

Focus Minerals Limited
ACN 005 470 799

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Focus Minerals Limited ("**Focus**") will be held as follows:

Date: Friday, 15 May 2015
Time: 10.30am (Perth time)
Place: Level 8
The Mantra on Hay
201 Hay Street
Perth, WA

The Explanatory Notes to this Notice of Annual General Meeting provide additional information on matters to be considered at the meeting. The Explanatory Notes and the proxy form constitute part of this notice.

BUSINESS OF THE MEETING

ORDINARY BUSINESS

1 Consideration of Reports

To receive and consider the Annual Financial Report, the Directors' Report and Auditor's Report of Focus and its controlled entities for the period ended 31 December 2014.

There is no vote on this item.

2 Resolution 2 - Election of Mr Peter Hepburn-Brown

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Mr Peter Hepburn-Brown be elected as a Director.

3 Resolution 3 - Remuneration Report

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in Focus' statutory accounts for the year ended 31 December 2014.

The remuneration report is set out in the Directors' Report contained in Focus' Annual Report and Statutory accounts for the period ended 31 December 2014.

The vote on this resolution is advisory only and does not bind Focus or the Directors.

Voting Exclusion

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

4 Resolution 4 – Share consolidation

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That with effect from 15 June 2015 the share capital of the Company will be consolidated through the conversion of every fifty fully paid ordinary shares in the Company into one fully paid ordinary share in the Company and that any resulting fractions of a share be rounded up to the next whole number of shares.

This Notice of Annual General Meeting and the Explanatory Notes are important and you should read them in full. If you are in doubt as to how you should vote, you should seek advice from your professional adviser.

By order of the Board.

A handwritten signature in black ink, appearing to read 'Dane Etheridge', with a stylized flourish at the end.

Dane Etheridge
Company Secretary
Date: 13 April 2015

Explanatory Notes to the Notice of Annual General Meeting

1 Explanatory Notes

All Focus shareholders should read the Explanatory Notes accompanying, and forming part of, this Notice of Annual General Meeting for more details on the resolutions to be voted on at the Annual General Meeting. The information provided is intended to assist shareholders in understanding the reasons for the resolutions and their effect if passed.

2 Entitlement to vote

The Board of Directors of Focus, being the convener of the Annual General Meeting, has determined that the shareholding of each shareholder for the purposes of ascertaining voting entitlements at the Annual General Meeting will be as it appears in Focus' share register as at 4.00pm (Perth time) on Wednesday 13th of May 2015 ("**Record Date**"). Transactions registered after that time will be disregarded in determining the shareholders entitled to attend and vote at the Annual General Meeting.

3 Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

4 Voting in person

To vote in person, attend the Annual General Meeting on the date and at the time and place set out in this Notice of Annual General Meeting. If you wish to attend the meeting, please arrive at least 15 minutes prior to the start of the meeting to facilitate the registration process.

5 Voting by proxy

Shareholders entitled to attend and vote at the Annual General Meeting as at the Record Date may appoint a proxy to attend and vote on behalf of the shareholder. A proxy need not be a shareholder of Focus.

The proxy form sent with this notice should be used for the Annual General Meeting. If you appoint a proxy and also attend the meeting, the proxy's authority to speak and vote at the meeting will be suspended while you are present at the meeting.

Each shareholder who is entitled to cast 2 or more votes at the Annual General Meeting may appoint 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a shareholder does not specify the proportion or number of that shareholder's votes each proxy may exercise, then each proxy will be entitled to exercise half of the votes. An additional proxy form will be supplied by Focus on request.

In the case of an individual, a proxy must be signed by the individual or his or her attorney duly authorised in writing and, in the case of a corporation, a proxy must be signed pursuant to section 127 of the Corporations Act 2001 (Cth) ("**Corporations Act**") or by its duly authorised officer or attorney.

Any shareholder may by power of attorney appoint an attorney to act on his or her behalf and such power of attorney or certified copy thereof must be received by Focus as specified below.

Any corporation which is a shareholder of Focus may appoint a representative to attend and vote for that corporation at the AGM. Appointments of representatives by corporations must be received by Focus as specified below or handed in at the Annual General Meeting when registering as a company representative.

