**Market Announcement**

17 December 2020

# Large-Scale Mineral Resource at Coolgardie Gold Project's CNX Deposit

## Highlights:

- **Open Pit Mineral Resource at CNX increased by 173% following new geological interpretation and review**
- **Updated resource improves Coolgardie's already robust $183m PFS NPV**
- **CNX stockwork mineralisation sub-crops and averages 30-46m width**
- **Strong potential for structural and geological continuity**
- **Intervening 350m inferred strike yet to be drill-tested**
- **New Exploration Target to be assessed during 1st half 2021**

West Australian gold explorer Focus Minerals (**ASX: FML**) (**Focus** or the **Company**) is pleased to announce a Mineral Resource update for the CNX deposit, part of the Coolgardie Gold Project (**Coolgardie**), and plans for imminent extension drilling.

Coolgardie covers 175km$^2$ of highly prospective tenements on the outskirts of the Coolgardie township in the Goldfields region. An updated Pre-Feasibility Study (**PFS**) delivered a NPV$_{7.5\%}$ of $183 million (see ASX announcement dated 22 September 2020).

CNX (formerly Caledonia North Extended) is immediately north-west along strike to the Three Mile Hill open-cut mine. The mineralisation sub-crops over a drill-defined strike of 680m. Twin hole and minor extension drilling at CNX is underway ahead of a resource reclassification. The updated CNX open pit Mineral Resource is reported on a dry tonnage basis using 0.7 g/t Au cut off to 290mRL and a southern strike extent cut off to 6,577,490N (MGA94, Zone 51).

| Classification | Tonnage (Mt) | Au Grade (g/t) | Au Contained Oz | % Increase vs June 2013 |
|---|---|---|---|---|
| Inferred | 2.6 | 1.5 | 123,000 | |
| **Total Mineral Resource** | **2.6** | **1.5** | **123,000** | **173%** |

Commenting on the CNX Mineral Resource update, Focus Minerals' CEO, Mr Zhaoya Wang, said:

*"Our technical team continues to deliver outstanding results by applying modern geology and technical know-how to our Coolgardie and Laverton gold projects. CNX is ideally located to supply our Three Mile Hill plant, which will be the centrepiece of a proposed restart of gold mining operations at Coolgardie. The addition of CNX bulk mineralisation will greatly enhance our mining plans."*

# CNX (Caledonia North Extended)

## *Emerging bulk tonnage pit underpins enhanced Coolgardie mine plan*

The CNX gold deposit is located on the north-west extension of the Three Mile Hill open pit. The strike of the Mineral Resource being reported is 680m and reported to a depth of 100m (290mRL) and cut off at northing 6,577,490N (GDA94, Zone 51). CNX is located just 1.25km north north-west of the Three Mile Hill ROM pad.
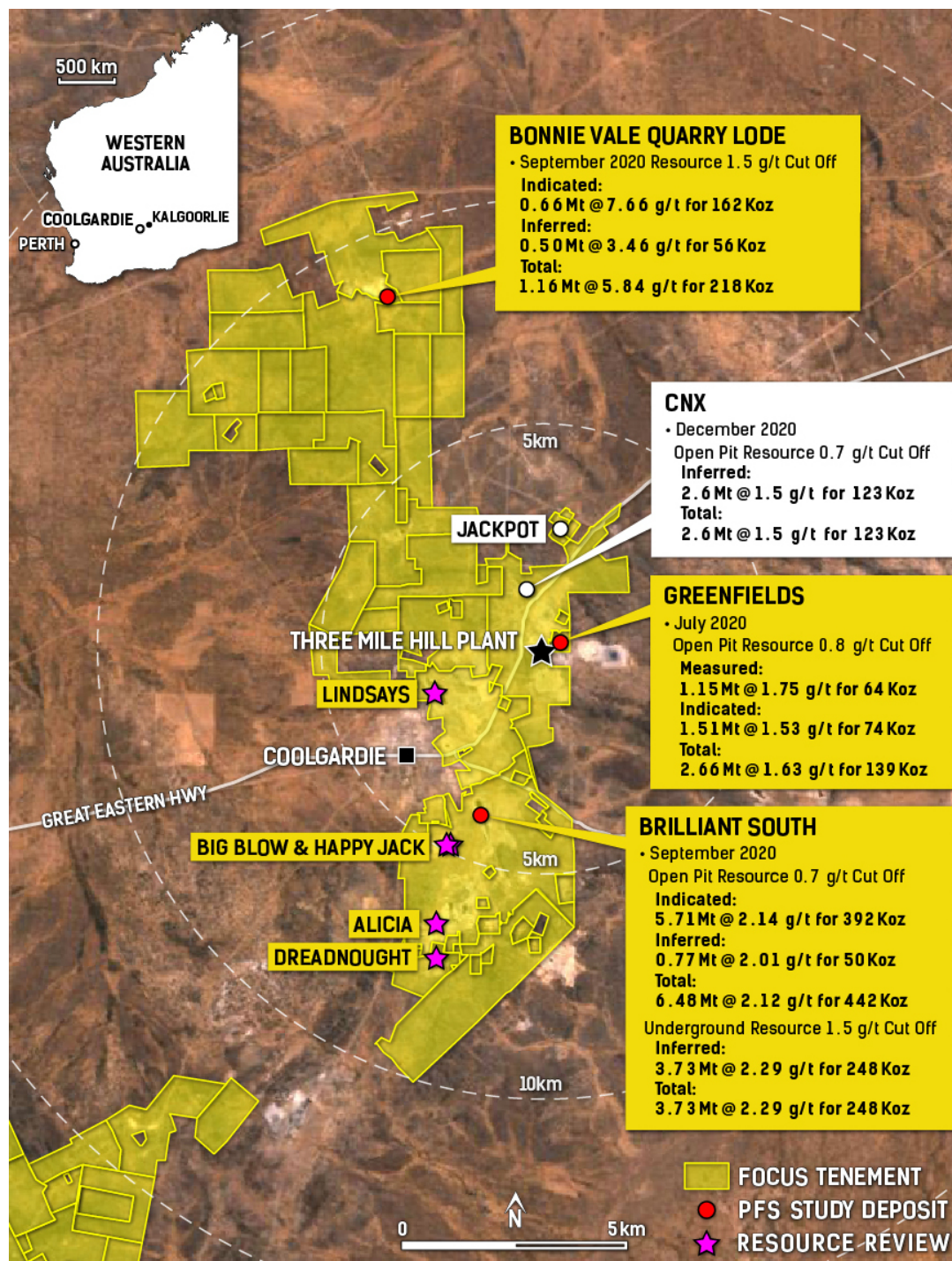


*Figure 1: Coolgardie location map highlighting: deposits included in the 2020 Coolgardie PFS, Mineral Resources currently under review and the updated CNX open pit Mineral Resource.*

