



ABN 44 109 330 949

---

## **NOTICE OF ANNUAL GENERAL MEETING**

### **EXPLANATORY STATEMENT**

### **PROXY FORM**

---

<b>DATE</b>	<b>THURSDAY, 12 NOVEMBER 2015</b>
<b>TIME</b>	<b>10.30 AM</b>
<b>VENUE/LOCATION</b>	<b>SUITE 606, 37 BLIGH ST SYDNEY NSW 2000</b>

---

**THIS DOCUMENT IS IMPORTANT AND REQUIRES  
YOUR IMMEDIATE ATTENTION.  
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE  
PLEASE CONSULT YOUR FINANCIAL ADVISER.**

#### **Your vote is important**

The business of the Annual General Meeting affects your shareholding and your vote is important.

#### **Voting in person**

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

#### **Voting by proxy**

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

TO BE VALID, FORMS OF PROXY FOR USE AT THE GENERAL MEETING MUST BE COMPLETED AND  
RETURNED TO THE COMPANY NO LATER THAN  
10:30 AM (SYDNEY TIME) ON, TUESDAY 10 NOVEMBER 2015

**TO THE SHAREHOLDERS****A1 Investments & Resources 2014, 2015 and 2016**

The very hard work by the directors over the past 12 months is now being reflected in the accounts, in so far as the company is solvent, essentially debt free and has sufficient working capital to not only continue in business but to source attractive investments opportunities.

**No Debt from 31 Dec 2014**

As I noted last year the company's balance sheet was in excellent shape at midnight on 31 December 2014 when all the company's substantial debt converted to equity or was to be assigned to part of the company's holding in PAFtec. Unfortunately the substantial balance of the funds due from Ocean Pacific Management were never received, placing the company in significant financial stress as well as being unable to enter the SuperSorghum exclusivity licence. Although the company was solvent it had little working capital to carry on business. The final assignment of the PAFtec shares as the final part of the discharge of the AYIG liability did not take place until August 2015. Throughout this period the directors continued to develop the SuperSorghum project on a non-exclusive basis. Test planting organised and promoted by A1 continued in the Northern Territory and Western Australia and the directors continued to look for other opportunities.

**\$2.4 million of new funding approved at the SGM in June 2015**

The executive directors worked tirelessly to secure new funding and thanks to the relationships of Mr Nakamura new investors agreed to provide further funds which were approved at the SGM on 25 June 2015. Mr Hiro Ogawa has joined the board as part of this new funding and he has been important in assisting this next development stage of the company.

With these funds the company was able to enter an immediate opportunity to acquire a 50% interest in a highly prospective property development company in Guam. As we proceeded to the SGM in June the directors were examining various opportunities for the company for the following years.

With our new investors our primary focus is to be the travel and food industries whilst never neglecting other investment opportunities that become available from time to time such as the Guam property company and Great Voyages (see below). We will also continue to pursue the SuperSorghum opportunities. The company will however remain a general investment company which will be its primary purpose.

In early July and subsequent to the reporting period, the company acquired Tournet Oceania a company operating in Sydney and engaged in the provision of in-bound tourist services, but with potential to expand locally and nationally. In early August the company acquired the Australian business of Mr Haru Inukai a much awarded chef. The primary target of this acquisition was to employ Haru as the general manager of the company's food industries businesses. With Haru firmly in control we are examining several exciting acquisitions and new food industry projects. In September the company acquired a specialised advertising business in Japan called Great Voyages which currently only operates in Tokyo but has immediate plans to expand into other Japanese and Asian cities using their current business operating model.

I and your board are looking forward to the challenges. It is customary to thank the Executive team for their efforts over the past year but mere thanks are not enough to express my appreciation to Mr Charlie Nakamura for his enormous efforts in securing the new funding arrangements and the new investors. All directors placed the interests of the company and its shareholders before their personal interests. All directors deferred their salary and entitlements throughout 2014 and 2015.

In recognition of this performance and the need to provide incentives to the management and executive directors, the company is proposing a Performance Rights Plan for approval by the shareholders (see Resolution 6).

As a major part of this re-structure and new financing the company welcomes Mr Hiro Ogawa as a director.

As part of the company's stringent cost control strategy the company tendered its future audit requirements. As a result of this process the Board is recommending the appointment of a new auditor (see Resolution 7). The company's current auditor who will be attending the AGM will resign at the close of the meeting. I would like to thank Mr Tim Valtwies and his team at ESV for their service.

### **Excellent Financial Position for the Future**

This next financial year, 2016 will commence with the company in its best financial position for many years. We have several projects of real potential and substance and new shareholders interested and excited by these developments.

I thank all our shareholders for their support and I look forward with great enthusiasm to 2016 and beyond.

Kind regards



**Peter Ashcroft Chairman**

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of A1 Investments & Resources Ltd ABN 44 109 330 949 (**AYI** or the **Company**) will be held at Suite 606, 37 Bligh St Sydney NSW 2000, at 10:30 am (Sydney time) on, Thursday, 12 November 2015 for the purpose of transacting the business set out in this Notice.

Defined terms used in this Notice of Annual General Meeting have the meanings given to them in the Glossary accompanying this Notice.

### ORDINARY BUSINESS

#### 1. FINANCIAL, DIRECTORS' AND AUDITOR'S REPORTS

To receive and consider the Financial Reports, the Directors' Report and the Auditor's Report for the Company for the year ended 30 June 2015.

The A1 Investments & Resources Ltd 2015 Annual Report can be viewed online at the Company's website [www.a1investments.com.au](http://www.a1investments.com.au)

#### 2. ELECTION OF DIRECTORS

To elect 1 director, namely:

(a) Mr Charlie Nakamura

who retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

#### 3. REMUNERATION REPORT

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That the Remuneration Report of the Company for the year ended 30 June 2015 as set out in the Company's Annual Report be adopted."*

**Notes:**

- Shareholders should be aware that the vote on this resolution is advisory only and does not bind the Directors or the Company.
- The directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.
- If 25% or more of votes that are cast are voted against the adoption of the Remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a 'spill resolution' that another meeting be held within 90 days at which all of the Company's directors (other than the managing director) must go up for re-election.

