



Authorised Investment Fund Ltd.

(ASX code AIY)

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Press Release

May 16th 2016

The Directors of Authorised Investment Fund Limited (AIY) are pleased to announce that the company has signed a Heads of Agreement with Mr. Peter J. Sterling to participate in the Sapphire glass project.

A former Authorised subsidiary company will be a 20% equity owner of the project following the issue of shares to interests associated with Mr Peter Sterling.

Consideration for the 20% Equity.

8 million AIY shares. (Restricted from selling for 2 years)

Together with the following 3 option agreements totalling 8 million options

1. Options to buy 4 million AIY shares for 3 cents per share, the options expiring in 1 year from date of grant.
2. Options to buy 2 million AIY shares at 6 cents per share, the options expiring in 2 years from date of grant.
3. Options to buy 2 million AIY shares at 10 cents per share, the options expiring in 3 years from date of grant.

AIY will also have an option to acquire a further 10% equity in the Sapphire project by the payment of \$1 million no later than 12 months from todays date.

Formal documentation will now proceed.

The agreement in principle which, subject to formal documentation, will result in AIY having an initial 20% interest with an option to increase this to a 30% equity in a company holding two Exploration Licences over an area of approximately 75 square kilometres near Lal-Lal in Victoria.

Previous drilling indicated that the exploration areas contain significant deposits of pure white kaolin-silica. This material could have potential for processing to produce High Purity Alumina (HPA), an ingredient in the manufacture of Sapphire glass.

Sapphire glass is a synthetically produced crystal, second only in hardness to diamond. Its hardness and resistance to scratching make it suitable for a number of applications, but its current cost means it is most commonly found at the moment in more expensive watches.

Production on a greater scale could reduce the cost to a level where it could be used in many more products where resistance to scratching is important, such as smart phones, iPads and tablets, and in areas where durability is important, such as solar panels. The potential for Sapphire glass to make solar panels more durable and safer is of particular interest to AIY, given its existing investment in Endless Solar.

As part of its investigation into the market potential for HPA, AIY has sent a consultant to China to meet with major corporations who are potential end users and/or partners in a possible development project.

Date of Release 16th May 2016.

By Order of the Board

A handwritten signature in cursive script, appearing to read 'Cathy Lin', written in black ink.

Cathy Lin

Company Secretary

Authorised Investment Fund Limited.