

Focus Minerals Ltd Activities and Cashflow Report for December Quarter 2016

Operational Highlights During the Quarter

During the December Quarter, Focus Minerals Ltd (“Focus”, “FML” or the “Company”) advanced its priority targets at both Coolgardie and Laverton. The locations of Focus’ projects are presented in Figure 1.

Recent work at Laverton has increased Focus’ confidence in the potential of Karridale, while work at Coolgardie during the December Quarter has enabled Focus to make an important step towards recommencing production. Mining One Consultants has been engaged to undertake preliminary feasibility studies (PFS) of the Bonnie Vale and Brilliant resources. If the results of the PFS’ are positive, they are expected to form the basis of JORC 2012 Ore Reserve assessments and maiden Ore Reserve declarations for these important resources. Focus looks forward to providing updates on this work as it proceeds.

Focus’ cash remains strong, at \$64.4M, due to the Company’s ongoing cost discipline and the receipt of the initial \$1.5M from FMR Investments following the agreement to divest part of M15/154 (See ASX 24 November 2016). Under this agreement, Focus will receive an additional \$1.5M once the transfer of the affected part of the tenement is complete.

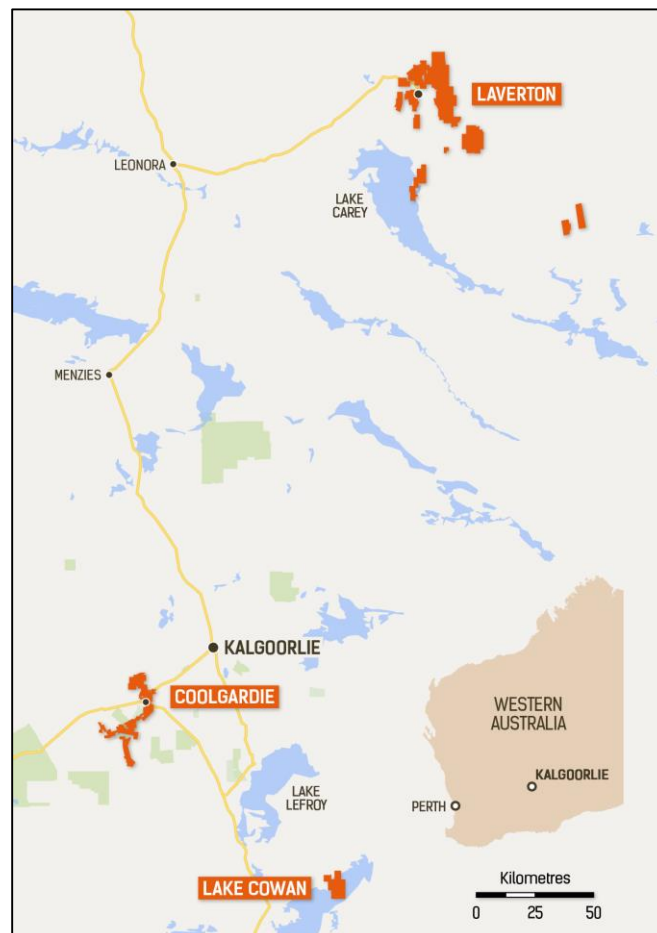


Figure 1: Focus project locations.

Coolgardie Gold Project

During the quarter, 83 RC holes for 6,417m were drilled at Coolgardie. Details of these activities, including the significant intercepts, were released to the ASX on 25 January 2017.

Drilling was split between exploration program testing targets near Bonnie Vale and Tindals and a close-spaced drill program at Possum. Highlights of the significant results include:

- 6m @ 6.29g/t Au from 57m (including 1m @ 19.50g/t Au from 59m) in TND16099
- 8m @ 1.48g/t Au from 60m in TND16115
- 1m @ 5.92g/t Au from 192m in TND16120
- 1m @ 4.79g/t Au from 92m in TND16121

Collar locations for these and other recent Coolgardie holes are presented in Figure 2 below.

