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RESOURCES UPGRADE AND BUMPER DRILLING RESULTS HIGHLIGHT STRONG PRODUCTION OUTLOOK FOR FOCUS

- *Gold resources at Countess deposit increase 43% to 71,000oz, taking total underground resources at Tindals Mining Centre to 383,000oz*
- *Upgrade underpinned by recent high-grade results at Countess including 7.3m at 12.6gpt, 3.4m at 12.5gpt and 13.4m at 5.8gpt; Ore body remains open at depth*
- *Results show Tindals Mining Centre will continue to be strong long-term cash generator*

Gold producer Focus Minerals (ASX: **FML**) is pleased to advise that the strong production outlook for its Tindals Mining Centre in Coolgardie, WA has been highlighted by more high-grade drilling results and a subsequent 43 per cent increase in gold resources to 71,000 ounces at Tindals' Countess deposit.

The upgrade takes total underground resources at Tindals to 383,000 ounces (2.6Mt @ 4.5g/t).

High-grade intersections returned at Countess included 7.3m @ 12.6g/t Au, 3.4m @ 12.5g/t and 13.4m @ 5.8g/t with mineralisation appearing to be a consistent thickness and grade over a strike length of more than 100m and remaining open at depth (see figure 1).

Tindals is the engine room of Focus' cash flow generation, recording a 37 per cent increase in gold production to 21,039oz in the December quarter.

Focus Chief Executive Campbell Baird said the results pointed to a strong future for the Tindals Underground Mine, which has been funding Focus' wider mine development strategy.

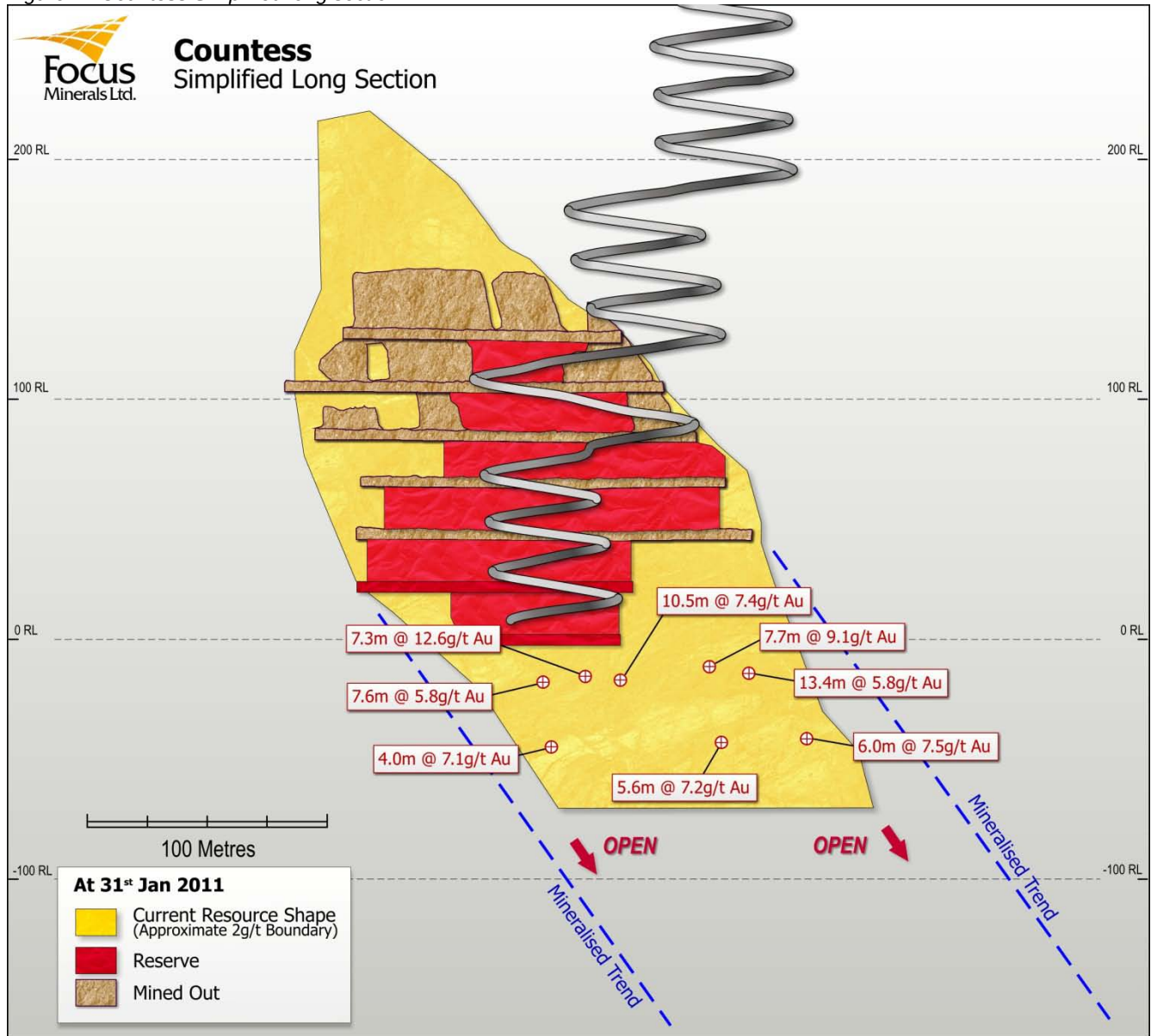
"Tindals continues to deliver solid grades from multiple ore bodies as we have ramped up production," Mr Baird said.

