



ABN 56 005 470 799

## Share Purchase Plan

Eligible shareholders can purchase a maximum of \$15,000 of Focus Minerals Ltd shares at a discount to market price

**OFFER CLOSES 5.00pm WST ON 15 APRIL 2011**



Broker to the SPP

Dated 6 April 2011

This is an important document that requires  
**your immediate attention**  
should you choose to participate in the SPP.

# **FOCUS MINERALS LTD PURCHASE PLAN OFFER – TERMS AND CONDITIONS**

The Directors of Focus Minerals Ltd (Company or “FML”) are pleased to extend an invitation to each FML shareholder to subscribe for shares in the Company to raise a maximum of \$7.0 million under this Share Purchase Plan (“SPP”). The SPP offers eligible shareholders the ability to subscribe for a maximum of \$15,000 worth of fully paid ordinary shares (“Shares”) in the Company through the SPP.

These terms and conditions and the accompanying ‘Share Purchase Plan Application Form’ set out the terms and conditions (Terms and Conditions) of the SPP. By accepting the offer to subscribe for shares in Focus Minerals Ltd (FML) (ABN 56 005 470 799) under the SPP, you agree to be bound by the terms and conditions and the constitution of FML.

## **Opening and Closing Date of the Offer**

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The offer to purchase Shares under the SPP opens on 8 April 2011 at 9.00am (WST) and will close at 5.00pm WST on **15 April 2011**.

No late applications will be accepted, however the Directors reserve the right to extend the closing date.

## **Participation by Shareholders**

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The right to participate in this offer under the SPP is available exclusively to persons who are registered as holders of fully paid ordinary shares in the Company at 5.00pm (WST) on the record date of 5 April 2011 and whose registered address, as recorded in the Company’s register of members, is in Australia or New Zealand (“Eligible Shareholders”).

Eligible Shareholders are entitled to apply for a maximum of \$15,000 worth of Shares under the SPP.

To participate, Eligible Shareholders must complete the enclosed pre-printed Share Purchase Plan Application Form in accordance with the instructions on the form and return it together with their payment by 5.00pm WST on Friday 15 April 2011.

## **Do I have to participate?**

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No. Participation in the SPP is entirely voluntary. In deciding whether to participate in the SPP, please take time to read these terms and conditions and contact your financial or taxation adviser if necessary.

## **Participation by Directors**

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The directors of the company, as Eligible Shareholders, may participate in the offer on the same terms and conditions as all other Eligible Shareholders in FML and their participation is not subject to shareholder approval.

## **Beneficiaries**

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If a trustee or nominee is expressly noted on the register of members as holding shares on account of another person (a “Beneficiary”), then the Beneficiary is taken to be the registered holder in regard to those shares. Any application for the Offer is taken to be an issue to the Beneficiary.

## **Purchase Price of Shares to be Issued under the SPP**

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The Shares issued pursuant to the SPP will be issued following completion of the Share Placement announced on 6 April 2011 during which 425 million Shares were issued to institutional and sophisticated investors of Hartleys Limited to raise \$32.3m at an issue price of 7.6 cents per Share. The SPP provides the opportunity for FML retail shareholders to participate at the same price as the placement.

The issue Price represents a discount of approximately 14% to the five (5) day volume weighted average price of securities traded on the ASX immediately prior to the trading halt on 4 April 2011.

## SPP Purpose and Structure

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In accordance with ASX Listing Rules, the number of Shares that may be issued by FML under the SPP cannot exceed 30% of the number of fully paid ordinary shares already on issue. In the event of subscriptions exceeding the maximum permitted, shares will be issued on a **first-in-first served basis**.

The directors of FML have assessed the capital requirements of the Company to achieve the expansion of gold production, resource and reserve development expansion programmes including the acceleration of exploration activities on the Company's Treasure Island prospect. As such the Directors have decided that the proceeds of the SPP will be a maximum of \$7.0 million totalling 92.1 million Shares.

Any shortfall to the Offer may be placed at the discretion of the Board of Directors should applications total an amount less than \$7.0 million.

