

Market Announcement

10 November 2023

Coolgardie Gold Operations – Bonnie Vale Ore Reserve Update

Highlights:

- **Bonnie Vale Underground Ore Reserve ounces increase by 17% to 177,920oz.**
- **The current mine life is 4 years and demonstrates robust economics with all in production cost estimated at A\$1,374 per oz.**
- **The Bonnie Vale Resource remains open at depth and along strike with potential for growth with further drilling.**
- **Excellent Resource to Reserve conversion of 79%.**
- **A clear pathway to production is anticipated with mining targeted for commencement in the second half of 2024.**

West Australian gold company Focus Minerals Limited (**ASX: FML**) (**Focus** or the **Company**) is pleased to announce results of the 2023 Ore Reserve update for the Bonnie Vale Underground project, a part of Coolgardie Gold Operations (**Coolgardie**). The Coolgardie project includes 121km² of highly prospective tenements on the outskirts of the Coolgardie township in Western Australia's Eastern Goldfields.

Commenting on the 2023 Ore Reserve for Bonnie Vale, Focus Minerals' Executive Chairman, Mr Wanghong Yang, said:

"This updated Ore Reserve demonstrates robust economics for the Bonnie Vale Underground Project, delivering low-cost ounces for our Coolgardie Gold Operations. The result reflects the good work of our team this year, in optimising the Resource Model with further drilling and delivering a high confidence mine plan for commencement of underground mining. Following final evaluation and project approvals, Focus hopes to bring the mine online in 2024 consistent with our current life of mine plan."

This 2023 Bonnie Vale Ore Reserve is derived from the updated Mineral Resource estimate published in September 2023 (refer to ASX announcement dated 26 September 2023), using a gold price of A\$2,500 per oz and a cut-off grade of 1.87 g/t for stope design:

PROJECT	PROVEN		PROBABLE		TOTAL Ore		
	Tonnes	(g/t Au)	Tonnes	(g/t Au)	Totals	(g/t Au)	(oz.)
Bonnie Vale Underground	-	-	932,000	5.94	932,000	5.94	177,920

The 2023 Bonnie Vale Ore Reserve is shown below with comparison to the previous Ore Reserve as stated in the October 2022 Ore Reserve update (refer to ASX announcement dated 12 October 2022):

Bonnie Vale UG Ore Reserve	2022 Update			2023 Update		
	Tonnes	g/t	Ounces	Tonnes	g/t	Ounces
Probable	925,800	5.11	152,220	932,000	5.94	177,920
Total	925,800	5.11	152,220	932,000	5.94	177,920

The 2023 Ore Reserve update sees an increase in of 25,700oz on the previous 2022 result largely driven by a 16% increase in mined grade. This improvement in grade has resulted from increased drill density and a higher confidence Mineral Resource model.

Bonnie Vale Underground Resource

Extensive Reverse Circulation, Diamond, geotechnical and hydrogeological drilling at Bonnie Vale has been carried out since the Mineral Resource Update in 2020 (see ASX announcement dated 2 September 2020).

The decrease in drill spacing and oriented diamond core drill holes allowed development of the higher confidence in the 2023 Mineral Resource (see ASX announcement dated 26 September 2023) which was used for development of the Bonnie Vale 2023 Ore Reserve Update:

Classification	Tonnage (Kt)	Au Grade (g/t)	Au Oz
Indicated	879	8.01	226,300
Inferred	325	2.58	27,000
Total Underground Mineral Resource	1,204	6.54	253,300

Figure 1 below is a long section of the Bonnie Vale Resource looking South, showing the historical workings, the 2023 Ore Reserve mine development (Dark Blue). As indicated by the arrows, the mineralisation is open for potential resource growth with further drilling.

