

FOCUS MINERALS LIMITED: ACTIVITIES REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2011

HIGHLIGHTS

- *Accelerated production through acquisition of Crescent Gold*
- *Now targeting gold production of over 200,000oz¹ in calendar 2012 with full year's production from four mines*
- *Focus Group delivered 35,647oz for the Quarter, inclusive of 13,739oz attributable² from Laverton operations*
- *Achieved record production of 21,908oz from Coolgardie operations following first full Quarter's production from two new mines*
- *Coolgardie production accelerating with 249,481t mined at 3.03g/t for 24,319oz, a 41% increase on the preceding 12 months' Quarterly average*
- *Quarterly revenue of A\$34.2 million from Coolgardie gold sales of 21,582oz at an average price of A\$1,583/oz*
- *Crescent achieved average gold sale price of A\$1,660/oz to deliver Net Revenue of \$36.6m*
- *Focus has cash and bullion equivalents of \$13.9m after extending loans of \$11m to Crescent operations and \$3m in takeover costs.*
- *Consolidated Mineral Resources of 4.3Moz and Ore Reserves of 623,000oz³*
- *Included in the S&P/ASX 300 Index during the Quarter*

Production Highlights

Focus Minerals Ltd (ASX: FML) is now one of Australia's leading gold producers following its successful off-market takeover of Crescent Gold.

Focus produced 35,647oz of gold for the September Quarter, inclusive of an attributable 13,739oz from its Laverton operations and a record 21,908oz from its Coolgardie operations where it is ramping up two new mines.

Record Production at Coolgardie

Focus achieved sales revenue from its Coolgardie operations of \$34.2 million from gold sales of 21,582oz at an average price of \$1,583/oz.

The Coolgardie operations mined a record 249,481t @ 3.03g/t for gold in ore of 24,319oz, a 41% increase on the preceding 12 months' Quarterly average.

Cash operating costs were \$944/oz. Capital investment and exploration expenditure for the Quarter totalled \$11.74 million, comprising \$8.25 million of mine capital development and \$3.49 million of exploration expenditure.

Laverton Met Market Guidance

Production at the Crescent Gold Laverton Operations met market guidance for the September Quarter producing a total of 21,915oz of gold with 13,739oz attributable to Focus.

Crescent achieved an average gold sale price of A\$1,660/oz to deliver Net Revenue of \$36.6m.

A total of 504,288t @ 1.5g/t was processed over the 39 day campaign under the Ore Purchasing Agreement at Barrick Granny Smith (BGS). This saw a record daily gold production of 559oz, equivalent to 112,000ozpa based on 200 processing days per calendar year.

2012 Guidance

With the successful completion of the Crescent takeover, and the continual ramp-up of operations at both Coolgardie and Laverton, Focus is targeting production of +200,000oz of gold in calendar 2012 from four mines, making Focus one of Australia's leading gold producers.

Commentary

"The September Quarter was clearly transformational for Focus Minerals," said Focus Chief Executive Campbell Baird. "We have significantly increased the scale of the business and have set the stage for strong production growth in 2012.

"We have delivered our first full Quarter's production from our two new mines at Coolgardie and have now increased our 2012 production targets significantly through the successful acquisition of Crescent Gold.

"The Crescent acquisition represents significant value for shareholders. It's been achieved for just \$59m in scrip and the diversion of \$11m in funds as loans to Crescent to support it through a period of critical production turnaround.

"The results are already there for all to see with the Crescent operations meeting market guidance for the Quarter and, importantly, development across the Laverton operations continuing apace.

"The acquisition was considered by the Board to be a company making event which would build long-term value for shareholders by significantly increasing Focus' projected annualised production to +200,000oz, doubling Mineralised Resources and tripling Ore Reserves.

"The decision was therefore taken to divert some capital development funds from our newly opened mines at Coolgardie into securing the Crescent acquisition. This has meant that whilst production at Coolgardie was at record levels, the ramp up of the new mines in this Quarter was not accelerated at full pace. We therefore expect the Coolgardie operations to produce around 85,000oz in this calendar year and move to a production run rate of 100,000oz in the December Quarter."

Financials

At the end of the Quarter, Focus had cash and bullion equivalents of \$13.9m after extending loans of \$11m to Crescent operations and \$3m in takeover costs.

Focus' attributable share of Crescent's available cash at the end of the period was \$1.6m which is net of Focus' share of cash backed bonds of \$7.4m.

Focus was included in the S&P/ASX 300 Index during the Quarter.

ENDS

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1. Includes targeted production of +100,000oz from Focus' Coolgardie operations, and 100,000oz from Crescent Gold's Laverton operations. Focus has a 81.57% shareholding interest in Crescent as of 5th October 2011. On a consolidated basis attributable production target from Crescent is approx. 80,000oz for a 180,000oz of targeted production attributable to Focus.
2. Attributable production based on the Focus weighted average shareholding interest in Crescent for the months July to September 2011 applied to Crescent monthly production statistics.
3. Includes 100% of Crescent's Resources and Reserves. Focus has a 81.57% shareholding interest in Crescent as of 5th October 2011.

GROUP PRODUCTION

Group Production Summary

The Focus Group produced 35,647oz of gold for the September Quarter, with a record 21,908oz from its Coolgardie operations and an attributable 13,739oz from its newly acquired Laverton operations.

Gold revenue for the Quarter from the Coolgardie operations was A\$34.2 million from gold sales of 21,582oz at an average price of A\$1,583/oz. Cash operating costs at Coolgardie were \$944/oz.

Crescent achieved an average gold sale price of A\$1,660/oz to deliver Net Revenue of \$36.6m.

Laverton Gold Project

The Laverton Gold Project met market guidance for the September Quarter producing a total of 21,915oz of gold (13,739oz attributable to Focus' production). A total of 504,288t @ 1.5g/t was processed over the 39 day campaign under the Ore Purchasing Agreement at Barrick Granny Smith (BGS). This saw record daily gold production of 559oz.

At the end of the quarter, 300,000t of ore had already been stockpiled at BGS (approximately 85% of the required mill feed) in preparation for the December Quarter's Campaign 9 which commenced on 13 October 2011.

