

# FOCUS MINERALS LIMITED

Driving Sustainable Profitable Production



*Focus' 1.2Mtpa Three Mile Hill  
processing plant in Coolgardie, WA*



***Campbell Baird, CEO***  
*Shaw Stockbroking Gold Conference: 10<sup>th</sup> October 2012*

**ASX:FML**  
focusminerals.com.au

# Disclaimer and Competent Person's Statement



This presentation is not a prospectus nor an offer for securities in any jurisdiction nor a securities recommendation.

The information in this presentation is an overview and does not contain all information necessary for investment decisions. In making investment decisions in connection with any acquisition of securities, investors should rely on their own examination of Focus Minerals Ltd (Focus Minerals or the Company) and consult their own legal, business and/or financial advisers.

The information contained in this presentation has been prepared in good faith by Focus Minerals Ltd, however no representation or warranty expressed or implied is made as to the accuracy, correctness, completeness or adequacy of any statements, estimates, opinions or other information contained in this presentation.

To the maximum extent permitted by law, Focus Minerals Ltd, its directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person through the use or reliance on anything contained in or omitted from this presentation.

Certain information in this presentation refers to the intentions of Focus Minerals Ltd, but these are not intended to be forecasts, forward looking statements or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause Focus Minerals Ltd's actual results, performance or achievements to differ from those referred to in this presentation. Accordingly, Focus Minerals Ltd, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in the presentation will actually occur as contemplated.

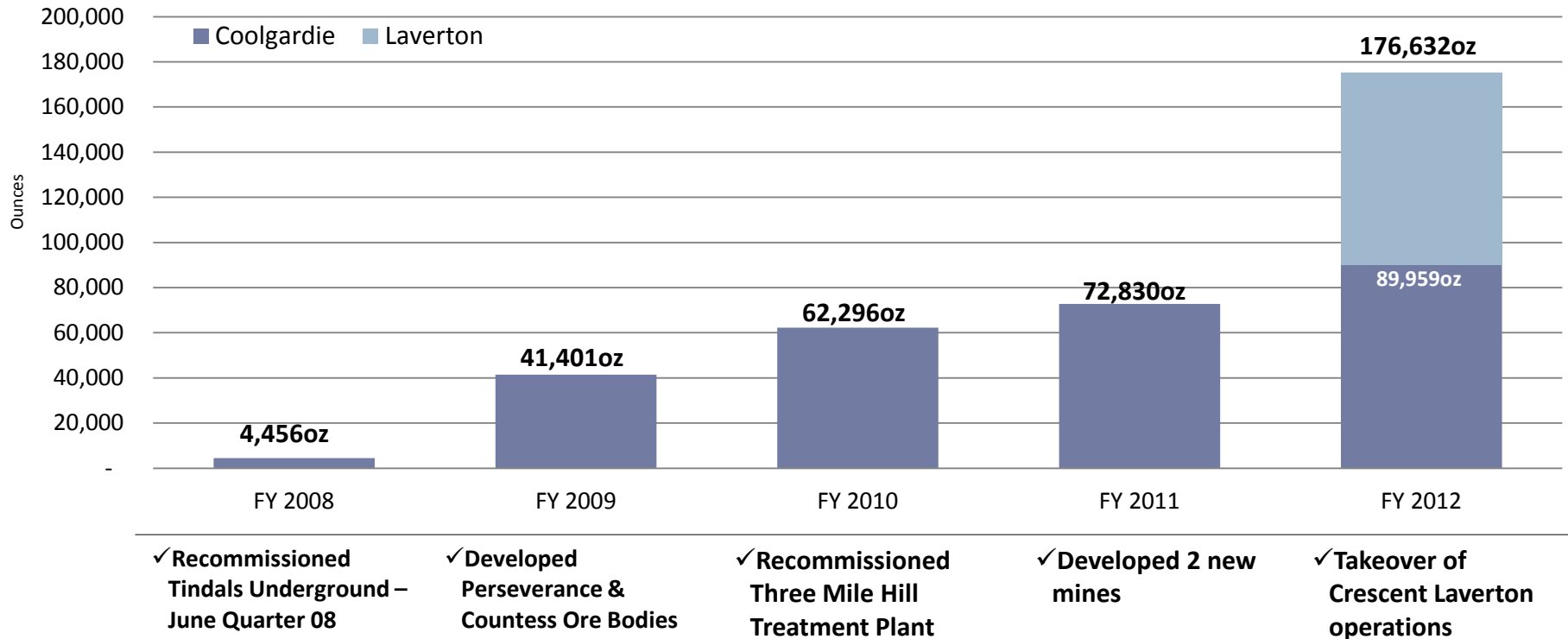
The information in this report that relates to Exploration Results and Minerals Resources is based on information compiled by Dr Garry Adams who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Adams is employed by Focus Minerals and has sufficient experience that is relevant to 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 is based on information compiled by Mr Peter Ganza, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ganza 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 Ganza consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

- Produced 176,632oz of gold in FY12 (a 143% increase on FY11) at a cash cost of \$1,222/oz
- On 20<sup>th</sup> September 2012, Focus Minerals announced a landmark transaction with Shandong Gold to raise approx. \$225M
- In past 12 months Focus has:
  - **M&A** - Completed the acquisition of Crescent Gold to create a Group with 4.3Moz Gold Mineral Resource
  - **New Team** - Built a new leadership and technical team to drive this transformation
  - **Operational Transformation** – Turned around the Crescent assets and transformed the Coolgardie operations
  - **VEP** – Established the Value Enhancement Program and achieved a first round of a progressive campaign to sustainably lower operating costs
  - **Exploration Success** – Achieved significant exploration success

# Strong Growth in Company Scale and Production

- Focus has generated very strong growth over the last 4 years



# Shandong Gold Placement - Transaction Summary

## Transaction

- Placement to Shandong to raise \$225.1 million
- Directors recommend shareholders support the Placement in the absence of a superior proposal & subject to an independent expert opining that the terms of the Placement are reasonable

## Subscription Details

- Subscription price of 5 cents per share
- Premium of 13.6% to close price before transaction announced (20/09/12)
- Premium of 28% to the 60 day VWAP of 3.91 cents per share
- Issue of 4,501,997,651 new shares for a total of 51% (fully diluted)

## Exclusivity & Pre-Bid Agreements

- No shop / no talk provisions and other deal protections
- Shandong Gold has a right to match a superior proposal

## Conditions

- Focus - shareholder approval
- Shandong - FIRB approval, Chinese regulatory approvals
- No material adverse change in relation to the Focus business
- Refer to ASX announcement for further details

