

Karridale Exploration Update: Exciting Signs

Focus Minerals Ltd (Focus or “the Company”) is pleased to report that we have received the assay results for the Karridale Project diamond core hole KARD154, the first diamond hole and the deepest hole drilled on the Karridale Project to date. This diamond hole is important for the Company because it:

- Intersected arsenopyrite rich, hydrothermal breccia with high-grade gold mineralisation intersected at Karridale for the first time.
 - It is evidence of a third mineralisation style in the Burtville area.
 - The new breccia zone appears unconstrained within the current drill pattern shape and there are indications that it may be a large structural system.
- Returned screen fire assays from the breccia zone of 8m @ 27.46g/t gold from 425m downhole.
 - Reinforcing high grade results reported on the 30th of January including 6.0m at 5.20g/t and 1.0m @ 38.96g/t in KARC140
- Confirms Focus’ interest in this promising new prospect; follow up work is beginning within weeks.
 - Focus expects to undertake additional geophysics to further refine targeting before undertaking additional drilling.

The Karridale Project in Burtville Identified as a Top Target

The Karridale Project is located within the Burtville District, some 2km south of the Burtville open cut owned by Focus. The Karridale Project comprises two tenements held 100% by Focus and the tenements the subject of the Merolia Joint Venture between Focus and GSM Mining Company Pty Ltd, a wholly-owned indirect subsidiary of Gold Fields Limited (Focus holds a 91% interest in the JV).

In 2011, Focus commenced a review of the Laverton Greenstone Belt, with the aim of defining areas of enhanced gold prospectivity. The review was underpinned by research on the broad tectonic architecture of the Laverton block as defined by government and private seismic traverses as well as the Company’s own GIS data files including historic drill holes, geochemical, aeromagnetic, electromagnetic and gravity geophysical layers, regolith and paleodrainage mapping, geological mapping, aerial photography.

Focus used this review to develop a shortlist of factors believed to be important in the formation of significant gold deposits. This shortlist was used to identify priority target areas in the Laverton District. Out of this review, Burtville has emerged as one of Focus’s top targets in Laverton region because it is characterised by:

- Numerous historic gold workings and resources.
- Large scale thrust and shear systems associated with gold mineralisation.
- Elevated natural arsenic geochemistry levels in ground water and soil samples. Arsenic is often considered a ‘pathfinder’ element for gold mineralisation.
- Multiple intermediate and felsic intrusives as well as possible lamprophyre intrusives.

Diamond Hole KARD154 Discovers New Mineralisation Style at Burtville

KARD154 was the first diamond core hole drilled at the Karridale Project in the Burtville District. It intersected 8m at 27.46g/t gold from 425m.

The hole has excited the Company because it is the discovery hole for a new mineralisation style at Burtville associated with high gold grades. KARD154 intersected an arsenopyrite rich hydrothermal breccia zone. Despite high natural arsenic geochemistry levels in the Burtville District, no significant arsenopyrite occurrence has previously been reported.

The hole was drilled on a Merolia JV tenement and consisted of 55m of mud rotary pre-collar and 395m of diamond core. It followed up on 8 RC holes drilled at Karridale previously announced on 30th January 2015 that included 6.0m at 5.20g/t and 1.0m @ 38.96g/t in KARC140. Figure 1 presents the collar locations of KARD154 relative to the Karridale RC holes announced in January. Table 2 on page 4 of this announcement presents the other significant intersections of this hole.

