

ASX ANNOUNCEMENT

26 July 2011

INAUGURAL DRILLING PROGRAM AT TREASURE ISLAND CONFIRMS DISCOVERY OF A NEW GOLD CAMP

- ***Drilling confirms mineralised veins continue at depth***
- ***Visible gold in core with excellent high-grade intercepts including:***
 - ***3.8m @ 6.3g/t Au from 78.66m,***
 - ***2.5m @ 10.8g/t Au from 49.50m,***
 - ***0.6m @ 20.5g/t Au from 162.43m,***
 - ***0.4m @ 22.6g/t Au from 20.62m, and***
 - ***0.3m @ 37.9g/t Au from 11.95m.***
- ***Results delivered over 1km of strike remain open in all directions***
- ***Discovery of multiple new mineralised veins not seen on island***
- ***Several veins intersected at depth are wider than those mapped on island***
- ***St Ives style of gold mineralisation evident***
- ***Diamond drilling program to continue***
- ***Additional +10,000m aircore program along 6km strike commenced***

Focus Minerals Ltd (ASX:FML), an Australian gold producer, announced today the discovery of a new gold camp at the Company's 100% owned Treasure Island Gold Project, 35km south-south east along strike from the major gold camp of St Ives at Kambalda (see *Figure 1*) in Western Australia's Eastern Goldfields.

An inaugural 23 hole drilling program has shown the high-grade mineralised vein structures mapped on the island extend at depth under the salt lake, with more than 50% of the significant intercepts over 10g/t.

Fine visible gold has been seen in most mineralised veins with the discovery of multiple new vein systems under the lake and some veins from the island showing greater width at depth.

"We are clearly dealing with an extensive mineralised system of a style that is very similar to that seen at the St Ives gold camp which has produced between 400,000 to 500,000oz of gold per annum for the last ten years," said Focus Chief Executive Officer Campbell Baird.

"The results over 1km of strike are delivering exceptionally high grade intercepts with new and existing mineralised veins appearing to be open in all directions.

"There are not many other places in the Goldfields today where anyone is finding these kinds of grades on the surface and at depth, so we are very buoyed by this first round of results. We are only just beginning to understand the potential in this region."

Mr Baird said the drilling program at Treasure Island was now focusing on stepping out from the first holes and looking at other prospects across the lake with the mobilisation of a lake aircore rig that has commenced a +10,000 metre programme along a 6km strike of favourable geology.

The Treasure Island Gold Project, comprises 226km² of tenements situated on Lake Cowan. The initial drill programme has seen a lake diamond drill rig complete 23 holes for 3,165m at the Black Dog and Blind Pew prospects (see *Figure 2*), with drilling conducted from the lake bed.

The drilling at Black Dog (see *Figure 3*) has intersected mineralised quartz veins (see *Figure 4*) with fine visible gold (see *Figure 5*) and associated disseminated and blebby sulphides (mainly pyrrhotite). The most recent holes drilled at Blind Pew to the south (see *Figure 6*) have also shown an increased level of silicification and albite alteration, with the abundance of disseminated sulphides increasing.

The presence and increase of silicification and albite alteration, in association with the increase in blebby sulphides, is extremely encouraging as this style of alteration is very important throughout the Goldfields region as it normally indicates a more highly prospective part of a mineralised gold system. This style of mineralisation identified at Treasure Island is very similar to the St Ives style of gold mineralisation at Kambalda.

The drilling at Black Dog and Blind Pew has also intersected multiple, previously unknown, mineralised vein structures under the lake. The down hole widths of the mineralised veins are almost true widths. The widths of mineralised veins being intersected in the drilling at depth is extremely encouraging as they are much wider than the veins mapped on the island.

Additionally, one hole at Black Dog has also intersected a lamprophyre. This is a very important and exciting piece of the puzzle at Treasure Island as lamprophyres are an intrusive rock that are commonly associated with lode gold deposits in Archaean terranes around the world. In the Yilgarn terrane in Western Australia (which includes the Goldfields), lamprophyres are found at many high-grade, million ounce plus deposits.