#### 4. APPROVAL OF PRIOR ISSUES TO RESTORE AND MAINTAIN 15% PLACING CAPACITY

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of Listing Rule 7.4 and for all other purposes the 15% placing capacity of the Company be refreshed by the previous issue of 210,000,000 securities on the basis set out in the Explanatory Statement being ratified and approved."*

## **5. APPROVAL OF PLACING CAPACITY RETENTION**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“Subject to the passing of Resolution 6, that the 15% placement capacity of the Company be retained such that the issue of securities as described in the Explanatory Memorandum in respect to the Company’s Performance Rights Plan, from the date of this Meeting for the next 3 years be approved for the purposes of exception 9 of ASX Listing Rule 7.2.”*

## **6. A1 PERFORMANCE RIGHTS PLAN**

To consider and, if thought fit, to pass with or without amendment, the following resolutions as ordinary resolutions:

### **6.1**

*“That for the purposes of Listing Rule 7.2 (Exception 9), approval be and is hereby given to the Company issuing securities under the A1 Performance Rights Plan as an exception to Listing Rule 7.2 to the executives and management of the company other than Charlie Nakamura and Peter Ashcroft on the terms and conditions set out in the Explanatory Statement.”*

### **6.2**

*“That for the purposes of Listing Rule 7.2 (Exception 9), approval be and is hereby given to the Company issuing securities under the A1 Performance Rights Plan as an exception to Listing Rule 7.2 to Charlie Nakamura on the terms and conditions set out in the Explanatory Statement.”*

### **6.3**

*“That for the purposes of Listing Rule 7.2 (Exception 9), approval be and is hereby given to the Company issuing securities under the A1 Performance Rights Plan as an exception to Listing Rule 7.2 to Peter Ashcroft on the terms and conditions set out in the Explanatory Statement.”*

## **7. APPOINTMENT OF AUDITOR**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“Subject to the consent of the Australian Securities and Investment Commission (ASIC) approving the resignation of ESV Accounting as the Company’s auditors the Company appoint Hall Chadwick as the company’s auditors.”*

## SPECIAL BUSINESS

### 8. APPROVAL OF 10% PLACING CAPACITY (SPECIAL RESOLUTION)

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **SPECIAL** resolution:

*“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms as described in the Explanatory Memorandum.”*

#### Determination of membership and voting entitlement

For the purpose of determining a person’s entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 10:00 am (Sydney time) on Tuesday 10 November 2015.

#### Votes of members

On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative at the Annual General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) shall have one vote for each Share held by him, her or it provided that all Shares are fully paid.

#### Proxies

Please note that:

- (a) a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the member;
- (b) where the member is entitled to cast two or more votes, the member may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- (c) if the member appoints two proxies and the appointment does not specify the proportion or number of the member’s votes each proxy may exercise, each proxy may exercise half of the votes;
- (d) a proxy need not be a member;
- (e) an instrument of proxy deposited or received at the registered office of the Company in which the name of the appointee is not filled in shall be deemed to be given in the favour of the chairman of the Annual General Meeting to which it relates; and
- (f) to be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of the power or authority) must be deposited with the Company or be received by facsimile on facsimile number (02) 9232 8883 not less than 48 hours prior to the Annual General Meeting, that is, by 10:00 am (Sydney time) on Tuesday 10 November 2015.

#### Proxies that are undirected

- (a) All undirected proxies held by the Chairman of the meeting will be voted in favour of all proposed resolutions, except for Item 3 Remuneration Report.
- (b) All undirected proxies held by the Chairman of the meeting will not be voted on Item 3 (Remuneration Report). Accordingly if you appoint the Chairman of the meeting as your proxy you should direct him how to vote on Item 3 (Remuneration Report) if you want your shares to be voted on that item of business. The same will apply if you appoint any other director of the Company any of its key management personnel or any of their closely related parties as your proxy and do not direct them how to vote on Item 3 (Remuneration Report). Key management personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and

controlling the activities of the Company indirectly or directly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2015. Their closely related parties are defined in the Corporations Act 2001 and include certain of their family members, dependants and companies they control.

A form of proxy accompanies this Notice of Annual General Meeting.

By Order of the Board



**Charlie Nakamura**

Dated: 8 October 2015, Sydney

## EXPLANATORY MEMORANDUM

### INTRODUCTION

This Explanatory Memorandum contains the information needed for the members of the Company to assess the items of business to be considered at the Annual General Meeting of the Company on Thursday, 12 November 2015.

This Explanatory Memorandum, as well as the Notice of Annual General Meeting, should be read carefully and in their entirety.

### 1. ITEM 1 ON THE AGENDA – FINANCIAL REPORTS

The Corporations Act requires the Financial Report, the Directors' Report and the Auditor's Report to be received and considered by members of the Company at the Annual General Meeting. Each of the Reports is contained in the Company's 2015 Annual Report.

Neither the Corporations Act nor the Company's Constitution requires members to vote on these Reports. However, during this item of business, the members will be given a reasonable opportunity to ask questions about, or make comments on, those Reports and the business and management of the Company.

Members will also be given a reasonable opportunity to ask a representative of the Company's auditor ESV Chartered Accountants, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of financial statements or the independence of the auditor in relation to the conduct of the audit.

Members may also submit a written question to ESV Chartered Accountants, if the question is relevant to the content of the Auditor's Report for the financial year ended 30 June 2015 or the conduct of the audit of the Financial Report for that year. Relevant questions may be submitted to ESV Chartered Accountants, by emailing [timv@esvgroup.com.au](mailto:timv@esvgroup.com.au). These questions must be received by the Company no later than Tuesday, 10 November 2015. At the meeting, ESV Chartered Accountants' representative will be given the opportunity to answer, or table written answers to, relevant questions.

### 2. ITEM 2 ON THE AGENDA – ELECTION OF DIRECTOR

Charlie Nakamura retires by rotation under the constitution of the Company and, being eligible offers himself up for re-election as a director.

The Board (with Mr Nakamura abstaining in respect of his own election) supports the re-election of Charlie Nakamura.

The experience, qualifications and other information about the candidate appears below:

#### **Charlie Nakamura, age 50**

Term of office: Joined the Board in November 2011

Independent: No

Experience: Executive Director and Chief Executive Officer

Qualifications: B.IE (U.Nihon, Japan), MBA (U.Dubuque, USA)

Experience and expertise: Charlie Nakamura worked for the Tokai Bank (a major Japanese bank that has merged and become the current Bank of Tokyo-Mitsubishi UFJ) from 1991 to 2002. During his time in Tokai Bank, Charlie's major activities included corporate finance, project finance, structured finance and international trading. In 1998, Charlie transferred to Tokai Australia Finance Corporation, Tokai Bank's Australian subsidiary. Charlie was a head of the



corporate finance department for Toyota, Mitsubishi Corporation and Mitsui Corporation. In 2000, Tokai joined the project finance ('PF') deal with BHP and Mitsubishi Corporation. Charlie was Tokai's representative for this PF, which was well known as the "Blackwater" coking coalmining project. After a successful completion of the Blackwater project, Charlie was involved in various resource projects and made extensive networks in Australia. Charlie Nakamura has been the managing director of the company for the past 4 years.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 2 by Mr Nakamura. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**The Board (excluding Mr Nakamura) encourages all shareholders to cast their votes on Item 2 and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 2 by marking on the voting form.**

### **3. ITEM 3 ON THE AGENDA – REMUNERATION REPORT**

The Company's Remuneration Report for the financial year ended 30 June 2015 is set out on pages xx to xx of the Company's 2015 Annual Report, and forms part of the Directors' Report for that year. The Remuneration Report contains:

- (a) a discussion of the Board's policy in relation to the nature and level of remuneration of directors, secretaries and senior executives of the Company;
- (b) a discussion of the relationship between the Board's policy and the Company's performance; and
- (c) details of the remuneration paid to each director of the Company, including options issued as part of the remuneration of directors.

