

4 Jun 2010

FOCUS MINERALS LTD

R&R growth de-risks mill feed and extends mine life

Focus Minerals Ltd ("Focus", "FML", "Company") has successfully completed the ramp-up of its Three Mile Hill mill, with recoveries of 90% now approaching 95% compared to 90% in the March Quarter. The Company has achieved mill throughput capacity of 1.2Mtpa (100kt/month), while maintaining profitability during ramp-up. Resource delineation and extensional activities have also paid off for the Company with both Reserves and Resources (R&R) expanding the gold inventory. Reserves for FML is now stated at ~187koz Au, an increase of over 100Koz Au since October 2009 and an addition of over 150koz Au in the past 12 months (over mine depletion). Resources have increased by over 250Koz Au during the same period to be ~1.98Moz Au, soon to reach the 2Moz Au milestone. A three year Reserve position or over 300Koz is currently being targeted, which will de-risk the mill feed requirement and extend mine life. The recently announced 80% increase in gold Resource at the Cyanide Deposit adds over 50Koz to the Tindals Mining Centre (TMC) which now contains ore with mining potential of over 320Koz gold. The good news for the Company is that the Cyanide Deposit remains open along strike and at depth.

The Mount Set to Become Second Mining Centre

The Mount continues to grow from an early stage exploration project to become the second mining centre for the Company, set to deliver a forecast ~60Kozpa Au once developed. Development, through trial mining has already yielded 400oz per vertical metre which has provided the confidence for FML to move forward and begin to evaluate more aggressive mining models. Focus announced in April a maiden Probable Reserve for The Mount of ~19Koz at a good grade 8.6 g/t Au and contains an additional 370Koz in Resource. An estimated 10Koz of gold will be mined from The Mount in 2010. The Mount complex has a current footprint of over 300m, but it remains open at depth and along strike within multiple lines of lode. The Mount is considered a potential company making deposit and ongoing exploration and development work will determine the best extraction methods for its anticipated acceleration into full-scale production. We see The Mount development as being critical to the growth aspirations of the Company.

Model Adjustments Improves Valuation

The R&R additions already have had positive impact of our Coolgardie Gold DCF₁₀ valuation with an effect of improving the confidence in mineable Reserves and Resource conversion which adds to the estimated mine life. Further gold inventory improvements, particular in Reserve growth will continue to increase our valuation. The Company has maintained its production guidance for CY10 of 80Koz Au and we have adjusted our FY10 production forecast down to ~62Koz Au due to the higher than expected impacts of the La Mancha ore toll treatment. We estimate production for the next two quarters to be well down on the record March production Quarter, setting the Company up for increased production in the December Quarter. We continue to rate Focus Mining Limited as a Speculative Buy.

Share Price	\$0.048
Valuation	\$0.080
Price Target (12 month)	\$0.092

Brief Business Description:

WA gold developer/producer

Hartleys Brief Investment Conclusion

Three Mile Hill mill operating well. Hedge-free and debt-free. Reserves and resources expanding.

Chairman & MD

Don Taig (Chairman)

Campbell Baird (CEO)

Top Shareholders - May 2010

ANZ Nominees Limited	11.7%
National Nominees Limited	7.5%
J P Morgan Nominees Australia Ltd	4.4%

Company Address

Level 10, 68 St Georges Terrace
Perth WA 6000

Issued Capital 2,863m
- fully diluted 2,983m

Market Cap \$137.4m
- fully diluted \$143.2m

Cash (31 Mar '09) \$7.0m

Debt (31 Mar '09) \$0.0m

EV \$130.4m

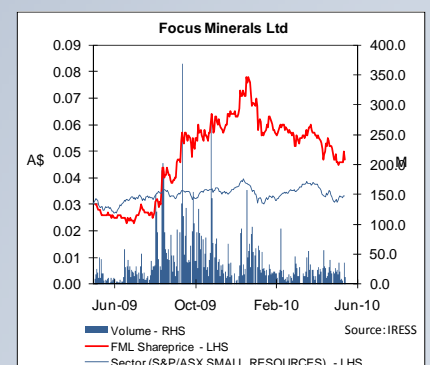
EV/Resource Oz \$66/oz

EV/Reserve Oz \$699/oz

	FY09a	FY10e	FY11e
Prod (koz Au)	41	62	102
Op Cash Flw	16	18	47
NPAT	3.1	10.0	22.6
CF/Share (cps)	0.5	0.8	1.3
EPS (cps)	0.2	0.3	0.8
P/E	29.7	13.8	6.2