# CNX Location and Historic Production

The CNX deposit is contiguous with the Three Mile Hill open pit, which had historic production of 4.2Mt @ 2.4 g/t Au for 324Koz. CNX is located on the north-west extension of the Three Mile Hill, starting on the north-western side of Great Eastern Highway. The 2020 CNX resource model has been truncated 40m north-west of Great Eastern Highway.
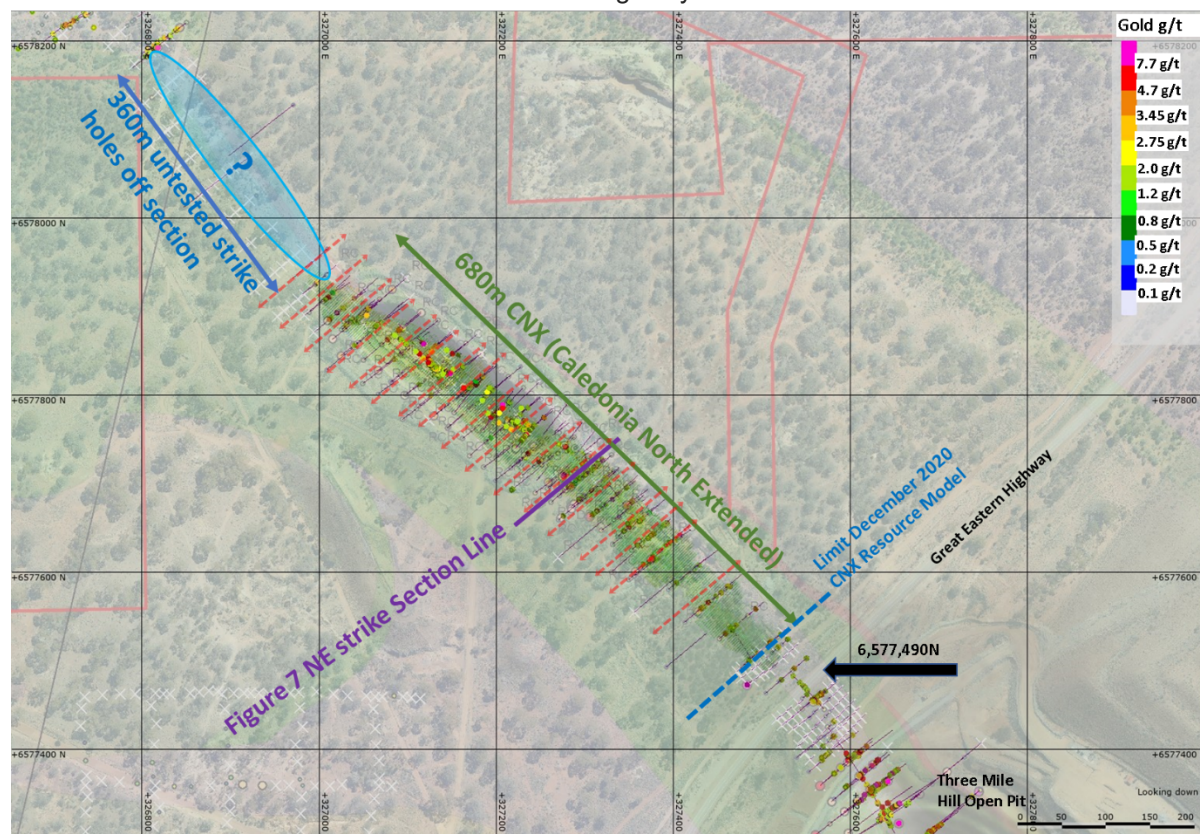


*Figure 2: Plan view location of CNX along strike from Three Mile Hill. Red arrows highlight spaced brittle ductile, south-east dipping, spaced cleavage that appears to control south-east plunging high-metal content shoots.*

The deposit was last mined in 1992 as a shallow 30m deep and 270m long north-west striking open pit. No accurate production records exist for the pit. However, based on historic grade control and the new resource model cut at 0.7g/t Au, production is estimated to have been in the vicinity of 13Kt @1.6g/t for 640oz.

## CNX Geology and Structure Summary

During a geological investigation by the Focus technical team in late October 2020, it was noted that the deposit hosted a strongly developed stockwork of flat-lying veins and related brittle-ductile structural fabric. Furthermore, it was noted that the veins were well developed in all pit walls, indicating that the mineralised stockwork likely extended beyond pit limits.
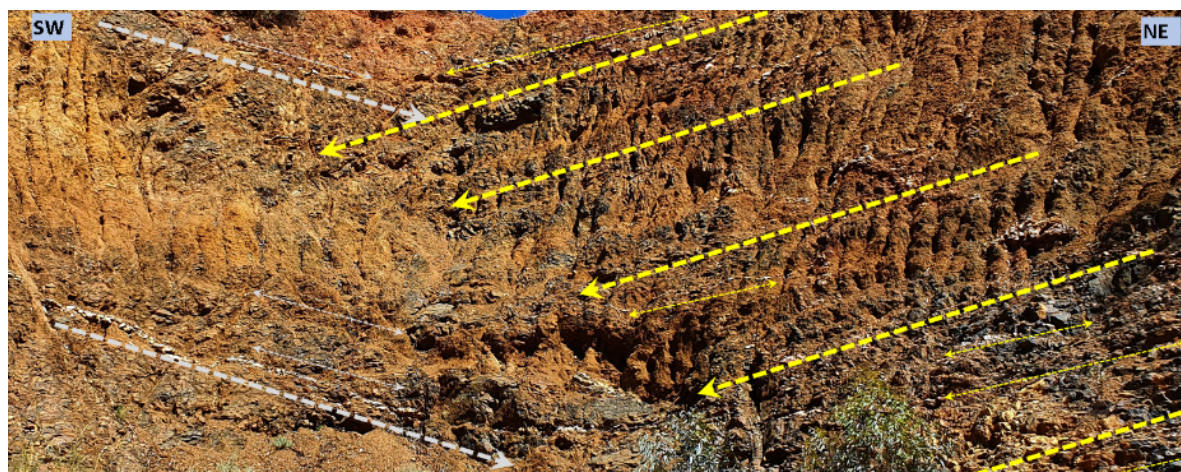


