ABN 73 100 373 635

INTERNATIONAL BASE METALS LIMITED
ANNUAL REPORT 2009

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CORPORATE DIRECTORY

International Base Metals Limited ('IBML') is an Australian unlisted public mineral exploration company.

Directors

Dr Alasdair James Macdonald - Non-executive Chairman (appointed 1 September 2008)
Stephen Edward Blackman - Managing Director
Dr Kenneth John Maiden - Executive Director – Technical
Dr Deng Jiniu - Non-executive Director
Chen Qiang - Alternate Non-executive Director to Dr Deng
Peter Bradford - Non-executive Director (appointed 1 September 2008)
Alan Humphris - Non-executive Director (appointed 30 July 2009)
Ian Cunynghame Daymond - Non-executive Director (resigned 6 December 2008)

Company Secretary

John Stone B.Ec.

Registered Office and Principal Place of Business

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Sydney NSW 2000
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Fax: + 61 2 9279 0664
Internet: www.registries.com.au

Auditors

BDO Kendalls Audit and Assurance (WA) Pty Ltd
128 Hay Street, Subiaco WA 6008
PO Box 700, West Perth WA 6872

Solicitors

Gadens Lawyers
77 Castlereagh Street
Sydney NSW 2000

Bankers

Bankwest
17 Castlereagh Street
Sydney NSW 2000

CHAIRMAN'S LETTER

By September 2008, IBML had defined a resource of almost 100 million tonnes at 0.51% Cu at the Omitiomire copper deposit in Namibia and had completed an initial Pre-Feasibility Study which had indicated the likely financial viability of a copper mining and processing operation. In last year's Annual Report, we referred to our plans for a Definitive Feasibility Study at Omitiomire. We were also looking forward to a major capital raising through an Initial Public Offering ('IPO') and listing of IBML's shares on the Australian Securities Exchange ('ASX') in late 2008.

How things change. As the "credit crunch" hit and the price of copper fell sharply, the global financial crisis forced major changes on IBML. The Board made several important decisions:

- To delay the Company's IPO until market conditions improve;
- To delay the Omitiomire Definitive Feasibility Study and to focus on increasing the resource base; and
- To cut back sharply on other exploration programmes.

To conserve cash, the Company was forced to retrench staff and lay off consultants and contractors. This painful move was necessary to preserve IBML as a going concern. At the same time, directors cut their agreed-upon fees and executive staff reduced their salaries by 50% and subsequently agreed to termination of their employment contracts. At the present time, the Company's three senior executives, Stephen Blackman, Karl Hartmann and Ken Maiden, are employed through consulting contracts.

IBML's major shareholder, West Minerals Pty Ltd, provided much-needed emergency funding in late 2008. In the first half of 2009, a Rights Issue was not well supported by most shareholders. Again, West Minerals provided the bulk of the funding, advancing their share-holding in IBML beyond 20%; this arrangement was approved by shareholders at Extraordinary General Meetings on 5 February 2009 and 31 July 2009.

We have continued to focus available funding on the Omitiomire Copper Project. Soil geochemical surveys have proven especially useful in defining targets to be tested by drilling. The Omitiomire deposit has been extended, although we have not yet renewed the resource estimate, and additional metallurgical testwork is in progress. We expect to be able to provide an updated pre-feasibility study during the first half of 2010.

Elsewhere in Namibia and Australia, we have continued to assess data and refine our exploration targets. We are actively seeking joint venture partners to assist in funding exploration activities; a number of companies have expressed interest. Our Australian exploration projects have been scaled back substantially.

It remains our intention to seek a listing of the Company's shares on the ASX at a time which will most benefit IBML's shareholders. With the recent improvement in market sentiment, we are working towards the first half of 2010.

Finally, I would like to express my appreciation to IBML's staff, past and present, for their dedication in what has been a very difficult period for the Company.

Yours sincerely

Dr A James Macdonald
Chairman
27 October 2009

COMPANY STRATEGY

The Board has adopted the following strategy:

- Continue to assess the resource potential of the Omitiomire Copper Project;
- Complete additional metallurgical testwork aimed at optimising costs and recoveries;
- Update the Omitiomire pre-feasibility study, including a revised resource estimate;
- Scope the copper potential of the Ekuja Dome (Omitiomire Project area) and secure the granting of additional exploration permits in the Steinhausen Project area;
- Advance the exploration on the Kamanjab Project in northern Namibia by securing joint venture funding from a major international copper producer;
- Define and prioritise exploration targets in other Namibian project areas;
- Secure a Joint Venture partner for the Maranoa projects;
- Continue to assess other exploration opportunities, especially within Australia;
- Prepare for an IPO and a listing of the Company's shares on ASX at an appropriate time, which is likely to be in the first half of 2010;
- Assess and follow up other suitable capital-raising options; and
- Initiate a Definitive Feasibility Study for a copper mining and processing operation based on the Omitiomire resource.

REVIEW OF OPERATIONS

IBML ('the Company') is an Australian-registered mineral exploration company. The Company's major focus is on its Namibian assets, particularly its Omitiomire Copper Project in central Namibia.

By September 2008, the Company had completed a major drilling programme at Omitiomire and had defined a resource of 98 million tonnes at 0.51% Cu (i.e. 0.5 million tonnes of contained copper metal). Metallurgical testwork had demonstrated excellent copper recoveries and an initial pre-feasibility study had shown the likelihood of a robust copper mining and processing project.

At that stage, IBML was planning a major capital raising, through an IPO of its shares on the ASX to raise funds for a Definitive Feasibility Study at Omitiomire. However, the global financial crisis led to a shortage of funds for mineral exploration companies, which rely on risk capital, and a sharp drop in the prices of metal commodities.

As a result, the Company postponed its planned IPO and Definitive Feasibility Study. The Board considered that a larger Omitiomire project, with a resource of +1 million tonnes of contained copper, would not only achieve economies of scale but would also attract more interest from large companies and financial institutions. A new 12-month exploration strategy was adopted:

- At the Omitiomire project, scope the likely size of the copper resource in the Ekuja Dome and define targets for subsequent drilling. Re-commence resource drilling during second-half 2009;
- Apart from bench-scale testwork, delay detailed metallurgical testing and other feasibility study work at Omitiomire until the likely size of the resource has been determined;
- Continue low-cost exploration on other projects in Namibia, aimed at identifying and prioritising targets for eventual drill testing; and
- Attract funding from joint venture partners for other projects in Namibia and for the Maranoa Project in Queensland.

EXPLORATION PROJECTS IN NAMIBIA

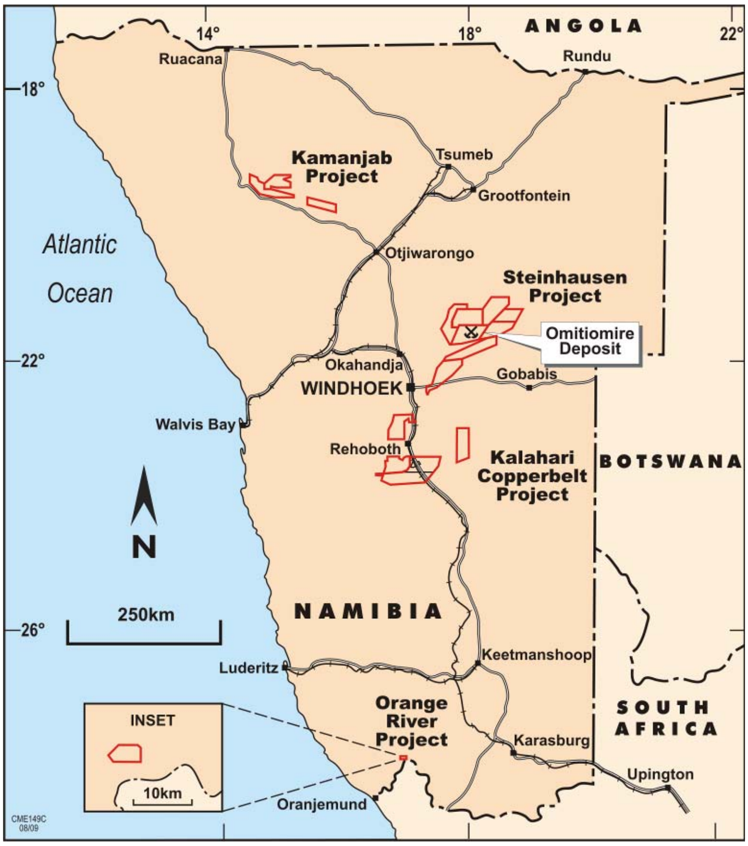
Why Namibia?

