



Armidale Investment
CORPORATION

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17 March 2015

Dear Shareholder

I am pleased to invite eligible shareholders to participate in a pro rata 1 for 2 non-renounceable rights offer by Armidale Investment Corporation Limited (**Company**) of new fully paid ordinary shares in the Company (**New Shares**), at \$0.09 per New Share raising approximately \$11,698,000 in new capital before the costs (**Rights Issue**). The Company announced the Rights Issue to the Australian Securities Exchange (**ASX**) on 16 March 2015 together with its intention to conduct a subsequent placement to sophisticated investors for any New Shares not taken up by existing shareholders of AIK under the Rights Issue.

The Rights Issue is being conducted under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) and does not require a prospectus. Eligible shareholders will be sent an Offer Document relating to the Rights Issue and a personalised Entitlement and Acceptance Form on or about 25 March 2015.

The proceeds of this Rights Issue will be used for the purposes of funding of leases under Hal Data Services Pty Ltd (**Hal**), development of further funding avenues (including its costs of establishment) and other investment acquisition opportunities. Funds raised will also be used to cover the costs of the Issue and to provide working capital. If acquisitions do not occur in a timely manner, proceeds from the offer can be used to increase the quantum of leases funded by Hal. These additional leases can then be "on sold" to other funders should cash need to be realised for a subsequent acquisition.

Key Information about the Rights Issue

The Rights Issue is non-renounceable and is not underwritten.

Each Shareholder on the Company's register of members who has a registered address in Australia or New Zealand (**Eligible Shareholder**) at 7.00pm (Sydney time) on 20 March 2015 (**Record Date**) will be entitled to subscribe for one New Share in the Company for every two ordinary Shares held at the Record Date, at a price of \$0.09 per New Share. The entitlement of Eligible Shareholders to participate in the Rights Issue will be determined on the Record Date. The entitlement will be shown on an Entitlement and Acceptance Form which will accompany the Offer Document in respect of the Rights Issue. Entitlements to New Shares can be accepted by eligible Shareholders in full or in part.

Eligible Shareholders may take one of the following actions:

- take up all of their entitlement;
- take up part of their entitlement; or
- do nothing and allow all of their entitlement to lapse.

Entitlements to New Shares under the Rights Issue are non-renounceable, which means that entitlements will not be tradeable on ASX or otherwise transferable. If an Eligible Shareholder does

not take up their entitlement by the closing date of the Rights Issue, the Rights Issue will lapse and that shareholder's interest in the Company will be diluted.

The New Shares issued under the Rights Issue will be fully paid and will rank equally with Company's existing issued Shares. The Company has made an application to the ASX for official quotation of the New Shares. The Company expects that the New Shares will be entered into uncertificated holdings on 14 April 2015.

No dividend is expected to be paid on Shares in the Company in respect of the year ending 30 June 2015.

Key dates for shareholders

The indicative timetable for the Rights Issue is as follows:

Announcement of Rights Issue	16 March 2015
"Ex" Date – Shares commence trading without the entitlement to participate in the Rights Issue	18 March 2015
Record Date to determine entitlement to New Shares	20 March 2015
Expected date of dispatch of Offer Document and Entitlement and Acceptance Form	25 March 2015
Opening Date	26 March 2015
Last day for acceptance and payment in full (Closing Date)	7 April 2015
Expected allotment and dispatch of Holding Statements	14 April 2015
First day of trading of New Shares on ASX	15 April 2015

This timetable is indicative only and subject to change. Subject to the ASX Listing Rules and the Corporations Act, the Directors of the Company reserve the right to vary these dates, including the Opening Date and Closing Date, without prior notice.

Capital structure

As at the date of the announcement, the Company had 260,125,470 Shares on issue. The maximum number of New Shares to be issued under the Rights Issue is 129,986,069, which would raise up to approximately \$11,698,000. At the conclusion of the Rights Issue, the total number of issued Shares in the Company will be a maximum of 390,111,539.

Overseas shareholders

The Rights Issue is not being extended to any shareholder with a registered address outside Australia or New Zealand. The Company has determined that it is not economically viable for it to make offers to shareholders with a registered address outside of Australia or New Zealand, having regard to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction and the small number and value of New Shares that would be offered in such jurisdictions.

Further information

Shareholders eligible to participate in the Rights Issue do not need take any action at this time. A personalised Entitlement and Acceptance Form will be mailed to each Eligible Shareholder at the address on the Share Register on 25 March 2015 with the Opening Date being 26 March 2015, and the Eligible Shareholders that wish to participate will need to complete that Form and return it with payment by the Closing Date, being 7 April 2015.

The Closing Date for acceptance and payment is currently expected to be 5.00pm (Sydney time) on 7 April 2015.

For further information, please contact David Franks, Company Secretary, on 02 9299 9690.

Yours sincerely,



Bruce Hatchman

Chairman

Armida Investment Corporation Limited