*Figure 3: North-west end of CNX pit view towards the north-west. Yellow dashed arrows highlight shallow south-west dipping vein sets associated with bulk stockworks mineralisation. Light-grey dashed arrows highlight shallow north-west dipping vein sets developed throughout the pit.*
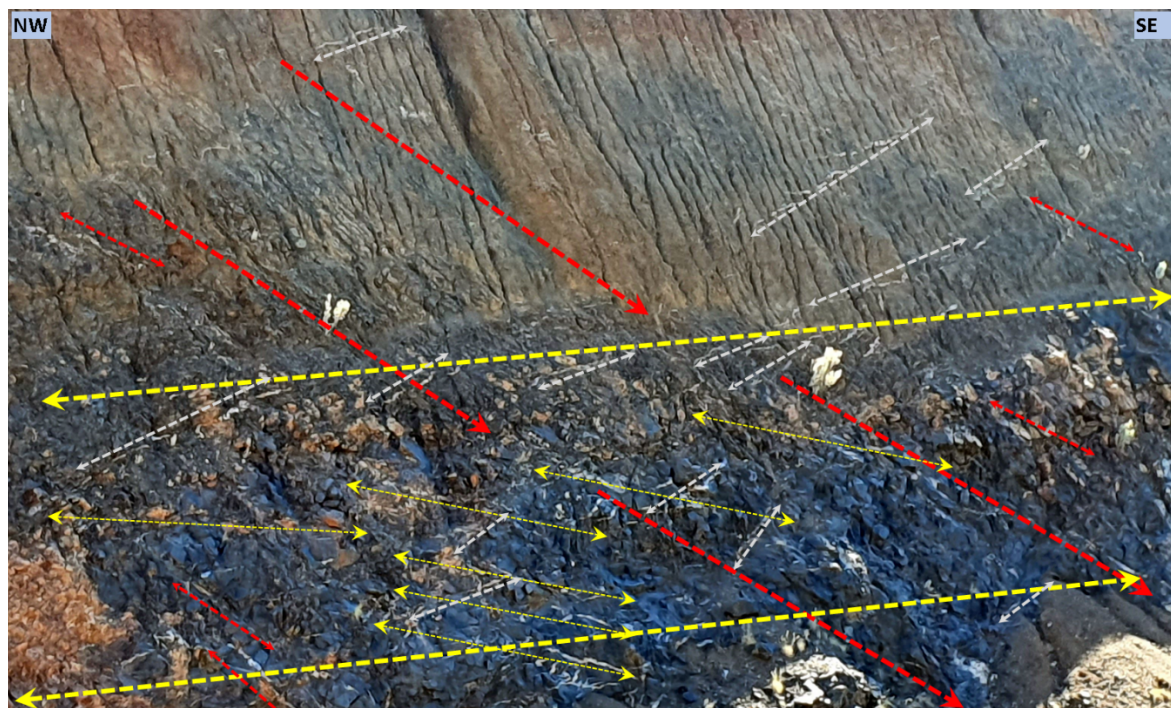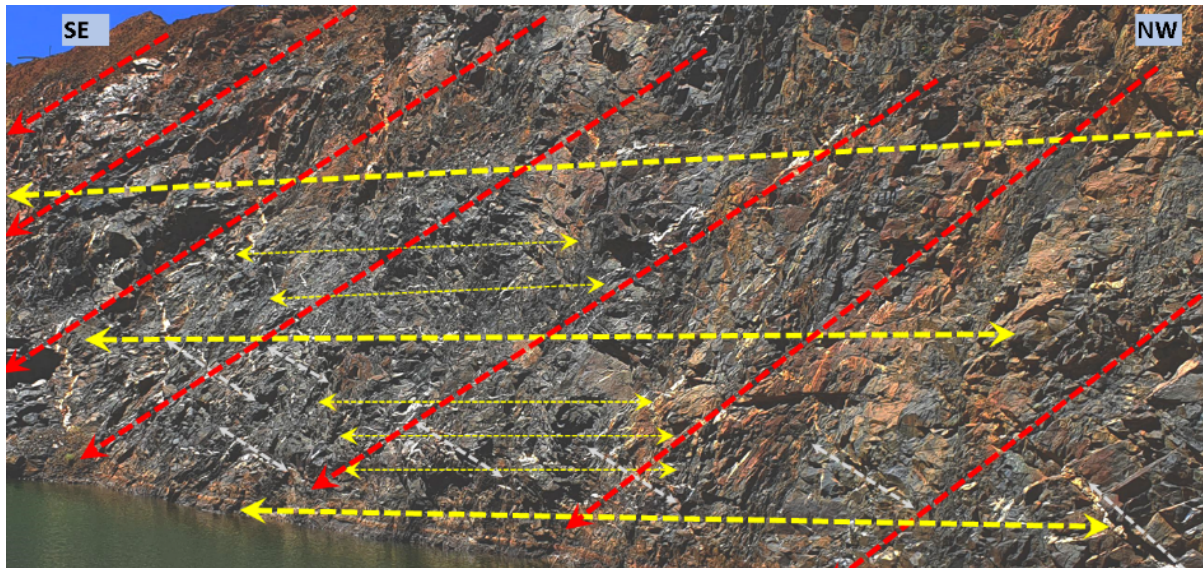


*Figure 4: North-east wall of CNX pit view towards the east. Yellow dashed arrows highlight shallow south-west dipping vein sets associated with bulk stockworks mineralisation. Light-grey dashed arrows highlight shallow north-west dipping vein sets developed throughout the pit. Red arrows highlight spaced brittle ductile, south-east dipping, structural fabric that appears to control south-east plunging high-metal content shoots.*

*Figure 5: South-west wall of CNX pit view towards the south. Yellow dashed arrows highlight shallow south-west dipping vein sets associated with bulk stockwork mineralisation. Light-grey dashed arrows highlight shallow north-west dipping vein sets developed throughout the pit. Red arrows highlight spaced brittle ductile, south-east dipping, structural fabric that appears to control south-east plunging high-metal content shoots.*

It was determined that the deposit showed many similarities to the structure observed at the nearby Greenfields open pit, for which Focus announced an 81% Mineral Resource increase earlier this year (see ASX announcement dated 9 July 2020).

The CNX resource was re-estimated using existing close-spaced (20m x 10m) historical resource and grade-control drilling. The remodelling confirmed open-pit observations that CNX mineralisation is hosted by shallow south-west dipping structures forming bulk-style stacked mineralised packages.