- Low political risk
- Well-developed mining industry
- Under-explored major base metal trends
- Good infrastructure
- Effective mining and taxation legislation
- Security of tenure
- Effective bureaucracy
- Full convertibility for foreign investment
- Good exploration and mining support

Exploration Tenements

Namibia has a very effective mining and exploration tenement system. Exclusive Prospecting Licences ('EPLs') provide security of tenure for exploration as well as providing exclusive rights for eventual Mining Licence applications. EPL's may be up to 1,000 km^2 in area. They are granted for three years, can be renewed twice for two years each, and carry expenditure and reporting commitments.

Omitiomire and other Namibian prospects are within EPLs and applications held by IBML's wholly-owned Namibian-registered subsidiary, Craton Mining and Exploration (Pty) Ltd ('Craton').

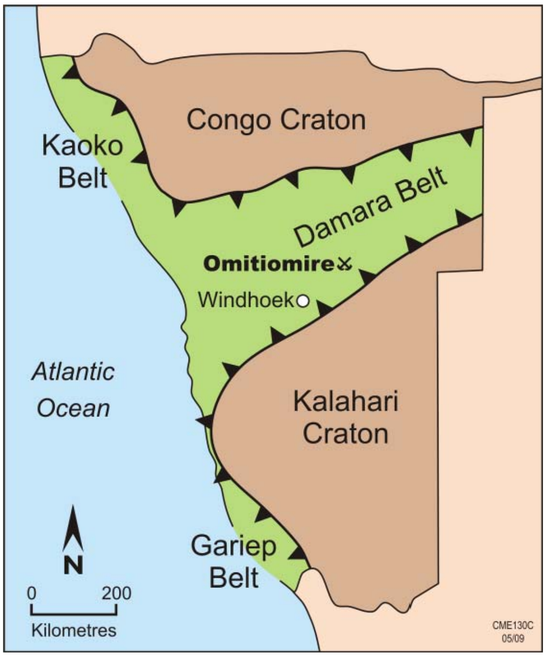


Craton's exploration tenements in Namibia (June 2009)

Geological Overview

During the Neoproterozoic era (1,000 to 542 million years ago), the Damara Sequence (sediments and volcanics) was deposited between two continental blocks, the Congo Craton and the Kalahari Craton. Subsequently, collision between these two blocks resulted in intense deformation, metamorphism and emplacement of granite batholiths.

Much of the country was later covered by younger rock sequences. Kalahari sand covers much of eastern Namibia.



Tectonic sketch map - Namibia

OMITIOMIRE PROJECT

The project area is located 140 km northeast of Windhoek in semi-arid grazing land on the edge of the Kalahari. Access is via well-maintained sealed and gravel roads. The Black Nossob River, passing through the project area, flows intermittently after rare heavy rain.

The project area is within 60 km of power supply and within 90 km of water supply pipelines. The port facilities of Walvis Bay lie on the Atlantic coast, 400 km to the west. These are linked to the capital, Windhoek, via road and rail.

The Omitiomire project area consists of EPL 3589 (Steinhausen D), a tenement which was granted for an initial three year period on 26 April 2007. The area is 988 km^2.

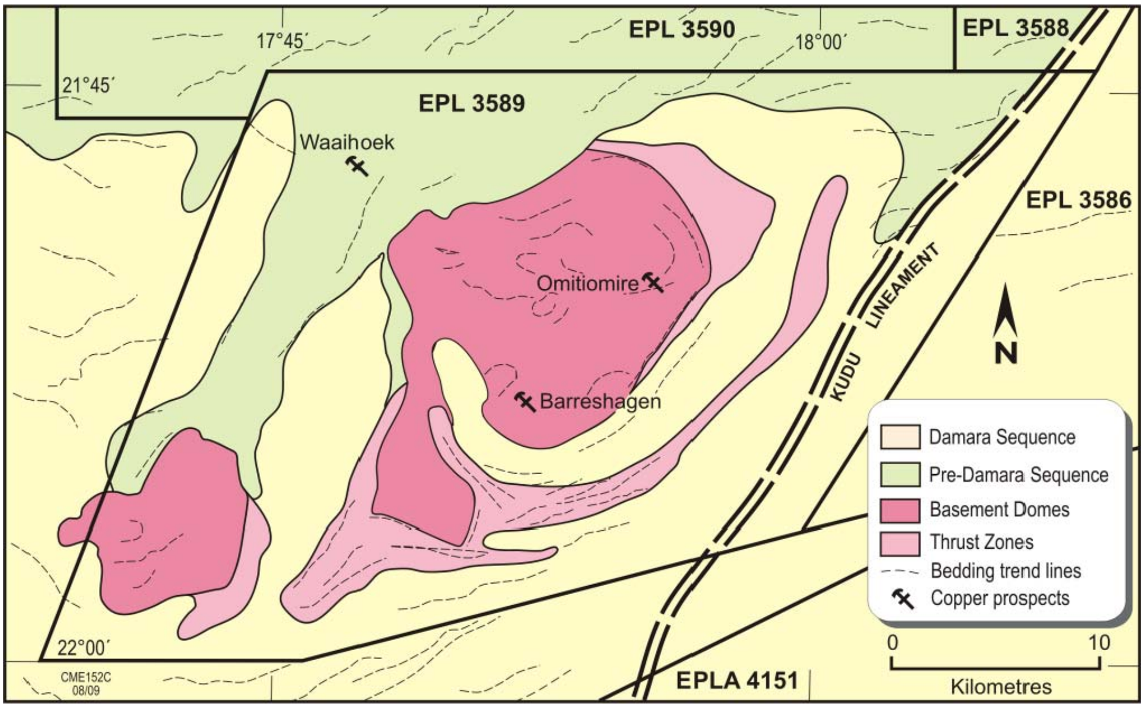
Geological Setting

In the project area, rock outcrop is very poor and much of the geological understanding has come from interpretation of magnetic data. Two basement domes, of Mesoproterozoic age, are bounded by large thrust zones and are flanked by Neoproterozoic Damara and pre-Damara strata. The strata are metamorphosed and strongly deformed by southeast-directed thrusting and folding.

The basement domes consist of quartz-feldspar (‘felsic’) gneiss, amphibolite and biotite schist. The Omitiomire copper deposit and other copper prospects are hosted by rocks of the Ekuja Dome. In addition, there are other copper occurrences (e.g. Waaihoek) within pre-Damara strata outside the Ekuja Dome.

Omitiomire Copper Deposit

Copper concentrations are hosted by banded mafic (dark-coloured) amphibole-biotite schist with subordinate epidote, sphene and magnetite. This rock is interbanded with amphibolite and felsic (light-coloured) schist, which contains greater concentrations of quartz and feldspar. In general, higher copper concentrations are associated with greater concentrations of biotite and epidote.