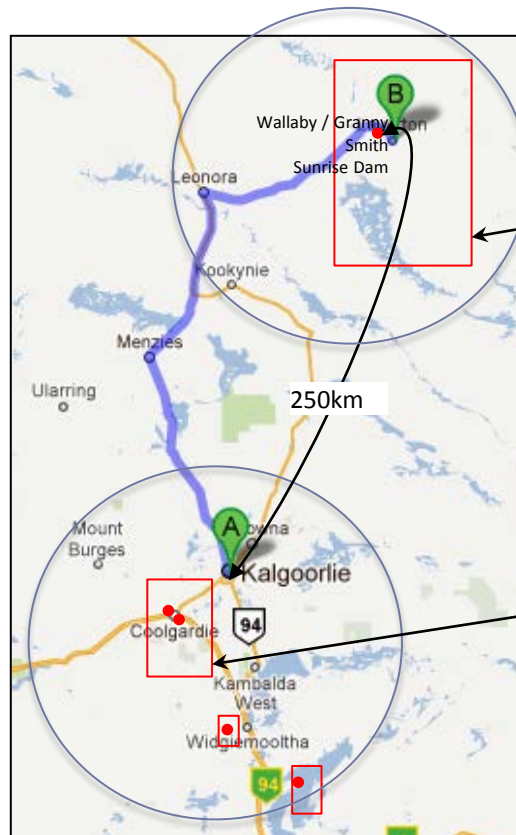
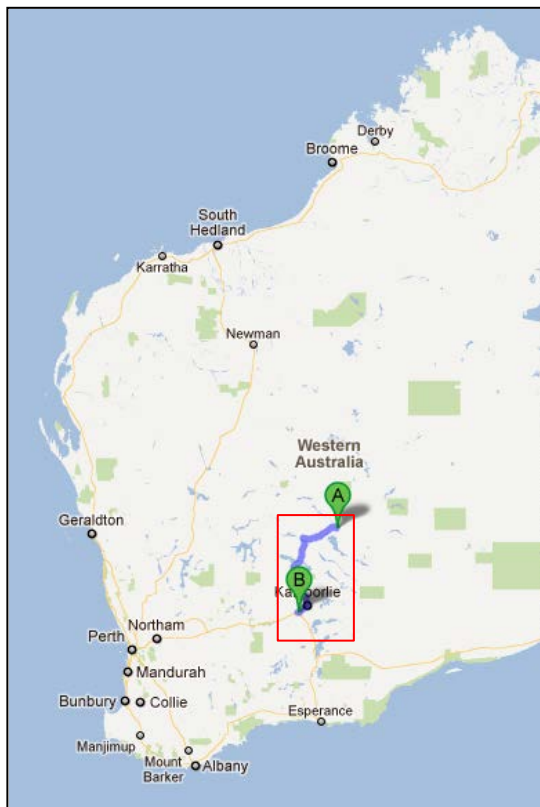
# Shandong Gold Placement – Use of Funds

<b>Production Strategies</b>	<ul style="list-style-type: none"><li>▪ Enable the progression of operational strategies aimed to increase the rate of production across Focus' operations</li></ul>
<b>Laverton Exploration</b>	<ul style="list-style-type: none"><li>▪ Accelerate exploration at 1,200km<sup>2</sup> landholding in Laverton</li><li>▪ Over 110km strike of mineralised shear systems that have been sparsely drilled to date</li></ul>
<b>Coolgardie Exploration</b>	<ul style="list-style-type: none"><li>▪ Increased exploration at Coolgardie operations, aimed at increasing the resource position, especially at depth, and extending the mine life</li></ul>
<b>Treasure Island</b>	<ul style="list-style-type: none"><li>▪ Exploration at green fields exploration project at Treasure Island</li><li>▪ Surface anomalies have revealed promising drill targets</li></ul>
<b>Nepean</b>	<ul style="list-style-type: none"><li>▪ Evaluate and develop a nickel strategy at Focus' Nepean nickel mine</li></ul>
<b>Acquisitions</b>	<ul style="list-style-type: none"><li>▪ Potentially pursue value accretive acquisition opportunities</li></ul>



# Assets Overview

- Focus owns two processing hubs positioned in Australia's two largest gold producing regions:



## Laverton Operations

- Large scale open pit mining. 2 Main mining centres
- Currently processing at 3.5Mtpa Barrick Granny Smith
- 1.45Mtpa Barnicoat plant
- Significant landholding of 1,200km<sup>2</sup>

## Coolgardie Operations

- 2 x u/g, 2 x open pit operations
- 1.2 Mtpa Three Mile Hill plant
- Significant landholding of 450km<sup>2</sup>

**Ore Reserve of 8.9Mt @ 2.2g/t for 0.62Moz and Mineral Resource of 53Mt @ 2.5g/t for 4.3Moz**

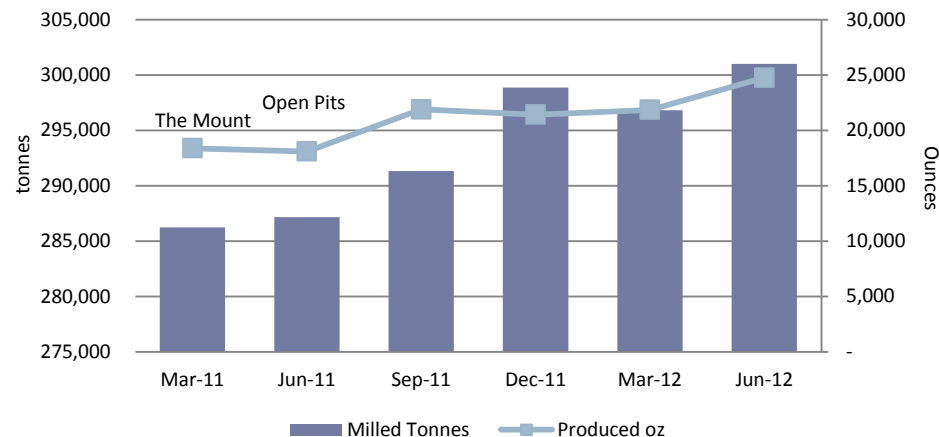
# Coolgardie -> Stable, Sustainable Production

## Stable production centre: 22-25,000oz per Quarter

- Mix of Open Pit & Underground. Produced 89,959oz @ \$1,194/oz in FY12
- 100% owned 1.2Mtpa processing plant (Three Mile Hill). Recommissioned in 2009
- Largest plant in region. Replacement value \$100m
- Producing from 2 underground and 1 open pit operation
- Ramped up two new production centres: Tindals Open Pits & The Mount underground
- Increased YOY quarterly gold production by 37%
- Bringing on second open pit operation in September Quarter - Greenfields pit; 1.0Mt @ 1.7g/t
- Base feed transitioning to primarily open pit
- Operations historically focused in 10km<sup>2</sup> project area

Location	Coolgardie, WA (35km west of Kalgoorlie)
Mines	Tindals Open Pits; Tindals Underground; The Mount Underground; Greenfields Open Pit
Production Rate (Qtly)	300,000t @ 2.3g/t for 22,000oz
Cash Operating Cost	FY12 \$1,194/oz
Mineral Resource	27.6Mt @ 2.6g/t for 2.29Moz
Ore Reserves	3.2Mt @ 2.4g/t for 242,000oz