Furthermore, it is noted that the shallow dipping lodes show remarkable continuity across dip and along strike, forming a genuine bulk tonnage deposit with average mineralised widths between 30 and 46m.
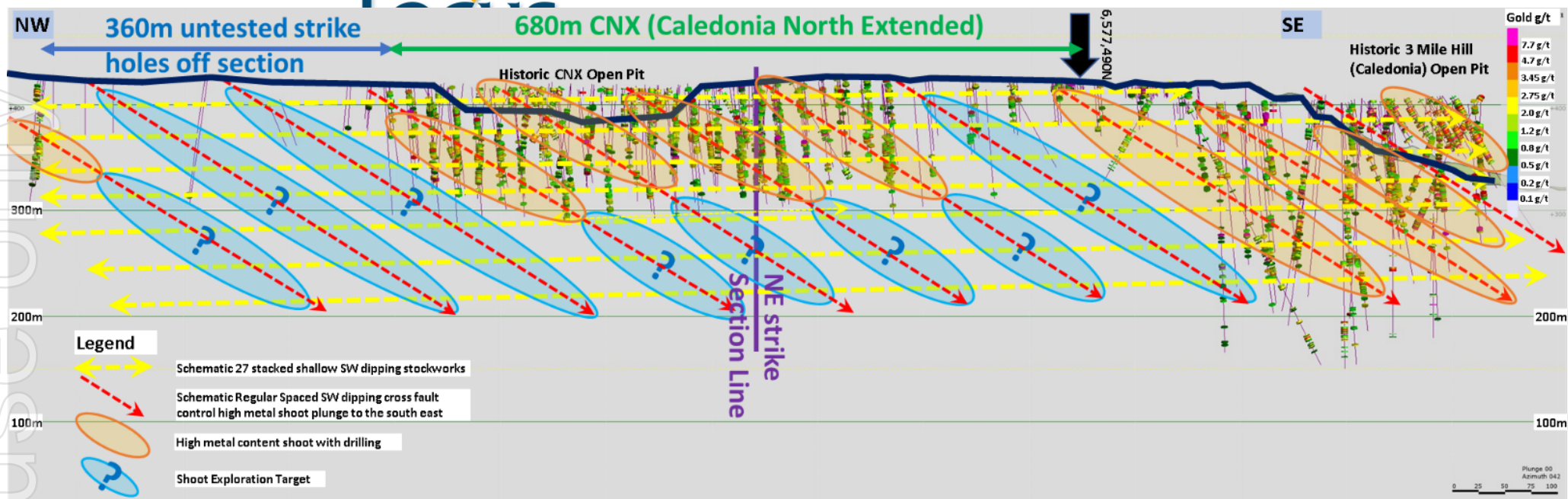
*Figure 6: View towards the north-east with schematic CNX long-section interpretation. Yellow dashed arrows highlight the 27 stacked, shallow south-west dipping lodes defined by drilling to date. These south-west dipping lodes host bulk-style mineralisation 30-46m wide. Red arrows highlight spaced south-east dipping structural fabric that closely aligns with high-metal content mineralised shoots. Orange ellipses mark the general location of high-metal content shoots currently located by drilling. Blue ellipses show location of bulk plus high-grade shoot exploration targets at CNX over a north-west strike of more than 1km.*
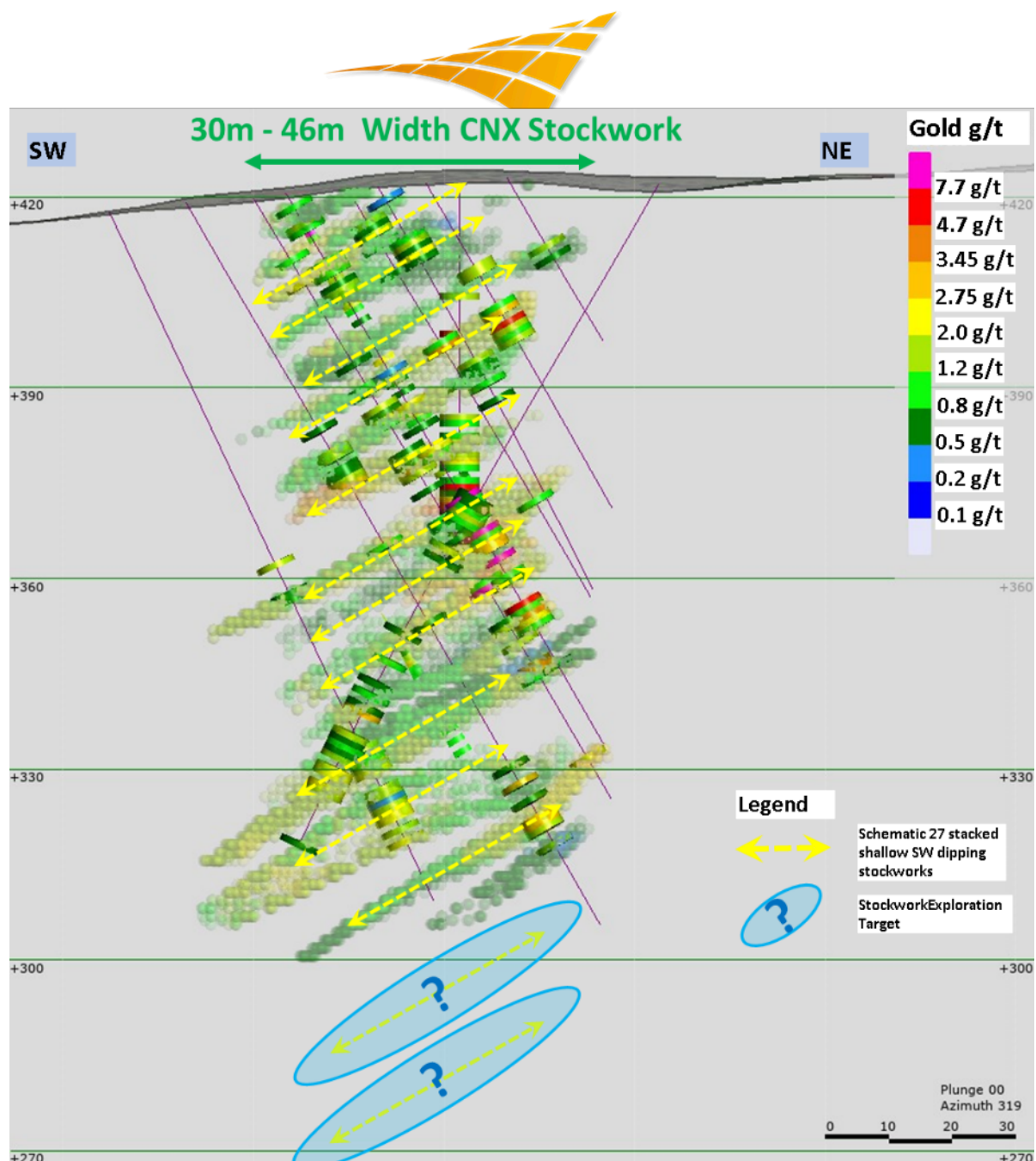
*Figure 7: View towards the north-west with schematic sectional interpretation of CNX mineralisation overlain on a bulk mineralised system block model coloured by gold grade (g/t). The location of this section is shown in Figure 4. The CNX system is open to further extension along strike and at depth and provides considerable scope for bulk mill feed within 1.3km of the Three Mile Hill ROM pad.*

The new CNX Mineral Resource model differs from that documented in June 2013 as the mineralisation is hosted by flat-lying veins. Consequently, the earlier estimate underestimated the scale of the CNX mineralised system.

The current Mineral Resource is classified as Inferred. However, further evaluation of resource classification will be undertaken once the initial CNX drill program including targeted diamond drilling has been completed.

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## CNX Exploration Target

The December 2020 CNX open pit Mineral Resource update outlines an emerging bulk-tonnage resource that remains open for extension at depth and along strike.

Based on the current understanding of the CNX-Three Mile Hill mine corridor geology and mineralisation distribution (Figures 6 and 7), Focus has determined the initial CNX open pit exploration target comprises:

| CNX Open Pit Exploration Target | Tonnage (Mt) | Au Grade (g/t) | Au Contained Koz |
|---|---|---|---|
| CNX Open Pit | 7.0 – 9.0 | 1.4 – 1.7 | 315 – 490 |

The CNX Exploration Target will be assessed by exploration drilling and resource modelling over the next 24 months. First drilling using RC and DD started during December 2020.

The potential quantity and grade of the Exploration Targets are conceptual in nature and therefore an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



