

# Natural Resources Holdings Ltd.

(“the Company”)

September 16, 2017

To:

Israel Securities Authority

[www.isa.gov.il](http://www.isa.gov.il)

To:

Tel Aviv Stock Exchange Ltd.

[www.tase.co.il](http://www.tase.co.il)

Dear Sir/Madam

Re: Ad hoc report on recommendations and decisions of the Board of Directors

This notice is hereby granted with reference to the fact that the Company's Board of Directors in a meeting held on November 30, 2016 has allocated 528,800 shares of the Company to Mr. Roy Sabag, the controlling shareholder in it, for the use of the credit line balance in the amount of \$ 120,000 that was placed for the Company by the controlling shareholder, in accordance with the needs of the Company's current operations, until June 2015.

The said allocation of shares was approved in continuation of the Company's Auditing Committee and Board of Director's decision of February 12, 2015 and in continuation of the approval of the general assembly of the Company on April 13, 2015 regarding the receiving of a credit line from the controlling shareholder to the Company of up to \$ 200,000 (above and hereinafter: “the credit line”), everything as detailed in the Company's reports from March 3, 2015 (reference: 2015-01-043492), from April 14, 2015 (reference: 2015-01-078061), from June 4, 2015 (reference: 2015-01-040395), from June 24, 2015 (reference: 2015-01-056076).

Exchanging the credit line balance and allocation of the shares for it was approved as mentioned by the general assembly of the Company on April 13, 2015 and it does not require an additional approval of the Company's general assembly, as detailed in the aforementioned Company reports.

For additional details about the exchange of the credit line balance and the allocation of shares for it please see the aforementioned Company reports.

In accordance with common accounting laws, the fair value, as of today, of the credit line balance (at a sum of \$ 120,000) that was placed for the Company by the controlling shareholder as said and whose conversion to 528,800 shares was approved as said is approximately 404,000 shekels.

The said allocation of shares is conditioned on the receiving of Stock Exchange approval (hereinafter: “the stock exchange”) for their registration for trading in it and it shall be done shortly after receiving the said stock conversion approval.

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**Natural Resources Holdings Ltd.**

**Via Mr. Eran Mazor, Director**