## Coolgardie Production Growth



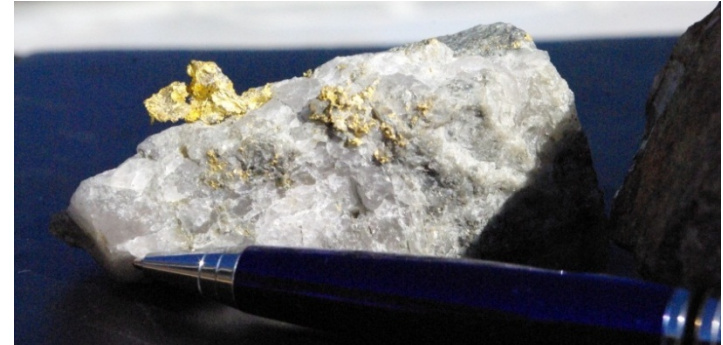


# A Focus of Coolgardie Development: Dreadnought

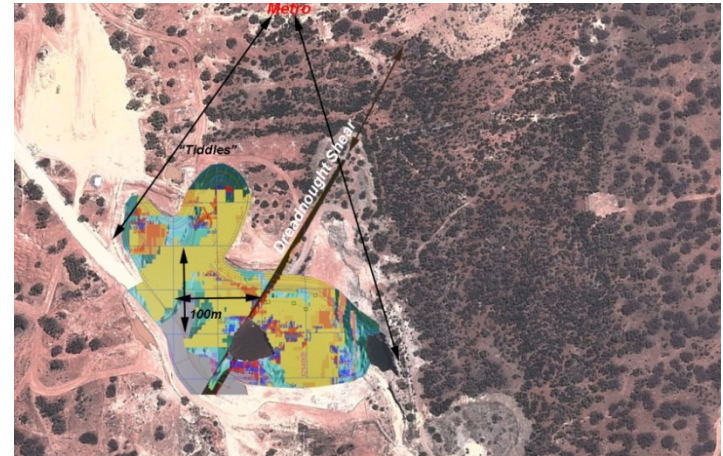
## Continued expansion of Dreadnought open pit in Coolgardie:

- Commenced as Trial pit. Has produced 8,000oz to date
- Mining has enabled business to start to unlock complex geology
- Discovered additional structures running through area
- Major free gold component
- Potential pit footprint to significantly increase
- Major new 2 rig drilling program commenced in Sept 2012

*Example of visible gold seen in pit floor*



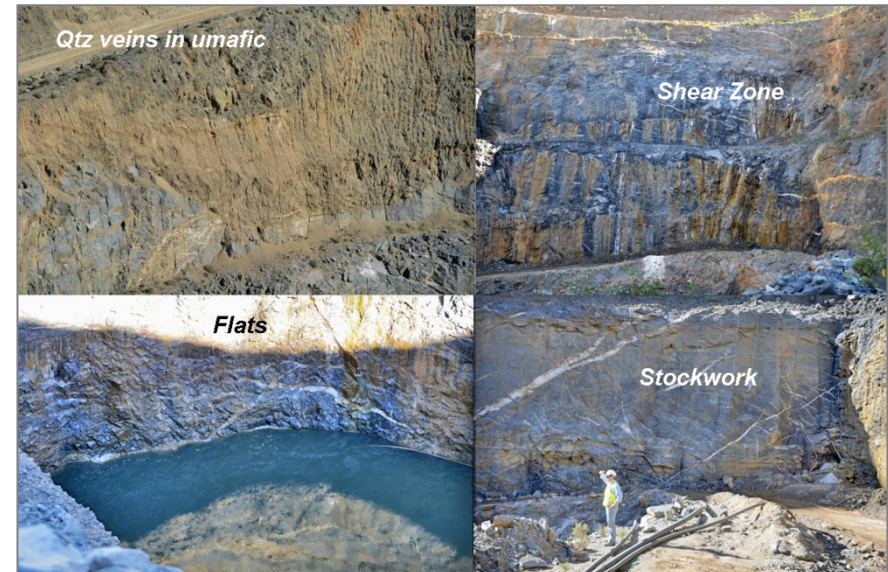
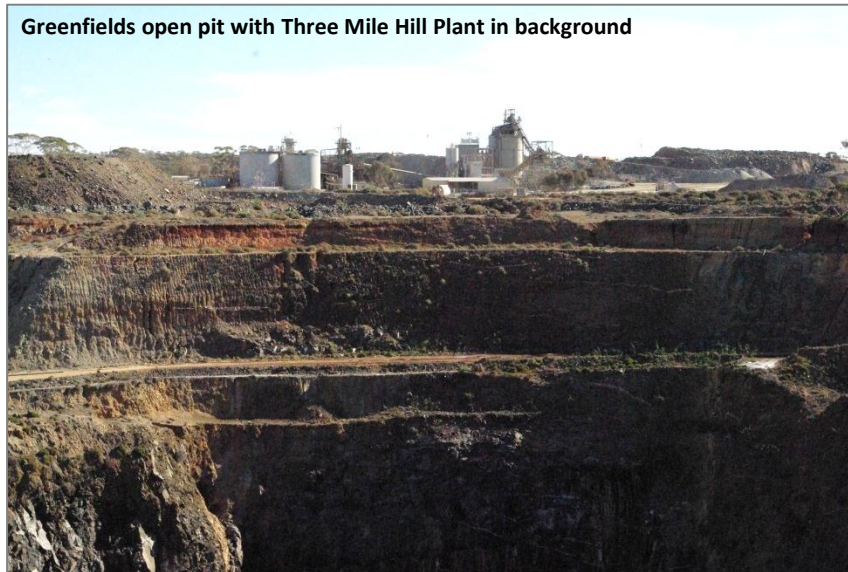
*New Structures being identified*



# A Focus of Coolgardie Development: Greenfields

## Development of Greenfields as base load for Three Mile Hill for next 2 years:

- Transition of Coolgardie base load from Tindals Underground to Greenfields open cut
- Low Risk Deposit; Ore Reserve of 1.0Mt @ 1.7g/t. Adjacent to Three Mile Hill plant
- 5:1 stripping ratio. Major cut-back commencing in Q4 2012





