



Focus Minerals Limited

ABN 56 005 470 799

Annual Report

For the year ended 31 December 2020

Corporate Directory

ABN 56 005 470 799

Directors

Dianfei Pei	Chairman - Non-Executive, Non-Independent
Zhaoya Wang	Director - Executive
Gerry Fahey	Director - Independent
Rodney Johns	Director – Independent (appointed 4 th September 2020)
Zaiqian Zhang	Director – Executive (resigned 9 th October 2020)
Lingquan Kong	Director – Executive (appointed 14 th January 2021)

Company Secretary

Zaiqian Zhang (resigned 9th October 2020)
Nicholas Ong (appointed 19th October 2020)

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

RSM Australia Partners
Level 32 – Exchange Tower
2 The Esplanade
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

Solicitors

MinterEllison
Level 4, Allendale Square
77 St Georges Terrace, Perth, WA 6000

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Symbol: FML

Contents

Corporate Directory	2
Chairman’s Report	4
Operations Review	5
Ore Reserves and Mineral Resources Tables	7
Directors’ Report	17
Auditors Independence Declaration	32
Consolidated Financial Statements	33
Notes to Consolidated Financial Statements	37
Directors’ Declaration	65
Independent Auditor’s Report	66
Shareholder Information	70
Interest in Mining Tenements	72

Chairman's Report

Dear Shareholders,

It gives me great pleasure to present to you the 2020 Annual Report for Focus Minerals Limited. I would like to reflect on our many achievements over the past year as we continued to advance our goal to become the next gold producer in Western Australia. Our achievements in 2020 have been significant and value-enhancing, a credit to the Focus team particularly given the challenges faced by the Company, and the mining industry in general, because of COVID-19.

During 2020, the Focus team delivered outstanding results from the Pre-Feasibility Study (**PFS**) for the Coolgardie Gold Project (**Coolgardie**), which relied only on resources from the Greenfields, Brilliant and Bonnie Vale deposits. The PFS declared a total Ore Reserve of 6.64mt @ 1.97g/t for 422koz of gold that would support a six-year mine life based mostly on open pit operations averaging production of 63koz per annum. Under the PFS, ore would be processed at the refurbished Three Mill Hill Plant at a projected average production cost of A\$1,282 per ounce. At an assumed gold price of A\$2,200/oz, the PFS indicated a project Net Present Value (NPV_{7.5%}) for Coolgardie of A\$183m and an Internal Rate of Return (IRR) of 71%¹.

The PFS demonstrated the robustness of Coolgardie. Focus will continue to explore and assess other deposits within the precinct such as the CNX and Alicia deposits, with an ambition to extend the mineral resource and therefore the mine life and improve the project economics. The Board will also continue to explore funding options for Coolgardie.

During 2020, we also materially advanced our Laverton Gold Project (**Laverton**). We expanded our tenement footprint as well as completing an extensive exploration drilling program. In total, we completed 5,089m of reverse circulation (RC) and 12,261m of diamond drilling, which resulted in a 21% increase in Laverton's total mineral resources. The PFS for a Stage 1 development of Laverton was advanced in 2020 and finalised in early 2021. The Stage 1 PFS scenario included refurbishing the Barnicoat Mill and delivered a pre-tax NPV_{5.0%} of A\$132M based on mining predominantly oxide and transition materials². The scope of the Stage 1 PFS only included five Laverton deposits. The focus in 2021 is to continue to convert more resources into a JORC 2012-compliant mineral resource to significantly enhance the scale, economics and value of Laverton.

The on-going success at our projects was strengthened during the year by a A\$20 million working capital loan facility provided by our major shareholder, Shandong Gold Group Co. Ltd (SD-Gold). The facility was a sign of confidence and trust by SD-Gold in the Focus team's ability to continue to deliver strong results for all shareholders. The additional working capital allows Focus to advance Coolgardie by carrying out a Definitive Feasibility Study at the same time as maintaining the pace of progress at Laverton.

On behalf of the Board of Directors of Focus Minerals, I thank all shareholders for your continued support and patience as we systematically and diligently add value to our two highly prospective gold projects. As we move forwards in 2021, I am confident the strategies and targets we have in place will drive Focus to achieve new milestones on the road to our clear goal of bringing our two core projects into gold production.

Yours faithfully,



Dianfei Pei
Chairman of the Board

¹ Refer ASX Announcement dated 22 September 2020

² Refer ASX Announcement dated 11 March 2021

Operations Review

Overview

In 2020, Focus Minerals Ltd reported addition of 28.2MT @ 1.35g/t for 1.225Moz to its combined Laverton and Coolgardie, Measured plus Indicated plus Inferred Mineral Resource Base.

Classification	Tonnage (Mt)	Au Grade (g/t)	Au Moz
Laverton and Coolgardie Total Measured	2.3	2.16	0.16
Laverton and Coolgardie Total Indicated	60.6	1.79	3.49
Laverton and Coolgardie Total Inferred	33.2	2.32	2.48
Laverton and Coolgardie Total Mineral Resource	96.1	1.98	6.13

These additions were delivered by targeted drilling and nine resource updates. In total, 29,558m of drilling was completed comprising 45% Diamond Drilling and 55% RC drilling. Total drilling and resource related expenditure was A \$7.35M. This equates to resource additions at **A \$6.00/oz**.

Total exploration spend was A \$9.841M including: feasibility, tenement management, admin and heritage costs.

The Coolgardie PFS update was also completed in the reporting period delivering

- Undiscounted pre-tax value A \$255M (gold price of A \$2,200/oz)
- NPV A \$183M (7.5% discount rate)
- Internal rate of return IRR 71%
- JORC 2012 Total Proved & Probable Ore Reserves at 6.64Mt @ 1.98g/t:

Classification	Tonnage (Mt)	Au Grade (g/t)	Au oz
Proven Reserve	1.48	1.37	65,500
Probable Reserve	5.16	2.15	356,500
Total Ore Reserves	6.64	1.97	422,000

- Low A \$24M CAPEX mill refurbishment to 1.4Mtpa (duration 9 months)
- Maximum drawdown A \$48M including \$28M mill + tails lift CAPEX
- 6 years mostly open pit production for average 63 Koz/year

It is noted that the 2020 Coolgardie PFS update includes:

- 3 deposits from more than 20 significant deposits at Coolgardie.
- The combined Indicated Mineral Resources used for the PFS update comprise 7.51MT @ 2.56g/t for 619Koz or 24% of the total Coolgardie Measured, Indicated and Inferred Mineral Resource Base which comprises 34.8Mt @ 2.2g/t for 2.496Moz.
- Conversion rate from considered Indicated and Measured Mineral Resources to combined Proved and Probable Ore Reserve was 68.2%

During the December quarter 2020 exploration drilling and resource evaluation continued at Coolgardie to improve value and further de-risk the mining scenario documented by the 2020 Coolgardie PFS update.

The Laverton Stage 1 PFS was also significantly advanced for completion during the March quarter 2021.

Exploration

In 2020 Focus completed 59% of drill meters at the Laverton Project and the remainder at Coolgardie Project. Focus reported five Mineral Resource updates to support the Laverton PFS. The Resource updates were compiled for: Karridale, Burtville, Beasley Creek, Beasley Creek South and Wedge.

Laverton Gold Project 2020 Mineral Resource additions comprise:

Classification	Tonnage (Mt)	Au Grade (g/t)	Au Koz
Total Laverton Indicated Mineral Resource Increase	15.73	1.4	688
Total Laverton Inferred Mineral Resource Increase	4.94	1.1	168
Total Laverton 2020 Mineral Resource Addition	20.66	1.3	857

Three resource updates were compiled for: Greenfields, Brilliant and Bonnie Vale to support the Coolgardie PFS update. In December, Focus completed a major resource re-evaluation of the CNX deposit at Coolgardie.

Coolgardie Gold Project 2020 Mineral Resource additions comprise:

Classification	Tonnage (Mt)	Au Grade (g/t)	Au Koz
Total Coolgardie Measured Mineral Resource Increase	1.15	1.8	64
Total Coolgardie Indicated Mineral Resource Increase	1.35	1.3	56
Total Coolgardie Inferred Mineral Resource Increase	5.02	1.5	248
Total Coolgardie 2020 Mineral Resource Addition	7.53	1.5	368

The top four reported significant intersections for the year (calculated using 0.5g/t cut off and up to 3m internal dilution) come from resource drilling at Beasley Creek and Beasley Creek South and comprise:

- **20BSRD012 - 6.00m @ 31.06g/t from 32m (GxM 186)**
- **20BSRD010 - 17.00m @ 9.28g/t from 168m (GxM 158)**
- **20BSRD005 - 10.05m @ 9.13g/t from 252.25m (GxM 92)**
- **20BSDD065 - 29.00m @ 2.5g/t from 214m (GxM 72)**

Ore Reserves and Mineral Resources Tables

2019 / 2020 JORC 2012 Ore Reserves Comparison Table

COOLGARDIE GOLD PROJECT		2019 Reserves			2020 Reserves			Change		
		Tonnes Mt	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces
Brilliant Project – Open Pit Reserve	Proven	-	-	-	-	-	-	-	-	-
	Probable				3.72	1.58	188,000	3.72	1.58	188,000
	Total	-	-	-	3.72	1.58	188,000	3.72	1.58	188,000
Bonnie Vale Project - Underground	Proven									
	Probable	0.625	6.16	123,700	0.86	5.26	145,500	0.24	2.83	21,800
	Total	0.625	6.16	123,700	0.86	5.26	145,500	0.24	2.83	21,800
Greenfields Open Pit Reserve	Proven				1.48	1.37	65,500	1.48	1.37	65,500
	Probable	1.016	1.45	47,100	0.58	1.24	23,000	-0.44	1.72	-24,100
	Total	1.016	1.45	47,100	2.06	1.34	88,500	1.04	1.23	41,400
Total Coolgardie	Total Proven				1.48	1.38	65,500	1.48	1.38	65,500
	Total Probable	1.641	3.24	170,800	5.16	2.15	356,500	3.52	1.64	185,700
	Total Ore Reserves	1.641	3.24	170,800	6.64	1.98	422,000	5.00	1.56	251,200

