

QUARTERLY ACTIVITIES REPORT: SEPTEMBER 2012

OVERVIEW

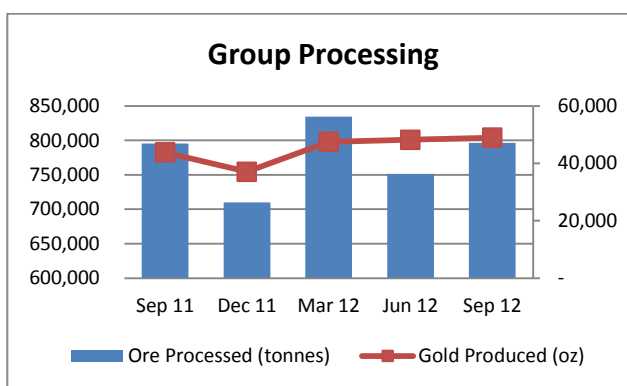
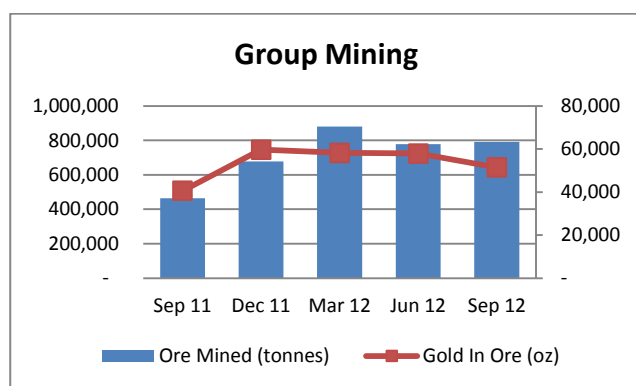
- Focus entered into a Share Subscription Deed with Shandong Gold International Mining Corporation Limited ("Shandong Gold"), under which Shandong Gold has agreed to subscribe for new fully paid ordinary Focus shares to raise approximately \$225 million.
- Focus posted record production in the September Quarter of 48,959oz, up from 48,222oz in the preceding Quarter, at a Group cash cost of \$1,267/oz.
- Focus had record gold sales for the September Quarter of 49,383oz, generating Group revenue of A\$76.7 million at an average selling price of \$1,553/oz.
- Laverton Operations produced 25,786oz from 44 processing days, taking Laverton gold output to 74,874oz for the nine months of calendar 2012, a 23% uplift on the previous corresponding period.
- Coolgardie Operations produced 23,177oz of gold, the second strongest Quarter of Calendar 2012. However, stoping issues at The Mount underground negatively impacted cash operating costs offsetting positive gains that had been achieved across the wider Coolgardie operations.
- Focus announced a revised combined Mineral Resource of at 59.1Mt @ 2.2g/t for 4.3Moz of contained gold, and an Ore Reserve of 7.6Mt @ 2.1g/t for 514,000oz of contained gold.
- Exploration programs at Dreadnought in Coolgardie and Euro in Laverton have both returned strong results.
- Capital investment and exploration expenditure was \$4.7 million, comprising \$2.1 million of mine capital development and \$2.6 million in exploration.
- At the end of the Quarter total cash and equivalents (including bullion) was \$10.4 million.
- Production in the December Quarter is targeted to range between 40-45,000oz with the transition from mining to the low-strip ratio Burtville open pit in Laverton and Greenfields Open Pit in Coolgardie.

GROUP PRODUCTION SUMMARY

The Focus Group produced a record 48,959oz of gold for the September Quarter, up from 48,222oz in the June Quarter. This comprised 23,177oz from the Coolgardie operations and 25,782oz from the Laverton operations (on a 100% basis, with 21,030oz attributable to Focus). Group C1 cash operating costs were \$1,267/oz.

Group Results	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12
Mining					
Ore Mined (tonnes)	463,561	676,998	879,814	778,495	790,648
Grade (g/t)	2.72	2.74	2.06	2.31	2.02
Gold In Ore (oz)	40,605	59,692	58,211	57,936	51,410
Processing					
Ore Processed (tonnes)	795,608	709,888	834,527	751,186	796,407
Head Grade (g/t)	1.75	1.67	1.95	2.11	1.91
Gold Produced (oz)	43,823	37,098	47,489	48,222	48,959
Attributable Gold Produced (oz)	35,647	34,211	42,764	43,899	44,207
Sales					
Average price received	1,626	1,675	1,609	1,593	1,553
Total Revenue (\$ '000s)	70,543	59,585	76,181	77,292	76,670
Attributable Revenue (\$ '000s)	34,185	56,317	71,020	70,415	69,406
Cost Summary (\$/oz Produced)					
Mining	595	485	482	614	695
Processing	443	446	447	364	391
Haulage	110	135	115	140	113
Site Admin, Safety & Environment	80	97	81	76	68
Cash Cost (excl. Royalties)	1,228	1,163	1,125	1,194	1,267
Royalties	42	77	87	62	91

*Attributable production based on the Focus shareholding interest in Focus Minerals (Laverton) Pty Ltd which owns the Laverton Operations, for the period applied to Laverton's quarterly production statistics.



OPERATIONS REVIEW

LAVERTON OPERATIONS

Safety

Laverton Operations experienced no lost time injuries.

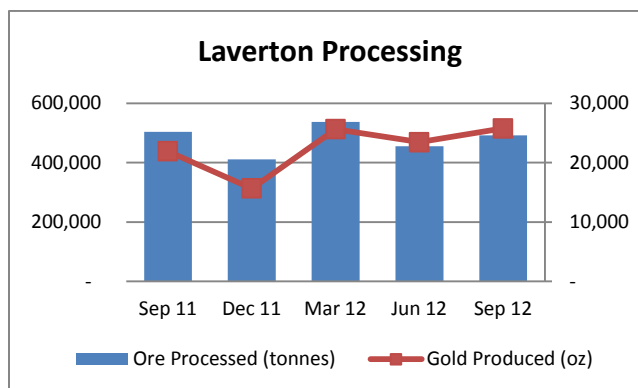
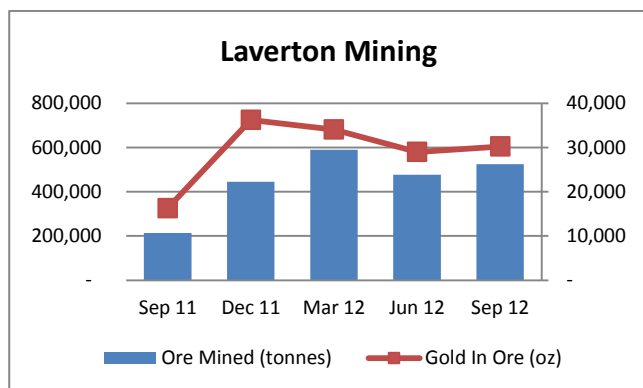
Production

Focus Group's Laverton Gold Operations delivered another strong Quarter producing 25,782oz from 44 processing days at a C1 cash operating cost of \$1,230/oz, up from 23,456oz from 41 days in the previous campaign.

This takes gold production at Laverton for the first three Quarters of calendar 2012 to 74,874oz up 23% on the previous corresponding period (60,790oz), at an average C1 cash cost of \$1,230/oz.

Laverton Results	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12
Mining					
Ore Mined (tonnes)	214,080	445,120	589,216	477,238	524,493
Grade (g/t)	2.37	2.53	1.80	1.89	1.79
Gold In Ore (oz)	16,286	36,229	34,082	29,020	30,238
Processing					
Ore Processed (tonnes)	504,288	411,012	537,693	455,237	492,146
Grade (g/t)	1.50	1.20	1.71	1.76	1.83
Gold Produced (oz)	21,915	15,666	25,636	23,456	25,782
Attributable Gold Produced (oz) *	13,739	12,779	20,911	19,133	21,030
Cost Summary (\$/oz Produced)					
Mining	722	335	233	378	551
Processing	550	573	526	486	445
Haulage	179	267	175	224	147
Site Admin, Safety & Environment	103	158	100	115	86
Cash Cost (excl. Royalties)	1,554	1,333	1,034	1,203	1,230
Royalties	42	37	42	43	134

*Attributable production based on the Focus shareholding interest in Laverton Operations for the period applied to Laverton's quarterly production statistics.