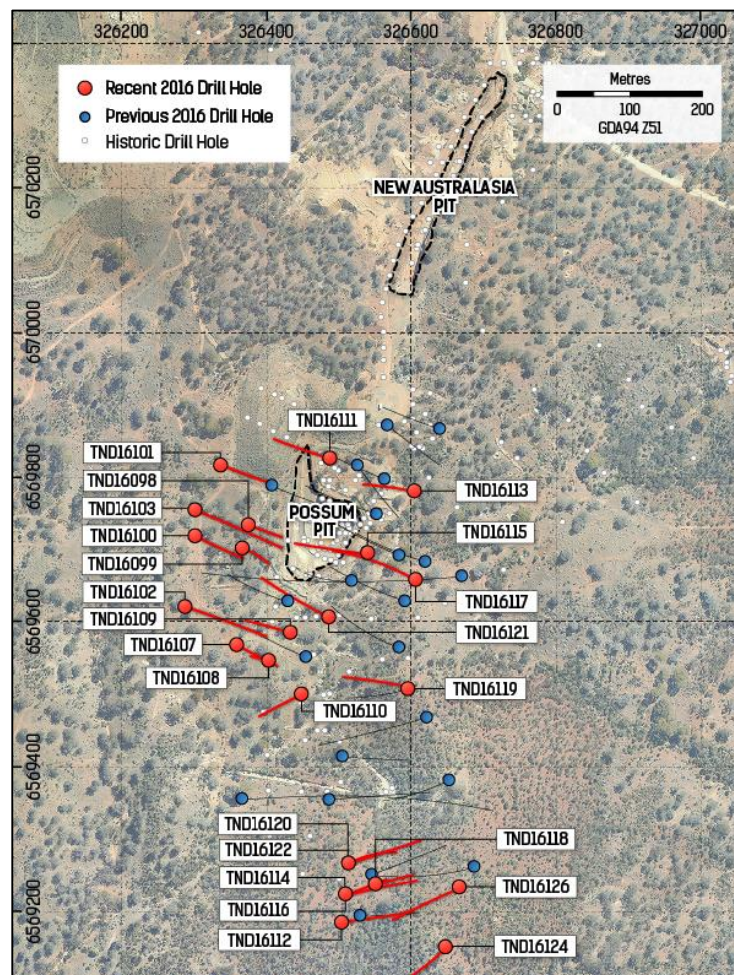


Figure 2: Possum drill hole collars

Drilling at Coolgardie recommenced for 2017 on the 25th of January. The main focus of current work is RC exploration and infill drilling at Brilliant as well as resource in-filling and testing lode extensions and Bonnie Vale. A ground gravity survey program with 2,059 stations has been planned at the Tindals area. Furthermore, the company has planned a 3,300 stations gravity survey program at the east part of Lake Cowan, the purpose of which is to further understand the structural geology in the area with the aim to delineate gold targeting.

Laverton Gold Project

During the quarter, Focus has drilled 28 RC holes for 6,193m into the Karridale Project, the results were released to the ASX on 25 January 2017.

The drilling has increased Focus' confidence that the Karridale Project is a significant gold system and has extended the strike of mineralisation to over 700m. The mineralisation remains open along strike and down dip.

Highlights from the recent Karridale drilling include the high-grade gold intersections:

- 4m @ 30.3g/t Au from 90m in hole KARC224
- 7m @ 11.0g/t Au from 214m in hole KARC222
- 4m @ 8.74g/t Au from 205m in KARC203
- 3m @ 8.47g/t Au from 108m in KARC208
- 4m @ 6.05g/t Au from 41m in KARC223
- 4m @ 5.34g/t Au from 57m in KARC204
- 6m @ 2.33g/t Au from 250m in KARC214

Collar locations for these and other recent Karridale holes are presented in Figure 3 below.

