



**ABN 56 005 470 799
and Controlled Entities**

**Financial Report for the Half-Year to
31 December 2009**



Corporate Directory

DIRECTORS:	Donald Taig (Chairman) Phillip Lockyer Christopher Hendricks
CHIEF EXECUTIVE OFFICER	Campbell Baird
COMPANY SECRETARY:	K Jon Grygorcewicz
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DIRECTORS' REPORT

The directors present the financial report of Focus Minerals Ltd A.C.N. 005 470 799 ("Parent Entity") including the consolidated financial statements of the Parent Entity and its controlled entities ("Consolidated Entity") for the half-year ended 31 December 2009.

DIRECTORS

The names of the directors of the Parent Entity who held office during or since the end of the half year are:-

Donald J Taig (Chairman)
Phillip Lockyer
Christopher Hendricks

REVIEW OF OPERATIONS

Operating Result for the Half-year

The consolidated Group profit for the financial period ended 31 December 2009 was \$4,877,716 (2008 – Loss \$10,503,465).

Production

Mine production was expanded during the period with ore being extracted from three underground sources within the Tindals Mining Centre primarily the Perseverance, Countess and Empress Deposits.

Gold production for the six months ended 31 December 2009 increased 68% to 21,841 ozs (December 2008 – 12,989 ozs).

Gold sales in the period totalled 21,202 ozs at an average price of A\$1,085 per oz. (2008 – 14,903 ozs at average price A\$1,022).

Underground capital development commenced during September 2009 at the Mount deposit to establish a trial mining operation to determine the full potential of the deposit. At 31 December 2009 a 140 metre exploration decline had been completed and has intersected and confirmed the geological structure and grades of previously reported numerous gold bearing zones within the deposit.

Exploration

Exploration activities progressively intensified during the period and at 31 December 2009 the Group was actively exploring underground extensions of deposits within the Tindals Mining Centre.

During the period the Group commenced a number of exploration drill programs and preliminary mining studies at a number of surface deposits to determine suitability for open pit mining activities. This program is continuing with a number of deposits confirming potential for open pit mining. The mining approval process has commenced on the Big Blow deposit.

Corporate

The Company completed all gold forward contract deliveries during October 2009. All present gold sales are being delivered into spot prices.

In addition, the Company completed repayments of all debt facilities maintained with Investec Bank of Australia and the unsecured loan with CBR Gold Corporation. At 31 December 2009 the Company is debt free.

During August 2009 the Company participated in a placement of shares in Matsa Resources Limited. At the same time the Company entered negotiations with Matsa to toll treat ore from their North Scotia deposit located near Norseman WA. Negotiations are continuing.

On 14 October 2009 the Company placed 206,400,000 ordinary shares at an issue price of 4 cents each fully paid to a number of institutional investors. The funds raised were applied towards the purchase of long lead time critical spare parts for the Three Mile Hill treatment plant and to increase exploration and reserve definition drilling on the Company's prospects.

The Annual General Meeting of the Company was held on 26 November 2009 with all resolutions being passed including shareholder ratification of the above placement of shares.

On 6 December 2009 a total of 6,420,000 options expired unexercised. A total of 69,850,000 remain on issue at 31 December 2009.

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO BALANCE DATE

On 14 January 2010 the Company announced it had completed its first significant gold pour from the Three Mile Hill treatment plant. This completed the commissioning process of the plant and concluded the plant refurbishment project commenced in April 2009.

On 27 January 2010 the Company announced it had concluded a toll milling agreement with La Mancha Australia Pty Ltd to treat 200,000 tonnes of ore from their White Foil deposit. The ore will be processed in two equal parcels expected to occur during April and September 2010.

On 28 January 2010 the Company announced a 68% increase in the Group's gold reserves to a total of 2.03 million tonnes at 2.4 grams per tonne for contained gold of 139,600 ozs as at 31 December 2009. Mined surface stocks at 31 December 2009 totalled 185,000 tonnes at 2.9 g/t for contained gold of 17,000 ozs.

