

**Focus Minerals Limited**

**ABN 56 005 470 799**

**Interim Financial Report  
for the half year ended 30 June 2023**

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# 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
Zhongshan Song	Director – Non-Executive (appointed 20 <sup>th</sup> April 2023)

## Company Secretary

Nicholas Ong

## Registered and Head Office

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East Perth WA 6004

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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

## 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 2023.

### Directors

Wanghong Yang	Chairman – Executive
Lingquan Kong	Director – Executive
Gerry Fahey	Director – Independent
Richard O'Shannassy	Director – Independent
Zhongshan Song	Director – Non-Executive (appointed 20 <sup>th</sup> April 2023)

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 Coolgardie Gold Project development for resumption of production and exploration activities at Laverton, Western Australia.

### Review of Operations

#### Coolgardie Gold Project

- Mill refurbishment under the EPC contract has now achieved practical completion with plant commissioning in second half of July 2023
- Mining contractor Ozland have mobilised to site and commenced waste stripping in Greenfields open pit
- Three Mile Hill plant connected to full mains power.
- Three Mile Hill tailings dam upgrade completed for initial 18 months capacity
- 100 room accommodation camp construction completed, Varischetti Village is in use and servicing the workforce
- Toll milling campaign of low-grade stockpile completed during the half year, with 63,793 tonnes processed at 0.81g/t producing 1,475oz Au

#### Laverton Gold Project

- One diamond hole was completed at Lake Carey
  - o Drilling planning/permitting is underway for the remaining 2023 exploration programs.
- Ground geophysical surveys were completed at several Laverton prospects.
- Various Mineral Resources are being updated and assessed.

### Corporate

For the six-month period ended 30 June 2023, the Group incurred a loss of \$13.04 million (6 months ended 30 June 2022: \$3.5 million).

As at 30 June 2023, the Group has net assets of \$82.4 million (31 December 2022: \$95.4 million) and a cash balance of \$8.7 million (31 December 2022: \$18.9 million).

## Risk Management

Focus is exposed to a number of financial risks. The key risks that could adversely affect Focus' financial assets, liabilities or future cash flows are:

a) Commodity and other price risks

All of Focus' gold production is sold to the Perth Mint. The market price of gold is key driver of Focus' capacity to generate cash flow. Focus is an unhedged producer and provides its shareholders with exposure to changes in the market price of gold. Focus may look into partially hedging its gold production in due course.

b) Foreign currency risk

Focus undertakes transactions denominated in foreign currencies, such as loans and gold sales, hence exposures to exchange rate fluctuations arise. Focus' revenue is primarily denominated in US dollars whereas all of its material proportion of costs (including capital expenditure) are in Australian dollars. Focus can also be affected materially by movements in the AUD:USD exchange rate. Measuring the exposure to foreign exchange risk is achieved by regularly monitoring the foreign exchange movements and potentially utilising currency swaps in due course.

c) Interest rate risk

Focus' exposure to the risk of changes in market interest rates primarily relates to the debt obligations that have floating interest rates.

## 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  
11 September 2023  
Perth, Western Australia

**RSM Australia Partners**

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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 2023, 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: 11 September 2023