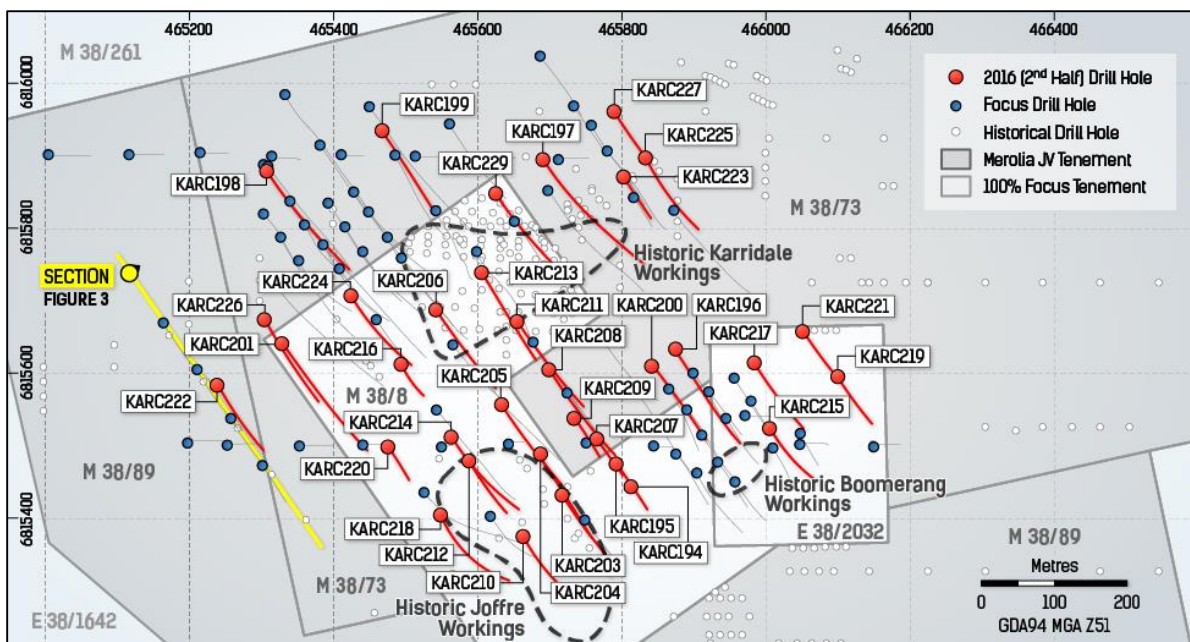


Figure 3: Selected Karridale drill collar locations.

During the first quarter of 2017, Focus plans to complete 32 RC drill holes totalling 9,052m. This work will infill the current drill pattern to enable the estimation of a maiden Mineral Resource and test for extensions to high-grade mineralisation west of the Boomerang mine as well as at depth northwest of the Karridale mine. Planning is in progress for diamond core drilling to extend selected holes, such as KARC222.

Cash Position at End of December Quarter

Focus remains in a strong financial position with \$64.4M in cash and equivalents at 31 December 2016 (30 September \$66.4M).

Cash at Bank and Deposits	\$48.3M
Cash held on bond	\$16.1M
Total Cash and Equivalents	\$64.4M

Tenements held at 31 December 2016

Laverton Gold Project		
Tenement Description	Tenement Number	Percentage Interest
BARRICK	E38/1642	100
BARRICK	E38/1725	100
BARRICK	E38/2032	100
BARRICK	L38/0092	100
BARRICK	L38/0101	100
BARRICK	M38/0037	100
BARRICK	M38/0038	100
BARRICK	M38/0049	100
BARRICK	M38/0101	100
BARRICK	M38/0159	100
BARRICK	M38/0342	100
BARRICK	M38/0363	100
BARRICK	M38/0364	100
BARRICK	M38/0535	100
BARRICK	M38/0693	100
BARRICK	P38/3500	100
BARRICK	P38/3501	100
BARRICK	P38/3667	100
BARRICK	P38/3671	100
BLACK SWAN JV	E38/1869	100
BLACK SWAN JV	P38/3608	100
BURTVILLE	E38/3050	100
BURTVILLE	E38/3051	100
BURTVILLE	E38/3088	100
BURTVILLE	G38/0033	100
CENTRAL LAVERTON	E38/1861	100
CENTRAL LAVERTON	E38/1864	100
CENTRAL LAVERTON	E38/2143	100
CENTRAL LAVERTON	G38/0020	100
CENTRAL LAVERTON	M38/0264	100
CENTRAL LAVERTON	M38/0318	100
CENTRAL LAVERTON	M38/0376	100
CENTRAL LAVERTON	M38/0377	100
CENTRAL LAVERTON	M38/0387	100
CENTRAL LAVERTON	M38/0401	100
CENTRAL LAVERTON	M38/0507	100
CENTRAL LAVERTON	M38/1032	100

