



TSX-V : FCV

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SHAREHOLDER

NEWSLETTER

Q4 2014

First Resource Published for Bayovar 12 !

Dear Shareholder,

In early September, we finally published our first resource for the Bayovar 12 project, only 7 months after we started drilling; a remarkable achievement by our technical team and our consultants. We're already planning for the next phase of drilling and an updated resource to be published, we hope, in the early New Year.

The independent estimate and report, based on Focus' initial 20-hole drill program, was prepared by Golder Associates ("Golder") supervised by Jerry DeWolfe, MSc. P.Geo, an Independent Qualified Person defined under NI 43-101.

Table 1. Resource Summary, Beds 1-13

Category	Million Tonnes Dry *	Grade (% P ₂ O ₅)
Indicated (61%)	114.99	12.37
Inferred (39%)	73.36	12.44

** In-Situ Resource, no minimum thickness applied. Dry Density: 1.25 g/cm³. Dry Tonnes contain negligible humidity*

The resource estimate is based on 20 boreholes drilled over 650 ha of the 12,575 ha property, at drill spacings of 800m. To have more than 60% of the resource in the Indicated category - given the wide hole spacings - is a reflection of the consistency and continuity of the beds we're drilling. The resources are distributed between 13 individual soft, free digging, horizontal phosphate beds hosted within the Diana Formation, a sequence of diatomites that begin as shallow as 26m below surface.



The grades and widths of individual beds are very consistent, with no evidence of faulting, and easily correlated across the drilled area. Vale is believed to be mining the same beds at its Bayovar Mine 15km to the west of Bayovar 12. The full release can be found linked [here](#). The Resource Estimation was prepared by Golder Associates, under the supervision of Jerry DeWolfe, MSc. P.Geo, an Independent Qualified Person defined under National Instrument 43-101.

The resource was significantly larger than our estimated first-pass conceptual geological target size, reflecting a combination of statistical reliability in the data, density estimates for the rock, and slightly different estimates of beds thicknesses used by Golder Associates.

In practical terms, this means we've revised our ultimate conceptual target size upwards to around 300-400 Million tonnes at between 12-15% P₂O₅. The potential quantity and grade of this target is conceptual in nature and there has been insufficient exploration to define this quantity of mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Calculated based on 13 phosphate beds averaging 0.67m in thickness over an area of 1,400 hectares, using a density (dry) of 1.25 g/cm³.

We'll be filing the NI43-101 report for the resource estimation by Wednesday October 23rd and it'll be available to read at Focus' public document archive on Sedar [here](#).



Resource geology, mine planning, geotechnical study, hydrology & hydrogeology, tailings, waste storage, environmental & social, financial analysis



