



Market Announcement

24 October 2022

Focus to Resume Production at Coolgardie

Highlights:

- A new Life of Mine plan will see production at the Coolgardie Gold Project resuming in 2023:
 - 402,000 oz of gold produced over a 7-year mine life
 - Pre commencement Capex of \$51.8M
 - C2 Cash costs (including Royalty) of A\$1,482 per ounce, AISC of A\$1,618 per oz
 - At a gold price of A\$2,200 per oz, pre-tax cashflow of A\$234M and NPV of A\$152M at 7.5% discount rate
 - At a gold price of A\$2,500 per oz, pre-tax cashflow of A\$354M and NPV of A\$242M at 7.5% discount rate
- A \$39.7M EPC Contract for Three Mile Hill Plant (TMH Plant) refurbishment has been awarded to MACA Interquip
- Refurbishment works are underway at TMH Plant with its commissioning scheduled for mid-2023
- Toll treating of low-grade stockpiles has produced 2,200 oz to date
- A Small Mining Project commenced at Big Blow in October with ore to be milled via a toll treating campaign later in the year

West Australian gold company Focus Minerals Limited (ASX: FML) (Focus or the Company) is pleased to announce that it will resume processing operations at the Coolgardie Gold Project (Coolgardie) in 2023.

Commenting on the resumption of Coolgardie Operations, Focus Minerals' Executive Chairman, Mr Wanghong Yang, said:

"Focus has made significant progress with the objective of ensuring a successful resumption of mining activities at the Coolgardie Gold Project. Our diligent and disciplined work in refining elements of the production scenario has given us a high confidence Life of Mine plan with sustainable and profitable operations for at least 7 years. The good work of the Focus team has enabled a consultative approach with our contracting partners to develop a sound pathway to production in a highly competitive mining industry environment. We will continue to improve our Life of Mine plan at Coolgardie as we look to maximise value from our significant tenement and resource package."

A new Life of Mine (LOM) plan has been developed for Coolgardie following extensive optimisation work and is based on the updated Ore Reserve estimate (see ASX announcement dated 12 October

2022) with scheduled mining of Greenfields, CNX and Brilliant South open pits and the Bonnie Vale underground project.

The LOM mining schedule for Coolgardie is outlined in the table below:

Production	Total	YR1	YR2	YR3	YR4	YR5	YR6	YR7
Greenfields								
Ore Tonnes Mined	1,830,460	1,071,544	758,916					
Mined Grade	1.22	1.11	1.37					
Mined Oz	71,744	38,309	33,435					
Ore tonnes Milled	1,830,460	725,000	1,105,460					
Recovery	90.0%	90%	90%					
Recovered Grade	1.10	1.02	1.15					
Recoverable Ounces	64,563	34,478	30,085					
Cumulative Ounces		34,478	64,563					
CNX								
Ore Tonnes Mined	1,269,971		513,667	756,304				
Mined Grade	1.19		1.04	1.29				
Mined Oz	48,543		17,175	31,367				
Ore tonnes Milled	1,269,970		94,540	1,050,500	124,930			
Recovery	90.0%		90.0%	90.0%	90.0%			
Recovered Grade	1.07		0.97	1.10	0.90			
Recoverable Ounces	43,684		2,954	37,115	3,615			
Cumulative Ounces			2,954	40,069	43,684			
Bonnie Vale								
Ore Tonnes Mined	925,765			151,612	483,891	290,262		
Mined Grade	5.11			4.50	5.61	4.60		
Mined Oz	152,217			21,921	87,350	42,946		
Ore tonnes Milled	925,765			148,500	484,500	292,765		
Recovery	95.2%			95.3%	95.3%	95.3%		
Recovered Grade	4.87			4.29	5.34	4.38		
Recoverable Ounces	144,972			20,469	83,254	41,250		
Cumulative Ounces				20,469	103,722	144,972		
Brilliant								
Ore Tonnes Mined	3,458,242			35,065	732,975	1,828,265	861,937	
Mined Grade	1.48			0.98	1.30	1.40	1.81	1.44
Mined Oz	164,053			1,104	30,609	82,131	50,209	
Ore tonnes Milled	3,458,242				562,570	909,235	1,200,000	786,437
Recovery	90.6%				90.5%	90.5%	90.5%	90.5%
Recovered Grade	1.34				1.14	1.28	1.49	1.30
Recoverable Ounces	148,555				20,634	37,319	57,637	32,966
Cumulative Ounces					20,634	57,953	115,590	148,555
Summary								
Ore Tonnes Mined	7,484,438	1,071,544	1,272,583	942,981	1,216,866	2,118,527	861,937	0
Gold Mined (oz)	436,557	38,309	50,610	54,392	117,959	125,077	50,209	0
Tonnes Processed (t)	7,484,437	725,000	1,200,000	1,199,000	1,172,000	1,202,000	1,200,000	786,437
Grade Processed (g/t)	1.81	1.13	1.26	1.63	3.03	2.19	1.65	1.44
Gold Recovery (%)	92.0%	90.5%	90.4%	91.7%	93.4%	92.7%	91.5%	91.0%
Recovered Oz	401,796	23,743	44,077	57,633	106,584	78,377	58,257	33,125