CENTRAL LAVERTON	M38/1042	100
CENTRAL LAVERTON	P38/3691	100
CENTRAL LAVERTON	P38/3692	100
EAST LAVERTON	M38/0008	100
EAST LAVERTON	M38/0261	100
EAST LAVERTON	P38/3611	100
EAST LAVERTON	P38/3612	100
INFRASTRUCTURE	G38/0024	100
INFRASTRUCTURE	G38/0025	100
INFRASTRUCTURE	L38/0034	100
INFRASTRUCTURE	L38/0052	100
INFRASTRUCTURE	L38/0053	100
INFRASTRUCTURE	L38/0054	100
INFRASTRUCTURE	L38/0055	100
INFRASTRUCTURE	L38/0056	100
INFRASTRUCTURE	L38/0057	100
INFRASTRUCTURE	L38/0063	100
INFRASTRUCTURE	L38/0075	100
INFRASTRUCTURE	L38/0076	100
INFRASTRUCTURE	L38/0078	100
INFRASTRUCTURE	L38/0108	100
INFRASTRUCTURE	L38/0120	100
INFRASTRUCTURE	L38/0152	100
INFRASTRUCTURE	L38/0153	100
INFRASTRUCTURE	L38/0160	100
INFRASTRUCTURE	L38/0163	100
INFRASTRUCTURE	L38/0164	100
INFRASTRUCTURE	L38/0165	100
INFRASTRUCTURE	L38/0166	100
INFRASTRUCTURE	L38/0173	100
INFRASTRUCTURE	L38/0177	100
INFRASTRUCTURE	L38/0179	100
INFRASTRUCTURE	L38/0183	100
INFRASTRUCTURE	L39/0124	100
INFRASTRUCTURE	L39/0214	100
JASPER HILLS	M39/0138	100
JASPER HILLS	M39/0139	100
JASPER HILLS	M39/0185	100
JASPER HILLS	M39/0262	100
LAVERTON	L38/0231	100
LAVERTON	P38/4091	100
LAVERTON	P38/4099	100
LAVERTON	P38/4100	100
LAVERTON	P38/4102	100
LAVERTON	P38/4163	100
LAVERTON-MONEY	M38/0547	100
MEROLIA JV	M38/0073	91
MEROLIA JV	M38/0089	91
MT WELD	E38/2862	100
MT WELD	E38/2872	100
MT WELD	E38/2873	100
WATER	GWL154255	100
WATER	GWL160209	100
WATER	GWL160210	100
WATER	GWL160685	100

WATER	GWL172290	100
WEST LAVERTON	M38/0143	100
WEST LAVERTON	M38/0236	100
WEST LAVERTON	M38/0270	100
WEST LAVERTON	M38/0345	100
WEST LAVERTON	M38/1187	100

Coolgardie Gold Project		
Tenement Description	Tenement Number	Percentage Interest
BAYLEYS	G15/0007	100
BAYLEYS	M15/0630	100
BAYLEYS	M15/1433	100
BAYLEYS	M15/1788	100
BAYLEYS	P15/4912	100
BAYLEYS	P15/5717	100
BONNIE VALE	M15/0277	100
BONNIE VALE	M15/0365	100
BONNIE VALE	M15/0595	100
BONNIE VALE	M15/0662	100
BONNIE VALE	M15/0711	100
BONNIE VALE	M15/0770	100
BONNIE VALE	M15/0852	100
BONNIE VALE	M15/0857	100
BONNIE VALE	M15/0877	100
BONNIE VALE	M15/0981	100
BONNIE VALE	M15/1384	100
BONNIE VALE	M15/1444	100
BONNIE VALE	M15/1760	100
BONNIE VALE	P15/5155	100
BONNIE VALE	P15/5156	100
BONNIE VALE	P15/5158	100
BONNIE VALE	P15/5159	100
BONNIE VALE	P15/5190	100
BONNIE VALE	P15/5238	100
BONNIE VALE	P15/5253	100
BONNIE VALE	P15/5254	100
BONNIE VALE	P15/5255	100
BONNIE VALE	P15/5713	100
BONNIE VALE	P15/5714	100
BURBANKS	P15/5939	0 (Under Application)
BURBANKS	P15/6027	0 (Under Application)
BURBANKS	P15/6102	0 (Under Application)
COOLGARDIE	P15/5946	100
COOLGARDIE	P15/5949	100
COOLGARDIE	P15/5987	100
COOLGARDIE	P15/5995	100
COOLGARDIE	P15/6002	100
COOLGARDIE	P15/6006	100
COOLGARDIE	P15/6033	0 (Under Application)
GUNGA	M15/1341	100
GUNGA	M15/1357	100
GUNGA	M15/1358	100
GUNGA	M15/1359	100