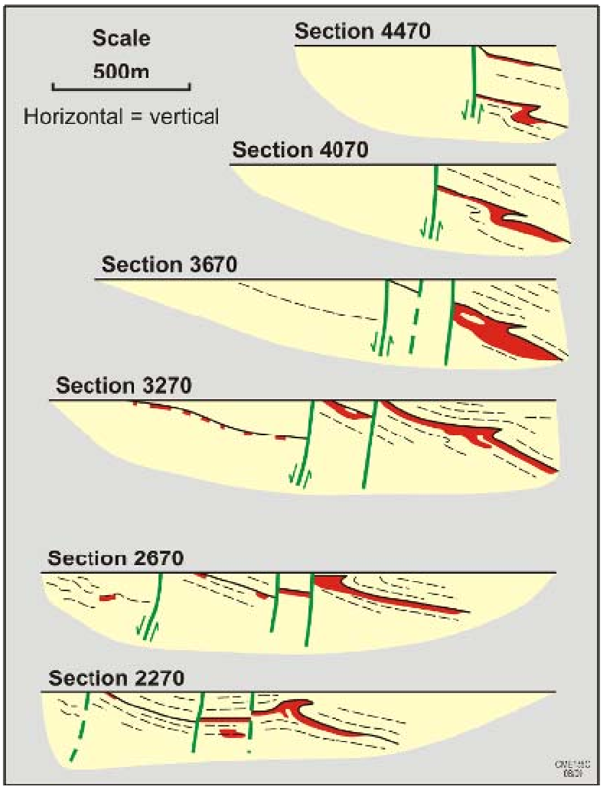


Simplified geological interpretation map of EPL 3589

The deposit dips at a moderate angle to the east but, in detail, there are structural complexities including recumbent folding. Several late-stage north-trending faults cut the deposit. There is a sharp hanging wall contact against barren felsic gneiss; the lower boundary is gradational. The dominant copper mineral is chalcocite [Cu_2S], concentrated in bands of mafic schist. There is minor bornite and rare chalcopyrite.

Drill core showing banded copper-bearing schist

The deposit is oxidised to a depth of 20m, and partly oxidised to 40m, with the development of malachite and some chrysocolla. Oxide copper minerals extend to greater depth along late fault zones.



Stacked drill sections showing the mineralised zone dipping at a shallow angle to the east

Resource Estimation

As reported in last year's Annual Report, a 250-hole reverse circulation ('RC') and diamond drilling programme, totalling over 32,000m, was completed in June 2008.

In August 2008, resource consultants Hellman & Schofield Pty Ltd ('H&S') defined resources to Indicated status based on 50m x 50m drill spacing, and to Inferred status based on 100m x 100m drill spacing.

This work showed that, at a cut-off grade of 0.25% Cu, the Omitiomire resource is 98 million tonnes at 0.51% Cu (501,000 tonnes contained copper metal). At a lower cut-off grade of 0.20% Cu, the resource expands to 121 million tonnes at 0.46% Cu (553,000 tonnes contained copper). The resources are approximately 80% in the Inferred category and 20% in the Indicated category.*

Cut-off	Indicated			Inferred			Total		
% Cu	Mt	% Cu	Tonnes Cu	Mt	% Cu	Tonnes Cu	Mt	% Cu	Tonnes Cu
0.15	28.8	0.38	111,000	122.3	0.40	494,000	151.1	0.40	604,000
0.20	23.5	0.43	101,000	98.0	0.46	452,000	121.4	0.46	553,000
0.25	19.2	0.48	92,000	79.0	0.52	409,000	98.2	0.51	501,000
0.30	15.3	0.53	81,000	64.3	0.57	369,000	79.7	0.57	450,000
0.35	12.1	0.58	71,000	53.5	0.62	334,000	65.6	0.62	405,000
0.40	9.8	0.63	62,000	44.8	0.67	301,000	54.6	0.67	364,000
0.45	7.8	0.69	54,000	37.3	0.72	269,000	45.1	0.72	323,000
0.50	6.4	0.73	47,000	31.5	0.77	242,000	37.9	0.76	289,000

Summary of resource estimates at varying cut-off grades (H&S, 2008). (Mt = million tonnes)

In addition, in areas of insufficient drilling (mainly around the edges of the identified resource), H&S estimated a "potential resource" of 27 million tonnes at 0.59% Cu at a cut-off grade of 0.25% Cu.

*The information in this document that relates to Omitiomire mineral resources is based on information compiled by Dr Phillip Hellman. Dr Hellman, FAIG, is a Director of Hellman & Schofield Pty Ltd ('H&S') and qualifies as a Competent Person under the meaning of the Joint Ore Reserves Committee ('JORC') Code and Guidelines. Dr Hellman consents to the inclusion of these estimates in the form and context in which they appear.

Metallurgical Testwork

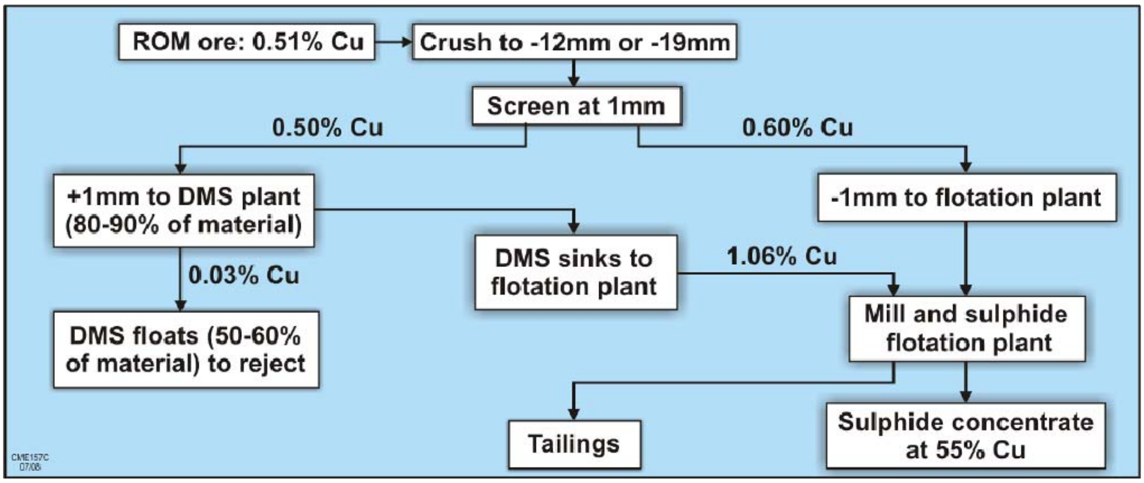
Johannesburg-based consultants Green Team International (Pty) Ltd ('GTI') were contracted to design and supervise a pre-feasibility study ('PFS'), which included extensive metallurgical testwork carried out by Johannesburg-based Mintek Laboratories. The work involved:

- Quantitative mineralogy on sulphide zone material, mixed oxide-sulphide and oxide material;
- Crushing and grinding tests;
- Pre-concentration tests, including colour sorting, dense medium separation ('DMS') and shaking table;
- Heap leach tests, including copper liberation and acid consumption;
- Flotation tests, including sulphide and oxide flotation and leaching of flotation tails; and
- Design implications.

