

ACTIVITIES REPORT FOR THE QUARTER ENDED JUNE 30 2010

Highlights

Production

Focus has completed its second full year of production, generating a record **62,300 ounces** at a total cash cost of **A\$792/oz in the year to June 30, 2010**. This is a **52%** increase on the previous year's production of **41,400 ounces**.

Production during the June Quarter, which comprised just 52 milling days, totalled **164,919 tonnes @ 2.5g/t for 12,660 ounces**. This excludes 33 days of toll milling and a six-day maintenance shutdown.

Reserves

Focus' reserves continue to grow, with open pit reserves now at **1,490,000 tonnes @ 1.8g/t** and underground reserves growing to **954,000 tonnes @ 3.9g/t** for a total combined position of **2,483,000 tonnes for 207,900 ounces in reserves and stocks**.

Exploration and Resources

Focus reached a key milestone in its development during the quarter, with its resource base climbing above **two million ounces** for the first time.

Highlights of the resource growth include an increase of the underground resources at the Tindals Mining Centre to **2.04Mt @ 4.9g/t for 324,000oz** following an 80% increase in the Cyanide resource to **117,800oz @ 5.5g/t**.

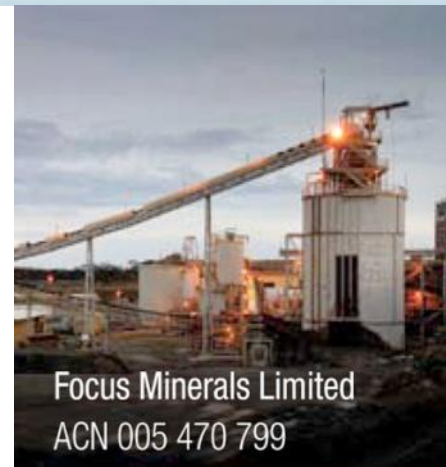
An updated resource for the Empress Alicia Deposit now stands at **849,000t @ 2.00g/t for 54,500 ounces**, including an indicated resource of 620,000t @ 2g/t for approximately 39,700 ounces and an inferred resource of 229,000t @ 2g/t for approximately 14,700 ounces.

Promising drilling results from new electromagnetic targets point to a new discovery north of Perseverance (Tindals), with hits including:

- o **4.6m @ 5.9g/t Au**
- o **5.2m @ 3.6g/t Au**
- o **4.2m @ 3.6g/t Au**

A large modelling and targeting exercise in the well endowed Lindsays / Bayleys area was completed and has revealed potential for numerous large, undiscovered ore bodies within Focus's Coolgardie land holding. Initial drilling in the area has commenced with immediate exciting results, including:

- o **3.0m @ 7.02g/t Au**
- o **2.1m @ 6.65g/t Au**
- o **5.0m @ 4.76g/t Au**
- o **10.6m @ 2.69g/t Au**
- o **17m @ 2.56g/t Au**



Focus Minerals Limited
ACN 005 470 799

Australian Securities Exchange

Code: FML

Frankfurt Stock Exchange

Code: FZA

Board of Directors

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Executive Chairman

Mr Chris Hendricks
Non-Executive Director

Mr Phil Lockyer
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Mr Jon Grygorcewicz
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Mr Brad Valiukas
Principal Mining Engineer

Dr Garry Adams
Exploration Manager

Mr Peter Cash
Investor Relations Manager

Mr Chuck McCormick
Business Development Manager

Share Registry

Computershare Investor Services Pty Ltd

Investor Enquiries

1300 557 010



Highlights Continued

Business Development & Organic Growth During the quarter, Focus acquired a 75% interest in the Lake Cowan gold-copper project (Treasure Island), south of Kambalda. This sits on the southern extension of the famous Boulder-Lefroy fault system.

Initial sampling from Treasure Island has returned outstanding copper grades including **8.53% Cu, 2.87% Cu and 1.51% Cu** as well as anomalous gold, silver and nickel results.

Corporate At the end of the quarter Focus had **\$10.2 million** cash and bullion on hand.

PRODUCTION

Production for the 2010 financial year was 62,296 ounces, representing an increase of 52% on the 2009 financial year.

Production for the quarter was 12,660 ounces. All of this came from the Three Mile Hill Mill, which treated 164,919 tonnes at an average head grade of 2.52g/t.