To vote by proxy, please complete and sign the enclosed proxy form and return it (together with, if you sign under power of attorney or corporate representative, that power of attorney or corporate representative appointment or a certified copy of it) by:

- post, to: Computershare Investor Services Pty Limited
 GPO Box 242
 Melbourne Vic 3001; or
- facsimile, to: within Australia 1800 783 447
 outside Australia +61 3 9473 2555,

so that it is received no later than 10.30am (Perth time) on 13th of May 2015.

The proxy form forms part of this Notice of Annual General Meeting.

Proxy forms received later than this time will be invalid.

We encourage shareholders who are appointing proxies to direct their proxies how to vote on each resolution by crossing either a “For”, “Against”, or “Abstain” box before lodging their proxy form so that their proxy will vote on their behalf in accordance with their instructions.

Proxy vote if appointment specifies way to vote

In accordance with section 250BB(1) of the Corporations Act, and subject to any applicable voting restrictions, if an appointment of a proxy specifies the way the proxy is to vote on a particular resolution:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed; and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the Chairperson, the proxy must vote on a poll, and must vote as directed; and
- if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote as directed.

Transfer of non-chair proxy to Chairperson in certain circumstances

In accordance with section 250BC of the Corporations Act, there are circumstances where the Chairperson will be taken to have been appointed as a shareholder’s proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairperson as their proxy. This will be the case where:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
- the appointed proxy is not the Chairperson; and
- a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the Annual General Meeting; or
 - the proxy attends the Annual General Meeting but does not vote on the resolution.

6 Voting Exclusions

Resolution 3

A vote on Resolution 3 must not be cast (in any capacity) by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report (“**KMP**”) or their closely related parties.

However, a vote may be cast on Resolution 3 by such a person as proxy for a person entitled to vote on Resolution 3 if:

- (a) the proxy appointment is in writing and specifies how the proxy is to vote on Resolution 3; or
- (b) the proxy is the Chairperson and:
 - (i) the appointment does not specify the way the proxy is to vote on Resolution 3; and
 - (ii) the appointment expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.

If the Chairperson is your proxy, or is appointed your proxy by default, and you do not direct your proxy to vote to vote ‘for’, ‘against’ or ‘abstain’ on Resolution 3 on the proxy form, you will be expressly authorising the Chairperson to exercise your proxy even if Resolution 3 is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairperson intends to vote undirected proxies in favour of Resolution 3.

You should carefully read the proxy form and provide a direction to the proxy on how to vote on Resolution 3.

Explanatory Notes

These Explanatory Notes have been prepared for the information of shareholders in relation to the business to be conducted at Focus's Annual General Meeting to be held on 15 May 2015 10.30am (Perth time).

The purpose of these Explanatory Notes is to provide shareholders with more information on the proposed resolutions. You should read the Notice of Annual General Meeting and Explanatory Notes in full before deciding how to vote on each resolution.

Resolution 1 – Consideration of Reports

The business of the Annual General Meeting will include the receipt and consideration of the Annual Financial Report of Focus for the six months ended 31 December 2014 together with the Directors' Report and the Auditor's Report. There is no requirement for shareholders to approve these reports.

In accordance with the Corporations Act, shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Annual Financial Report, the Directors' Report and the Auditor's Report of Focus and its controlled entities for the period ended 31 December 2014.

During the discussion, the auditor of Focus, PricewaterhouseCoopers, will be present and will answer questions that are relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report. Shareholders may submit written questions for the auditor up to five business days before the date of the Annual General Meeting.

Shareholders wishing to do so may send their questions to the Company Secretary via email (to: detheridge@focusminerals.com.au or facsimile (08) 9215 7889. The Company Secretary will pass on the questions to PricewaterhouseCoopers.

Resolution 2 – Election of Mr Peter Hepburn-Brown

Mr Hepburn-Brown has over 35 years mining experience including senior management and Board positions. He has successfully brought several operations into development and as such is well versed in the challenges facing Focus as the company works towards a sustainable restart of operations.

Mr Hepburn-Brown is currently the Chairman of MRL Corporation Limited and in the last five years has also been an Executive Director of Medusa Mining. He graduated from the Western Australian School of Mines with Bachelor of Applied Science and also holds a Graduate Diploma of Human Resources from Monash University.

Mr Hepburn-Brown will be considered an Independent Non-Executive Director.

Recommendation: The Directors recommend that shareholders vote in favour of Mr Peter Hepburn-Brown's election.

