



5 January 2022

UPDATE ON UNSOLICITED OFF-MARKET TAKEOVER BID

West Australian gold explorer Focus Minerals Limited (ASX: FML) (**Focus** or the **Company**) refers to the announcement by Theta Gold Mines Limited (ASX: TGM) (**TGM**) on 4 January 2022, which included a copy of TGM's replacement bidder's statement (**Replacement Bidder's Statement**) relating to its off-market takeover offer for certain of the issued shares in the Company¹ (**TGM Offer**).

Replacement Bidder's Statement – Take No Action

Although TGM has released its Replacement Bidder's Statement, the Focus Board of Directors note that the TGM Offer will only be open for, and capable of, acceptance once the TGM Offer (together with the Replacement Bidder's Statement) has been dispatched to Focus shareholders. The earliest time that this can occur is on or about 18 January 2022 (being 14 days after the Replacement Bidder's Statement was lodged with ASIC, released to ASX and served on Focus).

Until Focus' Board of Directors have issued their recommendation regarding the TGM Offer and Focus shareholders are in receipt of both the Replacement Bidder's Statement and Focus' Target's Statement in response, the Focus Board of Directors continue to advise Focus shareholders to **TAKE NO ACTION** in relation to the TGM Offer, the Replacement Bidder's Statement or any other documents shareholders may receive from TGM.

In the meantime, the Focus Board of Directors makes the following preliminary observations:

- The Replacement Bidder's Statement contains extensive marked-up changes to the original bidder's statement released by TGM to ASX on 20 December 2021 (**Original Bidder's Statement**).
- These changes extend well beyond the waiver of the defeating conditions relating to Focus' recently completed entitlement offer not proceeding. Specifically, these extensive changes encompass matters that seek to address numerous disclosure concerns with the Original Bidder's Statement that were previously raised by Focus with TGM. Those disclosure concerns were raised to ensure that Focus shareholders are provided with a bidder's statement that is complete, accurate, and meets legal requirement so that Focus shareholders are able to make an appropriately informed assessment of the TGM Offer.
- The Focus Board of Directors and its advisers are currently reviewing the extensive changes in the Replacement Bidder's Statement to assess the extent to which Focus' previously raised concerns have been addressed, as part of its continuing evaluation of the TGM Offer.

Shandong Gold Reject's TGM Offer

Focus' Board of Directors also wish to inform shareholders that shortly before it received the Replacement Bidder's Statement, it received a letter from Shandong Gold International Mining Corporation Limited (**Shandong Gold**) informing the Focus Board of Directors that Shandong Gold

¹ The TGM Offer only relates to Focus shares that existed on the 'register date' of 21 December 2021 (and therefore does not extend to the new Focus shares issued under Focus' recently completed non-renounceable entitlement offer).

does not support the TGM Offer and that it intends to **REJECT** the TGM Offer in its current form in respect of all of the Focus shares that Shandong Gold holds or controls. Shandong Gold currently holds or controls 63.18% of the shares in Focus. A copy of that letter accompanies this announcement.

The terms of TGM's Offer as contained in Appendix 1 of the Original Bidder's Statement have not changed. Nevertheless, as a matter of prudence and for completeness, the Focus Board of Directors has requested that Shandong Gold provide a written update of its intentions in relation to the TGM Offer following the release of TGM's Replacement Bidder's Statement, and will continue to keep the market informed following the receipt of any such update.

The release of this ASX announcement was authorised by
The Board of Focus Minerals Ltd.

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About Focus Minerals Limited (ASX: FML)

Focus Minerals is a Perth-based, ASX-listed gold exploration company focused on delivering shareholder value from its 100%-owned Coolgardie Gold Project and Laverton Gold Project, in Western Australia's Goldfields.

Focus is committed to delivering shareholder value from the Coolgardie Gold Project, a 138km² tenement holding that includes the 1.4Mtpa processing plant at Three Mile Hill (on care and maintenance), by continuing exploration and value-enhancing activities. An updated PFS in September 2020 highlighted the potential for a low capital cost, fast-tracked return to mining at Coolgardie and delivered an NPV_{7.5%} of \$183 million. The Company's efforts are now focused on increasing production-ready Mineral Resources at Coolgardie and delivering the approvals and permits required for a resumption of gold-mining operations.

The Laverton Gold Project covers 362km² area of highly prospective ground that includes the historic Lancefield and Chatterbox Trend mines. Focus' priority target is to confirm sufficient gold mineralisation at the Beasley Shear Zone, Lancefield-Wedge Thrust, Karridale and Burtville to support a Stage 1 production restart at Laverton. In parallel, Focus is working to advance key Laverton resource growth targets including Sickie, Ida-H and Burtville South. Focus has delivered first results from a progressive Pre-Feasibility Study (Pre-Tax NPV_{5.0%} A \$132M) and is advancing study work utilising Laverton's expanded Mineral Resource position.

ASX Listing Rule 5.19.2

Focus confirms that all material assumptions underpinning the production target or the forecast financial information derived from the Coolgardie 2020 PFS announced in September 2020 continue to apply and have not materially changed.

Focus Minerals Limited

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4 January 2022

The Directors
Focus Minerals Limited
Level 2
159 Adelaide Terrace
East Perth WA 6004

By email: wanghong.yang@sd-gold.net

Dear Directors

Intentions regarding Theta Gold Mines Limited takeover offer

This letter deed is provided to Focus Minerals Limited (**Focus**) in relation to the off-market takeover offer announced on 9 December 2021 by Theta Gold Mines Limited (**TGM**) of 2 TGM shares for each Focus share (**Offer**).

We have reviewed TGM's Bidder's Statement released to the ASX on 20 December 2021 and confirm that Shandong Gold International Mining Corporation Limited (a company incorporated in Hong Kong) (**Shandong Gold**) does not support the Offer and does not intend to accept the Offer in its current form in respect of any of the Focus shares that Shandong Gold owns or controls.

Currently Shandong Gold holds 181,039,908 (63.18%) of Focus shares. Of these shares, only 90,519,954 are subject to the Offer.

Shandong Gold consents to Focus including in any public statement relating to the Offer (including its target's statement) a reference to our intentions noted above.

Shandong Gold acknowledges that any public statement made in relation to our intentions set out above will be subject to the Australian Securities and Investments Commission's (**ASIC's**) *Regulatory Guide 25: Takeovers: False and misleading statements (RG25)*.

In providing this confirmation, Shandong Gold acknowledges that it is aware that RG25 has the effect that where a holder makes a statement of the nature of the above intentions and does not subsequently act in accordance with those intentions, the shareholder risks regulatory action by ASIC or an application to the Takeovers Panel for a declaration of 'unacceptable circumstances'.

Yours faithfully

EXECUTED AND DELIVERED AS A DEED by

Shandong Gold International Mining Corporation Limited

Signature:

Name: Pei Dianfei

Title: Chairman of Board of Directors

