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Dear Shareholders,

15 July 2019

The Company provides the following updates.

### **Macquarie Gold Limited/Challenger Mines Pty Ltd (MGL)**

As reported previously as a result of Ferromin Pty Ltd. ATF Ambler Family Trust failing to reach commercially acceptable terms with MGL and the other debt holders, inclusive of IBML, regarding renegotiating the MGL debt it chose to exercise its security and appoint a Receiver, DW Advisory. As a result of the Ferromin action IBML also elected to appoint a Receiver Hogan Sprowles.

Since IBML's last update, dated 31<sup>st</sup> May, your Company has negotiated release of IBML intellectual Property (IP) to assist the Receivers in the planned sales process. As part of the negotiation for the release of the IP, IBML received payment for the IP and agreed with the Receivers that all outstanding Sub-contractor invoices be paid in full. Further it was agreed with the cooperation of Ferromin that DW Advisory would be retired as a Receiver meaning that there is now only a single Receiver; Hogan Sprowles. This will reduce ongoing costs considerably.

Hogan Sprowles released a 5<sup>th</sup> Report to Lenders dated 9<sup>th</sup> July 2019. Material in its contents was the Proposed Sale Timeline. In summary Hogan Sprowles will commence the sales process late July via Expressions of Interest closing mid-September. Subject to any Conditions Precedent imposed by a Purchaser they envisage the process concluding mid-October. IBML has registered as a potential purchaser with the Receiver.

### **Craton Mining & Exploration Pty Ltd (Craton)**

IBML has entered into negotiation with a London based Private Equity firm for USD5million of funding for further feasibility work in regard to Craton; the transaction is structured as the equivalent of a 'farm in' agreement with the funding being spent over the next 2-3 years and IBML diluting its equity position in Craton as a result. Whilst due diligence has commenced the transaction is still 'commercial in confidence' as there are several conditions precedent (CP) that need to be satisfied for the transaction to be consummated.

The IBML Board believes the CP's are typical of the nature of transaction being proposed and along with the Craton Board is working with the Private Equity firm to satisfy them as soon as is practically possible.

We see the proposed transaction as very positive outcome for Craton should it complete. All Parties hope the transaction can be completed by the end of October 2019. We will release further details as soon as is appropriate.

HUGH THOMAS