

## Focus Minerals on track to produce 80,000oz for Calendar Year 2010 – over 40,000oz produced to date in 2010

### Drilling results from Electromagnetic targets point to new discovery

#### HIGHLIGHTS

- On track to produce 80,000oz for Calendar Year 2010 – ~ 40,200oz produced to date in 2010
- 52% increase in production for 2010 Financial Year to ~ 62,000oz (FY09: 41,401oz)
- Promising drilling results from new electromagnetic (EM) targets point to new discovery immediately north of Perseverance, with hits including:
  - 4.6m @ 5.9g/t Au
  - 5.2m @ 3.6g/t Au
  - 4.2m @ 3.6g/t Au
- Encouraging results also received from initial drilling of new EM targets within the greater Tindals area, including:
  - 0.64m @ 36.8g/t Au
  - 2.6m @ 4.0g/t Au
- Second underground drill rig arriving at Tindals this week to commence follow up drilling of the Perseverance North holes and others

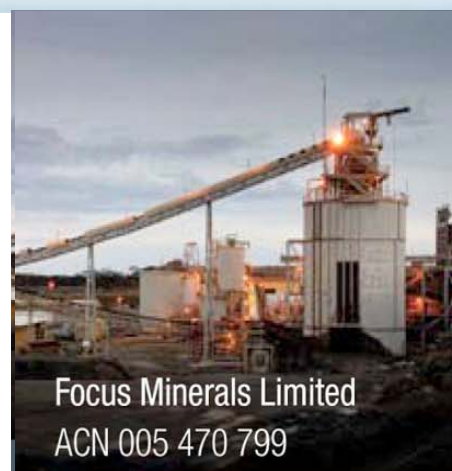
Australian gold producer Focus Minerals (ASX: FML) is pleased to report a **52% increase** in gold production from its Coolgardie Gold Operations in Western Australia to ~ **62,000 ounces** for the 12 months to 30 June 2010 (pending GIC calculations).

The strong production result, which compares with production of 41,401 ounces for the 2009 Financial Year, puts the Company on track to produce 80,000 ounces for 2010 calendar year after producing over 40,000 for the past six months.

The Company will provide full production, operating and cash cost information in its June 2010 Quarterly Report, which is due for release later this month.

#### ***New Discovery at Perseverance North***

Focus is also pleased to report encouraging results from recent drilling underground targeting an electromagnetic (EM) conductor to the north of the main Perseverance orebody at its Tindals Mining Centre at Coolgardie.



**Focus Minerals Limited**  
ACN 005 470 799

Australian Securities Exchange

**Code: FML**

Frankfurt Stock Exchange

**Code: FZA**

#### **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 Brad Valiukas  
*Principal Mining Engineer*

Dr Garry Adams  
*Exploration Manager*

Mr Peter Cash  
*Investor Relations Manager*

Mr Chuck McCormick  
*Business Development Manager*

#### **Share Registry**

Computershare Investor Services Pty Ltd

#### **Investor Enquiries**

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The conductor was highlighted late last year after down-hole EM surveys were completed on a number of holes around Perseverance.

