

Activities Report for the Quarter Ended 30 June 2009

HIGHLIGHTS

- Record total gold production for the Quarter of 19,226 ounces.
- Revenue for the Quarter of A\$23.3 million ~ generated from the sale of 21,815 ounces of gold at an average received price of A\$1,068/oz.
- Excellent gold intersections from first phase Countess Drilling (incl. 7.26 m @ 5.23 g/t).
- Average direct cash cost of A\$695/oz for the June Quarter.
- Cash and bullion of A\$21.7 million on hand as at 30 June 2009.
- Two key appointments made; Mr Barend Knoetze (Mill Manager) and Mr Brad Valiukas (Principal Mining Engineer).

SAFETY

- No major incidents or injuries associated with the project over the Quarter.
- Excellent underground safety performance at Tindals ~ no major incidents or injuries recorded for Quarter..

CORPORATE AND FINANCIAL

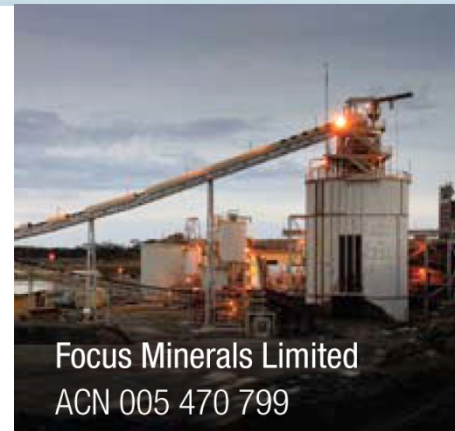
- Total production for the Financial Year of 41,401 ounces.
- Final average direct cash cost of A\$603/oz for Financial Year.
- Senior and convertible debt of A\$4.75 million repaid during Quarter.
- A\$3 million Share Purchase Plan (SPP) closed oversubscribed.
- Eighth milling campaign completed on 22 June for gold production during the Quarter of 19,226 ounces ~ Project to date total of 45,858 ounces.
- Ninth Milling campaign to begin in September 2009.

THREE MILE HILL REFURBISHMENT

- Three Mile Hill plant refurbishment continues on schedule with several key milestones already achieved ~ remains on target for commissioning December 2009

EXPLORATION DRILLING

- Diamond drill rig mobilised and drilling ~ targeting extensions to Perseverance, Countess and Empress Deposits. Outstanding Results already achieved.



Focus Minerals Limited
ACN 005 470 799

Australian Securities Exchange
Code: FML

Frankfurt Stock Exchange
Code: FZA

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Executive Chairman

Mr Chris Hendricks
Non-Executive Director

Mr Phil Lockyer
Non-Executive Director

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Mr Peter Williams
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Mr Clint Baker
Mining Manager

Dr Garry Adams
Exploration Manager

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Share Registry

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OPERATIONAL REVIEW - COOLGARDIE GOLD PROJECT

Production Update

During the June quarter, **116,970 tonnes** of ore at an average grade of **6.38 g/t** was mined from the Perseverance and Countess Deposits, with the majority of ore sourced from the 250 and 275 levels at Perseverance. All planned development has been completed at Perseverance and ongoing production will occur through long-hole stoping from the 275, 250 and 225 levels over the next three quarters. Development at Countess is on hold due to an excess of developed stoping tonnes and will re-start in the 4th Quarter.

On the 22nd June, Focus completed its eighth milling campaign since production began in April 2008. The recent campaign started on 1 May 2009 and concluded on the 22 June for a total of 45 effective milling days utilising a blend of Perseverance and Countess Ore. Milling during campaign eight comprised a total of **85,277 tonnes** at an average head grade of **7.38 g/t**. The milling campaign was especially successful, netting a record **19,226 ounces** of gold with recoveries exceeding **95%**.

Since the last milling campaign, minor modifications have been incorporated into the Greenfields mill to assist in overcoming the higher sulphur and copper sections in some of the Perseverance ore. Increased oxygen dispersement in the early stages of treatment, together with a slight increase in reagent usage, enabled an increase in gold recoveries to over 95% for the campaign.

