



Focus Minerals Limited

ABN 56 005 470 799

**Interim Financial Report
for the half year ended 30 June 2015**

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Corporate Information

ABN 56 005 470 799

Directors

Jisheng Lu	Chairman – Non-Executive, Non-Independent
Yuhuan Ge	Director – Non-Executive, Non-Independent
Wanghong Yang	Director – Executive
Gerry Fahey	Director – Independent
Peter Hepburn-Brown	Director – Independent
Zaiqian Zhang	Alternate Director to Jisheng Lu – Executive

Company Secretary

Dane Etheridge

Registered and Head Office

Level 2
159 Adelaide Terrace
East Perth WA 6004

PO Box 3233
East Perth WA 6892

Tel: +61 (0) 8 9215 7888
Fax: +61 (0) 8 9215 7889

Share Registry

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

Auditor

PricewaterhouseCoopers
125 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

Solicitors

Murcia Pestell Hillard Lawyers
Suite 183, Level 6
580 Hay Street
Perth, WA 6000

Jackson McDonald
225 St Georges Terrace
Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Symbol: FML

Directors' Report

The Directors of Focus Minerals Limited ("Focus") are pleased to present the Interim Financial Report for the half year ended 30 June 2015.

Directors

Jisheng Lu	Chairman – Non-Executive, Non-Independent
Yuhuan Ge	Director – Non-Executive, Non-Independent
Wanghong Yang	Director – Executive
Gerry Fahey	Director – Independent
Peter Hepburn-Brown	Director – Independent, appointed on 10 April 2015
Zaiqian Zhang	Alternate Director to Jisheng Lu – Executive

Review of Operations

Exploration

During the first half of 2015, Focus Minerals continued to follow up on the high potential areas which were identified in the 2014 exploration programmes. Combining ground work and desktop research, the Company was able to test the extensions both at depth and along the strike of several known mineralisations and identify secondary exploration targets. This work was a substantial contribution to the process of re-establish the resource pipeline for future production.

Coolgardie

A total of 27 holes were drilled across the Coolgardie Gold Project, consisting 4,531.5m of RC and 1,115.6m of diamond core.

The main focus for the first six months of the year was on Bonnie Vale. The programmes were designed to explore the extensions of the high-grade mineralised reefs at Bonnie Vale while also testing secondary targets nearby such as Calisto and Bonnie Vale West.

Highlights of the drilling results from Bonnie Vale and its vicinity are:

- 2.0m @ 12.84 g/t Au from 229m in BONC064;
- 1.0m @ 10.41 g/t Au from 334m in BONCD065;
- 5.5m @ 11.81 g/t Au from 223m in BONCD066;
- 1.0m @ 10.43 g/t Au from 111m and
- 3.7m @ 10.48 g/t Au from 151.3m and
- 2.5m @ 13.88 g/t Au from 181m in BONDD068;
- 2.0m @ 14.18 g/t Au from 118m in BONC070.

Besides Bonnie Vale, Focus also conducted drilling at Brilliant North in order to test the Brilliant Pit's northern extension potential. The highlight is as follows:

- 1.2m @ 7.3 g/t Au from 246m in BRRCD037.

Laverton

A total of 90 holes for 3,860m were drilled across the tenements in Laverton. Focus also conducted two rounds of geophysics activities during the first half of 2015 with a main focus on the Burtville-Karridale trend, accompanied with a range of secondary targets testing.

The Karridale diamond drilling programme intersected arsenopyrite rich, hydrothermal breccia with high-grade gold mineralisation. It was the first such intersection at Karridale. The new breccia zone appears unconstrained within the current drill pattern shape and there are indications that it has a potential of leading to a large structural system. The screen fire assays from the breccia zone included 8m @ 27.46g/t gold from 425m downhole.

A 603km airborne geophysical survey was flown over 9 tenements in the Burtville area, providing data to allow the team to identify potential sulphide mineralised zones and 3D modelling for regional drill targeting. A separate, 2km², Sub-Audio Magnetic ground survey covered the Karridale Project and its extensions to map detailed structure to resolve controls on the project and nearby mineralised zones.