On 16 February 2010 the Company announced high grade intercepts from continuing exploration programs at underground and surface locations. Among the results were intercepts from:

- Empress (underground)
13.52m @ 9.31 g/t (including 0.5m @ 130g/t)
- Cookes (surface)
2.28m @ 5.77g/t from 58m
1.88m @ 10.94g/t from 53m
- Dreadnought
16.0m @ 3.59g/t from 26m
7.0m @ 5.55g/t from 45m
2.0m @ 17.29g/t from 1m
- Empress/Alicia
2.0m @ 15.81g/t from 37m

An updated indicated and inferred resource was announced for the Tindals deposit totalling 182,000 tonnes @ 3.7 g/t for contained gold of 21,600 ozs. The resource contains an initial

probable reserve of 68,000 tonnes @ 3.2 g/t for 7,000 ozs gold.

Following the resource revision the Group's resources consisted of Measured and Indicated resources of 842,200 ozs and Inferred Resources of 1,051,800 ozs for total resources of 1,894,600 ozs.

The above resource contains proven and probable reserves of 1,915,000 tonnes @ 2.4 g/t for contained gold of 146,600 ozs. In addition, mined surface stocks at 31 January 2010 totalled 104,000 tonnes at 2.8 g/t for a further 9,500 ozs gold.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 14 for the half-year ended 31 December 2009.

Signed in accordance with a resolution of the directors.



Christopher Hendricks
Director

Dated this 4th day of March 2010
Perth, Western Australia

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Dated this 4th day of March 2010
Perth, Western Australia

FOCUS MINERALS LTD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

		Consolidated Entity	
	Note	31 December 2009	31 December 2008
		\$	\$
Revenue	3	23,001,462	15,525,978
Cost of sales		(12,045,220)	(10,649,254)
Gross Profit		<u>10,956,242</u>	<u>4,603,724</u>
Other revenue		413,758	249,232
Depreciation		(317,069)	(221,846)
Amortisation	3	(4,467,316)	(5,487,302)
Gold forward contract movement		1,509,176	(6,354,603)
Finance charges	3	(302,405)	(894,842)
Employee expenses		(1,255,434)	(1,065,061)
Other expenses from ordinary activities	3	(1,659,236)	(1,332,767)
Profit/(Loss) before income tax expense		<u>4,877,716</u>	<u>(10,503,465)</u>
Income tax expense		-	-
Profit/(Loss) from continuing operations		<u>4,877,716</u>	<u>(10,503,465)</u>
Profit/(Loss) for the period		<u>4,877,716</u>	<u>(10,503,465)</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>4,877,716</u>	<u>(10,503,465)</u>
Total comprehensive income for the period		<u>4,877,716</u>	<u>(10,503,465)</u>

Earnings per share

Earning per share (cents per share) for (loss)/profit attributable to the ordinary equity holders of the Company:

Basic earnings per share (cents)	6	0.18	(0.84)
Diluted earnings per share (cents)	6	0.17	(0.84)

The accompanying notes form part of this financial report

FOCUS MINERALS LTD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009 AS AT 31 DECEMBER 2009

	Note	Consolidated Entity 31 December 2009 \$	30 June 2009 \$
CURRENT ASSETS			
Cash and cash equivalents	10	8,495,617	21,277,800
Trade and other receivables		227,802	223,811
Inventories		12,679,098	8,886,345
Other		66,918	144,405
Other financial assets		-	69,827
Total Current Assets		21,469,435	30,602,188
NON-CURRENT ASSETS			
Other financial assets		200,000	-
Property, plant and equipment		28,690,462	11,565,476
Development expenditure		3,101,951	5,252,682
Deferred exploration expenditure		53,502,906	51,475,157
Total Non-Current Assets		85,495,319	68,293,315
Total Assets		106,964,754	98,895,503
CURRENT LIABILITIES			
Trade and other payables		11,860,869	7,193,707
Financial liabilities		36,251	9,362,854
Total Current Liabilities		11,897,120	16,556,561
NON-CURRENT LIABILITIES			
Other payables		5,000	20,000
Financial liabilities		107,882	101,414
Provisions		1,749,608	1,749,608
Total Non-Current Liabilities		1,862,490	1,871,022
Total Liabilities		13,759,610	18,427,583
Net Assets		93,205,144	80,467,920
EQUITY			
Issued capital	5	102,299,744	94,440,236
Reserves		2,018,449	2,018,449
Accumulated losses		(11,113,049)	(15,990,765)
Total Equity		93,205,144	80,467,920