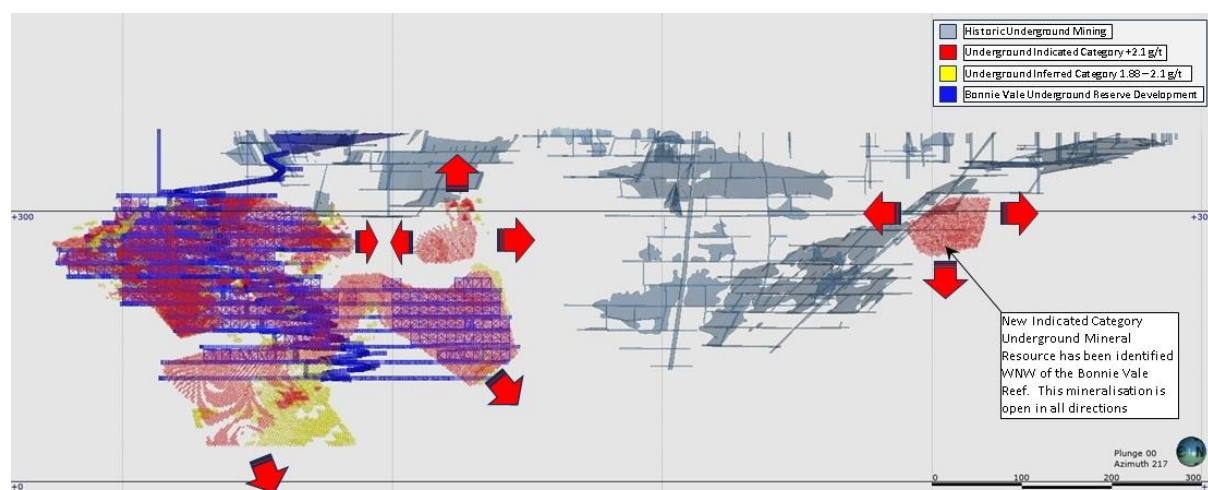


Figure 1: Bonnie Vale long Section Looking South – Indicated Mineral Resource Centroids as per insert legend.

Bonnie Vale UG Ore Reserve Estimation

The mining method planned to be utilised is mechanised jumbo development and longhole stoping with a combination of backfilled and open stopes. The planned backfill is a combination of cemented rockfill (CRF) and loose rockfill. The stoping sequence is planned to be a bottom-up mining sequence in blocks of three to four levels.

This mining method is being utilised successfully and efficiently in comparable and similar orebody size, configuration, and ground conditions in Western Australia and elsewhere.

The 2023 Ore Reserve for Bonnie Vale Underground was completed with the following key assumptions:

Key Assumptions	Unit	Value	Basis of Assumption
Mining (Production) Cost	\$/t (O +W)	133	Unit cost of total mined material based on current Contractor Mining Budget Rates and supplier quotations
Processing Cost	\$/t	31	Budget TMH Processing Costs
Ore Haulage Cost	\$/t	5.12	Current Ore Haulage Agreements
Gold Price	\$/oz	2,500	
Processing Recovery	%	95.8	Feasibility test work results after a 3% discount
Royalties	%	3.0	Current applicable rate
Fully Costed Stope COG	g/t	3.05	Covers all costs (CAPEX, OPEX and mine G&A)
Level Costed Stope COG	g/t	2.47	Covers all Ore development, OPEX and mine G&A)
Incremental Stope COG – Backfilled Stope	g/t	2.10	Excludes all development costs but covers for all other OPEX and mine G&A)
Incremental Stope COG – No Backfill	g/t	1.87	Requires no backfill, excludes all development costs but covers for all other OPEX and mine G&A)
Development Ore COG	g/t	0.50	Covers Surface Haulage and Processing costs only.
Stope Parameters			
Orebody dip	degrees	40 to 55	
Level Intervals Floor to Floor	m	15	
Ore Drive width	m	4	
Minimum Stope Mining Width	m	1.8	
Dilution Skin HW	m	0.5	ELOS from slope stability curve
Dilution Skin FW	m	0.5	ELOS from slope stability curve
Additional Unplanned Stope Dilution	%	10	
Overall Mining Recovery	%	93	
Mining Recovery for Backfilled Stopes	%	98	
Mining Recovery for Open Stopes	%	83	17% ore lost in pillars
Mining Recovery for Development Ore	%	100	

More details are provided in Table 1 sections below.

