



ABN 44 109 330 949

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**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY STATEMENT**

**PROXY FORM**

**COMMUNICATION ELECTION FORM**

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<b>DATE</b>	<b>THURSDAY, 10 NOVEMBER 2016</b>
<b>TIME</b>	<b>10.30 AM</b>
<b>VENUE/LOCATION</b>	<b>Level 40, 2 PARK ST SYDNEY NSW 2000</b> <b>(corner Park and George Streets Sydney)</b> <b>(THE OFFICES OF HALL CHADWICK)</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 8 NOVEMBER 2016

**TO THE SHAREHOLDERS****A1 Investments & Resources 2015, 2016 and 2017****2015-2016 Performance**

A very busy and exciting year but ultimately still a disappointing result.

Although total revenue for the consolidated group increased from \$14,941 (2015) to \$3,078,463 the group still produced a loss of \$770,903 but this should be compared to the loss in the previous year (2015) of \$1,496,378.

**EQ Foods**

Nonetheless shareholders should not be too disappointed as in our view the loss should be equated to the start-up costs of a major food producing business, EQ Foods. The directors are of the opinion the medium and long term growth of EQ Foods represents a significant opportunity for the company. We are pursuing an aggressive growth strategy whilst seeking to control all costs.

New production equipment will arrive late this year or early next year which will greatly improve the volumes of product produced without substantially increasing overall costs.

The Company intends to pursue this business.

The board is reasonably satisfied with the current performance of EQ Foods but we are looking forward to better and more positive results from this business in 2016-17.

**Restaurants**

In 2015 the Company acquired a small Japanese themed restaurant in the Haymarket of Sydney. At the time we were proposing to examine the opportunities available to expand the “Ikkyu Ramen” brand and to develop this business unit. The most important ingredients of a successful restaurant are location and staff. We examined several sites and have not been able to secure a site that meets our success criteria.

Along with a focus on EQ Foods including the supply of products from EQ Foods to Ikkyu Ramen the Company is examining its medium and long term commitment to retail restaurants.

The board is not satisfied with the current performance of Ikkyu Ramen and is looking to further rationalise this business in 2016-17.

**Tournet Oceania**

The first acquisition by the Company in July 2015 was the whole of the capital of Tournet Oceania (“Tournet”). Although Tournet produced a small loss for the year the company is now better placed to provide reasonable on-going profits for the future. However the primary operating joint venture requires further costs reductions before sustainable profits can be assured.

The provision of an additional bus has seen an increase in revenue and some overall cost reductions in operating the tour joint venture.

The board is not satisfied with the current performance of Tournet and we are looking forward to better and more positive results from this business in 2016-17.

### **A1 Japan and Great Voyage**

We acquired Great Voyage during 2015 and although it produced a revenue consistent with its business plan, the operating costs exceeded our expectation. The administration and accounting costs of operating companies in Japan were also significant. The Company had the major advantage that its director Mr Hiro Ogawa was a Japanese resident but we had no general administration in place in Japan to support Mr Ogawa prior to our acquisitions.

The acquisition of Great Voyage by A1 Investments Japan resulted in loan of \$738,804 which if consolidated at 30 June 2016 would have been a significant detriment to the group.

The opportunity to sell A1 Japan arose in late May 2016 (settled early June 2016) with the purchaser agreeing to assume the loan acquisition liability. I note that Great Voyage has not succeeded in producing profits commensurate with its revenue as anticipated at the time of acquisition. The board of the Company was of the opinion this sale was in the best interests of all shareholders and agreed to the sale.

### **COTY Guam**

The Company pursued the development of this property throughout 2015 and early 2016. When we became aware the time for development would be at least 2 years we sought to have COTY refinance our loan. This took place and the full amount of the loan was re-paid in June 2016.

### **No Debt 30 June 2016**

The Company continues to have no significant debt as at 30 June 2016.

### **2016-17**

The sale of A1 Japan saw the board adopt a policy of focusing on Australian businesses for the immediate future. We also confirmed our focus on “food” related businesses.

The focus of the Company of the following year is twofold;

1. Improve the performance of all existing businesses. We do not intend to lose sight of our existing businesses and the need to improve their overall profitability; and
2. Seek new opportunities in the “food” industry.

