

ASX ANNOUNCEMENT

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HALF YEAR FINANCIAL RESULTS UPDATE

Focus Minerals Ltd. (**ASX: FML**), a leading Australian gold producer and explorer, said today its unaudited net loss after tax for the six months ended 31 December 2012 is expected to be approximately \$27.4 million. This figure includes losses for minority interests in its Laverton operations of \$4.1 million. The expected consolidated loss for Focus for the period is therefore \$23.3 million.

The half-year loss of \$27.4 million is primarily impacted by the following large expense items:

- Approximately \$26 million in amortisation costs, including \$22 million for the pre-strip of the Apollo pit complex in Laverton; and
- \$15 million in royalty payments, including \$9.6 million for an inherited royalty obligation with respect to a long-standing agreement on selected tenements in the Laverton region.

It is important to note that in the second half of FY2013 Focus' new mining area at Burtville in Laverton is not affected by the historical royalty obligation. Burtville was recently subject to the negotiation of a new commercially competitive mining contract following a tendering process. It operates at a far lower strip ratio than Apollo, providing economies of scale for mining, and has incurred much lower development costs.

Executive Chairman and Acting CEO Don Taig said: "In the first half of FY2013 we have incurred a number of one off costs in relation to our Laverton operations which have impacted profitability. I am now leading an action based review with our management team committed towards restoring our business to profitability and, with the valuable support of our major shareholder Shandong Gold, repositioning the company as a low cost, high value enterprise."

Gold production for the first half was 90,056oz (80,572oz attributable), an increase from 80,921oz (69,858oz attributable). Revenue for the half was \$130 million, up from \$104 million. With the company currently transitioning between primary ore sources at both Laverton and Coolgardie, production for the second half of 2013 is expected to be between 60,000oz and 70,000oz.

Focus has cash and equivalents as at 31 December 2012 of \$225.8 million following its Placement to Shandong Gold.

Focus has recently commenced a major exploration and resource development drilling program across its significant tenement holdings in the Eastern Goldfields region of Western Australia, with a goal of rapidly increasing Ore Reserves and identifying future mining areas from more than 40 priority targets. The Company is targeting growth in Ore Reserves to 1 million ounces and in Mineral Resources to 5.5 million ounces in the shortest timeframe possible.

For further information please contact:

Don Taig
Executive Chairman & Acting CEO
Focus Minerals Ltd
Phone: +61 8 9215 7888

Neil Le Febvre
Investor Relations Manager
Focus Minerals Ltd
Phone: +61 8 9215 7888

Michael Mullane
Media
Cannings Communications
Phone: +61 2 8284 9990