

Activities Report for the Quarter Ended 31 March 2009

HIGHLIGHTS

CORPORATE & FINANCIAL

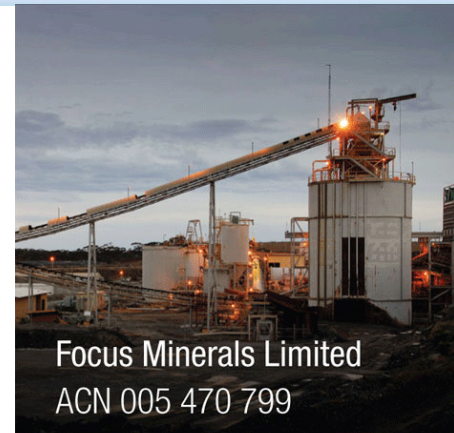
- Total gold production for the Quarter of 9,187 ozs.
- Revenue for the Quarter of A\$ 5.9 million generated from the sale of 5,687 oz of gold at an average received price of A\$1,048/oz.
- Cash and bullion of A\$4.9 million on hand as at 31 March 2009.
- Campbell Baird assume the position of Chief Executive Officer with Peter Williams to oversee the Three Mile Hill refurbishment in the role of Chief Operations Officer

Capital Raising

- \$A25m raised via the issue of 1,250M shares at an issue price of 2 cents per share to sophisticated investors
- Up to A\$3M to be raised from existing Shareholders under the Share Purchase Plan (SPP) to be completed by 28 April
- \$A18M allocated to refurbish and modernise the 100%-owned 1.2Mtpa Three Mile Hill treatment facility to significantly increase overall milling capacity in conjunction with existing toll treatment agreement with nearby Greenfields mill
- Balance of funds to be allocated to aggressive development and exploration aimed at bringing nearby deposits into production as quickly as possible to take advantage of high gold prices

GOLD PRODUCTION

- Latest milling campaign completed on 31 March for gold production during the Quarter of 9,187 ounces for a project to date total of 28,269 ounces.
- Next milling campaign to begin on the 1st May and finish on the 12th June for ~ 43 milling days with ore derived from a blend of Perseverance and Countess ore - targeting production 12,000-14,00 ounces.
- Average direct cash cost of A\$580/oz for the March Quarter
- Focus targeting gold production of approximately 40,000 ounces in FY09 through Perseverance stoping and progressive development of adjacent Coolgardie deposits including the Countess deposit.



Focus Minerals Limited
ACN 005 470 799

Australian Stock Exchange

Code: FML

Board of Directors

Mr Donald Taig
Executive Chairman

Mr Chris Hendricks
Non-Executive Director

Mr Phil Lockyer
Non-Executive Director

Senior Management

Mr Campbell Baird
Chief Executive Officer

Mr Peter Williams
Chief Operating Officer

Mr Jon Grygorcewicz
Company Secretary

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



EXPLORATION & DEVELOPMENT

Perseverance Deposit

- Exploration drilling programme encounters significant high-grade down-hole intercepts at Perseverance Gold Deposit – indicates structural repetition of Perseverance mineralisation

Best intercepts at Perseverance included:

- 4.93m @ 31.66g/t
- 3.17m @ 27.84g/t
- 5.01m @ 14.98g/t. and
- 1.47m @ 19.85g/t;
- Face sampling from the 225 South level confirm high grade drilling results at Perseverance. Average face sample grades include:
 - Face 26 – 49.66 g/t
 - Face 28 – 58.01 g/t
 - Face 29 – 27.92 g/t
 - Face 32 – 34.63 g/t

Empress Deposit

- High-grade intercepts below the Empress Deposit confirms mineralisation is open at depth. Plans for development now underway.

Best intercepts at Empress include:

- 6.44m @ 10.37g/t;
- 4.00m @ 8.25g/t; and
- 4.24m @ 5.28g/t.