Mineral Resources Table

Coolgardie Gold Project

Coolgardie Surface Mineral Resources						
Prospect	JORC	Classification	Tonnes	Grade (g/t)	Ounces	Reporting Cut-Off Grade (g/t)
Alicia	JORC 2004	Indicated	681,000	2.0	43,000	1.0
	JORC 2004	Inferred	25,000	1.7	2,000	
	JORC 2004	Total	706,000	2.0	45,000	
Big Blow	JORC 2004	Indicated	281,000	3.4	31,000	1.0
	JORC 2004	Inferred	79,000	3.0	8,000	
	JORC 2004	Total	360,000	3.3	39,000	
Bird in Hand	JORC 2004	Indicated	210,000	2.0	13,500	1.0
	JORC 2004	Inferred	107,000	2.0	6,500	
	JORC 2004	Total	317,000	2.0	20,000	
Cokes	JORC 2004	Indicated	120,000	2.4	9,000	1.0
	JORC 2004	Inferred	47,000	3.3	5,000	
	JORC 2004	Total	167,000	2.6	14,000	
Cyanide	JORC 2004	Indicated	34,000	2.2	2,500	1.0
	JORC 2004	Inferred	84,000	1.8	5,000	
	JORC 2004	Total	118,000	1.9	7,500	
Dreadnought	JORC 2004	Indicated	1,900,000	2.0	122,000	1.0
	JORC 2004	Inferred	145,000	1.7	8,000	
	JORC 2004	Total	2,045,000	2.0	130,000	
Empress	JORC 2004	Indicated	128,000	2.0	8,000	1.0
	JORC 2004	Inferred	12,000	2.3	1,000	
	JORC 2004	Total	140,000	2.0	9,000	
Friendship	JORC 2004	Inferred	100,000	1.4	4,500	1.0
Griffiths	JORC 2004	Inferred	104,000	2.7	9,000	1.0
Happy Jack	JORC 2004	Indicated	249,000	2.0	16,000	1.0
	JORC 2004	Inferred	99,000	3.1	10,000	
	JORC 2004	Total	348,000	2.3	26,000	
Lady Charlotte	JORC 2004	Indicated	137,000	1.6	7,000	1.0
	JORC 2004	Inferred	346,000	1.5	17,000	
	JORC 2004	Total	483,000	1.5	24,000	
Perseverance	JORC 2004	Inferred	53,000	2.4	4,000	1.0
Tindals Pit	JORC 2004	Indicated	257,000	2.7	22,500	1.0
	JORC 2004	Inferred	288,000	2.4	22,000	
	JORC 2004	Total	545,000	2.5	44,500	
Undaunted	JORC 2004	Indicated	187,000	2.0	12,000	1.0
	JORC 2004	Inferred	126,000	1.9	8,000	
	JORC 2004	Total	313,000	2.0	20,000	

Prospect	JORC	Classification	Tonnes	Grade (g/t)	Ounces	Reporting Cut-Off Grade (g/t)
Brilliant	JORC 2012	Indicated	5,706,000	2.1	392,500	0.5
	JORC 2012	Inferred	771,000	2.0	50,000	
	JORC 2012	Total	6,477,000	2.1	442,500	
CNX	JORC 2012	Inferred	2,599,000	1.5	123,000	0.7
Greenfields	JORC 2012	Measured	1,148,000	1.8	64,500	0.8
	JORC 2012	Indicated	1,515,000	1.5	74,500	
	JORC 2012	Total	2,663,000	1.6	139,000	
Hillside	JORC 2004	Inferred	437,000	4.4	62,000	1.0
Lindsays	JORC 2004	Indicated	4,350,000	1.7	238,000	1.0
	JORC 2004	Inferred	1,490,000	1.6	77,000	
	JORC 2004	Total	5,840,000	1.7	315,000	
King Solomon/ Queen Sheba	JORC 2004	Inferred	1,400,000	2.0	90,000	1.0
Lord Bob	JORC 2004	Inferred	820,000	1.6	42,000	0.8
Norris - Grosmont	JORC 2004	Inferred	1,620,000	2.4	127,000	1.0
Total		Measured	1,148,000	1.75	64,500	
Total		Indicated	15,755,000	1.96	991,500	
Total		Inferred	10,752,000	1.97	681,000	
Total Coolgardie Surface			27,655,000	1.95	1,737,000	

Coolgardie Underground Mineral Resources						
Prospect	JORC	Classification	Tonnes	Grade (g/t)	Ounces	Reporting Cut-Off Grade (g/t)
Bird in Hand	JORC 2004	Indicated	282,000	3.1	28,000	2.0
	JORC 2004	Inferred	90,000	2.8	8,000	
	JORC 2004	Total	372,000	3.0	36,000	
Countess	JORC 2004	Measured	50,000	3.5	5,500	2.0
	JORC 2004	Indicated	127,000	2.9	12,000	
	JORC 2004	Inferred	0	0.0	0	
	JORC 2004	Total	177,000	3.0	17,500	
Cyanide	JORC 2004	Indicated	516,000	4.7	77,000	2.0
	JORC 2004	Inferred	77,000	5.5	13,500	
	JORC 2004	Total	593,000	4.8	90,500	
Empress	JORC 2004	Measured	13,000	4.1	2,000	2.0
	JORC 2004	Indicated	175,000	3.4	19,000	
	JORC 2004	Inferred	13,000	7.5	3,000	
	JORC 2004	Total	201,000	3.7	24,000	
Griffiths	JORC 2004	Inferred	39,000	2.9	4,000	2.0
Perseverance	JORC 2004	Measured	154,000	5.3	26,000	2.0
	JORC 2004	Indicated	438,000	4.5	64,000	
	JORC 2004	Inferred	18,000	4.3	2,000	
	JORC 2004	Total	610,000	4.7	92,000	
Tindals	JORC 2004	Measured	51,000	3.4	5,500	2.0
	JORC 2004	Indicated	179,000	2.8	16,000	
	JORC 2004	Inferred	72,000	3.1	7,000	
	JORC 2004	Total	302,000	3.0	28,500	
Brilliant	JORC 2012	Indicated	0	0.0	0	1.5
	JORC 2012	Inferred	3,730,000	2.3	248,500	
	JORC 2012	Total	3,730,000	2.3	248,500	
Quarry Reef	JORC 2012	Indicated	658,000	7.7	162,000	1.5
	JORC 2012	Inferred	503,000	3.5	56,000	
	JORC 2012	Total	1,161,000	5.9	218,000	
		Measured	268,000	4.5	39,000	
		Indicated	2,375,000	5.0	378,000	
		Inferred	4,542,000	2.3	342,000	
Total Coolgardie Underground			7,185,000	3.3	759,000	

Coolgardie Total Surface and Underground Mineral Resources			
Classification	Tonnes	Grade (g/t)	Ounces
Total Measured Resource	1,416,000	2.3	103,500
Total Indicated Resource	18,130,000	2.3	1,369,500
Total Inferred Resource	15,294,000	2.1	1,023,000
TOTAL COOLGARDIE	34,840,000	2.2	2,496,000

Mineral Resources Table

Laverton Gold Project

Laverton Surface Mineral Resources						
Prospect	JORC	Classification	Tonnes	Grade (g/t)	Contained Ounces	Reporting Cut-Off Grade (g/t)
Admiral Hill	JORC 2004	Indicated	660,000	1.4	30,000	0.8
	JORC 2004	Inferred	1,310,000	1.1	46,000	
	JORC 2004	Total	1,970,000	1.2	76,000	
Barnicoat	JORC 2004	Indicated	340,000	1.3	14,000	0.5
	JORC 2004	Inferred	250,000	1.0	8,000	
	JORC 2004	Total	590,000	1.2	22,000	
Bells	JORC 2004	Indicated	594,000	2.0	38,000	0.5
	JORC 2004	Inferred	36,000	1.4	2,000	
	JORC 2004	Total	630,000	2.0	40,000	
Castaway	JORC 2004	Indicated	247,000	1.6	13,000	1.0
	JORC 2004	Inferred	28,000	1.8	2,000	
	JORC 2004	Total	275,000	1.6	15,000	
Grouse	JORC 2004	Indicated	447,000	1.7	24,000	1.0
	JORC 2004	Inferred	27,000	1.3	1,000	
	JORC 2004	Total	474,000	1.7	25,000	
Sickle	JORC 2004	Measured	390,000	1.7	21,000	1.0
	JORC 2004	Indicated	198,000	2.6	16,000	
	JORC 2004	Inferred	152,000	3.1	15,000	
	JORC 2004	Total	740,000	2.2	52,000	
Burtville	JORC 2004	Indicated	5,095,000	1.0	159,000	0.6
	JORC 2004	Inferred	1,554,000	0.9	47,000	
	JORC 2004	Total	6,649,000	1.0	206,000	
Karridale	JORC 2012	Indicated	22,149,000	1.4	968,500	0.6
	JORC 2012	Inferred	5,584,000	1.2	219,000	
	JORC 2012	Total	27,733,000	1.3	1,187,500	
Craggiemore	JORC 2004	Indicated	575,000	2.2	40,000	1.0
	JORC 2004	Inferred	113,000	2.7	10,000	
	JORC 2004	Total	688,000	2.3	50,000	
Euro	JORC 2004	Indicated	255,000	1.7	14,000	1.0
	JORC 2004	Inferred	314,000	1.7	17,000	
	JORC 2004	Total	569,000	1.7	31,000	
Mary Mac	JORC 2004	Indicated	232,000	2.2	16,000	1.0
	JORC 2004	Inferred	9,000	1.6	1,000	
	JORC 2004	Total	241,000	2.2	17,000	
Mary Mac South	JORC 2004	Indicated	435,000	1.6	22,000	1.0
	JORC 2004	Inferred	90,000	1.8	5,000	
	JORC 2004	Total	525,000	1.6	27,000	
West Laverton	JORC 2004	Measured	0	0.0	0	1.0
	JORC 2004	Indicated	1,252,000	2.1	84,500	
	JORC 2004	Inferred	116,000	1.8	6,500	
	JORC 2004	Total	1,368,000	2.1	91,000	
Apollo	JORC 2004	Measured	512,000	2.2	36,000	0.8
	JORC 2004	Indicated	910,000	2.0	59,000	
	JORC 2004	Inferred	560,000	3.0	54,000	
	JORC 2004	Total	1,982,000	2.3	149,000	
Inuendo	JORC 2004	Indicated	180,000	2.9	17,000	1.0
	JORC 2004	Inferred	380,000	2.3	28,000	
	JORC 2004	Total	560,000	2.5	45,000	
Eclipse (Garden Well)	JORC 2004	Measured	19,000	2.7	2,000	0.8
	JORC 2004	Indicated	63,000	1.8	4,000	
	JORC 2004	Inferred	152,000	1.7	8,000	
	JORC 2004	Total	234,000	1.8	14,000	
Gladiator North	JORC 2004	Indicated	48,000	1.7	3,000	1.0
	JORC 2004	Inferred	123,000	1.6	6,000	
	JORC 2004	Total	171,000	1.6	9,000	
Rumor	JORC 2004	Indicated	1,590,000	2.1	107,000	1.0
	JORC 2004	Inferred	1,060,000	2.1	72,000	
	JORC 2004	Total	2,650,000	2.1	179,000	
Beasley Creek	JORC 2012	Indicated	3,036,000	2.2	215,500	0.6
	JORC 2012	Inferred	592,000	1.7	31,500	
	JORC 2012	Total	3,628,000	2.1	247,000	