FOCUS MINERALS LTD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Consolidated Entity	
	31 December	31 December
	2009	2008
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	22,997,471	15,266,563
Payments to suppliers & employees	(13,553,235)	(9,890,006)
Royalties paid	(530,336)	(337,581)
Interest received	116,232	188,183
Sundry income	236,990	69,873
Interest & finance costs paid	(302,405)	(894,842)
Net Cash from/(used in) Operating Activities	8,964,717	4,402,190
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(19,008,832)	(4,716,029)
Proceeds from sale of investments	130,173	-
Purchase of investments	(200,000)	-
Bond secured deposits	(220,202)	1,021,056
Exploration expenditure	(2,027,749)	(3,405,536)
Net Cash from/(used in) Investing Activities	(21,326,610)	(7,100,509)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from equity issues	8,256,000	-
Share issue expenses	(396,492)	-
Repayment of borrowings	(8,500,000)	(2,000,000)
Proceeds from borrowings	-	3,000,000
Net Cash from/(used in) Financing Activities	(640,492)	1,000,000
Net Increase/(Decrease) in Cash Held	(13,002,385)	(1,698,319)
Cash at beginning of period	20,515,842	5,634,646
Cash at end of Period	7,513,457	3,936,327

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The accompanying notes form part of this financial report

FOCUS MINERALS LTD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

Consolidated	Notes	Ordinary Shares	Accumulated losses	Reserves	Total
		\$	\$	\$	\$
Balance as at 30 June 2009		94,440,236	(15,990,765)	2,018,449	80,467,920
Total comprehensive income for the period		-	4,877,716	-	4,877,716
Shares issued in the period		8,256,000	-	-	8,256,000
Share issue expenses		(396,492)	-	-	(396,492)
Option reserve on recognition of equity based payments		-	-	-	-
Balance at 31 December 2009		102,299,744	(11,113,049)	2,018,449	93,205,144

Consolidated	Notes	Ordinary Shares	Accumulated losses	Reserves	Total
		\$	\$	\$	\$
Balance as at 30 June 2008		68,068,793	(19,137,538)	1,975,097	50,906,352
Total comprehensive income for the period		-	(10,503,465)	-	(10,503,465)
Shares issued in the period		-	-	-	-
Share issue expenses		-	-	-	-
Option reserve on recognition of equity based payments		-	-	-	-
Balance at 31 December 2008		68,068,793	(29,641,003)	1,975,097	40,402,887

The accompanying notes form part of this financial report

FOCUS MINERALS LTD HALF-YEAR REPORT

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Focus Minerals Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Comparatives

Comparative information has been reclassified where appropriate to enhance comparability.

Accounting Standards not previously applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the separate income statement/single statement approach to the presentation of the statement of comprehensive income;
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third statement of financial position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

As a result of the adoption of the revised AASB 8, certain cash-generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets.

FOCUS MINERALS LTD

HALF-YEAR REPORT

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1: BASIS OF PREPARATION

Business Combinations and Consolidation Procedures

Revised AASB 3 is applicable prospectively from 1 July 2009. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations which are expected to affect the Group, include the following:

All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method which prohibits the recognition of contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability. Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation. Changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments and are recognised through profit or loss unless the change relates to circumstances which existed at acquisition date.

Unrecognised deferred tax assets of the acquiree may be subsequently realised within 12 months of acquisition date on the basis of facts and circumstances existing at acquisition date with a consequential reduction in goodwill. All other deferred tax assets subsequently recognised are accounted for through profit or loss.

The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interests were allocated to the parent entity.