In summary the mining plan developed for the 2023 Underground Ore Reserve estimate sees:

- 4-year mine life, with potential for extension.
- 2.3Km of decline development to a depth of 260m below surface, a further 2.3km of other capital development.
- 5.0 km of ore drives mining 247K tonnes at 4.48g/t for 35,562oz and stoping of 685k Tonnes at 6.46g/t for 142,358oz.
- 932k tonnes of ore at a diluted grade of 5.94g/t for 170,000 mill recovered ounces.
- All in sustainable cost estimate of A\$1,374 per ounce.

The conversion of Mineral Resource to Ore Reserve is excellent as 79% of the Indicated Resource is in the mine production ounces, giving confidence in future Mineral Resource conversion.

Figure 2 below shows the development and stoping design of the Bonnie Vale UG Reserve. The economic risk is considered very low as the mine plan is underpinned by the fact that 93% of the Ore Reserve is above the fully costed cut-off grade. This demonstrates the robust economics of the Bonnie Vale UG project.

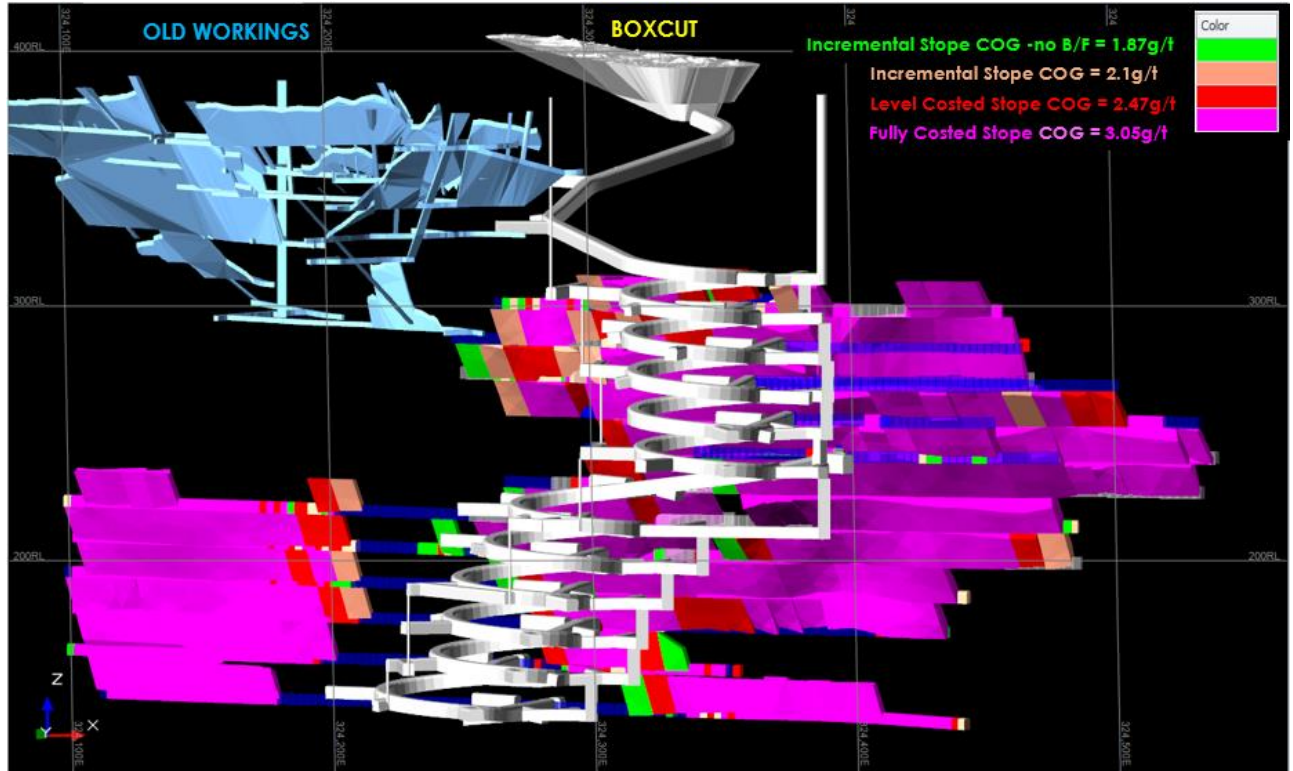


Figure 2: Long Section view from North of Current Mine Plan showing development and stoping design.