The consumption of oxygen, cyanide and other reagents in order to maintain the recovery was the primary factor in the increased cash cost of A\$695/oz for the Quarter, however, this was offset by increased gold production during the campaign by maintaining optimal throughput rates without a reduction in recoveries.

Contributing again to the increased cash costs for the Quarter was the Coolgardie operations ability to mine more tonnes than can be processed. This further cements Focus' strategy to refurbish the Three Mile Hill processing plant in order to significantly increase milling capacity for the Company and decrease our current toll milling cost by \$10 to \$15 dollars per tonne.

Table 1 – June 2009 Quarter Gold Production Summary

		Quarter Ended 30 June 2009 ¹	Quarter Ended 31 March 2009	TOTAL Year To Date
Ore Mined	(tonnes)	116,970	114,171	332,431
Mined Grade	g/t	6.38	4.64	5.54
Milled Tonnes	(Tonnes)	85,277	58,937	256,811
Head Grade	g/t	7.38	5.32	5.43
Gold Recovery	%	95.0%	91.1%	92.3%
Gold Produced *	(oz)	19,226	9,187	41,401
Cash Operating Cost #	(A\$/oz)	A\$695	A\$580	A\$603
Development and Capex	(A\$)	\$1,836,000	\$1,523,000	\$7,595,000
Gold Sold	(oz)	21,815	5,687	42,404
Average Price Received	(A\$/oz)	A\$1,068	A\$1,048	A\$1,047

¹Gold production is gold refined during the period.

Cash operating cost refers to the cost of refined gold and includes all expenditures directly incurred on mining, crushing and processing including site administration costs.



Exploration

Outstanding Results from Preliminary Countess Drilling

A 5,000m underground diamond drilling exploration program has commenced to target extensions of Perseverance, Countess, Empress and Tindals; which the Company considers significantly underexplored below and surrounding existing workings.

The first phase of drilling (see Figure 1 & 2) tested priority areas immediately surrounding the Countess deposit. These areas were considered highly likely to contain additional high-grade resources along and down strike.

The first phase of drilling at Countess was completed by the end of the Quarter (see Table 2). All four holes intersected the Countess mineralisation with down hole intercepts including:

- 4.23m @ 3.23g/t;
- 4.89m @ 4.70g/t;
- 7.26m @ 5.23g/t; and
- 1.21m @ 21.15g/t.

These drilling results demonstrate the current interpretation of the Countess deposit has not only been accurately modelled by the Focus Minerals exploration team, but it also adds further encouragement to the significant potential of the overall Tindals Mining Centre.

Whilst further drilling is required to establish whether the Countess deposit is open to the North, these results have demonstrated that the Countess Deposit remains open at depth – as shown by the intersections in drill holes COXP0003 and COXP0004. Drilling to follow up these exciting intersections will be scheduled during the 4th Quarter of 2009 as part of the ongoing exploration program.

Table 2: Countess Exploration Diamond Drill Results from the June 09 Quarter

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth	From (m)	To (m)	Down Hole Width (m)	True Width (m)	Grade (g/t Au)
COXP0001	9344	5106	108.932	43	-35	119.45	72.56	74.55	1.99	0.77	1.96
							83.80	100.25	16.45	9.01	1.26
COXP0002	9343	5107	108.79	73	-43.5	130.44	35.53	37.94	2.41	1.58	2.47
							45.26	45.88	0.62	0.41	10.65
							98.00	102.23	4.23	3.07	3.23
COXP0003	9342	5107	108.65	98	-50.5	139.9	40.79	42.00	1.21	0.75	21.15
							118.06	122.95	4.89	2.98	4.70
COXP0004	9341	5107	109	120	-45	140.7	36.93	37.93	1.00	0.69	2.38
							121.72	128.98	7.26	4.04	5.23

The drill rig moved to Perseverance in early July to test the potential for a 200 level and then follow up the excellent results achieved from the drilling program at Perseverance South undertaken earlier in the year.