## Indicative Timetable

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	<b>Dates subject to finalisation</b>
Record Date (5.00pm WST)	Tuesday 5 April 2011
Announcement of Share Purchase Plan	Wednesday 6 April 2011
Dispatch of Entitlement and Acceptance Forms	Friday 8 April 2011
Opening Date of Offer	Friday 8 April 2011
Closing Date of Offer	Friday 15 April 2011
Allotment of shares under the SPP	Tuesday 19 April 2011
Dispatch date for holding statements	Thursday 21 April 2011

These dates are indicative only. FML may vary the date and times of the Offer (including shortening or extending the closing date) without notice. Accordingly, Eligible Shareholders are encouraged to submit their pre-printed Share Purchase Plan Application Forms as early as possible.

If FML rejects, or partially rejects, an application, FML will promptly return to the Eligible Shareholder the relevant subscription monies, without interest.

All Shares issued will rank equally with existing shares in FML and will carry the same voting rights, dividend rights and entitlements to dividends, rights and bonus issues.

## Risk Factors

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Before deciding whether to accept the Offer, you should refer to the current market price of FML Shares, which can be obtained from daily newspapers, stockbroker, financial adviser or the ASX.

Owning shares in FML, is considered a speculative form of investment and that the future price of the Company's shares can rise or fall.

Also, shareholders should be aware that there is a risk that the market price of the shares may change between the date of this Offer and the date when the new shares are issued to you under the SPP. The value of the Shares you receive may rise or fall accordingly.

Finally, shareholders should note that the offer is not made under a Prospectus or other disclosure document and does not require the type of disclosure required under the Corporations Act 2001. Shareholders must rely on their own knowledge of the Company and previous disclosures made by the Company on ASX. You should consult your professional adviser when deciding whether or not to accept the offer and participate in the SPP.

## Discretion and Disputes

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FML reserves the right to waive strict compliance with any of the terms and conditions. Any powers or discretions of FML may be exercised by the Directors of FML or any delegate of them.

FML may determine, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. A determination made by FML will be conclusive and binding on all participants and other persons to whom the determination relates.

## Changes and Termination

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FML may change or terminate the SPP or the Terms and Conditions at any time, whether because of a change of law, ASIC requirement or policy, or any other circumstance relevant to the SPP or FML. If FML does this, it will notify the Australian Stock Exchange and post a notice on FML's website ([www.focusminerals.com.au](http://www.focusminerals.com.au)). Failure to notify shareholders of a change to or termination of the SPP or the terms and conditions or the non-receipt of notice by any shareholder will not invalidate the change or termination. If FML terminates the SPP, it will refund any application moneys to you (without interest).

## Additional Information

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If you would like to participate in the SPP, please return your completed pre-printed application form, together with a cheque in Australian dollars for the subscription price, in the return addressed envelope to our share registry **by 5.00pm WST on 15 April 2011**.

Please make cheques payable to "Focus Minerals Ltd Share Issue Account" and cross the cheque "Not Negotiable". If you do not provide the exact amount, the Company reserves the right to return your application form and cheque. The amount that you provide will be for an investment of \$15,000, \$10,000, \$5,000, \$2,500 or \$1,000. Please mark clearly on the application form the option you choose to participate in. If the Company returns your form and cheque, no shares will be allotted to you. No interest will be paid on any funds returned.

Alternatively, you can participate using BPAY following instructions contained on the reverse of the Application Form.

In the event of oversubscription, Shares will be issued on a first-in-first served basis.

Please note that the maximum investment per shareholder is \$15,000 (representing 197,368 new Shares at a subscription price of 7.6 cents per share) and the minimum investment per shareholder is \$1,000 (representing 13,157 new shares at a subscription price of 7.6 cents per Share).

Shares allotted under the SPP will be issued no later than 10 business days from the close of the offer. The Company will apply for the Shares allotted to be quoted on the Australian Stock Exchange, within the relevant period specified in the Listing Rules.

Please note that participation is entirely at your option and the offer is non-renounceable which means it cannot be transferred to anyone else.

## Declaration and Acknowledgements

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By forwarding a cheque or BPAY Receipt and completing the Application form, you:

- Acknowledge that you have read, understood and agree to be bound by the terms and conditions of the SPP;
- Agree to accept any lesser number of Shares than the number of Shares you applied for;
- Confirm the total cost of all Shares purchased by you (including through joint and beneficial holdings) does not exceed \$15,000; and
- Agree to be bound by the constitution of FML in respect of the Shares issued to you.

## Any Queries

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If you have any queries regarding the SPP, please contact the Chief Financial Officer, Mr Jon Grygorcewicz by telephone +61 8 9215 7888 or email [info@focusminerals.com.au](mailto:info@focusminerals.com.au).