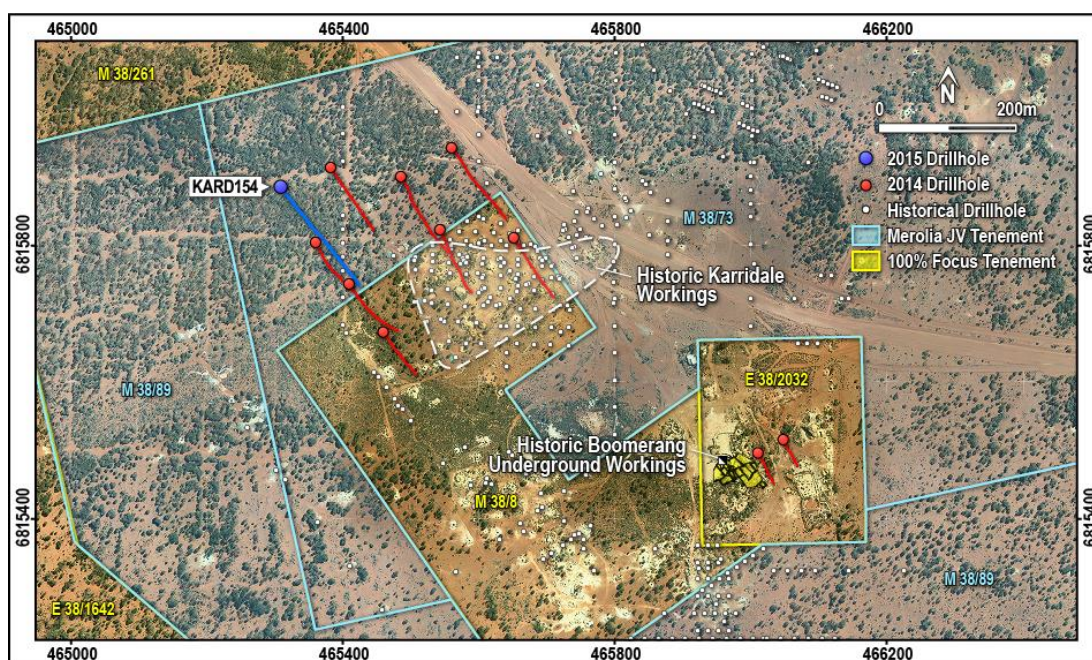


Figure 1: Location of KARD154 and recently reported RC drill holes (KARC prefix).

Figure 2 is a photograph of core from KARD154 showing the arsenopyrite rich breccia at around 426m. Visible gold was seen within a 0.5m wide clean white quartz vein around 429m.



Figure 2: KARD154 at 426m showing full width of half core (NQ2) and approximately 10cm in actual length.

Overview of Mineralisation Styles at Karridale

Gold mineralisation at the Karridale Project is primarily associated with multiple, stacked, broad shear zones, shallowly dipping to the northwest. The thickness of the shear system (the total thickness is not yet defined but it appears to be in excess of 150m) indicates a major structural zone. The stacked lenses appear to have a flat west gold grade plunge. This style of mineralisation is widespread in the Burtville District, including in the Burtville open cut mine.

Throughout the Burtville District there are steep dipping, North-South striking high-grade narrow quartz veins that were the focus of historic (1900's) mining and were mined over hundreds of metres. Grades tend to be high but nuggety, with visible gold.

KARD154 is the first hole at Burtville to have intersected a third style of mineralisation associated with high gold grades. The hole intersected 8m at 27.46g/t gold from 425m associated with arsenopyrite/pyrite hydrothermal breccia and sheared fine grained volcanics. Visible gold was noted in a 0.5m wide quartz vein within the zone. The 8m zone also averaged 4.44ppm Ag, 9,883ppm As, and elevated Cd, Pb, Sb, Te and Zn.

The three styles of gold mineralisation now observed on or around the Karridale Project are:

- Shallow northwest dipping (possible reverse thrust) shear zones with silica – sericite – carbonate – pyrite \pm arsenopyrite alteration and quartz carbonate veining.
- Steep dipping, narrow, north trending quartz veins with strongly sheared selvages. Silica – sericite – carbonate \pm sulphide alteration and visible gold.
- Hydrothermal breccia of unknown shape and orientation. Strong silica – carbonate – sericite – arsenopyrite – pyrite alteration. Visible gold in associated quartz carbonate veins.