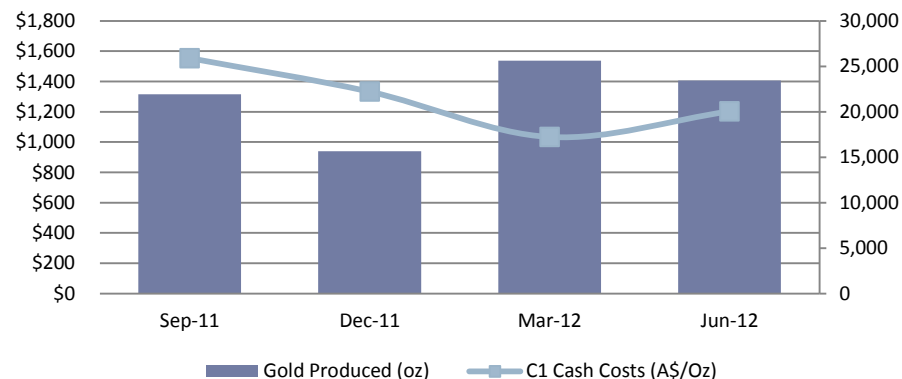
# Laverton -> Turning Operation Around Since Takeover

## Stable mining: 22-25,000oz per Quarter

- Large Scale multiple open pit operations
- FY12 86,673 ounces. Reduced cash costs from \$1,554/oz to \$1,203/oz
- Completed takeover in October 2011
- Focus injected \$17m in working capital over the last 9 months
- All funded internally from FML cash balances
- Developed 2 new production centres
- Now stabilised mining schedule
- Reduced operating costs
- Laverton ops turned around from a -\$51m loss to \$3.8m profit
- Achieving mining growth and operational success
- Focusing on continual reduction in unit operating costs to drive success

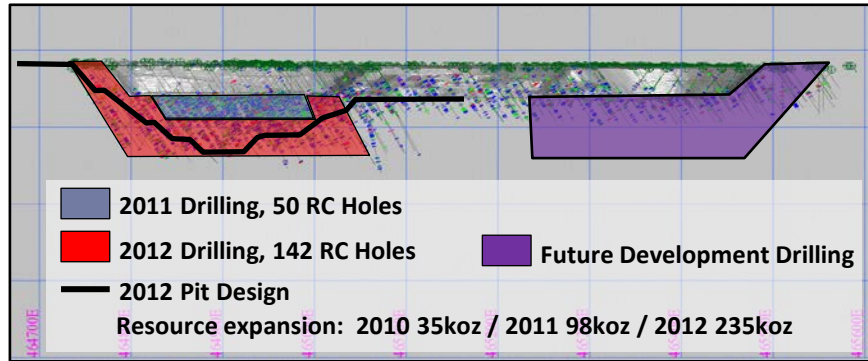
Location	Laverton, WA (250km North of Kalgoorlie)
Mines	Large scale open pit operation with multiple active open pits across two key project areas
Production Rate (Qtly)	450,000t - 500,000t @ 1.8g/t for 22-25,000oz
Cash operating costs	\$1,203/oz for June Quarter (reduced 29% since takeover). Targeting \$1,000/oz long-term
Mineral Resource	26.5Mt @ 2.4g/t for 2.0Moz
Ore Reserves	5.8Mt @ 2.1g/t for 381,000oz

**Laverton Cash Operating Costs Reduction / Production Growth**

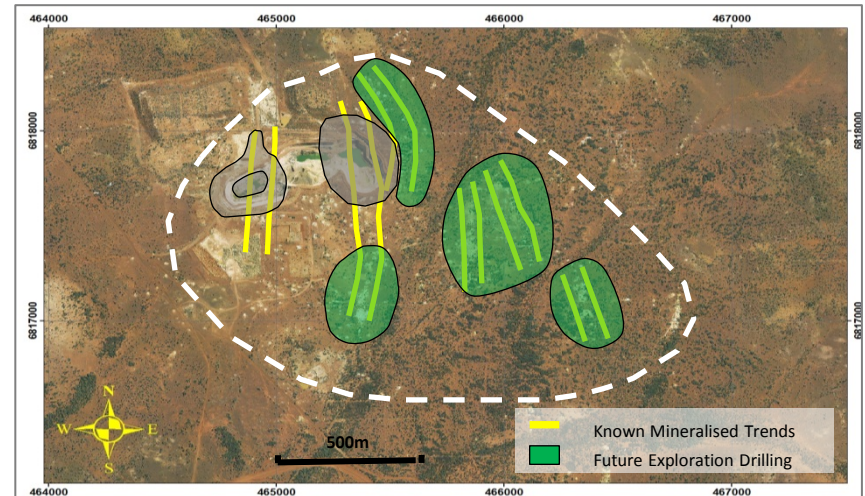
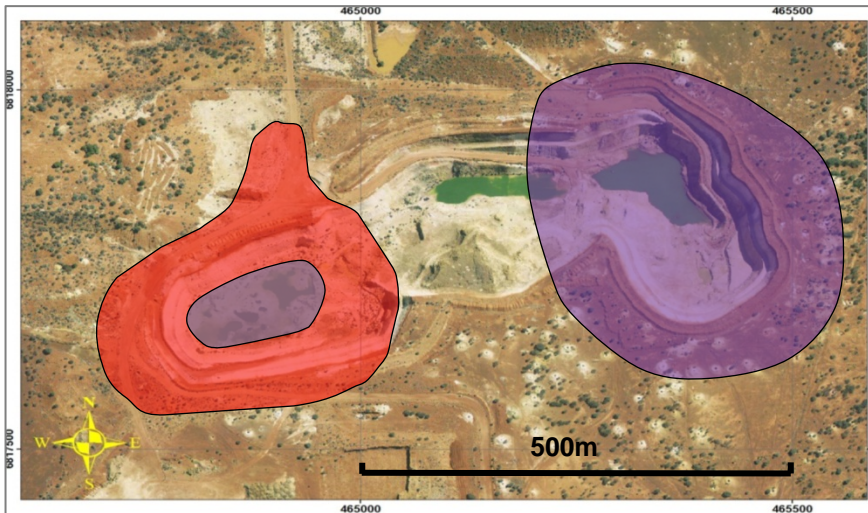


