

QUARTERLY ACTIVITIES REPORT: DECEMBER 2012

OVERVIEW

Highlights

- **Completes share placement at premium to Shandong Gold, raising \$225 million**
- **Placement cements partnership with China's third largest gold producer**
- **Production for the December quarter in line with previous guidance at 41,097oz**
- **December quarter gold sales 41,691oz, generating Group revenue of A\$68.95 million**
- **Average gold sale price \$1,654/oz**
- **Laverton exceeds expectations, delivering 25,674oz from just 37 processing days**
- **Laverton output up 32% to 100,548oz for 2012, at an average C1 cash cost of \$1,186/oz**

Corporate

During the December quarter, Focus Minerals completed its share placement to Shandong Gold International Mining Corp Ltd, issuing 4,501,997,651 new fully paid ordinary shares at 5 cents each to raise approximately \$225 million.

The Placement was at a strong premium to Focus' share price, cementing a partnership with China's third largest gold producer.

Proceeds from the Placement will be prioritised towards exploration and resource development drilling with the goal of driving a growth in Ore Reserves to 1 million ounces and in Mineral Resources to 5.5 million ounces over the next three years.

Focus has 1,650 square kilometres of tenements in two world class gold producing districts, but less than 4% of these tenements have been explored.

Operations

Production for the December quarter was in line with previous guidance at 41,097oz as both operations transitioned between primary mining sources. Focus' gold sales were 41,691oz for the quarter with Group revenues of A\$68.95 million at an average selling price of \$1,654/oz.

Laverton

The Company's Laverton operations exceeded expectations, delivering 25,674oz from just 37 processing days, at a C1 cash cost of \$1,271/oz. This took Laverton gold output to 100,548oz for calendar 2012, a 32% rise year-on-year, at an annual average C1 Cash cost of \$1,186/oz.

During the quarter, mining transitioned from the Apollo pit complex to Burtville which will become the primary ore source for the Laverton operations. Key benefits for the business in mining at Burtville include a far lower strip ratio than Apollo, providing economies of scale for mining; negligible low development costs; and lower royalties associated with the operation.

Subsequent to the end of the quarter, and the receipt of funds from the Placement by Shandong Gold, Focus commenced a major new resource development drilling program at the Burtville Eastern Pit to begin to expand the current mine life of the operation.

Coolgardie

The Company's Coolgardie operations performed 5,000oz below expectation producing 15,423oz of gold. As a result of the lower production, associated drop in grade through an increase in low grade stocks that were processed in the period, and a write down of some of the lower grade stockpiles, costs were severely impacted resulting in a C1 cash cost of \$1,670/oz.

The underperformance in production was caused by an eight week timing delay in the transition between the Tindals underground and the new Greenfields open pit and through permitting delays at Big Blow in relation to a planned cut back seeing the cessation of mining at that pit during the quarter.

A number of significant actions were taken during and post the quarter to address the production challenges at Coolgardie including:

- The Mount - A decision was taken to run The Mount as a stoping only operation for approximately six months producing at 9,000 tonnes per month to enable a diamond drilling program to comprehensively drill-out the ore lodes at depth and determine the next phase of stoping development. Consequently, staffing at The Mount has been reduced by approximately 25%.
- Greenfields – In order to regain lost time at Greenfields the management team is currently evaluating the economic viability of plans to accelerate the pace and scale of production which include the option of moving mining at the operation to a 24x7 basis.
- Alicia - A decision was taken to defer the commencement of the Alicia Pit in order to re-evaluate its mining methodology.

Operational improvements continued at the Three Mile Hill processing plant with unit processing costs per tonne falling 8% quarter on quarter although the impact of a reduced grade has not seen these benefits flow through in this period.

Exploration

Exploration during the quarter focused on high-priority grass roots targets in Laverton exploring for stratigraphic repeats of known deposits with planned drilling targeted to commence at a number of locations in Laverton in Q1. In Coolgardie, an RC drilling program was completed at the Bayleys mine which is a priority high-grade target, near the Three Mile Hill plant.

Subsequent to the end of the quarter, and the receipt of funds from the Placement by Shandong Gold, Focus commenced three new exploration programs immediately across the Coolgardie and Laverton districts. Further programs are targeted to start during Q1.

Finance

Capital investment and exploration expenditure for the quarter was \$7.4 million, comprising \$4.5 million of mine capital development (largely towards the new Greenfields pit in Coolgardie) and \$2.9 million in exploration.

Net operating cash flows for the quarter were an outflow of \$25.1million. Following the receipt of the share placement monies the company was able to immediately pay for the balance of the development costs incurred at the Apollo operations in Laverton (\$13.1m). These costs were previously being paid back out of operating cash flows over time with the consent of the mining contractor. The company also accelerated some other creditor payments prior to the start of the Christmas period whereas these payments would previously been extended into January. The company is now in a strong financial position to maintain normal 30 day trading terms for all creditors.

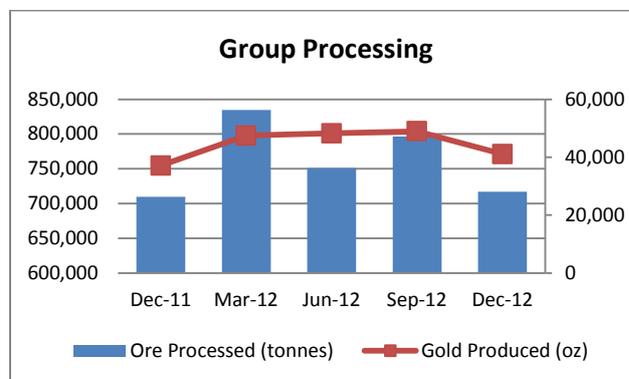
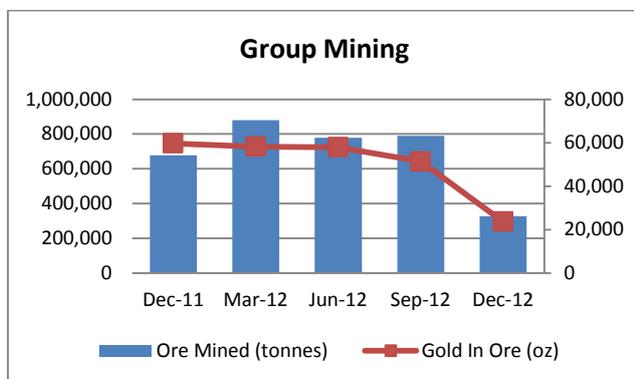
GROUP PRODUCTION SUMMARY

In line with market guidance the Focus Group produced 41,097oz of gold for the December quarter, as both operations transitioned to new primary ore sources.

This comprised 15,423oz from the Coolgardie operations and 25,674oz from the Laverton operations (on a 100% basis, with 20,942oz attributable to Focus). C1 cash operating costs were impacted by the under performance of the Coolgardie operations resulting in an average Group cost of \$1,421/oz.

