



ABN 44 109 330 949

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

DATE THURSDAY 26 NOVEMBER 2020

TIME 11.00 AM

**VENUE/LOCATION Level 40, 2 PARK ST SYDNEY NSW 2000
(corner Park and George Streets Sydney)
(THE OFFICES OF HALL CHADWICK)**

**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 (Coronavirus precautions)

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

During these unprecedented times the Company encourages all shareholders to vote by proxy and not to attend in person.

All shareholders are encouraged to submit any question or comment for the consideration of the Board prior to the meeting. All questions or comments should be submitted to the company secretary by emailing to peter.a@aone.ltd.

Any shareholder or their proxy who intends to attend the meeting in person is asked to notify the

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company on or before 11am Monday 23 November 2020. Such persons may notify the company secretary by emailing to peter.a@aone.ltd.

Any shareholder or their proxy who attends the meeting is encouraged to wear a mask. Social distancing will be strictly enforced during the meeting.

All shareholders or their proxy will be required to complete a questionnaire provided by Hall Chadwick acknowledging they have;

- had no recent contact with persons who have tested positive for coronavirus in the previous 14 days
- visited any coronavirus hotspot in the past 14 days
- been overseas in the last 14 days
- not been in close contact with or caring for someone who is currently unwell
- currently or within the last 7 days been unwell or been aware of any of the following symptoms:
 - fever, night sweats or chills
 - cough
 - runny nose sore or scratchy throat
 - shortness of breath

Any shareholder or proxy who answers yes to any of the above will not be admitted and requested to leave the premises.

All shareholders or their designated proxy will be required to identify themselves to Hall Chadwick and to provide contact details such as a mobile phone number.

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
11.00 AM (SYDNEY TIME) ON, TUESDAY 24 NOVEMBER 2020

TO THE SHAREHOLDERS
A1 Investments & Resources 2019 and 2020
2019-2020 Performance

The consolidated entity made a loss after tax of \$1,143,320. Please note that the Annual Report of the Company may be fully inspected or downloaded from the Company's web site www.a1investments.com.au.

Highlights of 2019-20

- Negotiating and settling the agreements for the foundation of the sea cucumber export business
- Overseeing the commencement of harvesting sea cucumbers from Shark Bay in WA
- Receipt of the first deliveries of dried and processed sea cucumbers for export
- Entering into a \$2 million facility to fund the next stage of the sea cucumber project
- Developing a program of cultural awareness to assist in the relationships with Traditional Owners of Australia with whom the Company deals

New Focus The Company as an Ethical Investment
Strategy, Sustainability and Acknowledgment of Social and Cultural Diversity
Our Strategy

We create products for a better future in a sustainable manner for our customers, our team, the communities in which we do business and our shareholders.

The Company has determined that all its operations will be undertaken in such a manner to ensure the needs of such operations in the present are undertaken so as not to compromise the ability of future generations to meet their own needs.

At all times we strive;

- to create shareholder value in a responsible manner;
- to care about all stakeholders with whom we deal;
- to do the right thing and to listen and learn;
- integrate our environmental impact and our human resources with our management of social issues affecting the company; and
- to improve from month to month and year to year.

Our business operating procedures are designed to ensure we adhere to our philosophy of being an ethical investment.

Wherever possible we seek to undertake our business;

- ethically
- using clean energy and being efficient as possible (our factories prioritise solar and wind energy providers). We undertake to review our green gas

emissions and seek to reduce our emissions, energy and waste year to year

- supporting research (we are sponsoring research into aquaculture in Western Australia and sea cucumber breeding) to improve our products, including improving the sustainability of our natural resources
- creating sustainable products (all harvesting is done in a sustainable resource management manner)
- considering the diverse cultures of all our stakeholders including the Traditional Owners of Australia

The Company supports a process of reconciliation with the Traditional Owners of Australia. The company has confirmed that all formal meetings of the Company will commence with the Company's Acknowledgement. This acknowledgment was developed to confirm our respect for the Traditional Owners of Australia and their special connection to country, including the surrounding seas, and to recognise the various cultural and social relationships that the company has had in its past and continues to foster into the future.

"Acknowledgment"

The Company acknowledges the Traditional Owners of country throughout Australia and the connection such Traditional Owners have to the land and its surrounding seas, culture and community. The Company makes special reference to the custodians of the lands and waters comprising and surrounding Bundybunna and Shark Bay, Carnarvon, Exmouth and Onslow in Western Australia and Sydney in NSW, and any other lands or waters in Australia upon which the Company does or intends to operate.

The Company respects all Elders, past, present and emerging. The Company is committed to the adoption and practice of a philosophy of cultural awareness including an understanding and appreciation of the diverse cultures in which it operates and associates within Australia and overseas, including the cultures of the Traditional Owners in Australia, the various cultures of a multicultural Australia and the cultures of the people of China, Japan, India, Indonesia, Malaysia, Vietnam and throughout the rest of Asia where the Company operates.

Going Concern

Despite the loss reported above, the Board of your Company is

confident the Company is a going concern by virtue of;

- Having met all trading debts in the ordinary course of business or having made appropriate arrangements for payment over time of some trading debts;
- The current fund raising which is the subject of resolutions at this meeting that has raised and will raise further working capital;
- The provision of a medium term loan to the consolidated entity in an amount of \$2 million; and
- The company's new sea cucumber business known as Blue Ocean Health which has now commenced and will generate over time cash for the Company to trade in the ordinary course of business.
- The company cautions all shareholders to refer to the comments below in respect to the company's current operations at Denham in Western Australia and the problems the company is experiencing with its joint venture supplier.

In order to secure the Company's future, the Board has continued to pursue a low cost operation. The Company continues to focus its overall business strategy on food production and seafood related business for domestic and export consumption. This focus is reflected in the Financial Statement of the Company to 30 June 2020.

2019-20 Projects

The Company advises the shareholders as follows;

1. Today Current Projects

Qualipac Agriculture

Operations within this venture ceased in December 2019.

The Company and Qualipac have determined to examine other properties in the area to continue the venture and to again examine the opportunities available in Tasmania.

However, the coronavirus pandemic and the domestic and international travel restrictions in place at the time of writing this Notice have precluded the management of the consolidated entity travelling to Queensland to examine other opportunities. The Board therefore determined to suspend further operations under this project until 2021, when a further re-assessment will take place.

The Company remains confident of the medium and long term profitability of the Qualipac joint venture and the significant potential of the project.

North Japan Development

The Company has deferred any further examination of this project as the primary customer for the gravel was associated with Tokyo Olympics which have been postponed for 12 months

Blue Ocean Health

As at 30 June 2019 this business was only in the planning stage. The Company has signed a terms sheet for the

establishment of sea cucumber production business with a local Aboriginal group at Shark Bay with rights only available to Aboriginal persons who may undertake a commercial harvesting program for sea cucumbers in Shark Bay.

The company entered an agreement with such local Aboriginal group (see ASX release 30 September 2019) whereby the parties would collectively develop a new sea cucumber business based in Western Australia. The Aboriginal group have the rights to harvest sea cucumbers along 1200 klm of Western Australian coastline from Shark Bay to Onslow.

The parties agreed to form a new company that would undertake the processing of the sea cucumbers from a new factory at Denham on the shores of Shark Bay in Western Australia. The company arranged the incorporation of Tidal Moon Australia Pty Limited ("TMA") which is owned 51% by the local Aboriginals and 49% by the company, although the company has rights of veto in respect to capital expenditure. The agreement is that the local Aboriginal group harvest the sea cucumbers in Shark Bay and sell 100% of the harvested sea cucumbers to TMA at cost plus 20%, and TMA will sell 80% of the processed sea cucumber to Blue Ocean Health an operating division of the company, at cost plus 20%.

The agreements are that the Company will control the costs of the project both in respect to harvesting and processing. Both companies must provide the Company with an open accounting book and must always drive their respective operating costs down.

All operations of the project are designed to be as environmentally neutral as possible. The factory includes a new state of the art solar powered drying room and all power is provided by green energy providers, particularly wind farms.

All Blue Ocean Health's product from Western Australia is harvested by Australian Aboriginal persons by hand to ensure the preservation of wild sea cucumbers and the preserve the sea floor in areas where harvesting is taking place. The seagrass on the sea floor of Shark Bay is a national heritage and drag nets, or net fishing generally that can damage the sea grass is forbidden. Climate change is now affecting the waters of Shark Bay which have seen an increase in temperature of the water over the past 10 years and a shrinkage of the area of seagrass which is highly water temperature sensitive. Australian sea cucumbers thrive within the sea grass and are an important element in keeping the waters clean and pristine. Hand harvesting ensures there is no damage done to the sea grass beds and places an easily administered limit to large harvests.

The Company has only recently received its first delivery of dried product from TMA, which is several months

behind our original plans. The impact of the coronavirus has meant delays in the construction of the factory, some boat fit out delays and more difficult employee management strategies as part of a COVID19 management plan.

TMA has just recently received the final approvals to permit the export of the product to the Company's primary customers in Asia.

Unfortunately, the performance of the Company's Aboriginal partners has been unsatisfactory for sometime and particularly for the past three months. The Company has been professional and sympathetic to the failures in performance by Tidal Moon Pty Limited ("TM"), but this position has rarely been reciprocated, resulting in TM advising the Company on 1 October 2020 that it was terminating the agreement. The Company has rejected the termination and has advised TM that it will seek specific performance of the contract and damages for breach. The Company has developed and maintained its relationship with the local Aboriginal Elders who have expressed support for the company and the joint venture. The Company is seeking a solution with TM that would see TM continue to provide sea cucumber harvesting, but at the same time looking at other alternatives, including a direct contract with the local Aboriginal corporation, who are also in dispute with TM.

Despite the problems for the past several months the Company reasonably expects to be exporting or having available for export up to 1 tonne of dried sea cucumber per month to Japan by January 2021. The offshore transport of the product caused directly by the coronavirus remains a major unresolved issue for the Company. Cargo space, both air freight and sea freight remains a major problem to all Australian exporters. To alleviate transport problems in the short term all dried sea cucumber will be exported by the Company by air from Australia.

As part of the program of TMA in Denham the company is supporting a research and development program by TMA into the breeding of Australian sea cucumbers. The Company has guaranteed the performance of TMA in respect to agreements with Curtin University in Western Australia to support the breeding and hatchery program.

The Company is also examining the immediate opportunities to acquire sea cucumbers from other suppliers.

The Company's target is to be providing not less than 1 tonne of dried sea cucumber to Blue Ocean Japan ("BOJ") in the first quarter on 2021 rising to 1.5 tonnes by June 2021. The Company intends sourcing product from Australia and elsewhere during the period. The Company is currently testing Peruvian sea cucumber and has tentatively committed to acquire up to 2 tonne of product per month

throughout 2021.

Blue Ocean Japan

The Company acquired a subsidiary in Japan called Blue Ocean Japan in January 2020 which will acquire all of the exported sea cucumber from the Company, primarily for the manufacture of a health food supplement to be primarily marketed in Japan and the PRC. Test samples and market analysis is being undertaken.

2. Future Direction

The Company is continuing to examine opportunities as they may be presented.

Bundybunna

The Company has previously announced it has entered a heads of agreement to acquire the owner of a lease of an 11,000 hectare livestock and grain property in central Western Australia. Completion of the acquisition is anticipated before 31 Dec 2020 but it dependent on the termination of the winding up of the owner of the property, Bundybunna Aboriginal Corporation Limited (in liquidation) ("BACLL"). The Company and its executive directors have provided all assistance required by the members of BACLL to facilitate the termination of the winding up and the Company has a reasonable expectation this will take place before 31 Dec 2020 or immediately thereafter.

The Company has engaged professional farming consultants to assist in the management of Bundybunna in the future. Our initial program is to expand the areas under grain cultivation to immediately improve the revenue of the project. The second phase is to repair the water infrastructure which will allow the grazing of livestock, both sheep and cattle. The property's best potential is as a mixed grain and livestock farm.

There is also potential for the development of Australian Indigenous Bush Medicine on a small commercial scale. The property has set aside approximately 20 hectares for the development of plants used to extract bush medicines. The Company is examining the feasibility of using some of these products as an added mixture for inclusion in the supplements being produced from sea cucumber. The sale of these products would be limited to outside of Australia.

The Notice of Meeting in Resolution 8 seeks shareholder approval to the issue of ordinary shares in the Company to a value of \$142,010.50 for the purchase of Resi Property Holdings Pty Limited, the owner of the lease of Bundybunna. No shares will be issued until the lease has been signed by all parties.

Qualipac Joint Venture

This venture is currently suspended during the restrictions imposed by virtue of the coronavirus pandemic.

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Blue Ocean Health

Blue Ocean Health will arrange for the production of health supplements and beauty additives from the dried sea cucumber.

The Company secured a medium term loan (maturing in 3 years in March 2022) of \$2 million to provide the further working capital needs of Blue Ocean Health and Blue Ocean Japan.

The Company has managed to continue to operate in all areas of prime interest throughout 2020 despite the very significant problems of travel and risk that the coronavirus pandemic has caused. The operations in Western Australia have been particularly difficult to manage with the very restrictive travel available. The Board notes the excellent work all of the Company's dedicated employees, management and consultants in Western Australia throughout 2020.

The Company reasonably expects to be exporting or having available for export from its operations in Western Australia up to 1 tonne of dried sea cucumber per month to Japan by January 2021. The offshore transport of the product caused directly by the coronavirus remains a major unresolved issue for the Company. Cargo space, both air freight and sea freight remains a major problem to all Australian exporters.

The Company is also examining other sea cucumber supply opportunities. The Company and its employees and management have developed and have access to significant intellectual property in the processing, cooking drying and storing of sea cucumber. The Company has a focus and expertise in ensuring maintaining low salt levels in the dried product. The Company is seeking suppliers who can establish and maintain low salt harvesting and processing practices.

2020-21 will be a period of building dry sea cucumber stock for further processing and supplement manufacture in Japan. The Company must manage all the difficulties of the coronavirus pandemic in Australia, Japan, the PRC, and our Asian and Pacific suppliers. Transporting product around the world remains a major problem for the Company. Most of our product does not require air freight in the usual course of events, but small amounts of general cargo are a major logistical issue out of Australia and indeed from our other sources of product in Asia and the Pacific. We are usually transporting our product in tonne lots meaning we must always consolidate our freight with other consignors. This leads to inevitable delays.

The Company intends commencing sales in the PRC in 2021 and is commencing to formulate detailed sales and marketing plans including a major social media program in the PRC. All Company product being exported to the PRC will emanate from Japan and will be manufactured in Japan. Although the Company sees the Western Australian sea

cucumber production as very important for the future and particularly for premium products throughout Asia, the current diplomatic and trade issues taking place between China and Australia has lead the company to focus on a "made in Japan" label in the immediate future.

