

Focus Minerals Limited

ABN 56 005 470 799

**Interim Financial Report
for the half year ended 30 June 2024**

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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
Zhongshan Song	Director – Non-Executive

Company Secretary

Nicholas Ong

Registered and Head Office

Level 5
8 St George's Terrace
East Perth WA 6000

PO Box 3233
East Perth WA 6892
Tel: +61 (0) 8 6218 0200

Share Registry

Computershare Investor Services Pty Ltd
Level 17
221 St Georges Terrace
Perth WA 6000

Banks

National Australia Bank
100 St Georges Terrace
Perth WA 6000

Bank of China Perth Branch
Level 28
77 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

HFW Australia
Level 15
Brookfield Place – Tower 2
123 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 2024.

Directors

Wanghong Yang	Chairman – Executive
Lingquan Kong	Director – Executive
Gerry Fahey	Director – Independent
Richard O'Shannassy	Director – Independent
Zhongshan Song	Director – Non-Executive

All directors held their position as a director throughout the entire period and up to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Group during the period were exploration, mine development and mine operations in Western Australia. There were no significant changes to these activities during the period.

Review of Operations

Coolgardie Gold Project

- Three Mile Hill plant processed a total of 548,465 tonnes of ore at 0.81 g/t for 14,289 ounces of gold.
- Gold sales for the period were 12,204 ounces with an average price of A\$3,295.25 per ounce. The Company has also sold 1,293 ounces of silver during the period, at an average price of A\$38.69 per ounce.
- Mill production in January 2024 was affected, with 8 days processing lost, by an extended power outage caused by storm damage to the Western Power 220KVA power line to the Goldfields.
- The impact of processing Greenfields hard rock is predominantly felt in the crushing circuit with high wear rates resulting in increased maintenance time and cost, along with considerably higher operational diligence required to maintain design throughput. Significant progress was made in improving the crusher circuit performance following the decision to outsource Three Mile Hill plant maintenance and engineering support to Karridale Group.
- Mill production since the engagement of Karridale Group has consistently met mill throughput and utilisation rates requirements.
- During the period the Company has moved a total of 531k tonnes of ore and 2.15 million tonnes of waste. The Company anticipates the strip ratio will improve as the Greenfields pit deepens.
- A 4,800m grade control drilling program was completed during the period, enabling more comprehensive wireframing and grade estimation at Greenfields to minimise the effect of mining dilution.
- Resource development activities were carried out at Bonnie Vale during the period to support operational assessment/development of the Bonnie Vale underground Mine. This drilling was primarily tasked for:
 - mine design risk management,
 - mine design geotechnical data acquisition,
 - UG mine dewatering purposes, and
 - completing cement grouting of key intervals of holes in close proximity to, or intersecting with, the Bonnie Vale UG mine design.

Laverton Gold Project

The Company assessed four major mineralised trends in the central Laverton region during the first half of FY2024. This delivered comprehensive Mineral Resource estimate updates for more than a dozen deposits (refer to ASX announcement dated 8/03/2024). These trends have large strikes including significant still untested exploration potential. The Mineral Resource updates delivered an additional 233.9 Koz of gold to the Laverton Gold Project (LGP) for 6.2% aggregate Mineral Resource gain. The updated total Mineral Resources for Laverton now comprise 74.2 Mt @ 1.7 g/t for 3.98 Moz.

The aggregate LGP Measured, Indicated and Inferred Mineral Resources now comprise:

Classification	Tonnage (Mt)	Au Grade (g/t)	Au Contained Moz
Total Measured	0.39	1.7	0.02
Total Indicated	49.29	1.5	2.33
Total Inferred	24.54	2.1	1.63
Total Mineral Resources	74.22	1.7	3.98

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.

Corporate

For the six-month period ended 30 June 2024, the Group incurred a loss of \$25.89 million (6 months ended 30 June 2023: \$13.04 million).

As at 30 June 2024, the Group has net assets of \$66.73 million (31 December 2023: \$92.62 million) and a cash balance of \$6.6 million (31 December 2023: \$1.2 million).