Following on from this 2023 Updated Ore Reserve and the development of the detailed mine and infrastructure plan for the Bonnievale Underground Project, Focus hopes to bring the mine online in 2024 consistent with our current life of mine plan.

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 Western Australia's newest gold producer and focused on delivering shareholder value from its 100%-owned Coolgardie Gold Operation and Laverton Gold Project, in Western Australia's Goldfields.

Focus is committed to delivering shareholder value from the Coolgardie Gold Operation, a 121km² tenement holding that includes a 1.2Mtpa processing plant at Three Mile Hill, with commencement of mining activities in mid-2023. A new Life of Mine plan with 7-year production for 402,000oz of gold was announced to the ASX on 24 October 2022.

The Laverton Gold Project covers 384km² area of highly prospective ground that includes the historic Lancefield and Chatterbox Trend mines. Focus' priority target is to confirm sufficient gold mineralisation to support production restart at Laverton.

Competent Person Statement

Mineral Resources

The Mineral Resource estimates for Bonnie Vale Deposits were undertaken by Ms Hannah Kosovich, an employee of Focus Minerals. Ms 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*. Ms Kosovich consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Ore Reserves

The information in this announcement that relates to the Bonnie Vale underground Ore Reserve estimate is based on an assessment completed by Mr Elias Mudzamba, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Mudzamba is a fulltime employee of Focus Minerals Pty Ltd. Mr Mudzamba has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Mudzamba consents to the inclusion in any report or public announcement of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

For the purpose of assessing and reporting compliance with the JORC (2012) Code, Section 4 Estimation and Reporting of Bonnie Vale Underground Ore Reserve is outlined below.

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<ul style="list-style-type: none"> ▪ The Ore Reserve estimate is based on the June 2023 Resource Model (BONNIEVALE260623M.dm) ▪ The Mineral Resource is reported inclusive of the Ore Reserve.
Site visits	<ul style="list-style-type: none"> ▪ The Competent Person is a full time Focus Minerals employee and makes regular visits to the site.
Study status	<ul style="list-style-type: none"> ▪ A Pre-Feasibility study was completed by Mining One mining consultants in September 2020. ▪ The current mine design and economic evaluation is based on further studies completed in-house by Focus Minerals personnel.
Cut-Off grade parameters	<ul style="list-style-type: none"> ▪ Break-even Cut-Off grades (C.O.G) have been calculated using latest cost inputs from Contractor Mining budget Rates, relevant suppliers' quotations and estimates benchmarked with similar mining operations in the region. ▪ A Gold price of A\$2,500/oz has been used. ▪ A Processing recovery of 95.8% has been applied. ▪ The mining method planned to be utilised is mechanised jumbo development and longhole stoping with a combination of backfilled and open stopes. ▪ For the first pass design of economic stopes, a Stope Incremental Cut-Off grade which does not include capital and operating development costs but includes all other operating costs including stoping, processing and mine general and administration (G&A) overhead costs has been used in the Deswik Stope Optimizer inputs. ▪ Stope dilution parameters discussed under 'Mining factors or assumption' have been incorporated. ▪ Stopes have been re-evaluated after inclusion of dilution to take out any stopes that fall below the relevant Cut-Off grades. ▪ Then, the economics of mining each individual level has been evaluated based on all capital and all operating costs required to mine the level. These costs are a combination of level direct costs and shared costs which have been apportioned based on total mined material. Two of the fourteen planned levels have been evaluated to be uneconomic at the \$2,500/oz gold price used in the evaluation. Those two levels have not been included in the estimated Ore Reserve. There is potential for the two becoming economic with grade control drilling. ▪ Various Cut-Off grades have been used in estimating the reported Ore Reserve <ul style="list-style-type: none"> ○ A Fully Costed Stope C.O.G of 3.05g/t which covers for all costs (mining, processing and mine G&A). ○ A Level Costed Stope C.O.G of 2.47g/t which excludes capital costs but includes ore drive development costs and all other operating costs including processing and mine G&A. ○ An Incremental Stope C.O.G of 2.10g/t which excludes all development costs but includes all other operating costs including processing and mine G&A. ○ An Incremental Stope C.O.G of 1.87g/t similar to the one above but is for stopes planned to have no backfill. ○ A development Ore C.O.G of 0.50g/t has been used for determining whether development material is hauled to ore or to waste. This C.O.G covers for surface haulage and processing costs only. ▪ 93% of the estimated Ore Reserve is comprised of stopes and development ore that meets the fully costed stope C.O.G of 3.05g/t.

