

ACTIVITIES REPORT FOR THE QUARTER ENDED SEPTEMBER 30 2010

Highlights

Production Production during the September Quarter, which comprised 74 milling days, totalled **247,965 tonnes @ 2.03g/t for 15,300 ounces**. The mill was unavailable for 17 days in the quarter due to toll milling commitments.

Cash production cost for the quarter was \$932 per ounce.

Reserves Focus' reserves continue to grow, with open pit reserves at **1,490,000 tonnes @ 1.8g/t** and underground reserves growing to **1,218,000 tonnes @ 3.7g/t** for a total reserve position of 2,709,000 tonnes for 229,800 ounces.

Total **Reserves and Stocks** position of **3,883,000t @ 2.1g/t for 265,500 ounces** with 1,174,000t @ 0.9g/t for 35,700 ounces of surface stocks.

Cyanide orebody included in Tindals underground reserve with 392,000t @ 3.2g/t for 41,300 ounces.

Exploration and Resources During the quarter \$3.2 million was spent on exploration in Coolgardie.

Significant drilling results from second phase of drilling of the Perseverance North target, with intersections including;

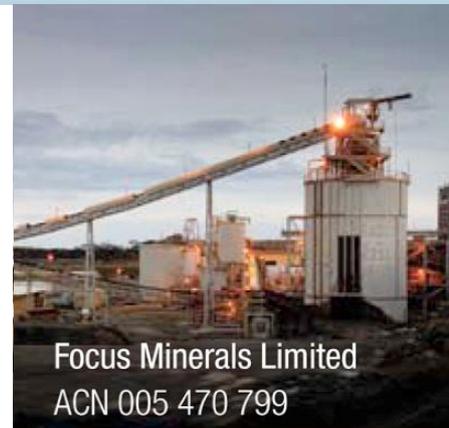
- **4.4m @ 13.3g/t Au**
- **2.2m @ 27.8g/t Au**

Highly encouraging drilling results from first pass drilling at Happy Jack in order to test for high-grade ore potential, with intersections including;

- **8m @ 55.6g/t Au**
- **2m @ 20.7g/t Au**
- **4m @ 7.0g/t Au**

Initial drilling of the 3D targeting model in the Lindsays – Bayleys area confirms the accuracy of the model and returns further exciting intersections including;

- **1.6m @ 36.0g/t Au**
- **6.8m @ 5.8g/t Au**
- **2.6m @ 10.0g/t Au**



Focus Minerals Limited
ACN 005 470 799

Australian Securities Exchange
Code: FML

Frankfurt Stock Exchange
Code: FZA

Board of Directors

Mr Donald Taig
Executive Chairman

Mr Chris Hendricks
Non-Executive Director

Mr Phil Lockyer
Non-Executive Director

Senior Management

Mr Campbell Baird
Chief Executive Officer

Mr Peter Williams
Chief Operating Officer

Mr Jon Grygorcewicz
Company Secretary

Mr Brad Valiukas
Chief Mining Engineer

Dr Garry Adams
Exploration Manager

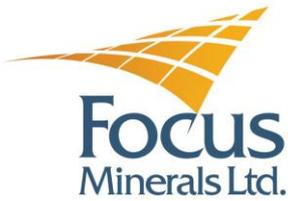
Mr Chuck McCormick
Business Development Manager

Share Registry

Computershare Investor Services Pty Ltd

Investor Enquiries

1300 557 010



The Mount

Work will commence in November on the next phase of exploration and development work at The Mount with preparations underway to enlarge the box cut and decline, develop another two levels down and mine a 200m cross cut to allow evaluation of other lodes. It is expected that the cross cut will intersect approximately 10 structures. This work is expected to be completed by March 2011.

Corporate

At the end of the quarter Focus had \$8.2 million cash and bullion on hand.

PRODUCTION

Production for the September Quarter was 15,300 ounces from the treatment of 247,965 tonnes at an average head grade of 2.03g/t from 74 days mill availability.

During the quarter 17 days of milling capacity were allocated to toll treating La Mancha ore. As a result, quarterly cash production costs were A\$932 per ounce based on reduced gold production. Costs will return to normalised levels during the December 2010 quarter with the completion of toll milling commitments.

