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Offer Booklet

Non-renounceable entitlement offer of 1 new share for every 1 existing share at A$0.25 per new share to raise up to approximately A$45.7 million

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The Entitlement Offer opens on Friday, 10 December 2021 and closes at 5.00pm (Perth time) on Thursday, 23 December 2021 (unless extended)

This Offer Booklet is an important document and requires your immediate attention. It should be read in its entirety and before you decide whether to participate in the Entitlement Offer. If you have any questions about any part of the Offer Booklet you should consult your professional adviser.

This Offer Booklet may not be released to US wire services or distributed in the United States.

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Focus Minerals Limited ACN 005 470 799

Important information 4

Key offer terms 6

Chairman's letter 7

Entitlement Offer 8

1. Details of the Entitlement Offer 8
1.1 The Entitlement Offer 8
1.2 Shandong Gold's participation in the Entitlement Offer 8
1.3 Purpose of the Entitlement Offer and Use of Funds 9
1.4 Top Up Offer 10
1.5 Residual Shortfall Shares 11
1.6 Underwriting 11
1.7 Issue of New Shares 11
1.8 ASX quotation 11
1.9 Application Money 12
1.10 Market prices for Shares on ASX 12
1.11 Foreign Shareholders 12
1.12 Nominees and custodians 12
1.13 Risks 13
1.14 Regular reporting and disclosure 13
1.15 Rights and liabilities attaching to New Shares 13
1.16 Disclaimer 13
1.17 Financial amounts 13
1.18 Privacy 13
1.19 Governing Law 14

2. Required Actions 14
2.1 Eligible Shareholders 14
2.2 Payment 14
2.3 Applying for additional shares under Top Up Offer 15
2.4 Declining all or part of your Entitlement 15
2.5 Non-Eligible Foreign Shareholders 15
2.6 Warranties made on acceptance of Entitlement Offer 16
2.7 Refunds 17
2.8 Withdrawals 17

3. Pro forma financial position 18

4. Effect of the Entitlement Offer 20
4.1 Effect of the Entitlement Offer on capital structure 20
4.2 Financial effect of the Entitlement 20
4.3 Impact on control 20
4.4 Dilution 21
4.5 Directors and directors interests 22

5. Risk Factors 23
5.1 Overview 23
5.2 Future Capital Needs and Additional Funding for the Project 23
5.3 Potential for Significant Dilution 23
5.4 Shandong Gold's participation in the Entitlement Offer 24
5.5 Controlling Shareholder 24

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5.6 Related Party Loans 24
5.7 Impact on fluctuations in foreign exchange rates on net assets 25
5.8 Liquidity risk post Entitlement Offer 25
5.9 Exploration and Development Risks 25
5.10 Mining Approvals 25
5.11 Coolgardie 2020 PFS and Other Studies 26
5.12 Resource and Reserve Estimates 26
5.13 Exploration and Mining Risk 26
5.14 Ability to Exploit Successful Discoveries 26
5.15 Title and Tenure Risk 26
5.16 Environmental Risk 27
5.17 Insurance 27
5.18 Commodity Price Volatility 27
5.19 Joint Venture Parties, Agents and Contractors 27
5.20 Competition 28
5.21 General investment risks 28
6. Foreign jurisdictions 28
6.1 New Zealand 29
6.2 Hong Kong 29
6.3 United States 29
7. Taxation 29
8. Information availability 30
Glossary 31
Corporate Directory 33

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Important information

The information in this Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

The information in this Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia and New Zealand (and certain existing shareholders who are institutional or professional investors in any other jurisdictions as determined by Focus) and has been prepared in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*. Please refer to Section 1.1 of this Offer Booklet for Eligible Shareholder criteria.

Foreign Jurisdictions

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the New Shares, or otherwise permit an offering of the New Shares to existing shareholders in any jurisdiction outside of Australia and New Zealand. This Offer Booklet and accompanying Entitlement and Acceptance Form may not be distributed outside Australia and New Zealand except as may be permitted under Section 1.12 and Section 6 of this Offer Booklet or as otherwise set out in this Offer Booklet.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

WARNING: This Offer Booklet has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)* of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the *Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong* (the **SFO**). Accordingly, this Offer Booklet may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Offer Booklet have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this Offer Booklet, you should obtain independent professional advice.

United States

The New Shares have not been, and will not be, registered under the *US Securities Act of 1933* and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

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Future performance and forward-looking statements

This Offer Booklet may contain certain *forward looking statements*. The words *anticipate, believe, expect, project, forecast, estimate, likely, intend, should, could, may, target, plan, consider, foresee, aim, will* and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future activities, financial position and performance of the Company and Shares are also forward looking statements. Such forward looking statements are based on an assessment of present economic and operating conditions and a number of assumptions regarding future events and actions that, as at the date of this Offer Booklet are expected to take place and are provided as a general guide only. The Company cannot and does not give any assurance that the activities, results, performance or achievements expressed or implied by such statements will actually occur. Any such activity, result, performance or achievement involves known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and which are based on change without notice, and could cause such activities, results, performances or achievements to differ materially from those expressed or anticipated in such statements. Shareholders are cautioned not to place undue reliance on these forward looking statements.

No Investment advice

This Offer Booklet is not financial product or investment advice nor a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

The Company is not licensed to provide financial product advice in respect of New Shares or any other financial products. No cooling off period applies to the acquisition of the New Shares.

Risks

An investment in New Shares is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are beyond the control of the Company and the Board, including the risks described in section 5 of this Offer Booklet, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Booklet. Neither the Company, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular taxation treatment. In considering an investment in New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in this Offer Booklet.

Past performance

Past performance information given in this Offer Booklet is provided for illustrative purposes only and should not be relied on as (and is not) an indication of future performance. The historical information in this Offer Booklet is, or is based on, information that has been released to the market. For further information, please see past announcements released to ASX.

No representations

This Offer Booklet has been prepared by the Company. No person is authorised to give information or to make any representation in connection with this Offer Booklet which is not contained in the Offer Booklet. Any information or representation not so contained may not be relied upon.

New Shares quoted on a deferred settlement basis

New Shares will be quoted on a deferred settlement from market open on Friday, 24 December 2021 and issued on or about Friday, 31 December 2021. It is the responsibility of Eligible Shareholders to determine their allocation prior to trading in New Shares. The Company recommends that Shareholders should only sell up to the amount of New Shares applied for under their Entitlement and not trade any Additional New Shares applied for under the Top Up Offer as there is no assurance as to the level of allocations under the Top Up Offer. Shareholders who sell New Shares before they receive confirmation of their allotment will do so at their own risk.

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Key offer terms

Key offer terms	
Issue Price	A$0.25 per New Share payable in full on Application
Entitlement	1 New Share for every 1 Existing Share held on the Record Date
Number of New Shares to be issued under the Entitlement Offer (if fully subscribed)	182,748,565 New Shares
Approximate amount to be raised under the Entitlement Offer (excluding expenses) (if fully subscribed)	A$45.7 million[1]
Number of Shares on issue following the Entitlement Offer (if fully subscribed)[2]	365,497,130 Shares

This Offer Booklet is dated Friday, 3 December 2021. The following are key indicative dates relating to the Entitlement Offer.

Event	Time
*ASX announcement of the Entitlement Offer, lodgement of Appendix 3B, Offer Booklet and cleansing notice with ASX	Before commencement of trading on Friday, 3 December 2021
*Ex Date – date on which Shares commence trading without an entitlement to participate in the Entitlement Offer	Tuesday, 7 December 2021
*Record Date (4.00 pm Perth time) for entitlements to participate in Entitlement Offer	Wednesday, 8 December 2021
This Offer Booklet and Entitlement and Acceptance Forms dispatched to Eligible Shareholders and dispatch announced to ASX	Friday, 10 December 2021
Opening Date for the Entitlement Offer	Friday, 10 December 2021
Closing Date for lodgement of Entitlement and Acceptance Forms and payment	5.00pm (Perth time) on Thursday, 23 December 2021
Deferred settlement trading commences	Friday, 24 December 2021
Announcement of results of Entitlement Offer including under subscriptions (if any)	Friday, 31 December 2021
Allotment of New Shares under the Entitlement Offer	Friday, 31 December 2021
Dispatch of holding statements for New Shares	Tuesday, 4 January 2022
New Shares commence normal trading on ASX	Tuesday, 4 January 2022

The above dates other than those marked with an asterisk (*) are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable at any time and in particular, subject to the Corporations Act and ASX Listing Rules, to extend the latest date for receipt of Entitlement and Acceptance Forms, to accept late Entitlement and Acceptance Forms either generally or in particular cases, or to cancel the Entitlement Offer without prior notice.