Brilliant Deposit

- New estimated Indicated and Inferred Resources totalling 3.1Mt @ 2.4g/t Au for 240,100oz of contained gold
- Includes estimated Indicated Resource of 1.93Mt at 2.2g/t Au for 134,400oz
- Upgraded resource to be incorporated into ongoing Scoping Studies to ascertain synergies of mining the Brilliant deposit in conjunction with the Perseverance and Countess deposits
- In conjunction with ongoing studies of other deposits at the Coolgardie Gold Project, the resource upgrade furthers the Company's medium term aim of refurbishing the 1.2Mtpa Three Mile Hill processing plant
- New resource model based on validation of historical data combined with recent RC drilling conducted last Quarter
- Deposit remains open at depth and along strike to the north



OPERATIONAL REVIEW - COOLGARDIE GOLD PROJECT

Production Update

During the Quarter, Focus completed its seventh milling campaign since production commenced in April 2008 and produced **9,187 ounces** of gold for the March Quarter. This increases total gold production to **28,269 ounces** since production began in April 2008.

Of this, 7,000 ounces will be delivered into Focus' existing hedging contract with the balance of ounces being sold into the spot market. Following the conclusion of the current milling campaign deliveries the Company will have a further 19,378 ounces outstanding under existing hedge contracts.

The campaign was successful however challenges were encountered in the final 10 days of the campaign. During this period ore with grades of greater than 8.0 g/t were continuously processed however higher than expected sulphur grades were encountered. High sulphur grades significantly affect recovery of the Perseverance ore, and in order to maintain recovery during these 10 days at greater than 90%, mill throughput was reduced by 20%.

The high sulphur levels experienced at the end of the campaign further highlights the benefits of moving from a toll treating approach, with discrete milling campaigns, to a continuous operation utilising Focus's own processing plant (i.e. Three Mile Hill). The re-commissioning of the Three Mile Hill plant is expected to provide Focus with a much more efficient and cost-effective means of blending the multiple ore sources from Focus' Coolgardie Operations.

The next milling campaign, Campaign 8, is due to commence early on the 1st May 2009 and run for a total of 43 days.

A summary of gold production for the March Quarter is shown in Table 1 below.

Table 1 – March 2009 Quarter Gold Production Summary

		Quarter Ended 31 December 2008	Quarter Ended 31 March 2009 ¹	TOTAL Year To Date
Ore Mined	(tonnes)	88,090	58,937	147,027
Recovered Grade	Grams Au/tonne	4.59	4.85	4.69
Gold Produced *	(oz)	12,989	9,187	22,172
Cash Operating Cost #	(A\$/oz)	A\$673	A\$580	A\$641
Development and Capex	(A\$)	\$4,236,000	\$1,523,000	\$5,759,000
Gold Sold	(oz)	14,903	5,687	20,590
Average Price Received	(A\$/oz)	A\$1,022	A\$1,048	A\$1,029

**Gold production is gold refined during the period.*



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

Development

To complement the Three Mile Hill Plant Refurbishment, Focus will immediately undertake a major resource definition and extension program to ensure resources are brought on line to feed the 1.2Mtpa capacity of Three Mile Hill on its re-commissioning.

Initially, priority will be given to the development of additional resources at the currently producing Perseverance and Countess Deposits, with a drilling programme expected to be completed shortly at Perseverance, targeting southern extensions to the high-grade ore body.

In the medium term, Focus will step up exploration and pre-feasibility studies at other nearby high-grade deposits including Empress (Inferred Resource of 47,000oz at 4.68g/t Au), The Mount (Indicated Resource of 370,000oz at 5.50g/t Au) and Cyanide (Indicated Resource of 65,000oz at 5.54g/t Au). These deposits are targeted for production by the first Quarter of 2010.

Following this, the Brilliant, Dreadnought and Lindsays Deposits will be developed to provide additional ore to feed the Three Mile Hill Plant, which is expected to be in operation from early 2010.

Revenue

Revenue for the Quarter was **A\$5.9million** generated from the sale of **5,687 ounces** of gold at an average price received of **A\$1,048/oz**. Subsequent to the end of the Quarter a further 2,250 ozs were delivered into gold hedge contracts for revenue of A\$2.2 million at an average price of A\$986/oz.

Exploration

Perseverance

Drilling Results from Perseverance

Drilling results from below the Perseverance deposit during the March 09 quarter have confirmed the potential for structural repetition of Perseverance-style mineralisation at depth (see Figure 1). A total of eight (8) diamond holes were drilled, with the drilling encountering down-hole intersections 50-100m south and down the structural control of the known mineralisation at Perseverance. The best of these intersections included:

- **4.93m @ 31.66g/t;**
- **3.17m @ 27.84g/t;**
- **5.01m @ 14.98g/t;** and
- **1.47m @ 19.85g/t.**

(Please see Appendix 1 for full results)

The drilling has further strengthened Focus' geological model for the Perseverance mineralisation – developed from exploration drilling, down-hole electromagnetic (DHEM) surveying and underground geological mapping. The new zones are particularly encouraging as they have the potential to provide Focus with additional high-grade, relatively



near-surface resources which can be easily and economically accessed via the existing Perseverance decline, given their proximity to the Company's current mining operations.

