Executive
Zaiqian Zhang	Director – Executive

Details of the Directors' qualifications, experience, special responsibilities and details of directorships of other listed companies can be found on pages 28 to 29 and in the remuneration report on pages 34 to 38.

Information on Directors, Officers and Senior Management

Directors	**Designation & Independence Status**	**Experience, Expertise & Qualifications**
Dianfei Pei *Appointed on 12 January 2016*	**Chairman** *Non-Executive Non-Independent*	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. Mr Pei has a Master's degree in Mining Engineering at University of Science and Technology Beijing. Directorships of other ASX listed companies: None
Zhaoya Wang *Appointed as Director on 17 November 2017*	**Director** *Non-Executive Non-Independent* *Executive since 19 July 2018*	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. He has a Master 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. Directorships of other ASX listed companies: None
Zaiqian Zhang *Appointed as Director on 24 November 2017* *Appointed as Company Secretary on 16 March 2018*	**Director** *Executive CFO*	*Qualifications: CA, AGIS, ACIS, MSc, BSc (Hons)* Mr Zhang joined Focus Minerals Ltd in September 2013 as a Senior Accountant. On 24 November 2017, he was promoted to Director and Chief Financial Officer. He is a Chartered Accountant (Chartered Accountants Australia and New Zealand) and a Chartered Secretary (Governance Institute of Australia). He has a master's degree in Accounting and Finance and an Honours degree in Accounting for Management from Aston University in Birmingham, UK. Directorships of other ASX listed companies: None

Directors	**Designation & Independence Status**	**Experience, Expertise & Qualifications**
Gerry Fahey *Appointed on 18 April 2011*	**Director** *Independent*	*Qualifications: M.AIG, M.AusIMN* 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. 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). Directorships of other ASX listed companies: • Prospect Resources Limited (Non-Executive Director: appointed July 2013, ongoing)

Note: For director's special responsibilities during the year ended 31 December 2019, please refer to the Remuneration Report

Senior Management

Zhaoya Wang - Chief Executive Officer

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

Zaiqian Zhang - Chief Financial Officer, Company Secretary

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

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.

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	12,820	-
Dianfei Pei*	90,519,954	-
Zhaoya Wang	-	-
Zaiqian Zhang	-	-

*Mr Pei holds an indirect interest in the Company through Shandong Gold International Mining Corporation Limited as he is an senior execute.

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	5	6	2	2	-	-	-	-
Gerry Fahey	6	6	2	2	-	-	-	-
Zhaoya Wang	6	6	-	-	-	-	-	-
Zaiqian Zhang	6	6	-	-	-	-	-	-

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 182,748,565 fully paid ordinary shares.

Share Options

Options Issued
There were no options issued during the year ended 31 December 2019.

Options Exercised
There were no options exercised during the year ended 31 December 2019.

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.

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Review of Operations

Overview

In 2019, Focus continued its positive momentum towards resuming production. During the year, the Company invested $14.5 million (2018: $7.8 million) into its exploration programmes in Laverton and Coolgardie.

Exploration

During the year, the Focus exploration team continued to lead with best practice and highly efficient resource and exploration drilling. In 2020 74% of total holes drilled intersected at least one interval of mineralisation exceeding 0.5g/t Au.

Resource development drilling has continued to be highly successful with outstanding results achieved at:

- Beasley Creek,
- Beasley Creek South,
- Karridale,
- Wedge,
- Lancefield North,
- Telegraph and,
- Brilliant North.

Furthermore, exploration at: Gladiator West, Nepean, Emu Hill and Ada delivered some significant intersections.

<u>Laverton</u>
At Laverton 559 holes for 72,440.33m were completed comprising 52,926.8m RC and 19,513.53m DD. The majority of this drilling targeted Stage 1 open pit inferred and indicated resource delineation. During the year proposed Laverton stage 1 open pit inferred and indicated resources grew to 23.9MT @ 1.52g/t Au for 1.17Moz.

<u>Coolgardie</u>
At Coolgardie 32 holes were drilled for 4,132.7m comprising 3,753.35m RC and 379.2m DD. Exploration was successful with extensions of mineralisation identified at Emu Hill, Ada and Nepean. Furthermore, resource drilling at Brilliant North encountered strong mineralisation (Announcements 30/07/2019 and 13/08/2019).

Sale of Coolgardie Gold Project

The sale of the Coolgardie Gold Project did not proceed due to issues with obtaining the necessary approvals in a timely fashion.

Currently Focus is not actively marketing the Coolgardie Project, nor is able to determine if the necessary approvals could be achieved in the event of a sale in 2020. As the sale of Coolgardie no longer complies with AASB 5, and in particular, but not limited to, AASB 5.9, the Board has elected to not hold the asset for sale.

Operating Result

The full-year loss after income tax for 2019 was $2.1 million (2018: loss of $4.2 million), which is 50% lower than last year's loss.

As at 31 December 2019, the Company has a cash balance (consisting of cash and cash equivalent and short-term deposits) of $13.9 million (2018: $26.8 million).

Dividends

No dividends have been paid or provided in the year (2018: nil).

Earnings per Share

	31 December 2019	**31 December 2018**
Basic loss per share (cents per share)	**(1.13)**	(2.30)
Diluted loss per share (cents per share)	**(1.13)**	(2.30)

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

Except as otherwise disclosed in this report, there has not been any matter or circumstance that has arisen after the balance date that has significantly affected, or may significantly effect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Likely Developments and Expected Results

The Company 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.

Environmental Regulations

The Company'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 Company's operations. The Group continues to comply with its specified regulations.

Indemnification and Insurance of Directors and Officers

The Company has paid premiums of $34,657 (2018: $24,000) to insure the directors and officers of the Company against liabilities for costs and expenses incurred by them in defending legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

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/Company Secretary, General Manager – 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 2019 are listed in the table below:

Director	**Capacity**	**Change during the Year**
Dianfei Pei	Non-Executive, Non-Independent	None
Gerry Fahey	Independent	None
Zhaoya Wang	Director, Executive	None
Zaiqian Zhang	Director, Executive	None

Current Executive	**Capacity**	**Change during the Year**
Alex Aaltonen	General Manager – Exploration	None

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.

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.

The Company introduced a retirement allowance in 2011 for the long-term service of Directors, tied solely to their current Directors Fee at the time of retirement (Fixed Component). The application of the allowance was backdated to the time the directors commenced in their role.