Three Mile Hill Refurbishment

Work on refurbishment of the 1.2Mtpa Three Mile Hill treatment plant by Como Engineers is running on schedule with excellent progress made on a number of fronts. Several key milestones have been achieved as well as significant progress on a range of critical items:

- The new primary, secondary and tertiary crushers have been dispatched for site, they are expected to arrive in Coolgardie for installation in mid August (Figure 3 – Primary Crusher Removal)
- The ball mill has been removed from old foundations which have been demolished and refurbishment of the mill is underway (Figure 4)
- The Foundations for the new primary crusher are completed (Figure 5 & 6)
- Work is well advanced on fine ore bin rebuild (Figure 7 & 8);
- Work has begun on the new ball mill foundations (Figures 9 & 10);
- Old elution and carbon regeneration circuits and gold room have been removed to make way for the new circuits. Off-site fabrication of the new elution circuit, stripping circuit and gold room components is well advanced (Figure 11); and
- Sand blasting and coating of all tanks well advanced (Figure 12)

To date the total project is 47% complete and expenditure on the fixed value contract of \$16.95 million has been \$8 million with the project progress and claim break down provided in Table 3 below.

With much of the old plant now removed for refurbishment, an inspection of existing infrastructure has now been completed. Decisions have been made to proceed with repairs, replacement of equipment and improvement of other infrastructure to ensure that the plant restarts efficiently. To date this "out of scope" expenditure has amounted to \$1.44 million dollars with some of the larger items tabled below (Table 4). Focus believes that overall this extra expenditure should amount to 12% of the original contract amount.

Table 3: Three Mile Hill Refurbishment Project Progress

Contract Scope item	% complete
Crushing & screening	62.7%
Grinding	46.0%
Leaching & CIL	33.0%
Stripping circuit	35.0%
Services	15.0%
Contract total progress	47.1%
Paid to date	\$8.0 M
Contract value	\$16.95 M
Approved variations to date	\$1.44 M
Varied contract value	\$18.39M
Original contract allowance	\$18.0M

**Table 4: Out of Contract Scope Expenditure**

Mill end Bearings & Mill Journal Repair	\$248,000
Mill Pinion repair and Manufacture	\$140,000
Apron feeder refurbishment	\$130,000
Mill foundations slab	\$180,000
Fine ore bin lid repairs	\$160,000
Cyanide circuit refurbishment	\$100,000

The project remains on target for commissioning in December 2009.

The Mount

Planning work has commenced on an exploration decline into The Mount Project. The Company plans to drive a short 140 metre decline from the existing old workings to test the German lode. It is also expected that Focus will intersect a number of lesser-known mineralised structures through the decline.

Focus intends on carrying out the work with a small local contractor with permitting of the project currently underway. Pending finalisation of the permits, work is expected to commence in September 2009.

Safety

The safety of Focus' staff and contractors is of the utmost importance and the Company is pleased to report that the safety performance for the Three Mile Hill Plant Refurbishment Project has been excellent, with no major incidents or injuries associated with the project over the Quarter.

Similarly, underground safety performance at Tindals has been excellent, with no major incidents or injuries.

Regretfully, the Company as a whole ended a record 219 day Lost Time Injury (LTI) free period in June, when a Focus employee injured a knee while negotiating some stairs which resulted in the Lost Time Injury Frequency Rate (LTIFR) of 10.8 for the Quarter.

Personnel

Two key staff appointments were made during the Quarter, with Mr Barend Knoetze appointed as Mill Manager and Mr Brad Valiukas appointed to the role of Principal Mining Engineer. The appointments form part of Focus' strategy to bolster the Company's technical abilities ahead of the commissioning of the Three Mile Hill processing plant.

Mr Knoetze joins Focus from Black Swan Nickel, where he was Metallurgical Manager. He has a strong track record of improving plant throughput and optimising the running costs of operating plants and his major focus over the coming months is to ensure a seamless transition into production for the refurbished Three Mile Hill plant.