Focus is beginning to open up an exciting new gold camp at its Treasure Island Gold project. Diamond drilling will continue aggressively, and has now been joined by a lake aircore rig (see *Figure 7*) which has already commenced drilling favourable geology and geophysical targets along a 6km strike. This will enable Focus to start to accelerate the early phase of exploration at this newly discovered gold system and start to unlock a 15km² area around the island.

BACKGROUND ON THE TREASURE ISLAND GOLD PROJECT EXPLORATION PROGRAMME

The initial mapping conducted late 2010 and early 2011 on Treasure Island identified a granophyric horizon in a dolerite/gabbro package of rocks, which indicated an environment with the right rock types, similar to that found further north in the belt at Kambalda and Kalgoorlie. A granophyric zone contains a lot of iron which acts as an excellent chemical trap for gold bearing fluids. The mapping also highlighted a series of quartz vein systems, some unmineralised and some mineralised with fine gold which indicated that rich gold bearing fluids had moved through the area.

The aeromagnetic survey flown in 2010 identified the major structures, including the regional Boulder-Lefroy Fault. The geophysics highlighted the structural complexity of the area with a number of demagnetised "dead zones", where magnetite in the rock has been destroyed by chemical reactions from a potential gold bearing fluid moving through the rock package which is another ideal trap for gold.

*A combination of the mapping and geophysics highlighted an important aspect where the geological orientation over a 6km strike length is 25° different to the regional grain, producing an ideal setting for dilational zones to form within favourable stratigraphy (the granophyric zone) into which gold bearing fluids can migrate and be deposited. This resulted in numerous targets being identified along this 6km strike length at Treasure Island (see *Figure 2*).*

This work showed that Treasure Island had the right geology (the granophyric zone), a change in geological orientation and major structural features like the Boulder-Lefroy Fault with a lot of evidence of multiple fault splays coming off the Boulder-Lefroy Fault as well as tremendous surface evidence of the gold bearing quartz veins on the Island (see ASX releases dated 1st November 2010, 25th November 2010 & 4th March 2011).

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Figure 1: Location of the Treasure Island Gold Project on the Boulder Lefroy Fault