The allowance is as follows:

- 3 - 5 Years' Service – 25% of annual fees on retirement
- 5 - 8 Years' Service – 50% of annual fees on retirement
- 8+ Years' Service – 100% of annual fees on retirement

During the year, no one was paid under this benefit. (2018: 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**
Dianfei Pei	Chair *Non-Executive* *Non-Independent*	M	M	M
Gerry Fahey	Director *Independent*	C	C	C
Zhaoya Wang	Director *Executive*	-	-	-
Zaiqian Zhang	Director *Executive*	-	-	-

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 $700,000 per annum of which $130,000 (2018: $192,500) has been paid to the directors as fees during the year.

Voting and comments made at the company's 2018 Annual General Meeting ('AGM')
At the 2018 AGM, 98.84% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2018. 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 2019, the Company did not set any KPIs.

During the year ended 31 December 2019, the Company did not awarded its employees a discretionary bonus. A discretionary bonus was awarded during the 31 December 2018 year, this included Alex Aaltonen and is included as other short-term remuneration.

No options were issued during the year (2018: 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

Zaiqian Zhang – Chief Financial Officer and Company Secretary

Base Salary:	$294,000 per annum plus superannuation guarantee
Term:	Permanent starting from 24 November 2017
Termination:	Four weeks' notice

Alex Aaltonen – General Manager – Exploration

Base Salary:	$234,600 per annum plus superannuation guarantee
Term:	Permanent starting from 19 February 2018
Termination:	Four weeks' notice

Remuneration Tables

Directors' remuneration for the year ended 31 December 2019

	Short-Term Benefits			Post-Employment Benefits			%
	Salary $	**Fees $**	**Other $**	**Super-annuation $**	**Other $**	**Total $**	**Performance Related $**
Directors							
Dianfei Pei	-	80,000	-	-	-	80,000	-
Gerry Fahey	-	50,000	-	4,750	-	54,750	-
Zhaoya Wang	420,000	-	53,878	39,900	-	513,778	-
Zaiqian Zhang	294,000	-	-	27,930	-	321,930	-
Total	**714,000**	**130,000**	**53,878**	**72,580**	**-**	**970,458**	**-**

Directors' remuneration for the year ended 31 December 2018

	Short-Term Benefits			Post-Employment Benefits			%
	Salary $	**Fees $**	**Other $**	**Super-annuation $**	**Other $**	**Total $**	**Performance Related $**
Directors							
Dianfei Pei	-	80,000	-	-	-	80,000	-
Gerry Fahey	-	50,000	-	4,750	-	54,750	-
Zhaoya Wang	189,538	29,167	26,693	18,006	-	263,404	-
Zaiqian Zhang	285,833	-	-	28,104	-	313,937	-
Former Directors							
Wanghong Yang	-	-	20,000	1,900	-	21,900[2]	-
Peter Hepburn-Brown	-	33,333	-	3,167	-	36,500	-
Total	**475,371**	**192,500**	**46,693**	**55,927**	**-**	**770,491**	**-**

[2] The payment was related to the year ended 31 December 2017 but it was paid in May 2018. At the time of publishing the Financial Accounts for the year ended 31 December 2017, the bonus had yet been approved.

Remuneration of the key management personnel for the year ended 31 December 2019

	Short-Term Benefits			Post-Employment Benefits			%
	Salary $	**Fees $**	**Other $**	**Super-annuation $**	**Other $**	**Total $**	**Performance Related $**
Current Executive							
Alex Aaltonen	234,217	-	-	22,481	-	256,698	-

Remuneration of the key management personnel for the year ended 31 December 2018

	Short-Term Benefits			Post-Employment Benefits			%
	Salary $	**Fees $**	**Other $**	**Super-annuation $**	**Other $**	**Total $**	**Performance Related $**
Current Executive							
Alex Aaltonen	198,744	-	20,000	20,099	-	238,843	-
Former Executive							
Dane Etheridge	69,923	-	20,000[3]	6,853	-	96,776	-

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, which have been restated to reflect the 50-to-1 share consolidation:

		12 months to 31 December	12 months to 31 December	12 months to 31 December	12 months to 31 December	12 months to 31 December
		2019	**2018**	**2017 Restated**	**2016**	**2015**
(Loss) / profit attributable to the owners of Focus Minerals Ltd ('$000's)		(2,063)	(4,207)	(6,194)	(3,184)	(2,830)
Basic earnings per share	(CPS)	(1.13)	(2.30)	(3.39)	(1.74)	(1.55)
Dividend payments	$	n/a	n/a	n/a	n/a	n/a
Dividend payout ratio		n/a	n/a	n/a	n/a	n/a
Share Price as at the end of the year/period	$	0.215	0.175	0.32	0.41	0.31
Increase/(Decrease) in share price		23%	(45%)	(22%)	32%	(11%)
Total KMP incentive as percentage of profit/loss for the year/period	%	-	-	-	-	-

[3]The payment was related to the year ended 31 December 2017 but it was paid in May 2018. At the time of publishing the Financial Accounts for the year ended 31 December 2017, the bonus had yet been approved.

Transactions and Balances with Related Parties

Shandong Gold International Mining Corporation Limited is the parent entity of Focus Minerals Limited. During 2019, no related party transactions occurred other than the payment of director fees to Mr Pei. As at 31 December 2019, the account payable balance for his director fees was $36,167 (2018: $21,354). Details regarding Mr's 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.

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.

Auditor’s Independence Declaration

The auditor’s independence declaration for the year ended 31 December 2019 has been received and can be found on page 41 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

Dianfei Pei
Chairman of the Board
31 March 2020
Jinan, China

Auditors' Independence Declaration

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F +61 (0) 8 9261 9111
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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 2019, 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

