



8 December 2017

Dear Shareholder(s),

As we come to the end of 2017, the executive and board of directors would like to provide an update on corporate activities, activities in Brazil and the results of our investment in Safety Barriers WA Pty Ltd.

BRAZIL

Since the previous shareholder update, our team has continued to work diligently at advancing the Urubu project.

As you may recall, Urubu has for the past 24 months been waiting approval from “Inema”. Inema is the Environmental Department of the mining division in Brazil. The approval from Inema is essential in moving to the final step of applying for the mining permit from the “DNPM” (Department of mines).

This has been a slow and frustrating procedure. In the past few weeks, Inema have request further magnetic separation testing on some drill samples. Whilst it is disappointing to be requested new information after such a long period of time, it also shows that the permit application is still actively being reviewed by the Inema technicians. Our team in Brazil continue to work diligently every single week, on minimum remuneration, to keep pushing through the permitting process.

In parallel to the Environmental Application, the project is actively being marketed for sale. Some interested parties have presented themselves, however no formal offers have been made, nor should we expect to be made, until all permits are in place.

In summary, the permitting process in Brazil is a slow and frustrating one. However under our current structure, the cost of waiting is at an absolute minimum. There is no expiry date on our holding of the tenement and thus ownership is not at risk during this time.

SAFETY BARRIERS WA (SBWA)

AIG, for the 2017 year to date, has owned 64% of Safety Barriers WA Pty Ltd.

Operating in Western Australia, as part of the road construction industry, has been challenging yet ultimately profitable.

For the financial year ending 30 June 2017, SBWA turned over AUD\$9.5m and returned EBITDA of AUD\$1.1m. This being an 11.6% margin on revenue and 17.4% return on the original valuation of AUD\$6.3m. After paying income tax within Australia, the vast majority of residual funds were reinvested into working capital of the group, (being inventory, creditors and some minor equipment purchases) as the company was purchased 1 July 2016 with a zero cash balance and minimal working capital.

A small dividend of AUD\$140,000 was paid to AIG. Irrespective of the above, the results whilst profitable, were below the original expectation of \$2.1m EBITDA per year.

This is directly related to a downturn in the national economy within Australia. Government spending on infrastructure is being awarded at much lower margins than in the previous 5 years. This in itself is creating a more competitive market between those in the same sector. In addition to an increase in steel prices and zinc prices, this has ultimately led to the same amount of work being performed, for less profits.

To counter act this for the year to come, SBWA is working to be approved for installing road safety barrier in other states such as Victoria, South Australia and Northern Territory. This will allow the group to tender for larger road packages, where economies of scale will allow for slightly better margins. Turnover will need to increase in order to return to the same profit levels from recent years. However, the ability to do this is achievable through entering new geographical markets.

As a result of a changing market and expectations not being met, this has led to discussion between AIG and the remaining 36% shareholders as to how to achieve new growth in new areas. It is apparent that the minority shareholders do not have an appetite for expansion. That is not to say that the vendors of SBWA have not worked extremely hard during this period or have not been supportive, however entering into new national markets and the associated pressure was not part of the shareholders agreement which covers the earn out timeframe.

AIG was contractually obligated to purchase the remaining 36% from the minority shareholders over the next 3 years for no less than AUD\$2.3m in addition to an existing family loan of AUD\$700k.

As the original vendors and the management of AIG were not unified in a way forward, an offer was proposed and accepted where by AIG pay a final payment of AUD\$1.45m for all outstanding shares and the family loan. This represents a saving of AUD\$1.5m. Settlement of this proposal is 12 December 2017.

Funding for this payment has been achieved through debt finance from the ANZ bank over 5 years at 5.52% interest p.a. It is the intention of the executive to use residual funds generate from SBWA to concentrate on paying this debt down faster than the available terms in order to release the entity which is used as security. Therefore no dividends should be expected by shareholders until this debt has been paid off.

As a result, subject to settlement on 12 December 2017, AIG will thereafter own 100% of SBWA. The board of directors feel this is an excellent outcome for all shareholders as it represents a significant saving on the original purchase price and entitles AIG to 100% of any future success which can be generated.

CORPORATE ACTIVITIES

As all shareholders are aware, the 2017 Annual General Meeting of AIG is to be held at WST 10am on 12 December 2017. We encourage all shareholders to return their proxy forms to Judith.simpson@conyersdill.com who maintains our register in Bermuda or alternatively to attend in person at Level 2, 1 Walker Avenue, West Perth.

There has been no issuance of AIG securities since the last AGM, however it is important to note that Dr Youzhi Wei has voluntarily returned to the Company the 20,000,000 shares granted to him as an introduction fee for the “Global” transaction in China as this transaction was unwound.

UNMARKETABLE PARCEL BUYBACK

The board of directors previously informed that there was an intention to undertake an unmarketable parcel buy back, where by any single shareholding that had a valuation of less than USD\$1,000 could be purchased back by the Company. This has been postponed until further notice. In the interim, the Company did undertake a share consolidation project, whereby shareholders who were related parties could consolidate into one parcel. This was successful in lowering the number of shareholders on the register and thus reducing registration costs.

TRADING OF SECURITIES AND ENQUIRIES

There has been indication from some existing shareholders that they have appetite to purchase shares if available.

As the Company is now private and unlisted, shareholders wishing to buy or sell their shares should contact the Chief Executive Officer on the email above and Mr. Morton will do his best to help facilitate the transaction.

Shareholders are also encouraged to email AIG@advancedinvestmentsgroup.com and register their email address and other contact details to ensure efficient communication in the future.

- ENDS -