Risk Management

Focus is exposed to a number of financial risks. The key risks that could adversely affect Focus' financial assets, liabilities or future cash flows are:

a) Commodity and other price risks

All of Focus' gold production is sold to the Perth Mint. The market price of gold is key driver of Focus' capacity to generate cash flow. Focus is an unhedged producer and provides its shareholders with exposure to changes in the market price of gold. Focus may look into partially hedging its gold production in due course.

b) Foreign currency risk

Focus' current loans are in USD or RMB. Focus' costs (including capital expenditure) are in Australian dollars. Hence, Focus can be affected materially by movements in the AUD:USD or AUD:RMB exchange rates. Measuring the exposure to foreign exchange risk is achieved by regularly monitoring the foreign exchange movements and potentially utilising currency swaps in due course.

c) Interest rate risk

Focus' exposure to the risk of changes in market interest rates primarily relates to the debt obligations that have floating interest rates.

Auditor's Independence Declaration

The declaration required under Section 307C of *the Corporations Act 2001* is set out on Page 7.

Significant changes in the state of affairs

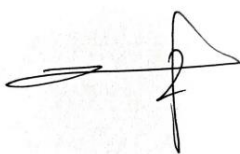
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

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'. Amounts in this Report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Wanghong Yang', written over a light grey circular stamp.

Wanghong Yang
Chairman of the Board
13 September 2024
Perth, Western Australia

RSM Australia Partners

Level 32 Exchange Tower, 2
The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

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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 2024, 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
RSM AUSTRALIA



ALASDAIR WHYTE
Partner

Perth, WA
Dated: 13 September 2024

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2024**

	Notes	Consolidated	
		6 months to 30 June 2024 \$'000	6 months to 30 June 2023 \$'000
Revenue from continuing operations	3	41,224	4,416
Interest income		139	309
Other income		-	40
Expense			
Mining		(22,430)	(106)
Processing		(16,338)	(2,739)
Site services		(702)	(745)
Government & other royalty expenses		(981)	(206)
Changes in inventories		2,200	-
Depreciation and amortisation	3	(9,811)	(382)
Finance costs	3	(5,948)	(2,315)
Loss on disposal of tenements		-	(4,661)
Employee expense		(9,105)	(3,828)
Care and maintenance expenses		(447)	(581)
Corporate and other expenses	3	(3,666)	(2,212)
Exploration expenses		(22)	(30)
Loss before income tax expense for the period		(25,887)	(13,040)
Income tax expense		-	-
Loss after income tax for the period		(25,887)	(13,040)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(25,887)	(13,040)

Earnings per Share

Basic loss per share (cents per share)	(9.03)	(4.55)
Diluted loss per share (cents per share)	(9.03)	(4.55)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

		Consolidated	
	Notes	30 June 2024 \$'000	31 December 2023 \$'000
Assets			
Current Assets			
Cash and cash equivalents		6,564	1,198
Trade and other receivables		4,826	6,102
Inventories		8,709	5,401
Total Current Assets		20,099	12,701
Non-Current Assets			
Cash and cash equivalents -restricted		5,052	6,008
Plant and equipment	4	82,447	85,315
Right-of-use assets		4,207	4,219
Mine properties	5	17,184	19,364
Exploration and evaluation assets	5	122,217	119,185
Total Non-Current Assets		231,107	234,091
Total Assets		251,206	246,792
Liabilities			
Current Liabilities			
Trade and other payables		25,017	16,906
Provisions		1,240	1,122
Borrowings	6	49,754	29,656
Lease liabilities		1,447	1,223
Total Current Liabilities		77,458	48,907
Non-Current Liabilities			
Trade and other payables		3,768	4,606
Provisions		33,657	33,102
Borrowings	6	66,425	64,327
Lease liabilities		3,165	3,230
Total Non-Current Liabilities		107,015	105,265
Total Liabilities		184,473	154,172
Net Assets		66,733	92,620
Equity			
Issued capital	7	453,119	453,119
Reserves		(7,178)	(7,178)
Accumulated losses		(379,208)	(353,321)
Total Equity		66,733	92,620

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2024

	Issued Capital	Accumulated Losses	Reserves	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2023	453,119	(350,524)	(7,178)	95,417
Loss after income tax for the period	-	(13,040)	-	(13,040)
Other comprehensive income	-	-	-	-
Total Comprehensive Loss for the period	-	(13,040)	-	(13,040)
Balance as at 30 June 2023	453,119	(363,564)	(7,178)	82,377
Balance at 1 January 2024	453,119	(353,321)	(7,178)	92,620
Loss after income tax for the period	-	(25,887)	-	(25,887)
Other comprehensive income	-	-	-	-
Total Comprehensive Loss for the period	-	(25,887)	-	(25,887)
Balance as at 30 June 2024	453,119	(379,208)	(7,178)	66,733