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 30 JUNE 2023**

	Consolidated	
	6 months to 30 June 2023 \$'000	6 months to 30 June 2022 \$'000
Revenue from Continuing Operations	4,725	-
Cost of Sales	(3,393)	-
Gross Profit	1,332	-
Other Income	40	68
Employee Benefits Expenses	(3,828)	(1,085)
Depreciation Expenses	(382)	(126)
Finance Costs	(2,315)	(688)
Loss on Disposal of Tenements and Plant and Equipment	(4,661)	(1)
Care and Maintenance Expenses	(581)	(740)
Corporate and Other Expenses	(2,615)	(932)
Exploration Expenses	(30)	-
<b>Loss Before Income Tax Expense</b>	<b>(13,040)</b>	<b>(3,504)</b>
Income Tax Expense	-	-
<b>Loss After Income Tax for the Period</b>	<b>(13,040)</b>	<b>(3,504)</b>
Other Comprehensive Income for the Period, Net of Tax	-	-
<b>Total Comprehensive Loss for the Period</b>	<b>(13,040)</b>	<b>(3,504)</b>
<b>Earnings per Share</b>		
Basic Loss per Share (Cents per Share)	(4.55)	(1.22)
Diluted Loss per Share (Cents per Share)	(4.55)	(1.22)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Notes	Consolidated	
		30 June 2023 \$'000	31 December 2022 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		8,753	18,898
Trade and Other Receivables		2,729	4,987
Inventories		1,287	1,114
<b>Total Current Assets</b>		<b>12,769</b>	<b>24,999</b>
<b>Non-Current Assets</b>			
Cash and Cash Equivalents -Restricted		14,415	13,746
Plant and Equipment		63,814	18,266
Right-of-use Assets		4,866	794
Mine properties		1,902	-
Exploration and Evaluation Assets	3	118,370	116,625
<b>Total Non-Current Assets</b>		<b>203,367</b>	<b>149,431</b>
<b>Total Assets</b>		<b>216,136</b>	<b>174,430</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		9,314	11,086
Provisions		651	379
Borrowings	7	20,000	20,000
Lease Liabilities		1,421	231
<b>Total Current Liabilities</b>		<b>31,386</b>	<b>31,696</b>
<b>Non-Current Liabilities</b>			
Provisions		32,391	31,977
Borrowings	7	66,365	14,760
Lease Liabilities		3,617	580
<b>Total Non-Current Liabilities</b>		<b>102,373</b>	<b>47,317</b>
<b>Total Liabilities</b>		<b>133,759</b>	<b>79,013</b>
<b>Net Assets</b>		<b>82,377</b>	<b>95,417</b>
<b>Equity</b>			
Issued Capital	4(a)	453,119	453,119
Reserves		(7,178)	(7,178)
Accumulated Losses		(363,564)	(350,524)
<b>Total Equity</b>		<b>82,377</b>	<b>95,417</b>

The accompanying notes form part of these financial statements



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE HALF YEAR ENDED 30 JUNE 2023**

	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Reserves</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance as at 1 January 2023</b>	<b>453,119</b>	<b>(350,524)</b>	<b>(7,178)</b>	<b>95,417</b>
Loss for the period	-	(13,040)	-	(13,040)
Total Comprehensive Loss for the period	-	(13,040)	-	(13,040)
<b>Balance as at 30 June 2023</b>	<b>453,119</b>	<b>(363,564)</b>	<b>(7,178)</b>	<b>82,377</b>
<b>Balance as at 31 December 2021</b>	<b>453,119</b>	<b>(346,386)</b>	<b>(7,178)</b>	<b>99,555</b>
Loss for the period	-	(3,504)	-	(3,504)
Total Comprehensive Loss for the period	-	(3,504)	-	(3,504)
<b>Balance as at 30 June 2022</b>	<b>453,119</b>	<b>(349,890)</b>	<b>(7,178)</b>	<b>96,051</b>

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 30 JUNE 2023**

	Consolidated	
	6 months to 30 June 2023 '\$000	6 months to 30 June 2022 '\$000
<b>Cash Flows from Operating Activities</b>		
Gold Sales	7,172	-
Payments to Suppliers and Employees (Including GST)	(12,646)	(2,208)
Royalties Paid	(156)	-
Payment of Performance & Other Bonds	(669)	-
Other Income	44	9
Interest Received	309	24
Finance Costs	(1,090)	(416)
<b>Net Cash Outflow from Operating Activities</b>	<b>(7,036)</b>	<b>(2,591)</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Plant and Equipment	(45,810)	(770)
Increase in Security Deposit	-	(4)
Decrease in Short-Term Deposits	-	(4,000)
Payments for Development Activities	(1,231)	-
Exploration Expenditure	(6,599)	(4,780)
<b>Net Cash Outflow from Investing Activities</b>	<b>(53,640)</b>	<b>(9,599)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds for Rights Issue	-	234
Proceeds from Borrowings	50,702	-
Repayment of Borrowings	(6)	-
Repayment of Lease Liabilities	(188)	(45)
<b>Net Cash Inflow from Investing Activities</b>	<b>50,508</b>	<b>189</b>
Net Decrease in Cash and Cash Equivalents	(10,168)	(11,956)
Cash and Cash Equivalents at the Beginning of the Period	18,898	27,251
Effects of exchange rate changes on cash and cash equivalents	23	-
<b>Cash and Cash Equivalents at the Ending of the Period</b>	<b>8,753</b>	<b>15,295</b>

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 2023 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 2022 and any public announcements made by Focus Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

#### (a) 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.

#### (b) Mine Properties – Areas In Production:

Mine development expenditure incurred by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure. A development property is reclassified as a mining property in this category at the end of the commissioning phase, when the property is capable of operating in the manner intended by management. Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the estimated mine inventory (consistent with the Life of Mine plan). Development properties are tested for impairment in accordance with the policy on impairment of assets.

#### (c) Mine Properties – Areas In Development:

Mine properties under development represent the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the mine inventory to which they relate or are written off if the mine property is abandoned.