A total of 524,493t @ 1.79g/t for 30,238oz of contained gold was mined during the Quarter predominantly from the Apollo pit complex (Figures 1 & 2), with minor remnant mining at the Fish and Mary Mac Hill pits. Focus treated 492,146t @ 1.83g/t at the BGS mill.

At the end of the Quarter a total of 304,410t was stockpiled in preparation for Campaign 13 (Stockpile comprised 201,919 @ 1.8g/t at the BGS ROM pad and a further 102,491t @ 1.9g/t at Apollo).

For the December Quarter, mining is targeted to be completed at Apollo and the pre-strip commenced at Burtville. Burtville is a very low strip ratio operation with a Mineral Resource of 5.7Mt @ 1.3g/t for 235,000oz.

There will be no material impact to gold production from this transition because stockpiles at the BGS processing plant will ensure consistent feed during this transition. Campaign 13 at BGS is a 37 day campaign and commenced on 8th October 2012.

The Apollo project area has been a highly successful production base in Laverton with Focus quickly bringing it to production in the December Quarter 2011, shortly after completion of the takeover of Crescent Gold. In the subsequent 11 months over 1Mt @ 1.9g/t has been mined (63,957 contained ounces). It is planned for additional resource development work to be undertaken over the next two Quarters with the intention of testing depth and strike extensions and evaluating the underground potential.

Figure 1: The northern end of the Apollo D pit



Figure 2: The southern end of the Apollo D pit



COOLGARDIE OPERATIONS

Safety

There were no lost time injuries at the Coolgardie Operations.

Production

Focus' Coolgardie Operations produced 23,177oz of gold at a C1 cash operating cost of \$1,308/oz.

The September Quarter was the second strongest Quarter for production at Coolgardie since the commencement of mining at The Mount and Tindals Open pits.

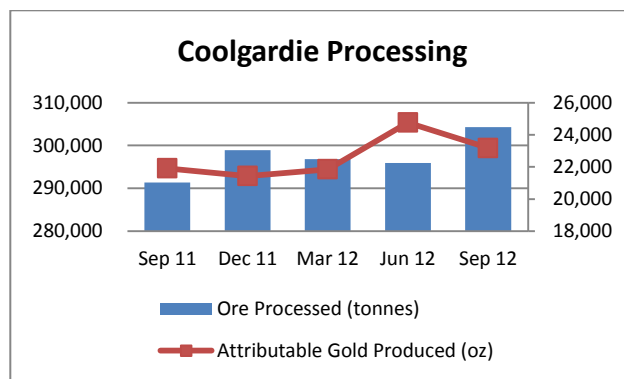
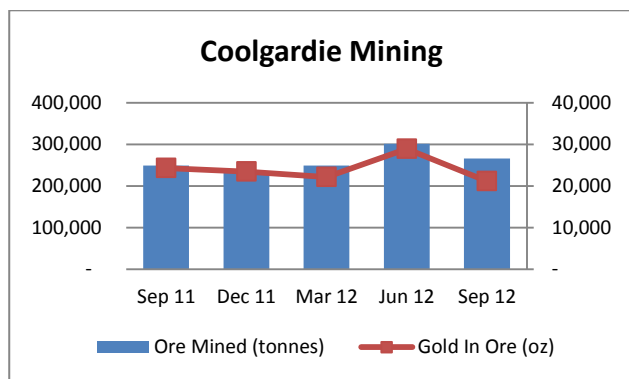
The Dreadnought pit at the Tindals Open Pits operation has continued to outperform expectations and is currently delivering ~45,000t of ore per 5m bench, whilst there was a greater focus on the movement of waste at the Big Blow pit reducing that pit's contribution for the period.

The Tindals Underground completed its last full Quarter's production making a solid profit contribution to the Coolgardie operations as there was no development work undertaken. During the December Quarter, there will be a planned transition from the Tindals Underground to the Greenfields open pit as base load for the Three Mile Hill operation.

Stoping issues at The Mount underground saw it deliver approx. 50% of its targeted production at 80% of its targeted grade which negatively impacted cash operating costs for the Coolgardie operations and notably offset positive gains that had been achieved across the wider Coolgardie operations.

The Three Mile Hill plant continued to process at a stable rate of 147t/hour, milling 304,261t and delivering recoveries of 98% (based on leach well assaying, previous assaying has been done by fire assay).

Coolgardie Results		Sep 11	Dec 11	Mar 12	Jun 12	Sep 12
Mining						
Ore Mined (tonnes)		249,481	231,878	249,066	301,257	266,155
Grade (g/t)		3.03	3.15	2.77	2.99	2.47
Gold In Ore (oz)		24,319	23,463	22,181	28,916	21,172
Processing						
Ore Processed (tonnes)		291,320	298,876	296,834	295,949	304,261
Head Grade (g/t)		2.45	2.34	2.41	2.75	2.42
Contained Gold (oz)		22,947	22,456	22,999	26,166	23,685
Recovery %		95%	95%	95%	95%	98%
Gold Produced (oz)		21,908	21,432	21,853	24,766	23,177
COST SUMMARY (\$/Oz Produced):						
Mining		542	656	772	839	855
Processing		262	291	355	250	331
Haulage		41	39	45	40	74
Site Admin, Safety & Environment		57	53	59	60	48
Cash Cost (excl. Royalties)		902	1,039	1,231	1,189	1,308
Royalties		42	134	126	82	43



Coolgardie Production Centres Summary

Mining Area		Sep-11	Dec-11	Mar-12	Jun-12	Sep-12
Tindals Open Pit						
Ore Mined	tonnes	68,137	56,187	110,172	132,552	111,828
Grade	g/t	1.81	2.21	2.03	2.00	1.89
Gold In Ore	ounces	3,968	3,996	7,181	8,515	6,786
Tindals Underground						
Ore Mined	tonnes	147,589	132,382	103,930	131,871	127,188
Grade	g/t	3.3	3.37	3.28	3.47	2.68
Gold In Ore	ounces	15,662	14,354	10,962	14,708	10,975
The Mount						
Ore Mined	tonnes	33,755	42,952	34,964	38,722	27,139
Grade	g/t	4.32	4.38	3.59	4.76	3.91
Gold In Ore	ounces	4,689	6,047	4,038	5,928	3,411

Tindals Open Pits

Production from the open pits has remained consistently strong with 111,828t @ 1.89g/t mined during the Quarter containing 6,786oz of gold compared with the budgeted production rate of 90,000 tonnes.

Production for the Quarter was predominantly from the Dreadnought pit where mining concentrated on the central zone and a new eastern cutback. Dreadnought is currently delivering ~45,000t of ore per 5m bench. The movement of waste at the Big Blow pit resulted in reduced ore tonnages for the Quarter.

The central pit zone was prepared for resource development drilling to allow for further Mineral Resource and mine planning work to further evaluate a larger pit scenario. This commenced in September (see initial results in exploration section of this report) and will be ongoing during the December Quarter.

The understanding of the geological model at Dreadnought has also benefited from two recent discoveries being an old plan of underground workings (dating from 1924) showing the mined stopes and drives of the East West trending Dreadnought shear and the discovery of a new mineralised zone called Metropolitan.

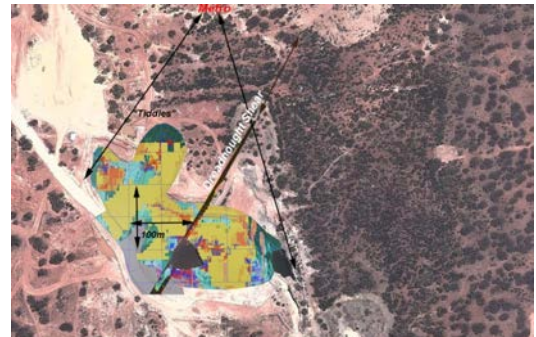
In addition, a structural mapping project was carried out by CSA Global. Comparing this data to the current grade control has enabled a better geological model to be developed to target ore zones beyond the current pit and within the optimised pit shells.

During the December Quarter, the Alicia deposit is planned to start development after Mining Approvals from the Department of Mines and Petroleum. Alicia mine is adjacent to the Empress pit which was mined to completion through the past financial year.