In accordance with section 249L(2) of the Corporations Act, the resolution to adopt the Company's Remuneration Report will be put at the Annual General Meeting. The Chairman will give members a reasonable opportunity to inquire and comment on the Remuneration Report. The resolution that the Remuneration Report be adopted will then be put to the vote.

The vote on this resolution will be advisory only and will not bind the Directors or the Company, by virtue of section 250R(3) of the Corporations Act.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two AGMs, shareholders will be required to vote at the second of those AGMs on a resolution ('spill resolution') that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

Any undirected proxies held by the Chairman of the meeting, other directors or other key management personnel or any of their closely related parties will not be voted on Item 3.

Key management personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company indirectly or directly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2015. Their closely related parties are defined in the Corporations Act 2001 and include certain of their family members, dependants and companies they control.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 3 by any person or party who is a director or executive. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**The Board encourages all shareholders to cast their votes on Item 3 (Remuneration Report) and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 3 (Remuneration Report) by marking on the voting form.**

#### 4. ITEM 4 ON THE AGENDA – REFRESHING THE COMPANY’S PLACING CAPACITY

This resolution refreshes the company’s placing capacity. The effect of this resolution will be to restore the Company’s placing capacity to 15% of the number of shares on issue and accordingly provides for capital raising and flexibility for the Company moving forward. By way of background the Company issued 90,000,000 ordinary shares to the owners of the shares in Tournet Oceania Pty Limited (“Tournet”)(Messrs Kato and Koichi) in payment and settlement by the Company for all the shares in Tournet (See the announcement on 9 July 2015). The Company also issued 120,000,000 shares to the nominee of ASA Foods Pty Limited (Harun Inukai) on 4 August 2015 (See the announcement on 4 August 2015) in relation to the purchase by WIN A1 Food Platform Services Pty Limited (a wholly owned subsidiary of A1) (“WIN A1”) of the business of ASA Foods. No other issues have taken place between the special general meeting on 25 June and this meeting.

Pursuant to and in accordance with ASX Listing Rule 7.5 the following information is provided in relation to the Placements set out in this Resolution 4;

- (a) The number of shares issued pursuant to *Listing Rule 7.4*, was 210,000,000 (“the Prior Placements”);
- (b) 90,000,000 of the shares being part of the Prior Placements were issued to the vendors (Messrs Kato and Koichi ) of the shares in Tournet in payment and in settlement of the purchase for such shares by the Company. The issue price of the shares was \$0.001 per share ;
- (c) 120,000,000 of the shares being the balance of the Prior Placements were issued to Harunobu Inukai at an issue price of \$0.001 per share in payment and in settlement for the purchase of the business by ASA Foods to WIN A1 by WIN A1;
- (d) The shares the subject of the Prior Placements were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing shares;
- (e) No cash was received from the Messrs Kato and Koichi, ASA Foods or Harunobu Inukai in respect to the issues.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 4 by any person or party who participated in the issues and any associates of such persons, including the vendors of Tournet Oceania (Messrs Kato and Koichi), and ASA Foods (Hara Inukai). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**The Board and each director recommend this resolution to the shareholders. The flexibility presented by the Company’s ability to again place its shares within the 15% placing capacity provided in Listing Rule 7.4 provides flexibility to the Company to raise capital as and when it is required without the need to resort to a shareholder meeting.**

#### 5. ITEM 5 ON THE AGENDA – RETAINING THE COMPANY’S 15% PLACEMENT CAPACITY

The purpose of this resolution is to retain the Company’s 15% placement capacity as described above and to ensure that the future issue of securities under the plans as described below (Resolution 6) do not reduce the Company’s 15% placement flexibility. This form of resolution is contemplated by Listing Rule 7.2 Exception 9. If approval is not obtained then the Company’s placement ability will be reduced by such future issues, but otherwise the passing of the resolution has no impact in relation to the Company or the remuneration of Executive Officers and Key Management Personnel.

By way of summary, if Resolution 6 is approved the issue of Performance Rights to Executive Officers will take place in accordance with that Plan. Participation is by invitation and is determined by the Board, which has a broad discretion regarding the granting of rights and procedures which are to operate under the plans.

Under the Performance Rights Plan, the rules provide the Board with discretion to grant Performance Rights subject to vesting conditions on such terms as the Board determines, although none have been issued to date.

Otherwise, the plans may be varied by the Board from time to time. However, rights may not be issued under the plans which would exceed the maximum permitted by law. Rights are not generally transferable. Rights do not provide entitlements to participate in new share issues. If there is any share capital reorganisation then the rights will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital applying at the time of the reorganisation.

The plans are not open to participation by non-executive directors. The plans are potentially open to participation by executive directors, although participation by any executive director requires shareholder approval under the Listing Rules before this may occur. Approval for Charlie Nakamura and Peter Ashcroft to participate is part of Resolution 6.

The effect of this resolution if passed by shareholders is to retain the Company's placement capacity and not reduce it for a 3 year period with respect to future issues under the plans, recognising that the proposed Performance Rights Plan has not been put to shareholders for approval for this purpose.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 5 by any person or party who participates in the Performance Rights Plan of the Company including the executive directors of the Company. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Mr Hiro Ogawa recommends this resolution to the shareholders. The flexibility presented by the Company's ability to again place its shares within the 15% placing capacity provides flexibility to the Company to raise capital as and when it is required without the need to resort to a shareholder meeting.**

## 6. ITEM 6 ON THE AGENDA – PERFORMANCE SHARE RIGHTS PLAN

### (i) Background

Under the Plan, selected employees and consultants including executive Directors, may be granted Performance Share Rights which will entitle them to receive ordinary shares in the Company, subject to the Company meeting performance objectives specified below. The Board believes that the Plan will better align employee compensation with returns to shareholders and assist with staff retention.

### (ii) Main Features of the Plan

The Performance Share Rights will be issued in various tranches as set out in the Schedule which will convert to ordinary shares in the Company on the satisfaction of the Performance Conditions.

The maximum number of Performance Shares that can be issued on conversion of the Performance Share Rights is 2,500,000,000.

Performance Share Rights may be issued to an "Eligible Person", which means employees, consultants and Directors of the Company and any Subsidiary. The number of Performance Share Rights (if any) to be offered from time to time to each Eligible Person shall be determined by the Board in its discretion.