The pre-concentration testwork was outstandingly successful. Copper-bearing mafic bands are soft (< 150 MPa) and heavy (> 2.8 g/cm^3), whereas the barren felsic bands are hard (> 200 MPa) and light (< 2.7 g/cm^3). The copper mineralisation is therefore ideal for upgrading by crushing, screening and dense medium separation. At a specific gravity ('SG') of 2.70, tests showed that DMS doubles mill head grade from ~ 0.5% Cu to + 1% Cu. The tests achieved 50-60% rejection of barren material with 95% sulphide copper recovery and 90% oxide copper recovery. It is likely that these results could be improved with more detailed testing.

Flotation tests showed that, since sulphide copper occurs mainly as coarse and easily-liberated grains of chalcocite with minor bornite, flotation concentrate grade would exceed 55% Cu at 95% recovery. Malachite (oxide copper) recovery is around 70%. The concentrate is clean, containing no deleterious elements. The concentrate contains minor gold (Au), palladium (Pd) and platinum (Pt).

Whilst the detailed processing route is yet to be determined in a Definitive Feasibility Study, the metallurgical testwork to date shows the likely feasibility of a process involving coarse crushing, screening, DMS, milling and flotation to produce a copper concentrate.



Omitiomire: preferred process route

Additional testwork on low grade mineralisation (< 0.25% Cu) has shown that the DMS route could provide up to a three-fold grade improvement, providing potential for the low grade material to be included as mill feed. Further metallurgical testing is currently underway to optimise the flow sheet and operating costs.

Initial Pre-Feasibility Study

A pre-feasibility study was completed in September 2008 and included:

- Resource estimation;
- Preliminary geotechnical study and mine planning;
- Environmental and social study;
- Groundwater study;
- Infrastructure studies (power, water, transport, etc.);
- Cost analysis; and
- Preliminary cash flow analysis.

This work showed the likely feasibility of an opencut mining and processing operation based on mining around 11 million tonnes per annum (‘Mtpa’) of Omitiomire ore.

Following a new resource estimation and additional metallurgical results, the initial PFS will be revised during the first half of 2010. Upon completion of the revised PFS, the Company will produce a programme and budget for a Definitive Feasibility Study on the Omitiomire Copper Project.

Extension Drilling 2009

During the year, RC drilling has focussed on extensions to the Omitiomire deposit:

- Omitiomire South: The Omitiomire deposit extends for 300m south of the identified resource (Hellman, 2008) but is becoming thinner and deeper;
- Omitiomire West: Drilling on geochemical anomalies intersected shallow but low grade copper;
- Bruce Zone: This is a northwest-trending zone of variable copper grade at shallow depth above the main Omitiomire deposit.
- Bruce Terrace: This zone, of higher grade (locally in excess of 1% Cu) and variable thickness, lies above the main deposit. Although small in size, it may be important in covering mining costs to access the deeper main zone deposit below it.

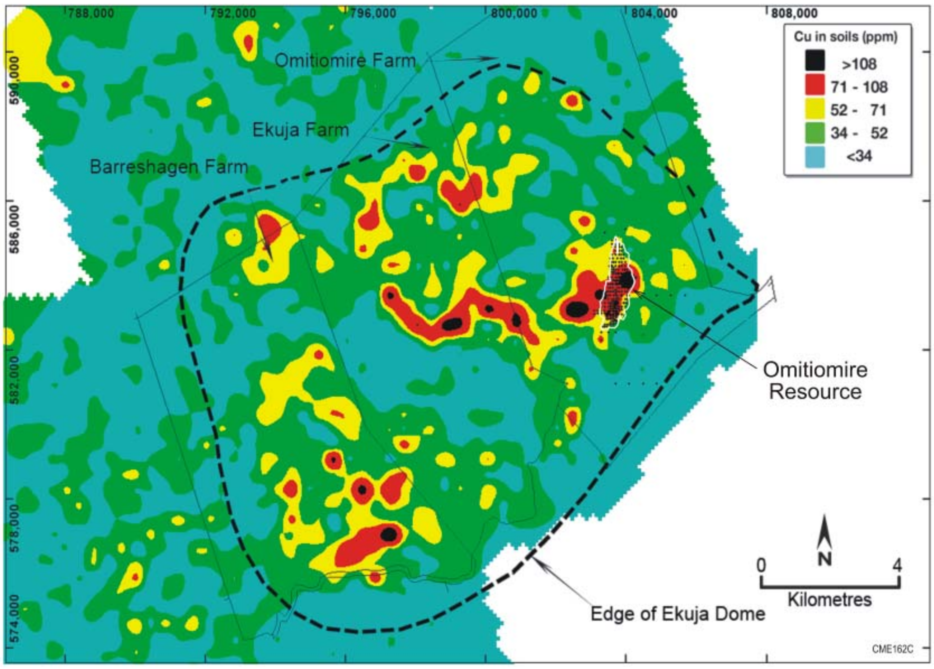
During the year, Craton drilled 27 RC and diamond cored holes totalling almost 3,000m. Drilling is continuing with both diamond drilling and RC rigs. The Omitiomire resource estimate will be updated upon the completion of this drilling progamme.

Regional Exploration 2009 - Soil Geochemistry

Soil geochemistry has been shown to be an effective tool for identifying targets for follow-up exploration. During the year, the Craton team collected and analysed almost 14,000 samples. Sampling at 400m x 400m spacing identified extensive geochemical anomalies within the Ekuja Dome, and other anomalies outside the dome.

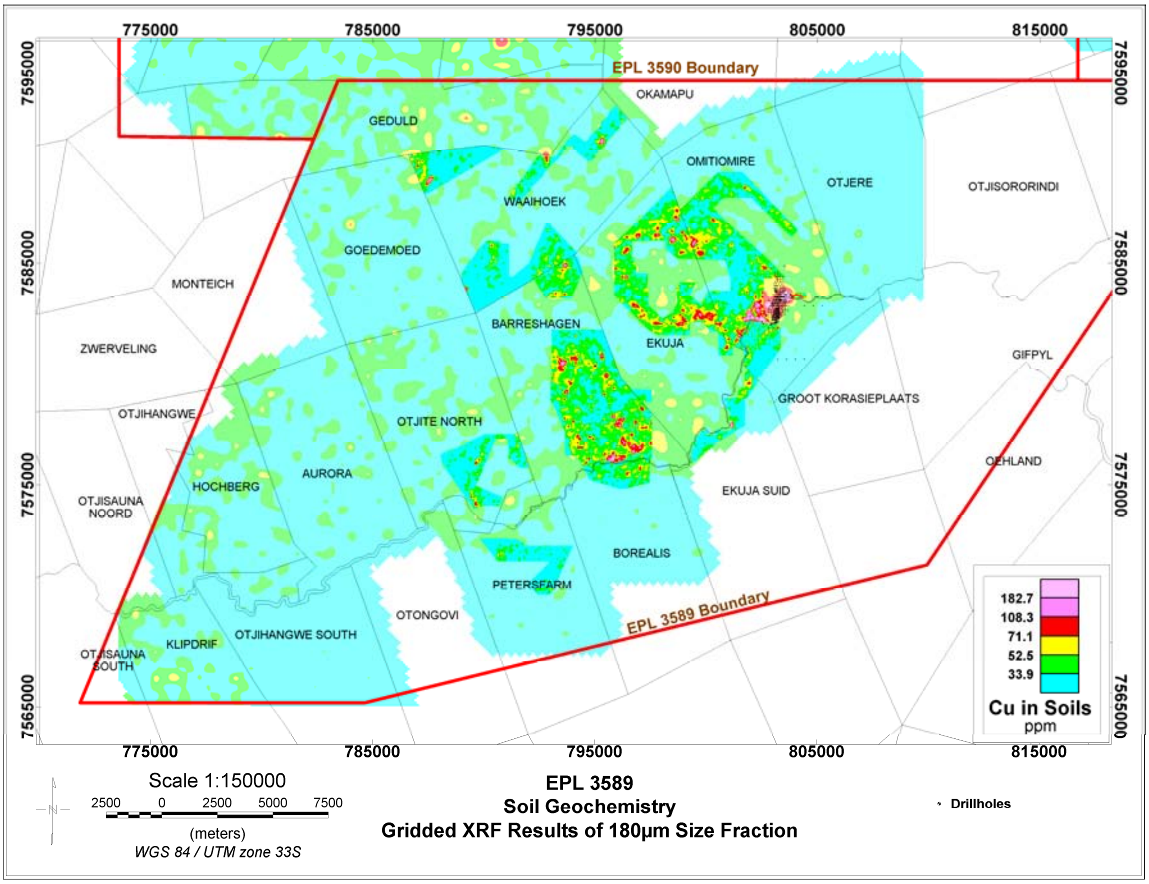
Analyses are performed with a Niton XRF analyser. Tests show that this under-reports the true copper content by about one-third, but it has the advantages of being cheap and rapid. Analytical results are available within a day rather than several weeks from a commercial laboratory.

