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## Market Update

### HIGHLIGHTS

#### Mill Refurbishment

- Three Mile Hill mill approaching practical completion ~ dry commissioning of crushers and wet commissioning of leach and absorption circuits has commenced
- Commissioning remains on target for December as per initial schedule

#### Mount Project

- Completion of 140m exploration decline confirms grade and geological integrity ~ highlights potential for Mount to be a new source of high-grade ore
- 110m Strike drive underway on the German lode ~ already delivering average grades of 8.0 g/t and ore widths of approximately two metres

#### Exploration and Extensional Drilling

- Surface drill rig has arrived on site and has commenced drilling the Big Blow Resource
- Total of three drill rigs now in operation (one surface and two underground rigs) to fast track resource definition and extension
- Down hole EM surveys identify additional targets at the Tindal's mining centre

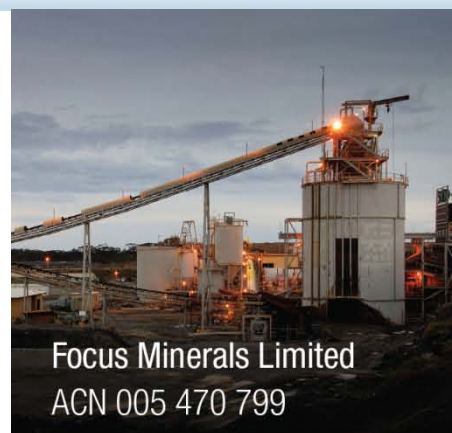
Gold producer Focus Minerals (ASX: **FML**) is pleased to provide an update on activities at its **Coolgardie Gold Project**, including progress updates on the Three Mile Hill mill refurbishment, developments at the Mount Project and an update on exploration and resource extension drilling activities in the broader Tindals Mining Centre area.

These activities all form part of the Company's aim of achieving substantially increased gold production in the coming years, with the Three Mile Hill processing plant to underpin production of 80,000 ounces in 2010 and +100,000 ounces from 2011 onwards.

#### **Three Mile Hill Refurbishment – Imminent Completion**

Focus commenced the refurbishment of its 100%-owned Three Mile Hill gold plant in March this year with an aim to commission the 1.2Mtpa plant by the end of calendar year 2009.

The Company is pleased to report that excellent progress has been made and the project is now approaching practical completion, well within the scheduled timeframe.



**Focus Minerals Limited**  
 ACN 005 470 799

**Australian Stock Exchange**

**Code: FML**

#### **Board of Directors**

Mr Donald Taig  
*Executive Chairman*

Mr Chris Hendricks  
*Non-Executive Director*

Mr Phil Lockyer  
*Non-Executive Director*

#### **Senior Management**

Mr Campbell Baird  
*Chief Executive Officer*

Mr Peter Williams  
*Chief Operating Officer*

Mr Jon Grygorcewicz  
*Company Secretary*

Mr Peter Cash  
*Investor Relations Manager*

#### **Share Registry**

Computershare Investor Services Pty Ltd

#### **Investor Enquiries**

1300 557 010



This includes all major equipment now installed with systematic testing currently being carried out before full commissioning can take place in **December 2009**.

Focus completed dry commissioning of the crusher circuit in early November. The crushers are presently working to produce a surplus of crushed stocks for the commencement of wet commissioning for the Three Mile Hill gold plant in December.

Currently also undergoing wet commissioning is the leach tank circuit with water being pumped through all tanks, pumps and piping systems. It is expected that the ball mill, which is still having minor piping and services work completed, will commence initial commissioning operations in early December.

Minor work such as the testing of electrical wiring, piping and installation of services still remains in most areas, but it is rapidly approaching completion for a December commissioning.

#### Mill Spare Parts

In October this year approximately A\$4m was allocated from an A\$8m capital raising to purchase significant spares with long lead times for Three Mile Hill.

A large proportion of the long lead items and critical spares have been ordered, with some items already delivered to site or being held as consignment stock by local suppliers. The remainder of the outstanding spares and long lead items are expected to be delivered during the coming months.

#### ***The Mount Project – Exploration Decline Confirms Grade and Structure***

The 350,000 ounce Mount Project, which lies 80km south of Focus' Tindals Mining Centre at Coolgardie, will play a key role in lifting the Company's production profile as the Three Mile Hill mill comes into full operation in December.

After securing all necessary mining permits and environmental approvals in September this year, Focus has made significant progress at the Mount, including the completion of a 140m exploration decline, which has confirmed both the grade and geological structure of the deposit, paving the way for further development activities.

The decline was also successful in reaching the targeted German Lode. The intersection of the German lode has exceeded expectations with face grades during the initial cross cut of 13.0 g/t (see 1 below).

A 110m strike drive has commenced and to date over 10 metres has been advanced along strike in a north-south direction, with face grades averaging over 8.0 g/t with ore widths of approximately 2.0 metres.

Face	Size (m)	Ore true width	Face Grade
330 Main South 1	3.5 x 3.5	2.8 m	13.46 g/t
330 Main South 2	3.5 x 3.5	2.3 m	10.89 g/t
330 Main South 3	3.5 x 3.5	2.8 m	8.24 g/t
330 Main North 1	3.5 x 3.5	2.4 m	3.26 g/t
330 Main North 2	3.5 x 3.5	2.3 m	11.33 g/t
330 Main North 3	3.5 x 3.5	2.2 m	0.7 g/t



### ***Exploration Drilling – Three Rigs Now in Operation***

Focus now has a total of three drilling rigs operating at site as part of the Company's aggressive resource definition and extensional programs.