Coolgardie Operations

The September Quarter marked an important milestone for the Coolgardie operations, as it was the first full Quarter's production from three mines, albeit that two of the three mines are in ramp-up.

The Quarter saw the Coolgardie operations mine a record 249,481t @ 3.03g/t for gold in ore of 24,319oz. The Three Mile Hill plant continued its solid performance, comfortably processing to its nameplate 1.2Mtpa capacity with 291,320t @ 2.45g/t (recovery at 95.3%).

The Crescent acquisition was considered by the Focus Board to be a company making event which would build long-term value for shareholders by significantly increasing Focus' projected annualised production to +200,000oz, doubling Mineralised Resources and tripling Ore Reserves.

The decision was therefore taken to divert some capital development funds from Focus' newly opened mines at Coolgardie into securing the acquisition of Crescent Gold.

The impact of this has been that whilst production at Coolgardie was at record levels, production from the new mines at The Mount Underground and the Tindals Open Pits was not accelerated at full pace, meaning total production from the Coolgardie operations in calendar 2011 is now targeted to be 85,000oz.

Outlook: +200,000oz production in CY 2012

Moving forward, Focus expects the Coolgardie operations to move to a production run rate of 100,000oz in the December Quarter, with production steadily building at its Tindals Open Pits and The Mount Underground.

Production in the December Quarter at Laverton will be between 17,000-19,000oz with a 32 day Campaign at Barrick Granny Smith. Prior to the commencement of Campaign 9 (December Quarter's production Campaign at Granny Smith) around 85% of the required ore had already been mined and stockpiled. Planning was also well established to mobilise a fourth digging fleet to commence mining at the Apollo deposit to provide three separate ore sources in the lead up to the commencement of Campaign 10 starting in early January 2012.

With the successful takeover of Crescent, gold production will rise sharply in the current financial year and Focus is targeting combined production for calendar 2012 of +200,000oz from the Coolgardie and Laverton operations.

Production Data

Table 1: Mining and Cartage for the September 2011 Quarter.

		Sep 2011	Jun 2011	Mar 2011	Dec 2010	Sep 2010
Tindals Mining Centre Underground						
Ore Mined	(tonnes)	147,589	160,056	132,382	151,412	115,681
Grade	g/t	3.30	3.17	3.37	3.56	3.45
Gold In Ore	ounces	15,662	16,315	14,354	17,339	12,831
Tindals Mining Centre Open Pits						
Ore Mined	(tonnes)	68,137	17,000	-	-	-
Grade	g/t	1.81	1.67	-	-	-
Gold In Ore	ounces	3,968	910	-	-	-
The Mount Underground						
Ore Mined	(tonnes)	33,755	21,469	5,404	5,242	14,086
Grade	g/t	4.32	2.81	3.36	8.38	6.94
Gold In Ore	ounces	4,689	1,940	584	1,412	3,143
Total Mined						
Ore Mined	(tonnes)	249,481	198,525	137,786	156,654	129,767
Mined Grade	g/t	3.03	3.00	3.37	3.72	3.83
Gold In Ore	ounces	24,319	19,165	14,938	18,751	15,974
Low Grade						
Ore Treated	(tonnes)	41,839	88,651	121,877	170,665	118,198
Grade	g/t	1.0	1.0	1.0	1.0	1.0
Gold In Ore	ounces	1,345	2,850	3,918	5,487	3,800
Laverton Gold Project – Attributable Mined Production*						
Ore Mined	(tonnes)	142,734	-	-	-	-
Grade	g/t	2.41	-	-	-	-
Gold In Ore	ounces	11,041	-	-	-	-

Note: Material movement to various ROM pads within Company's operations. Material may be in stockpiles

Table 2: Milling & Gold Sales

		Sep 2011	Jun 2011	Mar 2011	Dec 2010	Sep 2010
Three Mile Hill						
Ore	(tonnes)	291,320	287,176	286,251	327,319	247,965
Head Grade	g/t	2.45	2.15	2.14	2.18	2.03
Contained Gold	ounces	22,947	19,851	19,714	22,891	16,184
Gold Recovery	%	95.3	91.4	93.3	91.7	94.5
Gold Produced	ounces	21,908	18,102	18,391	21,039	15,300
Gold Sold	ounces	21,582	18,443	19,942	19,570	14,765
Av. Price Received	(A\$/oz)	\$1,583	\$1,419	\$1,378	\$1,388	\$1,381
Coolgardie Cash Operating Costs						
Direct costs (incl royalty)	(A\$/oz)	\$944	\$981	\$878	\$877	\$932
Laverton Gold Project – Attributable Gold Production*						
Ore Treated	(tonnes)	318,335	-	-	-	-
Head Grade	g/t	1.5	-	-	-	-
Gold Produced	ounces	13,739	-	-	-	-
FML GROUP TOTAL GOLD PRODUCTION Oz		35,647	18,102	18,391	21,039	15,300

Note: Material milled includes stockpiles

*Attributable production based on the Focus weighted average shareholding interest in Crescent for the months July to September 2011 applied to Crescent monthly production statistics.

OPERATIONS REVIEW

Tindals Mining Centre: Underground

		Sep 2011	Jun 2011	Mar 2011	Dec 2010	Sep 2010
Tindals Mining Centre Underground						
Ore Mined	(tonnes)	147,589	160,056	132,382	151,412	115,681
Grade	g/t	3.30	3.17	3.37	3.56	3.45
Gold In Ore	ounces	15,662	16,315	14,354	17,339	12,831

Mine Development & Production

The Tindals Mining Centre Underground operations delivered three consistent months production during the Quarter mining 147,589t @ 3.30g/t for gold in ore of 15,662oz.

The aggressive development at Tindals has now seen Focus establish four months' worth of drilled stocks with a further eight months' worth of ore production accessed. Over 1,280m of development was completed during the Quarter.

Production from the Underground operations is expected to remain consistent through the December Quarter.