Prospect	JORC	Classification	Tonnes	Grade (g/t)	Contained Ounces	Reporting Cut-Off Grade (g/t)
Beasley Creek South	JORC 2012	Indicated	751,000	3.6	86,000	0.8
	JORC 2012	Inferred	263,000	3.5	29,500	
	JORC 2012	Total	1,014,000	3.5	115,500	
Telegraph	JORC 2012	Indicated	638,000	2.1	43,500	0.8
	JORC 2012	Inferred	534,000	1.4	24,500	
	JORC 2012	Total	1,172,000	1.8	68,000	
Wedge - Lancefield North	JORC 2012	Indicated	2,660,000	1.7	141,000	0.8
	JORC 2012	Inferred	750,000	1.1	27,000	
	JORC 2012	Total	3,410,000	1.5	168,000	
South Lancefield	JORC 2004	Indicated	72,000	4.0	9,000	1.0
	JORC 2004	Inferred	3,000	5.0	1,000	
	JORC 2004	Total	75,000	4.0	10,000	
		Measured	921,000	2.0	59,000	
		Indicated	42,427,000	1.6	2,124,000	
		Inferred	14,000,000	1.5	661,000	
Total Laverton Surface			57,348,000	1.5	2,844,000	

Laverton Underground						
Prospect	JORC	Classification	Tonnes	Grade (g/t)	Contained Ounces	Reporting Cut-Off Grade (g/t)
Lancefield	JORC 2012	Indicated	0	0.0	0	4.0
	JORC 2012	Inferred	3,944,000	6.3	793,000	
	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 Laverton Underground			3,944,000	6.3	793,000	

TOTAL Laverton			
Classification	Tonnes	Grade (g/t)	Ounces
Total Measured Resource	921,000	2.0	59,000
Total Indicated Resource	42,427,000	1.6	2,124,000
Total Inferred Resource	17,944,000	2.5	1,454,000
TOTAL LAVERTON	61,292,000	1.8	3,637,000

Mineral Resources Table – Comparison to Previous Year

Coolgardie Gold Project

		2019					2020					Change			
		Category	Tonnes MT	Grade g/t	Ounces	Cut Off	Category	Tonnes MT	Grade g/t	Ounces	Cut Off	Tonnes MT	Grade g/t	Ounces	Cut Off
Greenfields	Measured	JORC 2004	-	-	-	1.0 g/t	JORC 2012	1,148,000	1.8	64,500	0.8 g/t	1148000	1.75	64500	-0.2 g/t
	Indicated		1,328,000	1.70	72,500			1,515,000	1.5	74,500		187000	0.33	2000	
	Inferred		66,000	2.00	4,500			-	-	-		-66,000	-2.00	-4,500	
Total Greenfields		JORC 2004	1,394,000	1.72	77,000	1.0 g/t	JORC 2012	2,663,000	1.62	139,000	0.8 g/t	1,269,000	1.52	62,000	-0.2 g/t
CNX	Measured	JORC 2004	-	-	-	1.0 g/t	JORC 2012	-	-	-	0.7 g/t	-	-	-	-0.3 g/t
	Indicated		794,000	1.63	41,000			-	-	-		-794,000	-1.63	-41,000	
	Inferred		90,000	1.40	4,000			2,599,000	1.5	123,000		2509000	1.48	119000	
Total CNX		JORC 2004	884,000	1.58	45,000	1.0 g/t	JORC 2012	2,599,000	1.47	123,000	0.7 g/t	1,715,000	1.41	78,000	-0.3 g/t
Brilliant	Measured	JORC 2004	-	-	-	1.0 g/t	JORC 2012	-	-	-	0.5 g/t	-	-	-	-0.5 g/t
	Indicated		4,523,000	2.30	330,000			5,706,000	2.1	392,500		1183000	1.64	62500	
	Inferred		576,000	2.40	44,500			771,000	2.0	50,000		195000	0.88	5500	
Total Brilliant		JORC 2004	5,099,000	2.28	374,500	1.0 g/t	JORC 2012	6,477,000	2.12	442,500	0.5 g/t	1,378,000	1.53	68,000	-0.5 g/t
Brilliant UG	Measured	JORC 2004	-	-	-	3.0 g/t	JORC 2012	-	-	-	1.5 g/t	-	-	-	-0.5 g/t
	Indicated		155,000	3.70	18,500			0	0.0	0		-155000	3.71	-18500	
	Inferred		633,000	4.10	82,500			3,730,000	2.3	248,500		3097000	1.67	166000	
Total Brilliant UG		JORC 2004	788,000	3.99	101,000	3.0 g/t	JORC 2012	3,730,000	2.07	248,500	1.5 g/t	2,942,000	1.56	147,500	-0.5 g/t
Bonnie Vale Quarry Reef UG	Measured	JORC 2012	-	-	-	2.0 g/t	JORC 2012	-	-	-	1.5 g/t	-	-	-	-0.5 g/t
	Indicated		519,000	9.10	152,500			658,000	7.7	162,000		139000	2.13	9500	
	Inferred		420,000	3.90	52,500			503,000	3.5	56,000		83000	1.31	3500	
Total Bonnie Vale Quarry Reef UG		JORC 2012	939,000	6.79	205,000	2.0 g/t	JORC 2012	1,161,000	5.84	218,000	1.5 g/t	222,000	1.82	13,000	-0.5 g/t
Total Coolgardie Resources Updated			9,104,000	2.74	802,500			16,630,000	2.19	1,171,000		7,526,000	1.52	368,500	

Laverton Gold Project

		2019					2020					Difference			
		Category	Tonnes MT	Grade g/t	Ounces	Cut Off	Category	Tonnes MT	Grade g/t	Ounces	Cut Off	Tonnes MT	Grade g/t	Ounces	Cut Off
Burtville	Measured	JORC 2004	-	-	-	0.8 g/t	JORC 2012	-	-	-	0.6 g/t	-	-	-	-0.2 g/t
	Indicated		1,207,000	1.40	54,000			5,095,000	1.0	159,000		3888000	0.84	105000	
	Inferred		708,000	1.80	41,500			1,554,000	0.9	47,000		846000	0.20	5500	
Burtville Total		JORC 2004	1,915,000	1.55	95,500	0.8 g/t	JORC 2012	6,649,000	0.96	206,000	0.6 g/t	4,734,000	0.73	110,500	-0.2 g/t
Karridale	Measured	JORC 2012	-	-	-	0.6 g/t	JORC 2012	-	-	-	0.6 g/t	-	-	-	0.0 g/t
	Indicated		14,406,000	1.39	644,000			22,149,000	1.4	968,500		7743000	1.30	324500	
	Inferred		2,326,000	1.32	98,500			5,584,000	1.2	219,000		3258000	1.15	120500	
Total Karridale		JORC 2012	16,732,000	1.38	742,500	0.6 g/t	JORC 2012	27,733,000	1.33	1,187,500	0.6 g/t	11,001,000	1.26	445,000	0.0 g/t
Beasley Creek	Measured	JORC 2012	-	-	-	0.8 g/t	JORC 2012	-	-	-	0.6 g/t	-	-	-	-0.2 g/t
	Indicated		2,016,000	2.41	156,500			3,036,000	2.2	215,500		1020000	1.80	59000	
	Inferred		645,000	1.71	35,500			592,000	1.7	31,500		-53000	2.35	-4000	
Total Beasley Creek		JORC 2012	2,661,000	2.24	192,000	0.8 g/t	JORC 2012	3,628,000	2.12	247,000	0.6 g/t	967,000	1.77	55,000	-0.2 g/t
Beasley Creek South	Measured	JORC 2012	-	-	-	0.8 g/t	JORC 2012	-	-	-	0.8 g/t	-	-	-	0.0 g/t
	Indicated		335,000	2.50	27,000			751,000	3.6	86,000		416000	4.41	59000	
	Inferred		127,000	2.40	10,000			263,000	3.5	29,500		136000	4.46	19500	
Total Beasley Creek South		JORC 2012	462,000	2.49	37,000	0.8 g/t	JORC 2012	1,014,000	3.54	115,500	0.8 g/t	552,000	4.42	78,500	0.0 g/t
Wedge - Lancefield North	Measured	NA	-	-	-	NA	JORC 2012	-	-	-	0.8 g/t	-	-	-	0.8 g/t
	Indicated		-	-	-			2,660,000	1.7	141,000		2660000	1.65	141000	
	Inferred		-	-	-			750,000	1.1	27,000		750000	1.12	27000	
Total Wedge - Lancefield North			-	-	-	NA	JORC 2012	3,410,000	1.53	168,000	0.8 g/t	3,410,000	1.53	168,000	0.8 g/t
Total Laverton Resources Updated			21,770,000	1.52	1,067,000			42,434,000	1.41	1,924,000		20,664,000	1.29	857,000	

Competent Persons' Statement

The Coolgardie Gold Project 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 compiled by himself in the form and context in which it appears.

