

Loans from Benjamin Hornigold Limited (BHD) in default and unpaid interest due to BHD under services agreements

The Board of Benjamin Hornigold Limited (**BHD** or the **Company**) wishes to advise that as at the date of this announcement, a number of loans provided by the Company are in default, and that the Company is owed a substantial amount of money in outstanding interest under two services agreements. The Company has taken steps to notify the relevant entities and have requested payment in full or even some payment, as detailed below. In light of the significance of such investments in relation to the total assets of BHD, the Board will continue to keep shareholders informed as to the status of such arrangements.

Default under JBFG Convertible Loan

BHD (as lender) entered into a convertible loan agreement with JB Financial Group Pty Limited (**JBFG**) on 11 September 2017 (**JBFG Convertible Loan**). Under the terms of the JBFG Convertible Loan, JBFG are required to pay BHD interest on the outstanding amount each quarter. Relevantly, interest of \$53,511 was payable to BHD on 30 September 2019.

JBFG failed to pay interest to BHD on 30 September 2019 in accordance with the terms of the JBFG Convertible Loan. Such non-payment is a default event under the terms of the JBFG Convertible Loan. BHD notified JBFG of their default on 9 October 2019 and requested payment of the full amount outstanding under the loan including all outstanding interest; being \$2,558,274 as at 9 October 2019. As at the date of this announcement, these amounts remains unpaid.

Default under JBL Loan

BHD (as lender) entered into a loan agreement with John Bridgeman Limited (**JBL**) JBL dated 8 August 2018 (**JBL Loan**). Under the terms of the JBL Loan JBL is required to pay BHD interest on the amount outstanding each quarter. Relevantly, interest of \$30,805 was due and payable to BHD on 30 September 2019.

JBL failed to pay interest to BHD on 30 September 2019 in accordance with the JBL Loan. Such non-payment is a default event under the JBL Loan. Accordingly, BHD notified JBL of their default on 9 October 2019, and requested payment of the full amount outstanding on the JBL Loan including all interest; being \$1,096,546 as at 9 October 2019. As at the date of this announcement this amount remains unpaid.

Unpaid interest under King's Currency Services Agreement

BHD entered into a services agreement with King Currency Exchange Pty Ltd (**King's Currency**) dated 21 February 2018 (**King's Currency Services Agreement**). Under the King's Currency Services Agreement, King's Currency is required to pay to BHD a minimum return of 9.65% p.a., monthly in arrears.

King's Currency have not made such required payments to BHD for the months of July, August and September 2019. As at the date of this announcement, the total minimum return owed by King's Currency to BHD under the King's Currency Services Agreement is an estimated \$230,000 and as such, King's Currency are in breach of the terms of that agreement.

BHD have requested payment of these amounts on a number of occasions, most recently on 28th September 2019.

Unpaid interest under JBFX Services Agreement

BHD entered into a services agreement with JBFG Wholesale Pty Ltd ABN 83 619 654 269 (**JBFX**) on 1 September 2017 (**JBFX Services Agreement**). Under the terms of the JBFX Services Agreement, JBFX is required to provide BHD with a minimum return of 9% p.a., paid monthly in arrears. The minimum rate of return was varied to 5% p.a. as of 1 July 2018.

As at the date of this announcement, the total amount owed by JBFX to BHD under the JBFX Services Agreement is \$71,631.59. BHD have contacted JBL (as investment manager for BHD) a number of times requesting payment of this amount in full and also details as to why it has remained outstanding for over a year. As at the date of this announcement BHD have not received a response to such requests and the amount remains outstanding.

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