



Focus Minerals Limited

ABN 56 005 470 799

**Interim Financial Report
for the half year ended 30 June 2022**

Table of Contents

| | |
|---|-----------|
| Corporate Information | 3 |
| Directors' Report | 4 |
| Auditor's Independence Declaration | 6 |
| Notes to the Consolidated Interim Financial Report | 11 |
| Directors' Declaration | 16 |
| Independent Auditor's Review Report | 17 |

Corporate Information

ABN 56 005 470 799

Directors

| | |
|---------------------|------------------------|
| Wanghong Yang | Chairman – Executive |
| Lingquan Kong | Director – Executive |
| Gerry Fahey | Director – Independent |
| Richard O'Shannassy | Director - Independent |

Company Secretary

Nicholas Ong

Registered and Head Office

Level 2
159 Adelaide Terrace
East Perth WA 6004

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East Perth WA 6892

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Share Registry

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

Banks

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, St Martins Tower
44 St Georges Terrace
Perth WA 6000

Auditor

RSM Australia Partners
Level 32 – Exchange Tower
2 The Esplanade
Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Symbol: FML

Solicitors

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

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Focus Minerals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2022.

Directors

| | |
|---------------------|--|
| Wanghong Yang | Chairman – Executive |
| Lingquan Kong | Director – Executive |
| Gerry Fahey | Director – Independent |
| Richard O'Shannassy | Director - Independent |
| Zhaoya Wang | Director – Executive (Resigned on 30 April 2022) |

Directors were in office for the whole of the half year and up to the dates of this report, unless otherwise indicated.

Principal Activities

The principal activity of the Group during the year was gold exploration in Western Australia.

Review of Operations

Highlights

Focus Minerals Ltd material announcements for the six-month period ended 30 June 2022 included:

- Lancefield Far North Maiden Mineral Resource - announced to the ASX on 18 January 2022,
- Beasley Creek South Mineral Resource Update - announced to the ASX on 23 February 2022
- Brilliant South Mineral Resource Update - announced to the ASX on 23 February 2022
- Euro South and Maiden Euro North Mineral Resources - announced to the ASX on 5 May 2022
- Patricia Jean and Maiden Jolly Briton Mineral Resources - announced to the ASX on 24 May 2022
- Coolgardie Operation Update - announced to the ASX on 25 May 2022
- Greenfields Mining Proposal Approval - announced to the ASX on 3 June 2022

Coolgardie Gold Project

- Continued development of Life of Mine plan to include Greenfields Open pit, CNX Open Pit, Brilliant South Open Pit and Bonnie Vale Underground
- Three Mile Hill plant to be refurbished to historical name plate capacity of 1.2Mtpa
- Plant refurbishment contractor selection process imminent.

Laverton Gold Project

- Limited exploration and mineral resource development drilling completed for tenement management purposes.
- Targeted metallurgical testwork prepared for the second half of calendar year 2022 to feed into expanded economic assessment

Corporate

For the six-month period ended 30 June 2022, the Group incurred a loss of \$3.5 million (6 months ended 30 June 2021: \$3.2 million).

As at 30 June 2022, the Group has net assets of \$96.1 million (31 December 2021: \$99.6 million) and a cash balance, including short term deposits of \$19.3 million (31 December 2021: \$27.2 million).

Auditor's Independence Declaration

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

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of Amounts

The Company is of a kind referred to in *ASIC Legislative 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 Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Wanghong Yang
Chairman of the Board
12 September 2022
Perth, Western Australia

Auditor's Independence Declaration



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Focus Minerals Limited for the half-year ended 30 June 2022, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 12 September 2022