GUNGA	P15/5256	100
GUNGA	P15/5702	0 (Under Application)
GUNGA	P15/5703	0 (Under Application)
GUNGA	P15/5704	0 (Under Application)
LAKE COWAN	E15/0986	100
LONDONDERRY	P15/5969	100
LONDONDERRY	P15/5970	100
LONDONDERRY	P15/5963	0 (Under Application)
LONDONDERRY	P15/5964	0 (Under Application)
LONDONDERRY	P15/5965	0 (Under Application)
LONDONDERRY	P15/5966	0 (Under Application)
LONDONDERRY	P15/5967	0 (Under Application)
LONDONDERRY	P15/5968	0 (Under Application)
LONDONDERRY	P15/5971	0 (Under Application)
LONDONDERRY	P15/5972	0 (Under Application)
LONDONDERRY	P15/6064	0 (Under Application)
LORD BOB	M15/0385	100
LORD BOB	M15/0664	100
LORD BOB	M15/1789	100
LORD BOB	P15/4829	100
LORD BOB	P15/4956	100
LORD BOB	P15/5550	100
LORD BOB	P15/5712	0 (Under Application)
LORD BOB	P15/5731	100
LORD BOB	P15/5733	100
LORD BOB	P15/5735	100
LORD BOB	P15/5712	100
ML - BAYLEYS	L15/0034	100
ML - BAYLEYS	L15/0122	100
ML - BAYLEYS	L15/0161	100
ML - BAYLEYS	L15/0164	100
ML - BAYLEYS	L15/0186	100
ML - BONNIEVALE	L15/0126	100
ML - BONNIEVALE	L15/0127	100
ML - BONNIEVALE	L15/0130	100
ML - BONNIEVALE	L15/0200	100
ML - BONNIEVALE	L15/0211	100
ML - GUNGA	L15/0088	100
ML - GUNGA	L15/0090	100
ML - GUNGA	L15/0095	100
ML - GUNGA	L15/0096	100
ML - GUNGA	L15/0114	100
ML - GUNGA	L15/0116	100
ML - GUNGA	L15/0119	100
ML - GUNGA	L15/0283	100
ML - LORD BOB	L15/0051	100
ML - LORD BOB	L15/0059	100
ML - LORD BOB	L15/0063	100
ML - LORD BOB	L15/0077	100
ML - LORD BOB	L15/0078	100
ML - NEPEAN	L15/0027	100
ML - NEPEAN	L15/0028	100
ML - NEPEAN	L15/0179	100
ML - NEPEAN	L15/0193	100
ML - NEPEAN	L15/0194	100

ML - NEPEAN	L15/0294	100
ML - NORRIS	L15/0071	100
ML - NORRIS	L15/0168	100
ML - NORRIS	L15/0169	100
ML - NORRIS	L15/0170	100
ML - NORRIS	L15/0171	100
ML - NORRIS	L15/0172	100
ML - NORRIS	L15/0173	100
ML - NORRIS	L15/0174	100
ML - NORRIS	L15/0175	100
ML - THREE MILE HILL	L15/0042	100
ML - THREE MILE HILL	L15/0123	100
ML - THREE MILE HILL	L15/0177	100
NEPEAN	M15/0709	100
NEPEAN	M15/1809	100
NEPEAN	P15/5519	100
NEPEAN	P15/5574	100
NEPEAN	P15/5575	100
NEPEAN	P15/5576	100
NEPEAN	P15/5625	100
NEPEAN	P15/5626	100
NEPEAN	P15/5629	100
NEPEAN	P15/5738	100
NEPEAN	P15/5739	100
NEPEAN	P15/5740	100
NEPEAN	P15/5741	100
NEPEAN	P15/5742	100
NEPEAN	P15/5743	100
NEPEAN	P15/5749	100
NEPEAN	P15/5750	100
NORRIS	M15/0384	100
NORRIS	M15/0391	100
NORRIS	M15/0515	100
NORRIS	M15/0761	100
NORRIS	M15/0791	100
NORRIS	M15/0871	100
NORRIS	M15/1153	100
NORRIS	M15/1422	100
NORRIS	M15/1793	100
NORRIS	P15/5241	100
NORRIS	P15/5522	100
NORRIS	P15/5527	100
NORRIS	P15/5528	100
NORRIS	P15/5729	100
NORRIS	P15/5730	100
NORRIS	P15/5732	100
NORRIS	P15/5734	100
NORRIS	P15/5736	100
NORRIS	P15/5756	100
NORRIS	P15/5807	100
THREE MILE HILL	M15/0150	100
THREE MILE HILL	M15/0154	100
THREE MILE HILL	M15/0636	100
THREE MILE HILL	M15/0645	100
THREE MILE HILL	M15/0781	100