# A Focus of Laverton Development: Burtville

## Development of Burtville mining centre to create 3rd major project area in Laverton:

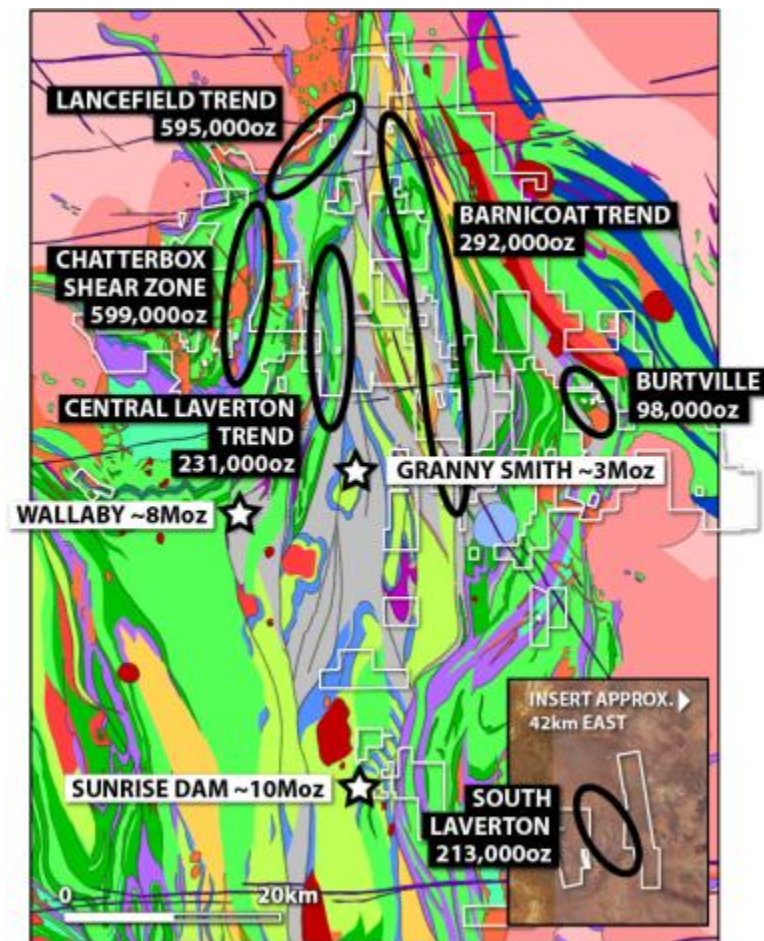


- Historical low-strip ratio pit
- 2012 Mineral Resource of 5.7Mt @ 1.3g/t for 235,000oz
- Development targeted in Q1 2013
- Strong regional exploration potential. 2km x 1km footprint.



# Exploration Focus: Laverton – Sparsely Drilled

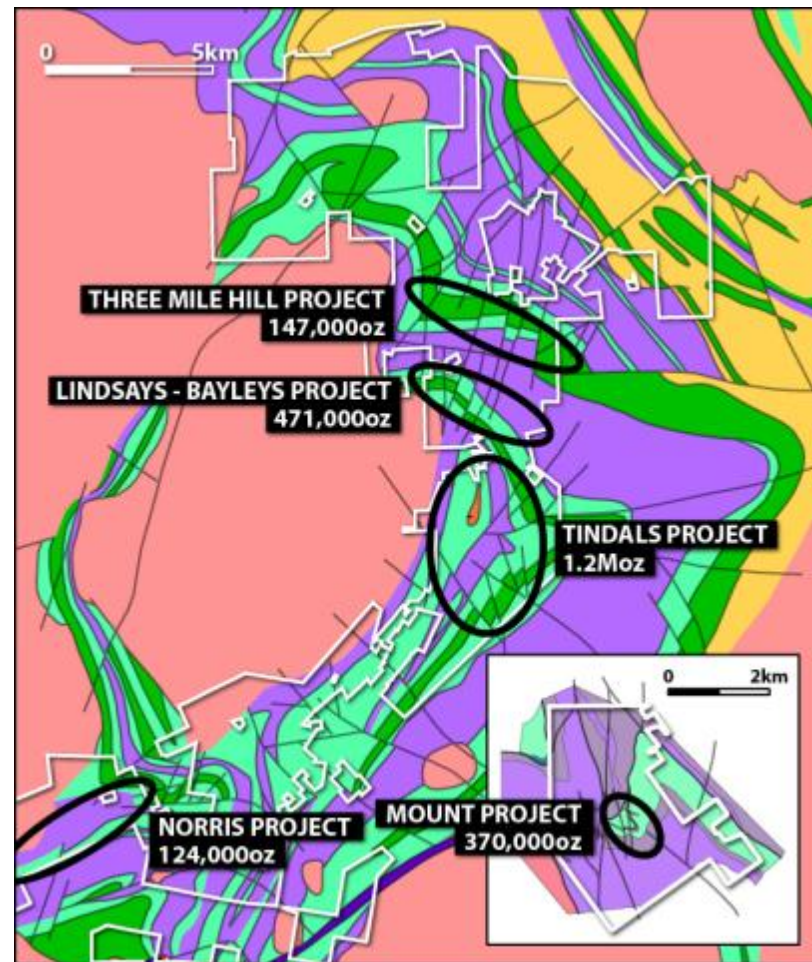
- Laverton has been Sparsely Drilled
- Mineral Resource of 26.5Mt @ 2.4g/t for 2.0Moz
- 1,200 sq km of tenements
- 6 major regional gold producing structures running through projects – 110km of strike
- Historical drilling has been shallow with large gaps in known resources
- Opportunity to continue to add significant resources as only 2% of drill holes have gone below 120m
- Focus has already added Resources of 250,000oz since taking control
- Cost of discovery \$30/oz
- Tenements surround 3 world class deposits: Wallaby, Sunrise Dam & Granny Smith ~20Moz's





# Exploration Focus: Coolgardie Record of Resource Growth

- Mineral Resource of 26.6Mt @ 2.6g/t for 2.2Moz
- Added Resources of 850,000oz in last 4 years whilst mining +200,000oz
- Majority of exploration been focused on just 2% of ground
- Tindals underground has delivered 5,000oz per vertical metre (100,000oz per level)
- \$35/oz cost of discovery
- Drilling historically shallow
- Still finding significant gold at surface
- Focus is the largest landholder in the Coolgardie gold belt
- 2.8Moz produced historically from 26 mines
- Over 30 prospective targets currently identified and ranked in Coolgardie area



# Discovery: Treasure Island Gold Project

- World class green fields exploration
- On the Boulder-Lefroy fault, the largest gold producing system in Australia
- 226km<sup>2</sup> of tenements
- Treasure Island exhibiting early similarities to 15Moz St. Ives to the north