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2022**

| | Consolidated | |
|---|--|--|
| | 6 months to 30 June 2022 \$'000 | 6 months to 30 June 2021 \$'000 |
| Revenue from Continuing Operations | | |
| Other Income | 68 | 59 |
| Expenses | | |
| Employee Benefits Expenses | (1,085) | (775) |
| Depreciation Expenses | (126) | (165) |
| Finance Costs | (688) | (648) |
| Loss on Disposal of Tenements and Plant and Equipment | (1) | (38) |
| Care and Maintenance Expenses | (740) | (701) |
| Corporate and Other Expenses | (932) | (932) |
| Loss Before Income Tax Expense | (3,504) | (3,200) |
| Income Tax Expense | - | - |
| Loss After Income Tax for the Period | (3,504) | (3,200) |
| Other Comprehensive Income for the Period, Net of Tax | - | - |
| Total Comprehensive Loss for the Period | (3,504) | (3,200) |
| Earnings per Share | | |
| Basic Loss per Share (Cents per Share) | (1.22) | (1.75) |
| Diluted Loss per Share (Cents per Share) | (1.22) | (1.75) |

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

| | | Consolidated | |
|--------------------------------------|-------|---------------------|--------------------|
| | | 30 June | 31 December |
| | | 2022 | 2021 |
| | Notes | \$'000 | \$'000 |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | | 15,295 | 27,251 |
| Short-term deposits | | 4,000 | - |
| Trade and Other Receivables | | 457 | 835 |
| Inventories | | 4 | 5 |
| Total Current Assets | | 19,756 | 28,091 |
| Non-Current Assets | | | |
| Exploration and Evaluation Assets | 3 | 111,969 | 106,961 |
| Restricted Cash | | 13,746 | 13,741 |
| Plant and Equipment | | 1,732 | 978 |
| Inventories | | 1,089 | 1,089 |
| Right-of-use Assets | | 156 | 202 |
| Total Non-Current Assets | | 128,692 | 122,971 |
| Total Assets | | 148,448 | 151,062 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | | 1,163 | 621 |
| Provisions | | 364 | 278 |
| Lease Liabilities | | 96 | 92 |
| Total Current Liabilities | | 1,623 | 991 |
| Non-Current Liabilities | | | |
| Provisions | | 30,705 | 30,397 |
| Borrowings | | 20,000 | 20,000 |
| Lease Liabilities | | 69 | 119 |
| Total Non-Current Liabilities | | 50,774 | 50,516 |
| Total Liabilities | | 52,397 | 51,507 |
| Net Assets | | 96,051 | 99,555 |
| Equity | | | |
| Issued Capital | 4(a) | 453,119 | 453,119 |
| Reserves | | (7,178) | (7,178) |
| Accumulated Losses | | (349,890) | (346,386) |
| Total Equity | | 96,051 | 99,555 |

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**FOR THE HALF YEAR ENDED 30 JUNE 2022**

| | Issued Capital | Accumulated Losses | Reserves | Total |
|---|---------------------------|-------------------------------|-----------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance as at 31 December 2021 | 453,119 | (346,386) | (7,178) | 99,555 |
| Total Comprehensive Loss for the period | - | (3,504) | - | (3,504) |
| Balance as at 30 June 2022 | 453,119 | (349,890) | (7,178) | 96,051 |
| Balance as at 31 December 2020 | 427,167 | (339,678) | (7,178) | 80,311 |
| Total Comprehensive Loss for the period | - | (3,200) | - | (3,200) |
| Balance as at 30 June 2021 | 427,167 | (342,878) | (7,178) | 77,111 |