The Company believes the opportunities for our products in Asia are enormous and the growth potential of the product for the next 5 years will be significant.

General Investments of the Company 2020 and beyond

The Company is continuing to examine general investment opportunities as they may be presented.

The Company is examining the potential to invest in Indonesia in a waste management project operated by the Aura Green Energy Group. Any direct investment will take place in the year to 30 June 2021. This is an investment only. All operating and management will be undertaken by non-associated independent contractors. The risks posed by the coronavirus in Indonesia are likely to delay our assessment of this project into the 2021-22 financial year.

The Company is also examining providing management advice to a proposed limited partnership in Japan which would invest in renewable energy projects in Asia. Any management will take place in the year to 30 June 2021.

The Company is examining the potential to invest in a Japanese renewal energy project in northern Japan operated by the Aura Green Energy Group. Any direct investment will take place in the year to 30 June 2021. This is an investment only. All operating and management will be undertaken by non-associated independent contractors.

Company is a Going Concern

The financial statements have been prepared on a going concern basis because the Company has sufficient cash to continue to trade in the ordinary course of business the balance of this financial year and into the next.

The Company's management recognises that without further cash the Company may not be able to trade and the current and future fund raising is critical to the Company. The Company has also been funded by the directors or their related parties.

The Company is confident of the following;

- Completing the acquisition of Resi Property and the commencement of Company operations on Bundybunna;
- The further development of joint operations with TMA the commencement of the export of dried sea cucumber from Western Australia;
- The acquisition of dried sea cucumber from other primary suppliers particularly Peru.
- The commencement of supplement manufacture in

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Japan and the sales of supplement in Japan and the PRC;

- The continued support by way of placements and loans from a group of existing and new professional investors.

MEETING SUMMARY

The Company directs shareholders to the Company's Annual Report for the year ended 30 June 2020.

The Resolutions set out in the following Notice are summarised as follows:

Item 1 (Acknowledgment) This is a Company developed and Company specific acknowledgment of country in favour of Australia's Traditional Owners and is expanded from the usual style of such acknowledgments to include an acknowledgement of all the cultures that the Company deals with on a day to day basis, including our shareholders. There is no resolution for the consideration of shareholders in respect to this Item 1.

Item 2 Resolution 1 relates to the receipt of the Financial Reports, the Directors' Report and the Auditor's Report for the Company for the year ended 30 June 2020.

Item 3 Resolution 2 is the re-election of Mr Nakamura as a director.

Item 4 Resolution 3 is the adoption of the Remuneration Report.

Item 5 Resolution 4 is the approval of a consolidation on a 1 for 2 ratio

Item 6 Resolution 5 is the approval of a placement to Ashware Holdings.

Item 7 Resolution 6 is the approval of a placement to Sarlat Securities.

Item 8 Resolution 7 is the approval of a placement to Peter Ashcroft.

Item 9 Resolution 8 is the approval of a placement to the shareholders of Resi Property

Item 10 Resolution 9 is the approval of retention of the Company's placing capacity.

Item 11 Resolutions 10.1 to 10.4 are the approval of a termination of the current performance rights plan and the approval of a new plan.

Item 12 Special Resolution 11 is the approval of an additional 10% placing capacity.

RISK ANALYSIS

Messrs Ito and Araya recommend all resolutions. Mr Nakamura recommends resolutions numbered 1, 4, 5, 6, 7, 8, 9 and 11. Mr Nakamura disqualified himself in respect to resolutions numbered 2, 3 and 11. Mr Ashcroft recommends resolutions numbered 1, 2, 8, 9 and 11. Mr Ashcroft disqualified himself in respect to resolutions numbered 3, 4, 5, 6 and 11.

All directors advise that it must be pointed out that any continued investment in the Company is not secure and there is no guarantee of any return of capital. The Company recommends that all shareholders consider the disadvantages and possible advantages of the proposed resolutions.

Disadvantages

- The existing shareholders (particularly WIN Singapore and King Fame), will continue to have a substantial interest in the Company, if either so determines and there can be no guarantee that the proposals set out in this Notice will continue or be completed. WIN Singapore and King Fame have indicated their support to the Board for all resolutions;
- The recent shareholders (MSK, Global Dish, Green Eco Energy and Sakura Research), also have large interests in the Company and its future although none of the recent new shareholders have indicated they have an intention to appoint new directors at this time but they may do so in the future. Their intention may change and the degree of control that could be exercised in the future by WIN Singapore, King Fame, Global Dish., MSK, Green Eco Energy or Sakura Research could result in changes to the board. None of these shareholders are related to each other and they have no arrangements between each other to vote in any designated manner;
- All existing shareholders will have their shareholding diluted if the placements go ahead;
- The Company and its management have expertise and experience in general investment assessments but not necessarily in the sea cucumber project which the Company intends will become part of the Company's future focus.
- To date the sea cucumber business has had substantial expenditure and very little income. The Company is unlikely to be cash flow positive until the 2021-22 financial year.
- The tables set out in the Explanatory Statement in Item 5 (Resolution 4) have been prepared by the Company to assist shareholders to understand the effect of the further issues and the dilution of existing shareholders.
- The performance shares the subject of Resolutions 10.2,

10.3, 10.4 and 10.5 are likely to require further shareholders' approvals as the milestones are likely to occur outside of the 3 month period required by Listing Rule 7.3.

Advantages

- The Company will have a further \$300,000 in cash immediately available to invest in the sea cucumber business and new business opportunities in the food, farming or agricultural industries or general investments;
- The Company will have two new major projects with significant potential;
- The Company has strong personal relationships through Mr Ashcroft's associations with the management of Qualipac, and Bundybunna, and Mr Nakamura's with Japanese sea cucumber experts;

In the opinion of all directors, the advantages substantially outweigh the disadvantages to all shareholders.

Staff, Contractors and Directors

The Company takes much pleasure in thanking all its dedicated staff and contractors for their efforts in the past year. The Company had operations in Sydney, the Darling Downs, Perth, Shark Bay and Japan. We welcome the Traditional Owners from Bundybunna and Shark Bay to our projects and look forward to developing long and profitable relations over the coming years.

Kind regards



Peter Ashcroft
Chairperson

The work of the directors is also appreciated. As a direct consequence of the Company's need to manage the operations of the sea cucumber project in Japan and our intended market in Asia, particularly China, Mr Nakamura is in Japan with Mr Ito, at the date of this Notice, examining our supplement manufacturing capabilities and commencing a marketing program for Japan and China. I would like to particularly thank Mr Nakamura for this commitment considering the risks of travel today.

Financial Position for the Future

This next financial year, 2020-2021 has commenced with the Company solvent with potential to build on the sea cucumber business in Western Australia and obtain additional supplies from other providers. There is no doubt that further profitable businesses are still required or an expansion of the Company/TMA joint operations is required for the Company to be able to generate profits in the medium and long term. We have several projects of real potential and substance available subject to further funding.

We have not utilised the special placing capacity in the year to date, but we are requesting shareholders again approve this position (Resolution 12).

I thank all our shareholders for their support, and I look forward with enthusiasm to 2020-21 and beyond.

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 (**AI** or the **Company**) will be held at Level 40, 2 Park St Sydney NSW 2000, at 11.00 am (Sydney time) on, Thursday 19 November 2020 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.

CORONAVIRUS NOTICE

During these unprecedented times the Company encourages all shareholders to vote by proxy and not to attend in person.

All shareholders are encouraged to submit any question or comment for the consideration of the Board prior to the meeting. All questions or comments should be submitted to the company secretary by emailing to peter.a@aone.ltd.

Any shareholder or their proxy who intends to attend the meeting in person is asked to notify the Company on or before 11am Monday 16 November 2020. Such persons may notify the company secretary by emailing to peter.a@aone.ltd or completing the proposed attendance section of the proxy form.

Any shareholder or their proxy who attends the meeting is encouraged to wear a mask. Social distancing will be strictly enforced during the meeting.

All shareholders or their proxy will be required to complete a questionnaire provided by Hall Chadwick acknowledging they have;

- had no recent contact with persons who have tested positive for coronavirus in the previous 14 days
- visited any coronavirus hotspot in the past 14 days
- been overseas in the last 14 days
- not been in close contact with or caring for someone who is currently unwell
- currently or within the last 7 days been unwell or been aware of any of the following symptoms:
 - fever, night sweats or chills
 - cough
 - runny nose sore or scratchy throat
 - shortness of breath

Any shareholder or proxy who answers yes to any of the above will not be admitted and requested to leave the premises.

All shareholders or their designated proxy will be required to identify themselves to Hall Chadwick and to provide contact details such as a mobile phone number.

The meeting will commence with item 1 on the agenda, the acknowledgement. Thereafter the Chairperson will suspend the agenda and advise the meeting of the answers to any questions submitted to the Company in advance of the meeting. The Meeting will thereafter resume and will consider each matter listed as an item on the agenda. At the conclusion of the items on the agenda the Chairperson will present his address to the Company. Shareholders will be given the opportunity ask any questions of the Chairperson that arise from the address. The meeting will thereafter close.

ORDINARY BUSINESS
1. ACKNOWLEDGMENT

The Company acknowledges the Traditional Owners of country throughout Australia and the connection such Traditional Owners have to the land and its surrounding seas, culture and community. The Company makes special reference to the custodians of the lands and waters comprising and surrounding Bundybunna and Shark Bay, Carnarvon, Exmouth and Onslow in Western Australia and Sydney in NSW, and any other lands or waters in Australia upon which the Company does or intends to operate.

The Company respects all Elders, past, present and emerging. The Company is committed to the adoption and practice of a philosophy of cultural awareness including an understanding and appreciation of the diverse cultures in which it operates and associates within Australia and overseas, including the cultures of the Traditional Owners in Australia, the various cultures of a multicultural Australia and the cultures of the people of China, Japan, India, Indonesia, Malaysia, Vietnam and throughout the rest of Asia where the Company operates.

2. FINANCIAL, DIRECTORS' AND AUDITOR'S REPORTS
RESOLUTION 1

To receive and consider the Financial Reports, the Directors' Report and the Auditor's Report for the Company for the year ended 30 June 2020.

The A1 Investments & Resources Ltd 2020 Annual Report can be viewed online at the Company's website www.a1investments.com.au

3. ELECTION OF DIRECTOR
RESOLUTION 2

To elect a director, namely:

Mr Charlie Nakamura who was appointed as a director in November 2011 and, being eligible, offers himself for election.

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.

4. REMUNERATION REPORT
RESOLUTION 3

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 2020 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.

Voting Exclusion: The Company will disregard any votes cast on this Resolution 3 by Messrs Nakamura and 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.

5. CONSOLIDATION

RESOLUTION 4

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

“That, for the purposes of Section 245H (1) of the Corporations Act and for all other purposes the Company consolidates its shares on a 1 for 2 ratio, on the terms and conditions as summarised in the accompanying Explanatory Memorandum.”

Voting Exclusion: There is no voting exclusion in relation to this Resolution and all shareholders are encouraged to vote.

6. PROPOSED PLACEMENT ISSUE TO ASHWARE HOLDINGS

RESOLUTION 5

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

RESOLUTION 5.1

“Subject to the passing of Resolution 4 (Consolidation) that, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve a placement of \$100,000 and the allotment and issue of 357,142,857 ordinary shares on a post consolidation basis in the Company at an issue price of \$0.00028 per share (0.028 cents per share) to Ashware Holdings Pty Limited or its nominee, on the terms and conditions as summarised in the accompanying Explanatory Statement.”

Or

RESOLUTION 5.2

If Resolution 4 is not passed;

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve a placement of \$100,000 and the allotment and issue of 714,285,714 ordinary shares in the Company at an issue price of \$0.00014 per share (0.014 cents per share) to Ashware Holdings Pty Limited or its nominee, on the terms and conditions as summarised in the accompanying Explanatory Statement.”

Voting Exclusion: The Company, in accordance with the Listing Rules of ASX, will disregard any votes cast in favour of the resolution by or on behalf of Ashware Holdings Pty Limited or its nominee and any of their associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity). However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company NOTES that Mr Ashcroft and Sarlat Securities are related parties to Ashware Holdings, and each is disqualified, and they are excluded from voting on this resolution.

7. PROPOSED PLACEMENT ISSUE TO SARLAT SECURITIES

RESOLUTION 6

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

RESOLUTION 6.1

“Subject to the passing of Resolution 4 (Consolidation) that, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve a placement of \$200,000 and the allotment and issue of 714,285,714 ordinary shares on a post consolidation basis in the Company at an issue price of \$0.00028 per share (0.028 cents per share) to Sarlat Securities Pty Limited or its nominee, on the terms and conditions as summarised in the accompanying Explanatory Statement.”

RESOLUTION 6.2

If Resolution 4 is not passed;

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve a placement of \$200,000 and the allotment and issue of 1,428,571,428 ordinary shares in the Company at an issue price of \$0.00014 per share (0.014 cents per share) to Sarlat Securities Pty Limited or its nominee, on the terms and conditions as summarised in the accompanying Explanatory Statement.”

Voting Exclusion: The Company, in accordance with the Listing Rules of ASX, will disregard any votes cast in favour of the resolution by or on behalf of Sarlat Securities Pty Limited or its nominee and any of their associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity). However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the *chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the *chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company NOTES that Mr Ashcroft and Ashware Holdings are related parties to Sarlat Securities, and each is disqualified, and they are excluded from voting on this resolution.

8. PROPOSED PLACEMENT ISSUE TO PETER ASHCROFT

RESOLUTION 7

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

RESOLUTION 7.1

“Subject to the passing of Resolution 4 (Consolidation) that, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve a placement of \$12,500 and the allotment and issue of 44,642,857 ordinary shares on a post consolidation basis in the Company at an issue price of \$0.00028 per share (0.028 cents per share) to Peter Ashcroft or its nominee, on the terms and conditions as summarised in the accompanying Explanatory Statement.”

Or

RESOLUTION 7.2

If Resolution 4 is not passed;

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve a placement of \$12,500 and the allotment and issue of 89,285,714 ordinary shares in the Company at an issue price of \$0.00014 per share (0.014 cents per share) to Peter Ashcroft or its nominee, on the terms and conditions as summarised in the accompanying Explanatory Statement.”

