



2 September 2016

Dear Shareholder

NON-RENOUCEABLE RIGHTS ISSUE – LETTER TO INELIGIBLE SHAREHOLDERS

Armida Investment Corporation Limited (**Company**) has announced a pro-rata 1 for 5 non-renounceable rights offer of new fully paid ordinary shares in the Company (**New Shares**), at \$0.11 per New Share raising up to approximately \$12.493m in new capital (**Rights Issue**).

The maximum number of New Shares to be issued under the Rights Issue is 113,569,240, which would raise up to approximately \$12.493m. At the conclusion of the Rights Issue, the total number of issued Shares in the Company will be a maximum of 681,415,438.

The Rights Issue is non-renounceable and is not underwritten. Blue Ocean Equities Pty Limited (**Blue Ocean**) has however been appointed as the lead manager to the Rights Issue.

The Rights Issue is being undertaken prior to a proposed placement of up to 175,000,000 ordinary shares to sophisticated investors at an issue price of \$0.11 per share (subject to shareholder approval) (**Placement**). Blue Ocean has also been appointed as the lead manager for the Placement. Details of the Placement are outlined in the Notice of General Meeting announced on 25 August 2016. Following completion of both the Rights Issue and the Placement, the total number of issued shares in the Company will be a maximum of 856,415,438.

The Rights Issue is being undertaken pursuant to a short form offer document (**Offer Document**) that was lodged with Australian Securities Exchange (**ASX**) and sent to eligible shareholders on 2 September 2016. The Offer Document is available on the ASX website www.asx.com.au.

The offer is only being made to shareholders of the Company (**Shareholders**) named on its register of members at 7.00pm (Sydney time) on 30 August 2016, whose registered address is in Australia or New Zealand. This letter is to inform you that you are not eligible to participate in the Rights Issue. This letter is not an offer to issue New Shares in the Company, nor an invitation to apply for New Shares. You are not required to do anything in response to this letter.

Shareholders who are eligible to participate in the Rights Issue are those persons who:

1. are registered as a Shareholder of the Company as at 7.00pm (Sydney time) on 30 August 2016; and
2. have a registered address in Australia or New Zealand.

In accordance with the listing rule 7.7.1 of the ASX Listing Rules, the Company has considered that it would be unreasonable given the number of Shareholders with registered addresses outside of Australia and New Zealand and the size of the shareholdings held by those Shareholders to offer them New Shares under the Rights Issue. Taking this into consideration, as well as taking into consideration the costs of complying with the legal requirements and the requirements of the regulatory authorities



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of those relevant jurisdictions outside of Australia and New Zealand, the Company believes it to be unreasonable to extend the Rights Issue to all Shareholders.

According to our records, you do not satisfy the eligibility criteria to participate in the Rights Issue as stated above and accordingly, the Company wishes to advise that in accordance with ASX Listing Rule 7.7.1, the Rights Issue will not be extended to you, you will not be able to subscribe for New Shares through the Rights Issue and you will not be sent the Offer Document.

On behalf of the Board of Armidale Investment Corporation Limited and management, we regret that you are not eligible to participate in the Rights Issue and thank you for your continued support.

Yours sincerely,

Bruce Hatchman

Chairman

Armidale Investment Corporation Limited