

ASX Company Announcements

3 August 2016

The Manager
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Armidale Investment Corporation Limited (AIK)

Correction to Allotment of Shares

As previously announced, AIK issued 83,209,264 ordinary shares on 5 January 2016 pursuant to a one for four non-renounceable rights issue at 10 cents per share. The rights issue allowed for shareholders to subscribe for additional shares above their entitlement.

As part of this allotment, directors took up some or all of their entitlements under the rights issue.

As part of the Company's regular Corporate Governance review process, it has come to the Company's attention that one director subscribed for, and was allotted on 5 January 2016, additional shares above their entitlement. To be allotted such additional shares, the Company should have sought from shareholders approval for an allotment to a director, being a related party. Such approval was not sought, being a breach of Listing Rule 10.11.

The original subscription of additional shares by the director, and the subsequent allotment of shares by the Company, was an unintended error. The director was not aware that he could not subscribe for additional shares and the Company did not realise that such an application had been made. Both the Company and the director did not intentionally breach Listing Rule 10.11.

In summary, Mr Stephen White was allotted on 5 January 2016:

262,500 ordinary shares under his entitlement
197,500 ordinary shares under the additional share facility
460,000 ordinary shares in total

The allotment of the 460,000 ordinary shares on 5 January 2016 was disclosed to the ASX through the release on 5 January 2016 of an Appendix 3Y.

Upon discovery of this matter, the Company has immediately, and voluntarily, disclosed the error and has put in place the following process to correct the situation.

- (a) Mr White has voluntarily agreed to sell the 197,500 ordinary shares on market by 5.00pm AEST Friday 26 August 2016. Upon the sale of these shares, Mr White will inform the ASX through the lodgement of an Appendix 3Y within the required Listing Rule requirements; and



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- (b) Any loss on sale by Mr White will be borne by Mr White. Any profit made on the sale by Mr White, will be donated by Mr White to an entity that is registered with the Australian Charities and Not-for-profit Commission. It is noted that the purchase price of the shares was 10 cents per share.

It is further noted that this sale will occur within a Closed Period of the Company's Share Trading Policy, however approval has been granted for the sale as:

- (i) It is an exception circumstance as defined within the policy and therefore the Chairman has granted approval for such a sale up to the limit of 197,500 ordinary shares; and
- (ii) Mr White will not benefit from any profit made on such the sale as the money will be donated to a charity as outlined previously by 5.00pm Friday 26 August 2016.

The Company confirms, with rectification of the matter noted above as outlined, that it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.

A copy of the Appendix 3Y related to the sale of 197,500 ordinary shares is also released to the ASX.

For further information please contact:

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