Voting Exclusion: The Company, in accordance with the Listing Rules of ASX, will disregard any votes cast in favour of the resolution by or on behalf of Peter Ashcroft or his nominee and any of their associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity). However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the *chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the *chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company NOTES that Ashware Holdings and Sarlat Securities are related parties to Peter Ashcroft, and each is disqualified, and they are excluded from voting on this resolution.

9. PROPOSED PLACEMENT ISSUE IN RESPECT TO THE PURCHASE OF RESI PROPERTY HOLDINGS
RESOLUTION 8

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

RESOLUTION 8.1

“Subject to the passing of Resolution 4 (Consolidation) that, for the purposes of ASX Listing Rule 7.1 and for all other purposes the, Shareholders approve a placement of \$142,010.50 and the allotment and issue of 266,269,717 ordinary shares on a post consolidation basis in the Company at an issue price of \$0.0008 per share (0.008 cents per share) to the shareholders of Resi Property Holdings Pty Limited as set out in the Explanatory Statement and on the terms and conditions as summarised in the accompanying Explanatory Statement.

Or

RESOLUTION 8.2

If Resolution 4 is not passed;

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes the, Shareholders approve a placement of \$142,010.50 and the allotment and issue of 532,539,434 ordinary shares in the Company at an issue price of \$0.0004 per share (0.004 cents per share) to the shareholders of Resi Property Holdings Pty Limited as set out in the Explanatory Statement and on the terms and conditions as summarised in the accompanying Explanatory Statement

Voting Exclusion: The Company, in accordance with the Listing Rules of ASX, will disregard any votes cast in favour of the resolution by or on behalf of Resi Property Holdings Pty Limited and its associates as well as any a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity). However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the *chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the *chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. APPROVAL OF PRIOR ISSUES TO RESTORE AND MAINTAIN 15% PLACING CAPACITY
RESOLUTION 9

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 1,115,000,000 securities on the basis set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will, in accordance with the Listing Rules of ASX, disregard any votes cast on this Resolution 9 by any person or party who participated in the issue, or is a counter party to the agreement being approved.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the *chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the *chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11. PERFORMANCE RIGHTS PLAN
RESOLUTION 10

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

RESOLUTION 10.1

“That the Company terminate the Performance Rights Plan of the Company approved at the Annual General Meeting of the Company on 12 November 2015.”

RESOLUTION 10.2

“Subject to the passing of Resolution 10.1 that for the purposes of Listing Rule 7.2 (Exception 13), approval be and is hereby given to the Company establishing the Company’s “2020 A1 Performance Rights Plan” on the terms and conditions set out in the Explanatory Statement.

RESOLUTION 10.3

“That subject to the Company approving the resolution in 10.1 and 10.2 that for the purposes of Listing Rule 10.14, approval be and is hereby given to the Company issuing securities under the 2020 A1 Performance Rights Plan to Charlie Nakamura on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 10.4

“That subject to the Company approving the resolution in 10.1 and 10.2 that for the purposes of Listing Rule 10.14, approval be and is hereby given to the Company issuing securities under the 2020 A1 Performance Rights Plan to Peter Ashcroft on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will, in accordance with the Listing Rules of ASX, disregard any votes cast on these Resolutions 10.1 to 10.4 by any person or party who is eligible to participate in the employee incentive scheme referred to as the 2020 A1 Performance Rights Plan. or in respect to Resolutions 10.2 and 10.3 any party referred to in Listing Rules 10.14.1 (director), 10.14.2 (associate of a director) or 10.14.3 (any person in the opinion of the ASX should be approved by the security holders). The Company will, in accordance with the Listing Rules of ASX, disregard any votes cast on these Resolutions 10.3 and 10.4 by Peter Ashcroft and Charlie Nakamura or by any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the *chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the *chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company NOTES that Mr Nakamura is disqualified or excluded from voting on resolution 10.3. The Company further NOTES that Mr Ashcroft, is disqualified or excluded from voting on resolution 10.4. Sarlat Securities and Ashware Holdings are related parties to Peter Ashcroft and are excluded from voting on resolution 10.4.

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SPECIAL BUSINESS
12. APPROVAL OF 10% PLACING CAPACITY (SPECIAL RESOLUTION)
RESOLUTION 11

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.”

Voting Exclusion: There is no voting exclusion in relation to this Resolution as at the time the Company is seeking approval of the shareholders the Company does not propose to make any issue of entity securities under Listing Rule 7.1A and all shareholders are encouraged to vote.

13. CHAIRPERSON’S ADDRESS

The Chairperson will present his address.

Shareholders are entitled and are encouraged to ask the Chairperson any question concerning the affairs of the Company that arises upon from the address.

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 11:00 am (Sydney time) on Monday 23 November 2020.

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 chairperson 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 11:00 am (Sydney time) on Tuesday 24 November 2020.

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Proxies that are undirected

- (a) All undirected proxies held by the chairperson of the meeting will be voted in favour of all proposed resolutions, except for Item 4 Remuneration Report.
- (b) All undirected proxies held by the chairperson of the meeting will not be voted on Item 4 (Remuneration Report). Accordingly, if you appoint the chairperson of the meeting as your proxy you should direct him how to vote on Item 4 (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 4 (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 2020. 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



Peter Ashcroft

Executive Chairperson and Company Secretary

Dated: 20 October 2020

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 19 November 2020.

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 – ACKNOWLEDGMENT

EXPLANATORY STATEMENT ITEM 1

The Board of the Company developed and approved a Company specific “Acknowledgment of Country” which will be recited at the commencement of any formal meeting of the Company, including Board and shareholder meetings.

The Acknowledgment includes a statement recognising Australia’s Traditional Owners and their special connection to country, but also includes an acknowledgement of the general diversity of the people

the Company employs, contracts with, supplies, engages with and the Company’s diverse cultural range of investors.

Neither the Corporations Act nor the Company’s Constitution requires members to vote on Item 1. However, during this item of business, the members will be given a reasonable opportunity to ask questions about or make comments on the Acknowledgment and its adoption by the Board.

2. ITEM 2 ON THE AGENDA – FINANCIAL REPORTS

EXPLANATORY STATEMENT RESOLUTION 1

RESOLUTION 1

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 2020 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 2020 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. These questions must be received by the auditor no later than Monday, 23 November 2020. At the meeting, Hall Chadwick Chartered Accountants’ representative will be given the opportunity to answer, or table written answers to, relevant questions.

The Company encourages all members to put their questions and comments to the Board or the Company’s auditor in advance of the meeting.

3. ITEM 3 ON THE AGENDA – ELECTION OF DIRECTORS

EXPLANATORY STATEMENT RESOLUTION 2

RESOLUTION 2

Mr Charlie Nakamura was appointed to the Board on November 2011 retires 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 election of Mr Nakamura.

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

Charlie Nakamura, age

Term of office: Joined the Board in November 2011
 Independent: No
 Experience: Managing Director and Chief Executive Officer
 Date of birth: 25 June 1965

Mr Nakamura has been managing director of the company since November 2011. Mr Nakamura will bring a wealth of trading and experience to the Board of the Company. 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 9 years.

The Board (excluding Mr Nakamura) encourages all shareholders to cast their votes on Item 3 (Resolution 2) (Election of Mr Nakamura as a director) in favour of the Resolution and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 3 (Resolution 2) (Election of Mr Nakamura as a director) in favour of the Resolution by marking on the voting form.

4. ITEM 4 ON THE AGENDA – REMUNERATION REPORT

EXPLANATORY STATEMENT RESOLUTION 3
RESOLUTION 3

The Company's Remuneration Report for the financial year ended 30 June 2020 is set out on pages 7 to 12 of the Company's 2020 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 4 (Resolution 3).

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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 2020. Their closely related parties are defined in the Corporations Act 2001 and include certain

of their family members, dependants and companies they control.

The Board encourages all shareholders to cast their votes on Item 4 (Resolution 3) (Remuneration Report) in favour of the Resolution and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 4 (Resolution 3) (Remuneration Report) in favour of the Resolution by marking on the voting form.

5. CONSOLIDATION

EXPLANATORY STATEMENT RESOLUTION 4

RESOLUTION 4

EXPLANATORY STATEMENT RESOLUTION 4

The Company acknowledges that it has too many shares on issue. Prior to this meeting the Company had **30,612,464,161** ordinary shares on issue. If Resolutions 4, 5, 6 and 7 are passed the Company will issue a further 2,764,682,290 giving a total of **33,377,146,451**.

If this Resolution 9 is passed and excluding any Securities issued after the date of this Notice except any securities issued pursuant to the passing of Resolutions 4, 5, 6 and 7 herein, the number of Shares on issue will be reduced from **30,612,464,161** to **15,306,232,081** (subject to rounding). If Resolutions 4, 5, 6 and 7 are passed and a further 2,764,682,290 giving a total of **33,377,146,451** then if this Resolution 9 is passed the number of Shares on issue will be reduced from **33,377,146,451** to **16,688,573,226** (subject to rounding).

Immediately after the Share Consolidation, each Shareholder will still hold the same proportion of the Company's share capital as before the Share Consolidation. The current rights attaching to the Shares will not be affected.

The legal requirements Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

Fractional entitlements. Not all Security Holders will hold

that number of Shares which can be evenly divided by 2. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

Taxation. It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation, and the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

Holding statements. From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis. After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities. It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

Effect on capital structure. The effect which the Consolidation will have on the Company's capital structure is set out as follows:

Capital Structure Shares Current (pre-Consolidation) **30,612,464,161** Current (post-Consolidation) (Resolution 1) **15,306,232,081**.

Indicative timetable

KEY EVENT	INDICATIVE DATE
Company announces consolidation and sends out Notice of Meeting	Wednesday 21 October 2020
General Meeting	Thursday 26 November 2020
Notification to the ASX that consolidation has been approved	Thursday 25 November 2020
Effective Date as set out in in Explanatory Statement to the Resolution	Friday 27 November 2020

Last day of trading Pre-consolidation	Monday 30 November 2020
Trading commences in the post Consolidation shares on a deferred settlement basis (subject to ASX approval)	Tuesday 1 December 2020
Record Date Last day for the Company to register transfers on a pre-consolidation basis	Wednesday 2 December 2020
First day for the Company to register shares on a post consolidation basis and the first day for the issue of holding statements	Thursday 3 December 2020
Last day to update the register and send holding statements reflecting the change in number of securities	Wednesday 9 December 2020
Trading starts on a normal T+2 basis	Thursday 10 December 2020
First settlement of trades conducted on a deferred settlement basis and on a normal T+2 basis	Monday 14 December 2020

Effective date If Resolution 4 is passed, the date on which the Share Consolidation will become effective is 7.00pm (ESDST) on Friday, 27 November 2020 (Effective Date).

The Board encourages all shareholders to cast their votes on Item 5 (Resolution 4 Consolidation) in favour of the Resolution and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 5 (Resolution 4 Consolidation) in favour of the Resolution by marking on the voting form.

6. PROPOSED PLACEMENT ISSUE TO ASHWARE HOLDINGS

EXPLANATORY STATEMENT RESOLUTION 5

RESOLUTION 5.1

If The shareholders pass Resolution 4 and approve the consolidation of the shares in the Company, the Company seeks approval for a placement of \$100,000 and the allotment and issue of 357,142,857 ordinary shares in the Company at an issue price of \$0.00028 per share (0.0028 cents) to *Ashware Holdings Pty Limited* or its nominee. Ashware Holdings is a related party to the Company under Listing Rule 10.11.1 as Mr Ashcroft is a director of such company.

RESOLUTION 5.2

If the shareholders do not pass Resolution 4, the Company seeks approval for a placement of \$100,000 and the allotment and issue of 714,285,714 ordinary shares in the Company at an issue price of \$0.00014 per share (0.0014 cents) to *Ashware Holdings Pty Limited* or its nominee.

The price for the issue per share was determined as a fair value by the independent directors on the basis it was the same amount (on a pre consolidation basis) as recent cash placements and further the Directors still considered an investment in the Company as speculative and the Company requires cash to ensure its solvency and to preserve as much of the principal of the WIN Properties loan as possible for future contingencies particularly

The price for the issue per share was determined as a fair value by the independent directors on the basis it was the same amount (on a post consolidation basis) as recent cash placements and further the Directors still considered an investment in the Company as speculative and the Company requires cash to ensure its solvency and to preserve as much of the principal of the WIN Properties loan as possible for future contingencies particularly during the COVID 19 pandemic

during the COVID 19 pandemic.

General

All shares issued under this resolution will be issued within one month of the approval by shareholders. The funds in respect to Resolution 5 are to be used for general working capital of the Company. The funds will be primarily used to acquire wet sea cucumber for further processing by the Company for the use in the Company's sea cucumber project.

The shares the subject of Resolutions 5.1, 6.1, and 7.1 will be issued at \$0.00028, which equates to 357,142,857 (post consolidation) in respect to Resolution 5.1,

1,428,571,428 (post consolidation) ordinary shares in respect to Resolution 6.1, and 44,642,857 (post consolidation) ordinary shares in respect to Resolution 7.1. Such shares will rank equally with all other ordinary shares of the Company post consolidation.

The shares the subject of Resolutions 5.2, 6.2, and 7.2 will be issued at \$0.00014, which equates to 714,285,714 (pre-consolidation or if the shareholders fail to pass Resolution 4) in respect to Resolution 5.2, 1,428,571,428 (pre-consolidation or if the shareholders fail to pass Resolution 4) ordinary shares in respect to Resolution 6.2, and 89,285,714 (pre-consolidation or if the shareholders fail to pass Resolution 4) in respect to Resolution 7.2. Such shares will rank equally with all other ordinary shares of the Company currently on issue.

Each of these shareholders is related for the purposes of the Corporations Act and each shareholder is disqualified from voting on each Resolution. The Company advises that Mr Ashcroft is director of both Ashware Holdings and Sarlat Securities, but he has no beneficial interest in Ashware Holdings.

The Company confirms that at the date of this Notice the Company is not in receipt of the placement funds from Ashware Holdings or Sarlat Securities. The funds the subject of Resolution 7 have been paid to the Company or are the subject of payments made by Mr Ashcroft on behalf of the Company. The Company fully expects to

receive the funds the subject of Resolutions 5 and 6 within 3 months of the Meeting.

The following tables have been prepared by the Company to assist shareholders to understand the effect of the further issues and the dilution of existing shareholders.

The Table A is a table of the current position of the Company and must be read in conjunction with the proposed issue of shares referred to in Resolutions 5, 6, 7 and 8.

Table B is the same table as Table A on a post consolidation basis and is provided to assist shareholders understand the effect of the consolidation.

Table C includes all of the shares referred to in Table A plus the placements in Resolutions 5, 6, 7 and 8 on a pre-consolidation basis or if the shareholders do not pass Resolution 4.

