Focus Minerals Activities Report For The Quarter Ended 30 June 2010

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Perth, Australia (ABN Newswire) - Focus Minerals (ASX: FML) is pleased to release activities report for the quarter ended 30 June 2010.

Production for the 2010 financial year was 62,296 ounces, representing an increase of 52% on the 2009 financial year.

Production for the quarter was 12,660 ounces. All of this came from the Three Mile Hill Mill, which treated 164,919 tonnes at an average head grade of 2.52g/t.

Gold sales revenue for the Quarter was A$17.19 million from the sale of 13,080 ounces of gold at an average price of A$1,314/oz.

With 33 days of milling capacity allocated to toll treating La Mancha ore and a six-day shutdown to complete a mill reline and other scheduled maintenance items, mill availability was reduced to a net total of 52 days during the quarter. As a direct result, total quarterly cash costs were A$1,034 per ounce based on reduced gold production.

A normalised cash cost for the quarter based on full mill availability would be approximately A$750/oz.

Mining and Capital Development

Tindals Mining Centre

Underground mining at the Tindals Mining Centre continued strongly during the quarter with almost 1,600metres of capital and operating development completed. A steady ramp-up of stoping commenced with ore production growing from 16,000 tonnes in April to 44,000 tonnes in June.

Two declines continue to be advanced at Tindals. Capital development is now four levels in advance of stoping at Empress, Countess and Perseverance.

Production will continue to increase incrementally at Tindals over coming months and is expected to reach sustainable levels by the middle of the December quarter 2010.

The Mount

In June, long hole and hand held stoping commenced at The Mount on the first two levels of the German Main and German West lodes. In addition, detailed evaluation work also commenced on the next phase of development to advance activities at The Mount.

The next phase of exploration and development is designed to achieve two objectives. Firstly to ensure continued development on the German lodes, ensuring continued production. This will be achieved by developing vertically downwards for another two levels and accessing what has previously been published as reserve.

Simultaneously it is planned to develop a full flitch of the Mount Mine including the Mount lodes and Fuchs lodes to aid understanding and establish additional high grade production platforms.

Processing

The Three Mile Hill facility reached its full operating capacity in June, milling 97,800 tonnes for the month and 254,700 tonnes for the quarter. During the quarter, the first full reline for the mill was carried out which

reduced the availability of the mill by six days during May. Mill availability in June reached 97.4%.

During the quarter, a total of 67,000 tonnes @ 1.3g/t of low grade stocks were processed to supplement the ramp up of the underground operations. Focus has over 1 million tonnes of this material stockpiled located within 2km of the mill.

The first of two toll milling campaigns was completed during the quarter for La Mancha Resources, with a total of 89,800 tonnes of La Mancha's White Foil ore processed. A second toll milling campaign will be carried out for La Mancha in September 2010. This will be the final toll milling campaign to be carried out by Focus Minerals on a dollar per tonne basis.

Reserves

Reserves continued to increase this quarter, with total reserves and stocks now 2,483,000t @ 2.6g/t for 207,900 contained ounces. Reserve increases were made underground at Tindals and The Mount and also at the Empress and Alicia open pits.

The reserve increase at the Tindals Mining Centre is in addition to mining depletion and was a result of ongoing underground exploration and development which demonstrates the sustainable nature of the operation.

The reserve increase at The Mount was as a result of continued exploration development in the German lodes resulting is a small strike extension. The reserve increase at The Mount is in addition to mining depletion with long hole stoping having commenced on the 1 Level. Hand held stoping occurred in a sub level above the 1 Level, but this was largely outside of the previous reserve.

There have been reserve increases for each of the last four quarters for Focus Minerals with an increase from 93,000 ounces of reserves at end of month September 2009 to over 207,900 ounces for the current quarter.

Work will continue in advancing the reserves in the September quarter with a second underground diamond drill commencing at Tindals and ongoing activities at The Mount advancing the underground, reassessing available data and following up local trends and isolated intersections from surface.

In the Tindals area, surface grade control style drilling will occur at open pit reserve locations in preparation for mining and in other locations to further advance the development of additional reserves.