Down-hole electromagnetic (DHEM) surveys are planned to be conducted on two of the recently drilled holes early in the next quarter. This will assist in defining the size of the current mineralised zone and will also aid in more efficient targeting of future drilling.

225 South Development – High Grade Face Samples

Recent face sampling on the newly developed 225 South level has returned significant, high grade assay results that average greater than one ounce per tonne. Results include:

- Face 26 – 49.66 g/t
- Face 28 – 58.01 g/t
- Face 29 – 27.92 g/t
- Face 32 – 34.63 g/t

These recent face samples contain higher grades and widths of mineralisation than that seen in surrounding drill holes (PEGC0208 true width 1.37m @ 35.47g/t, PEXP0008 true width 1.47m @ 19.85g/t). Now in development, these recent face samples from the 225 level have confirmed that the mineralisation is of much higher grade and width (Please see Figure 1).

This indicates the potential for higher grade pods of mineralisation, which may be associated with linking structures running between the two main lodes, to occur in areas where grades from drilling are marginal. Further drilling is currently being carried out at depth and should enable a better understanding of the distribution of high-grade mineralisation in this area.

Empress Deposit – Plans for Accelerated Development Underway

The Empress Deposit forms part of the Tindals Mining Centre (see Figure 5a. and 5b.) and is hosted by a mineralised diorite system. Historically, the Empress mine produced an average of 48,000t @ 5.44g/t (reconciled) per level, which equates to ~420 ounces per vertical metre. The 1120m level is the last level developed at Empress and produced 49,280t @ 4.38g/t.

Recent drilling results immediately below the Empress deposit have confirmed that mineralisation is open at depth. The best of these intersections included:

- **6.44m @ 10.37g/t;**
- **4.00m @ 8.25g/t;** and
- **4.24m @ 5.28g/t.**

(Please see Appendix 2 for the full results and Figure 4 for core photo).

Modelling of the Empress extension is underway with these latest results providing Focus with the confidence to undertake a study with the view to bringing the Empress deposit into production towards the end of 2009.

Importantly, only 50 metres of development is required to bring these additional levels into production which will be directly below established underground infrastructure. It is important to note that this material presently cannot be



processed due to mill constraints, and thus it will form a separate source of feed as planned once the 3 Mile Hill Mill gets up and running.

Brilliant Deposit – Resource Upgrade

During the Quarter Focus announced a substantial increase in Indicated and Inferred Resources at the Company's Brilliant Gold Project, located 1.5km south-east of Coolgardie in Western Australia.

The updated JORC compliant resource for the Brilliant Project totals 3.1Mt @ 2.4g/t Au for 240,100 contained ounces, comprising:

- an estimated Indicated Resource of 1.93Mt @ 2.2g/t for 134,400 contained ounces; and
- an approximate Inferred Resource of 1.15Mt @ 2.9g/t for 105,700 contained ounces.

This represents an 80% increase on the previously announced Inferred Resource of an estimated 1.93Mt @ 2.2g/t for 130,800 contained ounces.

CORPORATE

A\$28m Capital Raising

In February this year, Focus announced a major \$28m capital raising to fund the refurbishment and re-commissioning of the 100%-owned Three Mile Hill treatment plant. With a production capacity of 1.2Mtpa, the Three Mile Hill Plant will provide Focus with the increased capacity required to ensure its production targets are achievable. It is expected that first ore will be run through the mill by the end of 2009.

The balance of funds will serve to fund ongoing exploration and development of known deposits in the area, including the extension of both the Perseverance and Countess deposits, which are both open along strike and at depth.

