

MEDIA / ASX RELEASE

31st OCTOBER 2007

Activities Report for the Quarter Ended 31 September 2007

HIGHLIGHTS

CORPORATE

- Mr Donald Taig appointed as part-time Executive Chairman to assist in corporate development, with Managing Director Mr Peter Williams to concentrate predominantly on progressing the Nepean nickel and Perseverance gold projects into production.
- Appointment of key management personnel at Nepean Nickel Project including Mr Steve Denn as Manager, Geology.

GOLD – Redemption Joint Venture, Coolgardie

(Focus Minerals Limited – 50%; Committee Bay Resources Limited – 50%)

- Perseverance Deposit resource upgraded to an Indicated Resource of **447,575 tonnes @ 6.4 g/t for 92,066 contained ounces** (up from 296,000 tonnes @ 9.4 g/t Au for 89,600 ounces) and an Inferred Resource of **406,458 tonnes @ 2.68 g/t for 35,075 ounces**.
- Decline development from Tindals to Perseverance (a total of 535 metres) completed under budget and ahead of schedule.
- Decline development 300 metres along strike of the historic Flagstaff Mine intersects an encouraging sulphidic/gold mineralized structure that warrants further investigation.
- Down Hole Electromagnetic (DHEM) surveys conducted during the quarter indicate an off-hole conductor immediately below the new decline after targeting down plunge extensions of the high-grade system. Drill testing from decline to commence in December quarter.

NICKEL – Nepean Nickel Project, Coolgardie

(Focus Minerals Limited – 100%)

- Nepean Project development advancing well, with **full mine access approvals granted**, hoist commissioning completed and shaft refurbishment progressing ahead of schedule and under budget.
- Drilling program completed with assays pending on 22 RC holes drilled for 1,884 metres and 11 diamond tails drilled for 532 metres.
- (DHEM) surveys to commence next quarter.

CORPORATE

Personnel Appointments

A number of strategic personnel moves were undertaken during the quarter, predominantly aimed at fast-tracking the Company's advanced projects into production:

- Mr Don Taig was appointed part time Executive Chairman to take on the corporate development role, allowing Managing Director Mr Peter Williams to concentrate on the development of the short-term production targets from the Nepean Nickel and Perseverance Gold Projects;
- Mr Steve Denn was appointed Manager, Geology Nickel at the Nepean Nickel Project, to concentrate on drilling out the remnant nickel deposits and supervise the progression of the project to production;
- Mr Chuck McCormick stepped down from the board in a move designed to maintain the balance between Executive and Non-Executive Director composition in accordance with Corporate Governance principles.

GOLD - Redemption Joint Venture (RJV)

Perseverance Deposit - Resource Upgrade

During the quarter, announced an updated mineral resource estimate for the Perseverance Deposit of **854,000 tonnes @ 4.63 g/t Au** was completed, incorporating all diamond core and reverse circulation (RC) drilling data available up to the end of the recent PE4 and PE5 drill programs (See Table 1).

The resource consists of **447,757 tonnes @ 6.4 g/t Au** Indicated Resource and **406,458 tonnes @ 2.68 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 Current Perseverance Resource

Lode	Resource Category	Volume	Tonnes	Au (g/t)	Au (ounces)
Diorite	Inferred	86,285	249,422	2.63	21,090
Top Cut = 15g/t	Indicated	42,469	123,159	2.72	10,770
	Sub Total	128,754	372,582	2.66	31,863
Qtz-Sulphide	Inferred	54,988	157,036	2.77	13,985
Top Cut = 35g/t	Indicated	109,984	324,598	7.79	81,296
	Sub Total	164,973	481,635	6.15	95,231
	<i>Total Inferred</i>	<i>141,273</i>	<i>406,458</i>	<i>2.68</i>	<i>35,075</i>
	<i>Total Indicated</i>	<i>152,453</i>	<i>447,757</i>	<i>6.40</i>	<i>92,066</i>
	Grand Total	293,726	854,215	4.63	127,155

The updated resource estimate was reported at a 1.0 g/t Au lower cut-off grade, a 35 g/t Au upper cut-off for the high grade quartz-sulphide lode and a 15 g/t upper cut for the diorite lode and was completed using the following parameters:

- All resource work has been completed in the local Tindals Mine grid coordinate system.
- The resource limits were defined by diamond core drilling with 22 holes for 5,563m (2,454 m of RC precollar) and 23 RC holes for 4,471m of drilling.