#### (d) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$13.0 million, and had net cash outflows from operating and investing activities of \$7.0 million and \$53.6 million respectively for the period ended 30 June 2023. As at that date, the Group had net current liabilities of \$18.6 million.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Group has borrowing of \$20 million due to Shandong Gold Group Co., Ltd (lender) and has received a letter from the lender to indicate its intention to negotiate with the Group to extend the repayment due date from October 2023 to October 2024;
- The Group has access to \$13.7 million of restricted cash as Shandong Gold Group Co., Ltd issued bank guarantees in exchange to release these term deposits to the Group to fund its operations;
- As disclosed in Note 6, the Group obtained RMB38 million (AUD8m) loan facility from Shandong Gold international Mining Co., Ltd (major shareholder) to fund its operations; and
- The Group is dependent on the directors and management continuing to manage its cash flows in line with its existing cash reserves and support from Shandong Gold Group Co., Ltd to successfully execute its current projects to operate within the Group's cash flow forecast.

(e) Borrowings:

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(f) Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**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 Managing Director.

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 Managing Director reviews internal management reports on a monthly basis.

Segment Financial Information for the six months ended 30 June 2023 is presented below:

	<b>6 months to 30 June 2023 Coolgardie \$'000</b>	<b>6 months to 30 June 2023 Laverton \$'000</b>	<b>6 months to 30 June 2023 Corporate \$'000</b>	<b>6 months to 30 June 2023 Consolidated \$'000</b>
Revenue from continuing operations	4,502	-	223	4,725
Other Income	-	-	40	40
Cost of Sales	(3,393)	-	-	(3,393)
Employee expenses	(1,969)	(7)	(1,852)	(3,828)
Depreciation Expenses	(261)	(54)	(67)	(382)
Finance Costs	(240)	(208)	(1,867)	(2,315)
Loss on disposal of tenements	(4,661)	-	-	(4,661)
Care and Maintenance Costs	(166)	(415)	-	(581)
Corporate and Other Expenses	(800)	-	(1,815)	(2,615)
Exploration Expenses	(15)	(15)	-	(30)
<b>SEGMENT LOSS BEFORE TAX</b>	<b>(7,003)</b>	<b>(699)</b>	<b>(5,338)</b>	<b>(13,040)</b>
Income tax	-	-	-	-
<b>SEGMENT LOSS</b>	<b>(7,003)</b>	<b>(699)</b>	<b>(5,338)</b>	<b>(13,040)</b>
Current Assets	5,509	244	7,016	12,769
Non-Current Assets				
- Cash and cash equivalents-Restricted	3,116	10,340	959	14,415
- Plant and Equipment	63,433	280	101	63,814
- Right-of-Use Assets	4,804	-	62	4,866
- Mine properties	1,902	-	-	1,902
- Exploration and Evaluation Assets	62,622	55,748	-	118,370
<b>TOTAL ASSETS</b>	<b>141,386</b>	<b>66,612</b>	<b>8,138</b>	<b>216,136</b>
Current Liabilities	(8,890)	(423)	(22,073)	(31,386)
Non-Current Liabilities	(18,265)	(17,534)	(66,574)	(102,373)
<b>TOTAL LIABILITIES</b>	<b>(27,155)</b>	<b>(17,957)</b>	<b>(88,647)</b>	<b>(133,759)</b>
<b>NET ASSETS</b>	<b>114,231</b>	<b>48,655</b>	<b>(80,509)</b>	<b>82,377</b>

Segment Profit and Loss 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)
<b>SEGMENT LOSS BEFORE TAX</b>	<b>(527)</b>	<b>(650)</b>	<b>(2,327)</b>	<b>(3,504)</b>
Income tax	-	-	-	-
<b>SEGMENT LOSS</b>	<b>(527)</b>	<b>(650)</b>	<b>(2,327)</b>	<b>(3,504)</b>

Segment Balance Sheet Information as at 31<sup>st</sup> December 2022 is as follows:

	As at 31 December 2022 Coolgardie \$'000	As at 31 December 2022 Laverton \$'000	As at 31 December 2022 Corporate \$'000	As at 31 December 2022 Consolidated \$'000
Current Assets	9,444	238	14,228	23,910
Non-Current Assets				
- Cash and cash equivalents-Restricted	3,116	10,340	290	13,746
- Inventories	1,089	-	-	1,089
- Property, Plant & Equipment	17,871	278	117	18,266
- Right-of-Use Assets	685	-	109	794
- Exploration and Evaluation	61,755	54,870	-	116,625
<b>TOTAL ASSETS</b>	<b>93,960</b>	<b>65,726</b>	<b>14,744</b>	<b>174,430</b>
Current Liabilities	10,184	86	21,426	31,696
Other Non-Current Liabilities	15,045	17,326	14,946	47,317
<b>TOTAL LIABILITIES</b>	<b>25,229</b>	<b>17,412</b>	<b>36,372</b>	<b>79,013</b>
<b>NET ASSETS</b>	<b>68,731</b>	<b>48,314</b>	<b>(21,628)</b>	<b>95,417</b>