The capital raising consisted of a A\$25m placement to sophisticated investors and a A\$3m Share Purchase Plan (SPP) which were ratified at a Shareholder's meeting held on April 3. This meeting approved:

- (a) the raising of **A\$25 million** through the issue of to 1,250 million ordinary shares at an issue price of \$0.02 per share to sophisticated investors; and
- (b) following completion of the Share Placement, plans to raise up to A\$3 million through the issue of up to 150 million shares to existing shareholders at an issue price of \$0.02 each under the Company's Share Purchase Plan (SPP Offer)

The decision to undertake the Capital Raising to fast-track the refurbishment and modernisation of the Company's 1.2Mtpa Three Mile Hill treatment facility follows recent increases in the Company's gold resource base – including a significant upgrade at the Company's Brilliant Deposit and ongoing successful exploration and development programs.

This decision is supported by the current strong gold price environment, which is creating unprecedented opportunities for gold producers to make significant margins. The Board has determined that this strategy represents the best option for the Company in terms of enhancing shareholder wealth, rather than utilizing cash flow



from existing operations – which would effectively delay the implementation of this growth strategy by 12-14 months.

Use of Funds

A significant proportion of the funds raised (approximately A\$18 million) will be used to fund the Plant Refurbishment.

Funds raised will also be applied to ongoing exploration across the extensive 210km² tenement holding, whereby Focus currently has an estimated 111,000 ounces of gold in Probable Reserves (depleted basis as at 31 December 2008) at the Perseverance and Countess deposits and approximately 1.8 million ounces in the Measured, Indicated and Inferred JORC-compliant resource contained in several surrounding deposits, including the recently upgraded Brilliant Deposit.

The breakdown of the allocation of funds is as follows:

- Plant refurbishment	A\$18.0 million
- Resource development	A\$ 4.6 million
- Advanced exploration and definition	A\$ 3.8 million
- Capital Raising Costs	<u>A\$ 1.6 million</u>
Total	<u>A\$28.0 million</u>

Three Mile Hill Refurbishment

The Plant Refurbishment will underpin Focus' expansion plans, giving the Company much greater flexibility in combination with the arrangements currently in place with Higginsville Mining's nearby Greenfields processing plant.

With recent upgrades to the Company's overall resource base, including an increase in Probable Reserves at the Perseverance and Countess Deposit, the Board has decided that an increase in processing capacity is required in order to sustain greater levels of production expected in the near future. The re-commissioning of the Three Mile Hill plant is expected to provide an efficient and cost-effective means of ramping up production as new deposits are brought into production.

It is expected that the Plant Refurbishment will take between 8 and 10 months resulting in an annual milling capacity of 1.68 million tonnes per annum in combination with the Greenfields treatment facility.

Hedging and Debt

Only a small portion of production (19,378 ounces) remains to be delivered into existing hedge contracts, with the balance being sold into the spot market. It is expected that the outstanding hedge position will be fully closed out by September this year.

Additionally, the Company is expected to be entirely debt free by December 2009, including Convertible Note obligations to Focus' former Joint Venture partner Committee Bay Resources and the repayment of an \$A18.6 million debt facility held with Investec Bank (Australia) of which \$A10.25 million is currently outstanding.



Key Senior Management Appointments

During the Quarter Mr Peter Williams resigned as Executive Director but will continue in his role as Chief Operating Officer of the Company with prime responsibility for the recently announced refurbishment and modernisation of the Company's Three Mile Hill treatment plant located in Coolgardie.

Mr Williams' considerable experience in the management and development of mineral assets, as well as his intimate knowledge of the Coolgardie operation underpinned his decision, which was supported by the Board as an important strategic move to oversee the smooth development of Three Mile Hill.

Mr Campbell Baird, who held the position of Chief Operating Officer, assumed the position of Chief Executive Officer in order to oversee the company's rapid growth into a mid tier gold producer.

For additional background information on Mr Baird, please refer to ASX release dated 14 January 2009.

Cash and Bullion

As at the end of the March Quarter, the Company had available cash and bullion for a value of approximately \$4.9 million.

ENDS

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COMPETENT PERSON'S STATEMENT

The information in this report relating to Resources is based on work supervised by Dr Garry Adams who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr. Adams has the relevant experience as a "Competent Person" as defined in the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves in relation to the mineralisation being reported. Dr. Adams is Exploration Manager of Focus Minerals Ltd and consents to the inclusion of the material in the form and content in which it appears.