Excluding the effect of toll milling, normalised cash production cost for the quarter, based on full mill availability, would have been approximately **A\$830/oz.**

Gold sales revenue for the Quarter was **A\$20.4** million from the sale of **14,765** ounces of gold at an average price of **A\$1,381/oz.**

Table 1 - Gold Production - June 2010 Quarter

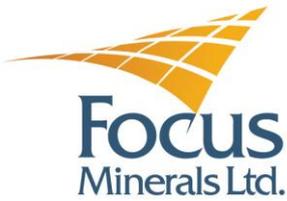
		Quarter Ended 30 September 2010	Quarter Ended 30 June 2010	Quarter Ended 31 March 2010	Quarter Ended 31 December 2009	Quarter Ended 30 September 2009
Ore Mined	(tonnes)	129,767	96,288	81,200	86,418	67,476
Mined Grade	g/t	3.83	3.81	4.57	3.84	7.42

Milled Tonnes	(tonnes)	247,965	164,919	299,445	47,574	57,942
Head Grade	g/t	2.03	2.52	3.21	8.22	6.02
Gold Recovery	%	94.5	94.6	89.8	95.3	88.0
Gold Produced	(oz)	15,300	12,660	27,793	11,983	9,858

Cash Operating Cost #	(A\$/oz)	\$932	\$1,034	\$820	\$602	\$551
Gold Sold	(oz)	14,765	13,080	25,835	13,024	8,178

Average Price Received	(A\$/oz)	\$1,381	\$1,314	\$1,230	\$1,147	\$985
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Cash operating cost refers to the cost of refined gold and includes all expenditures directly incurred on mining, crushing and processing including site administration cost and includes royalties.



Mining and Project Development

Tindals Mining Centre	Tonnes	115,681
	g/t	3.45
The Mount	Tonnes	14,086
	g/t	6.94

Tindals Project Underground

Underground mining at the Tindals Mining Centre continued strongly during the quarter with 1,400m of development and ore production increasing to 116,000t @ 3.5g/t, significantly up from the previous quarter of 88,000t @ 3.5g/t.

The Mount Project Underground

Stoping continued at The Mount underground in the September quarter with exploration development complete. 14,000t @ 6.9g/t was mined as the stoping started at the end of the June quarter continued.

Work will commence in November on the next phase of exploration and development work (Figure 1) at The Mount with preparations underway to enlarge the box cut and decline, develop another 2 levels down and mine a 200m cross cut to allow evaluation of other lodes. It is expected that the cross cut will intersect approximately 10 structures.

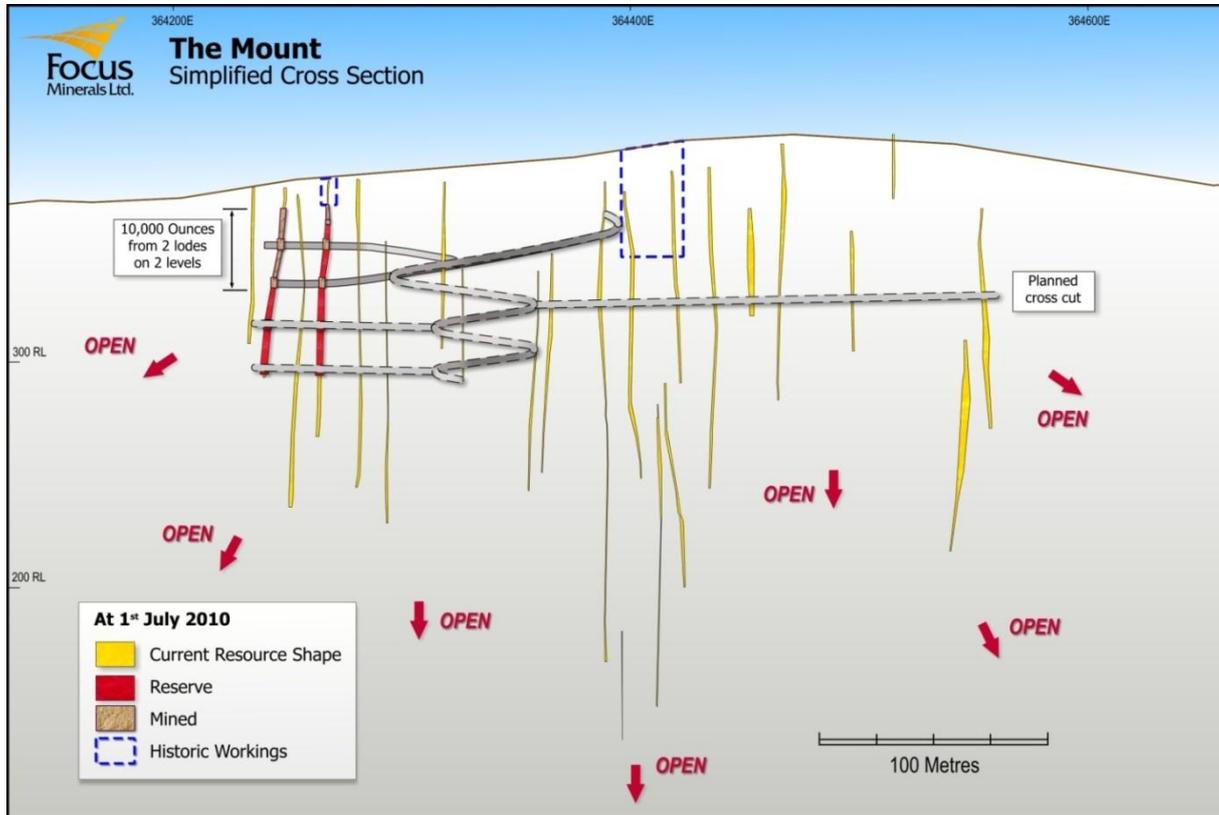
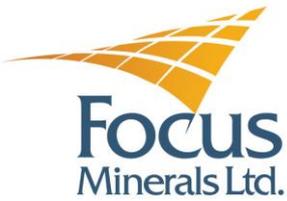


Figure 1: Planned 2nd Phase of The Mount development.