Resources & Reserves

Ore Reserves (Proved and Probable) grew to 1Mt @ 3.6g/t for 115,000oz over 6 months from 112,600oz previously (Table 4).

Figure 1: Perseverance Level 145 Main Lode roof South showing extensive pyrrhotite mineralisation



Exploration & Resource Development

As part of the ongoing exploration and resource development program at the Tindals Mining Centre's Underground operations, a total of 15,305m of infill and resource/reserve extension diamond drilling was completed at the Perseverance and Countess deposits.

Ongoing drilling at Perseverance targeted previously identified mineralisation to the north of the existing reserve at the Perseverance North deposit and outlined a 150m strike length of high-grade mineralisation. Further drilling of the main lode at Perseverance also confirmed the existence of a mineralised diorite lode west of, and running parallel to, the Perseverance Ore Reserve.

Significant intercepts received at Perseverance during the Quarter include (see ASX release 10th October 2011):

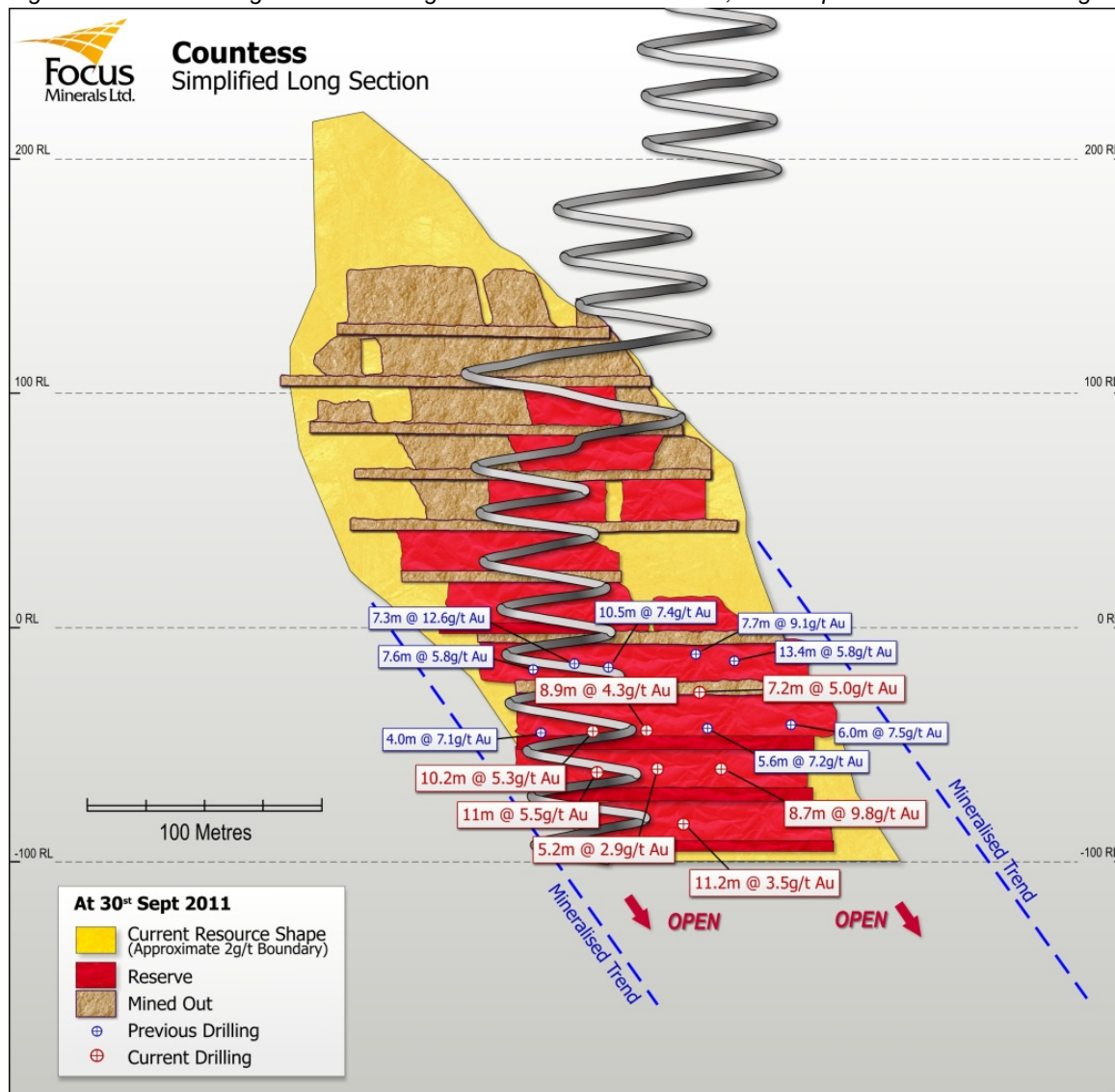
- 6.0m @ 20.2g/t,
- 2.4m @ 16.3g/t,
- 16.9m @ 16.0g/t, and
- 6.1m @ 7.0g/t

At Countess the drilling targeted the West Lode (where the majority of the Ore Reserve is hosted) below the current mining level. The initial results from the drilling confirm the continuation of the West Lode mineralisation at depth, (Figure 2) with good widths and grades returned to date.

Significant intercepts received at Countess during the Quarter include (Table 5):

- 8.7m @ 9.8g/t,
- 11.0m @ 5.5g/t, and
- 10.2m @ 5.3g/t

Figure 2: Countess Long Section showing the current resource outline, reserve position and recent drilling intercepts.



Tindals Mining Centre: Open Pits

		Sep 2011	Jun 2011	Mar 2011	Dec 2010	Sep 2010
Tindals Mining Centre Open Pits						
Ore Mined	(tonnes)	68,137	17,000	-	-	-
Grade	g/t	1.81	1.67	-	-	-
Gold In Ore	ounces	3,968	910	-	-	-

Mine Development & Production

Focus began production at the new Tindals Mining Centre Open Pit operations in the June Quarter commencing the development of two pits: Empress and Dreadnought. The company is targeting to deliver 25-30,000oz per annum from the open pits on a sustainable basis over 5 years seeing production of circa 30,000tpm.