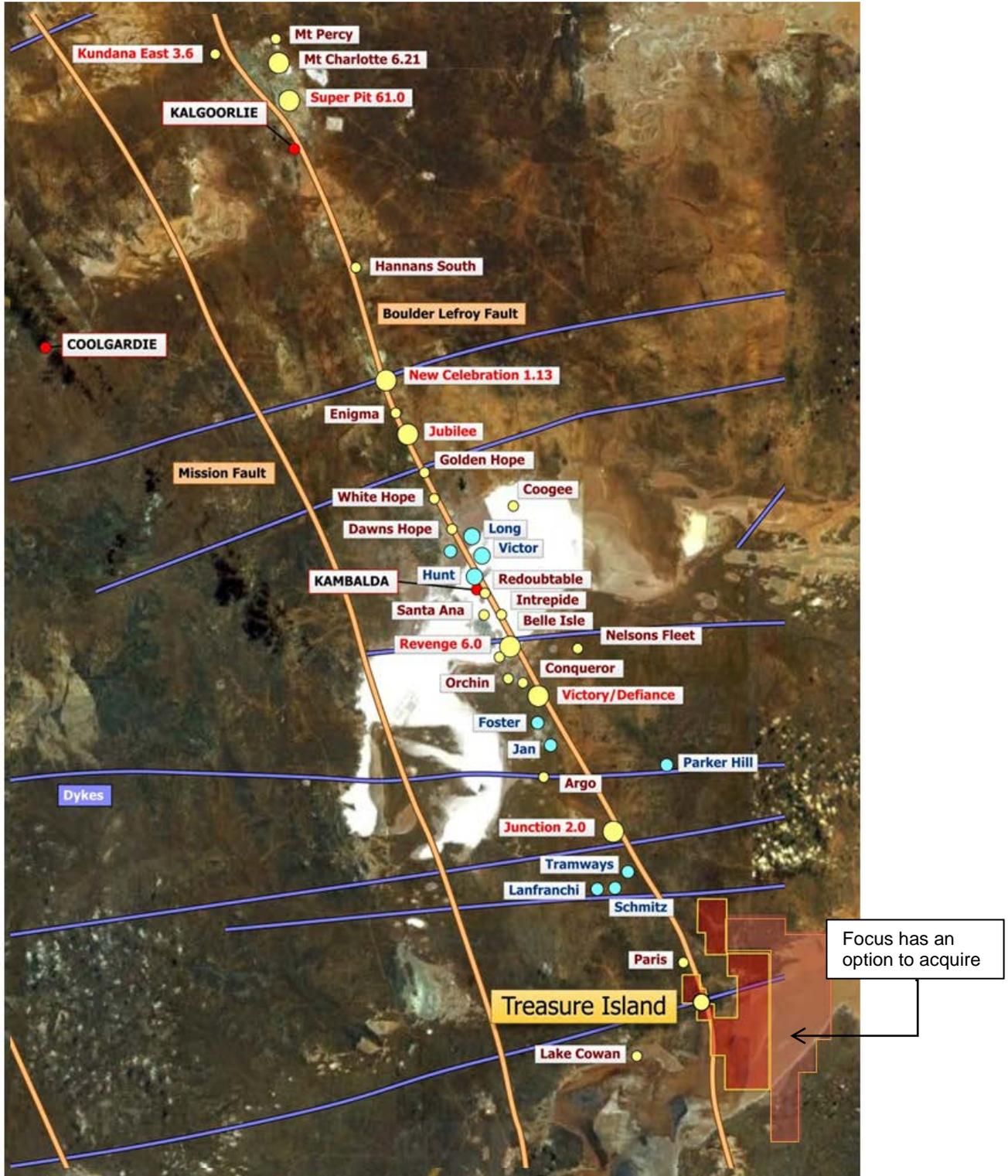


Figure 2: Interpretive geology of the Treasure Island area with target areas