Process engineering, capital equipment, plant design, financial analysis

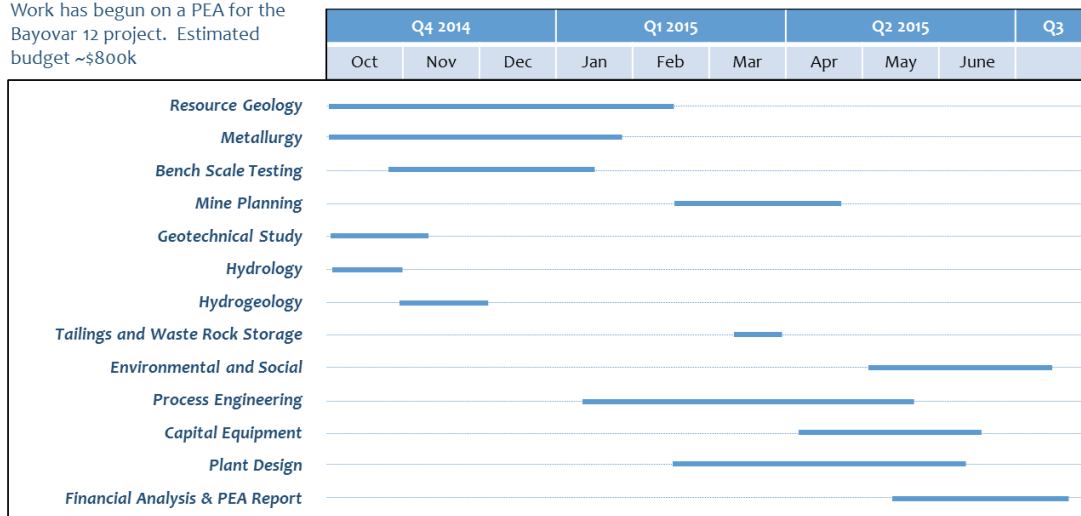


Metallurgy & bench scale testing, process engineering, design & review, plant design and layout, capital equipment

A couple of days later we were able to announce that we've selected the consortium of technical consultants needed to complete the first pass engineering studies on the project. The three firms selected are: Golder Associates ("Golder"), Jacobs Engineering ("Jacobs"), and M3 Engineering and Technology ("M3"). Focus selected the three firms based on their outstanding qualifications and specific experience in the Bayovar phosphates, and each will complement one another very well without a lot of overlap in capabilities. The ability to cover all the required disciplines with only three contractors will provide a significant cost advantage. The preliminary PEA schedule indicates a completion date of Q3 2015 for the study.

Preliminary timetable for the PEA work on Bayovar12.

Work has begun on a PEA for the Bayovar 12 project. Estimated budget ~\$800k



Golder will lead the Bayovar PEA work in geology, mine engineering, geotechnical engineering, geohydrology, environmental and community relations studies and permitting. Golder will qualify as the NI 43-101 Independent Qualified Person (QP) for the study areas over which they have the lead roles.

Jacobs will design the metallurgical test program. They will also perform the testing and provide process and plant design. Jacobs' project team has extensive experience in phosphate beneficiation projects all over the world and, in particular, the Bayovar district of northern Peru. Their team of beneficiation engineers has operated phosphate beneficiation plants, performed research and development for phosphate beneficiation, and designed and started up modern phosphate beneficiation plants. Jacobs operates a complete metallurgical laboratory and pilot plant in Lakeland, Florida with specialized capabilities for phosphate beneficiation and phosphoric acid production testing.

M3 will provide the full range of engineering disciplines and they will serve as overall study manager and as the NI 43-101 QP for the study and areas over which they have the lead role. M3 is a full service engineering, procurement and construction management (EPCM) firm with significant experience in mining and mineral processing. They have provided services for over 9,500 projects for some 1,000 clients in their 28-year history. M3 has an exemplary record as a QP for NI 43-101 compliant studies.



Direct application phosphate rock, bagged and ready to ship, at the nearby Fosyeiki Mine.

In September, David Cass, Tim Oliver and Simon Ridgway met with Golder Associates, Jacobs Engineering, and M3 Engineering, to review the scope of the PEA work and assign specific tasks to each of the consulting companies. The meeting resulted in a detailed overview of the work schedule which – currently- envisages a

July 2015 delivery date for the PEA. The initial site visit for the consultants is scheduled for the first week of October.

We would also like to welcome Mr. Glenn Gruber to the Focus team. Glenn is a renowned phosphate beneficiation expert, and in his capacity as an independent consultant and advisor, he will help to guide the Bayovar 12 beneficiation process, development and plant design. He worked seven years for phosphate mining companies located in Central Florida and North Carolina plus 35 years for Jacobs Engineering Phosphate Technical Center in Lakeland, Florida. His +44 years experience exposed him to sedimentary and igneous phosphate deposits on five continents. He worked on the Bayovar feasibility study issued in 1982. In 2005, 2006, and 2007 he was Jacobs' project manager for beneficiation and phosphoric acid test programs, as well as a portion of Basic Engineering performed for Miskimayo. In 2011 and 2012 he was Jacobs' project manager for bench-scale and pilot scale beneficiation tests performed on phosphate ore from Bayovar 9. Glenn has been a technical adviser to Fosfatos del Pacifico since August 2013.