The Mount remains open in most directions with the limits of lodes being largely determined by the limits of drilling and the underground development will provide a good platform for continued drilling.

The German lode development on the 2 level achieved 438 ounces per vertical metre (Figure 2). Recent shallow surface drilling identified that further mineralisation along strike to the south had already been historically mined; meaning the ounces per vertical metre could have been significantly higher. The new exploration cross cut will be through other known areas of mineralisation, and under historic workings with stoping on multiple lodes. Focus Minerals has a target of 1,000 to 1,500 ounces per vertical metre for The Mount underground.

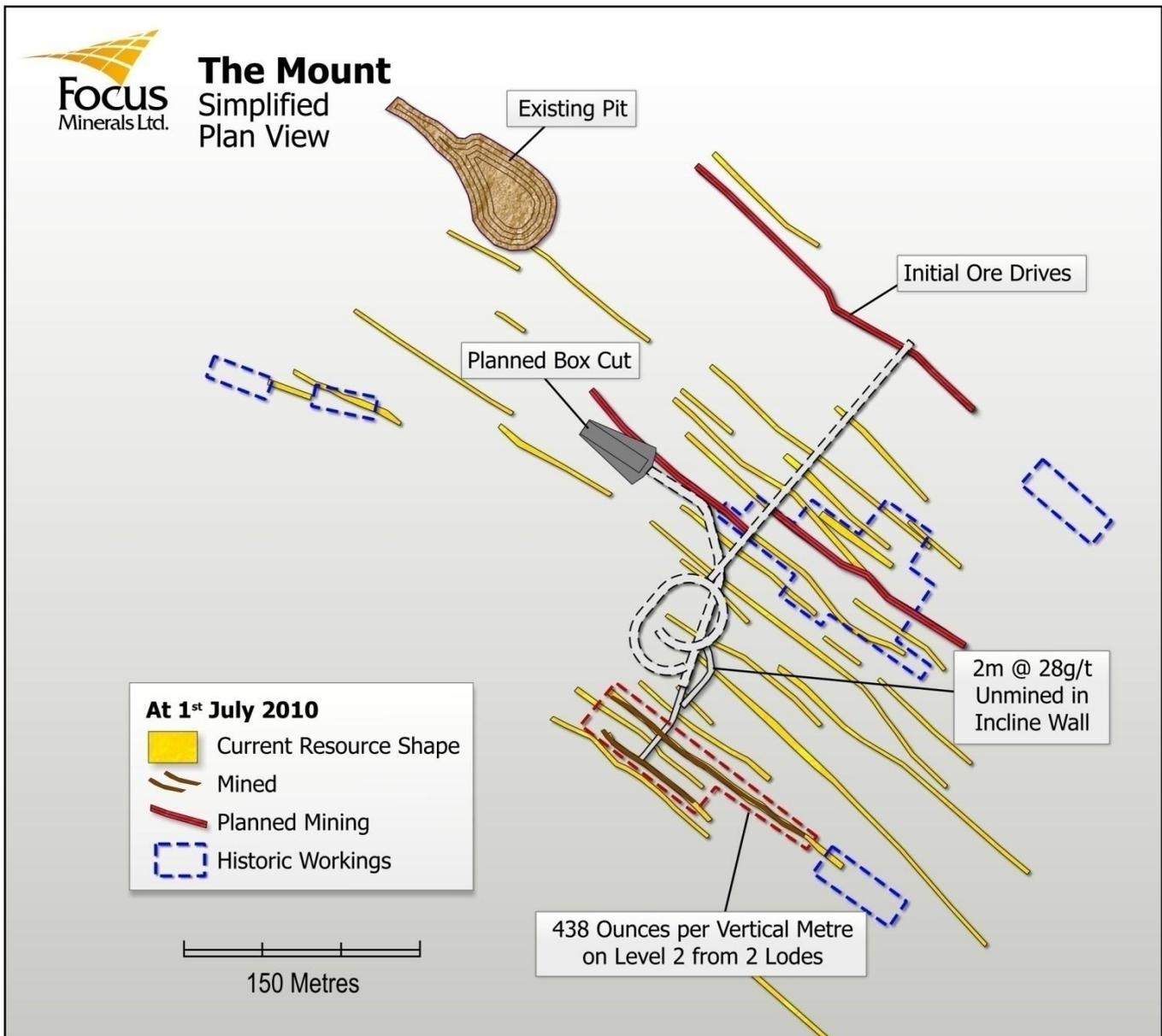
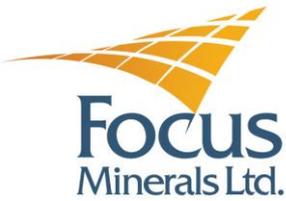


