

ASX ANNOUNCEMENT

20 September 2013

## FOCUS SETS OUT PLAN TO REBUILD HIGH-GRADE RESOURCES IN COOLGARDIE; POSITION OPERATION FOR A RETURN TO PRODUCTION

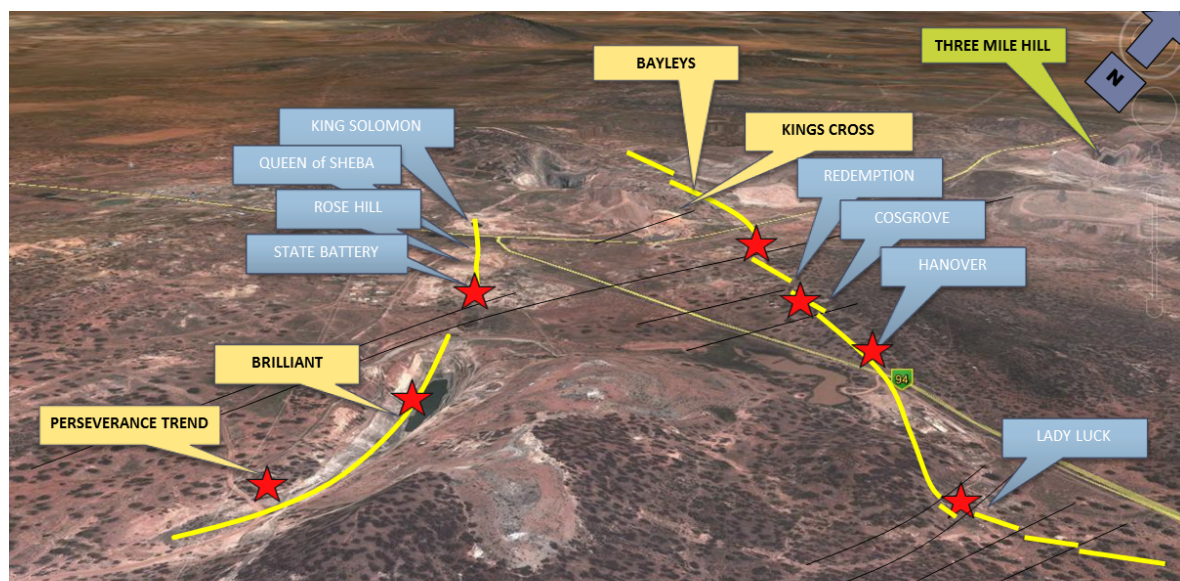
### Key points:

- Commencing four phase exploration programme focusing on two primary systems hosting multiple high-grade targets near Coolgardie Three Mile Hill mill
- Goal is to develop gold price resilient, high-grade orebodies with excellent potential for underground mining
- Targeting establishment of a long term mine life in a 24 month programme
- Focus targets zones adjacent to multiple historic mines that have been mined at gold grades between 3.7g/t through to 16.1g/t

Focus Minerals Ltd. (ASX: FML) said today that it is initiating a major new exploration programme at its Coolgardie Gold Project focusing on two primary systems that host multiple high-grade targets, with the aim of extending Coolgardie's mine life to three years.

The 24 month programme has been devised following a change in exploration strategy after the closure of operations in Coolgardie that has enabled the business to focus on a longer-term exploration horizon.

The programme will focus on four priority target areas ranging from resource extensional drilling to conceptual exploration that are all in close proximity to the Three Mile Hill mill.



"Following the closure of the Coolgardie operations, we were able to take a clean sheet approach to our exploration programmes," said Focus Minerals Chairman and Acting CEO, Don Taig.

“Ever since we went into production at the high-grade underground Perseverance orebody in 2008, we have essentially been chasing our tail on the exploration front with a constant need to weight the focus of our exploration programmes to short-term tonnes to feed the mill.

“We’ve now had our exploration team start afresh with a remit of looking to target high-grade targets that have scale, continuity and underground potential.

“We now have a four phase plan over the next 24 months that will see a really concentrated focus on an area that has had proven, high-grade underground mining success.

Four Initial target areas in the first phase of drilling are:

### 1. Brilliant Deeps

The Brilliant trend contains existing resources and known mineralisation along a 2.6km corridor from Brilliant to King Solomon. A number of initial holes have been designed in a programme to extend the Brilliant resource at depth including testing beneath the State Battery. Historic drill intercepts include: **8m @ 20.7g/t Au** and **7m @ 3.7g/t Au**.