- Drill hole collars were positioned to provide drilling coverage on a 20m by 20m spacing (or less) within the core of the resource, increasing in the northern extent of the resource and in the shallower nearer surface portion. Diamond core holes were selectively sampled either to geological boundaries or to metre intervals with the minimum interval being 0.20m and the maximum 1.73m.
- A Surpac block model was used for the estimation with a block size of 10m north-south by 5m east- west by 5m vertical. In addition, Ordinary Kriging (OK) estimation was used on the quartz-sulphide lode based on the Surpac variogram model produced

Further work is being undertaken to finalise an initial Perseverance Ore Reserve with the above resource model to be used in the development and design of a suitable reserve model.

The above Resource upgrade includes assay results from recent drilling programs at Perseverance conducted during the quarter including the following high-grade results (detailed in Tables 2 & 3 below):

- **29m @ 20.02 g/t Au** from 138 metres;
- **7.7m @ 44.83 g/t Au** from 159 metres;
- **6.1m @ 28.21 g/t Au** from 140.9 metres;
- **12m @ 11.79 g/t Au** from 141 metres;

Table 2. Phase 4/5 - Drilling Highlights – Perseverance Quartz-Sulphide Lodes

Hole Id	Comments	From (m)	To (m)	Length (m)	Au g/t
07PEC015		69.0	75.0	6.00	9.27
	including	71.0	73.0	2.0	22.78
07PEC016		8.0	14.0	6.0	2.44
07PEC020		1.0	6.0	5.0	9.86
07PEC021		45.0	47.0	2.0	1.66
07PEC022		124.0	130.0	6.0	5.53
07PEC023		141.0	162.0	21.0	7.30
	including	141.0	153.0	12.0	11.79
07PEC024		133.0	136.0	3.0	6.83
07PEC025		84.0	90.0	6.0	5.95
	including	84.0	87.0	3.0	9.04
07PED018		138.0	167.0	29.0	20.02
	including	140.9	147.0	6.1	28.21
	and	159.0	166.7	7.7	44.86
		173.8	175.0	1.2	17.15

Table 3. Phase 3 Drilling Highlights – Perseverance Diorite Hosted Stockwork Mineralization

Hole Id	Comments	From (m)	To (m)	Length (m)	Au g/t
07PEC018		67.0	70.0	3.0	2.05
07PEC024		151.0	153.0	2.0	1.42
07PED018		71.0	74.0	3.0	1.27
		184.0	186.0	2.0	2.46
		202.0	204.0	2.0	2.00

Decline Development & Exploration

Decline development work commenced in August 2007 and was completed in late September under budget and ahead of schedule. This has enabled underground drill testing to begin for hydrological and metallurgical test work needed to complete the Bankable Feasibility Study (BFS) by the end of November. Once the BFS is completed, a mining contract will be negotiated for the production of gold to commence in the first quarter of 2008.

An interesting structure was intersected in the decline at the 230m point (30m down from stockpile 2). This structure was a quartz/sulphide vein at the contact of the ultramafic and basalt with minor shale also present on the footwall contact with the vein. The presence of shale and the fact that the vein lies on the mafic/ultramafic contact suggests that this could be similar to Flagstaff, which is directly on strike to the historic workings to the northeast and Empress, which also sits on the same contact to the south. In addition, previous DHEM near the Flagstaff workings highlighted an off-hole conductor directly along strike to the new zone. This presents an extremely promising drill target that will be tested during the December 2007 quarter.

In addition, down-hole EM was conducted on holes 07PED008 and 07PED016 to investigate the presence of conductors lying beneath existing drilling. Of particular interest is an off-hole conductor at the end of 07PED016 located immediately below the new decline which will be tested in conjunction with the underground feasibility drilling currently in progress.

NICKEL – Nepean Nickel Project

Summary of Activities

The September 2007 quarter was an active one at the Nepean Nickel project with the following work either completed or initiated during the quarter:

- Refurbishment of the main Nepean shaft which began during the period and has progressed to the seven level by the end of the quarter, allowing preliminary access to historical ore drives and initial engineering assessment of remnant ore positions. The progress made is ahead of schedule due to the better-than-expected condition of the shaft, which has been inaccessible for approximately 18 years;
- Commencement of financial modeling of possible mining options by consultant mining engineer Brian Eaton from Metres Down Under Pty Ltd;
- RC and diamond drilling completed for 2,416 metres of combined drilling with assay results still pending and down-hole EM surveys to commence next quarter;
- Commissioning of Como Engineers to review options regarding the sourcing of a suitable winder for ore haulage via the Nepean shaft;
- Commencement of the preliminary study for the Mining Proposal for recommencement of mining at Nepean;
- Initiated discussions with Nickel West for metallurgical sampling requirements;
- Resource modeling continuing with a modern three dimensional wireframe of historic openings including stoping progressing well; and
- The ore resource model progressing well with a three-dimensional geological model in progress. The historical longitudinal section resource continues to be reviewed by consultants, with additional face sampling data and incorporation of historical underground diamond drilling.