[1] References to the maximum amount that may be raised under this Offer Booklet as A$45.7 million have been rounded to 1 decimal place. The precise maximum amount that may be raised is A$45,687,141.25.

[2] The Company notes that it has received a commitment from Shandong Gold (the Company's largest shareholder) that, to the extent that it is not prohibited by law from doing so, it will subscribe for its full Entitlement (being 90,519,954 New Shares). See further, section 1.2 regarding Shandong Gold's commitment, and section 4.3 regarding the potential impacts on control of the Company.

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Chairman's letter

Friday, 3 December 2021

Dear Shareholder

On behalf of the directors of Focus Minerals Limited (**Focus** or **Company**), I am pleased to invite you to participate in a non-renounceable entitlement offer to subscribe for 1 New Share for every 1 Existing Share held at an Issue Price of A$0.25 per New Share (**Entitlement Offer**).[3]

The Entitlement Offer is expected to raise (approximately) at least A$22.6 million[4] and up to A$45.7 million. The proceeds of the Entitlement Offer will be used to pay the costs associated with conducting the Entitlement Offer and will provide the Company with the funds to advance the proposed resumption of gold mining operations at its Coolgardie gold project.

Pleasingly, the Company has received a commitment from Shandong Gold (the Company's largest shareholder) that, to the extent it is not prohibited by law from doing so, it will participate in the Offer for its full Entitlement, representing approximately A$22.6 million (49.53%) of the Entitlement Offer.[5]

New Shares issued under the Entitlement Offer will rank equally in all respects with existing Shares. The Record Date for determining eligibility to participate in the Entitlement Offer is 4.00pm (Perth time) on Wednesday, 8 December 2021.

The Issue Price of A$0.25 per New Share represents:

- an approximate 12.3% discount to the closing price of Shares on ASX on 2 December 2021, which was the last full day Shares traded on ASX before the announcement of the Entitlement Offer; and
- an approximate 15.4% discount to the 5 day VWAP to the closing price of the Shares as traded on ASX up to close of trading on 2 December 2021.

Eligible Shareholders who accept their Entitlement in full will have the opportunity to apply for Additional New Shares in excess of their Entitlement (subject to scale back in accordance with the Director's allocation policy) under a Top Up Offer. Please refer to Section 1.4 of this Offer Booklet for further details.

Accompanying this Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement. The closing date for the receipt of Entitlement and Acceptance Forms and Application Money is 5.00pm (Perth time) on Thursday, 23 December 2021. To participate in the Entitlement Offer please ensure that, before this time, you have paid your Application Money by BPAY® in accordance with the instructions set out in the enclosed Entitlement and Acceptance Form and Required Actions section of this Offer Booklet.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

Full details on the Entitlement Offer (including a summary of some of the key risks associated with an investment in the Company) are set out in this Offer Booklet, which you should read carefully and in its entirety. Additionally, you can call our Share Registry for further information on 1300 145 833 (within Australia) and +61 3 9415 4833 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday.

On behalf of the Board, I thank you for your continued support as a shareholder and I encourage you to consider this investment opportunity.

Yours sincerely

Mr Wanghong Yang
Chairman

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[3] Fractional Entitlements to New Shares will be rounded down to the nearest whole number. However, as the Entitlement Offer is on a 1 for 1 basis, there will be no fractional Entitlements.

[4] Assuming that Shandong Gold subscribes for its full Entitlement.

[5] See section 1.2 for further information regarding the Shandong Gold's commitment regarding its Entitlement, and section 5.4 regarding the risks relating to this.

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Entitlement Offer

1. Details of the Entitlement Offer

1.1 The Entitlement Offer

The Entitlement Offer is non-renounceable. This means that Shareholders who do not take up their Entitlements by 5.00pm (Perth time) on the Closing Date of Thursday, 23 December 2021, will not receive any payment or value for those Entitlements and their proportionate equity interest in the Company will be diluted.

Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 1 Existing Share held on the Record Date.

The number of New Shares to which you are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares on issue. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

To qualify for the Entitlement Offer under this Offer Booklet, a Shareholder must:

(a) be registered as a Shareholder at 4.00pm (Perth time) on the Record Date; and

(b) either:

  (i) have an address in Australia or New Zealand; or

  (ii) be eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification and to whom the Company decides to extend the Entitlement Offer in its sole and absolute discretion,

(each such person being, an **Eligible Shareholder**).

1.2 Shandong Gold's participation in the Entitlement Offer

The Company has received a commitment from Shandong Gold (the Company's largest shareholder) that, to the extent that Shandong Gold is not prohibited by law from taking up its Entitlement, it will participate in the Offer for its full Entitlement, representing approximately A$22.6 million (49.53%) of the Entitlement Offer.

To ensure that Shandong Gold is permitted under the Corporations Act to take up its full Entitlement, the Company has, pursuant to section 615 of the Corporations Act, appointed Canaccord Genuity (Australia) Limited ABN 19 075 071 466 (holder of AFSL No. 234666) as its nominee to sell the New Shares that might have otherwise been issued to Non-Eligible Foreign Shareholders (**Sale Nominee**) to sell the New Shares that might have otherwise been issued to Non-Eligible Foreign Shareholders. The Company obtained ASIC approval for the appointment of the Sale Nominee on 2 December 2021, as required by section 615 of the Corporations Act.

The appointment of the Sale Nominee as nominee will allow Shandong Gold to increase its shareholding in the Company as a result of taking up New Shares that form part of its Entitlement under the Entitlement Offer (but not Additional New Shares pursuant to the Top Up Offer described in section 1.4) pursuant to the exception to the takeover prohibition in section 611 item 10 of the Corporations Act.

Shandong Gold has advised the Company that it has received all the necessary approvals from Chinese regulatory bodies, and does not require any other regulatory approvals, to subscribe for its Entitlement in full.

However, there is no guarantee that Shandong Gold will not in the future be prohibited from taking up its Entitlement in full as a result of an action, exercise of discretion or other proceedings made pursuant to laws in Australia or overseas (see further section 5.5 in the *Risk Factors* section of

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this Offer Booklet). If that occurs, the Directors reserve the right to take any action they consider appropriate in their sole discretion. This may include continuing with the Entitlement Offer based on its current timetable, extending the closing date of the Offer, seeking to amend or vary the terms of the Entitlement Offer, withdrawing or cancelling the Entitlement Offer or any other legally permitted action.

1.3 Purpose of the Entitlement Offer and Use of Funds

The proceeds of the Entitlement Offer, together with the Company's existing cash reserves and the new 2021 Shandong Gold Loan Facility, are intended to be used to pay the costs associated with conducting the Entitlement Offer, funding the implementation of the Company's plans to resume gold mining operations at its Coolgardie gold project as announced on 3 December 2021, and provide working capital to fund the continued operation, exploration and assessment of the Company's projects.

The total funds available to the Company will depend on the extent to which Eligible Shareholders participate in the Entitlement Offer and subscribe for New Shares.

As such, the Company provides the following comparison of the funds available in the following scenarios:

(a) **Scenario 1** – the Entitlement Offer is fully subscribed and there is no Residual Shortfall; and

(b) **Scenario 2** – Shandong Gold fully subscribes for its Entitlement, the Entitlement Offer is otherwise nil subscribed, and none of that Residual Shortfall is placed with third parties.

Available Funds	Scenario 1 (A$)	Scenario 2 (A$)
Existing cash reserves	5.1 million	5.1 million
2021 Shandong Gold Loan Facility	14.0 million[6]	14.0 million[7]
Proceeds of Entitlement Offer	45.7 million	22.6 million
Total	**64.8 million**	**41.7 million**

The Company intends to utilise its existing cash reserves and funds raised from the Entitlement Offer in priority to drawing down or utilising funds available under the 2021 Shandong Gold Loan Facility, with a view to minimising the interest cost incurred by the Company, and minimising the exchange rate risk to which the Company is exposed.

