



Focus Minerals Ltd (ASX: FML)

Progressing towards production from Coolgardie

2nd March 2007

Recommendation: SPECULATIVE BUY

GICS Industry: Materials

Capital Structure:

Share Price	A\$0.054
Fully paid ordinary Shares	471.6m
Options (unlisted 10c, 31/05/07)	15.0m
Options (unlisted 5c, 31/07/08)	3.0m
Options (unlisted 12-17.5c, 06/12/09)	6.4m
Options (unlisted 5-6c, 30/11/10)	9.8m
Market Capitalisation - undiluted	A\$25.5m
Cash Position (31/12/06)	A\$2.2m
Share Price Year High-Low	A\$0.072 -0.036

Directors:

Chairman	Donald Taig
Managing Director	Peter Williams
Executive Director	Chuck McCormick
Non-Executive Director	Geoff Rasmussen
Non-Executive Director	Phil Lockyer

Top Shareholders:

	Shares	%
National Nominees Limited	27.0m	6.3%
Broadarrow Goldmines Pty Ltd	16.9m	3.9%
122 Dean St Pty Ltd	15.1m	3.5%
Walthamstow Pty Ltd	7.0m	1.62%
ANZ Nominees Limited	5.8m	1.3%

12 Month Share Price History:



Investment Highlights

- ❑ Focus Minerals Ltd (Focus) has consolidated the majority of ground in the Coolgardie Gold Belt with past gold production in excess of 2.6 million oz;
- ❑ Focus has formed the Redemption Joint Venture within the Coolgardie Gold Belt with TSX-listed Committee Bay Resources. This includes JORC compliant Resources in excess of 1.5m oz and the 1.2Mtpa Three Mile Hill Gold processing plant;
- ❑ Committee Bay Resources is earning 50% in the Redemption JV via the expenditure of A\$8m of which the first A\$6.5m has already been met;
- ❑ Recent drilling has returned excellent results including 3.3m @ 10.5g/t Au and 2.4m @ 13.95g/t Au from Tindals, 2m at 11.66g/t Au and 11m at 3.1g/t from Dreadnought and 7m at 8.7g/t Au from 35m, 8.3m at 4.9g/t Au from Greenfields and 3m @ 95.6g/t Au, 26.3m @ 17.8g/t Au, 11m @ 23.6g/t Au and 9m @ 29.9g/t Au from Perseverance;
- ❑ Exploration by the JV has demonstrated that previous drilling has been relatively shallow, with few holes drilled to depths greater than 150m. Significant potential remains to discover mineralisation at depth;
- ❑ Resource updates have been recently completed for the Greenfields, Tindals and Norris-Grossmont deposits and updated or new resource estimates are imminent at Dreadnought and Perseverance;
- ❑ A Feasibility Study has commenced into the re-commencement of production at Coolgardie through the initial treatment of high-grade underground ore bodies and existing low-grade stockpiles;
- ❑ The Redemption JV continues to pursue its objective of delineating a long-term reserve base to provide a continuous source of ore feed to the plant for a minimum of 5-years.

SUMMARY

- ❑ Focus is in a strong position to achieve its corporate objective of becoming a significant gold producer in the Coolgardie/Kalgoorlie region - one of the world's most important mining regions;
- ❑ The consolidation of tenements and the Joint Venture with Committee Bay Resources enables a coherent, well-funded regional exploration program to be implemented over an area that has historically suffered from fragmented ownership. They provide a significant commercial advantage over previous owners, who often lacked capital and have been unable to consolidate tenements in the belt;
- ❑ A Feasibility Study to re-commence production within the Redemption Joint Venture has commenced and if results are positive could result in gold production in late 2007;
- ❑ RM Research is maintaining a Speculative Buy. Look for the results of the Feasibility Study at the end of Q3 2007 to drive the share price.