### 2. Bayleys to Hanover

Bayley’s Reward was the first gold discovery on the Coolgardie field, in 1892. The Bayleys Line extends over 2.5km with reef-style lodes that have produced over **300,000oz @ 16.1g/t Au**. There has been little exploration beyond the immediate mine area. The initial programme will therefore test the Bayleys Line between Bayleys and Hanover where historic RC drilling has returned **7m @ 19.64g/t** and **7m @ 94.76g/t**. Subsequent drilling is then planned along this line at Cosgrove and Golden Bar to test other positions.

### 3. Perseverance North

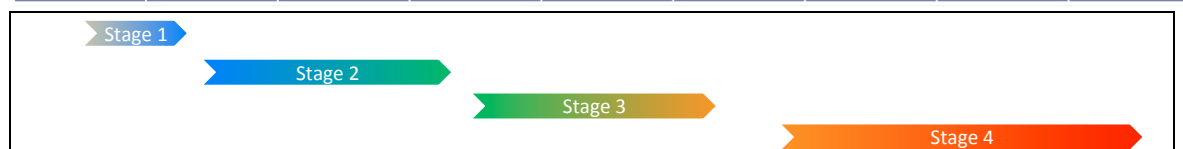
The Perseverance deposit has been successfully mined underground producing in excess of **100,000oz @ 11.7g/t Au**. The drill targets that will be tested north of Perseverance have been less well-defined by previous drilling. The exploration programme represents an excellent conceptual model for a style of high-grade mineralisation that remains under-explored in the area.

### 4. Kings Cross analogues: Redemption & Lady Luck

The historic Kings Cross mine was developed on a structure that splayed off the Bayleys line, producing **100,000oz at 5.64g/t**. There are multiple parallel structures to Kings Cross that also cross-cutting the Bayleys Line, some of which host old workings and anomalous gold in drill results. A small drilling program will therefore test two of the areas rated as having high potential: Redemption and Lady Luck.

Program	Historic Mining	Past Intercepts
1. Brilliant	30,000oz @ 2g/t (open pit)	8m @ 20.7g/t; 7m @ 3.7g/t
2. Bayleys-Hanover	300,000oz @ 16.1g/t (Bayleys)	17m @ 19.64g/t (Hanover)
3. Perseverance style	100,000oz @ 11.7g/t	0.65m @ 36.0g/t
4. Kings Cross style	100,000oz @ 5.6g/t	4m @ 8.45g/t; 5m @ 3.5g/t

Sep '13	Dec '13	Mar '14	Jun '14	Sep '14	Dec '14	Mar '15	Jun '15	Sep '15
								



**Focus Minerals Limited** - Focus owns two large gold projects in Western Australia's Eastern Goldfields. The company is the largest landholder in the Coolgardie Gold Belt, 35km west of the 'Super Pit' in Kalgoorlie, where it has produced from a mix of open pit and underground operations, processing through its own 1.2Mtpa processing plant, Three Mile Hill. 250km to the northeast Focus has 100% controlling interest in the Laverton Gold Project which comprises a significant portfolio of large scale open pit mines, adjacent to Barrick's Granny Smith operation where it has historically processed ore. Focus also owns the 1.45Mtpa Barnicoat mill in Laverton which has been on care and maintenance since 2009.

#### **Competent Person's Statement**

The information in this announcement that relates to Exploration Results is based on information compiled by Andrew Paterson who is a member of the Australian Institute of Mining and Metallurgy. Mr Paterson is employed by Focus Minerals Limited 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 Paterson 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.

The potential quantity and grade of these targets is conceptual in nature. There has been insufficient exploration completed on these projects to define a Mineral Resource and it is uncertain whether further exploration will result in the determination of a Mineral Resource.

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## APPENDIX A:

### 1. Brilliant Deeps Resource Extension

The Brilliant trend contains existing resources and known mineralisation along a 2.6km corridor from Brilliant to King Solomon. Mineralisation at Brilliant is associated with shearing and biotite alteration along the contact between the Greenmount Basalt and the Brilliant Ultramafic. The Main Lode is long, continuous and predictable tabular, dipping steeply to the east, making it excellent for both drill targeting and, potentially, for underground mining. The thickest and most mineralised zones within the Main Lode are found at minor flexures along the contact, where small changes in orientation have created dilational zones favourable for gold deposition. Historic drilling has only reached 200m below surface.