The Company plans to allocate the available funds in each of Scenario 1 and Scenario 2 (as described above) as follows:

Proposed use of available funds	Scenario 1 (A$)	Scenario 2 (A$)
Assessment and update of the Coolgardie 2020 PFS	0.5 million	0.5 million
Approvals and permitting relating to the proposed resumption of mining operations - Coolgardie	0.5 million	0.5 million
Mill Refurbishment – Three Mile Hill – Coolgardie	24.7 million	24.7 million
Tailings Facility Lift – Three Mile Hill – Coolgardie	2.4 million	2.4 million
Exploration and assessment of other projects	10.0 million	3.2 million
Working capital	26.7 million	10.4 million
Total	**64.8 million**	**41.7 million**

[6] The Shandong Loan Facility is a US$10 million loan facility. The A$ amount has been calculated assuming an exchange rate of US$1:A$1.40.

[7] As above.

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The above table is a statement of the Board's current intentions as at the date of this Offer Booklet. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending upon a number of factors, including the amount of funds raised, the outcome of the Company's assessment and update of the Coolgardie 2020 PFS, the Company's operational and development activities, the identification of new opportunities, and market and general economic conditions. In light of this, the Board reserves the right to alter the way that the funds are applied.

As the Entitlement Offer is not underwritten, to the extent that the funds available are not sufficient for satisfy the proposed allocation above, the allocation of funds would be scaled back. In that case, the Directors will determine the most appropriate level of expenditure by category and project area. However, funds raised are intended be applied in priority to expenses of the Offer, evaluation and assessment of the Company's Coolgardie gold project, satisfying the necessary approvals and permits for the resumption of operations at the Coolgardie gold project, advancing the refurbishment of the Three Mile Hill processing plant and the general working capital requirements of the Company.

The Directors are of the opinion that on completion of the Entitlement Offer there will be sufficient working capital for the Company to materially advance the planned resumption of mining operations at the Coolgardie gold project. However, there is no guarantee that the Company will be able to resume mining operations at the Coolgardie gold project. Further, even if the Company is able to resume mining operations at the Coolgardie gold project, depending on the amount of funds raised by the Entitlement Offer and the progress of the Company's planned resumption of mining operations at its Coolgardie gold project (see announcement released to the ASX on 3 December 2021), additional funds may be required by the Company to do so.

1.4 Top Up Offer

Eligible Shareholders who take up their Entitlement in full are also able to participate in a further offer of Additional New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer and have not been taken up by them (**Top Up Offer**).

The Top Up Offer has the same Closing Date as the Entitlement Offer. The Issue Price of Additional New Shares under the Top Up Offer is the same as the Issue Price, which is A$0.25 per Additional New Share.

Please note that New Shares in excess of Entitlements will only be allocated to Eligible Shareholders based on the allocation policy described below. There is no guarantee that any Application for Additional New Shares under the Top Up Offer will be successful and the Directors reserve the right to issue any Shortfall by way of the Top Up Offer.

Allocation Policy

The Company's allocation policy is that each Eligible Shareholder who has fully taken up their Entitlement and subscribes for Additional New Shares under the Top Up Offer will be allocated that number of Additional New Shares that the Eligible Shareholder applies for, subject to the following:

(a) if there is an over subscription for Additional New Shares under the Top Up Offer, in which case, the Company will scale back applications for Additional New Shares so that Eligible Shareholders will receive Additional New Shares on a pro-rata basis according to an Eligible Shareholder's underlying shareholding at the Record Date (with any fractions of Additional New Shares arising from the application of this scale back being rounded down to the nearest whole Additional New Share); and

(b) no Additional New Shares will be issued to an Eligible Shareholder to the extent that the Directors consider (acting reasonably) that the issue of Additional New Shares would be likely to result in a breach of the Company's constitution, the ASX Listing Rules, the Corporations Act or other laws (including where it would result in the relevant Shareholder (or any of its associates) having voting power in the Company in excess of 20% of the total issued share capital of the Company).

Eligible Shareholders that apply for Additional New Shares may be allocated a lesser number of Additional New Shares than applied for, or may be allocated no Additional New Shares at all, in

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which case the difference between the Application Money received, and the number of Additional New Shares allocated to you multiplied by the Issue Price will be refunded following allotment. No interest will be paid on any Application Money received and returned.

Listing Rule 10.11 parties in relation to the Company are not entitled to participate in the Top Up Offer. For completeness, the Company notes that for the purposes of the Entitlement Offer, Shandong Gold is a Listing Rule 10.11 party and accordingly will not be able to participate in the Top Up Offer and will not be eligible to be issued any Residual Shortfall Shares (see section 1.5 below).

1.5 Residual Shortfall Shares

To the extent that there remains any shortfall of New Shares not taken up by Eligible Shareholders including after the application of the Top Up Offer (**Residual Shortfall**), the Directors of the Company reserve the right to issue all or any of the New Shares comprising the Residual Shortfall (**Residual Shortfall Shares**) at their discretion.

The Residual Shortfall must be issued not later than 3 months after the Closing Date of the Entitlement Offer and the issue price of New Shares comprising the Residual Shortfall must not be less than the price at which New Shares are offered under the Entitlement Offer.

1.6 Underwriting

The Entitlement Offer, the Top Up Offer and the placement of any Residual Shortfall Shares will not be underwritten.

The Company attempted to secure underwriting from an unrelated third party underwriter, but was unsuccessful. In the circumstances, the Company considers that it was unlikely that a broker would have secured sufficient level of sub-underwriting commitments from investors to effect an underwriting of the Entitlement Offer. The Company considers that the key reasons for this are:

(a) that there are low levels of institutional ownership on the Company's current register;

(b) that the Company's shares are considered to have low levels of stock liquidity;

(c) that a relatively high proportional of equity would be raised from the Entitlement Offer compared to the Company's current market capitalisation; and

(d) that the timing of the Entitlement Offer, which would require investor commitments during the month of December, is typically a subdued period in terms of equity capital markets activity.

1.7 Issue of New Shares

New Shares under the Entitlement Offer and the Top Up Offer are expected to be issued on or around Friday, 31 December 2021 (subject to change at the discretion of the Company).

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

1.8 ASX quotation

The Company has applied for quotation of New Shares issued under this Offer Booklet. If permission for quotation is not granted by ASX, the New Shares will not be issued and Application Money will be refunded (without interest) as soon as practicable.

New Shares will be quoted on a deferred settlement from market open on Friday, 24 December 2021 and issued on or around Friday, 31 December 2021. It is the responsibility of Eligible Shareholders to determine their allocation prior to trading in New Shares. The Company recommends that Shareholders should only sell up to the amount of New Shares applied for under their Entitlement and not trade any Additional New Shares applied for under the Top Up Offer as there is no assurance as to the level of allocations under the Top Up Offer. Shareholders who sell New Shares before they receive confirmation of their allotment will do so at their own risk.

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1.9 Application Money

Until New Shares are issued under the Entitlement Offer, the Company will hold the Application Money in one or more bank accounts in Australia. The account(s) will be established and kept solely for the purpose of depositing Application Money and retaining those funds for as long as required.

Any interest accrued on Application Money will be retained by the Company and will not be paid to the relevant Eligible Shareholder, including if the Entitlement Offer is cancelled or withdrawn.

1.10 Market prices for Shares on ASX

The lowest, highest and last market sales price of Shares on ASX during the 3 months immediately preceding the announcement of the Entitlement Offer on Friday, 3 December 2021 are set out in the table below, together with the respective date of the relevant trades.

Share Price	A$	Date
Highest	A$0.315	19 November 2021
Lowest	A$0.235	4 October 2021
Last	A$0.285	2 December 2021

The Issue Price of A$0.25 per New Share represents:

(a) an approximate 12.3% discount to the closing price of the Company's Shares on ASX on 2 December 2021, which was the last full day Shares traded on ASX before the announcement of the Entitlement Offer; and

(b) an approximate 15.4% discount to the 5 day VWAP to the closing price of the Shares as traded on ASX up to the close of trading on 2 December 2021.