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 31 March 2020

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

		Consolidated	
	Notes	**2019 $'000**	2018 $'000
Revenue from continuing operations	2(a)	**745**	1,250
Other Income	2(b)	**3,576**	151
Employee expenses	2(c)	**(1,256)**	(1,418)
Depreciation expenses	2(c)	**(523)**	(601)
Finance costs	2(c)	**(744)**	(549)
Loss on disposal of tenements	2(c)	**(1,026)**	(243)
Care and maintenance costs		**(975)**	(1,045)
Corporate and other expenses	2(c)	**(1,860)**	(1,752)
Loss Before Income Tax		**(2,063)**	(4,207)
Income Tax Expense	4	**-**	-
Loss After Income Tax		**(2,063)**	(4,207)
Other Comprehensive Income for the year, Net of Tax		**-**	-
Total Comprehensive Loss		**(2,063)**	(4,207)
Total Comprehensive Loss Attributable to:			
Owners of the Parent		**(2,063)**	(4,207)
Total Comprehensive Loss		**(2,063)**	(4,207)
Earnings per Share			
Basic Loss per Share (Cents Per Share)	5	**(1.13)**	(2.30)
Diluted Loss per Share (Cents Per Share)	5	**(1.13)**	(2.30)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	**Consolidated** **31 December 2019** **$'000**	31 December 2018 $'000
Assets			
Current Assets			
Cash and Cash Equivalents	6	**13,935**	3,890
Short-term deposits	6	**-**	22,927
Trade and Other Receivables	7	**253**	840
Assets Held for Sale	11	**-**	46,192
Total Current Assets		**14,188**	73,849
Non-Current Assets			
Restricted Cash	6	**13,869**	15,996
Inventories	11	**1,293**	-
Plant and Equipment	8	**905**	87
Right-of-use Assets	9	**145**	-
Exploration and Evaluation Assets	10	**85,899**	29,155
Total Non-Current Assets		**102,111**	45,238
Total Assets		**116,299**	119,087
Liabilities			
Current Liabilities			
Trade and Other Payables	12	**682**	555
Prepaid Income	13	**-**	1,667
Provisions	14	**280**	187
Lease Liabilities	15	**122**	-
Assets Held for Sale (Liability)	11	**-**	10,715
Total Current Liabilities		**1,084**	13,124
Non-Current Liabilities			
Provisions	14	**27,012**	15,731
Lease Liabilities	15	**34**	-
Total Non-Current Liabilities		**27,046**	15,731
Total Liabilities		**28,130**	28,855
Net Assets		**88,169**	90,232
Equity			
Issued Capital	16 (a)	**427,167**	427,167
Reserves	16(c)	**(7,178)**	(7,178)
Accumulated Losses		**(331,820)**	(329,757)
Total Equity		**88,169**	90,232

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Issued Capital	Accumulated Losses	Reserves	Total
	$'000	**$'000**	**$'000**	**$'000**
Balance as at 31 December 2017	**427,167**	**(325,550)**	**(7,178)**	**94,439**
Total Comprehensive loss for the year	-	(4,207)	-	(4,207)
Balance as at 31 December 2018	**427,167**	**(329,757)**	**(7,178)**	**90,232**
Total Comprehensive loss for the year	-	(2,063)	-	(2,063)
Balance as at 31 December 2019	**427,167**	**(331,820)**	**(7,178)**	**88,169**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Consolidated 2019 '$000	2018 '$000
Cash Flows from Operating Activities			
Payments to Suppliers and Employees (Including GST)		**(4,415)**	(3,825)
Royalties Paid		**(3)**	(12)
Collection/(Payment) of Performance & Other Bonds		**-**	(6)
Other Income		**531**	184
Interest Received		**1,063**	1,932
Finance Costs		**(206)**	(167)
Net Cash Outflow from Operating Activities	6(ii)	**(3,030)**	(1,894)
Cash Flows from Investing Activities			
Proceeds from Sale of Non-Current Assets		**1,878**	-
Prepaid Income		**-**	167
Acquisition of Plant and Equipment		**(173)**	(90)
Payment to Leases		**178**	-
Decrease in short-term deposits		**25,053**	10,609
Payments for Exploration Expenditure		**(13,861)**	(7,772)
Net Cash Inflow/(Outflow) from Investing Activities		**13,075**	2,914
Net Increase in Cash and Cash Equivalents		**10,045**	1,020
Cash and Cash Equivalents at the Beginning of the Year		**3,890**	2,870
Cash and Cash Equivalents at the End of the Year	6(i)	**13,935**	3,890

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 consolidated entity consisting of Focus Minerals Ltd ('the parent entity') and its subsidiaries (the 'Group').

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The parent entity has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest $1,000, or, in certain cases, to the nearest dollar.

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.

The financial report of Focus Minerals Ltd and controlled entities complies with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets.

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.

(b) 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.

(c) 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.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(af)).

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(d) 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.

(e) 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.

(f) Trade and Other Receivables

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

The Group has applied the simplified approach to measuring expected credit loses, 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.

(g) 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.

(h) 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.

(i) Impairment of Financial Assets

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

(j) 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.

(k) 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.

(l) *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.

(m) 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.

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

<u>Impairment</u>

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.

<u>De-Recognition and Disposal</u>

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.

(n) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure 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.

(o) Mine Properties and Development

Development expenditure represents the accumulated exploration, evaluation, land and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

In some circumstances, where conversion of resources into reserves is expected, some resources may be included. Development and land expenditure still to be incurred in relation to the current reserves are included in the amortisation calculation. Where the life of the assets are shorter than the mine life their costs are amortised based on the useful life of the assets.

The estimated recoverable reserves and life of the mine and the remaining useful life of each class of asset is reassessed at least annually. Where there is a change in the reserves/resources amortisation rates are correspondingly adjusted.

(p) *Stripping Costs in the Production Phase of a Surface Mine*

Production stripping costs (also known as deferred mining costs) are to be capitalised as part of an asset if:

- There is a probable future economic benefits will be realised;
- The costs can be reliably measured; and
- The component of an ore body for which access has been improved can be identified.

The stripping activity asset shall be amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

(q) 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.

(r) 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.

(s) 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.

<u>Long Service Leave</u>

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.

<u>Termination Benefits</u>

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.

(t) Share-Based Payment Transactions

<u>Equity Settled Transactions</u>

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).

(u) 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.

(v) Restoration and Rehabilitation Costs

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.

Restoration and rehabilitation provisions are 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(z).

When provisions for restoration and 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 the restoration and rehabilitation liability 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 restoration and rehabilitation liability are added to or deducted from the related rehabilitation asset and amortised accordingly.

(w) 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.

(x) Earnings per Share

Basic earnings 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 earnings per share are 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.

(y) Comparative Figures

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

(z) 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 12 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 provisions 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.

- Impairment of Assets

  The Group assesses each Cash-Generating Unit (CGU), to determine whether there is any indication of impairment or reversal. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs of disposal and value in use calculated in accordance with accounting policy Note 1(n). These assessments require the use of estimates and assumptions such as discount rates, exchange rate, commodity prices, gold multiple values, future operating development and sustaining capital requirements and operating performance (including the magnitude and timing of related cash flow).

- Lease Term

  The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is a reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements, and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

- Incremental borrowing rate

  Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, with similar terms, security and economic environment.

(ab) 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.

(ac) 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.

(ad) New and amended standards adopted by the group

The Group 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.

The following Accounting Standard is the most relevant to the Group.

AASB 16 Leases
The Group has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

<u>Impact of adoption</u>
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening accumulated losses as at 1 January 2019 was as follows:

	1 January 2019 $000
Operating lease commitments as at 1 January 2019 (AASB 117)	415
Less short-term exclusion amounts	(80)
Operating lease commitments discount based on the weighted average incremental borrowing rate of 6% (AASB 16)	(15)
Right-of-use assets (AASB 16)	220
Lease liabilities - current (AASB 16)	(86)
Lease liabilities - non-current (AASB 16)	(134)
Impact on opening accumulated losses as at 1 January 2019	-

AASB 16 Leases – Accounting policies applied from 1 January 2019:

<u>Right-of-use assets</u>
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 Group 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 Group 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.

