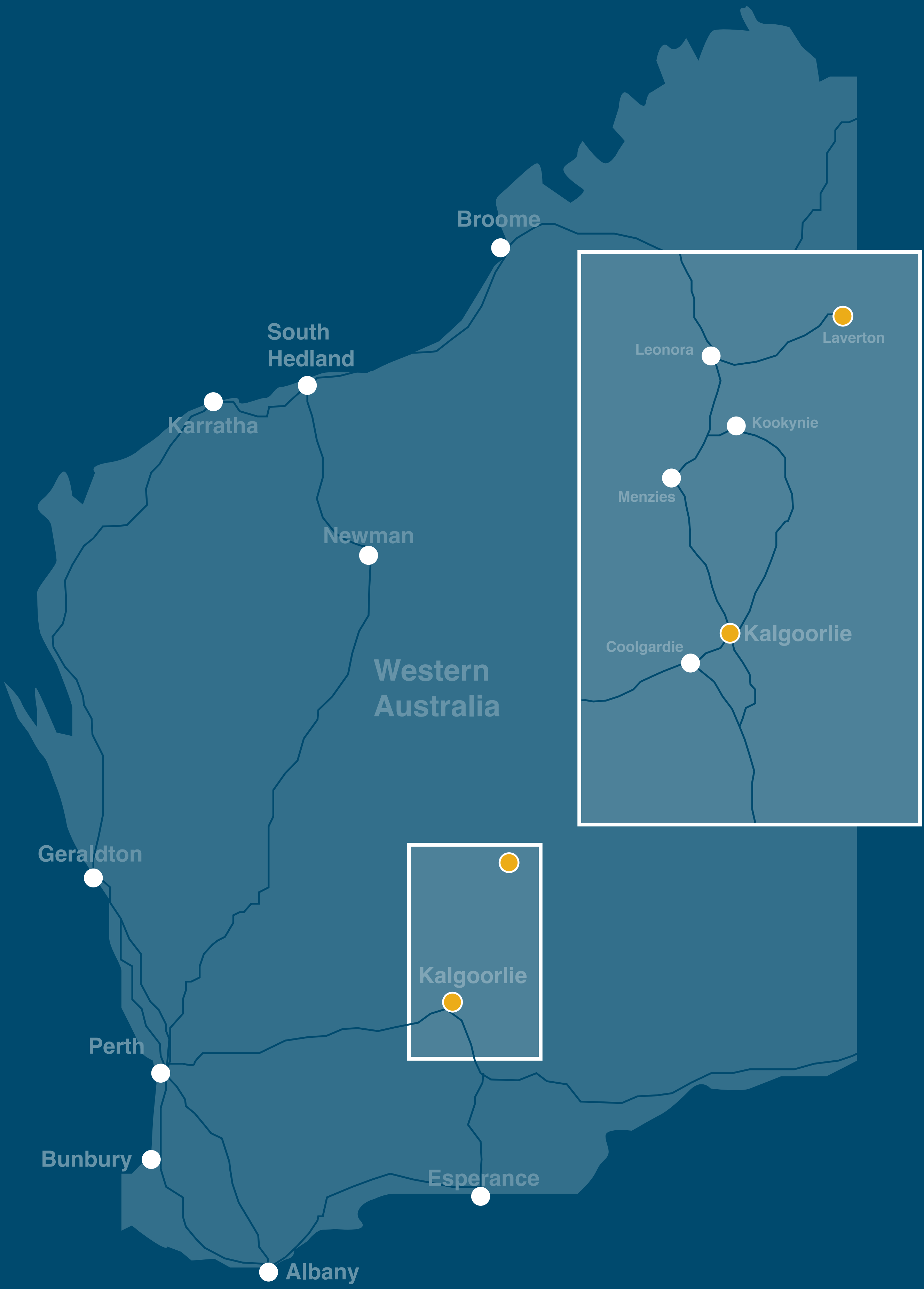
Focus Minerals Ltd.

Annual Report 2012


Broome
South Hedland
Karratha
Newman
Western Australia
Geraldton
Perth
Bunbury
Albany
Esperance
Kalgoorlie
Leonora
Laverton
Kookynie
Menzies
Coolgardie
Kalgoorlie

Focus Minerals Ltd.

ABOUT US

Focus Minerals Ltd (ASX: FML) is one of the nation's fastest growing gold producers, with operations in two of the largest gold producing regions in the Eastern Goldfields of Western Australia; the Kalgoorlie / Coolgardie region and the Laverton region, 250km to the north.

In FY12, the Focus Group delivered a 143% increase in gold production to 176,632oz to become the fifth largest Australian-focused gold producer on the Australian Stock Exchange.

With a Mineral Resource base of 4.3Moz of gold; 1,650km^2 of tenements; and four established operating centres, the Group has a strong production plan and a pipeline of exploration targets that will enable a continued expansion of Mineral Resources. Having achieved production scale through FY12, the Group is now focused on delivering sustained, profitable production, reducing costs, increasing the share price and building towards the payment of dividends.

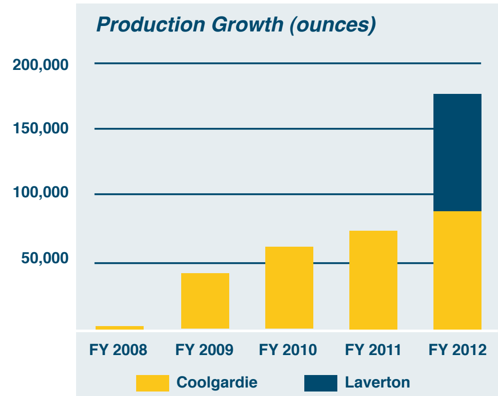
CONTENTS

FY 2012 HIGHLIGHTS

- Group gold production increased 143% to 176,632oz .
- Revenue increased 151% to $258.3M.
- Gross Profit increased 101% to $55.6M.
- Completed takeover of Crescent Gold Ltd, creating a major gold production and exploration company with a 4.3Moz[1] Mineral Resource and 1,650 km^2 of tenements.
- The takeover of Crescent Gold Ltd transformed Focus Minerals into a multi-mine producer with four mines in two centres.
- FY12 Net Profit After Tax (excluding takeover costs) increased by 36% from $7.6M to $10.4M.
- Initiated the Value Enhancement Program ("VEP"), aimed at delivering sustainable cost savings at Coolgardie and Laverton operations.
- New leadership team in place to drive growth and profitability.
- Invested $17M into the development of the Laverton operations opening up three new operating areas to turnaround production.
- Laverton operations posted a $3.8M profit for the 9 months of Focus' involvement versus a loss of -$51M for the full year 2011.
- Developed two new production centres in Coolgardie, increasing quarterly gold production by 37% (Jun Q 2011 Vs. Jun Q 2012).
- Three Mile Hill plant poured its 1,000th gold bar under Focus' operation.
- Achieved exploration success in expanding the Apollo Ore Reserve in Laverton as well as expanding the surface Mineral Resource base around the Tindals Mining Centre in Coolgardie
- Identified new gold camp at Treasure Island discovering a new 4km long mineralised system.

[1] Assuming 100% ownership of the Laverton Gold Project. Focus has an interest of 81.57% in this asset.

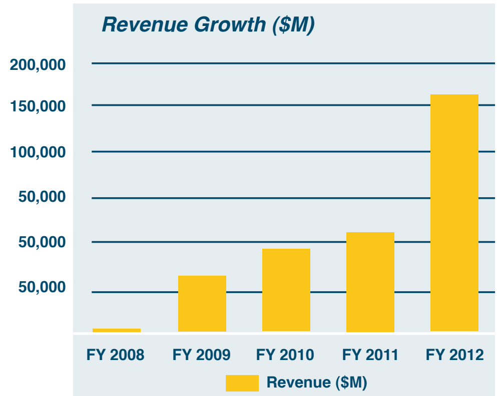
Production Growth



44% *CAGR last 4 years*

Gold production increased ***143%*** *to 176,357oz*

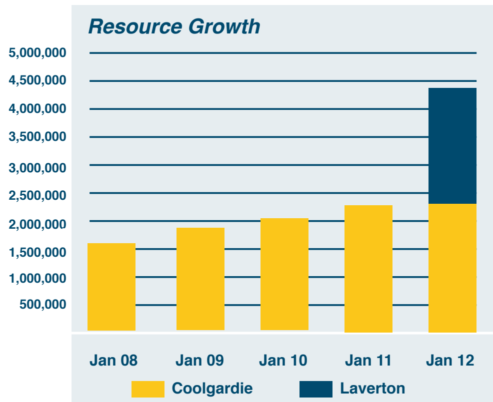
Revenue Growth



56% *CAGR last 4 years*

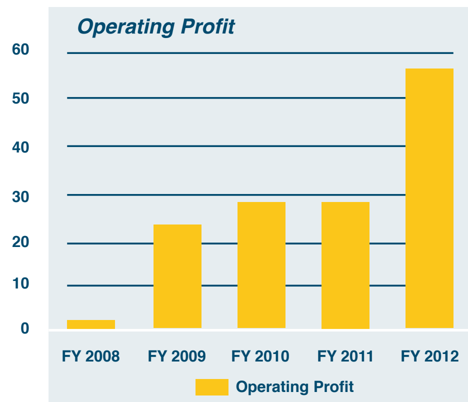
Revenue increased ***151%*** *to $258.3M*

Resource Growth



23% *CAGR last 4 years*

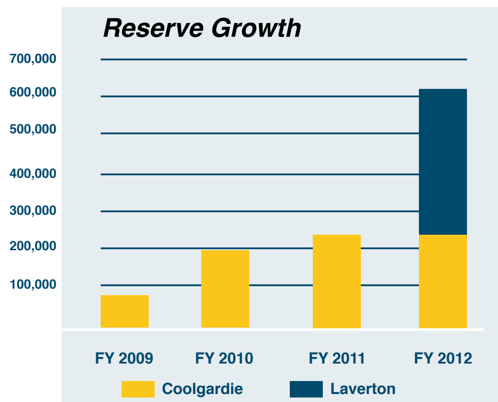
Operating Profit Growth



25% *CAGR last 4 years*

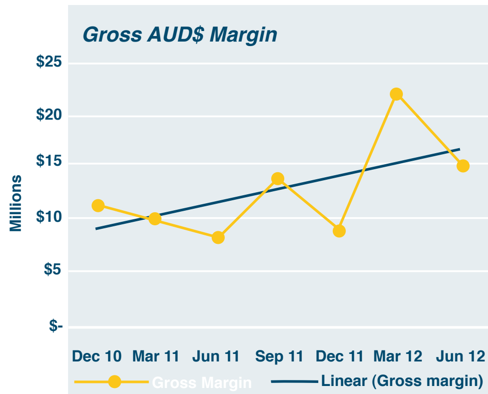
Operating profit increased ***101%*** *to $55.6M*

Reserve Growth



61% *CAGR last 4 years*

Margin Growth



CAGR (Compounded Annual Growth Rate)

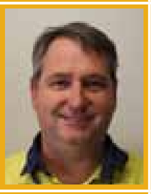
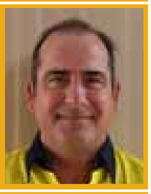
An Experienced Board

During FY12 Focus has been building for the future. It has integrated two major gold operations and assembled a team of highly experienced leaders to drive the future growth and profitability of the business.

Don Taig, Non-Executive Chairman	• Founding chairman • Held MD & CEO roles with major food groups • Formerly with CRA and Metals Exploration Ltd
Bruce McComish, Non-Executive Director	• Appointed Apr 2011 • Former CFO of National Australia Bank • Former CFO of North Ltd • Spent 18 years with Unilever
Phil Lockyer, Non-Executive Director	• Appointed Dec 2005 • 40 years experience as a mining engineer inc. 20 years with WMC - GM of Western Australian operations • Director of St Barbara (ASX:SBM)
Gerry Fahey, Non-Executive Director	• Appointed Apr 2011 • +37 years' experience as a geologist through Europe, Africa, Asia and Australia inc. 10 years with Delta Gold as Chief Mine Geologist • Director of resource industry consultants CSA Global Pty Ltd

A Talented Team

The talent and experience of the executive management team is driving growth and operational efficiencies across the business.

Campbell Baird, CEO		• Joined Dec 2008 • Former General Manager at Altona Resources • Highly experienced mining engineer; 5 years with SRK Consulting • Worked internationally on projects including: Oyu Tolgoi (Mongolia); Kylyahti (Finland), and for Iron Ore Company of Canada
Mark Hine, COO		• Appointed Jan 2012 • +30 years' operating experience. • Former CEO Golden West Resources • Former Executive General Manager Mining at Macmahon • Former General Manager for Pasminco
Paul Fromson, CFO		• Joined Apr 2012 • +30 years experience, including 18 years with ASX listed resource companies • Former CFO & Company Secretary at Bauxite Resources Ltd
Dean Goodwin, Head of Geology		• Appointed Jan 2012 • +25 years experience in exploration geology – including Intrepid, Redoubtable & Santa Anna gold deposits at Lake Lefroy with WMC • Former Managing Director of Barra Resources Ltd
Barend Knoetze, Coolgardie Operations Registered Manager		• Joined Apr 2009 • 20 years experience in mineral processing and refining.
Jim Cotton, Laverton Operations Registered Manager		• Joined May 2012 • 30 years' experience. • Former General Manager for Golden Stallion Resources
Peter Ganza, Head of Tech Services		• Joined Feb 2012 • Mining engineer with nearly 20 years' experience. • Former Manager Under Ground Mining at Barrick
Marianne Dravnieks, Head of Human Resources		• Joined Oct 2011 • 25 years resource experience inc. Perilya & Alcoa • Previously State Human Resource Manager for Lion
Neil Le Febvre, Investor Relations Manager		• Joined Jan 2011 • 20 years' experience • Former Group Marketing Director for ThinkSmart Ltd

Chairman's Report

DEAR SHAREHOLDER

I am pleased to present to you Focus Minerals' Annual Report for the 2012 financial year ("FY12").

Focus Minerals is now an established gold producer and explorer poised to deliver between 40,000-50,000oz of gold a quarter from our mining operations at Laverton and Coolgardie in the Eastern Goldfields region of Western Australia.

In FY12, Focus Minerals' full-year revenue jumped 151% to $258.3 million and gross profit doubled to $55.6 million from the previous corresponding period.

The year was certainly another transformative one for the company, driven by the completion of the acquisition of Crescent Gold to create a mining business with a 4.3Moz gold Mineral Resource.

Gold production in FY12 rose 143% to 176,632oz helped by a turnaround in the performance of the Laverton operations that were acquired with the all-scrip takeover of Crescent Gold in October 2011.

The results achieved during this latest period clearly show how far we have come in a short time.

Turnaround of Laverton Operations

Focus has overcome significant challenges to bring the Laverton operations to the level of performance that you see today. Laverton operations required increased working capital until steady-state operations were established which saw Focus inject $17m in working capital over the last 9 months into the Laverton operations. This was all funded internally from existing cash balances.

The management team has been vindicated in the decision to acquire the Laverton operations, largely through the application of their hard work and technical expertise, and this will benefit all shareholders. Laverton has given us part of the scale we believe the business needs.

Prior to Focus Minerals taking control of Laverton, that operation had lost $51 million over its previous year. In the nine months since Focus took control, I'm pleased to advise that Laverton has turned to a net profit of $3.8 million and is now a vital part of Focus' ongoing growth story.

Expansion of Coolgardie

Our Coolgardie operations have also received a great deal of investment spending. During the year, we ramped up two new production centres at Coolgardie: the Tindals Open Pits and The Mount underground. On a like-for-like basis in the June Quarter, gold production in Coolgardie increased 37% reflecting the impact of these new operations albeit that The Mount has been slower than anticipated and at slightly lower grade than predicted.

The development of Coolgardie has been impressive, and it has created a far more flexible operation. The introduction of the two new centres has reduced the reliance on historical low grade stocks and in turn has seen head grade through the mill improve by 17%.

We are now starting the new Greenfields open pit centre, which will provide the base load for the group's Three Mile Hill processing plant for the next two years.

Focus on Costs

As the business has invested heavily into building its operations, it has also turned its focus to operating costs. In the second half of fiscal 2012, Focus initiated an internal Value Enhancement Program, resulting in cost reduction initiatives at both Laverton and Coolgardie.

These cost savings are expected to positively impact group cash operating costs in the first-half of FY13. The initiatives included improved contractor efficiencies, improved power contracts, lab savings and reagent and consumable savings and overall mining cost reductions. Thus far we will have removed annualised costs of $10 million, with a second

phase review designed to make permanent and step down changes to the operating cost base, but may also require some capital investment to do so. This study will begin showing tangible benefits from January 2013 onwards.

$225 Million Placement with Shandong Gold

As you will be well aware, your Board is recommending to you for approval (subject to no superior proposal arising and an independent expert opining that the transaction is reasonable) the transaction that has been negotiated between Shandong Gold and Focus Minerals, wherein Focus will raise approximately $225m in return for a 51% interest in it, as announced to the ASX on 20 September 2012.

For some time we had been seeking a like-minded, strategic industry investor who could bring both funding and industry expertise to our operations. The development of the Group's new Strategic Plan really added a new dimension to this search.

The Strategic Plan is based purely on our existing 4.3Moz Mineral Resource base across Coolgardie and Laverton and enables the business, through technical work, to build production significantly. This would generate significant free cash flow. Importantly the Strategic Plan does not include any exploration upside so there is a clear opportunity to significantly grow this potential on success.

What became very clear for the Board through the development of this Strategic Plan was the company now had two choices: To either continue the "steady as you go" pace of development based on known cash means or to structure the business so as to enable it to unlock the Company's growth potential at an accelerated pace and at a period of time of high gold prices.

The investment by Shandong Gold enables us to achieve that goal. It will make Focus Minerals a vastly stronger company with a robust balance sheet, capable of unlocking the potential of our large tenement holdings and resource base and laying the foundation for Focus to become a significant gold producer.

We are promoting the Shandong Gold transaction to you because we believe this will deliver the best value for shareholders going forward and in an accelerated manner. As our operations currently stand they will not produce enough free cash to enable this Plan to be implemented in a swift and tangible way.

By now you will also have received a separate letter from me explaining the rationale the Board went through in arriving at this recommendation to you. In addition, you will also have the Independent Expert's Report to help you form your views. I urge you to take an overall view of the transaction and for you to consider giving your positive support to the transaction, either by sending in your signed proxy forms when received with the Notice of Meeting, or attending in person for the purpose.

On behalf of the Board, I would like to thank our hard working management team, staff and shareholders for their support in what has been an evolutionary year. I also wish to thank sincerely my Board colleagues for their counsel throughout the year. I look forward to us being able to take the next important step upon your approval of the Placement to Shandong Gold.

Donald Taig

Chairman

CEO's Operations Review

Focus has transformed itself comprehensively during the past financial year. As we've developed two new mines in our established Coolgardie operations and set about turning around the production fortunes of Laverton, the Company has moved rapidly and with purpose to cement itself as one of the leading gold producers by volume in Australia.

During FY12 the Focus Group produced 176,632oz of gold from four operating mines, a 143% increase on the previous year.

Such a turnaround has not been without its challenges and growing pains, which has included a short term increase in cash costs as significant investment in mine development was undertaken, but we have now built the foundations for a strong and profitable future.

I am immensely proud of the operating teams that have achieved this. Many of the staff have been with us for some time, through thick and thin, and we've also shaped a new leadership team over the course of the financial year who are set to lead us forward.

We were particularly saddened by the untimely death of John Bergin from illness, who had been with us and a big supporter of the Company, from the start of production.

One area the business has been particularly focused on is improving operational efficiencies. We are achieving this twofold:

Firstly through improved planning and execution that is being delivered operationally. Our Chief Operating Officer Mark Hine and our Head of Technical Services Peter Ganza are driving their teams to deliver the most efficient operating plans that can be achieved. This is most evident in Laverton where improved planning has seen a $400/oz drop in cash operating costs in the nine months since we took control.

This is a great start but there is still a long way to go. Better planning in Laverton is enabling us to focus on assets where we believe the company can deliver demonstrably lower cost profiles through mining areas such as Burtville. Through the latter half of the financial year we have been able to commence drilling at Burtville and have quickly grown the Mineral Resource base. We are now looking to bring this low strip ratio project area into the production plan.

Secondly we are driving efficiencies through cost control. Focus' new Chief Financial Officer Paul Fromson, and our respective Laverton and Coolgardie Registered Managers are also really kicking some goals here with their teams. Coolgardie most notably has applied some fresh thinking to some everyday challenges at the Three Mile Hill processing plant which is seeing savings in reagent consumption, electricity and has introduced some innovative thinking to extend the life of high wear and tear parts such as jaw crusher liners.

Alongside operational improvements, safety remains the number one focus for our operations. We've demonstrated our commitment to safety very visibly during the year, implementing a number of safety intervention "shut downs" across our operations to keep the focus on safety to the fore. With the coming together of the Laverton and Coolgardie operations we've also appointed a Group Safety Manager to develop standards between the two sites.

FY12 has been about establishing the foundations for delivering stable, profitable production. We have achieved critical mass and are now well positioned to deliver on this in the coming financial year.

Laverton (FML: 81.57%)

Highlights

- Completed takeover in October 2011
- Invested $17M into the development of the Laverton operations opening up 3 new operating areas to turnaround production
- Turned around operations to produce 86,673oz of gold for the financial year
- Already reduced cash operating costs to approx. $1,203/oz from $1,544/oz at takeover
- Delivering sustainable operating cost savings across the operations
- Funded turnaround internally from cash balances

PRODUCT
Gold

MINING METHOD
Open Pit

OPERATING AREAS
Multiple large scale open pits

PROCESSING
Ore Processing Agreement with Barrick Australia to process through 3.5Mtpa Granny Smith mill

1.45Mtpa Barnicoat Mill (on care and maintenance)

FY2011 PRODUCTION
86,673oz of gold

MINERAL RESOURCE
29.2Mt @ 2.2g/t for 2.1Moz

ORE RESERVE
4.8Mt @ 2.1g/t for 331,000oz

TENEMENTS AREA
1,200 sq km

REVENUE
$112M

WORKFORCE
Approx. 160 staff including employees and contractors

In October 2011 Focus completed the acquisition of Crescent Gold Limited and the Laverton Gold Operations.

