

**ASX RELEASE**

CODE OF CONDUCT POLICY

The Board of the Company approved the following Code of Conduct policy on 16 September 2016.

This policy and the other compliance policies of the Company may be found on the Company's web site, www.a1investments.com.au.

A1 INVESTMENTS & RESOURCES LTD

Charlie Nakamura
Managing Director

A1 INVESTMENTS & RESOURCES

CODE OF CONDUCT 2016

INTRODUCTION

This Code is based upon policies relating to business conduct used by other Australian and international companies. The purpose of the Code is to assist employees in making decisions related to business conduct. This Code is applicable throughout the company for all A1 Investment & Resources Limited (“the Company”) directors and employees, full-time, part-time and contractors and it will be reviewed regularly.

This Code equally applies to conduct and activities of the Company and its subsidiaries if located outside of Australia.

Every employee who has executive or managerial responsibilities is:

- expected to ensure that the Code is communicated to and understood by employees reporting to him or her; and
- required to sign an acknowledgement of adherence to the Code.

ETHICAL BEHAVIOUR

The Company and its subsidiaries must act in an honest and ethical manner at all times. The concept of ethical considerations often goes beyond what is lawful and it is occasionally difficult to determine whether an action is ethical or not. It is useful to discuss potential situations with your manager or a director to determine the appropriateness of an action beforehand. Proactive consultation is encouraged. Good intentions and failure to seek timely advice will not excuse violations of the Code.

A good test for deciding whether you are doing the right thing ethically is to ask the question:

“If there were full public disclosure of the facts, would it embarrass me, the Company, my fellow employees or members of my family?”

The Company is committed, both in principle and in practice, to the maximum level of transparency consistent with normal commercial confidentiality. Transparency can be defined as “openness to public scrutiny”.

HOW TO USE THE CODE

The Code contains policy statements for key areas of business conduct. It addresses many of the main issues of concern to the Company but it is not comprehensive. You should ask your Manager or director for advice about issues with which you are not comfortable. In some cases, policy statements have been condensed for easy reference. In other cases, more detailed guidelines or specific procedures are available from other sources. Wherever possible, these other sources are noted. If no additional sources are noted, you should contact your Manager or director for more details about the policy.

COMPLIANCE WITH LAWS

We will comply with the laws applicable to the Company's business in the jurisdictions in which we operate. If there is a conflict between the standards applicable to operations or businesses in Australia and the jurisdiction in which the business is operating, if the standard is higher in Australia, the Australian standard is applicable.

The Company and its employees will comply with all legal requirements applicable to our business. Ignorance of the law is not a defence. Each employee is responsible for understanding the laws that govern his or her work. Unlawful conduct will not be tolerated, even when the intent is to further other legitimate corporate objectives. Employees are encouraged to seek advice from their manager if they are unclear about laws relating to their work. In those rare circumstances where timely legal advice is impractical, employees should conduct themselves in a manner which they would not hesitate to have fully and publicly disclosed.

DEALING WITH PUBLIC OFFICIALS

Payments or the provision of gifts to public officials, whether or not through an agent or joint venture partner, are not permitted except under specific and limited circumstances.

Under no circumstances should a payment or gift be made or offered to a public official with a view to assisting the Company to obtain or retain business, or to effect the enactment or enforcement of any laws. Participation, whether directly or indirectly, in any bribe, kickback, contribution or similar payment is prohibited.

As a way of gaining a government's respect and confidence, the Company encourages open and transparent contributions to good works such as charities, education or non-government organisations that benefit the community as a whole as well as the Company's reputation. Contributions of this nature should not be made to an organisation if the organisation is tied directly or indirectly to the government department involved in regulating the Company's project.

POLITICAL CONTRIBUTIONS AND ACTIVITIES

The Company may from time-to-time, make contributions to candidates, their campaigns or political parties where permitted by law, but only with the approval of the Board.

When employees participate in personal political activities, they should ensure that it is clear that they are acting on their own behalf and not as a representative of the Company.

GIVING GIFTS OR BENEFITS

Employees shall not offer or give on behalf of the Company extravagant gifts or excessive entertainment or benefits to others.

Modest gifts and reasonable entertainment are allowed to be given for business purposes by appropriate employees, where legally permitted and in accordance with local business practices, to persons or entities doing business or seeking to do business with the Company.