Mr Valiukas joins Focus from Mincor Resources NL, where he was Deputy Chief Mining Engineer. His primary objective is development of the Company's 1.8 million ounce Resource base, where a significant amount of work is required to prioritise and optimise over 20 deposits at all levels of development, including mature and soon-to-commence underground operations, new open pit developments and open pit cut-back. He will be heavily involved in the Company's expanding exploration program covering both existing deposits and greenfields exploration.



CORPORATE

Cash and Bullion

Revenue for the Quarter was **A\$23.3 million** generated from the sale of **21,815 ounces** of gold at an average price received of **A\$1,068/oz.**

Of the **19,226 ounces** produced in the campaign, **10,000 ounces** were delivered into the Company's forward gold contract commitments at an average price of **A\$976/oz.** During the Quarter, a further **9,595 ounces** was sold into the spot market at an average price of **A\$1,175/oz.** A total of 987 ounces remain in the Company's gold bullion account.

At 30th June, 2009, Focus had the following Australian dollar amounts available;

Cash at Bank	\$20.5 million
Bullion on Hand	\$1.2 million
Total Funding	\$21.7 million

Share Purchase Plan

During the Quarter, Focus finalised the Company's Share Purchase Plan (SPP) whereby 150 million shares at an issue price of \$0.02 each were issued to existing shareholders to raise A\$3 million. The Company announced in May that the Offer had closed oversubscribed, with in excess of 1,000 applications received for a total exceeding A\$3.75 million.

Under the terms of the SPP, the shares were issued on a first-in-first served basis and allotment of shares under the SPP occurred in early May 2009.

The SPP formed the final component of an A\$28 million capital raising – as announced in February 2009 – to fast-track the refurbishment and modernise the Company's 1.2Mtpa Three Mile Hill treatment facility.

Hedging and Debt

During the Quarter, the Company repaid a total of \$4.75 million in bank debt and Convertible note repayments.

At 30th June, 2009, Focus had senior debt facilities outstanding of;

Bank Debt	\$7.25 million
Convertible notes	\$1.25 million
Total Funding	\$8.5 million

There remains only 9,378 ounces left to deliver under existing delivery commitments at an average price of A\$984/oz. This will see the hedge book closed out during the next milling campaign. By December 2009 all debt and hedging will be retired.



- ENDS -

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COMPETENT PERSON'S STATEMENT

The information in this report relating to Resources is based on work supervised by Dr Garry Adams who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr. Adams has the relevant experience as a "Competent Person" as defined in the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves in relation to the mineralisation being reported. Dr. Adams is Exploration Manager of Focus Minerals Ltd and consents to the inclusion of the material in the form and content in which it appears.

BACKGROUND INFORMATION – FOCUS MINERALS LTD

Focus Minerals Ltd (ASX: **FML**) is an Australian-based exploration and development group whose focus is to become a significant gold and nickel producer in the Coolgardie-Kalgoorlie-Widgiemooltha region of Western Australia.

Focus Minerals is the largest landholder in the Coolgardie Gold Belt located in Western Australia, 560km east of Perth and 35km west of the 'Super Pit' in Kalgoorlie-Boulder. More than 2.6 million ounces of gold has been produced from the Coolgardie gold belt alone since 1892. Focus holds the mineral rights to more than 210sq km of tenements including an extensive inventory of Measured, Indicated and Inferred gold resources as well as the 1.2mtpa Three Mile Hill processing plant.

Focus commenced maiden commercial gold production in April 2008 through ore sourced from the Company's flagship Perseverance Deposit (Probable Reserve of 129,000oz). Earlier this year, the nearby Countess Deposit (Probable Reserve of 29,000oz) was also brought into production with ore from both deposits currently being milled at the nearby Greenfields treatment plant.