New Office & Core Logging Facility

We've rented a new office and core logging facility in Piura in anticipation of the second stage of drilling beginning later this year. The new facility incorporates racks to hold another 80 drill holes' worth of core boxes.



Focus has a new core logging facility in Piura, 1.5 hours north of the project

In Other News

The northern Peruvian municipality of Piura, our home base for the Bayovar 12 project, has had some good economic news recently. State-owned Petroperu has announced the start up of a major modernization plan

for the 60,000-b/d Talara oil refinery at Piura. A Spanish company, Tecnicas Reunidas (TR) has been awarded a lump-sum \$2.7 billion turnkey contract for the long-planned modernization and upgrade. The project's objective is to equip the refinery to produce diesel and gasoline fuels conforming to new Peruvian environmental requirements of a maximum sulfur content of 50 ppm at competitive prices as well as increase the plant's ability to process heavy crudes to improve operational flexibility, according to TR.

Once completed, the project will enable the refinery to have minimal emissions, generate its own electricity, and maintain on-site operations for desalination of seawater and purification to avoid altering aquifers in the area, TR said.

The Peruvian government also expects the project to create thousands of jobs and have positive environmental impacts because of the technological upgrades to the refinery.

This may also be positive news for the phosphate miners in the region. Sulphur is one of the key inputs in the manufacture of phosphoric acid. It's used to make sulphuric acid which is then used to dissolve the phosphate rock and make phosphoric acid.

Phosphate Facts (sources <http://www.phosphatefacts.org/faws.asp> & http://en.wikipedia.org/wiki/Phosphoric_acid)

Are phosphates essential to Life?

Yes. Phosphates are nutrients and are essential to human, animal and plant life. They have critical functions in key biochemical processes such as metabolism. Our bodies are made of many phosphorus-containing compounds that play a major role in:

- Genetic material - the DNA and RNA that makes each of us unique
- Cellular membranes
- Teeth and bones
- Human energy systems
- Cell signaling systems, which regulates diverse functions from the acid-base balance in the body to hormonal responses.

Plants also need phosphorus, and phosphorus-containing compounds are vital to photosynthesis.

Phosphoric Acid

One of the key components in the manufacture of Nitrogen-Phosphorous-Potassium (NPK) fertilizers is phosphoric acid, prepared by adding sulfuric acid to phosphate rock, such as the Bayovar 12 phosphate rock. The initial phosphoric acid solution may contain 23–33% P_2O_5 , but can be concentrated by the evaporation of water to produce what's known as commercial- or merchant-grade phosphoric acid, which contains about 54% P_2O_5 . Further evaporation of water yields super phosphoric acid with a P_2O_5 concentration above 70%.^{[2][8]}

Business Development and Marketing

Resource Stocks

Unfortunately, the resource sector on the Canadian exchanges has come under severe pressure in the past couple of months. The TSX-V gold Index, which is basically a proxy for the overall health of the junior resource sector on the Canadian markets, is bouncing unhappily along at close to the levels last seen after the 2008 crash. All of this impacts the ability of companies to market: nobody at the banks, brokerage houses or funds is buying as they adopt very defensive portfolio strategies to preserve remaining value. It's also making it tough for companies without cash flow to tap into the equity markets to fund their exploration programs and many industry commentators are convinced that we're in the middle of a mass extinction of junior resource companies.

Our share price has suffered along with the majority of TSX-V stocks, falling from the 27-30c range to 22-24c where it currently sits. We don't believe this reflects any fundamental issue with Focus' technical story, but rather that we've been dragged down along with the majority of other Venture exchange stocks.



12 month graph of the TSX Gold Index

Marketing and Technical Conferences

Focus has been on the road marketing, most recently during late September in Toronto. We've concentrated in building relationships with equity analysts and a few banks or brokerages that we know follow fertilizers and fertilizer stocks.