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Alex Aaltonen, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Aaltonen is an employee of Focus Minerals Limited. Mr Aaltonen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The Mineral Resource estimates for Brilliant, Bonnie Vale Quarry Reef, Greenfields, CNX, Beasley Creek South, Wedge – Lancefield North, and Karridale were undertaken by Ms Hannah Kosovich, an employee of Focus Minerals. Ms Hannah Kosovich is a member of Australian Institute of Geoscientists and has sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Aaltonen and Ms Hannah Kosovich consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Burtville and Beasley Creek Mineral Resource estimates were undertaken by Mr Michael Job, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Job is an independent consultant employed by Cube Consulting. Mr Job has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Job consents to the inclusion in the report of the matters based on the information 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 Geoscientists. 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 compiled by herself in the form and context in which it appears.

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.

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 2020.

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
Rodney Johns***	Director – Independent
Lingquan Kong*	Director - Executive
Zaiqian Zhang**	Director – Executive

*Mr Kong was appointed as a Director on 14th January 2021.

**Mr Zhang resigned as a Director on 9th October 2020.

***Mr Johns appointed as a Director on 4 September 2020.

Details of the Directors' qualifications, experience, special responsibilities, and details of directorships of other listed companies can be found on pages 18 to 19 and in the remuneration report on pages 25 to 30.

Information on Directors, Officers and Senior Management

Directors	Designation & Independence Status	Experience, Expertise & Qualifications
Dianfei Pei <i>Appointed on 12 January 2016</i>	Chairman <i>Non-Executive</i> <i>Non-Independent</i>	<p>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.</p> <p>Mr Pei has a Master's degree in Mining Engineering at University of Science and Technology Beijing.</p> <p>Directorships of other ASX listed companies: None</p>
Zhaoya Wang <i>Appointed as Director on 17 November 2017</i>	Director <i>Non-Executive</i> <i>Non-Independent</i> <i>Executive since 19 July 2018</i>	<p>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.</p> <p>He has a Master's 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.</p> <p>Directorships of other ASX listed companies: None</p>
Zaiqian Zhang <i>Appointed as Director on 24 November 2017</i> <i>Appointed as Company Secretary on 16 March 2018</i> <i>Resigned 9th October 2020</i>	Director <i>Executive</i> <i>CFO</i>	<p><i>Qualifications: CA, AGIS, ACIS, MSc, BSc (Hons)</i></p> <p>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.</p> <p>Directorships of other ASX listed companies: None</p>

Directors	Designation & Independence Status	Experience, Expertise & Qualifications
Gerry Fahey <i>Appointed on 18 April 2011</i>	Director <i>Independent</i>	<p><i>Qualifications:</i> BSc (Hons) Geology, FAusIMM, MAIG, MAICD</p> <p>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.</p> <p>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).</p> <p>Directorships of other ASX listed companies:</p> <ul style="list-style-type: none"> Prospect Resources Limited (Non-Executive Director: appointed July 2013, ongoing)
Rod Johns <i>Appointed on 4th September 2020</i>	Director <i>Independent</i>	<p><i>Qualifications:</i> BAppSc (Extractive Metallurgy)</p> <p>Mr Johns has extensive experience in the WA gold sector, having held senior positions at Delta Gold, Placer Dome, La Mancha Resources and Echo Resources that included oversight and delivery of growth strategies, new processing plants and mine optimisations. In addition to his current role as a consultant to the WA mining sector, Mr Johns was previously a Non-Executive Director of Beacon Minerals Limited (ASX: BCN).</p>
Lingquan Kong <i>Appointed on 14th January 2021</i>	Director Executive	<p><i>Qualifications:</i> MEng (Mining Engineering)</p> <p>Mr Kong joined Focus in September 2019 as the company's Principal Mining Engineer. Prior to joining Focus, Mr Kong spent five years as a Director and General Manager at Vatukoula Gold Mines in Fiji, focusing on long term mine planning, production management, cost assessment and stakeholder relations. During his time at Focus Minerals, he has been pivotal in managing the pre-feasibility studies for Coolgardie and Laverton, including mine planning and engineering.</p> <p>Directorships of other ASX listed companies:</p> <ul style="list-style-type: none"> Cardinal Resources Limited (appointed 1st February 2021). Cardinal Resources Limited was delisted from ASX on 8th February 2021

Note: For director's special responsibilities during the year ended 31 December 2020, 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 (Resigned 9th October 2020)

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.

Fengfan Sun – Chief Financial Officer

Qualifications: *MBA (Financial Accounting) , CPA*

Appointed: 1st December 2020

Mr Fengfan Sun has many years of invaluable experience in leading and developing successful finance teams in listed and unlisted gold companies. He was employed by Focus as a senior accountant from June 2013 to February 2018 and was appointed as Focus Limited's Chief Financial Officer in December 2020. Fengfan is responsible for managing the financial aspects of Focus' strategy which includes financial planning and reporting, capital management, tax, treasury and investor relations.

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	-	-
Rod Johns	-	-
Lingquan Kong (appointed 14 th January 2021)	-	-

*Mr Pei holds shares in Focus Limited on behalf of Shandong Gold Mining International Limited for voting rights. In addition, he holds an indirect interest in the Company through Shandong Gold International Mining Corporation Limited. Mr Pei is an executive of Shandong Gold International Mining Corporation Limited.

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	4	4	2	2	-	-	-	-
Gerry Fahey	4	4	2	2	-	-	-	-
Zhaoya Wang	4	4	-	-	-	-	-	-
Zaiqian Zhang	3	3	-	-	-	-	-	-
Rodney Johns	1	1	-	-	-	-	-	-

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 2020.

Options Exercised

There were no options exercised during the year ended 31 December 2020.

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.

Review of Operations

Overview

In 2020, Focus continued its positive momentum towards resuming gold production. During the year, the Company invested \$9.8 million (2019: \$14.5 million) in its exploration programmes at the Coolgardie Gold Project (**Coolgardie**) and Laverton Gold Project (**Laverton**) and delivered pleasing results at both projects.

Exploration

The Company's exploration team completed another highly efficient year of mineral resource development and exploration, with 79% of drill holes intersecting more than 0.5 g/t gold. Of 174 holes that intersected mineralisation exceeding 0.5g/t Au, the average grade x width (**GxM**) at significant intersections (calculated using a 0.5g/t cut-off and up to 3m internal dilution) was 7.9 GxM. Furthermore, many holes intersected multiple intersections delivering average cumulative intersections of 24 GxM.

Resource Development Drilling

Resource development drilling during the year was conducted at:

Laverton: five reverse circulation (**RC**) holes and 15 RC pre-collars for 1,572m and 66 diamond (**DD**) holes plus 15 DD tails for 4,077m.

Prospect	RC metres	DD metres
Beasley Creek	396m	2,828m
Beasley Creek South	1176m	711m
Karridale	-	538m

Coolgardie: 91 RC holes for 8,854m and seven DD holes for 1066.5m.

Prospect	RC metres	DD metres
Alicia	3300m	291m
Big Blow Little Blow	1872m	-
Brilliant	2,412m	576m
Brilliant North	470m	-
Undaunted	288m	-
CNX	512m	199m

Exploration Drilling

Exploration was completed at:

Laverton: 17 RC holes for 2,941m and three DD holes for 1,295m.

Prospect	RC metres	DD metres
Burtville North	2,941m	-
Lake Carey	-	1,295m

Coolgardie: 11 RC holes for 1,099m.

Prospect	RC metres	DD metres
----------	-----------	-----------

Bayleys	162m	-
Ada	193m	-
Emu Hill	210m	-
Jackpot	534m	-

Mineral Resource Updates

Nine Mineral Resource updates were completed during 2020.

At Laverton, five Mineral Resource updates were completed for the following deposits:

- Beasley Creek;
- Beasley Creek South;
- Karridale;
- Burtville; and
- Wedge-Lancefield North.

The Laverton Mineral Resource updates cumulatively increased the total Indicated and Inferred Mineral Resource by 20.7MT @ 1.29 g/t Au for 857Koz to 42.4Mt @ 1.41g/t Au for 1.9Moz.

At Coolgardie, four Mineral Resource updates were completed for the following deposits:

- Brilliant;
- Greenfields;
- Bonnie Vale Quarry Lode; and
- CNX.

The Coolgardie Mineral Resource updates cumulatively increased total Measured, Indicated and Inferred Mineral Resources by 7.53MT @ 1.52 g/t Au for 368Koz to 34.8Mt @ 2.2 g/t Au for 2.5Moz.

Funding

During the year, Focus obtained a \$20 million loan facility with its major shareholder, Shandong Gold Group Co. Ltd. The unsecured loan has a term of 3 years with an interest rate of 3.5% per annum. The cash injection will allow Focus to further advance feasibility work at both Coolgardie and Laverton.

Settlement of Forfeiture Applications

During the year, the Company reached a settlement on 102 applications for forfeiture resulting in cash settlement payments of A\$580k as well as a write off related capitalised Exploration costs on the 13 transferred tenements totalling \$2.3 million. As a result, all the forfeiture applications against the Company have been dismissed.