Group Results	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12
Mining					
Ore Mined (tonnes)	676,998	879,814	778,495	790,648	326,363
Grade (g/t)	2.74	2.06	2.31	2.02	2.26
Gold In Ore (oz)	59,692	58,211	57,936	51,410	23,682
Processing					
Ore Processed (tonnes)	709,888	834,527	751,186	796,407	717,222
Head Grade (g/t)	1.67	1.95	2.11	1.91	1.78
Gold Produced (oz)	37,098	47,489	48,222	48,959	41,097
Attributable Gold Produced (oz)	34,211	42,764	43,899	44,207	36,365
Sales					
Average price received	1,675	1,609	1,593	1,553	1,654
Total Revenue (\$ '000s)	59,585	76,181	77,292	76,670	68,951
Attributable Revenue (\$ '000s)	56,317	71,020	70,415	69,406	61,083
Cost Summary (\$/oz Produced)					
Mining	485	482	614	695	795
Processing	446	447	364	391	457
Haulage	135	115	140	113	89
Site Admin, Safety & Environment	97	81	76	68	80
Cash Cost (excl. Royalties)	1,163	1,125	1,194	1,267	1,421
Royalties	77	87	62	157	186

*Attributable production based on the Focus shareholding interest in Focus Minerals (Laverton) Pty Ltd which owns the Laverton Operations, for the period applied to Laverton's quarterly production statistics.



OPERATIONS REVIEW

LAVERTON OPERATIONS

Safety

Laverton Operations experienced no lost time injuries.

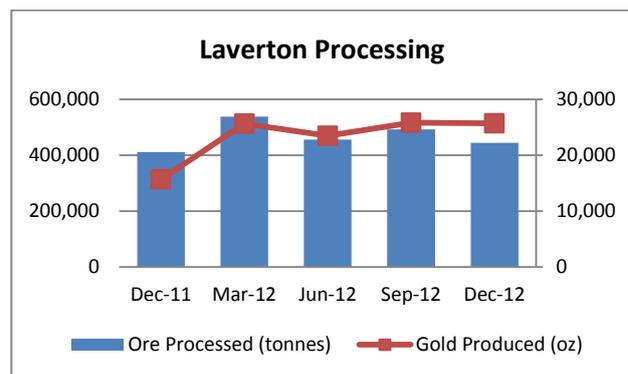
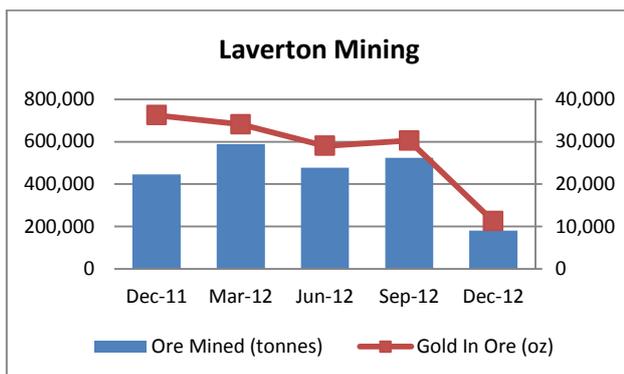
Production

Focus Group's Laverton Gold Operations delivered another strong processing quarter producing 25,674oz from just a 37 day processing campaign. The strong production rate was the result of higher feed grade (up to 1.89g/t) and the continued improvement in recovery.

Gold production at Laverton for calendar 2012 was 100,548oz up 32% on calendar 2011 (76,370oz) and the first time the operations have delivered above 100,000oz in one year. The average annual C1 cash cost was \$1,186/oz.

Laverton Results	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12
Mining					
Ore Mined (tonnes)	445,120	589,216	477,238	524,493	181,694
Grade (g/t)	2.53	1.80	1.89	1.79	1.93
Gold In Ore (oz)	36,229	34,082	29,020	30,238	11,262
Processing					
Ore Processed (tonnes)	411,012	537,693	455,237	492,146	444,060
Grade (g/t)	1.20	1.71	1.76	1.83	1.80
Gold Produced (oz)	15,666	25,636	23,456	25,782	25,674
Attributable Gold Produced (oz) *	12,779	20,911	19,133	21,030	20,943
Cost Summary (\$/oz Produced)					
Mining	335	233	378	551	606
Processing	573	526	486	445	485
Haulage	267	175	224	147	102
Site Admin, Safety & Environment	158	100	115	86	78
Cash Cost (excl. Royalties)	1,333	1,034	1,203	1,230	1,271
Royalties	37	42	43	259	267

*Attributable production based on the Focus shareholding interest in Laverton Operations for the period applied to Laverton's quarterly production statistics.



With a foreshadowed hiatus in mining during the transition from the Apollo pit to the Burtville pit a total of 181,694t @ 1.93g/t for 11,262oz of contained gold was mined.

444,060t @ 1.89g/t was treated at the Barrick Granny Smith (BGS) mill and at the end of the quarter a total of 272,614t was stockpiled for Campaign 14. The stockpile comprises 218,029t @ 0.99g/t at the BGS ROM pad and a further 54,585t @ 1.16g/t at Burtville.

C1 cash operating costs for the quarter were in line with the September quarter at \$1,271/oz. Further reductions in cash operating costs would have been achieved in the quarter except for the impact of a 20% increase in processing costs at BGS due to the occurrence of a complete mill reline (which was funded 50% by Focus) and increased maintenance costs.

The company has reviewed its inherited royalty obligations with respect to some long standing agreements that apply to select tenements in the Laverton region and identified that it has under accrued royalties in the September period. These have consequently been restated in this report. Royalties in Laverton for the quarter were \$267/oz. Focus has commenced commercial discussions with the royalty recipient with a view to reaching agreement on a revised basis of calculating the royalty or settling in full. It is important to note that Focus' new mining areas are not affected by this historical royalty agreement.

The Burtville mine will now become the primary ore source for the Laverton operations and a new commercially competitive mining contract was negotiated following a tendering process with Mining and Civil Australia (MACA) appointed.

Key considerations for the business in mining at Burtville include:

- a far lower strip ratio than Apollo, providing economies of scale for mining;
- negligible development costs (only \$0.7M being spent on establishing a new haul road and \$1.2M capex in total);
- lower royalties associated with the operation; and
- a risk associated with the sensitivity of the grade (1.3g/t) to changes in the gold price and / or processing costs.

Subsequent to the end of the quarter, a new \$2.3M development drilling program commenced at Burtville in the Eastern Pit with the aim of defining a reserve. The program is targeted at both expanding the size of the existing total Mineral Resource of 5.7Mt @ 1.3g/t for 235,000oz, and also maximising the conversion into the Indicated category, thereby enabling the business to extend its mine planning at Burtville.

Campaign 14 commenced on 8th January 2013 and will be a 49 day campaign. Production is expected to be in the range of 18-22,000oz due to the ramp up in mining at Burtville and depletion of previous higher grade stocks.

Figure 1: Commencement of cutback and production at the Burtville West Pit



COOLGARDIE OPERATIONS

Safety

There were three non-serious lost time injuries at the Coolgardie Operations in the quarter.

