

ASX ANNOUNCEMENT

15 January 2013

FOCUS COMMENCES NEW DRILL PROGRAMS; TARGETING EXPANSION OF ORE RESERVES & MINERAL RESOURCES

- *Drilling commences at Treasure Island, Coolgardie and Laverton*

Focus Minerals Ltd. (ASX: FML), a leading Australian gold producer and explorer, has commenced a suite of new drilling programs across its Coolgardie and Laverton operations following the completion of the \$225 million Placement of shares to Shandong Gold International Mining Corporation Limited.

“We are targeting growth in Ore Reserves to 1 million ounces and in Mineral Resources to 5.5 million ounces over the next three years,” said Focus Minerals Chief Executive Officer Campbell Baird.

“We have 1,650 square kilometres of tenements in two world class gold producing districts, but less than 4% of these tenements have been explored, so we’re very excited about what the future holds.”

Focus’ Mineral Resource currently stands at 59Mt @ 2.2g/t for 4.3Moz and Ore Reserves of 7.6Mt @ 2.19g/t for 0.51Moz.

Mr Baird said more than 40 priority targets had been identified across its tenement package.

The new programs that have commenced immediately are:

- Treasure Island - A specialised lake diamond drill rig has been commissioned at the Treasure Island Gold Project to target a 4km long anomaly on the eastern zone (*see ASX announcement 16 February 2012*). The eastern zone target is the second gold bearing system identified running through the project which is located on the Boulder Lefroy fault 35km to the south along strike from the major gold camp of St Ives in Kambalda, Western Australia.
- Coolgardie - An RC rig has been mobilised to drill a number of high priority targets in close proximity to Focus’ Three Mile Hill processing plant starting with the Jolly Britons (*see ASX announcement 27 June 2012*). Previous RC drilling over a 500m strike between the Jolly Britons prospect and Patricia Jean pit delivered a series of high-grade intercepts, including 10m @ 21.0g/t, interpreted to be associated with a significant mineralised fault structure extending from two major pits along a 6km strike to the south.
- Laverton - An RC drill program has commenced at the eastern zone of the Burtville Pit following on from drilling at the western zone that increased Mineral Resources at Burtville by 140% (*see ASX release dated 7 August 2012*). Production has commenced at the western zone of the pit that will see a large cut back and depth extension to the pit. The goal of the drilling is to expand the Mineral Resource in the eastern zone with a view to future development.

Mr Baird said further drilling programs are planned to commence in the first quarter of calendar 2013.

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ABOUT FOCUS MINERALS:

Focus Minerals is a leading Australian gold producer operating two significant production centres in Western Australia's Eastern Goldfields. The company is the largest landholder in the Coolgardie Gold Belt, 35km west of 'Super Pit' in Kalgoorlie, where it operates 3 mines: The Tindals Underground; Tindals Open Pits; and The Mount underground. Gold is processed at Focus' 1.2Mtpa processing plant, Three Mile Hill, which is adjacent to the town of Coolgardie. Focus also operates, through its 81.57% majority shareholding in Crescent Gold, the Laverton Gold Project, located 250km northeast of Kalgoorlie in Western Australia. Laverton comprises a significant portfolio of large scale open pit mines, with ore being processed under an OPA at the nearby Barrick Granny Smith mill.

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.

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.

Mineral Resources as at 30 June 2012

	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces
COOLGARDIE GOLD PROJECT												
Tindals Project	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

Note: Some errors may result due to rounding. Mineral Resources for the Laverton Gold Project are owned by Focus Minerals (Laverton) Limited. Focus owns 81.57% of this subsidiary company.

Ore Reserves as at 30 June 2012

	Proven Reserves			Probable Reserves			Total Reserves		
	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces
COOLGARDIE 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
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	0	0.0	0	331	2.4	26,000	331	2.4	26,000
Lancefield Project	0	0.0	0	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

Note: Some errors may result due to rounding. Ore Reserves identified above for the Laverton Gold Project are owned by Focus Minerals (Laverton) Limited. Focus owns 81.57% of this subsidiary company.