Production at the Open Pits in the September Quarter has steadily ramped up with Focus mining 68,137t @ 1.81g/t for gold in ore of 3,968oz. In total 540,000 BCM were moved during the period.

The Empress pit performed very well, delivering 47,057t @ 1.8g/t and has now extended down 20 metres into a 60 metre deep pit (Figure 3). The material at Empress is currently about 95% free dig with very good visual controls of the ore zones. Empress still has 98,113 @ 2.32g/t in Reserve.

Development at Dreadnought has begun to advance, with production of 21,080t for the Quarter, at a grade of 1.8g/t. The Dreadnought area has an Inferred Resource of 3.46Mt @ 2.0g/t for 221,000oz. As production has advanced, the Company has been able to start unlocking the complex geology at Dreadnought with grade control drilling and detailed mapping, and has performed additional resource drilling to further test and expand the resource.

Late in the September Quarter, Focus also commenced clearing at Big Blow, its third pit at the Tindals Mining Centre, with a view to commencing mining in the December Quarter. A Probable Ore Reserve upgrade was delivered at Big Blow, increasing to 165,000t @ 1.9g/t for 10,100oz.

Figure 3: Development at the Empress open pit.



Resources & Reserves

Ore Reserves (Proved and Probable) increased 14% to 620,000t @ 2.0g/t for 39,600oz, up from 34,700oz.

This was driven by the establishment of new open pit reserves at Undaunted and Happy Jack from drilling undertaken in the last six months. The estimated Probable Ore Reserve for Undaunted is 71,000t @ 1.7g/t for 4,000oz. Happy Jack has a new estimated Probable Ore Reserve of 56,000t @ 1.9g/t for 3,400oz. Both still have further upside and additional resource work is planned.

The Big Blow Ore Reserve was increased to 10,100oz (from 8,900oz) as a result of extending the resource north and south.

In addition, Focus has a further 60,000oz open pit Probable Ore Reserve (1.1Mt @ 1.7g/t) at its Greenfields operation adjacent to the Three Mile Hill mill.

Exploration & Resource Development

The surface exploration strategy in the Tindals Mining Centre is to drill out sufficient resources capable of extending the mine life of the open pit operations. The exploration team is systematically working its way through numerous targets starting with areas where old shafts and workings are located.

The new areas tested during the September Quarter (Undaunted, Lady Charlotte and Friendship areas) lie to the east of the Tindals Open Pit. This area contains numerous old shafts and workings and comprises folded mineralised diorites within ultramafic rocks. Previous mapping in this area highlights quite a number of folded diorites and structures that are considered to be similar to the Tindals diorite hosted mineralisation that the Company is currently mining underground at Countess and Tindals, and that was mined in the Tindals open pit in the 1990s.

Surface resource development and exploration work continued at the Tindals Mining Centre during the Quarter with a total of 15,068m of RC drilling and 891m of diamond drilling completed. Deposits and prospects targeted for in-fill, resource/reserve extension and exploration drilling including the Undaunted and Lady Charlotte areas, Big Blow and Friendship.

Drilling in the Undaunted and Lady Charlotte areas produced some promising results. At Undaunted a 150m mineralised strike length of mineralised diorite has now being outlined and is open at depth.

In the Lady Charlotte area drilling around historical intercepts and workings produced some high grade intersections. For further information and results from the Undaunted and Lady Charlotte drilling refer to ASX release dated 5th October 2011.

Significant intercepts received at Undaunted and Lady Charlotte during the Quarter include (see ASX release 5th October 2011):

- 5m @ 26.3g/t,
- 2m @ 25.7g/t,
- 16m @ 2.7g/t, and
- 12m @ 3.9g/t

The Mount Underground

		Sep 2011	Jun 2011	Mar 2011	Dec 2010	Sep 2010
The Mount Underground						
Ore Mined	(tonnes)	33,755	21,469	5,404	5,242	14,086
Grade	g/t	4.32	2.81	3.36	8.38	6.94
Gold In Ore	ounces	4,689	1,940	584	1,412	3,143

Mine Development & Production

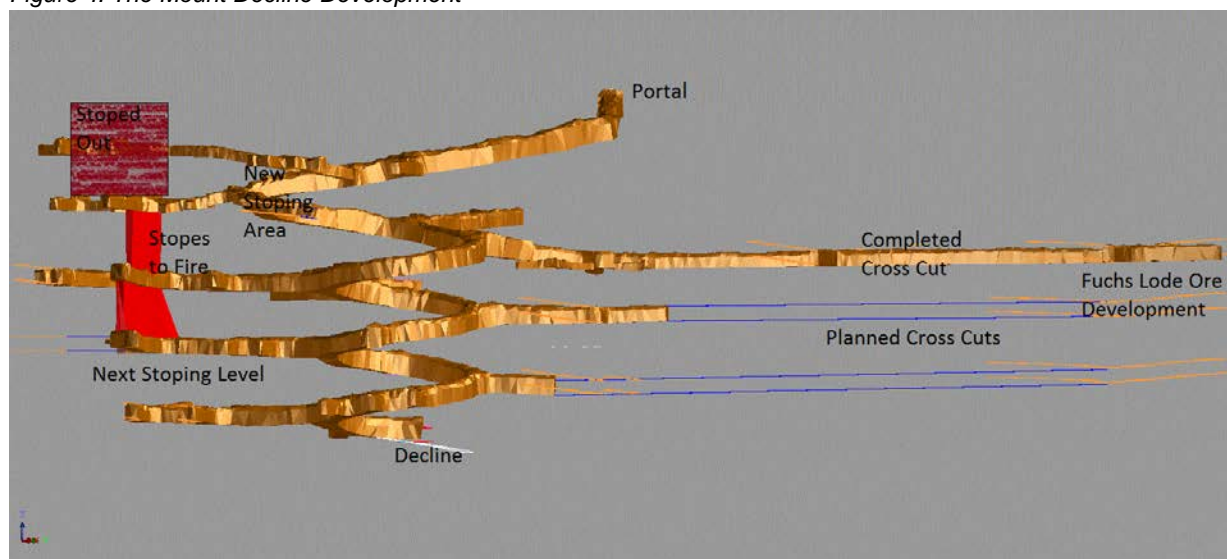
Focus' new underground mine at The Mount, 85km south of its Three Mile Hill processing plant continued to advance during the quarter delivering its strongest Quarter to date with 33,755t @ 4.32g/t for gold in ore of 4,689oz. The Mount is targeting to ramp up to production of 40,000oz pa (20,000tpm @ 5.5g/t).