Figure 2: Planned Development at The Mount showing extent of known Resource footprint



Tindals Project Open Pits

Work continued on the Tindals Project Open during the quarter with the focus changing from reserve addition to mining preparation. Submissions for environmental approvals were being prepared at the end of quarter to commence mining the current reserve of 389,000t @ 2.1g/t and 24,400 ounces in the March quarter next year. A small RC rig was active on site during the September quarter to commence grade control of the pits, conduct waste dump sterilisation, extend the strike of ore zones near surface and test historical ore indications close to expected mining areas.

At Dreadnought, in the southern part of the Tindals Project Opens Pits area, drill holes following up on historic indications achieved some shallow high grade results, including:

- 7m @ 6.4g/t from 8m below surface;
- 9m @ 5.6g/t from 15m below surface;
- 3m @ 7.5g/t from 8m below surface; and
- 5m @ 4.2g/t from 17m below surface.

These intersections are outside the reserve position for the Tindals Project Open Pits area detailed within Appendix 2.

A small RC rig will return to site in the December quarter to continue preparation works for open pit mining.

Processing

The Three Mile Hill facility continued to operate at full operating capacity, milling a total of 302,751 tonnes for the quarter. Mill availability remained high achieving 97.4% for the quarter.

The second of the two committed toll milling campaigns were completed during the quarter, with a total of 54,786 tonnes of La Mancha's White Foil ore processed.

Reserves and Stocks

With the inclusion of the Low Grade Stocks the total reserves and stocks position is **3,883,000t @ 2.1g/t for 265,500 ounces**.

This is an **increase of over 170,000 ounces in the last 12 months** when compared to 767,000t @ 3.8g/t for 93,000 ounces published in the September 2009 quarterly report.

Importantly the reserves and stocks figure is from a variety of sources representing longer term production flexibility and diversification of risk. The tonnage represents 3 years of milling at the 1,2Mt per annum Three Mile Hill mill without any further resource or reserve upgrades from the operation.

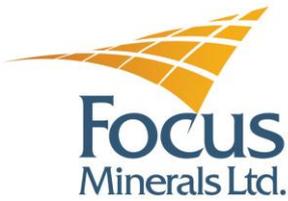
A full table of reserves and Stocks is provided in Appendix 2.

Tindals Project Underground

Reserves at the Tindals underground continued to grow during the quarter with the Cyanide ore body being brought into reserve with 392,000t @ 3.2g/t for 41,300 ounces.

Historical production from Cyanide was 260,000 tonnes @ 4.1 g/t

The total Tindals Underground reserve has now been expanded to **1,150,000t @ 3.4g/t for 125,700 ounces**.



Low Grade Stocks

There are significant low grade stocks as a result of previous mining operations in the Coolgardie area. These stocks are left over from historical mining operation and provide a very attractive margin to Focus Minerals at current gold prices.

Low grade stocks have been included in the Reserves and Stocks table for the first time this quarter as **1,122,000 @ 0.9g/t for 32,100 ounces.**

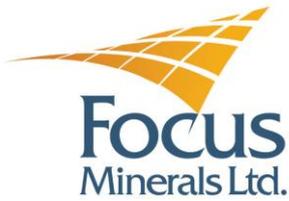
EXPLORATION

Exploration diamond drilling continued during the Quarter underground at the Tindals Mining Centre (in particular Perseverance North), while RC and surface diamond drilling in the Tindals Mining Centre focused on targets, including Happy Jack. Diamond drilling of a number of the targets from the Lindsays – Bayleys 3D targeting exercise was completed during the September Quarter with encouraging results.

Geophysics was also completed and evaluation pending on the Treasure Island Tenements at Lake Cowan.

In total, 5,000m of surface diamond drilling, 5,081m of RC drilling and 4,786m of underground diamond drilling was completed within the Coolgardie tenements for total exploration expenditure during the September Quarter of \$3.2 million dollars.

With the ongoing drilling, a number of resources were updated during the September Quarter at the Tindals Mining Centre. As a result of the updates, the Company's total resource position is now **2.05 million ounces (see Resource Table in Appendix 1).**



Perseverance North

A 1,600m, 8-hole diamond program was drilled to the north of Perseverance during the September Quarter to infill and extend the anomaly identified earlier in the year (Figure 3). The drilling has confirmed a high grade core to the new mineralised zone to the north of, and within easy access from, Perseverance. Significant intercepts from the program include:

- 4.4m @ 13.3g/t, and
- 2.2m @ 27.8g/t

The Perseverance North mineralisation remains open at depth and to the north. Further drilling to expand the newly identified high-grade zone and to expand the known area of mineralisation to the north and at depth is ongoing.