Operating Result

The full-year loss after income tax for 2020 was \$7.9 million (2019: loss of \$2.1 million). The increase is largely due to write off of tenements subject to forfeiture and related settlement payments. In addition, the 2019 result was inclusive of a \$3.0 million sale proceeds on a portion of a tenement to FMR Investments Pty Ltd.

As at 31 December 2020, the Company has a cash balance (consisting of cash and cash equivalent and short-term deposits) of \$19.9 million (2019: \$13.9 million).

Dividends

No dividends have been paid or provided in the year (2019: nil).

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

On 14 January 2021, Lingquan Kong was appointed as Director of the Company. Mr Kong is the Company's Principal Mining Engineer.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has limited impact on the Group up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, 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.

Likely Developments and Expected Results

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

Indemnification and Insurance of Directors and Officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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, General Manager – Exploration 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 2020 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	Resigned on 9 th October 2020
Rod Johns	Independent	Appointed on 4 th September 2020

Current Executive	Capacity	Change during the Year
Alex Aaltonen	General Manager – Exploration	None
Fengfan Sun	Chief Financial Officer	Appointed 1 st December 2020

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. (2019: 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 <i>Non-Executive Non-Independent</i>	M	M	M
Gerry Fahey	Director <i>Independent</i>	C	C	C
Zhaoya Wang	Director <i>Executive</i>	-	-	-
Zaiqian Zhang (resigned 9 th October 2020)	Director <i>Executive</i>	-	-	-
Rod Johns (appointed 4 th September 2020)	Director <i>Independent</i>	-	-	-
Lingquan Kong (appointed 14 th January 2021)	Director <i>Executive</i>	-	-	-

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 \$230,000 per annum of which \$146,154 (2019: \$130,000) has been paid to the directors as fees during the year.

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 2020, the Company did not set any KPIs.

During the year ended 31 December 2020, the Company awarded a \$20,000 discretionary bonus to Alex Aaltonen and is included as other short-term remuneration. No discretionary bonus was awarded during the 31 December 2019 year.

No options were issued during the year (2019: 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

*Resigned 9th October 2020

Alex Aaltonen – General Manager – Exploration

Base Salary:	\$275,000 per annum plus superannuation guarantee
Term:	Permanent starting from 19 February 2018
Termination:	Four weeks' notice

Fengfan Sun – Chief Financial Officer

Base Salary:	\$250,000 per annum plus superannuation guarantee
Term:	Permanent starting from 1 December 2020
Termination:	Four weeks' notice

Remuneration Tables

Directors' remuneration for the year ended 31 December 2020

	Short-Term Benefits				Post-Employment Benefits			%
	Salary \$	Fees \$	Other \$	Non Monetary benefits \$	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	-	-	53,489	39,900	-	513,389	-
Rodney Johns	-	16,154	-	-	1,535	-	17,688	-
Former Directors								
Zaiqian Zhang*	336,405	-	-	-	21,699	-	358,105	-
Total	756,405	146,154		53,489	67,884	-	1,023,932	-

*Zaiqian Zhang resigned on 9th October 2020. Salary shown includes termination benefits.

Directors' remuneration for the year ended 31 December 2019

	Short-Term Benefits				Post-Employment Benefits			%
	Salary \$	Fees \$	Other \$	Non Monetary benefits \$	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	-

Remuneration of the key management personnel for the year ended 31 December 2020

	Short-Term Benefits				Post-Employment Benefits			%
	Salary \$	Fees \$	Other \$	Non Monetary benefits \$	Super- annuation \$	Other \$	Total \$	Performance Related \$
Current Executive								
Alex Aaltonen	237,967	-	20,000	-	22,607	-	280,574	7%
Fengfan Sun	20,833	-	-	-	1,979	-	22,813	-

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

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

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.

		2020	2019	2018	2017 Restated	2016
(Loss) / profit attributable to the owners of Focus Minerals Ltd ('\$000's)		(7,858)	(2,063)	(4,207)	(6,194)	(3,184)
Basic earnings per share (Cents per share)		(4.3)	(1.13)	(2.30)	(3.39)	(1.74)
Dividend declared	\$	n/a	n/a	n/a	n/a	n/a
Share Price as at the end of the year	\$	0.34	0.215	0.175	0.32	0.41

Transactions and Balances with Related Parties

Shandong Gold International Mining Corporation Limited is the major shareholder of Focus Minerals Limited. During 2020, Shandong provided an unsecured loan facility to Focus Minerals Limited, totalling \$20 million. Key terms of the facility agreement are as follows:

- Term: 3 years, principal payable at the end of the term
- Interest: 3.5% per annum, payable quarterly in arrears

As at 31st December 2020, the balance of the loan payable to Shandong Gold was \$20 million (2019: \$nil). Total interest expense for the year ended 31 December 2020 was \$126,389 (2019:\$nil). Amount of interest payable at reporting date is \$Nil (2019:\$nil).

As at 31 December 2020, balance owing to Alex Aaltonen of \$20,000 (2019:\$nil).

In addition, there was a payment of director fees to Mr Pei. As at 31 December 2020, the account payable balance for his director fees was nil (2019: \$36,167). 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.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Gerry Fahey	12,820	-	-	-	12,820
Dianfei Pei*	90,519,954	-	-	-	90,519,954
	<u>90,532,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,532,774</u>

*Mr Pei holds shares in Focus Limited on behalf of Shandong Gold Mining International Limited for voting rights. In addition, he holds an indirect interest in the Company through Shandong Gold International Mining Corporation Limited. Mr Pei is an executive of Shandong Gold International Mining Corporation Limited.

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.

Officers of the Company Who are Former Partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2020 has been received and can be found on page 32 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
30 March 2021
Jinan, China

Auditors Independence Declaration



RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100
F +61(0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Focus Minerals Limited for the year ended 31 December 2020, 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 AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 March 2021

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		Consolidated	
	Notes	2020 \$'000	2019 \$'000
Revenue from continuing operations	2(a)	199	745
Other Income	2(b)	234	3,576
Employee expenses	2(c)	(1,400)	(1,256)
Depreciation expenses	2(c)	(371)	(523)
Finance costs	2(c)	(752)	(744)
Loss on disposal of tenements	2(c)	(2,916)	(1,026)
Care and maintenance costs		(934)	(975)
Corporate and other expenses	2(c)	(1,918)	(1,860)
Loss Before Income Tax For the Year		(7,858)	(2,063)
Income Tax Expense	4	-	-
Loss After Income Tax For the Year		(7,858)	(2,063)
Other Comprehensive Income for the year, Net of Tax		-	-
Total Comprehensive Loss For the Year		(7,858)	(2,063)
Total Comprehensive Loss Attributable to: Owners of the Parent		(7,858)	(2,063)
Total Comprehensive Loss For the Year		(7,858)	(2,063)
Earnings per Share			
Basic Loss per Share (Cents Per Share)	5	(4.30)	(1.13)
Diluted Loss per Share (Cents Per Share)	5	(4.30)	(1.13)

The accompanying notes form part of these financial statements.

Focus Minerals Ltd – Annual Report for the year end 31 December 2020
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		Consolidated 31 December 2020 \$'000	31 December 2019 \$'000
	Notes		
Assets			
Current Assets			
Cash and Cash Equivalents	6	7,795	13,935
Short-term Deposits	6	12,096	-
Trade and Other Receivables	7	252	253
Total Current Assets		20,143	14,188
Non-Current Assets			
Cash and Cash Equivalents -Restricted Cash	6	13,803	13,869
Inventories		1,291	1,293
Plant and Equipment	8	804	905
Right-of-use Assets	9	30	145
Exploration and Evaluation Assets	10	94,377	85,899
Total Non-Current Assets		110,305	102,111
Total Assets		130,448	116,299
Liabilities			
Current Liabilities			
Trade and Other Payables	11	749	682
Provisions	12	250	280
Lease Liabilities	13	25	122
Other Current Liabilities	14	101	-
Total Current Liabilities		1,125	1,084
Non-Current Liabilities			
Provisions	12	29,012	27,012
Borrowing	15	20,000	-
Lease Liabilities	13	-	34
Total Non-Current Liabilities		49,012	27,046
Total Liabilities		50,137	28,130
Net Assets		80,311	88,169
Equity			
Issued Capital	16(a)	427,167	427,167
Reserves	16(c)	(7,178)	(7,178)
Accumulated Losses	16(d)	(339,678)	(331,820)
Total Equity		80,311	88,169

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Issued Capital \$'000	Accumulated Losses \$'000	Reserves \$'000	Total \$'000
Balance as at 31 December 2018	427,167	(329,757)	(7,178)	90,232
Loss after income tax for the year	-	(2,063)	-	(2,063)
Balance as at 31 December 2019	427,167	(331,820)	(7,178)	88,169
Loss after income tax for the year	-	(7,858)	-	(7,858)
Balance as at 31 December 2020	427,167	(339,678)	(7,178)	80,311

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Consolidated 2020 \$'000	2019 \$'000
Cash Flows from Operating Activities			
Payments to Suppliers and Employees (Including GST)		(3,639)	(4,415)
Royalties Paid		-	(3)
Payment of Performance & Other Bonds		(30)	-
Other Income		256	531
Interest Received		213	1,063
Settlement of Forfeiture Applications		(580)	-
Finance Costs		(280)	(206)
Net Cash Outflow from Operating Activities	6(ii)	(4,060)	(3,030)
Cash Flows from Investing Activities			
Proceeds from Sale of Non-Current Assets		-	1,878
Acquisition of Plant and Equipment		(229)	(173)
Payment to Leases		(131)	178
(Increase)/Decrease in Short-term Deposits		(12,000)	25,053
Payments for Exploration Expenditure		(9,821)	(13,861)
Net Cash (Outflow)/ Inflow from Investing Activities		(22,181)	13,075
Cash Flows from Financing Activities			
Proceeds from Borrowings		20,167	-
Repayment of Borrowings		(66)	-
Net Cash Inflow from Financing Activities		20,101	-
Net (Decrease)/Increase in Cash and Cash Equivalents		(6,140)	10,045
Cash and Cash Equivalents at the Beginning of the Year		13,935	3,890
Cash and Cash Equivalents at the End of the Year	6(i)	7,795	13,935

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 Group 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(ae)).