The Performance Share Rights in respect of an employee will vest on meeting the Performance Condition. The employee must still be employed by the Company at the time of vesting.

An Employee may notify the Board of any nominee to which the Employee wants Shares to be issued that would otherwise be issued to that Employee pursuant to the Plan provided that all taxation consequences of such nomination are the sole responsibility of the Employee concerned.

Any Performance Share Rights that have been earned but remain unvested will vest if a Change of Control Event occurs, the intention being that the holders of Performance Share Rights are to be able to accept (in respect of the resulting Shares to be issued) offers made or to be made under or pursuant to the Change of Control Event. Should the holder of Performance Share Rights resign, all Rights not yet vested will be forfeited.

**(iii) Proposed Implementation Steps**

The Plan will operate as follows:

- a. At commencement of the Plan, Employees will be advised of their number of Performance Share Rights.
- b. During the terms of the Plan the Company as determined by the Board will advise employees of any further Performance Rights to be issued to them under the Plan.
- c. No later than 12 months after a Performance Condition has been met, the Company will instruct its share registry to issue the relevant Shares to the Employee.
- d. Within 3 days of issue of the relevant Shares the Company will apply to have the Shares granted quotation on ASX.

**(iv) Condition**

Participation in the Plan and any obligations of the Company thereunder will be subject to the obtaining of all necessary approvals of the Company's shareholders and to obtaining any required regulatory approvals.

**(v) Related Parties**

Resolutions 6.2 and 6.3 seek shareholder approval pursuant to Listing Rule 10.14 for the issue of Performance Share Rights to Charlie Nakamura and Peter Ashcroft as Executive Directors. (See comments below under Listing Rule 10.14)

Subject to Shareholder approval of Resolution 5 and 6, the number of Performance Share Rights to be issued to executive Directors, employees and consultants could be up to 2,500,000,000.

No funds will be raised from the issue of the Performance Share Rights as they are being issued for nil cash consideration.

**(i) Section 208 of Corporations Act**

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a. obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- b. give the benefit within fifteen (15) months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Performance Share Rights as the exception in section 211 of the Corporations Act applies. The Performance Share Rights are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

**(ii) Listing Rule 10.14**

Listing Rule 10.14 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders. A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company and former directors of a public company. The effect of passing Resolutions 5, 6.1, 6.2 and 6.3 will be to allow the Company to issue up to 2,500,000,000 Performance Share Rights to the executives and management including Charlie Nakamura and Peter Ashcroft without using up the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 has been divided into three separate resolutions, such that resolution 6.1 relates to the approval by the shareholders to the issue securities under the Performance Rights Plan to executives and management of the company other than Charlie Nakamura and Peter Ashcroft.

- As at 30 June 2015 there are 10,597,266,550 shares on issue.
- If all of the Performance Share Rights were issued being a total of 2,500,000,000 shares over the next three years, and no further shares were to be issued the Performance Share Rights amount to 18.5% of the issued capital of the company. The company's future capital requirements are likely to require the issue of further capital over the next three years and it is therefore likely the percentage of shares issued under the Performance Share Rights Plan will be less than 18.5% of the total shares on issue at any time.

Resolution 6.2 relates to the approval by the shareholders to the issue of securities under the Performance Rights Plan to Charlie Nakamura who as a director of the Company and a related party and shareholder approval must be obtained before the any securities may be issued to Mr Nakamura under the Plan.

- As at 30 June 2015 Mr Nakamura has an interest in 140,593,862 shares in the company.
- In the year to 30 June 2015 Mr Nakamura's total salary was \$80,014.
- If 50% of the Performance Share Rights identified as Tranches A, B, C and D were issued to Mr Nakamura being a total of 400,000,000 shares over the next three years, and no further shares were to be issued the total interest of Mr Nakamura in the company would amount to 3.7%.
- The company's future capital requirements are likely to require the issue of further capital over the next three years and it is therefore likely the percentage of shares issued to Mr Nakamura under the Performance Share Rights Plan together with his existing interest will be less than 3.7% of the total shares on issue at any time.

Resolution 6.3 relates to the approval by the shareholders to the issue of securities under the Performance Rights Plan to Peter Ashcroft who as a director of the Company and a related party and shareholder approval must be obtained before the any securities may be issued to Mr Ashcroft under the Plan.

- As at 30 June 2015 Mr Ashcroft has no interest in shares in the company.
- In the year to 30 June 2015 Mr Ashcroft's total salary was \$76,650.
- If 50% of the Performance Share Rights identified as Tranches A, B, C and D were issued to Mr Ashcroft being a total of 400,000,000 shares over the next three years, and no further shares were to be issued the total interest of Mr Ashcroft in the company would amount to 2.9%.
- The company's future capital requirements are likely to require the issue of further capital over the next three years and it is therefore likely the percentage of shares issued under the Performance Share Rights Plan to Mr Ashcroft will be less than 2.9% of the total shares on issue at any time.

**(iii) Specific information required by Listing Rule 10.15**

Listing Rule 10.15 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.14 as follows:

- No person including any director, associate of a director or employee has received securities under the Plan or under an employee contract.
- The number of Performance Share Rights to be issued to executive Directors, employees and consultants (and/or his nominees) will be up to 2,500,000,000.
- The Performance Share Rights will be issued no later than twelve months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- The Performance Share Rights will be issued for nil consideration.
- The Performance Share Rights will be convertible to fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- No loan will be made by the Company to assist any person with acquiring Shares under the Plan.
- A voting exclusion statement is included in the Notice of Meeting for Resolutions 5 and 6.
- The details of any Performance Share Rights issued pursuant to the Plan will be published in each Annual Report to shareholders of the Company in the period in which the Performance Share Rights are issued, and it will be stated where required that approval for the issue of the Performance Share Rights was obtained under Listing Rule 10.14 (that is in respect to directors and their associates as defined in Listing Rule 10.14.3). Any additional person to become entitled to participate in the plan after this Resolution is approved and who were not named in this Notice of Meeting and who are directors and their associates as defined in Listing Rule 10.14.3 will not participate until approval is obtained under Listing Rule 10.14.
- No funds will be raised from the issue of the Performance Share Rights as they are being issued for nil cash consideration but as part of the consideration for the services to be provided by the Directors, executives and consultants during the current financial year.

**Schedule 1 – Terms and Conditions of Performance Rights**

**A. Definitions**

In these terms and conditions:

**Accounting Standards** means:

- the applicable accounting standards from time to time made by the Australian Accounting Standards Board under section 334 of the Corporations Act;
- the requirements of the Corporations Act in relation to the preparation and content of a financial report;
- other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views); and

- (d) to the extent that the standards and requirements referred to in paragraphs (a), (b) and (c) do not clearly govern any particular aspect of the preparation of financial statements, in accordance with generally accepted accounting principles and practices in Australia for an entity similar to the National Health Services consistently applied.