THREE MILE HILL	M15/0827	100
THREE MILE HILL	M15/1432	100
THREE MILE HILL	M15/1434	100
THREE MILE HILL	P15/4913	100
THREE MILE HILL	P15/4926	100
TINDALS	M15/0023	100
TINDALS	M15/0237	100
TINDALS	M15/0410	100
TINDALS	M15/0411	100
TINDALS	M15/0412	100
TINDALS	M15/0646	100
TINDALS	M15/0660	100
TINDALS	M15/0675	100
TINDALS	M15/0958	100
TINDALS	M15/0966	100
TINDALS	M15/1114	100
TINDALS	M15/1262	100
TINDALS	M15/1293	100
TINDALS	M15/1294	100
TINDALS	M15/1461	100
TINDALS	P15/4933	100
TINDALS	P15/4934	100
TINDALS	P15/4935	100
TINDALS	P15/4941	100
TINDALS	P15/4943	100
TINDALS	P15/4945	100
TINDALS	P15/4947	100
TINDALS	P15/5046	100
TINDALS	P15/5048	100
TINDALS	P15/5464	100
WATER	GWL160936	100
WATER	GWL166606	100

For further information please contact:

Dane Etheridge

Company Secretary and GM Business Development

Focus Minerals Ltd

Phone: +61 8 9215 7888

Focus Minerals Limited - Focus owns two large gold projects in Western Australia's Eastern Goldfields. The company is the largest landholder in the Coolgardie Gold Belt, where it owns the 1.2Mtpa processing plant at Three Mile Hill. Located 250km to the northeast, Focus has the Laverton Gold Project which comprises a significant portfolio of highly prospective tenure. Focus also owns the 1.45Mtpa Barnicoat mill in Laverton which has been on care and maintenance since 2009.

Forward Looking Statements

This release contains certain "forward looking statements". Forward-looking statements can be identified by the use of 'forward-looking' terminology, including, without limitation, the terms 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future, assumptions which may or may not prove correct, and may be beyond Focus' ability to control or predict which may cause the actual results or performance of Focus to be materially different from the results or performance expressed or implied by such forward-looking statements. Forward-looking statements are based on assumptions and contingencies and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Similarly, no representation is given that the assumptions upon which forward-looking statements may be based are reasonable. Forward-looking statements speak only as at the date of this document and Focus disclaims any obligations or undertakings to release any update of, or revisions to, any forward-looking statements in this document.

Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Michael Guo (GM Exploration and Geology) who is a member of the Association of Professional Geoscientists of Ontario, Canada, which is a Recognised Professional Organisation (RPO). Mr Guo is employed by Focus Minerals Limited and 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". Mr Guo consents to the inclusion in this announcement of the matters based on the information compiled by him in the form and context in which it appears.

END QUARTERLY ACTIVITY STATEMENT

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Focus Minerals Limited

ABN

56 005 470 799

Quarter ended ("current quarter")

December 31, 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,953)	(8,985)
(b) development	-	-
(c) production	-	-
(d) staff costs	(358)	(1,187)
(e) administration and corporate costs	(708)	(2,028)
(f) MRF	-	(643)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	354	1,558
1.5 Interest and other costs of finance paid	(56)	(167)
1.6 Income taxes paid		-
1.7 Research and development refunds		-
1.8 Other (provide details if material)		-
(a) Leasing	150	315
1.9 Net cash from / (used in) operating activities	(3,571)	(11,137)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(20)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	64	151
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Prepaid Income)	1,500	1,500
2.6	Net cash from / (used in) investing activities	1,564	1,631
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	66,443	73,941
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,571)	(11,137)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,564	1,631
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	64,436	64,436

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	48,332	50,337
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	16,104	16,104
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	64,436	66,444

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	27
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director remuneration and superannuation.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	2,300
9.2 Development	-
9.3 Production	-
9.4 Staff costs	250
9.5 Administration and corporate costs	300
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	2,850

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E38/1349 – Grape	Expired	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
Company secretary

Date: 31 January 2017

Print name: Dane Etheridge

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.