No gift or entertainment should be of such value as to constitute a real personal enrichment of the recipient or to be perceived as such. Gifts or entertainment given on behalf of the Company should be of a nature and amount that avoid embarrassment and would not reflect unfavourably on the Company or the recipient, if subjected to public scrutiny.

RECEIVING GIFTS OR BENEFITS

Employees must not use their position to obtain personal gain or benefit from those doing or seeking to do business with the Company.

Employees are required to select and deal with suppliers, customers and others doing or seeking to do business with the Company in a completely impartial manner and be perceived by others to be acting in an impartial manner, without favour or preference based upon any considerations other than the best interests of the Company.

Modest gifts and reasonable entertainment may be received from business associates of the Company. No gift, favour or entertainment shall be of such a nature as might affect, or reasonably be perceived to affect, an employee's judgement or conduct in matters involving the Company.

Employees must not use their position to obtain personal gain or benefit from companies or others doing or seeking to do business with the Company. Employees must not seek any gifts, payments, services, loans, or other benefits.

CONFLICTS OF INTEREST

Employees must avoid all situations in which their personal interests conflict or might appear to conflict with their duties to the Company.

While the Company recognises and respects an employee's right to take part in financial, business and other activities outside their jobs, these activities must be free of conflict with their responsibilities as the Company employees. Employees must avoid acquiring any interests or participating in any activities that would tend:

- to create an obligation or distraction which would affect their judgement or ability to act solely in the Company's best interests; or
- to deprive the Company of the time or attention required to perform their duties properly.

Ownership or an ownership interest in a competing or complementary business might create, or appear to create, a conflict. Employees must disclose to their Manager, in writing, all business, commercial or financial interests or activities where their activities might reasonably be regarded as creating an actual or potential conflict with their duties of employment.

Every employee of the Company who has executive or managerial responsibility is required to see that actions taken and decisions made within his or her jurisdiction are free from the influence of any interests that might reasonably be regarded as conflicting with those of the Company. Employees must do more than merely act within the law. They must act in such a manner that their conduct will bear the closest scrutiny should circumstances demand that it be examined. Not only actual conflicts of interest, but the very appearance of conflict, must be avoided.

If a "conflict of interest" exists, and there is no failure of good faith on the part of the employee, it will be the Company's policy to allow a reasonable amount of time for the employee to correct the situation in order to prevent undue hardship or loss. Decisions in this regard shall, however, be within the discretion of the Company management, and whose first concern must be the interests of the Company.

Conflict of interest relating to entities supplying, purchasing from or competing with the Company include:

- the holding, directly or by a member of the employee's immediate family (e.g., spouse, children, parents, brothers, sisters), of "a substantial financial interest" in any business entity that does or seeks to do business with, or is in competition with, the Company;
- a partnership, profit-sharing arrangement, creditor/debtor relationship with such an entity;
- an employee or member of the employee's immediate family serving as an agent, representative, director, officer or employee of, or consultant to, such an entity; and
- the acceptance of any loan, service or other benefit from any such entity (other than borrowing on commercial terms from entities who are in the business of lending).

CONFIDENTIAL AND PROPRIETARY INFORMATION

Unless previously published, the Company's records, reports, papers, processes, plans and methods are proprietary and confidential. Employees are prohibited from revealing information concerning such matters without proper authorisation.

Proprietary information developed or acquired by the Company including trade secrets and other technical, financial and business information, is a valuable asset that must be kept confidential and protected against theft, loss or misuse. Confidential information (e.g., employee personal information and information acquired from third parties pursuant to a confidentiality agreement) must be used for authorised purposes only. Information that is not generally available to the public concerning the activities, results, or plans of The Company must also only be used for authorised purposes. Confidential or proprietary information must never be used for personal gain.

The disclosure of the Company's confidential or proprietary information to external entities (other than approved auditors, lawyers or banking institutions) must be authorised by a Manager of the Company and should be limited to those who have a strict “need-to-know” requirement. Any disclosure to these external entities must be made subject to the completion of a confidentiality agreement restricting the recipient from disclosing or using the information in an unauthorised manner.

The Company retains the exclusive proprietary right to any information developed by employees in the course of their employment with the Company. Examples may include inventions, designs, discoveries or software programs.

In most jurisdictions, the law requires that if personal financial benefit is gained by the use or misuse of Company property or of information that is confidential to the Company's business, then the employee must account to the Company for any benefit.

