

**ASX Limited****Listing Compliance Sydney****Senior Advisor Listing Compliance****Attention Mr Elvis Onyura**

By email ListingComplianceSydney@asx.com.au

Tuesday, 9 March 2021

**Response to Letter of 8 March 2021**

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The Company notes receipt of the letter dated 8 March 2021 in respect to the Appendix 3Y lodged on the same date.

The Company advises that it takes its obligations of continuous disclosure including adhering to timely disclosures in accordance with the Listing Rules and the Corporations Act very seriously.

The Company regularly reviews its disclosures, being not less than at its regular and scheduled bi-monthly Board meetings. As a result of the review for a Board meeting that took place last Friday 5 March 2021, it was determined by the writer that a draft Appendix 3Y which had been prepared in January 2021 had not in fact been filed with the ASX. All releases that have been made by the Company are tabled at these regular Board meetings. I immediately reviewed the draft Appendix 3Y, amended it accordingly and filed it today.

I am very aware of the Company's and my personal obligations to make appropriate disclosures to the market in respect to the securities held by directors. Each meeting of the Board there is an agenda item in respect to declarations of interests, both in respect to securities and other interests.

As a result of reviewing the Company's designated 2020 Performance Rights Plan and the securities issued thereunder, which was the subject of an Appendix 3G disclosure on Friday 5 March 2021 I determined the January Appendix 3Y had not been filed with the ASX.

The other members of our Board are of course disappointed with this error.

I have apologised to my fellow Board members.

The Company has been operating with a skeleton staff for some time. Our managing director has been in Japan for the past 4 months, and for the past two months he was unable to return because of an inability to get a flight to Australia. He was finally able to return to Australia two weeks ago. Indeed, on Friday he was in hotel quarantine in Sydney. We met using Zoom. You will also note that on Friday we announced the

resignation of a director at Friday's meeting and at least part of his reason was the inability to travel and fulfil his obligations.

I have been managing the Company in Australia with little back up or administrative assistance for some time but I do not suggest nor offer this as an excuse.

In relation to the Appendix 3Y and the information contained therein I would like to point out that all the information set out in that Appendix was available in previous releases, being the Notice of the 2020 AGM, which contained a very detailed explanation of the proposed placements to me, and companies associated with me. Thereafter the Company disclosed in Appendices 2A issues to Ashware Holdings, Sarlat Securities and me. All issues were in accordance with the Notice of Meeting of the AGM on 26 November 2020.

I note that the filed Appendix 3Y confirmed the above.

COVID had a substantial impact on our operating business in 2020 and early 2021, including our day to day administration. The travel restrictions into Western Australia prevented us from effectively managing our primary business and saw us look to other suppliers of raw materials including to Peru. We have managed in very difficult circumstances and look forward to a better, but probably no less difficult 2021.

We have reviewed our procedures and are now having monthly scheduled Board meetings and monthly reviews of all our disclosures. We are again operating from our administrative offices in Sydney on a regular basis, although less than 5 days per week.

I and the Board fully appreciate that Appendix 3Y disclosures can and do have a significant impact on the market for some companies' securities.

I and the Company will ensure in the future that all requirements under Listing Rule 3.19A are strictly applied, including the time limits for disclosure, being no more than 5 business days after the change occurs.

The Board has also supported some refresher training for me and I am enrolled at the Governance Institute to undertake their short course on "Meeting the ASX Listing Rules Requirements" on 27 May 2021.

I confirm that all directors have been shown a copy of the ASX letter of 8 March 2021 and this reply.

The Board and I ask that no further proceedings or penalty or suspension from listing be applied in the respect to this matter.

Yours faithfully



**Peter Ashcroft**

**Director/ Secretary**

**A1 Investments & Resources Limited**



8 March 2021

Reference: 32000

Mr Peter Ashcroft  
Executive Chairman & Company Secretary  
AI Investments & Resources Ltd  
Suite 606  
37 Bligh Street  
Sydney NSW 2000

By email

Dear Mr Ashcroft

**A1 Investments & Resources Ltd ('AYI'): Appendix 3Y – Change of Director's Interest Notice Query**

ASX refers to the following:

1. AYI's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 8 March 2021 for Mr Peter Ashcroft (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

*The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

3. Listing Rule 3.19B which states that:

*'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'*

The Notice indicates that a change in Mr Ashcroft's notifiable interest occurred on 31 December 2020 and separately on 15 January 2021. It appears that the Notice should have been lodged with ASX by 8 January 2021 and separately on 22 January 2021. Consequently, AYI may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Ashcroft may have breached section 205G of the *Corporations Act 2001* (Cth).

### Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does AYI have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does AYI intend to take to ensure compliance with Listing Rule 3.19B?

### When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Thursday, 11 March 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AYI's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AYI to request a trading halt immediately.

Your response should be sent to me by e-mail at [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### Trading Halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AYI's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in *Guidance Note 16 Trading Halts & Voluntary Suspensions*.

### Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AYI's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to AYI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that AYI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

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**Elvis Onyura**

Senior Adviser, Listings Compliance (Sydney)