The Laverton operations had been previously starved of funds and were an underperforming asset. Focus completed the takeover for $59M in scrip and over the remaining nine months of the financial year injected $17M in working capital to transform the operating fortunes of Laverton and deliver 86,673oz of gold for the financial year.

The transformation of the operations was all funded internally from Focus Group cash balances and saw a number of operating changes undertaken.

Initially the business increased the digging fleet from two to four, opening up three new operating areas across the tenement holdings: The Apollo complex situated on the highly prospective Chatterbox Shear; The Fish/Lord Byron area; and Mary Mac Hill located on the Central Shear close to the centre of Laverton.

This investment initiated a strong turnaround in production. The business increased from mining 200,000 tonnes per quarter to in excess of 500,000 tonnes per quarter to produce circa 25,000oz of gold per quarter.

Operationally, Focus has also been able to leverage its technical expertise to deliver improved planning and development work across the Laverton operations through the year, quickly reducing the cash operating costs in Laverton from of $1,540/oz at the time of the takeover to $1,203/oz by the completion of FY12.

Having enabled the business to get back on its feet, the operation has now bedded down, improving contractor efficiencies and consolidated on two digging fleets to sustain development. During FY13 there will be a strong focus on exploration to continue to unlock production opportunities across the operations and there will be a strong development focus on the Burtville area.

Why Laverton Was A Key Acquisition

Laverton is the second largest gold producing district in Australia, and the acquisition of the Crescent Gold operations enabled Focus to achieve significant scale more than doubling its production and resource base as well as tripling its landholding and reserves.

The Laverton district hosts three world class deposits situated along strike from Focus' operations: The 8Moz Wallaby mine; 10Moz Sunrise Dam & 3Moz Granny Smith.

The acquisition of the Laverton operations has given Focus access to over 1,200km^2 of additional tenements in prime gold producing country, with over 110km of known mineralised shears running through its tenements of which less than 50km has been drilled to date and where drilling has been undertaken, only 2% of holes have been of a depth greater than 100m.

Processing in Laverton is currently undertaken via an Ore Processing Agreement with Barrick Australia at the Granny Smith Mill. This is a 3.5Mtpa processing plant for which

Focus provides approximately two thirds of its annual mill feed at circa 2Mtpa.

As a part of the takeover, Focus also acquired the 1.45Mtpa Barnicoat plant which sits central to the majority of the Laverton operations. Barnicoat was refurbished in 2008 and was kept on care and maintenance by Crescent. Focus has already undertaken a number of scoping studies to assess the opportunities for recommissioning and or expanding the mill.

Barnicoat Mill in Laverton: currently on care & maintenance.

Coolgardie (FML 100%)

Highlights

- Ramped up 2 new mines: Tindals Open Pits and The Mount underground
- Transitioned operations from 1 to 3 operating mines
- Increased quarterly gold production by 37% (June Quarter 2012 on PCP)
- Produced 24% more gold on an annual basis
- Processing head grade increased 17%
- Reduced reliance on processing low grade stock
- Recoveries through Three Mile Hill plant improved 3%
- Reagent costs savings equivalent to $1.2M pa

PRODUCT
Gold

MINING METHOD
Open Pit and Underground

OPERATING AREAS
Tindals Open Pits
Tindals Underground
The Mount Underground
Greenfields*

PROCESSING
Focus' 1.2Mtpa Three Mile Hill production point

FY2011 PRODUCTION
89,959oz of gold

RESOURCES
29.9Mt @ 2.3g/t for 2.2Moz

RESERVES
2.8Mt @ 2.0g/t for 183,000oz

TENEMENTS AREA
450 sq km

REVENUE
$146M

WORKFORCE
Approx 220 staff including employees and contractors

*Development of the Greenfields open pit scheduled to commence in the December Quarter 2012

The Coolgardie operations have undergone a major transformation through FY12 reducing its reliance on the Tindals Underground Mine and low grade stock piles, to establish two new mining centres: The Mount underground and the Tindals Open Pits, and increase total gold production by 24%.

On a like for like basis for the June Quarter, production in Coolgardie was up 37% as the new operations ramped up through the course of the year to now account for nearly 60% of Coolgardie's monthly mined tonnes.

The new Tindals Open pits have performed exceptionally well despite the impact to operations at the start of the financial year when they were affected by a significant rain event. The Empress pit was mined to completion through the course of the year, and both the Big Blow and Dreadnought pits continued to develop. The Dreadnought pit in particular is proving to be an exciting mining centre, with the discovery of a number of new structures running through the project area and the business currently evaluating the opportunities for a far larger pit development. Contribution from surface mining at Tindals will continue to increase as the business continues to expand the current Tindals surface Mineral Resource of 11.9Mt @ 2.1g/t.

The Mount underground operation, 80km to the south of Focus' Three Mile Hill processing plant has also steadily developed through the year providing high-grade narrow vein mining. Under a new management team, the focus at The Mount has been in optimising grade and costs control, with the recent implementation of the resue mining method to minimise dilution. This in turn has seen a 30% increase in development grades going to the mill.

Coolgardie

Focus' Three Mile Hill plant has continued to perform exceptionally well since its refurbishment in 2009 and recoveries have improved 3% for the year. The introduction of the two new centres in Coolgardie has reduced the reliance on historical low grade stocks and in turn has seen head grade though the mill improve by 17%. This combined with a focus on operational improvements has seen milling costs per tonne reduce approximately 30% since the start of the year. Major savings have been made in the second half of the year in reagent consumption (equivalent to an annualised cost saving of circa $1.2M) and a new power contract scheme is set to save the operation circa $1M in power through FY13.

During FY13, Focus will commence the development of the Greenfields pit which sits adjacent to the Three Mile Hill plant to become the new base-load for the plant with the completion of the current phase of production from the Tindals Underground operation. Greenfields has an Ore Reserve of 1.0Mt @ 1.9g/t containing 60,000oz at a strip ratio of 5:1.

Exploration

Focus has the potential to significantly grow its resource base on targeted exploration.

The Opportunity

Focus has a current Mineral Resource base of 4.3Moz and over 1,650 km^2 of tenements across three of Australia's best exploration addresses: Laverton, Coolgardie and the Treasure Island Gold Project on the salt lakes of Kambalda.

Laverton

In Laverton, Focus has a landholding of 1,200km^2 surrounding four world class deposits: Wallaby, Sunrise Dam, Lancefield & Granny Smith which have produced in excess of 20Moz's of gold.

The Laverton operations have a Mineral Resource of 29.2Mt @ 2.2g/t for 2.1Moz. There are six major regional gold producing structures running through the tenements with 110km of strike. However, historical drilling has been shallow and limited, with less than 2% of drill holes going beyond 100m depth, and large gaps in drilling adjacent to known resources. Of the 110km of strike, less than 50km has been drilled to-date. During FY13 Focus is increasing its commitment to exploration across the Laverton project area where it believes Mineral Resource ounces have the potential to be added quickly.

Coolgardie

Focus has a strong track record of discovery and resource expansion in Coolgardie. The Company is the largest landholder in the Coolgardie gold belt and has added over 850,000oz in Mineral Resource over the last four years whilst mining over 200,000oz of gold. The majority of exploration has been focused on just 2% of the Coolgardie landholding around the Tindals Mining Centre.

In total, Focus has a Mineral Resource in Coolgardie of 29.9Mt @ 2.3g/t for 2.2Moz and the goldfield is continuing

Exploration

to yield excellent results. The Tindals underground has delivered 5,000oz per vertical metre (100,000oz per level) and exploration is still finding significant gold at surface. During FY13 Focus has prioritised six targets in the Coolgardie area to focus on expanding the resource base outside of the Tindals Mining Centre.

Treasure Island

Treasure Island is a 100% owned, world class greenfields exploration project to the south of the 15Moz St Ives gold camp near Kambalda.

The Treasure Island Gold Project comprises 226 km^2 of tenements across the dry salt lake, Lake Cowan, and sits on the southern tip of the Boulder-Lefroy fault, the largest gold producing system in Australia.

Mapping and surface sampling at Treasure Island has yielded surface gold samples in excess of 50g/t and since Focus took full control of the project in FY11 it has undertaken a number

of aircore and diamond drilling programs. These have identified two major mineralised structures running through the project area; one adjacent to Treasure Island, the second approximately 3km to the east across the salt lake.

The project is exhibiting strong similarities to 15Moz St Ives deposit to the north and will remain a focus for greenfields exploration through FY13.

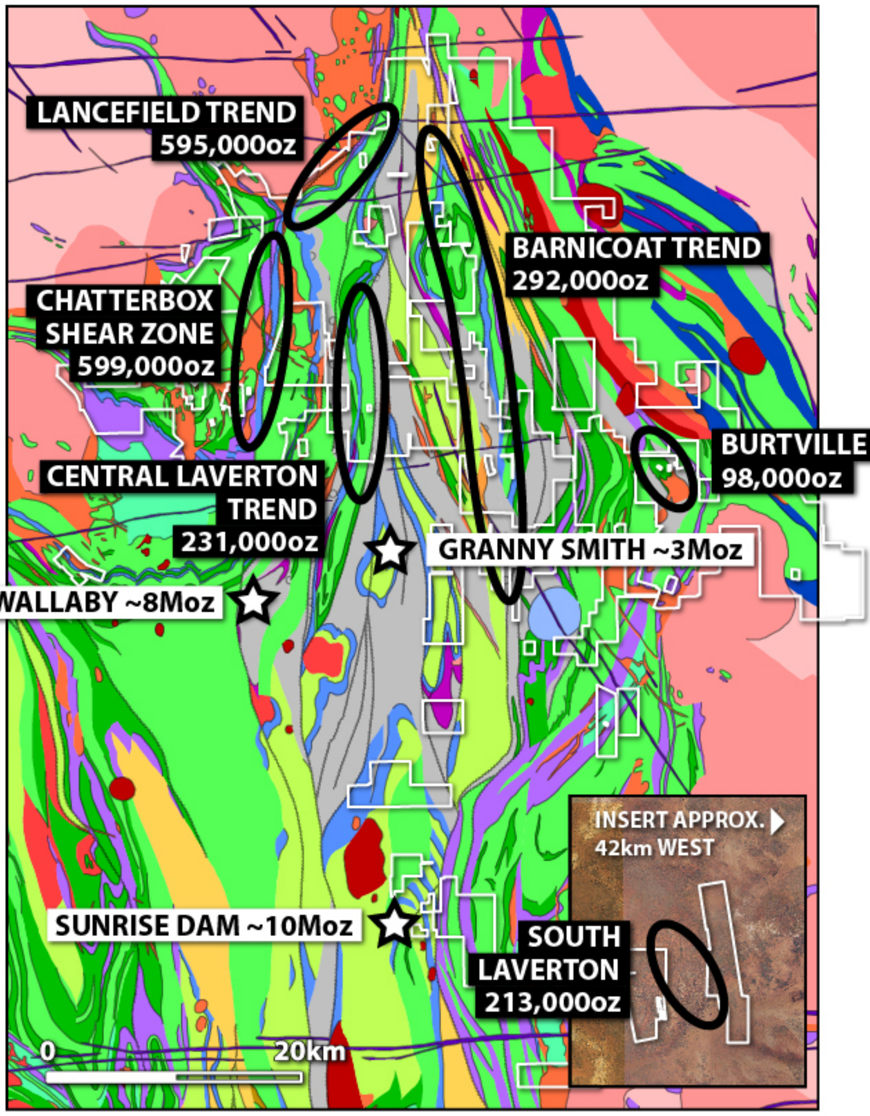
Achievements

During FY12, Focus has achieved significant exploration success across its three key exploration project areas:

Laverton

- Apollo – Focused exploration on the Apollo deposit on the Chatterbox Shear enabled Focus to add approximately 100,000oz of Mineral Resource at Apollo after the takeover of Crescent Gold. The mining and technical team were able to transition Apollo into production during the December Quarter 2011.

- Burtville – Burtville has been a high-priority target for the group, exhibiting a large mineralised footprint and having a history of low-strip production. During FY12, Focus achieved a 140% increase in Mineral Resource at Burtville to 235,000oz and completed the technical work required to enable Burtville to be slated for development in the first quarter of Calender 2013.



Coolgardie

- Tindals Surface - Grown Mineral Resource to 11.9Mt @ 2.1g/t for 809,000oz. Continued drilling success expanding Undaunted prospect.

- Greenfields - Drilling & technical work through FY12 has enabled Focus to bring the Greenfields pit back into production with a major cutback planned for the December Quarter 2012.

- Greater Coolgardie – A strong development pipeline is emerging outside Tindals centre with Focus achieving exploration success at the Bayleys North, Patricia Jean and CNX deposits which are all within a 10km distance of the Three Mile Hill Plant.

Treasure Island

- Diamond and aircore drilling at Treasure Island has identified two major mineralised structures running through the project area; one adjacent to Treasure Island, the second approximately 3km to the east across the salt lake.

Resources

	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
	Tonnes	Grade Au		Tonnes	Grade Au		Tonnes	Grade Au		Tonnes	Grade Au	
	'000t	g/t	Ounces	'000t	g/t	Ounces	'000t	g/t	Ounces	'000t	g/t	Ounces
COOLGARDIE GOLD PROJECT												
Tindals Project	416	4.6	62,000	10,777	2.4	837,000	3,409	2.3	251,000	14,602	2.4	1,150,000
Mount Project	131	7.8	33,000	588	5.2	98,000	576	5.5	97,000	1,295	5.5	228,000
Lindsays-Bayleys Project				4,350	1.7	238,000	3,562	2.0	233,000	7,912	1.9	471,000
Three Mile Hill Project				2,446	1.6	123,000	1,174	1.5	57,000	3,620	1.5	180,000
Norris Project							2,440	2.2	169,000	2,440	2.2	169,000
Total Coolgardie	**547**	**5.4**	**95,000**	**18,161**	**2.2**	**1,296,000**	**11,161**	**2.2**	**807,000**	**29,869**	**2.3**	**2,198,000**
LAVERTON GOLD PROJECT												
Barnicoat Project	390	1.7	21,000	2,486	1.7	135,000	3,378	1.3	137,000	6,254	1.5	293,000
Burtville Project				1,573	1.3	65,000	4,146	1.3	170,000	5,719	1.3	235,000
Central Laverton Project	41	1.5	2,000	2,768	1.8	164,000	825	1.8	48,000	3,634	1.8	214,000
Chatterbox Project	948	2.4	72,000	3,967	2.1	273,000	3,186	2.2	227,000	8,101	2.2	572,000
Jasper Hills Project	370	1.8	22,000	1,455	1.8	82,000	843	2.1	58,000	2,668	1.9	162,000
Lancefield Project				2,109	6.4	436,000	713	7.0	160,000	2,822	6.6	596,000
Total Laverton	**1,749**	**2.1**	**117,000**	**14,358**	**2.5**	**1,155,000**	**13,091**	**1.9**	**800,000**	**29,198**	**2.2**	**2,072,000**
TOTAL COMBINED RESOURCES	**2,296**	**2.9**	**212,000**	**32,519**	**2.3**	**2,451,000**	**24,252**	**2.1**	**1,607,000**	**59,067**	**2.2**	**4,270,000**

Mineral Resources for the Laverton Gold Project are owned by Focus Minerals (Laverton) Limited. Focus owns 81.57% of this subsidiary company.

Competent Person's Statement

The information in this announcement that relates to Exploration Results and Minerals Resources is based on information compiled by Dr Garry Adams who is a member of the Australian Institute of Geoscientists. 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 this announcement of the matters based on the information compiled by him in the form and context in which it appears.

Reserves

Reserves

	Proven Reserves			Probable Reserves			Total Reserves		
	Tonnes	Grade		Tonnes	Grade		Tonnes	Grade Au	
	'000t	Au g/t	Ounces	'000t	Au g/t	Ounces	'000t	g/t	Ounces
COOLGARDIE GOLD PROJECT									
Tindals Project	43	4.9	7,000	1,111	2.4	86,000	1,154	2.5	93,000
Mount Project				126	4.2	17,000	126	4.2	17,000
Lindsays-Bayleys Project							0	0.0	0
Three Mile Hill Project				999	1.9	60,000	999	1.9	60,000
Stocks							551	0.7	13,000
Total Coolgardie	**43**	**4.9**	**7,000**	**2,236**	**2.3**	**163,000**	**2,830**	**2.0**	**183,000**
LAVERTON GOLD PROJECT									
Barnicoat Project				589	2.2	41,000	589	2.2	41,000
Burtville Project				1,044	1.4	46,000	1,044	1.4	46,000
Central Laverton Project				825	1.3	34,000	825	1.3	34,000
Chatterbox Project	547	2.1	37,000	167	2.6	14,000	714	2.2	51,000
Jasper Hills Project				331	2.4	26,000	331	2.4	26,000
Lancefield Project				680	4.9	108,000	680	4.9	108,000
Stocks							628	1.3	25,000
Total Laverton	**547**	**2.1**	**37,000**	**3,636**	**2.3**	**269,000**	**4,811**	**2.1**	**331,000**
TOTAL COMBINED RESERVES	**590**	**4.9**	**44,000**	**5,872**	**2.3**	**432,000**	**7,641**	**2.1**	**514,000**

Ore Reserves identified above for the Laverton Gold Project are owned by Focus Minerals (Laverton) Limited. Focus owns 81.57% of this subsidiary company.

Competent Person's Statement

The information in this announcement 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 announcement of the matters based on his information in the form and context in which it appears.

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

This statement outlines the main corporate governance practices that were in place for the financial year. The Company's corporate governance practices comply with the ASX Corporate Governance Council recommendations unless otherwise stated. Where the Company's corporate governance practices depart from a recommendation the Company has disclosed the departure together with a reason for the adoption of its own practice.

PRINCIPLE 1: LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role and Responsibilities of the Board

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interest of all stakeholders. This includes setting the strategic directions for the company, establishing goals for management and monitoring the achievement of these goals.

A summary of the key responsibilities of the Board include:

1. Strategy – Providing strategic guidance for the Group, including contributing to the development of and approving the corporate strategy.
2. Financial performance – Approving budgets, monitoring management and performance.
3. Financial reporting and audits - Monitoring financial performance including approval of the annual and half year financial reports and liaison with the external auditors through the Audit Committee.
4. Leadership selection and performance - Appointment, performance assessment and removal of Chief Executive Officer. Ratifying the appointment and/or removal of other senior management including Company Secretary and other Board members through the Appointments Committee.
5. Remuneration – Management of the remuneration and reward systems and structures for senior management and staff through the Remuneration Committee.
6. Risk management – Ensuring appropriate risk management systems and internal controls are in place, and
7. Relationships with exchanges, regulators and continuous disclosure – Ensuring the capital markets are kept informed of all relevant and material matters ensuring effective communication with shareholders and stakeholders.

The Board has delegated to executive management responsibility for developing in the first instance:

- Strategy - Assisting in developing and implementing corporate strategies and making recommendations where necessary;
- Leadership selection and performance - selecting a short list of final candidate management and staff and proposing terms of appointment and evaluating performance;
- Budgets - Developing the annual budget and managing day-to-day operations within budget;
- Risk management – Maintaining risk management frameworks with periodic review by the Risk Committee: and
- Communication - Keeping the Board, shareholders and market informed of material events.

PRINCIPLE 2: STRUCTURING THE BOARD TO ADD VALUE

Composition of the Board

The names, skills, experiences and period of office of the Directors of the Company in office at the date of this Statement are set out in the Director's Report.

The composition of the Board is determined so as to provide the Company with a broad base of industry, business, technical, financial and corporate skills and experience considered necessary to represent shareholders and fulfill the business objectives of the Company.

The Board composition is determined with reference to the following principles:

- Persons nominated as Non-executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations.
- All Non-executive Directors are expected to voluntarily review their membership of the Board from time-to time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy together with the other criteria considered desirable for composition of a balanced board and the overall interest of the Company. The Board participates in Australian Institute of Company Directors courses from time to time on topics relevant to the Company and the framework within it operates
- The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.
- The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and all are independent Directors. Since April 2011 the Board has comprised four Directors who are independent.
- The Chairman is elected by the Board based on candidate's suitability for the position.
- The roles of Chairperson and Managing Director/Chief Executive Officer are not to be held by the same individual.

The Board has accepted that an independent Director is one who:

- Does not hold an executive position (Non-executive Director):
- is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not ,within the last 3 years, been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another group member;
- is not a significant consultant, supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another group member other than as Director of that company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

CORPORATE GOVERNANCE STATEMENT

Of the current board members, Mr. Don Taig, Mr Phillip Lockyer, Mr Gerry Fahey and Mr Bruce McComish are considered to meet the criteria as Independent Non Executive Directors. Before each monthly formal Board meeting, the Directors meet with the Chairman to raise any matters that they have observed through their interaction with Executive Management through their committee activities, which they feel may have not been adequately addressed prior to the current meeting. The Chairman undertakes to discuss the issue with the Company's CEO and the resolution of the matter is reported back to the Board as soon as possible thereafter.

Independent Professional Advice and Access to Company Information

Each Director has the right of access to all relevant Company information and to the Company's executives. Each Director is entitled to seek independent advice at the Company's expense to assist them to carry out their responsibilities, however, prior approval of the Chairman is required which is not unreasonably withheld. A copy of advice received by the Director is made available to other members of the Board.

Appointments Committee / Appointment of new Directors

During April 2011, the Board expanded the role of the Remuneration Committee to also include the role of an Appointments Committee.

From that date, the Remuneration and Appointments Committee comprises all Board members with Mr Phillip Lockyer as Committee Chairman.

The Committee's role is to review and determine the composition of the Board and senior executive management to ensure the Board and management has the appropriate mix of expertise and experience. This review is to be conducted on an annual basis.

Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Committee will determine the selection criteria for the position based on the skills deemed necessary for the Board to best fulfill its responsibilities and then appoint the most suitable candidate. Any Director appointment since the last Annual General Meeting must be nominated for re-election at the next Annual General Meeting.

Full details of all Directors are provided to shareholders in this annual report and on the Company's website.

Performance of Directors and Chief Executive Officer

The performance of all Directors is reviewed annually.

The Remuneration and Appointments Committee will conduct an annual review of the Board composition and performance of the Board as a whole, the Chief Executive Officer, Company Secretary and senior executives. This review includes:

- Determining the appropriate balance of skills and experience required to suit the Company's current and future strategies;
- Comparing the above requirements against the skills and experience of current Directors and executives;
- Assessing the independence of each Director;
- Measuring the contribution and performance of each Director;

- Assessing any education requirements or opportunities; and
- Recommending any changes to Board procedures, Committees or the Board composition.