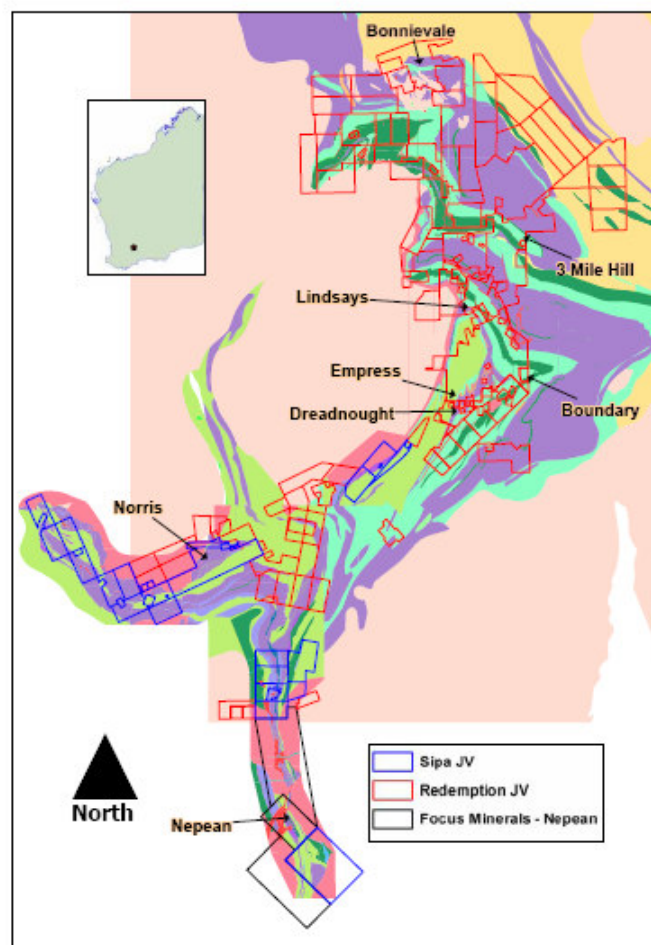
COMPANY BACKGROUND

Focus Minerals Ltd (Focus) is an Australian-based exploration and development company whose strategy is to become a significant gold producer in the Coolgardie region of Western Australia. Focus has put together a ground holding covering the majority of the producing Coolgardie Gold Belt and as a result has a major interest in an extensive, highly-prospective tenement package that contains in excess of 1.5 million ounces of JORC compliant gold resources and includes the 1.2mtpa Three Mile Hill gold processing plant.

Focus also has a 100% interest in the Nepean Nickel Project ("Nepean") which has an inferred resource of 408,000 tonnes grading 2.4% nickel of remnant ore. A pre-feasibility study was carried out in 2004 when the nickel price was US\$12,000. The study is being re-run using the current nickel price of around US\$40,000. Discussions regarding the treatment of the oxide and transitional ore are ongoing. An agreement was recently signed for the treatment of material contained in waste dumps from previous mining at Nepean.

Coolgardie Gold Project – Redemption JV (FML diluting to 50%)

One-half of Focus's land position at the Coolgardie Gold Project was acquired via the Redemption JV with Canadian Committee Bay Resources Limited. The Redemption JV covers 210km² in the Coolgardie Gold Belt located in Western Australia, 560km east of Perth and 35km southwest of Kalgoorlie. Over 2.6 million oz of gold has been produced from the Coolgardie Gold Belt since 1892.



Focus's tenement position in the Coolgardie Gold Belt

Name	Tonnes	Grade (g/t)	Ounces
Lindsays	4,350,000	1.7	238,000
Perserverance	1,490,000	1.6	77,000
Greenfields	1,616,000	1.7	87,000
King Solomon/ Queen of Sheba	1,400,000	2.0	90,000
Brilliant	1,850,000	2.2	131,000
Cookes	98,000	1.8	6,000
Happy Jack	107,000	1.5	5,000
Friendship	100,000	1.4	5,000
Empress/ Alicia	550,000	1.5	27,000
Big Blow Surface	180,000	1.6	9,000
Big Blow U/G	88,000	5.0	14,000
Countess U/G	246,000	4.3	34,000
Tindals East	367,000	5.5	65,000
Empress West	129,500	4.7	19,000
The Mount	2,090,000	5.5	371,000
Dreadnought	3,543,000	2.1	240,000
Norris/ Grosmont	1,050,000	2.4	82,000
Lord Bob	844,000	1.6	42,000
Boundary	178,000	3.5	20,000
Abundance	23,000	3.4	3,000
Possum	15,000	3.9	2,000
TOTAL	19,800,000	2.4	1,520,000

Redemption JV Gold Resource Inventory

Underground drilling indicates mineralisation at Countess and Cyanide continues at depth

The Redemption JV also owns the decommissioned 1.2mtpa Three Mile Hill gold processing plant.

Under the Redemption JV, Committee Bay is sole funding A\$8 million of exploration expenditure at Coolgardie in stages over three years to earn a 50% interest in the JV of which Committee Bay has so far expended A\$6.5m on both surface and underground drilling at the existing gold deposits, as well as undertaking regional exploration on newly generated targets.

