

# Surface barely scratched

BY KAMI RAMINI

Western Australian mid-tier gold producer Focus Minerals has delivered some excellent results since the refurbishment and re-commissioning of the Three Mile Hill mill at its Coolgardie operations centre last year.

The inauguration of the 1.2mtpa treatment facility on Christmas Eve 2009 marked the beginning of an exciting new chapter for Focus, giving it the autonomy to ramp up production and unlock the substantial potential of its extensive ground holding in the rich Coolgardie gold field.

"The key thing about having your own mill is that you're in charge of your own destiny," said Focus chief executive Campbell Baird when asked about the impact of the mill.

"Now, having our own mill - having the capacity to process 100,000 tonnes of ore per month - we're able to really get going and we're now producing gold on a daily basis. That gives us great strength in continuing to build the company."

Having poured its hundred thousandth ounce of gold in June, Focus now has the capability to lift production to a sustainable annualised level of 100,000 ounces, courtesy of the Three Mile Hill plant.

The most recent growth



**Optimistic:** The Three Mile Hill mill brings exciting times to Focus Minerals.

step for the company has been initial development at The Mount nickel-gold project at Widgiemooltha, about 80km south of Focus' Tindals Mining Centre at Coolgardie.

Trial mining via an exploration decline at The Mount has enabled Focus to define a maiden JORC-compliant probable Ore Reserve of 68,000 tonnes grading 8.6 grams per tonne for 19,200 ounces.

"You can't get a better result than putting in an exploration

decline and delivering 10,000 tonnes at 9 grams," Mr Baird said. "It's been outstanding - particularly considering that The Mount is made up of 20 different ore zones and so far we've just targeted two of them."

The next phase for the project is to start developing out into the rest of the ore zones, opening up the entire ore body in order to determine the full potential of the site.

The final decision as to whether to ramp up to full production

capacity of about 50,000 - 60,000 ounces per annum at The Mount will be made after another six months of exploration, according to Mr Baird.

The early success at The Mount project also vindicates the decision to re-commission the Three Mile Hill mill.

"If we didn't have the mill, we would still be there drilling probably for the next two years, trying to get the resource from the inferred category up to the indicated or the measured

category, to get the confidence to be able to go out into the market and raise a lot of money and do lots of studies.

"But by having our own mill, we're immediately able to monetise the project and turn it into gold," Mr Baird said.

With an expected mine life of 10 years, The Mount will most likely prove to be the company's second production centre, and the next in a pipeline of many new mining centres for Focus in the Coolgardie region.

Following on from The Mount, Mr Baird said there were a number of projects vying to become the company's third mining centre, including the Brilliant and the Baileys/ Lindsays deposits, and he is confident the company will pinpoint the location by the end of this financial year.

"We haven't even scratched the surface at Coolgardie and we really now have the opportunity to show all those doubters that this is not a mature gold field at all.

"In fact, it's a gold field still in its infancy which is going to be around not for the next three or four years, but for decades. Once people's perception of Coolgardie changes, so too will their perception of Focus Minerals. The future is very exciting."

**Focus Minerals Ltd.**

**The Foundation The Focus The Future**

Targeting production of 80,000oz gold in 2010 and 100,000oz gold p.a. in 2011 and beyond

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## Fairness of tax highlights need for more discussion

BY KAMI RAMINI

The Resources Super Profits Tax and its potential impact on the Australian mining industry has been a fiery issue since it was proposed by the Federal Government in April, polarising opinions across the wide spectrum of Australian business.

Everybody has an opinion on the tax, from millionaire retailers to the unions, as well as those at the sharp end of the mining industry.

Focus Minerals chief executive Campbell Baird is one of the many mining leaders who joined the June rally in Perth to express their outrage at the potentially negative effects the RSPT would have on the long term viability of their mining operations.

"It will affect us dramatically," said Mr Baird.

"We will be one of those companies that will be paying in the range of 52-57 per cent tax."

According to Mr Baird, paying such a high level of tax would have a devastating impact on the ability of Focus and other mining companies



**We want to pay a fair and equitable level of tax just like everybody else. Everybody else pays 30 per cent tax - why can't we?**

Focus Minerals chief executive, Campbell Baird.

to maintain the level of exploration that is required to continually replenish the ore reserves that are extracted each year through mining.

"Gold mining is a heavily intensive cash business, requiring a lot of money for exploration and for services.

"We pay our employees, we pay our suppliers, we pay our company taxes and we pay our royalties and we rely on the money that we generate to put back into the ground to find new resources to maintain the life of the operation."

In relation to the "fairness" of the proposed reform, Mr Baird said that there was little question of fairness to the issue.

"This, under no circumstances, could be described as tax reform," he said.

"This is a tax grab.

"We all support tax reform, we all support tax being paid by Australians for the running of Australia and we, as profitable companies, are very happy to contribute our share.

"But we want to pay a fair and equitable level of tax just like everybody else.

"Everybody else pays 30 per cent tax - why can't we?"