Figure 3: Dreadnought Pit



Figure 4: Plan view of dreadnought



Tindals Underground

The Tindals Mining Centre Underground operations mined a total of 127,188t @ 2.68g/t containing 10,975oz of gold. Stopping focused on the Countess and Perseverance ore bodies with the Perseverance ore body almost exhausted by the end of the Quarter. The overall grade was influenced by the extraction of the final lower grade stopes in the stopping sequence. The final high grade reserves in the Perseverance and Countess ore bodies will be stoped in the first month of the December Quarter after which the stopping operations will cease and the production from the Tindals Underground will be supplanted by production from the Greenfields open pit.

The Mount

The Mount produced 27,139t @ 3.91g/t for 3,411oz in the September Quarter with a 70:30 split of stope ore to development ore. Development for the Quarter was focused on advancing a number of upper level ore drives in preparation for stoping, and also continuing the 258 level access, crosscutting a number of lodes. In addition, the 297 cross cut was advanced to the Fuchs lode. Stopping was undertaken in a total of six lodes for the Quarter.

The Mount underperformed in the September Quarter, due primarily to stoping difficulties in the Frankfurt lode where the stope bridged during firing (meaning not all of the stope was extracted). This then significantly impacted the stoping sequence for the mine as the bridge had to be carefully redrilled in order to remove it and normal stoping recommence. This delayed stoping at the Frankfurt lode by six weeks which significantly impacted production for the Quarter.

The loss in production and grade had a notable impact on the Coolgardie cash costs for the Quarter offsetting positive gains that had been made elsewhere.

The difficulties at the Frankfurt lode were resolved at the end of September and mining is expected to return to normal rates in the coming Quarter, with stoping continuing in four areas. A comprehensive technical review is underway in order to mitigate cost exposures at the operation.

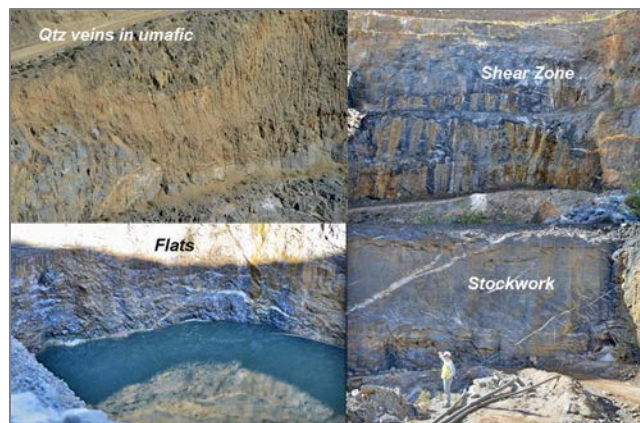
Greenfields

During the Quarter, approvals were received for the commencement of the Greenfields operation and site preparation commenced. The Greenfields pit is adjacent to Three Mile Hill plant and is expected to provide up to 1.0Mt @ 1.9g/t over two years at a strip ratio of 5.4:1. This will supplement the mill feed to maintain a rate of up to 60,000 tonnes per month. Production will commence in the December Quarter.

Fig: View across Greenfields pit to Three Mile Hill Plant.



Fig 6: Mineralisation styles in Greenfields pit



Production in the December Quarter is expected to be between 20,000oz – 22,000oz managing the transition between the Tindals Underground and Greenfields, with production returning to the norm in the March Quarter.

EXPLORATION & RESOURCE DEVELOPMENT

Laverton

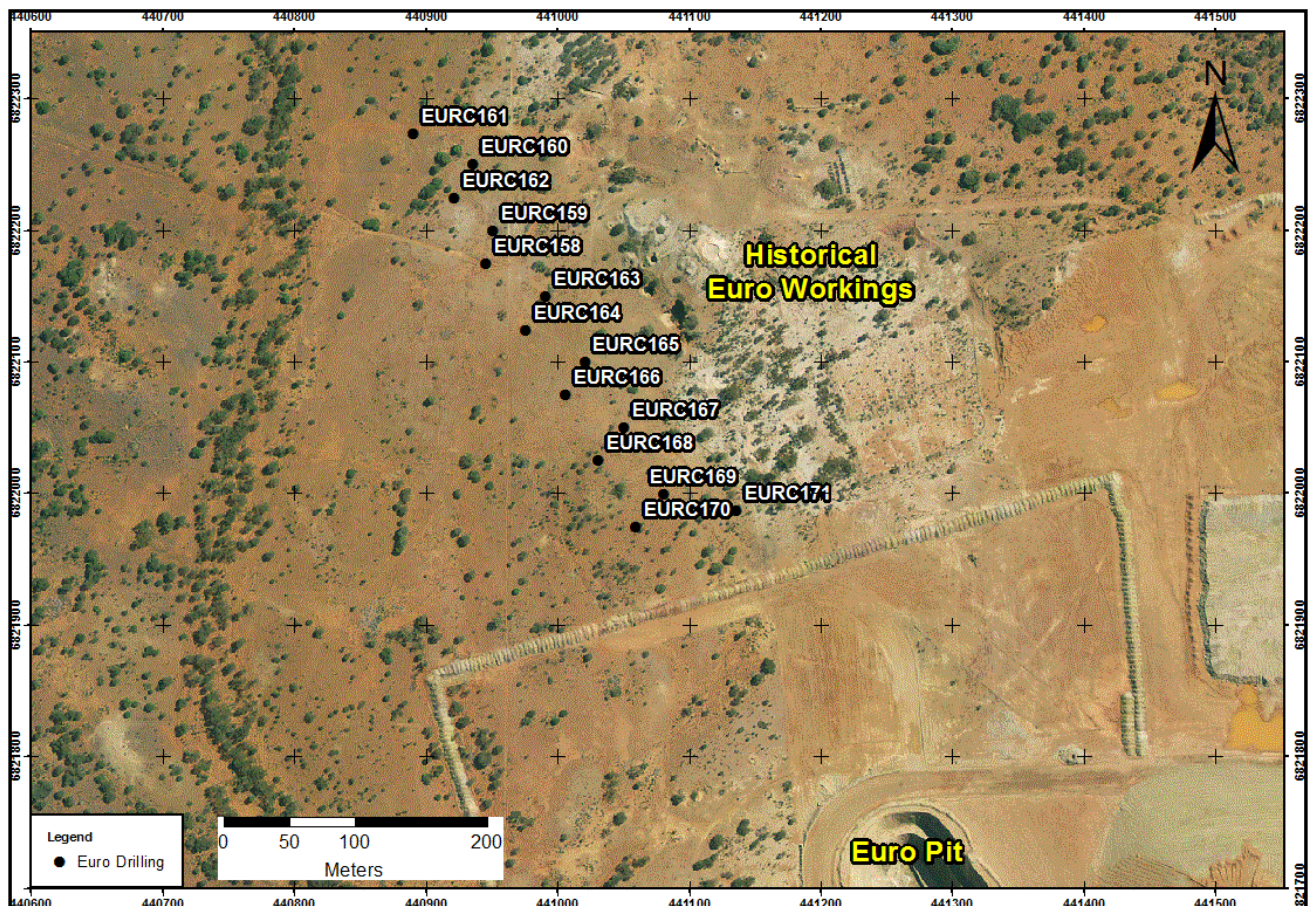
Euro

Drilling at Euro (figure 7 and table 4) was designed to test the gold mineralisation potential below the historic underground workings along strike from the existing Euro pit. The historical workings at Euro (approximately 400m along strike to the NNW of the Euro pit) were mined in the early 1900s with recorded production of 35,707oz of gold grading 11.7g/t.

Best intersections at Euro included:

- 4.0m @ 17.2g/t
- 3.0m @ 5.31g/t
- 2.0m @ 7.90g/t
- 2.0m @ 23.79g/t
- 1.0m @ 75.60g/t

Figure 7: Drill hole collar locations for the Euro drilling.