1.11 Foreign Shareholders

The New Shares being offered under this Offer Booklet are being offered to Shareholders who:

(a) have a registered addresses in Australia or New Zealand; or

(b) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification and to whom the Company decides to extend the Entitlement Offer in its sole and absolute discretion.

The Entitlement Offer will not be offered to Non-Eligible Foreign Shareholders. The Company has determined pursuant to Listing Rule 7.7.1 that making the Entitlement Offer Non-Eligible Foreign Shareholders is not reasonable in the circumstances, taking into account:

(c) the number of Shareholders outside of Australia and New Zealand;

(d) the number and value of the securities to be offered to Shareholders outside of Australia and New Zealand; and

(e) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

For further details see the Foreign Jurisdictions Section 6 of this Offer Booklet.

1.12 Nominees and custodians

If the Company believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

The Company is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary will need to assess whether the distribution of any documents

relating to the Entitlement Offer (including this Offer Booklet) or the indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws.

Nominees and custodians may not distribute any part of this Offer Booklet, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia or New Zealand, without the consent of the Company, taking into consideration applicable securities laws.

Due to legal restrictions, nominees and custodians may not send copies of this Offer Booklet or any material relating to the Entitlement Offer or accept the Entitlement Offer in relation to any person in any other jurisdiction outside Australia and New Zealand, without the consent of the Company.

1.13 Risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows and Share price. The key risk factors are set out in section 5 of this Offer Booklet.

1.14 Regular reporting and disclosure

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from the 'Investors' section of the Company's website at http://www.focusminerals.com.au/investors/news-announcements/ or ASX's website www.asx.com.au.

Additionally the Company is also required to prepare and lodge with ASIC yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. These reports are released to ASIC and published on the Company and ASX websites.

1.15 Rights and liabilities attaching to New Shares

New Shares issued under this Offer Booklet will be fully paid ordinary shares in the capital of the Company and will rank equally with all Existing Shares.

The rights and liabilities attaching to Shares are set out in the Company's constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Operating Rules. The constitution may only be varied by a special resolution which is a resolution passed by at least 75% of the votes cast by Shareholders present (and entitled to vote).

1.16 Disclaimer

No person is authorised to give any information or make any representation in connection with the Entitlement Offer described in this Offer Booklet, which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as being authorised by the Company in connection with the Entitlement Offer.

1.17 Financial amounts

Money as expressed in this Offer Booklet is in Australian dollars ($ or A$) unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this Offer Booklet and between those figures and figures referred to in other parts of this document may be due to rounding.

1.18 Privacy

Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of your Shares) to be included in the public register of the Company. Information is collected to administer your Shares. Your personal information may be

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disclosed to the Company. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory.

1.19 Governing Law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Western Australia, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

2. Required Actions

2.1 Eligible Shareholders

For details in relation to whether or not you are an Eligible Shareholder, see Section 1.1 of this Offer Booklet.

If you are an Eligible Shareholder you may either:

(a) take up all of your Entitlement in accordance with this Offer Booklet;

(b) unless you are a Listing Rule 10.11 party in relation to the Company, take up all of your Entitlement and also apply for that number of Additional New Shares in excess of your Entitlement;

(c) take up some of your Entitlement, in which case the balance of your Entitlement will lapse and you will receive no value for your lapsed Entitlement; or

(d) do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlement.

Before you decide whether to accept the Entitlement Offer, the Board recommends that Eligible Shareholders:

(e) read this Offer Booklet in full; and

(f) consider the risks associated with the Entitlement Offer, as summarised in the *Risk Factors* section of this Offer Booklet (section 5), in light of your personal circumstances.

If you decide to participate in the Entitlement Offer, whether by taking up all or some of your Entitlement, you will need apply for New Shares and arrange payment for the New Shares by the methods described immediately below.

BPAY®

Make payment by BPAY® in accordance with the instructions in this Offer Booklet on the Entitlement and Acceptance Form.

By paying via BPAY®, you do not need to return the Entitlement and Acceptance Form to the Share Registry.

2.2 Payment

The Issue Price of A$0.25 per New Share is payable on exercise of your Entitlement. For all Eligible Shareholders, payments must be received by 5.00pm (Perth time) on the Closing Date (or such other date as may be determined by the Company).

Shareholders should be aware of the time required to process payment by BPAY®.

Payment will only be accepted in Australian currency and must be (other than with the express consent of the Company) through the BPAY® facility according to the instructions set out on the Entitlement and Acceptance Form and in this Offer Booklet.

Cash, money orders or cheques will not be accepted. Receipts for payment will not be issued. If you provide insufficient funds to meet the Application Money due to take up all or part of your Entitlement, you may be taken by the Company to have applied for such lower number of New Shares as your cleared Application Money will pay or your Application may be rejected.

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Any Excess Amount may be treated as an application to apply for Additional New Shares under the Top Up Offer to the value of your Excess Amount. Your application for the Additional New Shares may not be successful (wholly or partially). Any surplus Application Money received for more than your final allocation of any Additional New Shares will be refunded (only where the amount is A$5.00 or greater). You are not entitled to any interest that accrues on any Application Money received or returned (wholly or partially).

Eligible Shareholders may pay through BPAY®

Eligible Shareholders with an Australian bank account may pay through BPAY®. Payment by BPAY® should be made in accordance with the instructions set out in the Entitlement and Acceptance Form using the reference number shown on that form and must be received by no later than 5.00pm (Perth time) the Closing Date (or such other date as may be determined by the Company). Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment. Applicants should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

The reference number is used to identify your holding. If you have multiple holdings you will also have multiple reference numbers. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately. If you pay by BPAY® and do not pay for your full Entitlement, your remaining Entitlements will lapse.

If you make your payment by BPAY® you do not need to return the Entitlement and Acceptance Form to the Share Registry.

Your BPAY® acceptance, once received cannot be withdrawn. No cooling off period applies.

2.3 Applying for additional shares under Top Up Offer

If you have applied for your full Entitlement and you are not a Listing Rule 10.11 party in relation to the Company, you may wish to apply for more New Shares than the number shown on your Entitlement and Acceptance Form under the Top Up Offer. To do this, if you are applying by BPAY® to take up your Entitlement in full and Additional New Shares, make a payment for more than your Entitlement. The Excess Amount will be taken to be an application for Additional New Shares under the Top Up Offer.

Applications for Additional New Shares under the Top Up Offer will be considered if and to the extent that not all Shareholders take up their full Entitlement. Applications for Additional New Shares under the Top Up Offer will be issued pursuant to the allocation policy described in section 1.4.

2.4 Declining all or part of your Entitlement

If you decide not to take up all or part of your Entitlement, the Entitlements which are unexercised will lapse and may be taken up by other Eligible Shareholders under the Top Up Offer. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on the ASX nor any other financial markets, nor can it be privately transferred. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you decide not to participate in the Entitlement Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form. Although you will continue to own the same number of Shares as you held prior to the Entitlement Offer, your percentage shareholding in the Company will be diluted by the issue of New Shares under the Entitlement Offer.

2.5 Non-Eligible Foreign Shareholders

If you are a Non-Eligible Foreign Shareholder, other than certain institutional shareholders and investors in foreign jurisdictions determined by the Directors, you may not take up any of, or do anything in relation to, your Entitlement under the Entitlement Offer. See Section 1.11 for further information in relation to foreign Shareholders who may be Eligible Shareholders.

The Sale Nominee will subscribe for the New Shares which Non-Eligible Foreign Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer (**Nominee Shares**). The Sale Nominee will then sell the Nominee Shares and remit the lower of the Issue Price and

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the net proceeds from the sale of the Nominee Shares (if any) to the Company, and any excess to the Company's Share Registry to distribute those net proceeds to Non-Eligible Foreign Shareholders in proportion to their respective shareholdings.

The Sale Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Shares must be sold and the manner of any such sale. Any interest earned on the proceeds of the sale of the Nominee Shares will firstly be applied against expenses of the sale, including brokerage, and any balance will form part of the proceeds payable, as applicable, to the Company or the Company's Share Registry (if any).