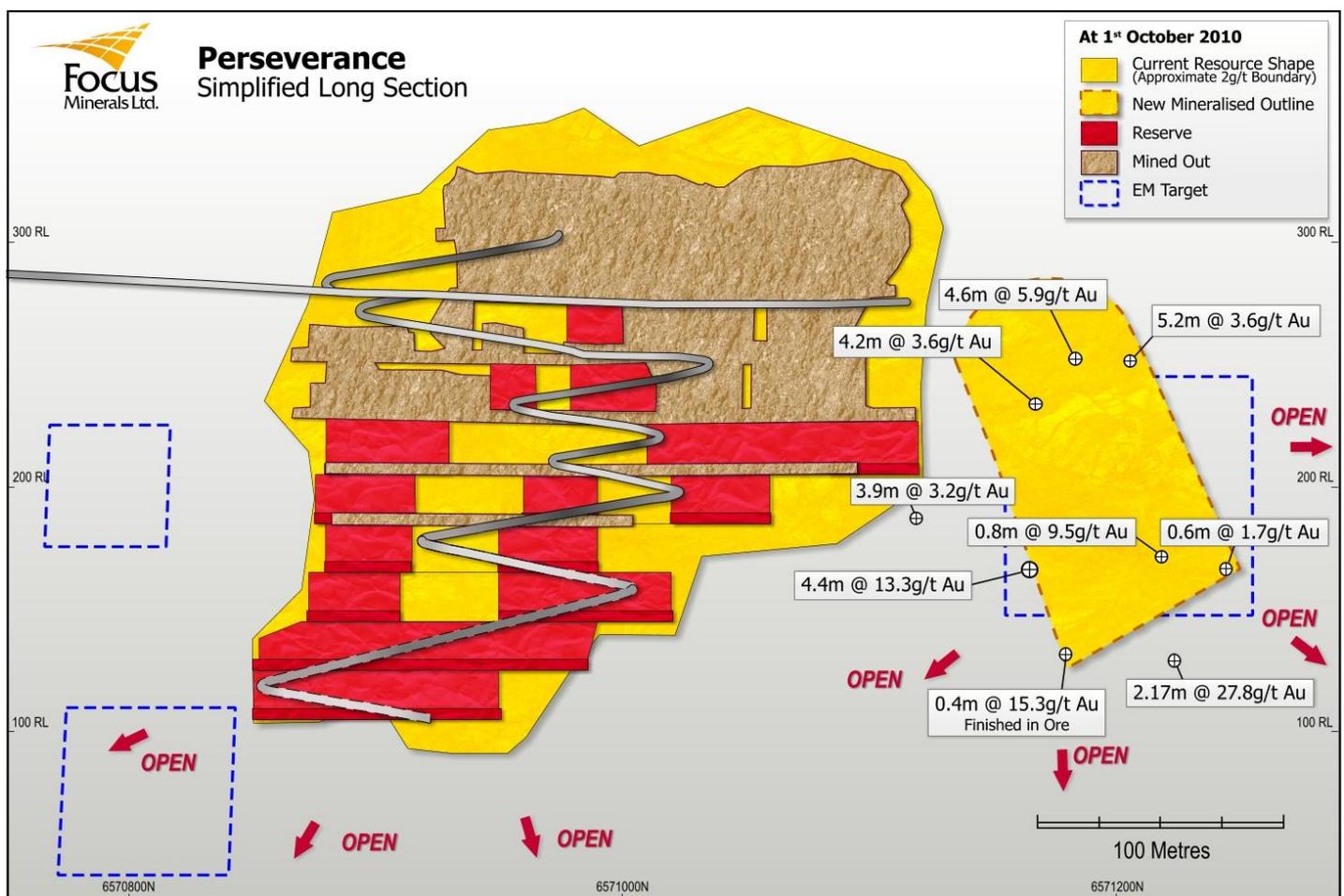
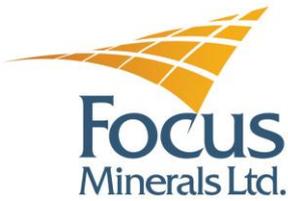


Figure 3: Long Section showing Perseverance North in close proximity to the main Perseverance ore body and recent drill intersections



Happy Jack

During the September Quarter the Happy Jack prospect was targeted to assess historical drilling and to test for high-grade ore potential. Encouraging results were received from a number of drill holes, including:

- 8m @ 55.6g/t,
- 2m @ 20.7g/t, and
- 4m @ 7.0g/t

The results from the drill program to date have been extremely encouraging and indicate the potential for Happy Jack to add to the expanding Tindals Mining Centre's Open Pit reserve base. The drilling also confirmed the recently identified high-grade zone (Figure 4) which remains open at depth. The deposit also remains open along an already identified 600m strike length and further drilling is planned to test and expand the Happy Jack area.