Mr Nakamura is examining export opportunities for Australian products primarily to Japan. Associations that have been developed and made over the past several years in the food industry in Japan have indicated their interest in importing and distributing Australian agricultural products in Japan.

Japan has often proved a very difficult market for Australian food products, but Mr Nakamura’s connections particularly with existing food distribution wholesalers in Japan may lead to the development of some exciting new opportunities and businesses.

I and your board are looking forward to the challenges.

As was the case last year mere thanks are not enough to express my appreciation to Mr Charlie Nakamura for his enormous efforts managing the day to day affairs of EQ Foods and Ikkyu Ramen and over-seeing the affairs of Tournet, whilst still focusing on the business development of the group.

**Excellent Financial Position for the Future**

This next financial year, 2016-2017 has commenced with the company in a relatively good financial position but positive and profitable businesses are still required. We have several projects of real potential and substance and new shareholders interested and excited by these developments.

The current cash position of the company is acceptable but the medium term will require further cash.

We have not utilised the special placing capacity in the year to date but we are requesting shareholders again approve this position (Resolution 5).

**Communication Election Form**

We have also enclosed a “Communication Election Form” for completion which may be returned in the return envelope with your proxy form or faxed or emailed to us with your proxy form.

The cost of providing shareholders with hard copies of the Annual Report and Notice of Meeting is significant and it is in all shareholders’ interest to assist the company to reduce this cost. We encourage all shareholders to complete the form and to accept all reports and notices by electronic means. We do emphasise that you are not required to complete the form and any failure to return such form shall in no way affect the return of a completed proxy.

I thank all our shareholders for their support and I look forward with great enthusiasm to 2016-17 and beyond.

**Change of Venue for the Meeting**

I also direct shareholders to the change of venue to the offices of Hall Chadwick at Level 40, 2 Park Street, Sydney.

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 Level 40, 2 Park St Sydney NSW 2000, at 10:30 am (Sydney time) on, Thursday, 10 November 2016 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 2016.

The A1 Investments & Resources Ltd 2016 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 Peter Ashcroft

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 2016 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 500,000,000 securities on the basis set out in the Explanatory Statement being ratified and approved.”*

### **SPECIAL BUSINESS**

#### **5. 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 15 November 2016.

### **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 15 November 2016.

**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 2016. 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**

Managing Director

Dated: 30 September 2016, 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, 10 November 2016.

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 2016 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 Hall Chadwick 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 Hall Chadwick Chartered Accountants, if the question is relevant to the content of the Auditor's Report for the financial year ended 30 June 2016 or the conduct of the audit of the Financial Report for that year. Relevant questions may be submitted to Hall Chadwick Chartered Accountants, by emailing [dtownsend@hallchadwick.com.au](mailto:dtownsend@hallchadwick.com.au). These questions must be received by the auditor no later than Tuesday, 8 November 2016. At the meeting, Hall Chadwick 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**

Peter Ashcroft 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 Ashcroft abstaining in respect of his own election) supports the re-election of Peter Ashcroft.

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



**Peter Ashcroft**, age 64

Term of office: Joined the Board in November 2011

Independent: No

Experience: Executive Director and Company Secretary

Qualifications LLB (University of Sydney)

Experience and expertise: Mr Ashcroft has been a public company director for the past 10 years serving in executive and non-executive roles. Mr Ashcroft was a commercial lawyer for over 35 years specialising in public company administration, resource companies, competition law, contracts and companies.

Mr Ashcroft is primarily responsible for the corporate governance obligations of the company and was responsible for drafting and implanting many of the policy documents of the company. Mr Ashcroft has also developed an expertise in food safety and food safety management as a result of his position as a director of A1.

Peter Ashcroft has been a director of the company for the past 5 years.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 2 by Mr Ashcroft. 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 Ashcroft) 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 2016 is set out on pages 6 to 10 of the Company's 2016 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 500,000,000 ordinary shares as a consequence of the exercise of unlisted options by King Fame Group Limited on 1 December 2015. No other issues have taken place between the last annual general meeting on 12 November 2015 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 500,000,000 ("the Prior Placements");
- (b) 500,000,000 shares being the whole of the Prior Placements were issued to King Fame Group Limited pursuant to the exercise of 500,000,000 unlisted options. The issue price of the shares was \$0.0004 per share ;
- (c) 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;
- (d) \$200,000 was received from King Fame Group Limited in respect to the issue.