If the Group holds less than 100% of the equity interests in an acquiree and the business combination results in goodwill being recognised, the Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group elects which method to adopt for each acquisition.

Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

Borrowing Costs

AASB 123 incorporates amendments removing the option to immediately expense borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. All borrowing costs associated with the construction, production or acquisition of such assets by the company will be capitalised and allocated towards the initial recognised costs.

**FOCUS MINERALS LTD
HALF-YEAR REPORT**

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	CONSOLIDATED	
	Half year ended 31 December 2009 \$	Half year ended 31 December 2008 \$
NOTE 3 REVENUE AND EXPENSES		
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
(i) Revenue		
Gold Sales	22,999,820	15,227,219
Silver sales	1,642	25,758
	23,001,462	15,252,977
(ii) Expenses		
Amortisation		
Amortisation of development expenditure	1,518,105	930,354
Amortisation of mine development costs	2,150,731	3,754,380
Amortisation of borrowing costs	798,480	802,568
Total amortisation	4,467,316	5,487,302
Finance charges		
Finance charges payable on finance leases	7,296	814
Convertible note interest expense	50,521	82,500
Bank loan interest expense	244,588	811,528
Total Finance charges	302,405	894,842
Other		
ASX listing fees	60,672	27,383
Consulting fees	39,750	17,585
Directors' fees	55,000	55,000
Legal fees	9,755	30,072
Operating lease expenses	58,605	56,903
Investor relations expenses	251,600	-
Site administration costs	640,660	986,070
Other expenses	543,194	159,754
Other expenses from ordinary activities	1,659,236	1,332,767

**FOCUS MINERALS LTD
HALF-YEAR REPORT**

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 4 DIVIDENDS PAID AND PROPOSED

There were no dividends proposed or paid during the half-year ended 31 December 2009.

NOTE 5 ISSUED CAPITAL

<i>Ordinary shares</i>	31 December 2009	30 June 2009
	\$	\$
Issued and fully paid	102,299,744	94,440,236
	<hr/>	<hr/>
	Number	\$
<i>Movements in ordinary shares on issue</i>		
At 1 July 2009	2,646,143,210	94,440,236
Shares issued 14 October 2009	206,400,000	8,256,000
Share issue costs	-	(396,492)
	<hr/>	<hr/>
Balance at 31 December 2009	2,852,543,210	102,299,744

Shares issued on 14 October 2009 were placed to institutional investors with the funds raised being applied towards the purchase of spare parts for the Three Mile Hill treatment plant and to increase exploration and reserve definition drilling on the Company's prospects.

Shareholders ratified the issue of 206,400,000 ordinary fully paid shares at an issue price of 4 cents per share at the Annual General Meeting held on 26 November 2009.

NOTE 6: EARNINGS PER SHARE

	31 December 2009	31 December 2008
	Cents per Share	Cents per Share
<i>Basic earnings per share:</i>		
Total Basic EPS	0.18	(0.84)
<i>Diluted earnings per share</i>		
Total Diluted EPS	0.17	(0.84)
	<hr/>	<hr/>
<i>Basic Earnings per share</i>		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:	4,877,716	(10,503,465)
Weighted average number of ordinary shares for the purposes of basic earnings per share	2,733,638,862	1,246,143,210
	<hr/>	<hr/>
<i>Diluted Earnings per share</i>		
The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share:	4,877,716	(10,503,465)
Weighted average number of ordinary shares for the purposes of diluted earnings per share	2,809,542,014	1,305,413,210

FOCUS MINERALS LTD HALF-YEAR REPORT

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 7 SEGMENT REPORTING

The group operates in the mineral industry in Australia.

The Group has identified its operating segments based on the internal management reporting that is used by the executive management team (the chief operating decision maker) in assessing performance and allocating resources. Focus's operating segments have been identified based on how the financial and operating results of the Group are monitored and presented internally to the executive management team. The reportable segments are based on aggregated operating segments determined by the similarity of the products sold, as these are the sources of the Group's major risks and have the most effect on the performance of the Group.

The executive management team have aggregated the performance of all segments as they maintain similar economic characteristics of which includes the development and exploration of the company's Tindals Gold Project located within Coolgardie.