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 allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

- 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.

Impairment

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.

De-Recognition and Disposal

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 is 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 benefit that 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.

Long Service Leave

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.

Termination Benefits

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

Equity Settled Transactions

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 8 to 12 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).

(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.

Note 2: Revenues and Expenses

	Consolidated	
	2020 \$'000	2019 \$'000
(a) Revenue from continuing operations		
Interest income	199	745
Total revenue from continuing operations	199	745
(b) Other income		
Sundry income	234	190
Sale and sublease of Mill	-	3,386
Total other income	234	3,576
(c) Expenses		
<i>Depreciation Expenses</i>		
Depreciation – Plant and equipment	280	425
Depreciation – Right-of-use assets	91	98
Total depreciation expenses	371	523
<i>Finance Expenses</i>		
Interest provision – Asset Retirement Obligation	472	560
Interest expense paid/payable on lease liabilities	4	23
Interest expense paid/payable on long term borrowings	126	
Other Finance Costs	150	161
Total finance expenses	752	744
<i>Corporate and other expenses</i>		
Professional services and consulting fees	1,149	1,022
Corporate expense	769	838
Total corporate and other expenses	1,918	1,860
<i>Employee Expenses</i>		
Total Employee Expenses	1,400	1,256
Total Employee Expenses	1,400	1,256
<i>Loss on disposal of tenements</i>		
Exploration assets	2,916	1,026
Total loss on disposal of tenements	2,916	1,026

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 2020 is presented below:

	2020 Coolgardie \$'000	2020 Laverton \$'000	2020 Corporate \$'000	2020 Consolidated \$'000
Revenue from continuing operations	28	90	81	199
Other income	32	185	17	234
Depreciation	(276)	-	(95)	(371)
Employee expenses	-	-	(1,400)	(1,400)
Finance cost	(234)	(384)	(134)	(752)
Care and Maintenance Costs	(440)	(494)	-	(934)
Loss on disposal of tenements and plant and equipment	(2,545)	(371)	-	(2,916)
Corporate and Other expenses	(91)	(343)	(1,484)	(1,918)
SEGMENTED LOSS BEFORE TAX	(3,526)	(1,317)	(3,015)	(7,858)
Income taxes	-	-	-	-
SEGMENTED LOSS	(3,526)	(1,317)	(3,015)	(7,858)
Current Assets	644	142	19,357	20,143
Non-Current Assets				
- Restricted Cash	3,111	10,345	347	13,803
- Inventories	1,291	-	-	1,291
- Property, Plant & Equipment	632	161	11	804
- Right-of-Use Assets	-	6	24	30
- Exploration and Evaluation	46,214	48,163	-	94,377
TOTAL ASSETS	51,892	58,817	19,739	130,448
Current Liabilities	243	195	688	1,125
Other Non-Current Liabilities	12,690	16,143	20,178	49,012
TOTAL LIABILITIES	12,933	16,338	20,866	50,137
NET ASSETS	38,959	42,479	(1,127)	80,311

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

Note 4: Income Tax

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'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	(7,858)	(2,063)
Tax at the statutory income tax rate of 30% (2019: 30%)	(2,358)	(619)
Tax effect of amount which we are not deductible/(taxable) in calculating taxable income:		
Other deductible expense	(4,942)	(176)
Fixed assets	(292)	(777)
Rehabilitation provision	607	136
Immediate deduction for exploration costs	(2,078)	(4,022)
Unrecognised tax losses	4,347	5,458
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 are available indefinitely for offset against future taxable profits of the companies in which the losses 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 2020 \$'000	31 December 2019 \$'000
Deferred tax assets unrecognised:		
Other deductible expenses	552	124
Plant & equipment	320	1,225
Rehabilitation provision	8,650	8,069
Inventory	445	445
Tax losses (revenue in nature)	148,855	144,569
Capital losses	4,338	4,338
Exploration & evaluation expenditure	(28,313)	(25,460)
Total	134,847	133,310

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	
	2020 Cents per Share	2019 Cents per Share
<i>Basic earnings per share:</i>		
Total Basic EPS	(4.30)	(1.13)
<i>Diluted earnings per share</i>		
Total Diluted EPS	(4.30)	(1.13)
<i>Basic Earnings per share</i>	\$000	\$000
Net loss used in the calculation of basic earnings per share	(7,858)	(2,063)
Weighted average number of ordinary shares for the purposes of basic earnings per share	182,748,565	182,748,565
Adjustments for calculation of diluted earnings per share:	-	-
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 2020 \$'000	31 December 2019 \$'000
Cash and cash equivalents	7,795	13,935
Current – Short-term deposits	12,096	-
	19,891	13,935
Non- current – Restricted cash	13,803	13,869

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 have original maturity 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	
	2020 \$'000	2019 \$'000
Cash, cash equivalents, restricted cash and short-term deposits	33,694	27,804
Less: Short-term Deposit	(12,096)	-
Less: Restricted cash not available for use	(13,803)	(13,869)
Cash and cash equivalents as per statement of cash flows	7,795	13,935

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

	Consolidated 2020 \$'000	2019 \$'000
Net loss for the year	(7,858)	(2,063)
Depreciation expense	371	523
Gain from disposal of non-current assets	-	(1,545)
Loss on disposal of tenements	2,916	1,026
Finance costs	472	538
<i>(Increase)/decrease in assets:</i>		
Bonds	(30)	-
Current receivables	40	241
Other assets	17	(252)
<i>Increase/(decrease) in liabilities</i>		
Current payables	66	(96)
Prepaid income	-	(1,500)
Provisions	(54)	98
Net cash used in operating activities	(4,060)	(3,030)

Note 7: Trade and Other Receivables

	Consolidated 31 December 2020 \$'000	31 December 2019 \$'000
Interest receivable	20	34
Other receivables	232	219
	252	253

Note 8: Plant and Equipment

Non-current	Furniture & fittings \$'000	Plant & Equipment \$'000	Mill assets \$'000	Motor Vehicles \$'000	Assets in progress \$'000	Total \$'000
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

Year ended**31 December 2020**

Opening net book amount	45	628	191	41	-	905
Additions	10	8	-	-	211	229
Depreciation expense	(4)	(172)	(104)	-	-	(280)
Depreciation expense capitalised to Exploration	(11)	(28)	-	(11)	-	(50)
Assets disposed	-	(5)	(430)	-	-	(435)
Accumulated Depreciation on disposals	-	5	430	-	-	435
Closing net book amount	40	436	87	30	211	804

At 31 December 2020

Cost	1,288	6,988	31,864	532	211	40,833
Accumulated depreciation	(1,246)	(6,527)	(18,612)	(452)	-	(26,837)
Impairment loss	(2)	(25)	(13,165)	(50)	-	(13,242)
Net book amount	40	436	87	30	211	804

Non-current	Furniture & fittings \$'000	Plant & Equipment \$'000	Mill assets \$'000	Motor Vehicles \$'000	Assets in progress \$'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

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	31 December
	2020	2019
	\$'000	\$'000
Right-of-use Assets:		
At Cost*	245	252
Less: Accumulated Depreciation	(215)	(107)
Net Book Value	30	145

* Cost of Right-of-Use asset for the Perth office was adjusted during 2020. Original calculations include an additional rent payment.

Note 10: Exploration and Evaluation Assets

	Consolidated	
	31 December	31 December
	2020	2019
	\$'000	\$'000
Exploration and evaluation Expenditure – at cost	94,377	85,899
Movement Summary:		
Carrying amount at beginning of the year	85,899	29,155
Add – exploration expenditure	9,841	14,485
Add – rehabilitation liability adjustment classified as Exploration	1,553	-
Add back – assets previously classified as held for sale	-	43,785
Less – disposal of asset previously classified as held for sale	-	(500)
Less – write-off of tenements allowed to lapse, dropped or sold	(2,916)	(1,026)
Carrying amount at end of the year	94,377	85,899

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: Trade and Other Payables

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Trade payables	655	540
Payroll tax and other statutory liabilities	94	142
	749	682

Note 12: Provisions

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Current		
Employee benefits		
Balance at the beginning of the year	280	187
(Utilised) / Increase in provision during the year	(30)	93
Balance at the year end	250	280

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Non-current		
Employee benefits		
Balance at the beginning of the year	203	198
(Utilised)/ Increase in provision during the year	(24)	5
Balance at the year end	179	203

Asset Retirement Obligation ("ARO")		
Balance at the beginning of the year	26,809	15,533
Additional provisions recognised	1,552	229
Unwinding discount	472	332
Liabilities previously associated with assets held for sale	-	10,715
Balance at the year end	28,833	26,809
Total	29,012	27,012

Note 13: Lease Liabilities

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Current		
Lease Liabilities	25	122
Non-current		
Lease Liabilities	-	34

Note 14: Other Liabilities

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Insurance – Premium Funding loan	101	-

Note 15: Borrowing

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Related Party Loan	20,000	-

Refer to note 17 for further information on financial instruments.

During October 2020, the Group executed a \$20 million loan facility agreement with Shandong Gold Group Co. Ltd (its major shareholder). The loan is payable in full after 3 years. Interest is payable quarterly in arrears at 3.5% per annum. The loan is unsecured and was fully drawn down as at 31st December 2020.

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 2020		As at 31 December 2019	
	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 2020 \$'000	31 December 2019 \$'000
Acquisition reserve	(7,178)	(7,178)
	(7,178)	(7,178)

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

(d) Reserves

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Accumulated losses at beginning of the year	(331,820)	(329,757)
Net loss for the year	(7,858)	(2,063)
Accumulated losses at end of the year	(339,678)	(331,820)

(e) Dividends

No dividends have been paid or provided for during the year ended 31 December 2020 (2019: Nil).