Such a review was undertaken during the year ended 30 June 2012. Directors being reviewed were asked to leave the meeting during the review process.

Performance of Senior Executives

Prior to the formation of the Remuneration and Appointments Committee, the Board meets twice during the year to review the performance of senior executives. This review includes:

- The performance of the senior executive in supplying the board with information in a form, timeframe and quality that enables the Board to effectively discharge its duties;
- Feedback from other senior executives
- Any particular concerns regarding the senior executive: and
- Remuneration objectives

This review was undertaken during the year ended 30 June 2012.

Term of office

Under the Company's Constitution, the minimum number of directors is three. Each Director must not hold office (without re-election) past the third Annual General Meeting of their appointment or three years following that Director's last election. At each Annual General Meeting one third of the directors or a minimum of one Director (excluding the Managing Director) must resign, with Directors resigning by rotation based on their date of appointment. Directors resigning by rotation may offer themselves for re-election. The re-appointment of Directors is not automatic.

PRINCIPLE 3: PROMOTION OF ETHICAL AND RESPONSIBLE DECISION –MAKING

Code of Conduct

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

The Code of Conduct embraces the values of:

- Integrity
- Excellence
- Commercial Discipline
- Culture of the Company

The Board encourages all stakeholders to report unlawful/unethical behavior with protection for those who report potential violations in good faith.

CORPORATE GOVERNANCE STATEMENT

Trading in Focus Minerals Securities by Directors, Officers and Employees

The Board has established a Share Trading Policy addressing dealings by Directors, officers and employees and other potential insiders in buying and selling the Company's securities.

The Company's Share Trading Policy is released to the ASX and is also available on the Company's website.

In Summary the Share Trading Policy restricts dealing in the Company's securities by Directors, officers, management, consultants and employees and prohibits trading in the Company's shares, options and other securities in the following circumstances:

- If they are in possession of undisclosed price-sensitive information; and
- Speculative trading for a short term gain.

The Directors have also given undertakings to inform the Company Secretary of any trading in shares by Directors which must also be notified to the ASX.

The Code and the Company's Share Trading Policy are discussed with each new employee as part of their induction training.

The Code requires employees who are aware of unethical practices within the Company or breaches of the Company's Share Trading Policy to report these to the Company Secretary, Chief Executive Officer or Chairman. This can be done anonymously.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in its securities.

Conflict of Interest

In accordance with the Corporations Act 2001 and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Director related entity transactions with the Company and Group are set out in the related parties note in the financial statements. Prior to the commencement of all Board meetings the Chairman requires Board members to raise any items of continuous disclosure that a director or officer deems necessary. If there is any doubt, the participants are asked to raise the matter for a resolution.

PRINCIPLE 4: SAFEGUARDING INTEGRITY IN FINANCIAL REPORTING

Audit and Business Risks Committee - Membership and Conduct

From 18 April 2011 until the date of this Report the composition of the Audit and Business Risk Committee was:

- Mr Bruce McComish as Committee Chairman, and
- Mr Donald Taig, the company's Chairman.

The Audit and Business Risk Committee meets regularly with the external auditors to discuss audit outcomes and the Company's financial statements. Each board member has access to the external auditor at any time and the external auditor has access to each individual board member.

The Audit and Business Risk Committee reviews the appointment of the external auditor at least annually reviewing the external auditor in terms of their independence and performance in relation to the adequacy of the scope and quality of the annual statutory audit and half –year review and the fees charged.

The Chief Executive Officer and the Chief Financial Officer make a statement to the Audit and Business Risk Committee that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with the relevant accounting standards.

The Committee also meets periodically (but no less than twice a year) with the Occupational Health and Safety operatives of the Company to review the Company's adherence to its health and safety objectives. During this financial year, the Committee required of management to implement by no later than June 2013, AS 4801. This is a local standard, and relates to an occupational health and safety management system. It enables an organisation to control its risks and improve its performance in health and safety. The standard provides a systematic approach to identifying hazards, and then either eliminating or reducing the identified risks of the hazards.

The Chief Operating officer and the CEO review the OH&S performance on a monthly basis with the Board and any safety issues are advised to the Committee and Board members, if and as they arise.

The Audit and Business Risk Committee is structured so that it:

- Has a formal charter;
- Consists only of Non-executive Directors
- Chaired by an independent Chair, who is not Chair of the Board; and
- has at least two members.

PRINCIPLE 5: MAKING TIMELY AND BALANCED DISCLOSURE

Market Disclosure Policies

All Directors, executives and staff are required to abide with all various legal requirements and ASX obligations in relation to disclosure of information to the market. This includes specific compliance with the continuous disclosure requirements of the ASX Listing Rules.

The Company Secretary has been appointed the person responsible for overseeing and co-coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company complies with its continuous disclosure obligations.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 6: RESPECTING THE RIGHTS OF SHAREHOLDERS

The Board places significant importance on effective communication with shareholders.

Information is communicated to shareholders through the distribution of the annual and half yearly financial reports, quarterly reports on activities and cashflows, announcements through the ASX and the media, on the company's web site and through the Chairman's address at the annual general meeting including webcasts of the Annual General Meeting and periodic written communications. General meetings, including Annual General Meetings, are held on a rotational basis in Perth and Kalgoorlie/ Coolgardie to encourage regional shareholder participation at general meetings.

In addition, news announcements and other information are sent by email to all persons who have requested their name to be added to the Company's email list. If requested, the Company will provide general information by email, facsimile or post.

While the Company has no formal communication policy in place for the benefit of shareholders, the Company provides continuous communication which ensures shareholders and the markets are adequately informed of the Company's activities.

The Company, wherever practicable, takes advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

PRINCIPLE 7: RECOGNISING AND MANAGING RISK

The Board has expanded the scope of the Audit Committee to include monitoring the Company's business risks. The management of business risks also addresses asset, operational, regulatory compliance, personal health, safety and environmental risks.

The members of the Audit and Business Risk Committee are detailed in Principle 4 above.

The Audit and Business Risk Committee monitors the performance of risk management and internal control systems and reports to the Board on the extent to which it believes the risks are being managed and the adequacy and comprehensiveness of risk reporting from management.

The Board delegates day-to-day management of risk to the Chief Executive Officer, who is responsible for identifying, assessing, monitoring and managing risks. The Chief Executive Officer is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In accordance with section 295A of the Corporations Act the Chief Executive Officer and the Chief Financial Officer also provide a declaration to the Board and have assured the Board that such a declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Technical and Operations Committee

In 2011 the Board established the Technical and Operations Committee to review and monitor the tehcnical reporting, compliance and operational requirments of the Company's exploration, mining and processing operations.

The composition of the Technical and Operations Committee is:

- Mr Gerry Fahey as Committee Chairman, and
- Mr Phillip Lockyer, Non Executive Director.

The Technical and Operations Committee monitors the resource and reserve modelling systems and controls in determining the Company's reportable resource and reserves in compliance with the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves" (JORC Code).

Additionally, the Committee reports to the Board on the extent to which it believes the risks are being managed and management reporting on operational risks arising from the Company's mining, processing and exploration activities. Mr Fahey is a member of the JORC Committee which aids the Company's understanding of requirements significantly.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration Committee

A Remuneration and Appointments Committee has been established to determine and review the remuneration of executives and Directors.

The Remuneration and Appointments Committee comprises all Board members with Mr Phillip Lockyer as Committee Chairman.

The maximum amount of remuneration available for all directors is fixed by shareholders in General Meeting and can only be varied by shareholders in similar manner. In determining the allocation of fees, the Board takes into account the time demands on each Director together with the responsibilities undertaken by them.

It is the Policy of the Board not to issue Directors Incentive shares or options. However, during the 2011, the Board introduced The Board Retirement Plan to recognise long term service by retiring Board members and taking into account that the Directors agreed to less than market stipends during the period that the Company transitioned from explorer to producer and this practice has continued. A full explanation of this approach is contained in the Remuneration Report section of this directors' Report.

Payments to retiring Directors under the Plan are determined as follows:
0-3 years Board service – No retirement payment
3 – 5 years Board service – 25% of annual director fee.
5 – 8 years Board service – 50% of annual director fee.
More than 8 years Board service – 100% of annual director fee.

A full discussion of the company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current period is included in the remuneration report contained within the Directors' Report.

CORPORATE INFORMATION

ABN 56 005 470 799

DIRECTORS

Donald Taig	Non-Executive Chairman
Phillip Lockyer	Non-Executive Director
Gerry Fahey	Non-Executive Director
Bruce McComish	Non-Executive Director

COMPANY SECRETARY

Paul Fromson

REGISTERED AND HEAD OFFICE

Level 30
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Perth WA 6000

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SHARE REGISTRY

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Tel: +61 1300 557 010
Fax: +61 (0) 8 9323 2033

BANKERS

Investec Bank (Australia) Limited
2 Chifley Square
Sydney NSW 2000

Bank of Western Australia Limited
108 St George's Terrace
Perth WA 6000

National Australia Bank
100 St George's Terrace
Perth WA 600

AUDITOR

Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
West Perth WA 6005

Tel: +61 (0) 8 9480 2000
Fax: +61 (0) 8 9322 7787

SOLICITOR

King and Wood Mallesons
Level 50 Bourke Street
Melbourne VIC 3000

STOCK EXCHANGE LISTING

Australian Stock Exchange (ASX)
ASX Symbol: FML

DIRECTORS' REPORT

The Directors present their report on the Group comprising of Focus Minerals Limited – the parent company (referred to as "the Company") and its subsidiaries (together referred to as 'the Group' or 'Focus') at the end of, or during the financial year ended 30 June 2012.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Donald Taig	(Chairman, Independent Non-Executive)
Phillip Lockyer	(Director, Independent Non-Executive)
Gerry Fahey	(Director, Independent Non-Executive)
Bruce McComish	(Director, Independent Non-Executive)

Details of directors' qualifications, experience, special responsibilities and details of directorships of other listed companies can be found on pages 29 to 30.

INFORMATION ON DIRECTORS, OFFICERS AND SENIOR MANAGEMENT

Directors	Designation & Independence Status	Experience, Expertise & Qualifications	Directorships of other ASX listed companies during the last three years	Special responsibilities during the year
Donald Taig Appointed on 21 March 2003	Chairman Independent, Non-Executive	Qualifications: B.Com, FAICD, FCPA Mr Taig is a Fellow of both the Australian Institute of Company Directors and the Australian Society of Certified Practicing Accountants. Mr Taig gained 11 years of experience within CRA Ltd.'s mining businesses and was a director of Metals Exploration Ltd. Mr Taig also has significant senior management experience particularly within the food industry where he was Managing Director of Goodman Fielder's Australian Baking Division; Chief Executive Officer of Bunge Cereal Foods; Managing Director of Chiquita Brands South Pacific and has been a director of a number of other public and private companies in diverse industries.	• Nil	• Member of the Audit & Risk Committee • Member of the Remuneration Committee
Phillip Lockyer Appointed on 7 December 2005	Director Independent Non-Executive	Qualifications: AWASM, DipMetal, MSC Mr Lockyer is a mining engineer and metallurgist with more than 40 years technical and management experience in nickel and gold operations. His career includes 20 years with WMC Limited in Kambalda in various roles including General Manager of Western Australian operations. In addition he has held a number of other senior roles including Director and General Manager of Operations for Resolute Ltd, and Director of Operations & Projects for Dominion Mining Ltd. He is currently chairman of the Minerals and Energy Research Foundation.	• Non-Executive Director of Western Dessert Areas Limited (Appointed June 2010, ongoing) • Non-Executive Director of Swick Mining Services Limited (Appointed June 2010, ongoing) • CGA Mining Limited * (non-executive director: appointed January 2009 • St Barbara Limited * (non-executive director: appointed December 2006) • Perilya Limited (non-executive director: resigned 2009)	• Chairman of the Remuneration Committee • Member of the Technical and Operations Committee

DIRECTORS' REPORT

Directors	Designation & Independence Status	Experience, Expertise & Qualifications	Directorships of other ASX listed companies during the last three years	Special responsibilities during the year
Gerry Fahey Appointed on 18 April 2011	Director Independent Non-executive	Qualifications: M.AIG, M.AusIMN Mr Fahey is a geologist with 35 years' experience. He was chief geologist for Delta Gold between 1992-2002 where he gained extensive resource, mine development and feasibility study experience on projects including Kanowna Belle and Sunrise in Australia and Ngezi Platinum in Zimbabwe. Mr Fahey began his career as a mine geologist in the Irish base-metals industry on projects such as Tynagh, Avoca, and Tara Mines (Navan) owned by Noranda and later Outokumpu. On migrating to Australia in 1988, he gained further operational experience in Western Australia and the Northern Territory (Whim Creek and Dominion Mining), prior to joining Delta Gold. He formed FinOre Mining Consultants in 2005, which merged with CSA in 2006. Mr Fahey is a member of the Joint Ore Reserve Committee (JORC) and a Board Member (Federal Councillor) for the Australian Institute of Geoscientists (AIG).	Nil	• Chairman of the Technical and Operations Committee
Bruce McComish Appointed on 18 April 2011	Director Independent Non-executive	Qualifications: BCA(Hons), FCA, FCPA Mr McComish is the former chairman of stockbroking firm BBY. He has held senior management positions for a number of Australian and international companies including the National Australia Bank, where he served as Chief Financial Officer from 1994 to 1998, and North Limited, where he was the executive general manager of corporate affairs from 1992-1994. Mr McComish worked for Unilever Plc for 18 years in senior financial positions around the world. He holds a Bachelor of Commerce and Administration from Victoria University of Wellington and is a Qualified Accountant.	• Former Deputy Chairman of Living and Leisure Group (resigned 2012) • Former Non-executive director of Signature Capital Investments Ltd (resigned 2012)	Chairman of the Audit and Business Risk Committee

SENIOR MANAGEMENT

Campbell Baird - Chief Executive Officer

Qualifications: B.Eng (Mining), Masters in International Finance

Appointed: 14 January 2009

Mr Baird is Chief Executive Officer of Focus Minerals. He has been a part of the team who, over the past three years, have transformed Focus from explorer to become a major gold producer. Prior to joining Focus, he was General Manager of Operations for four years at Altona Mining where he assisted in the development of the Kylyahti Copper Mine in Finland. He started his career at Western Mining Corporation at St Ives, then joined Plutonic at Mount Morgans (Laverton), he worked for North Limited at both North Parkes and at the Iron Ore Company of Canada, before joining SRK Consulting in 2000 where he spent 5 years working on some major global mining projects that are now under construction. These include the giant Oyu Tolgoi block cave copper mine in Mongolia, the argyle diamond mine block cave in Australia and the Goro Laterite nickel project in new Calendonia. Campbell has a Bachelor of Engineering (Mining) from the University of New South Wales and a Masters of International Finance from Curtin University.

Mark Hine - Chief Operating Officer

Qualifications: B.Eng (Mining)
Appointed: 1 December 2011

Mr Hine was appointed to the role of Chief Operating Officer, for the Focus Minerals group in December 2011. Prior to that Mark commenced in May 2011 as the Chief Operating Officer for Focus Minerals (Laverton) Ltd – formerly Crescent Gold Ltd. Mark is a mining engineer who has more than 30 years' operating experience. Most recently, he held positions of CEO Golden West Resources Ltd, Executive General Manager Mining at Macmahon Contractors Pty Ltd and General Manager for Pasminco Ltd at the Broken Hill / Elura Mines. He joined Crescent Gold as Chief Operating Officer in April 2011, before being appointed to the role across the group.

Paul Fromson – Chief Financial Officer and Company Secretary

Qualifications B. Com, CPA, ACIS, AICD
Appointed 30 April 2012

Mr Fromson is a Certified Practising Accountant, a member of the Australian Institute of Company Directors and a Chartered Company Secretary with a broad range of finance, accounting, taxation and commercial experience. Since 1986 Mr. Fromson has held a number of senior finance roles including board positions and has over eighteen years' experience with ASX listed resource companies including senior positions with a number of gold exploration companies. He has also worked for one of the previous part owners of the Boddington Gold Mine as their resident representative. Outside of the resources industry, Mr Fromson founded and managed his own successful taxation practice and was also a director of the Makit Hardware chain co-operative for four years. Mr Fromson's most recent role was Chief Financial Officer and Company Secretary for an ASX listed company where he played a key role in several significant capital raisings and joint ventures with two large Chinese groups.

The details of the relevant interest in the Company of each director and officer are outlined in Note 24 to the financial statements.

Interests in the shares and options of the company and related bodies corporate

At the date of this report, the direct and indirect interests of directors in the shares and options of the Company were:

	Ordinary Shares	Options (Unlisted)
Donald Taig	11,963,259	-
Phillip Lockyer	594,523	-
Gerry Fahey	-	-
Bruce McComish	-	-

CAPITAL STRUCTURE

Ordinary shares

As at the date of this report, the Company had on issue 4,320,773,701 fully paid ordinary shares.

SHARE OPTIONS

Options Issued

There were no options issued in the 2012 financial year. In the prior year 33,500,000 share options were granted to senior management of the company in accordance with the Group's Long term Incentive Scheme. Vesting criteria of the Scheme is subject to the Company achieving a Total Shareholder Return for the 12 month period prior to the applicable Vesting Date of at least within the 2nd quartile of Total Shareholder Returns for the Comparable Entities. Comparable Entities have been determined to be 12 gold producing companies listed on established stock exchanges and with operations predominately located within the Western Australian Eastern Goldfields region.

DIRECTORS' REPORT

Total Shareholder Return is defined as the change in capital value per share of an entity over a 12 month period, plus dividends per share, expressed as a plus or minus percentage of their opening value. The opening value date for the above options is 1 January 2011.

Subject to achieving the vesting criteria, the above options will vest on 31 December 2012.

Options Exercised
There were no options exercised during the financial year.

Options Lapsed
During the year a total of 10,000,000 options to acquire shares at an exercise price of 12.3 cents, 6,923,077 options to acquire shares at an exercise price of 7.5 cents and 6,923,077 options to acquire shares at an exercise price of 7.8 cents lapsed on cessation of employment.

As at the date of this report, details of unissued ordinary shares under options are as follows:

Issuing Entity `	**Number of Options**	**Exercise Price Cents per Share**	**Expiry Date**
Focus Minerals Ltd	14,116,923	7.50	31/12/2012
	14,116,923	7.80	31/12/2012
	23,500,000	12.30	30/06/2014
Total Options on issue	**51,733,846**		

PRINCIPAL ACTIVITIES

The principal activities of the entities within the consolidated entity during the year were gold, nickel and other base metal mining and exploration in Australia.

There were no significant changes in the nature of those activities during the year. The company did however expand its operations via the acquisition of Focus Minerals (Laverton) Ltd (formerly Crescent Gold Ltd). The operations of this entity are centred around Laverton Western Australian and are primarily in the gold sector.

REVIEW OF OPERATIONS

Highlights of operations during the period ended 30 June 2012 are as follows:

Mining
Coolgardie Operations

The Coolgardie operation has undergone a major transformation through FY 2012 reducing its reliance on the Tindals Underground Mine and low grade stock piles, to establish two new mining centres: The Mount underground and the Tindals Open Pits, and increase total gold production by 24%.

On a like for like basis for the June Quarter, production in Coolgardie was up 37% as the new operations ramped up through the course of the year to now account for nearly 60% of Coolgardie's monthly mined tonnes.

The new Tindals Open pits have performed exceptionally well with the Empress pit being mined to completion through the course of the year, and both the Big Blow and Dreadnought pits continuing to develop. The Dreadnought pit in particular is proving to be an exciting mining centre, with the discovery of a number of new structures running through the project area and the business currently evaluating the opportunities for a far larger pit development. Contribution from surface mining at Tindals will continue to increase as the business continues to expand the current Tindals surface Mineral Resource of 10Mt @ 2.3g/t.

Laverton Operations
The Laverton operations were acquired as the result of the acquisition of an 81.57% interest in Focus Minerals (Laverton) Ltd – formerly Crescent Gold Ltd. The operations consisted of a number of open pit operations feeding ore to the nearby Barrick Granny Smith mill under an ore purchase agreement.

Through this financial year Focus has injected $17M in working capital to transform the operating fortunes of Laverton and deliver 86,673oz of gold for the financial year. The transformation of the operations was all funded internally from Focus Group cash balances and saw a number of operating changes undertaken.

Early in the calendar year a significant development program was undertaken to ensure steady mill feed for the remainder of the year. Toward the middle of the year the company was able to complete the development work and progressively reduce its mining fleet. This has seen the Laverton operations simplified from four active pits and four diggers to currently one pit and two diggers. The significant spend on development work and subsequent reduction in mining fleet enabled the company to achieve a significant turnaround in cash costs at Laverton.

Exploration & Resource Development
During the period the Group spent a total of $20.1 million (2011: $23.9 million) on exploration activities.

Treasure Island Gold Project - Diamond and aircore drilling at Treasure Island has identified two major mineralised structures running through the project area; one adjacent to Treasure Island, the second approximately 3km to the east across the salt lake.

Greater Coolgardie – Exploration over the Greater Coolgardie area has seen a strong development pipeline beginning to emerge outside the Tindals Mining Centre with Focus achieving exploration success at the Bayleys North, Patricia Jean and CNX deposits which are all within a 10km distance of the Three Mile Hill Plant.

Tindals Mining Centre - Drilling & technical work through FY 2012 has enabled Focus to bring the Greenfields pit back into production with a major cutback planned for the December Quarter 2012.

Laverton - Exploration over the newly acquired Laverton area focused on the Apollo deposit on the Chatterbox shear where Focus achieved a 140% increase in Mineral Resources.

Corporate

The company completed its takeover bid for Focus Minerals (Laverton) Ltd – formerly Crescent Gold Ltd – and currently holds 81.57% of the company. There were 880,258,270 Focus Minerals Ltd shares issued to acquire 81.57% of the shares and all the outstanding options in Focus Minerals (Laverton) Ltd.

There were no other issues of capital during the year. A number of options lapsed due to cessation of employment of a number of staff.
At period end the Group had a debt of $8m. During the financial year the company arranged a $10m facility with Investec Bank and drew down $8m to assist with funding development costs at its newly acquired Laverton operations.
At period end the Group had 4,000 ounces of gold forward selling.
Net cashflow generated from operations totalled $56.0 million (2011: $30.3 million).