*Figure 8: View South toward 3 Mile Hill Crusher/ROM with drilling underway at CNX (14/12/2020)*
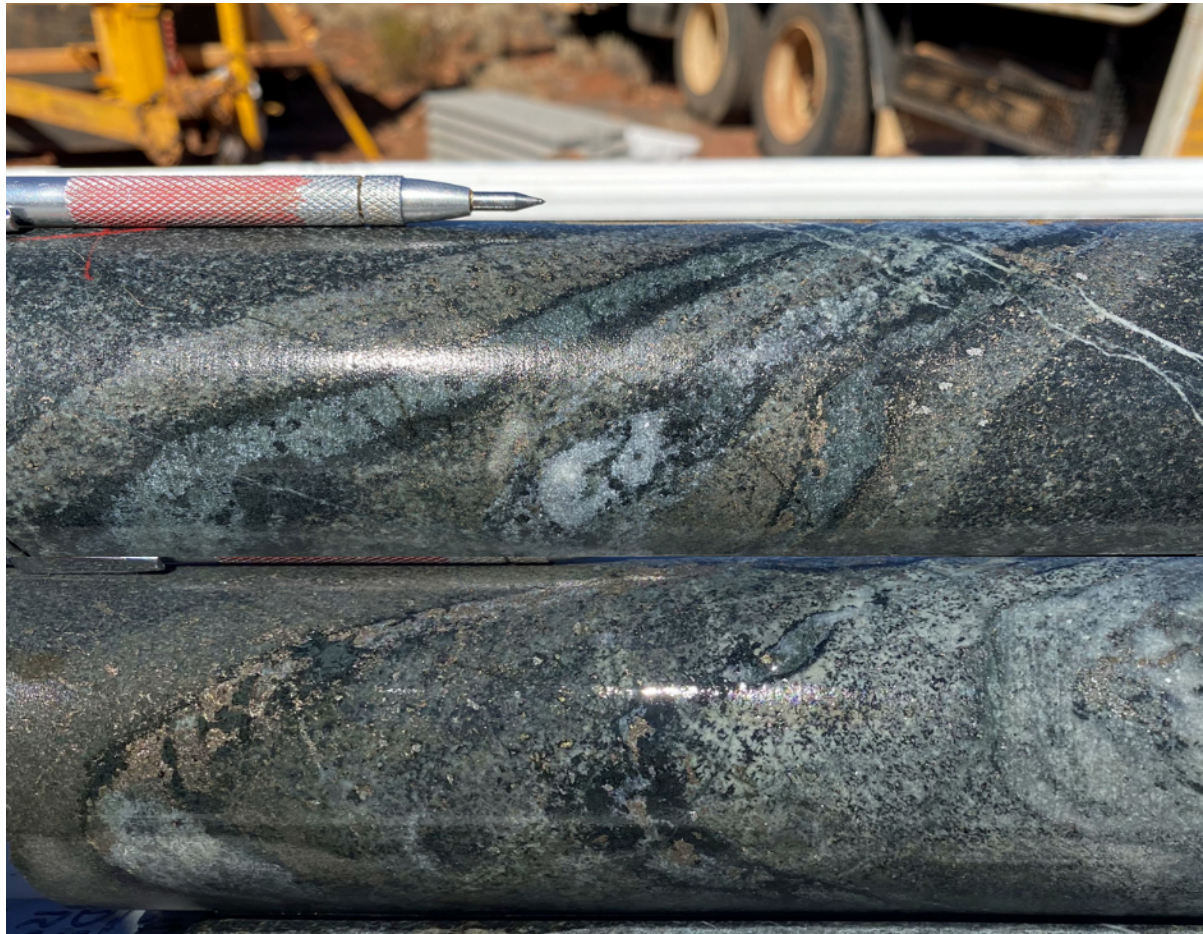
*Figure 9: Pyrrhotite >> carbonate-rutile selvedge to quartz carbonate- -chlorite-pyrrhotite veins in CNX core from interval between 116m and 120m in diamond hole 20CNDD001.*

The release of this ASX announcement was authorised by
Mr Zhaoya Wang, CEO 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 Laverton Gold Project and Coolgardie Gold Project, in Western Australia's Goldfields.

The flagship Laverton Gold Project covers 386km$^2$ 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 Sickle, Ida-H and Burtville South. Focus is finalising a Pre-Feasibility Study into Stage 1 production.

Focus is also committed to delivering shareholder value from the Coolgardie Gold Project, a 175km$^2$ 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.

**Competent Person Statement**

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Alex Aaltonen, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Aaltonen is an employee of Focus Minerals Limited. Mr Aaltonen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of *the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*

The Mineral Resource estimates were undertaken by Ms Hannah Kosovich, an employee of Focus Minerals. Ms Hannah Kosovich is a member of Australian Institute of Geoscientists and has sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of *the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*

Mr Aaltonen and Ms Hannah Kosovich consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The CNX Exploration Target in this announcement was compiled by Mr Alex Aaltonen, who is a Member of AusIMM and, employee of Focus Minerals. Mr Aaltonen has sufficient experience with the style of mineralisation/deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Aaltonen consents to the release of the CNX Exploration Target for the form and context as it appears.

# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | Commentary |
|---|---|
| *Sampling techniques* | • *Focus Minerals Ltd (FML) RC percussion drill chips were collected through a cyclone and riffle splitter. Samples were collected on a 1m basis. The spoils were left in neat rows at 1m intervals.*<br>• *Diamond core was sampled across identified zones of mineralisation by site geologists, the sample widths varied between a minimum of 0.3m and a maximum of 1m.*<br>• *At the assay laboratory all samples were oven dried, crushed to a nominal 10mm using a jaw crusher (core samples only) and weighed. Samples in excess of 3kg in weight were riffle split to achieve a maximum 3kg sample weight before being pulverized to 90% passing 75µm.*<br>• *The diamond core was orientated and marked up for sampling by the supervising geologist during the core logging process, with sample intervals determined by the presence of mineralisation and/or alteration. The core was cut in half using an Almonte automatic core saw.*<br>• *Goldfan collected 2kg samples as either 4m composites or as 1m samples through mineralised ground or interesting geology. Samples were run through a cyclone and then put through a riffle splitter. Where the 4m composite samples returned greater than 0.25g/t Au, 1m samples were submitted.*<br>• *Cord Holdings (Cord) collected 1m samples off the RC rig, split the samples by unknown methods and submitted them for assay.*<br>• *Information on the seven Diamond holes drilled by Northland Minerals Ltd is limited and only referred to as an internal report on WAMEX. However, four of these holes were targeted within the current CNX pit. Samples were taken as predominantly 1m intervals, with 2m composites taken from surface to approx. 18m below surface. Samples were also taken to geological contacts.*<br>• *Clackline Ltd (Clackline) drilled RC pre-collars followed by NQ drill core. The RC pre-collars were riffle split with 1m samples submitted for assay, while NQ core was sawn and ½ core 1m samples submitted for analysis.* |
| *Drilling techniques* | • *All FML drilling was completed using an RC face sampling hammer or NQ2/HQ3 size diamond core.  Where achievable, all drill core was oriented by the drilling contractor using an Ezy-mark system. Most holes were surveyed upon completion of drilling using an electronic multi-shot (EMS) camera open hole.*<br>• *Goldfan used RC face sampling hammer. Holes were downhole surveyed by Eastman single shot camera and later by Eastman multiple shot camera.*<br>• *Cord RC holes were completed using RC roller and hammer.*<br>• *Clackline drilled RC pre-collars followed by NQ diamond core tails. Holes were downhole surveyed by Eastman single shot camera.* |
| *Drill sample recovery* | • *FML Sample recovery was recorded by a visual estimate during the logging process.*<br>• *All RC samples were drilled dry whenever possible to maximize recovery, with water injection on the outside return to minimise dust.*<br>• *Goldfan states a consistent sample recovery in the range of 80-90%.*<br>• *Cord, Clackline and Northland sample recovery is unknown.* |