**Note 3: Exploration and Evaluation Assets**

	<b>Consolidated</b>	
	<b>6 months to 30 June 2023 \$'000</b>	<b>As at 31 December 2022 \$'000</b>
Exploration and evaluation expenditure at cost:	<b>118,370</b>	116,625
<b>Movement Summary:</b>		
Carrying amount at beginning of the period	<b>116,625</b>	106,961
Add – exploration expenditure	<b>6,406</b>	9,355
Add – rehabilitation liability adjustment classified as Exploration	-	893
Less – write-off of tenements allowed to lapse or dropped	<b>(4,661)</b>	(584)
Carrying amount at end of period	<b>118,370</b>	116,625

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

	<b>As at 30 June 2023</b>		<b>As at 31 December 2022</b>	
	<b>No. of shares</b>	<b>\$'000</b>	No. of shares	\$'000
Issued capital	<b>286,558,645</b>	<b>453,119</b>	286,558,645	453,119

*Share Issue Details*

There were no shares issued during the half year period (6 months ended 30 June 2022: 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 2023 (6 months ending 30 June 2022: Nil).

**Note 5: Contingencies**

There have been no changes to contingent liabilities or assets for the period ended 30 June 2023 except for the below.

On 13<sup>th</sup> June 2023, Focus Minerals Limited entered an agreement to sell the Mining Information in relation to the exploration license 15/986 at Lake Cown with Kalgoorlie Mining Associates Pty Ltd. Under the terms of the agreement, Focus Minerals Limited agreed to sell 1 license in exchange for a 1% Net Smelter Royalty (NSR) of minerals that are commonly smelted or where the saleable product is not a 'smelted' mineral, the parties will agree the process for calculation which shall provide a royalty at equivalent value to the NSR. As at balance date, the related mining lease application (as conversion of the prospecting licenses) is still pending, 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.

**Note 6: Significant Events After Balance Date**

In July 2023, Focus entered into an unsecured short-term loan facility of RMB38.8 million (approximately A\$8 million) with its major shareholder, Shandong Gold, to provide additional working capital to fund operational expenditures. The key terms of the loan are as follows:

- Term: 1 year;
- Interest: 6.5% per annum interest payable quarterly.

Other than the above, there has not been any other events, matters or circumstances that 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.

**Note 7: Borrowings**

	<b>Consolidated</b>	
	<b>30 June</b>	31 December
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Current Liabilities</b>		
Related Party Loan	<u>20,000</u>	<u>20,000</u>
Note the above loan has been classified as Current loan as it is due for repayment in October 2023. However, Shandong Gold Group has provided a letter of comfort to advise of its intention to extend the due date from October 2023 to October 2024.		
<b>Non Current Liabilities</b>		
Related Party Loan	<u>66,365</u>	<u>14,760</u>

On 8<sup>th</sup> December 2021, the Group secured US10 million (AUD15.08 million) in funding with Shandong Gold Financial Holdings Group (HongKong) Co., Limited. The unsecured loan is payable, 3 years after drawdown. Interest is payable quarterly in arrears at 3% per annum over the USD London Inter Lender Offered Rate. This loan was drawn down on 6<sup>th</sup> July 2022. The loan amount owing has been revalued to a USD amount using the period end exchange rate of USD: AUD0.663.

On 19<sup>th</sup> January 2023, the Group secured an additional US35 million (AUD51.28 million) in funding with Shandong Gold International Mining Co Limited. The unsecured loan is payable, 3 years after drawdown. Interest is payable quarterly in arrears at 3% per annum term secured overnight financing rate. This loan was first drawn down on 3<sup>rd</sup> April 2023. The loan amount owing has been revalued to a USD amount using the period end exchange rate of USD: AUD0.663.



## 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 2023 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  
11 September 2023  
Perth, WA

## 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 2023, 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 2023 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 review report.

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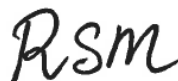
### *Responsibility of the Directors' for the Financial Report*

The directors of 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 2023 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 AUSTRALIA PARTNERS



AIK KONG TING  
Partner

Perth, WA  
Dated: 11 September 2023