Infill geochemistry, at a sample spacing of 100m x 100m, has now been carried out over much of the Ekuja Dome. This work has more closely defined the geochemical anomalies, providing targets for follow up by lines of shallow rotary air blast (‘RAB’) drill holes.

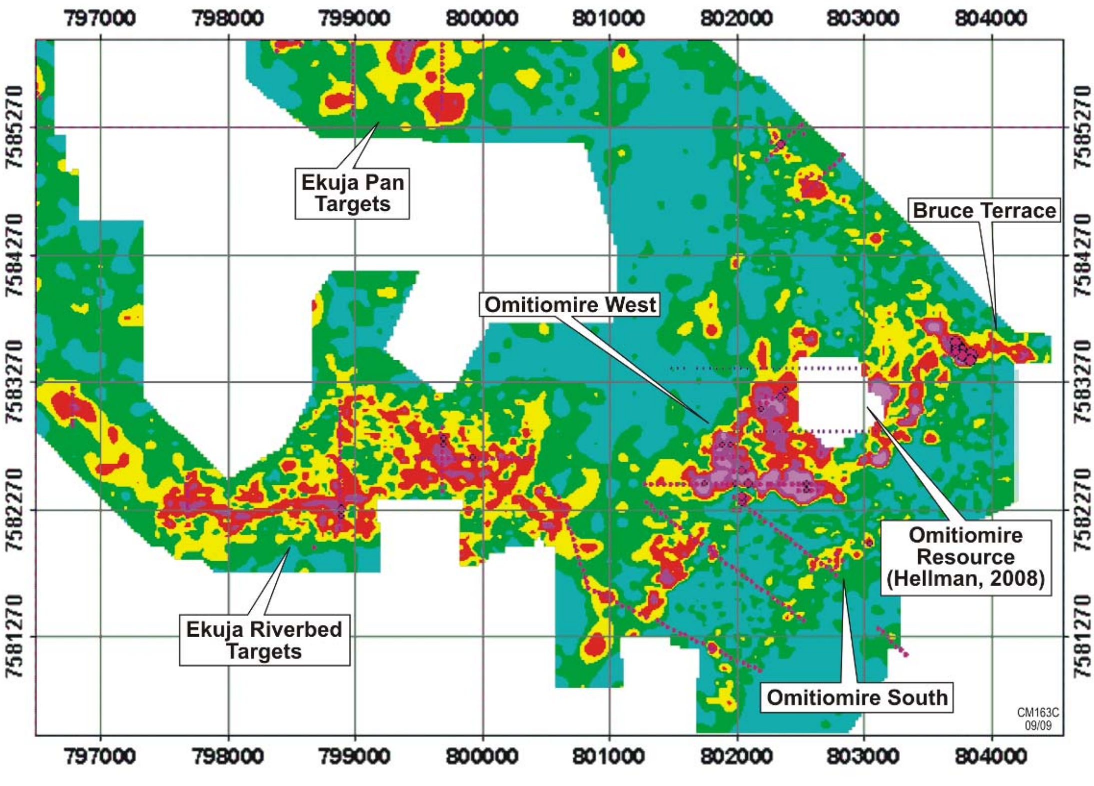


Regional-scale (400m x 400m) soil geochemistry. Anomalous areas are shown by the black-red-yellow colours. Note the position of the Omitiomire deposit within the Ekuja Dome

Soil geochemical sampling in progress



On the farms Omitiomire, Ekuja and Barreshagen (within the Ekuja Dome), RAB drilling has demonstrated the presence of shallow copper in several areas, providing targets for follow-up RC drilling. During the period, Craton drilled 574 RAB holes, totalling over 8,000m.



2009 Omitiomire drilling

Exploration 2009 – Geological Interpretation

During the year the Company has made considerable advances in understanding the geological controls on copper mineralisation through:

- Detailed geological logging of drill samples;
- Geological interpretation of down-hole photography;
- A new ground magnetic survey over the Omitiomire deposit and surrounding areas; and
- Contracted mineralogical and petrological studies.

Down-hole photography has been particularly useful in providing a permanent record of RC drill holes and in assessing the continuity and structure of the mineralised zone.


Detailed geological mapping and plotting of sample locations

Planned Programme for 2009 - 2010

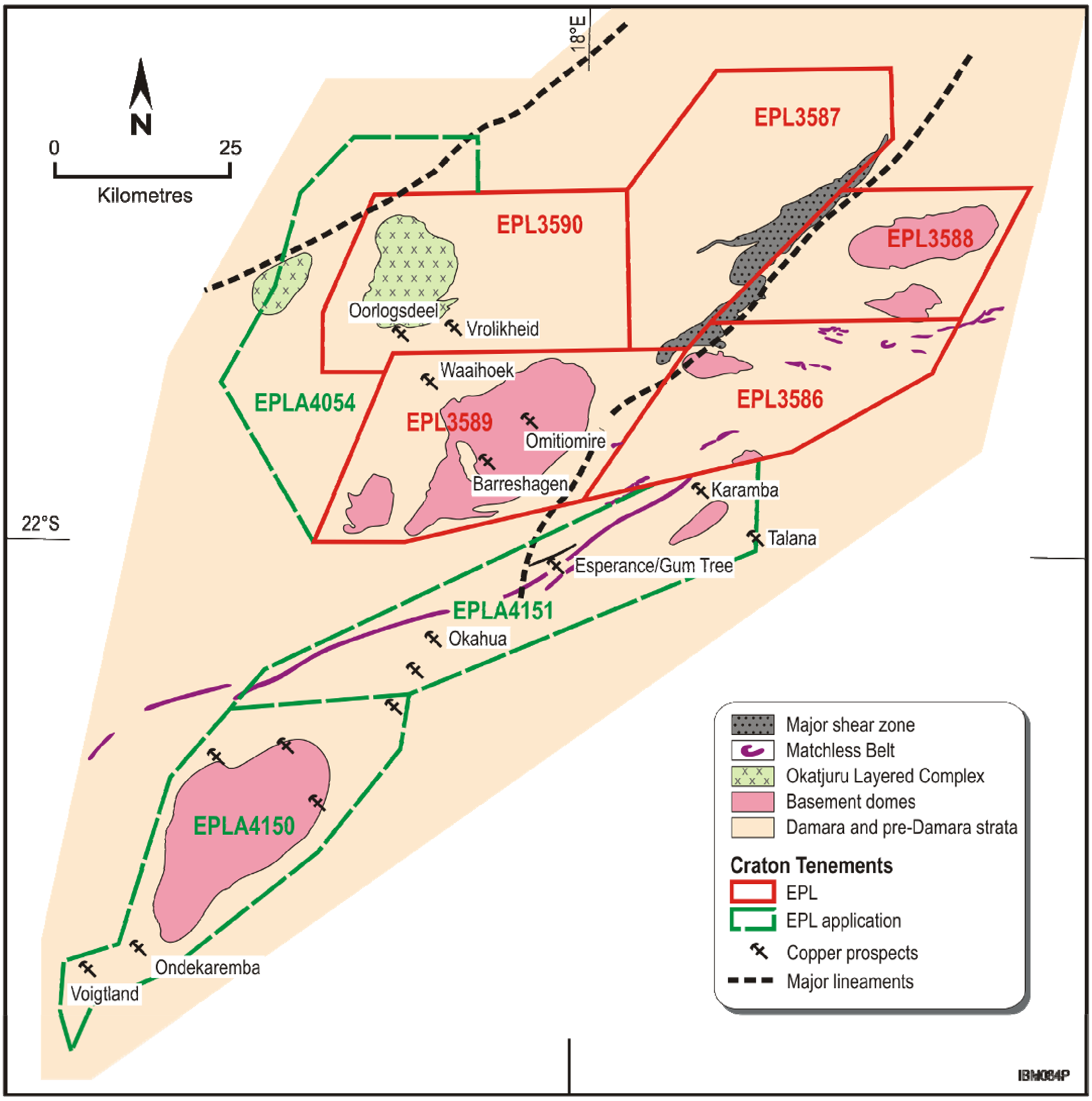
Ahead of the planned IPO in the first half of 2010, the Company will carry out the following work:

- Continuation of infill (100m x 100m and 50m x 50m) soil geochemistry followed by shallow RAB drilling;
- Continuation of RC drilling with a programme aimed at (a) extending the Omitiomire resource, and (b) testing other targets;
- A new resource estimation;
- Additional diamond drilling to provide drill core for metallurgical testwork;
- Metallurgical testwork to:
    - Identify optimum sizing and separation SG for dense medium separation;
    - Improve the grade/recovery performance on oxide rich material;
    - Confirm the previous results on sulphide material;
    - Determine DMS washability curves for marginal (<0.25% Cu) oxide and sulphide material to determine if DMS can economically add resources to the deposit; and
    - Determine the feasibility of vat leach of tailings to improve recoveries particularly from oxides.
- Updated mine planning based on the revised resource estimates;
- Continued environmental monitoring; and
- Public participation procedures meetings.

STEINHAUSEN PROJECT

The Steinhausen Project area, surrounding the Omitiomire Project area, consists of four granted EPLs and three EPLs under application, totalling around 7,000 km^2. The large project area contains numerous known copper occurrences and other targets to be tested, in several different geological settings.

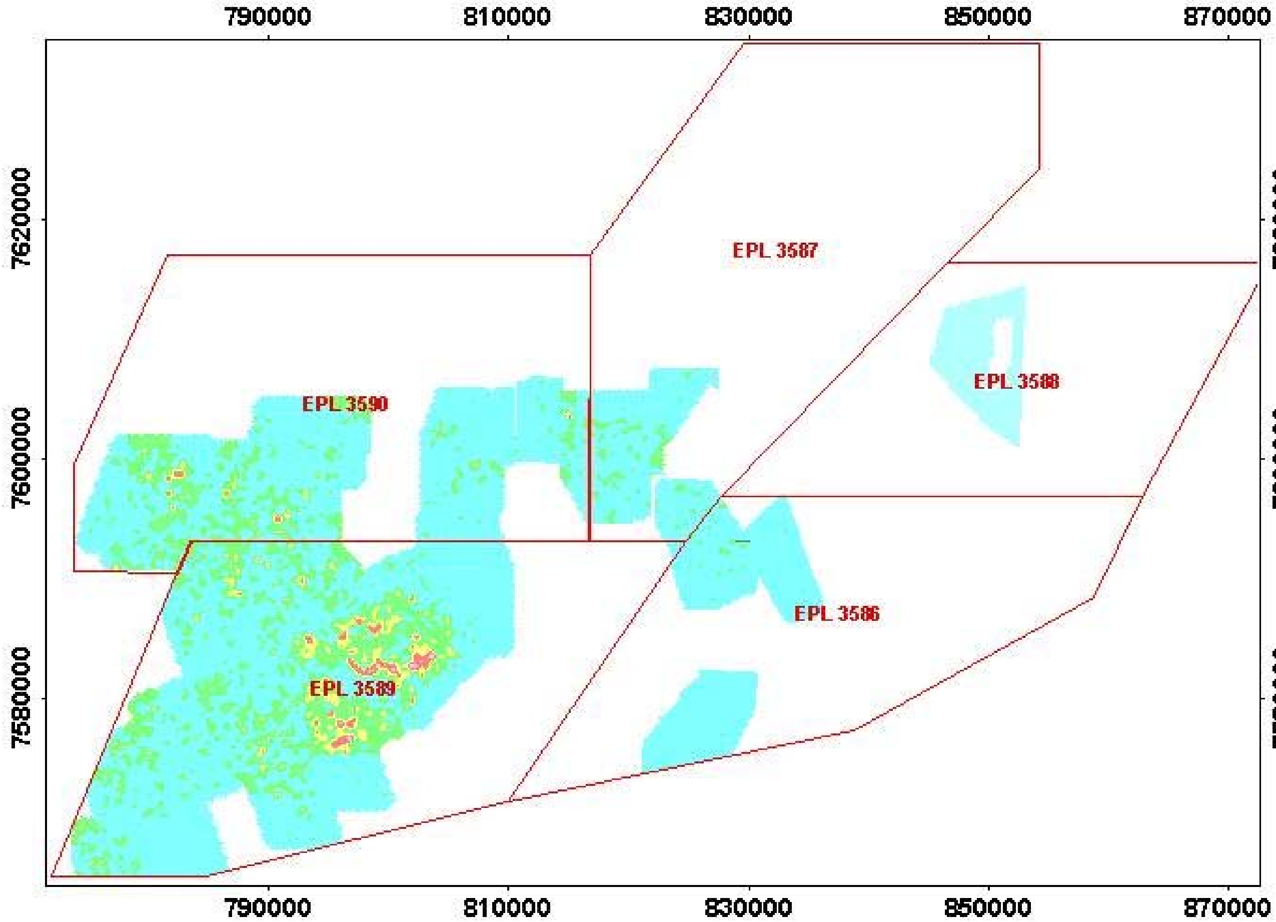
It is an area of very limited rock outcrop. The Company's geophysical consultants produced an updated interpretation of regional airborne magnetic and radiometric data which provides the geological baseline for planning field exploration programmes.



Steinhausen Project: simplified geological map

During the year, Craton initiated regional soil geochemical surveys, with samples taken on a 400m x 400m grid. The survey outlined several new anomalous areas, mainly related to calc-silicate rocks within metasedimentary sequences. These will be followed up by more detailed infill sampling (100m x 100m) to define targets for drilling.

There have been delays in the granting of exploration tenements by the Namibian Ministry of Mines and Energy ('MME'). As a result, three application areas are still not granted at the present time.