Table A is a table of the current position of the Company. Table C will be the position of the Company after all the issues in Resolutions 5, 6, 7 and 8 if Resolution 4 (consolidation) is not passed.

Table B is a table of the current position of the Company if the consolidation in Resolution 4 takes place. Table D will be the position of the Company after all the issues in Resolutions 5, 6, 7 and 8 if Resolution 4 (consolidation) is passed.

TABLE A
CURRENT CAPITAL STRUCTURE OF THE COMPANY
PRE-CONSOLIDATION

Shareholder	Number of Shares Held	Percentage of Total Shares on Issue	Ranking
WIN	4,850,000,000	15.83%	1
Global Dish	4,244,415,303	13.86%	2
King Fame	3,925,000,000	12.82%	3
Others	4,399,223,637	14.37%	4
MSK Holding	3,142,186,032	10.26%	5
Green Eco Energy	2,915,621,142	9.52%	6
Sakura Research Institute	2,232,142,858	7.29%	7
PJPS	2,204,071,475	7.20%	8
KK	985,518,000	3.22%	9
Sarlat Sec	714,285,714	2.33%	10
Tidal Moon	500,000,000	1.63%	11

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Marvel Green Power	500,000,000	1.63%	12
Total of shares on issue	30,612,464,161	100	

TABLE B
CURRENT CAPITAL STRUCTURE OF THE COMPANY
POST-CONSOLIDATION

(IF RESOLUTION 4 IS PASSED AND NOT INCLUDING THE NEW ISSUES THE SUBJECT OF RESOLUTIONS 5, 6, 7 AND 8)

Shareholder	Number of Shares Held	Percentage of Total Shares on Issue	Ranking
WIN	2,425,000,000	15.83%	1
Global Dish	2,122,207,652	13.86%	2
King Fame	1,962,500,000	12.82%	3
Others	2,199,611,818	14.37%	4
MSK Holding	1,571,093,016	10.26%	5
Green Eco Energy	1,457,810,571	9.52%	6
Sakura Research Institute	1,116,071,429	7.29%	7
PJPS	1,102,035,738	7.20%	8
KK	492,759,000	3.22%	9
Sarlat Sec	357,142,857	2.33%	10
Tidal Moon	250,000,000	1.63%	11
Marvel Green Power	250,000,000	1.63%	12
Total of shares on issue	15,306,232,081	100	

TABLE C
FUTURE CAPITAL STRUCTURE OF THE COMPANY
(INCLUDING THE PROPOSED ISSUES IN RESOLUTIONS 5, 6, 7 and 8)
(IF RESOLUTION 4 IS NOT PASSED)

Shareholder	Number of Shares Held	Percentage of Total Shares on Issue	Ranking
WIN	4,850,000,000	14.53%	1
Others	4,267,001,415	12.78%	2
Global Dish	4,244,415,303	12.72%	3
King Fame	3,925,000,000	11.76%	4
MSK Holding	3,142,186,032	9.41%	5
Green Eco Energy	2,915,621,142	8.74%	6
Sakura Research Institute	2,232,142,858	6.69%	7
PJPS	2,204,071,475	6.6%	8
KK	985,518,000	2.95%	10
Sarlat Sec	714,285,714		
Resolution 6 Placement to Sarlat	1,428,571,428 New Total 2,142,857,142	6.42%	9
Tidal Moon	500,000,000	1.5%	12
Marvel Green Power	500,000,000	1.5%	12
Ashware Holdings	12,222,222		
Resolution 5 Placement to Ashware	714,285,714 New Total 726,507,936	2.18%	11
Peter Ashcroft	120,000,000		
Resolution 7 Placement to Ashcroft	89,285,714, New Total 209,285,714	0.63%	
Resolution 8 Placement to Resi shareholders	532,539,434	1.6%	
Total new shares to be issued pursuant to Resolutions 5, 6, 7 and 8	714,285,714 1,428,571,428 89,285,714 532,539,434 Total 2,764,682,290	8.28%	
	33,377,146,451	100	

TABLE D
FUTURE CAPITAL STRUCTURE OF THE COMPANY
(INCLUDING THE PROPOSED ISSUES IN RESOLUTIONS 5, 6, 7 and 8)
POST-CONSOLIDATION (IF RESOLUTION 4 IS PASSED)
(IF RESOLUTION 4 IS PASSED ALL SECURITIES THE SUBJECT OF RESOLUTIONS 5, 6, 7 AND 8 WILL BE ISSUED POST CONSOLIDATION)

Shareholder	Number of Shares Held	Percentage of Total Shares on Issue	Ranking
WIN	2,425,000,000	14.53%	1
Others	2,133,500,707	12.78%	2
Global Dish	2,122,207,652	12.72%	3
King Fame	1,962,500,000	11.76%	4
MSK Holding	1,571,093,016	9.41%	5
Green Eco Energy	1,457,810,571	8.74%	6
Sakura Research Institute	1,116,071,429	6.69%	7
PJPS	1,102,035,738	6.6%	8
KK	492,759,000	2.95%	10
Sarlat Sec	357,142,857		9
Resolution 6 Placement to Sarlat	714,285,714 New Total 1,071,428,571	6.42%	
Tidal Moon	250,000,000	1.5%	12
Marvel Green Power	250,000,000	1.5%	12
Ashware Holdings	6,111,111		
Resolution 5 Placement to Ashware	357,142,857 New Total 363,253,968	2.18%	11
Peter Ashcroft	60,000,000		
Resolution 7 Placement to Ashcroft	44,642,857, New Total 104,642,857	0.63%	
Resolution 8 Placement to Resi shareholders	266,269,717	1.60%	
Total new shares to be issued pursuant to Resolutions 5, 6, 7 and 8	357,142,857 714,285,714 44,642,857 266,269,717 Total 1,382,341,145	8.28%	
	16,688,573,226	100	

Related Party Transaction.

The shareholders are advised that Mr Ashcroft is a director of the Company and is also a director of Ashware Holdings. Mr Ashcroft has advised that Ashware Holdings is the trustee of a family trust established by his parents and he is not a beneficiary under the trust, although his children are. The Company NOTES that the issue price for the shares the subject of Resolution 5 is the same price as applied to all issues for cash to Global Dish, MSK, Green Eco, Sakura Research, PIPS and Sarlat Securities in the past 18 months and the set out in Tables A and B above. The Company advises that the provision of the loan from WIN Properties included an undertaking from the directors to provide further cash funding in support of the Company. Mr Ashcroft undertook to support further funding.

The Directors (excluding Mr Ashcroft) still considered an investment in the Company as speculative and the Company requires cash to ensure its solvency and to

Mr Ashcroft's holdings on a related party basis will be, if all issues are approved will be as follows;

preserve as much of the principal of the WIN Properties loan as possible for future contingencies particularly during the COVID 19 pandemic.

The Board of the Company, excluding Mr Ashcroft determined that the price of the issue in this Resolution 4 was appropriate and fair and reasonable because the sea cucumber project is still a long way from being successful, the operations in Western Australia are causing problems with delay and the coronavirus is causing significant logistical problems with managing the flow of raw materials and finished product to the Company's eventual customers.

If the Resolution is passed and the shares issue Ashware Holdings will thereafter have 726,507,936 shares (pre-consolidation basis if Resolution 4 is not passed) and 363,253,968 (post consolidation basis if Resolution 4 is passed) and a percentage of the total issued capital of 2.18% as set out in Tables E and F.

TABLE E

SHARES ON A PRE-CONSOLIDATION BASIS

(Resolution 4 not passed)

Shareholder	Shares held	Shares to be issued pursuant to this Notice, if approved	Total shares if Issues approved	Percentage of Total Shares on issue, if all issues approved
Peter Ashcroft	120,000,000	89,285,714	209,285,714	0.63%
Ashware Holdings	12,222,222	714,285,714	726,507,936	2.18%
Sarlat Securities	714,285,714	1,428,571,428	2,142,856,845	6.42%
Total			3,078,650,495	9.22%
Total shares on issue if all proposed issues approved			33,377,146,451	100%

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TABLE F
SHARES ON A POST-CONSOLIDATION BASIS
(Resolution 4 passed)

Shareholder	Shares held	Shares to be issued pursuant to this Notice, if approved	Total shares if Issues approved	Percentage of Total on issue, if all issues approved
Peter Ashcroft	60,000,000	44,642,857	104,642,857	0.63%
Ashware Holdings	6,111,111	357,142,857	363,253,968	2.18%
Sarlat Securities	357,142,857	714,285,714	1,071,428,571	6.42%
Total			1,539,325,248	9.22%
Total shares on issue if all proposed issues approved			16,688,573,226	100%

Mr Ashcroft (in respect to his currently held shares), Ashware Holdings (in respect to its currently held shares) and Sarlat Securities (also in respect to its currently held shares) are disqualified from voting on this resolution.

Change of Control.

The shareholders should be aware that the shareholdings of Global Dish, MSK and Green Eco amount to 31% of the issued shares. These shareholders are not related or associated and have no arrangements between each other in respect to voting at a general meeting. It is noted that the Board remains as the same after the re-election of Mr Nakamura. There can be no guarantee that this arrangement for the structure of the Board will continue. Global Dish, MSK and Green Eco have all indicated their support separately and collectively for the current business plan of the Company including the expansion of Blue Ocean Health and the production and sale of sea cucumbers. None of these shareholders have expressed any desire to seek to control the Company or further changes to the Board.

Pursuant to and in accordance with ASX Listing Rule 10.11

The Board (excluding Mr Ashcroft) encourages all shareholders to cast their votes on Item 6 (Resolution 5) (Placement to Ashware Holdings) in favour of the Resolution and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 6 (Resolution 5) (Placement to Ashware Holdings) in favour of the Resolution by marking on the voting form.

the following information is provided in relation to the Placement set out in this Resolution 4;

- (a) The maximum number of shares to be issued pursuant to Resolution 5, is 714,285,714 (if Resolution 4 is not passed) and 357,142,857 (if Resolution 4 is passed);
- (b) The shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing rules) and it is intended that issue of the shares will occur on the same date;
- (c) The deemed issue price is \$0.00014 per share (if Resolution 4 is not passed) and \$0.00028 per share (if Resolution 4 is passed);
- (d) The shares will be issued to *Ashware Holdings Pty Limited* or its nominees as set out above;
- (e) The shares issued will be fully paid in the capital of the Company issued on the same terms and conditions as the Company's existing shares if Resolution 4 is not passed and subject to the consolidation if Resolution 4 is passed.

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7. PROPOSED PLACEMENT ISSUE TO SARLAT SECURITIES
EXPLANATORY STATEMENT RESOLUTION 6
RESOLUTION 6.1

If the shareholders pass Resolution 4 and approve the consolidation of the shares, the Company seeks approval for a placement of \$200,000 and the allotment and issue of 714,285,714 ordinary shares in the Company at an issue price of \$0.00028 per share (0.0028 cents) to *Sarlat Securities Pty Limited* or its nominee. The funds will be used for general working capital of the Company.

Such shares will rank equally with all other ordinary shares of the Company post consolidation. Sarlat Securities is a related party to the Company under Listing Rule 10.11.1 as Mr Ashcroft is a director and shareholder of such company.

Mr Ashcroft (in respect to his currently held shares), Ashware Holdings (in respect to its currently held shares) and Sarlat Securities (also in respect to its currently held shares) are disqualified from voting on this resolution as they are related parties for the purposes of the Corporations Act and each shareholder is disqualified from voting on Resolutions 5, 6 and 7 in this Notice. The Company advises that Mr Ashcroft is director of both Ashware Holdings and Sarlat Securities, but he has no beneficial interest in Ashware Holdings.

The price for the issue per share was determined as a fair value by the independent directors on the basis it was the same amount (on a post consolidation basis) as recent cash placements and further the Directors still considered an investment in the Company as speculative and the Company requires cash to ensure its solvency and to preserve as much of the principal of the WIN Properties loan as possible for future contingencies particularly during the COVID 19 pandemic.

RESOLUTION 6.2

If the shareholders do not pass Resolution 4, the Company seeks approval for a placement of \$100,000 and the allotment and issue of 714,285,714 ordinary shares in the Company at an issue price of \$0.00014 per share (0.0014 cents) to *Ashware Holdings Pty Limited* or its nominee.

Such shares will rank equally with all other ordinary shares of the Company currently on issue (pre-consolidation).

Mr Ashcroft (in respect to his currently held shares), Ashware Holdings (in respect to its currently held shares)

and Sarlat Securities (also in respect to its currently held shares) are disqualified from voting on this resolution as they are related parties for the purposes of the Corporations Act and each shareholder is disqualified from voting on Resolutions 5, 6 and 7 in this Notice. The Company advises that Mr Ashcroft is director of both Ashware Holdings and Sarlat Securities, but he has no beneficial interest in Ashware Holdings.

General

All shares issued under this resolution will be issued within one month of the approval by shareholders. The funds in respect to Resolution 6 are to be used for general working capital of the Company. The funds will be primarily used to acquire wet sea cucumber for further processing by the Company for the use in the Company's sea cucumber project.

The shares the subject of Resolutions 5.1, 6.1, and 7.1 will be issued at \$0.00028, which equates to 357,142,857 ordinary shares (post consolidation) in respect to Resolution 5.1, 1,428,571,428 (post consolidation) ordinary shares in respect to Resolution 6.1, and 44,642,857 (post consolidation) ordinary shares in respect to Resolution 7.1. Such shares will rank equally with all other ordinary shares of the Company on a post consolidation basis.

The shares the subject of Resolutions 5.2, 6.2, and 7.2 will be issued at \$0.00014, which equates to 714,285,714 ordinary shares (pre-consolidation, if the shareholders fail to pass Resolution 4) in respect to Resolution 5.2, 1,428,571,428 (pre-consolidation, if the shareholders fail to pass Resolution 4) ordinary shares in respect to Resolution 6.2, and 89,285,714 ordinary shares (pre-consolidation, if the shareholders fail to pass Resolution 4) in respect to Resolution 7.2. Such shares will rank equally with all other ordinary shares of the Company currently on issue.

Each of these shareholders is related for the purposes of the Corporations Act and each shareholder is disqualified from voting on Resolutions 5, 6, and 7 in the Notice. The Company advises that Mr Ashcroft is director of both Ashware Holdings and Sarlat Securities, but he has no beneficial interest in Ashware Holdings.

The Company confirms that at the date of this Notice the Company is not in receipt of the placement funds from

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Ashware Holdings or Sarlat Securities. The funds the subject of Resolution 7 have been paid to the Company or are the subject of payments made by Mr Ashcroft on behalf of the Company. The Company fully expects to receive the funds the subject of Resolutions 5 and 6 within 3 months of the Meeting.