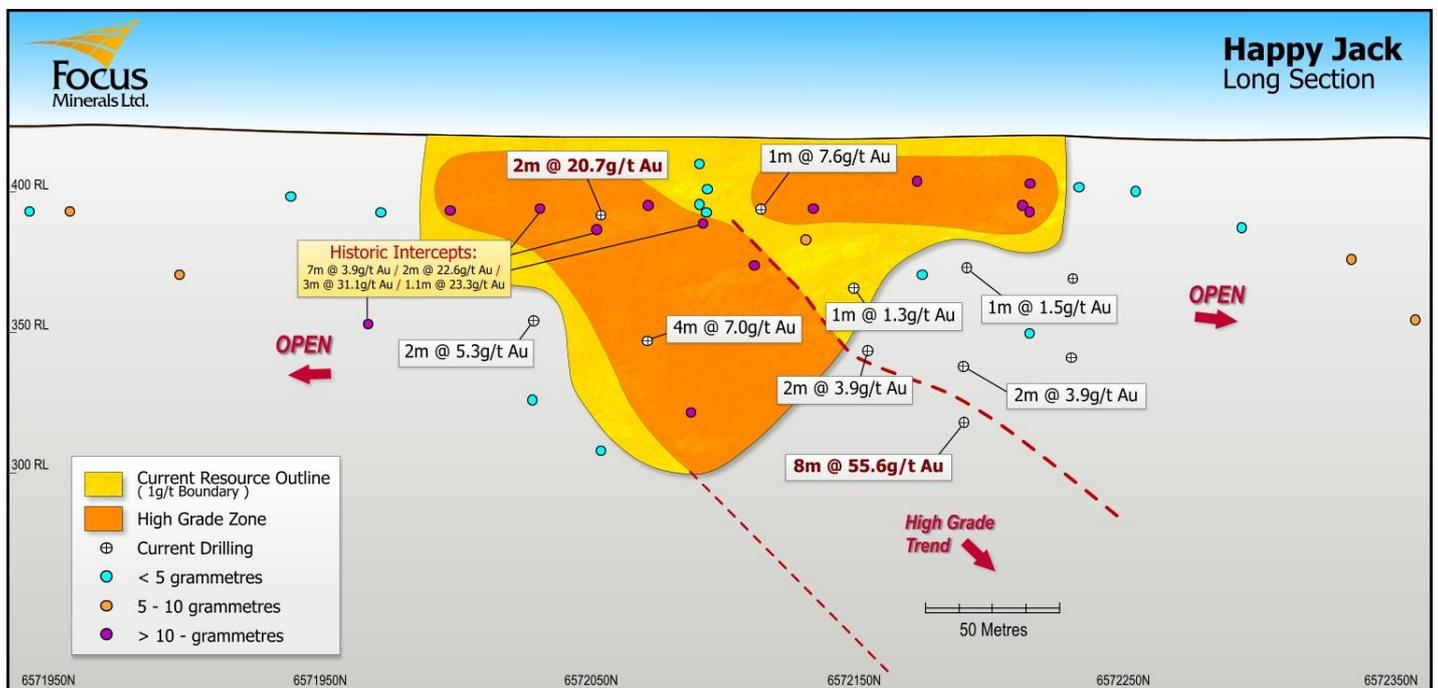


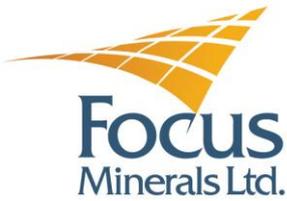
Figure 4: Long Section of the Happy Jack Deposit showing the plunge of the high-grade zone

Lindsays-Bayleys

Focus has been discussing for the past few months the exciting 3D targeting exercise that was carried out in the first half of the year. The exercise in conjunction with the assistance of SRK consulting identified a number of targets in an area where it was felt there was potential for large tonnage targets at depth. The project focussed on the Lindsays-Bayleys area, where gold was first discovered in 1892 and since then there has been semi continuous gold mining ever since. Historical mining in the Lindsays-Bayleys area has been both underground high-grade narrow vein and bulk tonnage open pit mining.

The 3D targeting exercise identified a range of different targets, both narrow vein and bulk tonnage. A fifteen hole drill program commenced in June to test the 3D model and a couple of the bulk tonnage targets. Focus would like to emphasise that this whole exercise must be viewed as a long term project of first testing a concept (the 3D model) and then delineation before it can begin to forecast what the true potential of the area might be.

The key outcomes of the drilling were the number of visible gold occurrences in the drill core, and the confirmation



of key structural and geological features at depth. The drilling confirmed the accuracy of the 3D model and further strengthens Focus' confidence in the technical exercise completed in the first half of 2010. A full review of the model, targets and drilling is now underway with follow up drill being planned around some of the higher grade areas, as well as drilling being planned to test some of the other targets, including the higher grade Bayleys style targets.