BACKGROUND INFORMATION – FOCUS MINERALS LTD

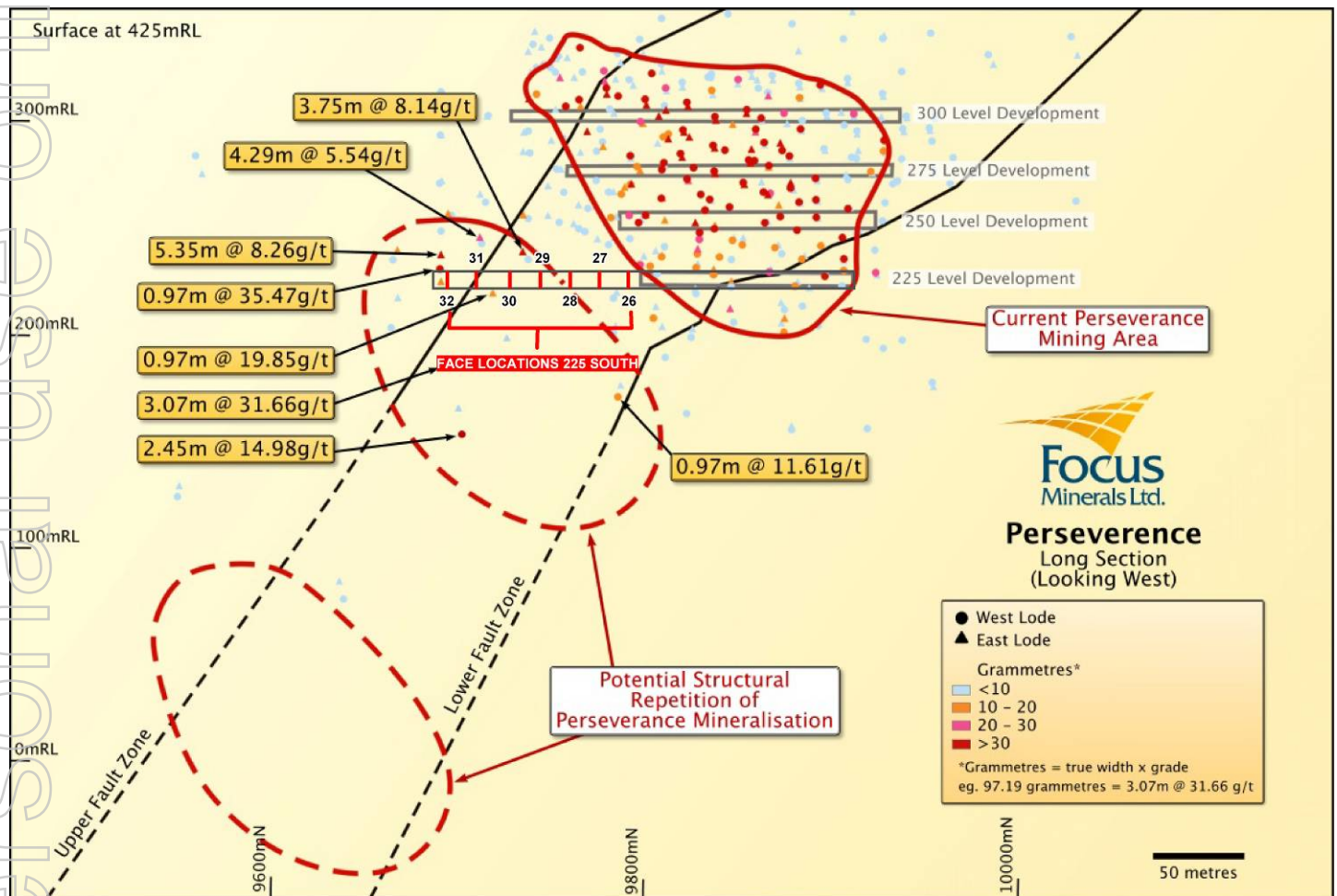
Focus Minerals Ltd (ASX: **FML**) is an Australian-based exploration and development group whose focus is to become a significant gold and nickel producer in the Coolgardie-Kalgoorlie-Widgiemoorlha region of Western Australia.

Focus Minerals is the largest landholder in the Coolgardie Gold Belt located in Western Australia, 560km east of Perth and 35km west of the 'Super Pit' in Kalgoorlie-Boulder. More than 2.6 million ounces of gold has been produced from the Coolgardie gold belt alone since 1892. Focus holds the mineral rights to more than 210sq km of tenements including an extensive inventory of Measured, Indicated and Inferred gold resources as well as the 1.2mtpa Three Mile Hill processing plant.