The new LOM plan sees the resumption of mining at the Greenfields Open Pit in the first half of 2023. The 1.8Mt of ore mined at Greenfields will feed the refurbished TMH Plant for around 18 months and produce around 65,000 oz of gold.

The CNX Open Pit is scheduled to follow Greenfields with a 12-month mining schedule providing 1.2Mt of mill feed and producing 44,000 oz. The LOM plan open pit mining is rounded out with the Brilliant South deposit where around 3.5Mt of ore is mined over 40 months providing around three years mill feed and producing around 149,000 oz.

A new Underground Mine at Bonnie Vale will supplement the open pit ore with high grade feed over the LOM plan. Underground mining will commence around 12 months after the commissioning of the TMH Plant. With a current mine life of 3 years, Bonnie Vale UG will produce 926,000 tonnes @ 5.11 g/t for 145,000 oz. The current Ore Reserve extends only 235m below surface, limited only by the current drilling extent. The Bonnie Vale deposit remains open at depth and along strike, a strong indication of potential for further mine life.

The LOM plan for Coolgardie was prepared to a feasibility study level, from 2012 JORC Mineral Resource and Ore Reserve estimates using a A\$2,200 per oz gold price. Operating and Capital cost estimates were prepared along feasibility study guidelines with the most up to date cost information available.

LOM yearly production, operating costs and cashflow for Coolgardie is summarised as follows:

	UNITS	LOM	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Production									
Ore Tonnes Mined	t	7,484,438	1,071,544	1,272,583	942,981	1,216,866	2,118,527	861,937	-
Tonnes Processed	t	7,484,437	725,000	1,200,000	1,199,000	1,172,000	1,202,000	1,200,000	786,437
Processed Grade	g/t	1.88	1.13	1.26	1.63	3.03	2.19	1.65	1.44
Au Recovery	%	92.0	90.5	90.4	91.7	93.4	92.7	91.5	91.0
Gold Recovered	oz.	401,796	23,743	44,077	57,633	106,584	78,377	58,257	33,125
Financial Evaluation									
Revenue @ \$2,200 per oz	\$	883,950,761	52,235,313	96,968,510	126,792,822	234,485,038	172,428,404	128,165,723	72,874,951
Revenue @ \$2,500 per oz	\$	1,004,489,501	59,358,310	110,191,489	144,082,752	266,460,270	195,941,368	145,642,867	82,812,445
Operating Costs	\$	531,639,766	56,617,927	65,120,838	85,468,047	123,323,245	111,509,182	62,378,357	27,222,171
Mining Dev Capital	\$	41,884,604	900,000	9,972,370	21,327,924	7,810,823	1,873,486		
Sustaining Capital	\$	2,600,000	400,000	2,200,000					
Royalties	\$	22,098,769	1,305,883	2,424,213	3,169,821	5,862,126	4,310,710	3,204,143	1,821,874
Op Cashflow @ \$2,200 per oz	\$	285,727,622	(6,988,497)	17,251,090	16,827,030	97,488,844	54,735,026	62,583,223	43,830,907
Op Cashflow @ \$2,500 per oz	\$	406,266,363	134,500	30,474,068	34,116,960	129,464,076	78,247,990	80,060,367	53,768,400
Initial Capital	\$	51,782,760	51,782,760		-	-	-	-	-
Total Initial Capital	\$	51,782,760	51,782,760	-	-	-	-	-	-
Net Cash Flow \$2,200 per oz	\$	233,944,862	(58,771,257)	17,251,090	16,827,030	97,488,844	54,735,026	62,583,223	43,830,907
Cum Cash Flow \$2,200 per oz	\$		(58,771,257)	(41,520,167)	(24,693,137)	72,795,707	127,530,733	190,113,956	233,944,862
NPV @ 7.5%	\$M	152							
Net Cash Flow \$2,500 per oz	\$	354,483,603	(51,648,260)	30,474,068	34,116,960	129,464,076	78,247,990	80,060,367	53,768,400
Cum Cash Flow \$2,500 per oz	\$		(51,648,260)	(21,174,191)	12,942,769	142,406,845	220,654,836	300,715,203	354,483,603
NPV @ 7.5%	\$	242							
C1 Cost	\$/oz	1,427							
C2 Cash Cost (incl Royalties)	\$/oz	1,482							
AISC	\$/oz	1,618							