Operating result for the year

Consolidated Net Profit for the year was $6.844 million (2011:$7.645 million). Consolidated Net Profit attributable to the owners of the Company was $6.151 million (2011: $7.645 million).

Significant changes in the state of affairs

In conjunction with the Review of Operations section above, the following are significant changes in the state of affairs of the consolidated entity to balance date:

	No of Shares	$'000
Issued shares at 30 June 2011	**3,440,515,431**	**145,010**
Issued during the period		
Shares issued to acquire shares and options in Crescent Gold Ltd pursuant to a takeover	880,258,270	58,900
Issued shares at 30 June 2012	**4,320,773,701**	**203,910**

DIRECTORS' REPORT

Significant events after balance date

Proposed Placement to Shandong Gold International Mining Corporation Ltd.

On 20 September 2012 the company issued an announcement for a proposed placement of shares that would result in Shandong Gold owning up to 51% in the Company. The key points of the announcement are reproduced as follows:

"Focus Minerals Limited ("Focus") [ASX: FML], an Australian gold producer and explorer, is pleased to announce that it has entered in to a Share Subscription Deed with Shandong Gold International Mining Corporation Ltd ("Shandong Gold"), under which Shandong Gold has agreed to subscribe for new fully paid ordinary Focus shares to raise approximately $225.0 million.

Shandong Gold, a subsidiary of one of China's three largest gold producers by production, will subscribe for approximately 4.55 billion new fully paid ordinary Focus shares ("New Shares") at 5 cents per New Share, to raise $225 million ("Placement"). The Placement represents a premium of:

- *13.6% to the closing price of Focus shares of 4.4 cents per share on 19 September 2012; and*
- *28% to the 60 day VWAP of 3.9 cents per share for the period ending 19 September 2012."*

The placement will require shareholder approval and the unanimous recommendation of the Board based on an independent report that the transaction is reasonable and there being no superior transaction. The AGM is scheduled for 30 November to allow for sufficient time for the independent experts reports to be completed and a detailed Explanatory Memorandum to be compiled.

Other than as detailed above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

Likely developments and expected results

The directors intend to continue mining operations at the Tindals Mining Centre and the Mount Mine. The Company will also progressively assist Focus Minerals (Laverton) Ltd (81.57% holding) to meet its production targets and financial budgets and expand exploration activities at Laverton. The Company will pursue opportunities to acquire 100% of the issued capital of Focus Minerals (Laverton) Ltd.

Active exploration programs will continue on the Group's mining tenements, in particular, on a number of high priority targets within the Tindals Mining Centre, Greater Coolgardie Area and Laverton to increase existing gold reserves and expand near term production targets. Exploration activities will continue at the greenfields Lake Cowan - Treasure Island Gold Project.

Environmental Regulations

The Group's operations hold licences issued by the relevant regulatory authorities. These licences specify the limits and regulate the management associated with the operations of the Company. At the date of this report the Company is not aware of any breach of those environmental regulations which apply to the Group's operations. The Group continues to comply with its specified regulations.

Indemnification and Insurance of Directors and Officers

The company has paid premiums to insure the directors and officers of the Group against liabilities for costs and expenses incurred by them in defending legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Group, other than conduct involving a wilful breach of duty in relation to the company.

REMUNERATION REPORT (AUDITED)

This report, prepared in accordance with the Corporations Act 2001, contains detailed information regarding the remuneration arrangements for the Directors and Senior Executives who are the 'key management personnel' (KMP) of Focus Minerals Ltd ("Company") and the consolidated entity. The Board, in consultation with industry and proxy representatives, formed the view that the three most senior people in the organisation, being the Chief Executive Officer (CEO), Chief Operating Officer (COO) and the Chief Financial Officer (CFO)/Company Secretary are the only three executives who satisfy the "key management personnel" criteria. The tables disclosing remuneration for this year and comparatives only include these KMP as opposed to the prior year where the requirement was to disclose the five highest paid executives.

The KMP for the year ended 30 June 2012 are listed in the table below:

Current Non-executive directors	Current Senior Executives
Donald Taig	Campbell Baird – CEO
Bruce McComish	Mark Hine - COO (Note 1)
Gerry Fahey	Paul Fromson - CFO and Company Secretary (Note 2)
Phil Lockyer	
Former Non-executive Directors	**Former Senior Executives**
Christopher Hendricks – resigned 18 April 2011	Brad Valiukas – former COO – resigned 24 January 2012 (Note 1)
	Jon Grygorcewicz – former CFO and Company Secretary – resigned 30 April 2012 (note 2)

Note 1 – Mr Hine was originally employed as the COO of Focus Minerals (Laverton) Ltd (formerly Crescent Gold Ltd). During the year Focus Minerals Ltd took control of this entity via the acquisition of 81.57% of its issued capital and when Mr Valiukas resigned Mr Hine assumed COO responsibilities for the expanded group.

Note 2 - On 17 April 2012 the company announced the resignation of Mr Grygorcewicz and his replacement Mr Fromson as Chief Financial Officer and Company Secretary. The resignation/appointment took effect from 30 April 2012.
There were no other changes of the Board or key management personnel between the reporting date and the date this financial report was authorised for issue.

Remuneration Objectives
It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee links the nature and amount of executive directors' and other officers' emoluments to the Company's financial and operational performance.

The expected outcomes of the remuneration structure are:
- retention and motivation of key executives;
- attraction of high quality management to the Company; and
- performance incentives that allow executives to share the success of Focus Minerals Ltd.

Remuneration Committee Established
The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the chief executive officer and executive team. The Board has established a Remuneration Committee, comprising of all the non-executive directors.

Members of the Remuneration Committee during the year were:
- Phillip Lockyer – Committee Chairman
- Donald Taig
- Bruce McComish
- Gerry Fahey

For details on the number of meetings of the Remuneration Committee held during the year and the attendees at those meetings, refer to the Directors' Meeting section of this Report.

Compensation of Key Management Personnel

Remuneration structure
In accordance with best practice Corporate Governance, the structure of Non-Executive director remuneration is separate and distinct.

Remuneration committee
The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the senior executive team.

DIRECTORS' REPORT

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team, subject to the following section relating to non-executive directors.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company.

During the period that Focus Minerals was transitioning from junior explorer to mining and processing, successive Board members have agreed to accept less than the comparable market fee for their work as a director, deciding to support the company during this period by avoiding fixed cost market fees.

We have maintained this approach since moving to a cash flow generating company and have instead, asked the directors to increase their work load through the evolution of Board Committees and the mentoring of one, or more of the executive management team.

Instead of seeking to move directors fees up over time to catch up this component of prior support, the Company introduced a Retirement Allowance in 2011 for the long term service of Director's, tied solely to their current Director's Fee at the time of retirement (Fixed Component).

The allowance is as follows:

3 - 5 Years' Service – 25% of annual fees on retirement
5 – 8 Years' Service – 50% of annual fees on retirement
8+ Years' Service – 100% of annual fees on retirement

When this allowance was introduced, the Remuneration Committee was at pains to ensure the size of the benefit to the individual was not significant enough to the individual's concerned to influence their judgement on Governance matters, or impair the sound functioning of the Board.

In this Annual Report, the only Directors who could benefit from this allowance are Mr Lockyer and Mr Taig.
The committees of the Board, their Chair and members are as follows:

Committee	Chairman of Committee	Other members
Remuneration and Appointments	Phillip Lockyer	Don Taig, Bruce McComish and Gerry Fahey
OH&S and Risk Management	Bruce McComish	Don Taig
Audit Committee	Bruce McComish	Don Taig
Technical Committee	Gerry Fahey	Phillip Lockyer

In addition, the following members of the key management personnel are mentored in their roles by the Directors as follows:

Role	Director Mentor
C Baird - CEO	Don Taig
M Hine - COO	Phillip Lockyer
P Fromson - CFO	Bruce McComish

The compensation provided to the Directors in these circumstances is based upon an hourly fee which represents the variable nature of the time involved and doesn't load the corporate overhead with another fixed component. As a result, the components of the Director's remuneration will vary as to work and time and will be made up of 1) Fixed fee for Board meetings at less than market payments established from comparable published specialist remuneration consultants and 2) a variable component based upon work load and time to chair and contribute to Board Committees and mentoring of the Executive Team.

At present the maximum aggregate remuneration of directors' fees for non-executive directors is $400,000 per annum of which $230,000 is currently paid to directors as fees.

The remuneration of non-executive directors for the period ended 30 June 2012 is detailed in the remuneration table.

Non-Executive Chairman

In a previous Annual Report the Chairman's role was categorised as Executive Chairman. The reasoning has been canvassed widely with the auditors, the company's lawyers and proxy houses. All have agreed that this was misleading and the company has reverted to a more normal description from Corporate Governance principles. The Chairman lives in Victoria and due to the need to let the Executive Team grow and mature in their roles has retained corporate responsibility for any mergers and acquisitions activity contemplated by the company from time to time. His Chairman's fee is adjusted below market accordingly and replaced where this activity is undertaken, with an hourly amount based upon a full 8 hour day not a component thereof. Accordingly, the Chairman's remuneration will be up or down in any year based upon the level of this activity. In all instances, the Board is quite satisfied that the Company's outside advisory costs have been lowered due to Mr Taig's activity and experience in this area.

Senior executive and executive director remuneration

Remuneration primarily consists of fixed and performance based remuneration where determined by the Remuneration Committee. The Company has presently established an equity based scheme that will allow the executive team to share in the success of Focus Minerals Ltd. Any Issue of an equity component to executive directors is subject to the approval of shareholders in general meeting and it is a policy of the current Board that Directors do not participate in equity based proposals.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating additional cost for the Group.

The fixed remuneration component of specified company executives is detailed in Tables 1 and 2 below.

Performance Based Remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with key management personnel to ensure a common understanding. The KPI's are specifically tailored to the areas each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals or achievement of specific projects or tasks. The level set for each KPI is based on budgeted figures for the Group and completion of defined projects or tasks within defined timeframes. The bonuses applicable to key management personnel are a maximum of 20% of the base salary applicable to each executive and the final amount payable as disclosed in the remuneration table is subject to KPI achievement and Company financial performance.
The Company has issued share options to certain key employees. The options are subject to vesting criteria related to the company's performance as follows:

Vesting of the options is subject to the Company achieving a Total Shareholder Return for the 12 month period prior to the applicable Vesting Date of at least within the 2nd quartile of Total Shareholder Returns for the Comparable Entities. Comparable Entities have been determined to be 12 gold producing companies listed on established stock exchanges and with operations predominately located within the Western Australian Eastern Goldfields region.

Total Shareholder Return is defined as the change in capital value per share of an entity over a 12 month period, plus dividends per share, expressed as a plus or minus percentage of their opening value.

Key Management Personnel Contracts

The key terms of the employment contracts for the key management personnel are summarised as follows:

	CEO	COO	CFO
Term of employment	No fixed term	No fixed term	No fixed term
Maximum bonus - STI	20% of base salary	20% of base salary	20% of base salary
Termination Event Entitlements	In the event of a genuine redundancy directly as a result of a change of control the CEO is entitled to a payout equivalent to 6 months of his base salary for loss of employment.	The COO is entitled to a genuine redundancy payout of between a minimum of 4 and a maximum of 16 weeks based on a sliding scale commencing at 4 weeks with an additional week/s for each completed year of service until the maximum is reached after 10 year's service.	In the event of a genuine redundancy directly as a result of a change of control the CFO is entitled to a payout equivalent to 6 months of his base salary for loss of employment.
Notice period	3 months notice required by either party except in the event of fraud or other normal termination events	3 months notice required by either party except in the event of fraud or other normal termination events	8 weeks notice required by either party except in the event of fraud or other normal termination events

In determining whether or not a KPI has been achieved, the Remuneration Committee bases the assessment on audited figures or on verifiable achievement of the relevant KPI. During the year, KPI's for the award of short term bonuses were measured on achievement of the Group's profitability and gold production targets, as disclosed in the remuneration tables below.

Remuneration Tables

Directors' remuneration for the years ended 30 June 2012 and 2011.

Directors		Short-term Benefits		Post Employment Benefits		Total	%
		Salary & Fees	Other	Super-annuation	Bonus		Performance related
Current directors							
Donald Taig	**2012**	**177,300**	**-**	**15,957**	**-**	**193,257**	**-**
	2011	154,500	-	8,505	-	163,005	-
Phillip Lockyer	**2012**	**50,000**	**-**	**4,500**	**-**	**54,500**	**-**
	2011	71,000	-	4,500	-	75,500	-
Gerry Fahey	**2012**	**50,000**	**-**	**4,500**	**-**	**54,500**	**-**
	2011	-	-	-	-	-	-
Bruce McComish	**2012**	**72,267**	**-**	**6,774**	**-**	**82,041**	**-**
	2011	-	-	-	-	-	-
Former directors							
Christopher Hendricks resigned 18 April 2011	**2012**	**-**	**-**	**-**	**-**	**-**	**-**
	2011	41,667	-	-	-	41,667	-

DIRECTORS' REPORT

Remuneration of the key management personnel for the years ended 30 June 2012 and 2011

		Short-term Benefits		Post Employment Benefits				%
		Salary & Fees	Other	Super-annuation	Equity Options	Bonus	Total	Performance based
Current Executives								
Campbell Baird Chief Executive Officer	**2012**	**378,941**	**-**	**34,105**	**25,700**	**22,100**	**460,879**	**10.37%**
	2011	320,527	-	28,848	34,597	19,500	403,472	13.41%
Mark Hine [1] Chief Operating Officer [1]	**2012**	**362,901**	**-**	**36,001**	**-**	**-**	**398,902**	**-**
	2011	-	-	-	-	-	-	-
Paul Fromson [2] Company Secretary/Chief Financial Officer	**2012**	**49,154**	**-**	**4,424**	**-**	**-**	**53,578**	**-**
	2011	-	-	-	-	-	-	-
Former Executives								
Brad Valiukas [3] former COO	**2012**	**184,804**	**34,755**	**19,762**	**-**	**-**	**239,344**	**-%**
	2011	258,715	-	23,284	20,240	19,200	321,439	12.27%
Jon Grygorcewicz [4] former Company Secretary/ Chief Financial Officer	**2012**	**192,804**	**66,271**	**17,393**	**-**	**15,300**	**291,758**	**5.24%**
	2011	185,199	15,015	16,668	12,182	13,500	242,564	10.59%

- 1. Mr Hines was appointed as Chief Operating Officer of in December 2011. He joined Crescent Gold as Chief Operating Officer in April 2011, before being appointed to the role across the Group.
- 2. Mr Fromson was appointed as Company Secretary and Chief Financial Officer in April 2012.
- 3. Mr Grygorcewicz resigned from the position of Company Secretary and Chief Financial Officer in April 2012
- 4. Mr Valiukas resigned from the position of Chief Operating Officer in January 2012.

First Strike

At the last AGM held on 28 November 2011 the resolution to approve the Remuneration Report was narrowly defeated on a Poll vote and the Company incurred a so called “first strike”.

Since that time the Company has canvassed shareholders and in particular the Proxy Houses that instructed their clients to vote against the Remuneration Report. The concerns were not based around the level of remuneration for directors and senior executives, rather it was based on the level of disclosure of the basis of remuneration. The Company has therefore improved the disclosure in its Remuneration Report and explained in more detail the roles of the Board and the basis of the remuneration practices of the Company. The Chairman has undertaken to review the Company's performance in this area annually after the AGM in order to promote a program of continuous improvement in this area.

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

DIRECTORS' REPORT

Director	Board		Audit and Risk Committee		Remuneration Committee		Technical Committee	
	A	B	A	B	A	B	A	B
Donald Taig	12	13	8	4	1	1	-	-
Phillip Lockyer	13	13	-	-	1	1	8	8
Gerry Fahey	13	13	-	-	1	1	8	8
Bruce McComish	12	13	8	8	1	1	-	-

A – Number of meetings attended.
B – Number of meetings held during the time the director held office or was a member of the relevant committee during the year.

Proceedings on Behalf of Company

Prior to Focus Minerals Ltd acquiring an 81.57% interest in Focus Minerals (Laverton) Ltd, the Company had a dispute over a royalty agreement with Indago Resources Ltd. Focus Minerals (Laverton) Ltd has lodged a writ in the Supreme Court of Western Australia to have the royalty agreement set aside. Focus Minerals Ltd has joined this action to protect its interest in the Company and is now managing this legal action on behalf of Focus Minerals (Laverton) Ltd.

Other than as disclosed in this report no person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor Independence and Non-Audit Services

Non-Audit Services

The Board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Fees totalling $7,000 (2011: $51,864) were paid to Grant Thornton for non-audit services, principally for taxation services, provided during the year ended 30 June 2012.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 41 of this Financial Report.

This Report of the Directors is signed in accordance with a resolution of the Board of Directors.

Don Taig
Chairman
28 September 2012
Perth, Western Australia

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Auditor's Independence Declaration
To the Directors of Focus Minerals Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Focus Minerals Ltd for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P W Warr
Partner – Audit & Assurance

Perth, 28 September 2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Consolidated 2012 $'000	Consolidated 2011 $'000
Revenue	2(a)	258,253	102,752
Cost of sales		(202,625)	(75,064)
Gross Profit		55,628	27,688
Other income	2(b)	1,370	2,864
Depreciation and amortisation expense	2(c)	(32,800)	(15,034)
Finance costs	2(c)	(17)	(20)
Other expenses	2(c)	(13,794)	(7,853)
Takeover costs	2(c)	(3,543)	-
Profit before income tax		6,844	7,645
Income tax expense	3	-	-
Profit after income tax for the year		6,844	7,645
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		6,844	7,645
Total comprehensive income attributable to:			
Non-controlling interest	8	693	-
Owners of the parent		6,151	-
Total Comprehensive Income for the year		6,844	7,645
Earnings Per Share			
Basic profit per share (cents per share)	5	0.15	0.26
Diluted profit per share (cents per share)	5	0.15	0.25

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

Focus Minerals Ltd.

	Notes	Consolidated 2012 $'000	2011 $'000
Assets			
Current Assets			
Cash and cash equivalents	6	2,604	30,709
Restricted Cash	6	381	-
Trade and other receivables	7	6,509	1,379
Inventories	9	25,559	7,717
Other current assets	10	623	560
Financial assets	11	1,347	4,195
Total Current Assets		37,023	44,560
Non-Current Assets			
Restricted cash	6	12,885	812
Plant and equipment	12	54,064	31,529
Development expenditure	13	53,023	23,520
Exploration and evaluation assets	14	141,243	77,667
Total Non-Current Assets		261,215	133,528
Total Assets		298,238	178,088
Liabilities			
Current Liabilities			
Trade and other payables	16	61,553	22,206
Interest bearing liabilities	18	9,455	1,445
Total current liabilities		71,008	23,651
Non-current liabilities			
Interest bearing liabilities	18	2,404	1,750
Provisions	17	8,397	4,454
Total Non-Current Liabilities		10,801	6,204
Total Liabilities		81,809	29,854
Net Assets		216,429	148,233
Equity			
Issued capital	19	203,910	145,010
Reserves	19	(1,732)	123
Minority interest	8	5,000	-
Retained earnings		9,251	3,100
Total Equity		216,429	148,233

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

Consolidated	Notes	Ordinary Shares $'000	Retained Earnings / (Accumulated Losses) $'000	Reserves $'000	Non Controlling Interest $'000	Total $'000
Balance as at 1 July 2010		102,770	(5,109)	2,026	-	99,687
Total comprehensive income for the period		-	7,644	-	-	7,644
Transactions with owners, recorded directly in equity						
Shares issued in the period		43,383	-	-	-	43,383
Option reserve on recognition of equity based payments		-	-	100	-	100
Option reserve transferred to Retained Earnings on lapsed and cancelled options		-	565	(565)	-	-
Transfer on exercise of options		1,438	-	(1,438)	-	-
Share issue expense		(2,581)	-	-	-	(2,581)
Balance as at 30 June 2011		145,010	3,100	123	-	148,233
Total comprehensive income for the period		-	6,844	-	-	6,844
Non-controlling interest share of total comprehensive income		-	(693)	-	693	-
Transactions with owners, recorded directly in equity						
Acquisition reserve		-	-	(1,855)	-	(1,855)
OEI created on partial takeover of Crescent Gold Limited		-	-	-	4,307	4,307
Shares issued in the period		58,900	-	-	-	58,900
Balance as at 30 June 2012		203,910	9,251	(1,732)	5,000	216,429

The accompanying notes form part of these financial statements.

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Consolidated 2012 $'000	2011 $'000
Cash flows from operating activities			
Receipts from customers		248,087	102,017
Payments to suppliers and employees		(183,330)	(69,478)
Royalties paid		(9,106)	(2,210)
Other income		484	3
Interest received		589	442
Finance costs		(718)	(20)
Net cash inflow / (outflow) from operating activities	6(iii)	56,006	30,754
Cash flows from investing activities			
Proceeds from sale of non-current assets		-	47
Purchase of investments		-	(195)
Acquisition of plant and equipment		(13,622)	(2,747)
Mine development expenditure		(46,335)	(16,843)
Cash acquired from acquisition of Crescent Gold		1,901	-
Secured loan to third party		-	(3,000)
Secured short term deposits		-	(10)
Exploration expenditure		(21,601)	(24,483)
Net cash (outflow) / inflow in investing activities		(79,657)	(47,231)
Cash flows from financing activities			
Proceeds from issue of shares		-	42,303
Share issue expenses		-	(1,501)
Proceeds from borrowings		8,000	-
Net cash (outflow) / inflow from financing activities		8,000	40,802
Net (decrease) / increase in cash and cash equivalents		(15,651)	24,325
Cash and cash equivalents at 1 July		30,709	6,384
Add: Restricted cash adjustment from opening balance		812	-
Less: Restricted Cash Adjustment from closing balance		(13,266)	-
Cash and cash equivalents at 30 June 2012	6(i)	2,604	30,709

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest $1,000.

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the parent company.

The financial report covers the consolidated financial statements of Focus Minerals Ltd and controlled entities and Focus Minerals Ltd as an individual entity. Focus Minerals Ltd is a listed public company, incorporated and domiciled in Australia.

