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ASX ANNOUNCEMENT

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## **FOCUS TO CEASE PRODUCTION AT COOLGARDIE OPERATION**

### **- PRIORITY ON PRESERVING STRONG CASH POSITION TO CAPITALISE ON OPPORTUNITIES IN CURRENT ENVIRONMENT -**

*Key points:*

- *Existing Coolgardie mining centres remain too marginal in current gold price environment, despite significant operational improvements now being realised*
- *Coolgardie mining & processing operations to be suspended*
- *Coolgardie operation to consolidate on exploration focus for higher-grade opportunities with a view to restructuring operations for a restart when the gold price environment improves*
- *Board and Management focused on transformational opportunities for business currently being presented in the changing Australian gold market landscape*

Focus Minerals Ltd. (ASX: FML) said today that it will suspend its Coolgardie operations at the end of July due to further recent declines in the gold price. The decision follows a strategic review of the Coolgardie operations that started in February.

“Despite some significant improvements in mining and processing performance in recent months that the new management team at Coolgardie achieved, the Coolgardie operations in their current guise are unviable in the current economic environment,” said Chairman and Acting Chief Executive Officer Don Taig.

“Given the recent gold price instability we are simply in a position where there is currently insufficient high-grade ore available at Coolgardie to ensure profitability at these gold prices.

“We cannot jeopardise or risk our strong cash position by continuing to operate mines that cannot be profitable on a sustaining basis.”

#### ***Preserving Cash to Capitalise on Opportunities in Current Environment***

Mr Taig said whilst it was disappointing to be suspending the Coolgardie operations, Focus remained in a strategically strong position with one of the largest bank balances of any gold miner on the ASX and the support of a major international gold producer in Shandong Gold.

“Our goal is to ensure that we use our capital wisely, leveraging our strong financial position in a market that is already presenting growth opportunities,” said Mr Taig.

“We aim to create long-term wealth for shareholders by identifying larger scale, higher grade ore bodies where Focus has full control over mining and processing and the ability to deliver significant mine life and sustainable reinvestment in tenement holdings.

“This is something we can achieve by ensuring we preserve the cash in our business to enable us to explore our current assets or pursue any synergistic acquisition opportunities that could add value to our existing land holdings,” Mr Taig said.

The suspension of mining activities will impact 65 roles in the business with the majority of the roles impacted at Coolgardie. "I would like to recognise the significant work undertaken by the management and personnel on site both past and present," said Mr Taig. "As stated in our last quarterly, we changed the management at the mine and they have made a difference but unfortunately the external factors have required us to make this change. The improvements already identified will be recorded to be leveraged from in the future. We will be offering our fullest support to all our employees impacted by this transition."

**Focus Minerals Limited** - Focus owns two large gold projects in Western Australia's Eastern Goldfields. The company is the largest landholder in the Coolgardie Gold Belt, 35km west of the 'Super Pit' in Kalgoorlie, where it has produced from a mix of open pit and underground operations, processing through its own 1.2Mtpa processing plant, Three Mile Hill. 250km to the northeast Focus has 100% controlling interest in the Laverton Gold Project which comprises a significant portfolio of large scale open pit mines, adjacent to Barrick's Granny Smith operation where it has historically processed ore. Focus also owns the 1.5Mtpa Barnicoat mill in Laverton which has been on care and maintenance since 2009.

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