<u>Lease liabilities</u>
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 Group'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.

(ae) New Accounting Standards and Interpretations not yet adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.
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(af) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Note 2: Revenues and Expenses

	Consolidated	
	2019 $'000	2018 $'000
(a) Revenue from continuing operations		
Interest income	**745**	1,250
Total revenue from continuing operations	**745**	1,250
(b) Other income		
Sundry income	**190**	151
Sale and sublease of Mill	**3,386**	-
Total other income	**3,576**	151
(c) Expenses		
Depreciation Expenses		
Depreciation – Plant and equipment	**425**	601
Depreciation – Right-of-use assets	**98**	-
Total depreciation expenses	**523**	601
Finance Expenses		
Interest provision – Asset Retirement Obligation	**560**	**382**
Interest expense paid/payable on lease liabilities	**23**	**-**
Other Finance Costs	**161**	**167**
Total finance expenses	**744**	**549**
Corporate and other expenses		
Professional services and consulting fees	**1,022**	**532**
Corporate expense	**838**	**1,021**
Office lease costs	**-**	**199**
Total corporate and other expenses	**1,860**	**1,752**
Employee Expenses		
Total Employee Expenses	**1,256**	**1,418**
Total Employee Expenses	**1,256**	**1,418**
Loss on disposal of tenements		
Exploration assets	**1,026**	**243**
Total loss on disposal of tenements	**1,026**	**243**

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 2019 is presented below:

	2019 Coolgardie $'000	**2019 Laverton $'000**	**2019 Corporate $'000**	**2019 Consolidated $'000**
Revenue from continuing operations	73	277	395	745
Other income	3,443	133	-	3,576
Depreciation	(422)	-	(101)	(523)
Employee expenses	-	-	(1,256)	(1,256)
Finance cost	(268)	(453)	(23)	(744)
Care and Maintenance Costs	(405)	(570)	-	(975)
Loss on disposal of tenements and plant and equipment	(557)	(469)	-	(1,026)
Corporate and Other expenses	(780)	(78)	(1,002)	(1,860)
SEGMENTED LOSS BEFORE TAX	1,084	(1,160)	(1,987)	(2,063)
Income taxes	-	-	-	-
SEGMENTED LOSS	**1,084**	**(1,160)**	**(1,987)**	**(2,063)**
Current Assets	1,775	73	12,340	14,188
Non-Current Assets				
- Restricted Cash	3,177	10,345	347	13,869
- Inventories	1,293	-	-	1,293
- Property, Plant & Equipment	692	204	9	905
- Right-of-Use Assets	-	23	122	145
- Exploration and Evaluation	44,280	41,619	-	85,899
TOTAL ASSETS	**51,217**	**52,264**	**12,818**	**116,299**
Current Liabilities	220	321	543	1,084
Other Non-Current Liabilities	10,943	15,872	231	27,046
TOTAL LIABILITIES	**11,163**	**16,193**	**774**	**28,130**
NET ASSETS	**40,054**	**36,071**	**12,044**	**88,169**

Segment Financial Information for the year ended 31 December 2018 is presented below:

	2018 Coolgardie $'000	**2018 Laverton $'000**	**2018 Corporate $'000**	**2018 Consolidated $'000**
Revenue from continuing operations	-	-	1,250	1,250
Other income	151	-	-	151
Depreciation	(590)	(7)	(4)	(601)
Employee expenses	-	-	(1,418)	(1,418)
Finance cost	(273)	(109)	(167)	(549)
Care and Maintenance Costs	(612)	(433)	-	(1,045)
Loss on disposal of tenements and plant and equipment	(87)	(156)	-	(243)
Corporate and Other expenses	(180)	(61)	(1,511)	(1,752)
SEGMENTED LOSS BEFORE TAX	(1,591)	(766)	(1,850)	(4,207)
Income taxes	-	-	-	-
SEGMENTED LOSS	**(1,591)**	**(766)**	**(1,850)**	**(4,207)**
Current Assets	45,706	869	27,274	73,849
Non-Current Assets				
- Restricted Cash	3,177	12,474	345	15,996
- Property, Plant & Equipment	-	83	4	87
- Exploration and Evaluation	-	29,155	-	29,155
TOTAL ASSETS	**48,883**	**42,581**	**27,623**	**119,087**
Current Liabilities	12,440	251	433	13,124
Other Non-Current Liabilities	-	15,534	197	15,731
TOTAL LIABILITIES	**12,440**	**15,785**	**630**	**28,855**
NET ASSETS	**36,443**	**26,796**	**26,993**	**90,232**

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Note 4: Income Tax

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
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	(2,063)	(4,207)
Tax at the statutory income tax rate of 30% (2018: 30%)	(619)	(1,262)
Tax effect of amount which we are not deductible/(taxable) in calculating taxable income:		
Other deductible expense	(176)	(38)
Fixed assets	(777)	-
Rehabilitation provision	136	507
Immediate deduction for exploration costs	(4,022)	(1,928)
Unrecognised tax losses	5,458	2,721
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 of $5.37 million available indefinitely for offset against future taxable profits of the companies in which the lossess 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 2019 $'000	31 December 2018 $'000
Deferred tax assets unrecognised:		
Other deductible expenses	**124**	58
Plant & equipment	**1,225**	-
Rehabilitation provision	**8,069**	7,896
Inventory	**445**	445
Tax losses (revenue in nature)	**144,569**	138,419
Capital losses	**4,338**	4,338
Exploration & evaluation expenditure	**(25,460)**	(21,732)
Total	**133,310**	129,424

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: Earnings per Share

	Consolidated	
	2019 Cents per Share	2018 Cents per Share
Basic earnings per share:		
Total Basic EPS	**(1.13)**	(2.30)
Diluted earnings per share		
Total Diluted EPS	**(1.13)**	(2.30)

Basic Earnings per share	**$000**	$000
The earnings used in the calculation of basic earnings per share	**(2,063)**	(4,207)
Weighted average number of ordinary shares for the purposes of basic earnings per share	**182,748,565**	182,748,565

Diluted Earnings per share	**'$000**	'$000
The earnings used in the calculation of diluted earnings per share	**(2,063)**	(4,207)
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**182,748,565**	182,748,565

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

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
Cash and cash equivalents	**13,935**	3,890
Current – Short-term deposits	**-**	22,927
	13,935	26,817
Non- current – Restricted cash	**13,869**	15,996

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 are made longer than three months and shorter than one year.