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2024

	Consolidated	
	6 months to	6 months to
	30 June	30 June
	2024	2023
	'\$000	'\$000
Cash Flows from Operating Activities		
Receipt from Customers (Including GST)	42,079	7,172
Payments to Suppliers and Employees (Including GST)	(45,570)	(12,646)
Royalties Paid	(981)	(156)
Payment of Performance & Other Bonds	-	(669)
Other Income	-	44
Interest Received	139	309
Finance Costs	(2,857)	(1,090)
Net Cash Outflow from Operating Activities	(7,190)	(7,036)
Cash Flows from Investing Activities		
Acquisition of Plant and Equipment	(1,677)	(45,810)
Decrease in Security Deposit	957	-
Payments for Development Activities	(4,280)	(1,231)
Exploration Expenditure	(3,062)	(6,599)
Net Cash Outflow from Investing Activities	(8,062)	(53,640)
Cash Flows from Financing Activities		
Proceeds from Borrowings	21,292	50,702
Repayment of Borrowings	-	(6)
Repayment of Lease Liabilities	(675)	(188)
Net Cash Inflow from Investing Activities	20,617	50,508
Net Increase/(Decrease) in Cash and Cash Equivalents	5,365	(10,168)
Cash and Cash Equivalents at the Beginning of the Period	1,198	18,898
Effects of exchange rate changes on cash and cash equivalents	1	23
Cash and Cash Equivalents at the Ending of the Period	6,564	8,753

The accompanying notes form part of these financial statements.

Notes to the Consolidated Interim Financial Report

Note 1: Material Accounting Policy information

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 2024 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 2023 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.

(a) 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.

(b) Mine Properties – Areas In Production:

Mine development expenditure incurred by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure. A development property is reclassified as a mining property in this category at the end of the commissioning phase, when the property is capable of operating in the manner intended by management. Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the estimated mine inventory (consistent with the Life of Mine plan). Development properties are tested for impairment in accordance with the policy on impairment of assets.

(c) Mine Properties – Areas In Development:

Mine properties under development represent the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the mine inventory to which they relate or are written off if the mine property is abandoned.

(d) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$25.9 million, and had net cash outflows from operating and investing activities of \$7.2 million and \$8.1 million respectively for the period ended 30 June 2024. As at that date, the Group had net current liabilities of \$57.4 million.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors consider that there are reasonable grounds to believe that the Group will be able to continue as a going concern taking into account the following factors:

- as disclosed in Note 9, the Group has financial support from Shandong Gold international Mining Co., Ltd (major shareholder) to fund its operations including a USD30 million loan facility; and
- the ability of executive management to manage cash flows in line with existing cash reserves and the financial support from Shandong Gold Group Co., Ltd within the Group's cash flow forecast..

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

(e) Borrowings:

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(f) Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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 Managing Director.

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 Managing Director reviews internal management reports on a monthly basis.

Segment financial information for the six months ended 30 June 2024 is presented below:

	6 months to 30 June 2024 Coolgardie \$'000	6 months to 30 June 2024 Laverton \$'000	6 months to 30 June 2024 Corporate \$'000	6 months to 30 June 2024 Consolidated \$'000
Revenue from continuing operations	41,224	-	-	41,224
Interest Revenue	32	35	72	139
Other Income	-	-	-	-
Total Revenue	41,256	35	72	41,363
EBITDA	(4,389)	(477)	(5,401)	(10,267)
Interest revenue				139
Depreciation and amortisation expenses				(9,811)
Finance costs				(5,948)
Loss before income tax expense				(25,887)
Income tax expense				-
Loss after income tax expense				(25,887)
Current Assets	14,258	70	5,771	20,099
Non-Current Assets	166,594	65,304	409,940	641,838
Intersegment eliminations				(410,731)
TOTAL ASSETS				251,206
Current Liabilities	(20,850)	(452)	(56,156)	(77,458)
Non-Current Liabilities	(248,990)	(137,208)	(67,315)	(453,513)
Intersegment eliminations				346,498
TOTAL LIABILITIES				(184,473)
NET ASSETS				66,733