Resources (Moz Au) 1.98

Reserves (Moz Au) 0.19



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SUMMARY MODEL

Focus Minerals Ltd		Share Price			
FML		\$0.048			
Key Market Information		June 2010			
		Speculative Buy			
Share Price		\$0.048			
Market Capitalisation		\$137m			
52 Week High-Low		\$0.08-\$0.02			
Issued Capital		2862.5m			
Issued Capital (fully diluted inc. ITM options)		2983.2m			
Options		120.7m@\$A0.07			
Hedging		None			
Yearly Turnover/Volume		\$485.1m/9,669.6m shares			
Liquidity Measure (Yearly Turnover/Issued Capital)		338%			
Valuation		\$0.080			
Financial Performance	Unit	FY2009A	FY2010F	FY2011F	FY2012F
Net Revenue	A\$m	44.6	73.0	127.9	151.1
Total Costs	A\$m	(29.9)	(49.4)	(79.4)	(89.9)
EBITDA	A\$m	14.7	23.6	48.5	61.2
Depreciation/Amort	A\$m	(10.4)	(13.5)	(15.9)	(16.0)
EBIT	A\$m	4.3	10.0	32.6	45.2
Net Interest	A\$m	(1.2)	(0.1)	(0.3)	(0.5)
Pre-Tax Profit	A\$m	3.1	10.0	32.2	44.7
Tax Expense	A\$m	-	-	(9.7)	(13.4)
NPAT	A\$m	3.1	10.0	22.6	31.3
Abnormal Items	A\$m	-	-	-	-
Reported Profit	A\$m	3.1	10.0	22.6	31.3
Financial Position	Unit	FY2009A	FY2010F	FY2011F	FY2012F
Cash	A\$m	21.3	(2.8)	20.8	55.6
Other Current Assets	A\$m	9.3	16.5	17.9	17.8
Total Current Assets	A\$m	30.6	13.6	38.7	73.4
Property, Plant & Equip.	A\$m	11.6	40.2	49.4	57.9
Exploration	A\$m	56.7	56.2	58.0	59.6
Investments/other	A\$m	-	0.2	0.2	0.2
Tot Non-Curr. Assets	A\$m	68.3	96.6	107.7	117.7
Total Assets	A\$m	98.9	110.2	146.4	191.1
Short Term Borrowings	A\$m	(9.4)	(0.0)	(0.0)	(0.0)
Other	A\$m	(7.2)	(9.6)	(9.5)	(9.5)
Total Curr. Liabilities	A\$m	(16.6)	(9.6)	(9.5)	(9.6)
Long Term Borrowings	A\$m	(0.1)	(0.1)	(0.1)	(0.1)
Other	A\$m	(1.8)	(1.8)	(11.4)	(24.8)
Total Non-Curr. Liabil.	A\$m	(1.9)	(1.9)	(11.5)	(24.9)
Total Liabilities	A\$m	(18.4)	(11.4)	(21.1)	(34.5)
Net Assets	A\$m	80.5	98.7	125.3	156.6
Cashflow	Unit	FY2009A	FY2010F	FY2011F	FY2012F
Operating Cashflow	A\$m	15.8	17.9	47.0	61.3
Income Tax Paid	A\$m	-	-	-	-
Interest & Other	A\$m	(2.4)	0.0	(0.3)	(0.5)
Operating Activities	A\$m	13.3	18.0	46.6	60.9
PP&E + Development	A\$m	(13.8)	(33.7)	(16.0)	(16.0)
Exploration	A\$m	(5.2)	(7.4)	(11.0)	(10.0)
Investments	A\$m	0.9	(0.1)	-	-
Investment Activities	A\$m	(18.1)	(41.1)	(27.0)	(26.0)
Repayment of Borrowings	A\$m	(11.5)	(8.5)	-	-
Equity	A\$m	32.8	8.7	4.0	-
Dividends Paid	A\$m	-	-	-	-
Financing Activities	A\$m	19.6	(0.2)	4.0	-
Net Cashflow	A\$m	14.9	(23.4)	23.6	34.9
Ratio Analysis	Unit	FY2009A	FY2010F	FY2011F	FY2012F
Cashflow Per Share	A¢	0.5	0.8	1.3	1.6
Cashflow Multiple	X	9.4	5.9	3.6	3.0
Earnings Per Share	A¢	0.2	0.3	0.8	1.1
Price to Earnings Ratio	X	29.7	13.8	6.2	4.5
Dividends Per Share	A¢	-	-	-	-