In addition, Focus commenced an air core drilling programme on a number of secondary targets in the region. At the time of this report, Focus has completed the programme with 7,313m drilled.

Corporate

For the half year period, the Company incurred a loss of \$1.108 million and a net cash outflow of \$6.185 million¹. As at 30 June 2015, the Company has a net assets of \$105.538 million with a cash balance of \$79.929 million².

Focus Minerals managed to identify further savings during the period. By examining previous accounting records, the Company successfully claimed \$1.723 million from the ATO in relations to unclaimed R&D tax offsets, fuel tax credits and GST on imported goods, dating back to the financial year ended 30 June 2008.

The Company also completed the 1 for 50 share consolidation, as a result, the volatility of the shares has fallen significantly.

Auditor's Independence Declaration

The declaration required under Section 307C of the Corporations Act 2001 is set out on Page 6.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/100, 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 Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the directors.



Jisheng Lu
Chairman of the Board
3 September 2015
Jinan, Shandong, China

¹ Including an increase in short-term deposit of \$1.209m, which is treated as cash outflow.

² Including cash and cash equivalents, short-term deposit and restricted cash.

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the review of Focus Minerals Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Focus Minerals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ben Gargett', is written over a light blue horizontal line.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
3 September 2015

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2015**

		Consolidated	
		6 months to 30 June 2015 \$'000	6 months to 30 June 2014 \$'000
	Notes		
Revenue from continuing operations	3(a)	-	93
Other Income	3(b)	3,144	2,278
Employee expenses		(700)	(1,482)
Depreciation and Amortisation Expenses		(677)	(1,206)
Finance Costs		(470)	(227)
Impairment expense		-	(6,120)
Loss on disposal of tenements and plant and equipment		(148)	(1,765)
Care and Maintenance Costs		(979)	(1,585)
Corporate and Other Expenses		(1,278)	(1,542)
Loss Before Income Tax		(1,108)	(11,556)
Income Tax Expense		-	-
Loss After Income Tax for the Period		(1,108)	(11,556)
Other Comprehensive Income for the Period, Net of Tax		-	-
Total Comprehensive Loss for the Period		(1,108)	(11,556)
Total Comprehensive Loss Attributable to:			
Owners of the Parent		(1,108)	(11,556)
Total Comprehensive Loss for the Period			
		(1,108)	(11,556)
Earnings per Share (Restated)			
Basic Loss per Share (Cents Per Share)	4	(0.61)	(6.32)
Diluted Loss per Share (Cents Per Share)	4	(0.61)	(6.32)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		Consolidated	
		30 June	31 December
		2015	2014
Notes		\$'000	\$'000
Assets			
Current Assets			
Cash and Cash Equivalents	5	3,025	9,210
Short-term deposit	5	60,279	56,572
Restricted Cash		-	132
Trade and Other Receivables		2,004	2,027
Financial Assets		168	247
Total Current Assets		65,476	68,188
Non-Current Assets			
Restricted Cash	5	16,625	18,991
Inventories		1,293	1,293
Plant and Equipment	6	4,086	4,719
Exploration and Evaluation Assets	7	45,591	43,261
Total Non-Current Assets		67,595	68,264
Total Assets		133,071	136,452
Liabilities			
Current Liabilities			
Trade and Other Payables		1,093	1,599
Interest Bearing Liabilities		-	160
Provisions		642	2,492
Total Current Liabilities		1,735	4,251
Non-Current Liabilities			
Provisions		25,798	25,554
Total Non-Current Liabilities		25,798	25,554
Total Liabilities		27,533	29,805
Net Assets		105,538	106,647
Equity			
Issued Capital	8(a)	427,167	427,167
Reserves		(6,995)	(6,995)
Accumulated Losses		(314,633)	(313,525)
Total Equity		105,539	106,647

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2015**

	Issued Capital	Accumulated Losses	Reserves	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 31 December 2013	427,167	(313,525)	(6,995)	130,017
Total Comprehensive Income for the period	-	(11,556)	-	(11,556)
Balance as at 30 June 2014	427,167	(301,711)	(6,995)	118,461
Balance as at 31 December 2014	427,167	(313,525)	(6,995)	106,647
Total Comprehensive Income for the period	-	(1,108)	-	(1,108)
Balance as at 30 June 2015	427,167	(314,633)	(6,995)	105,539