Gold sales revenue for the Quarter was **A\$17.19** million from the sale of **13,080** ounces of gold at an average price of **A\$1,314/oz.**

With 33 days of milling capacity allocated to toll treating La Mancha ore and a six-day shutdown to complete a mill reline and other scheduled maintenance items, mill availability was reduced to a net total of 52 days during the quarter. As a direct result, total quarterly cash costs were A\$1,034 per ounce based on reduced gold production.

A normalised cash cost for the quarter based on full mill availability would be approximately **A\$750/oz.**

Table 1 - Gold Production - June 2010 Quarter

		FY 2010 12 months	Quarter Ended 30 June 2010	Quarter Ended 31 March 2010 ¹	Quarter Ended 31 December 2009	Quarter Ended 30 September 2009	Quarter Ended 30 June 2009
Ore Mined	(tonnes)	329,933	96,288	81,200	86,418	67,476	116,970
Mined Grade	g/t	4.86	3.81	4.57	3.84	7.42	6.38
Milled Tonnes	(tonnes)	575,195	164,919	299,445	47,574	57,942	85,277
Head Grade	g/t	3.70	2.52	3.21	8.22	6.02	7.38
Gold Recovery	%	91.0	94.6	89.8	95.3	88.0	95.0
Gold Produced *	(oz)	62,296	12,660	27,793	11,983	9,858	19,226
Cash Operating Cost #	(A\$/oz)	\$792	\$1,034	\$820	\$602	\$551	\$695
Development and Capex	(A\$)	\$14,819,000	\$4,901,000	\$7,456,000	\$2,187,000	\$275,000	\$1,836,000
Gold Sold	(oz)	60,117	13,080	25,835	13,024	8,178	21,815
Average Price Received	(A\$/oz)	\$1,197	\$1,314	\$1,230	\$1,147	\$985	\$1,068

Cash operating cost refers to the cost of refined gold and includes all expenditures directly incurred on mining, crushing and processing including site administration cost including royalties.



Mining and Capital Development

Tindals Mining Centre

Underground mining at the Tindals Mining Centre continued strongly during the quarter with almost 1,600metres of capital and operating development completed. A steady ramp-up of stoping commenced with ore production growing from 16,000 tonnes in April to 44,000 tonnes in June.

Two declines continue to be advanced at Tindals. Capital development is now four levels in advance of stoping at Empress, Countess and Perseverance.

Production will continue to increase incrementally at Tindals over coming months and is expected to reach sustainable levels by the middle of the December quarter 2010.

The Mount

In June, long hole and hand held stoping commenced at The Mount on the first two levels of the German Main and German West lodes. In addition, detailed evaluation work also commenced on the next phase of development to advance activities at The Mount.

The next phase of exploration and development is designed to achieve two objectives. Firstly to ensure continued development on the German lodes, ensuring continued production. This will be achieved by developing vertically downwards for another two levels and accessing what has previously been published as reserve.

Simultaneously it is planned to develop a full flitch of the Mount Mine including the Mount lodes and Fuchs lodes to aid understanding and establish additional high grade production platforms.

Processing

The Three Mile Hill facility reached its full operating capacity in June, milling 97,800 tonnes for the month and 254,700 tonnes for the quarter. During the quarter, the first full reline for the mill was carried out which reduced the availability of the mill by six days during May. Mill availability in June reached 97.4%.

During the quarter, a total of 67,000 tonnes @ 1.3g/t of low grade stocks were processed to supplement the ramp up of the underground operations. Focus has over 1 million tonnes of this material stockpiled located within 2km of the mill.

The first of two toll milling campaigns was completed during the quarter for La Mancha Resources, with a total of 89,800 tonnes of La Mancha's White Foil ore processed. A second toll milling campaign will be carried out for La Mancha in September 2010. This will be the final toll milling campaign to be carried out by Focus Minerals on a dollar per tonne basis.



Reserves

Reserves continued to increase this quarter, with total reserves and stocks now 2,483,000t @ 2.6g/t for 207,900 contained ounces. Reserve increases were made underground at Tindals and The Mount and also at the Empress and Alicia open pits (refer Table 2).

The reserve increase at the Tindals Mining Centre is in addition to mining depletion and was a result of ongoing underground exploration and development which demonstrates the sustainable nature of the operation.