Dividend Yield	%	-	-	-	-
Net Debt / Equity	%	(0.1)	0.0	na	na
Interest Cover	X	125.1	95.3	97.6	-
Return on Equity	%	4%	10%	18%	20%
Directors	Company Information				
Don Taig (Chairman)	Level 10, 68 St Georges Terrace				
Campbell Baird (CEO)	Perth WA 6000				
Christopher Hendricks (Non-Exec Director)	Tel: +61 8 9215 7888				
Phil Lockyer (Non-Exec Director)	Fax: +61 8 9215 7889				
	Web: www.focusminerals.com.au				
Top Shareholders - May 2010	m shares		%		
ANZ Nominees Limited	333.59	11.65%			
National Nominees Limited	216.04	7.55%			
J.P. Morgan Nominees Australia Ltd	125.55	4.40%			
Citicorp Nominees Pty Limited	52.00	1.82%			
HSBC Custody Nominees (Australia) Limited	50.70	1.78%			
Mr Gul Chandiram Mahtani & Mr Aveen Gul Mahtani & Mrs	46.02	1.61%			
Mr Graham Edward Dunjey & Mrs Linda Mary Dunjey	40.00	1.40%			
Mr Andy Igo	39.70	1.39%			
Wales Australian Resources Pty Ltd	29.40	1.03%			
Marmulla General Pty Ltd	14.61	0.51%			
Reserves & Resources	Gold	Mt	g/t Au	Koz	Attrib.
Gold					
Reserves-Total	Apr-10	2.20	2.6	187	187
Resources- Total Underground		4.13	5.2	694	694
Resources- Total Open Cut		19.50	2.0	1,283	1,283
Resources-Total	Mar-10	23.63	2.6	1,976	1,976
Reserves & Resources	Nickel	Mt	Ni%	Kt	Attrib.
Coolgardie Nepean Nickel					
Inferred Resource- Total		0.59	2.2	13	13
Production Summary	Unit	FY2009A	FY2010F	FY2011F	FY2012F
*Attributable					
Payable Gold Metal	000oz	41	62	102	118
Cash Cost	\$/oz	603	718	704	693
Price Assumptions	Unit	FY2009A	FY2010F	FY2011F	FY2012F
Gold	US\$/oz	-	1068	1100	1050
Exchange Rate	A\$/US\$	-	0.89	0.89	0.83
\$/A Gold	A\$/oz	1031	1195	1239	1273
Hedging	Unit	FY2009A	FY2010F	FY2011F	FY2012F
Total Forward Sales - Gold	000oz	32.0	9.4	-	-
Forward Gold Price	\$/oz	986	994	-	-
Sensitivity Analysis	Valuation (\$/s)	NPAT	EPS (¢)	CFPS (¢)	
Base Case	0.080	10.0	0.3	0.8	
Exchange Rate +10%	0.062	5.5	0.2	0.7	
Exchange Rate -10%	0.101	15.4	0.5	1.0	
Gold Price +10%	0.099	14.8	0.5	1.0	
Gold Price -10%	0.061	5.1	0.2	0.6	
Operating Costs +10%	0.068	6.7	0.2	0.7	
Operating Costs -10%	0.092	13.2	0.5	0.9	
*N.B. NPAT, EPS, CFPS forecasts are for FY2010					
Share Price Valuation (NAV)	Est. \$m	Est. \$/share			
Coolgardie (NPV @ 10%)	178.3	0.060			
Toll Treatment Revenue	10.0	0.003			
Nepean Nickel Asset	25.0	0.008			
Exploration	20.0	0.007			
Cash	7.0	0.002			
Forwards	0.0	0.000			
Corporate Overheads (NPV @ 3%)	(14.6)	(0.005)			
Total Debt	(0.1)	(0.000)			
Tax Losses	6.2	0.002			
Options & Other Equity	7.6	0.003			
Total	239.4	0.080			
Analyst: Mike Millikan		Last Updated: 04/06/2010			
Phone: +61 8 9268 2805					
Sources: IRESS, Company Information, Hartleys Research					

