

ASX Announcement

28 February 2020

Update regarding Forfeiture Applications against Focus' Tenements

Focus Minerals Ltd (ASX: FML; **Focus** or the **Company**) provides an update regarding the 75 forfeiture applications against Focus' tenements that were previously announced (**Existing Forfeiture Applications**).¹

New Forfeiture Applications

On 25 February 2020, Focus was notified that Allan Neville Brosnan, Chadwick Doughton Everett and Jeffery Hull (the **Applicants**) had filed a further 27 forfeiture applications against the tenements of Focus' Coolgardie Project (the **27 New Forfeiture Applications**).

All of the 27 New Forfeiture Applications:

- were made by the same applicants that made 66 of the 75 Existing Forfeiture Applications (**Applicant's Existing Forfeiture Applications**), that Focus is currently defending; and
- asserts non-compliance by Focus with the minimum expenditure obligations of the relevant tenements, which Focus denies.

Focus has up to 60 days after each tenement anniversary date (**F5 Lodgement Period**) to lodge the relevant and operations expenditure report (**Form 5**) for the preceding 12 months with the Department of Mines, Industry Regulation and Safety (**DMIRS**).² Once a Form 5 is lodged it becomes a public record and is accessible on the DMIRS website.

As none of the related tenements have reached their respective 60-day F5 Lodgement Periods, Focus has not yet lodged its Form 5s for any of the 27 New Forfeiture Applications related tenements.

Focus considers that the 27 New Forfeiture Applications are speculative in nature and motivated to create strategic leverage in relation to the proceedings relating to the Applicant's Existing Forfeiture Applications that Focus is currently vigorously defending.

¹ ASX Announcements dated 8 March 2019 and 17 February 2020.

² *Mining Regulations 1981* 16(1)(a) prospecting licences; 22(1)(a) exploration licences; and 32(1)(a) mining leases

Update regarding Existing Forfeiture Applications

Focus previously informed the market that the Warden, in *Focus Minerals Ltd & Others v Allan Neville Brosnan & Others* [2020] WAMW 4, decided not to grant the Company an extension of time to lodge expenditure exemptions that would have defeated all of the Existing Forfeiture Applications.³

Unless Focus were to seek judicial review of the Warden's decision (which Focus does not currently expect to pursue), the Existing Forfeiture Applications will proceed to a contested hearing before the Warden that Focus will vigorously defend.

Any such proceeding can be time consuming and, consequently it is not clear how long a contested hearing will take. However, the applicants will bear the onus of proof in any such proceedings.

At any such contested hearing, the Warden may dismiss the forfeiture application, impose a fine⁴ or make a recommendation to the Minister that the relevant tenement is forfeited. Even if it is found that an expenditure condition has not been met, a recommendation for forfeiture may not be made unless the Warden is satisfied that the non-compliance is, in the circumstances, of sufficient gravity to justify forfeiture.⁵

The Minister has ultimate discretion in relation to the Warden's recommendation, and in exercising this will consider all of the relevant circumstances, including work planned or undertaken on the tenement in the relevant period and whether forfeiture is in the best interests of the State of Western Australia.⁶

For the past few years, Focus has been investing significantly in its Coolgardie and Laverton projects, creating many jobs in regional Western Australia and demonstrating the Company's clear intent to deliver value for all stakeholders from its tenements. This investment is continuing. The Company will expedite its efforts to become WA's next gold producer, which will contribute significant value to the State's economy.

Focus will update the market as appropriate, consistent with its continuous disclosure obligations.

The release of this ASX announcement was authorised by Mr Zhaoya Wang, CEO of Focus Minerals Ltd.

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³ ASX announcement dated 17 February 2020.

⁴ Not to exceed \$10,000 per tenement.

⁵ Section 98(5) of the Act.

⁶ The Minister may, regardless of the recommendation of the Warden, declare a tenement forfeited, impose a fine instead of forfeiture (not to exceed \$10,000 per tenement), or determine not to forfeit the tenement or impose any penalty.