

January 2010

FOCUS SIGNS 200,000 TONNE TOLL TREATMENT AGREEMENT WITH LA MANCHA RESOURCES

Australian gold producer Focus Minerals (ASX: FML, "Focus") is pleased to announce the signing of a Toll Treating Agreement with TSX-listed mining company, La Mancha Resources, (TSX: LMA; "La Mancha") for the treatment of ore from La Mancha's White Foil Gold Project.

La Mancha's White Foil project is located 26km from Focus' newly commissioned Three Mile Hill processing plant and the agreement provides La Mancha with a minimum of 200,000 tonnes of milling capacity, shared equally between two milling campaigns scheduled for April and September 2010.

The agreement will generate valuable revenue for Focus as well as providing feedstock for Three Mile Hill in its ramp-up to full scale production.

Focus' Chief Executive Officer, Mr Campbell Baird, said the agreement with La Mancha provides substantial benefits to both parties: "We are very happy to be in a position to help La Mancha realise their production ambitions at White Foil, while at the same time generating cash flow for ourselves," he said.

"It's essentially a win-win situation, particularly at such an early stage of our production ramp-up where we will be able to utilise excess production capacity. Processing the ore for La Mancha in 2010 will also help with plant efficiency, with the need for utilising Focus' low-grade ore stockpiles reduced during our ramp-up to full production," he added.

"We look forward to working with La Mancha Resources during these two milling campaigns in 2010 as we place the necessary foundations for Focus to become a significant gold producer in the region," said Mr Baird.

Earlier this month, Focus completed its first significant gold pour from the newly commissioned Three Mile Hill processing plant which was refurbished at a cost of A\$16.96 million.

Up until this latest gold pour at Three Mile Hill, Focus had been toll treating ore from its Tindals Mining Centre in Coolgardie at the nearby Greenfields mill.

The Three Mile Hill plant has an annual capacity of 1.2 million tonnes, enabling Focus to increase production to an expected 80,000oz in 2010 and more than 100,000oz in 2011. Importantly, the Three Mile Hill plant will enable the Company to cut operating costs and benefit from a more consistent production profile.

ENDS

**Released by: On behalf of:
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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-Widgiemooltha 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.

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