The JV has commenced a Feasibility Study targeting the re-commencement of gold production at Coolgardie by re-commissioning the Three Mile Hill treatment facility to process high-grade underground ore bodies and existing ore stockpiles. This would generate cash flow to support the Joint Venture's broader objective of establishing a long-term reserve base to enable the Three Mile Hill Plant to operate at full capacity for a minimum of five years, providing cash flow to further explore the surrounding highly-prospective ground.

RESOURCE INVENTORY

The current Resource position of the Redemption Joint Venture totals 20.3Mt at 2.4g/t Au for approximately 1.5 million ounces of gold.

Category	Tonnes	Grade (g/t)	Ounces
Measured	545,000	1.77	31,000
Indicated	6,030,000	1.83	355,000
Inferred	13,260,000	2.66	1,134,000
Total	19,835,000	2.4	1,520,000

Redemption JV Gold Resource Inventory

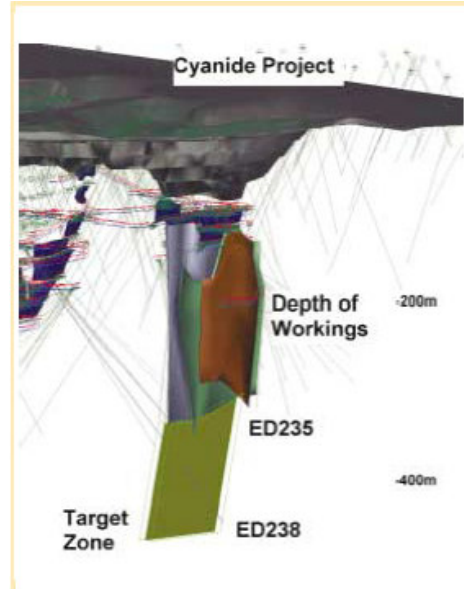
Tindals

The Tindals area – with its extensive underground access, close proximity to the processing plant and known gold targets such as Cyanide and Countess – is a focal point for the delineation of higher-grade ore within the Redemption JV tenements.

An underground drilling program has recently been completed from the Tindals/Empress underground workings targeting down-plunge mineralisation within the Countess and Cyanide Lodes. A total of 5 holes were completed on the Countess Target. This drilling successfully delineated significant depth extensions of the Countess Lode with high-grade intersections from drilling (including 3.3m at 10.52g/t Au and 2.4m at 13.95g/t Au) indicating that the Lode continues at depth. The Countess Zone hosts a JORC compliant Inferred Resource of 246,000 tonnes grading 4.3g/t Au (33,700 ounces).

Mineralisation at Cyanide continues vertically at depth at high gold tenors

Three holes were completed targeting the Cyanide Lode. These holes were designed to test areas directly beneath the known mineralisation as well as for southerly down-plunge extensions of the mineralisation. Assay results received included an intercept of 10.5g/t Au over 3.3m that correlate well with the Eastern Cyanide Lode, indicating that the Cyanide mineralisation continues vertically at depth at high gold tenors.



Tindals Project showing recent drilling and target zone at depth

A preliminary resource model at Cyanide indicates the potential for the area to host in excess of 500,000 tonnes of material grading 5 to 8g/t Au in multiple lodes to a vertical depth of 400m below surface and at least 100m below the current workings.

Dreadnought

Dreadnought is one of the key deposits within the Redemption JV and is expected to contribute a significant proportion of the material required to justify re-commissioning of the Three Mile Hill treatment facility.

The Dreadnought Project currently hosts a JORC compliant Indicated Resource of 3.54Mt at 2.1g/t Au for 240,000 ounces of contained gold.

A program of in-fill diamond drilling is currently underway at Dreadnought. Diamond and reverse circulation drilling has returned results including 3m at 6.45g/t Au from 33m, 5m at 2.95g/t Au from 32m, 2m at 11.66g/t Au from 92m and 11m at 3.08g/t from 100m. The infill program is aimed at upgrading those portions of the current Inferred Resource that may potentially be mined via an open pit operation.

The latest Dreadnought results confirm continuity of stock work mineralisation hosted in an altered diorite, and the presence of some narrower, less continuous higher-grade mineralisation.



Dreadnought proposed open pit outline



The location of the Greenfields Deposit adjacent to the Three Mile Hill Gold Processing Plant

Zones remain open down dip with potential for mineralisation along strike...

Como Engineers have been appointed to complete a Feasibility Study at Coolgardie

Greenfields

The Greenfields Project is located adjacent to the Three Mile Hill Treatment Plant and has been mined at various times between the mid-1980s and 2003. A total of 1,376,400 tonnes has been mined to date at an average grade of 1.77g/t Au for production of 78,200 ounces of gold.