The mineralisation appears hosted by a package of generally fine grained intermediate to mafic with minor felsic (based on multi-element analyses) volcanics with thin (2 to 5m thick) coarser-grained intermediate (possibly diorite) zones.

A cut-away view of a 3D contouring of gold grades at Karridale is shown in Figure 3. The orientation of the deepest zone (the breccia related mineralisation in KARD154) is displayed with a northwest dip for the purpose of the diagram.

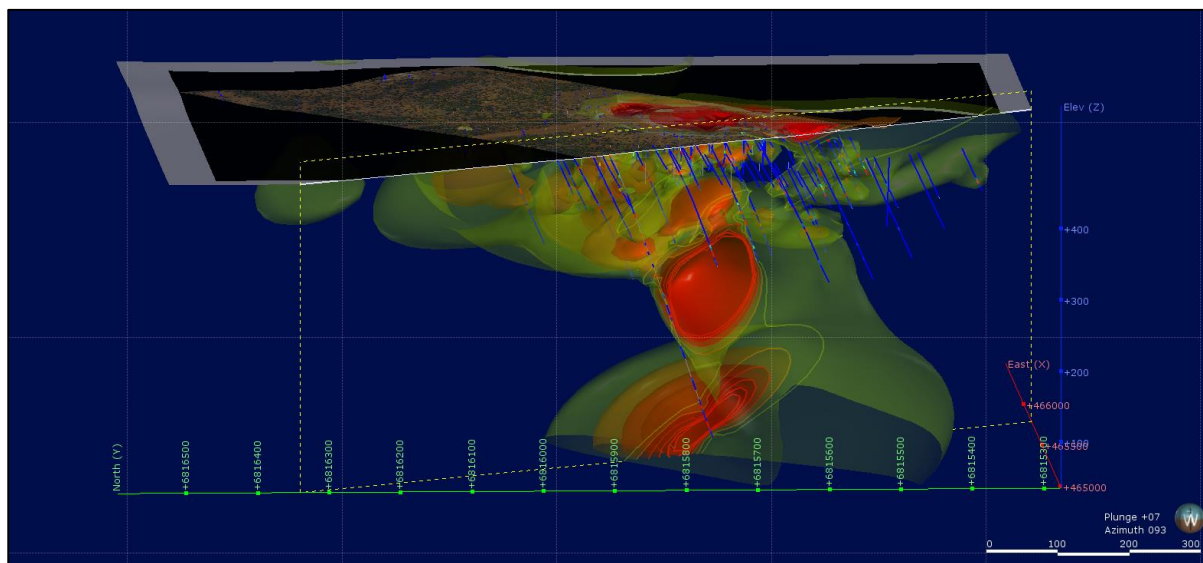


Figure 3: Screen shot of 3D contouring gold grades at Karridale Prospect. Axes are in GDA94 z51 and view is looking east. Warmer colours indicate higher gold cut-off grades. Image is diagrammatic and only for the purpose of showing general distribution of gold. Drill traces are blue lines.

Burtville to Remain Top Priority This Year

Karridale and the greater Burtville District remain a priority target for Focus in 2015. The Company believes there is excellent potential for both extending Karridale and nearby Boomerang mineralised zones, as well as identifying new prospects under the variable yet near ubiquitous transported sand cover of the district.

To follow up on this success, Focus plans to;

- Initiate electrical geophysics survey over Karridale and Boomerang to gather information on the distribution of sulphide rich alteration.
- Fly airborne electromagnetic geophysics (VTEM) over Focus tenure in the Burtville District to allow better interpretive geology and drill targeting.
- Use AC / RAB drilling as follow up to Burtville District targeting.
- Conduct RC / DD drilling aimed at infill and extension on Karridale and Boomerang.