David Cass and Tim Oliver October presented a technical paper at the the Society for Mining, Metallurgy, and Exploration (SME) Regional Phosphate Conference Presentation on October 8 and 9, 2014, in Lakeland, Florida. The presentation, which took roughly half an hour, was entitled "Exploring & Developing the Bayovar 12 Sedimentary Phosphate Deposit, Peru: Learning from the Neighbors."



12 month price chart for Focus Ventures

Ralph Rushton attended the Fertilizer Institute AGM in San Francisco during September and held introductory meetings with a handful of fertilizer manufacturers and traders.

David Cass will also be attending the Latin American [Mining Investment Conference](#) in Lima, October 27-28.

Marketing of the project to potential industry partners will continue in October when Simon Ridgway and Ralph Rushton will attend the International Fertilizer Association [Crossroads Asia-Pacific 2014](#) conference in Singapore between October 28-30, to showcase the Bayovar 12 project to potential strategic partners from Asia. The organizers are expecting between 350-400 delegates from the region to attend. We've begun to set up meetings for Singapore and will hopefully have a busy schedule meeting potential strategic partners.

We paid a brief visit to the Cambridge House Investor Conference in Toronto in late September. Attendance was down on previous years, and the number of companies exhibiting was also down. The resource companies are gradually being replaced by medical marijuana companies (the so called Greenrush) and tech companies.

An updated list of events that we plan to attend is maintained on the Events page on our website and be accessed by clicking [here](#).

Media Coverage

Focus received positive mentions in interviews in the last couple of months. Thibaut Lepouttre, author of the Caeser Report (<http://www.caesarsreport.com/>) – a mining and commodities website- was interviewed by the Energy Report for a piece covering lithium and several low-profile firms with phosphate and uranium mining projects. The interview can be read [here](#).

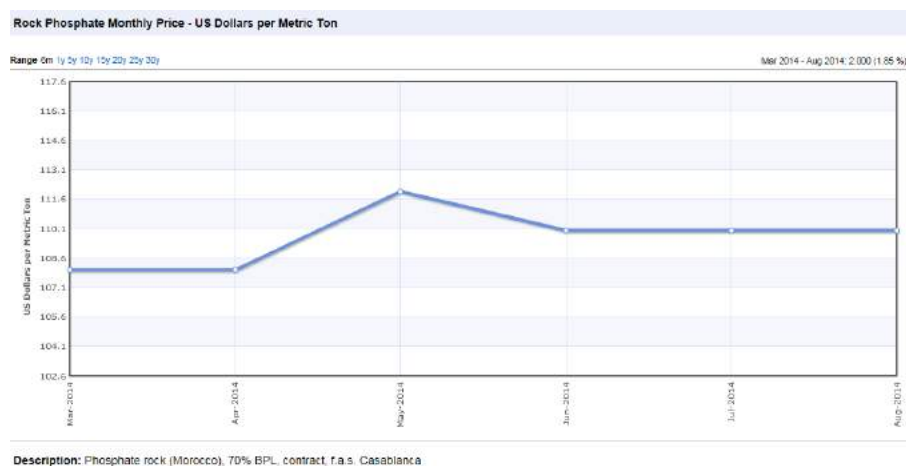
The Energy report also interviewed Ethan Park, a buy-side analyst for Extract Capital. Ethan's been following Focus for a while and we've met with him fairly regularly to provide updates on progress at Bayovar 12. He summed up the importance of phosphate very well:

“Phosphate is an essential nutrient required for agriculture. About 80–82% of phosphate is used for fertilizer. Specifically, phosphate is used for root development, flowering, and prevention of diseases and stress. The bag of fertilizer you purchase in your local home improvement store contains phosphate. There is really no substitute for phosphate. Outside of agriculture, about 20% of the global phosphate supply is used for industrial purposes, such as in ceramics and flame retardants. It is also in detergent and food additives.”

The full text of the interview can be read [here](#).