The tables set out in Item 6 (resolution 5) are to be read in conjunction with this explanatory statement for Item 7 (resolution 6) and have been prepared by the Company to assist shareholders to understand the effect of the further issues and the dilution of existing shareholders.

The Table A is a table of the current position of the Company and must be read in conjunction with the proposed issue of shares referred to in Resolutions 5, 6, 7 and 8.

Table B is the same table as Table A on a post consolidation basis and is provided to assist shareholders understand the effect of the consolidation.

Table C which includes all of the shares referred to in Table A plus the placements in Resolutions 5, 6, 7 and 8 on a pre-consolidation basis if the shareholders do not pass Resolution 4.

Table A is a table of the current position of the Company. Table C will be the position of the Company after all the issues in Resolutions 5, 6, 7 and 8 if Resolution 4 (consolidation) is not passed.

Table B is a table of the current position of the Company if the consolidation in Resolution 4 takes place. Table D will be the position of the Company after all the issues in Resolutions 5, 6, 7 and 8 if Resolution 4 (consolidation) is passed.

The price for the issue per share was determined as a fair value by the independent directors on the basis it was the same amount (on a pre consolidation basis) as recent cash placements and further the Directors still considered an investment in the Company as speculative and the Company required cash to ensure its solvency and to preserve as much of the principal of the WIN Properties loan as possible for future contingencies particularly during the COVID 19 pandemic.

The Company confirms that at the date of this Notice the Company is not in receipt of the placement funds from Ashware Holdings or Sarlat Securities. The funds the subject of Resolution 7 have been paid to the Company or are the subject of payments made by Mr Ashcroft on behalf of the Company. The Company fully expects to receive the funds the subject of Resolutions 5 and 6 within

3 months of the Meeting.

Related Party Transaction.

The shareholders are advised that Mr Ashcroft is a director of the Company and is also a director of Sarlat Securities. Mr Ashcroft has advised that Sarlat Securities is the trustee of a family trust established by Mr Ashcroft and his wife and he is a beneficiary under the trust along with his wife and his children.

The Company NOTES that the issue price for the shares the subject of Resolution 6 is the same price as applied to all issues for cash to Global Dish, MSK, Green Eco, Sakura Research, PIPS and Sarlat Securities in the past 18 months and the set out in Tables A and B above. The Company advises that the provision of the loan from WIN Properties included an undertaking from the directors to provide further cash funding in support of the Company. Mr Ashcroft undertook to support further funding.

The Directors (excluding Mr Ashcroft) still considered an investment in the Company as speculative and the Company requires cash to ensure its solvency and to preserve as much of the principal of the WIN Properties loan as possible for future contingencies particularly during the COVID 19 pandemic.

The Board of the Company, excluding Mr Ashcroft determined that the price of the issue in this Resolution 6 was appropriate and fair and reasonable because the sea cucumber project is still a long way from being successful and having a positive cash flow, the operations in Western Australia are causing problems with delay and the coronavirus is causing significant logistical problems with managing the flow of raw materials and finished product to the Company's eventual customers.

If this Resolution is passed and the shares issue Sarlat Securities will thereafter have 2,142,856,845 shares (pre-consolidation basis if Resolution 4 is not passed) and 1,071,428,571 (post consolidation basis if Resolution 4 is passed) and a percentage of the total issued capital of 6.42% as set out in Tables E and F in the Explanatory Statement to Item 6 (Resolution 5).

Mr Ashcroft (in respect to his currently held shares), Ashware Holdings (in respect to its currently held shares) and Sarlat Securities (also in respect to its currently held shares) are disqualified from voting on this resolution.

The Company directs you to the comments on section titled "Change of Control" in the Explanatory Memorandum in respect to Item 5.

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Pursuant to and in accordance with ASX Listing Rule 7.3 the following information is provided in relation to the Placement set out in this Resolution 6;

- (a) The maximum number of shares to be issued pursuant to Resolutions 6, is 1,428,571,428 (if Resolution 4 is not passed) and 714,285,714 (if Resolution 4 is passed);
- (b) The shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing rules) and it is intended that issue

of the shares will occur on the same date;

- (c) The deemed issue price is \$0.00014 per share (if Resolution 4 is not passed) and \$0.00028 per share (if Resolution 4 is passed);
- (d) The shares will be issued to *Sarlat Securities Pty Limited* or its nominees as set out above;
- (e) The shares issued will be fully paid in the capital of the Company issued on the same terms and conditions as the Company's existing shares if Resolution 4 is not passed and subject to the consolidation if Resolution 4 is passed.

The Board (excluding Mr Ashcroft) encourages all shareholders to cast their votes on Item 7 (Resolution 6 Placement to Sarlat Securities) in favour of the Resolution and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 7 (Resolution 6 Placement to Sarlat Securities) in favour of the Resolution by marking on the voting form.

8. PROPOSED PLACEMENT ISSUE TO PETER ASHCROFT

EXPLANATORY STATEMENT RESOLUTION 7

RESOLUTION 7.1

If the shareholders pass Resolution 4 and approve the consolidation of the shares, the Company seeks approval for a placement of \$12,500 and the allotment and issue of 44,642,857 ordinary shares in the Company at an issue price of \$0.00028 per share (0.0028 cents) to *Peter Ashcroft* or its nominee. The funds have been used for general working capital of the Company in so far as the funds were provided by Peter Ashcroft to meet the expenses of the Company and are the subject of loan of \$5000 in the accounts to 30 June 2020.

All shares issued under this resolution will be issued within one month of the approval by shareholders. Such shares will rank equally with all other ordinary shares of the Company post consolidation. Peter Ashcroft is a related party to the Company under Listing Rule 10.11.1 as Mr Ashcroft is a director of the Company.

Mr Ashcroft (in respect to his currently held shares),
 Ashware Holdings (in respect to its currently held shares)

RESOLUTION 7.2

If the shareholders do not pass Resolution 4 and approve the consolidation of the shares, the Company seeks approval for a placement of \$12,500 and the allotment and issue of 89,285,714 ordinary shares in the Company at an issue price of \$0.00014 per share (0.0014 cents) to *Peter Ashcroft* or its nominee.

The funds have been used for general working capital of the Company in so far as the funds were provided by Peter Ashcroft to meet the expenses of the Company and

and Sarlat Securities (also in respect to its currently held shares) are disqualified from voting on this resolution as they are related parties for the purposes of the Corporations Act and each shareholder is disqualified from voting on Resolutions 5, 6 and 7 in this Notice. The Company advises that Mr Ashcroft is director of both Ashware Holdings and Sarlat Securities, but he has no beneficial interest in Ashware Holdings.

The price for the issue per share was determined as a fair value by the independent directors on the basis it was the same amount (on a post consolidation basis) as recent cash placements and further the Directors still considered an investment in the Company as speculative and the Company required cash to ensure its solvency and to preserve as much of the principal of the WIN Properties loan as possible for future contingencies particularly during the COVID 19 pandemic.

are the subject of loan of \$5000 in the accounts to 30 June 2020.

Such shares will rank equally with all other ordinary shares of the Company currently on issue (pre-consolidation).

Mr Ashcroft (in respect to his currently held shares),
 Ashware Holdings (in respect to its currently held shares)
 and Sarlat Securities (also in respect to its currently held shares) are disqualified from voting on this resolution as

they are related parties for the purposes of the Corporations Act and each shareholder is disqualified from voting on Resolutions 5, 6 and 7 in this Notice. The Company advises that Mr Ashcroft is director of both Ashware Holdings and Sarlat Securities, but he has no beneficial interest in Ashware Holdings.

General

The funds in respect to Resolution 7 have been used for general working capital of the Company.

The shares the subject of Resolutions 5.1, 6.1, and 7.1 will be issued at \$0.00028, which equates to 357,142,857 ordinary shares (post consolidation) in respect to Resolution 5.1, 714,285,714 (post consolidation) ordinary shares in respect to Resolution 6.1, and 44,642,857 (post consolidation) ordinary shares in respect to Resolution 7.1. Such shares will rank equally with all other ordinary shares of the Company on a post consolidation basis.

The shares the subject of Resolutions 5.2, 6.2, and 7.2 will be issued at \$0.00014, which equates to 714,285,714 ordinary shares (pre-consolidation, if the shareholders fail to pass Resolution 4) in respect to Resolution 5.2, 1,428,571,428 (pre-consolidation, if the shareholders fail to pass Resolution 4) ordinary shares in respect to Resolution 6.2, and 89,285,714 ordinary shares (pre-consolidation, if the shareholders fail to pass Resolution 4) in respect to Resolution 7.2. Such shares will rank equally with all other ordinary shares of the Company currently on issue.

Each of these shareholders is related for the purposes of the Corporations Act and each shareholder is disqualified from voting on Resolutions 5, 6, and 7 in the Notice. The Company advises that Mr Ashcroft is director of both Ashware Holdings and Sarlat Securities, but he has no beneficial interest in Ashware Holdings.

The tables set out in Item 6 (resolution 5) are to be read in conjunction with this Explanatory Statement for Item 7 (resolution 6) and have been prepared by the Company to assist shareholders to understand the effect of the further issues and the dilution of existing shareholders.

The Table A is a table of the current position of the Company and must be read in conjunction with the proposed issue of shares referred to in Resolutions 5, 6, 7 and 8.

Table B is the same table as Table A on a post consolidation basis and is provided to assist shareholders understand the effect of the consolidation.

Table C which includes all of the shares referred to in Table A plus the placements in Resolutions 5, 6, 7 and 8 on a pre-consolidation basis if the shareholders do not pass Resolution 4.

Table A is a table of the current position of the Company. Table C will be the position of the Company after all the issues in Resolutions 5, 6, 7 and 8 if Resolution 4 (consolidation) is not passed.

Table B is a table of the current position of the Company if the consolidation in Resolution 4 takes place. Table D will be the position of the Company after all the issues in Resolutions 5, 6, 7 and 8 if Resolution 4 (consolidation) is passed.

The price for the issue per share was determined as a fair value by the independent directors on the basis it was the same amount (on a pre consolidation basis) as recent cash placements and further the Directors still considered an investment in the Company as speculative and the Company required cash to ensure its solvency and to preserve as much of the principal of the WIN Properties loan as possible for future contingencies particularly during the COVID 19 pandemic.

Related Party Transaction.

The shareholders should be aware that Mr Ashcroft who is a director of the Company is also a director of Sarlat Securities.

The Company NOTES that the issue price for the shares the subject of Resolution 7 is the same price as applied to all issues for cash to Global Dish, MSK, Green Eco, Sakura Research, PIPS and Sarlat Securities in the past 18 months and the set out in Tables A and B above. The Company advises that the provision of the loan from WIN Properties included an undertaking from the directors to provide further cash funding in support of the Company. Mr Ashcroft undertook to support further funding.

The Directors (excluding Mr Ashcroft) still considered an investment in the Company as speculative and the Company required cash to ensure its solvency and to preserve as much of the principal of the WIN Properties loan as possible for future contingencies particularly during the COVID 19 pandemic.

The Board of the Company, excluding Mr Ashcroft determined that the price of the issue in this Resolution 7 was appropriate and fair and reasonable because the sea cucumber project is still a long way from being successful and having a positive cash flow, the operations in Western Australia are causing problems

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with delay and the coronavirus is causing significant logistical problems with managing the flow of raw materials and finished product to the Company's eventual customers.

If this Resolution is passed and the shares issue Mr Ashcroft will thereafter have 209,285,714 shares (pre-consolidation basis if Resolution 4 is not passed) and 104,642,857 (post consolidation basis if Resolution 4 is passed) and a percentage of the total issued capital of 0.63% as set out in Tables E and F in the Explanatory Statement to Item 6 (Resolution 5).

Mr Ashcroft (in respect to his currently held shares), Ashware Holdings (in respect to its currently held shares) and Sarlat Securities (also in respect to its currently held shares) are disqualified from voting on this resolution.

The Company directs you to the comments on section titled "Change of Control" in the Explanatory Memorandum in respect to Item 5.

Pursuant to and in accordance with ASX Listing Rule 7.3 the following information is provided in relation to the

The Board (excluding Mr Ashcroft) encourages all shareholders to cast their votes on Item 8 (Resolution 7 Placement to Peter Ashcroft) in favour of the Resolution and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 8 (Resolution 7 Placement to Peter Ashcroft) in favour of the Resolution by marking on the voting form.

Placement set out in this Resolution 7;

- (a) The maximum number of shares to be issued pursuant to Resolutions 6, is 89,285,714 (if Resolution 4 is not passed) and 44,642,857 (if Resolution 4 is passed) ;
- (b) The shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing rules) and it is intended that issue of the shares will occur on the same date;
- (c) The deemed issue price is \$0.00014 per share (if Resolution 4 is not passed) and \$0.00028 per share (if Resolution 4 is passed);
- (d) The shares will be issued to *Peter Ashcroft* or his nominee as set out above;
- (e) The shares issued will be fully paid in the capital of the Company issued on the same terms and conditions as the Company's existing shares if Resolution 4 is not passed and subject to the consolidation if Resolution 4 is passed.

9. PROPOSED PLACEMENT ISSUE IN RESPECT TO THE PURCHASE OF RESI PROPERTY HOLDINGS

EXPLANATORY STATEMENT RESOLUTION 8

PROPOSED ISSUE TO THE SHAREHOLDERS OF RESI PROPERTY HOLDINGS PTY LIMITED

RESOLUTION 8.1

If the shareholders pass Resolution 4 and approve the consolidation of the shares, the Company seeks approval for a placement of \$142,010.50 and the allotment and issue of 266,269,717 ordinary shares in the Company at an issue price of \$0.0008 per share (0.0008 cents) to 189

Corporate Pty Limited or its nominees. The amount of \$142,010.50 was the consideration agreed to be paid to the shareholders of Resi Property Holdings Pty Limited for the sale of the all the shares in such company to the Company

RESOLUTION 8.2

If the shareholders do not pass Resolution 4 and approve the consolidation of the shares, the Company seeks approval for a placement of \$142,010.50 and the allotment and issue of 532,539,434 ordinary shares in the Company at an issue price of \$0.0004 per share (0.0004 cents) to 189 *Corporate Pty Limited or its nominees.* The amount of \$142,010.50 was the consideration agreed to be paid to the shareholders of Resi Property Holdings Pty Limited for the sale of the all the shares in such company

to the Company.

General

Resi Property Holdings is not a related party or associate of the Company. No cash is being paid to the Company in respect to the proposed issue under this Resolution 8.