Production

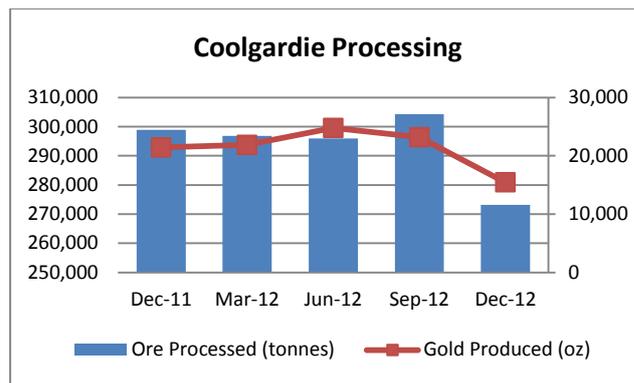
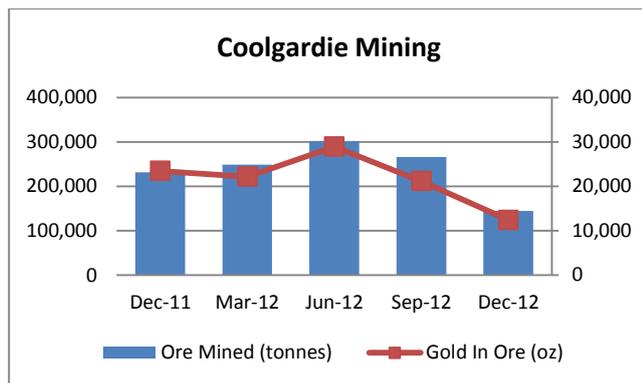
Coolgardie Operations performed 5,000oz below expectation producing 15,423oz of gold. As a result of the lower production, associated drop in grade through an increase in low grade stocks that were processed in the period, and a write down of some of the lower grade stockpiles, costs were severely impacted resulting in a C1 cash cost of \$1,670/oz.

The underperformance in production was caused by an eight week timing delay in the transition between the Tindals underground and the new Greenfields open pit and through permitting delays at Big Blow in relation to a planned cut back seeing the cessation of mining at that pit during the quarter.

A number of significant actions were taken during and post the quarter to address the production challenges at Coolgardie with a view to realigning operations and increasing future mining confidence via an accelerated program of resource development drilling at a number of operations. These are addressed in greater detail below:

Coolgardie Results	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12
Mining					
Ore Mined (tonnes)	231,878	249,066	301,257	266,155	144,669
Grade (g/t)	3.15	2.77	2.99	2.47	2.67
Gold In Ore (oz)	23,463	22,181	28,916	21,172	12,420
Processing					
Ore Processed (tonnes)	298,876	296,834	295,949	304,261	273,162
Head Grade (g/t)	2.34	2.41	2.75	2.42	1.86
Contained Gold (oz)	22,456	22,999	26,166	23,685	16,353
Recovery %	95%	95%	95%	98%	94%
Gold Produced (oz)	21,432	21,853	24,766	23,177	15,423
Cost Summary (\$/Oz Produced):					
Mining (see Note 1)	656	772	839	855	1,108
Processing	291	355	250	331	411
Haulage	39	45	40	74	67
Site Admin, Safety & Environment	53	59	60	48	83
Cash Cost (excl. Royalties)	1,039	1,231	1,189	1,308	1,670
Royalties	134	126	82	43	53

Note 1 - Mining costs at Coolgardie for the quarter rose slightly to \$917 per ounce. The company also conducted a review of carrying value of its stockpiles and this resulted in a write down of some of the lower grade stockpiles at 31 December. The stockpile adjustments were made on the basis of a stringent net realisable value basis as opposed to carrying these lower grade stockpiles at cost. These stockpile adjustments impacted on the mining costs per ounce and hence the high cost of \$1,108 per ounce for the quarter.



Greenfields

There was an eight week delay in the commencement of production at the new Greenfields pit, with production commencing late in the quarter. Greenfields is adjacent to Three Mile Hill plant. It will provide up to 1.0Mt @ 1.9g/t over two years at a strip ratio of 5.4:1 and is planned to produce at a rate of 60,000 tonnes per month when it reaches steady state production.

In order to recover lost production, the management team is currently evaluating the economic viability of plans to accelerate the pace and scale of production at Greenfields including the option of moving mining at the operation to a 24x7 basis.

Tindals Open Pits

The Dreadnought trial pit continued to perform solidly but at a reduced tonnage due to access issues created early in the quarter as reserve development drilling was completed. The prioritisation of the drilling is enabling management to plan for a subsequent phase of resource development work. Encouraging results from the resource definition drilling have included 5m @ 22.3g/t and 6m @ 17.2g/t with management gaining greater geological control of the trial operation. A follow-up development drilling program is currently in review for Q1 2013.

Mining at the Big Blow pit was curtailed during the month due to permitting delays in relation to a planned cut back. This has seen the temporary cessation of mining at that operation and subsequently a reduction in ounces from the Tindals Open Pits operation. Big Blow is expected to return to production during Q1.

During the quarter a decision was taken not to commence the development of the Alicia Pit. This decision was taken in light of a re-evaluation of its development cycle, determining that to increase the speed of payback at the pit, a new plan to mining it would be required. These alternate scenarios are currently being explored with Alicia.

The Mount

As foreshadowed in the September quarterly report, a comprehensive technical review of operations at The Mount was completed early in the quarter and as a result the decision was taken to cease all development from mid-quarter, to enable a diamond drilling program to be undertaken to comprehensively drill-out the ore lodes at depth and gain a better understanding of the geology.

This will see The Mount run as a stoping only operation for approximately six months with the expectation that the new drilling data will enable the business to restart development soon thereafter. A diamond drill program targeting the Fuchs and German lodes has been designed and is expected to commence early in Q1.

During this stoping only phase The Mount will produce at 9,000 tonnes per month. Consequently, staffing at The Mount was reduced during the quarter by approximately 25% to manage cash operating costs.

For the December quarter The Mount produced 27,192t @ 4.24/t for 3,709oz with a 77:23 split of stope ore to development ore.

Tindals Underground

The current phase of production at the Tindals Mining Centre Underground was completed during the quarter. Moving forward the underground operation will be the focus of a concerted reserve development and exploration drilling program that is being designed with a view to enabling the business to best determine the focus of future mining at the Tindals complex.

Three Mile Hill Processing Plant

Operational improvements continued at the Three Mile Hill processing plant with unit processing costs per tonne of ore processed falling 8% quarter on quarter. However, due to a 33% drop in head grade for the quarter this impact was not reflected in the processing cost per ounce.

During the quarter the Coolgardie Registered Manager resigned from the operation and a replacement is currently being sought. Contract resources are in place to support the operations in the short term whilst a long term replacement is sought.

Production in the March quarter is expected to be in the region of 12,000 – 15,000oz as the permitting issues are resolved for Big Blow and Greenfields commences its ramp up.

EXPLORATION & RESOURCE DEVELOPMENT

Exploration and Resource development during the quarter focused on grass roots style exploration techniques at a number of priority targets in the Laverton district. In Coolgardie, resource development drilling was undertaken at the Dreadnought open pit and exploration drilling at the Bayleys mining area in follow-up to encouraging exploration in the first half of 2012.