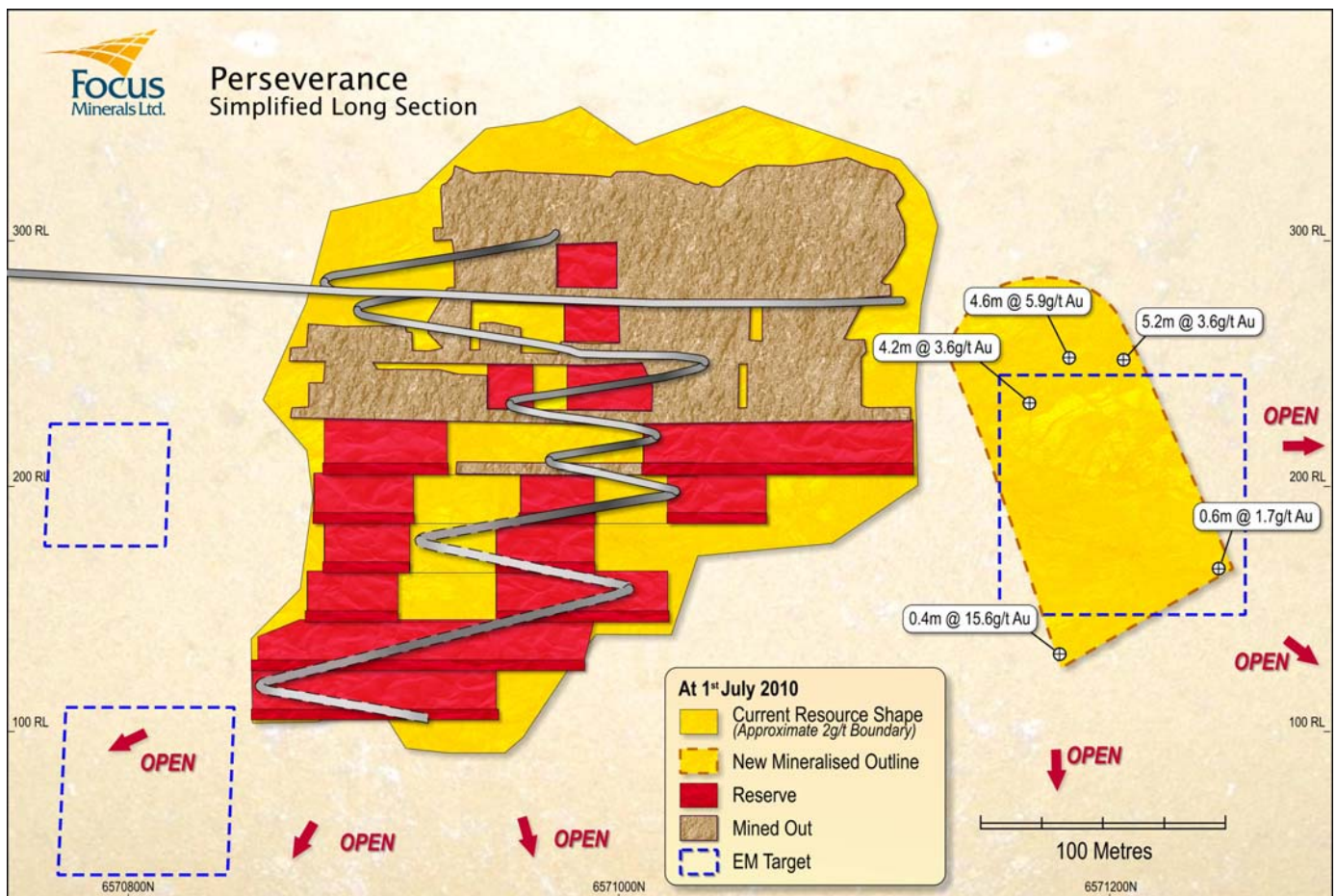
The recently completed drilling to the north of Perseverance intersected Perseverance-style mineralisation within the target area (see Table 1). High-grade intercepts were returned including:

- **4.2m @ 3.6g/t Au**
- **5.2m @ 3.6g/t Au**
- **4.6m @ 5.9g/t Au; and**
- **1.00m @ 10.5g/t Au**

The drilling intersected quartz-sulphide structures of similar appearance to those seen in the main Perseverance orebody. The drilling to date has been widely spaced and the existence of the structures shows the excellent potential for repetitions of the Perseverance mineralisation to the north of and at depth below the main ore body.

The EM conductor to the north of Perseverance was the strongest and largest anomaly identified during the survey. Additional anomalies which were also highlighted in last year's survey at depth to the south of Perseverance remain to be tested.

Only six holes have been completed to date at the Perseverance North target, defining mineralisation over a strike extent of 120 metres and a depth extent of 200 metres. The deepest hole, PEXP0036, which returned an intersection of **0.35m @ 15.6g/t**, terminated in mineralisation due to drilling difficulties, indicating that the zone remains open along strike and at depth (Figure 1 below).





The drilling also intersected a previously unknown mineralised structure 80-100m to the east of the target zone. Intercepts within the newly identified structure include **1m @ 8g/t** and **1m @ 10.5g/t**. The structure was intersected early in the drill holes and remains open to the north and down dip.

Down-hole EM surveys are currently being completed on three of the drill holes to assess the size of the anomaly and to assist in targeting further drilling. A second underground drilling rig will arrive on site in early July to commence follow up drilling.

### **Tindals Area Targets**

One of the Company's surface drilling programs over the past three months has focused on drilling a single hole into each of the EM targets identified during the 2008 ground EM survey in the Greater Tindals Area.

The 10 anomalies drilled ranged in size from a 100m strike length with a 200m down-dip extent, to a 600m strike length with a 600m down-dip extent. The drill hole into each EM anomaly was positioned within the centre of its strike and one-third of the way down its projected dip.

Encouragingly, some of the drill holes intersected Perseverance-style quartz-sulphide veining, with the majority of these returning grades above 1g/t.

Other drill holes intersected sulphidic shales, which may explain the electromagnetic anomaly, while some holes did not intersect anything that could explain the EM anomaly suggesting the single drill hole missed the structure with follow up drilling required.