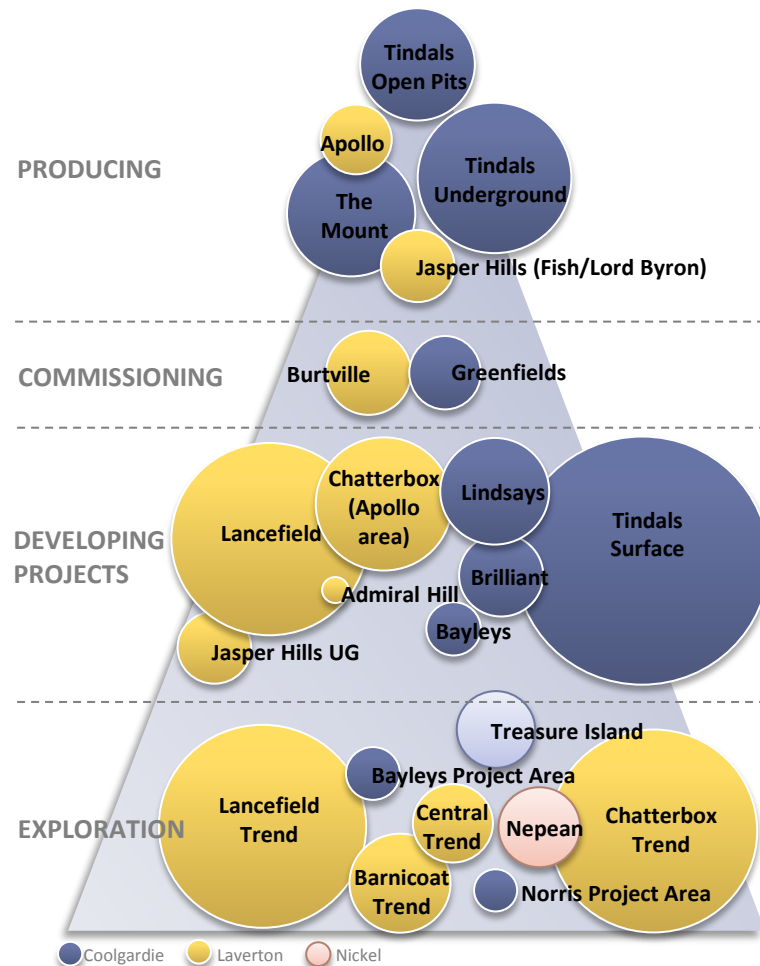


# STRATEGIC GROWTH PLAN



# Looking Forward > Strategic Growth Plan

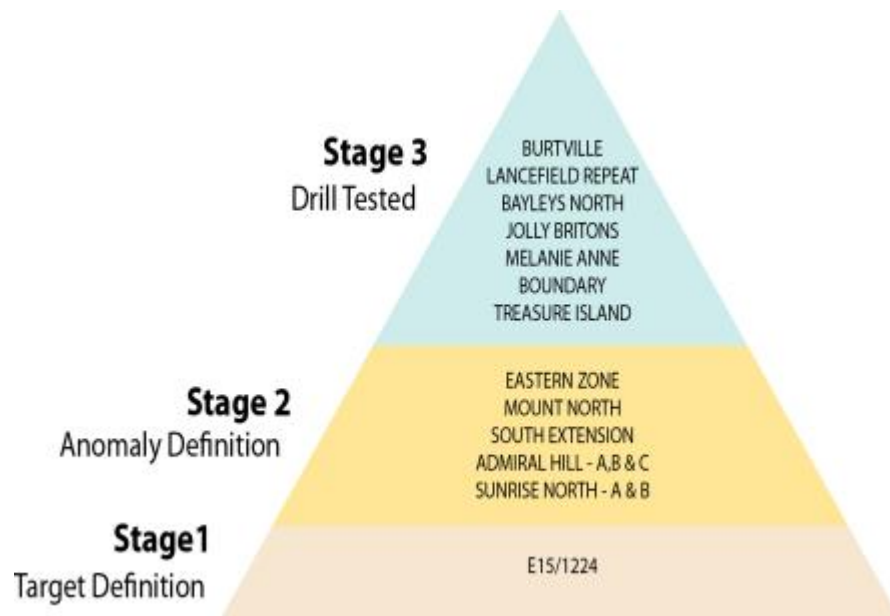
- New strategic growth plan
- Based purely on exploiting the **existing** 4.3Moz Mineral Resource base across Coolgardie and Laverton
- Modelled on sustained mill throughputs with open pit and underground ore sources
- Further potential exists on exploration success



# Targeting New Resource Development Areas

- Major target ranking exercise undertaken by Laverton and Coolgardie Exploration teams to identify future mining targets
- Program designed to prioritise targets that do not yet have an Inferred Mineral Resource. Group has identified over 40 targets across the company's tenement package
- The areas prioritised for exploration and immediate focus are:

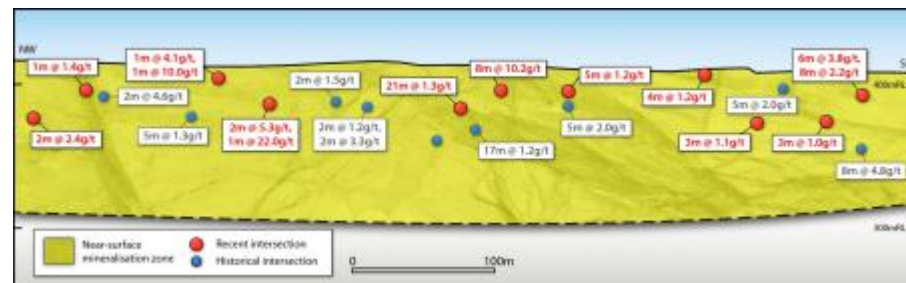
District	Target	Key Intercepts	Classification
Laverton	Wider Burtville Area	5m @ 21.5g/t 4m @ 57.4g/t	Stage 3
	Lancefield Repeat		Stage 3
	Admiral Hill West - A, B & C		Stage 2
	Sunrise North - A & B		Stage 2
Coolgardie	Bayleys North	8m @ 10.2g/t 6m @ 3.8g/t	Stage 3
	Jolly Britons	10m @ 21g/t 4m @ 10.5g/t	Stage 3
	Melanie Anne	5m @ 3.5g/t 6m @ 6.6g/t	Stage 3
	Boundary	20m @ 3.7g/t	Stage 3
The Mount	Mount North		Stage 2
	South Extension		Stage 2
Treasure Island Gold Project	Treasure Island	Surface samples @ 58.9g/t	Stage 3
	Eastern Zone		Stage 2
	E15/1224		Stage 1



# Coolgardie: Bayleys North

**Review of recent drilling indicates a possible parallel structure to the Prices lode previously mined.**

- Strike length of 600m
- Only tested to 40-50m vertically. Untested at depth
- Prices immediately to the northeast mined to a depth of 520m (-120RL)
- Bayleys to the southeast mined to a depth of 450m (-50RL)
- A RC drill program intersected Bayleys style mineralisation
- Results include:
  - 6m @ 3.8g/t (incl. 1m @ 12.6g/t from 13m)
  - 8m @ 10.2g/t (incl. 2m @ 30.5g/t from 24m)
  - 21m @ 1.3g/t (incl. 3m @ 2.2g/t & 1m @ 12.4g/t from 28m)