The reserve increase at The Mount was as a result of continued exploration development in the German lodes resulting in a small strike extension. The reserve increase at The Mount is in addition to mining depletion with long hole stopeing having commenced on the 1 Level. Hand held stopeing occurred in a sub level above the 1 Level, but this was largely outside of the previous reserve.

There have been reserve increases for each of the last four quarters for Focus Minerals with an increase from 93,000 ounces of reserves at end of month September 2009 to over 207,900 ounces for the current quarter.

Work will continue in advancing the reserves in the September quarter with a second underground diamond drill commencing at Tindals and ongoing activities at The Mount advancing the underground, reassessing available data and following up local trends and isolated intersections from surface.

In the Tindals area, surface grade control style drilling will occur at open pit reserve locations in preparation for mining and in other locations to further advance the development of additional reserves.

Tindals Area Open Pits

Further open pit reserves have been added in the Tindals area with pits on the Empress and Alicia ore bodies. These pits reserves follow on from surface drilling earlier in the year and continue the process of converting resources to reserves.

The Empress estimated probable reserve is 113,000t @ 2.6g/t for 9,500 ounces at a strip ratio of 12:1.
The Alicia estimated probable reserve is 160,000t @ 1.8g/t for 9,300 ounces at a strip ratio of 10:1.

These new open pit reserves add significantly to the reserves of open pit material around the Tindals area that also includes Big Blow and Dreadnought North. The open pit reserve in the Tindals area is now 389,000t @ 2.1g/t for 26,400 contained ounces.



Table 2 - Gold Production - June 2010 Quarter

Coolgardie Underground Reserves:		Tonnes:	Grade:	Ounces:
Proven:	Perseverance:	32,000	3.1	3,200
	Empress:	40,000	3.4	4,400
	Countess:	126,000	4.1	16,600
	Sub Total:	198,000	3.8	24,200
Probable:	Perseverance:	182,000	4.0	23,300
	Empress:	192,000	3.1	18,800
	Countess:	163,000	3.9	20,200
	Tindals:	140,000	2.7	12,000
	Sub Total:	676,000	3.4	74,300
Total:		874,000	3.5	98,500
Coolgardie Surface Reserves:		Tonnes:	Grade:	Ounces:
Probable:	Greenfields:	1,101,000	1.7	59,900
	Big Blow:	63,000	2.2	4,500
	Dreadnought North:	54,000	1.8	3,100
	Empress:	113,000	2.6	9,500
	Alicia:	160,000	1.8	9,300
Total:		1,490,000	1.8	86,300
The Mount Underground Reserves:		Tonnes:	Grade:	Ounces:
Probable:	German Lodes:	79,000	8.0	20,500
	Total:	79,000	8.0	20,500
Total Reserves:		Tonnes:	Grade:	Ounces:
		2,444,000	2.6	205,300
Surface Stocks:		Tonnes:	Grade:	Ounces:
		39,000	2.1	2,600
Reserves and Stocks:		Tonnes:	Grade:	Ounces:
		2,483,000	2.6	207,900

EXPLORATION

Diamond drilling of an electromagnetic (EM) conductor to the north of the Perseverance ore body at Tindals successfully identified a new mineralised zone along strike from the existing workings. Exploration RC and diamond drilling of EM targets in the Greater Tindals Area intersected Perseverance style mineralisation with highly encouraging results in areas of no previous drilling.

In total, 5,825m of surface diamond drilling, 4,670m of RC drilling and 1,100m of underground diamond drilling was completed within the Coolgardie tenements during the June Quarter.

With the ongoing drilling, a number of resources were updated during the June Quarter, including Cyanide (refer to ASX announcement 3rd June 2010 for further information), Tindals, Countess, Empress and Empress/Alicia. As a result of the updates, the Company's total resource position has risen to **2 million ounces (see Resource Table in Appendix 1)**.



Perseverance

A 1,100m, 5-hole diamond program was drilled to the north of Perseverance during the June Quarter to test an EM anomaly identified earlier in the year (Figure 3). The drilling has identified a new mineralised zone (120m x 200m) to the north of, and within easy access from, Perseverance. Significant intercepts from the program include:

- 4.2m @ 3.6g/t,
- 5.2m @ 3.6g/t, and
- 4.6m @ 5.9g/t

The drilling intersected quartz-sulphide structures of similar appearance to those seen at Perseverance. The drilling is wide-spaced and follow-up drilling will commence soon, with a second underground drill rig having just arrived on site.