| Logging | • The information of logging techniques below applies to the drill holes drilled by FML only. All core samples were oriented, marked into metre intervals and compared to the depth measurements on the core blocks. Any loss of core was noted and recorded in the drilling database. |
|---|---|
| | • All RC samples were geologically logged to record weathering, regolith, rock type, colour, alteration, mineralisation, structure and texture and any other notable features that are present. |
| | • All diamond core was logged for structure, and geologically logged using the same system as that for RC. |
| | • The logging information was transferred into the company's drilling database once the log was complete. |
| | • Logging was qualitative, however the geologists often recorded quantitative mineral percentage ranges for the sulphide minerals present. |
| | • Diamond core was photographed one core tray at a time using a standardised photography jig. |
| | • The entire length of all holes is logged. |
| | • Historic RC holes have been logged at 1m intervals to record weathering, regolith, rock type, colour, alteration, mineralisation, structure and texture and any other notable features that are present. |
| | • |
| Sub-sampling techniques and sample preparation | • FML Core samples were taken from half core, cut using an Almonte automatic core saw. The remainder of the core was retained in core trays tagged with a hole number and metre mark. Samples were submitted to ALS Kalgoorlie for analysis. |
| | • FML RC samples were riffle split to a nominal 2.5kg to 3kg sample weight. The drilling method was designed to maximise sample recovery and delivery of a clean, representative sample into the calico bag. The samples were submitted to ALS or Kal Assay for analysis. |
| | • Where possible all RC samples were drilled dry to maximise recovery. Sample condition was recorded (wet, dry, or damp) at the time of sampling and recorded in the database. |
| | • The samples were collected in a pre-numbered calico bag bearing a unique sample ID. Samples were crushed to 75µm at the laboratory and riffle split (if required) to a maximum 3kg sample weight. Gold analysis was primarily a 40g Fire Assay for individual samples with an ICP-OES or AAS Finish. |
| | • The assay laboratories' sample preparation procedures follow industry best practice, with techniques and practices that are appropriate for this style of mineralisation. Pulp duplicates were taken at the pulverising stage and selective repeats conducted at the laboratories' discretion. |
| | • FML QAQC checks involved inserting a standard or blank alternating every 20 samples in RC. Diamond core field duplicates were not taken, a minimum of 1 standard was inserted for every sample batch submitted. |
| | • The sample sizes are considered to be appropriate for the type, style and consistency of mineralisation encountered during this phase of exploration. |
| | • Goldfan originally submitted its samples to Australian Laboratories Group Kalgoorlie. The 2kg samples were oven dried, then crushed to a nominal 6mm and split once through a Jones riffle splitter. A 1kg sub-sample was fine pulverised in a Keegor Pulveriser to a nominal 100 microns. This sample was homogenised and 400-500g split as the assay pulp for analysis. Assaying was by a classical fire assay on a 50g charge to a lower detection limit of 0.01 ppm gold. |
| | • Later RC drilled by Goldfan was submitted to Minlab Kalgoorlie where the whole of the sample is pulverised in a ring mill before 300g sample is split as the assay pulp. Assaying was by fire assay on a 50g charge to a lower detection limit of 0.01 ppm gold. |
| | • Goldfan conducted inter-laboratory check sampling over approx. 10% of holes over the whole program with results found to be within acceptable limits. |
| | • Laboratory repeat checks were also run on the assay data. |
| | • Cord submitted 1m samples to Kalgoorlie Assay Laboratory. |
| | • Clackline submitted 1m RC samples or 1m ½ core diamond samples to Australian Assay Laboratories for fire assay on a 50g charge. |

| | |
|---|---|
| *Quality of assay data and laboratory tests* | • *The assay method and laboratory procedures were appropriate for this style of mineralisation. The fire assay technique was designed to measure total gold in the sample.*<br>• *No geophysical tools, spectrometers or handheld XRF instruments were used.*<br>• *The QA/QC process described above was sufficient to establish acceptable levels of accuracy and precision. All results from assay standards and duplicates were scrutinised to ensure they fell within acceptable tolerances.* |
| *Verification of sampling and assaying* | • *Significant intervals were visually inspected by company geologists to correlate assay results to logged mineralisation. Consultants were not used for this process.*<br>• *Primary data is sent in digital format to the company's Database Administrator (DBA) as often as was practicable. The DBA imports the data into an acQuire database, with assay results merged into the database upon receipt from the laboratory. Once loaded, data was extracted for verification by the geologist in charge of the project.*<br>• *No adjustments were made to any current or historic data. If data could not be validated to a reasonable level of certainty it was not used in any resource estimations.* |
| *Location of data points* | • *FML drill collars were surveyed after completion, using a DGPS instrument. All drill core was oriented by the drilling contractor using an Ezy-mark system. Most holes were surveyed upon completion of drilling. Electronic multi-shot camera was used, and holes were surveyed open*<br>• *All coordinates and bearings use the MGA94 Zone 51 grid system.*<br>• *FML utilises Landgate sourced regional topographic maps and contours as well as internally produced survey pick-ups produced by the mining survey teams utilising DGPS base station instruments.*<br>• *Goldfan holes were laid out and picked up by the Three Mile Hill Survey Department. Down hole surveying was conducted by Down Hole Surveys using Eastman multiple shot cameras.*<br>• *Clackline used Eastman single shot cameras for down hole surveying and state collars were surveyed with respect to local grids that existed at the time.* |
| *Data spacing and distribution* | • *Drill spacing along CNX is approximately 20m x 10m through the main lode horizon, increasing to 40m x 20m at the far south eastern extension of the mineralisation as it nears the Highway. The average depth of the RC drilling is 80m, with a maximum depth of 149m and the average depth of the diamond drilling was 100m with a maximum depth of 131.05m.* |
| *Orientation of data in relation to geological structure* | • *Drilling was designed based on known geological models, field mapping, verified historical data and cross-sectional interpretation.*<br>• *Drill holes were oriented at right angles to strike of deposit, with dip optimised for drill capabilities and the dip of the ore body.* |
| *Sample security* | • *All samples were reconciled against the sample submission with any omissions or variations reported to FML.*<br>• *All samples were bagged in a tied numbered calico bag, grouped into green plastic bags. The bags were placed into cages with a sample submission sheet and delivered directly from site to the Kalgoorlie laboratories by FML personnel.*<br>• *Historic sample security is not recorded.* |
| *Audits or reviews* | • *A review of sampling techniques was carried out by rOREdata Pty Ltd in late 2013 as part of a database amalgamation project. Their only recommendation was to change the QA/QC intervals to bring them into line with the FML Laverton system, which uses the same frequency of standards and duplicates but has them inserted at different points within the numbering sequence.* |

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | Commentary |
|---|---|
| *Mineral tenement and land tenure status* | • *CNX is located within Mining Lease M15/645, registered to Focus Minerals Ltd. and Focus Operations Pty Ltd of Perth, Western Australia and which is current until March 2035.*<br>• *The Malinyu Ghoorlie 2017 and Maduwongga 2017 Claims overlap this resource area.* |
| *Exploration done by other parties* | • *CNX and the adjacent Three Mile Hill deposits have been explored by numerous parties over the years. A 1986 Cord WAMEX report references the lease mentioned in 1947 Department of Mines Annual Reports. They also indicate earlier prospecting activity was evident by:*<br>   • *two shallow shafts*<br>   • *several shallow pits sunk within the mineralised dolerite belt.*<br>   • *large scale alluvial/elluvial surface mining by previous holders*<br>• *More modern exploration of the deposit has involved various drilling campaigns by various drilling methods such as RAB, RC and Diamond since the mid 1960's.*<br>• *Geological Mapping, Ground Magnetics, Aeromagnetics and soil sampling have also been routinely carried out by other parties since the mid 1980's.*<br>• *Herald Resources briefly mined CNX in the 1990's by open pit extraction while it was mining the adjacent Three Mile Hill deposit to the SE of the Great Eastern Highway. A 1.2Mtpa processing plant was constructed at the Three Mile Hill deposit.*<br>• *Figures for CNX are not available however it has been reported 4.2Mt at a grade of 2.4g/t Au for 324,116 ounces was mined from Three Mile Hill.*<br>• *The existing CNX pit is 275m long, 75m wide and has been mined to a depth of 30m.* |
| *Geology* | • *The CNX deposit mineralisation is located within steeply southwest dipping and northwest striking Three Mile Hill meta gabbro.*<br>• *The deposit outcrops and subcrops over the 680m strike currently considered to be defined by drilling,*<br>• *CNX bulk style mineralisation is hosted by stacked moderate southwest dipping lodes that together form a tabular style orebody.within the three mile hill gabbro.*<br>• *Spaced southeast dipping cross faults appear to control higher grade and thicker south east plunging mineralised shoots.*<br><br>*All modelled lodes have remarkably continuous mineralisation between sections over several hundred metres  and linking back to the Three Mile Hill Open Pit* |