The intent of the proposed program is to quickly establish the potential for underground mining at Brilliant by drilling a series of deep holes at significant step-out distances, targeting mineralisation 300m to 400m below surface. A number of holes are also proposed under the State Battery.

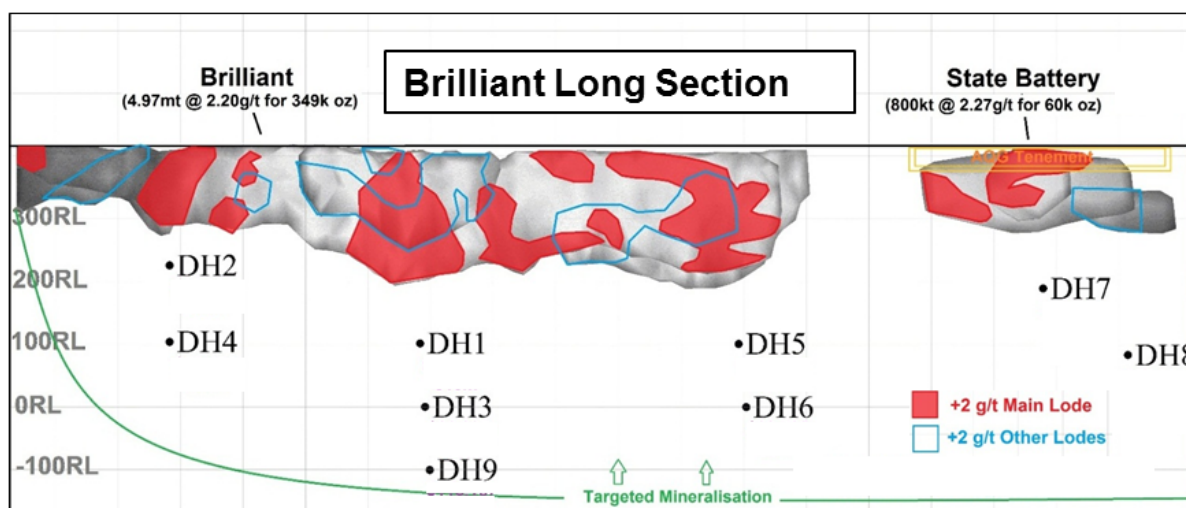


Figure 1: Long section view of the Brilliant resource looking southwest. Proposed target pierce points are shown in black.

## 2. Bayleys Trend Exploration

The historic Bayleys area is one of the highest priority targets in the Coolgardie region. Bayleys Reward was the site of the first gold discovery at Coolgardie in 1892, and it has since produced approximately **300,000oz @ 16.1g/t Au** from reef-style lodes.