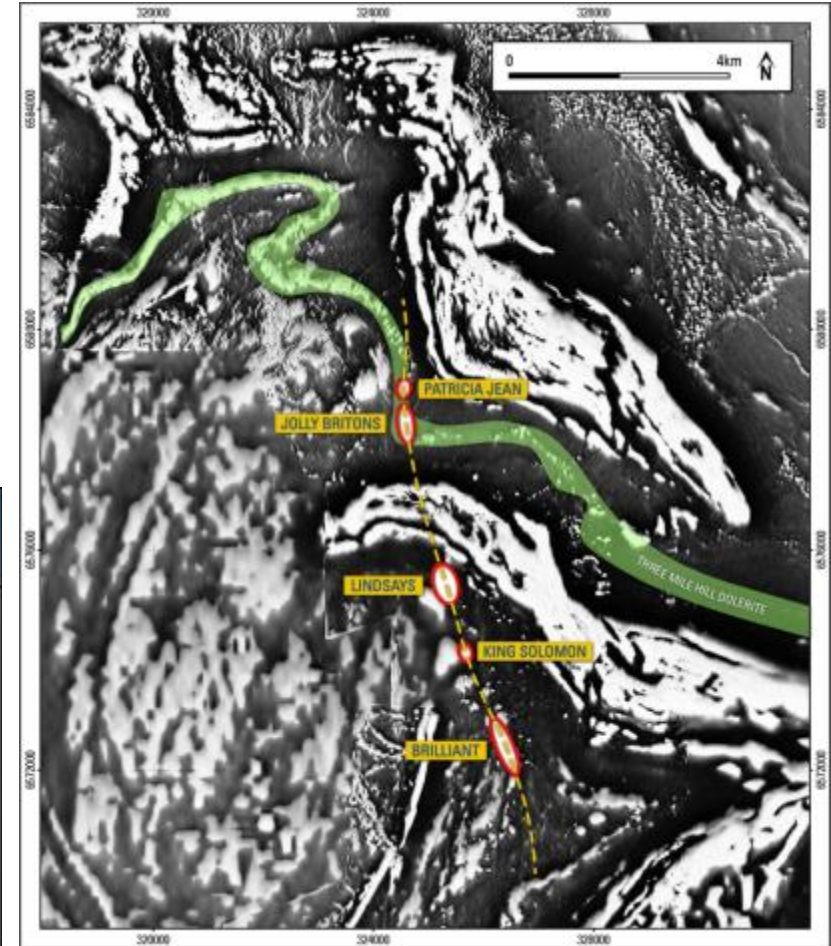
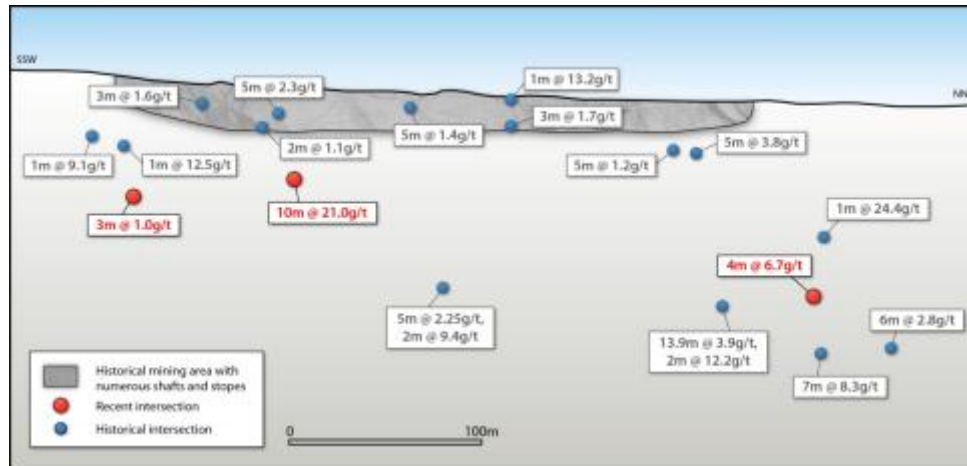




# Coolgardie: Jolly Britons

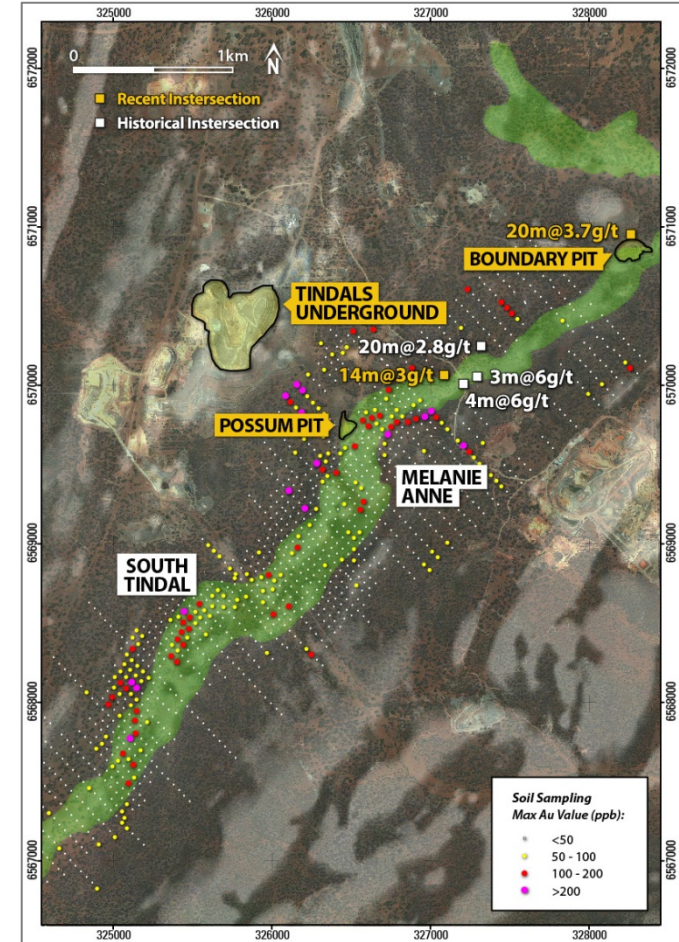
## Strong results at a major structural intersection point:

- Area near hinge zone of the Three Mile Hill Dolerite sill and a significant mineralised fault structure extending from two major pits along a 6km strike to the south
- Located in well endowed Three Mile Hill Dolerite - historic production of 458,000oz, currently 147,000oz of Mineral Resources
- Recent results include:
  - 10m @ 21.0g/t (incl. 1m @ 196g/t)
  - 4m @ 6.7g/t (incl. 1m @ 21.9g/t)
- High grade prospect open at depth & along strike



## Highly prospective targets in know mineralised zone:

- Mineralisation is associated with significant mineralised dolerite
- Recent results include:
  - 14m @ 3.0g/t (Melanie Anne)
  - 20m @ 3.7g/t (Boundary)
- High grade prospect open at depth & along strike
- Consistent zones of anomalous gold in geochemical survey along 8km of dolerite contact