Burtville

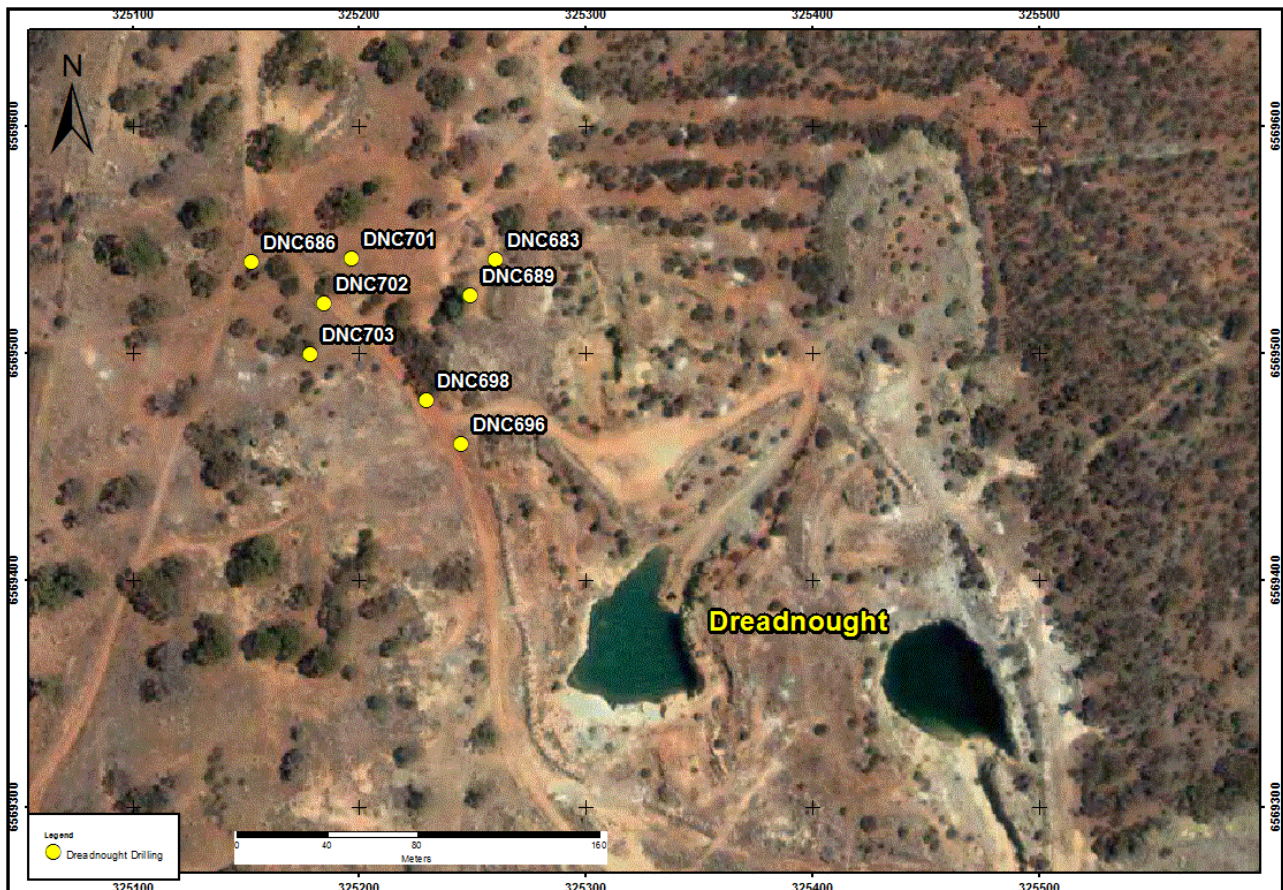
A Mineral Resource estimation was completed for the Burtville deposit delivering a 140% increase in the Burtville Mineral Resource estimate to 5.7Mt @ 1.3g/t for 235,000 ounces of contained gold (Table 1). (see ASX announcement dated 7 August 2012). Additionally a new Ore Reserve of 46,000oz was established.

Tindals Mining Centre

Dreadnought

A new resource development drilling program commenced at Dreadnought on the 31st August and had completed 40 drill holes for 7,078m by the end of the Quarter. This drilling is targeting mineralisation immediately around and under the Dreadnought trial pit. Assay results received so far (Table 3, Figure 8) are encouraging. The program is expected to be completed during the December Quarter.

Figure 8: Drill hole collar locations for the Dreadnought drilling.



Mineral Resource

The Group Mineral Resource table has been updated as at 30 June 2012. This shows Mineral Resources across Laverton and Coolgardie have remained stable despite production of 176,632oz of gold during FY12.

Table 1: Mineral Resources as at 30 June 2012

	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces
COOLGARDIE GOLD PROJECT												
Tindals Project	416	4.6	62,000	10,777	2.4	837,000	3,409	2.3	251,000	14,602	2.4	1,150,000
Mount Project	131	7.8	33,000	588	5.2	98,000	576	5.5	97,000	1,295	5.5	228,000
Lindsays-Bayleys Project				4,350	1.7	238,000	3,562	2.0	233,000	7,912	1.9	471,000
Three Mile Hill Project				2,446	1.6	123,000	1,174	1.5	57,000	3,620	1.5	180,000
Norris Project							2,440	2.2	169,000	2,440	2.2	169,000
Total Coolgardie	547	5.4	95,000	18,161	2.2	1,296,000	11,161	2.2	807,000	29,869	2.3	2,198,000
LAVERTON GOLD PROJECT												
Barnicoat Project	390	1.7	21,000	2,486	1.7	135,000	3,378	1.3	137,000	6,254	1.5	293,000
Burtville Project				1,573	1.3	65,000	4,146	1.3	170,000	5,719	1.3	235,000
Central Laverton Project	41	1.5	2,000	2,768	1.8	164,000	825	1.8	48,000	3,634	1.8	214,000
Chatterbox Project	948	2.4	72,000	3,967	2.1	273,000	3,186	2.2	227,000	8,101	2.2	572,000
Jasper Hills Project	370	1.8	22,000	1,455	1.8	82,000	843	2.1	58,000	2,668	1.9	162,000
Lancefield Project				2,109	6.4	436,000	713	7.0	160,000	2,822	6.6	596,000
Total Laverton	1,749	2.1	117,000	14,358	2.5	1,155,000	13,091	1.9	800,000	29,198	2.2	2,072,000
TOTAL COMBINED RESOURCES	2,296	2.9	212,000	32,519	2.3	2,451,000	24,252	2.1	1,607,000	59,067	2.2	4,270,000

Note: Some errors may result due to rounding. Mineral Resources for the Laverton Gold Project are owned by Focus Minerals (Laverton) Limited. Focus owns 81.57% of this subsidiary company.

Notably the following variances have occurred across the company's Mineral Resource portfolio:

Mineral Resource Growth	Mineral Resource Depletion
Coolgardie: <u>Tindals Surface</u> – 9% increase in Mineral Resource to 809,000oz whilst mining 19,692oz. This has included the addition of 29,000oz at Undaunted and Lady Charlotte, as well as 58,000oz at Brilliant as a result of drilling during the year. <u>Three Mile Hill Project</u> – 82% increase in Mineral Resource to 180,000oz through exploration success. This saw a new Mineral Resource of 48,000oz established at CNX (see ASX announcement dated 27 June 2012), and an increase in the Greenfields Mineral Resource as a result of drilling. <u>Norris Project</u> – 36% increase in Mineral Resource to 169,000oz through exploration success at Norris-Grossmont. Laverton: <u>Burtville</u> – a 140% increase in Mineral Resource to 235,000oz.	Coolgardie: <u>Tindals Underground</u> – 23% decrease in Mineral Resource to 341,000oz as underground development was completed for Phase 1 of the Tindals Underground. <u>The Mount</u> – 38% decrease in Mineral Resource to 228,000oz through depletion and as a result of reinterpretation of the mineralisation due to recent drilling and mine development. Laverton: <u>Central Laverton Project Area</u> – Mining at Mary Mac saw an 8% decrease in Mineral Resource for the Central Laverton Project area to 214,000oz. <u>Chatterbox project</u> - Mining at Apollo, and Eclipse saw a 4% decrease in Mineral Resource on the Chatterbox Project area with drilling seeing the discovery of additional resource areas at Apollo whilst 33,589oz was mined during the period.

Ore Reserves

The Group Ore Reserves table has been updated as at 30 June 2012. This shows Ore Reserves across Laverton and Coolgardie of 7.6Mt @ 2.1g/t for 514,000oz.