Phosphate Rock Price

The price of rock phosphate is unchanged since our last update. The price quote for Moroccan phosphate rock is still hovering around \$110 and has been since June. The Index Mundi monthly phosphate rock chart is shown below:



Source: <http://www.indexmundi.com/commodities/?commodity=rock-phosphate>

Corporate

The last of the 20c warrants were exercised in late July boosting our cash position, and allowing us to complete the \$750,000 option payment to JPQ in August as planned. The most recent share structure, which hasn't changed dramatically since the last update, is shown on the next page.

We regularly update our share structure on our website to keep pace with warrant exercising or new private placements. The up-to-date structure can be found [here](#).

				Revised:	July 31, 2014
FOCUS VENTURES LTD.					
FULLY DILUTED SUMMARY					
Type of Security	No. of Shares	Exercise Price	Expiry Date	Potential Dollar Value	
Warrants	2,927,741	\$0.265	April 10, 2015	\$775,851	
Incentive Stock Options:	200,000	\$0.26	June 4, 2016	\$52,000	
	720,000	\$0.19	Jan. 14, 2019	\$136,800	
	75,000	\$0.30	June 28, 2021	\$22,500	
	25,000	\$0.25	Jan. 16, 2022	\$6,250	
	1,380,000	\$0.21	June 19, 2022	\$289,800	
	185,000	\$0.21	July 10, 2022	\$38,850	
	250,000	\$0.22	Dec. 2, 2022	\$55,000	
	2,360,000	\$0.22	Dec. 17, 2023	\$519,200	
	45,000	\$0.22	Jan. 14, 2024	\$9,900	
	40,000	\$0.26	June 4, 2024	\$10,400	
	5,280,000			\$1,140,700	
				\$1,916,551	
TOTAL OUTSTANDING OPTIONS AND WARRANTS:	8,207,741				
ISSUED CAPITAL:	76,870,000				
FULLY DILUTED:	85,077,741				

And Finally

The coastline around JPQ's Bayovar Port, just west of the town of Parachique, is home to some fascinating wildlife. The Port itself is home to flocks of Peruvian Pelicans and the wonderfully quirky Blue Footed Boobies – the photos below were taken by David Cass during a recent visit to Bayovar port.



Two Blue Footed Boobies keeping a wary eye on Focus' geologists.



Peruvian Pelicans about to endanger some fish.

The Port is also home to a family of Burrowing Owls; they normally emerge in the evening and seem to enjoy screeching at the Port workers. Two of them can be seen here on top of one of the light poles:



This could get noisy...

Contact Us

Unable to attend the shows and have questions? Please feel free to contact us. We'd be happy to answer shareholder questions or address any comments you may have.

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Focus is also active on Twitter and Facebook. Our Twitter account is part of the broader Gold Group Twitter feed, which can be followed at @TheGoldGroup. Our new Facebook page is [Focus Ventures Ltd](#), under Mining/Metals. We'll be regularly posting articles of interest, photos and some additional background on the Bayovar 12 project.

Forward Looking Statements *This Newsletter may contain forward-looking statements including, but not limited to, comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, and other related matters. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Focus Ventures Ltd.'s projects are at an early stage and all estimates and projections are based on limited and possibly incomplete data. More work is required before the mineralization and the projects' economic aspects can be confidently modeled. Actual results may differ materially from those currently anticipated in this presentation. No representation or prediction is intended as to the results of future work, nor can there be any promise that the estimates and projections herein will be sustained in future work or that the project will otherwise prove to be economic.*

Qualified Person *Mr. David Cass B.Sc., M.Sc., P.Geo., President of Focus Ventures, is a member of the Association of Professional Engineers and Geoscientists of British Columbia, and a "Qualified Person" in accordance with National Instrument 43-101. He has reviewed the technical information contained in this newsletter. Mr. Cass has an MSc degree in Mineral Exploration and Mining Geology from the United Kingdom, and 25 years international exploration and mining industry experience. He has worked in many countries including the America's, Australia, Turkey, Iran, South Africa and Eastern Europe. His career to date has included 15 years with Anglo American, one of the world's largest mining companies, including 6 years as Anglo's Exploration Manager for North America, and 4 years managing exploration programs for gold and base metals in Peru.*