The financial report of Focus Minerals Ltd and controlled entities and Focus Minerals Ltd as an individual entity parent entity comply with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

(b) Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Focus Minerals Limited at the end of the reporting period. A controlled entity is any entity over which Focus Minerals Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 20 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Gold and silver sales: Revenue from the production of gold and silver is recognised when the Group has passed control and risk to the buyer.

Rendering of services: Revenue from the rendering of services provided is recognised when the service is provided charged on the per unit rate as agreed in contracts of service.

Interest income: Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(d) Revenue Recognition (continued)

Dividends: Revenue is recognised when the Group's right to receive the payment is established.

Rental income: Rental income from mining leases is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

(e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs.

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(f) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(g) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(h) Inventories

Raw materials and stores, ore stockpiles and work in progress and finished gold stocks are physically measured or estimated and valued at the lower of cost and net realisable value. Net realisable value less costs to sell is assessed annually based on the amount estimated to be obtained from sale of the item of inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure and depreciation and amortisation relating to mining activities, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories of consumable supplies and spare parts expected to be used in production are valued at the lower of weighted average cost, which includes the cost of purchase as well as transportation and statutory charges, or net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified.

During the exploration and development phase, where the cost of extracting the ore exceeds the likely recoverable amount, work in progress inventory is written down to net realisable value,

(i) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

The amount of the loss is recognised in profit or loss. The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

(j) Impairment of financial assets

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in the income statement. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(k) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use i.e. discounted cash flows, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets attributable to income tax losses are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will be available to allow the deferred tax asset to be recovered.

Determination of future taxable profits requires estimates and assumptions as to future events and outcomes, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgements about commodity prices, ore resources, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(m) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(m) Financial Instruments (continued)

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;
(b) less principal repayments;
(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
(d) less any reduction for impairment.

The *effective interest* method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

iii. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(n) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

(n) Goods and services tax (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(o) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation

Depreciation on mobile plant is calculated on a straight-line basis over the estimated useful life of the assets being 5 -15 years.

Depreciation of underground assets is calculated on a units of production basis.

Depreciation of the mill treatment assets is calculated on a straight-line basis over the estimated useful life of the assets being 10 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement.

De-recognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(p) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises direct costs and does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Exploration expenditure for each area of interest is carried forward as an asset provided the rights to tenure of the area of interest are current and one of the following conditions is met:

(p) Exploration and Evaluation Expenditure (continued)

- The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount the impairment loss will be measured and disclosed in accordance with AASB 136 Impairment of Assets.

When a decision is made to develop an area of interest, all carried forward exploration expenditure in relation to the area of interest is transferred to development expenditure.

(q) Development Expenditure

Development expenditure represents the accumulated exploration, evaluation, land and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

In some circumstances, where conversion of resources into reserves is expected, some elements of resources may be included. Development and land expenditure still to be incurred in relation to the current reserves are included in the amortisation calculation. Where the life of the assets are shorter than the mine life their costs are amortised based on the useful life of the assets.

The estimated recoverable reserves and life of the mine and the remaining useful life of each class of asset is reassessed at least annually. Where there is a change in the reserves/resources amortisation rates are correspondingly adjusted.

(r) Trade and other payables

Trade and other payables are carried at the fair value of the consideration to be paid in the future. Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of goods and services.

(s) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(u) Employee leave benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(v) Share-based payment transactions

Equity settled transactions

The Group provides benefits to certain third parties and employees (including senior executives) of the Group in the form of share-based payments. Third parties and employees render services to the Group in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with third parties and employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes model, further details of which are given in Note 13.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Focus Minerals Ltd (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant beneficiary becomes fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(w) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(x) Restoration, rehabilitation and environmental Costs

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are accrued at the time of those activities and treated as exploration and evaluation expenditure.

Restoration, rehabilitation and environmental obligations recognised include the costs of reclamation and subsequent monitoring of the environment.

Costs are estimated on the basis of current assessed costs, current legal requirements and current technology, which are discounted to their present value. Estimates are reassessed at least annually. Changes in estimates are dealt with prospectively, with any amounts that would have been written off or provided against under accounting policy for exploration and evaluation immediately written off.

(y) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(aa) Going concern

The Directors have prepared the financial statements on a going concern basis which contemplates the realisation of assets and payment of liabilities in the normal course of business. The Group has a low gearing ratio of 0.4% and has minimal debt obligation of 11,859,000.

The Group incurred a net profit of 6,844,000 during the year after depreciation and amortisation expenditure of $32,800,000 ($2011: $7,645,000 after depreciation and amortisation expenditure of $15,034,000). The opening cash balance of $30,709,000 and the operating cash flow of $56,006,000 during the year (2011: $30,754,000) was used for developing the mine operations, exploration and purchase of property, plant and equipment, all of which will provide the Group with future economic benefits.

At 30 June 2012, the Group had net current asset deficiency of $33,985,000 (excluding non-current restricted cash of 12,885,000 associated with environmental bonds and security deposits) which includes cash and cash equivalents of $2,604,000, restricted cash of $381,000, trade and other receivable of $6,509,000, inventories of $25,559,000, financial assets of $1,347,000, trade and other payables of $61,553,000 and interest bearing liabilities of $9,455,000. The payment of trade payables and borrowings are forecasted to be met within agreed terms by operational cash flows and existing cash resources.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

Directors continue to manage the Group's activities with due regard to current and future funding requirements. On this basis the directors believe, the financial statements should be prepared on a going concern basis.

(ab) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

Determining ore reserves and remaining mine life

The consolidated entity estimates its ore reserves and mineral resources based on information compiled by Competent Persons (as defined in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as revised in December 2004 (the JORC code). Reserves determined in this way are taken into account in the calculation of depreciation, amortisation, impairment, deferred mining costs, rehabilitation and environmental expenditure.

In estimating the remaining life of the mine for the purpose of amortisation and depreciation calculations, due regard is given, not only to the amount of remaining recoverable gold ounces contained in proved and probable reserves, but also to limitations which could arise from the potential changes in technology, demand and other issues which are inherently difficult to estimate over a lengthy time frame.

Where a change in estimated recoverable gold ounces contained in proved and probable ore reserves are made, depreciation and amortisation is accounted for prospectively.

The determination of ore reserves and remaining mine life affects the carrying value of a number of the Consolidated Entity's assets and liabilities including deferred mining costs and the provision for rehabilitation.

Share based payments

The consolidated entity measures the cost of equity settled transactions with directors, employees and third parties with reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes Model with the assumptions in Note 13. The accounting estimates and assumptions relating to equity settled based payments may impact on the income, expenses and liabilities within the next annual reporting period.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated entity decides to exploit the related lease itself, or if not, whether it successfully recovers the related exploration and evaluation asset through sale.

To the extent that capitalised exploration expenditure is determined not to be made recoverable in future, profits and net assets will be reduced in the period in which the determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

Rehabilitation provision

The Company notes that the total dollar value of the environmental bonds it has lodged with the Department of Mines and Petroleum in fact exceeds the rehabilitation provision as stated in the accounts at year ended 30 June 2012. The Board is of the view that the Company has a very good track record in this area and is continually monitoring its obligations and undertaking rehabilitation work. It therefore forms the view that the rehabilitation provision in the accounts is adequate.

(ac) Adoption of New and Revised Accounting Standards

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2010:

- AASB 2009-5 Further *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*;
- AASB 2009-8 *Amendments to Australian Accounting Standards – Group cash-settled Share-based Payment Transactions;*
- AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues*;
- AASB Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*;
- AASB 2009-13 *Amendments to Australian Accounting Standards arising from Interpretation 19*; and
- AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*.

The adoption of these standards did not have any impact on the amounts for the current period or prior periods

(ac) New Accounting Standards for Application in Future Periods

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Likely impact
AASB 9 Financial Instruments (December 2010) Effective Date: 31 December 2015	AASB 139 Financial Instruments: Recognition and Measurement (in part)	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and • The remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and AASB 2010-10.	Depending on assets held, there may be movement of assets between fair value and amortised cost categories, and ceasing of impairment testing on available-for-sale financial assets. If the entity holds any financial liabilities at fair value, the portion of the fair value gain or loss attributable to 'own credit risk' will be incorporated in OCI, rather than profit or loss.

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Likely impact
AASB 10 Consolidated Financial Statements Effective Date: 31 December 2013	AASB 127 AASB Int 112	AASB 10 establishes a revised control model that applies to all entities. It replaces the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements and AASB Interpretation 112 Consolidation – Special Purpose Entities. The revised control model broadens the situations when an entity is considered to be controlled by another entity and includes additional guidance for applying the model to specific situations, including when acting as an agent may give control, the impact of potential voting rights and when holding less than a majority voting rights may give 'de facto' control. This is likely to lead to more entities being consolidated into the group.	Entities most likely to be impacted are those that: - have significant, but not a majority equity interests in other entities; - hold potential voting rights over investments, such as options or convertible debt.
AASB 11 Joint Arrangements Effective Date: 31 December 2013	AASB 131 AASB Int 113	AASB 11 replaces AASB 131 Interests in Joint Ventures and AASB Interpretation 113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition, AASB 11 removes the option to account for jointly-controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method. This may result in a change in the accounting for the joint arrangements held by the group.	For entities that have joint ventures that have been previously accounted using proportionate consolidation, they will need to change to equity accounting in most cases. For entities that have joint operations that have been previously accounted using equity accounting, they will need to change to accounting for the share of each asset, liability, income and expense.
AASB 12 Disclosure of Interests in Other Entities Effective Date: 31 December 2013	AASB 127 AASB 128 AASB 131	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures introduced by AASB 12 include disclosures about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	There are some additional disclosures centred on significant judgements and assumptions made around determining control, joint control and significant influence.
AASB 13 Fair Value Measurement Effective Date: 31 December 2013	None	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	For financial assets, AASB 13's guidance is broadly consistent with existing practice. It will however also apply to the measurement of fair value for non-financial assets and will make a significant change to existing guidance in the applicable standards.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Likely impact
AASB 128 Investments in Associates and Joint Ventures Effective Date: 31 December 2013	AASB 128 (Investments in Associates)	Once an entity (using AASB 11) has determined that it has an interest in a joint venture, it accounts for it using the equity method in accordance with AASB 128 (Revised). The mechanics of equity accounting set out in the revised version of AASB 128 remain the same as in the previous version.	Unlikely to have an impact.
AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] Effective Date: 31 December 2013	AASB Int 121	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate AASB Interpretation 121 Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.	Unlikely to have significant impact in Australia, although could have some effect for properties acquired between 20 September 1985 and 19 September 1999. May impact entities with overseas subsidiaries when the capital gains tax rate is lower than the company tax rate.
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124] Effective Date: 31 June 2014	None	The Standard deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.	Unlikely to have an impact.
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards Effective Date: 31 December 2013	None	This Standard makes consequential amendments to various Australian Accounting Standards arising from the issuance of AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011).	Refer to the likely impact of AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011).

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Likely impact
AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 101] Effective Date: 30 June 2013	None	Amendments to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss in subsequent periods (reclassification adjustments, e.g. foreign currency translation reserves) and those that cannot subsequently be reclassified (e.g. fixed asset revaluation surpluses). Name changes of statements in AASB 101 as follows: • One statement of comprehensive income – to be referred to as 'statement of profit or loss and other comprehensive income' • Two statements – to be referred to as 'statement of profit or loss' and 'statement of comprehensive income'.	Impact on separating components in other comprehensive income between reclassification and non-reclassification adjustments. Name changes to statement of comprehensive income.
AASB 119 Employee Benefits Effective Date: 31 December 2013	AASB 119	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. Consequential amendments were also made to other standards via AASB 2011-10.	Only impacts entities that have any defined benefit plans, and the removal of the deferral of gains and losses under the corridor approach.
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities Effective Date: 31 December 2013	None	This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.	Unlikely to have significant impact on entities.
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities Effective Date: 31 December 2014	None	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	Unlikely to have a significant impact as it addresses inconsistencies in practise.

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Likely impact
Mandatory Effective Date of IFRS 9 and Transition Disclosures1 Effective Date: 31 December 2015	None	This Standard amends IFRS 9 to require application for annual periods beginning on or after 1 January 2015, rather than 1 January 2013. Early application of IFRS 9 is still permitted. IFRS 9 is also amended so that it does not require the restatement of comparative-period financial statements for the initial application of the classification and measurement requirements of IFRS 9, but instead requires modified disclosures on transition to IFRS 9.	None as the mandatory effective date has been deferred.

NOTE 2: REVENUES AND EXPENSES

	Consolidated	
	2012	2011
	$'000	$'000
(a) Revenue		
Gold sales	257,463	101,167
Silver sales	790	253
Toll milling income	-	1,332
	258,253	102,752
(b) Other income		
Interest received	781	442
Rental revenue	242	1,434
Net gains (loss) on disposal of mining tenements	-	962
Realised gold forward contracts and AFS investments MTM gain	347	-
Net gains on disposal investments	-	24
Other	-	2
	1,370	2,864
(c) Expenses		
Finance costs		
Finance charges payable under finance leases and hire purchase contracts	17	20
Depreciation & Amortisation Expense		
Depreciation	9,486	4,698
Amortisation	23,314	10,336
Total amortisation and depreciation	32,800	15,034
Other expenses		
Legal fees	355	61
Option expense	708	99
Employee benefit expense	3,506	3,001
Corporate	9,225	4,692
	13,794	7,853
Takeover costs	3,543	-

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NOTE 3: INCOME TAX

	Consolidated	
	2012	2011
	$'000	$'000
Income tax recognised in profit and loss		
The prima facie income tax expense on pre-tax accounting from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting profit before income tax and OEI	6,844	7,644
Income tax expense:		
Income tax expense calculated at statutory income tax rate of 30%	2,053	2,293
Sundry non-deductible expenses	242	70
Deferred tax asset relating to tax losses not brought to account	(2,295)	(2,363)
Income tax expense	-	-
Income Statement of Comprehensive Income		
Current Tax		
Deferred tax asset relating to tax losses	2,295	2,363
Deferred Income Tax		
Temporary differences recognised in equity	(484)	(401)
Relating to origination and reversal on temporary differences	(2,712)	(6,910)
Current year tax losses not recognised in the current period	3,196	4,948
Income tax expense reported in the of Statement of Comprehensive Income	-	-
Unrecognised Deferred Tax Balances		
Unrecognised deferred tax asset losses	76,706	22,588
Unrecognised deferred tax asset other	3,918	2,051
Unrecognised deferred tax liabilities	(38,049)	(22,811)
Net unrecognised deferred tax assets	42,575	1,828

The deferred tax asset arising from the tax losses has not been recognised as an asset in the Statement of Financial Position because the recovery is not probable.
The tax benefit of losses not brought to account will only be obtained if:

(a) assessable income is derived of a nature and amount sufficient to enable the benefits to be realised,
(b) conditions for deductibility imposed by the law are complied with, and
(c) no changes in the tax legislation adversely affect the realisation of the benefit from the deductions.

Tax Consolidation

Focus Minerals Ltd and its 100% owned Australian resident subsidiaries have not formed a tax consolidated group.

NOTE 4: SEGMENT REPORTING

During the 2012 financial year, Focus Minerals Ltd acquired 81.57% of Focus Minerals (Laverton) Ltd – formerly Crescent Gold Ltd. In May 2012, Focus Minerals (Laverton) Ltd was delisted from the ASX and several of its Board members including the Managing Director resigned. Focus Minerals Ltd now directly manages all of the Focus Minerals (Laverton) Ltd.'s interests. Due to the ongoing minority interest, Focus Minerals Ltd will implement a formal service level agreement with Focus Minerals (Laverton) Ltd to ensure that costs are shared on an equitable basis for shared services. This will include costs such as shared premises and staff providing Group services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 4: SEGMENT REPORTING (CONTINUED)

The entity has changed the structure of its internal organisation in a manner that causes the composition of its reportable segments to change, the corresponding information from 2011 restated. The Group has three reportable geographic segments, as described below, which are the Group's strategic business units. The business units are managed separately as they require differing processes and skills. The Chief Executive Officer reviews internal management reports on a monthly basis. Gold produced is sold through agents at spot pricing or delivered into forward gold contracts. Segment Financial Information for the financial year ended 2012 are presented below:

	2012 Coolgardie $'000	2012 Laverton $'000	2012 Corporate $'000	2012 Intercompany $'000	2012 Consolidated $'000
Revenue from Main Product Sales - Gold	145,547	111,916	-	-	257,463
Revenue from By Product Sales - Silver	510	280	-	-	790
TOTAL GROSS REVENUE	146,057	112,196	-	-	258,253
Cost of Sales	112,099	90,526	-	-	202,625
Amortization & Depreciation	17,869	14,858	73	-	32,800
SEGMENTED OPERATING PROFIT / (LOSS)	16,089	6,812	(73)	-	22,828
Interest and financing fees	-	939	-	(922)	17
Other income	(291)	-	(299)	-	(590)
Interest income	-	(467)	(1,235)	922	(780)
Takeover costs	-	-	3,543	-	3,543
Other expenses [1]	-	2,580	11,214	-	13,794
SEGMENTED PROFIT / (LOSS)					
BEFORE UNDER NOTED ITEMS	16,380	3,760	(13,296)	-	6,844
Income taxes	-	-	-	-	-
Non-controlling interest	-	693	-	-	693
SEGMENTED PROFIT / (LOSS)	**16,380**	**3,067**	**(13,296)**	**-**	**6,151**
Current Assets	12,103	22,211	2,709	-	37,023
Non-Current Assets					
- Restricted Cash	61	11,808	1,016	-	12,885
- Property, Plant & Equipment	32,657	21,156	200	51	54,064
- Mine Property	32,409	20,614	-	-	53,023
- Exploration	59,275	13,380	34,953	32,107	139,715
- Other	10,368	9,932	136,762	(155,534)	1,528
TOTAL ASSETS	146,873	99,101	175,640	(123,376)	298,238
Current Liabilities	21,810	37,657	10,086	1,455	71,008
Non-Current Liabilities	52,720	34,316	5,746	(81,981)	10,801
TOTAL LIABILITIES	74,530	71,973	15,832	(80,526)	81,809
NET ASSETS	**72,343**	**27,128**	**159,808**	**(42,850)**	**216,429**
Equity	23,363	244,000	203,910	(267,363)	203,910
Reserves	-	14,950	123	(16,805)	(1,732)
Outside Equity Interest	-	-	-	5,000	5,000
Retained Earnings	48,980	(231,823)	(44,225)	236,319	9,251
NET EQUITY	**72,343**	**27,127**	**159,808**	**(42,849)**	**216,429**
Capital Expenditures	26,778	32,543	-	-	59,321

1. For further details, refer to note 2 (c).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 4: SEGMENT REPORTING (CONTINUED)

Segment Financial Information for the financial year ended 2011 are presented below:

	2012 Coolgardie $'000	2012 Laverton $'000	2012 Corporate $'000	2012 Intercompany $'000	2012 Consolidated $'000
Revenue from Main Product Sales - Gold	101,167	-	-	-	101,167
Revenue from By Product Sales - Silver	253	-	-	-	253
Revenue from Toll Milling	1,332	-	-	-	1,332
TOTAL GROSS REVENUE	102,752	-	-	-	102,752
Cost of Sales	75,064	-	-	-	75,064
Amortization & Depreciation	14,945	-	89	-	15,034
SEGMENTED OPERATING PROFIT / (LOSS)	**12,743**	**-**	**(89)**	**-**	**12,654**
Interest and financing fees	-	-	20	-	20
Other income	-	-	(2,864)	-	(2,864)
Takeover costs	-	-	-	-	-
Other expenses	-	-	7,853	-	7,853
SEGMENTED PROFIT / (LOSS) BEFORE UNDER NOTED ITEMS	12,743	-	(5,098)	-	7,645
Income taxes	-	-	-	-	-
Non-controlling interest	-	-	-	-	-
SEGMENTED PROFIT / (LOSS)	**12,743**	**-**	**(5,098)**	**-**	**7,645**
Current Assets	40,365	-	4,195	-	44,560
Non-Current Assets					
- Restricted Cash	812	-	-	-	812
- Property, Plant & Equipment	52,349	-	-	-	52,349
- Mine Property	2,700	-	-	-	2,700
- Exploration	77,667	-	-	-	77,667
- Other	(95,739)	-	117,674	(21,934)	-
TOTAL ASSETS	78,154	-	121,869	(21,934)	178,088
Current Liabilities	22,206	-	1,445	-	23,651
Non-Current Liabilities	-	-	6,204	-	6,204
TOTAL LIABILITIES	22,206	-	7,649	-	29,854
NET ASSETS	**55,948**	**-**	**114,220**	**(21,934)**	**148,233**
Equity	23,364	-	145,010	(23,364)	145,010
Reserves	-	-	123	-	123
Outside Equity Interest	-	-	-	-	-
Retained Earnings	32,584	-	(30,914)	1,430	3,100
NET EQUITY	**55,948**	**-**	**114,219**	**(21,934)**	**148,233**
Capital Expenditures	34,744	-	-	-	34,744

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 5: EARNINGS PER SHARE

	Consolidated	
	2012	2011
	Cents per Share	Cents per Share
Basic earnings per share:		
Total Basic EPS	0.15	0.26
Diluted earnings per share		
Total Diluted EPS	0.15	0.25
Basic Earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:	6,150,994	7,644,341
Weighted average number of ordinary shares for the purposes of basic earnings per share	4,185,341,251	2,982,670,549
Diluted Earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share:	6,150,994	7,644,341
Weighted average number of ordinary shares for the purposes of diluted earnings per share	4,237,075,097	3,082,186,465

NOTE 6: CASH, CASH EQUIVALENTS & RESTRICTED CASH

	Consolidated	
	2012	2011
	$'000	$'000
Current		
Cash at bank and on hand	2,604	2,290
Short-term deposits – unsecured	381	28,419
	2,985	30,709
Non- current		
Short-term deposits –secured	12,885	812

Cash at bank earns interest at floating rates based on daily deposit rates.

Short-term deposits are made for varying periods up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective commercial short-term deposit rates.

Performance bonds have been issued by a bank on behalf of the Group in respect of Western Australian mining tenements. The Group has indemnified the bank against any loss arising from the performance bonds and the indemnity is secured against cash deposits. Refer to Note 21.