Restricted cash

Performance bonds 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.

(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	
	2019 $'000	2018 $'000
Cash, cash equivalents, restricted cash and short-term deposits	**27,804**	42,813
Less: Short-term Deposit	**-**	(22,927)
Less: Restricted cash not available for use	**(13,869)**	(15,996)
Cash and cash equivalents as per statement of cash flow	**13,935**	3,890

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

	Consolidated	
	2019 $'000	2018 $'000
Net loss for the year	**(2,063)**	(4,207)
Depreciation expense	**523**	601
Gain from disposal of non-current assets	**(1,545)**	-
Loss on disposal of tenements	**1,026**	243
Finance costs	**538**	382
(Increase)/decrease in assets:		
Restrict cash	**-**	104
Current receivables	**241**	468
Other assets	**(252)**	-
Increase/(decrease) in liabilities		
Current payables	**(96)**	384
Prepaid income	**(1,500)**	-
Provisions	**98**	131
Net cash (used) in operating activities	**(3,030)**	(1,894)

Note 7: Current Trade and Other Receivables

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
Interest receivable	**34**	352
Other receivables	**219**	488
	253	840

Note 8: Plant and Equipment

Non-current	Furniture & fittings $'000	Plant & Equipment $'000	Mill assets $'000	Motor Vehicles $'000	Total $'000
At 31 December 2018					
Cost	867	727	1,363	143	3,100
Accumulated depreciation	(827)	(693)	(650)	(42)	(2,212)
Impairment loss	(13)	(25)	(713)	(50)	(801)
Net book amount	27	9	-	51	87
Year ended 31 December 2019					
Opening net book amount	27	9	-	51	87
Additions	30	143	-	-	173
Depreciation expense	(1)	(232)	(189)	-	(422)
Depreciation expense capitalised to Exploration	(12)	(25)	-	(10)	(47)
Assets held for sale	1	733	380	-	1,114
Closing net book amount	45	628	191	41	905
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

Non-current	Furniture & fittings $'000	Plant & Equipment $'000	Mill assets $'000	Motor Vehicles $'000	Total $'000
At 31 December 2017					
Cost	2,022	6,888	32,796	554	42,260
Accumulated depreciation	(1,996)	(5,853)	(18,952)	(494)	(27,295)
Impairment loss	(13)	(25)	(13,165)	(50)	(13,253)
Net book amount	13	1,010	679	10	1,712
Year ended 31 December 2018					
Opening net book amount	13	1,010	679	10	1,712
Additions	25	9	-	56	90
Depreciation expense	(8)	(279)	(299)	(15)	(601)
Assets held for sale	(3)	(731)	(380)	-	(1,114)
Closing net book amount	27	9	-	51	87
At 31 December 2018					
Cost	867	727	1,363	143	3,100
Accumulated depreciation	(827)	(693)	(650)	(42)	(2,212)
Impairment loss	(13)	(25)	(713)	(50)	(801)
Net book amount	27	9	-	51	87

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 2019 $'000	31 December 2018 $'000
Right-of-use Assets:		
At Cost	**252**	-
Less: Accumulated Depreciation	**(107)**	-
Net Book Value	**145**	-

Additions to the right-of-use assets during the year were $31,719.

Note 10: Exploration and Evaluation Assets

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
Exploration and evaluation Expenditure – at cost	**85,899**	29,155
Movement Summary:		
Carrying amount at beginning of the year	**29,155**	65,442
Add – exploration expenditure	**14,485**	7,741
Add back/(Less) – assets previously classified as held for sale	**43,785**	(43,785)
Less – disposal of asset previously classified as held for sale	**(500)**	-
Less – write-off of tenements allowed to lapse, dropped or sold	**(1,026)**	(243)
Carrying amount at end of the year	**85,899**	29,155

The value of the Group's interest in exploration expenditure 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: Assets Held for Sale

On 29 November 2019, the Company announced that it could not obtain the necessary approvals for the potential sale of the Coolgardie Gold Project to Horizon Minerals Ltd (ASX:HRZ) before the expiry the Exclusivity Period. Horizon and Focus subsequently terminated the Exclusivity Deed. [4]

Currently Focus is not actively marketing the Coolgardie Project, nor is able to determine if the necessary approvals could be achieved in the event of a sale in 2020. As the sale of Coolgardie no longer complies with AASB 5, and in particular, but not limited to, AASB 5.9, the Board has elected to not hold the asset for sale.

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
Assets Classified as held for sale:		
Property, Plant and Equipment	**-**	1,114
Inventory	**-**	1,293
Exploration	**-**	43,785
Total assets of disposal group held for sale	**-**	46,192
Liabilities directly associated with assets classified as held for sale:		
Rehabilitation Provision	**-**	10,715
Total liabilities directly associated with assets classified as held for sale	**-**	10,715

Note 12: Trade and Other Payables

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
Trade payables	**540**	416
Payroll tax and other statutory liabilities	**142**	139
	682	555

Note 13: Prepaid Income

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
Sale of portion of tenement	**-**	1,500
Sale of tenements	**-**	167
	-	1,667

On 24 November 2016, Focus entered into an agreement with FMR Investments Pty Ltd to sell of a portion of a tenement held by the Group for $3m. As part of the agreement, Focus received $1.5m cash payment upon signing the agreement and the remaining $1.5m to be paid once the transaction is completed. The transaction was completed 2 December 2019.

[4] ASX Announcement 29 November 2019

Note 14: Provisions

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
Current		
Employee benefits		
Balance at the beginning of the year	**187**	150
Increase in provision/ (utilised) during the year	**93**	37
Balance at the year end	**280**	187

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
Non-current		
Employee benefits		
Balance at the beginning of the year	**198**	104
Increase in provision/ (utilised) during the year	**5**	94
Balance at the year end	**203**	198
Asset Retirement Obligation ("ARO")		
Balance at the beginning of the year	**15,533**	25,866
Adjustment to the provision	**561**	382
Liabilities previously associated with assets held for sale	**10,715**	(10,715)
Balance at the year end	**26,809**	15,533
	27,012	15,731

Note 15: Lease Liabilities

	Consolidated	
	31 December 2019 $'000	31 December 2018 $'000
Current		
Lease Liabilities	**122**	-
Non-current		
Lease Liabilities	**34**	-

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 31 December 2019		As at 31 December 2018	
	No. of shares	**$'000**	No. of shares	$'000
Issued capital	**182,748,565**	**427,167**	182,748,565	427,167

Share Issue Details
There were no shares issued during the past two years.