Drilling

In the September quarter, RC and diamond drill programs were completed with a total of 22 RC pre collar holes completed and 11 diamond holes drilled from the pre collars. The remaining 11 pre collars will be available to drill from when a suitable diamond drill rig becomes available.

Assaying from the RC samples has been completed in selected intervals where sulphides were identified and also where any ultramafic rocks were observed. Drilling statistics are shown in table 4 below.

Geological logging of the core is in progress and some intervals have been cut prior to being sent for assay. Logging of the core is still at a preliminary stage and it is too early to assess the results of the diamond drilling at this time.

The main aim of the drilling program was to obtain metallurgical samples of the transitional zone and in particular for the ore zone around two sill at or above the 2 level. The decision to refurbish the shaft was undertaken as it is expected that underground access to ore zones will be possible to obtain metallurgical samples. A decision was made to delay the drilling of a number of the diamond holes until it can be determined if samples from the 2 level are available from the shaft access.

Table 4. Nepean Drilling Statistics

Hole ID	North	East	RL	RC	DD	Total
NP 07-4460-1	4460	967	1412	30.5	32.1	62.6
NP 07-4500-1	4500	947	1412	51	35.6	86.6
NP 07-4650-1	4650	933	1415	46.1	7.7	53.8
NP 07-4740-1	4740	910	1417	85.6	7.32	92.92
NP 07-4780-1	4780	906	1418	94.9	27.4	122.3
NP 07-4860-1	4860	936	1417	75	0	75
NP 07-4900-1	4900	948	1415	70	0	70
NP 07-5100-1	5100	951	1410	75	0	75
NP 07-5220-1	5220	959	1407	48.4	128	176.4
NP 07-5260-1	5260	950	1407	71.24	30.26	101.5
NP 07-5300-1	5300	968	1406	65	0	65
NP 07-5300-2	5300	929	1407	100	0	100
NP 07-5180-1	5180	933	1408	101.5	33.2	134.7
NP 07-4980-1	4980	922	1413	75	0	75
NP 07-4830-1	4830	926	1418	80	0	80
NP 07-5140-1	5140	956	1407	70	0	70
NP 07-5200-1	5200	949	1407	70	0	70
NP 07-4710-1	4710	914	1416	75.5	10.88	86.38
NP 07-5260-1	5260	914	1408	100	0	100
NP 07-5240-1	5240	864	1409	150	0	150
NP 07-5180-2	5180	854	1410	152.24	78.36	230.6
NP 07-5180-3	5180	890	1410	150	0	150
VC 1	318820	6548770		47	141.6	188.6
			TOTAL	1883.98	532.42	2416.4

Resource Modeling

The review of the remnant ore position continues, with additional data entered into the digital database. This has included historic underground drilling and face sampling from both ore drives and stoping. Focus believes that this additional data will be invaluable in compiling the longitudinal ore reserve of the remnant ore positions above the 7 level.

The resource model is being built up with the development of a 3D geological model that is being validated against the underground openings 3D wireframe being constructed by Minecomp. The underground development model is to include both development openings and also stoping voids.

Metallurgical Sampling

Discussions with Nickel West have commenced, with emphasis on the preliminary scope of required metallurgical samples. When level development is open to sampling, samples will be collected.

Nepean Shaft Refurbishment

A report on the Nepean Shaft project was received from consultant mining engineer Metres Down Under. The report indicates that the shaft refurbishment is progressing on schedule and below budget due to the satisfactory condition of the shaft and experience of the contractors. The report noted that the shaft infrastructure appears to be in very good condition given the mine has been closed for almost 20 years.

Additional work needs to be completed to allow access to the 2 level north and south ore drives from the shaft cross cut. On the 4 level, access to the south ore drives is open but further work is required on the 4 level north ore drive.

The 5, 6 and 7 levels have access to the north and south and internal declines on the 6 level are open.

Winder

Como Engineers have been instructed to source a suitable winder for ore haulage from the Nepean shaft. The historic winder originally from Nepean is under review as a possible opportunity.

Financial Modeling

Preliminary financial modeling based on shaft haulage options of remnant ore blocks has commenced and will be continually modified as details of possible mining scenarios are developed.

Mining Proposal

Initial mining proposal studies have commenced for submission to the Department of Industry and Resources (DOIR) and the Department of Environmental Protection (DEP), with preliminary work aimed at completing all environmental and other regulatory obligations while the final mining schedule, methods and quantities are confirmed by the technical studies mentioned above.

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 totaling 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.

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