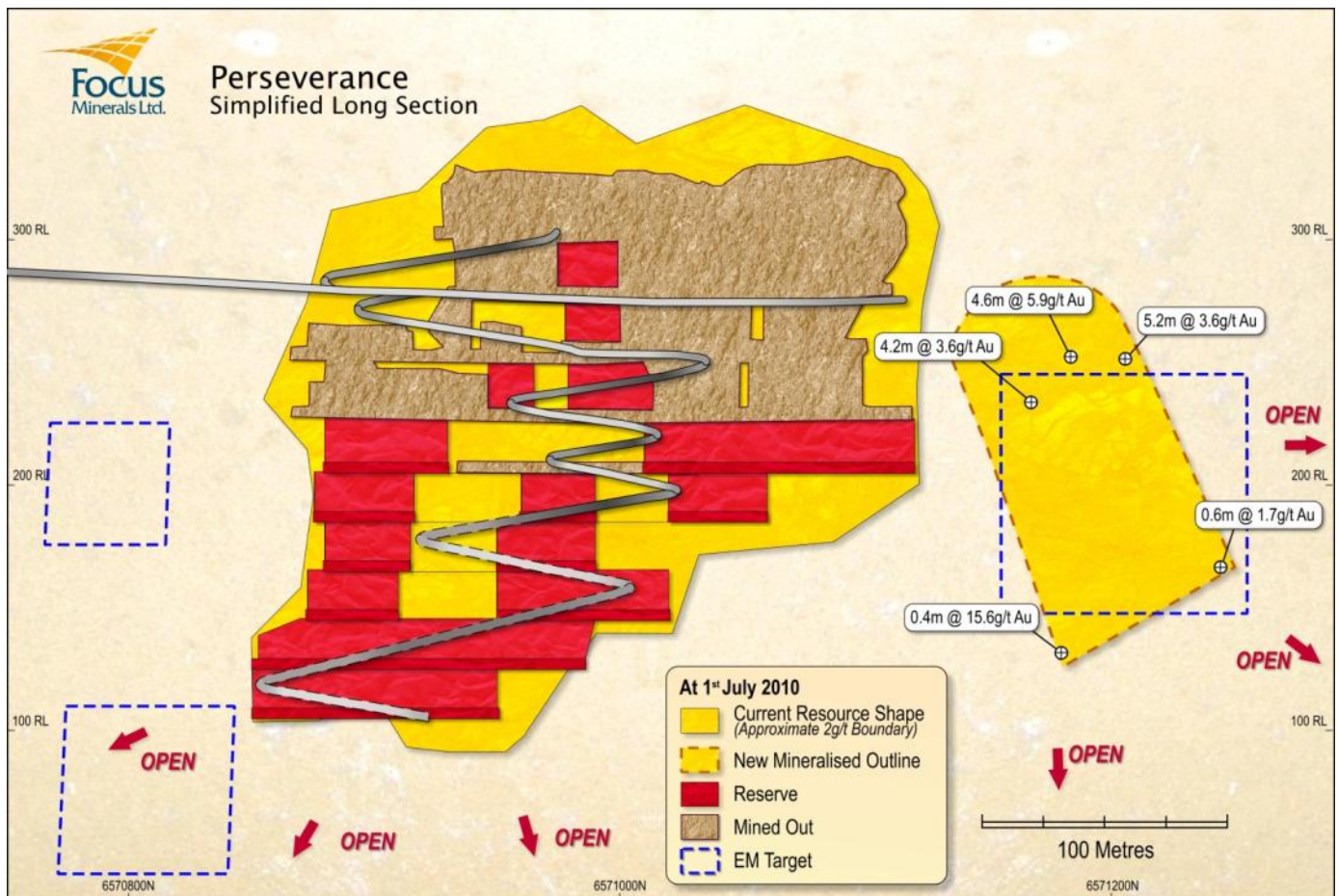


Figure 1: Perseverance Long Section showing EM target to north and recent drill intersections

Tindals Area Targets

During the June quarter, 10 EM anomalies were drilled with a single drill hole to assess the geology of the anomalies. Encouraging results were received from a number of drill holes, including:

- 0.64m @ 36.8g/t, and
- 2.6m @ 4.0g/t



A number of the holes intersected Perseverance style quartz-sulphide mineralisation. Down-hole EM surveys have recently been completed on the 10 drill holes with results expected soon. A full review of the geology, results and EM will see the targets ranked and prioritised for follow-up drilling.