| Drill hole Information | • Historic drilling information has been validated against publicly available WAMEX reports. | | | |
|---|---|---|---|---|

| Company | Drill Hole Number | WAMEX Report A-Number | WAMEX Report Date |
|---|---|---|---|
| CLACKLINE | ECN002RD | 20750 | Jan-86 |
| | ECN003RD, ECN004RD | 20344 | 1986 |
| CORD-PAL | RC1, RC10, RC11, RC12, RC14, RC15, RC16, RC17, RC18, RC19, RC2, RC20, RC21, RC22, RC23, RC24, RC25, RC26, RC27, RC28, RC29, RC3, RC30, RC31, RC32, RC33, RC34, RC4, RC5, RC6, RC7, RC8, RC9 | 19363 | Jun-86 |
| GOLDFAN | TMH199R, TMH203R, TMH204R, TMH205R, TMH206R, TMH207R | 33456 | Jun-91 |
| | TMH222R, TMH223R, TMH224R, TMH225R, TMH226R, TMH227R, TMH228R, TMH229R, TMH230R, TMH231R, TMH232R, TMH242R, TMH243R, TMH244R, TMH245R, TMH246R, TMH247R, TMH248R, TMH249R, TMH250R, TMH251R | 43021 | Dec-94 |
| | TMH255R, TMH256R, TMH258R, TMH259R, TMH260R, TMH261R, TMH262R, TMH263R, TMH264R, TMH265R, TMH266R, TMH267R, TMH268R, TMH269R, TMH270R, TMH271R, TMH272R, TMH273R, TMH275R, TMH276R, TMH279R, TMH280R, TMH282R, TMH283R, TMH284R, TMH285R, TMH287R, TMH288R, TMH289R, TMH290R, TMH291R, TMH292R, TMH294R, TMH296R, TMH297R, TMH299R, TMH300R, TMH301R, TMH302R, TMH303R, TMH304R, TMH305R, TMH306R, TMH307R, TMH308R, TMH309R, TMH310R, TMH311R, TMH312R, TMH313R, TMH314R, TMH315R, TMH316R, TMH317R, TMH321R, TMH322R, TMH323R, TMH324R, TMH327R, TMH328R, TMH329R, TMH330R, TMH331R, TMH333R, TMH334R, TMH335R, TMH336R, TMH337R, TMH338R, TMH339R, TMH340R, TMH341R | 46486 | Dec-95 |
| FOCUS | CNXC001, CNXC002, CNXC003, CNXC003A, CNXC004, CNXC005, CNXC006, CNXC007, CNXC008, CNXC009, CNXC010, CNXC011, CNXC012, CNXC013, CNXC015, CNXC016, CNXC017, CNXDD014 | 96924 | Feb-12 |
| | CNXC019, CNXC020, CNXC021, CNXC022, CNXC023, CNXC024, CNXC025, CNXC026, CNXC027, CNXC028, CNXC029, CNXC030, CNXC031, CNXC032 | 101352 | Feb-14 |

- *The Collar details of holes not able to be referenced on WAMEX are tabulated below:*

| HOLEID | EAST | NORTH | RL | AZIMUTH | DIP | DEPTH |
|---|---|---|---|---|---|---|
| TCN083T | 327476.9 | 6577493 | 421.01 | 50 | -60 | 12 |
| TCN084T | 327482.5 | 6577497 | 421.57 | 50 | -60 | 12 |
| TCN085T | 327488.1 | 6577503 | 421.93 | 50 | -60 | 12 |
| TCN088T | 327508.3 | 6577518 | 423.62 | 50 | -60 | 12 |
| TCN089T | 327518.1 | 6577527 | 424.17 | 50 | -60 | 12 |
| TMDDH-2 | 327298.1 | 6577770 | 420.94 | 217.98 | -45 | 120 |
| TMDDH-3 | 327280.4 | 6577790 | 419.94 | 217.98 | -45 | 110 |
| TMDDH-4 | 327222.3 | 6577740 | 415.86 | 37.98 | -45 | 46 |
| TMDDH-5 | 327222.4 | 6577740 | 415.88 | 37.98 | -75 | 74 |
| TMDDH-6 | 327184.7 | 6577760 | 415.21 | 37.98 | -45 | 80 |
| TMDDH-7 | 327190.7 | 6577770 | 415.15 | 37.98 | -75 | 67 |
| TMDDH-8 | 327152.8 | 6577780 | 414.7 | 37.98 | -45 | 80 |

| | |
|---|---|
| Data aggregation methods | • *Mineralised intersections are reported at a 0.5g/t Au cut-off with a minimum reporting width of 1m for RC holes and 0.3m for diamond holes, composited to 1m.* |
| Relationship between mineralisation widths and intercept lengths | • *Holes were drilled orthogonal to mineralisation as much as possible, however the exact relationship between intercept width and true width cannot be estimated exactly in all cases.* |
| Diagrams | • *Refer to Figures and Tables in body of the release.* |
| Balanced reporting | • *Drill hole results available on WAMEX.* |
| Other substantive exploration data | • *There is no other material exploration data to report at this time.* |
| Further work | • *Future works planned for CNX include a drilling programs currently underway and expected to continue in early 2021.*<br>• *Hi resolution drone geotechnical mapping for geotechnical review was acquired in early December and will be analysed in early Jan 2021.*<br>• *Metallurgical and geotechnical samples will be acquired from current drilling programs and follow up work in 2021* |

## Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

| Criteria | Commentary |
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| *Database integrity* | • *FML data was geologically logged electronically, collar and downhole surveys were also received electronically as was the laboratory analysis results. These electronic files were loaded into an acQuire database by either consultants rOREdata or the company in-house Database Administrator. Data was routinely extracted to Microsoft Access during the drilling program for validation by the geologist in charge of the project.*<br>• *FML's database is a Microsoft SQL Server database (acQuire), which is case sensitive, relational, and normalised to the Third Normal Form. As a result of normalisation, the following data integrity categories exist:*<br>   • *Entity Integrity: no duplicate rows in a table, eliminated redundancy and chance of error.*<br>   • *Domain Integrity: Enforces valid entries for a given column by restricting the type, the format, or a range of values.*<br>   • *Referential Integrity: Rows cannot be deleted which are used by other records.*<br>   • *User-Defined Integrity: business rules enforced by acQuire and validation codes set up by FML.*<br>• *Additionally, in-house validation scripts are routinely run in acQuire on FML's database and they include the following checks:*<br>   • *Missing collar information*<br>   • *Missing logging, sampling, downhole survey data and hole diameter*<br>   • *Overlapping intervals in geological logging, sampling, down hole surveys*<br>   • *Checks for character data in numeric fields*<br>• *Data extracted from the database were validated visually in GEOVIA Surpac software and Seequent Leapfrog software. Also, when loading the data any errors regarding missing values and overlaps are highlighted.*<br>• *Historic data has been validated against WAMEX reports where possible.* |
| *Site visits* | • *Alex Aaltonen, the Competent Person for Sections 1 and 2 of Table 1 is FML's General Manager - Exploration and conducts regular site visits including October 27 and early December.*<br>• *Hannah Kosovich, the Competent Person for Section 3 of Table 1 is FML's Resource Geologist and last visited site in February 2014.* |
| *Geological interpretation* | • *All available drill hole and pit mapping data was used to guide the geological interpretation of the mineralisation.*<br>• *A series of closely spaced, stacked flatter dipping lodes (27 in total) were modelled as dipping 30° to the SW based on observations in the pit walls and previous reports.* |