Table 2: Mineral Resources as at 30 June 2012

	Proven Reserves			Probable Reserves			Total Reserves		
	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces
COOLGARDIE GOLD PROJECT									
Tindals Project	43	4.9	7,000	1,111	2.4	86,000	1,154	2.5	93,000
Mount Project				126	4.2	17,000	126	4.2	17,000
Three Mile Hill Project				999	1.9	60,000	999	1.9	60,000
Stocks							551	0.7	13,000
Total Coolgardie	43	4.9	7,000	2,236	2.3	163,000	2,830	2.0	183,000
LAVERTON GOLD PROJECT									
Barnicoat Project				589	2.2	41,000	589	2.2	41,000
Burtville Project				1,044	1.4	46,000	1,044	1.4	46,000
Central Laverton Project				825	1.3	34,000	825	1.3	34,000
Chatterbox Project	547	2.1	37,000	167	2.6	14,000	714	2.2	51,000
Jasper Hills Project	0	0.0	0	331	2.4	26,000	331	2.4	26,000
Lancefield Project	0	0.0	0	680	4.9	108,000	680	4.9	108,000
Stocks							628	1.3	25,000
Total Laverton	547	2.1	37,000	3,636	2.3	269,000	4,811	2.1	331,000
TOTAL COMBINED RESERVES	590	4.9	44,000	5,872	2.3	432,000	7,641	2.1	514,000

Note: Some errors may result due to rounding. Ore Reserves identified above for the Laverton Gold Project are owned by Focus Minerals (Laverton) Limited. Focus owns 81.57% of this subsidiary company.

Notably the following variances have occurred across the company's Ore Reserve portfolio:

Ore Reserve Growth	Ore Reserve Depletion
Coolgardie: <u>Tindals Surface</u> – 19% increase in Ore Reserves to 47,000oz despite mining 12,000oz. <u>The Mount</u> – Ore Reserves at The Mount have increased to 17,000oz, whilst mining 16,000oz. Laverton: <u>Burtville</u> – an Ore Reserve has been established at Burtville of 46,000oz. There was previously no Ore Reserve at Burtville. <u>Jasper Hills</u> – Established a maiden underground Ore Reserve at Fish of 26,000oz.	Coolgardie: <u>Tindals Underground</u> – 60% decrease in Ore Reserves as underground development was completed for Phase 1 of the Tindals Underground. Laverton: <u>Chatterbox project</u> – 40% decrease in Ore Reserve through the production at Apollo. <u>Central Laverton</u> - Mining at Mary Mac saw a 37% decrease in Ore Reserves for the Central Laverton Project. <u>Jasper Hills</u> – Production at Fish has seen a 14% decrease in Ore Reserves at the Jasper Hills Project with the completion of the Fish open pit. <u>Lancefield</u> – a Reassessment of the Ore Reserves at Lancefield has seen this decrease 26% to 108,000oz.

CORPORATE

Revenue

Focus Group sold 49,383oz of gold at an average price of A\$1,553/oz, to generate revenue of A\$76.7M for the Quarter.

Gold royalties paid for the Quarter totalled \$4.4 million comprised of approximately \$43/oz for Coolgardie and \$134/oz for Laverton.

Expenditure

Focus Group mine development and exploration expenditure for the Quarter totalled \$4.7 million. This comprised \$2.1 million of mine capital development and \$2.6M of exploration expenditure.

Cash

At 30 September 2012, the Focus Group held cash and bullion comprising:

Cash at Bank	\$9.4 million
Bullion on Hand	\$0.9 million
Cash held on bond	\$13.9 million
Total Cash and Equivalents	\$24.2 million

Director Share Purchase

Subsequent to the end of the Quarter, all four Focus directors have purchased Focus shares on-market:

	Existing holding	Purchase	Total Holding
Don Taig	11,963,259	1,000,000	12,963,259
Phil Lockyer	594,523	255,000	849,523
Bruce McComish	nil	250,000	250,000
Gerry Fahey	Nil	641,000	641,000

Shandong Gold Placement

Focus Minerals announced, that it has entered in to a Share Subscription Deed with Shandong Gold International Mining Corporation Limited, under which Shandong Gold has agreed to subscribe for new fully paid ordinary Focus shares to raise approximately \$225 million (see ASX release dated 20 September 2012). The Board is recommending the Placement in the absence of a superior proposal and subject to an independent expert opining that the terms of the Placement are reasonable.

The investment by Shandong Gold will enable Focus to pursue organic and non-organic growth opportunities, and represents the start of a long-term, mutually beneficial relationship which will allow Focus to unlock the potential of its large tenement holdings.

ENDS

The information that relates to exploration targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Competent Person's Statement

The information in this announcement that relates to Ore Reserves is based on information compiled by Mr Peter Ganza, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ganza is a full time employee of Focus Minerals and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ganza consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results and Minerals Resources is based on information compiled by Dr Garry Adams who is a member of the Australian Institute of Geoscientists. Dr Adams is employed by Focus Minerals and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Adams consents to the inclusion in this announcement of the matters based on the information compiled by him in the form and context in which it appears.

Notes to accompany the Mineralised Resource Updates

Significant Mineral Resource updates occurred for Brilliant, Lady Charlotte, Undaunted, Greenfields, CNX, Norris-Grosmont and The Mount at the Coolgardie Gold Project and for Burtville at the Laverton Gold Project. All other resources were either unchanged or had slight modifications due to a change in interpretation and/or mining depletion.

All details associated with the CNX resource can be found in ASX announcement dated 27 June 2012, while all details associated with the Burtville resource can be found in ASX announcement dated 7 August 2012.

The Brilliant Deposit is hosted within a sequence of basalt and ultramafic rocks that have been intruded by a suite of diorites dykes. The dykes host the bulk of the mineralisation at Brilliant. The mineralised lodes occur in two orientations; the main lodes strike NNW (340-350°) and dip steeply to the east (75°) with an average width of 3-5m, or the northwest striking (310-330°) series of smaller, flatter dipping (20-40°NE) lodes with widths up to 20m. Mineralisation consists of a stockwork of quartz/sulphide micro-veining with associated albitic alteration.

The Lady Charlotte and Undaunted Deposits are hosted within an ultramafic sequence that has been intruded by diorites. The diorites are the host to the mineralisation. Undaunted mineralisation lies to the north of Lady Charlotte and strikes N-NE (000-030°) with sub-vertical dips and widths averaging 3-5m. The Lady Charlotte mineralisation strikes 010-040°, with dips varying 40-85°E and widths of up to 10m. Gold mineralisation appears to be related to the sulphide content, which occurs in fractures in the diorite, and the intensity of silica-albite alteration.

The Greenfields Deposit is located within a Dolerite Sill. The deposit is divided into five geological units – Units 2, 3, 4 & 5 and volcanoclastic sediments of the Kurrawang Formation. The gold mineralisation tends to be associated with pyrite in the extensional veins, pyrrhotite in the wall rock as halo alteration and pyrrhotite in quartz veining within the dolerite sequence. The lodes strike 110° and dip 70°S with average widths of 10m.

The Norris-Grosmont Deposit is hosted in a series of sub-parallel, shallowly dipping thrusts in a sequence of mafic and ultramafic rocks. These have been intruded by thin lensoidal felsic units, which unlike other deposits in the region tend not be mineralised. The mineralisation occurs as a series of lenticular bodies hosted within the thrusts, which strike 060° and dip south at 40-50°. Mineralisation consists of laminated quartz lodes and breccias with minor pyrite.

The Mount Deposit is hosted within sheared basalt and ultramafic rocks within a NW trending fold hinge. Gold mineralisation is generally associated with vertical laminated quartz-sulphide (pyrrhotite, pyrite and chalcopyrite) veins within the shears, which trend parallel to the regional NW trending fold axis. Widths of these lodes are variable, ranging from 0.2m up to several metres.

The resource upgrades in all areas are as a result of drilling completed over the past 12 months by Focus. The updated interpretations were then used to create new Mineral Resource models for each deposit.

Drilling Information

The Brilliant area has a total of 8 diamond holes and 425 RC drill holes for a total of 44,105m, which were used in the estimation. Drill spacing is generally 20m x 10m in the core of the resource, and widens to 80m x 80m at the margins of the resource.

At Lady Charlotte and Undaunted a total of 157 RC drill holes for a total of 9,523m have been used in the estimation. Drill spacing is generally 20m x 20m (with 20m x 10m in some areas) in the core of the resource, and widens to 80m x 80m at the margins of the resource areas.

At Greenfields a total of 71 diamond holes and 143 RC drill holes for a total of 22,263m have been used in the estimation. Drill spacing is generally 20m x 10m in the core of the resource, and widens to 80m x 80m at depth on the margins of the resource.

At Norris-Grosmont a total of 5 diamond holes and 931 RC drill holes for a total of 58,652m have been used in the estimation. Drill spacing is generally 20m x 20m in the core of the resource, and widens to 80m x 80m at the margins of the resource areas.