Focus commenced maiden commercial gold production in April 2008 through ore sourced from the Company's flagship Perseverance Deposit (Probable Reserve of 129,000oz). Earlier this year, the nearby Countess Deposit (Probable Reserve of 29,000oz) was also brought into production with ore from both deposits currently being milled at the nearby Greenfields treatment plant.



Figure 1 - Perseverance long section looking west (on local Tindals grid)



Perseverance Geology

The Perseverance deposit is a quartz-sulphide lode deposit occurring within the Burbanks Basalt. The main lodes at Perseverance occur near the western portion of a folded diorite. Within the Coolgardie region diorites either host or are associated with the majority of gold ore bodies including the Tindals, Brilliant, and Dreadnought deposits.

The lodes are a series of quartz-sulphide veins with variable amounts (up to 100%) of sulphides which are mostly pyrrhotite (see Figure 2 below). The Main Lode East is a quartz-sulphide breccia while the Main Lode West generally has higher sulphide content but is less brecciated.

The mineralisation appears to be controlled by south plunging fault controlled diorite bodies and north striking faults. This results in north plunging mineralised shoots which are constrained by the southerly plunging fault-controlled diorite bodies.



Figure 2 - High-grade Perseverance intersection (4.93m @ 31.66g/t)



Appendix 1 - Perseverance Exploration Diamond Drill Results for the March 09 Quarter

Hole Number	Northing	Easting	RL	Azimuth	Dip	Total Depth	From (m)	To (m)	Down Hole Width (m)	True Width (m)	Grade (g/t Au)
PEXP0006	9743	5251	267	285	-35	75.05	47.3	48.07	0.77	0.71	14.87
PEXP0007	9743	5251	266	282	-57	100	54.40	55.40	1.00	0.73	2.63
PEXP0008	9745	5253	267	341	-44	89.88	67.38	68.85	1.47	0.97	19.85
PEXP0010	9745	5253	268	315	-65	110.05	66.41	67.22	0.81	0.69	5.09
							71.70	72.38	0.68	0.45	3.57
							88.33	93.26	4.93	3.07	31.66
PEXP0013	9746	5255	268	347	-56	120.15	56.62	57.92	1.3	0.68	47.35
							66.87	68.22	1.35	0.7	17.97
							70.72	72	1.28	0.67	10.14
PEXP0014	9746	5255	268	332	-73	145.15	65.22	66.57	1.35	0.67	6.46
							72.82	81.62	8.8	4.44	4.84
							99.16	102.08	2.92	1.37	5.46
							115.02	120.03	5.01	2.45	14.98
PEXP0015	9744	5253	266	292	-73	135.09	81.74	83.08	1.34	0.67	7.95
							116.79	121.36	4.57	2.25	2.92
PEXP0017	9744	5254	266	332	-79	180.06	50.37	50.67	0.30	0.12	27.34
							121.78	122.36	0.58	0.26	5.79
							129.56	132.73	3.17	1.40	27.84
							134.50	138.04	3.54	1.56	3.93
							138.89	147.95	9.06	4.01	4.09

Figure 3 – Perseverance Deposit 225 Level - Face 26 – 58.01 g/t



Above is a photo of the Perseverance 225 main south drive showing 2.8m wide high grade pyrrhotite-rich massive sulphide zone in centre of face 26 which averages 58.01g/t across the face.


Appendix 2 - Recent Empress Diamond Drill Results

Hole Number	Northing	Easting	RL	Azimuth	Dip	TOTAL DEPTH	From (m)	To (m)	Width (m)	Grade (g/t Au)
EMD005	5054	9252	124	316	-10	80.11	67	69.82	1	5.67
EMD010	5083	9320	113	335	-21	87	63.56	66.72	3.16	2.78
EMD011	5083	9320	113	345	-20	107.4	72.31	76.14	3.83	2.58
EMD019	5082	9319	114	322	-4	71.1	32.5 43.75 55.85	36.74 45.34 58	4.24 1.59 2.15	5.28 3.7 4.43
EMD002	5053	9251	124	284	-9	92.58	74 77	75 79	1 2	3.74 2.13
EMD020	5083	9320	114	335	-3	81.5	35.2 43.33 53.89 62.53	41.64 48 54.61 65.51	6.44 4.67 0.72 2.98	10.37 4.84 2.14 7.87
EMD003	5053	9252	124	298	-10	78	41 68	42 72	1 4	7.96 3.05
EMD004	5053	9252	123	299	-23	85.1	45.73 74.41	47.82 75.37	2.09 0.96	3.03 7.76
EMD006	5054	9252	123	316	-22	87	73	75.61	2.61	3.19
EMD007	5054	9253	124	331	-10	83.09	72	76	4	8.25
EMD008	5054	9253	123	331	-21	89	76.76	85	8.24	2.66
EMD009	5082	9319	113	323	-23	77.63	58.01	59.01	1	6.67
EMKE0012	5048	9293	118	333	-5	55	43	46	3	3.94