A recently completed drilling programme has returned results including 7m at 8.69g/t Au from 35m, 8.3m at 4.88g/t Au from 157m, 12m at 3.22g/t Au from 62m, and 11m at 3.96g/t Au from 35m. These results have been integrated with previous results and a new resource of 1.6Mt at 1.69g/t Au for 87,000 ounces has been estimated for the Greenfields deposit.

Perseverance

The Redemption Joint Venture has commenced follow-up drilling to determine an initial resource at the Perseverance target, after recent drilling intersected multiple high-grade gold zones.

The more significant results included 11m at 23.6g/t Au from 188m, 3m at 95.6g/t Au from 143m, 26.3m at 17.78g/t Au from 168.7m, 9m at 29.9g/t Au from 187m and 10m at 16.6g/t Au from 150m. The zones remain open down-dip and there is potential for additional mineralisation along strike to the south.

Previous drilling at Perseverance has intersected high-grade gold associated with semi-massive to massive pyrrhotite including intersections of 23.63m at 38.88g/t Au, 7m at 19.49g/t Au and 2.9m at 19.89g/t Au.

The Perseverance Zone is located approximately 300m north of the Joint Venture's Empress underground infrastructure and is currently at least 300m in length, lies between the surface and 160m in depth, and varies in width between 3m and 27m.

Feasibility Study

In April 2006, the Redemption JV partners commenced a Feasibility Study on the proposed early re-commencement of gold production at Coolgardie through initial treatment of existing low-grade stockpiles. The Feasibility Study is being carried out in parallel with the ongoing intensive gold exploration and Scoping Studies being conducted on the major gold deposits within the Redemption JV. The decision to commence the Feasibility Study on re-commissioning the 1.2mtpa Three Mile Hill processing facility was made by the Joint Venture in light of the strong gold price environment and the potential to generate early cash flow from existing ore stockpiles at Coolgardie while the Joint Venture continues to pursue its broader objective of delineating a long-term reserve base to provide a continuous source of ore feed to the plant over a minimum 5 year mine life.

Perth-based Como Engineers Pty Ltd was appointed to carry out the Feasibility Study, which will review a number of proposed modifications and improvements to the existing plant to accommodate an initial low-grade ore feed, reduce operating costs and increase the operating efficiency of the plant.



The Three Mile Hill gold processing plant

agreement in place for evaluation and processing of mullock dumps at Nepean

The initial ore feed will come from existing low-grade stockpiles totalling some 1.6 million tonnes that are located in close proximity to the Three Mile Hill plant. This material will be used to commission the upgraded plant while further studies are conducted to determine the viability of cut-backs on several pits also in close proximity to the processing plant. The Joint Venture has commenced a program of drilling to confirm the tonnage and grade of the stockpiles as part of the Feasibility Study. If the study returns a positive outcome, gold production could commence late in 2007.

Cost estimates were received for upgrading and restarting the gold treatment plant and preliminary Feasibility Study results indicated that a combination of Greenfields ore and low-grade stockpiles could be sufficient to provide at least two years of ore feed for the plant. Negotiations have also commenced with several interested parties seeking toll treatment opportunities at the Three Mile Hill plant.

Nepean Nickel Project (Focus 100%)

The Nepean Nickel Project is centred on the historic Nepean Nickel Mine, which produced 32,303 tonnes of nickel over a 17-year period between 1970 and 1987 at a recovered grade of 2.99% Ni. An inferred resource of 408,000 tonnes grading 2.4% of remnant ore has been outlined at Nepean and the Company is currently revisiting a Scoping Study that was completed in 2004 in light of historically high Nickel prices of US\$44,000/tonne.

The Company is currently remodelling the oxide and transitional ore and planning new drilling programmes over approximately 100km² of prospective nickel ground. Focus is also progressing other exploration and development activities at the Nepean Nickel Project, having also completed a limited drilling program to determine the depth of oxidised and transitional material to assist in mine planning for possible extraction of the crown pillar and accessing remnant ore within the Nepean underground workings.

Focus retains 100% ownership of the Nepean Project after recently dissolving a Joint Venture covering the project.

Focus has subsequently reached agreement with MC Verde Minerals Pty Ltd, for the evaluation and potential processing of the mullock dumps at the Nepean Project.