Assay Results – KARD154

Hole ID	Easting	Northing	RL	Depth	Dip	Azi	From	To	Au ppm
							UTM		
KARD154	465308.6	6815886.5	466.8	450.1	-60	145	97	98	1m @ 1.77 g/t
							193.2	193.9	0.7m @ 10.74 g/t
							214	218.2	4.2m @ 1.22 g/t
							259	260	1m @ 2.90 g/t
							400	402	2m @ 1.16 g/t
							425	433	8m @ 27.46g/t
						Incl.	428.85	431	2.15m @ 93.53g/t

Table 2 lists significant intersections from the recent drilling. To be confirmed from database

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Focus Minerals Limited - Focus owns or holds interests in two large gold projects in Western Australia's Eastern Goldfields. The company is the largest landholder in the Coolgardie Gold Belt, where it owns the 1.2Mtpa processing plant at Three Mile Hill. 250km to the northeast Focus has the Laverton Gold Project which comprises a significant portfolio of highly prospective tenure. Focus also owns the 1.45Mtpa Barnicoat mill in Laverton which has been on care and maintenance since 2009.

Forward Looking Statements

This release contains certain "forward looking statements". Forward-looking statements can be identified by the use of 'forward-looking' terminology, including, without limitation, the terms 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future, assumptions which may or may not prove correct, and may be beyond Focus' ability to control or predict which may cause the actual results or performance of Focus to be materially different from the results or performance expressed or implied by such forward-looking statements. Forward-looking statements are based on assumptions and contingencies and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Similarly, no representation is given that the assumptions upon which forward-looking statements may be based are reasonable. Forward-looking statements speak only as at the date of this document and Focus disclaims any obligations or undertakings to release any update of, or revisions to, any forward-looking statements in this document.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	
<i>Karridale Project</i>	<p>This report relates to results for diamond core hole KARD154. Drilling took place between the 17th and 26th January 2015.</p> <p>The summary table below lists metres drilled by drill type. No samples were collected in the 55m mud rotary pre-collar. A combination of HQ triple tube and NQ2 core was then collected.</p> <p>The Karridale Project comprises the Karridale and Boomerang Prospects in the Burtville District. The project includes tenements M38/73 and M38/89, which are subject to the Merolia Joint Venture between Focus Laverton and GSM Mining Company Pty Ltd (a wholly owned indirect subsidiary of Gold Fields Limited), as well as M38/8 and E38/2032, both held 100% by Focus Laverton</p>
<i>Drilling techniques</i>	<p>The pre-collar drilling was completed using a tricone or blade bit and mud rotary drilling technique. The pre-collar was cased off during core drilling.</p> <p>The diamond core drilling used various HQ and NQ2 drill bits and core barrels. HQ drilling used triple tube core splits to maximise recovery of weathered rock. Drilling swapped to NQ2 once the rock became competent enough to maximise recovery.</p> <p>The hole was surveyed during drilling using a downhole electronic compass instrument.</p>
<i>Drill sample recovery</i>	<p>Recovery was measured and recorded using core run blocks as guides.</p> <p>Sample recovery was good in weathered rock and excellent in fresher rock.</p>
<i>Logging</i>	<p>The entire core was geologically logged to record weathering, regolith, rock type, colour, alteration, mineralisation, structure and texture and any other notable features that were present.</p> <p>The logging information was recorded into acQuire software format using a Toughbook notepad and then transferred into the company's drilling database once the log was complete.</p> <p>Logging was qualitative, however the geologists often recorded estimated quantitative mineral percentage ranges for the sulphide minerals present and estimated veining percentages.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>Samples were selected for analysis by a senior geologist on the basis of alteration, sulphidation, structure or veining – as indicators of potential gold mineralisation. The senior geologist logging the core had previously worked on RC drilling at Karridale and was experienced in the style and type of gold mineralisation indicators.</p> <p>Core samples were kept to a nominal 1m length, with a minimum of 0.2m and a maximum of 1.5m. Core samples were cut to geological boundaries where possible.</p> <p>All core was collected as half core, cut using an automated core saw.</p> <p>The samples were collected in a pre-numbered calico bag bearing a unique sample ID.</p> <p>Samples were crushed in the Laboratory to approximately minus 10mm then pulverised to minus 75um in a mixer mill.</p> <p>Gold analysis was routinely determined by a 50g charge lead collection fire assay with an ICP-OES Finish. Pulps of selected samples were sent for screen fire assay, in which the entire pulp (pulp weight varied from 693 to 1,036g) was screened to minus 100um and the coarse gold component calculated separately</p>