Encouraging results from the drilling during the September Quarter include:

- 1.6m @ 36.0g/t,
- 6.8m @ 5.8g/t, and
- 2.6m @ 10.0g/t

Preliminary interpretation in the Ashes area indicates a series of stacked mineralised zones similar to that found at Lindsays (Figure 5). The mineralised zones in the Ashes area strongly resemble the Lindsays mineralisation in terms of alteration, veining and mineralisation (arsenopyrite and visible gold).

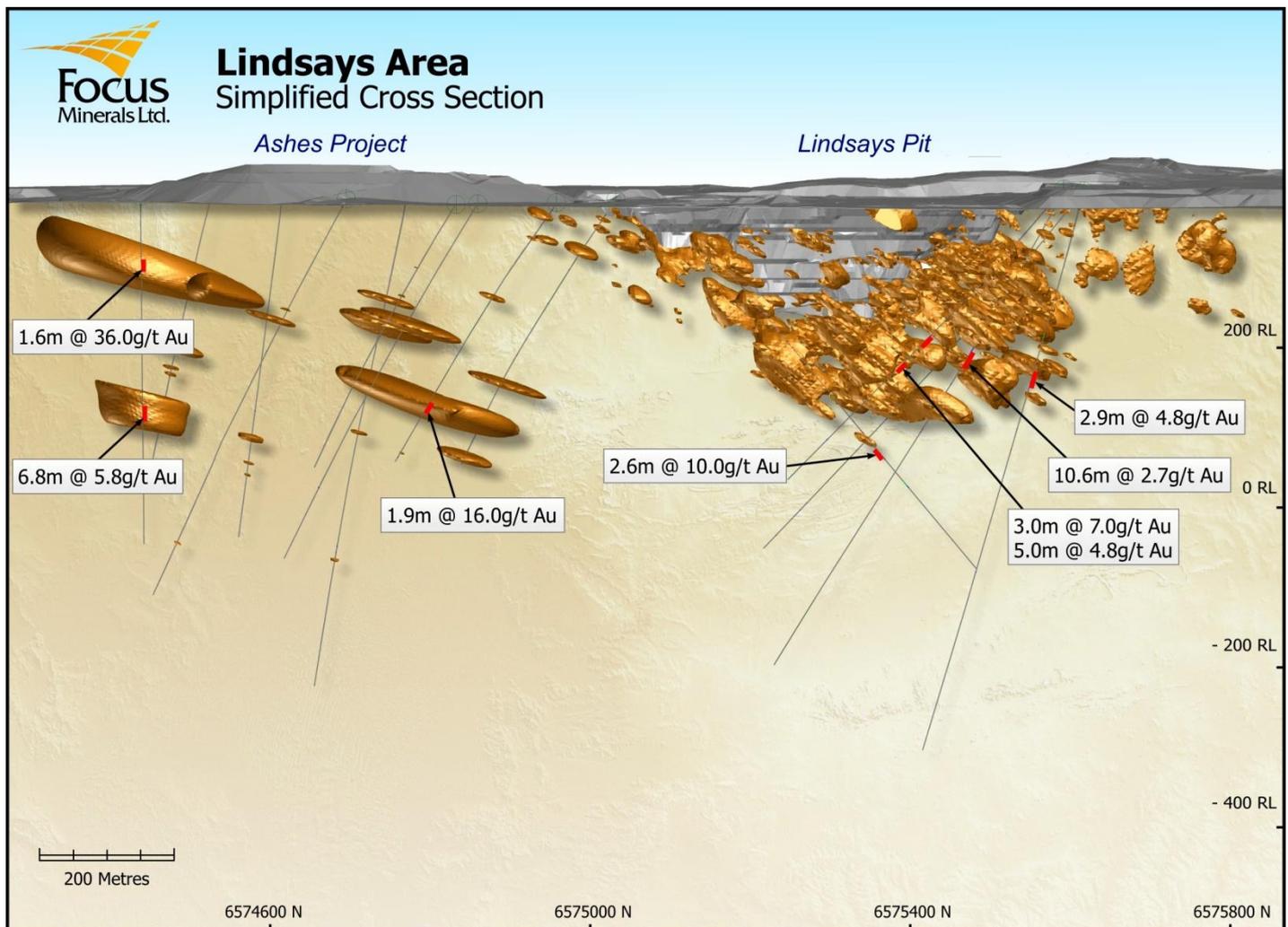
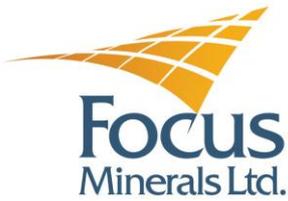


Figure 5: Long Section of the Ashes to Lindsays area showing the plunge of the mineralisation and some recent intersections

A full review of the model, targets and drilling is now underway with follow up drill being planned around some of



the higher grade areas, as well as drilling being planned to test some of the other targets, including the higher grade Bayleys style targets.