(i) Reconciliation to Cash Flow Statement

For the purposes of the Statement of Cash Flow, cash and cash equivalents comprise cash on hand and at bank and short term deposits, net of secured short term deposits.

NOTE 6: CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and cash equivalents as shown in the Statement of Cash Flow is:

	Consolidated	
	2012	2011
	$'000	$'000
Cash and cash equivalents	2,604	30,709
(ii) Cash balances not available for use		
Short term deposits lodged as security	13,266	812

(iii) Reconciliation of profit for the year to net cash flows from operating activities

	Consolidated	
	2012	2011
	$'000	$'000
Net Profit for the year	6,844	7,644
Gain on sale or disposal of investments	-	(24)
Gain on sale or disposal of mining tenements	-	(962)
Depreciation expense	7,037	4,752
Amortisation expense	25,763	10,336
Share base payment	708	99
Unrealised gain from gold forward sales contracts	(345)	-
Reversal of provision	(455)	-
(Increase)/decrease in assets:		
Current receivables	1,747	3,233
Inventories	24,722	(2,814)
Other current assets	978	(2)
Increase/(decrease) in liabilities		
Current payables	(13,760)	10,104
Other current liabilities	386	(2,319)
Employee benefits	2,381	707
Net cash from/(used in) operating activities	56,006	30,754

(v) Non cash financing and investing activities transactions

2012

- Expenses during the period include the value of issued options for an amount of $708,000.

2011

- Expenses during the period include the value of issued options for an amount of $99,282. The options were issued to senior management staff under the Employee incentive scheme.
- During the period the Company has purchased mining equipment totalling $6,853,474 under hire purchase and finance leases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 7: CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated	
	2012	2011
	$'000	$'000
Trade receivables	4,130	1,177
Other receivables	2,379	202
	6,509	1,379

An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. The amount of the allowance/impairment loss has been measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors.

NOTE 8: BUSINESS COMBINATION

Merger with Crescent Gold Limited

On 20 June 2011 the Company jointly announced, with Crescent Gold Limited, an off-market bid by the Company to acquire the issued ordinary shares of Crescent Gold Limited (Crescent). The Bidder's Statement was lodged with the Australian Investments and Securities Commission on 29 June 2011.

The Offer opened on 30 June 2011 and consisted of one Focus share for every 1.18 Crescent share and option on issue and was conditional, among other conditions, on achieving ownership of 90% of the issued shares of Crescent.

On 18 August 2011 the Company declared the Offer unconditional, this for accounting purposes was considered the date control was passed in accordance with Australian Accounting Standard AASB3 "Business Combination". The Offer closed on 5 October 2011 and the Company received acceptances totalling 81.57% of Crescent issued ordinary shares. The Company issued 880,258,270 Focus shares in consideration for acceptances received.

Crescent is a gold producer with extensive landholdings in Laverton within the Eastern Goldfields of Western Australia
The merger of Focus Minerals Ltd and Crescent Gold Limited has been accounted as a business acquisition and has been calculated in accordance with the proportional interest method.
The purchase price allocation is as follows:

	Note	August 2011
		$'000
Identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		1,910
Restricted deposits		9,078
Other receivable and prepayments		3,417
Inventories		2,606
Property, plant and equipment		18,558
Exploration and evaluation expenditure		5,504
Development expenditure		10,624
Trade and other payables		(9,938)
Provisions		(7,027)
Loans and borrowings		(11,366)
Net Assets		23,366
Minority Interest	(a)	4,307
Net Assets Acquired		23,366
Consideration paid		58,900
Excess purchase price allocated to evaluation and exploration assets recognised on acquisition		37,983

NOTE 8: BUSINESS COMBINATION (CONTINUED)

(a) MINORITY INTEREST

	Consolidated	
	2012	2011
	$'000	$'000
Minority interest (balance on takeover of Crescent)	4,307	-
Non-controlling interest for the year	693	-
	5,000	-

NOTE 9: INVENTORIES

	Consolidated	
	2012	2011
	$'000	$'000
At cost:		
Consumables	3,197	2,524
Ore stockpiles	20,976	1,648
Gold in circuit	1,386	3,545
	25,559	7,717

NOTE 10: OTHER CURRENT ASSETS

	Consolidated	
	2012	2011
	$'000	$'000
Prepaid expenses	623	560

NOTE 11: FINANCIAL ASSETS

	Consolidated	
	2012	2011
	$'000	$'000
Current		
Investments in listed entities – at fair value [a]	1,167	1,195
Loans to external parties [b]	-	3,000
Foreign exchange contract – fair value movement [c]	180	-
	1,347	4,195

a. Investment in the listed entity – Macphersons Resources Limited ("MRL") was made for an amount of $1,000,000. The carrying value of the investment reflects the market value of the share price of MRL at year end.

b. Loans to external parties are secured by registered fixed and floating charge over the assets and operations of Crescent Gold Limited. The loan carries an interest rate of 7% pa. Refer also to Note 25. However at part of the consolidated entity, this loan is eliminated.

c. The Company entered into two forward contracts to sell 4000 ounces of gold at a weighted average price of $1,613 per ounce. The carrying value reflects the fair value movement based on the price of gold at $1,568 per ounce at 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12: PLANT & EQUIPMENT

	Consolidated	
	2012	2011
	$'000	$'000
At cost	82,411	41,603
Less: Accumulated Depreciation	(28,347)	(10,074)
Carrying value	54,064	31,529
Movement Summary		
Cost:		
At Cost (opening balance)	41,603	33,097
Additions	13,463	8,506
Acquisitions through business combination	27,345	-
At Cost (closing balance)	82,411	41,603
Depreciation:		
At Cost (opening balance)	(10,074)	(5,322)
Depreciation expense	(9,486)	(4,752)
Acquisitions through business combination	(8,787)	-
At Cost (closing balance)	(28,347)	(10,074)
Total	54,064	31,529

NOTE 13: DEVELOPMENT EXPENDITURE

	Consolidated	
	2012	2011
	$'000	$'000
At Cost	117,619	53,119
Less: Accumulated amortisation	(64,596)	(29,599)
Net Exploration and Evaluation Expenditure	53,023	23,520
Movement Summary:		
Cost:		
Opening balance	53,119	36,276
Additions	42,193	16,843
Acquisitions through business combination a	22,307	-
Closing balance	117,619	53,119
Accumulated amortisation:		
Opening balance	(29,599)	(21,567)
Amortisation expense	(23,314)	(8,032)
Acquisitions through business combination a	(11,683)	-
Closing balance	(64,596)	(29,599)

a. Acquisition through business combination – refer Note 8.

NOTE 14: EXPLORATION & EVALUATION ASSETS

	Consolidated	
	2012	2011
	$'000	$'000
Exploration and Evaluation Expenditure:		
At Cost	141,243	77,667
Net Development Expenditure	-	2,700
Movements:		
Exploration and Evaluation Expenditure		
Carrying amount at beginning of the year	77,667	55,803
plus – exploration expenditure	20,089	23,943
plus – tenements acquired	5,504	540
plus – excess purchase price allocated	37,983	-
plus - Transfer (to)/from Development Expenditure	-	(2,619)
Carrying amount at end of year	141,243	77,667

NOTE 15: SHARE BASED PAYMENTS

During the year, the Company issued nil options to senior executive staff under the employee incentive scheme. During 2011 the Company issued 33,500,000 options to senior executive staff under the employee incentive scheme.

The fair value of the equity settled share options granted is estimated as at the date of grant using the Black-Scholes Option pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the years ended 30 June.

	2012	2011
Volatility (%)	70%	70%
Risk free interest rate (%)	5.35%	5.35%
Expected life of option (years)	3.25 yrs	3.25 yrs
Exercise price (cents)	12.3 cents	12.3 cents
Weighted average share price at grant date (cents)	8.7 cents	8.7 cents
Discount factor	75%	75%
Imputed value of issued options	$57,900	$99,284

Subject to the vesting criteria being met, the options will vest on 31 December 2012. Accordingly, the option value has been proportionally expensed over the vesting period with $57,900 expensed at 30 June 2012. A further $25,618 is to be expensed annually from 30 June 2013 to 30 June 2014.

Vesting criteria of the Scheme is subject to the Company achieving a Total Shareholder Return for the 12 month period prior to the applicable Vesting Date of at least within the 2nd quartile of Total Shareholder Returns for the Comparable Entities. Comparable Entities have been determined to be 12 gold producing companies listed on established stock exchanges and with operations predominately located within the Western Australian Eastern Goldfields region.

Total Shareholder Return is defined as the change in capital value per share of an entity over a 12 month period, plus dividends per share, expressed as a plus or minus percentage of their opening value. The opening value date is 1 January 2011.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 15: SHARE BASED PAYMENTS (CONTINUED)

The discount factor has been determined based on the historical Total Shareholder Return performance of the Company relative to the Comparable Entities over the past 3 years as a likelihood of achieving the vesting performance criteria.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

NOTE 16: TRADE AND OTHER PAYABLES

	Consolidated	
	2012	2011
	$'000	$'000
Current		
Trade payables	49,117	15,261
Sundry creditors and accrued expenses	9,307	5,503
Employee benefits	3,129	1,442
	61,553	22,206

(i) Trade payables are non-interest bearing and are normally settled on 15-45 day terms.
Information regarding the credit risk of current payables is set out in Note 20.

NOTE 17: PROVISIONS

	Consolidated	
	2012	2011
	$'000	$'000
Non-Current		
Employee benefits		
Balance at 1 July	-	-
Increase in the period	225	-
Balance at 30 June	225	-
Rehabilitation costs		
Balance at 1 July	1,750	1,750
Increase in the period	6,422	-
Balance at 30 June	8,172	1,750
	8,397	1,750

Provision for Mine Restoration
A provision has been recognised for the costs to be incurred for the restoration and rehabilitation of mining and prospecting leases used for the production and exploration of gold and nickel. A discount rate adjusted to reflect the risk inherent in the mining operation has been applied.

NOTE 18: FINANCIAL LIABILITIES

	Consolidated	
	2012	2011
	$'000	$'000
Current		
Bank loans a	8,000	1,445
Finance lease – refer note 21	1,455	-
	9,455	1,445
Non – current		
Finance lease – refer note 21	2,404	4,454

Note a) Banking facility
At 30 June 2012, the Group has a Contingent Instrument Facility. The Facility provides bankers' guarantees to meet tenement requirements and to secure services supply contracts.

The Facility is secured by:
- fixed and floating charge over all the assets and undertakings of the Company, Austminex Pty Ltd and Focus Operations Pty Ltd,
- an equitable mortgage over the issued shares owned by the Company in Austminex Pty Ltd and Focus Operations Pty Ltd, and
- a mining mortgage over specified mining leases owned by the Company, in Austminex Pty Ltd and Focus Operations Pty Ltd.

The facility is comprised of the following at 30 June 2012:

	Drawn	**Undrawn**	**Facility Limit**
Contingent Instruments	$3,102,300	$397,700	$3,500,000

The Facility Agreement requires the Company to maintain a minimum bank balance of $3 million.
There were no breaches of the financial covenants during the period.

At 30 June 2012, the Group has an interest bearing loan facility with Investec.

The Facility is secured by:
- fixed and floating charge over all the assets and undertakings of the Company, Austminex Pty Ltd and Focus Operations Pty Ltd,

The facility is comprised of the following at 30 June 2012:

	Drawn	**Undrawn**	**Facility Limit**
Contingent Instruments	$8,000,000	$2,000,000	$10,000,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19: ISSUED CAPITAL AND RESERVES

Authorised Capital
The Company does not have an Authorised Capital and there is no par value for ordinary shares.

(a) Ordinary shares

	Consolidated	
	2012 $'000	2011 $'000
Issued capital	203,910	145,010

	No. of shares 2012	No. of shares 2011
Shares on issue at the beginning of reporting period	3,440,515,431	2,862,543,210
Shares issued during the year		
- 23 August 2011	705,051,845	
- 24 August 2011	17,754,555	
- 26 August 2011	2,512,861	
- 29 August 2011	5,723,899	
- 30 August 2011	14,451,598	
- 31 August 2011	15,387,371	
- 01 September 2011	37,300,103	
- 08 September 2011	24,836,939	
- 14 September 2011	30,391,642	
- 16 September 2011	148,563	
- 30 September 2011	669,607	
- 03 October 2011	14,923,378	
- 5 October 2011	10,858,449	
- 6 October 2011	247,460	
- 27 April 2011		26,000,000
- 18 April 2011		517,104,911
- 31 March 2011		1,867,310
- 22 March 2011		14,000,000
- 04 March 2011		16,000,000
- 07 March 2011		3,000,000
Shares on issue at reporting date	4,320,773,701	3,440,515,431

Share Issue Details
On 20th June 2011, the Company jointly, with Crescent Gold Limited, announced an-off market bid by the Company to acquire the issued ordinary shares of Crescent Gold Limited (Crescent). The Bidder's Statement was lodged with the Australian Investments and Securities Commission on 29 June 2011.

The Offer opened on 30 June 2011 and consisted of one Focus share for every 1.18 Crescent share and option on issue and was conditional, among other conditions, on achieving ownership of 90% of the issued shares of Crescent.

On 18 August 2011, the Company declared the Offer unconditional; this for accounting purposes was considered the date control was passed in accordance with AASB3 – Business Combinations.

NOTE 19: ISSUED CAPITAL AND RESERVES (CONTINUED)

The Offer closed on 5 October 2011 and the Company received acceptances totalling 81.57% of Crescent issued ordinary shares. The Company issued 880,258,270 Focus shares during the financial year in consideration for acceptances, as shown below:

- Issued 675,746,689 shares on 23 August 2011 at an issue price of $0.067 per share;
- Issued 29,305,156 shares on 22 August 2011 and 23 August 2011 at an issue price of $0.065 per share;
- Issued 17,754,555 shares on 25 August 2011 at an issue price of $0.063 per share;
- Issued 2,512,861 shares on 26 August 2011 at an issue price of $0.065 per share;
- Issued 5,723,899 shares on 29 August 2011 at an issue price of $0.065 per share;
- Issued 14,451,598 shares on 30 August 2011 at an issue price of $0.066 per share;
- Issued 15,387,371 shares on 31 August 2011 at an issue price of $0.069 per share;
- Issued 37,300,103 shares on 01 September 2011 at an issue price of $0.070 per share;
- Issued 24,836,939 shares on 08 September 2011 at an issue price of $0.068 per share;
- Issued 30,391,642 shares on 14 September 2011 at an issue price of $0.069 per share;
- Issued 148,563 shares on 16 September 2011 at an issue price of $0.072 per share;
- Issued 669,607 shares on 30 September 2011 at an issue price of $0.072 per share;
- Issued 14,923,378 shares on 03 October 2011 at an issue price of $0.072 per share;
- Issued 10,858,449 shares on 05 October 2011 at an issue price of $0.072 per share;
- Issued 247,460 shares on 06 October at an issue price of $0.072 per share;
-

Crescent is a gold producer with extensive landholdings in Laverton within the Eastern Goldfields of Western Australia. The merger of Focus Minerals Ltd and Crescent Gold Ltd has been accounted for as a business acquisition and has been calculated in accordance with proportional interest method.

Voting Entitlements
At each shareholder's meeting each ordinary share is entitled to one vote on the calling of a poll, otherwise each shareholder is entitled to one vote on a show of hands.

(b) Options
The Company has issued options to acquire fully paid shares by defined expiry dates. The following are movements in options throughout the period and the outstanding options at 30 June 2012:

Issuing Entity	Number of Options	Exercise Price Cents per Share	Expiry Date
Focus Minerals Ltd			
Total Issued Options at 1 July 2011	75,580,000		
Expired options	-	-	-
Options Exercised	-	-	-
Options Lapsed unexercised	6,923,077	7.5	31/12/2012
	6,923,077	7.8	31/12/2012
	10,000,000	12.3	30/06/2014
	23,846,154		
Options issued			
Executive incentive options	-	-	-
Total options on issue	14,116,923	7.50	31/12/2012
	14,116,923	7.80	31/12/2012
	23,500,000	12.30	30/6/2014
Total Options issued	**51,733,846**		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19: ISSUED CAPITAL AND RESERVES (CONTINUED)

(c) Capital Management

Management controls the capital of the Group in order to ensure the group can fund its operations, continue as a going concern and ensuring compliance with banking covenants. As required under the banking facilities provided, the Group monitors monthly and reports quarterly on the compliance of financial covenants as listed in Note 16. The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks, adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The gearing ratios for the group are as follows:

	Consolidated	
	2012	2011
	$'000	$'000
Total borrowings	11,859	5,899
Less: cash and cash equivalents	(2,604)	(30,709)
Net debt / (net cash)	9,255	(24,810)
Total equity	216,429	148,233
Total capital	225,684	123,423
Gearing ratio (net of cash and cash equivalents)	4%	N/a

(d) Reserves

Option Reserve

Movements in the option reserve as a result of equity settled transactions were as follows:

	Consolidated	
	2012	2011
	$'000	$'000
Balance 1 July	123	2,026
Reserve adjustments from Crescent takeover	(1,855)	
Employee share options issued	-	99
Amount transferred to issued capital on exercise of options	-	(1,438)
Amount transferred to Retained Earnings on lapsed or expired options	-	(565)
Balance 30 June	(1,732)	122

The share option reserve arises on the grant of share options. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

Refer Note 19 (b) for movement of issued options.

NOTE 20: FINANCIAL INSTRUMENTS

a. Financial Risk Management Policies

The group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, leases, convertible notes and derivatives.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

Derivatives are used by the group for hedging purposes such as forward gold sales agreements. The group does not speculate in the trading of derivative instruments.

i. Treasury Risk Management

A finance committee consisting of a non-executive director and the Chief Financial Officer meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the board of directors. Risk management policies are reviewed and approved by the Board on a regular basis. These include the use of hedging derivative instruments, credit policies and future cash flow requirements.

ii. Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and gold price risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2012 approximately 100% of group debt is fixed. It is the policy of the group to keep between 75% and 100% of debt on fixed interest rates for short term periods up to 180 days.

Liquidity Risk

The group manages liquidity risk by monitoring forecast project and operating cash flows and ensuring that a minimum level of uncommitted cash is available for immediate use and consists of cash on deposit and/or utilised borrowing facilities.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

In respect of the parent entity, credit risk also incorporates the exposure of Focus Minerals Ltd to the liabilities of all members of the closed group.

Credit risk is managed on a group basis and reviewed regularly by the finance committee. It arises from exposures to approved customers as well as deposits with financial institutions.

The Audit and Business Risk Committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only approved banks and financial are utilised;
- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing.

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations. The credit risk exposure to forward gold sale contracts is the net fair value of these contracts as disclosed in Note 18 (b). The consolidated group has not have a material credit risk exposure as, at balance date, no financial instruments are outstanding by the consolidated group. The total exposure is detailed in Note 18 (b) below.

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Price Risk
The group is exposed to gold price risk through its gold mining operations. The Audit and Business Risk Committee assesses the price risk and may enter into gold forward sales contracts for delivery of specified quantities of gold on specific dates at fixed prices. At balance date no financial instruments are outstanding by the consolidated group.

Gold price risk is the risk that fluctuations in the price of gold will have an adverse effect on current or future earnings. The consolidated entity may use derivative financial instruments to hedge some of its exposure to fluctuations in gold prices.

In order to protect against the impact of falling gold prices, the consolidated entity may enter into hedging transactions which provide a minimum price to cover non-discretionary operating expenses, repayments due under the consolidated entity's financing facilities and to provide for sustaining capital. The majority of the consolidated entity's forecast production is unhedged, allowing it to take advantage of increases in gold prices. Call and put options have also been used by the consolidated entity to manage the gold price risk.

As the consolidated entity does not enter into financial instruments for trading purposes, the risks inherent in the financial instruments used are offset by the underlying risk being hedged. The consolidated entity ensures that the level of hedge cover does not exceed the anticipated gold production anticipated in future periods and that the term of the financial instruments does not exceed the mine life and that no residual basis risk exists.

b. Financial Instruments

i. Derivative Financial Instruments

Derivative financial instruments are used by the consolidated group to hedge exposure to gold price risk. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

Forward Gold Contracts
The group has entered into forward exchange contracts to sell specified amounts of gold in the future at fixed gold prices. The objective in entering the forward gold contracts is to protect the group against unfavourable price movements for the contracted future sales of gold.

The accounting policy in regard to forward gold contracts is detailed in Note 1.

At balance date, details of outstanding forward gold sale contracts are:

	Consolidated Group		Consolidated Group Average Gold Price/oz	
	2012 $'000	2011 $'000	2012 Oz	2011 Oz
Gold forward sales contracts				
Less than 6 months	6,452	-	1,613	-
6 months to 1 year	-	-	-	-
1 – 2 years	-	-	-	-
	6,452	-	1,613	-

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

At 30 June 2012 the group has 4,000 ounces as unsettled forward gold contracts (2011: nil) and no outstanding gold put options.

ii. Maturity Analysis

	Average Effective Interest Rate %	Floating Interest Rate $'000	Fixed Interest Rate $'000	Non Interest Bearing $'000	Total $'000
Consolidated					Payable within 1 year
30 June 2012					
Financial assets					
Cash and cash equivalents	-	-	-	2,604	2,604
Restricted cash	-	-	-	381	381
Other financial assets	-	-	-	1,347	1,347
Trade receivables	-	-	-	6,509	6,509
Total financial assets		-	-	10,841	10,841
Financial liabilities					
Trade and other payables	-	-	-	61,553	61,553
Interest bearing liabilities – note 18	8.9%	-	9,455	-	9,455
Total financial liabilities		-	9,455	61,553	71,008
Consolidated					
30 June 2011					
Financial assets					
Cash and cash equivalents	5.2%	30,708	812	1	31,521
Other financial assets	7.0%	-	3,000	1,195	4,195
Trade receivables	-	-	-	1,379	1,379
Total financial assets		30,708	3,812	2,575	37,095
Financial liabilities					
Trade payables and other payables	-	-	-	22,206	22,206
Interest bearing liabilities – note 18	8.9%	-	5,899	-	5,899
Total financial liabilities		-	5,899	22,206	28,105

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Aggregate fair values and carrying values of financial assets and financial liabilities at balance date.