At The Mount a total of 143 diamond holes and 233 RC drill holes for a total of 41,115m have been used in the estimation. Drill spacing is generally 20m x 20m within the core of the resource, and widens to 80m x 80m away from this.

The majority of drill holes at Brilliant, Lady Charlotte, Undaunted, Greenfields, Norris-Grosmont and The Mount have either been down hole surveyed by Eastman single-shot camera, electronic multi-shot (EMS) or by gyroscopic methods. Some historical holes have planned azimuths and dips assigned as no downhole survey was completed.

All drill holes that were surveyed at Brilliant were done so historically in the Brilliant Mine Grid coordinates which have subsequently been converted to GDA94 co-ordinates. All drill holes that were surveyed at Lady Charlotte and Undaunted were done so historically in the Tindals Mine Grid coordinates which have subsequently been converted to GDA94 co-ordinates. All historical drill collars at Greenfields were surveyed in the local mine grid in the area and have subsequently been converted to GDA94 co-ordinates. All historical drill collars at Norris-Grosmont were surveyed in the Norris Mine Grid and have subsequently been converted to GDA94 co-ordinates. All historical drill collars at The Mount were surveyed in the Mount Mine Grid and have subsequently been converted to GDA94 co-ordinates. All Focus Minerals drilling at all deposits has been surveyed in GDA94.

All drilling has been logged (lithology, alteration, structure, veining and mineralisation) in detail and stored in electronic databases after being validated.

Diamond core has been sampled to a combination of geological boundaries or metre intervals for pre-Focus drilling. All Focus diamond drilling has been sampled to geological boundaries. The core was cut in half, with only half submitted for assaying. All RC drilling has been sampled to 1m intervals.

All samples (Focus and historical drilling) have been assayed using the Fire Assay method at Analabs, ALS Chemex or Kalgoorlie Assay Laboratory in Kalgoorlie. For Focus drilling a 30g Fire Assay with AAS finish was used at ALS Chemex, while a 40g Fire Assay with ICP-MS finish method was used at the Kalgoorlie Assay Laboratories. Stringent QAQC measures are in place with the use of control samples to monitor laboratory performance.

Geological Model

All geological interpretations (geology and mineralisation) and the Mineral Resource estimations were conducted internally. The mineralised interpretations at Brilliant, Lady Charlotte, Undaunted, Greenfields and Norris-Grosmont were digitised to either geological boundaries or a nominal 0.5g/t Au cut-off grade where the geological contact was obscure. No mining dilution has been incorporated into the resource interpretation, although low grade zones (<0.5g/t Au) have been included to allow for continuity of the interpretation. At The Mount the interpretation process is the same as described above, however a nominal 1.0g/t Au cut-off was used where geological contacts were obscured. The interpretation was extrapolated either 20m past the last drill hole, or half way to the next drill hole closing off the mineralisation (which ever was the smallest distance).

Samples within individual wireframes were composited to 1m intervals at Brilliant, Lady Charlotte, Undaunted and Norris-Grosmont, and to 2m intervals at Greenfields and The Mount. The composite samples were used to determine the necessary top cuts, which were determined by a combination of Skree Plot and Cumulative Frequency Plot analysis.

The top cut values at Brilliant were 20g/t Au for the steep dipping N-S striking lodes and 12g/t Au for the shallow dipping NW striking lodes. The top cut value at Lady Charlotte was 10g/t Au for all lodes, while at Undaunted the top cut values were 12g/t Au for the main lode and 9g/t Au for all other lodes. The top cut value for Greenfields was 25g/t Au.

At Norris-Grosmont the resource was divided into 3 domains based on geographical separation. The top cuts were similar with 24g/t Au for the Coronation domain and 23g/t Au for both the Norris and Grosmont domains.

At The Mount the resource was divided into four domains and nine sub-domains based on where the lodes are located within the deposit and differences in variography of those sub-domains. The top cut values were determined from statistics for individual lodes because it is more appropriate to apply lode top cuts as opposed to domain top cuts to individual lodes particularly within a high nugget, narrow lode gold deposit such as the Mount. This has resulted in a wide range of top cut values (between 5 – 37g/t Au) being implemented for the Mount estimate.

A Surpac block model was created for all Mineral Resource models in GDA grid co-ordinates except for the Norris Grosmont model which was completed in a local grid. All estimations were completed using the Ordinary Kriging (OK) method.

At Brilliant, Lady Charlotte and Undaunted a bulk density of 2.75t/m³ was applied to fresh rock, 2.4t/m³ to transitional material and 1.8t/m³ to oxide material in the ore zones within the model. These values are either assumed based on historical values or values determined from test work at various other similar deposits nearby with similar geology. At Greenfields the density values for the transition and oxide material are as above, however the fresh rock has a slightly higher bulk density of 2.8t/m³ which is based on measurements taken from recent drill core. At Norris-Grosmont the density values for the transition and oxide material are as above, however the fresh rock has a lower bulk density of 2.7t/m³ which is the value used for previous estimates at Norris. At The Mount, all of the ore body is located within fresh

rock. Bulk density for the lodes at The Mount range from 3.0t/m³ to 3.1t/m³ based on test work conducted on lodes that have been intersected in recent diamond core drilling.

The Mineral Resources for Brilliant, Lady Charlotte, Undaunted, Greenfields and Norris-Grosmont have been reported at a 1g/t lower cut-off grade and are depleted by using the current open pit survey pick up or any underground voids where applicable. The Mineral Resource for The Mount has been reported at a 2g/t lower cut-off grade and is depleted by using the current underground voids survey pick up.

All Mineral Resources are inclusive of Ore Reserves.

The reported grades, tonnages and contained ounces are rounded to appropriate levels of precision in accordance with the recommendations of the JORC code.

Notes to accompany the Ore Reserve Updates

All reserve estimates are based upon current mineral resource models for both Laverton and Coolgardie regions.

Costs utilised for the economic evaluations are based on current contractor and owner operator actual costs. Cut off grades developed for open pit operations are based on A\$1400 per ounce of gold produced. Exceptions to this are Burtville (A\$1550 per ounce) and Undaunted (\$1450 per ounce). The elevated gold price for Burtville and Undaunted were adopted to accommodate minimum cut back width required for safe and efficient operation. Underground cut-off grades are based on A\$1600 per ounce.

The estimation of open pit cut-off grades was performed utilising the Whittle optimisation whereas underground cut off grades are calculated manually from unit rate analysis.

Open pit dilution and recovery factors are pit specific and applied in the optimisation of the pit.

Area	Project	Dilution	Mining Recovery
Coolgardie			
	Alicia	11.1	90.0
	Big Blow	9.9	95.0
	Brilliant	10.0	95.0
	Cookes	13.6	90.0
	Dreadnought North	15.0	95.0
	Greenfields	12.4	95.0
	Happy Jack	10.0	90.0
	Hillside	10.0	95.0
	Undaunted	14.9	90.0
Laverton			
	Admiral Hill	10.0	95.0
	Apollo	28.0	95.0
	Burtville	0.0	100.0
	Calypso	14.0	95.0
	Lord Byron North and South	14.0	95.0

The Burtville resource model was developed with dilution and mining recoveries applied during the model construction. No further dilution or mining recovery was applied during the optimisation. This adopted methodology was audited and concurred with by an independent consultant.

Underground dilution and recovery factors are applied to individual stopes prior to economic analysis. A minimum stope width of 1.0m is applied to all underground operations to which footwall and hanging wall dilution (typically 0.5m each) is applied.

Metallurgical recoveries applied are:

- Laverton – 90%
- Coolgardie Open Pit – 92%
- Coolgardie Underground – 95%

Note for Drill Results Tables below: All RC drill holes are sampled to 1m intervals. Assay method is by a 40 gram fire assay at Amdel KalAssay in Kalgoorlie or Leonora. All mineralised intersections are quoted as down-hole lengths with uncut gold values. For Dreadnought the intersections are approximately equal to the true thickness, while at Euro the intersections are approximately 75% of true thickness. All gold grades are reported with a nominal cut-off grade of 1g/t Au. NSR = "no significant result" (above 1g/t).

Table 3: Assay Results received to date from the Dreadnought drilling.