**ASX** means Australian Securities Exchange.

**Board** means the Board of Directors of the Company from time to time.

**Business Day** has the same meaning as in the Listing Rules.

**Company** means A1 Investments & Resources Limited (ABN 44 109 330 949).

**Company Secretary** means the company secretary of the Company.

**Corporations Act** means the Corporations Act, 2001 (Cth).

**EBITDA** means, in relation to a Year, the earnings of the Company before interest, tax, depreciation and amortisation for the relevant period as determined and in accordance with the Accounting Standards, or if the context so demands the earnings of a business unit or division of the Company before interest, tax, depreciation and amortisation for the relevant period as determined and in accordance with the Accounting Standards.

**Eligible Person** means:

- (a) a full-time or permanent or part-time employee of the Company;
- (b) a director or secretary of the Company;
- (c) a contractor or consultant who is engaged by the Company; or
- (d) any other person who is determined by the Board to be an Eligible Person for the purposes of the Plan.

**Expiry Date** means the expiry date of a Performance Right listed in part 2 in Schedule 1.

**Holder** means a holder of a Performance Right or Share, from time to time.

**Incentive Scheme** means an employee share performance right or option scheme extended to either or both employees and directors of the Company and its Related Bodies Corporate, and includes the Plan.

**Listing Rules** means the Official Listing Rules of ASX.

**Performance Conditions** means the performance condition of a Performance Right listed in part 2 in Schedule 1.

**Performance Right** means a performance right which entitles the Holder to be granted to Share subject to the Plan and the Terms and Conditions.

**Plan** means the A1 Performance Rights Plan.

**Related Body Corporate** has the meaning given in the Corporations Act.

**Relevant Interest** has the meaning given in the Corporations Act.

**Revenue** from continuing operations has the meaning given to that term in the Accounting Standards.

**Rules** means the terms and conditions of the Plan, as amended from time to time.

**SEATS** means the Securities Exchange Automated Trading Exchange of ASX.

**Securities Dealing Policy** means any policy established by the Company applicable trading in securities of the Company.

**Security Interest** means any mortgage, pledge, charge, lien, encumbrance, assignment, security, interest, preferential right, set-off or any other security arrangement.

**Share** means an issued ordinary Share in the Company.

**Takeover Bid** has the meaning given in section 9 of the Corporations Act.

**Vested Performance Right** has the meaning in clause 7(c).

#### B. Interpretation

- (a) Words importing gender mean each other gender; the singular includes the plural and vice versa; headings shall not be taken into account in the interpretation of these Terms and Conditions; and references to any statutes or sections shall include all statutes or sections amending, consolidating or replacing the statutes or sections referred to.
- (b) These Terms and Conditions, the offering and granting of any Performance Rights, the rights attaching to the Performance Rights granted and the issue or transfer of any Shares pursuant to the vesting of Performance Rights shall at all times be subject to the Listing Rules and Corporations Act applying at that time.
- (c) A reference to Shares comprised in a Performance Right is a reference to the Shares for which the Eligible Person has for the time being a Performance Right to subscribe or take a transfer of by reason of the grant



too him or her of that Performance Right, including any securities resulting from an adjustment made pursuant to these Terms and Conditions.

- (d) A reference to an offer, issue or distribution to the Company's shareholders generally is a reference to an offer, issue or distribution to the generality of the holders for the time being of Shares, whether or not including holders of other securities issued by the Company and whether or not including persons in particular places outside Australia or other minority groups who may for a particular reason be excluded from participation.
- (e) Where any calculation or adjustment to be made pursuant to these Terms and Conditions, produces a fraction of a cent or a fraction of a share, the fraction shall be eliminated by rounding to the nearest whole number favourable to the Eligible Person.

#### **C. Eligibility**

The Holder is an Eligible Person.

#### **D. Issue Price**

Each Performance Right shall be granted to the Holder at the Issue Price.

#### **E. Plan**

The Performance Rights are issued under and in accordance with the Plan.

#### **F. Terms of the Performance Rights**

- (a) The Performance Rights will not be listed on any stock exchange.
- (b) A Holder has no legal or equitable interest in a Share by virtue of acquiring a Performance Right. A Holder's rights under the Plan are purely personal and contractual.
- (c) A Holder must not sell, transfer, mortgage, charge or otherwise deal with or encumber any Performance Rights except with the prior approval of the Board.
- (d) Notwithstanding the offer of Performance Rights to an Eligible Person, the Eligible Person will not have an interest in the Performance Rights until such time as the Performance Rights are granted.

#### **G. Performance Conditions**

- (a) The Board will determine if the Performance Condition is satisfied prior to the relevant Expiry Date.
- (b) If the Board determines that the Performance Condition is satisfied prior to the Expiry Date, the Board shall notify the Holder in writing that the Performance Rights have vested (Vested Performance Rights).
- (c) If the Performance Condition is not satisfied by the Expiry Date, then the Board shall notify the Holder that Performance Rights have lapsed.

#### **H. Automatic Conversion of Vested Performance Rights**

- (a) Subject to clause G(b), Vested Performance Rights will be automatically converted into the equivalent number of Shares.
- (b) The allocation of Shares to an Eligible Person following the automatic conversion of the Vested Performance Rights is subject to such allocation not contravening the Corporations Act, the Listing Rules, the Securities Dealing Policy or any policy established by the Company applicable to dealing in Shares by the Holder.
- (c) Following notification to the Holder under clause G(c), the Company shall within a reasonable period of time allot or transfer to the Holder the relevant number of Shares.
- (d) If the Holder has died, the Holder's legal personal representative shall stand in the place of the Holder for the purposes of clause G(c), subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of Shares held by the Holder.
- (e) From and including the date of allotment to a Holder of any Shares in accordance with the Rules and these Terms and Conditions, the Holder must not sell or transfer those Shares if to do so would be in breach of the insider trading provisions of the Corporations Act (Part 7.10 Division 3), any other applicable law or any Securities Dealing Policy.
- (f) Without limiting the scope of clause H(e), the Company may implement any arrangements (including applying a holding lock), and do all things in the opinion of the Board necessary or desirable, for the purpose of preventing a breach of clause H(e) and each Holder agrees to the Company effecting those arrangements or doing those things.
- (g) From and including the date of allotment to a Holder of any Shares in accordance with these Rules the Holder shall:

- a. be the absolute indefeasible beneficial owner of those Shares; and
  - b. subject to clause g(c), the Corporations Act, the Listing Rules and any Securities Dealing Policy applicable to Holders, be entitled to sell, transfer, dispose of, mortgage, pledge or otherwise deal with those Shares or any interest therein in every manner whatsoever.
  - c. In the case where Holder dies or becomes bankrupt the legal personal representative of the deceased Holder or the trustee in bankruptcy of the bankrupt Holder shall be the only person recognised as having any title to the Shares of the Holder issued in accordance with the Performance Right.
- (h) Shares issued on conversion of a Vested Performance Right shall rank *pari passu* in all respect with Shares already on issue at the date of the Performance Right vesting.
- (i) After Shares have been allotted pursuant to clause h, the Company will promptly make application for official quotation of those Shares on the ASX, if required by the Listing Rules.