As part of Focus' strategy to achieve low cost, high-grade production at The Mount, the company successfully completed the transition to owner operator, demobilising contractor Barmenco, and manning up with its own personnel and equipment. Focus is currently operating a small twin boom jumbo and two single boom jumbos with development widths down to 2.5m wide (Figure 5). Some air leg activity is also occurring on upper levels back towards the surface.

Having completed an exploration cross cut (Figure 4) and decline in the preceding Quarter, development work occurred on 9 lodes, being a mixture of lodes previously mined by Focus or previous operators or previously unmined lodes. Stopping positions are being established in four locations as a result of this development and the other development is building on the knowledge of the system and will contribute to future production.

Production for the quarter was drawn from stoping at the German lode and ore development throughout the mine.

Figure 4: The Mount Decline Development



Exploration & Resource Development

As part of the ongoing resource development program, a total of 7,214m of infill and extensional diamond drilling was completed targeting areas below the German, Main and Fuchs Lodes.

Drilling at The Mount to date has confirmed the continuity of the mineralisation at the Main and Fuchs Lodes and has confirmed the presence of mineralisation at depth beneath the current development at the German Lodes. As well as intersecting the targeted lodes, numerous other previously unknown mineralised structures have also been intersected.

Significant intercepts received at The Mount during the Quarter include (Table 6):

- 2.0m @ 22.8g/t,
- 2m @ 17.5g/t,
- 4.7m @ 8.2g/t,
- 1.5m @ 18.5g/t, and
- 1.0m @ 39.5g/t

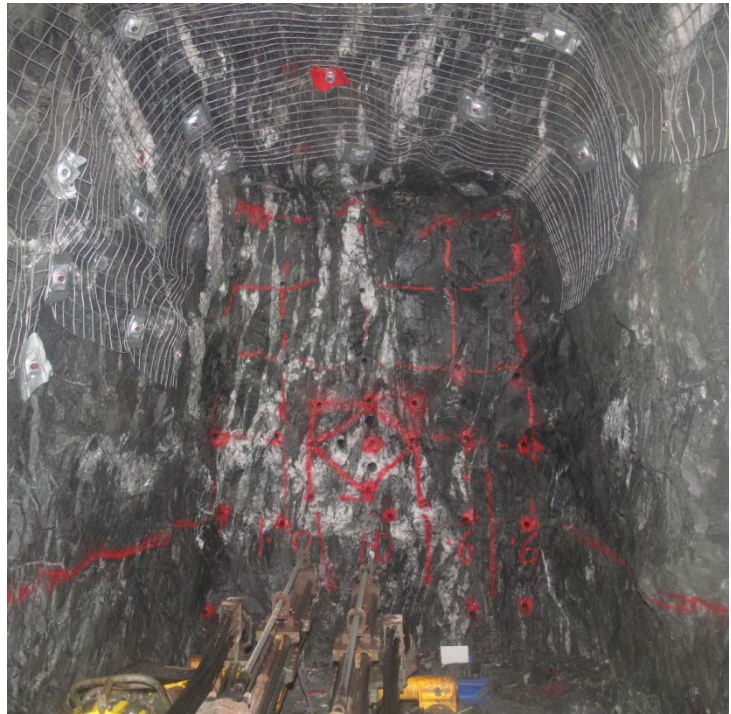
Resources & Reserves

Production at The Mount depleted the Ore Reserve to 21,000t @ 5.0g/t for 3,300oz. Work is currently in progress with drilling and development to update the resource during the December Quarter.

Figure 5: Narrow vein lode development at The Mount



Figure 6: Development on the Fuchs lode



Laverton Gold Project

Laverton Gold Project – Attributable Mined Production*						
Ore Mined	(tonnes)	142,734	-	-	-	-
Grade	g/t	2.41	-	-	-	-
Gold In Ore	ounces	11,041	-	-	-	-
Laverton Gold Project – Attributable Gold Production*						
Ore Treated	(tonnes)	318,335	-	-	-	-
Head Grade	g/t	1.5	-	-	-	-
Gold Produced	ounces	13,739	-	-	-	-

**Attributable production based on the Focus weighted average shareholding interest in Crescent for the months July to September 2011 applied to Crescent monthly production statistics.*

Mine Development & Production

Production at the Laverton Gold Project met market guidance with the Crescent operations producing 21,915oz of gold and 3,910oz of silver from its eighth gold processing campaign through the Ore Purchase Agreement (OPA) at Barrick Granny Smith (BGS) to deliver net revenue of \$36.6 million from an average gold price of \$1,660/oz.

This saw record daily gold production of 559oz (equivalent to 112,000ozpa based on 200 processing days per calendar year) with a total of 504,288t @ 1.5 g/t was processed over the 39 day campaign. Overall recovery was 88.8%.

From this production, 13,739oz was attributable to Focus's total production for the Quarter.

Mining operations during the Quarter continued to build on work done in the June 2011 Quarter with three excavator fleets mining a total of 1.5Mt. Production commenced at the Mary Mac Hill deposit which has a Probable Reserve of 306,000t @ 1.8g/t for 18,000oz and continued at the recently developed Fish pit (Figure 7) which has a Probable Ore Reserve of 292,000t @ 3.5g/t for 33,000oz. This generated 217,000t @ 2.34g/t.

At the end of the Quarter, 300,000t of ore had already been stockpiled at BGS (approximately 85% of the required mill feed) in preparation for the December Quarter's Campaign 9 which commenced on 13 October 2011.

Mine planning will see mobilisation of a fourth digging fleet in the December Quarter to commence mining at the Apollo deposit providing three separate ore sources in the lead up to the commencement of Campaign 10 starting in early January 2012.

