

ASX ANNOUNCEMENT

29 August 2011

TAKEOVERS PANEL DISMISSES APPLICATION FOCUS OFFER SCHEDULED TO CLOSE SOON

- ***Takeovers Panel declines to conduct proceedings over the Crescent shareholder vote for the convertibility of loans***
- ***Focus' relevant interest of 70.82% would be 77.94%¹ if loans are fully converted***
- ***Offer scheduled to close in two days***
- ***Superior proposal unlikely to emerge***
- ***Remaining Crescent shareholders urged to ACCEPT IMMEDIATELY***

Takeovers Panel Ruling

Focus Minerals Limited (ASX: FML, FFT: FZA) ("Focus") notes that the Takeovers Panel has declined to conduct proceedings in respect of an application in relation to approval given by shareholders of Crescent Gold Limited (ASX: CRE, TSX: CRA, FFT: CZ8) ("Crescent") on August 18, 2011 for the conversion of up to \$13 million of loans by Focus to Crescent.

If all loans are fully converted, Focus' relevant interest in Crescent may increase from 70.82% (as of 26 August 2011) to 77.94% (assuming full draw down of the loans by Focus to Crescent, a \$0.05 conversion price and full conversion of the one for two free attaching \$0.05 options).

The Panel noted in its ruling: *"We do not consider that there is any reasonable prospect that we would make a declaration of unacceptable circumstances. Accordingly, we have decided not to conduct proceedings in relation to the application."*

A copy of the Takeovers Panel's ruling can be viewed at www.takeovers.gov.au

Focus Offer Scheduled to Close Soon

On 20 June 2011 Focus and Crescent announced that they had agreed to merge by way of an off-market takeover offer for Crescent by Focus ("Offer"). The Offer consideration is 1 Focus share for every 1.18 Crescent Shares. The Offer opened on Thursday 30 June 2011 and **will close at 7.00pm (Sydney time) on 31 August 2011** (unless extended).

Campbell Baird, Chief Executive Officer of Focus Minerals Limited said:

"The Focus Offer has been very well supported by Crescent shareholders to date, as demonstrated the fact that Focus now has control of Crescent with a relevant interest of up to 77.94%. This level of take-up proves that the Focus Offer is compelling to Crescent shareholders. Furthermore, we believe that the future prospects of the merged entity are very promising and expect the share price of the merged entity to be re-rated significantly post transaction, based upon relative valuation analyses."

¹ Assumes full drawdown of the debt; conversion of debt at 5 cents; and all associated options exercised.

“We urge any Crescent shareholders who have not yet accepted the Focus Offer to do so before Wednesday in order to benefit from the 3 day accelerated payment terms. Those shareholders who do not accept before the closing date run the risk of being left as a minority shareholder in an illiquid company, which may potentially reduce the price they could get for their investment.”

Accelerated Payment Terms

Focus will provide accelerated payment terms to remaining shareholders in Crescent who return their valid acceptances prior to 7.00pm (Sydney time) on Wednesday 31 August. Those shareholders will receive their consideration within 3 days of their valid acceptance being received. Crescent shareholders whose shares are acquired after this date (for example as a result of compulsory acquisition) may only be entitled to receive their consideration in accordance with the statutory deadlines which can be much longer.

Superior Proposal Unlikely To Eventuate

Given the strong control position of Focus, it is unlikely that a superior proposal will eventuate. The Crescent Board has unanimously recommended that remaining shareholders accept Focus' Offer without delay, in the absence of a superior proposal.

The Board of Focus also advises that if shareholders do not accept the Offer and Focus does not reach compulsory acquisition thresholds (which includes a 90% relevant interest in Crescent) they will remain a minority shareholder in Crescent. The possible implications of being a minority shareholder include:

- Focus being in a position to control the composition of the Crescent Board, and as a result of this, the strategic direction of the company.
- Liquidity of Crescent shares is likely to be significantly reduced as a result of the low free float in Crescent shares, and this could reasonably be expected to expose shareholders to greater share price volatility, less institutional support and limited analyst coverage of Crescent.
- If the number of Crescent shareholders is less than that required by the ASX Listing Rules to maintain an ASX listing then the ASX may suspend and / or de-list Crescent. If this occurs shareholders will not be able to sell their Crescent shares on-market and the price which they may be able to obtain for their shares may be reduced as a result.

Acceptance forms have been provided to shareholders. Shareholders who hold their Crescent Shares through CHESS can instruct their broker to accept the Offer on their behalf.

If you have any queries in relation to the Offer, please do not hesitate to contact the Focus Offer information line on 1800 648 622 (toll-free within Australia) or +61 2 8256 3377 (international) between 9.00am and 5.00pm (AEST), Monday to Friday.

ENDS

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