

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

A1 INVESTMENTS & RESOURCES LIMITED

ABN

44 109 330 949

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$'000	Year to date (.....months) \$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	123	420
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(37)	(400)
(c) advertising and marketing	(6)	(6)
(d) leased assets	(10)	(35)
(e) staff costs	(73)	(357)
(f) administration and corporate costs	(171)	(704)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(1)	(54)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(175)	(1,134)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(4)	(23)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4)	(23)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	220
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	220

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,465	2,235
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(175)	(1,134)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(23)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	220

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(11)
4.6	Cash and cash equivalents at end of period	1,287	1,287

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	287	226
5.2	Call deposits	1,000	1,239
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,287	1,465

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(56)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Note to 6.1: Salaries to executive directors (56)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(175)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,287
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,287
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.4
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2021



Authorised by:Peter Ashcroft

Director
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

ASX ANNOUNCEMENT

Quarterly Activity Statement to 30 June 2021

The Company advises its operational activities for the quarter to 30 June 2021 as follows;

Sea Cucumber Project

The travel bans to Western Australia and the lockdowns of State borders particularly between NSW and WA have continued to significantly restrict our ability to manage our businesses in WA and for those businesses to complete all their respective requirements to operate. In late March 2021 the management of the Company was finally able to return to WA but this was followed by the recent lockdown in Sydney again preventing travel to WA.

The dispute with our dedicated contractor at Shark Bay remains unresolved, despite our best efforts. At all times we have sought to encourage our partner to perform including at least the supply of limited products. These efforts continue to be explored up to 30 June 2021 and thereafter but no solution has been obtained. As noted in our last Quarterly activity report to 31 March 2021 a conference with Tidal Moon's lawyers took place in Perth in March 2021 and although further discussions took place in the quarter to 30 June 2021 no resolution has been forthcoming.

The Company continues to pursue other supply possibilities in Western Australia but a meeting with senior WA government officials in March left the company underwhelmed by the government's support, or indeed lack of support of a sea cucumber industry in WA in which non indigenous companies would play a significant role.

The Company has strengthened its relationships with the local Aboriginal community leaders in Shark Bay and we now await confirmation of the local community obtaining further rights to harvest sea cucumbers in WA.

In the quarter to 30 June 2021 the Company has commenced manufacturing in Japan of two products, a health food supplement and a gummy product. The products are destined for sales in Japan, the PRC and other parts of Asia. The Company has on sold some wholesale product and generated sales in Japan.

Throughout June 2021 the Company recognised it was several months behind schedule in its plans and projections for the business in the year to 30 June 2022.

The Company is sourcing raw dried sea cucumber from other suppliers to meet its demand. The Company's primary source of product is now Peru. COVID restrictions have continued to impact the operations of the company in Japan. The Company plans further deliveries in the next months, but international freight deliveries have been slow and often difficult to arrange. The shipping of finished product is also a major issue out of Japan to the PRC.

Blue Ocean Japan

In the Company's activity report to 31 March 2021 the Company reported that its wholly owned subsidiary in Japan, Blue Ocean Japan ("BOJ") commenced active trading under the supervision of the Company's Managing Director, Mr Nakamura who was in Japan until late February 2021 when he was finally able to return to Australia. Mr Nakamura is now managing all BOJ operations from Australia. Travel restrictions to Japan have in fact increased in the quarter to 30 June 2021 because of further health issues concerning COVID in Japan and the Tokyo Olympics. The operations in Japan are now several months behind schedule.

In the quarter to 30 June BOJ was seeking assistance from the Japanese government but has been unable to obtain assistance because of the controlling shareholding of the Company.

Sandalwood Project

No substantive matters took place on this project in the quarter although the Company expects its dedicated refinery partner to commence work in the first quarter of the year to 30 June 2022, including moving the current plant to an operations centre in western Sydney.

Bundybunna

The Company has withdrawn from this project and is seeking the recovery of \$300,000 being all funds contributed to date.

The Company does not need to remind its shareholders of the hardships of 2020-21 including the last quarter to 30 June 2021. The coronavirus has had a significant impact on the Company's operations over the past 3 months and this continues to be the position.

The Company does not expect any substantial change to these issues over the coming months, despite the vaccine for COVID 19 becoming available. The Company remains disappointed at Australia's poor vaccine roll out.

The Company is encouraging all its staff and the staff of its dedicated contractors, including in Japan to get vaccinated as soon as possible.



Peter J Ashcroft

Director

Date: Friday, 30 July 2021

Authorised by: The Board of A1 Investments & Resources Limited