Figure 1 – Countess long section looking west (on local Tindals grid)

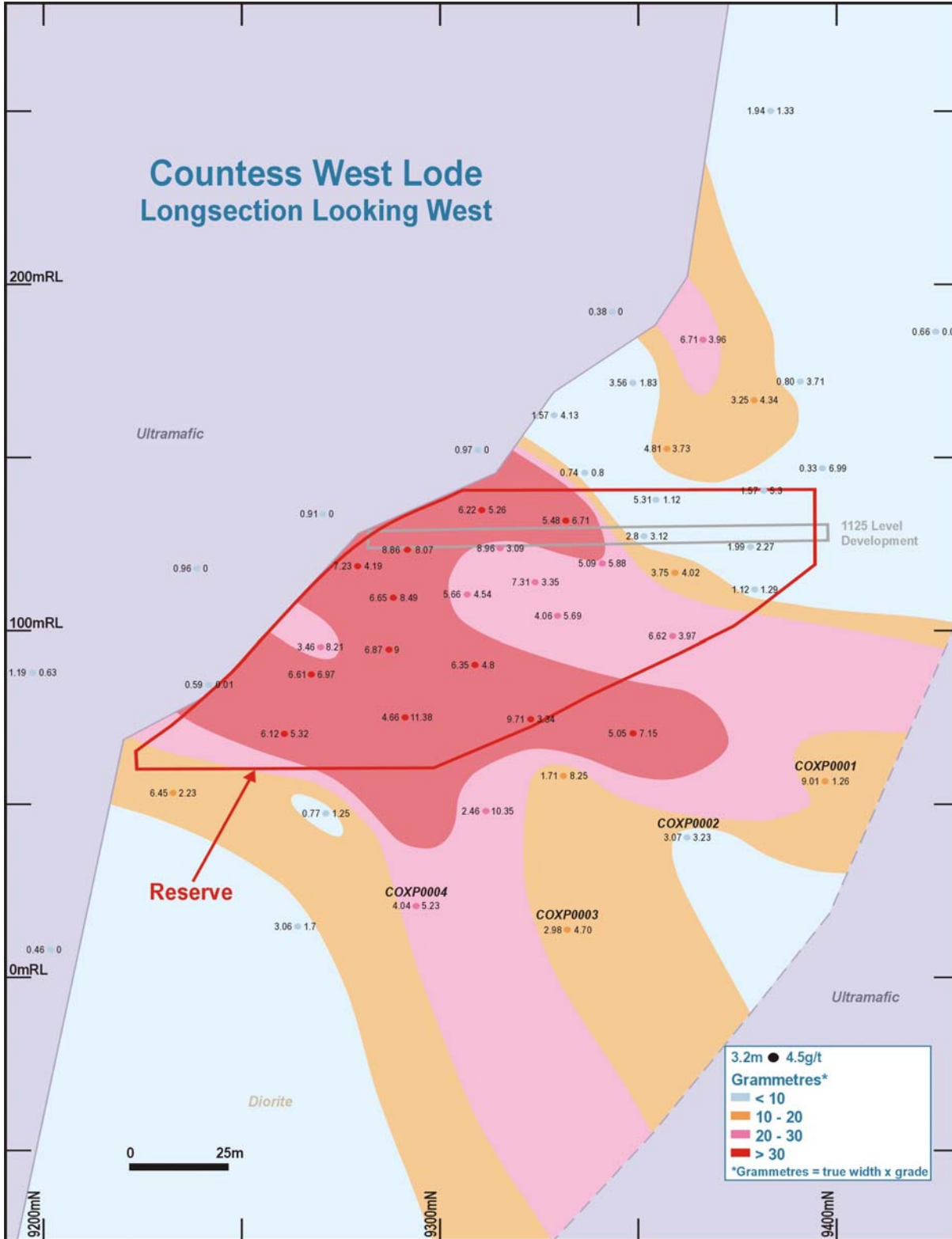




Figure 2 – Countess cross section showing one of the recent drill holes (on local Tindals grid)