The Company's Share Registry will forward the proceeds of the sale of the Nominee Shares it receives (if any) as soon as reasonably practicable to the Non-Eligible Foreign Shareholders in proportion to their respective shareholdings (after deducting brokerage commission and any other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Notwithstanding that the Sale Nominee must sell the Nominee Shares, Non-Eligible Foreign Shareholders may nevertheless receive no net proceeds if the subscription price plus costs of the sale is greater than the sale proceeds.

For performing this role, the Sale Nominee will receive a 1.00% brokerage fee on execution of the sale of any Nominee Shares (as agreed by the Company under the Sale Nominee Agreement).

2.6 Warranties made on acceptance of Entitlement Offer

By making a payment by BPAY®, you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting, are an Eligible Shareholder or otherwise eligible to participate in the Entitlement Offer.

By making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

(a) you are (or the person on whose account you are acting is) an Eligible Shareholder and are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Entitlement Offer and under any applicable laws and regulations;

(b) you are subscribing for or purchasing Entitlements or New Shares in an *offshore transaction* (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;

(c) you and each person on whose account you are acting have not and will not send any materials, or copies thereof, relating to the Entitlement Offer to any person in any other country outside Australia or New Zealand or are otherwise eligible to participate in the Entitlement Offer;

(d) you acknowledge that you have read and understand this Offer Booklet and your Entitlement and Acceptance Form in their entirety;

(e) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet and the Company's constitution;

(f) you authorise the Company to register you as the holder of New Shares allotted to you;

(g) you declare that all details and statements in your Entitlement and Acceptance Form are complete and accurate;

(h) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your Entitlement and Acceptance Form and as described in this Offer Booklet;

(i) you acknowledge that after the Company receives your payment of Application Money by BPAY®, you may not withdraw your application or funds provided except as allowed by law;

(j) you agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Money by BPAY®, at the Issue Price;

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(k) you authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in your Entitlement and Acceptance Form;

(l) you declare that you were the registered holder at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;

(m) you acknowledge that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;

(n) you acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;

(o) you acknowledge the statement of risks in the Risk Factors section of this Offer Booklet (section 5) and that investments in the Company are subject to risk;

(p) you acknowledge that none of the Company, or its Related Bodies Corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;

(q) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;

(r) you authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;

(s) if you (or any person for whom you are acquiring the New Shares) are in Hong Kong, you (and any such person) are a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;

(t) you represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and your Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;

(u) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in regular transactions on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States; and

(v) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are accepting the Entitlement Offer is resident in Australia or New Zealand or otherwise eligible to participate in the Entitlement Offer (as applicable), and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

2.7 Refunds

Any Application Money received for more than your final allocation of New Shares will be refunded as soon as practicable after the Closing Date (except for where the amount is less than A$5.00). No interest will be paid to applicants on any Application Money received or refunded.

2.8 Withdrawals

You cannot, in most circumstances, withdraw your application once it has been accepted. Cooling off rights do not apply to an investment in New Shares.

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3. Pro forma financial position

The Company's reviewed statement of financial position as at 30 June 2021 is set out below, together with two possible scenarios prepared on the basis of accounting policies normally adopted by the Company and reflect the changes to its financial position since 30 June 2021.

These scenarios are:

(a) **Scenario 1** – the Entitlement Offer is fully subscribed and there is no Residual Shortfall; and

(b) **Scenario 2** – Shandong Gold fully subscribes for its Entitlement, the Entitlement Offer is otherwise nil subscribed, and none of that Residual Shortfall is placed with third parties.

	Reviewed	Unaudited	Unaudited
	Balance Sheet as at 30th June 2021	Unaudited Pro Forma Balance Sheet (Scenario 1)	Unaudited Pro Forma Balance Sheet (Scenario 2)
	(A$'000)	(A$'000)	
Current Assets			
Cash and Cash Equivalents	10,817	64,708	41,650
Short-term deposits	96	96	96
Trade and Other Receivables	195	217	217
Inventory	4	6	6
Total Current Assets	**11,112**	**65,027**	**41,969**
Non-Current Assets			
Restricted Cash	13,746	13,741	13,741
Inventories	1,286	1,286	1,286
Plant and Equipment	851	948	948
Right-of-use Asset	249	226	226
Exploration and Evaluation Assets	101,235	104,597	104,597
Total Non-Current Assets	**117,367**	**120,798**	**120,798**
Total Assets	**128,479**	**185,825**	**162,767**
Liabilities			
Current Liabilities			
Trade and Other Payables	1,549	165	165
Provisions	228	231	231
Current Lease	87	66	66
Total Current Liabilities	**1,864**	**462**	**462**
Non-Current Liabilities			
Non Current Lease	166	166	166
Provisions NC	29,339	29,356	29,356
Borrowings	20,000	34,025	34,025
Total Non-Current Liabilities	**49,505**	**63,547**	**63,547**
Total Liabilities	**51,369**	**64,009**	**64,009**
Net Assets	**77,110**	**121,816**	**98,758**
Equity			
Issued Capital	427,167	472,854	449,796
Reserves	(7,179)	(7,179)	(7,179)
Accumulated Losses	(342,878)	(343,859)	(343,859)
Total Equity	**77,110**	**121,816**	**98,758**

The Company notes that:

(c) both Scenario 1 and Scenario 2 incorporate unaudited changes in the Company's financial position between 30 June 2021 and 30 September 2021, including:

(i) a decrease in cash of A$5.8 million as funds have been used for exploration (A$4.1 million) and other corporate costs (including interest payments) as at 30 September 2021 (A$1.5 million); and

(ii) an increase in the Company's cash and debt position reflecting the additional US$10 million 2021 Shandong Gold Loan Facility, based on an exchange rate of US$1:A$1.40, and assuming that this loan is fully drawn;

(d) Scenario 1 reflects (in addition to the adjustments referred to in (c)) an increase in the Company's cash and equity of A$45.7 million (before the costs of the Entitlement Offer) on the basis that 182,748,565 New Shares are issued at A$0.25 each pursuant to the Entitlement Offer;

(e) Scenario 2 reflects (in addition to the adjustments referred to in (c)) an increase in the Company's cash and equity of A$22.6 million (before the costs of the Entitlement Offer), on the basis that 90,519,954 New Shares are issued at A$0.25 each pursuant to the Entitlement Offer; and

(f) the above pro forma adjustments have not been audited or reviewed, and are provided for information purposes only.

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4. Effect of the Entitlement Offer

4.1 Effect of the Entitlement Offer on capital structure

The capital structure of the Company assuming that the maximum number of New Shares are issued under the Entitlement Offer, will be as follows:

Shares	Number
Shares on issue as at 3 December 2021	182,748,565
New Shares offered under the Entitlement Offer as per this Offer Booklet (if fully subscribed)	182,748,565
Total Shares on issue on close of the Entitlement Offer (if fully subscribed)	365,497,130

The Company does not have any options or other securities on issue.

4.2 Financial effect of the Entitlement

Please see section 3 of this Offer Booklet for the financial effect of the Entitlement Offer on the Company.

4.3 Impact on control

The potential effect that the Entitlement Offer will have on the control of the Company and the consequences of that effect, will depend on a number of factors, including Eligible Shareholders' interest in taking up their Entitlements.

The Company notes that it has received a commitment from Shandong Gold (the Company's largest shareholder) that, to the extent it is not prohibited by law from doing so[8], it will participate in the Offer for its full Entitlement, representing approximately A$22.6 million (49.53%) of the Entitlement Offer.

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below:

Substantial Holder	Shares	Voting Power (%)	Entitlement (New Shares)	Aggregate Issue Price for Entitlement (A$)
Shandong Gold together with its associates	90,519,954	49.53%	90,519,954	A$22,629,989
Neil S. Subin on behalf of the estate of Lloyd I Miller together with its associates[9]	18,041,960	9.87%	18,041,960	A$4,510,490

The potential effect that the issue of the New Shares under the Offer will have on the control of the Company will depend on a number of factors, including Shareholder demand and the extent to which Eligible Shareholders take up New Shares under the Entitlement Offer. The Company notes as follows:

(a) if all Eligible Shareholders take up their Entitlement, the issue of New Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Non-Eligible Foreign Shareholders being unable to participate in the Entitlement Offer;

[8] See section 1.2 for further information regarding the Shandong Gold's commitment regarding its Entitlement, and section 5.4 regarding the risks relating to this.