The agreement to purchase Resi Property Holdings is an arm's length transaction and the proposed purchase price is in the opinion of the Board fair and reasonable.

The issue is subject to;

- i. the termination of the winding up of Bundybunna Aboriginal Corporation Limited (in liquidation).; and thereafter
- ii. Upon the termination of the liquidation, Bundybunna Aboriginal Corporation entering a lease in favour of Resi Property Holdings in respect to the property known as Bundybunna for a term of 10 years with two five year options.

The company advises that at the date of this Notice the conditions of settlement referred to above remain outstanding. The Company has assisted in the process of terminating the winding up of Bundybunna but the process has been significantly delayed because of the coronavirus and getting the matter before the required judge. The Board is of the opinion that the transaction will be finalised within 90 days of the meeting.

The shares the subject of Resolutions 8.1 will be issued at \$0.0008, which equates to 266,269,717 ordinary shares (post consolidation). Such shares will rank equally with all other ordinary shares of the Company on a post consolidation basis.

The shares the subject of Resolutions 8.2 will be issued at \$0.0004, which equates to 532,539,434 ordinary shares (pre-consolidation, if the shareholders fail to pass Resolution 4). Such shares will rank equally with all other ordinary shares of the Company currently on issue.

The tables set out in Item 6 (resolution 5) are to be read in conjunction with this Explanatory Statement for Item 9 (resolution 8) and have been prepared by the Company to assist shareholders to understand the effect of the further issues and the dilution of existing shareholders.

The Table A is a table of the current position of the Company and must be read in conjunction with the proposed issue of shares referred to in Resolutions 5, 6, 7 and 8.

Table B is the same table as Table A on a post

(f) .

The Board encourages all shareholders to cast their votes on Item 9 (Resolution 8 Placement in Respect to Acquisition of Resi Property) in favour of the Resolution and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 9 (Resolution 8 Placement in Respect to Acquisition of Resi Property) in favour of the Resolution by marking on the voting form.

consolidation basis and is provided to assist shareholders understand the effect of the consolidation.

Table C which includes all of the shares referred to in Table A plus the placements in Resolutions 5, 6, 7 and 8 on a pre-consolidation basis if the shareholders do not pass Resolution 4.

Table A is a table of the current position of the Company. Table C will be the position of the Company after all the issues in Resolutions 5, 6, 7 and 8 if Resolution 4 (consolidation) is not passed.

Table B is a table of the current position of the Company if the consolidation in Resolution 4 takes place. Table D will be the position of the Company after all the issues in Resolutions 5, 6, 7 and 8 if Resolution 4 (consolidation) is passed.

Pursuant to and in accordance with ASX Listing Rule 7.3 the following information is provided in relation to the Placement set out in this Resolution 4;

- (a) The maximum number of shares to be issued pursuant to Resolution 8, is 532,539,434 (if Resolution 4 is not passed) and 266,269,717 (if Resolution 4 is passed);
- (b) The shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing rules) and it is intended that issue of the shares will occur on the same date;
- (c) The deemed issue price is \$0.0004 per share (if Resolution 4 is not passed) and \$0.0008 per share (if Resolution 4 is passed);
- (d) The shares will be issued to 189 Corporate Pty Limited or its nominees;
- (e) The shares issued will be fully paid in the capital of the Company issued on the same terms and conditions as the Company's existing shares if Resolution 4 is not passed and subject to the consolidation if Resolution 4 is passed

10. APPROVAL OF PRIOR ISSUES TO RESTORE AND MAINTAIN 15% PLACING CAPACITY
EXPLANATORY STATEMENT RESOLUTION 9
RESOLUTION 9

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 two tranches of ordinary shares during 2020 as follows;

1. 320,000,000 ordinary shares to Sonoko Kawagoe, 60,000,000 ordinary shares to MSK Holdings and 20,000,000 ordinary shares to Toro Miyauchi in payment for the purchase of

the shares in Blue Ocean Japan Co., Ltd on 17 February 2020; and

2. 715,000,000 ordinary shares to MSK Holding on 17 March 2020 (See the announcement on the same date) in respect to a placement of \$100,100.

The shares the subject of item 1 above were issued in payment of the purchase price for Blue Ocean Japan Co., Ltd ("BOJ") in a sum of A\$200,000.

No other issues have taken place between the annual general meeting and this meeting.

The Board encourages all shareholders to cast their votes on Item 10 (Resolution 9 Restoration of Placing Capacity) in favour of the Resolution and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 10 (Resolution 9 Restoration of Placing Capacity) in favour of the Resolution by marking on the voting form.

11. PERFORMANCE RIGHTS PLAN
EXPLANATORY STATEMENT RESOLUTION 10
PROPOSED TERMINATION OF THE EXISTING PERFORMANCE RIGHTS PLAN AND THE ESTABLISHMENT OF THE 2020 A1 PERFORMANCE RIGHTS PLAN
RESOLUTION 10.1
EXPLANATORY STATEMENT RESOLUTION 10.1

This resolution terminates the existing performance rights plan which was approved at the Company's 2015 AGM on 15 November 2015. There are no current rights issued under the current plan. No rights which were issued ever vested under 2015 current plan.

RESOLUTION 10.2
EXPLANATORY STATEMENT RESOLUTION 10.2

This resolution seeks to establish the 2020 A1 Performance 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 5% of the issued shares of the Company. The following tables set out the maximum number of performance rights that could be issued by the Company depending the outcome of the Resolutions to be considered at the annual General Meeting the subject of this Notice.

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TABLE G
CALCULATION OF PERFORMANCE RIGHTS

CALCULATION OF THE MAXIMUM NUMBER OF PERFORMANCE RIGHTS (CURRENTLY IF THIS RESOLUTION IS PASSED)	
PRE-CONSOLIDATION (RESOLUTION 4) AND PRE THE PROPOSED ISSUES IN RESOLUTIONS 5, 6, 7 AND 8	
Total of shares on issue	30,612,464,161
5% of total shares on issue	1,530,623,208
Maximum number of Performance Rights that could be issued if the consolidation does not take place and none of the proposed issues in Resolutions 5, 6, 7 and 8 take place	1,530,623,208

CALCULATION OF THE MAXIMUM NUMBER OF PERFORMANCE RIGHTS (IF THE ISSUES IN RESOLUTIONS 5, 6, 7 AND 8 ARE PASSED BUT NOT THE CONSOLIDATION RESOLUTION)	
Total of shares on issue after the issues in Resolution 5, 6, 7 and 8	
	33,377,146,451
5% of total shares on issue	1,668,857,322
Maximum number of Performance Rights that could be issued if the consolidation does not take place and the proposed issues in Resolutions 5, 6, 7 and 8 do take place	1,668,857,322

CALCULATION OF THE MAXIMUM NUMBER OF PERFORMANCE RIGHTS (POST CONSOLIDATION) IF RESOLUTION 4 (CONSOLIDATION) IS PASSED BUT BEFORE ANY FURTHER ISSUES	
Total of shares on issue	15,306,232,081
5% of total shares on issue	765,311,604
Maximum number of Performance Rights that could be issued if the consolidation does place and none of the proposed issues in Resolutions 5, 6, 7 and 8 take place	765,311,604

CALCULATION OF THE MAXIMUM NUMBER OF PERFORMANCE RIGHTS (POST CONSOLIDATION) IF RESOLUTIONS 4 (CONSOLIDATION), 5, 6, 7 AND 8 ARE PASSED	
Total of shares on issue after the consolidation (Resolution 4) and the issues in Resolution 5, 6, 7 and 8	16,688,573,226
5% of total shares on issue	834,428,661
Maximum number of Performance Rights that could be issued if the consolidation does take place (Resolution 4) and the proposed issues in Resolutions 5, 6, 7 and 8 do take place	834,428,661

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 remains 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 3 years after approval of the Plan and 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 10.3 and 10.4 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 10.3 and 10.4, the number of Performance Share Rights to be issued to executive Directors, employees and consultants could be up to **1,668,857,322**.

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 10.1,10.2, 10.3 and 10.4 will be to allow the Company to issue up to **1,668,857,322** 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 10 has been divided into four separate resolutions, such that resolution 10.1 relates to the termination of the existing Performance Rights Plan of the Company which was approved at the 2015 AGM of the Company in November 2015. There are no current rights on issue under the 2015 Plan. No rights which

were issued under the 2015 Plan vested and no shares in the Company were issued in respect to any rights issued under the 2015 Plan.

Resolution 10.2 is the establishment of the 2020 A1 Performance Rights Plan.

Resolution 10.3 relates to the approval by the shareholders to the issue of securities under the A1 2020 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 2020 Mr Ashcroft has an interest in 846,507,936 shares in the Company.
- In the year to 30 June 2020 Mr Ashcroft's total salary was \$109,500.
- If 50% of the Performance Share Rights identified as Tranches A, B and C were issued to Mr Ashcroft being a total of 300,000,000 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 2.76%.
- The Company notes that Mr Ashcroft is related party to the shareholders seeking approval for placements in Resolutions, 5, 6 and 7 in this Notice. If Resolutions 5, 6 and 7 are approved by the shareholders at the meeting the subject of this Notice this will add a further 2,232,142,856 shares to related parties of Mr Ashcroft. Mr Ashcroft's total holding with the 300,000,000 shares referred to above would amount to a percentage interest in the Company of 10.1%.
- 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 A1 2020 Performance Share Rights Plan to Mr Ashcroft will be less than 1% of the total shares on issue at any time.

Resolution 10.4 relates to the approval by the shareholders to the issue of securities under the A1 2020 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 2020 Mr Nakamura has an interest in 146,881,362 shares in the company.
- In the year to 30 June 2020 Mr Nakamura's total salary was \$164,250.
- If 50% of the Performance Share Rights identified as Tranches A, B, and C were issued to Mr Nakamura being a total of 300,000,000 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 1.3%.
- 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 A1 2020 Performance Share Rights Plan together with his existing interest will be less than 1.3% 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:

- a. No person including any director, associate of a director or employee has received securities under the Plan or under an employee contract.
- b. The number of Performance Share Rights to be issued to executive Directors, employees and consultants (and/or his nominees) will be up to **1,668,857,322**.
- c. The Performance Share Rights will be issued no later than 3 years after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- d. The Performance Share Rights will be issued for nil consideration.
- e. 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.
- f. No loan will be made by the Company to assist any person with acquiring Shares under the Plan.

- g. A voting exclusion statement is included in the Notice of Meeting for all Resolutions including this Resolution.
- h. The details of any Performance Share Rights issued pursuant to the A1 2020 Performance Rights 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.
- i. 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.

2020 A1 PERFORMANCE RIGHTS PLAN RULES

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Agreement:

Application Form means the application form approved by the Company from time to time by which an Eligible Participant or Nominee (as applicable) applies for Performance Rights.

Applicant means an Eligible Participant or Nominee who has lodged an Application Form for Performance Rights under this Plan following receipt by the Eligible Participant of an Invitation.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Blackout Period means a period when the Participant is prohibited from trading in the Company's securities by the Company's written policies.

Board means the board of Directors of the Company or committee appointed by the Board for the purposes of the Plan.

Business Day means a day on which banks are open for general banking business in Western Australia, excluding Saturdays, Sundays and public holidays in Western Australia.

Change of Control means:

- a. a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- b. a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- c. in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board **Class Order** means ASIC Class Order 03/184.

Closing Date means the date on which an Invitation is stated to close.

Company means A1 INVESTMENTS & RESOURCES LIMITED (ABN 44 109 330 949).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Eligible Participant means:

- a. any full time or part time employee, or Executive Director, of a Group Company; and
- b. subject to any necessary ASIC relief being obtained, a casual employee or contractor of a Group Company, who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan. For the avoidance of doubt, non-executive directors of the Company are not Eligible Participants.

Employee Share Scheme has the meaning given in section 9 of the Corporations Act.

Executive Director means a Director who holds salaried employment or office with a Group Company.

Expiry Date means the date on which a Performance Right lapses (if it has not already otherwise lapsed in accordance with the Plan).

Grant Date means, in relation to a Performance Right, the date on which the Performance Right is granted.

Group Company means the Company, its Subsidiaries and any other related body corporate of the Company.

Holding Lock has the meaning given to that term in the ASX Listing Rules.

Invitation means an invitation made by the Company to an Eligible Participant to participate in the Plan.

Nominee means a relative (as defined in the Corporations Act) of the Eligible Employee, a body corporate the Eligible Employee or a relative of the Eligible Employee controls, a trustee of a trust of which the Eligible Employee or relative of the Eligible Employee is a

beneficiary, or a superannuation fund of which the Eligible Employee or a relative of the Eligible Employee is a beneficiary.

Participant means a person who holds Performance Rights from time to time.

Performance Right means a right to acquire a Share, subject to satisfaction of any Vesting Conditions, and the corresponding obligation of the Company to provide the Share, under a binding contract made by the Company and an Eligible Participant in the manner set out in this Plan.

Plan means the Performance Rights Plan as set out in this document, subject to any amendments or additions made under clause 12.

Redundancy means termination of the employment of an Eligible Participant due to economic, technological, structural or other organisational change where:

- a. no Group Company requires the duties and responsibilities carried out by the Eligible Participant to be carried out by anyone; or
- b. no Group Company requires the position held by the Eligible Participant to be held by anyone.

Relevant Interest has the meaning given in the Corporations Act.

Retirement means where an Eligible Participant reaches the age that the Board accepts as the retirement age for that individual.

Severe Financial Hardship means the Eligible Participant is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances.

Share means a fully paid ordinary share in the capital of the Company.

Subsidiary has the meaning given in section 9 of the Corporations Act.

Takeover Bid means a takeover bid (as defined in the Corporations Act) to acquire the Company's Shares.

Total and Permanent Disability means that the Eligible Participant has, in the Board's opinion, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Participant unlikely to engage in their usual occupation again.

Vesting Conditions means one or more conditions which must be satisfied, or circumstances which must exist, before the Performance Rights vest, as determined by the Board.

Voting Power has the meaning given to that term in Section 9 of the Corporations Act.