The drilling intersected mineralisation within some of the target areas (see *Table 2*), with significant intercepts including:

- **0.64m @ 36.8g/t Au**, and
- **2.6m @ 4.0g/t Au**

A down-hole EM crew is currently on site surveying all of holes drilled in the program. Once this surveying has been completed, a full review of the results will be undertaken and targets within the area ranked and prioritised for further drilling.

### **Summary**

Focus Chief Executive Campbell Baird said: *"I am very pleased with the ounces produced by our team over the past 12 months. It has been a time of extraordinary growth and activity for the Company. The fact that we have hit all of our production targets is very pleasing and a testament to the hard work and dedication shown by all staff at Focus Minerals."*

Commenting on the Perseverance North drilling results, Mr Baird added: *"Perseverance was discovered in 2005 and its potential was unlocked with the aid of down-hole EM. We began production from Perseverance in 2008 with a resource of 89,000 ounces and has to date produced over 87,000 ounces. Perseverance still has a resource of over \*74,000 ounces and we are confident that this number will increase. We believe that there are many more Perseverance style ore bodies to be discovered at Tindals."*

*"We are very excited with the latest drilling to the North of Perseverance and, while it's still early days, with the introduction of a second drill rig underground at Tindals we are really expecting some significant resource growth over the coming months,"* he added.

\*Perseverance current resource: Measured 134,000t @ 6.3g/t for 26,900 ounces, indicated 196,000t @ 6.0g/t for 38,000 ounces, inferred 54,000t @ 5.3g/t for 9200 ounces



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.

**Table 1 – Perseverance North Drilling Significant Results**

| Hole Number | Northing | Easting | RL  | From (m) | To (m) | Interval (m) | Grade (g/t) |
|-------------|----------|---------|-----|----------|--------|--------------|-------------|
| PEXP0035    | 6570975  | 325764  | 274 | 114.87   | 119.04 | 4.17         | 3.60        |
| PEXP0036    | 6570975  | 325764  | 274 | 21.51    | 21.85  | 0.34         | 23.00       |
|             |          |         |     | 69.95    | 70.95  | 1.00         | 8.00        |
|             |          |         |     | 168.37   | 168.67 | 0.30         | 2.44        |
|             |          |         |     | 177.19   | 177.85 | 0.66         | 1.82        |
|             |          |         |     | 179.57   | 179.92 | 0.35         | 15.60       |
| PEXP0037    | 6570976  | 325766  | 274 | 99.85    | 100.29 | 0.44         | 2.67        |
|             |          |         |     | 133.40   | 133.71 | 0.31         | 3.57        |
|             |          |         |     | 197.15   | 197.79 | 0.64         | 1.71        |
| PEXP0039    | 6570976  | 325766  | 274 | 27.12    | 27.43  | 0.31         | 6.87        |
|             |          |         |     | 67.00    | 68.00  | 1.00         | 10.50       |
| PEGC0218    | 6570976  | 325765  | 274 | 94.45    | 94.86  | 0.41         | 11.20       |
|             |          |         |     | 119.42   | 120.00 | 0.58         | 5.27        |
|             |          |         |     | 124.00   | 128.64 | 4.64         | 5.88        |
| PUD001      | 6570976  | 325765  | 274 | 121.00   | 122.00 | 1.00         | 1.46        |
|             |          |         |     | 135.40   | 136.00 | 0.60         | 3.85        |
|             |          |         |     | 139.40   | 144.60 | 5.20         | 3.64        |

**Table 2 – Tindals EM Drilling Significant Results**

| Hole Number | Northing | Easting | RL  | From (m) | To (m) | Interval (m) | Grade (g/t) |
|-------------|----------|---------|-----|----------|--------|--------------|-------------|
| TNDCD0186   | 6571720  | 326265  | 420 | 143.91   | 144.55 | 0.64         | 36.80       |
|             |          |         |     | 150.20   | 151.40 | 1.20         | 1.27        |
|             |          |         |     | 209.33   | 212.15 | 2.82         | 1.82        |
| TNDCD0187   | 6571380  | 325512  | 420 | 352.34   | 353.47 | 1.13         | 1.47        |
| TNDCD0191   | 6571097  | 326156  | 420 | 236.81   | 237.14 | 0.33         | 1.70        |
|             |          |         |     | 258.67   | 259.08 | 0.41         | 2.95        |
| TNDCD0192   | 6571093  | 326241  | 420 | 220.36   | 220.8  | 0.44         | 2.14        |
|             |          |         |     | 257.90   | 260.50 | 2.60         | 4.01        |