[9] It is noted that the Entitlement Offer is not currently being extended to the United States, and accordingly, unless the Company determines that the Entitlement Offer is to be extended to any persons in the United States, any Entitlement of these persons (or to the extent a nominee or custodian is acting on behalf of these persons) will form part of the Shortfall.

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(b) in the more likely event that all Eligible Shareholders do not take up their Entitlement, Eligible Shareholders that do not subscribe for their full Entitlement of New Shares and Non-Eligible Foreign Shareholders unable to participate in the Entitlement Offer may be diluted relative to those Shareholders that subscribe for some or all of their Entitlement as shown by the examples in the table in section 4.4;

(c) in respect of any Shortfall, Eligible Shareholders (other than Listing Rule 10.11 parties, which includes Shandong Gold) may apply to top-up their Shareholding, by subscribing for Additional New Shares to be issued in accordance with the allocation policy described in section 1.4; and

(d) the Directors reserve the right to place any Residual Shortfall (being the shortfall remaining following the Top-up Offer) within 3 months of the Closing Date in the manner set out in section 1.5. The Residual Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Offer, although the Directors reserve the right to issue any Residual Shortfall Shares at a higher price than the Issue Price.

4.4 Dilution

Shareholders should note that if they do not participate in the Entitlement Offer their holdings are likely to be diluted by at least approximately 33% (assuming that Shandong Gold fully participates in the Entitlement Offer[10]) and up to approximately 50%, in both cases, as compared to their holdings and number of Shares on issue as at the Record Date. The amount of dilution will depend on the number of New Shares that are issued under the Entitlement Offer and Top-up Offer and the number of Residual Shortfall Shares that are placed by the Company.

Examples of how the dilution may impact Shareholders are set out in the table below on the assumptions set out in notes 1 and 2 below (as applicable).

Theoretical Shareholder	Holding at Record Date	Voting Power at Record Date	Entitlement	Holding if Offer not taken up	Voting Power post Offer[1]	Voting Power post Offer[2]
Shareholder 1	10,000,000	5.47%	10,000,000	10,000,000	3.66%	2.74%
Shareholder 2	5,000,000	2.74%	5,000,000	5,000,000	1.83%	1.37%
Shareholder 3	1,000,000	0.55%	1,000,000	1,000,000	0.37%	0.27%
Shareholder 4	100,000	0.05%	100,000	100,000	0.04%	0.03%

1. The dilutionary effect shown in this column of the table assumes that the only New Shares issued are those that Shandong Gold has committed to subscribe for, being 90,519,954 New Shares, and no other Entitlements are taken up by other Eligible Shareholders pursuant to the Entitlement Offer, the Top Up Offer, or placed by the Company as Residual Shortfall Shares.
2. The dilutionary effect shown in this column of the table is the maximum dilution, assuming that all Entitlements are taken up by Eligible Shareholders pursuant to the Entitlement Offer or the Top Up Offer, or placed by the Company as Residual Shortfall Shares.

[10] See section 1.2 for further information regarding the Shandong Gold's commitment regarding its Entitlement, and section 5.4 regarding the risks relating to this.

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As Shandong Gold is a Listing Rule 10.11 party, it is not entitled to participate in any Top Up Offer, and will not be issued any Residual Shortfall Shares. As such, the maximum increase in voting power of Shandong Gold through subscribing for its full Entitlement is from 49.53% to 66.25% (see further in the table below in this section).

The Company provides the following comparison of the voting power of Shandong Gold under the following scenarios:

(a) **Scenario 1** – Shandong Gold fully subscribes for its Entitlement and there is no Residual Shortfall;

(b) **Scenario 2** – Shandong Gold fully subscribes for its Entitlement, there is a Residual Shortfall of 25% (representing approximately 50% of those Entitlements not held by Shandong Gold), and none of that Residual Shortfall is placed with third parties; and

(c) **Scenario 3** – Shandong Gold fully subscribes for its Entitlement, the Entitlement Offer is otherwise nil subscribed, and none of that Residual Shortfall is placed with third parties.

Substantial Holder	Voting Power Record Date (%)	Voting Power Scenario 1 (%)	Voting Power Scenario 2 (%)	Voting Power Scenario 3 (%)
Shandong Gold and its associates	49.53%	49.53%	56.61%	66.25%

By virtue of its current 49.53% shareholding, Shandong Gold has effective control over ordinary shareholder resolutions of the Company (and potentially special shareholder resolutions) that it is permitted to vote on. This includes effective control over (amongst other things), the appointment and removal of directors of the Company, and consequently the financial and operating policies and strategic direction of the Company. The Entitlement Offer may further consolidate this control by increasing Shandong Gold's voting power in the Company. If Shandong Gold's voting power were to increase above 50%, it would be able to solely determine the outcome of ordinary shareholder resolutions that it is permitted to vote on, including the issue of new shares beyond the limited set under the ASX Listing Rules, and would have greater influence over the outcome of any special shareholder resolutions, including amendments to the constitution of the Company. See further section 5.5 in the *Risk Factors* section of this Offer Booklet.

4.5 Directors and directors interests

As at 3 December 2021, the Directors have the following interests in the Company's securities. Mr Gerry Fahey intends to participate fully in the Entitlement Offer.[11] The other Directors do not hold Shares and therefore are not entitled to participate in the Entitlement Offer. As Listing Rule 10.11 parties, no Director may participate in the Top Up Offer or be issued any Residual Shortfall Shares.

Director	Shares	Other securities
Mr Wanghong Yang	Nil	Nil
Mr Zhaoya Wang	Nil	Nil
Mr Lingquan Kong	Nil	Nil
Mr Gerry Fahey	12,820	Nil
Mr Richard O'Shannassy	Nil	Nil

[11] Mr Gerry Fahey's interest in Shares are held in the name of his spouse, Ms Monica Patricia Fahey.

5. Risk Factors

5.1 Overview

Investment in the New Shares offered under this Offer Booklet should be regarded as speculative due to the inherent risks associated with the Company's activities as the Company is a gold exploration and development company. Shareholders should appreciate that the value of Shares on the ASX may rise or fall depending on a range of factors beyond the control of the Company. Neither the Company nor the Directors warrant the future performance of the Company or any investment made pursuant to this Offer Booklet. To that extent the Shares carry no guarantee with respect to the payment of dividends, return on capital or the price at which Shares will trade on ASX.

The Directors recommend that Eligible Shareholders and potential investors examine the contents of this Offer Booklet together with previous ASX disclosures and public documents of the Company, including its most recent audited financial statements, and rely on the advice of their professional advisers before deciding whether or not to apply for New Shares pursuant to this Offer Booklet.

The following summary, which is not exhaustive, represents some of the material risk factors that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations, which potential investors need to be aware of.

The risks outlined below are specific to the Company's operations and to the resource exploration industry in which the Company operates.

5.2 Future Capital Needs and Additional Funding for the Project

The funds raised by the Entitlement Offer will primarily be used to continue programs of work with respect to the proposed resumption of mining operations at the Coolgardie gold project. The proceeds of the Entitlement Offer may not be sufficient to complete all necessary development activities associated with that proposed resumption of mining operations and further funding may be required.

The future capital needs of the Company to continue development and exploration beyond the currently anticipated expenditure may be greater than the proceeds of the Entitlement Offer and other funds available to the Company.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including the prospectivity of tenements (existing and future), the results of exploration, further feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all).

If adequate funds are not available on acceptable terms the Company may not be able to further explore or develop the Project and it may impact on the Company's ability to continue as a going concern.

5.3 Potential for Significant Dilution

Upon implementation of the Entitlement Offer, and assuming the Shandong Gold subscribes for its full Entitlement, the Company will issue at least 90,519,954 New Shares and potentially up to 182,748,565 New Shares. The capital structure upon completion of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed) is set out in section 4.1.

The issue of New Shares will dilute the interests of existing Shareholders. There is also a risk that Shareholders will be further diluted as a result of future capital raisings required in order to fund working capital and development requirements of the Company.

