



FRONTIER CAPITAL GROUP LIMITED
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Company Announcement Office
Australian Securities Exchange Limited

Mongolian National Lottery Acquisition

Frontier Capital Group Limited (ASX: FCG) (**Frontier Capital** or **FCG**) advises that it has entered into the Definitive Agreement to acquire the licence to operate the Mongolian National Lottery (**Agreement**) (ASX: 23/4/2015).

Subject to the Conditions Precedent being satisfied, Frontier Capital will acquire the companies that hold the special licence to operate the Mongolian National Lottery – BizINVIN LLC and Modern Capital Vest LLC (**Companies**), Mongolian subsidiaries of Monvest Group Pte Ltd (**Vendor**), a Singaporean company. Frontier Capital will also have the right to establish the first casino in Mongolia.

Completion of the Agreement is subject to:

- satisfactory legal and financial due diligence by Frontier Capital;
- renewal of the special licence to operate the lotteries for a minimum period of three years from February 2016;
- compliance with the Listing Rules; and
- obtaining all necessary shareholders, statutory and regulatory approvals (**Conditions Precedent**).

Frontier Capital will settle the acquisition through the payment of cash (40%) and the issue of FCG shares at 30 cents per share (60%). The Purchase Price, to be determined, is a multiple of ten times the Net Profits After Tax (10 x NPAT) for the 2015 financial year that ends on 31 December 2015.

To date, \$1,000,000 has been paid, a further \$500,000 is to be paid upon completion of satisfactory legal and financial due diligence.

The balance is to be determined. It will be paid upon satisfaction of the Conditions Precedent and determination of the NPAT based on the audited accounts for FYE 31 December 2015.

Subject to settlement, the Vendor has waived any entitlement to any dividends declared by the Companies after the date of the Agreement (30 June 2015).

Frontier Capital does not envisage any change in the management or the operations of the Mongolian National Lottery as a consequence of this proposed acquisition.

About the Mongolian National Lottery

BizINVIN was issued a three-year renewable lottery license by the Mongolia Ministry of Finance in 2013 that covers both passive and active lottery games. The license was used to launch the 6D Jackpot, the first such jackpot lottery for Mongolia, and 6/42 Lotto products, with the first draw held in November 2011.

For further information please contact:

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