*(f) Options**Options Issued*

No options were issued in the year ended 31 December 2020 (2019: Nil).

Options Exercised

There were no options exercised during the year (2019: Nil).

Options Lapsed

During the year ended 31 December 2020, there were no options expired (2019: Nil).

Options Outstanding

There were no options outstanding as at 31 December 2020. (2019: 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. The Group's long-term borrowing is maintained at fixed rate.

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 2020, the Group had \$13.8 million invested in security deposits and performance bonds and \$19.9 million in cash and cash equivalents and short-term deposits. A 1% increase in the interest rate would impact the interest earned by \$336,938. Interest rates on short term deposits are less than 1%, so a 1% decrease in the rate would reduce interest earned to nil.

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	Weighted average	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
---	------------------	--------------------	-------------	-----------------------	-----------------------	--------------	----------------------------------

	interest rate						
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2020							
Non-derivatives							
Trade payables	-	749	-	-	-	-	749
Related Party Loan	3.5%	-	-	-	20,000	-	20,000
Premium Funding Loan	2.31%	101	-	-	-	-	101
At 31 December 2019							
Non-derivatives							
Trade payables	-	682	-	-	-	-	682

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 18: Commitments and Contingencies*Operating Mining tenement expenditure commitments*

As at 31 December 2020, the Group has committed, under tenement landholding conditions, to spend a minimum of \$3.1 million per annum (2019: \$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 \$1.2 million (2019: \$1.5 million).

Contingent Asset

On 18th September 2020, Focus Minerals Limited entered an agreement to terminate the Coolgardie Rare Metals Venture with Lithium Australia NL. Under the terms of the agreement, Focus Minerals Limited agreed to transfer 3 prospecting licenses in exchange for a conditional grant of royalty equal to 20% of the statutory royalty paid to the State of Western Australia. As at balance date, the related mining lease application (as conversion of the prospecting licenses) has not been granted, therefore the likelihood, amount and timing of receiving future royalties under the agreement is unknown. Because the royalty income is not virtually certain, no asset has been recognised within these financial statements.

Contingent Liability

There are no contingent liabilities as at 31 December 2020 (2019: 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 2020	31 December 2019
Focus Operation Pty Ltd	Australia	100%	100%
Focus Minerals (Laverton) Pty Ltd	Australia	100%	100%

Note 20: Parent Entity

Set out below is the supplementary information about the parent entity.

	Parent Entity 2020	2019
	\$'000	\$'000
Results of the parent entity		
Loss for the year	(7,858)	(2,063)
Other comprehensive income	-	-
Total comprehensive loss for the year	(7,858)	(2,063)
Financial position of parent entity at year end		
Current assets	19,356	12,340
Total assets	101,179	88,942
Current Liabilities	689	544
Total liabilities	20,869	774
Total net asset	80,310	88,168
Total equity of parent entity comprising of:		
Share capital	427,167	427,167
Option reserve	-	-
Accumulative losses	(346,857)	(338,999)
Total equity	80,310	88,168

Contingent Liability

There are no contingent liabilities as at 31 December 2020 (31 December 2019: Nil).

Ultimate Controlling Entity

The ultimate controlling entity at 31 December 2020 and 2019 was Shandong Gold Group Co., Ltd which owned 49.53% (31 December 2019: 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 2020, the parent company has committed, under tenement landholding conditions, to spend a minimum of \$1.2 million per annum (2019: \$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.

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2020 \$	2019 \$
Short-term employee benefits	1,234,848	1,132,094
Post-employment benefits	92,470	95,061
	1,327,318	1,227,156

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 major shareholder of Focus Minerals Limited. During 2020, Shandong provided an unsecured loan facility to Focus Minerals Limited, totalling \$20 million. Key terms of the facility agreement are as follows:

- Term: 3 years, principal payable at the end of the term.
- Interest: 3.5% per annum, payable quarterly in arrears.

As at 31st December 2020, the balance of the loan payable to Shandong Gold was \$20 million. Total interest expense for the year ended 31 December 2020 was \$126,389 (2019:\$nil). Amount of interest payable at reporting date is \$Nil (2019:\$nil).

As at 31 December 2020, balance owing to Alex Aaltonen of \$20,000 (2019:\$nil).

In addition, there was a payment of director fees to Mr Pei. As at 31 December 2020, the account payable balance for his director fees was nil (2019: \$36,167). Details regarding Mr's Pei's director's fees are set out in the Director's Report.

Note 22: Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by Accounting Firm RSM Australia, the auditor of the company, its network firms and unrelated firms.

	2020 \$000	2019 \$000
RSM Australia Partners - <i>Audit and review of the financial statements</i>	56	51
PwC - <i>Audit and review of the financial statements</i>	-	11
<i>Other services</i>		
RSM Australia Pty Ltd - <i>Tax Services</i>	14	14
RSM Australia Pty Ltd - <i>Tax Consulting</i>	20	-
Total	90	76

Note 23: Significant Events after Balance Date

On 14 January 2021, Lingquan Kong was appointed as Director of the Company. Mr Kong is the Company's Principal Mining Engineer.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has limited impact on the Group up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, 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:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors



Dianfei Pei
Chairman of the Board
30 March 2021
Jinan, Shandong, China

Independent Auditor's Report



RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

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 2020, 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 2020 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.

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



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.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Assets Refer to Note 10 in the financial statements	
<p>The Group has capitalised exploration and evaluation assets with a carrying value of \$94,377,000 as at 31 December 2020.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 exploration activities have reached a stage at which the existence of economically recoverable reserves may be determined; and • Assessing whether any indicators of impairment are present and if so, judgement applied to determine and quantify any impairment loss. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • 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; • 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; • 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 • Assessing the appropriateness of the disclosures in the financial report.
Provision for Asset Retirement Obligation Refer to Note 12 in the financial statements	
<p>As a result of the Group's operations in the past, it has an obligation to rehabilitate and restore mine sites. As at 31 December 2020, the Group has a provision for asset retirement obligation of \$28,833,000.</p> <p>We considered this to be a key audit matter due to the significant management judgments and estimates involved in assessing the provision of asset retirement obligation including:</p> <ul style="list-style-type: none"> • 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. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the process involved in the determination of this provision; • Checking the mathematical accuracy of the model used to calculate the provision; • Reviewing the reasonableness of the inflation rate, discount rate and timing of the rehabilitation cashflows assumptions used in the model; • Reviewing areas of disturbances and estimated costs on a samples basis by agreeing to supporting documents; • Ensuring the movement in the provision has been accounted for in accordance with Australian Accounting Standards; and • Assessing the appropriateness of the disclosures in the financial report.



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 2020 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: https://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 December 2020.

In our opinion, the Remuneration Report of Focus Minerals Limited for the year ended 31 December 2020, 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 AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 March 2021

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 22 March 2021.

Range of Units

Range	Total holders	Units	% Units
1 - 1,000	1,301	606,774	0.33
1,001 - 5,000	1,889	4,486,789	2.46
5,001 - 10,000	456	3,398,440	1.86
10,001 - 100,000	545	16,599,239	9.08
100,001 Over	82	157,647,353	86.26
Rounding			0.01
Total	4,273	182,748,565	100.00

Unmarketable Parcels

Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.325 per unit	1,539	1,765
		1,189,218

Substantial Shareholders

As at 22 March 2021, the following had notified the Company as being substantial shareholders:

Shandong Gold International Mining Corporation Limited	90,519,954 ordinary shares
JP Morgan Nominees Australia Pty Ltd	25,320,631 ordinary shares
HSBC Custody Nominees (Australia) Ltd	10,080,018 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 22 March 2021

Rank	Name	Units	% Units
1	SHANDONG GOLD INTERNATIONAL MINING CORPORATION LIMITED	90,039,954	49.27
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	25,320,631	13.86
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,080,018	5.52
4	STONE MINING LIMITED	4,920,958	2.69
5	CITICORP NOMINEES PTY LIMITED	4,111,830	2.25
6	KAHUNA CLOTHING AND TRADING CO PTY LTD <UTTLEYMOORE S/F A/C>	2,000,493	1.09
7	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	1,479,523	0.81
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,378,439	0.75
9	MRS ETERNALINA ELLIS	1,000,000	0.55
10	SWISS TRADING OVERSEAS CORP	883,740	0.48

Rank	Name	Units	% Units
11	LAMERTON PTY LTD <MAC'S SUPER FUND A/C>	843,490	0.46
12	MR GEORGE SCOTT MILLING + MRS STEPHANIE MAY MILLING <MILLING SUPER FUND A/C>	829,299	0.45
13	EAU ROUGE PTY LIMITED <BECCAIO A/C>	560,000	0.31
14	PETER ERMAN PTY LIMITED <SUPERANNUATION FUND A/C>	550,544	0.30
15	MR DAVID DOSTAL	500,000	0.27
16	VALLUGA PTY LTD <G E UNDERWOOD S/F A/C>	420,000	0.23
17	ISANTI HOLDINGS P/L <SUPER FUND A/C>	410,000	0.22
18	MR CHRISTOPHER DAHL + MRS HAIDEE ELIZABETH DAHL <CHRISTOPHER DAHL S/F A/C>	405,765	0.22
19	GREEN TAVERN PTY LTD <KERNAHAN S/F A/C>	400,000	0.22
20	RMAN COLBURN MAYNE <N C MAYNE SUPER FUND A/C>	400,000	0.22
Totals: Top 20 holders of ORDINARY SHARES (Total)		146,534,684	80.18
Total Remaining Holders Balance		36,213,881	19.82