Lindsays Project

During the June quarter, a large modelling and targeting exercise in the well-endowed Lindsays area was completed. The exercise was undertaken with the assistance of four geologists from SRK (including Mr Peter Williams and Mr Peter Gleeson). The project was undertaken to provide a robust 3D geological and structural model that would accelerate the understanding of an area the company believes has great potential. The 3D model was used to run various targeting scenarios using the latest technology and techniques developed by SRK.

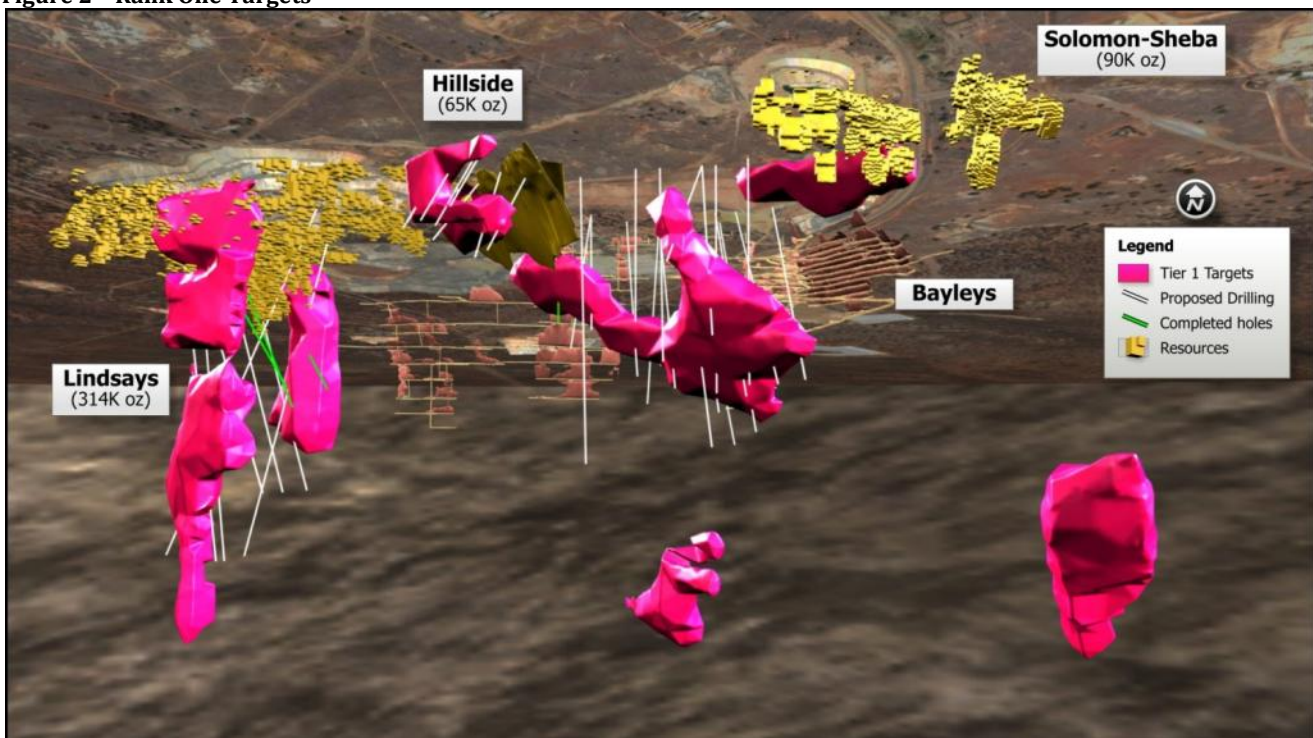
The study centred on an area of 4km² which hosts some of Focus' key existing resources, including the Lindsays open pit and Bayleys underground mine. It has an historical production endowment of over 1.5 million ounces and a current known resource endowment of over 600,000 ounces excluding any potential resource on the Bayleys old workings

The assessment is based on a complete compilation of historical mining and exploration data gathered from Focus' tenements over many decades and then integrated with leading-edge 3D interpretive technology. The compilation of this data (geological, geophysics, structural, mapping and drilling) utilising both input from Focus staff and the SRK team was used to construct a detailed geological and structural model of the area from which the exploration targets have since been determined.

