

**Focus Minerals Ltd**  
**Chairman's AGM Address**  
**26th November 2009**

Good afternoon Ladies and Gentlemen and welcome to Focus Minerals' 2009 Annual General Meeting.

In starting, I'm very pleased to be able to say that 2009 was a very successful year for the Company and we are now on the path to becoming a significant mid-tier gold producer in our own right. This is ever the more satisfying given the bleak conditions we have all encountered as a result of the Global Financial Crisis and is testament to the hard work and commitment of the Focus team past and present, and now led by our CEO Campbell Baird, who you will be hearing from shortly.

After transitioning from exploration company to gold producer in April last year, we have taken some major steps in 2009 to build our production profile and to this end Focus has produced 67,748 ounces since inception, including 41,401 ounces of gold to the year ending 30 June 2009 at an average cash cost of A\$603 an ounce. This enabled us to record our maiden profit before interest, tax, amortisation and depreciation (EBITDA) of A\$15.9 million and means we are now a cash flow positive and profitable company, something that very few mining companies ever achieve.

To ensure our continued growth, in February this year we announced a major \$28m capital raising, the bulk of which was to fund the refurbishment and re-commissioning of our 100%-owned Three Mile Hill treatment plant. In April 2009, Focus appointed Perth-based Como Engineers as preferred contractor for the work and a A\$16.965 million fixed price contract was agreed, and a further \$3 million on improvements to the plant.

The decision to go ahead with such a major piece of capital works was not taken lightly and I have stated publicly that it was a bold move for the Company to do so, especially given that we

are still in the process of developing our resource and reserve base to sustain a long-term operation.

There were however, a number of compelling reasons why we made this decision, including the fact that we already had a resource base of 1.8 million ounces at the time of making the decision and were confident that further drilling would see much of that converted to reserves – recent drilling and announcements has confirmed this. The confidence we have gained from the mining undertaken in the Tindal’s Mining Centre and the targets being developed over the adjacent Lindsay’s ground have underpinned this resolve to proceed and the Board is confident our faith will be further rewarded.

Overall, we have an unwavering belief in the potential of the Coolgardie region as a whole to provide us with several additional Perseverance-type high-grade deposits. If the initial results of our current exploration drilling are anything to go by, this belief is very well founded. Adding to this belief is the fact that much of Coolgardie is grossly under-explored, particularly at depths below 300 metres.

Our first priority for exploration is to ensure we have the resources and in particular, the reserves, to sustain production at Three Mile Hill, as the new mill will provide us with the capability to treat a much greater amount of ore than was possible with our previous toll treatment arrangement. It will also mean we can produce at a much more efficient cost, given the increased economies of scale. With this in mind, the mill is set to deliver substantially greater cash flow for Focus, which in turn means we have greater flexibility in our growth strategy moving forward.

As part of our growth drive, we made a number of senior management appointments during the year including that of Campbell Baird, who joined Focus initially as COO in January before assuming the role of CEO. Campbell is an experienced mining engineer having worked for over 15 years in Australia and overseas, and has already had a significant impact on the Company’s progress, showing strong leadership and a clear commitment to the Company’s long-term success.

Campbell replaced Peter Williams, who has done a fantastic job overseeing the refurbishment of Three Mile Hill mill in his new role as COO. I would also like to again thank Peter for his role in Focus' development while he was Managing Director and for overseeing the mill refurbishment project, which is now in its very last stages of completion. This has been the Company's single most important project and a significant keystone development for the business.

The push for us to grow both our resource base and production profile has also led to the appointment during the year of Brad Valiukas as Principal Mining engineer and Barend Knoetze as Mill Manager. Mr. Valiukas, who previously worked for Mincor Resources, will concentrate his efforts into prioritising and optimising development of the Company's deposits and Mr. Knoetze has a strong track record as a successful plant operator.

At last year's AGM I stated that I was frustrated that our share price didn't fairly represent the true value of our Company and defied logic. As part of our strategy to address this issue, we embarked upon a concerted effort to raise FML's profile both in Australia and overseas during 2009. I'm happy to say that we have now started to attract the attention of the broader investment community and this has been reflected in our market capitilisation – which now stands at over \$180 million compared with just \$50 million at the same time last year – and a very broad shareholder base, which now numbers in excess of 8,500 shareholders.

While still not representing what I believe is the true worth of the Company, it is indeed a promising start and we fully expect that with a very active resource extension and development programme, coupled with Three Mile Hill processing plant coming on line next month, we will be further re-rated by the market in the coming year and beyond.

Campbell and I have just returned from Europe having made 95 presentations to existing and potential shareholders of the Company. There is clearly bullishness around gold and an uncertainty surrounding the US Dollar going forward. Focus is a relatively small player in a relatively large scenario, against a backdrop of a recovering world financial climate.

We recognize that we will not have a significant effect on any of these issues, so our undertaking to you is to do what we have done to date. We will continue to focus on the job at hand and the matters we can influence, in order to take advantage of opportunities before us. What we say we will do, we will endeavor to deliver upon and continue to grow your Company.

Our next big test comes next month with commissioning of the Three Mile Hill treatment facility. Attention to detail has been exemplary so far and I can assure you that all that can be done to ensure a positive outcome is being done and I'm very confident that our people will be successful.

We also now have three drilling rigs operating on the Company's priority targets – results from which we will have progressively in the new year, with expectations of further reserve enhancement.

I would like to finish by saying a big 'thank you' to all staff and contractors of Focus Minerals for their hard work and commitment during the year. I would also like to acknowledge my fellow Board members who continue to be a source of challenge and support for the management team and I thank them for their wise counsel. I also thank you as shareholders for your continued support and look forward to addressing you all again next year as we take further major steps to cementing ourselves as a genuine mid-tier gold producer.

Thank you for your attention.

We'll now work our way through the rest of the AGM Agenda items.

**Don Taig**  
**Executive Chairman**