Subsequent to the end of the quarter, and the receipt of funds from the Placement by Shandong Gold, Focus commenced three new exploration programs immediately across the Coolgardie and Laverton districts (see ASX announcement dated 15th January 2013).

Laverton

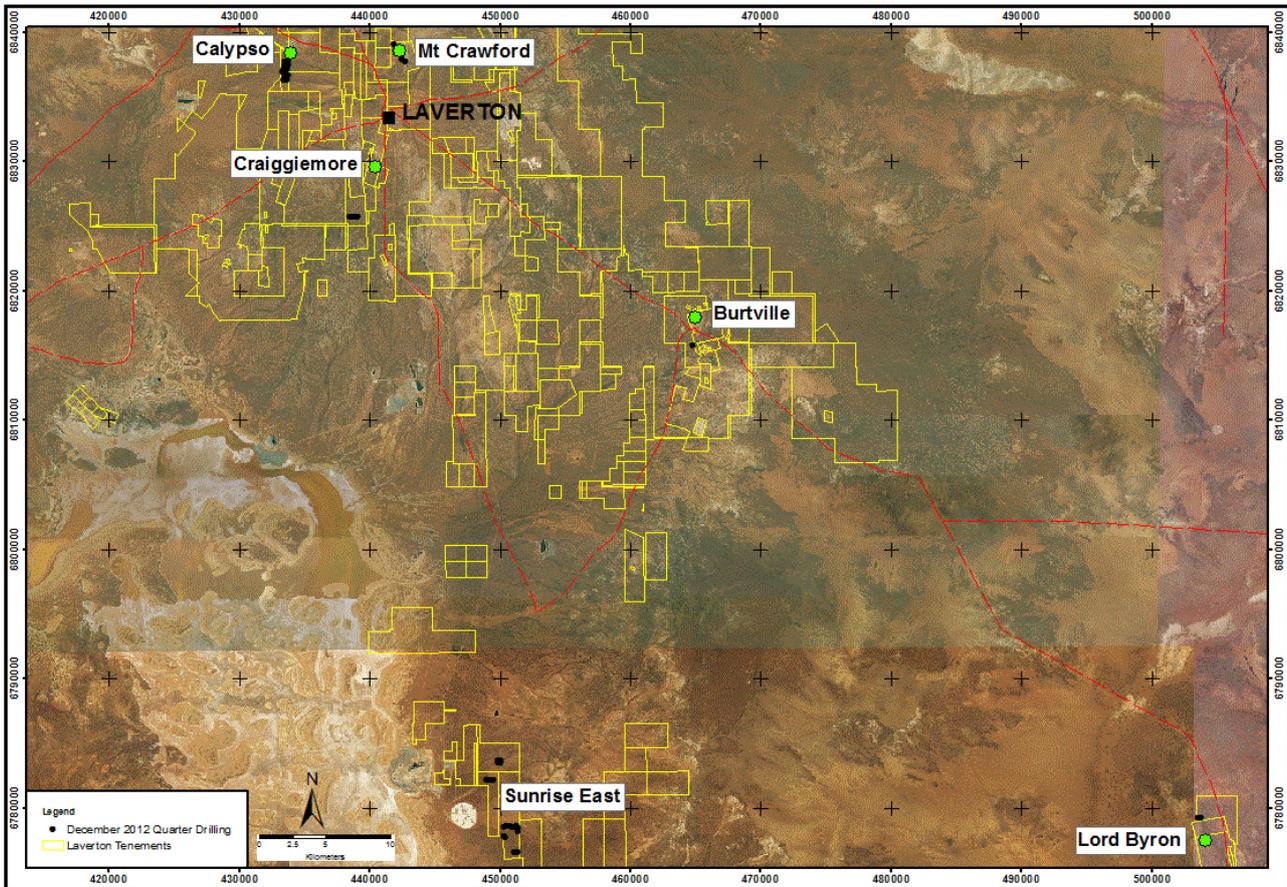
Regional

A detailed review of the Laverton Greenstone Belt was conducted by the exploration team during the December quarter. The review looked closely at geological factors considered necessary for the creation of a world class gold orebody in the Laverton area. A number of high priority targets emerged from this work.

During the quarter grassroots style exploration programs commenced on several of these targets including soil geochemical sampling, ground gravity geophysical surveys as well as a small program of reconnaissance RAB and aircore drilling targeting defined anomalies.

The RAB and aircore program (Figure 2 & Table 1) consisted of 71 drill holes for a total of 5,311m. Targets drilled include anomalies to the north of Lord Byron, a structural trend in the Mt Crawford area (looking to Lancefield repeats), the Sunrise East area (looking at Sunrise Dam style repeats), an area to the southwest of Calypso, a target near Burtville and an anomaly identified to the southwest of Craiggimore.

Figure 2: Location of the areas drilled by the small reconnaissance RAB and aircore program in late 2012.



The highlight of this exploration was the results at Mt Crawford where a couple of RAB holes were drilled to test an interpreted structural trend that contained a number of historical workings. One of the holes intersected a zone of significant mineralisation (23m @ 1.2g/t at end of hole, including 4m @ 5.7g/t). The drill hole intersected sheared potassic altered basalt with narrow quartz veins. Unfortunately due to the lack of penetration of the RAB rig the interpreted structural trend was not intersected. The intersection is quite significant as there is no drilling within the area. An RC rig will be brought in to thoroughly test the area in 2013.

Coolgardie

Resource development drilling at Coolgardie during the quarter concentrated on the Dreadnought deposit, with a total of 2,734m drilled. On the exploration side drilling occurred along strike from the historical Bayleys mine following up encouraging intersections from the first half of 2012. A total of 1,928m were drilled for the quarter. Bayleys is one of the top priority targets in the Coolgardie district.