Adjusted Hartleys Production Forecast

Focus has maintained its production guidance for CY2010 of 80Koz gold with the Three Mile Hill (TMH) plant now fully operational. As mentioned we have revised our FY10 production forecast down to ~62Koz from 70Koz due to the slightly higher than expected impact of the La Mancha ore toll treatment. With the Company producing a record 27.8Koz in the March Quarter over 52Koz will need to be recovered to maintain guidance. We expect the next couple of production quarters for FML to be well down on the March Quarter as the TMH plant will be toll-treating La Mancha ore for ~2 months (two by 100,000t ~30 day campaigns in May and September). We have forecast the June and September production quarters to be around 13Koz each (as shown in Fig. 3). Cash costs have been adjusted from the March Quarter actual and at anticipated level of development expenditure.

Company guidance remains unchanged at 80Koz gold for CY2010

Hartleys Production Forecast for FY2010 reduced to 62Koz at slightly higher cash costs

Cash costs expected to reach steady-state by the end of the December Quarter

Forecast cash costs ongoing forward in the range between A\$650-\$700/oz

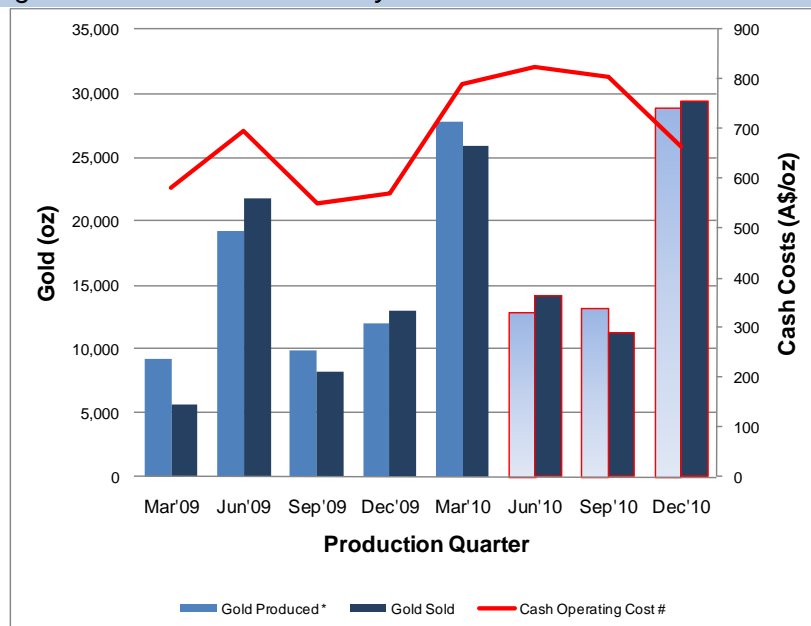
Fig. 1: Production Summary FY Previous

Production Summary	Unit	FY2009A	FY2010F	FY2011F	FY2012F
*Attributable 100%					
Payable Gold Metal	000oz	41	70	101	120
Cash Cost	\$A/oz	603	650	699	711

Fig. 2: Production Summary FY Update

Production Summary	Unit	FY2009A	FY2010F	FY2011F	FY2012F
*Attributable 100%					
Payable Gold Metal	000oz	41	62	102	118
Cash Cost	\$A/oz	603	718	704	693

Fig. 3: Production Summary Forecast and Actual



Note: Red outlined bars represent forecasts

Reserve and Resource (R&R) Growth

Focus continues to expand its gold inventory with important additions at both its main mining centre of Tindal's (TMC) and down at The Mounts. The recently announced 80% increase in gold resource at the Cyanide Deposit adds over 50Koz to the Tindals Mining Centre (TMC) which now contains ore with mining potential of over 320Koz gold. The good news for the Company is that the Cyanide Deposit remains open along strike and at depth. Drilling in July is likely to add more ounces and the underground grades are robust.

Focus has in the past 12 months added ~150koz of gold to reserves and over 250koz to resources, which continues to de-risk mill feed requirements and extends the life of mine. In the last 6 months alone we have seen a net resource growth of over 80koz (as highlighted below). The Mineral Reserve for FML is now stated at ~187koz Au. The Mineral Resource is ~1.98Moz Au and growing. A three year Reserve position or over 300Koz is currently being targeted, which will de-risk the mill feed requirement and extend mine life.