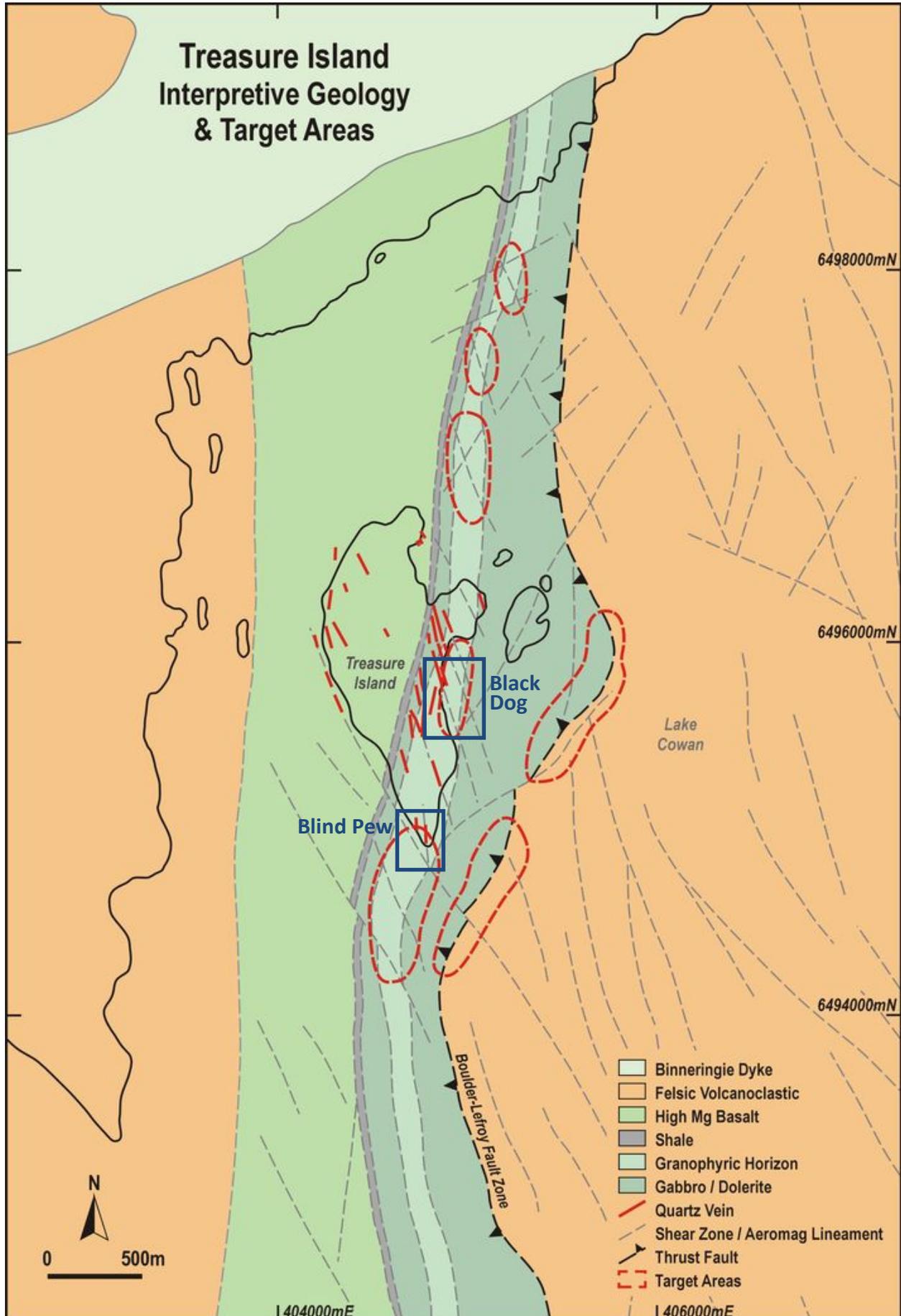


Figure 3: Plan view of Black Dog showing the mapped quartz vein system and significant drill results.