1.2

Interpretations

In this Plan unless the context otherwise requires:

- a. headings are for convenience only and do not affect the interpretation of this Plan;
- b. any reference in the Plan to any enactment of the ASX Listing Rules includes a reference to that enactment or those ASX Listing Rules as from time to time amended, consolidated, re-enacted or replaced;
- c. the singular includes the plural and vice versa;
- d. any words denoting one gender include the other gender;
- e. where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning; (f) a reference to:
 - i. a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - ii. a document includes all amendments or supplements to that document;
 - iii. a clause is a reference to a clause of this Plan;
 - iv. a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - v. an agreement other than this Plan includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - vi. a monetary amount is in Australian dollars; and
 - vii. when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

2. PURPOSE

The purpose of the Plan is to:

- a. assist in the reward, retention and motivation of Eligible Participants;
- b. link the reward of Eligible Participants to performance and the creation of Shareholder value;
- c. align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to receive Shares;
- d. provide Eligible Participants with the opportunity to share in any future growth in value of the Company; and
- e. provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

3. COMMENCEMENT AND TERM

- a. This Plan will commence on the date determined by resolution of the Board and will continue until terminated by the Board.
- b. The Board may terminate the Plan at any time by resolution. Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Performance Rights shall survive termination of the Plan until fully satisfied and discharged.

4. INVITATION TO APPLY FOR PERFORMANCE RIGHTS

4.1 Invitation

- a. The Board may, from time to time, in its absolute discretion, make a written invitation (in such form as the Board decides from time to time) to Eligible Participants to apply for up to a specified number of Performance Rights, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Invitation**).
- b. An Eligible Participant will not be required to make any payment in return for the grant of Performance Rights

4.2 Information to be provided to Eligible Participants

An Invitation will advise the Eligible Participant of the following minimum information regarding the Performance Rights:

- a. the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
- b. the maximum number of Shares that the Participant is entitled to be issued on the exercise of each Performance Right or the formula for determining the maximum number of Shares;
- c. any applicable Vesting Conditions;
- d. when unvested Performance Rights will expire (**Expiry Date**);
- e. the date by which an Invitation must be accepted (**Closing Date**); and
- f. any other relevant conditions to be attached to the Performance Rights or the Shares to be issued on the exercise of the Performance Rights.

4.3 Limit on Invitations

The Company must take reasonable steps to ensure that the number of Shares to be issued on exercise of Performance Rights offered under an Invitation, when aggregated with:

- (a) the number of Shares that would be issued if each outstanding Invitation or other offer with respect to Shares, units of Shares or options to acquire Shares under an Employee Share Scheme (including this Plan) were to be accepted or exercised; and
- (b) the number of Shares issued during the previous 5 years under the Plan or any other Employee Share Scheme extended only to Eligible Participants,
does not exceed 5% of the total number of Shares on issue at the time of an Invitation (but disregarding any offer or issue with respect to Shares, units of Shares or options to acquire Shares that can be disregarded in accordance with the Class Order).

5. APPLICATION

5.1 Application for Performance Rights

On receipt of an Invitation, an Eligible Participant, or a Nominee of the Eligible Participant in whose favour the Eligible Participant

renounces its Invitation, may apply for Performance Rights described in that Invitation, in whole or in part, by signing and returning the Application Form to the Company no later than the Closing Date.

5.2 **Board's right to reject**

- (a) *The Board may accept or reject any Application Form, in its absolute discretion.*
- (b) *Before accepting or rejecting the Application Form, the Board may require the Applicant to provide any information that the Board requests concerning the person's entitlement to lodge an Application Form under this Plan.*
- (c) *The Board must promptly notify an Applicant if an Application Form has been rejected, in whole or in part.*

5.3 **Participant Agrees to be Bound**

An Eligible Participant or Nominee, by submitting an Application Form, agrees to be bound by the terms and conditions of the Invitation and Application Form, the Plan and the Constitution of the Company, as amended from time to time.

6. GRANT OF PERFORMANCE RIGHTS

6.1 **Grant of Performance Rights**

- (a) *Subject to clause 6.2, once the Board has received and accepted a duly signed and completed Application Form for Performance Rights, the Company must, provided the Eligible Participant to whom the Invitation was made remains an Eligible Participant, promptly grant Performance Rights to the Applicant, upon the terms set out in the Invitation, the Application Form and the Plan and upon such additional terms and conditions as the Board determines.*
- (b) *The Company will, within a reasonable period after the Grant Date of the Performance Rights, issue the Applicant with a certificate evidencing the grant of the Performance Rights.*

6.2 **Approvals**

The Company's obligation to grant Performance Rights is conditional on:

- (a) *the grant of the Performance Rights complying with all applicable legislation; and*
- (b) *all necessary approvals required under any applicable legislation being obtained prior to the grant of the Performance Rights.*

6.3 **Restrictions on dealings and hedging**

- (a) *A Performance Right granted under the Plan is only transferable, assignable or able to be otherwise disposed or encumbered:*
 - (i) *with the Board's consent (which may be withheld in its absolute discretion); or*
 - (ii) *by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.*
- (b) *A Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Performance Rights.*
- (c) *Where the Participant purports to transfer, assign, mortgage, charge or otherwise dispose or encumber a Performance Right, other than in accordance with clause 6.3(a), or hedge a Performance Right contrary to clause 6.3(b), the Performance Right immediately lapses.*

7. VESTING AND EXERCISE OF PERFORMANCE RIGHTS

7.1 **Vesting Conditions**

- (a) *Subject to clause 9.2 (Good Leaver Exceptions) and clause (Change in Control and Winding Up), a Performance Right granted under the Plan will not vest and be exercisable unless the Vesting Conditions (if any) attaching to that Performance Right have been satisfied and the Board has notified the Participant of that fact.*
- (b) *The Board must notify a Participant in writing within 10 Business Days of becoming aware that any Vesting Condition attaching to a Performance Right has been satisfied.*

Exercise on Vesting

Subject to clause 9.3 (Bad Leaver), a Participant (or their personal legal representative where applicable) may exercise any vested Performance Right at any time within 90 days of the Board notifying that the Performance Right has vested, failing which the Performance Right will lapse, by a signed written notice to the Board specifying the Performance Rights being exercised and providing the certificate for those Performance Rights.

8. ISSUE OF SHARES

8.1 Issue of Shares

Subject to the Corporations Act, the ASX Listing Rules and this Plan, the Company must issue to the Participant or his or her personal representative (as the case may be) the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights that are exercised, within 10 business days of the Performance Rights being exercised.

8.2 Disclosure document for Shares

In the event that the issue of Shares on exercise of a Performance Right would require the Company to prepare a disclosure document (as that term is defined in the Corporations Act), in the absence of appropriate arrangements with the Participant, the Company may require the Participant (as a precondition to the issue of the underlying Shares on exercise of the Performance Rights) to enter into such arrangements with the Company as the Board considers appropriate to ensure that the issue of such Shares without disclosure does not contravene the fundraising provisions of the Corporations Act.

8.3 Blackout Period, takeover restrictions and insider trading

If the issue of Shares on exercise of a Performance Right would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Shares until 10 Business Days following the expiration, as applicable, of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Shares.

8.4 Withholding

If a Participant is liable for tax, duties or other amounts on the vesting of their Performance Rights, and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company must issue and sell such number of Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale equal the payment the Company is required to pay to the appropriate authorities.

8.5 Share ranking

All Shares allotted under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their allotment.

8.6 Quotation on ASX

- (a) If Shares of the same class as those allotted under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX within 10 Business Days of Shares being allotted for those Shares to be quoted on ASX.
- (b) The Company will not apply for quotation of any Performance Rights on the ASX.

8.7 Sale of Shares

- (a) There will be no transfer restrictions on Shares allotted under the Plan unless the sale, transfer or disposal by the Participant of the Shares issued to them on exercise of the Performance Rights (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (b) If a disclosure document is required, the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.
- (c) The Company will issue, where required to enable Shares issued on exercise of Performance Rights to be freely tradeable on the ASX from the date of issue, a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will have a prospectus available in relation to the Shares which complies with the requirements of the Corporations Act.

9. LAPSE OF PERFORMANCE RIGHTS

9.1 Lapsing of Performance Right

A Performance Right will lapse upon the earlier to occur of:

- (a) an unauthorised dealing in, or hedging of, the Performance Right occurring, as governed by clause 6.3(c);

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- (b) *a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;*
- (c) *a vested Performance Right is not exercised within the time limit specified in clause 7.1;*
- (d) *a Participant (or, where the Participant is a Nominee of the Eligible Participant to whom the Invitation was made, the Eligible Participant) ceasing to be an Eligible Participant, unless clause 9.2 (Good Leaver Exceptions) is applied;*
- (e) *a Performance Right lapses under clause 9.3 (Bad Leaver);*
- (f) *the Performance Right lapses following a Change in Control, or winding up resolution or order, in accordance with clause 10; and (g) the Expiry Date.*

9.2
Good Leaver exceptions

Where a Participant (or, where the Participant is a Nominee of the Eligible Participant to whom the Invitation was made, the Eligible Participant) ceases to be an Eligible Participant as a result of:

- (a) *death or Total or Permanent Disability;*
- (b) *Retirement or Redundancy;*
- (c) *Severe Financial Hardship;*
- (d) *death of an immediate family member of the Participant (or Eligible Participant, as applicable);*
- (e) *substantial change in circumstances, out of the control of the Participant (or Eligible Participant, as applicable) which affects the ability of the Participant (or Eligible Participant, as applicable) to perform his or her role with a Group Company; or*
- (f) *terminal illness of the Participant (or Eligible Participant, as applicable) or an immediate family member,*
the Board may determine, in its absolute discretion, within 10 Business Days of the Participant (or Eligible Participant, as applicable) ceasing to be an Eligible Participant, that all or a portion of the Participant's unvested Performance Rights vest rather than lapsing, in which case clause 7.1 applies.
- (g) *a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;*
- (h) *a vested Performance Right is not exercised within the time limit specified in clause 7.1;*
- (i) *a Participant (or, where the Participant is a Nominee of the Eligible Participant to whom the Invitation was made, the Eligible Participant) ceasing to be an Eligible Participant, unless clause 9.2 (Good Leaver Exceptions) is applied;*
- (j) *a Performance Right lapses under clause 9.3 (Bad Leaver);*
- (k) *the Performance Right lapses following a Change in Control, or winding up resolution or order, in accordance with clause 10; and (g) the Expiry Date.*

9.3
Bad Leaver

Where a Participant (or, where the Participant is a Nominee of the Eligible Participant to whom the Invitation was made, the Eligible Participant):

- (a) *in the opinion of the Board, acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct, or causes a material adverse effect on the reputation of the Company;*
- (b) *has his or her employment terminated due to serious or wilful misconduct or otherwise for cause without notice; or*
- (c) *becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act,*
the Board may, by written notice to the Participant, deem any unvested, or vested but unexercised, Performance Rights of the Participant to have lapsed.

10. CHANGE OF CONTROL AND WINDING-UP

10.1 Vesting of Performance Rights

(a) *Subject to the terms and conditions of a grant of a Performance Right, the Board may, in its absolute discretion, determine that any unvested Performance Rights vest, within 10 Business Days of:*

- (i) *a Change of Control occurring: or*
- (ii) *the Company passing a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company,*

in which case:

- (iii) *the Board must promptly notify the holder of the vested Performance Rights in writing; and*
- (iv) *clause 7.1 applies to the exercise of the vested Performance Rights.*

(b) *Any unvested Performance Rights that do not vest under clause 10.1(a) automatically lapse.*

10.2 Acquisitions of shares in Acquiring Company

If a company (Acquiring Company) obtains control of the Company as a result of a Change of Control and both the Company and the Acquiring Company agree, a Participant may, in respect of any vested Performance Rights that are exercised, be provided with shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.

11. PARTICIPATION RIGHTS AND REORGANISATION

11.1 Participation rights

- (a) *There are no participating rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.*
- (b) *A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.*
- (c) *A Participant who is not a Shareholder is not entitled to:*
 - (i) *notice of, or to vote or attend at, a meeting of the Shareholders of the Company; or*
 - (ii) *receive any dividends declared by the Company,**unless and until any Performance Right is exercised and the Participant holds Shares that provide the right to notice and dividends.*

11.2 Adjustment for reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

12. AMENDMENTS

12.1 Power to amend Plan

Subject to clause 12.2, the Corporations Act and the ASX Listing Rules:

- (a) *the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Performance Right granted under the Plan; and*
- (b) *any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.*

12.2 Restrictions on amendments

Without the consent of the Participant, no amendment may be made to the terms of any granted Performance Right which materially reduces the rights of the Participant in respect of that Performance Right, other than an amendment introduced primarily:

- (a) *for the purpose of complying with, or conforming to, present or future State or Commonwealth legislation governing or*

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regulating the maintenance or operation of the Plan or like plans, the ASX Listing Rules or the Constitution;

- (b) *to correct any manifest error or mistake; or*
- (c) *to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court of competent jurisdiction.*

12.3 *Notice of amendment*

As soon as reasonably practicable after making any amendment under clause 12.1, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

13. TRUST

- (a) *The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Performance Rights, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust.*
- (b) *The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust.*
- (c) *The Board may at any time amend all or any of the provisions of this Plan to effect the establishment of a trust and the appointment of a trustee as detailed in this clause.*

14. MISCELLANEOUS

14.1 *Rights and obligations of Participant*

- (a) *The rights and obligations of Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan. This Plan will not form part of, and are not incorporated into, any contract of any Eligible Participant (whether or not they are an employee of a Group Company).*
- (b) *No Participant will have any rights to compensation or damages in consequence of:*
 - (i) *the termination, for any reason, of the office, employment or other contract with a Group Company of the Participant (or, where the Participant is a Nominee of the Eligible Participant to whom the Invitation was made, the Eligible Participant) where those rights arise, or may arise, as a result of the Participant ceasing to have rights under the Plan as a result of such termination; or*
 - (ii) *the lapsing of Performance Rights in accordance with this Plan.*
- (c) *Nothing in this Plan, participation in the Plan or the terms of any Performance Right:*
 - (i) *affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);*
 - (ii) *affects the rights and obligations of any Eligible Participant or Participant under the terms of their employment, engagement or office with any Group Company;*
 - (iii) *confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against any Group Company in respect of their employment, engagement or office;*
 - (iv) *confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of their employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or*
 - (v) *confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Participant or Participant.*
- (d) *If a Vesting Condition attached to a Performance Right requires a Participant to remain an employee of a Group Company, then the Participant will be treated as having ceased to be an employee of a Group Company at such time the Participant's employer ceases to be a Group Company.*
- (e) *A Participant who 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 such an employee.*

14.2 *Power of the Board*

- (a) *The Plan is administered by the Board which has power to:*

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- (i) *determine appropriate procedures for administration of the Plan consistent with this Plan; and*
 - (ii) *delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the Plan.*
- (b) *Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Plan or any Performance Rights under the Plan and in the exercise of any power or discretion under the Plan.*

14.3 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Performance Rights granted under it, the decision of the Board is final and binding.