The result of this study belies the long held perception that gold mineralisation within the Coolgardie goldfields has been exhausted through over 100 years of continuous gold production. Instead, the study confirms the Company's long held belief that Coolgardie is yet to give up its full potential and contains some of the finest endowed and under-explored gold assets in Australia.

Many of the targets are of high quality and all are supported by data and field observations. Most of the targets lie at shallow to moderate depths, making follow-up drilling a practical option. The study has identified 17 "Rank One" exploration targets spread across the three different styles of mineralisation traditionally found at Coolgardie (Figure 4).

Figure 2 - Rank One Targets





Focus has commenced drilling a number of these targets to test and advance the models. To date, nine holes have been drilled, each averaging approximately 400m. The intersected geology confirms the accuracy of the modelling and further strengthens Focus' confidence in the recently completed technical work. Visible gold has been seen in several of the holes drilled, with significant intersections including:

- o 2.1m @ 6.65g/t,
- o 3m @ 7.02g/t,
- o 5m @ 4.76g/t,
- o 1.9m @ 15.98g/t,
- o 10.6m @ 2.69g/t, and
- o 17m @ 2.56g/t

Internal studies have commenced on the Lindsays deposit and in conjunction with these newly defined targets, Focus plans to further evaluate the potential for Lindsays to provide early mine production and drilling platforms. This will in turn unlock the surrounding areas for further drilling and mining.

Treasure Island Acquisition

During the Quarter, Focus reached agreement to acquire a 75 per cent stake in the Lake Cowan gold-copper project (Treasure Island) near Kambalda in WA's Eastern Goldfields (refer to ASX announcement 15th June 2010 for further information), where historical surface reconnaissance exploration has produced grades of up to 49g/t gold and 1%-plus copper.

Treasure Island sits on the southern extension of the Boulder-Lefroy Fault, which hosts numerous high-grade gold and nickel deposits, including the Kalgoorlie Super Pit and the recently discovered high-grade Athena gold deposit. The lease covers 95km² and is located approximately 50km south-east of Kambalda. Surface sampling comes predominantly from an island that sits within Lake Cowan.

Subsequent to the end of the Quarter, the Company completed follow-up sampling from the island on Lake Cowan within the 95km² Treasure Island. Assay results received from 16 rock chip samples returned outstanding copper grades including **8.53%, 2.87% and 1.51% Cu** as well as anomalous gold, silver and nickel results (refer to ASX announcement 16th July 2010 for further information).

Focus has commissioned a detailed airborne geophysical survey to be carried out over the Treasure Island tenement. This is expected to be flown soon. Detailed ground mapping and a systematic sampling program have commenced across the tenement, initially focussing on the island itself. This, along with the geophysics, will assist with exploration targeting prior to a drilling program scheduled to commence later this year.



CORPORATE

Cash and Bullion

Gold revenue for the Quarter was **A\$17.19M million** generated from the sale of **13,080 ounces** of gold at an average price received of **A\$1,314/oz.**

As discussed previously in the report, the Toll Milling campaign by La Mancha ran for 33 days. The revenue generated by Focus from the campaign was based on a dollar per tonne rate and as such the revenue did not match the ongoing mining and exploration expenditure at the operations during the quarter. As a result, the operating cash deficit for the quarter was a net \$(3,540,000) after allowing for exploration costs of \$1,919,000 and capital development of \$4,901,000.

Western Australian gold royalties paid for the Quarter totalled \$381,000.

At 30 June, 2010, Focus had the following Australian dollar amounts available;

Cash at Bank	\$6.38 million
Bullion on Hand	\$3.82 million
Total Cash and Equivalents	\$10.20 million

This excludes \$802,000 held in secured deposit accounts supporting bank guarantees and bonds required under mining tenement conditions.