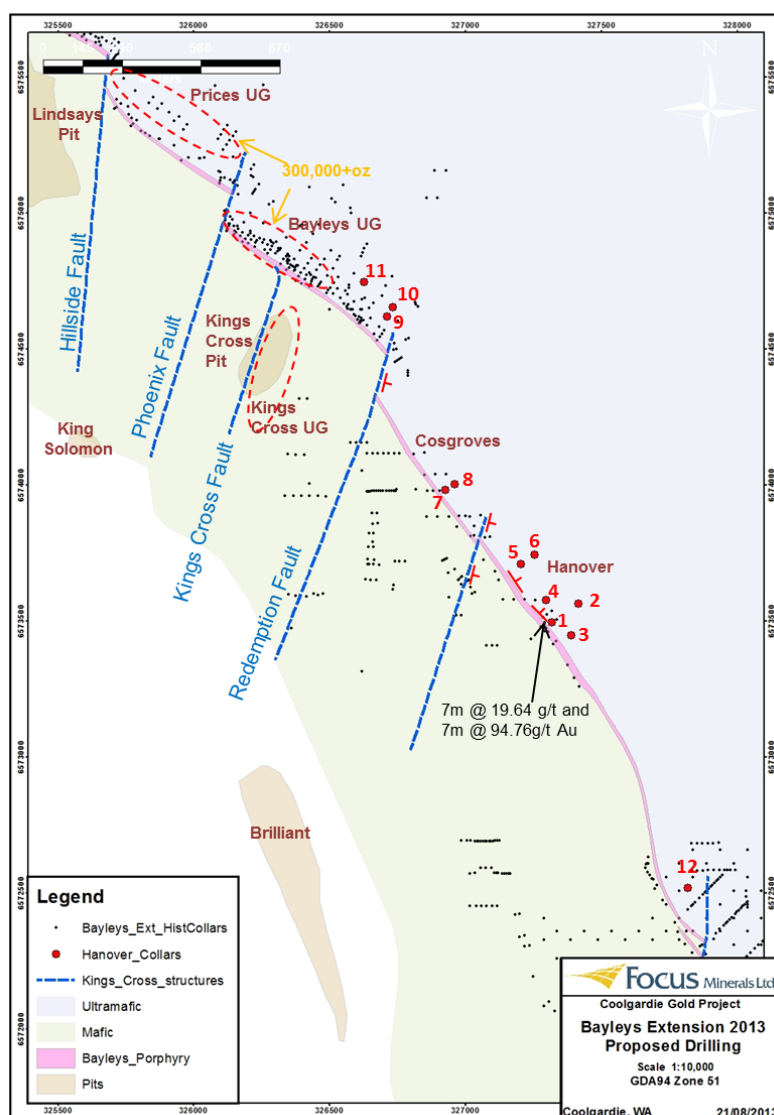
The Bayleys Line is located along the contact between the Lindsays Basalt and the Brilliant Ultramafic. The highest grade deposits at Bayleys occur within a laminated quartz vein which pinches and swells along the contact. The contact itself is offset at intervals by east-dipping dextral faults, examples of which include the Phoenix, Kings Cross (mined underground producing **100,000oz @ 5.64g/t Au**) and Redemption faults, and some of these cross-cutting structures also host significant mineralisation.

Although the Bayleys Line has been mapped continuously over a strike extent of 2.5km to the southeast from the historic mine, most exploration has been concentrated in the vicinity of the mine area.

The first phase of the new exploration programme will therefore focus on the old workings along the line at Cosgrove, Hanover and Golden Bar, the former two mines having recorded production averaging **28g/t** and **18g/t** respectively.

Existing historic drill data in the area includes **17m @ 19.64g/t** and **7m @ 94.76g/t Au** at Hanover

*Figure 2: The Bayleys Line showing the position of the Bayleys porphyry along the contact between the Brilliant Ultramafic and Lindsaya Basalt. Cross-cutting faults show dextral displacement.*





### 3. Perseverance-style targets

The Perseverance deposit has been successfully mined underground producing in excess of **100,000oz @ 11.7g/t Au.**

Perseverance mineralisation is related to laminated or brecciated sulphide-rich quartz veins within the Burbanks Basalt with ore occurring as lenses of massive sulphide in some places. The deposit varies in width from less than one metre to over five metres wide, with a steep easterly dip. Electro-magnetic geophysical surveys (EM) have been successfully used to test for Perseverance-style targets in the past due to the sulphide content of the ore.

The drill targets that will be tested north of Perseverance have been less well-defined by previous drilling as the bulk of previous exploration has been tightly focussed on the basalt-ultramafic contact and stopped once they intersected the basalt. For this reason previous drilling has not tested the “Perseverance position” within the basalt as it is further off the contact. The exploration programme therefore represents an excellent conceptual model for a style of high-grade mineralisation that remains under-explored in the area.