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 2019 $'000	31 December 2018 $'000
Acquisition reserve	**(7,178)**	(7,178)
	(7,178)	(7,178)

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

(d) Dividends

No dividends have been paid or provided for during the year ended 31 December 2019 (2018: Nil).

(e) Options

Options Issued
No options were issued in the year ended 31 December 2019 (2018: Nil).

Options Exercised
There were no options exercised during the year (2018: Nil).

Options Lapsed
During the year ended 31 December 2019, there were no options expired (2018: Nil).

Options Outstanding
There were no options outstanding as at 31 December 2019. (2018: 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.

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 $13.9 million (December 2018: $26.9 million) that are expected to readily generate cash inflows for managing liquidity risk.

Sensitivity Analysis

Interest Rate Analysis
At 31 December 2019, the Group had $13.9 million invested in security deposits and performance bonds and $13.9 million in cash and cash equivalents and short-term deposits. A 1% increase / (decrease) in the interest rate would impact the interest earned by $139,000/ ($139,000) respectively.

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	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flow	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2019							
Non-derivatives							
Trade payables	682	-	-	-	-	682	682
At 31 December 2018							
Non-derivatives							
Trade payables	555	-	-	-	-	555	555
Prepaid income	167	1,500	-	-	-	1,667	1,667

Fair Value Measurements
The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The disclosure in the table below is based on the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
(b) Inputs other than quoted prices included within level that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

As at 31 December 2019 the Group held no financial assets and liabilities measured and recognised at fair value (2018: Nil).

Aggregate fair values and carrying values of financial assets and financial liabilities at balance date.

Consolidated	**31 December 2019** Carrying Amount $'000	**Net Fair Value $'000**	31 December 2018 Carrying Amount $'000	Net Fair Value $'000
Financial assets				
Cash and cash equivalents	**13,935**	**13,935**	3,890	3,890
Short-term deposit	**-**	**-**	22,927	22,927
Restricted cash	**13,869**	**13,869**	15,996	15,996
Trade and other receivables	**253**	**253**	840	840
Total	**28,057**	**28,057**	43,653	43,653
Financial liabilities				
Trade and other payables	**682**	**682**	555	555
Total	**682**	**682**	555	555

Note 18: Commitments and Contingencies

Operating Lease Commitments – Group as Lessee

	Consolidated	
Office Accommodation	**31 December 2019 $'000**	31 December 2018 $'000
Within one year	**-**	172
After one year but not more than five years	**-**	242
Total	**-**	414

Mining tenement expenditure commitments
As at 31 December 2019, the Group has committed, under tenement landholding conditions, to spend a minimum of $3.4 million per annum (2018: $3.4 million).

For the Laverton tenements, the commitment for 2020 is $1.9 million (2019: $1.9 million).
For the Coolgardie tenements, the commitment for 2020 is $1.5 million (2019: $1.5 million).

Contingent Liability
There are no contingent liabilities as at 31 December 2019 (2018: 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 2019	**31 December 2018**
Focus Operation Pty Ltd	Australia	100%	100%
Focus Minerals (Laverton) Pty Ltd	Australia	100%	100%

Note 20: Parent Entity

The parent company throughout the year ended 31 December 2019 was Focus Minerals Ltd.

	Parent Entity	
	2019	2018
Results of the parent entity	**$'000**	$'000
Loss for the year	**(2,063)**	(207,405)
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(2,063)**	(207,405)
Financial position of parent entity at year end		
Current assets	**12,340**	27,228
Total assets	**88,942**	90,842
Current Liabilities	**544**	413
Total liabilities	**774**	610
Total net asset	**88,168**	90,232
Total equity of parent entity comprising of:		
Share capital	**427,167**	427,167
Option reserve	**-**	-
Accumulative losses	**(338,999)**	(336,935)
Total equity	**88,168**	90,232

Contingent Liability
There are no contingent liabilities as at 31 December 2019 (31 December 2018: Nil).

Ultimate Controlling Entity
The ultimate controlling entity at 31 December 2019 and 2018 was Shandong Gold Group Co., Ltd which owned 49.53% (31 December 2018: 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 2019, the parent company has committed, under tenement landholding conditions, to spend a minimum of $1.4 million per annum (2018: $1.4 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

Subsidiaries

Interests in subsidiaries are set out in Note 19.

Key Management Personnel	**2019** **$**	2018 $
Short-term employee benefits	**1,132,094**	1,023,231
Post-employment benefits	**95,061**	82,879
	1,227,156	1,106,110

Detailed disclosures relating to key management personnel are set out in the Directors' Report.

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 parent entity of Focus Minerals Limited. During 2019, no related party transactions occurred other than the payment of director fees to Mr Pei. As at 31 December 2019, the account payable balance for his director fees was $36,167 (2018: $21,354). Details regarding Mr's Pei's director fees are set out in the Director's Report.

Note 22: Auditors' Remuneration

The auditors of Focus Minerals Limited are RSM Australia Partners.

	2019 **$000**	**2018** **$000**
Amounts received or due and receivable by		
RSM Australia Partners - *Audit and review of the financial report of the entity and any other entity in the Group*	41	-
PricewaterhouseCoopers - *Audit and review of the financial report of the entity and any other entity in the Group*	11	61
Other services in relation to the entity and any other entity in the Group:		
RSM Australia Pty Ltd - Tax Services	14	-
Total	**66**	61

Note 23: Significant Events after Balance Date

The Covid-19 pandemic is causing disruptions throughout the world. To date, the Company has not experienced any major disruption to its operation. Given the situation is changing rapidly, the Company is unable to estimate or quantify the effects of the Covid-19 and at some stage may cause some delays to planned drilling programs and the field activities.

Except for the aforementioned, 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.

Directors' Declaration

In the directors' opinion:

1. The financial statements and notes, as set out on pages 42 to 74 are in accordance with the *Corporations Act 2001*, including:

    a. Companying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

    b. Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial year ended on that date, and

2. here are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the person who serves the Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Dianfei Pei
Chairman of the Board
31 March 2020
Jinan, Shandong, China

Independent Auditor's Report

RSM

RSM Australia Partners

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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 2019, 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 2019 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.

RSM

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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Exploration and Evaluation Assets
Refer to Note 10 in the financial statements</td></tr>
<tr><td>The Group has capitalised exploration and evaluation assets with a carrying value of $85,899,000 as at 31 December 2019.

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:

• 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 any indicators of impairment are present and if so, judgement applied to determine and quantify any impairment loss; and
• Assessing whether exploration activities have reached a stage at which the existence of economically recoverable reserves may be determined.</td><td>Our audit procedures included:

• 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;
• 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
• Through discussions with the management and review of the Board Minutes, ASX announcements and other relevant documentation, 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.</td></tr>
<tr><td colspan="2">Provision for Asset Retirement Obligation
Refer to Note 14 in the financial statements</td></tr>
<tr><td>The Group has a provision for an asset retirement obligation of $26,809,000 as at 31 December 2019.