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2022

| | Consolidated | |
|--|----------------|----------------|
| | 6 months to | 6 months to |
| | 30 June | 30 June |
| | 2022 | 2021 |
| | '\$000 | '\$000 |
| Cash Flows from Operating Activities | | |
| Payments to Suppliers and Employees (Including GST) | (2,208) | (1,972) |
| Other Income | 9 | 16 |
| Interest Received | 24 | 39 |
| Finance Costs | (416) | (417) |
| Net Cash Outflow from Operating Activities | (2,591) | (2,334) |
| Cash Flows from Investing Activities | | |
| Acquisition of Plant and Equipment | (770) | (196) |
| Repayment of Lease Liabilities | (45) | (153) |
| Increase in Security Deposit | (4) | |
| Increase/(Decrease) in Short-Term Deposits | (4,000) | 12,057 |
| Exploration Expenditure | (4,780) | (6,352) |
| Net Cash (Outflow)/Inflow from Investing Activities | (9,599) | 5,356 |
| Cash Flows from Financing Activities | | |
| Proceeds for Rights Issue | 234 | - |
| Net Cash Inflow from Investing Activities | 234 | - |
| Net (Decrease)/Increase in Cash and Cash Equivalents | (11,956) | 3,022 |
| Cash and Cash Equivalents at the Beginning of the Period | 27,251 | 7,795 |
| Cash and Cash Equivalents at the Ending of the Period | 15,295 | 10,817 |

The accompanying notes form part of these financial statements.

Notes to the Consolidated Interim Financial Report

Note 1: Basis of preparation of half-year report

These general purpose financial statements of Focus Minerals Limited (the “Company”), together with its controlled entities (the “Group”) for the interim half-year reporting period ended 30 June 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 ‘Interim Financial Reporting’ and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’.

These general purpose financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 31 December 2021 and any public announcements made by Focus Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2: Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Chairman.

All of Focus Minerals Limited's subsidiaries are wholly owned. The Group has three reportable segments, as described below, which are the Group's strategic business units. The business units are managed separately as they require differing processes and skills. The Executive Chairman reviews internal management reports on a monthly basis.

Segment Financial Information for the six months ended 30 June 2022 is presented below:

| | 6 months to 30 June 2022 Coolgardie \$'000 | 6 months to 30 June 2022 Laverton \$'000 | 6 months to 30 June 2022 Corporate \$'000 | 6 months to 30 June 2022 Consolidated \$'000 |
|-------------------------------------|--|--|---|--|
| Revenue from continuing operations | - | - | 24 | 24 |
| Other Income | 4 | - | 40 | 44 |
| Employee expenses | - | - | (1,085) | (1,085) |
| Depreciation Expenses | (70) | - | (56) | (126) |
| Finance Costs | (134) | (197) | (357) | (688) |
| Loss on disposal of tenements | - | (1) | - | (1) |
| Care and Maintenance Costs | (288) | (452) | - | (740) |
| Corporate and Other Expenses | (39) | - | (893) | (932) |
| SEGMENT LOSS BEFORE TAX | (527) | (650) | (2,327) | (3,504) |
| Income tax | - | - | - | - |
| SEGMENT LOSS | (527) | (650) | (2,327) | (3,504) |
| Current Assets | 684 | 339 | 18,733 | 19,756 |
| Non-Current Assets | | | | |
| - Restricted Cash | 3,115 | 10,340 | 291 | 13,746 |
| - Plant and Equipment | 1,296 | 332 | 104 | 1,732 |
| - Inventories | 1,089 | - | - | 1,089 |
| - Right-of-Use Assets | - | - | 156 | 156 |
| - Exploration and Evaluation Assets | 58,429 | 53,540 | - | 111,969 |
| TOTAL ASSETS | 64,613 | 64,551 | 19,284 | 148,448 |
| Current Liabilities | (443) | (524) | (656) | (1,623) |
| Non-Current Liabilities | (13,446) | (17,004) | (20,324) | (50,774) |
| TOTAL LIABILITIES | (13,889) | (17,528) | (20,980) | (52,397) |
| NET ASSETS | 50,724 | 47,023 | (1,696) | 96,051 |

