

Activities Report for the Quarter Ended 31 March 2008

HIGHLIGHTS

CORPORATE

- Focus moves to **100% ownership of Coolgardie Gold Project** by acquiring Redemption Joint Venture (RJV) partner Committee Bay Resources' 50% interest in the project for \$22.0M in cash and convertible notes and 140 million fully paid shares in FML at 5.5 cents.
- A\$36.6M debt and equity funding package announced including a recently completed Share Purchase Plan (SPP)
- Corporate placement and Share Purchase Plan underpins buyout of Committee Bay Resources' 50% interest as well as funding ongoing development and exploration activities.
- Transaction delivers 100% ownership of the 1.8Moz Coolgardie Gold Project (WA), including the 1.2Mtpa Three Mile Hill gold plant – significantly increasing FML's exposure to a strong gold price.

GOLD

Coolgardie Gold Project

- Ore development at Perseverance commenced 31/03/08, leading to Focus Minerals **first official gold pour in April** of approximately 2,400 ounces from 6,000 tonnes grading in excess of 10g/t
- Approximately 3,400 ounces produced to date including approximately 1,000 ounces from previously stockpiled ore
- Upgraded Probable gold reserve at Perseverance to an estimated **287,000t @ 8.3 g/t for a total of 76,000 ounces.**
- Detailed mine planning based on upgraded Probable reserve at Perseverance substantially improves economic benefits over and above the initial Bankable Feasibility Study (BFS) with an estimated 47% increase in net cash flow to A\$28.4m - Associated cash operating cost reduction by 18% to A\$473/oz.
- Tindals Mining Centre resource inventory now stands at more than 550,000 ounces with an Indicated Resource of 348,900 ounces and an Inferred Resource of 208,100 ounces
- Upgraded Countess resource to 452,900t @ 4.0g/t for a combined 70% increase to 57,700 ounces of contained gold
- Focus targeting **100,000oz pa gold production** through accelerated development program.

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NICKEL

Nepean Nickel Project, Coolgardie

The following work has been completed or initiated subsequent to the end of the March Quarter 2008:

- RC drilling confirms exciting potential of Nepean Nickel Project with **outstanding near-surface results including 3m @ 12.53% Ni, 1m @ 11.41% Ni and 3m @ 9.93% Ni**, accessible from the proposed portal position for strong early cash flow on commencement of mining.
- **Trial mining has commenced** with initial mining on the 6 level providing the first trial ore blocks.
- Metallurgical samples submitted to Nickel West for test work have given preliminary metallurgical recoveries of 88% of contained Nickel, with ongoing test work to determine grade recovery curves.
- Construction and installation of skip for ore haulage and refurbishment of the headframe and ore bins to allow ore haulage via the main shaft including electrical work and ventilation have been completed.
- Preliminary assessment of a BFS for the mining of remnant ore positions via a proposed boxcut and decline indicates a positive financial return. Work is ongoing including incorporation of recent drilling results.
- The refurbishment of the main Nepean shaft has progressed to the 10 level from the previously refurbished 8 level. This has allowed preliminary access to the 9L and 10L ore drives allowing further engineering assessment of remnant ore positions.
- The historical longitudinal section resource continues to be reviewed with additional face sampling data and incorporation of historical underground diamond drilling

CORPORATE

The March Quarter was very active in terms of the Company's corporate activity, dominated by the landmark announcement of a **A\$64 million** acquisition, development and funding Strategy to purchase Joint Venture partner Committee Bay Resources 50% stake in the Redemption Joint Venture and to fund an aggressive development and exploration programme.

The key elements of the acquisition and funding comprised:

- an agreement with Committee Bay to acquire its 50% interest in the 1.6Moz Coolgardie Gold Project for \$22.0 million in cash – A\$1.0M already paid via an Exclusivity Agreement, A\$19.0M paid in accordance with the terms of the Share Sale Agreement, A\$2.0M deferred until 30 April 2009 as an 8.25% Convertible Note and 140 million shares issued at 5.5 cents per share;

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- the appointment of Perth-based investment bank, Azure Capital - to manage the A\$14 million share placement at 5.5 cents per share, together with a Share Purchase Plan which has raised a further A\$4.0M;
- an A\$18.6 million debt facility provided by Investec Bank (Australia) Ltd to support the acquisition and provide additional working capital to underpin the Company's accelerated development strategy in both gold and nickel.

The Committee Bay transaction has given Focus 100% ownership of the former Redemption Joint Venture assets at Coolgardie, including an extensive resource inventory within multiple deposits totalling 20.6 million tonnes at 2.48g/t Au for 1.65 million ounces, the fully permitted 1.2mtpa Three Mile Hill gold processing facility (currently on care and maintenance), and a highly prospective 210km² tenement package offering an outstanding pipeline of exploration and development opportunities.