We considered this to be a key audit matter due to the significant management judgments involved in assessing the provision of asset retirement obligation including:

• 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.</td><td>Our audit procedures included:

• Obtaining an understanding of the process involved in the determination of this provision;
• Obtaining the calculations for the provision of asset retirement obligation and verifying that the methodology used is in accordance with Australian Accounting Standards;
• Reviewing the key assumptions used in the calculations, including engaging an auditor's expert and agreeing them to evidence supporting the assumptions used; and
• Assessing the appropriateness of the disclosures in the financial report.</td></tr>
</table>

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 2019, 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: http://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 December2019.

In our opinion, the Remuneration Report of Focus Minerals Limited, for the year ended 31 December 2019, 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

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 31 March 2020

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 18 March 2020.

Range of Units

Range	Total holders	Units	% Units
1 - 1,000	1,373	653,921	0.36
1,001 - 5,000	1,997	4,784,390	2.62
5,001 - 10,000	500	3,743,214	2.05
10,001 - 100,000	538	15,202,943	8.32
100,001 Over	66	158,364,097	86.66
Rounding			**-0.01**
Total	**4,474**	**182,748,565**	**100.00**

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 0.1700 per unit	2,942	2,799	3,223,978

Substantial Shareholders
As at 18 March 2020, the following had notified the Company as being substantial shareholders:

Shandong Gold International Mining Corporation Limited	90,519,953 ordinary shares
Neil S. Subin (following the passing of Lloyd Miller)	23,708,290 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 182,748,565 ordinary shares.

Twenty Largest Shareholders of Each Class of Quoted Securities
Ordinary Fully Paid Shares (ungrouped) as at 18 March 2020

Rank	Name	Units	% Units
1	SHANDONG GOLD INTERNATIONAL MINING CORPORATION LIMITED	90,039,954	49.27
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	29,693,343	16.25
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,213,879	6.14
4	STONE MINING LIMITED	4,920,958	2.69
5	CITICORP NOMINEES PTY LIMITED	3,659,692	2.00
6	KAHUNA CLOTHING AND TRADING CO PTY LTD <UTTLEYMOORE S/F A/C>	2,000,493	1.09
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,171,178	0.64
8	MR GRAHAM PAUL ELLIS	1,000,000	0.55
9	SWISS TRADING OVERSEAS CORP	883,740	0.48
10	EAU ROUGE PTY LIMITED <BECCAIO A/C>	599,250	0.33
11	MR GEORGE SCOTT MILLING + MRS STEPHANIE MAY MILLING <MILLING SUPER FUND A/C>	554,064	0.30

Rank	Name	Units	% Units
12	PETER ERMAN PTY LIMITED <SUPERANNUATION FUND A/C>	550,544	0.30
13	MR DAVID DOSTAL	500,000	0.27
14	MR CHRISTOPHER MICHAEL DAHL	494,330	0.27
15	SOARES FAMILY SUPERANNUATION PTY LTD <SOARES FAMILY SUPER FUND A/C>	465,509	0.25
16	NATIONAL NOMINEES LIMITED <DB A/C>	407,954	0.22
17	MR CHRISTOPHER DAHL + MRS HAIDEE ELIZABETH DAHL <CHRISTOPHER DAHL S/F A/C>	405,765	0.22
18	GREEN TAVERN PTY LTD <KERNAHAN S/F A/C>	400,000	0.22
19	SOARES FAMILY INVESTMENT PTY LTD	374,201	0.20
20	VALLUGA PTY LTD <G E UNDERWOOD S/F A/C>	372,000	0.20
Totals: Top 20 holders of ORDINARY SHARES (Total)		**149,706,854**	**81.92**
Total Remaining Holders Balance		**33,041,711**	**18.08**

Interest in Mining Tenements

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

State	Project	Tenement	Status	Interest
WA	BAYLEYS	M15/0630	Live	100%
WA	BAYLEYS	M15/1433	Live	100%
WA	BAYLEYS	M15/1788	Live	100%
WA	BAYLEYS	P15/5717	Live	100%
WA	BAYLEYS	P15/5995	Live	100%
WA	BAYLEYS	P15/6254	Live	100%
WA	BAYLEYS	P15/6256	Live	100%
WA	BONNIE VALE	M15/0277	Live	100%
WA	BONNIE VALE	M15/0365	Live	100%
WA	BONNIE VALE	M15/0595	Live	100%
WA	BONNIE VALE	M15/0662	Live	100%
WA	BONNIE VALE	M15/0711	Live	100%
WA	BONNIE VALE	M15/0770	Live	100%
WA	BONNIE VALE	M15/0852	Live	100%
WA	BONNIE VALE	M15/0857	Live	100%
WA	BONNIE VALE	M15/0877	Live	100%
WA	BONNIE VALE	M15/0981	Live	100%
WA	BONNIE VALE	M15/1384	Live	100%
WA	BONNIE VALE	M15/1444	Live	100%
WA	BONNIE VALE	M15/1760	Live	100%
WA	BONNIE VALE	M15/1853	Pending	0%
WA	BONNIE VALE	P15/5159	Live	100%
WA	BONNIE VALE	P15/5702	Live	100%
WA	BONNIE VALE	P15/5703	Live	100%
WA	BONNIE VALE	P15/5704	Live	100%
WA	BONNIE VALE	P15/5713	Live	100%
WA	BONNIE VALE	P15/5714	Live	100%
WA	INFRASTRUCTURE	G15/0007	Live	100%
WA	INFRASTRUCTURE	L15/0027	Live	100%
WA	INFRASTRUCTURE	L15/0028	Live	100%
WA	INFRASTRUCTURE	L15/0034	Live	100%
WA	INFRASTRUCTURE	L15/0042	Live	100%
WA	INFRASTRUCTURE	L15/0051	Live	100%
WA	INFRASTRUCTURE	L15/0059	Live	100%
WA	INFRASTRUCTURE	L15/0063	Live	100%
WA	INFRASTRUCTURE	L15/0077	Live	100%
WA	INFRASTRUCTURE	L15/0078	Live	100%
WA	INFRASTRUCTURE	L15/0088	Live	100%
WA	INFRASTRUCTURE	L15/0090	Live	100%
WA	INFRASTRUCTURE	L15/0095	Live	100%
WA	INFRASTRUCTURE	L15/0096	Live	100%
WA	INFRASTRUCTURE	L15/0114	Live	100%