Under the agreement, MC Verde has paid a licence fee of \$10,000 to Focus, giving it a 6-month period in which to evaluate the mullock dumps and, at its discretion, proceed with processing of the material. All costs and risks associated with the venture are to be borne by MC Verde, with Focus to receive 30% of the cash surplus from the sale of any nickel concentrate produced from the mullock dumps after the recovery of MC Verde's costs. The agreement represents an opportunity to unlock the value of any remaining nickel metal in the Nepean mullock dump and take advantage of current record high nickel prices.

Directors and Management

Donald Taig, BCom, FAICD, FCPA

CHAIRMAN

Don Taig is a Fellow of both the Australian Institute of Company Directors and the Australian Society of Certified Practising Accountants. He spent 11 years with CRA Ltd in various parts of its mining business, and was a Director of Metals Exploration Ltd. He has also been a Director of Tolhurst Noall Ltd, a national firm of share brokers and financial advisors; a Director of Clover Corporation Ltd; a Director of Nu-Mega Ingredients Pty Limited; Managing Director of KF Foods Australia Pty Ltd; and Chairman of Prudential Investment Company of Australia. He is currently a Director of African Products (Australia) Pty Ltd.

Peter Williams, M.AusIMM

MANAGING DIRECTOR

Peter Williams has extensive experience in mining and processing of ore in Australia and the Pacific, including having been Resident Manager at a number of mining operations including Peak Hill gold mine for North Limited, Bullabulling gold mine for Resolute Mining Ltd, and Jubilee gold mines for New Hampton Goldfields Ltd. He has also spent several years as General Manager Operations for Mineral Deposits Ltd at its Hawks Nest mineral sands operation.

Chuck McCormick, B.Sc.Adv, F.AusIMM, CPGEO EXEC DIRECTOR, EXPLOR MANAGER

Chuck McCormick has over 30 years experience in the mining industry in Australia, Canada, USA, the Middle East and Africa. Since 1979 he has lived and worked in Kalgoorlie during which time he discovered Paddington Gold Mine, and defined a number of other gold mines in the region including Brilliant and Tindals mines near Coolgardie. He was founder and Managing Director of Electrum NL, and put together the properties on which New Hampton Goldfields was founded.

Geoff Rasmussen

NON -EXECUTIVE DIRECTOR

Mr Rasmussen is co-founder and Director of merchant banking group Azure Capital. He was also previously a founding director of Poynton and Partners and GEM Consulting, and worked as a senior consultant with McKinsey and Company in the USA, Germany, the United Kingdom, South Africa and Central America. During his career, Mr Rasmussen has focused on clients in the resource sector, working on issues of strategy, mergers, acquisitions, capital raisings, operations and governance, and covering a range of commodities including oil & gas, gold, iron ore, aluminium, building products, nickel, zinc and mineral sands. Mr Rasmussen serves as a non-executive director on company boards in resources, healthcare, and fast moving consumer goods.

Phil Lockyer, AWASM, DipMETALL, M.SC

NON -EXECUTIVE DIRECTOR

Phil Lockyer is a qualified mining engineer and metallurgist with over 40 years technical and management experience in nickel and gold operations. He has operated his own mining consultancy business since 1999. His career includes 20 years with WMC Limited mining group in Kambalda in various roles including General Manager of Western Australian operations, plus a number of other senior positions including Business Development Manager for National Mine Management Pty Ltd, Director of Operations & Projections for Dominion Mining Ltd, and Director and General Manager of Operations for leading gold producer Resolute Ltd.

Mr Lockyer is also a non-executive director of nickel producer Jubilee Mines NL, a non-executive Director of zinc producer Perilya Ltd, a non-executive Director of St. Barbara Mines Ltd and non-executive Chairman of metallurgical and mineral testing consultants Ammttec.

K. Jon Grygorcewicz, CA, B.Bus

COMPANY SECRETARY, CFO

Mr Grygorcewicz was admitted as an Associate member of the Institute of Chartered Accountants in Australia during 1983. He has gained diverse commercial experience within the audit and corporate advisory divisions of Arthur Young Australia. He has also gained extensive experience within the resources and engineering industries having been associated with a number of listed companies in both the exploration and mining of gold, diamonds and oil. Mr Grygorcewicz has also worked with a number of engineering and resource service companies with operations in Australia and South East Asia particularly in the listing of an Australian engineering group on the Singapore Stock Exchange.

Disclosure of Interest-CORPORATIONS ACT s849

In consideration for previous services to be provided by RM Research Pty Ltd ("RMR"), RMR will receive fees of A\$30,000. Representatives, Authorised Representatives and directors of RM Capital Pty Ltd and RM Research hold shares in Focus Minerals Ltd.

Know Your Client-CORPORATIONS ACT s851

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