A surface RC drill rig has arrived on site and has commenced drilling at the Big Blow Resource (see Figure 3 below). The purpose of the first program is for resource definition for open pit planning purposes. Following this, the drill rig will move to the Empress Alicia orebody located adjacent to the Tindal's Pit, where it will carry out a mix of resource definition and resource extension drilling on this deposit.

A second surface multipurpose drill rig has also been ordered and is expected to commence on the 1<sup>st</sup> of December. This rig will complete follow-up geotechnical drilling at Big Blow and then proceed to a program of deep holes below the current Big Blow Resource. It will then move onto exploration and geophysical targets in the greater Tindal's area.

There are presently two drill rigs working underground in the Tindal's mining centre, where recent analysis of geophysical work has produced some attractive targets in and around Perseverance (see Figure 2 below). Testing of these targets will be incorporated into the ongoing drilling programs.

Focus is confident that the current drilling campaign will help to delineate additional resources and will announce results from the various programs in due course.

**ENDS**

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**Figure 1: First intersection of the German lode. Face sample across 2 metres of 13.46 g/t.**

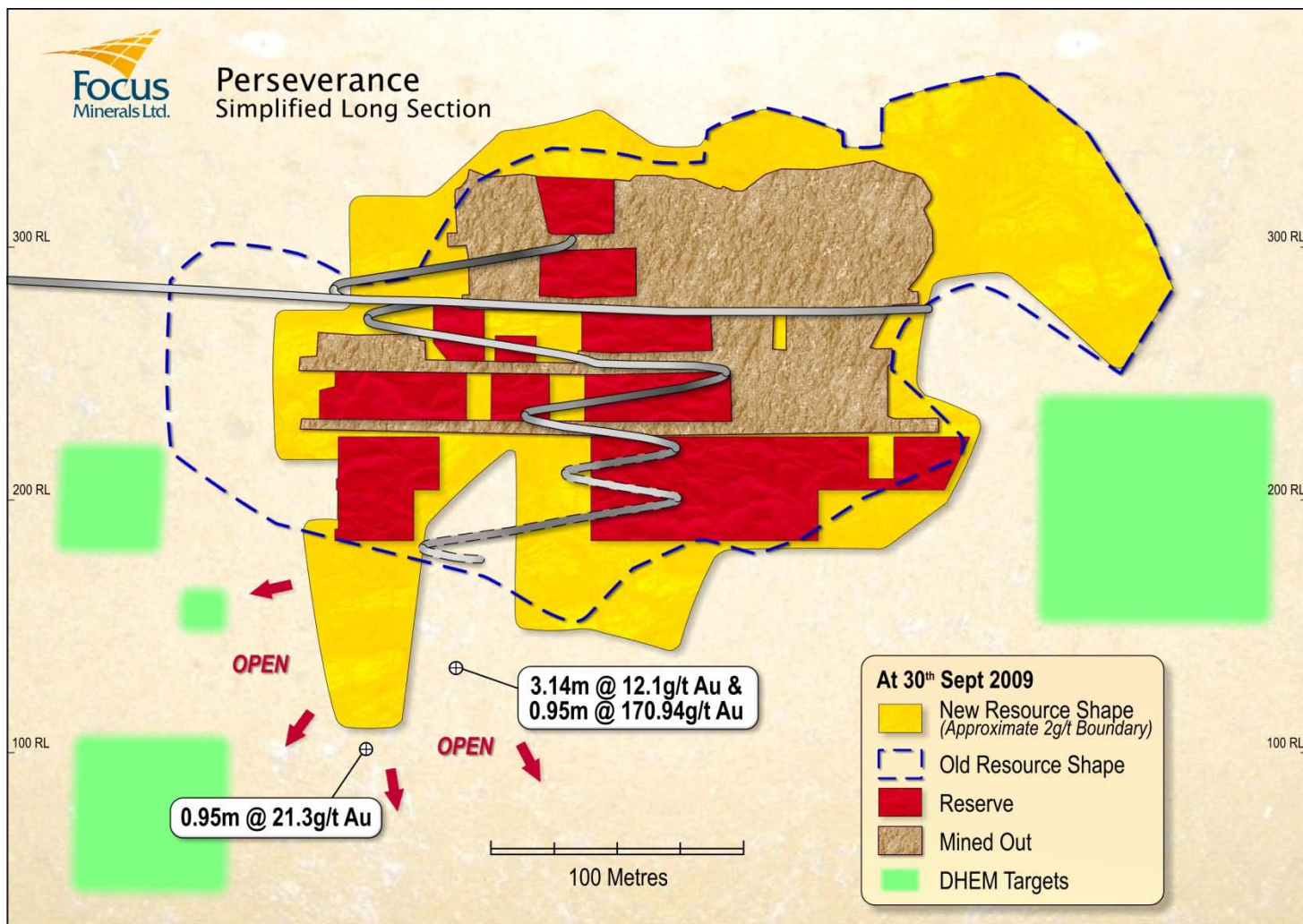


Figure 2: Simplified Perseverance Long Section with Recent interpreted geophysical targets.



Figure 3: Newly mobilised surface drill rig operating at the Big Blow deposit



### **COMPETENT PERSON'S STATEMENT**

*The information in this report relating to Exploration Results and Mineral 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.