INSIDER TRADING

No employee shall purchase or sell securities of the Company, or securities of a company in a “special relationship” with the Company, while in possession of material information concerning the Company or such a company that has not previously been generally disclosed to the investing public for at least two business days. Nor shall an employee inform any individual or entity of any such material information, except in the necessary course of business.

Employees are encouraged to invest in the Company's shares, but must avoid trading when in possession of confidential material information which, if generally available, would reasonably be expected to either have an effect on the market price or value of those shares or affect an investor's decision as to whether to buy, sell or hold the Company's shares. Such activity is self-evidently unethical, and in many jurisdictions, illegal. Penalties for violating insider trading laws can be severe.

These laws often apply equally to persons to whom an employee may pass on the information (e.g., spouse, family member or friend). These individuals are often subject to the same penalties as the employee who passed on the information. Accordingly, employees must exercise the highest degree of caution if they are aware of price-sensitive information. If in doubt, advice should be sought from the employee's Manager.

Specific confidential information that could be considered material includes unpublished information concerning a significant mineral discovery; operating and financial results; a stock split; a change in dividend policy; a major merger, acquisition or take-over bid; or a technical advance of unusual economic significance.

A company is deemed to be in a “special relationship” with the Company if any one of the following conditions are met:

- The Company owns directly or indirectly 10% or more of the shares of that company; or
- The Company is proposing to:
 - make a take-over bid for that company,
 - effect a merger or business combination with it,
 - acquire a substantial interest in that company or its property, or
 - otherwise enter into a transaction that is material to that company.

INFORMATION SYSTEMS

The Company's computer and information systems are valuable assets of the Company. Consequently, their use must be in accordance with Company policies designed to protect the integrity of those systems and associated data.

The Company employees must adhere to the following policies when conducting business on the wide range of information systems that the Company uses (e.g., voice mail, electronic mail, the Internet, facsimile, etc.):

- employees are responsible for protecting and maintaining the confidentiality of Company information which is communicated or stored using these systems, including use of passwords and properly secured communication methods;
- employees have access to Company information systems to assist them in performing their jobs. Modest personal use is permitted if it is unrelated to outside business activities, does not interfere with Company business or the performance of work responsibilities, and is not performed during working hours and if accessing the web for personal use the site is legal and

not offensive. Accessing illegal and/or offensive or sex sites is unacceptable conduct to the Company;

- all computer software used on the Company's computers must be properly licensed. Employees who illegally copy software in the course of their employment expose not only themselves, but the Company, to potential significant liability, as an employer may also be held liable for the actions of its employees;
- employees are not permitted to load computer software onto their company computer without the permission of the relevant Company office;
- messages created, distributed or stored on either the electronic mail or automated voice mail systems are considered the property of the Company. The Company reserves the right to access messages. This access is necessary for many reasons, including the investigation of breaches of security or corporate procedures or to respond to external requests for information that the Company is legally required to provide. It is The Company's policy not to indiscriminately access employees' electronic or voice mail messages;
- offensive material (e.g., pornography, hate literature, etc.) is not permitted on The Company systems; and
- sensitive transactions (e.g., take-over bids, acquisitions, etc.) must not be conducted electronically unless an appropriate level of security is implemented to protect the confidentiality of the material.

FINANCIAL CONTROLS AND RECORDS

Accounting and financial records must be maintained which accurately reflect all Company transactions. Each operating unit is responsible for the design, implementation and maintenance of adequate systems of internal accounting and administrative controls.

The Company's accounting and financial records must reflect, in an accurate, complete and timely manner, all transactions affecting the Company in order to meet statutory requirements and to ensure proper preparation of the Company's financial statements. Transactions must be properly authorised and approved and recorded in accordance with both the relevant generally accepted accounting principles and the highest standards of integrity. There shall be no cash funds, bank accounts, investments or other assets which are not recorded or are inadequately recorded in the Company's accounting records. Accounting and financial records must be adequately protected from destruction or tampering. Questions relating to accounting and financial records should be referred to the Chief Financial Officer or Company Secretary. The accounting and financial records must also be retained for a sufficient period of time to meet both the relevant local legal requirements and those required by the Company's corporate office.

There must be no concealment of information from or by management, or from the Company's external auditors.

