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Important Shareholder Update

31 May 2019

Dear Shareholders,

As many of you are aware IBML's 100% subsidiaries Macquarie Gold Limited (MGL) and Challenger Mines Pty Ltd (Challenger) were placed into Receivership as at March 22<sup>nd</sup>. Whilst the Directors of MGL, and IBML, endeavoured to negotiate a refinancing with the secured lenders, which would have resulted in our view of full repayment of the debts but on a deferred basis, we were unable to compel all the secured debt holders and Ferromin Pty Ltd. ATF Ambler Family Trust exercised its right to appoint a Receiver; DW Advisory. Under the Secured Loan Agreements IBML also had a right to appoint a receiver so IBML engaged HoganSprowles.

The Receivers presented a first report to the Secured Debt Holders on 24<sup>th</sup> April. In summary that report highlighted scenarios as to the potential value of the MGL and Challenger assets which ranged from -\$0.06 to \$0.35 in the dollar. The report also recommended that the Receivers would run a sale process via an Expression of Interest and that they had engaged an Independent Valuation expert, Mining One Pty Ltd, to help with that process. This course of action will obviously have a detrimental effect on the IBML balance sheet and ultimate value of IBML.

In consultation with our Auditors Grant Thornton, IBML has not yet published its half yearly accounts. We have not done this as we are awaiting the Receivers independent valuation of MGL/Challenger; we have had no indication as to when the report will be available. Additionally because there is considerable uncertainty around the Receivers process it is difficult for the Company to predict our expenses over the next few months due to potential legal costs associated with protecting IBML's position, particularly around Intellectual Property issues associated with the MGL Receivership.

IBML in good faith negotiated an arrangement with the Receivers to provide our intellectual property and cooperation to assist the Receivers with the sale process. There is now disagreement between the Receivers as to the approach and IBML's involvement which may lead to payments we had planned for not being forthcoming. The Company is working with its auditor and as soon as we believe there is sufficient clarity we will lodge and publish our half year accounts.

Whilst the Directors of IBML believe we have sufficient cash resources to cover our obligations the vagary of the MGL Receiver situation remains a concern. To be prudent the IBML Board has therefore agreed in principle additional funding from a group of supportive shareholders; the terms and conditions of the funding are being finalised but are in line with the prevailing market. Should we need to call on the funding we will inform shareholders accordingly.

The IBML Board will continue to work with the Receivers of MGL and Challenger whilst acting in the best interest of the IBML shareholders. We will keep shareholders informed.

Hugh Thomas  
Chairman