Figure 4. High-grade Empress Intersection (6.44m @ 10.37g/t)




Figure 5b. Tindals Mining Centre – Plan View

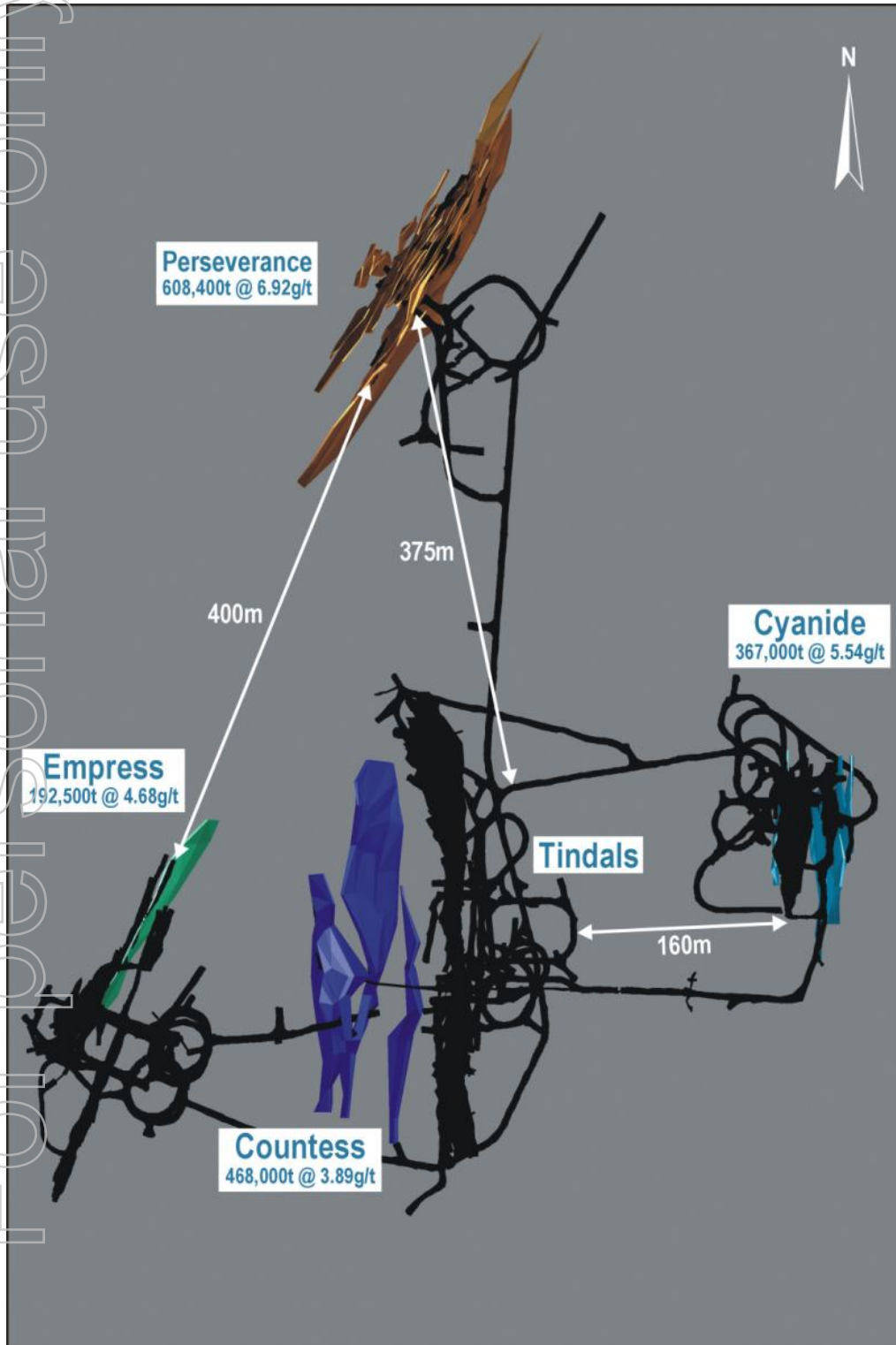