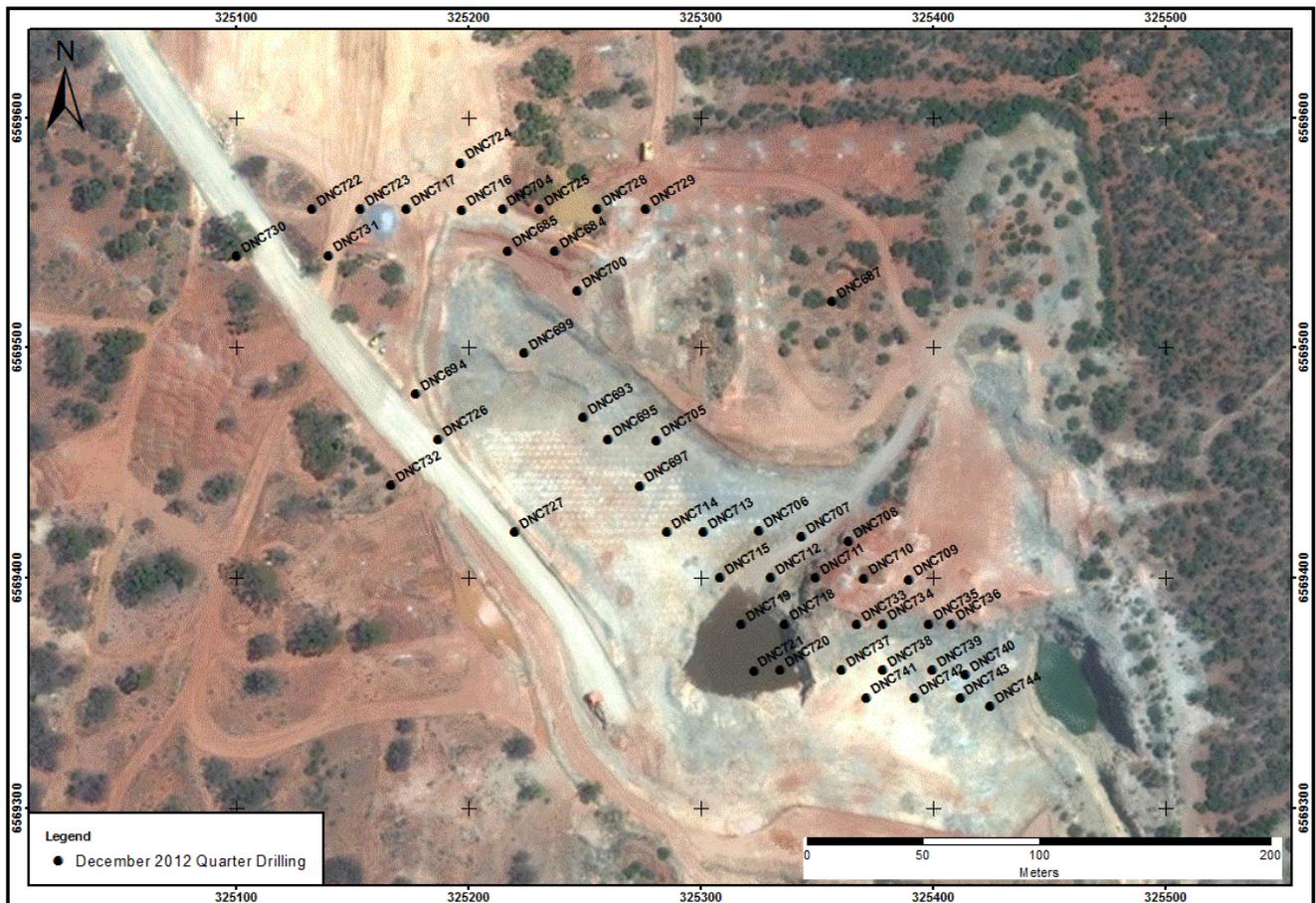
Dreadnought

The resource development drilling program was completed at Dreadnought with some 50 holes drilled (18 completed in this quarter).

The drilling was targeting mineralisation immediately around and under the Dreadnought trial pit in order to build on the information being gathered from the trial mining and in order to better understand the controls on mineralisation. All assay results had been received by the end of the quarter (Table 2, Figure 3), with some encouraging results including:

- 5m @ 22.3g/t (from 61m)
- 6m @ 17.2g/t (from 13m); and
- 13m @ 6.8g/t (from 115m)

Figure 3: Drill hole collar locations for the Dreadnought drilling.



Bayleys (William Ford)

Twenty seven RC holes were drilled for a total of 1,928m along strike from the historical Bayleys mine, parallel and to the south-west of the main Prices panel (Figure 4). The Bayleys mine marks the site where gold was first discovered in Coolgardie in 1892. The mine historically produced 558,000oz of gold with an average grade of 16.1g/t.

This shallow RC drill program had focussed on following up mineralisation that was intersected previously in the North Bayleys area (Figure 5 and see ASX release dated 7 June 2012) on a lode that has been renamed William Ford in recognition of the explorer who, along with Arthur Bayley, discovered gold at the site 120 years ago. The drilling intersected some additional high-grade results (Table 3 and Figures 4 & 5) with the mineralisation remaining open at depth. Results include:

- **4m @ 7.5g/t (from 13m)**
- **5m @ 5.1g/t (from 80m); and**
- **4m @ 9.3g/t (from 69m)**

The mineralisation is associated with a sheared basalt – ultramafic contact, with intermediate and felsic dykes. Quartz veins and sulphides are common within the logged alteration zones (predominately silica, arsenopyrite and pyrite), especially within the intermediate and felsic dykes. The mineralisation appears to be higher grade and more consistent at the south-eastern end near the Phoenix fault.

Figure 4: Drill hole collar locations and cross sections for the William Ford drilling.

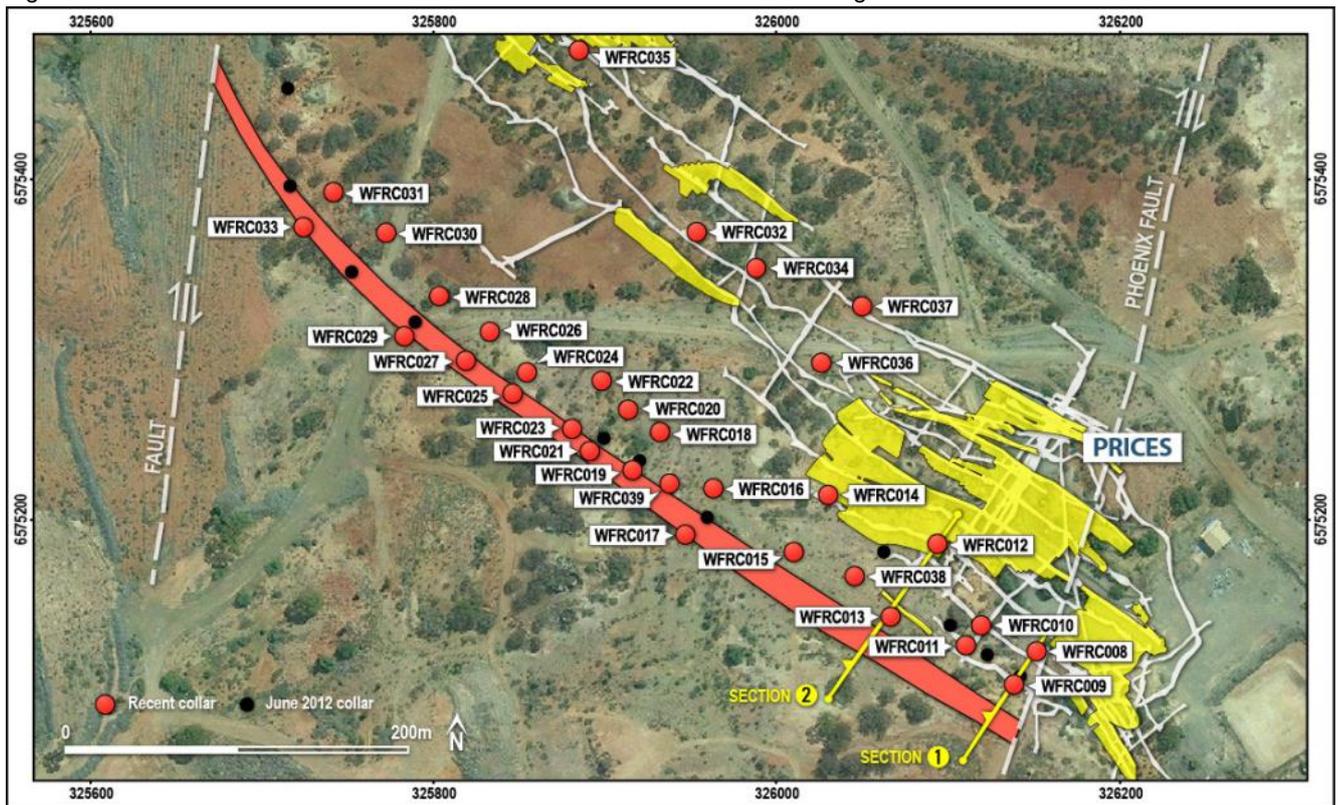
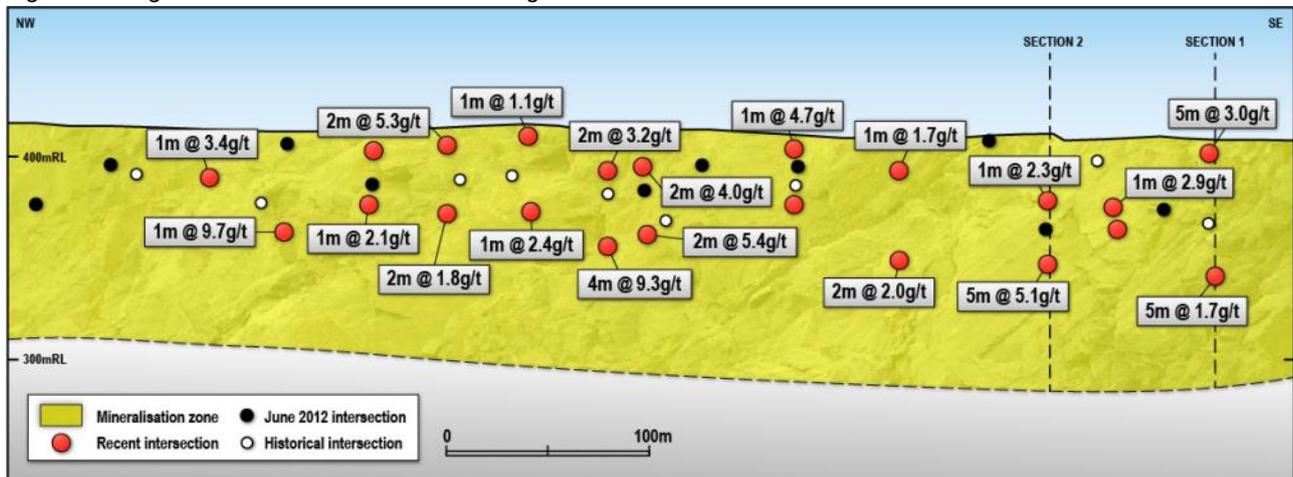