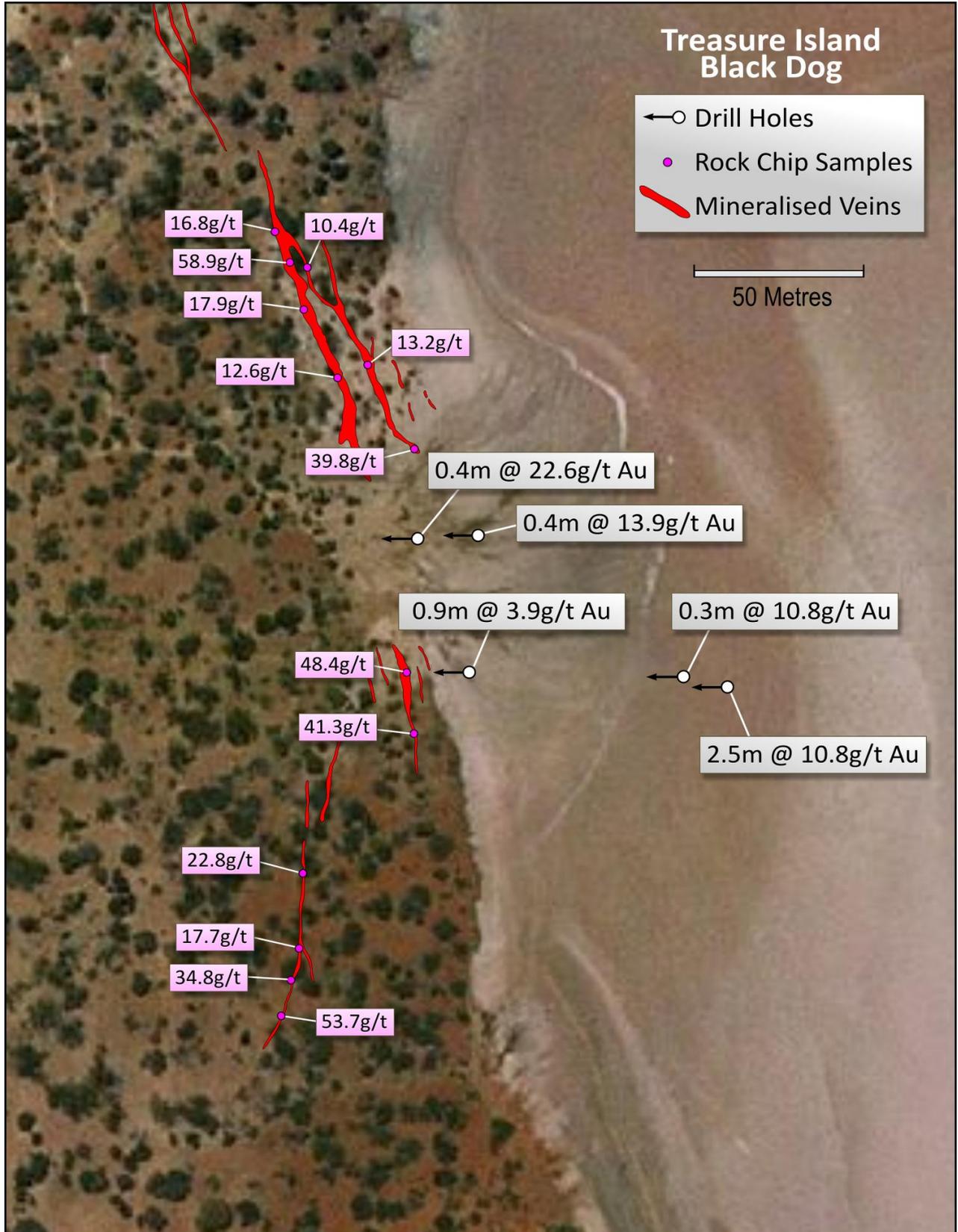


Figure 4: Drill core from BDDD011 showing a mineralised quartz vein, 2.5m @ 10.82g/t (containing sulphides & fine gold).



Figure 5: Close up example of fine visible gold seen in drill core from BDDD011 shown above.



Figure 6: Plan view of Blind Pew showing the mapped quartz vein system and significant drill results.

