

ASX Announcement

06 September 2019

Update on the Coolgardie Gold Project Sale Process

Focus Minerals Ltd (**ASX: FML**) (**Focus** or the **Company**) wishes to provide an update on the potential sale of the Coolgardie Gold Project (**Coolgardie**) to Horizon Minerals Ltd (**Horizon**; ASX: HRZ) (formerly known as Intermin Resources Ltd) (**Proposed Transaction**; see ASX announcement 11 February 2019).

On the 8th of February 2019, Focus and Horizon entered into an exclusivity deed (**Exclusivity Deed**) which includes notification and matching rights, as well as customary fiduciary carveouts for the benefit of Focus.

FML subsequently received a competing non-binding indicative proposal from a third party to purchase the Coolgardie Gold Project (**Competing Proposal**). In response, Horizon has elected to exercise its matching right under the Exclusivity Deed and submitted a revised non-binding indicative proposal to Focus (**Horizon Counter Proposal**).

The Horizon Counter Proposal increases the proposed consideration under Horizons original non-binding indicative proposal to A\$55 million in aggregate, comprising a combination of A\$43.0 million cash and A\$12.0 million worth of newly issued fully paid ordinary shares in Horizon, payable to Focus in tranches.

After obtaining input from the Company's advisors, the Focus' board has determined that Horizon's Counter Proposal is no less favourable to Focus shareholders than the Competing Proposal. As a result, the terms of the Exclusivity Deed have been updated to reflect the terms proposed in Horizon's Counter Proposal and Horizon and Focus will continue to use their reasonable endeavours to agree formal binding documentation in respect of the Counter Proposal.

Focus will continue to update the market in accordance with its continuous disclosure obligations.

The Proposed Transaction, as contemplated by the Horizon Counter Proposal, remains subject to the negotiation and entry into of formal binding written documentation and the obtaining of necessary approvals. Accordingly, there is no assurance that the sale of the Coolgardie Gold Project and the Three Mile Hill processing plant will proceed.

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