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| | • *A series of 15 regularly spaced steeper SE dipping feeder/cross faults were also interpreted as controlling the distribution of higher grade and thicker shoots.*<br>• *The mineralised geological interpretation was created in Leapfrog Geo software.*<br>• *Minor deviation only of the lode geometry was noticed between drill holes along strike and down-dip within each of the two different mineralisation sets.* |
| *Dimensions* | • *The entire CNX – Three Mile Hill trend has been interpreted as striking North West – South East, however for the purposes of this estimation the CNX deposit has been truncated to the North of the Highway where the drill spacing starts to increase.*<br>• *The CNX mineralisation has been modelled over 680m, the lodes have been interpreted from near surface to approximately 155m below surface to the 260mRL (Deeper mineralisation located adjacent and along strike of Three Mile Hill Open Pit).*<br>• *However, over the majority of the 680m CNX strike currently defined by drilling the lodes are only modelled to around 290mRL (~100m depth)*<br>• *The average thickness of the flatter lodes is 4m. However as the lodes are stacked the bulk style mineralisation combines to form a tabular style of very steeply south west dipping mineralisation averaging 35-46m width over 680m strike currently defined by drilling* |
| *Estimation and modelling techniques* | • *The drill hole samples were composited to 1m within each domain. This is the dominant sampling interval.*<br>• *Composited assay values of each domain were exported to a text file (.csv) and imported into Snowden Supervisor for geostatistical analysis.*<br>• *A review of histograms, probability plots and mean/variance plots for each domain revealed some outlier sample values.*<br>• *Top capping of higher Au values within each domain was carried out with Au values above the cut-off grade reset to the cut-off grade.*<br>• *An average top-cap of 10g/t was used and a maximum top-cap of 20g/t.*<br>• *Variograms were modelled in Supervisor, the main flat lode was modelled and the largest of the steep cross fault lodes. due to the skewed nature of the dataset a Normal Scores transformation was applied to obtain better variograms. A back-transformation was then applied before being exported. The other lodes shared the variograms.*<br>• *A cell weighted declustering method was applied to the data prior to variogram modelling as some clustering of historic data occurred as subsequent tenement holders followed up on high grade intersections.*<br>• *This also resulted in a higher nugget value being applied to help address any negative kriging weights that arose.*<br>• *GEOVIA Surpac Software was used for the estimation and modelling process. The model was created in GDA* |

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| | *94 grid co-ordinates. Block sizes for the model were 5m in Y, 10m in X and 5m in Z direction. Sub celling of the parent blocks was permitted to 1.25m in the Y direction, 2.5m in the X direction and 1.25m in the Z direction. Sub-blocking was used to best fill the wireframes and inherit the grade of the parent block. A 45° rotation was applied around the Z axis in Surpac (bearing) to orientate the blocks to best fill the NW-SE strike of the deposit.* |
| | • *Block size is approximately ½ of the average drill hole spacing.* |
| | • *An Ordinary Kriging (OK) estimation technique was selected and used the variograms modelled in Supervisor. Each domain was estimated separately, samples were shared between the flat lodes and steeper cross-cutting faults where they intersected as it is believed to be one system of gold and a neighbourhood analysis in Supervisor. This only affects a small proportion of the samples.* |
| | • *Minimum (8) and maximum (18) sample numbers were selected based on a Kriging Neighbourhood analysis in Supervisor.  This was dropped to a minimum (4) samples on the second and third search pass.* |
| | • *An elliptical search was used based on range of the Variograms.* |
| | • *Three search passes were run in order to fill the block model with estimated Au values. The search distance was doubled between each estimation run.* |
| | • *The estimate was validated by a number of methods. An initial visual review was done by comparing estimated blocks and raw drill holes.* |
| | • *Tonnage weighted mean grades were compared for all lodes with the raw and top-capped drill hole values. There were no major differences.* |
| | • *Swath plots of drill hole values and estimated Au grades by northing and RL were done for the main domain and showed that the estimated grades honoured the trend of the drilling data.* |
| *Moisture* | • *Tonnages are estimated on a dry basis.* |
| *Cut-off parameters* | • *The Resources for CNX have been reported above a 0.7g/t cut-off for open pit above 290mRL (~100m depth).* |
| *Mining factors or assumptions* | • *The CNX deposit would be mined by open-cut* |
| *Metallurgical factors or assumptions* | • *Historic mining at CNX has focussed on alluvial and oxide portion of the Mineral Resource.* |
| | • *Pre 1990's limited metallurgical testwork indicates encouraging recoveries from oxide samples* |
| | • *FML will be conducting metallurgical testwork on CNX samples in 2021.* |

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| | • *CNX is along strike of the Three Mile Hill open pits and assumed to be part of the same system. Three Mile Hill OP has historical production of 4.2Mt at a grade of 2.4g/t Au for 324,116 ounces* |
| *Environmental factors or assumptions* | • *The CNX deposit occurs within an area of significnat previous ground disturbance including:*<br>   • *the existing CNX pit,*<br>   • *Large scale alluvial/elluvial washing plants,*<br>   • *Shaft/ trenches.*<br>   • *The deposit is located just 1.25km north of the Three Mile Hill ROM pad.*<br> • *The southern margin of the reported Minera Resource has been truncated 40m north of great Eastern Highway which is seen as a reasonable break between what is considered CNX to the north west and Three Mile Hill Mineral Resource (Not being Reported Here) to the South East.* |
| *Bulk density* | • *Density values were assigned based on weathering profile. Limited SG test work using a water immersion technique was conducted on the FML drill core. Therefore, historic figures used in the region were applied. Very limited oxide material exists, only transitional and fresh density values assigned to the model. An average density of 2.4 for transitional and 2.87 for fresh rock were applied to the model.* |
| *Classification* | • *Resources have been classified as Inferred based mainly on geological confidence in the geometry and continuity of the lodes and close spaced (20m x 10m) drilling across the bulk of the deposit. In addition, various estimation output parameters such as number of samples, search pass, kriging variance, and slope of regression have been used to assist in classification.*<br> • *Blocks that estimated in the first 2 search passes were classified as Inferred.*<br> • *Blocks that estimated in the third search pass were classified a sub-inferred code and are not included in the reported Mineral Resource estimate. These are mainly the blocks at depth and are a future exploration target.* |
| *Audits or reviews* | • *The CNX estimate has not been externally audited or reviewed.* |
| *Discussion of relative accuracy/ confidence* | • *This is addressed in the relevant paragraph on Classification above.*<br> • *The Mineral Resource relates to global tonnage and grade estimates*<br> • *While production figures for CNX and unavailable, the adjacent Three Mile Hill was successfully mined.* |