Dilution will only occur if and to the extent that existing Shareholders do not accept their Entitlement in full (or partially in proportion to the overall level of acceptance under the Entitlement Offer).

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5.4 Shandong Gold's participation in the Entitlement Offer

As detailed in section 1.2, Shandong Gold will only take up its Entitlement to the extent that it is not prohibited by law from doing so. There is no guarantee that Shandong Gold will not subsequently be prohibited from taking up its Entitlement in full as a result of an action, exercise of discretion or other proceedings that may be taken or commenced by a regulator, Government authority, or any other person.

As detailed in section 4.3 of this Offer Booklet, the Entitlement Offer may have an effect on the control of the Company. There is a risk that ASIC or another party could bring an action to the Australian Takeovers Panel (**Panel**) claiming that the Entitlement Offer gives rise to unacceptable circumstances. If an action is bought in the Panel it may delay the Entitlement Offer, and if it is successful, there are a broad range of orders that the Panel can make, including requiring the Company to amend the terms of the Entitlement Offer or withdraw the Entitlement Offer.

As Shandong Gold is a 'foreign government investor' for the purposes of the FATA, the Commonwealth Treasurer has a broad range of powers to make orders regarding Shandong Gold's subscription for New Shares if the Treasurer considers that the subscription is contrary to Australia's national interest or Australia's national security interests. These could include prohibiting Shandong Gold from subscribing for its Entitlement for New Shares (in whole or part) or determining that the subscription must be reviewed by the Treasurer (even if the subscription has already occurred). In the event that the Treasurer was to review Shandong Gold's subscription, there is no guarantee that Shandong Gold's subscription would be approved (in whole or part).

In addition to the specific examples identified above, there is also a risk that orders or determinations could be made under other Australian or international laws that would prevent Shandong Gold from taking up its Entitlement in full. Any such orders may delay or prevent Shandong Gold from taking up some or all its Entitlement, which may materially reduce the quantum of the funds that will be raised from the Entitlement Offer.

5.5 Controlling Shareholder

The Company's largest shareholder, Shandong Gold, currently holds 49.53% of the Shares. Shandong Gold has also committed that, to the extent that it is not prohibited by law from doing so, it will take up its Entitlement in full. Depending on the number of Entitlements taken up by other Eligible Shareholders under the Entitlement Offer or the Top Up Offer, and the extent to which the Directors place any Residual Shortfall Shares, Shandong Gold's shareholding in the Company could increase up to 66.25%. As such, while Shandong Gold already has effective control over the Company, the Entitlement Offer may further consolidate that control by increasing Shandong Gold's voting power in the Company.

Shandong Gold's interests may not always be aligned with the interests of the Company's other shareholders. There is also a risk that Shandong Gold, may seek to make changes to the business and operating policies of the Company. However, the Company's shareholders will continue to have the benefit of protections provided by applicable laws and ASX Listing Rules, which require Directors to prefer the interests of investors to their own and for transactions with related parties to be on arm's length terms or otherwise approved by non-associated Shareholders.

In addition, while there may be benefits expected from Shandong Gold's participation in the Entitlement Offer, in the future, the presence of Shandong Gold as a large shareholder may make it more challenging for the Company to attract new investors or raise equity capital.

5.6 Related Party Loans

The Company has a A$20 million unsecured debt owed to Shandong Gold Group Co. Limited (a related entity of the Company's largest shareholder, Shandong Gold) pursuant to the 2020 Shandong Gold Loan Facility. This loan (together with accrued and unpaid interest, if any) is repayable no later than October 2023, unless early repayment is required as a result of an event of default.

As announced on 3 December 2021, the Company has also entered into the 2021 Shandong Gold Loan Facility, but no amounts have been drawn down under this facility as at the date of this

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Offer Booklet. Any amounts drawn down are repayable no later than 3 years after draw down, unless early repayment is required as a result of an event of default.

To the extent that amounts advanced under these loans become repayable, there is no guarantee that the relevant lenders will agree to refinance those loans, or that the Company will have sufficient funds, or the capacity to raise sufficient funds, to repay those amounts when due and payable. If the Company is not able to refinance or repay these loans when they are due and payable, this will affect the position of the Company going forward as it may be forced to sell assets on unattractive terms or proceed to administration, insolvency or winding up.

5.7 Impact on fluctuations in foreign exchange rates on net assets

The 2021 Shandong Gold Loan Facility is denominated in United States dollars. The Company does not have any foreign exchange hedging. As such, the Company's balance sheet and net asset position may be negatively impacted if the Australian dollar weakens compared to the US dollar. Conversely, the Company's balance sheet position and net asset position may be positively impacted if the Australian dollar strengths compared to the US dollar.

5.8 Liquidity risk post Entitlement Offer

After the completion of the Entitlement Offer, Shandong Gold may hold up to 66.25% of the Shares on issue. Shandong Gold's final Shareholding will depend on the level of participation by Eligible Shareholders in the Entitlement Offer (other than Shandong Gold), and the extent to which the Directors issue any Residual Shortall Shares. As a consequence, there is a risk that the liquidity of Shares on ASX will be lower than otherwise may be the case if the Shares in the Company were more widely held. This may cause significant volatility in the market price of the Shares, and impact the value Shareholders are able to realise for their Shares.

5.9 Exploration and Development Risks

The business of mineral exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. The tenements of the Company are at various stages of exploration and development.

Ultimate and continuous success of these activities is dependent on, among other things:

(a) the discovery or acquisition of economically recoverable reserves;

(b) access to adequate capital for project development;

(c) design and construction of efficient development and production infrastructure within capital expenditure budgets;

(d) securing and maintaining title to mineral interests;

(e) obtaining consents and approvals necessary for the conduct of mineral exploration, development and production; and

(f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and the establishment of production facilities.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

5.10 Mining Approvals

The Company's operations are currently in care and maintenance. However, prior to commencement of any future mining operations, the Company will be required to ensure it obtains all relevant approvals. Where the Company is required to obtain additional approvals, there can be no assurance that those approvals will be received or that the condition on which those approvals are given are not overly onerous. The effect of these factors cannot be accurately predicted and conditions imposed on approvals may impede the operation or development of a project or even render it uneconomic.

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5.11 Coolgardie 2020 PFS and Other Studies

As part of the implementation of the Company's plans to resume mining operations at the Coolgardie gold project, the Company is proposing to undertake a number of assessments to update the Coolgardie 2020 PFS. This will involve re-testing and reconsidering the assumptions on which the Coolgardie 2020 PFS was based. There is no guarantee that the further work to be undertaken by the Company will result in an improvement in the economic feasibility of the Coolgardie gold project. There is no guarantee that an updated pre-feasibility study in relation to the Coolgardie gold project will justify the resumption of mining operations at the Coolgardie gold project in the manner contemplated by the Coolgardie 2020 PFS, or at all.

Similarly, to the extent that the Company undertakes further assessments in relation to its other projects, there is no guarantee that any such further work will demonstrate the economic feasibility of those projects or improve the economic feasibility of those projects.

5.12 Resource and Reserve Estimates

Resource and reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change when new information or techniques become available. In addition, resource and reserve estimates are necessarily imprecise, prone to variability and depend to some extent on interpretations, which may prove to be inaccurate.

Even if the Company identifies a resource or reserve, actual Ore Reserves and Mineral Resources (including grade and quantity) may differ from those estimated at an earlier time which may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

5.13 Exploration and Mining Risk

The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward.

Even if commercial quantities of gold ore are discovered, unforeseen risks can arise in the development and production phase including the development of appropriate metallurgical processes, the receipt of necessary governmental permits, access to permits and the construction of mining and processing facilities, environmental hazards, industrial accidents, labour disruption, the unavailability of materials and equipment, unusual or unexpected geological formation, pit failures, changes in the regulatory environment and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

5.14 Ability to Exploit Successful Discoveries

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. The infrastructure requirements around a successful discovery may also impact on the exploitation of a discovery.

Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as those of the Company. As described above, such work may require the Company to meet or commit to financing obligations for which it may not have planned.