Cyanide Deposit resource increased by 80%

3 year Reserve position being targeted

FML's Reserve is currently ~187Koz gold

Fig. 4: FML Current Reserves

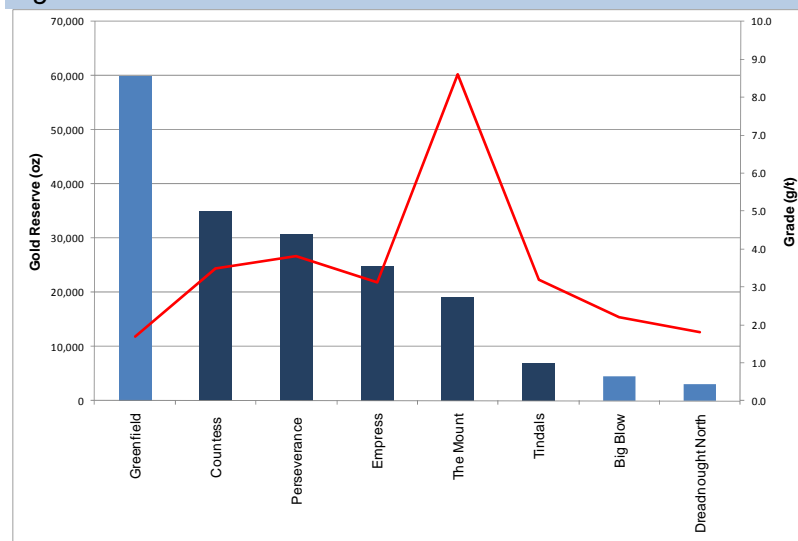
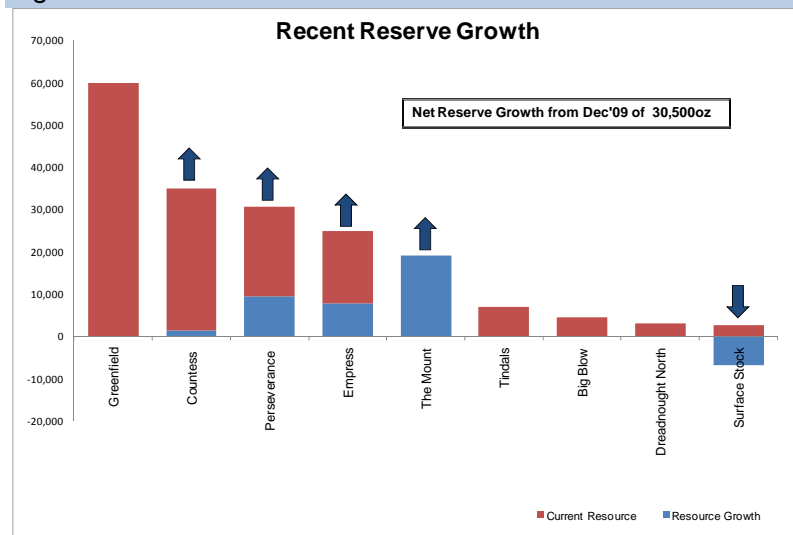
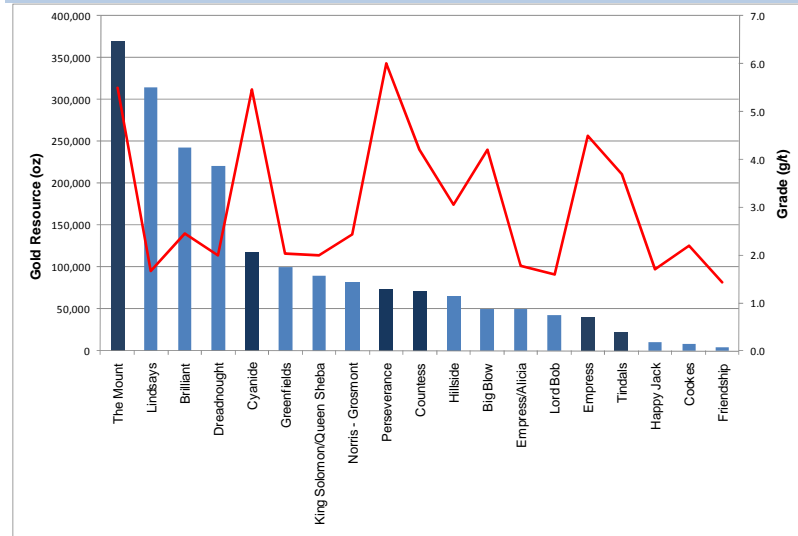