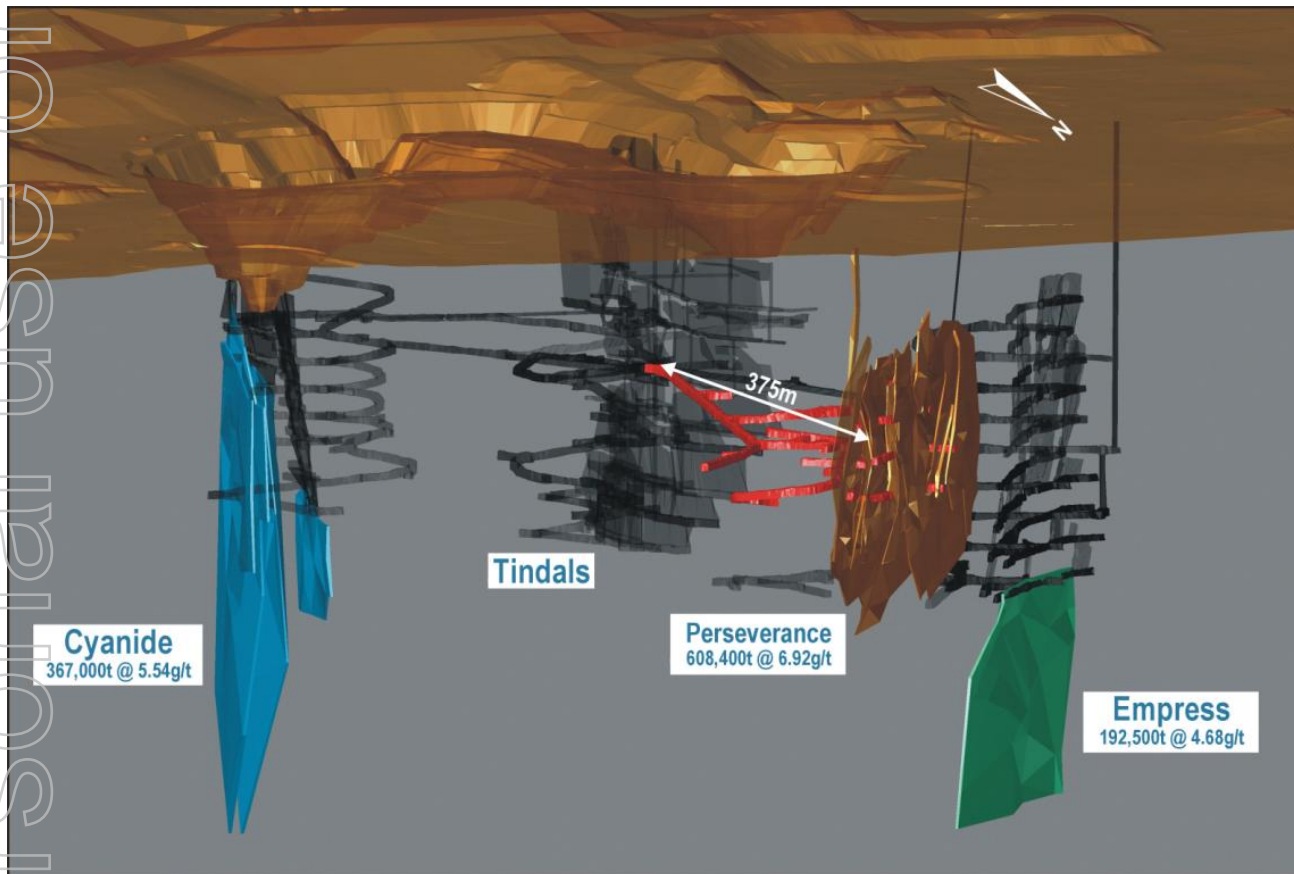




Figure 5a. Tindals Mining Centre 3D Model – Looking South



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