The Apollo pit is currently planned to be up to 1.5km long, and is situated on the Chatterbox shear zone 7km to the west of the Laverton. Crescent holds tenements along some 30km of the Chatterbox shear zone and the area is expected to be a major, growing source of production in 2012.

Exploration & Resource Development

Development studies focused on the Apollo, Calypso, Craiggimore, Fish and Lord Byron deposits. A total of 103 RC holes for 10,208m were drilled into these deposits.

Resources & Reserves

Updated Resource and Ore Reserve estimates were completed for the Apollo, Eclipse, Calypso, Admiral Hill, Burtville and Lord Byron deposits and included in the Crescent Gold Limited 2011 Annual Report.

Notably, this included: A 19% increase in Ore Reserves at Apollo to 1.06Mt @ 1.9g/t for 64,000oz and an estimated 88% increase in Resource to 2.73Mt @ 2.3g/t to 206,000oz; establishment of new Ore Reserves at Calypso (15,000oz) and Eclipse (6,000oz) along strike from Apollo on the Chatterbox Shear; and a tripling of Resources at the Burtville open pit project to 1.85Mt @ 1.6g/t for 98,000oz.

Figure 7: Open Pit mining at Fish



Please refer to the Crescent Gold September Quarterly report (See ASX release published 28th October 2011) for more details on the full Quarter's production and exploration activities.

REGIONAL EXPLORATION

Treasure Island Gold Project at Lake Cowan

During the Quarter, the Company continued the drilling programs at the 100% owned Treasure Island Gold Project, 35km south-south east along strike from the major gold camp of St Ives at Kambalda. A total of 3,233m of diamond drilling was completed at Treasure Island, while 10,431m of aircore drilling was completed across targets on the lake.

Diamond drilling during the Quarter focused on the two main prospect areas of Black Dog and Blind Pew from the lake bed (Table 7, Figure 8). At Black Dog the drilling followed up results from the June Quarter. Holes were drilled up and down dip and along strike from BDDD011 (2.54m @ 10.8g/t, see ASX release 26th July 2011). Initial observations were very encouraging with most holes intersecting narrow quartz veining up to 1.0m thick containing sulphides and fine visible gold at the projected lode position. Veining remains open at depth and along strike to the south within the favourable granophyric horizon. The quartz vein system at Black Dog is now approximately 400m, with a vertical down dip extent of over 60m, and veining up to 2.3m true width. To date only 23 holes have been completed along its entire length. Further close spaced RC drilling is required at Black Dog to unlock its true potential.

Drilling at Blind Pew continued to intersect narrow quartz veins with sulphides and fine visible gold beneath the Island. The drilling focused on two main areas during the Quarter, testing around high grade narrow quartz veining intersected previously (3.78m @ 6.3g/t), and testing for the interpreted position of the Boulder-Lefroy Fault. The drill holes that were following up previous results, all intersected narrow quartz veins containing sulphides and fine visible gold. The veins represent two parallel systems some 40m apart beneath the island not visible at the surface because of covering windblown sands. Drilling to date at Blind Pew has shown the vein assay to have a strike length in excess of 200m, with a down dip extent of 80m vertical. Further drilling is required to test the overall strike extent of this new system.

Two holes were drilled to test the interpreted position of the Boulder-Lefroy fault to the south and east of Treasure Island. Both holes intersected significant shearing associated with chlorite-biotite alteration, significant quartz-carbonate veining and some finely disseminated sulphides. However geology in the holes suggests the Boulder-Lefroy Fault lies further to the east. The amount of shearing and alteration seen in both these holes is extremely encouraging and indicative of a major fault system nearby, with anomalous results up to 0.5g/t returned over several meters.

The current aircore drilling program is progressing well and is beginning to uncover some very exciting opportunities. Aircore drilling immediately south and east of Treasure Island has shown the approximate position of the Boulder-Lefroy Fault, where the fault appears to bend or jog. The Boulder-Lefroy Fault is clearly visible on the aeromagnetic images; with aircore holes drilled in this vicinity containing quartz veining and finely disseminated sulphides within altered sediments along the entire 1.2km strike length of the dilational jog position. This is strong evidence for a major mineralised system close by.

The eastern aircore drilling program, 3km east of Treasure Island, testing for a potential thrust repeat of the Treasure Island geological sequence has revealed a thick package of Black Flag sediments with abundant quartz veining. In the western part of the drilling area a high Mg basalt and gabbro-dolerite unit occur in close proximity, similar to the Paringa basalt and Defiance dolerite of Treasure Island. A 200m plus thick gabbro-dolerite unit, containing a granophyric horizon, has been identified within the sediments. This unit may be stratigraphically equivalent to the Junction dolerite at the St Ives gold camp. This eastern package appears to be structurally complex, and contains widespread quartz veining and disseminated sulphides which are important ingredients for gold mineralisation.

RESOURCES AND RESERVES

Coolgardie Resources & Reserves

As of the 30th September 2011 Mineral Resources and Ore Reserves at the Coolgardie Operations are 2.24Moz and 242,400oz respectively.

Focus grew its Ore Reserves at the Tindals Underground and Open Pits where it has a 2.5 year mine life to deliver an Ore Reserve of 242,300oz (Table 4) for the six months to the end of September 2011.

The focus of drilling during the Quarter was largely within existing resources to provide further data to update reserves. To this end, there were some small updates on some of the Tindals Mining Centre surface resources, and despite mining depletion, the Company's Mineralised Resource stayed constant at 2.24Moz.

Ore Reserves (Proved and Probable) increased 14% at the Tindals Open Pits to 620,000t @ 2.0g/t for 39,600oz, up from 34,700oz. This came through the addition of new Ore Reserves at Undaunted and Happy Jack from drilling undertaken in the last six months. The estimated Probable Ore Reserve for Undaunted is 71,000t @ 1.7g/t for 4,000oz. Happy Jack has a new estimated Probable Ore Reserve of 56,000t @ 1.9g/t for 3,400oz.

