



Focus Minerals Limited

ABN 56 005 470 799

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

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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

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

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**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.

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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.

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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.

A stylized, handwritten-style logo for RSM, with the letters 'Rsm' in a cursive font.

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