	<p>to the fine component. Good assay repeatability was noted on the fine component following screening.</p>
	<p>The assay laboratories' sample preparation procedures follow industry best practice, with techniques and practices that are appropriate for this style of mineralisation.</p> <p>Pulp duplicates were taken at the pulverising stage and selective repeats conducted at the laboratories' discretion.</p>
	<p>Focus inserts 3 standards every 100 samples during core sampling.</p>
	<p>Regular reviews of the sampling were carried out by the supervising geologist and senior field staff, to ensure all procedures were followed and best industry practice carried out.</p>
	<p>The sample sizes were considered to be appropriate for the type, style and consistency of mineralisation encountered during this phase of exploration.</p>
	<p>The assay method and laboratory procedures were appropriate for this style of mineralisation. The fire assay technique was designed to measure total gold in the sample. The screen fire assay technique provides improved accuracy and precision of gold values in situations where coarse or nuggety gold causes excessive variability in normal fire assay values.</p>
<i>Quality of assay data and laboratory tests</i>	<p>The laboratory used was a major mineral laboratory with extensive relevant experience and established industry standard procedures.</p>
	<p>Relevant QA/QC checks were run by Focus on its database following importation of laboratory data.</p>
	<p>The QA/QC process described above was sufficient to establish acceptable levels of accuracy and precision.</p> <p>All results from assay standards were scrutinised to ensure they fell within acceptable tolerances.</p>
	<p>Significant intervals were visually inspected by company geologists to correlate assay results to logged mineralisation. Consultants were not used for this process.</p>
<i>Verification of sampling and assaying</i>	<p>Regular unmarked standards provided verification. Additionally, significant intersections were considered in light of previous work and anticipated geology by the supervising geologist.</p>
	<p>Primary data was sent in digital format to the company's Database Administrator (DBA) at the completion of drilling. The DBA imported the data into an acQuire database, with assay results merged into the database upon receipt from the laboratory.</p> <p>Once loaded, data was extracted for verification by the supervising geologist.</p>
	<p>Drill collars were surveyed after completion, using a DGPS instrument with an accuracy of approximately one decimetre.</p> <p>Down-hole surveys were completed using an electronic compass instrument by the driller.</p>
<i>Location of data points</i>	<p>All coordinates and bearings use the MGA94 Zone 51 grid system.</p>

