

ASX Announcement
24 November 2016

Focus sells a portion of M15/154 to FMR Investments for \$3 million

FMR Investments Pty Ltd (“FMR”) has owned the Greenfields Gold Processing Plant for almost twenty years, conducting toll treatment for many of the district’s small producers, as well as processing their own ore. Focus Minerals Ltd (“Focus”) and FMR have long cooperated in the Coolgardie region, through sharing the cost of infrastructure such as roads and by sharing surplus materials such as waste rock and topsoil.

For many years, FMR has been leasing from Focus the ground on which the Greenfields Plant sits. The FMR sub-lease is a portion of M15/154 and is situated in close proximity to Focus’ own Three Mile Hill Gold Processing Plant as well as our Greenfields Open Pit (see Figure 1 for details). The current sub-lease agreement requires FMR to pay Focus \$75,000 annually.

Focus is pleased to announce that a new agreement has been reached. The key terms of the agreement are:

- Focus will divest the sub-lease portion of M15/154 to FMR.
- FMR will pay Focus \$1.5M up front, and another \$1.5M when the sub-lease area is transferred.
- FMR will indemnify Focus against all costs or damages associated with Focus’ activities, including the mining of Greenfields pit.

Most importantly, the sale of the FMR sub-lease does not affect Focus’ Greenfields JORC Mineral Resource and will not impede Focus’ operational plans or slow progress towards our key goal of restarting production at Coolgardie.



Figure 1: FMR sub-lease area

Both Focus and FMR see substantial value in transferring the sub-lease area rather than entering into another long term sub-lease. This deal, which is subject to DMP approval, will provide FMR with security of tenure and Focus with a valuable cash injection without hindering our operations.

For more information, please contact Dane Etheridge, Focus’ Company Secretary, on 9215 7888.