Segment financial Information for the six months ended 30 June 2023 is presented below:

	6 months to 30 June 2023 Coolgardie \$'000	6 months to 30 June 2023 Laverton \$'000	6 months to 30 June 2023 Corporate \$'000	6 months to 30 June 2023 Consolidated \$'000
Revenue from continuing operations	4,416	-	-	4,416
Interest Revenue	86	-	223	309
Other Income	-	-	40	40
Total Revenue	4,502	-	263	4,765
EBITDA	(6,588)	(437)	(3,627)	(10,652)
Interest revenue				309
Depreciation and amortisation expenses				(382)
Finance costs				(2,315)
Loss before income tax expense				(13,040)
Income tax expense				-
Loss after income tax expense				(13,040)
Current Assets	5,509	244	7,016	12,769
Non-Current Assets	135,877	69,269	383,390	588,536
Intersegment eliminations				(385,169)
TOTAL ASSETS				216,136
Current Liabilities	(8,890)	(423)	(22,073)	(31,386)
Non-Current Liabilities	(216,781)	(139,953)	(66,574)	(423,308)
Intersegment eliminations				320,935
TOTAL LIABILITIES				(133,759)
NET ASSETS				82,377

Note 3: Revenues and Expenses

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Revenue from contracts with customers		
Gold sales ***	39,068	4,416
Silver sales ***	50	-
Gold in transit	2,106	-
Total revenue from contracts with customers	41,224	4,416

*** All revenue is sold in Australia, with goods transferred at a point in time.

Expenses*Depreciation and amortisation expenses*

Depreciation – plant and equipment	3,147	135
Depreciation – right-of-use assets	658	247
Amortisation – mine development	6,006	-
Total depreciation and amortisation expenses	9,811	382

Finance expenses

Interest provision – asset retirement obligation	413	373
Interest expense paid/payable on lease liabilities	1,027	31
Interest expense paid/payable on long term borrowings	4,316	1,803
Other finance costs	192	108
Total finance expenses	5,948	2,315

Corporate and other expenses

Professional services and consulting fees	264	145
Short-term lease payments	39	17
Net foreign exchange loss	1,814	968
Other corporate expense	1,549	1,082
Total corporate and other expenses	3,666	2,212

Note 4: Property, Plant and Equipment

	Consolidated	
	As at 30 June 2024 \$'000	As at 31 December 2023 \$'000
Property, plant and equipment - at cost:	125,164	125,263
Accumulated depreciation and impairment	(42,717)	(39,948)
	82,447	85,315
Reconciliation		
Carrying amount at beginning of the period	85,315	18,266
Additions	1,105	68,109
Disposals	(826)	(2)
Depreciation expense	(3,147)	(1,058)
	82,447	85,315

Note 5: Mine Properties and Exploration and Evaluation Assets

	Consolidated	
	6 months to 30 June 2024 \$'000	As at 31 December 2023 \$'000
Mine properties assets – at cost:	17,184	19,364
Movement Summary:		
Carrying amount at beginning of the period	19,364	-
Add – Expenditure capitalised	3,826	9,854
Less – Exploration asset transferred to Mine development	-	(2,352)
Less – Amortisation	(6,006)	(4,942)
Carrying amount at end of period	17,184	19,364

Mine properties includes aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests. Expenditure includes direct cost of construction, drilling costs and removal of overburden to gain access to the ore and an appropriate allocation of attributable overheads.

Mine development costs are amortised on a units-of-productions basis over the life of mine to which they relate.