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2015**

	Consolidated	
	6 months to 30 June 2015 '\$000	6 months to 30 June 2014 '\$000
Cash Flows from Operating Activities		
Receipts from Customers	-	93
Payments to Suppliers and Employees (Including GST)	(4,983)	(5,132)
Royalties Paid	(5)	(17)
Other Income	1,697	252
Interest Received	1,356	1,488
Bank charges	(100)	(227)
Net Cash Outflow from Operating Activities	(2,035)	(3,543)
Cash Flows from Investing Activities		
Proceeds from Sale of Non-Current Assets	152	511
Acquisition of Plant and Equipment	(43)	(3)
Proceeds from sale of financial assets	-	171
Increase in short-term deposits	(3,707)	(74,241)
Exploration Expenditure	(3,049)	(3,619)
Net Cash Outflow from Investing Activities	(6,647)	(77,181)
Cash flows from Financing Activities		
Repayment of Interest Bearing Liabilities	-	(751)
Net payback from Performance Bonds	2,498	918
Net Cash Inflow from Financing Activities	2,498	167
Net Decrease in Cash and Cash Equivalents	(6,185)	(80,557)
Cash and Cash Equivalents at the Beginning of the Period	9,210	81,239
Cash and Cash Equivalents at the Ending of the Period	3,025	682

The accompanying notes form part of these financial statements.

Notes to the Consolidated Interim Financial Report for the Half Year Ended 30 June 2015

Note 1: Basis of preparation of half-year report

The interim financial report of Focus Minerals Limited (“the Company”), together with its consolidated reporting entities (“the Group”) for the half-year reporting period ended 30 June 2015 has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2014 and any public announcements made by Focus Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of previous financial year and corresponding interim reporting period, unless otherwise noted below.

(a) 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 income statement as other income. This accounting policy has been adopted for the first time due to the receipt of a tax refund. Refer Note 3 for further details.

(b) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(c) Impacts of standards issued but not yet applied by the Group

There are no standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2: 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.

All of 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 a monthly basis. Gold produced is sold through agents at spot pricing.

Segment Financial Information for the six months ended 30 June 2015 is presented below:

	6 months to 30 June 2015 Coolgardie \$'000	6 months to 30 June 2015 Laverton \$'000	6 months to 30 June 2015 Corporate \$'000	6 months to 30 June 2015 Consolidated \$'000
Revenue from continuing operations	-	-	-	-
Other Income	286	545	2,313	3,144
Employee expenses	(49)	(13)	(638)	(700)
Depreciation and Amortisation Expenses	(614)	-	(63)	(677)
Finance Costs	-	-	(470)	(470)
Loss on disposal of tenements and plant and equipment	(1)	(201)	55	(147)
Care and Maintenance Costs	(433)	(547)	-	(980)
Corporate and Other Expenses	0	0	(1,278)	(1,278)
SEGMENT LOSS BEFORE TAX	(811)	(216)	(81)	(1,108)
Income taxes	-	-	-	-
SEGMENT LOSS	(811)	(216)	(81)	(1,108)
Current Assets	423	929	64,123	65,475
Non-Current Assets				
- Restricted Cash	705	5,822	10,098	16,625
- Plant and Equipment	3,965	-	121	4,086
- Inventory	1,293	-	-	1,293
- Exploration and Evaluation Assets	29,619	15,972	-	45,592
TOTAL ASSETS	36,005	22,724	74,342	133,071
Current Liabilities	(470)	(455)	(809)	(1,734)
Non-Current Liabilities	(11,525)	(14,260)	(13)	(25,798)
TOTAL LIABILITIES	(11,995)	(14,715)	(822)	(27,532)
NET ASSETS	24,010	8,009	73,520	105,539
Capital Expenditures	1,658	916	1	2,575

Segment Financial Information for the six months ended 30 June 2014 is presented below:

	6 months to 30 June 2014 Coolgardie \$'000	6 months to 30 June 2014 Laverton \$'000	6 months to 30 June 2014 Corporate \$'000	6 months to 30 June 2014 Consolidated \$'000
Revenue from continuing operations	93	-	-	93
Depreciation and Amortisation Expenses	(1,127)	-	(79)	(1,206)
Employee expenses	(220)	(13)	(1,249)	(1,482)
Finance costs	-	(1)	(226)	(227)
Other income	481	156	1,641	2,278
Care and Maintenance Costs	(396)	(1,189)	-	(1,585)
Impairment expenses	(6,120)	-	-	(6,120)
Loss on disposal of tenements and plant and equipment	(1,399)	(366)	-	(1,765)
Corporate and Other expenses	(65)	(118)	(1,359)	(1,542)
SEGMENT LOSS BEFORE TAX	(8,753)	(1,531)	(1,272)	(11,556)
Income taxes	-	-	-	-
SEGMENT LOSS	(8,753)	(1,531)	(1,272)	(11,556)
Current Assets	3,082	363	76,063	79,508
Non-Current Assets				
- Restricted Cash	706	7458	8,962	17,126
- Plant and Equipment	8,920	-	243	9,163
- Mine Properties and Development	750	-	-	750
- Exploration and Evaluation Assets	27,247	13,072	-	40,319
TOTAL ASSETS	40,705	20,893	85,268	146,866
Current Liabilities	1,432	1,050	709	3,191
Non-Current Liabilities	12,853	11,818	543	25,214
TOTAL LIABILITIES	14,285	12,868	1,252	28,405
NET ASSETS	26,420	8,025	84,016	118,461
Capital Expenditures	1,684	1,932	3	3,629

Note 3: Revenues

	Consolidated	
	6 months to 30 June 2015 \$'000	6 months to 30 June 2014 \$'000
(a) Revenue from continuing operations		
Gold sales	-	93
Total revenue from continuing operations	-	93
(b) Other income		
Sundry income (note)	1,744	522
Finance income	-	21
Interest income	1,400	1,735
Total Other income	3,144	2,278

Note:

The sundry income include a tax refund from the Australian Taxation office in relation to previously unclaimed research and development tax offsets, fuel tax credits and GST on imported goods in prior period.

Note 4: Earnings per Share

	Consolidated	
	6 months to 30 June 2015 Cents per Share	6 months to 30 June 2014 Cents per Share (Restated)
<i>Basic earnings per share:</i>		
Total Basic EPS	(0.61)	(6.32)
<i>Diluted earnings per share</i>		
Total Diluted EPS	(0.61)	(6.32)
<i>Basic Earnings per share</i>	\$000	\$000
The earnings used in the calculation of basic earnings per share	(1,108)	(11,556)
Weighted average number of ordinary shares for the purposes of basic earnings per share	182,748,565	182,748,565
<i>Diluted Earnings per share</i>	\$000	\$000
The earnings used in the calculation of diluted earnings per share	(1,108)	(11,556)
Weighted average number of ordinary shares for the purposes of diluted earnings per share	182,748,565	182,748,565

In May 2015, Focus Minerals Ltd consolidated 9,137,375,877 fully paid ordinary shares into 182,748,565 on a 1 for 50 basis (refer Note 8). The calculation of basic and diluted earnings per share for six-month ended 30 June 2014 is adjusted retrospectively after the share consolidation.

Note 5: Cash, Cash Equivalents, Short Term Deposits and Restricted Cash

	Consolidated	
	As at 30 June 2015 \$'000	As at 31 December 2014 \$'000
Cash and cash equivalents	3,025	9,210
Short term deposits	60,279	56,572
Current – restricted cash	-	132
	63,304	65,914
Non- current – restricted cash	16,625	18,991

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

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.