Figure 5: Long Section from William Ford showing the recent drill intersections



CORPORATE

Shandong Gold Placement

Focus completed a Placement to Shandong Gold International Mining Corporation Limited, issuing 4,501,997,651 new fully paid ordinary shares at 5 cents per share for approximately \$225 million.

The Placement was priced at a strong premium to Focus' share price and has cemented a strategic partnership with one of China's three largest gold producers

Revenue

The Focus Group sold 41,691oz of gold at an average price of A\$1,654/oz, to generate revenue of A\$68.95M for the quarter.

Expenditure

Capital investment and exploration expenditure was \$7.4 million, comprising \$4.5 million of mine capital development (primarily at the new Greenfields pit) and \$2.9 million in exploration.

Net operating cash flows for the quarter were an outflow of \$25.1million. Following the receipt of the share placement monies the company was able to immediately pay for the balance of the development costs incurred at the Apollo operations in Laverton (\$13.1m). These costs were previously being paid back out of operating cash flows over time with the consent of the mining contractor. The company also accelerated some other creditor payments prior to the start of the Christmas period whereas these payments would previously been extended into January. The company is now in a strong financial position to maintain normal 30 day trading terms for all creditors.

Cash

At 31 December 2012, the Focus Group held cash and bullion comprising:

Cash at Bank	\$208.4 million
Bullion on Hand	\$2.6 million
Cash held on bond	\$14.8 million
Total Cash and Equivalents	\$225.8 million

Director Appointments

Mr Li Zhongyi, Executive Chairman of Shandong Gold; Mr Zhang Dahui, General Manager of Shandong Gold; and Mr Michael Guo, Deputy General Manager and the Chief Geologist of Shandong Gold have been appointed as Non-Executive Directors of Focus. They join Chairman, Mr Don Taig, Mr Bruce McComish and Non-Executive Directors Mr Gerry Fahey and Mr Phil Lockyer on the Focus Board.

Director Share Purchase

During the end quarter, four Focus directors have purchased Focus shares on-market:

	Existing holding	Purchase	Total Holding
Don Taig	11,963,259	1,500,000	13,463,259
Phil Lockyer	594,523	255,000	849,523
Bruce McComish	Nil	250,000	250,000
Gerry Fahey	Nil	641,000	641,000

ENDS

The information that relates to exploration targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Competent Person's Statement

The information in this 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.

Note for Drill Results Tables below:

All RC drill holes are sampled to 1m intervals. Assay method is by a 40 gram fire assay at Bureau Veritas in Kalgoorlie. For William Ford the intersections are approximately 70% of true thickness, while at Dreadnought the intersections are approximately equal to true thickness. All RAB drill holes are sampled to 4m composite intervals. Assay method is by a 40 gram fire assay at Bureau Veritas in Leonora. At this early stage of reconnaissance exploration the orientation of any mineralised structure/lodes is unknown, hence the percentage of the down-hole length that equals the true thickness is unknown. All mineralised intersections are quoted as down-hole lengths with uncut gold values. All gold grades are reported with a nominal cut-off grade of 1g/t Au. NSR = "no significant result" (above 1g/t).

Table 1: Assay Results received from the reconnaissance RAB drilling near Lord Byron and at Mt Crawford. The other drill holes that were drilled in the other 4 areas have not been listed here as there were no significant results and prospectivity in those areas is now considered low, with the exception of Burtville. The Burtville program was abandoned early on in the first hole due to a significant amount of water being intersected.

Hole Number	Location	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
LXRB023	Mt Crawford	6839081	441863	477	270	-60	8	NSR			
LXRB024	Mt Crawford	6837993	442510	472	270	-60	31	8	31	23	1.19
								Incl 12	16	4	5.73
LXRB025	Mt Crawford	6837800	442726	469	270	-60	73	NSR			
LXRB027	Lord Byron	6779252	503572	451	270	-60	9	NSR			
LXRB028	Lord Byron	6779254	503603	462	270	-60	40	NSR			
LXRB029	Lord Byron	6779253	503624	474	270	-60	62	61	62	1	2.42

LXRB030	Lord Byron	6779251	503656	450	270	-60	65	NSR		
LXRB031	Lord Byron	6779245	503688	461	270	-60	43	NSR		
LXRB032	Lord Byron	6779250	503721	454	270	-60	52	NSR		
LXRB033	Lord Byron	6779251	503740	470	270	-60	28	NSR		

Table 2: Assay Results from Drilling at Dreadnought.