NOTE 8 CONTINGENT ASSETS AND LIABILITIES

On 24 February 2010 Company received an extension of time claim from the contractor in relation to the Three Mile Hill refurbishment project. The claim as received is unsupported and is considered outside the terms and scope of the refurbishment contract. As no details have been provided with the claim, the Company is presently unable to determine if any amount is due and payable and has requested further particulars from the contractor.

NOTE 9 EVENTS AFTER THE BALANCE DATE

On 14 January 2010 the Company announced it had completed its first significant gold pour from the Three Mile Hill treatment plant. This completed the commissioning process of the plant and concluded the plant refurbishment project commenced in April 2009.

On 27 January 2010 the Company announced it had concluded a toll milling agreement with La Mancha Australia Pty Ltd to treat 200,000 tonnes of ore from their White Foil deposit. The Ore will be processed in two equal parcels expected to occur during April and September 2010.

On 28 January 2010 the Company announced a 68% increase in the Group's proven and probable gold reserves to total 2.033 million tonnes at 2.4 grams per tonnes for contained gold of 156,600 ozs.

On 16 February 2010 the Company announced high grade intercepts from continuing exploration programs at underground and surface locations in particular Empress, Cookes, Dreadnought and Empress/Alicia.

On 16 February 2010 an updated indicated and inferred resource was announced for the Tindals deposit totalling 182,000 tonnes @ 3.7 g/t for contained gold of 21,600 ozs. The resource contains an initial probable reserve of 68,000 tonnes @ 3.2 g/t for 7,000 ozs gold.

Following the reserve revisions the Group's resources consisted of Measured and Indicated resources of 842,200 ozs and Inferred Resources of 1,051,800 ozs for total resources of 1,894,600 ozs after mine depletion. This resource contains proven and probable reserves of 1,915,000 tonnes @ 2.4 g/t for contained gold of 146,600 ozs. At 31 January 2010 the Company held mined surface stocks of 104,000 tonnes at 2.8 g/t for a further 9,500 ozs gold.

**FOCUS MINERALS LTD
HALF-YEAR REPORT**

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 10 RECONCILIATION OF CASH

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise the following at 31 December 2009:

	CONSOLIDATED	
	31 December 2009	30 June 2009
	\$	\$
Cash at bank and in hand	3,505,442	753,850
Short term deposits - unsecured	4,008,015	19,761,992
Cash at end of period	7,513,457	20,515,842
Term deposits - secured	982,160	761,958
Total cash	8,495,617	21,277,800

The Group has indemnified the issuing banks against any loss arising from the performance bonds issued on behalf of the Company to secure mining tenement obligations and as guarantees for payment performance under energy supply agreements. The indemnities are secured against cash held in short term deposits.

Term deposits totalling \$767,204 (30 June 2009 - \$761,958) have been secured to issuing banks as security for performance bonds issued in respect of Western Australian mining tenements.

Term deposits totalling \$214,956 (30 June 2009 - \$nil) have been secured to issuing banks as security for guarantees issued in respect of electricity supply agreements.

NOTE 11 COMMITMENTS

During September 2009 the Company engaged a contractor to construct an exploration decline on the Mount Deposit. Under the terms of the Contract payment for decline construction and future mining services were an advance payment of \$200,000 plus half of the gold recovered from the Mount deposit to a limit of 5,000 ozs gold. At 31 December 2009 the advance payment of \$200,000 and a total of 297.1 ozs gold had been paid to the contractor for services provided.

There were no other changes in commitments since the last annual report.



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Auditor's Independence Declaration To The Directors of Focus Minerals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Focus Minerals Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P W Warr
Partner – Audit and Assurance Services

Perth, 4 March 2010

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Independent Auditor's Review Report To the Member of Focus Minerals Limited

We have reviewed the accompanying half-year financial report of Focus Minerals Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

Directors’ responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity’s financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Focus Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Focus Minerals Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P. Warr

P W Warr
Partner – Audit and Assurance Services

Perth, 4 March 2010