Consolidated	**2012** Carrying Amount $'000	**2012** Net Fair Value $'000	2011 Carrying Amount $'000	2011 Net Fair Value $'000
Financial assets				
Other financial assets	1,347	1,347	1,195	1,195
Loans and receivables	6,509	6,509	4,379	4,379
	7,856	7,856	5,574	5,574
Interest bearing liabilities – note 18	11,859	11,859	5,899	5,899
	11,859	11,859	5,899	5,899

iii. **Sensitivity Analysis**

Interest Rate Risk, Gold Price Risk

The group has performed a sensitivity analysis relating to its exposure to gold price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Gold Price Sensitivity Analysis

At 30 June 2012, the effect on profit and equity as a result of changes in the Australian dollar gold price and based on gold sold within the year with all other variables remaining constant would be as follows:

	Consolidated 2012 $'000	Consolidated 2011 $'000
Gold Sold – ozs	155,213	72,720
Average Gold price achieved	$1,614	$1,391
Change in profit		
- Increase in A$ gold price by 10%	25,046	10,115
- Decrease in A$ gold price by 10%	(25,046)	(10,115)
Change in equity		
- Increase in A$ gold price by 10%	25,046	10,115
- Decrease in A$ gold price by 10%	(25,046)	(10,115)

Interest Rate Analysis

At 30 June 2012, the Group had $13,266,000 invested in security deposits and performance bonds. A 1% increase / (decrease) in the interest rate would impact the interest earned by $132,000 / ($132,000) respectively.

NOTE 21: COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Group as lessee
The Group has entered into commercial leases on certain office and regional residential accommodation. These leases have a life of one to five year with renewal options included in some lease contracts. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	Consolidated	
	2012	2011
	$'000	$'000
Office Accommodation		
Within one year	504	492,538
After one year but not more than five years	1,305	1,810,904
More than five years	-	-
	1,809	2,303,442

Finance lease and hire purchase commitments – Group as lessee
The Group has finance leases for various items of plant and machinery. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2012		2011	
	Minimum lease payments	**Present value of lease payments**	Minimum lease payments	Present value of lease payments
	$'000	**$'000**	$'000	$'000
CONSOLIDATED				
Within one year	2,617	2.001	1,900	1,445
After one year but not more than five years	2,790	2,460	4,952	4,454
Total minimum lease payments	5.407	4,461	6,852	5,899
Less amounts representing finance charges	(473)	-	(953)	-
Present value of minimum lease payments	4,461	5,303	5,898	5,899

The weighted average interest rate impact on the leases for both the Group and the Parent at 30 June 2012 is 8.9% (2011: 8.9 %).

Mining tenement expenditure commitments and contingencies
The Consolidated Entities and Company have minimum statutory expenditure, including tenement rentals, as conditions of tenure of certain mining tenements.

To secure certain performance obligations attaching to certain mining and exploration tenements, the Consolidated Entity and the Company has lodged bank bonds totalling $15,079,000 (2011: $3,340,000) with the Department of Mines and Petroleum.

Mining tenement expenditure commitments
The Group has committed, under tenement landholding conditions, to spend a minimum of $6,621,260 of which $4,866,600 relates to Laverton (2011: $1,770,720 for Coolgardie and $4,664,960 for Laverton) per annum on mining and exploration tenements held by the Group.

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 22: CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Focus Minerals Ltd and the subsidiaries listed below:

Name	*Country of Incorporation*	*% Equity Interest*	
		2012	2011
Austminex Pty Ltd	Australia	100%	100%
Focus Operations Pty Ltd	Australia	100%	100%
Underground Drilling Services Pty Ltd	Australia	100%	100%
Focus Minerals (Laverton) Ltd [1]	Australia	81.57%	-
Laverton Nickel Pty Ltd	Australia	81.57%	-
Uranium West Holding Ltd	Australia	81.57%	-
Uranium West Ltd	Australia	81.57%	-

1. The trading name for Crescent Gold Ltd was changed to Focus Minerals (Laverton) Ltd on 24 July 2012.

NOTE 23: PARENT ENTITY

The parent company throughout the financial year ended 30 June 2012 was Focus Minerals Limited.

	Parent Entity	
	2012 $'000	2011 $'000
Results of the parent entity		
Profit for the period	(13,312)	1,717
Other comprehensive income	-	-
Total comprehensive income for the period	(13,312)	1,717
Financial position of parent entity at year end		
Current assets	2,709	38,515
Total assets	175,639	149,724
Current Liabilities	10,086	14,808
Total liabilities	15,832	19,671
Total equity of parent entity comprising of:		
Share capital	203,910	145,010
Option reserve	123	123
Accumulated losses	(44,225)	(15,080)
Total equity	159,808	130,053

The parent entity has commitments of $504,000 (2011: $2,239,292) and is jointly and severally liable for the mining tenement expenditure commitments.

NOTE 24: RELATED PARTY DISCLOSURE

The following table provides the total amount of transactions that were entered into with related parties in the relevant financial year.

		Sales to Related Parties $'000	Purchases from Related Parties $'000	Amounts Owed by Related Parties $'000	Amounts Owed to Related Parties $'000
Parent					
Related party					
Austminex Pty Ltd	**2012**	**-**	**-**	**4,379**	**-**
	2011	-	-	4,379	-
Underground Drilling Services Pty Ltd	**2012**	**-**	**-**	**-**	**-**
	2011	-	-	60	-
Focus Operations Pty Ltd	**2012**	**-**	**-**	**31,331**	**-**
	2011	-	-	10,406	-
Focus Minerals (Laverton) Ltd [1]	**2012**	**-**	**-**	**17,922**	**-**
	2011	-	-	-	-

1. The trading name for Crescent Gold Ltd was changed to Focus Minerals (Laverton) Ltd on 24 July 2012

Joint venture in which the entity is a venturer

The Group has a 100% interest in the assets, liabilities and output of the Coolgardie Gold Project (2011: 100%)

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Loan balances outstanding at year-end are unsecured, interest free and settlement occurs in cash.

For the year ended 30 June 2012, the Group has not made any allowance for doubtful debts relating to amounts owed by related parties due to solid payment history (2010: $nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

Mr Lockyer is a non-executive director of Swick Mining Services Limited (Swick). During the year the Group contracted with Swick to provide drilling services for the Group's surface exploration programs. These services were awarded to Swick after undertaking a tender process. Drilling services provided by Swick for the year totalled $5,166,558 (2011: $3,600,892) determined in accordance with a schedule of rates established during the tender process.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 25: AUDITORS' REMUNERATION

The auditors of Focus Minerals Limited are Grant Thornton Audit Pty Ltd.

	Consolidated	
	2012	2011
	$'000	$'000
Amounts received or due and receivable by Grant Thornton Audit Pty Ltd.		
An audit or review of the financial report of the entity and any other entity in the consolidated group	180	87
Other services in relation to the entity and any other entity in the consolidated group:		
Taxation services	7	8
Financial modelling	-	44
	187	139

NOTE 26: DIRECTORS' AND EXECUTIVE DISCLOSURES

Director and key management remuneration has been included in the Remuneration Section of the Directors' Report.

(a) Compensation options:

No share options have been granted to the non-executive members of the Board of Directors.

(b) Options holdings of Key Management Personnel

30 June 2012

	Balance at Beginning Of period 1/7/2011	Granted as remuneration	Options Exercised/ lapsed	**Balance at End of Period 30/6/2012**	Vested as at 30 June 2012 Total	Vested	Not Vested
30 June 2012							
Directors							
Donald Taig	-	-	-	**-**	-	-	-
Phillip Lockyer	-	-	-	**-**	-	-	-
Gerry Fahey	-	-	-	**-**	-	-	-
Bruce McComish	-	-	-	**-**	-	-	-
Campbell Baird	25,000,000	-	-	**25,000,000**	25,000,000	-	25,000,000
Paul Fromson [1]	-	-	-	**-**	-	-	-
Mark Hine [2]	-	-	-	**-**	-	-	-
Jon Grygorcewicz [3]	6,461,538	-	(6,461,538)	**-**	-	-	-
Brad Valiukas [4]	17,384,616	-	(17,384,616)	**-**	-	-	-
Total	48,846,154	-	(23,846,154)	**25,000,000**	25,000,000	-	25,000,000

1.Paul Fromson was appointed at Company Secretary and Chief Financial Officer in April 2012.
2.Mark Hine was appointed as Chief Operating Officer in December 2011.
3.Jon Grygorcewicz resigned as Chief Financial Officer in April 2012.
4.Brad Valiukas resigned as Chief Operating Officer in January 2012.

NOTE 26: DIRECTORS' AND EXECUTIVE DISCLOSURES (CONTINUED)

(b) Options holdings of Key Management Personnel (continued)

30 June 2011

	Balance at Beginning Of period 1/7/2010	Granted as remuneration	Options Exercised/ lapsed	**Balance at End of Period 30/6/2011**	Vested as at 30 June 2011 Total	Vested	Not Vested
30 June 2011							
Directors							
Donald Taig	-	-	-	-	-	-	-
Phillip Lockyer	-	-	-	-	-	-	-
Gerry Fahey	-	-	-	-	-	-	-
Bruce McComish	-	-	-	-	-	-	-
Campbell Baird	15,000,000	10,000,000	-	25,000,000	25,000,000	-	25,000,000
Jon Grygorcewicz	6,461,538	-	-	6,461,538	6,461,538	-	6,461,538
Total	21,461,538	10,000,000	-	31,461,538	31,461,538	-	31,461,538

(c) Shareholdings of Key Management Personnel

30 June 2012	Balance 1 July 2011 Shares	Options	Granted as remuneration Shares	Options	Purchases Shares	Options	Balance 30 June 2012 Shares	Options
Directors								
Donald Taig	11,963,259	-	-	-	-	-	11,963,259	-
Phillip Lockyer	594,523	-	-	-	-	-	594,523	-
Gerry Fahey	-	-	-	-	-	-	-	-
Bruce McComish	-	-	-	-	-	-	-	-
Campbell Baird	6,394,736	25,000,000	-	-	-	-	6,394,736	25,000,000
Jon Grygorcewicz	2,175,550	6,461,538	-	-	-	-	2,175,550	6,461,538
Paul Fromson	-	-	-	-	-	-	-	-
Mark Hine	-	-	-	-	-	-	-	-
Total	21,128,068	31,461,538	-	-	-	-	21,128,068	31,461,538

30 June 2011	Balance 1 July 2010 Shares	Options	Granted as remuneration Shares	Options	Purchases Shares	Options	Balance 30 June 2011 Shares	Options
Directors								
Donald Taig	11,305,366	-	-	-	657,893	-	11,963,259	-
Phillip Lockyer	594,523	-	-	-	-	-	594,523	-
Gerry Fahey	-	-	-	-	-	-	-	-
Bruce McComish	-	-	-	-	-	-	-	-
Campbell Baird	5,600,000	15,000,000	-	10,000,000	794,736	-	6,394,736	25,000,000
Jon Grygorcewicz	2,162,705	6,461,538	-	-	12,845	-	2,175,550	6,461,538
Total	19,662,594	21,461,538	-	10,000,000	1,465,474	-	21,128,068	31,461,538

NOTE 27: SIGNIFICANT EVENTS AFTER BALANCE DATE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Proposed Placement to Shandong Gold International Mining Corporation Limited.

On 20 September 2012 the company issued an announcement for a proposed placement of shares that would result in Shandong Gold owning up to 51% in the Company. The key points of the announcement are reproduced as follows:

“Focus Minerals Limited (“Focus”) [ASX: FML], an Australian gold producer and explorer, is pleased to announce that it has entered in to a Share Subscription Deed with Shandong Gold International Mining Corporation Limited (“Shandong Gold”), under which Shandong Gold has agreed to subscribe for new fully paid ordinary Focus shares to raise $225 million.

Shandong Gold, a subsidiary of one of China’s three largest gold producers by production, will subscribe for approximately 4.55 billion new fully paid ordinary Focus shares (“New Shares”) at 5 cents per New Share, to raise $225 million (“Placement”). The Placement represents a premium of:

- *13.6% to the closing price of Focus shares of 4.4 cents per share on 19 September 2012; and*
- *28% to the 60 day VWAP of 3.9 cents per share for the period ending 19 September 2012.”*

The placement will require shareholder approval and the unanimous recommendation of the Board based on an independent report that the transaction is reasonable. The AGM is scheduled for 30 November to allow for sufficient time for the independent experts reports to be completed and a detailed Explanatory Memorandum to be compiled.

Other than as detailed above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Focus Minerals Limited (the "Company"):

    (a) the financial statements and notes set out on pages 42 to 84 and the remuneration disclosures that are contained in pages 34 to 39 of the Remuneration report in the Directors' report, are in accordance with the Corporations Act 2001, including:

        (i) giving a true and fair view of the Group's financial position as at 30 June 2011 and of their performance, for the financial year ended on that date; and

        (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

        (iii) complying with International Financial Reporting Standards as disclosed in Note 1.

    (b) the remuneration disclosures that are contained in page 34 to 39 of the Remuneration report in the Directors' report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and

    (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2011.

Signed in accordance with a resolution of the Directors:

Don Taig
Director
Dated 28 September 2012

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Independent Auditor's Report
To the Members of Focus Minerals Ltd

Report on the financial report

We have audited the accompanying financial report of Focus Minerals Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Grant Thornton

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Electronic presentation of audited financial report
This auditor's report relates to the financial report of Focus Minerals Ltd and controlled entities for the year ended 30 June 2012 included on Focus Minerals Ltd's web site. The Company's Directors are responsible for the integrity of Focus Minerals Ltd's web site. We have not been engaged to report on the integrity of Focus Minerals Ltd's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion
In our opinion:

a the financial report of Focus Minerals Ltd is in accordance with the Corporations Act 2001, including:

 i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

 ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

INDEPENDENT AUDITOR'S REPORT

Grant Thornton

Report on the remuneration report

We have audited the remuneration report included in pages 34 to 39 of the directors' report for the year ended 30 June 2012. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Focus Minerals Ltd for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner - Audit & Assurance

Perth, 28 September 2012

SHAREHOLDER INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 11 October 2012.

SPREAD OF SHAREHOLDERS

Spread of Holdings			Shareholders
1	-	1,000	340
1,001	-	5,000	540
5,001	-	10,000	1,189
10,001	-	100,000	6,302
100,001	-	and over	3,815
Total Number of Holders			12,186

Number of shareholders holding less than a marketable parcel: 2,416 shareholders each hold less than 13,158 ordinary shares (based on 3.8 cents per share for $500 marketable parcel threshold).

SUBSTANTIAL SHAREHOLDERS

As at the date of this report the following had notified the Company as being substantial shareholders:

Van Eck Associates Corporation	310,449,580 ordinary shares

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

STATEMENT OF QUOTED SECURITIES

Quoted on the Australian Stock Exchange are 4,320,773,701 ordinary fully paid shares.

SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS OF EACH CLASS OF QUOTED SECURITIES
ORDINARY FULLY PAID SHARES AT 11 OCTOBER 2012

No.	Shareholder Name	Number of Shares	Percentage of Capital
1	JP Morgan Nominees Australia Limited <Cash Income A/C>	620,531,031	14.36%
2	National Nominees Limited	396,252,550	9.17%
3	HSBC Custody Nominees (Australia) Limited	266,837,286	6.18%
4	JP Morgan Nominees Australia Limited	164,133,221	3.80%
5	Citicorp Nominees Pty Limited	145,261,621	3.36%
6	Gulara Pty Ltd	40,824,887	0.94%
7	Merrill Lynch (Australia) Nominees Pty Limited	36,030,654	0.83%
8	Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	35,152,608	0.81%
9	Mr Graham Edward Dunjey + Mrs Linda Mary Dunjey <Dunjey S/F A/C>	24,326,266	0.56%
10	Peter Erman Pty Limited – (Superannuation Fund A/C)	23,000,000	0.53%
11	Mrs Rita May Godfrey	22,966,000	0.53%
12	Investec Bank (Australia) Limited <Capital Markets A/C>	22,000,000	0.51%
13	Merrill Lynch (Australia) Nominees Pty Limited <PACT A/C>	21,119,678	0.49%
14	Gulara Pty Ltd <No 1 A/C>	18,869,707	0.44%
15	Geared Investments Pty Ltd <Investment A/C>	18,000,000	0.42%
16	CR Investments Pty Ltd	17,145,966	0.40%
17	HSBC Custody Nominees (Australia) Limited-GSCO ECA	15,306,084	0.35%
18	HSBC Custody Nominees (Australia) Limited-A/C 2	15,134,849	0.35%
19	Lujeta Pty Ltd <Margaret Account>	15,000,000	0.35%
20	Nefco Nominees Pty Ltd	13,738,592	0.32%
		1,931,631,000	44.71%

HOLDERS OF SECURITIES OF AN UNQUOTED CLASS - OPTIONS

Option Holder Name	Options Expiring 31/12/2012	Options Expiring 30/6/2014
Charles McCormick	3,561,538	2,500,000
Campbell Baird	15,000,000	10,000,000
Garry Adams	3,692,308	-
Graeme Ellis	2,846,154	-
Barend Knoetze	3,133,846	-
Dean Goodwin	-	5,000,000
Neil Le Febvre	-	5,000,000
Mark Rigby	-	1,000,000
	28,233,846	**23,500,000**

TENEMENT REPORT

INTEREST IN MINING TENEMENTS

Coolgardie Gold Project - Focus Minerals Ltd and its 100% subsidiaries

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Bayleys	G15/7	Live	100%	WA	Gunga	P15/4939	Live	100%
WA	Bayleys	M15/630	Live	100%	WA	Gunga	P15/4940	Live	100%
WA	Bayleys	M15/1433	Live	100%	WA	Gunga	P15/4944	Live	100%
WA	Bayleys	M15/1788	Live	100%	WA	Gunga	P15/5039	Live	100%
WA	Bayleys	P15/4912	Live	100%	WA	Gunga	P15/5040	Live	100%
WA	Bayleys	P15/4927	Live	100%	WA	Gunga	P15/5041	Live	100%
WA	Bayleys	P15/5036	Live	100%	WA	Gunga	P15/5256	Live	100%
WA	Bayleys	P15/5717	Pending	100%	WA	Gunga	P15/5510	Live	100%
WA	Bayleys	L15/34	Live	100%	WA	Gunga	P15/5702	Pending	100%
WA	Bayleys	L15/122	Live	100%	WA	Gunga	P15/5703	Pending	100%
WA	Bayleys	L15/161	Live	100%	WA	Gunga	L15/88	Live	100%
WA	Bayleys	L15/164	Live	100%	WA	Gunga	L15/90	Live	100%
WA	Bayleys	L15/186	Live	100%	WA	Gunga	L15/95	Live	100%
WA	Bonnie Vale	M15/277	Live	100%	WA	Gunga	L15/96	Live	100%
WA	Bonnie Vale	M15/365	Live	100%	WA	Gunga	L15/114	Live	100%
WA	Bonnie Vale	M15/595	Live	100%	WA	Gunga	L15/116	Live	100%
WA	Bonnie Vale	M15/662	Live	100%	WA	Gunga	L15/119	Live	100%
WA	Bonnie Vale	M15/711	Live	100%	WA	Gunga	L15/283	Pending	100%
WA	Bonnie Vale	M15/770	Live	100%	WA	Lake Cowan	E15/986	Live	90%
WA	Bonnie Vale	M15/852	Live	100%	WA	Lord Bob	M15/385	Live	100%
WA	Bonnie Vale	M15/857	Live	100%	WA	Lord Bob	M15/664	Live	100%
WA	Bonnie Vale	M15/877	Live	100%	WA	Lord Bob	M15/1789	Live	100%
WA	Bonnie Vale	M15/981	Live	100%	WA	Lord Bob	P15/4829	Live	100%
WA	Bonnie Vale	M15/1384	Live	100%	WA	Lord Bob	P15/4916	Live	100%
WA	Bonnie Vale	M15/1444	Live	100%	WA	Lord Bob	P15/4917	Live	100%
WA	Bonnie Vale	M15/1760	Live	100%	WA	Lord Bob	P15/4950	Live	100%
WA	Bonnie Vale	P15/5155	Live	100%	WA	Lord Bob	P15/4951	Live	100%
WA	Bonnie Vale	P15/5156	Live	100%	WA	Lord Bob	P15/4952	Live	100%
WA	Bonnie Vale	P15/5158	Live	100%	WA	Lord Bob	P15/4953	Live	100%
WA	Bonnie Vale	P15/5159	Live	100%	WA	Lord Bob	P15/4956	Live	100%
WA	Bonnie Vale	P15/5190	Live	100%	WA	Lord Bob	P15/5227	Live	100%
WA	Bonnie Vale	P15/5238	Live	100%	WA	Lord Bob	P15/5550	Live	100%
WA	Bonnie Vale	P15/5253	Live	100%	WA	Lord Bob	P15/5712	Pending	100%
WA	Bonnie Vale	P15/5254	Live	100%	WA	Lord Bob	L15/51	Live	100%
WA	Bonnie Vale	P15/5255	Live	100%	WA	Lord Bob	L15/59	Live	100%
WA	Bonnie Vale	P15/5704	Pending	100%	WA	Lord Bob	L15/63	Live	100%
WA	Bonnie Vale	L15/126	Live	100%	WA	Lord Bob	L15/77	Live	100%
WA	Bonnie Vale	L15/127	Live	100%	WA	Lord Bob	L15/78	Live	100%
WA	Bonnie Vale	L15/130	Live	100%	WA	Mount	M15/30	Live	100%
WA	Bonnie Vale	L15/200	Live	100%	WA	Mount	M15/1423	Live	100%
WA	Bonnie Vale	L15/211	Live	100%	WA	Mount	M15/1431	Live	100%
WA	Gunga	M15/455	Live	100%	WA	Mount	P15/4906	Live	100%
WA	Gunga	M15/1341	Live	100%	WA	Mount	P15/4907	Live	100%
WA	Gunga	M15/1357	Live	100%	WA	Mount	P15/5495	Live	100%