Tindals Area Open Pits

Further open pit reserves have been added in the Tindals area with pits on the Empress and Alicia ore bodies.

These pits reserves follow on from surface drilling earlier in the year and continue the process of converting resources to reserves.

The Empress estimated probable reserve is 113,000t @ 2.6g/t for 9,500 ounces at a strip ratio of 12:1.

The Alicia estimated probable reserve is 160,000t @ 1.8g/t for 9,300 ounces at a strip ratio of 10:1.

These new open pit reserves add significantly to the reserves of open pit material around the Tindals area that also includes Big Blow and Dreadnought North. The open pit reserve in the Tindals area is now 389,000t @ 2.1g/t for 26,400 contained ounces.

EXPLORATION

Diamond drilling of an electromagnetic (EM) conductor to the north of the Perseverance ore body at Tindals successfully identified a new mineralised zone along strike form the existing workings. Exploration RC and diamond drilling of EM targets in the Greater Tindals Area intersected Perseverance style mineralisation with highly encouraging results in areas of no previous drilling.

In total, 5,825m of surface diamond drilling, 4,670m of RC drilling and 1,100m of underground diamond drilling was completed within the Coolgardie tenements during the June Quarter.

With the ongoing drilling, a number of resources were updated during the June Quarter, including Cyanide

(refer to ASX announcement 3rd June 2010 for further information), Tindals, Countess, Empress and Empress/Alicia. As a result of the updates, the Company's total resource position has risen to 2 million ounces.

Perseverance

A 1,100m, 5-hole diamond program was drilled to the north of Perseverance during the June Quarter to test an EM anomaly identified earlier in the year. The drilling has identified a new mineralised zone (120m x 200m) to the north of, and within easy access from, Perseverance. Significant intercepts from the program include:

- 4.2m @ 3.6g/t,
- 5.2m @ 3.6g/t, and
- 4.6m @ 5.9g/t

The drilling intersected quartz-sulphide structures of similar appearance to those seen at Perseverance. The drilling is wide-spaced and follow-up drilling will commence soon, with a second underground drill rig having just arrived on site.

Tindals Area Targets

During the June quarter, 10 EM anomalies were drilled with a single drill hole to assess the geology of the anomalies. Encouraging results were received from a number of drill holes, including:

- 0.64m @ 36.8g/t, and
- 2.6m @ 4.0g/t

A number of the holes intersected Perseverance style quartz-sulphide mineralisation. Down-hole EM surveys have recently been completed on the 10 drill holes with results expected soon. A full review of the geology, results and EM will see the targets ranked and prioritised for follow-up drilling.

Lindsays Project

During the June quarter, a large modelling and targeting exercise in the well-endowed Lindsays area was completed. The exercise was undertaken with the assistance of four geologists from SRK (including Mr Peter Williams and Mr Peter Gleeson). The project was undertaken to provide a robust 3D geological and structural model that would accelerate the understanding of an area the company believes has great potential. The 3D model was used to run various targeting scenarios using the latest technology and techniques developed by SRK.

The study centred on an area of 4km2 which hosts some of Focus' key existing resources, including the Lindsays open pit and Bayleys underground mine. It has an historical production endowment of over 1.5 million ounces and a current known resource endowment of over 600,000 ounces excluding any potential resource on the Bayleys old workings The assessment is based on a complete compilation of historical mining and exploration data gathered from Focus' tenements over many decades and then integrated with leading-edge 3D interpretive technology. The compilation of this data (geological, geophysics, structural, mapping and drilling) utilising both input from Focus staff and the SRK team was used to construct a detailed geological and structural model of the area from which the exploration targets have since been determined.

The result of this study belies the long held perception that gold mineralisation within the Coolgardie goldfields has been exhausted through over 100 years of continuous gold production. Instead, the study confirms the Company's long held belief that Coolgardie is yet to give up its full potential and contains some of the finest endowed and under-explored gold assets in Australia.

Many of the targets are of high quality and all are supported by data and field observations. Most of the targets lie at shallow to moderate depths, making follow-up drilling a practical option. The study has indentified 17 'Rank One' exploration targets spread across the three different styles of mineralisation traditionally found at Coolgardie.