The Big Blow Ore Reserve was also increased to 10,100oz (from 8,900oz) as a result of extending the resource north and south.

Ore Reserves (Proved and Probable) from the Tindals Underground grew to 1Mt @ 3.6g/t for 115,000oz from 112,600oz previously.

Production at The Mount depleted the Ore Reserve to 21,000t @ 5.0g/t for 3,300oz from an Inferred Resource of 2.1Mt @ 5.5g/t for 370,000oz. Work is currently in progress with drilling and development and work will be ongoing to update the resource during the Quarter.

Laverton Resources & Reserves

Updated Resource and Ore Reserve estimates were completed for the Apollo, Eclipse, Calypso, Admiral Hill, Burtville and Lord Byron deposits and included in the Crescent Gold Limited 2011 Annual Report.

Notably, this included: A 19% increase in Ore Reserves at Apollo to 1.06Mt @ 1.9g/t for 64,000oz and an estimated 88% increase in Resource to 2.73Mt @ 2.3g/t to 206,000oz; establishment of new Ore Reserves at Calypso (15,000oz) and Eclipse (6,000oz) along strike from Apollo on the Chatterbox Shear; and a tripling of Resources at the Burtville open pit project to 1.85Mt @ 1.6g/t for 98,000oz.

Table 3: Focus Mineral Resources at 30th September 2011. Crescent Mineral Resources at 30th June 2011

	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 Total	739	4.7	112,000	9,143	2.6	766,000	3,354	2.8	298,000	13,236	2.8	1,176,000
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	233,000	7,912	1.8	471,000
Three Mile Hill Project				1,386	1.9	86,000	138	3.0	13,000	1,524	2.0	99,000
Norris Project							1,870	2.1	124,000	1,870	2.1	124,000
Total Coolgardie	739	4.7	112,000	14,879	2.3	1,090,000	11,014	2.9	1,038,000	26,632	2.6	2,240,000
LAVERTON GOLD PROJECT												
Laverton - UG				2,037	6.5	426,000	619	7.1	141,000	2,656	6.6	567,000
Laverton - Surface	1,619	2.2	113,000	12,093	2.0	759,000	10,171	1.8	589,000	23,883	1.9	1,461,000
Total Laverton	1,619	2.2	113,000	14,130	2.6	1,185,000	10,790	2.1	730,000	26,539	2.4	2,028,000
TOTAL COMBINED RESOURCES	2,358	3.0	225,000	29,009	2.4	2,275,000	21,804	2.5	1,768,000	53,171	2.5	4,268,000
Coolgardie Mineral Resource (as at 30 September 2011)												
Laverton Mineral Resource (as at 30 June 2011)												

NOTE: Some errors may result due to rounding. Includes 100% of Crescent's Resources and Reserves. Focus has a 81.57% shareholding interest in Crescent as of 5th October 2011.

Table 4: Focus Minerals Ore Reserves and Stocks at 30th September 2011

	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									
Tindals Project - Underground:	230	4.0	29,300	773	3.4	85,700	1,003	3.6	115,000
Tindals Project - Open Pits:				620	2.0	39,600	620	2.0	39,600
Three Mile Hill Project - Open Pits:				1,101	1.7	59,900	1,101	1.7	59,900
The Mount Project - Underground:				21	5.0	3,300	21	5.0	3,300
Stocks: Total							456	1.7	24,600
Reserves and Stocks Total:	230	4.0	29,300	2,515	2.3	188,500	3,201	2.4	242,400
Laverton									
Laverton Gold Project - Open Pits	928	2.0	58,000	2,184	1.9	136,000	3,112	1.9	194,000
Summit Underground				860	5.3	146,000	860	5.3	146,000
Stocks: Total							1,801	0.7	41,000
Reserves Total	928	2.0	58,000	3,044	2.9	282,000	5,773	2.1	381,000
TOTAL COMBINED RESERVES	1,158	2.3	87,300	5,559	2.6	470,500	8,974	2.2	623,400
Coolgardie Mineral Reserve (as at 30 September 2011)									
Laverton Mineral Reserve (as at 30 June 2011)									

NOTE: Some errors may result due to rounding. Includes 100% of Crescent's Reserves. Focus has a 81.57% shareholding interest in Crescent as of 5th October 2011.

CORPORATE

During the Quarter, the Company completed its takeover of Crescent Gold Limited (closing five days after the completion of the Quarter), to emerge as one of Australia's top gold producers with projected annual production of +200,000oz in 2012.

At the close of the Offer, Focus had a relevant interest in Crescent of 81.57%, which it may increase to 86.45% through the conversion of debt owed by Crescent to Focus.

The combined gold production of Focus and Crescent will be in excess of 200,000oz per annum and the companies will hold a combined resource base of 4.3Moz of gold, with outstanding growth potential across two major Western Australian mining regions.

Revenue for the Quarter from the Coolgardie operations was A\$34.2 million from gold sales of 21,582oz at an average price of A\$1,583/oz. Cash operating costs at Coolgardie were \$944/oz.

Crescent achieved an average gold sale price of A\$1,660/oz to deliver Net Revenue of \$36.6m.

Focus' attributable share of Crescent's available cash at the end of the period was \$1.6m which is net of Focus' share of cash backed bonds of \$7.4m.

Capital investment and exploration expenditure for the Quarter at Coolgardie totalled \$11.74 million, comprising \$8.25 million of mine capital development and \$3.49 million of exploration expenditure.

West Australian gold royalties paid by Focus during the Quarter totalled \$906,000.

During the Quarter Standard & Poor's announced the inclusion of Focus in the S&P/ASX 300 Index.

At 30 September 2011, Focus held cash and bullion comprising:

Cash at Bank	\$11.4 million
Bullion on Hand	\$1.7 million
Cash held on bond	\$0.8 million
Total Cash and Equivalents	\$13.9 million

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 report that relates to Exploration Results and Minerals Resources across the Coolgardie region 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.