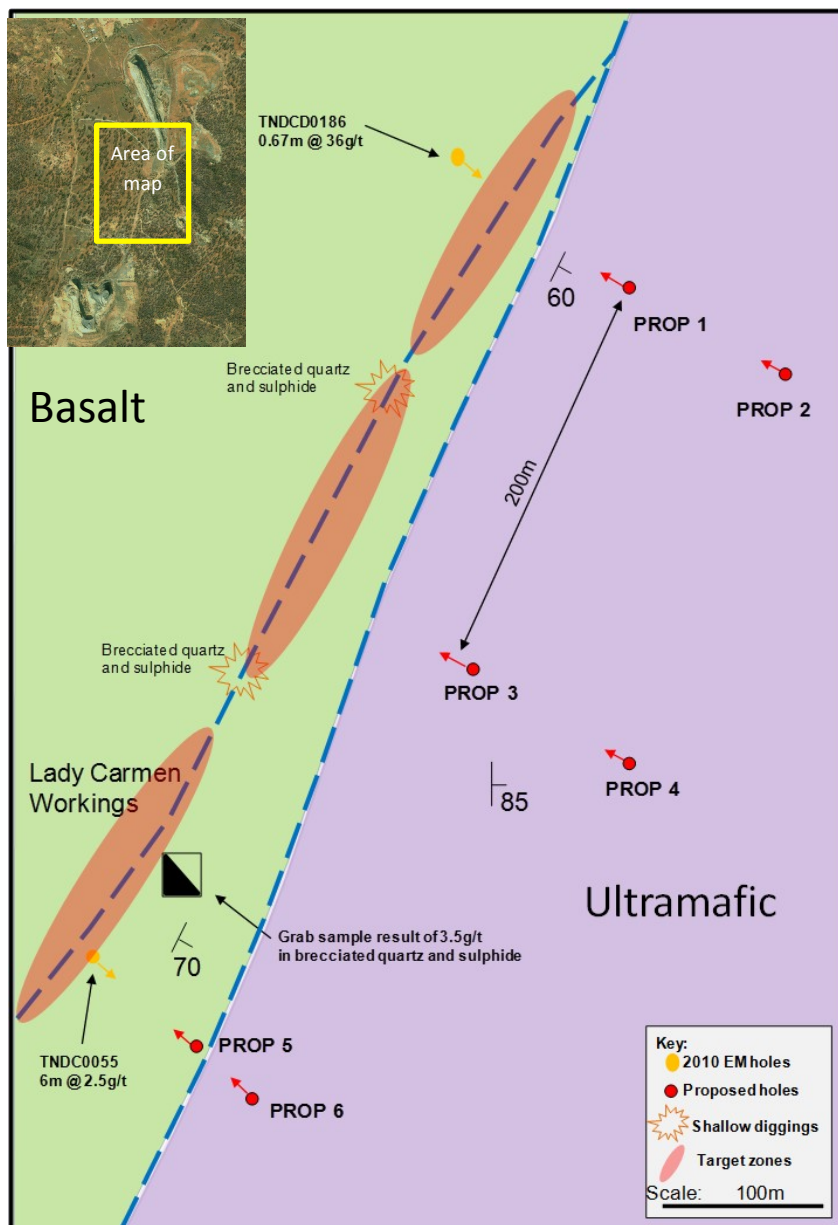


Figure 3: Area of interest between Perseverance and Brilliant.

#### 4. Kings Cross analogues: Redemption & Lady Luck

The Kings Cross underground mine is situated adjacent to Bayleys, and produced approximately **100,000oz @ 5.64g/t Au**. Kings Cross sits on a north-northeast trending dextral fault which offsets the Bayleys stratigraphy (see

Figure 2 above).

Mineralisation at Kings Cross is hosted within a quartz vein which pinches and swells within the fault zone and inside the Lindsays Basalt; the thicker zones are located in dilational sections caused by subtle changes in dip and strike. The tenor of mineralisation drops on the northern section of the deposit as it approaches the Bayleys workings, and these areas were not stoped out although the structure and the vein continue up to the Kings Cross – Bayleys intersection.

The Kings Cross fault is one of a set of NNE-trending dextral faults in the area. Despite mineralisation having been identified on some of the other structures in that set (e.g. the Queen's Reef fault in Lindsays pit) there has been very little drilling targeting Kings Cross analogues; most of the holes in the target area south of the Bayleys Line are either vertical or to the north in the Lindsays and Bayleys orientation, or angled to the east.

Two areas where Kings Cross-style structures in the Lindsays Basalt are known to coincide with gold mineralisation are Redemption and Lady Luck. In both locations historic workings and modern exploration holes display evidence of quartz vein-hosted gold, including drill intersections such as **5m @ 3.5g/t**, **4m @ 8.45g/t** and **8m @ 3.23g/t**. A high-grade quartz reef was historically mined underground at Redemption, while quartz veining associated with gold mineralisation has been intersected in previous drilling at Lady Luck as well as observations of laminated quartz in the old workings. At both locations there are multiple structures oriented parallel to Kings Cross that have been interpreted from drilling and geophysical information or observed directly in the shafts and underground workings.

*Figure 4: Geology of the area from Hillside to Lady Luck. Red and pink dots are down-hole Max Au values. Conceptual mineralisation envelopes on the Kings Cross structures are shown as red cross-hatching.*