Focus has commenced drilling a number of these targets to test and advance the models. To date, nine holes have been drilled, each averaging approximately 400m. The intersected geology confirms the accuracy of the modelling and further strengthens Focus' confidence in the recently completed technical work. Visible gold has been seen in several of the holes drilled, with significant intersections including:

- 2.1m @ 6.65g/t,
- 3m @ 7.02g/t,
- 5m @ 4.76g/t,
- 1.9m @ 15.98g/t,
- 10.6m @ 2.69g/t, and
- 17m @ 2.56g/t

Internal studies have commenced on the Lindsays deposit and in conjunction with these newly defined targets, Focus plans to further evaluate the potential for Lindsays to provide early mine production and drilling platforms.

This will in turn unlock the surrounding areas for further drilling and mining.

Treasure Island Acquisition

During the Quarter, Focus reached agreement to acquire a 75 per cent stake in the Lake Cowan gold-copper project (Treasure Island) near Kambalda in WA's Eastern Goldfields (refer to ASX announcement 15th June 2010 for further information), where historical surface reconnaissance exploration has produced grades of up to 49g/t gold and 1%-plus copper.

Treasure Island sits on the southern extension of the Boulder-Lefroy Fault, which hosts numerous high-grade gold and nickel deposits, including the Kalgoorlie Super Pit and the recently discovered high-grade Athena gold deposit. The lease covers 95km2 and is located approximately 50km south-east of Kambalda. Surface sampling comes predominantly from an island that sits within Lake Cowan.

Subsequent to the end of the Quarter, the Company completed follow-up sampling from the island on Lake Cowan within the 95km2 Treasure Island. Assay results received from 16 rock chip samples returned outstanding copper grades including 8.53%, 2.87% and 1.51% Cu as well as anomalous gold, silver and nickel results (refer to ASX announcement 16th July 2010 for further information).

Focus has commissioned a detailed airborne geophysical survey to be carried out over the Treasure Island tenement. This is expected to be flown soon. Detailed ground mapping and a systematic sampling program have commenced across the tenement, initially focussing on the island itself. This, along with the geophysics, will assist with exploration targeting prior to a drilling program scheduled to commence later this year.

CORPORATE

Cash and Bullion Gold revenue for the Quarter was A$17.19M million generated from the sale of 13,080 ounces of gold at an average price received of A$1,314/oz.

As discussed previously in the report, the Toll Milling campaign by La Mancha ran for 33 days. The revenue generated by Focus from the campaign was based on a dollar per tonne rate and as such the revenue did not match the ongoing mining and exploration expenditure at the operations during the quarter. As a result, the operating cash deficit for the quarter was a net A$(3,540,000) after allowing for exploration costs of A$1,919,000 and capital development of A$4,901,000.

Western Australian gold royalties paid for the Quarter totalled A$381,000.

At 30 June, 2010, Focus had the following Australian dollar amounts available;

Cash at Bank	A$6.38 million
Bullion on Hand	A$3.82 million
Total Cash and Equivalents	A$10.20 million

This excludes A$802,000 held in secured deposit accounts supporting bank guarantees and bonds required under mining tenement conditions.

For the complete Focus Minerals quarterly report, please view the following link:
http://www.abnnewswire.net/media/en/docs/63427-ASX-FML-499319.pdf

About Focus Minerals Ltd:

Focus Minerals Ltd (ASX:FML) is an Australian-based exploration and development group whose focus is to become a significant gold and nickel producer in the Coolgardie-Kalgoorlie-Widgiemooltha region of Western Australia.

Focus Minerals is the largest landholder in the Coolgardie Gold Belt located in Western Australia, 560km east of Perth and 35km west of the 'Super Pit' in Kalgoorlie-Boulder. More than 2.6 million ounces of gold has been produced from the Coolgardie gold belt alone since 1892. Focus holds the mineral rights to more than 210sq km of tenements including an extensive inventory of Measured, Indicated and Inferred gold resources as well as the 1.2mtpa Three Mile Hill processing plant.

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