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
DNC684	6569542	325237	415	90	-60	210	66	68	2	1.61
							160	162	2	1.71
							197	198	1	2.57
DNC685	6569542	325217	414	90	-62	194	37	38	1	1.69
							85	86	1	2.22
							105	107	2	3.40
							122	127	5	1.74
							192	193	1	2.71
DNC687	6569520	325356	418	90	-67	192	75	102	27	3.21
							106	108	2	1.50
							114	121	7	1.64
							130	131	1	1.44
DNC693	6569470	325249	385	90	-60	192	149	150	1	3.20
							74	76	2	3.54
							18	22	4	1.80
DNC694	6569480	325177	416	90	-54	215	55	56	1	2.14
							61	66	5	22.33
							NSR			
DNC695	6569460	325260	385	90	-60	185	NSR			
DNC697	6569440	325274	385	90	-62	149	NSR			
DNC699	6569498	325224	385	90	-60	168	37	42	5	2.42
							32	33	1	1.87
							74	75	1	1.55
							94	98	4	1.67
							113	114	1	6.55
							117	118	1	1.09
							121	122	1	1.33
							125	129	4	1.87
							139	143	4	1.35
DNC704	6569560	325214	416	90	-61	200	82	84	2	5.95
							88	89	1	3.58
							113	114	1	1.65
							130	138	8	1.93
							142	145	3	1.37
DNC705	6569460	325281	385	90	-60	180	82	83	1	1.21
							102	104	2	2.22
DNC706	6569420	325325	385	90	-62	165	2	3	1	2.30
							11	13	2	2.69
							16	17	1	1.70
							26	27	1	1.13
							32	33	1	2.61
							44	46	2	2.88
							49	55	6	2.67
							76	86	10	2.77
DNC707	6569418	325344	385	90	-62	165	18	25	7	1.74
							29	30	1	1.37
							32	40	8	2.32
							67	71	4	1.09

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
							89	90	1	1.22
							102	103	1	1.20
DNC708	6569416	325363	385	87	-60	180	53	55	2	1.20
							64	65	1	1.25
							67	68	1	1.90
							70	71	1	1.89
							75	76	1	2.00
							87	89	2	1.62
							42	43	1	2.12
DNC709	6569399	325390	386	90	-63	148	49	51	2	4.90
							56	57	1	1.07
							60	61	1	1.19
							66	69	3	3.71
							30	31	1	1.85
DNC710	6569400	325370	385	90	-63	148	43	47	4	2.65
							52	60	8	5.96
							63	64	1	5.54
							73	74	1	1.23
							5	6	1	9.09
DNC711	6569400	325349	385	90	-63	140	13	19	6	17.19
							28	30	2	9.26
							53	55	2	1.81
							73	74	1	1.28
							0	3	3	1.83
DNC712	6569400	325330	385	90	-64	140	16	18	2	1.17
							21	27	6	1.84
							106	108	2	1.28
							130	133	3	17.96
							39	40	1	1.04
DNC713	6569420	325301	385	90	-62	170	25	26	1	1.38
DNC714	6569420	325285	385	90	-60	170	36	38	2	1.91
							96	97	1	1.65
							22	25	3	1.75
DNC715	6569400	325308	385	90	-66	140	32	33	1	1.09
DNC716	6569560	325197	416	90	-61	200	103	107	4	3.10
							131	132	1	1.67
							141	145	4	17.09
							157	158	1	5.70
							178	179	1	1.25
							197	199	2	7.06
							70	72	2	1.74
DNC717	6569560	325173	416	90	-61	200	106	107	1	5.05
							111	112	1	1.21
							117	118	1	1.13
							120	121	1	2.15
							127	128	1	1.88
							134	141	7	2.55
							3	9	6	4.58
DNC718	6569380	325336	385	90	-60	140	30	31	1	1.58
							46	47	1	1.40
							52	54	2	11.92
							62	63	1	1.41
							46	51	5	1.74
DNC719	6569380	325317	385	90	-63	140	0	1	1	1.72
DNC720	6569360	325334	385	90	-61	140	13	14	1	1.80
							0	1	1	1.12
DNC721	6569360	325323	385	90	-60	140	0	1	1	1.12

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
							9	11	2	1.24
							14	18	4	1.08
							22	23	1	1.20
							26	28	2	3.14
							66	67	1	2.53
DNC722	6569560	325132	418	90	-61	200	87	88	1	4.62
							150	151	1	3.90
DNC723	6569560	325153	417	90	-62	200	156	157	1	2.06
							195	196	1	3.20
DNC724	6569580	325197	416	90	-61	200	163	164	1	1.35
							168	169	1	1.64
							175	176	1	2.72
							181	184	3	2.61
							198	200	2	3.26
DNC725	6569560	325230	416	90	-60	200	84	85	1	3.09
							89	90	1	1.10
							92	93	1	1.46
							118	120	2	1.14
							129	133	4	1.51
							155	157	2	3.40
							177	178	1	1.15
							184	185	1	1.39
DNC726	6569460	325187	416	90	-60	212	9	10	1	3.05
							68	70	2	1.69
							201	203	2	1.20
DNC727	6569420	325220	414	90	-59	184	14	21	7	2.78
DNC728	6569560	325255	415	90	-60	200	62	64	2	2.55
							71	73	2	1.92
							115	128	13	6.83
							137	138	1	1.28
							160	162	2	2.39
							173	175	2	2.32
							192	193	1	1.10
DNC729	6569560	325276	415	90	-58	206	142	145	3	1.07
							147	150	3	1.53
							155	157	2	1.63
							184	186	2	2.18
							193	194	1	1.21
DNC730	6569540	325100	418	90	-62	200	111	112	1	1.95
							120	121	1	1.63
							140	141	1	1.61
							145	146	1	1.10
DNC731	6569540	325140	417	90	-62	174	115	116	1	1.10
DNC732	6569440	325167	417	90	-63	140	113	114	1	5.02
DNC733	6569380	325367	380	90	-64	140	0	2	2	1.30
							6	7	1	1.08
DNC734	6569380	325378	381	90	-61	140	1	2	1	2.63
							9	10	1	1.11
							25	37	12	1.97
							73	74	1	5.32
							106	107	1	1.14
							111	112	1	1.79
DNC735	6569380	325398	380	90	-61	140	19	20	1	1.86
							28	32	4	1.82
							36	39	3	4.19
							86	87	1	2.14

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
DNC736	6569380	325408	380	90	-58	140	21	22	1	2.61
							25	26	1	2.31
							28	32	4	3.52
							39	40	1	1.64
							60	61	1	1.50
DNC737	6569360	325360	380	90	-61	140	6	7	1	1.15
DNC738	6569360	325378	380	90	-61	140	1	3	2	1.70
							10	17	7	2.22
							29	32	3	6.17
							57	58	1	2.45
DNC739	6569360	325400	380	90	-60	140	1	2	1	1.27
							7	8	1	1.28
							13	14	1	48.07
DNC740	6569358	325414	380	90	-60	140	11	12	1	1.77
							36	37	1	1.65
							131	132	1	1.50
DNC741	6569348	325371	380	100	-61	100	NSR			
DNC742	6569348	325392	380	100	-60	100	1	2	1	8.24
							60	61	1	3.15
DNC743	6569348	325412	380	100	-60	100	1	3	2	1.83
							34	35	1	1.08
DNC744	6569344	325424	380	95	-60	100	24	25	1	4.19

Table 3: Assay Results from Drilling at William Ford.