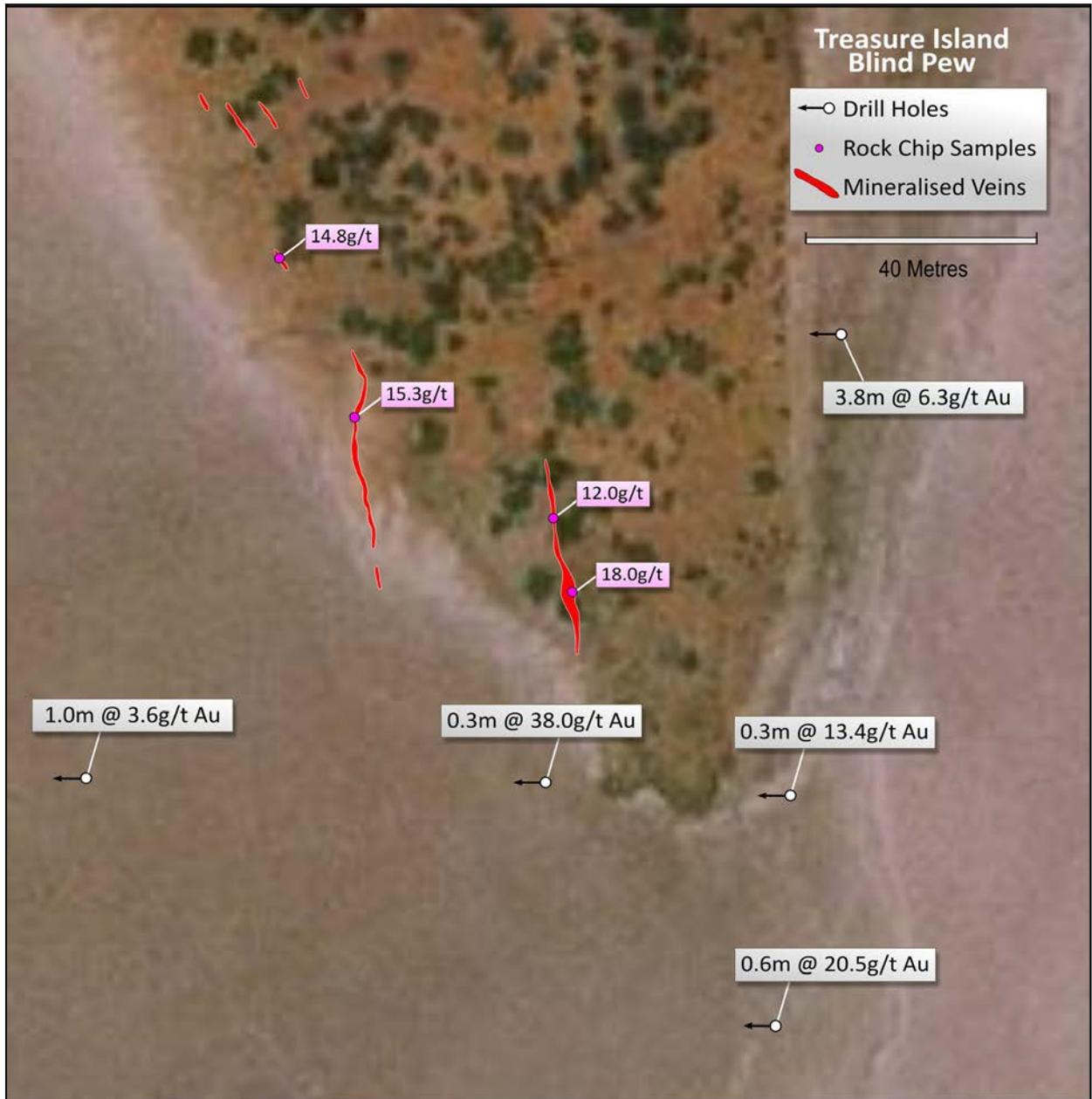


Figure 7: Diamond drill rig on lake bed at Treasure Island with aircore rig in the background.



Table 1: Significant results from drilling program to date.

Hole Number	Northing	Easting	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	Grade g/t (Au)
Black Dog									
BDDD003	6495701	404889	270	-60	81.15	42.28	42.66	0.38	13.90
BDDD007	6495700	404872	270	-60	60.00	20.62	21.05	0.43	22.60
BDDD009	6495660	404887	270	-60	60.39	14.10	15.00	0.90	3.89
BDDD011	6495656	404963	270	-60	150.00	49.50	52.04	2.54	10.82
BDDD013	6495659	404950	270	-60	59.90	41.00	41.30	0.30	10.82

Blind Pew									
BPDD001	6494881	404809	270	-60	198.22	61.00	62.00	1.00	6.56
						162.43	163.00	0.57	20.50
BPDD002	6494921	404811	270	-60	192.00	32.54	32.96	0.42	8.43
						145.18	145.48	0.30	13.40
						93.61	94.00	0.39	6.92
BPDD003	6494841	404806	270	-60	200.86	170.00	171.00	1.00	1.63
BPDD004	6494961	404821	270	-60	215.92	33.00	33.60	0.60	1.50
						106.60	107.15	0.55	1.43
						173.48	174.00	0.52	1.51
BPDD005	6494923	404769	270	-60	170.71	11.95	12.25	0.30	37.90
						15.00	15.50	0.50	6.61
						142.00	142.30	0.30	1.46
BPDD007	6494924	404690	270	-60	123.06	88.00	89.00	1.00	3.64
BPDD008	6495001	404819	270	-60	213.22	78.66	82.44	3.78	6.30
BPDD010A	6495040	404824	270	-60	209.29	81.60	81.90	0.30	2.74
						187.00	188.00	1.00	1.64
						191.46	192.32	0.86	1.32

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 449km² 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. Focus is currently in production from underground and open pit operations at its flagship Tindals Mining Centre in Coolgardie, adjacent to its 1.2mtpa 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. 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.