Note 6: Plant and Equipment

Non-current	Furniture & fittings ‘\$000	Plant & Equipment ‘\$000	Mill assets ‘\$000	Construction in progress ‘\$000	Motor Vehicles ‘\$000	Total ‘\$000
At 31 December 2014						
Cost or fair value	2,004	6,834	32,796	8,000	599	50,233
Accumulated depreciation	(1,758)	(4,448)	(17,631)	-	(424)	(24,261)
Impairment loss	(13)	(25)	(13,165)	(8,000)	(50)	(21,253)
Net book amount	233	2,361	2,000	-	125	4,719
6 months ended June 2015						
Opening net book amount	233	2,361	2,000	-	125	4,719
Additions	43	-	-	-	-	43
Depreciation expense	(78)	(275)	(286)	-	(37)	(676)
Closing book amount	198	2,086	1,714	-	88	4,086
At 30 June 2015						
Cost or fair value	2,047	6,834	32,796	8,000	599	50,277
Accumulated depreciation	(1,836)	(4,723)	(17,917)	-	(461)	(24,937)
Impairment loss	(13)	(25)	(13,165)	(8,000)	(50)	(21,253)
Net book amount	198	2,086	1,714	-	88	4,086
At 31 December 2013						
Cost or fair value	2,138	16,027	39,811	8,000	551	66,527
Accumulated depreciation	(1,500)	(6,233)	(20,967)	-	(330)	(29,030)
Impairment loss	-	(5,872)	(11,510)	(8,000)	-	(25,382)
Net book amount	638	3,922	7,334	-	221	12,115
6 months ended June 2014						
Opening net book amount	638	3,922	7,334	-	221	12,115
Reclassifications between Plant and Equipment	(158)	(1,017)	1,070	-	105	-
Balance after adjustment	480	2,905	8,404	-	326	12,115
Additions	3	-	-	-	-	3
Depreciation expense	(163)	(247)	(703)	-	(93)	(1,206)
Disposals	(4)	(5)	(1,675)	-	(65)	(1,749)
Closing book amount	316	2,653	6,026	-	168	9,163
At 30 June 2014						
Cost or fair value	1,992	13,304	39,225	8,000	624	63,145
Accumulated depreciation	(1,663)	(4,703)	(21,828)	-	(406)	(28,600)
Impairment loss	(13)	(5,948)	(11,371)	(8,000)	(50)	(25,382)
Net book amount	316	2,653	6,026	-	168	9,163

Note 7: Exploration and Evaluation Assets

	Consolidated	
	6 months to 30 June 2015 \$'000	6 months to 30 June 2014 \$'000
Exploration and Evaluation Expenditure:		
At Cost	152,769	147,497
Less: Accumulated Impairment	(107,178)	(107,178)
Net Book Value	45,591	40,319
Movement Summary:		
Carrying amount at beginning of the period	43,261	37,059
plus – exploration expenditure	2,530	3,626
less – write off of tenements allowed to lapse or dropped	(200)	(366)
Carrying amount at end of the period	45,591	40,319

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 8: 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

Issued capital	No. of shares	\$'000
As at 31 December 2013, 30 June 2014 and 31 December 2014	9,137,375,877	427,167
Share consolidation	(8,954,627,312)	-
As at 30 June 2015	182,748,565	427,167

In May 2015, Focus Minerals Ltd consolidated 9,137,375,877 fully paid ordinary shares into 182,748,565 on a 1 for 50 basis.

Share Issue Details

There were no shares issued during the half year period.

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) Dividends

No dividends have been paid or provided for during the 6 months ended 30 June 2015 (6 months ending 30 June 2014: Nil).

Note 9: Related Party Disclosure

Transactions with Related Parties

Mr Gerry Fahey is a Director of CSA Global, which provided technical consulting services to the Group. Technical services provided by CSA Global for the period totalled \$21,802. (6 months ended 30 June 2014: \$52,840).

Note 10: Significant Events after Balance Date

At the date of this report, there are no events that have arisen after balance date that have 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 the future financial periods.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 18 are in accordance with the Corporations Act 2001, including:
 - a. Complying with the Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Lu Jisheng', is positioned above the printed name and title.

Jisheng Lu
Chairman of the Board
3 September 2015
Jinan, Shandong, China

Independent Auditor's Review Report



Independent auditor's review report to the members of Focus Minerals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Focus Minerals Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Focus Minerals Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Focus Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Focus Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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Ben Gargett
Partner

Perth
3 September 2015