Internal control provides the Company with a system of “checks and balances” to assist in ensuring that accounting and administrative policies are complied with throughout the Company. This is not only a good business practice, but also ensures compliance with the various securities and tax laws to which the Company is subject.

EMPLOYEE HARASSMENT OR DISCRIMINATION

The Company will not permit discrimination, intimidation or harassment of, or by, employees on the basis of race, gender, marital status, national origin or religious beliefs or on the basis of any other personal characteristics protected by law.

Discrimination is not permitted at any level of the Company or in any part of the employment relationship. This includes areas such as recruitment, promotion, training opportunities, salary, benefits and terminations. The Company is committed, and employees are required, to sustain an environment that encourages personal respect and mutual trust. Differences between individuals, such as in race, gender, religion and physical limitations, are to be respected. Employees can expect to have their dignity honoured and their rights protected.

Employees are entitled to freedom from sexual and all other forms of personal harassment.

OCCUPATIONAL HEALTH AND SAFETY

The Company will provide safe and healthy working conditions, develop, maintain and promote safe and productive work practices in all aspects of its business and comply with all occupational health and safety laws and regulations governing its activities.

The Company considers the safety and health of its employees to be of utmost importance in the efficient conduct of its business, and believes that management and each and every employee have a shared responsibility in the promotion of health and safety in the workplace.

COMPLIANCE WITH THE CODE

All employees who are aware of any breaches of this Code must report the matter immediately to their Manager.

This Code of Conduct is a public document. As a result, adherence to this Code is fundamental to the Company's reputation in the business community and the Company views breaches of the Code by employees as serious misconduct.

All employees are expected to adhere to this Code. Employees who breach the policies outlined in the Code may be subject to disciplinary action up to and including dismissal. If the situation involves a violation of law, the matter may also be referred to the appropriate law enforcement authority for consideration.

All breaches of the Code must be reported immediately to the reporting employee's Manager so that the matter can be dealt with in an expeditious manner in order to minimise any possible damage to the Company's reputation. The employee's Manager should promptly discuss the reported breach with the Chief Financial Officer and Company Secretary in order that its legal significance to the Company can be properly assessed. The Manager shall submit for approval to the next higher level of management his or her written recommendation as to what action should be taken.

All employees who have executive or managerial responsibilities are required to sign an acknowledgement of adherence to the Code.

No retaliatory action will be taken or permitted against an employee making good faith reports of a suspected breach of the Code.

THE CODE OF CONDUCT FOR SENIOR EXECUTIVES

The Code provides that senior executives influencing financial performance will:

- Discharge their duties at the highest level of honesty and integrity having regard to their position in the organisation. Integrity is the quality from which a public trust is derived and a benchmark against which senior executives must measure all decision making.
- Observe the rule and spirit of the law and comply with the ethical and technical requirements of any relevant regulatory or professional body.
- Respect the confidentiality of all confidential information acquired in the course of business and not make improper use or disclose such confidential information to third parties without specific authorisation or legal requirement.
- Observe the principles of independence, accuracy and integrity in dealings with the Board, audit committees, Board committees, internal and external auditors and other senior managers within the organisation and other relevant bodies external to the organisation.
- Disclose to the Board any actual or perceived conflicts of interest of a direct or indirect nature of which the senior executive becomes aware and which the senior executive believes could compromise in any way the reputation or performance of the organisation.
- Maintain the principle of transparency in the preparation and delivery of financial information to both internal and external users.
- Where applicable to exercise diligence and good faith in the preparation of financial information and ensure that such information is accurate, timely and represents a true and fair view of the

financial performance and condition of the organisation and complies with all applicable legislative requirements.

- Where applicable to ensure the maintenance of a sound system of internal controls to safeguard the organisation's assets and to manage risk exposure through appropriate forms of control.
- Set a standard for honesty, fairness, integrity, diligence and competency in respect of their position that will encourage emulation by others within the organisation.
- Remain committed, at all times, to observing, developing and implementing the principles embodied in this Code in a conscientious, consistent and rigorous manner.

BOARD APPROVAL

This Code of Conduct has been approved by the Board of A1 Investments & Resources Limited. This Code of Conduct statement is correct as at 15 September 2016.



Charlie Nakamura

Managing Director and Chief Executive Officer



Peter Ashcroft

Executive Chairman & Company Secretary

15 September 2016

A1 Investments & Resources Limited