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
DNC683	6569541	325260	414	90	-60	207	117	121	4	1.17
							139	146	7	1.33
							157	158	1	1.40
							166	167	1	5.72
							184	185	1	1.55
DNC686	6569540	325153	417	90	-62	212	73	78	5	2.53
							92	95	3	1.31
							102	104	2	1.45
							114	115	1	1.47
							121	124	3	1.62
							130	132	2	1.47
DNC689	6569525	325249	413	90	-55	216	148	149	1	4.26
							29	32	3	6.15
							37	43	6	1.52
							46	49	3	1.79
							122	123	1	9.95
							126	128	2	3.69
							141	142	1	1.86
DNC696	6569460	325245	385	90	-62	180	211	212	1	3.46
DNC698	6569479	325230	385	90	-54	192	NSR			
							9	10	1	3.54
							55	56	1	1.36
							104	105	1	1.74
DNC701	6569542	325197	415	90	-61	200	148	153	5	2.41
							97	102	5	1.29
							110	113	3	5.07
							146	147	1	1.69
DNC702	6569522	325185	416	90	-50	156	190	192	2	1.38
							64	68	4	3.25
							106	107	1	1.46
DNC703	6569499	325178	416	90	-50	210	119	120	1	1.81
							39	40	1	1.90
							48	51	3	2.16
							57	60	3	1.24

Table 4: Assay Results received to date from the Euro drilling.

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
EURC158	6822175	440946	471	90	-60	150	127	131	4	2.00
EURC159	6822200	440951	471	90	-60	125	106	112	6	1.78
EURC160	6822250	440936	471	90	-60	113	NSR			
EURC161	6822274	440891	471	90	-60	150	134	138	4	17.18
EURC162	6822225	440922	471	90	-60	156	124	127	3	5.31
EURC163	6822150	440991	471	90	-60	110	84	86	2	7.90
EURC164	6822124	440976	471	90	-60	150	111	112	1	1.69
							115	116	1	4.42
EURC165	6822100	441021	471	90	-60	110	107	108	1	8.55
EURC166	6822075	441006	470	90	-60	150	103	104	1	3.25
							106	109	3	1.00
EURC167	6822050	441051	470	90	-60	110	70	71	1	1.96
							81	82	1	1.35
EURC168	6822025	441031	471	90	-59	150	102	105	3	1.00
EURC169	6822000	441081	469	90	-60	110	77	79	2	23.79
							83	84	1	11.52
							86	87	1	75.60
EURC170	6821975	441060	470	90	-60	150	103	104	1	1.88
							143	146	3	2.95
EURC171	6821987	441136	468	90	-60	54	18	19	1	1.63
							39	47	8	1.67
							49	50	1	1.48
							53	54	1	1.62

Table 5: Coolgardie Resource Table – Detail

Prospect	Classification	Tonnes	Grade (g/t)	Ounces
Coolgardie Surface				
Tindals Project				
Alicia	Indicated	466,000	2.0	29,000
	Inferred	307,000	2.0	20,000
Big Blow	Indicated	484,000	3.1	49,000
	Inferred	67,000	3.3	7,000
Bird in Hand	Indicated	210,000	2.0	13,500
	Inferred	107,000	2.0	6,500
Brilliant	Indicated	3,611,000	2.0	236,000
	Inferred	874,000	2.3	65,000
Cokes	Indicated	120,000	2.4	9,000
	Inferred	47,000	3.3	5,000
Cyanide	Indicated	34,000	2.2	2,500
	Inferred	144,000	2.1	9,500
Dreadnought	Indicated	2,902,000	2.1	191,500
	Inferred	426,000	1.8	24,500
Empress	Indicated	128,000	2.0	8,000
	Inferred	12,000	2.3	1,000
Friendship	Inferred	100,000	1.4	4,500
	Inferred	104,000	2.7	9,000
Griffiths	Indicated	249,000	2.0	16,000
	Inferred	99,000	3.1	10,000
Happy Jack	Indicated	137,000	1.6	7,000
	Inferred	346,000	1.5	17,000
Lady Charlotte	Indicated	53,000	2.4	4,000
	Inferred	257,000	2.7	22,500
Perseverance	Indicated	288,000	2.4	22,000
	Inferred	187,000	2.0	12,000
Tindals Pit	Indicated	126,000	1.9	8,000
	Inferred	0	0.0	0
Undaunted	Indicated	8,785,000	2.1	596,000
	Inferred	3,100,000	2.1	213,000
Sub-Total Tindals Project				
	Measured	0	0.0	0
	Indicated	8,785,000	2.1	596,000
	Inferred	3,100,000	2.1	213,000
Total Tindals Project		11,885,000	2.1	809,000
Three Mile Hill Project				
Greenfields	Indicated	1,976,000	1.6	98,000
	Inferred	714,000	1.5	34,000
CNX	Indicated	470,000	1.6	25,000
	Inferred	460,000	1.6	23,000
Sub-Total Three Mile Hill Project	Measured	0	0.0	0
	Indicated	2,446,000	1.6	123,000
	Inferred	1,174,000	1.5	57,000
Total Three Mile Hill Project		3,620,000	1.5	180,000
Lindsays-Bayleys Project				
Hillside	Inferred	672,000	3.1	66,000
	Inferred	4,350,000	1.7	238,000
Lindsays	Inferred	1,490,000	1.6	77,000
	Inferred	1,400,000	2.0	90,000
King Solomon/Queen Sheba	Measured	0	0.0	0
	Indicated	4,350,000	1.7	238,000
Sub-Total Lindsays-Bayleys	Inferred	3,562,000	2.0	233,000
Total Lindsays-Bayleys Project		7,912,000	1.9	471,000
Norris Project				
Lord Bob	Inferred	820,000	1.6	42,000
	Inferred	1,620,000	2.4	127,000
Norris - Grosmont	Measured	0	0.0	0
	Indicated	0	0.0	0
Sub-Total Norris Project	Inferred	2,440,000	2.2	169,000
Total Norris Project		2,440,000	2.2	169,000
Coolgardie Underground				
Tindals Project				
Bird in Hand	Indicated	282,000	3.1	28,000
	Inferred	90,000	2.8	8,000
Countess	Measured	173,000	4.8	26,500
	Indicated	145,000	2.8	13,000
	Inferred	4,000	2.5	500
Cyanide	Indicated	516,000	4.7	77,000
	Inferred	77,000	5.5	13,500
Empress	Measured	16,000	3.9	2,000
	Indicated	172,000	3.5	19,000
	Inferred	13,000	7.5	3,000
Griffiths	Inferred	39,000	2.8	4,000
Perseverance	Measured	142,000	5.4	24,500
	Indicated	462,000	4.4	66,000
	Inferred	13,000	4.8	2,000
Tindals	Measured	85,000	3.5	9,000
	Indicated	415,000	2.8	38,000
	Inferred	73,000	3.1	7,000
Sub-Total Tindals Project	Measured	416,000	4.6	62,000
	Indicated	1,992,000	3.8	241,000
	Inferred	309,000	3.8	38,000
Total Tindals Project		2,717,000	3.9	341,000
Mount Project				
The Mount	Measured	131,000	7.8	33,000
	Indicated	588,000	5.2	98,000
	Inferred	576,000	5.2	97,000
Total Mount Project		1,295,000	5.5	228,000

Classification	Tonnes	Grade (g/t)	Ounces
Sub-Total Coolgardie Surface			
Measured	0	0.0	0
Indicated	15,581,000	1.9	957,000
Inferred	10,276,000	2.0	672,000
Total	25,857,000	2.0	1,629,000

Classification	Tonnes	Grade (g/t)	Ounces
Sub-Total Coolgardie Resource			
Measured Resource	547,000	5.4	95,000
Indicated Resource	18,161,000	2.2	1,296,000
Inferred Resource	11,161,000	2.2	807,000
Total Coolgardie Resource	29,869,000	2.3	2,198,000

Classification	Tonnes	Grade (g/t)	Ounces
Total Coolgardie Underground			
Measured	547,000	5.4	95,000
Indicated	2,580,000	4.1	339,000
Inferred	885,000	4.7	135,000
Total Coolgardie Underground	4,012,000	4.4	569,000