Fig. 5: FML Recent Reserve Growth



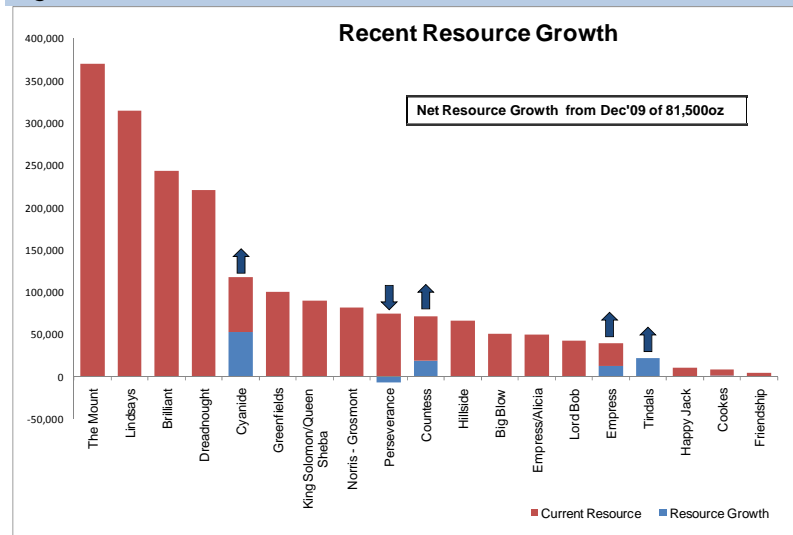
Maiden Reserve for The Mount, additions at Countess, Percy and Empress

Fig. 6: FML Current Resources



FML's Resource is currently ~1.98Moz gold

Fig. 7: FML Recent Resource Growth



Significant Resource increase at Cyanide, Maiden Resource at Tindals, small additions at Percy and Countess

Second Production Centre being Fast Tracked

Focus has previously been trial mining The Mount project, situated 80kms to the south of the current main production centre at Tindals. The Mount continues to grow from an early stage exploration project to become the second mining centre for the Company. An estimated 10Koz of gold will be mined from The Mount in 2010, over 20Koz in 2011 and with full expansion The Mount could produce at a rate equivalent to 60Koz pa. Development, through trial mining has already yielded 400oz per vertical metre which has provided the confidence for the Company to move forward and begin to evaluate more aggressive mining models. Focus announced in April a maiden Probable Reserve for The Mount of ~19Koz at a good grade 8.6 g/t Au and contains an additional 370Koz in Resource. The Mount complex has a current footprint of over 300m, but it remains open at depth and along strike within multiple lines of lode. The Mount is considered a potential company making deposit and ongoing exploration and development work will determine the best extraction methods for its anticipated acceleration into full-scale production.

The Mount adds 10Koz gold in 2010 and set to deliver 20Koz in 2011 and ~60Koz once at full production

Financials

Production adjustments to the next two Quarters has reduced forecast profits for FY10, at slightly higher anticipated cash costs. Reserve improvements have increased confidence on Resource conversion and added to estimated profitability going forward.

Lower NPAT for FY10 then previously provided

Fig. 8: Previous Financials

Financial Performance	Unit	FY2009A	FY2010F	FY2011F	FY2012F
Net Revenue	A\$m	44.6	76.3	114.3	140.2
Total Costs	A\$m	(29.9)	(50.1)	(77.7)	(93.0)
EBITDA	A\$m	14.7	26.1	36.6	47.3
Depreciation/Amort	A\$m	(10.4)	(13.5)	(12.9)	(12.0)
EBIT	A\$m	4.3	12.6	23.7	35.3
Net Interest	A\$m	(1.2)	(0.1)	0.6	0.6
Pre-Tax Profit	A\$m	3.1	12.6	24.3	35.9
Tax Expense	A\$m	-	-	(7.3)	(10.8)
NPAT	A\$m	3.1	12.6	17.0	25.1
Abnormal Items	A\$m	-	-	-	-
Reported Profit	A\$m	3.15	12.6	17.0	25.1

Cash cost improvement are expected once steady-state production achieved later in the year

Fig. 9: Updated Financials

Financial Performance	Unit	FY2009A	FY2010F	FY2011F	FY2012F
Net Revenue	A\$m	44.6	73.0	127.9	151.1
Total Costs	A\$m	(29.9)	(49.4)	(79.4)	(89.9)
EBITDA	A\$m	14.7	23.6	48.5	61.2
Depreciation/Amort	A\$m	(10.4)	(13.5)	(15.9)	(16.0)
EBIT	A\$m	4.3	10.0	32.6	45.2
Net Interest	A\$m	(1.2)	(0.1)	(0.3)	(0.5)
Pre-Tax Profit	A\$m	3.1	10.0	32.2	44.7
Tax Expense	A\$m	-	-	(9.7)	(13.4)
NPAT	A\$m	3.1	10.0	22.6	31.3
Abnormal Items	A\$m	-	-	-	-
Reported Profit	A\$m	3.1	10.0	22.6	31.3

Conservative gold price and exchange rate modelled

Price Assumptions and Sensitivities

Conservative gold price and exchange rates used in the financial model.