- ENDS -

Released by:
Nicholas Read/Paul Armstrong
Read Corporate
Telephone: (+61-8) 9388-1474
www.readcorporate.com.au

On behalf of:
Campbell Baird, CEO
Focus Minerals Ltd
Telephone: (+61-8) 9215-7888
www.focusminerals.com.au


Appendix 1: FOCUS MINERALS RESOURCES at 30 June 2010

Prospect	Classification	Tonnes	Grade (g/t)	Contained Ounces
OPEN PITS				
Big Blow	Indicated	279,000	3.7	32,900
	Inferred	94,000	5.8	17,500
Brilliant	Indicated	1,928,000	2.2	136,400
	Inferred	1,146,000	2.9	106,800
Cookes	Indicated	113,000	2.2	8,000
	Inferred	5,000	1.7	300
Dreadnought	Indicated	3,024,000	2.0	196,400
	Inferred	435,000	1.8	24,600
Empress/Alicia	Indicated	620,000	2.0	39,900
	Inferred	229,000	2.0	14,700
Friendship	Inferred	100,000	1.4	4,600
Greenfields	Indicated	1,386,000	1.9	86,500
	Inferred	138,000	3.0	13,300
Happy Jack	Inferred	198,000	1.7	10,900
Hillside	Inferred	672,000	3.1	65,900
Lord Bob	Inferred	820,000	1.6	42,200
Lindsays	Indicated	4,350,000	1.7	237,800
	Inferred	1,490,000	1.6	76,600
King Solomon/Queen Sheba	Inferred	1,400,000	2.0	90,000
Norris - Grosmont	Inferred	1,050,000	2.4	82,000
Total Indicated Resource - Open Pits		11,700,000	2.0	737,900
Total Inferred Resource - Open Pits		7,777,000	2.2	549,400
Total Resource - Open Pits		19,477,000	2.1	1,287,300
UNDERGROUND				
Countess	Measured	173,000	5.7	31,900
	Indicated	166,000	4.2	22,200
	Inferred	36,000	3.2	3,700
Cyanide	Indicated	383,000	5.4	66,100
	Inferred	289,000	5.6	51,800
Empress	Measured	87,000	6.0	16,800
	Indicated	127,000	3.9	15,800
	Inferred	43,000	4.6	6,300
The Mount	Inferred	2,090,000	5.5	369,600
Perseverance	Measured	161,000	6.0	31,100
	Indicated	162,000	6.2	32,000
	Inferred	54,000	5.3	9,200
Tindals	Indicated	416,000	3.5	46,800
	Inferred	220,000	3.2	22,700
Total Measure Resource - Underground		421,000	5.9	79,800
Total Indicated Resource - Underground		1,254,000	4.5	182,900
Total Inferred Resource - Underground		2,732,000	5.3	463,300
Total Resource - Underground		4,407,000	5.1	726,000
Total Measured & Indicated Resource				
		13,375,000	2.3	1,000,600
Total Inferred Resource				
		10,509,000	3.0	1,012,700
Grand Total				
		23,884,000	2.6	2,013,300



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.

The information in this report that relates to Underground Ore Reserves is based on information compiled by Mr Bradley Valiukas, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Valiukas 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". Mr Valiukas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to new Surface Ore Reserves is based on information compiled by Mr Mark Sampson, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sampson is a full time consultant to Focus Minerals and has sufficient experience which 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'. Mr Sampson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

NOTE ON OPEN PIT RESERVE ESTIMATES

Empress Open Pit

The Empress Open Pit probable reserve estimate is based on the resource model tabled in the quarterly report. The reserves represent a small open pit, situated on and around some small historical underground workings, adjacent to the Historic Tindals pit. The open pit design is considered to be practical, workable and safe.

Mining costs are based on recently submitted mining costs from a reputable and capable mining contractor.

Mining dilution of 10% at 0.00g/t and a mining recovery of 95% have been incorporated into the probable mining reserve estimate.

Alicia Open Pit

The Alicia Open Pit probable reserve estimate is based on the resource model tabled in the quarterly report. The reserves represent a small open pit, situated adjacent to Historic Tindals pit and contains some small historical underground workings. The ore body is an extension of the Tindals open pit ore body where 1.01 Million tonnes at 2.5 g/t was mined.

The pit design is based on observations of the historic pit and is considered to be practical, workable and safe .

Mining costs are based on recently submitted mining costs from a reputable and capable mining contractor.

Mining dilution of 10% at 0.00g/t and a mining recovery of 95% have been incorporated into the probable mining reserve estimate.