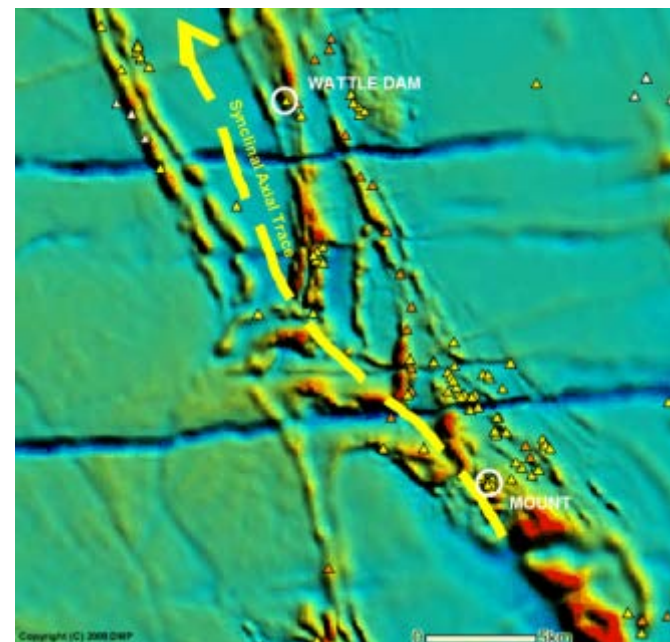
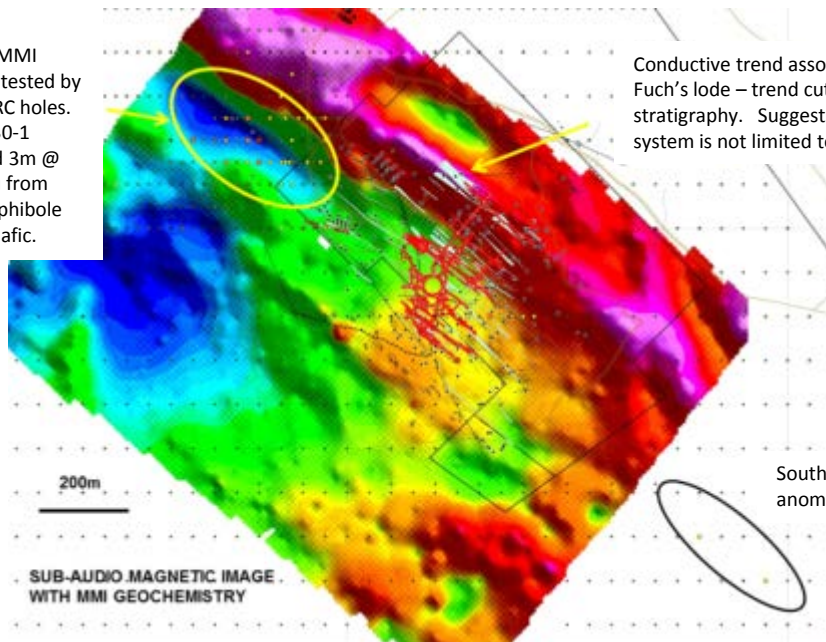


# The Mount

## Two high priority targets to the north west and south east of the current mining area:

- District has numerous stratigraphically controlled nickel sulphide deposits (orange triangles) and structurally controlled gold deposits (yellow triangles).
- The existence of a small tonnage, yet very high grade, gold mineralisation in ultramafic host at the Wattle dam deposit (~ 20km from Mount) opens up possibilities at The Mount.

Northwest extension MMI anomaly – tested by 2 shallow RC holes. Hole M5530-1 intersected 3m @ 1.26 g/t Au from 25m in amphibole rich ultramafic.





# Laverton Exploration Target Summary

- 6 major regional gold producing structures running through projects – 110km of strike
- Historical drilling has been shallow with large gaps in known resources
- Tenements surround 3 world class deposits: Wallaby, Sunrise Dam & Granny Smith ~20Moz's
- The study identified a number of priority target areas where all important geological prospectivity features were present.
  - Sunrise North – geophysical anomalies similar to those at Sunrise Dam to the south
  - Burtville - Strong regional exploration potential. 2km x 1km footprint.
  - Admiral Hill – Strata bound copper mineralisation with vertical high-grade gold veins
  - Lancefield – Potential stratigraphic repeat identified to south east of Lancefield



# Investment Summary

## Strong Growth

- FML has driven very strong production growth over the last 4 years

## Laverton Gives Scale

- Acquisition of Crescent unlocked great potential for the business and doubled production

## New Team

- New leadership and technical team delivering operational success and securing the future

## Realising Potential

- Laverton & Coolgardie operations are beginning to show their long term potential, which is a product of hard work and technical capacity

## Reducing Operating Costs

- Established the Value Enhancement Program and achieved a first round of a progressive campaign to sustainably lower operating costs

## Exploration Potential

- Tremendous exploration potential at Laverton and Coolgardie

## \$225M Placement

- Focus has agreed a \$225M transaction with Shandong Gold to provide the capital for it unlock the full potential of the strategic growth plan for shareholders

# APPENDICES: MINERAL RESOURCE & ORE RESERVE

	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
<b>COOLGARDIE GOLD PROJECT</b>												
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
<b>Total Coolgardie</b>	<b>739</b>	<b>4.7</b>	<b>112,000</b>	<b>14,879</b>	<b>2.3</b>	<b>1,090,000</b>	<b>11,014</b>	<b>2.9</b>	<b>1,038,000</b>	<b>26,632</b>	<b>2.6</b>	<b>2,240,000</b>
<b>LAVERTON GOLD PROJECT</b>												
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
<b>Total Laverton</b>	<b>1,619</b>	<b>2.2</b>	<b>113,000</b>	<b>14,130</b>	<b>2.6</b>	<b>1,185,000</b>	<b>10,790</b>	<b>2.1</b>	<b>730,000</b>	<b>26,539</b>	<b>2.4</b>	<b>2,028,000</b>
<b>TOTAL COMBINED RESOURCES</b>	<b>2,358</b>	<b>3.0</b>	<b>225,000</b>	<b>29,009</b>	<b>2.4</b>	<b>2,275,000</b>	<b>21,804</b>	<b>2.5</b>	<b>1,768,000</b>	<b>53,171</b>	<b>2.5</b>	<b>4,268,000</b>
<i>Coolgardie Mineral Resource (as at 30 September 2011)</i>												
<i>Laverton Mineral Resource (as at 30 June 2011)</i>												

	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
<b>Coolgardie</b>									
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
<b>Reserves and Stocks Total:</b>	<b>230</b>	<b>4.0</b>	<b>29,300</b>	<b>2,515</b>	<b>2.3</b>	<b>188,500</b>	<b>3,201</b>	<b>2.4</b>	<b>242,400</b>
<b>Laverton</b>									
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
<b>Reserves Total</b>	<b>928</b>	<b>2.0</b>	<b>58,000</b>	<b>3,044</b>	<b>2.9</b>	<b>282,000</b>	<b>5,773</b>	<b>2.1</b>	<b>381,000</b>
<b>TOTAL COMBINED RESERVES</b>	<b>1,158</b>	<b>2.3</b>	<b>87,300</b>	<b>5,559</b>	<b>2.6</b>	<b>470,500</b>	<b>8,974</b>	<b>2.2</b>	<b>623,400</b>
<i>Coolgardie Mineral Reserve (as at 30 September 2011)</i>									
<i>Laverton Mineral Reserve (as at 30 June 2011)</i>									