	Consolidated	
	6 months to 30 June 2024 \$'000	As at 31 December 2023 \$'000
Exploration and evaluation expenditure at cost:	122,217	119,185
Movement Summary:		
Carrying amount at beginning of the period	119,185	116,625
Add – Exploration expenditure	3,032	9,856
Less – Exploration asset transferred to Mine development	-	(2,353)
Less – Write-off of tenements allowed to lapse or dropped	-	(4,943)
Carrying amount at end of period	122,217	119,185

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 6: Borrowings

	Consolidated	
	30 June	31 December
	2024	2023
	\$'000	\$'000
Current Liabilities		
Related party loan	49,602	28,593
Insurance premium finance	152	1,063
	49,754	29,656

On 26 July 2023, the Group secured a RMB38.8 million (AUD8.1 million) loan facility with Shandong Gold Group Co., Limited. The unsecured loan is payable 1 year after drawdown. Interest is payable quarterly in arrears at 6.5% per annum. The loan was fully drawn down on 27 July 2023. The loan amount owing of RMB38.8 million has been revalued to an AUD amount using the period end exchange rate of AUD1:RMB4.8143. It is due for repayment in July 2024, however, subsequent to year end, Shandong Gold Group extended the due date from July 2024 to July 2025.

On 12 November 2023, the Group secured a RMB100.0 million (AUD20.8 million) loan facility with Shandong Gold Group Co., Limited. The unsecured loan is payable 1 year after drawdown. Interest is payable quarterly in arrears at 6.5% per annum. The loan was fully drawn down on 13 November 2023. The loan amount owing of RMB100.0 million has been revalued to an AUD amount using the period end exchange rate of AUD1:RMB4.8143.

On 12 February 2024, the Group secured another RMB100.0 million (AUD20.8 million) loan facility with Shandong Gold Group Co., Limited. The unsecured loan is payable 1 year after drawdown. Interest is payable quarterly in arrears at 6.5% per annum. The loan was fully drawn down on 16 April 2024. The loan amount owing of RMB100.0 million has been revalued to an AUD amount using the period end exchange rate of AUD1:RMB4.8143.

Non-Current Liabilities

Related party loan	66,425	64,327
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On 8th December 2021, the Group secured US10 million (AUD15.1 million) in funding with Shandong Gold Financial Holdings Group (HongKong) Co., Limited. The unsecured loan is payable, 3 years after drawdown. Interest is payable quarterly in arrears at 3% per annum over the USD London Inter Lender Offered Rate. This loan was drawn down on 6th July 2022. The loan amount owing has been revalued to a USD amount using the period end exchange rate of AUD1: USD0.6624.

On 19th January 2023, the Group secured an additional US35 million (AUD51.3 million) in funding with Shandong Gold International Mining Co Limited. The unsecured loan is payable, 3 years after drawdown. Interest is payable quarterly in arrears at 3% per annum term secured overnight financing rate. This loan was first drawn down on 3rd April 2023. The loan amount owing has been revalued to a USD amount using the period end exchange rate of AUD1: USD0.6624.

Note 7: Issued Capital and Reserves

Authorised Capital

The Group does not have an Authorised Capital and there is no par value for ordinary shares.

(a) Ordinary Shares

	No. of shares	As at 30 June 2024 \$'000	No. of shares	As at 31 December 2023 \$'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 2023: 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 2024 (6 months ending 30 June 2023: Nil).

Note 8: Contingencies

There have been no changes to contingent liabilities or assets for the period ended 30 June 2024.

Note 9: Significant Events After the reporting period

In July 2024, Focus entered into an unsecured short-term loan facility of USD30.0 million (approximately A\$45.0 million) with its major shareholder, Shandong Gold, to provide additional working capital to fund operational expenditures. First drawdown USD3 million was made on 14 August 2024. The key terms of the loan are as follows:

- Term: 3 years after drawdown;
- Interest: SOFR plus 3% per annum payable quarterly.

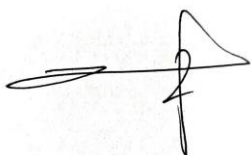
Other than the above, there has not been any other events, matters or circumstances that has arisen since 30 June 2024 that have significantly affected or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in the future financial periods.

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 2024 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 in accordance with section 303(5)(a) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to be 'Wanghong Yang', written over a light grey circular stamp.

Wanghong Yang
Chairman of the Board
13 September 2024
Perth, WA

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 2024, 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 2024 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 review report.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$25,887,000, and had net cash outflows from operating and investing activities of \$7,190,000 and \$8,062,000 respectively for the half year ended 30 June 2024. As at that date, the Group's current liabilities exceeded its total assets by \$57,359,000. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibility of the Directors' for the Financial Report

The directors of 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 2023 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.

RSM
RSM AUSTRALIA



Perth, WA
Dated: 13 September 2024

ALASDAIR WHYTE
Partner