

ASX ANNOUNCEMENT

6 April 2011

CAPITAL RAISING TO INCREASE GOLD PRODUCTION TO 130,000oz & ACCELERATE EXPLORATION

- \$32.3 MILLION PLACEMENT AND \$7 MILLION SPP -

- *Strongly supported institutional share Placement to raise up to \$32.3 million at \$0.076 per share with SPP at the same price to raise up to \$7 million*
- *Funds raised to underpin strategic plan to lift gold production to 130,000oz a year in calendar 2012 from expanded mine development programme*
- *Capital raising will enable Focus to accelerate exploration at the highly prospective Treasure Island Gold Project*
- *Marks key milestone towards achieving Focus' objective of becoming one of the largest gold producers in the Goldfields*

Australian gold producer Focus Minerals (ASX: FML) is pleased to announce a circa \$40 million equity raising to accelerate key production and exploration programmes and underpin its objective of lifting annual gold production from its WA operations to 130,000oz in 2012.

Specifically, the proceeds of the capital raising will be used to:

- accelerate exploration at Focus' greenfields Treasure Island Gold Project, where a major drilling programme recently commenced;
- expand production and development work at Focus' new high-grade underground mine, The Mount;
- bring forward plans to increase Focus' reserves at its Greater Coolgardie gold projects, setting them up to move into production; and
- provide increased cash reserves and general working capital.

The capital raising comprises a \$32.3 million Placement to institutional and sophisticated investors with the issue of 425 million ordinary shares at an issue price of \$0.076 per share; and a \$7 million Share Purchase Plan (SPP) to be launched enabling all existing eligible shareholders to Subscribe for up to \$15,000 worth of shares at an issue price of \$0.076 per share.

The Placement received strong support from a number of the company's institutional shareholders and has also allowed the introduction of a number of new international and domestic institutional investors to the Focus share register. Further details in relation to the SPP will be provided to shareholders in a separate mailing shortly.

Focus Minerals' Chief Executive Campbell Baird said the capital raising would underpin the Company's strategic three-year growth plan to become one of the largest gold producers in the Goldfields.

"We have a wealth of organic growth opportunities which can be highly value-accretive for shareholders and, in the current strong gold price environment, we see a clear window of opportunity to accelerate our growth and build significant long-term value for shareholders by extracting the maximum value from these assets," he said.

Mr Baird said strong cash flow generation from the Company's existing Tindals Mining Centre underground operation had enabled the Company to build its new high-grade underground mine, The Mount, which recently went into production as well as undertake pre-development work for the Tindals open pits and commence drilling at Treasure Island.

He said the capital raising will enable Focus to accelerate this current expansion as well as bring into play additional growth opportunities including the Greater Coolgardie assets.

"We have put together a major exploration and development programme that will see us aggressively expand our business into a rising gold price," said Mr Baird.

"These activities see us well down the road to delivering 130,000oz of gold in calendar 2012, but it is in 2013 where we are targeting our production output to rise significantly as we look to advancing both the Greater Coolgardie projects, where we already have one million tonnes worth of mining in reserve, and also our highly prospective Treasure Island Gold Project at Lake Cowan.

"Treasure Island is particularly exciting for shareholders as it has the right geological address and has delivered some exceptional surface samples. We are therefore looking to unlock its potential for shareholders as quickly as possible through a comprehensive exploration programme."

Mr Baird said that delivering on its three year plan would turn Focus into a strong cash flow generation vehicle with geographic diversity, a significant production profile and increased operational flexibility.

"What sets us apart is that we have the organic opportunities already within our grasp, and we have consistently proven over the last three years that we can and will deliver on our plans," he added.

The Placement is being undertaken pursuant to the company's capacity under ASX Listing Rule 7.1. The company's Corporate Advisor, Hartleys Limited, is Broker to the Offer for both the Placement and the SPP.

ENDS

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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 a gold producer based in Western Australia's Eastern Goldfields. The company holds the mineral rights to more than 420km² of tenements and is the largest landholder in the Coolgardie Gold Belt located 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 underground mining at its flagship Tindals Mining Centre operation in Coolgardie, adjacent to its 1.3Mtpa Three Mile Hill processing plant. In March 2011 it opened The Mount, a new high-grade underground mine, located 85km to the south of the processing plant. The Company will also commence open cut mining at the Tindals Mining Centre in the first half of calendar 2011 from a series of deposits. In addition Focus recently acquired 100% ownership in the highly prospective Treasure Island Gold Project, situated at Lake Cowan at the southern end of the Boulder-Lefroy fault.

Project Overview

Treasure Island Gold Project - The funds raised will enable Focus to significantly accelerate its planned exploration programme at the highly prospective Treasure Island Gold Project at Lake Cowan, which sits on the Boulder-Lefroy fault, 35km south-south east of Kambalda in Western Australia.

Treasure Island is a unique greenfields exploration opportunity. Detailed mapping and aeromagnetics have been carried out at Treasure Island and across the wider 210km² of tenements across Lake Cowan, with rock chip sampling from the island returning outstanding gold grades including 58.9g/t, 53.7g/t, 48.4g/t, and 41.3g/t.

Focus has recently commenced a preliminary drilling programme at the island with a 2,500m programme of up to 20 holes designed to target the vein systems which are believed to extend under the lake. Focus' goal is to fast track exploration and development of the project to unlock its value for shareholders.

The Mount Underground Mine - Focus started mining gold at The Mount underground project last month with a target of lifting annual production by 40-60,000 ounces. The Mount is a new underground operation for Focus, located 85km south of its Three Mile Hill Processing Facility in Coolgardie, and it is Focus' second production platform.

The proceeds of the capital raising will enable Focus to expand its development programme at The Mount, where an exploration cross-cut has commenced to test up to 15 structures which run across a 300m by 600m area that is open in all directions and at depth, providing substantial upside for additional high-grade reserves.

Tindals Mining Centre Expansion - Focus' underground operation at its Tindals Mining Centre in Coolgardie has been the mainstay of production over the past few years. Tindals has five main orebodies currently in production, and the Company is aiming to expand its current reserves to support future production increases and demonstrate increased mine life. In addition to the underground operation, Focus is due to commence production from open pits at the Tindals Mining Centre in April 2011. Focus has multiple open pit targets which will contribute up to 30,000oz of gold per annum.

Greater Coolgardie - Focus has approximately 210km² of tenements in the Greater Coolgardie area, outside of its Tindals Mining Centre, which have had minimal historical exploration. There are multiple targets for mining in the area including the Greenfields open pit operation next to Focus' Three Mile Hill production plant.