"The cash generated by Tindals has enabled Focus to pursue an aggressive mine development program that will see the Company open two new mines over the next three months.

"This will significantly change our production profile in the first half of this year, putting us on track to produce around 10,000 ounces a month in the second half of the calendar year.

"With three mines, a 2 million-ounce plus resource Inventory and immense exploration upside, Focus is superbly placed to take full advantage of its strong growth prospects."

Figure 1. Countess Simplified long section



ENDS

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BACKGROUND INFORMATION – FOCUS MINERALS LTD

Focus Minerals Ltd (ASX: FML) is an Australian-based gold producer based in the Coolgardie-Kalgoorlie-Widgiemooltha region of Western Australia. The company holds the mineral rights to more than 305 km² of tenements and 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 is currently in production from its flagship Tindals Mining Centre operation in Coolgardie, adjacent to its 1.2mtpa Three Mile Hill processing plant. The Tindals Mining Centre comprises a major underground production operation and the business will commence open cut mining at Tindals in the first half of calendar 2011 from a series of deposits. In addition, Focus will also

commence production from another new operation in the first half of 2011 at The Mount Underground Mine located 80km to the south.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results and Minerals Resources is based on information compiled by Dr Garry Adams who is a member of the Australasian Institute of Mining and Metallurgy. Dr Adams 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". Dr Adams consents to the inclusion in the report of the matters based on the information in the form and content in which it appears.

Notes to accompany the Mineralised Resource Statement

Countess, which consists of 5 lodes, is hosted within tightly folded silica altered ("bleached") diorite intrusions within an ultramafic sequence. The fold axis plunge steeply (70-80°) to the south. The lodes vary in width from 1-16m. Mineralisation consists of quartz/sulphide micro-veinlets, disseminated pyrrhotite and albitic alteration of the diorites. No visible gold has been seen at Countess.

The resource upgrade is a result of drilling done in the December 2010 Quarter.

The updated interpretations were then used to create a new resource model for the deposit.

Drilling Information

The Countess area has been drilled from the mid 1980's with a total of 375 Diamond holes for a total of 53,895.03m, and 37 RC drill holes for a total of 5,567.4m. Historical development, mapping and faces were only used as a guide during the interpretation. Drill spacing is generally 20m x 20m in the core of the resource, and widens to 80m x 40m at the margins of the resource areas.

The drill holes at Countess have either been down hole surveyed by Eastman single-shot camera, Reflex Ezi-shot, electronic multi-shot (EMS) or gyroscope methods. All drill holes that were surveyed at Countess were done so historically in the Tindals Mine Grid coordinates which have subsequently been converted to GDA94 co-ordinates, with recent drilling 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 drilling has been sampled to geological boundaries. The core was cut in half, with only half submitted for assaying

All samples (Focus and pre-Focus drilling) have been assayed using the Fire Assay method at Analabs, ALS Chemex or Kalgoorlie Assay Laboratory in Kalgoorlie. For drilling since 2006 a 30g Fire Assay with AAS finish was used at ALS Chemex, while a 40g Fire Assay with ICP-MS finish method at the Kalgoorlie Assay Laboratories. Check assaying of sample pulps and quarter core was conducted at Genalysis Laboratory in Perth for independent auditing of the assaying process.