14.4 ASIC relief

- (a) *Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.*
- (b) *To the extent that any covenant or other provision deemed by this clause to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.*

14.5 Non-residents of Australia

- (a) *The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the rights. Any additional rule must conform to the basic principles of the Plan.*
- (b) *When a Performance Right is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulation or similar factors which may apply to the Participant or to any Group Company in relation to the Performance Right.*

14.6 Communication

- (a) *Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile:*
- in the case of a company, to its registered office;*
- (i) *in the case of an individual, to the individual's last notified address; or*
 - (ii) *where a Participant is an Executive Director or employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office of employment.*
- (b) *Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission. Where a notice is given by electronic transmission, the notice is taken to have been received at the time the electronic transmission is sent.*

14.7 Attorney

Each Participant:

- (a) *irrevocably appoints the Company and any person nominated from time to time by the Company (each an attorney), severally, as the Participant's attorney to complete and execute any documents, including applications for Shares and Share transfers, and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules;*
- (b) *covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;*
- (c) *releases each Group Company and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this clause; and*
- (d) *indemnifies and holds harmless each Group Company and the attorney in respect thereof.*

14.8 Costs and expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the

Plan, including all costs incurred in or associated with the issue or purchase of Shares for the purposes of the Plan.

14.9 Data protection

By lodging an Application Form, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (c) providing information to future purchasers of the Company or the business in which the Participant works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

14.10 Error in Allocation

If any Performance Rights are provided under this Plan in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest, in those Performance Rights and those Performance Rights will immediately lapse.

14.11 Dispute

Any disputes or differences of any nature arising under the Plan will be referred to the Board for determination.

14.12 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by this Plan in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

14.13 Listing Rules

While the Company remains admitted to the ASX, the provisions of the Listing Rules of the ASX will apply to the Plan, and to the extent that the Plan and the Listing Rules are inconsistent, the provisions of the Listing Rules will prevail.

14.14 Enforcement

This Plan, any determination of the Board made pursuant to this Plans, and the terms of any Performance Rights granted under the Plan, will be deemed to form a contract between the Company and the Participant.

14.15 Laws governing Plan

- (a) This Plan, and any Performance Rights issued under it are governed by the laws of New South Wales and the Commonwealth of Australia.
- (b) The Company and the Participants submit to the non-exclusive jurisdiction of the courts of New South Wales.

RESOLUTION 10.3

If Resolutions 10.1 and 10.2 are passed in this resolution the Company seeks approval for the issue of 600,000,000 performance rights to *Charlie Nakamura* in accordance with the terms and conditions of the A1 2020 Performance Rights Plan set out in the Explanatory Statement to Resolution 10.2 and in accordance with Performance Criteria set out in the schedule below. Mr Nakamura is an executive director of the Company.

The Company notes that the number of rights is in respect to the Company as at the date of this Notice. The Company further notes that if the shareholders pass Resolution 4 (consolidation) the number rights will be reduced in the same ratio as the number of shares are reduced.

The Board of the Company, excluding Mr Nakamura determined that the Performance Conditions and Expiry Dates in this Resolution 10.4 and the Board determined they were appropriate and fair and reasonable because the sea cucumber project is still a long way from being successful and having a positive cash flow, the operations in Western Australia are causing problems with delay and the coronavirus is causing significant logistical problems with managing the flow of raw materials and finished product to the Company's eventual customers. Mr Nakamura is responsible for the manufacturing in Japan and the sales and marketing program.

TABLE I

SCHEDULE Performance Criteria and Expiry dates

Holder	Charlie Nakamura	
Total Number of Performance rights to be issued to the Holder	600,000,000	
Rights to issue in three tranches	200,000,000 each (Tranche A, B and C)	
Tranche	Performance Criteria	Expiry Date
A	Acquiring or producing 10 tonne of dried sea cucumber for the production of supplements	30 June 2022
B	A\$5 million Revenue from the sale of sea cucumber products	31 December 2022
C	A\$10 million in revenue from the sale of all products	31 December 2023

The Board (excluding Mr Nakamura) encourages all shareholders to cast their votes on Item 11 (Resolutions 10.2 and 10.4 Performance Rights Plan)) in favour of the Resolutions and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 8 (Resolutions 10.2 and 10.4 Performance Rights Plan) in favour of the Resolution by marking on the voting form.

RESOLUTION 10.4

If Resolutions 10.1 and 10.2 are passed in this resolution the Company seeks approval for the issue of 600,000,000 performance rights to *Peter Ashcroft* in accordance with the terms and conditions of the 2020 A1 Performance Rights Plan set out in the Explanatory Statement to Resolution 10.2 and in accordance with Performance Criteria set out in the schedule below . Mr Ashcroft is an executive director of the Company.

The Company notes that the number of rights is in respect to the Company as at the date of this Notice. The Company further notes that if the shareholders pass Resolution 4 (consolidation) the number rights will be reduced in the same ratio as the number of shares are reduced.

Mr Ashcroft (in respect to his currently held shares), Ashware Holdings (in respect to its currently held shares) and Sarlat Securities (also in respect to its currently held shares) are disqualified from voting on this resolution as they are related parties for the purposes of the Corporations Act and each shareholder is disqualified from voting on Resolutions 10.2 and 10.3 in this Notice. The Company advises that Mr Ashcroft is director of both Ashware Holdings and Sarlat Securities.

The Board of the Company, excluding Mr Ashcroft determined that the Performance Conditions and Expiry Dates in this Resolution 10.3 and the Board determined they were appropriate and fair and reasonable because the sea cucumber project is still a long way from being successful and having a positive cash flow, the operations in Western Australia are causing problems with delay and the coronavirus is causing significant logistical problems with managing the flow of raw materials and finished product to the Company's eventual customers.

TABLE H

SCHEDULE Performance Criteria and Expiry dates

Holder	Peter Ashcroft	
Total Number of Performance rights to be issued to the Holder	600,000,000	
Rights to issue in three tranches	200,000,000 each (Tranche A, B and C)	
Tranche	Performance Criteria	Expiry Date

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A	Acquiring or producing 10 tonne of dried sea cucumber for the production of supplements	30 June 2022
B	A\$5 million Revenue from the sale of sea cucumber products	31 December 2022
C	A\$10 million in revenue from the sale of all products	31 December 2023

The Board (excluding Mr Ashcroft) encourages all shareholders to cast their votes on Item 11 (Resolutions 10.2 and 10.3 Performance Rights Plan)) in favour of the Resolutions and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 8 (Resolutions 10.2 and 10.3 Performance Rights Plan) in favour of the Resolution by marking on the voting form.

SPECIAL RESOLUTION

12. APPROVAL OF 10% PLACING FACILITY SPECIAL RESOLUTION

RESOLUTION 11

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**) but expires on the first to occur in such period of;

- a) The date that is 12 months after the date of the annual general meeting at which the approval was obtained;
- b) The time and date of the entity's next annual general meeting; or
- c) The time and date of the approval by holders of the eligible entity's ordinary securities of a transaction under Listing Rule 11.1.2 or 11.2.

of. 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).

- A. Description of Listing Rule 7.1
 - 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.
 - c. The Company, as at the date of the Notice, has on issue the following classes of Equity Securities:
 - i. ordinary shares quoted on ASX

Formula for calculating 10% Placement Facility

- B. 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. A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement;
- b. plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- c. plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- d. 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;
- e. 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.)

- f. D is 10%
- g. 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.

C. 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.

- a. At the date of this Notice, the Company has on issue 30,612,464,161 ordinary shares and therefore has a capacity to issue:
 - i. 3,602,340,024 Equity Securities under Listing Rule 7.1; and
 - ii. subject to shareholder approval being obtained under this Resolution 4, 3,061,246,416 Equity Securities under Listing Rule 7.1A.
- b. 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.

Minimum Issue Price

- D. 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;
 - a. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - b. 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.

10% Placement Period

- E. 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:
 - a. the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
 - b. 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),
- F. Listing Rule 7.1A

The effect of Resolution 10 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.

- a. Resolution 10 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.
- b. Specific information required by Listing Rule 7.3A

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- i. 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:
- ii. 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:
- iii. the date on which the price at which the Equity Securities are to be issued is agreed; or
- iv. if the Equity Securities are not issued within five Trading Days of the date in paragraph (ii) above, the date on which the Equity Securities are issued.
- v. 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 xx October 2020 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,
 - 3. which may have an effect on the amount of funds raised by the issue of the Equity Securities.

G. 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.

The table also shows:

- a. three examples where variable 'A' is at the current market price and where it has increased, by 100% (\$0.002 issued price) and 200% (\$0.003 issue price). 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;
- b. an example of where the issue price of ordinary shares has decreased by 25% as against the current market price;
- c. three examples where variable "A" was the current market price, an issue price of \$0.002 and an issue price of \$0.003 and where prior to the issue under Listing Rule 7.1A there had been an issue of 15% of the shares of the company under Listing Rule 7.1; and
- d. an example where at the time of the proposed issue under Rule 7.1A there were on issue double the number of shares on issue as at the date of this Notice.

TABLE J
ADDITIONAL 10% PLACING CAPACITY

Variable "A" in Listing rule 7.1A.2		Issue Price				
		\$0.0005 (Listing Rule assumption. Below tradeable amount)	\$0.00075 (minimum price at VWAP of \$0.001)	\$0.001	\$0.002	\$0.003
Current Variable "A"	10% dilution	3,061,246,416 shares	3,061,246,416 shares	3,061,246,416 shares	3,061,246,416 shares	3,061,246,416 shares

shares	Funds raised	\$1,530,623	\$2,295,934	\$3,061,246	\$6,122,492	\$9,183,738
Total 30,612,464,161 shares on issue	After 10% dilution	33,673,710,577	33,673,710,577	33,673,710,577	33,673,710,577	33,673,710,577
Current shares on issue		30,612,464,161	30,612,464,161	30,612,464,161	30,612,464,161	30,612,464,161
Issue of 15% pursuant to Rule 7.1.		4,591,869,624	4,591,869,624	4,591,869,624	4,591,869,624	4,591,869,624
Total shares then on issue		35,204,333,785	35,204,333,785	35,204,333,785	35,204,333,785	35,204,333,785
Current Variable "A"	10% dilution	3,061,246,416	3,061,246,416	3,061,246,416	3,061,246,416	3,061,246,416
Total shares on issue after issues under Rules 7.1 and 7.1A		38,265,580,201	38,265,580,201	38,265,580,201	38,265,580,201	38,265,580,201
Current shares on issue		30,612,464,161	30,612,464,161	30,612,464,161	30,612,464,161	30,612,464,161
Assume total number of shares has doubled		61,224,928,322	61,224,928,322	61,224,928,322	61,224,928,322	61,224,928,322
			Issue Price			
		\$0.0005 (Listing Rule assumption. Below tradeable amount)	\$0.00075 (minimum price at VWAP of \$0.001)	\$0.001	\$0.002	\$0.003
	10% dilution	6,122,492,832 shares	6,122,492,832 shares	6,122,492,832 shares	6,122,492,832 shares	6,122,492,832 shares
	Funds raised	\$3,061,246	\$4,591,869	\$6,122,492	\$12,244,985	\$18,367,476
Total shares on issue	After 10% dilution	67,347,421,154	67,347,421,154	67,347,421,154	67,347,421,154	67,347,421,154
Total Shares on Issue if Resolution 4 (Consolidation) passed		33,673,710,577	33,673,710,577	33,673,710,577	33,673,710,577	33,673,710,577

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. Note there are no current option.
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.

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5. The issue of Equity Securities under the 10% Placement Facility consists only of shares. The issue price is \$0.001, being the closing price of the shares on ASX on xx October 2020.
6. The table also shows the voting dilution where the company has also issued the full amount of shares under its placing capacity pursuant to Listing Rule 7.1 that is further 15%.
7. Except for the last line of the Table the Company did not adjust the number of shares to take into consideration the Consolidation the subject of Item 6, Resolution 5 I the Notice.
8. The table also shows and example where the number of shares on issue has doubled when the issue under Rule 7.1A is undertaken.
- a. The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 10 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).
 - b. The Company may seek to issue the Equity Securities for the following purposes:
 - i. 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.
 - c. The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
 - d. 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:
 - i. 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;
 - ii. the effect of the issue of the Equity Securities on the control of the Company;
 - iii. the financial situation and solvency of the Company; and
 - iv. advice from corporate, financial and broking advisers (if applicable).
 - e. 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.
 - f. 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.
 - g. 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.
 - h. In accordance with Listing Rule 7.3A.6 the Company confirms that it sought and obtained shareholder approval under Listing Rule 7.1A at the Annual General Meeting of the company on 26 November 2019. The company has not used any of this additional placing capacity under such approval.

TABLE K
PREVIOUS EQUITY ISSUES

Details of All Previous Equity Issues in the 12 months preceding the meeting as required by Listing Rule 7.3A.6.

Total number of shares on issue 12 months prior to this Notice of meeting	Total Number of Equity Issues in the 12 months prior to this Notice of meeting	Total number of shares on issue at the date of the Notice of meeting	Percentage of new equity as compared to the number of shares on

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			issue 12 months prior to this meeting
24,015,600,164	6,596,863,997	30,612,464,161	21.55%

Listing Rule 7.3A.6 requires the details of all issues of equity securities as set out above.

Total number of securities issued in the previous 12 months was 6,596,863,997 ordinary shares. All shares were issued at a discount to the trading price of \$0.001 per share at the date of each issue.

4,481,863,997 ordinary shares were issued on 17 February 2020 for cash at an issue price of \$0.00014 per share.

400,000,000 ordinary shares were issued on 17 February 2020 in relation to the acquisition of Blue Ocean Japan by the Company at an issue price of \$0.005 per share.

1,000,000,000 ordinary shares were issued on 17 February 2020 in relation to the entering the supply agreement with Tidal Moon for the supply of sea cucumbers at an issue price of \$0.0004 per share.

715,000,000 ordinary shares were issued on 16 March 2020 for cash at an issue price of \$0.00014 per share

The total cash received from the above issues was \$727,561. The funds were used to pay existing trade debtors and general working capital.

Resolution 10 is a **special resolution**.

The Board encourages all shareholders to cast their votes on Item 11 (Resolution 10 Placing Facility) in favour of the Resolution and if you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Item 11 (Resolution 10 Restoration of Placing Capacity) in favour of the Resolution by marking on the voting form.

The A1 Investments & Resources Ltd 2020 Annual Report can be viewed online at the Company's website www.a1investments.com.au.

If you have any questions after reading this information, please do not hesitate to contact Peter Ashcroft on 0418 275 375 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



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