Table 7: Laverton Resource Table – Detail

Prospect	Classification	Tonnes	Grade (g/t)	Ounces
Laverton Surface				
Barnicoat Project				
Admiral Hill	Indicated	660,000	1.4	30,000
	Inferred	1,310,000	1.1	46,000
Barnicoat	Indicated	340,000	1.3	14,000
	Inferred	250,000	1.0	8,000
Bells	Indicated	594,000	2.0	38,000
	Inferred	36,000	1.4	2,000
Black Label	Inferred	610,000	1.0	20,000
Castaway	Indicated	247,000	1.6	13,000
	Inferred	28,000	1.8	2,000
Grouse	Indicated	447,000	1.7	24,000
	Inferred	27,000	1.3	1,000
Ida H	Inferred	627,000	1.4	28,000
Lily Pond Well	Inferred	338,000	1.4	15,000
Sickle	Measured	390,000	1.7	21,000
	Indicated	198,000	2.6	16,000
	Inferred	152,000	3.1	15,000
Sub-Total Barnicoat Project	Measured	390,000	1.7	21,000
	Indicated	2,486,000	1.7	135,000
	Inferred	3,378,000	1.3	137,000
Total Barnicoat Project		6,254,000	1.5	293,000
Burtville Project				
Burtville	Indicated	1,573,000	1.3	65,000
	Inferred	4,146,000	1.3	170,000
Sub-Total Burtville Project	Measured	0	0.0	0
	Indicated	1,573,000	1.3	65,000
	Inferred	4,146,000	1.3	170,000
Total Burtville Project		5,719,000	1.3	235,000
Central Laverton Project				
Craggiemore	Indicated	575,000	2.2	40,000
	Inferred	113,000	2.7	10,000
Euro	Indicated	255,000	1.7	14,000
	Inferred	314,000	1.7	17,000
Mary Mac	Indicated	232,000	2.2	16,000
	Inferred	9,000	1.6	1,000
Mary Mac South	Indicated	435,000	1.6	22,000
	Inferred	90,000	1.8	5,000
West Laverton	Measured	41,000	1.9	2,000
	Indicated	1,271,000	1.8	72,000
	Inferred	299,000	1.5	15,000
Sub-Total Central Laverton Project	Measured	41,000	1.5	2,000
	Indicated	2,768,000	1.8	164,000
	Inferred	825,000	1.8	48,000
Total Central Laverton Project		3,634,000	1.8	214,000
Chatterbox Project				
Apollo	Measured	929,000	2.3	70,000
	Indicated	973,000	2.0	63,000
	Inferred	560,000	3.0	54,000
Aurora (Inuendo)	Indicated	180,000	2.9	17,000
	Inferred	380,000	2.3	28,000
Calypso (Beasley Creek South)	Indicated	316,000	2.6	26,000
	Inferred	78,000	2.2	5,000
Eclipse (Garden Well)	Measured	19,000	2.7	2,000
	Indicated	63,000	1.8	4,000
	Inferred	152,000	1.7	8,000
Elation (Gladiator North)	Indicated	48,000	1.7	3,000
	Inferred	123,000	1.6	6,000
Emerald (Rumor)	Indicated	1,590,000	2.1	107,000
	Inferred	1,060,000	2.1	72,000
Liberty (Beasley Creek)	Indicated	797,000	2.1	53,000
	Inferred	833,000	2.0	54,000
Sub-Total Chatterbox Project	Measured	948,000	2.4	72,000
	Indicated	3,967,000	2.1	273,000
	Inferred	3,186,000	2.2	227,000
Total Chatterbox Shear Project		8,101,000	2.2	572,000
Jasper Hills Project				
Lord Byron	Measured	370,000	1.9	22,000
	Indicated	1,326,000	1.5	64,000
	Inferred	743,000	1.9	45,000
Sub-Total Jasper Hills Project	Measured	370,000	1.8	22,000
	Indicated	1,326,000	1.5	64,000
	Inferred	743,000	1.9	45,000
Total Jasper Hills Project		2,439,000	1.7	131,000
Lancefield Project				
Crown Jewel (Telegraph)	Inferred	91,000	6.0	18,000
Odyssey (South Lancefield)	Indicated	72,000	4.0	9,000
	Inferred	3,000	5.0	1,000
Sub-Total Lancefield Project	Measured	0	0.0	0
	Indicated	72,000	3.9	9,000
	Inferred	94,000	6.3	19,000
Total Lancefield Project		166,000	5.2	28,000
Laverton Underground				
Jasper Hills Project				
Fish	Indicated	129,000	4.4	18,000
	Inferred	100,000	4.0	13,000
Sub-Total Jasper Hills Project	Measured	0	0.0	0
	Indicated	129,000	4.3	18,000
	Inferred	100,000	4.0	13,000
Total Jasper Hills Project		229,000	4.2	31,000
Lancefield Project				
Summit (Lancefield)	Indicated	2,037,000	6.5	427,000
	Inferred	619,000	7.1	141,000
Sub-Total Lancefield Project	Measured	0	0.0	0
	Indicated	2,037,000	6.5	427,000
	Inferred	619,000	7.1	141,000
Total Lancefield Project		2,656,000	6.7	568,000

Classification	Tonnes	Grade (g/t)	Ounces
Sub-Total Laverton Surface			
Measured	1,749,000	2.1	117,000
Indicated	12,192,000	1.8	710,000
Inferred	12,372,000	1.6	646,000
Total Laverton Surface	26,313,000	1.7	1,473,000

Classification	Tonnes	Grade (g/t)	Ounces
Sub-Total Laverton Resource			
Measured Resource	1,749,000	2.1	117,000
Indicated Resource	14,358,000	2.5	1,155,000
Inferred Resource	13,091,000	1.9	800,000
Total Laverton Resource	29,198,000	2.2	2,072,000

Classification	Tonnes	Grade (g/t)	Ounces
Sub-Total Laverton UG			
Measured	0	0.0	0
Indicated	2,166,000	6.4	445,000
Inferred	719,000	6.7	154,000
Total Laverton Underground	2,885,000	6.5	599,000

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

FOCUS MINERALS LIMITED

ABN

56 005 470 799

Quarter ended ("current quarter")

30 SEPTEMBER 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date \$A'000
1.1	Receipts from product sales and related debtors	78,371	78,371
1.2	Payments for (a) exploration & evaluation	(2,682)	(2,682)
	(b) development	(2,109)	(2,109)
	(c) production	(60,478)	(60,478)
	(d) administration	(2,261)	(2,261)
	(e) royalties paid	(2,929)	(2,929)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	139	139
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(12)	(12)
	Net Operating Cash Flows	8,039	8,039
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(637)	(637)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)		
	- Bonds	(663)	(663)
	- Takeover costs	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(1,300)	(1,300)
1.13	Total operating and investing cash flows (brought forward)	6,739	6,739

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
	Share issue costs	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		6,739	6,739
1.20	Cash at beginning of quarter/year to date	2,603	2,603
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	9,342	9,342

Gold on hand – At 30 September 2012 the Company held 590 ounces of gold in its metal account with the Perth Mint.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	115
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees & superannuation expense.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	10,000	8,000
3.2 Contingent Instrument Facility	3,500	3,102

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,895
4.2 Development	7,862
4.3 Production	61,492
4.4 Administration	3,600
Total	75,849

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	9,342	2,750
5.2 Deposits at call	381	381
5.3 Bank overdraft	-	-
Available cash (item 1.22)	9,723	3,131
5.4 Other (provide details) - Bonds	13,548	13,138
Total: cash at end of quarter	23,271	16,269

At 30 September 2012 the Company held

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining & prospecting tenements relinquished, reduced or lapsed	P15/5154 P15/4955	Lapsed Relinquished	100 100	- -
6.2 Interests in mining * prospecting tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities (description)	N/a			
7.2	Changes during quarter (a) Increases (b) Decreases	N/a			
7.3	*Ordinary securities	4,320,773,701	4,320,773,701		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5	*Convertible debt securities (description)	N/a			
7.6	Changes during quarter (a) Increases (b) Decreases	N/a			
7.7	Options (description and conversion factor)	14,116,923 14,116,923 23,500,000 51,733,846	- - -	<u>Exercise price</u> 7.5 cents 7.8 cents 12.3 cents	<u>Expiry date</u> 31/12/2012 31/12/2012 30/6/2014
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired/cancelled during quarter		-	<u>Exercise price</u>	<u>Expiry date</u>
7.11	Debentures (totals only)	N/a			
7.12	Unsecured notes (totals only)	N/a			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Paul Fromson Date: 26 October 2012
 Company Secretary

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.