Steinhausen Project: geochemical coverage is shown in blue, with anomalies in yellow and red. The Ekuja Dome shows up as a regionally-anomalous feature

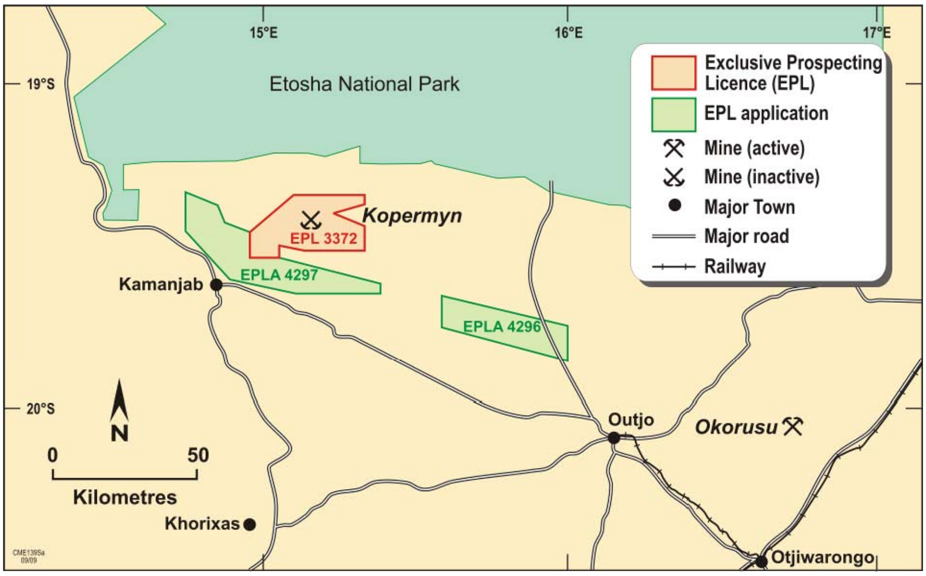
Exploration Strategy

The Company will continue with its existing strategy of soil geochemical surveys to identify and prioritise copper targets for follow-up exploration including drilling. As well as potential for copper in a number of geological settings, the project area has potential for nickel associated with the Okatjuru Layered Complex, and for gold and other metals associated with a major shear zone.

KAMANJAB PROJECT

A geological review reached the following conclusions:

- The Kopermyn deposit is a stratabound copper style of mineralisation, in which primary copper mineralisation, hosted by conglomerate, has been enriched by supergene processes related to weathering and oxidation. The review indicated excellent potential for the discovery of additional resources along strike from the known deposit and in similar geological settings elsewhere in the region. As a result of this re-interpretation, Craton has applied for two other EPLs;
- Alteration in quartz-feldspar porphyry adjacent to the old Kopermyn open-cut mine is not of “porphyry copper” style. This has down-graded the potential for porphyry copper deposits in the area; and
- There is only minor potential for carbonate-hosted copper in EPLA 4058. The EPL application has been withdrawn.



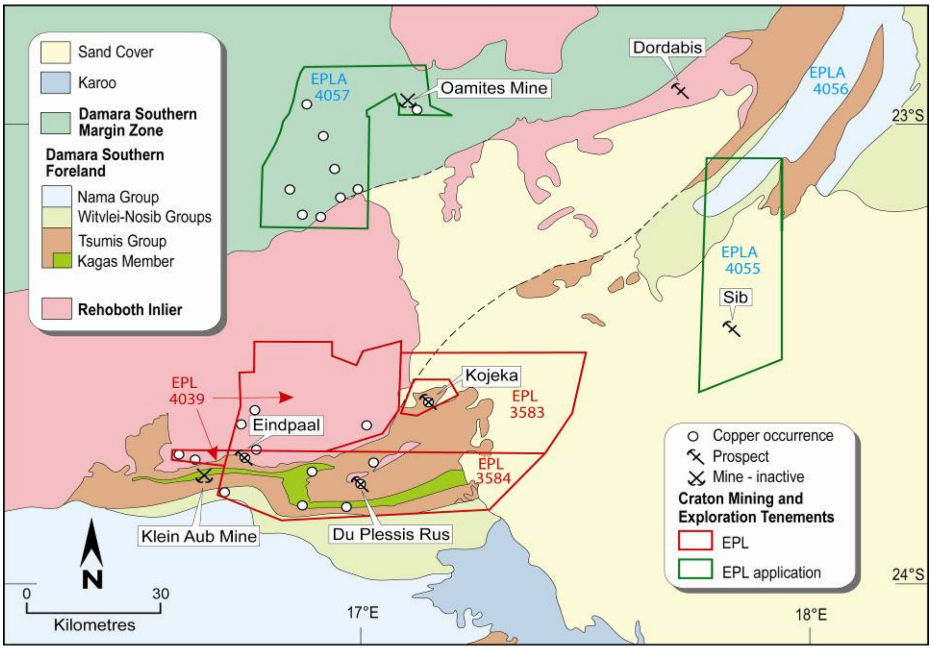
Location map showing Craton's EPL and applications in the Kamanjab project area

Exploration Strategy

Based on the new conceptual model, Craton plans to carry out detailed geological mapping and geochemical surveys, supported where required by geophysical surveys, to define targets for testing by drilling.

To accelerate the pace of the exploration programme, the Company is in the process of negotiating a joint venture agreement on EPL 3372 with a major international copper company.

KALAHARI COPPERBELT PROJECT



Kalahari Copperbelt Project: geological sketch map

The Kalahari Copperbelt stretches for 800 km from central Namibia to northern Botswana. Copper mineralisation is of the same style as the Zambian Copperbelt, hosted in rocks of the same age.

After a review of exploration priorities, Craton withdrew one tenement application but retains an extensive tenement position, with four granted EPLs and two applications.

In the early part of the year, reconnaissance drilling at "basement" copper prospects, Du Plessis Rus and Eindpaal, returned low metal grades. A review of data, plus detailed geological mapping, indicated that these are likely to be the lower portions of deeply-eroded porphyry copper systems. This has resulted in a down-grade of the Company's assessment of the discovery potential of these prospects.

Attention remains focussed on EPL 3584, which contains more than 60 km of strike of strata that are stratigraphically equivalent to the "Ore Shale" in Zambia and which contains known copper and untested geochemical anomalies. Along strike to the west, these strata host the old copper-silver mine at Klein Aub. Equivalent strata in Bostwana contain extensive copper deposits that are now the subject of feasibility studies.

Exploration Strategy

Craton will continue to assess its tenements through detailed geological mapping and geochemical surveys, supported where necessary by geophysical surveys, with a view to defining targets for drill-testing.

ORANGE RIVER PROJECT

Craton has applied for a small EPL to cover the Lorelei porphyry copper-molybdenum prospect in southern Namibia. The tenement has not yet been granted.

Namibian consultants discussing geological concepts with Craton staff

EXPLORATION PROJECTS IN AUSTRALIA

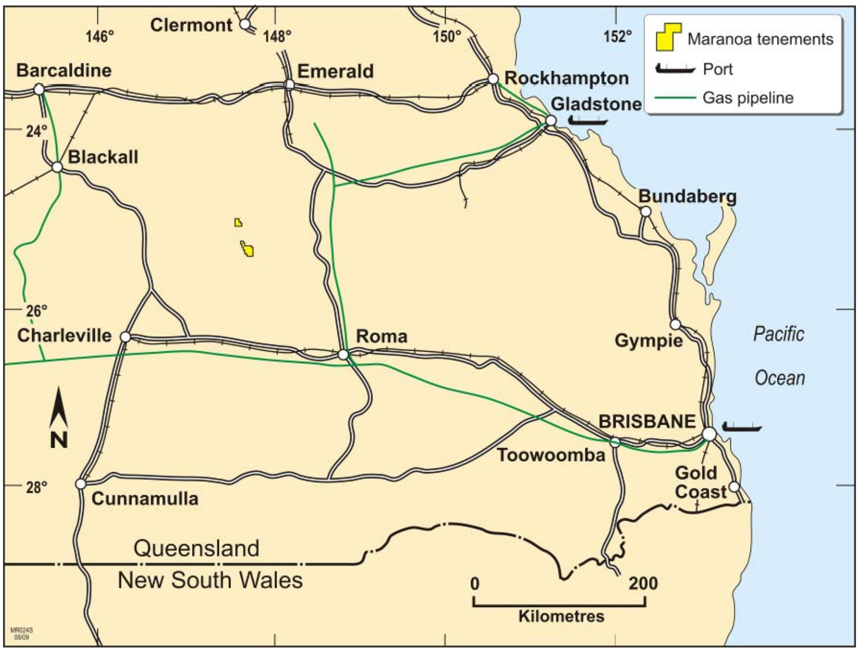
MARANOA RESOURCES PTY LTD

Exploration tenements and applications, in south-central Queensland, are held by Maranoa Resources Pty Ltd ('Maranoa'), a wholly-owned subsidiary of IBML. The commencement of exploration of the Maranoa project area was delayed for several years due to the difficulty in securing an access agreement with the Bidjara Native Title claimants.