	Focus utilises Landgate sourced regional topographic maps and contours as well as internally produced survey pick-ups produced by previous mining survey teams utilising DGPS base station instruments.
<i>Data spacing and distribution</i>	<p>Drill collar spacing on recent RC and diamond drilling by Focus has been on an orthogonal 160m or 80m by 80m grid. Previous explorers have drilled shallower holes at closer collar spacing.</p> <p>Drilling was designed on known geological models, field mapping, verified historical data and cross-sectional interpretation.</p> <p>Drill holes were oriented at right angles to the strike of known mineralisation, with dip optimised for drill capabilities and the dip of the mineralised body (145 / -60).</p>
<i>Orientation of data in relation to geological structure</i>	<p>A downhole core orientation tool was used throughout the hole once the rock had become competent enough. The tool was used to draw a bottom of core orientation line on as much of the core as possible.</p> <p>Structural data was collected by the senior geologist using the orientation line as a reference. This data was captured by the acQuire database</p>
<i>Sample security</i>	<p>All samples were reconciled against the sample submission and checked for omissions or variations.</p> <p>All samples were bagged in a tied numbered calico bag and grouped into green plastic bags and wire-tied or cable-tied. The bags were placed into polyweave bulka bags with a sample submission sheet and delivered directly from site to the Kalgoorlie laboratory by trucking / courier service.</p>
<i>Audits or reviews</i>	A review of sampling techniques was carried out by Roredata Pty Ltd in late 2013 as part of a database amalgamation project.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria																																	
<i>Mineral tenement and land tenure status</i>	KARD154 was drilled entirely on tenement M38/73, which is subject to the Merolia Joint Venture between Focus Laverton and GSM Mining Company Pty Ltd (a wholly owned indirect subsidiary of Gold Fields Limited). All tenements of the Karridale Project are in good standing.																																
<i>Exploration done by other parties</i>	Modern exploration has been conducted by Sons of Gwalia NL and Focus Minerals on the Karridale Project. Prior to this, junior public companies had conducted limited shallow drilling.																																
<i>Geology</i>	<p>All mineralisation is considered typical Archaean mesothermal gold style.</p> <p>At Karridale, most gold mineralisation is associated with shallowly north-westwardly dipping shears suspected to be related to thrust faulting within a possible intermediate \pm mafic \pm felsic volcanic package.</p> <p>The area also has steep dipping, north – south striking veins with nuggety high grade gold. These were often exploited by historic miners.</p> <p>KARD154 also revealed high grade gold associated with arsenopyrite rich hydrothermal breccia and quartz veining.</p>																																
<i>Drill Hole Information</i>	<table border="1"> <thead> <tr> <th>HOLE ID</th> <th>EASTING</th> <th>NORTHING</th> <th>RL</th> <th>AZIMUTH</th> <th>DIP</th> <th>METHOD</th> <th>TO DEPTH</th> </tr> </thead> <tbody> <tr> <td>KARD154</td> <td>465308.6</td> <td>6815886.5</td> <td>466.8</td> <td>145</td> <td>-60</td> <td>PRECOLLAR</td> <td>55</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>HQ TT</td> <td>105.4</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>NQ2</td> <td>450.1</td> </tr> </tbody> </table>	HOLE ID	EASTING	NORTHING	RL	AZIMUTH	DIP	METHOD	TO DEPTH	KARD154	465308.6	6815886.5	466.8	145	-60	PRECOLLAR	55							HQ TT	105.4							NQ2	450.1
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<i>Data aggregation methods</i>	Mineralised intersections are reported at a 1.00g/t Au cut-off with a nominal minimum reporting width of 1m. Intervals that incorporate more than one assay interval are reported as length-weighted average grades.
<i>Relationship between mineralization widths and intercept lengths</i>	Holes, including KARD154, were drilled by Focus near orthogonal to the shallow dipping mineralisation. In such cases drill intersection width is close to true width. The orientation and shape of the arsenopyrite breccia zone is unknown and the relationship between its drill intercept and true width is unknown.
<i>Diagrams</i>	Accurate collar plans are included in this announcement. A representative 3D view illustrates gold distribution.
<i>Balanced reporting</i>	Drilling results are reported in a balanced reporting style. The ASX announcement shows actual locations of holes drilled, and a 3D representation. This announcement covers a single drill hole. All other drilling on the project has been reported previously.
<i>Other substantive exploration data</i>	There is no other material exploration data to report at this time.
<i>Further work</i>	Focus is investigating the use of an electromagnetic geophysical survey to assist in defining the arsenopyrite rich breccia prior to further drilling. Detailed magnetic and gravity surveys are being considered to help target repeat zones under widespread transported cover.

Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Jeff Ion, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Member of the Australian Institute of Geoscientists (AIG). Mr Ion is a full time employee of 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 Ion consents to the inclusion in the announcement of the matters based on the information compile by him in the form and context in which it appears.