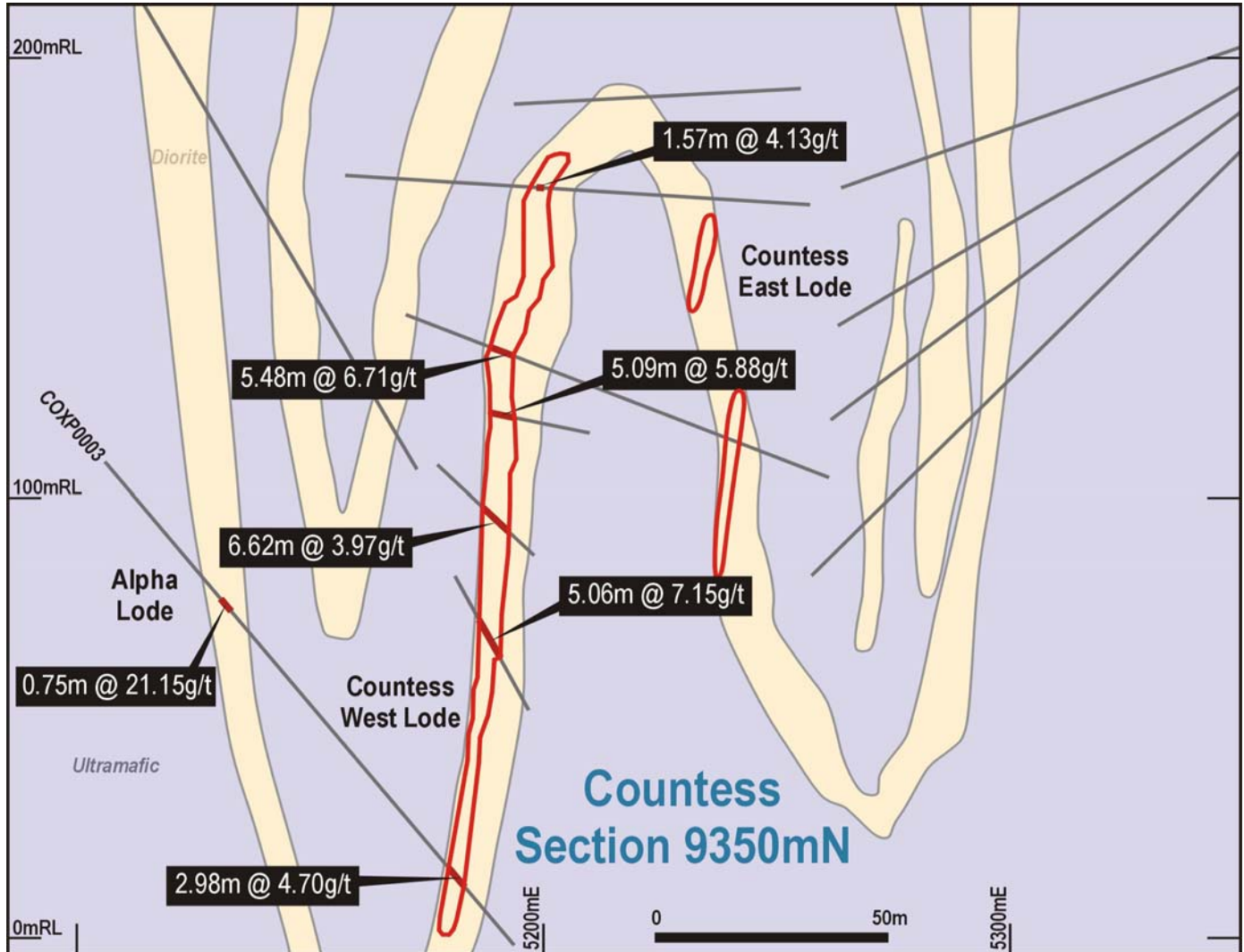




Figure 3: Primary Crusher Removal





Figure 4: Ball Mill Removal



Figure 5: Pouring Concrete for Primary Crusher Foundations





Figure 6: Crusher Foundations





Figure 7: Dismantling fine ore bin for refurbishment





Figure 8: Rebuilding the fine ore bin





Figure 9: Mill foundations removal



Figure 10: Foundations ready for new concrete





Figure 11: Gold circuit area cleared ready for installation



Figure 12: Refurbishment of CIL tanks and infrastructure