#### **I. Forfeiture and Cessation as an Eligible Person**

##### **(a) Lapse of a Performance Right**

An unvested Performance Right will lapse upon the earliest to occur of:

- i. the Performance Right lapsing in accordance with clause I; or
- ii. failure to meet the Performance Condition by the relevant Expiry Date.
- iii. Fraudulent or dishonest actions

Unless varied by prior agreement with the Board, where, in the opinion of the Board, a Holder:

- 1. acts fraudulently or dishonestly; or
- 2. is in breach of his or her obligations to the Company,

then the Board may:

- (a) deem any unvested Performance Rights of the Holder to have lapsed; and/or
- (b) deem all or any Vested Performance Rights to be forfeited – in which event, if the Holder is an employee of the Company, the Holder is deemed to have agreed to sell his shares to the Company pursuant to an Employee Share Scheme Buy-Back (as defined in the Corporations Act) for no consideration or be deemed to have appointed any officer of the Company as his or her agent to sell such Shares on market; and/or
- (c) where any Vested Performance Rights that have converted into Shares and have been sold by the Holder, require the Holder to pay all or part of the net proceeds of that sale to the Company.
- (d) Unless varied by prior agreement with the Board, where, in the opinion of the Board, a Holder's Performance Rights become Vested Performance Rights as a result of the fraud, dishonesty or breach of obligations of another person and, in the opinion of the Board, the Performance Rights would not otherwise have vested, the Board may determine that the Performance Rights have not vested and may, subject to applicable laws, determine:
  - a. where Shares have not been issued upon the vesting of a Performance Right, that the Performance Rights have not vested and reset the Performance Conditions applicable to the Performance Rights;
  - b. where Performance Rights have become Shares, that those Shares are forfeited by the Holder (as described in clause I(b)(i)(D)) and may, at the discretion of the Board, reissue any number of Performance Rights to the Holder subject to new Performance Conditions in place of the forfeited Shares; or
  - c. any other treatment in relation to Performance Rights or Shares to ensure no unfair benefit is obtained by a Holder as a result of such actions of another person.
- (e) **Cessation as an Eligible Person**  
 Unless subject to a specific agreement with the Board, where a Holder ceases to be an Eligible Person of the Company before a Performance Right has vested by reason of his death, disability, bona fide redundancy or bona fide retirement and at that time the Holder continues to satisfy any other relevant conditions imposed by the Board at the time of grant, the Performance Rights granted to the Holder will automatically vest and the Performance Rights will be deemed to become Vested Performance Rights.
- (f) **Cessing to satisfy relevant conditions**  
 If the Holder ceases to be an Eligible Person of the Company for any reason other than one set out in clause G(c), all Performance Rights held by the Holder will lapse.
- (g) **When employment or engagement ceases**



For the purposes of this Plan, a Holder will not be treated as ceasing to be an Eligible Person of the Company until such time as the Holder is no longer either an employee or a contractor of the Company. Subject to applicable laws, at the discretion of the Board, a Holder who is an employee and is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of a Performance Right under the Plan will be treated for those purposes as not having ceased to be an Eligible Person.

**J. Provision of Information**

The Board will advise each Eligible Person of the following minimum information regarding Performance Rights:

- (a) the number of Performance Rights being offered (each entitling its holder to one Share upon vesting of that Performance Right);
- (b) the Expiry Date;
- (c) the Performance Conditions;
- (d) any other relevant conditions to be attached to the Performance Rights or the Shares; and
- (e) any other information required under any applicable law or regulations.

**K. Transfer of Rights**

Except on the death of a Holder, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

**L. Security Interest**

Subject to clause K, Eligible Persons will not grant a Security Interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the relevant Shares are either issued or transferred to that Eligible Person, and any such Security Interest or disposal or dealing will not be recognised in any manner by the Company.

**M. Dividend and Voting Rights**

Performance Rights will not attract dividends and voting rights until the Performance Rights have vested and Shares allocated to the Holder.

**N. Adjustment for Rights Issue**

An Eligible Person may only participate in a new issue of Shares or other securities of the Company to holders of Shares in the Performance Right has vested in accordance with its terms before the record date for determining entitlements to the issue.

**O. Adjustment for Bonus Issue**

- (a) If, during the life of any Performance Right, securities are issued pro rata to the Company's shareholders generally (otherwise than pursuant to any Incentive Scheme) by way of bonus issue, the Eligible Person shall be entitled, upon the later vesting of the Performance Right, to receive in addition to the number of Shares comprised in the Performance Right an allotment or transfer of so many additional securities as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares comprised in the vested Performance Right.
- (b) Additional securities to which the Eligible Person becomes so entitled shall, as from the time securities are issued pursuant to the bonus issue and until those additional securities are allotted or transferred, be regarded as securities comprised in the relevant application of clause P(a) and any adjustments which, after the time just mentioned, are made under clause Q to the number of securities comprised in a Performance Right shall also be made to the additional securities as if they were securities comprised in the Performance Right.

**P. Adjustment for Reconstruction**

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company (not being a reconstruction referred to in clause P above), the number of Performance Rights shall be reconstructed (as appropriate) in accordance with the Listing Rules of the ASX (applying at that time) and in a manner which will not result in any additional benefits being conferred on a holder of a Performance Right which is not conferred on holders of Shares, but in all other respects the terms of conversion will remain unchanged.

**Q. Culmination of Adjustments**

Full effect shall be given to clauses, P and Q as and when occasions of their application arise and in such manner that the effect of the successive application of them are cumulative, the intention being that the adjustments they progressively effect shall be such as to reflect in relation to the Shares and securities

comprised in a Performance Right the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

**R. No Participation Rights**

There are no participation rights or entitlements inherent in the Performance Rights and Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