State	Project	Tenement	Status	Interest
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	LAKE COWAN	E15/0986	Live	100%
WA	LONDONDERRY	P15/5963	Live	100%
WA	LONDONDERRY	P15/5964	Live	100%
WA	LONDONDERRY	P15/5965	Live	100%
WA	LONDONDERRY	P15/5966	Live	100%
WA	LONDONDERRY	P15/5967	Live	100%
WA	LONDONDERRY	P15/5968	Live	100%
WA	LONDONDERRY	P15/5969	Live	100%
WA	LONDONDERRY	P15/5970	Live	100%
WA	LONDONDERRY	P15/5971	Live	100%
WA	LONDONDERRY	P15/5972	Live	100%
WA	LONDONDERRY	P15/6118	Live	100%
WA	LONDONDERRY	P15/6119	Live	100%
WA	LONDONDERRY	P15/6120	Live	100%
WA	LONDONDERRY	P15/6121	Live	100%

State	Project	Tenement	Status	Interest
WA	LONDONDERRY	P15/6122	Live	100%
WA	LONDONDERRY	P15/6123	Live	100%
WA	LONDONDERRY	P15/6176	Pending	0%
WA	LONDONDERRY	P15/6177	Pending	0%
WA	LONDONDERRY	P15/6178	Pending	0%
WA	LORD BOB	M15/0385	Live	100%
WA	LORD BOB	M15/1789	Live	100%
WA	LORD BOB	P15/5712	Live	100%
WA	LORD BOB	P15/5731	Live	100%
WA	LORD BOB	P15/5733	Live	100%
WA	LORD BOB	P15/5735	Live	100%
WA	LORD BOB	P15/5939	Pending	0%
WA	LORD BOB	P15/6102	Pending	0%
WA	NEPEAN	M15/0709	Live	100%
WA	NEPEAN	M15/1809	Live	100%
WA	NEPEAN	M15/1874	Pending	0%
WA	NEPEAN	P15/5574	Live	100%
WA	NEPEAN	P15/5575	Live	100%
WA	NEPEAN	P15/5625	Live	100%
WA	NEPEAN	P15/5629	Live	100%
WA	NEPEAN	P15/5738	Live	100%
WA	NEPEAN	P15/5739	Live	100%
WA	NEPEAN	P15/5740	Live	100%
WA	NEPEAN	P15/5741	Live	100%
WA	NEPEAN	P15/5742	Live	100%
WA	NEPEAN	P15/5743	Live	100%
WA	NEPEAN	P15/5749	Live	100%
WA	NEPEAN	P15/5750	Live	100%
WA	NORRIS	M15/0384	Live	100%
WA	NORRIS	M15/0515	Live	100%
WA	NORRIS	M15/0761	Live	100%
WA	NORRIS	M15/0791	Live	100%
WA	NORRIS	M15/0871	Live	100%
WA	NORRIS	M15/1153	Live	100%
WA	NORRIS	M15/1422	Live	100%
WA	NORRIS	M15/1793	Live	100%
WA	NORRIS	P15/5729	Live	100%
WA	NORRIS	P15/5730	Live	100%
WA	NORRIS	P15/5732	Live	100%
WA	NORRIS	P15/5734	Live	100%
WA	NORRIS	P15/5736	Live	100%
WA	NORRIS	P15/5756	Live	100%
WA	NORRIS	P15/5807	Live	100%
WA	NORRIS	P15/6002	Live	100%
WA	NORRIS	P15/6033	Live	100%

State	Project	Tenement	Status	Interest
WA	THREE MILE HILL	M15/0150	Live	100%
WA	THREE MILE HILL	M15/0154	Live	100%
WA	THREE MILE HILL	M15/0636	Live	100%
WA	THREE MILE HILL	M15/0645	Live	100%
WA	THREE MILE HILL	M15/0781	Live	100%
WA	THREE MILE HILL	M15/0827	Live	100%
WA	THREE MILE HILL	M15/1341	Live	100%
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	THREE MILE HILL	M15/1434	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	M15/1461	Live	100%
WA	TINDALS	P15/5949	Live	100%
WA	TINDALS	P15/5987	Live	100%
WA	TINDALS	P15/6006	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	P15/6332	Pending	0%
WA	TINDALS	P15/6333	Pending	0%

Laverton Gold Project - Focus Minerals (Laverton) Ltd

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	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	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	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	CENTRAL LAVERTON	E38/3424*	Pending	0%
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	M38/0049	Live	100%
WA	CHATTERBOX	M38/0101	Live	100%
WA	CHATTERBOX	M38/0535	Live	100%
WA	CHATTERBOX	M38/0693	Live	100%
WA	INFRASTRUCTURE	G38/0020	Live	100%
WA	INFRASTRUCTURE	G38/0024	Live	100%

State	Project	Tenement	Status	Interest
WA	INFRASTRUCTURE	G38/0025	Live	100%
WA	INFRASTRUCTURE	G38/0033	Live	100%
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	LAKE CAREY	E38/2873*	Live	100%
WA	LAKE CAREY	P38/4099*	Live	100%
WA	LAKE CAREY	P38/4100*	Live	100%
WA	LAKE CAREY	P38/4102*	Live	100%
WA	LANCEFIELD	E38/1861	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%

State	Project	Tenement	Status	Interest
WA	LANCEFIELD	P38/4349*	Live	100%
WA	PRENDERGAST	E38/1725	Live	100%
WA	PRENDERGAST	E38/1869	Live	100%
WA	PRENDERGAST	E38/2862*	Live	100%
WA	PRENDERGAST	P38/4091*	Live	100%
WA	MURRIN MURRIN/ GLENMURRIN	M38/0425*	Live	Au Fe
WA	MURRIN MURRIN/ GLENMURRIN	M38/0505*	Live	Au Fe

** 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
M15/646, M15/660, M15/1114, M15/1262, *P15/6251, P15/6252 & P15/6257*	$0.25/tonne mined and treated (after 2,500,000 tonnes or ore have been mined and treated)
M15/646 (portion of)	2% of all future gold production
M15/781 & M15/827	0.5% NSR
M15/770, M15/852, M15/857, M15/981, M15/1760, M15/365, M15/662, M15/711 & M15/1384	2.5% NSR
M15/958, M15/1114, M15/646 (portion of) & M15/660 (portion of)	$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 (*all tenements are listed in the "Interest in Mining Tenements" section above except those with an **)	2% NSR
M38/37, M38/38, M38/49, M38/101, M38/159, M38/342, M38/363, M38/364, M38/535, M38/693, M15/1272, E38/1642 & E38/1725	3% of the Gross Revenue for the relevant quarter, provided that Focus has incurred, after the date hereof 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, provided that Focus has incurred, after the date hereof 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, provided that Focus has incurred, after the date hereof 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: • 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.