Segment Profit and Loss Information for the six months ended 30 June 2021 is presented below:

| | 6 months to 30 June 2021 Coolgardie \$'000 | 6 months to 30 June 2021 Laverton \$'000 | 6 months to 30 June 2021 Corporate \$'000 | 6 months to 30 June 2021 Consolidated \$'000 |
|------------------------------------|--|--|---|--|
| Revenue from continuing operations | 6 | 19 | 24 | 49 |
| Other Income | 10 | - | - | 10 |
| Employee expenses | - | - | (775) | (775) |
| Depreciation Expenses | (108) | - | (57) | (165) |
| Finance Costs | (115) | (175) | (358) | (648) |
| Loss on disposal of Assets | (38) | - | - | (38) |
| Care and Maintenance Costs | (262) | (439) | - | (701) |
| Corporate and Other Expenses | (303) | (1) | (628) | (932) |
| SEGMENT LOSS BEFORE TAX | (810) | (596) | (1,794) | (3,200) |
| Income tax | - | - | - | - |
| SEGMENT LOSS | (810) | (596) | (1,794) | (3,200) |

Segment Balance Sheet Information as at 31st December 2021 is as follows:

| | As at 31 December 2021 Coolgardie \$'000 | As at 31 December 2021 Laverton \$'000 | As at 31 December 2021 Corporate \$'000 | As at 31 December 2021 Consolidated \$'000 |
|-------------------------------------|--|--|---|--|
| Current Assets | 500 | 99 | 27,492 | 28,091 |
| Non-Current Assets | | | | |
| - Restricted Cash | 3,111 | 10,340 | 290 | 13,741 |
| - Plant and Equipment | 581 | 388 | 9 | 978 |
| - Inventories | 1,089 | - | - | 1,089 |
| - Right-of-Use Assets | - | - | 202 | 202 |
| - Exploration and Evaluation Assets | 55,263 | 51,698 | - | 106,961 |
| TOTAL ASSETS | 60,544 | 62,525 | 27,993 | 151,062 |
| Current Liabilities | (147) | (21) | (823) | (991) |
| Non-Current Liabilities | (13,326) | (16,852) | (20,338) | (50,516) |
| TOTAL LIABILITIES | (13,473) | (16,873) | (21,161)) | (51,507) |
| NET ASSETS | 47,071 | 45,652 | 6,832 | 99,555 |

Note 3: Exploration and Evaluation Assets

| | Consolidated | |
|---|--|--|
| | 6 months to 30 June 2022 \$'000 | As at 31 December 2021 \$'000 |
| Exploration and evaluation expenditure at cost: | 111,969 | 106,961 |
| Movement Summary: | | |
| Carrying amount at beginning of the period | 106,961 | 94,377 |
| Add – exploration expenditure | 5,009 | 12,468 |
| Add – rehabilitation liability adjustment classified as Exploration | - | 734 |
| Less – write-off of tenements allowed to lapse or dropped | - | (618) |
| Carrying amount at end of period | 111,969 | 106,961 |

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 4: 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 30 June 2022 | | As at 31 December 2021 | |
|----------------|-------------------------------|----------------|-----------------------------------|---------------|
| | No. of shares | \$'000 | No. of shares | \$'000 |
| Issued capital | 286,558,645 | 453,119 | 286,558,645 | 453,119 |

Share Issue Details

There were no shares issued during the half year period (6 months ended 30 June 2021: Nil).

Voting Entitlements

At each shareholder's meeting each ordinary share is entitled to one vote on the calling of a poll, otherwise each shareholder is entitled to one vote on a show of hands.

(b) Dividends

No dividends have been paid or provided for during the 6 months ended 30 June 2022 (6 months ending 30 June 2021: Nil).

Note 5: Contingencies

There have been no changes to contingent liabilities or assets since 30 June 2022.

Note 6: Significant Events After Balance Date

There are no events, matter of circumstance has arisen after balance date that have 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 the future financial periods.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - a. Complying with Australian Accounting Standards AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 303(5)(a) of the Corporations Act 2001.



Wanghong Yang
Chairman of the Board
12 September 2022
Perth, WA

Independent Auditor's Review Report



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FOCUS MINERALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Focus Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2022, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards) (the Code) that are relevant to our audit of the annual 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 Focus Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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Responsibility of the Directors' for the Financial Report

The directors of the Focus Minerals Limited are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

Rsm

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Aik Kong Ting'.

AIK KONG TING
Partner

Perth, WA
Dated: 12 September 2022