Treasure Island

During the September Quarter, Focus flew a detailed aeromagnetic survey over the Treasure Island tenement at Lake Cowan. A systematic ground mapping and sampling program of the project commenced during the Quarter, and will be ongoing through the December Quarter. A wide spaced geochemistry auger sampling program is also planned across the tenement in order to complete the baseline data required to assist in drill targeting.

CORPORATE

Cash and Bullion

Gold revenue for the Quarter was **A\$20.39 million** generated from the sale of **14,765 ounces** of gold at an average price received of **A\$1,381/oz.**

A significant level of investment activities were undertaken during the quarter, these included mine capital (\$5.5 million) Exploration (\$3.2 million) and Plant & Equipment Capital (\$1.3 million), the company's cash and cash equivalent balance at the end of the quarter was \$8.19 million.

Western Australian gold royalties paid for the Quarter totalled \$410,000.

At 30 September 2010, Focus cash and bullion comprised;

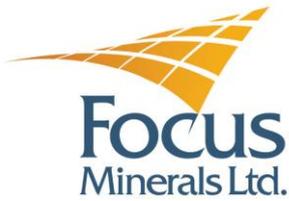
Cash at Bank	\$5.24 million
Bullion on Hand	\$2.95 million
Total Cash and Equivalents	\$8.19 million

This excludes \$984,070 held in secured deposit accounts supporting bank guarantees and bonds required under mining tenement conditions.

- ENDS -

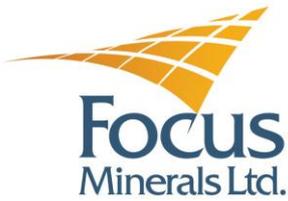
Released by:
Nicholas Read/Paul Armstrong
 Read Corporate
 Telephone: (+61-8) 9388-1474

On behalf of:
Campbell Baird, CEO
 Focus Minerals Ltd
 Telephone: (+61-8) 9215-7888
www.focusminerals.com.au



Appendix 1: FOCUS MINERALS RESOURCES at 30 September 2010

	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
Tindals Project - UG	441	5.9	83,000	1,471	4.2	200,000	653	4.5	95,000	2,565	4.6	378,000
Tindals Project - Surface				6,007	2.2	418,000	2,306	2.6	190,000	8,313	2.3	608,000
Tindals Project Total	441	5.9	83,000	7,478	2.6	618,000	2,959	3.0	285,000	10,878	2.8	986,000
Mount Project							2,090	5.5	370,000	2,090	5.5	370,000
Lindsays Project				4,350	1.7	238,000	3,562	2.0	232,000	7,912	1.8	470,000
Three Mile Hill Project				1,386	2.0	87,000	138	2.9	13,000	1,524	2.0	100,000
Norris Project							1,870	2.1	124,000	1,870	2.1	124,000
Total	441	5.9	83,000	13,214	2.2	943,000	10,619	3.0	1,024,000	24,274	2.6	2,050,000


Appendix 2: FOCUS MINERALS RESERVES AND STOCKS at 30 September 2010

Reserves:	Proven Reserves:			Probable Reserves:			Total Reserves:		
	Tonnes:	Grade (g/t):	Ounces:	Tonnes:	Grade (g/t):	Ounces:	Tonnes:	Grade (g/t):	Ounces:
Tindals Project Underground:	167,000	3.9	21,000	982,863	3.3	104,600	1,150,000	3.4	125,700
Tindals Project Open Pits:				389,000	2.1	26,400	389,000	2.1	26,400
Three Mile Hill Project Open Pits:				1,101,000	1.7	59,857	1,101,000	1.7	59,857
The Mount Project Underground:				69,000	8.0	17,825	69,000	8.0	17,825
Reserve Totals:	167,000	3.9	21,000	2,542,000	2.6	208,800	2,709,000	2.6	229,800

Stocks:

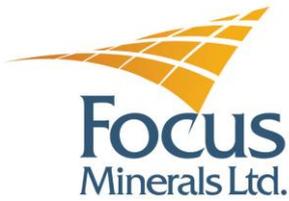
ROM Stocks:
Low Grade Stocks:
Stocks Total:

Stocks:		
Tonnes:	Grade (g/t):	Ounces:
51,000	2.2	3,600
1,122,000	0.9	32,100
1,174,000	0.9	35,700

Reserves and Stocks:

Total:

Reserves and Stocks:		
Tonnes:	Grade (g/t):	Ounces:
3,883,000	2.1	265,500



COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results and Minerals Resources is based on information compiled by Dr Garry Adams who is a member of the Australasian Institute of Mining and Metallurgy. Dr Adams 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". Dr Adams consents to the inclusion in the report of the matters based on the information in the form and content in which it appears.

The information in this report that relates to Underground Ore Reserves is based on information compiled by Mr Bradley Valiukas, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Valiukas 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 Valiukas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Surface Ore Reserves is based on information compiled by Mr Mark Sampson, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sampson is a full time consultant to Focus Minerals and has sufficient experience which 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 Sampson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.