

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

A1 INVESTMENTS & RESOURCES LIMITED

ABN

44 109 330 949

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	15	41
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(45)	(267)
(c) advertising and marketing	(0)	(2)
(d) leased assets	(10)	(18)
(e) staff costs	(60)	(126)
(f) administration and corporate costs	(82)	(308)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(28)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(183)	(708)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(7)	(19)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(7)	(19)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	750	1,287
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(183)	(708)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(19)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of period	561	561

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	141	70
5.2	Call deposits	420	680
5.3	Bank overdrafts	-	-
5.4	Other (Undeposited fund)	-	25
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	561	775

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(50)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Note to 6.1: Salaries to executive directors (56)

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(183)
8.2	Cash and cash equivalents at quarter end (item 4.6)	561
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	561
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:		
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:		
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:		
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: Monday, 24 January 2022



Authorised by: Board

Peter Ashcroft

Secretary.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Quarterly Activity Statement to 31 December 2021

The Company advises its operational activities for the quarter to 31 December 2021 as follows;

Sea Cucumber Project

The travel bans to Western Australia and Queensland and the lockdowns of State borders particularly between NSW, WA and Queensland have continued to significantly restrict our ability to manage our businesses in WA and establish new supply lines from Queensland.

The dispute with our dedicated contractor at Shark Bay remains unresolved.

The Company continues to pursue other supply possibilities in Western Australia and Queensland. The Company is now focused upon suppliers in Peru.

In the quarter to 31 December 2021 the Company has manufactured supplements in Japan from Peruvian sea cucumber. The products manufactured in Japan are destined for sales in Japan, the PRC and other parts of Asia. The Company has on sold some wholesale product and generated sales in Japan.

Operations in Japan in the quarter were continued to be hindered by COVID outbreaks in Tokyo and Yokohama.

Blue Ocean Japan

The Company's Managing Director, Mr Nakamura has returned to Japan at the end of the quarter after being directly involved as the manager of all BOJ operations.

The Company has been focused on securing its intellectual property surrounding its finished product, completing its marketing plan and commencing a social media campaign to support the sales of the products.

Blue Ocean Health

The Company has imported Peruvian sea cucumber powder to Australia to prepare a new range of powdered sea cucumber products for marketing and sale in southern Asia and South Korea. Consideration is also being given to the marketing of the product in Australia, but TGA approval or consent will be required. The Company is proposing a fast track approval of the products in Australia and to achieve this all product to be sold and marketed in Australia will contain no representations as to the products possible therapeutic benefits.

Sandalwood Project

Test marketing to customers continued through the quarter. The Company is undertaking this business under the name AONE Essential Oils.

The Company is continuing to pursue the direct acquisition of sandalwood timber from WA suppliers but to date has not secured such product. The Company is undertaking a full review of this business in the first half of 2022 to ensure the viability of the business before committing any substantial capital to this business.

General

The Company does not need to remind its shareholders of the hardships of 2021 including the current quarter to 31 December 2021. The coronavirus has had a significant impact on the Company's operations over the past 3 months and this continues to be the position to the date of this release.

The Company does not expect any substantial change to these issues over the current quarter, although the reduction in restrictions in NSW in October 2021 allows positive planning for the calendar year 2022. However the extension of restrictions in WA has made the company plan no operations in WA until the third quarter 2022.

The Company is encouraging all its staff and the staff of its dedicated contractors, including in Japan to get vaccinated as soon as possible.

The Company is optimistic that sales leads for its products throughout Asia can be fully explored and finalised throughout 2022 as international travel restrictions are lifted or at least eased. The Company also expects supply issues of sea cucumber from both Peru and Australia to Japan to improve substantially throughout 2022, as will the shipment of finished product. However, despite some encouraging numbers for omicron and its lesser seriousness in eastern Australia, international borders in recent weeks have seen further restrictions rather than a lessening of restrictions. The Australian government has not assisted with multilateral recognition of Australian vaccine certificates making international travel just as difficult in 2022 and it was in 2021.

The Company is confident of improved sales in 2022 and beyond.

Corporate

The Company is pursuing further capital raising opportunities primarily in Japan. As further developments occur the Company will advise the shareholders and the market.