The Coolgardie LOM plan as outlined demonstrates a solid seven-year mine life for the operation with around 7.5M tonnes mined at an average grade of 1.88 g/t producing 402koz of gold.

The robust project economics are demonstrated by the total C2 cash cost of A\$1,482 per oz, with the project AISC at A\$1,618 per oz. Conservative modelling using the Ore Reserve gold price of A\$2,200

per tonne sees the project generate around A\$244M pre-tax cashflow and an NPV of A\$152M at a 7.5% discount rate.

Project upside is apparent when a A\$2,500 per ounce gold price consistent with the past 12-month average is applied, generating a pre-tax cashflow of A\$354M and an NPV of A\$242M at a 7.5% discount rate.

Three Mill Hill Plant Refurbishment

Focus worked collaboratively with MACA Interquip to develop a detailed scope of works, schedule and costing for the refurbishment of the TMH Plant. The refurbishment will return the safe operating capacity of the Plant to its original design of 1.2M tonnes per annum.

Focus has executed an EPC Contract with MACA Interquip to the value of A\$39.7M for refurbishment of the TMH Plant.

Various works have been undertaken at the site to maintain a schedule that aimed at commissioning the TMH Plant in mid-2023.

Focus will manage further work on infrastructure supporting the TMH Plant. Total Capital expenditure to return the TMH Plant to production is summarised as follows:

Capex Item	Capital Cost	
TMH Plant Refurbishment EPC	\$M	\$39.7
Ball Mill Refurbishment	\$M	\$1.5
Accommodation Village	\$M	\$7.1
TMH Admin Infrastructure	\$M	\$0.7
Borefields	\$M	\$0.7
First Fill	\$M	\$1.0
Power Connection	\$M	\$0.7
Owners Costs	\$M	\$0.4
Total Capital Expenditure		\$51.8

Project Delivery Timeline - The resumption of operations targets recommencing mining and stockpiling at Coolgardie which would commence in the first half of CY2023 around 3 months prior to recommissioning of the TMH Plant. Focus has commenced the tendering process for the Open Pit Mining contract with an initial 3-year contract period proposed.

Gold Production in 2022

As announced on 25 May 2022, the Company was assessing viability of toll treating low-grade stockpiles and ore from the Big Blow deposit to bring in early cashflow in the 2022 calendar year. Focus has negotiated and secured 200,000 tonnes processing capacity at a nearby plant to toll treat its ore.

During October, Focus commenced toll processing of historically stockpiled low-grade material from the Dreadnought and Empress Open pits. A processing campaign has commenced with around 2,200 oz produced to date.

Big Blow Mineral Resources was announced to the ASX on 21 May 2021. Focus obtained Mining Proposal approval for a small mining project at the Big Blow Open Pit in late July 2022. Following submission and approval of a Mine Operating Notice, mining of Big Blow commenced on 28th September 2022. The project is expected to mine approximately 37,000 tonnes of high and medium grade ore @ 3.10 g/t, with an estimated recovery of 3,437 oz of gold from toll processing.

The release of this ASX announcement was authorised by
Mr Wanghong Yang, Executive Chairman 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 Coolgardie Gold Project and Laverton Gold Project, in Western Australia's Goldfields.

The Laverton Gold Project covers 362km² 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 Sickie, Ida-H and Burtville South. Focus has delivered first results from a progressive Pre-Feasibility Study (Pre-Tax NPV_{5.0%} A \$132M) and is advancing study work utilising Laverton's expanded Mineral Resource position.

ASX Listing Rule 5.19.2

The LOM plan will continue to evolve and is part of the progressive development of the Coolgardie Gold Project. The LOM plan dated 24 October 2022 optimises the 2020 PFS announced in September 2020 utilising the updated Ore Reserve Estimate at Coolgardie which was announced to ASX on 12 October 2022. The LOM plan incorporates up to date forecast financial information, including capital and operating costs for mining and processing for the Coolgardie Gold Project.