

Ms Madeline Green
Adviser
Listings Compliance (Perth)
ASX Limited

By email: ListingsCompliancePerth@asx.com.au

13 February 2019

Re: Focus Minerals Limited ('FML'): Aware Query

Dear Madeline,

Thank you for making the Aware Query on 11 February 2019 and please see below for our responses:

- 1. Does FML consider the information contained in the Announcement, being the entry into an exclusivity deed with Intermin Resources Limited for the potential sale of FML's Coolgardie Gold Project or any part thereof ('Information'), to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

- 2. If the answer to question 1 is "no", please advise the basis for that view.**

Not applicable.

- 3. When did FML first become aware of the Information?**

FML became aware of the Information at 4.31pm on Friday 8 February 2019 (**Signing Date**).

- 4. If FML first became aware of the Information before the Relevant Date, did FML make any announcement prior to the Relevant Date which disclosed the Information? If so, please provide details. If not, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe FML was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps FML took to ensure that the information was released promptly and without delay.**

No, FML did not make any announcement prior to the Relevant Date (i.e. 11 February 2019).

The Information was not released to the market prior to the Relevant Date because FML relied on the exception in LR3.1.A.1 that applies where "*the information concerns an incomplete proposal or negotiation*".

The first draft of the exclusivity deed was sent to IRC's legal advisor on 24 January and the subsequent negotiations did not complete until around 3pm on the Signing Date. IRC and FML executed the Exclusivity Deed at 4.31pm on the Signing Date.

During the morning of the Signing Date, FML noticed that the share price of FML increased and there was a significant increase in the volume traded. At that time, FML was finalising the Exclusivity Deed with IRC. As a precaution, FML informed the ASX and the trading of FML's securities was paused and the trading halt announcement was issued as soon as practicable thereafter.

IRC and FML continued to work on Saturday 9 February and Sunday 10 February to finalise each entity's ASX announcement.

On Monday 11 February, FML's announcement was made and the trading of FML securities resumed.

5. Please confirm that FML is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Yes, FML can confirm that FML is complying with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that FML's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of FML with delegated authority from the board to respond to ASX on disclosure matters.

Yes, FML can confirm that FML's responses to the questions above have been authorised by FML's Board of Directors.

In addition to the responses, the letter of the Focus Minerals Limited ('FML'): Aware Query dated 11 February 2019 is enclosed.

Yours sincerely,



Zaiqian Zhang
Director, Chief Financial Officer and Company Secretary
Focus Minerals Ltd

Encl.



11 February 2019

Mr Zaiqian Zhang
Company Secretary
Focus Minerals Limited

By email: zhang@focusminerals.com.au

Dear Mr Zhang

Focus Minerals Limited ('FML'): Aware Query

ASX refers to the following:

- A. FML's announcement entitled "*Focus Enters into Exclusivity Deed with Intermin Resources*" (the 'Announcement') lodged on the ASX Market Announcements Platform on 11 February 2019 (the 'Relevant Date'), disclosing the entry by FML into an exclusivity deed with Intermin Resources Limited for the potential sale of FML's Coolgardie Gold Project.
- B. The change in price of the FML's securities from a low of \$0.205 at the close of trade on 5 February 2019 to a high of \$0.33 at the time FML requested the trading halt in order to make the Announcement on 8 February 2019 and the significant increase in the volume of FML's securities traded on 8 February 2019.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

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- F. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for Information

Having regard to the above, ASX asks FML to respond separately to each of the following questions and requests for information:

1. Does FML consider the information contained in the Announcement, being the entry into an exclusivity deed with Intermin Resources Limited for the potential sale of FML's Coolgardie Gold Project or any part thereof ('Information'), to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did FML first become aware of the Information?
4. If FML first became aware of the Information before the Relevant Date, did FML make any announcement prior to the Relevant Date which disclosed the Information? If so, please provide details. If not, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe FML was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps FML took to ensure that the information was released promptly and without delay.
5. Please confirm that FML is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that FML's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of FML with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AWST Thursday, 14 February 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, FML's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require FML to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to FML's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that FML's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in FML's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Madeleine Green
Adviser, Listings Compliance (Perth)