Fig. 10: Price Assumptions Used in Model

Price Assumptions	Unit	FY2009A	FY2010F	FY2011F	FY2012F
Gold	US\$/oz	-	1068	1100	1050
Exchange Rate	A\$/US\$	-	0.89	0.89	0.83
\$A Gold	A\$/oz	1031	1195	1239	1273

Operation is leveraged to the USD:AUD exchange rate and gold price volatility

Sensitivity analysis indicates that the operation is highly leveraged to the USD:AUD exchange rate and gold price volatility. Focus remains debt and hedge free.

Debt and Hedge free

Valuation

We have a sum of parts valuation for Focus of 8cps, which is dominated by our Coolgardie Gold DCF₁₀ valuation of 6 cps. We see this valuation increasing over time via resource and reserve additions which should lead to an increase in mine life. The Company's current resource base is expected to grow and a 3-yr rolling reserve position is currently being targeted (~300koz).

We have a 12 month price target of 9.2cps, which is a 12 month DCF₁₀ roll-forward.

*Valuation of 8cps with
12-month price target of
9.2cps.*

*We recommend Focus
Minerals Ltd as a
Speculative Buy*

Share Price Valuation (NAV)	Est. \$m	Est. \$/share
Coolgardie (NPV @ 10%)	178.3	0.060
Toll Treatment Revenue	10.0	0.003
Nepean Nickel Asset	25.0	0.008
Exploration	20.0	0.007
Cash	7.0	0.002
Forwards	0.0	0.000
Corporate Overheads (NPV @ 3%)	(14.6)	(0.005)
Total Debt	(0.1)	(0.000)
Tax Losses	6.2	0.002
Options & Other Equity	7.6	0.003
Total	239.4	0.080

Risks

Key risks for Focus continue to include converting its relatively high Resource base to Reserves from multiple deposits and scheduling mine development to maintain mill throughput at 1.2mtpa. These risks can be mitigated by detailed drilling far in advance of mining (which the Company is currently doing), good geological understanding and good mine planning. It will also be important that any low grade open pit ore or surface stocks is blended with the higher grade ore from underground to maintain a consistent mill feed. Other risks are similar to those facing most mining companies including adverse movements in the gold price and exchange rates, cost escalation, skills shortages and the potential risks that the Federal Government will reduce profitability of Australian based miners through the introduction of a new tax (ie RSPT).