TENEMENT REPORT

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Gunga	M15/1358	Live	100%	WA	Mount	P15/5500	Live	100%
WA	Gunga	M15/1359	Live	100%	WA	Mount	P15/5501	Live	100%
WA	Gunga	P15/4909	Live	100%	WA	Mount	L15/325	Pending	100%
WA	Gunga	P15/4928	Live	100%	WA	Mount	L15/327	Pending	100%
WA	Gunga	P15/4929	Live	100%	WA	Mount	L15/338	Pending	100%
WA	Gunga	P15/4930	Live	100%	WA	Nepean	M15/576	Live	100%
WA	Gunga	P15/4931	Live	100%	WA	Nepean	M15/709	Live	100%
WA	Gunga	P15/4932	Live	100%	WA	Nepean	M15/1809	Pending	100%
WA	Gunga	P15/4936	Live	100%	WA	Nepean	P15/5026	Live	100%
WA	Gunga	P15/4937	Live	100%	WA	Nepean	P15/5027	Live	100%
WA	Gunga	P15/4938	Live	100%	WA	Nepean	P15/5028	Live	100%
WA	Nepean	P15/5029	Live	100%	WA	Three Mile Hill	M15/150	Live	100%
WA	Nepean	P15/5248	Live	100%	WA	Three Mile Hill	M15/154	Live	100%
WA	Nepean	P15/5519	Live	100%	WA	Three Mile Hill	M15/636	Live	100%
WA	Nepean	P15/5625	Pending	100%	WA	Three Mile Hill	M15/645	Live	100%
WA	Nepean	P15/5626	Live	100%	WA	Three Mile Hill	M15/781	Live	100%
WA	Nepean	P15/5627	Live	100%	WA	Three Mile Hill	M15/827	Live	100%
WA	Nepean	P15/5628	Live	100%	WA	Three Mile Hill	M15/1432	Live	100%
WA	Nepean	P15/5629	Pending	100%	WA	Three Mile Hill	M15/1434	Live	100%
WA	Nepean	L15/27	Live	100%	WA	Three Mile Hill	P15/4913	Live	100%
WA	Nepean	L15/28	Live	100%	WA	Three Mile Hill	P15/4926	Live	100%
WA	Nepean	L15/179	Live	100%	WA	Three Mile Hill	L15/42	Live	100%
WA	Nepean	L15/193	Live	100%	WA	Three Mile Hill	L15/123	Live	100%
WA	Nepean	L15/194	Live	100%	WA	Three Mile Hill	L15/177	Live	100%
WA	Nepean	L15/294	Live	100%	WA	Tindals	M15/23	Live	100%
WA	Norris	M15/384	Live	100%	WA	Tindals	M15/237	Live	100%
WA	Norris	M15/391	Live	100%	WA	Tindals	M15/410	Live	100%
WA	Norris	M15/515	Live	100%	WA	Tindals	M15/411	Live	100%
WA	Norris	M15/761	Live	100%	WA	Tindals	M15/412	Live	100%
WA	Norris	M15/791	Live	100%	WA	Tindals	M15/646	Live	100%
WA	Norris	M15/871	Live	100%	WA	Tindals	M15/660	Live	100%
WA	Norris	M15/1153	Live	100%	WA	Tindals	M15/675	Live	100%
WA	Norris	M15/1422	Live	100%	WA	Tindals	M15/958	Live	100%
WA	Norris	M15/1793	Live	100%	WA	Tindals	M15/966	Live	100%
WA	Norris	P15/4955	Live	100%	WA	Tindals	M15/1114	Live	100%
WA	Norris	P15/5154	Live	100%	WA	Tindals	M15/1262	Live	100%
WA	Norris	P15/5241	Live	100%	WA	Tindals	M15/1293	Live	100%
WA	Norris	P15/5522	Live	100%	WA	Tindals	M15/1294	Live	100%
WA	Norris	P15/5523	Live	100%	WA	Tindals	M15/1461	Live	100%
WA	Norris	P15/5524	Live	100%	WA	Tindals	P15/4810	Live	100%
WA	Norris	P15/5525	Live	100%	WA	Tindals	P15/4933	Live	100%
WA	Norris	P15/5526	Live	100%	WA	Tindals	P15/4934	Live	100%
WA	Norris	P15/5527	Live	100%	WA	Tindals	P15/4935	Live	100%
WA	Norris	P15/5528	Live	100%	WA	Tindals	P15/4941	Live	100%
WA	Norris	L15/71	Live	100%	WA	Tindals	P15/4943	Live	100%
WA	Norris	L15/168	Live	100%	WA	Tindals	P15/4945	Live	100%
WA	Norris	L15/169	Live	100%	WA	Tindals	P15/4947	Live	100%

TENEMENT REPORT

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Norris	L15/170	Live	100%	WA	Tindals	P15/5046	Live	100%
WA	Norris	L15/171	Live	100%	WA	Tindals	P15/5048	Live	100%
WA	Norris	L15/172	Live	100%	WA	Tindals	P15/5209	Live	100%
WA	Norris	L15/173	Live	100%	WA	Tindals	P15/5257	Live	100%
WA	Norris	L15/174	Live	100%	WA	Tindals	P15/5464	Live	100%
WA	Norris	L15/175	Live	100%	WA	Tindals	L15/213	Live	100%

Laverton Gold Project - Focus Minerals (Laverton) Ltd

Focus Minerals Ltd has an 81.57% interest in Focus Minerals (Laverton) Ltd (formerly Crescent Gold Ltd) which owns the following tenements:

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Barnicoat	M38/264	Live	100%	WA	Central Laverton	E38/2203	Live	100%
WA	Barnicoat	M38/318	Live	100%	WA	Central Laverton	M38/38	Live	100%
WA	Barnicoat	M38/376	Live	100%	WA	Central Laverton	M38/39	Live	100%
WA	Barnicoat	M38/377	Live	100%	WA	Central Laverton	M38/52	Live	100%
WA	Barnicoat	M38/387	Live	100%	WA	Central Laverton	M38/143	Live	100%
WA	Barnicoat	M38/401	Live	100%	WA	Central Laverton	M38/236	Live	100%
WA	Barnicoat	M38/507	Live	100%	WA	Central Laverton	M38/270	Live	100%
WA	Barnicoat	M38/1032	Live	100%	WA	Central Laverton	M38/342	Live	100%
WA	Barnicoat	M38/1042	Live	100%	WA	Central Laverton	M38/345	Live	100%
WA	Burtville	E38/1642	Live	100%	WA	Central Laverton	M38/358	Live	100%
WA	Burtville	E38/2032	Live	100%	WA	Central Laverton	M38/363	Live	100%
WA	Burtville	M38/8	Live	100%	WA	Central Laverton	M38/364	Live	100%
WA	Burtville	M38/73	Live	56%	WA	Central Laverton	M38/1129	Live	100%
WA	Burtville	M38/89	Live	56%	WA	Central Laverton	M38/1133	Live	100%
WA	Burtville	M38/261	Live	100%	WA	Central Laverton	M38/1187	Live	100%
WA	Burtville	M38/459	Live	100%	WA	Central Laverton	P38/3324	Live	100%
WA	Burtville	P38/3612	Live	100%	WA	Central Laverton	P38/3327	Live	100%
WA	Burtville	P38/3614	Live	100%	WA	Central Laverton	P38/3488	Live	100%
WA	Burtville	P38/3667	Live	100%	WA	Central Laverton	P38/3489	Live	100%
WA	Burtville	P38/3675	Live	100%	WA	Central Laverton	P38/3490	Live	100%
WA	Burtville	P38/3676	Live	100%	WA	Central Laverton	P38/3491	Live	100%
WA	Burtville	P38/3693	Live	100%	WA	Central Laverton	P38/3492	Live	100%
WA	Burtville	P38/3694	Live	100%	WA	Central Laverton	P38/3495	Live	100%
WA	Burtville	P38/3695	Live	100%	WA	Central Laverton	P38/3498	Live	100%
WA	Burtville	P38/3766	Live	100%	WA	Central Laverton	P38/3503	Live	100%
WA	Central Laverton	E38/1349	Live	100%	WA	Central Laverton	P38/3653	Live	100%
WA	Central Laverton	E38/1878	Live	100%	WA	Central Laverton	P38/3691	Live	100%
WA	Central Laverton	E38/1886	Live	100%	WA	Central Laverton	P38/3726	Live	100%
WA	Central Laverton	E38/1896	Live	100%	WA	Central Laverton	P38/3727	Live	100%
WA	Central Laverton	E38/1966	Live	100%	WA	Central Laverton	P38/3728	Live	100%
WA	Central Laverton	E38/2027	Live	100%	WA	Central Laverton	P38/3729	Live	100%
WA	Central Laverton	E38/2033	Live	100%	WA	Central Laverton	P38/3730	Live	100%
WA	Central Laverton	E38/2034	Live	100%	WA	Central Laverton	P38/3731	Live	100%
WA	Central Laverton	E38/2143	Live	100%	WA	Central Laverton	P38/3732	Live	100%
State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Central Laverton	P38/3733	Live	100%	WA	Infrastructure	L38/152	Live	100%
WA	Central Laverton	P38/3734	Live	100%	WA	Infrastructure	L38/153	Live	100%

TENEMENT REPORT

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Central Laverton	P38/3735	Live	100%	WA	Infrastructure	L38/160	Live	100%
WA	Central Laverton	P38/3736	Live	100%	WA	Infrastructure	L38/163	Live	100%
WA	Central Laverton	P38/3737	Live	100%	WA	Infrastructure	L38/164	Live	100%
WA	Central Laverton	P38/3738	Live	100%	WA	Infrastructure	L38/165	Live	100%
WA	Central Laverton	P38/3822	Live	100%	WA	Infrastructure	L38/166	Live	100%
WA	Central Laverton	P38/3862	Live	100%	WA	Infrastructure	L38/173	Live	100%
WA	Central Laverton	P38/3863	Live	100%	WA	Infrastructure	L38/177	Live	100%
WA	Central Laverton	P38/3865	Live	100%	WA	Infrastructure	L38/178	Live	100%
WA	Chatterbox	M38/40	Live	100%	WA	Infrastructure	L38/179	Live	100%
WA	Chatterbox	M38/48	Live	100%	WA	Infrastructure	L38/183	Live	100%
WA	Chatterbox	M38/49	Live	100%	WA	Infrastructure	L39/124	Live	100%
WA	Chatterbox	M38/101	Live	100%	WA	Infrastructure	L39/214	Live	100%
WA	Chatterbox	M38/535	Live	100%	WA	Jasper Hills	E39/970	Live	100%
WA	Chatterbox	M38/693	Live	100%	WA	Jasper Hills	M39/138	Live	100%
WA	East Laverton	E38/1559	Live	100%	WA	Jasper Hills	M39/139	Live	100%
WA	East Laverton	E38/1670	Live	100%	WA	Jasper Hills	M39/185	Live	100%
WA	East Laverton	E38/1860	Live	100%	WA	Jasper Hills	M39/262	Live	96%
WA	East Laverton	E38/1864	Live	100%	WA	Lancefield	M38/37	Live	100%
WA	East Laverton	E38/1867	Live	100%	WA	Mount Weld	E38/812	Live	100%
WA	East Laverton	E38/1869	Live	64%	WA	Mount Weld	E38/1725	Live	100%
WA	East Laverton	E38/2059	Live	100%	WA	Mount Weld	E38/1865	Live	100%
WA	East Laverton	E38/2130	Live	100%	WA	Mount Weld	E38/2028	Live	100%
WA	East Laverton	E38/2169	Live	100%	WA	Mount Weld	E38/2030	Live	100%
WA	East Laverton	M38/392	Live	100%	WA	Mount Weld	E38/2388	Live	100%
WA	East Laverton	M38/393	Live	100%	WA	Mount Weld	M38/1047	Live	100%
WA	East Laverton	P38/3608	Live	64%	WA	Mount Weld	M38/1048	Live	100%
WA	East Laverton	P38/3610	Live	100%	WA	Mount Weld	M38/1049	Live	100%
WA	East Laverton	P38/3615	Live	100%	WA	Mount Weld	M38/1149	Live	100%
WA	East Laverton	P38/3671	Live	100%	WA	Mount Weld	M38/390	Live	100%
WA	East Laverton	P38/3692	Live	100%	WA	Mount Weld	M38/403	Live	100%
WA	East Laverton	P38/3700	Live	100%	WA	Mount Weld	M38/749	Live	100%
WA	East Laverton	P38/3823	Live	100%	WA	Mount Weld	M38/846	Live	100%
WA	Infrastructure	G38/20	Live	100%	WA	Mount Weld	M38/881	Live	100%
WA	Infrastructure	G38/24	Live	100%	WA	Mount Weld	M38/915	Live	100%
WA	Infrastructure	G38/25	Live	100%	WA	Mount Weld	M38/953	Live	100%
WA	Infrastructure	L38/34	Live	100%	WA	Mount Weld	M38/954	Live	100%
WA	Infrastructure	L38/52	Live	100%	WA	Mount Weld	P38/3122	Live	100%
WA	Infrastructure	L38/53	Live	100%	WA	Mount Weld	P38/3609	Live	100%
WA	Infrastructure	L38/54	Live	100%	WA	Mount Weld	P38/3611	Live	100%
WA	Infrastructure	L38/55	Live	100%	WA	Mount Weld	P38/3617	Live	100%
WA	Infrastructure	L38/56	Live	100%	WA	Mount Weld	P38/3620	Live	100%
WA	Infrastructure	L38/57	Live	100%	WA	Mount Weld	P38/3656	Live	100%
WA	Infrastructure	L38/63	Live	100%	WA	Mount Weld	P38/3657	Live	100%
WA	Infrastructure	L38/75	Live	100%	WA	Mount Weld	P38/3658	Live	100%
WA	Infrastructure	L38/76	Live	100%	WA	Mount Weld	P38/3659	Live	100%
WA	Infrastructure	L38/78	Live	100%	WA	Mount Weld	P38/3660	Live	100%
WA	Infrastructure	L38/92	Live	100%	WA	Mount Weld	P38/3661	Live	100%

TENEMENT REPORT

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Infrastructure	L38/101	Live	100%	WA	Mount Weld	P38/3662	Live	100%
WA	Infrastructure	L38/108	Live	100%	WA	Mount Weld	P38/3663	Live	100%
WA	Infrastructure	L38/120	Live	100%	WA	Mount Weld	P38/3664	Live	100%
WA	Mount Weld	P38/3665	Live	100%	WA	Sunrise	M39/951	Live	100%
WA	Mount Weld	P38/3674	Live	100%	WA	Sunrise	P39/4797	Live	100%
WA	Mount Weld	P38/3701	Live	100%	WA	West Laverton	E38/1930	Live	100%
WA	Mount Weld	P38/3702	Live	100%	WA	West Laverton	E39/1296	Live	100%
WA	Mount Weld	P38/3706	Live	100%	WA	West Laverton	M38/46	Live	100%
WA	Mount Weld	P38/3707	Live	100%	WA	West Laverton	M38/372	Live	100%
WA	Mount Weld	P38/3708	Live	100%	WA	West Laverton	M38/694	Live	100%
WA	Mount Weld	P38/3709	Live	100%	WA	West Laverton	M38/1134	Live	100%
WA	Mount Weld	P38/3710	Live	100%	WA	West Laverton	P38/3493	Live	100%
WA	Mount Weld	P38/3711	Live	100%	WA	West Laverton	P38/3494	Live	100%
WA	Mount Weld	P38/3712	Live	100%	WA	West Laverton	P38/3496	Live	100%
WA	Mount Weld	P38/3713	Live	100%	WA	West Laverton	P38/3497	Live	100%
WA	Mount Weld	P38/3714	Live	100%	WA	West Laverton	P38/3499	Live	100%
WA	Mount Weld	P38/3715	Live	100%	WA	West Laverton	P38/3502	Live	100%
WA	Mount Weld	P38/3716	Live	100%	WA	West Laverton	P38/3717	Live	100%
WA	Mount Weld	P38/3756	Live	100%	WA	West Laverton	P38/3718	Live	100%
WA	Mt Crawford	E38/1861	Live	100%	WA	West Laverton	P38/3719	Live	100%
WA	Mt Crawford	E38/2321	Live	100%	WA	West Laverton	P38/3720	Live	100%
WA	Mt Crawford	M38/159	Live	100%	WA	West Laverton	P38/3721	Live	100%
WA	Mt Crawford	P38/3500	Live	100%	WA	West Laverton	P39/4648	Live	100%
WA	Mt Crawford	P38/3501	Live	100%	WA	West Laverton	P39/4782	Live	100%
WA	Mt Crawford	P38/3864	Live	100%	SA	Sturt JV	EL4064	Live	12.5%
WA	Mt Margaret	P39/4783	Live	100%	SA	Sturt JV	EL4065	Live	12.5%
WA	Mt Margaret	P39/4784	Live	100%	SA	Sturt JV	EL4068	Live	12.5%
WA	Mt Margaret	P39/4785	Live	100%	SA	Sturt JV	EL4069	Live	12.5%
WA	Mt Margaret	P39/4786	Live	100%	SA	Sturt JV	EL4071	Live	12.5%
WA	Mt Margaret	P39/4787	Live	100%	SA	Sturt JV	EL4072	Live	12.5%
WA	Mt Margaret	P39/4788	Live	100%	SA	Sturt JV	EL4073	Live	12.5%
WA	Single	M38/544	Live	100%	SA	Sturt JV	EL4075	Live	12.5%
WA	Single	M38/989	Live	100%	SA	Sturt JV	EL4076	Live	12.5%
WA	Sunrise	E38/1652	Live	100%	SA	Sturt JV	EL4077	Live	12.5%
WA	Sunrise	M39/520	Live	100%	SA	Sturt JV	EL4078	Live	12.5%
WA	Sunrise	M39/545	Live	100%	SA	Sturt JV	EL4079	Live	12.5%
WA	Sunrise	M39/647	Live	100%	SA	Sturt JV	EL4080	Live	12.5%
WA	Sunrise	M39/653	Live	100%	SA	Sturt JV	EL4081	Live	12.5%
WA	Sunrise	M39/654	Live	100%	SA	Sturt JV	EL4082	Live	12.5%
WA	Sunrise	M39/655	Live	100%	SA	Sturt JV	EL4084	Live	12.5%
WA	Sunrise	M39/664	Live	100%	SA	Sturt JV	EL4085	Live	12.5%
WA	Sunrise	M39/667	Live	100%	SA	Sturt JV	EL4086	Live	12.5%
WA	Sunrise	M39/668	Live	100%	SA	Sturt JV	EL4087	Live	12.5%
WA	Sunrise	M39/669	Live	100%	SA	Sturt JV	EL4088	Live	12.5%
WA	Sunrise	M39/670	Live	100%	SA	Sturt JV	EL4089	Live	12.5%
WA	Sunrise	M39/742	Live	100%	SA	Sturt JV	EL4090	Live	12.5%

TENEMENT REPORT

State	Project	Tenement	Status	Interest	State	Project	Tenement	Status	Interest
WA	Sunrise	M39/743	Live	100%	SA	Sturt JV	ELA62/10	Pending	12.5%
WA	Sunrise	M39/849	Live	100%	SA	Sturt JV	ELA83/10	Pending	12.5%
WA	Sunrise	M39/862	Live	100%	NT	Calvert Hills	EL24837	Live	25%
WA	Sunrise	M39/904	Live	100%	NT	Tennant Creek	EL24835	Live	50%

Tenement Abbreviations:

E	=	Exploration Licence
EL	=	Exploration Licence
P	=	Prospecting Licence
M	=	Mining Lease
L	=	Miscellaneous Licence
G	=	General Purpose Licence

ROYALTY AGREEMENTS

Coolgardie Gold Project

Focus Minerals Ltd and its 100% owned subsidiaries have entered into the following deeds of assignment for royalty agreements relating to the Coolgardie Gold Project. The material terms of these royalty agreements are set out in the table below:

Tenements	Royalty
M15/645 (portion of)	$1.00/tonne crushed and treated
M15/646, M15/660, M15/1114, P15/4933, P15/4934, M15/1262, P15/4947 & P15/4935	$0.25/tonne mined and treated (after 2,500,000 tonnes or ore have been mined and treated)
P15/4913 (portion of)	$1.00/tonne mined and treated
P15/646 (portion of)	2% of all future gold production
M15/781 & M15/827	0.5% NSR
M15/770, P15/5155, P15/5156, M15/852, M15/857, M15/981, M15/1760, M15/365, M15/662, M15/711 & M15/1384	2.5% NSR
M15/958, M15/1114, M15/646 (portion of) & M15/660 (portion of)	$10/ounce gold produced(after first 100,000 ounces produced) & 3% NSR on all other metals
M15/958 (portion of)	$0.75/dry tonne mined and treated
M15/1423	$1/tonne mined and treated
M15/1357 & M15/1358	1.5% NSR on gold & 1% NSR on all other metals
M15/675	$1/tonne mined and treated
M15/958 (portion of)	$1.50/tonne mined and treated
M15/237 & P15/5209	1.5% NSR
M15/1341 & M15/1359	2.5% NSR on gold & 1% NSR on all other metals
P15/4907 & M15/1461	$1.00/tonne mined and treated
E15/986	2.5% NSR
P15/5494	1.5% NSR

TENEMENT REPORT

LAVERTON GOLD PROJECT

Focus Minerals Ltd has an 81.57% interest in Focus Minerals (Laverton) Ltd (formerly Crescent Gold Ltd) and that company and/or its subsidiaries have entered into the following deeds of assignment for royalty agreements relating to the Laverton Gold Project. The material terms of these royalty agreements are set out in the table below:

Tenements	Royalty
M38/376 (portion of)	$1.50/BCM of ore mined between 100,000BCM and 850,000BCM
M38/143	$10/ounce gold produced (after the first 50,000 ounces)
All tenements at Laverton owned by Focus Minerals (Laverton) Ltd (all tenements are listed in the "Interest in Mining Tenements" section above)	2% NSR
M38/37, M38/38, M38/39, M38/40, P38/3719, E38/1930 (portion of), M38/46, P38/3718, M38/48, M38/49, M38/52, E38/1966 (portion of), M38/101, M38/358, M38/535, P38/3488, P38/3489, P38/3490, P38/3491, P38/3492, P38/3717 & P38/3718	$1.00/tonne mined and treated from open cut & $1.50/tonne mined and treated from underground (assuming spot gold price is fixed by the Perth Mint (SGP) is $525 (Base Price)). Each quarter the royalty is to be varied by: (i) calculating the average daily $ SGP during the quarter; (ii) subject to (iii), for each $10 that the average SGP for the quarter varies from the Base Price, there will be an increase or a reduction in the royalty of $0.10/tonne of mined and treated; (iii) the minimum royalty payable for open cut and underground will be $0.75 and $1.25 respectively