The total consideration for the acquisition of Committee Bay's 50% interest in the Redemption Joint Venture is A\$29.7 million, comprising A\$20.0 million in cash (inclusive of the \$1 million already advanced in relation to the Exclusivity Agreement), A\$2.0 million as an 8.25% Convertible Note (convertible/repayable end April 2009) and the issue of 140 million fully-paid ordinary Focus Minerals shares at an issue price of 5.5 cents each (A\$7.7 million).

GOLD

Coolgardie Gold Project – Production Commences

Subsequent to the end of the Quarter, Focus completed its first official gold pour, comprising approximately 3,000 ounces in total, from the Perseverance Gold Deposit, part of its 100%-owned Coolgardie Gold Project in Western Australia.

Approximately 2,000 ounces of the gold produced was achieved from processing 6,000 tonnes of Perseverance ore at a grade in excess of 10 g/t Au which compares favourably with the reserve grade for the deposit of 8.3g/t Au. The remaining ~1,000 ounces was produced from the processing of previously stockpiled ore.

Maiden production comes after development of the Perseverance deposit commenced in March following a positive Bankable Feasibility Study (BFS) completed last year, and effectively represents the Company's first cashflow from the Coolgardie Gold Project. It also represents the first step towards achieving the Company's objective of becoming a 100,000 ounce per annum producer at Coolgardie within the next three years.

Countess - Resource Upgrade

In March, Focus announced a substantial increase in Inferred and Indicated Resources at the Company's Countess Gold Project; located within the Tindals Mining Centre of the Coolgardie Gold Project.

The resource upgrade at Countess is an increase from the project's initial JORC-compliant Inferred Resource of 246,000t @ 4.3g/t, for approximately 33,700 contained ounces to a revised Indicated

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Resource of 256,200t @ 4.4g/t, for an estimated 36,000 ounces and an Inferred Resource of 196,700t @ 3.4g/t, for approximately 21,700 ounces.

The revised Countess Resource will be the subject of a new **Feasibility Study**, which will ascertain the viability of the new resource and the synergies of potentially mining Countess in conjunction with Perseverance.

Updated Perseverance Resource

A validated resource estimate for Perseverance (see appendix 1 below) of **0.687 Mt @ 6.3 g/t Au** has been completed based on all diamond core and reverse circulation (RC) drilling data available up to the end of the recent first-pass grade control drilling program. The figure is reported at a 0g/t Au lower cut-off and various top cuts for the five different lodes defined.

The resource is made up of an estimated **491,000 tonnes @ 7.5 g/t Au Indicated Resource** and approximately **196,000 tonnes @ 3.4 g/t Au Inferred Resource** as defined under the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition” (JORC Code).

Table 1 – Perseverance Indicated and Inferred resources

Resource Category	Volume	Tonnes	Au - uncut (g/t)	Au – Cut (g/t)	Oz (uncut)	Oz (Cut)
Inferred						
Lower Diorite	6,008	17,423	4.68	4.32	2,622	2,420
Upper Diorite	4,595	13,326	2.59	2.59	1,110	1,110
Sherlaw Lode (formerly Footwall West)	17,844	51,747	3.7	3.7	6,156	6,156
Main Lode West (formerly Quartz Sulphide West)	7,133	20,685	3.63	3.62	2,414	2,407
Main Lode East (formerly Quartz Sulphide East)	31,980	92,741	3.05	3.05	9,094	9,094
Inferred Total (as at January 2008)	67,560	195,922	3.40	3.36	21,395	21,187
<i>Inferred Total (as at September 2007)</i>	<i>141,273</i>	<i>406,458</i>	<i>2.96</i>	<i>2.68</i>	<i>38,624</i>	<i>35,075</i>

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Indicated						
Upper Diorite	9,045	26,231	1.64	1.64	1,383	1,383
Sherlaw Lode (formerly Footwall West)	33,080	95,931	5.56	4.23	17,148	13,046
Main Lode West (formerly Quartz Sulphide West)	35,733	103,625	6.34	5.86	21,122	19,523
Main Lode East (formerly Quartz Sulphide East)	91,367	264,965	11.23	9.93	95,665	84,590
Indicated Total (January 2008)	169,225	490,752	8.58	7.51	135,318	118,543
<i>Indicated Total (September 2007)</i>	<i>152,453</i>	<i>447,757</i>	<i>7.86</i>	<i>6.40</i>	<i>113,176</i>	<i>92,066</i>
Combined Indicated & Inferred						
(January 2008)	236,785	686,674	7.10	6.33	156,713	139,729
<i>(September 2007)</i>	<i>293,726</i>	<i>854,215</i>	<i>5.53</i>	<i>4.63</i>	<i>151,872</i>	<i>127,155</i>

Mineral Reserves - Tindals Mining Centre

The overall Tindals Mining Centre resource inventory now stands at more than 550,000 ounces with an **Indicated Resource of 348,900 ounces** and an **Inferred Resource of 208,100 ounces**. A Feasibility Study is currently underway to ascertain the viability of mining the new Countess Resource and the synergies of potentially mining Countess in conjunction with Perseverance.

