

QUARTERLY ACTIVITIES REPORT

JANUARY – MARCH 2014

GROUP SUMMARY

Key Points

- Focus remains in a strategically strong position with cash and cash equivalents at 31 March of \$96.4M.
- The Company has transitioned into an efficiently run exploration company and exploration has commenced at Coolgardie and Laverton.
- We continue to optimise our portfolio of tenements by divesting those deemed less prospective and acquiring others more aligned with our exploration strategy.
- The company continues to pursue opportunities for growth, giving highest priority to those that are synergistic.

EXPLORATION ACTIVITY DURING THE QUARTER

Coolgardie

A review of the geology and structural architecture of the Coolgardie district was commissioned during the quarter with the intention of producing a sound regional framework and understanding of the components of the gold mineralising systems.

Exploration drilling recommenced in late March, initially focussing on the Brilliant Deeps area to follow up on work completed last year. By the end of March four RC holes had been completed, with a total of 1,132m drilled. These are all RC pre-collars for deeper targets which will be drilled with a diamond rig during April and May. Composite samples were collected from the RC drilling in 4m intervals.

Subsequent to the end of the March quarter the RC rig completed drilling pre-collars at Brilliant and moved on to a first-pass test program at Bonnie Vale. Recent digital modelling of the main underground workings in the Bonnie Vale mining centre have provided an improved understanding of the spatial orientation of the main gold-bearing vein systems, and this has been used to target a number of deeper RC holes to test for extensions and repetitions of these veins.

The current round of work will wrap up with a short program to complete last year's drilling beneath the Boundary pit, east of Brilliant. The company intends to commence the next phase of its Coolgardie exploration campaign as soon as all results are received and assessed.

Laverton

Exploration also recommenced at Laverton during the quarter, with 18 RC holes completed up to the end of March for a total of 2,476m. This is the first exploration program at Laverton since the Karridale project drilling in mid-2013 and reflects a firm commitment to continuing exploration at Laverton following the suspension of mining operations.

To the end of the quarter, small programs have been drilled to test conceptual secondary targets at Prendergast Well (four holes) and Gladiator (two holes). More substantial metreages tested the priority targets of Lancefield (eleven holes into West Lode) and Craiggimore (one hole by the end of the

reporting period). Subsequent to the end of March additional RC drilling (mainly pre-collars) has been completed at Craiggimore, Lord Byron and the priority Fish target. A diamond rig has also been mobilised to Laverton to test deeper targets beneath the Fish and Craiggimore projects. All exploration results are due to be received during the current Quarter.

CORPORATE

Focus remains in a strong financial position with \$96.4M in cash and equivalents at 31 March (31 Dec 99.4M). The company is continuing cost saving measures while repositioning the organisation to support our exploration strategies at Laverton and Coolgardie.

Cash

At 31 December 2013, the Focus Group held cash, deposits and bullion comprising:

Cash at Bank and Deposits	\$78.6 M
Bullion on Hand	Nil
Cash held on bond	\$17.8M
Total Cash and Equivalents	\$96.4M

The Company has commenced the process to replace its environmental bonds with an annual fee in line with the proposed changes by DMP. It is expected that this process will be completed by June 2014 for both Coolgardie and Laverton and this will free up in excess of \$15m cash from the above "Cash held on bond".

Revenue

Gold production has ceased and revenue consisted of interest only. Net interest income for the quarter was \$0.91M.

Expenditure

Net Operating Cash flows for the quarter were an outflow of \$3.0M. The key categories comprising this item include:

Net Interest Income	\$0.91M
Exploration	(\$0.90M)
Administration:	
Professional advisors	(\$0.35M)
Salaries (ex Exploration)	(\$0.76M)
Care and Maintenance	(\$1.36M)
Other administration	(\$0.37M)
Shut Down Cost	(\$0.16M)

ENDS

Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Andrew Paterson who is a member of the Australasian Institute of Mining and Metallurgy. Mr Paterson is employed by Focus Minerals Limited 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Paterson consents to the inclusion in this announcement of the matters based on the information compiled by him in the form and context in which it appears.