5.15 Title and Tenure Risk

The Company holds an interest in various mining tenements. Title to these tenements is subject to the Company, as tenement holder, complying with the terms and conditions of each tenement, including the minimum annual expenditure commitments and otherwise complying the other laws relating to the Company's right to hold those interests in land. There is a risk that if the Company

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does not comply with the terms and conditions of each tenement, or other legal requirements, it may lose its interest in the relevant tenement.

The Company has implemented appropriate policies and practices to mitigate the risk of not complying with the terms and conditions attaching to each of its tenements.

The Company's tenements, and other tenements in which the Company may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop that tenement.

The Company cannot guarantee that any tenements in which it has an interest will be renewed beyond their current expiry date.

5.16 Environmental Risk

The Company's activities are subject to the environmental risks inherent in the mining industry. The Company is subject to environmental laws and regulations in connection with operations it may pursue in the mining industry. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

5.17 Insurance

Insurance against all risks associated with mineral exploration is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the operations of the Company. There is no assurance that the Company will be able to maintain adequate insurance in the future at rates that it considers is reasonable.

5.18 Commodity Price Volatility

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of gold exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars or other currencies, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

5.19 Joint Venture Parties, Agents and Contractors

There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

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5.20 Competition

The Company competes with other companies, including major mining companies in Australia. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

5.21 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

(c) Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

(d) COVID 19

The on-going COVID-19 pandemic has not had, and is not expected to have, a material adverse effect on the Company's exploration activities and financial performance. However there have been a number of recent events associated with the COVID-19 pandemic, and the containment measures implemented in response, which collectively may affect the Company's ability to be able to undertake its exploration activities in accordance with current plans and timetables. Any increase in containment measures resulting from further waves of infections could potentially have a flow through impact on the Company's ability to be able to undertake its exploration activities, could result in delays to the Company's work program and the announcement of any results and may affect the Company's ability to be able to raise further capital in the future.

6. Foreign jurisdictions

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the New Shares or otherwise permit the offering of the New Shares in any jurisdiction outside of Australia and New Zealand. This Offer Booklet and accompanying Entitlement and Acceptance Form may not be distributed outside Australia and New Zealand except as may be permitted under Section 1.12 or this Section 6 of this Offer Booklet, or as otherwise set out in this Offer Booklet.

Making your BPAY® payment will be taken by the Company to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand or as otherwise set out in this Offer Booklet may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

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Due to legal restrictions, nominees and custodians may not send copies of this Offer Booklet or any material relating to the Entitlement Offer or accept the Entitlement Offer in relation to any person in in any other jurisdiction outside Australia and New Zealand or as otherwise set out in this Offer Booklet (except as the Company may otherwise permit in compliance with applicable law).

This Offer Booklet may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia and New Zealand except to the extent permitted below.

6.1 New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Offer Booklet is not a product disclosure statement or other disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement or other disclosure document under New Zealand law is required to contain.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. The offer of New Shares may involve a currency exchange risk as they will be quoted on the ASX in Australian dollars.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

6.2 Hong Kong

WARNING: This Offer Booklet has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)* of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this Offer Booklet may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Offer Booklet have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this Offer Booklet, you should obtain independent professional advice.

6.3 United States

The New Shares have not been, and will not be, registered under the *US Securities Act* of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

7. Taxation

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of the Entitlement Offer under this Offer Booklet. Taxation implications will vary depending on the particular circumstances of individual Eligible Shareholders.

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The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Eligible Shareholders should consult their professional tax adviser in connection with the Entitlements under this Offer Booklet.

8. Information availability

Eligible Shareholders in Australia and New Zealand can obtain a copy of this information during the period of the Entitlement Offer by calling the Share Registry on 1300 145 833 (within Australia) and +61 3 9415 4833 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Entitlement Offer period. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

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Glossary

Term	Definition
2020 Shandong Gold Loan Facility	means the A$20 million loan facility made available by a related entity of Shandong Gold (Shandong Gold Group Co. Limited) to the Company, as announced to the ASX on 14 October 2020.
2021 Shandong Gold Loan Facility	means the US$10 million loan facility made available by a related entity of Shandong Gold (Shandong Gold Financial Holdings Group (Hong Kong) Co., Ltd) to the Company, as announced to the ASX on 3 December 2021.
Additional New Share	A New Share offered and issued under the Top Up Offer.
Applicant	An Eligible Shareholder who applies for New Shares (and if applicable, Additional New Shares) under this Offer Booklet.
Application	An application for a specified number of New Shares (and if applicable, Additional New Shares) by an Applicant under this Offer Booklet.
Application Money	Funds paid by BPAY®.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.
ASX Listing Rules	The listing rules of ASX.
Board	The Directors acting as a board of the Company.
Business Day	A day on which both the ASX and major trading banks are open for trading in Sydney.
Closing Date	The date on which the Entitlement Offer closes, expected to be 5.00pm (Perth time) on Thursday, 23 December 2021.
Coolgardie 2020 PFS	The pre-feasibility study in relation to the Company's Coolgardie gold project released to the ASX on 22 September 2020.
Company or Focus	Focus Minerals Limited ACN 005 470 799.
Corporations Act	*Corporations Act 2001* (Cth).
Directors	The directors of the Company.
Eligible Shareholder	As defined in Section 1.1 of the Entitlement Offer overview section of this Offer Booklet.
Entitlement	The number of New Shares each Eligible Shareholder is offered under the Entitlement Offer as specified on their Entitlement and Acceptance Form.
Entitlement and Acceptance Form	The personalised form attached to or accompanying this Offer Booklet.
Entitlement Offer	The non-renounceable entitlement offer to Eligible Shareholders as at the Record Date to subscribe for 1 New Share for every 1 Existing Share at the Issue Price.
Excess Amount	Any money in excess of the full amount of Application Money for an Eligible Shareholder's whole Entitlement.
Existing Shares	Shares on issue at the Record Date.
FATA	means the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*.
Issue Price	The price payable for one New Share under this Offer Booklet, being A$0.25.
Listing Rule 10.11 party	A related party of the Company.

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Term	Definition
	A person who is, or was at any time in the 6 months before the issue of New Shares under this Offer Booklet, a substantial (30%+) holder in the Company. A person who is, or was at any time in the 6 months before the issue of New Shares under this Offer Booklet, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so. An associate of any of the above.
New Share	A Share offered and issued under this Offer Booklet, the terms and conditions of which are set out in this Offer Booklet.
Nominee Shares	has the meaning given in section 2.5.
Non-Eligible Foreign Shareholder	A Shareholder of the Company that is not an Eligible Shareholder.
Offer Booklet	This document which was given to ASX on Friday, 3 December 2021.
Offer Period	Friday, 10 December 2021 to Thursday, 23 December 2021 or any other date as may be determined by the Company.
Opening Date	Friday, 10 December 2021.
Perth time	The legal time in Perth, Australia.
Record Date	4.00pm (Perth time) on Wednesday, 8 December 2021.
Related Body Corporate	The meaning given to that term in section 50 of the Corporations Act.
Residual Shortfall	has the meaning given in section 1.5.
Residual Shortfall Shares	has the meaning given in section 1.5.
Sale Nominee	has the meaning given in section 2.5.
Sale Nominee Agreement	the letter agreement between the Sale Nominee and the Company dated on or about 2 December 2021 appointing the Sale Nominee as the nominee for Non-Eligible Foreign Shareholders as described in section 2.5.
Shandong Gold	Shandong Gold International Mining Corporation Limited (a company incorporated in Hong Kong).
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of at least one Share as recorded on the Company's share register.
Share Registry	Computershare Investor Services Pty Limited.
Shortfall	New Shares offered under the Entitlement Offer for which valid Applications have not been received from Eligible Shareholders under their Entitlement on or before the Closing Date (including pursuant to the Top Up Offer).
Subsidiary	has the meaning given to that term in the Corporations Act.
Top Up Offer	The offer described in Section 1.4 of this Offer Booklet.
Timetable	The Entitlement Offer timetable.
US Securities Act	US Securities Act of 1933, as amended.

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Corporate Directory

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Mr Zhaoya Wang

Mr Lingquan Kong

Mr Gerry Fahey

Mr Richard O'Shannassy

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