The information in this report that relates to Ore Reserves across the Coolgardie region is based on information compiled by Mr Bradley Valiukas, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Valiukas 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 Valiukas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to gold Exploration Results and Mineral Resources across the Laverton region is based on information compiled by Mr Jeff Ion, who is a Member of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy and is employed by Crescent Gold Limited. The information in this report that relates to Ore Reserves utilising open pit extraction across the Laverton region is based on information compiled by Mr Steve O'Grady, who is a Member of the Australasian Institute of Mining and Metallurgy and is an independent consultant. They each have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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" and a Qualified Person under "Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects". They each consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Note for Drill Results Tables below: All diamond drill holes are sampled to geological intervals. All RC drill holes are sampled to 1m intervals. Assay method is 40 gram fire assay. All mineralised intersections are quoted as down-hole lengths with uncut gold values. For the underground drilling at Countess the intersections are approximately 75% of true thickness. The intersections at The Mount are approximately 65% of true thickness. For Treasure Island the intersections are approximate 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 5: Countess significant intercepts from the September Quarter - Tindals Mining Centre

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
COD098	6570330	325454	-7	100	-23	170.65	35.00	37.00	2.00	2.01
							83.00	93.15	10.15	5.30
COD099	6570330	325454	-7	122	-19	195.95	32.00	37.06	5.06	1.13
							91.66	98.81	7.15	4.95
							137.23	141.16	3.93	1.97
							166.00	167.74	1.74	3.37
							170.24	173.08	2.84	2.48
COD104	6570330	325454	-7	110	-26	149.71	36.00	38.99	2.99	2.01
							87.07	96.00	8.93	4.32
							131.00	132.00	1.00	4.02
COD108	6570330	325454	-7	102	-42	140.08	42.00	45.28	3.28	8.94
							90.00	101.00	11.00	5.48
COD109	6570330	325454	-7	112	-30	145.95	39.73	41.73	2.00	6.14
							91.76	97.00	5.24	2.93
							98.61	100.91	2.30	4.04
COD110	6570330	325454	-7	121	-30	170.76	36.94	40.00	3.06	2.74
							94.33	103.00	8.67	9.82
							131.37	135.00	3.63	2.43
COD140	6570330	325454	-7	119	-40	182.85	101.88	113.00	11.12	3.51

Table 6: The Mount significant intercepts from the September Quarter

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
TMD002	6510843	364218	292	246	-33	141.90	16.35	16.81	0.46	2.43
							29.14	29.77	0.63	17.70
							32.07	33.04	0.97	2.17
							70.15	71.28	1.13	6.24
							93.73	94.20	0.47	7.57
							97.90	98.25	0.35	3.38
TMD008	6510847	364226	293	90	-6	154.20	14.72	15.28	0.56	18.70
							46.82	48.15	1.33	3.02
TMD009	6510847	364226	293	82	-7	161.05	12.31	12.71	0.40	20.00
							68.50	71.39	2.89	3.37

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
TMD010	6510849	364224	293	69	-9	154.40	77.80	78.43	0.63	10.17
							82.61	83.83	1.22	8.04
							56.60	57.80	1.20	4.17
							69.00	70.00	1.00	39.50
							72.00	73.00	1.00	1.51
TMD011	6510809	364224	292	52	-10	143.40	128.31	128.64	0.33	21.60
							58.43	59.29	0.86	5.13
							71.67	73.18	1.51	18.53
							82.97	85.00	2.03	17.46
							102.43	102.87	0.44	12.90
TMD013	6510849	364224	293	17	-9	155.70	120.30	120.66	0.36	7.05
							125.78	126.81	1.03	15.60
							8.74	9.61	0.87	4.02
							17.16	17.62	0.46	2.80
							31.99	32.29	0.30	4.27
							54.34	54.73	0.39	3.63
							66.12	66.66	0.54	22.80
							71.97	72.32	0.35	3.04
							77.51	78.26	0.75	12.60
TMD015	6510989	364257	316	86	-5	165.00	88.58	88.88	0.30	5.81
							104.56	106.20	1.64	2.92
							132.05	132.53	0.48	14.20
TMD017	6510990	364257	317	60	-6	141.20	121.10	123.14	2.04	22.77
							91.58	92.86	1.28	7.27
TMD022	6510994	364251	317	22	-7	171.00	95.56	96.64	1.08	1.02
							88.06	89.02	0.96	2.78
TMD024	6510989	364257	316	102	-10	210.20	91.06	93.90	2.84	3.98
							164.00	165.35	1.35	8.81
TMD026	6510990	364257	316	83	-15	201.40	27.12	28.10	0.98	2.41
							111.31	115.96	4.65	8.23
TMD027	6510990	364257	316	65	-18	189.20	88.61	98.14	9.53	2.33

Table 7: Treasure Island drilling results from the September Quarter

Table 1: Pressure vessel drilling results from the September quarter.

Hole Number	Northing	Easting	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
Black Dog									
BDDD014	6495658	404976	-60	270	92.14	57.45	57.76	0.31	1.77
BDDD015	6495660	405000	-60	270	102.12	NSR			
BDDD016	6495640	404961	-60	270	63.46	NSR			
BDDD017	6495660	404928	-60	270	39.00	28.50	28.70	0.20	1.15
BDDD018	6495679	404949	-60	270	89.97	39.51	39.81	0.30	2.45
BDDD019	6495619	404967	-60	270	126.16	NSR			
BDDD020	6495581	404978	-60	270	99.00	NSR			
BDDD021	6495539	404990	-60	270	66.08	31.76	32.40	0.64	1.36
BDDD022	6495581	405000	-60	270	63.17	27.70	28.30	0.60	2.64
BDDD023	6495741	404940	-60	270	101.97	NSR			
Blind Pew									
BPDD012	6494460	404759	-60	90	362.91	NSR			
BPDD014	6495280	405120	-60	90	360.00	NSR			
Billy Bones									
BBDD001	6495916	404921	-60	270	246.25	109.00	110.00	1.00	1.96
						124.10	124.60	0.50	1.63
BBDD002	6495938	404998	-60	270	207.13	NSR			
BBDD003	6495917	404940	-60	270	162.00	NSR			

Figure 8: Plan view of Treasure Island drill hole locations.

