

14 November 2019

ASX Announcement / Media Release

CIO MINING ROYALTY POTENTIAL ESTABLISHED

HIGHLIGHTS

- **Company has established its entitlement to potential mining royalty payments over mining tenements near Coolgardie, Western Australia.**
- **Mining tenements M15/646, M15/660, M15/1114 and M15/1262 are now owned by Focus Minerals Ltd (ASX:FML), contain historic mining operations and JORC compliant resources that may support future mining operation (“Coolgardie Gold Project”).**
- **The mining royalty entitles CIO to \$0.25/tonne of ore mined and treated after 2.5mt. Records available to the Company show that the Brilliant Mine contains a JORC-compliant inferred and indicted mineral resource of 5.89 Mt @ 2.5g/t.**
- **The Coolgardie Gold Project is the subject of a sale proposal from Horizon Minerals Ltd (ASX:HRZ) with total consideration offered of \$52m.**

Connected IO Limited (“**CIO**” or “**Company**”) is pleased to announce that the Company has established that it is the beneficiary of a mining royalty (“**Royalty**”). The Royalty was held by the Company (previously named Leopard Resources NL) prior to completing the acquisition of the CIO business in January 2016.

The agreement to which the Royalty relates was executed in June 1995 by the Company and a predecessor company of Focus Minerals Limited (“**Focus**”) and provides an obligation that the Company, being the beneficiary of the Royalty, be paid \$0.25 per tonne of ore mined and

treated from mining tenements M15/646, M15/660, M15/1114 and M15/1262 after 2.5m tonnes of ore have been mined and treated from 11 January 1995 onwards.



Fig 1. The yellow marked boundary of M15/646 shows the extent of historical mining activities and the location of the Brilliant Mine on the tenement adjacent to the Coolgardie town-site.

For personal use only

The tenements to which the Royalty relates host a number of historical open-pit and underground mines that include Brilliant, Cyanide, Empress, Big Blow and Cookes. Publicly available records from the Department of Minerals, Industry, Regulation and Safety in Western Australia report a mined production of 1.13Mt @ 2.4g/t for 88k ounces of gold from 1991 to 1995. The Brilliant Mine which was one of the larger mines (see Fig 1) also contains a more recently drilled and reported JORC-complaint indicated and inferred mineral resource of 5.89m/t @ 2.5g/t (FML:ASX 7 April 2017).

The potential for further exploration, mining and treatment of ore on the tenements is illustrated by the offer made by Horizon Minerals Limited (“**Horizon**”) to acquire the Coolgardie Gold Project that includes M15/646, M15/660, M15/1114 and M15/1262 from Focus. The current total consideration being offered in cash and script by Horizon for the Coolgardie Gold Project is \$52m.

While CIO remains focused on developing its IOT business in the United States, it welcomes the opportunity to potentially benefit from future cash royalty payments should further mining activities be conducted on any of the tenements triggering the entitlement or consider the potential sale of the Royalty.

ABOUT CONNECTED IO

Connected IO Limited has its operations based in Dallas, in the USA. Its business is a wireless technology innovator and manufacturer operating in the multi-trillion-dollar “IOT” (Internet of Things) sector. CIO specializes in machine to machine (“M2M”) connectivity, providing hardware and software solutions to some of the world’s largest companies. CIO’s software solutions also include a customised cloud management interface and a variety of support services. Cisco predicts there will be 50 billion connected devices by 2020.