<p>Mining factors or assumptions</p>	<ul style="list-style-type: none"> ▪ The mining method planned to be utilised is mechanised jumbo development and longhole stoping with a combination of backfilled and open stopes. The planned backfill is a combination of cemented rockfill (CRF) and loose rockfill. ▪ The stoping sequence is planned to be a bottom-up mining sequence in blocks of three to four levels. ▪ This mining method has been and is being utilised successfully in comparable and similar orebody size, configuration, and ground conditions in Western Australia and elsewhere. ▪ Geotechnical studies have been completed by external Geotechnical consultants to determine stable stope sizes and geometries. ▪ The orebody is generally flat with the dip ranging from 40 to 55 degrees. ▪ Level intervals are planned to be 15m floor to floor in shallow dipping areas of the orebody and increased to 18m in areas with steeper dip. The objective is to minimise stope spans, stope ore dilution and support the efficient mining of the stopes. ▪ Ore drives are planned to be a minimum of 4.0m wide. ▪ A conservative stope strike length of 25m has been planned before the placement of backfill to maintain geotechnical stability. Where there is no top access for the placement of backfill, rib pillars are planned to be left in-situ to maintain geotechnical stability. The recommendations from the completed geotechnical study have longer stope strike lengths. ▪ Mineable stope shapes were created using the Deswik Software, Stope Optimiser (SO). ▪ A minimum stope mining width of 1.8m was applied to the stope design process. The orebody true thickness ranges from about 1m to 10m wide. ▪ An additional planned stope dilution of 0.5m hangingwall and 0.5m footwall was applied in the SO input parameters in line with the expected Equivalent Linear Overbreak Slough (ELOS) from the stope stability curve derived in the Geotechnical studies. ▪ An additional stope dilution of 10 % was applied in the Deswik production scheduling software (Deswik.Sched). ▪ No additional dilution was applied to the ore drives. ▪ All dilution has been applied with a grade of (zero) 0g/t. ▪ Stope shapes were created using gold grade as the SO optimisation field with the Incremental Stope Cut-Off grade applied. ▪ Stopes were re-evaluated after the application of the additional 10% mining dilution to take out of the Ore Reserve the stopes with grades lower than relevant Cut-Off grades. ▪ Mining recoveries were applied in the Deswik.Sched as follows: <ul style="list-style-type: none"> ▪ Mining recovery for backfilled stopes – 98% ▪ Mining recovery for open stopes – 83% ▪ Mining recovery for development ore – 100% ▪ Any Inferred Mineral Resources that could not be selectively excluded from the stope design shapes were assigned (zero) 0g/t. Any such stopes were re-evaluated to check if they still met the relevant Cut-Off grades.
<p>Metallurgical factors or assumptions</p>	<ul style="list-style-type: none"> ▪ The Bonnie Vale underground mine ore is planned to be processed at the existing refurbished Three Mile Hill processing plant owned and operated by Focus Minerals. The processing plant utilises a conventional carbon-in-pulp (CIP) circuit, which is appropriate for the type of mineralisation. ▪ The CIP process is a conventional gold processing method commonly used in similar operations worldwide and is well tested and proven. ▪ The Bonnie Vale underground mine ore will be blended with other Focus Mineral ore sources. ▪ A metallurgical recovery of 95.8% has been applied in line with the 3% discounted recovery determined by the Metallurgical studies completed in the 2020 Pre-Feasibility studies. ▪ There are no known deleterious elements expected in the Bonnie Vale underground mine ore.
<p>Environmental</p>	<ul style="list-style-type: none"> ▪ The Bonnie Vale underground mine is located wholly within granted Mining Leases. ▪ Heritage surveys have been completed for the underground mine area. No Aboriginal sites were identified and liaison with Native Title Applicants is in progress. ▪ Various Environmental studies have been completed. ▪ The preparations for the documentation required for the applications for all required Environmental Approvals are in the final stages and all submissions are expected to be lodged before mid-December 2023. ▪ There are no known potential issues that are expected that may preclude or delay the granting of the approvals.