Interest in Mining Tenements

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

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Bayleys	M15/0150	Live	100%	WA	Infrastructure	L15/0090	Live	100%
WA	Bayleys	M15/0630	Live	100%	WA	Infrastructure	L15/0095	Live	100%
WA	Bayleys	M15/1434	Live	100%	WA	Infrastructure	L15/0096	Live	100%
WA	Bayleys	M15/1788	Live	100%	WA	Infrastructure	L15/0114	Live	100%
WA	Bayleys	P15/5717	Live	100%	WA	Infrastructure	L15/0116	Live	100%
WA	Bayleys	P15/5995	Live	100%	WA	Infrastructure	L15/0119	Live	100%
WA	Bayleys	P15/6254	Live	100%	WA	Infrastructure	L15/0122	Live	100%
WA	Bayleys	P15/6256	Live	100%	WA	Infrastructure	L15/0123	Live	100%
WA	Bonnie Vale	M15/0277	Live	100%	WA	Infrastructure	L15/0126	Live	100%
WA	Bonnie Vale	M15/0365	Live	100%	WA	Infrastructure	L15/0127	Live	100%
WA	Bonnie Vale	M15/0595	Live	100%	WA	Infrastructure	L15/0130	Live	100%
WA	Bonnie Vale	M15/0662	Live	100%	WA	Infrastructure	L15/0161	Live	100%
WA	Bonnie Vale	M15/0711	Live	100%	WA	Infrastructure	L15/0164	Live	100%
WA	Bonnie Vale	M15/0770	Live	100%	WA	Infrastructure	L15/0168	Live	100%
WA	Bonnie Vale	M15/0852	Live	100%	WA	Infrastructure	L15/0169	Live	100%
WA	Bonnie Vale	M15/0857	Live	100%	WA	Infrastructure	L15/0171	Live	100%
WA	Bonnie Vale	M15/0877	Live	100%	WA	Infrastructure	L15/0172	Live	100%
WA	Bonnie Vale	M15/0981	Live	100%	WA	Infrastructure	L15/0173	Live	100%
WA	Bonnie Vale	M15/1384	Live	100%	WA	Infrastructure	L15/0174	Live	100%
WA	Bonnie Vale	M15/1444	Live	100%	WA	Infrastructure	L15/0175	Live	100%
WA	Bonnie Vale	M15/1760	Live	100%	WA	Infrastructure	L15/0177	Live	100%
WA	Bonnie Vale	M15/1853	Pending	0%	WA	Infrastructure	L15/0179	Live	100%
WA	Bonnie Vale	P15/5159	Live	100%	WA	Infrastructure	L15/0186	Live	100%
WA	Bonnie Vale	P15/5702	Live	100%	WA	Infrastructure	L15/0193	Live	100%
WA	Bonnie Vale	P15/5703	Live	100%	WA	Infrastructure	L15/0194	Live	100%
WA	Bonnie Vale	P15/5704	Live	100%	WA	Infrastructure	L15/0200	Live	100%
WA	Bonnie Vale	P15/5713	Live	100%	WA	Infrastructure	L15/0211	Live	100%
WA	Bonnie Vale	P15/5714	Live	100%	WA	Infrastructure	L15/0283	Live	100%
WA	Bonnie Vale	P15/6598	Pending	0%	WA	Infrastructure	L15/0294	Live	100%
WA	Infrastructure	G15/0007	Live	100%	WA	Infrastructure	L15/0371	Live	100%
WA	Infrastructure	G15/0046	Pending	0%	WA	Infrastructure	L15/0403	Pending	0%
WA	Infrastructure	L15/0027	Live	100%	WA	Infrastructure	L15/0405	Pending	0%
WA	Infrastructure	L15/0028	Live	100%	WA	Infrastructure	L15/0421	Pending	0%
WA	Infrastructure	L15/0034	Live	100%	WA	Lake Cowan	E15/0986	Live	100%
WA	Infrastructure	L15/0042	Live	100%	WA	Lake Cowan	G15/0043	Pending	0%
WA	Infrastructure	L15/0051	Live	100%	WA	Lake Cowan	L15/0408	Pending	0%
WA	Infrastructure	L15/0059	Live	100%	WA	Lake Cowan	M15/1882	Pending	0%
WA	Infrastructure	L15/0063	Live	100%	WA	Londonderry	P15/5732	Live	100%
WA	Infrastructure	L15/0077	Live	100%	WA	Londonderry	P15/5964	Live	100%
WA	Infrastructure	L15/0078	Live	100%	WA	Londonderry	P15/5966	Live	100%
WA	Infrastructure	L15/0088	Live	100%	WA	Londonderry	P15/5967	Live	100%

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Londonderry	P15/5968	Live	100%	WA	Three Mile Hill	M15/1357	Live	100%
WA	Londonderry	P15/5969	Live	100%	WA	Three Mile Hill	M15/1358	Live	100%
WA	Londonderry	P15/5970	Live	100%	WA	Three Mile Hill	M15/1359	Live	100%
WA	Londonderry	P15/5971	Live	100%	WA	Three Mile Hill	M15/1432	Live	100%
WA	Londonderry	P15/5972	Live	100%	WA	Tindals	M15/0023	Live	100%
WA	Londonderry	P15/6118	Live	100%	WA	Tindals	M15/0237	Live	100%
WA	Londonderry	P15/6119	Live	100%	WA	Tindals	M15/0410	Live	100%
WA	Londonderry	P15/6120	Live	100%	WA	Tindals	M15/0411	Live	100%
WA	Londonderry	P15/6121	Live	100%	WA	Tindals	M15/0412	Live	100%
WA	Londonderry	P15/6122	Live	100%	WA	Tindals	M15/0646	Live	100%
WA	Londonderry	P15/6123	Live	100%	WA	Tindals	M15/0660	Live	100%
WA	Londonderry	P15/6176	Live	100%	WA	Tindals	M15/0675	Live	100%
WA	Londonderry	P15/6177	Live	100%	WA	Tindals	M15/0958	Live	100%
WA	Londonderry	P15/6178	Live	100%	WA	Tindals	M15/0966	Live	100%
WA	Lord Bob	M15/0385	Live	100%	WA	Tindals	M15/1114	Live	100%
WA	Lord Bob	M15/1789	Live	100%	WA	Tindals	M15/1262	Live	100%
WA	Lord Bob	P15/5712	Live	100%	WA	Tindals	M15/1293	Live	100%
WA	Lord Bob	P15/5731	Live	100%	WA	Tindals	M15/1294	Live	100%
WA	Lord Bob	P15/5733	Live	100%	WA	Tindals	M15/1433	Live	100%
WA	Lord Bob	P15/5735	Live	100%	WA	Tindals	M15/1461	Live	100%
WA	Lord Bob	P15/5939	Pending	0%	WA	Tindals	P15/5949	Live	100%
WA	Lord Bob	P15/6102	Live	100%	WA	Tindals	P15/5987	Live	100%
WA	Norris	M15/0384	Live	100%	WA	Tindals	P15/6251	Live	100%
WA	Norris	M15/0515	Live	100%	WA	Tindals	P15/6252	Live	100%
WA	Norris	M15/0761	Live	100%	WA	Tindals	P15/6253	Live	100%
WA	Norris	M15/0791	Live	100%	WA	Tindals	P15/6257	Live	100%
WA	Norris	M15/0871	Live	100%	WA	Tindals	P15/6333	Pending	0%
WA	Norris	M15/1153	Live	100%	WA	Lepidolite Hill	M15/1874* ⁱ	Pending	Royalty Interest
WA	Norris	M15/1422	Live	100%	WA	Lepidolite Hill	P15/5574*	Live	Royalty Interest
WA	Norris	M15/1793	Live	100%	WA	Lepidolite Hill	P15/5575*	Live	Royalty Interest
WA	Norris	P15/5730	Live	100%	WA	Lepidolite Hill	P15/5739*	Live	Royalty Interest
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%					
WA	Norris	P15/6605	Pending	0%					
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%					

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

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	E38/3565*	Pending	0%
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	Admiral Hill-Barnicoat	P38/4519*	Pending	0%
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*	Live	100%
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%
WA	Infrastructure	G38/0025*	Live	100%

State	Project	Tenement	Status	Interest
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	Infrastructure	L38/0335*	Pending	0%
WA	Infrastructure	L38/0336*	Pending	0%
WA	Infrastructure	L38/0337*	Pending	0%
WA	Infrastructure	L38/0338*	Pending	0%
WA	Infrastructure	L38/0339*	Pending	0%
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	E38/3186*	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%
WA	Lancefield	P38/4349*	Live	100%
WA	Prendergast	E38/1725	Live	100%

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Infrastructure	G38/0033*	Live	100%	WA	Prendergast	E38/1869	Live	100%
WA	Infrastructure	L38/0034*	Live	100%	WA	Prendergast	E38/2862*	Live	100%
WA	Prendergast	P38/4091	Live	100%					
WA	Murrin Murrin	*M38/0425	Live	Au Rights					
WA	Murrin Murrin	*M38/0505	Live	Au Rights					

* 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
M15/660, M15/646, M15/1114, M15/1262, P15/6251, P15/6252 & P15/6257	\$0.25/tonne mined and treated (after 2,500,000 tonnes of ore have been mined and treated)
M15/646 (portion of)	2% of all future gold production
M15/781 & M15/827	0.5% NSR
M15/365, M15/662, M15/711, M15/770, M15/852, M15/857, M15/981, M15/1384 & M15/1760	2.5% NSR
M15/660 (portion of), M15/646 (portion of), M15/958 & M15/1114	\$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 (<i>all tenements listed in the "Interest in Mining Tenements - Laverton Gold Project" section above except those with an *</i>)	2% NSR
M38/37, M38/38, M38/49, M38/101, M38/159, M38/342, M38/363, M38/364, M38/535, M38/693, M38/1272, E38/1642 & E38/1725	3% of the Gross Revenue for the relevant quarter, if Focus has incurred, after the date of agreement 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, if Focus has incurred, after the date of agreement 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, if Focus has incurred, after the date of agreement 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: <ul style="list-style-type: none"> • 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.

ⁱ Agreement to transfer title as per deed of settlement announcement 18 September 2020. Transfer not yet registered.