The Chairperson intends to vote undirected proxies in favour of Resolution 2.

Resolution 3 – Remuneration Report

Under section 250R(2) of the Corporations Act, a listed company is required to put its Remuneration Report to shareholders for approval each year. The Remuneration Report is contained on pages 11 to 16 of the Statutory Accounts for the Year Ended 31 December 2014 and sets out the policy for the remuneration of the Directors of Focus and each member of the KMP. The Statutory Accounts were released to the ASX on the 31st of March 2015 and are also available on the Focus Minerals website:

<http://www.focusminerals.com.au/investors/news-announcements/>

An identical Remuneration Report can be found on pages 23 to 28 of the Annual Report for the Year Ended 31 December 2014.

During the meeting shareholders will have an opportunity to comment upon and ask questions about the Remuneration Report. The vote on this resolution is advisory only and does not bind the Directors or Focus.

Recommendation

Noting that each Director has a personal interest in their own remuneration from Focus as described in the Remuneration Report, the Directors unanimously recommend that shareholders adopt the Remuneration Report.

The Chairperson intends to vote undirected proxies in favour of Resolution 3.

Resolution 4 – Share Consolidation

The Company proposes to consolidate its share capital through the conversion of every fifty ordinary shares in the Company into one ordinary share in the Company. Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

- i) Timing: If the consolidation is approved, the consolidation will take effect from 15 June 2015.
- ii) Treatment of fractions: Where the consolidation of a shareholder's holding results in an entitlement to a fraction of a share, the fraction will be rounded up to the nearest whole number of shares. If the Company reasonably believes that a shareholder has been a party to the division of a shareholding in an attempt to obtain an advantage from this treatment of fractions, the Company will take appropriate action, having regard as appropriate to the terms of the Company's constitution and the ASX Listing Rules. In particular, the Company reserves the right to disregard the division of the shareholding for the purpose of dealing with fractions so as to round up any fraction to the nearest whole number of shares that would have been received but for the division.
- iii) Reasons for the consolidation: Focus Minerals has a very large number of shares on issue (over 9.1 billion) due to historical equity-based capital raisings and corporate transactions. The number of shares is disproportionate to Focus Minerals' peers, so the Company proposes to reduce this number by way of this share consolidation.
- iv) Effect of the consolidation: If the proposed share consolidation is approved by shareholders, the number of Focus Minerals shares on issue will be reduced from approximately 9.1 billion to approximately 183 million. As the consolidation applies equally to all of the Company's shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's shares (subject only to the rounding of fractions). It follows that the consolidation will have no material effect on the percentage interest of each individual shareholder in the Company. Therefore, if a shareholder currently has 10,200,000 shares representing approximately 0.11 percent of the Company's issued capital, then if the share consolidation is approved and implemented, the shareholder will have 204,000 shares following the consolidation, still representing the same 0.11 percent of the Company's issued capital. Similarly, the aggregate value of each shareholder's holding (and Focus Minerals' market capitalisation) should not materially change – other than minor changes as a result of rounding – as a result of the share consolidation alone (that is assuming no other market movements or impacts occur). However, the price per share can be expected to increase to reflect the reduced number of shares on issue. Shareholders should note that the reduction of share capital, if approved, will also have an effect on the Company's share price.
- v) Tax implications for Focus Minerals shareholders: The summary in this section is general in nature. In addition, particular taxation implications will depend upon the circumstances of each shareholder. Accordingly, shareholders are encouraged to seek and rely only on their own professional advice in relation to their tax position. Neither the Company nor any of its officers, employees or advisors assumes any liability or responsibility for advising shareholders about the tax consequences for them from the proposed share consolidation. The share consolidation will be undertaken in accordance with section 254H of the Corporations Act. Subject only to rounding, there will be no change to the

proportionate interests held by each shareholder in the Company as a result of the consolidation. The share consolidation will occur through the conversion of every fifty ordinary shares in the Company into one ordinary share in the Company. No capital gains tax (CGT) event will occur as a result of the Company share consolidation and therefore there will be no taxation implications arising for the Company's shareholders.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of the share consolidation. Each Director intends to vote all the Company's shares controlled by him or her in favour of the proposed share consolidation.

The Chairperson of the meeting intends to vote undirected proxies in favour of Resolution 5.