	<ul style="list-style-type: none"> ▪ There are no significant environmental factors that are expected to be encountered regarding the disposal of waste material.
Infrastructure	<ul style="list-style-type: none"> ▪ The project will need all the relevant supporting surface and underground infrastructure. ▪ The purchase and installation costs for all the required infrastructure has been included in the economic evaluation of the project. ▪ Power will be provided by diesel Gensets. ▪ Raw water will be supplied from existing bores and from pumping any water intercepted in the new underground excavations. ▪ The site is serviced by an existing haul road which is capable of handling 125t road trains.
Costs	<ul style="list-style-type: none"> ▪ The costs used to derive this Ore Reserve estimate are based on Contractor Mining budget rates, relevant suppliers' quotations and estimates benchmarked with similar mining operations in the region. ▪ Ore haulage costs are based on the currently engaged haulage contractor's rates. ▪ Freight for mining consumables is included in the mining contractor schedule of rates. ▪ Ore processing costs are based on the Focus Minerals' Three Mile Hill Processing plant processing costs. There are No penalties or specifications. ▪ Allowance has been made for royalties as follows: <ul style="list-style-type: none"> ▪ 2.5% for State Government royalty and, ▪ an allowance for Native Title royalty pending commercial agreement. ▪ There are no known deleterious elements, as such no allowance has been made. ▪ All costs have been estimated in Australian dollars.
Revenue factors	<ul style="list-style-type: none"> ▪ Economic evaluation is based on a gold price of A\$2,500/oz. ▪ The cashflow has been modelled in real terms and no price or cost escalations were applied.
Market assessment	<ul style="list-style-type: none"> ▪ Gold is planned to be sold to Perth Mint at spot price. ▪ There are no hedging arrangements currently in place.
Economic	<ul style="list-style-type: none"> ▪ Inputs to economic analysis are based on costs, processing parameters and gold price assumptions discussed in the sections above. ▪ Discounted cashflows were carried out to determine relative NPV using a 7% annual discount rate. ▪ The project shows a strong positive NPV based on the inputs and assumptions used in the evaluation.
Social	<ul style="list-style-type: none"> ▪ The Bonnie Vale Underground mine project is located on granted mining leases. ▪ A Social Impact Assessment was completed by 360 Environmental for the Bonnie Vale Project to assist with identifying and managing the key stakeholders. ▪ Focus Minerals is in the process of securing all relevant agreements with local stakeholders and government agencies and these are planned to be in place before the start of operations.
Other	<ul style="list-style-type: none"> ▪ No identifiable naturally occurring risks have been identified to impact the Ore Reserves.
Classification	<ul style="list-style-type: none"> ▪ Mineral Resources have been converted to Ore Reserve as per JORC 2012 guidelines, i.e., Measured to Proven, Indicated to Probable. ▪ The Ore Reserve includes 1% of the total ore tonnes which are in the Inferred resource category. These ore tonnes have been assigned a grade of zero (0)g/t. This Inferred resource material could not be selectively excluded from the stope design shapes. ▪ The estimated Ore Reserve is classified as Probable as there are no Measured ore resources.
Audits or reviews	<ul style="list-style-type: none"> ▪ The Ore Reserve has been estimated by Focus Minerals personnel. The cost and mining parameters were reviewed internally and benchmarked against operations with similar orebodies and operating structures. ▪ No external audits were carried out.
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> ▪ In the opinion of the Competent Person, the modifying factors and cost assumptions used in generating this Ore Reserve estimate are reasonable. ▪ No statistical procedures were carried out to quantify accuracy of the Ore Reserve estimate.