

ASX ANNOUNCEMENT

16th March 2011

## **FOCUS PRODUCTION SET FOR SIGNIFICANT BOOST AS MINING STARTS AT THE MOUNT**

***New high-grade underground mine expected to add 40-60,000oz a year and help reduce costs further***

Focus Minerals (ASX: **FML**) is pleased to announce that it has started mining gold at The Mount underground project in a move it expects will lift its annual production rate by 40-60,000 ounces.

The Mount, which is situated at Widgiemooltha, approximately 80km south of Focus' Three Mile Hill processing plant in Coolgardie, has a significant inferred resource of 2.1 million tonnes at 5.5g/t for 370,000 ounces (see Table 1). It has already produced more than 34,555 tonnes at 7.78g/t from trial mining.

Focus has a target of 1,500 ounces per vertical metre at The Mount with extraction of 40 vertical metres a year to support annualised production of 40,000 to 60,000 ounces.

In parallel with the start of the new production position at the German lode area, an exploration cross-cut to test mineralisation in the Main and Fuchs lode areas has also commenced.

The exploration cross-cut will test approximately 15 structures as it is developed over the next month, enabling Focus to more accurately assess each structure for mining. The Mount includes approximately 15 parallel sub-vertical lodes across a 300m by 600m area that is open in all directions and at depth, providing substantial upside for additional high-grade reserves.

Focus Chief Executive Campbell Baird said the start of commercial mining at The Mount was significant for investors because it marked the beginning of a second production platform to complement existing underground mining operations at its Tindals Mining Centre in Coolgardie.

"The Mount will give Focus an additional source of high-grade feed for the Three Mile Hill processing facility and, as we move into production through the June Quarter," Mr Baird said.

"We aim to have The Mount at full scale production by the end of the year."

**ENDS**

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Figure 1: Plan view of The Mount showing main lodes and planned cross cut

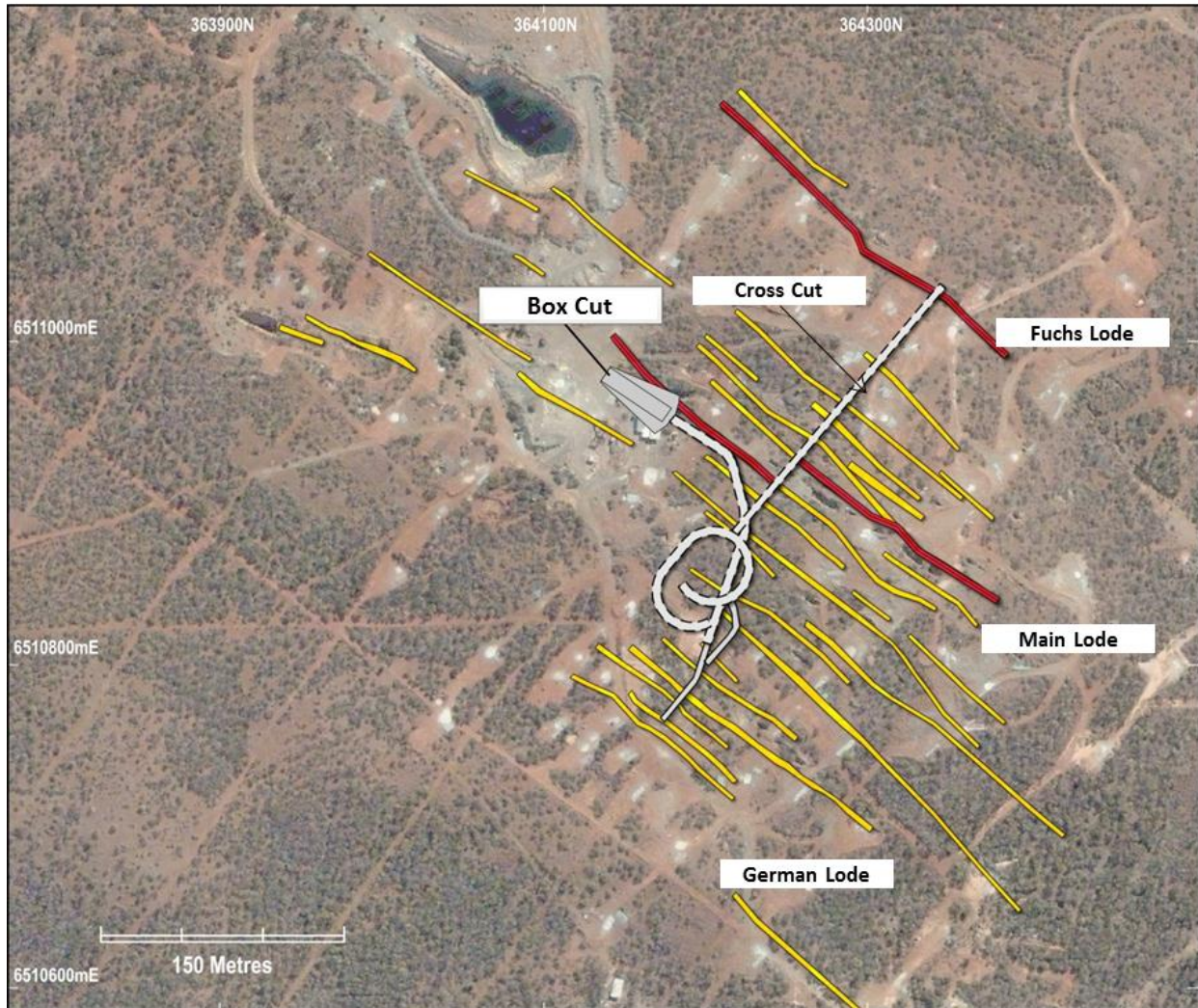


Table 1: The Mount Resource Table.

	Inferred Resources			Total Resources		
	Tonnes '000t	Grade Au g/t	Ounces	Tonnes '000t	Grade Au g/t	Ounces
<b>Mount Project</b>	2,090	5.5	370,000	2,090	5.5	370,000

**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.

**BACKGROUND INFORMATION – FOCUS MINERALS LTD**

Focus Minerals Ltd (ASX: FML) is an Australian-based gold producer based in the Coolgardie-Kalgoorlie-Widgiemooltha region of Western Australia. The company holds the mineral rights to more than 305 km<sup>2</sup> of tenements and 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 is currently in production from its flagship Tindals Mining Centre operation in Coolgardie, adjacent to its 1.2mtpa Three Mile Hill processing plant. The Tindals Mining Centre comprises a major underground production operation and the business will commence open cut mining at Tindals in the first half of calendar 2011 from a series of deposits. In addition, Focus will also commence production from another new operation in the first half of 2011 at The Mount Underground Mine located 80km to the south.