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
WFRC008	6575125	326151	407	213	-67	96	80.00	85.00	5.00	1.73
WFRC009	6575104	326138	408	213	-55	54	13.00	17.00	4.00	7.53
							23.00	28.00	5.00	3.01
WFRC010	6575139	326120	407	213	-60	96	NSR			
WFRC011	6575123	326105	408	213	-60	60	15.00	16.00	1.00	1.20
							19.00	20.00	1.00	4.33
							35.00	36.00	1.00	2.85
WFRC012	6575186	326094	407	213	-50	102	33.00	34.00	1.00	1.01
							60.00	61.00	1.00	1.51
							77.00	78.00	1.00	1.39
							80.00	85.00	5.00	5.06
WFRC013	6575144	326068	411	213	-60	60	27.00	28.00	1.00	2.26
WFRC014	6575214	326031	409	213	-60	108	85.00	86.00	1.00	1.35
							88.00	90.00	2.00	1.99
WFRC015	6575182	326010	411	213	-60	72	0.00	3.00	3.00	1.90
							27.00	30.00	3.00	1.31
							35.00	36.00	1.00	1.73
WFRC016	6575218	325961	412	213	-60	83	NSR			
WFRC017	6575190	325946	413	213	-50	48	1.00	2.00	1.00	1.04
							24.00	25.00	1.00	4.69
WFRC018	6575253	325932	412	216	-60	84	55.00	56.00	1.00	1.02
WFRC019	6575228	325913	412	216	-50	45	8.00	9.00	1.00	1.63
WFRC020	6575265	325913	412	222	-55	96	55.00	57.00	2.00	1.71
							60.00	61.00	1.00	1.17
							64.00	66.00	2.00	5.39
							68.00	69.00	1.00	3.92
WFRC021	6575242	325891	412	222	-55	48	11.00	12.00	1.00	1.25
							25.00	27.00	2.00	4.01
WFRC022	6575281	325898	412	213	-60	105	69.00	73.00	4.00	9.34

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Down Hole Interval (m)	Grade g/t (Au)
							78.00	79.00	1.00	2.24
WFRC023	6575256	325879	412	213	-60	60	20.00	21.00	1.00	1.23
							26.00	27.00	1.00	1.07
							34.00	36.00	2.00	3.19
WFRC024	6575287	325855	413	220	-65	85	36.00	37.00	1.00	1.29
							39.00	42.00	3.00	1.85
							49.00	50.00	1.00	1.31
							77.00	78.00	1.00	2.43
WFRC025	6575277	325847	414	220	-50	55	20.00	21.00	1.00	1.06
WFRC026	6575312	325833	412	220	-60	70	43.00	44.00	1.00	1.57
							53.00	55.00	2.00	1.82
WFRC027	6575292	325816	414	220	-50	70	8.00	11.00	3.00	1.62
							17.00	19.00	2.00	5.29
WFRC028	6575332	325802	412	220	-60	80	33.00	34.00	1.00	2.15
							47.00	48.00	1.00	1.20
WFRC029	6575307	325781	413	220	-50	40	21.00	22.00	1.00	1.11
WFRC030	6575370	325773	412	222	-65	80	57.00	58.00	1.00	9.65
							76.00	77.00	1.00	1.06
WFRC031	6575393	325741	413	220	-55	63	35.00	36.00	1.00	3.38
WFRC032	6575368	325952	411	216	-55	126	NSR			
WFRC033	6575372	325724	413	220	-55	61	NSR			
WFRC034	6575349	325987	412	216	-50	126	38.00	39.00	1.00	7.13
WFRC035	6575477	325885	413	216	-50	126	NSR			
WFRC036	6575295	326026	412	215	-50	80	NSR			
WFRC037	6575324	326050	410	215	-50	85	75.00	76.00	1.00	1.02
WFRC038	6575169	326047	410	230	-60	55	1.00	3.00	2.00	1.85
							46.00	47.00	1.00	3.24
WFRC039	6575224	325939	412	216	-60	55	30.00	31.00	1.00	1.06
							37.00	38.00	1.00	1.06

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

FOCUS MINERALS LIMITED

ABN

56 005 470 799

Quarter ended ("current quarter")

31 DECEMBER 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	69,041	147,412
1.2 Payments for (a) exploration & evaluation	(2,834)	(5,516)
(b) development	(3,402)	(5,511)
(c) production	(81,691)	(142,169)
(d) administration	(4,067)	(6,328)
(e) royalties paid	(2,768)	(5,697)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	152	291
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	501	489
Net Operating Cash Flows	(25,068)	(17,029)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(724)	(1,361)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
- Bonds	(913)	(1,576)
- Takeover costs	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(1,637)	(2,937)
1.13 Total operating and investing cash flows (brought forward)	(26,705)	(19,966)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. Share issue costs	225,775	225,775
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		225,775	225,775
Net increase (decrease) in cash held		199,070	205,809
1.20	Cash at beginning of quarter/year to date	9,342	2,603
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	208,412	208,412

Gold on hand – At 30 September 2012 the Company held 590 ounces of gold in its metal account with the Perth Mint.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	131
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees & superannuation expense.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	10,000	8,000
3.2 Contingent Instrument Facility	3,500	3,102

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	11,543
4.2 Development	3,062
4.3 Production	60,193
4.4 Administration	3,050
Total	77,848

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	208,412	9,342
5.2 Deposits at call	381	381
5.3 Bank overdraft	-	-
Available cash (item 1.22)	208,793	9,723
5.4 Other (provide details) - Bonds	14,461	13,548
Total: cash at end of quarter	223,254	23,271

At 30 September 2012 the Company held

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining & prospecting tenements relinquished, reduced or lapsed			
6.2	Interests in mining * prospecting tenements acquired or increased	M38/547	0%	100%
		P38/3504	0%	100%
		P38/3505	0%	100%
		P38/3506	0%	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	N/a			
7.2 Changes during quarter (a) Increases (b) Decreases	N/a			
7.3 *Ordinary securities	8,822,771,352	8,822,771,352		
7.4 Changes during quarter (a) Increases through issues	4,501,997,651	4,501,997,651	5 cents per share	
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 *Convertible debt securities (description)	N/a			
7.6 Changes during quarter (a) Increases (b) Decreases	N/a			
7.7 Options (description and conversion factor)	23,500,000	-	<u>Exercise price</u> 12.3 cents	<u>Expiry date</u> 30/6/2014
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired/cancelled during quarter	14,116,923 14,116,923 <u>28,233,846</u>	- - -	<u>Exercise price</u> 7.5 cents 7.8 cents	<u>Expiry date</u> 31/12/2012 31/12/2012
7.11 Debentures (totals only)	N/a			
7.12 Unsecured notes (totals only)	N/a			

+ See chapter 19 for defined terms.