Exploration

Exploration is continuing to aggressively explore the Tindals Mining Centre and the Redemption Fault Corridor proximal to the Perseverance deposit, with Feasibility work being conducted on Countess, Empress, Cyanide, and Dreadnought. An extensive ground EM survey over the Redemption corridor targeting additional high sulphide Perseverance-style mineralization has been completed with results expected early in the June Quarter. Preliminary results indicate at least 4 targets within 500m of Perseverance which will be followed up in the June Quarter.

Previous airborne VTEM surveys outlined numerous EM anomalies with two priority targets located north along strike from Nepean and south of Burbanks, and two north of and along strike of Three Mile Hill. During the June Quarter these anomalies will be tested initially with ground EM, followed by drilling.

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Exploration drilling is continuing at Perseverance, targeting southerly plunging extensions of the lodes which remain open along strike to the south between Perseverance and Empress.

Recent drilling at Perseverance was successful in extending the known mineralised extent of the main zone SW by approximately 45m, and the footwall zone by approximately 30m. The mineralised zone is now completely open to the south and there is also considerable potential to define an up-dip extension to the main zone in this area.

NICKEL

Nepean Nickel Project

The wholly owned Nepean Nickel Project is located 25 kilometres south of Coolgardie in Western Australia. The project is centred on the historic Nepean nickel mine which produced 32,303 tonnes of nickel metal between 1970 and 1987 at a recovered grade of 2.99% nickel from 1 million tonnes of ore. The project had a claimed inferred ore position of 409,000 tonnes of ore at 2.39% nickel at the time of the mine closure in 1987 contained within the underground remnant blocks and the crown pillar.

In March 2007 Focus announced its intentions to fast track plans to initiate a pre-feasibility study aimed at re-commencing mining operations at Nepean within 12 months. As part of the pre-feasibility study a drilling program was designed to test the crown pillar and access to the underground workings was re-established to allow recovery of metallurgical samples. In addition, an assessment of the condition of the historic workings was made to assess the potential of mining remnant ore blocks.

In June 2007 Focus announced the commencement of a Feasibility Study on the Nepean project with an increase in the Inferred Resource to **591,000 tonnes at 2.2% nickel**.

Following results of work completed in the December Quarter 2007, and after obtaining regulatory approvals from the Department of Industry and Resources in March, trial mining commenced in April using the existing head frame and shaft facilities.

Approvals

Approvals have been received from the DOIR and DEP for the trial mining to proceed. This includes the lodgement of a bond to cover environmental obligations. Environmental obligations under the terms of the approval to commence mining have commenced and are ongoing.

Drilling

An RC drill program was completed in the Quarter and assays have been received for all holes with samples submitted. Results of this drill program were disclosed via an ASX release on the 2nd April 2008 with significant high-grade intersections including:

6m @ 2.82% Ni from 53m;

3m @ 9.93% Ni from 49m;

1m @ 3.18% Ni from 59m;

4m @ 6.63% Ni from 46m;

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**1m @ 11.41% Ni from 54m;
3m @ 12.53% Ni from 37m; and
4m @ 2.76% Ni from 38m.**

Resource Modelling

A draft report on the review of a portion of the remnant ore position using the historical face sampling data has been received from independent consultants. A three dimensional block model of the entire mine is in progress and expected to be completed in the next quarter.

Metallurgical Sampling

Samples submitted to Nickel West for metallurgical test work have returned an 88% nickel recovery. Test work continues on variable grade ranges to determine a grade recovery curve. The recoveries are consistent with the recoveries paid by then WMC to the previous operators Metals Exploration.

Refurbishment of the Nepean Shaft

The shaft has now been re furbished down to the 10 level and until a proposed de watering of the mine below the 11 level is complete no further work on the shaft is planned.

Infrastructure

A 1.5t skip for ore haulage has been supplied from CPC Engineering however due to delays was not installed until late April. Loading chutes and repairs to the scrolls on the main headframe have been completed along with the refurbishment of the main ore bin. The alternate escape way from the 2 level to the surface is complete, allowing an alternate means of egress from the mine.

Financial Modelling and Mining Proposal

Financial modelling based on decline haulage options from mining of remnant ore blocks has been completed. This work continues to be modified as the resource model is updated and possible mining scenarios are developed. Initial results indicate a positive financial return from the decline option.

COMPETENT PERSON'S STATEMENT

The information in this report relating to Resources and Reserves is based on work supervised by Mr Chuck McCormick who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr McCormick has the relevant experience as a "Competent Person" as defined in the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves in relation to the mineralisation reported on. Mr McCormick is Exploration Manager of Focus Minerals Ltd and consents to the inclusion of the material in the form and content in which it appears.

