



Monday, 16 July 2018

ASX ANNOUNCEMENT

NEW AGRICULTURE BUSINESS BUNDYBUNNA WESTERN AUSTRALIA

The company announces that it has entered a Memorandum with a director of the Bundybunna Aboriginal Corporation (in liquidation) to obtain a 10 year lease (with two 5 year options) of an 11,000 hectare premium mixed (grazing and grain) agricultural property located near Geraldton, in the Midwest of Western Australia, between the towns Mullewa, Mingenew & Morawa. The annual rent to be paid of \$95,000 pa (plus GST) will approximate the revenue from two proposed subleases of less than 900 hectares on the property leaving the balance of the property available for immediate development. Undertaking the project remains subject to raising further capital (see the company's release dated 6 July 2018) and the termination of the winding up of Bundybunna. The company, subject to a number of conditions, will forward pay lease payments to meet outstanding unsecured creditors in order to secure the termination of the winding up.

The object of obtaining the lease to Bundybunna is to, at a relatively low cost upfront, establish an immediate high value agricultural project in Western Australia, as part of the company's geographical diversity strategy, with operations in Queensland, and as per the 9 July announcement for southern Australia, and now WA.

Bundybunna represents an enormous opportunity to further the company's agriculture objectives whereby it can commence farming in Western Australia at a very small premium.



Winter wheat at Bundybunna June 2018

The Bundybunna property is currently under-utilised with only 850 hectares presently being used for this year's winter grain crops but with an immediate potential for another 2,000 hectares of grain crops (wheat, barley, oats & lupins) to be grown, either by the company or contract farmers. This still leaves approximately 5,000 hectares of primary grazing land and for other agriculture opportunities identified. Along with broadacre cropping, the property has traditionally been used for sheep farming, meat & wool production and although the infrastructure is old there are two large serviceable shearing sheds and yards available for immediate use if the company determines to enter the wool market. A more likely use is cattle fattening and similar properties in the immediate area now run up to 5,000 head of premium beef. With the property's location close to the Geraldton Port, and via major roads 500km to Perth, along with the major road links to the north and west cattle pastoral stations, makes the property attractive to cattle production.

For personal use only

The company is examining the feasibility of improving the property infrastructure, particularly fencing and cattle yards to commence livestock production in 2019.

The property lies within the WA Government Irwin Water for Food Program area and is intersected by the upper reaches of the Irwin River which provides the property with good water resources. There is significant potential to further develop the property as an on-site feed production farm for sheep and/or cattle. The property is close to the Port of Geraldton (a developing agricultural region with good infrastructure) with good all weather road access.

The Company is looking to utilise the association with Qualipac and local WA Agri advisors to review other possible agriculture opportunities that align to the property's capabilities, soils, water resources, location and the potential funding under the WA Government's water for food programs within the Irwin district to maximise returns from the property.



Broadacre grazing area and some of the existing infrastructure Bundybunna June 2018

The company will henceforth operate as A1Ag and is seeking to establish across its various agricultural business units a vertically integrated business in respect to vegetables and meat production for domestic and international markets using professional sales and marketing joint ventures with low overheads.

The company's current relationship with Qualipac and its sales and marketing connections in Australia and Asia will be leveraged further in relation to the Agri production from Bundybunna.

The company is also exploring several other joint venture opportunities with established sales and marketing groups in relation to sale and supply of meat; and in relation to the supply of livestock for fattening.

The company's business model for all its agricultural businesses is to adopt low risk strategies by entering joint ventures with suppliers of raw materials, or livestock (in the case of the livestock business), and companies with established sales and marketing networks both within Australia and offshore.

A1 INVESTMENTS & RESOURCES LTD



Charlie Nakamura
Managing Director