**Schedule 1 – Part 2**

**1. Details of Performance Rights**

Holder	Charlie Nakamura, Peter Ashcroft and Haru Inukai  And such other members as are nominated by the Board from time to time
Number of Performance Rights	In respect to Charlie Nakamura and Peter Ashcroft Tranche A: 200,000,000 Tranche B: 200,000,000 Tranche C: 200,000,000 Tranche D: 200,000,000 In respect to Haru Inukai Tranche E: 30,000,000 Tranche F; 30,000,000 Tranche G; 30,000,000 In respect to all nominated members of the Plan from time to time; Tranche H: 300,000,000 Tranche I: 300,000,000 Tranche J: 300,000,000 Tranche K: 355,000,000 Tranche L: 355,000,000
Item	Detail
Holder	Charlie Nakamura, Peter Ashcroft and Haru Inukai  And such other members as are nominated by the Board from time to time
Number of Performance Rights	In respect to Charlie Nakamura and Peter Ashcroft Tranche A: 200,000,000 Tranche B: 200,000,000 Tranche C: 200,000,000 Tranche D: 200,000,000 In respect to Haru Inukai Tranche E: 30,000,000 Tranche F; 30,000,000 Tranche G; 30,000,000 In respect to all nominated members of the Plan from time to time; Tranche H: 300,000,000 Tranche I: 300,000,000 Tranche J: 300,000,000 Tranche K: 355,000,000 Tranche L: 355,000,000

## 2. Performance Condition and Expiry Dates

Tranche	Performance Condition	
In respect to Charlie Nakamura and Peter Ashcroft		
Tranche A Performance Right	Completing the re-structure of the company and exceeding \$12 million capitalisation as determined by the closing price of the stock exceeding the capitalisation amount for any 10 trading days in any month.	30 June 2016
Tranche B Performance Right	Securing EBITDA of \$500,000 in the year to 30 June 2016	30 September 2016
Tranche C Performance Right	If, and only if, the market capitalisation of the company exceeds \$15 million at any time to 31 August 2017 as determined by the closing price of the stock exceeding the capitalisation amount for any 10 trading days in any month	30 September 2017
Tranche D Performance Right	If, and only if, the EBITDA exceeds \$2 million in any financial year at any time to 31 August 2019	30 September 2019
In respect to Haru Inukai		
Tranche E Performance Right	If, and only if, the profit of WIN A1 exceeds \$77,000 for the year to 31 July 2016.	30 September 2016
Tranche F Performance Right	If, and only if, the profit of WIN A1 exceeds \$200,000 for the year to 30 June 2017.	30 September 2017
Tranche G Performance Right	If, and only if, the profit of WIN A1 exceeds \$250,000 for the year to 30 June 2018.	30 September 2018
In respect to all nominated members of the Plan from time to time		
Tranche H Performance Right	If, and only if, the market capitalisation of the company exceeds \$15 million at any time to 31 August 2016 as determined by the closing price of the stock exceeding the capitalisation amount for any 10 trading days in any month	30 September 2016
Tranche I Performance Right	If, and only if, the market capitalisation of the company exceeds \$22 million at any time to 31 August 2017 as determined by the closing price of the stock exceeding the capitalisation amount for any 10 trading days in any month	30 September 2017
Tranche J Performance Right	If, and only if, the market capitalisation of the company exceeds \$27 million at any time to 31 August 2018 as determined by the closing price of the stock exceeding the capitalisation amount for any 10 trading days in any month	30 September 2018

Tranche K Performance Right	If, and only if, the market capitalisation of the company exceeds \$33 million at any time to 31 August 2019 as determined by the closing price of the stock exceeding the capitalisation amount for any 10 trading days in any month	30 September 2019
Tranche L Performance Right	If, and only if, the market capitalisation of the company exceeds \$39 million at any time to 31 August 2020 as determined by the closing price of the stock exceeding the capitalisation amount for any 10 trading days in any month	30 September 2020

**Voting Exclusion:** The Company will, in accordance with the Listing Rules of ASX, disregard any votes cast on;

- Resolution 6.1 by Haru Inukai and any of his associates;
- Resolution 6.2 by Charlie Nakamura and any of his associates;
- Resolution 6.3 by Peter Ashcroft and any of his associates.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**The non-conflicted director, Mr Hiro Ogawa recommends each resolution to the shareholders.**

## 7. ITEM 7 ON THE AGENDA – APPOINTMENT OF AUDITOR

Through the ordinary course of business the Company undertook a review of its auditors which resulted in a tender process. The Company received four excellent responses together with a response from the Company's existing auditors. The criteria for recommending to the Company a change in auditors was that the Company select an auditor both in respect to expertise of its new business plan and strategy and in relation to a program to reduce the costs of the audit. ESV Accounting the Company's current auditor was not successful in retaining the audit service and was asked to resign.

The Company would like to stress that there has been no disputes with the current auditors, ESV and the Company thanks Mr Tim Valtwies and his team for their assistance and professionalism.

The Board has however selected Hall Chadwick to replace ESV as the Company's auditors for the financial year commencing 1 July 2015 and subsequent financial years based upon its expertise and to reduce the costs associated with the audit. The Board believes the appointment of Hall Chadwick is in the best interests of the Company and its shareholders.

The resignation of ESV is subject to the consent of ASIC in accordance with section 329 of the Corporations Act. ESV will continue to hold office until consent is granted and the Company approves the new appointment at the AGM.

**There is no voting exclusion in respect to this resolution.**

**The Board recommends this resolution to the shareholders.**

## 8. ITEM 8 ON THE AGENDA – APPROVAL OF 10% PLACING FACILITY SPECIAL RESOLUTION

This resolution adds to the company's placing capacity by the provision of an additional 10%. The effect of this resolution is to provide for further capital raising and flexibility for the Company moving forward.

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued ordinary share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the eligible entity's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities which may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

### 1. Description of Listing Rule 7.1A

#### a. Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

#### b. Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue the following classes of Equity Securities:

- i. ordinary shares quoted on ASX
- ii. options not quoted on ASX

#### c. Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- i. plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- ii. plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- iii. plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under Listing Rules 7.1 and 7.4;
- iv. less the number of fully paid ordinary shares cancelled in the 12 months.

*(Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.)*

**D is 10%**

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

#### d. Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 10,307,266,550 ordinary shares and therefore has a capacity to issue:

- i. 1,546,089,982 Equity Securities under Listing Rule 7.1; and
- ii. subject to shareholder approval being obtained under Resolution 7, 1,030,726,655 Equity Securities under Listing Rule 7.1A.
- iii. The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

**e. Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before;

- i. the date on which the price at which the Equity Securities are to be issued is agreed; or
- ii. if the Equity Securities are not issued within five Trading Days of the date referred to in section (e)(i), the date on which the Equity Securities are issued.

**f. 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- i. the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- ii. the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**g. Listing Rule 7.1A**

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period in addition to using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of at least 75% of the votes cast by shareholders entitled to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) on the Resolution.

**h. Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- i. The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class over the 15 Trading Days on which trades in that class were recorded immediately before:
  - 1. the date on which the price at which the Equity Securities are to be issued is agreed; or
  - 2. if the Equity Securities are not issued within five Trading Days of the date in paragraph 1.4(a)(i), the date on which the Equity Securities are issued.
- ii. There is a risk that:
  - 1. the market price for the Company's Equity Securities in the same class may

be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting, although unlikely as the market price of the Company's Equity Securities is \$0.001 on 10 October 2015 and trading on the ASX is not permitted below this price; and

2. the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities in the same class on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the risk of voting dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary shares for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

iii. The table also shows:

1. three examples where variable 'A' is at the current market price and where it has increased, by 100% and 200%. Variable 'A' is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
2. an example of where the issue price of ordinary shares has decreased by 25% as against the current market price.