ENDS

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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-Widgiemoorltha region of Western Australia.

Focus is currently fast tracking development of its wholly-owned Nepean Nickel Project (current estimated resource totalling 591,300t @ 2.2% Ni) located 25km south of Coolgardie. Focus has a view of recommencing mining operations from the historic production centre in 2008.

Through its Redemption Joint Venture with Canadian-based Committee Bay Resources Ltd, 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. The Redemption Joint Venture holds the mineral rights to more than 210sq km of tenements including Measured, Indicated and Inferred Resources exceeding 1.6 million ounces of gold as well as the 1.2mtpa Three Mile Hill processing plant.

Appendix 1 – Perseverance Lode Positions

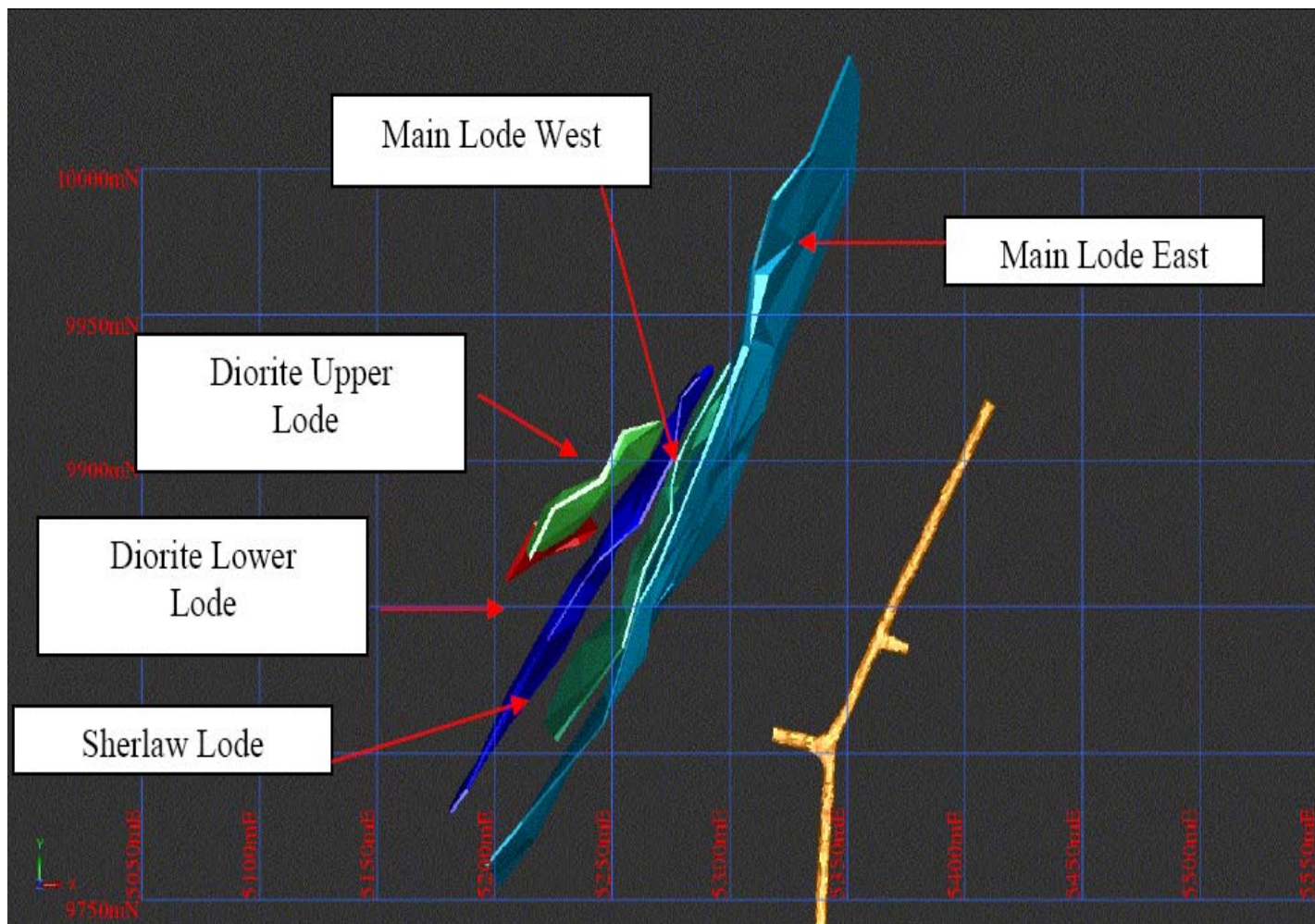


Figure 1 Perseverance Lode Positions