**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 King Fame Group Limited. 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 – 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 10,807,266,550 ordinary shares and therefore has a capacity to issue:

- i. 1,621,089,982 Equity Securities under Listing Rule 7.1; and
- ii. subject to shareholder approval being obtained under this Resolution 5, 1,080,726,655 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 2016 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% dilution	1,080,726,655 shares	1,080,726,655 shares	1,080,726,655 shares	1,080,726,655 shares
10,807,266,550 shares	Funds raised	\$810,545	\$1,080,727	\$2,161,453	\$3,242,180
Total shares on issue	10% dilution	11,887,993,205	11,887,993,205	11,887,993,205	11,887,993,205

- i. 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 ~~xxx~~ October 2016.
- ii. The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 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).
- iii. 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.
- iv. The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- v. 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.

- vi. 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.
- vii. In accordance with Listing Rule 7.3A.6 the Company has not previously sought or obtained shareholder approval under Listing Rule 7.1A.

Resolution 5 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 2016 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**
**Email [peter.a@a1investments.com.au](mailto:peter.a@a1investments.com.au)**

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; margin-bottom: 5px;"></div> <div style="text-align: center; font-style: italic; font-size: small;">(full name of shareholder - please print)</div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="text-align: center; font-style: italic; font-size: small;">(address)</div>
<b>Appoints</b>	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="text-align: center; font-style: italic; font-size: small;">(name, or office held, of Proxy - please print)</div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="text-align: center; font-style: italic; font-size: small;">(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 17 November 2016 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, 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:

<b>BUSINESS</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
2. <b>Election of Mr Ashcroft as a director</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. <b>Approve the remuneration report</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. <b>Approve the Refreshing of the 15% Placing Capacity</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. <b>Approve Additional 10% Placing Capacity (Special Resolution)</b>	<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 General Meeting, as to completion and lodgement of this Proxy Form.



## 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>SIGNATURE(S) / EXECUTION</b>	
<div style="border-top: 1px solid black; margin-top: 80px; margin-bottom: 5px;"></div> <i>Individual/Sole director/Sole secretary</i>	<div style="border-top: 1px solid black; margin-top: 80px; margin-bottom: 5px;"></div> <i>Director/Secretary</i>

- (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,
  - (iii) by email to peter.a@a1investments.com.au
- (Marked to the attention of the Company Secretary) no later than 10 am (EST) on 15 November 2016

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**A1 INVESTMENTS & RESOURCES LIMITED**
**ABN 44 109 330 949**
**COMMUNICATION ELECTION FORM**
**FAX (02) 9232 8883**
**Email [peter.a@a1investments.com.au](mailto:peter.a@a1investments.com.au)**

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

**NOTICE UNDER S.314 OF THE CORPORATIONS ACT**

<b>Shareholder</b>	<div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="text-align: center; margin-bottom: 5px;"><i>(full name of shareholder - please print)</i></div> <div style="border-bottom: 1px solid black; height: 1.2em;"></div> <div style="text-align: center;"><i>(address)</i></div>
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To indicate your preference to receive the documents below please indicate your preference by **ticking** the appropriate box.

The Annual Report and Notice of Meeting will be available on our web site [www.a1investments.com.au](http://www.a1investments.com.au).

ANNUAL REPORT REQUIREMENT		IF YOU DO NOT NOTIFY US OF YOUR PREFERENCE WE STILL HAVE THE OPTION OF NOT PROVIDING A REPORT TO YOU.
<input type="checkbox"/>	Please send me a printed copy of the Annual Report	
<b>OR</b>		
<input type="checkbox"/>	Please send me an electronic copy of the Annual Report	

NOTICE OF MEETING REQUIREMENT		IF YOU DO NOT NOTIFY US OF YOUR PREFERENCE WE WILL CONTINUE TO SEND A HARD COPY OF THE NOTICE OF MEETING TO YOU.
<input type="checkbox"/>	Please send me a printed copy of the Notice of Meeting	
<b>OR</b>		
<input type="checkbox"/>	Please send me an electronic copy of the Notice of Meeting	

Please provide your email address. Please complete in capital letters using a black pen.

<b>email</b>	
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<b>Telephone Number</b>	
<b>Mobile number</b>	

Many thanks  
**Peter Ashcroft**  
**Company Secretary**  
**A1 Investments & Resources Limited**