Geological Model

The geological interpretation (geology and mineralisation) and the resource estimation were conducted internally. The mineralised interpretation was digitised to either geological boundaries or a nominal 1g/t cut-off grade where the geological contact was obscure. No mining dilution has been incorporated into the resource interpretation, although some low grade zones (<1g/t) have been included to allow for continuity of the interpretation. 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. The composites were used to determine the necessary top cuts. The composites were used to determine the necessary top cut, which were done by a combination of Skree Plot and Probability Plot analysis. The top cut value was 30g/t Au and was applied to all lodes.

A Surpac block model was created in GDA grid co-ordinates. The estimation was completed using the Ordinary Kriging (OK) method.

A bulk density of 2.72t/m³ was applied to the ore zones (diorites) in the model. These values were based on values determined from test work conducted on Countess drilling over the past 3 years.

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

The Resource has been reported at a 2g/t lower cut-off grade and is depleted by using the current mining void models to the end of December 2010.

Table 1. Countess Resource Summary

	Tonnes	Au g/t	Ounces
Total Measured Resource	147,000	5.1	24,000
Total Indicated Resource	292,000	4.7	44,000
Total Inferred Resource	30,000	3.3	3,000
Total Resource	469,000	4.7	71,000

Table 2. Tindals underground Mine Resource Summary.

	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
Tindals UG Mining Centre	413	5.6	75,000	1,583	4.3	217,000	632	4.5	91,000	2,628	4.5	383,000

Table 3: Countess drilling results

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth	From (m)	To (m)	Interval (m)	Grade g/t
COD039	6570356	325499	20	76	-39.6	90.7	55.45	63.08	7.63	5.79
COD040	6570356	325499	20	99	-40.2	90.8	51.67	59.00	7.33	12.56
COD041	6570356	325499	20	119	-39.7	89.1	53.47	64.00	10.53	7.38
COD042	6570356	325499	20	138	-32.0	122.3	63.90	72.90	9.00	2.90
COD043	6570356	325499	20	148	-23.5	131.0	73.44	81.18	7.74	9.13
COD044	6570356	325499	21	155	-22.2	150.8	83.86	97.31	13.45	5.81
COD045	6570438	325435	51	121	-29.0	180.0	136.62	141.00	4.38	4.04
							144.00	146.08	2.08	4.47
COD053	6570437	325435	52	120	-10.8	201.1	133.00	137.00	4.00	6.54
COD055	6570342	325511	21	53	1.6	71.1	46.26	49.67	3.41	12.49
COD056	6570337	325517	21	90	2.0	117.7	28.68	31.21	2.53	2.29
							81.07	85.72	4.65	2.52
							88.21	97.42	9.21	4.01
COD059	6570328	325463	15	65	-35.2	149.2	100.30	104.30	4.00	7.12
COD060	6570328	325463	15	91	-38.6	150.7	89.20	97.76	8.56	4.17
COD061	6570328	325463	15	118	-36.1	155.3	94.00	99.55	5.55	7.24
COD062	6570327	325462	15	128	-33.1	188.3	158.00	165.41	7.41	2.00
COD063	6570327	325462	15	137	-29.6	165.0	108.00	114.00	6.00	7.52
							133.00	136.00	3.00	2.30

Appendix 1: FOCUS MINERALS RESOURCES at 30 September 2010

	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
Tindals Project - UG	441	5.9	83,000	1,471	4.2	200,000	653	4.5	95,000	2,565	4.6	378,000
Tindals Project - Surface				6,007	2.2	418,000	2,306	2.6	190,000	8,313	2.3	608,000
Tindals Project Total	441	5.9	83,000	7,478	2.6	618,000	2,959	3.0	285,000	10,878	2.8	986,000
Mount Project							2,090	5.5	370,000	2,090	5.5	370,000
Lindsays Project				4,350	1.7	238,000	3,562	2.0	232,000	7,912	1.8	470,000
Three Mile Hill Project				1,386	2.0	87,000	138	2.9	13,000	1,524	2.0	100,000
Norris Project							1,870	2.1	124,000	1,870	2.1	124,000
Total	441	5.9	83,000	13,214	2.2	943,000	10,619	3.0	1,024,000	24,274	2.6	2,050,000

NOTE: As per Focus Mineral's company policy, Resource and Reserve tables are only updated on a six monthly basis. The current table was published at the end of September 2010.