HARTLEYS RESEARCH COVERAGE LIST

Hartleys Research Coverage					Hartleys Research Recommendation		Industry
Name	Ticker	Last Price*	M. CAP (A\$m)	EV (A\$m)			
Oil & Gas							
1. Woodside Petroleum Ltd	WPL	41.48	32,240	36,418	Buy		Major
2. Carnarvon Petroleum Ltd	CVN	0.330	227	197	Buy		Producer / Explorer
3. Nexus Energy Ltd	NXS	0.220	211	533	Neutral		Developer / Explorer
4. Tap Oil Ltd	TAP	0.885	138	77	Buy		Producer / Explorer
5. Cooper Energy Ltd	COE	0.460	134	38	Buy		Producer / Explorer
6. Otto Energy Ltd	OEL	0.087	93	70	Buy		Explorer / Producer
7. Strike Energy Ltd	STX	0.245	80	73	Buy		Explorer / Producer
8. Adelphi Energy Ltd	ADI	0.415	70	60	Buy		Producer / Developer
9. Red Fork Energy Ltd	RFE	0.410	57	29	Buy		Explorer / Producer
10. Amadeus Energy Ltd	AMU	0.185	56	99	Buy		Producer / Explorer
11. First Australian Resources Ltd	FAR	0.060	39	20	Speculative Buy		Explorer / Producer
12. Entek Energy Ltd	ETE	0.150	34	25	Speculative Buy		Producer / Explorer
13. European Gas Ltd	EPG	0.115	23	87	Speculative Buy		Producer / Explorer
14. Oilex Ltd	OEX	0.090	20	2	Neutral		Explorer / Producer
15. Sun Resources NL	SUR	0.052	18	13	Speculative Buy		Explorer / Producer
	Sub-Total		33,441	37,743			
Resources							
1. Riversdale Mining Limited	RIV	8.97	1,690	1,422	Speculative Buy		Coal
2. Atlas Iron Limited	AGO	1.815	812	667	Buy		Iron Ore
3. Western Areas NL	WSA	3.76	673	852	No Rating		Nickel
4. Dominion Mining Limited	DOM	2.690	278	296	Speculative Buy		Gold
5. Silver Lake Resources Limited	SLR	1.360	243	212	Speculative Buy		Gold
6. Gold One International Limited	GDO	0.280	225	296	Buy		Gold
7. Intrepid Mines Limited	IAU	0.505	216	169	Speculative Buy		Gold
8. Jabiru Metals Limited	JML	0.305	169	143	Buy		Zinc-Copper
9. Tanami Gold NL	TAM	0.042	149	191	No Rating		Gold Producer
10. Focus Minerals Ltd	FML	0.046	132	120	Speculative Buy		Gold Producer
11. Magma Metals Limited	MMB	0.480	78	58	Speculative Buy		PGM-Cu-Ni
12. Peninsula Minerals Ltd	PEN	0.030	41	32	Buy		Uranium Developer / Explorer
13. Emmerson Resources Limited	ERM	0.200	41	28	Speculative Buy		Junior Explorer
14. Hazelwood Resources Ltd	HAZ	0.205	39	34	Speculative Buy		Junior Developer
15. Centaurus Metals Ltd	CTM	0.061	37	30	Speculative Buy		Iron Ore Developer
16. YTC Resources Limited	YTC	0.210	34	22	Buy		Junior Explorer
17. Ausquest Limited	AQD	0.150	34	8	Speculative Buy		Junior Explorer
18. Shaw River Resources Limited	SRR	0.140	28	21	Speculative Buy		Junior Explorer
19. Ferrum Crescent Limited	FCR	0.165	26	24	Speculative Buy		Iron Ore
20. Orion Gold NL	ORN	0.027	20	16	Speculative Buy		Gold
21. Impact Minerals Limited	IPT	0.130	15	11	Speculative Buy		Junior Explorer
22. Southern Gold Limited	SAU	0.097	14	10	Speculative Buy		Junior Explorer
	Sub-Total		4,856	4,573			
Industrials							
1. West Australia News Hdgs Ltd	WAN	6.60	1,530	1,804	Buy		Media
2. Monadelphous Group Limited	MND	12.220	1,051	919	Buy		Mining Services
3. Clough Limited	CLO	0.770	523	584	No Rating		Oil & Gas Services
4. Mermaid Marine Australia Ltd	MRM	2.50	465	599	Buy		Oil & Gas Services
5. Fleetwood Corporation	FWD	8.570	462	456	Neutral		Consumer & Mining Services
6. Austal Limited	ASB	2.16	406	417	Speculative Buy		Capital Goods
7. Macmahon Holdings Limited	MAH	0.490	360	332	Buy		Mining & Civil Construction
8. Ausdrill Limited	ASL	1.630	341	563	Buy		Mining Services (Drilling & Construction)
9. NRW Holdings Ltd	NWH	0.990	249	314	Buy		Mining & Civil Construction
10. Cash Converters Limited	CCV	0.580	211	167	Buy		Retail & Consumer Finance
11. Decmil Group Limited	DCG	1.430	175	142	Buy		Mining & Civil Construction
12. Southern Cross Electrical	SXE	1.15	139	123	Speculative Buy		Mining Services (Electrical)
13. Imdex Ltd	IMD	0.700	136	150	Buy		Oil & Gas / Mining Drilling
14. Neptune Marine Ltd	NMS	0.265	127	156	Speculative Buy		Oil & Gas Services
15. RCR Tomlinson Ltd	RCR	0.930	123	166	Buy		Mining & Industrial Services
16. Lycopodium Limited	LYL	2.960	114	99	Buy		Mining & Industrial Services
17. Swick Mining Services Ltd	SWK	0.330	78	127	Speculative Buy		Mining Services (Drilling)
18. VDM Group Limited	VMG	0.350	74	92	Buy		Mining & Civil Construction
19. Pacific Energy Ltd	PEA	0.270	51	105	Buy		Mining Services / Power
20. LogiCamms Limited	LCM	0.840	50	40	Buy		Resource Services
21. Nomad Building Solutions Ltd	NOD	0.165	23	46	Neutral		Residential & Mining Services
	Sub-Total		6,688	7,402			
	GRAND TOTAL		44,985	49,717			

Source: IRESS, Hartleys Research. * 4 Jun 2010

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Hartleys Recommendation Categories

No Rating	No recommendation.
Buy	Share price appreciation anticipated
Speculative Buy	Share price appreciation anticipated but it is higher risk than a "Buy". For the share price to rise it may be contingent on the outcome of an uncertain or distant event.
Neutral	Take no action. Stock is already trading near the share price target and there are no foreseeable near term catalysts.
Reduce / Take profits	Stock is trading above the share price target and there is a near term negative catalyst that could cause temporary weakness.
Sell	Significant price depreciation anticipated

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