Variable "A" in Listing rule 7.1A.2		Issue Price			
		\$0.00075 (minimum price at VWAP of \$0.001)	\$0.001	\$0.002	\$0.003
Current Variable "A" 10,307,266,550 shares	10% dilution	1,030,726,655 shares	1,030,726,655 shares	1,030,726,655 shares	1,030,726,655 shares
	Funds raised	\$77,304	\$103,072	\$206,144	\$306,216
Total shares on issue	10% dilution	11,337,993,205	11,337,993,205	11,337,993,205	11,337,993,205

iv. The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. No current options are exercised into shares before the date of the issue of the Equity Securities.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements pursuant to the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A and no other issues of Equity Securities.

6. The issue of Equity Securities under the 10% Placement Facility consists only of shares.
7. The issue price is \$0.001, being the closing price of the shares on ASX on 9 October 2015.
- v. The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- vi. The Company may seek to issue the Equity Securities for the following purposes:
  1. non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as referred to in the Note to Listing Rule 7.1A.3; or
  2. cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration expenditure on the Company's current assets and/or general working capital.
- vii. The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- viii. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities and the number of Equity Securities allotted to each will be determined on a case- by- case basis having regard to factors including, but not limited to, the following:
  1. the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which the existing security holders can participate;
  2. the effect of the issue of the Equity Securities on the control of the Company;
  3. the financial situation and solvency of the Company; and
  4. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments or the nominee of such vendors.
- ix. A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing shareholder's votes will therefore be excluded under the voting exclusion statement in the Notice.
- x. In accordance with Listing Rule 7.3A.6 the Company has not previously sought or obtained shareholder approval under Listing Rule 7.1A.

Resolution 8 is a **special resolution**.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 8 by any person or party who is entitled to participate in the Plan at this time .However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.



**The Board recommends this resolution to the shareholders.**

The A1 Investments & Resources Ltd 2014 Annual Report can be viewed online at the Company's website [www.a1investments.com.au](http://www.a1investments.com.au).

If you have any questions after reading this information, please do not hesitate to contact Charlie Nakamura on (02) 9114 6888 during normal business hours.

### **Glossary**

The following definitions are used in the Notice of Annual General Meeting and the Explanatory Memorandum:

**Board** or **Board of Directors** means the board of Directors of the Company;

**Company** or **AYI** means A1 Investments & Resources Ltd ABN 44 109 330 949;

**Corporations Act** means the *Corporations Act* 2001 (Cth);

**Directors** means the directors of the Company;

**Share** means a fully paid ordinary share in the issued capital of the Company and **Shares** means any two or more of them

**A1 INVESTMENTS & RESOURCES LIMITED**
**ABN 44 109 330 949**
**PROXY FORM**
**FAX (02) 9232 8883**

To: Company Secretary  
A1 Investments & Resources Limited  
Suite 606, Level 6, 37 Bligh St  
Sydney NSW 2000

<b>Shareholder</b>	<div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="text-align: center; font-style: italic;">(full name of shareholder - please print)</div> <div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="text-align: center; font-style: italic;">(address)</div>
<b>Appoints</b>	<div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="text-align: center; font-style: italic;">(name, or office held, of Proxy - please print)</div> <div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="text-align: center; font-style: italic;">(address)</div>

or failing such appointment or the absence of that person, **the Chair of the Meeting**, as my Proxy to vote for me on my behalf (with discretion as to any business not referred to below) at the General Meeting of the Company to be held on 12 November 2015 at 10.30 am (Sydney time), and at any adjournment of that meeting.

(Voting instructions to be indicated by a **tick** ☒ in the appropriate box. If no instruction is given the Proxy may vote as that person thinks fit (other than in respect of item 3), or abstain. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.)

I/We instruct my/our proxy to vote as follows:

BUSINESS	FOR	AGAINST	ABSTAIN
2. Election of Mr Nakamura as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approve the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approve the Refreshing of the 15% Placing Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approve Placing Capacity Retention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1 Approve Performance Rights Plan (General)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2 Approve Performance Rights Plan (Nakamura)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.3 Approve Performance Rights Plan (Ashcroft)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approve the Appointment of the Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approve Additional 10% Placing Capacity (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you do not wish to direct your Proxy how to vote, please place a mark in the following box:

- ☐ By marking this box, you acknowledge that the Chair of the Meeting may exercise your proxy vote even if he has an interest in the outcome of the resolution and votes cast by him other than as a Proxy will be

disregarded because of that interest. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

*Note: Please read under "VOTING BY PROXY", over this page of the Notice of Special General Meeting, as to completion and lodgement of this Proxy Form.*

<b>SIGNATURE(S) / EXECUTION</b>	
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <i>Individual/Sole director/Sole secretary</i>	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <i>Director/Secretary</i>

#### **VOTING BY PROXY**

- (a) (Right to appoint): Each shareholder has the right to appoint a proxy to attend and vote for the shareholder at this meeting.
- (b) (Two proxies): To enable a shareholder to divide their voting rights, a shareholder may appoint 2 proxies. Where 2 proxies are appointed:
  - (i) a separate Proxy Form should be used to appoint each proxy;
  - (ii) the Proxy Form may specify the proportion, or the number, of votes that the proxy may exercise, and if it does not do so the proxy may exercise half of the votes.
- (c) (Who may be a proxy): A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held, for example, "the Chair of the Meeting".
- (d) (Signature of individuals): In the case of shareholders who are individuals, the Proxy Form must be signed:
  - (i) if the shares are held by one individual, by that shareholder;
  - (ii) if the shares are held in joint names, by any one of them.
- (e) (Signatures on behalf of companies): In the case of shareholders who are companies, the Proxy Form must be signed:
  - (i) if it has a sole director who is also sole company secretary, by that director (and stating that fact next to, or under, the signature on the Proxy Form);
  - (ii) in the case of any other company, by either 2 directors or a director and company secretary.

The use of the common seal of the company, in addition to those required signatures, is optional.
- (f) (other authorised persons): If the person signing the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy Form, must be received by the Company by the time and at the place in (g) below.
- (g) (Lodgement place and deadline): A Proxy Form accompanies this notice. To be effective, Proxy Forms (duly completed and signed) must be received by the Company:
  - (i) at Suite 606, Level 6, 37 Bligh St, Sydney, NSW, 2000; or
  - (ii) by facsimile on (02) 9232 8883,

(Marked to the attention of the Company Secretary) no later than 10 am (EST) on 10 November 2015