Pending an agreement, the Company reviewed regional geological and geophysical data, as well as data from previous exploration. It also carried out a structural and alteration study of Aster satellite imagery and reconnaissance field traverses. In 2007, Maranoa contracted a high resolution airborne geophysical survey over its tenements and applications in the district.

In August 2008, the parties reached an agreement which provided access for exploration over the whole of the area claimed by the Bidjara People. The Bidjara people also carried out a regional cultural heritage survey which identified no features of cultural significance which could hinder ongoing exploration of the project area.

The Company commenced geological mapping and sampling in the project area during September and October 2008. At this time, Maranoa had four granted Exploration Permits for Minerals ('EPMs') and seven EPMs under application.



Maranoa Project: location map

With the onset of the global financial crisis, the Board took the decision to scale back exploration in Australia. Three tenements were relinquished and six applications were withdrawn. One application (EPM 14261 Mount Tabor) has now been granted. Mount Tabor and the remaining tenement, EPM 14260 Darkwater, have both been reduced substantially in size to limit the expenditure commitments.

The Board has decided to seek joint venture ('JV') partners to assist in meeting the cost of exploration on these properties. The projects have been reviewed and the geology and discovery potential has been summarised for potential JV partners.

Maranoa is focussing on two exploration concepts:

(a) EPM 14260 covers the Darkwater intrusive complex, which has potential for nickel-copper deposits. Surface samples contain elevated metal concentrations - up to 0.88% Ni. Previous (early 1970s) shallow exploration drilling intersected sulphides but the samples were not analysed; and

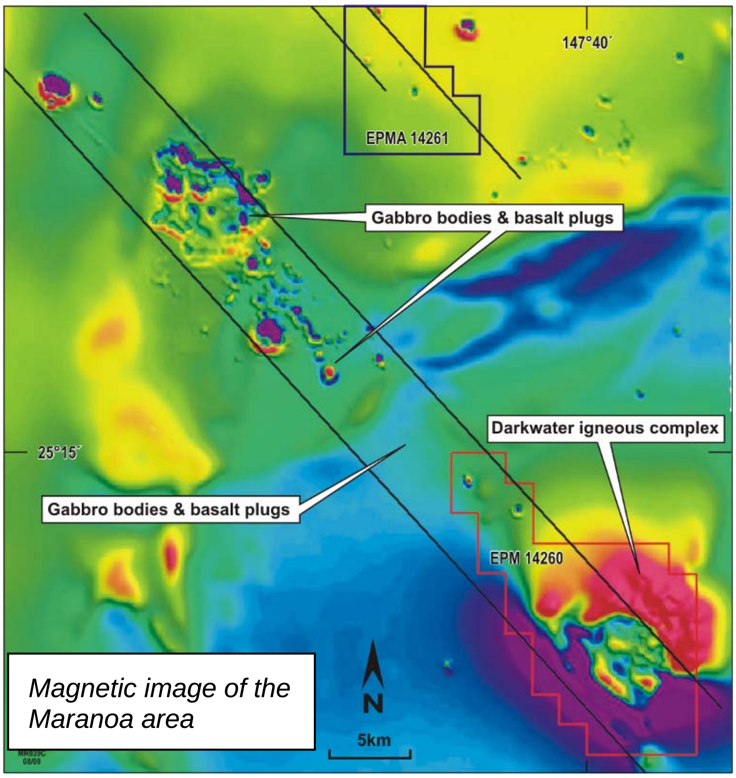
(b) EPM 14261 covers several exposures of cobalt concentrations associated with manganese oxides. At the Mount Manganese prospect, previous drilling identified a small shallow resource of 175,000 tonnes at 0.15% Co. These exposures may indicate potential for larger base metal concentrations along strike and at depth.

Darkwater Project

The Darkwater igneous complex is exposed in a small area of about 800m x 400m, but Maranoa's magnetic imagery shows that it is much more extensive, covering an area of about 10 km across.

The Darkwater complex lies along a major northwest-trending structural lineament, which also apparently controls the location of Tertiary-age gabbro intrusions and basalt plugs.

Magnetic modelling shows that the Darkwater complex is a suite of steeply-dipping igneous bodies of varying composition.



Magnetic image of the Maranoa area

Mount Tabor Project

During the reporting period, the Company carried out an assessment of the geological setting of the project area, and was one of the corporate sponsors for a research project carried out by geological consultants, SRK Consultants.

The work, aimed at determining the potential for sediment-hosted base metal deposits in the region, identified several sedimentary rock units which, because of their enhanced permeability, are likely to be the conduits for the movement of metal-bearing formation waters. The study suggested that Mount Manganese and other manganiferous cobalt deposits in the area could represent brine expulsion "chimneys" which may act as "pathfinders" to more extensive stratabound deposits.

Potential for a deposit of significant size was supported by a review of existing geochemical data, which showed that cobalt anomalies extend for at least 500m south of the Mount Manganese deposit along a fault zone.

Exploration Strategy

Due to financial constraints, IBML has made no budget allocation for the Maranoa projects. The Company is seeking a joint venture partner to assist in funding ongoing exploration.

AURICULA MINES PTY LTD

AuriCula Mines, a wholly-owned subsidiary of IBML, has an exploration joint venture with with Cobar Management Pty Ltd ('CMPL') and Actway Pty Ltd ('Actway') in the Cobar district of New South Wales. AuriCula holds Exploration Licence ('EL') 6223 Shuttleton; another three ELs are held by Actway.

CMPL manages the joint ventures. CMPL carried out preliminary resource modelling at Shuttleton during the reporting period. Results of this work are currently being reviewed.

Subsequent to the reporting period, soil geochemical and RC drilling programmes have been carried out at the Mount Hope EL and a review of tenements resulted in the relinquishment of the Shuttleton West EL.

Exploration Strategy

IBML will meet with CMPL later in 2009 to discuss the results of exploration to date and plan future exploration programmes. IBML has made no budget allocation for the 2009-2010 period.

ENDOLITHIC RESOURCES PTY LTD

In the previous reporting period, IBML established a new wholly-owned subsidiary, Endolithic Resources Pty Ltd ('Endolithic'), which has evaluated the potential for discovery of sediment-hosted base metal deposits in North Queensland.

During the period Endolithic has identified a number of potential targets and one licence application was submitted subsequent to the year end.

Dr Ken Maiden (MAIG, FAusIMM), compiled the technical aspects of this report. Dr Maiden is a Director of International Base Metals Limited. He is a Member of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activities that are being reported on to qualify as a Competent Person as defined in the September 2004 edition of the "Australasian Code of Reporting of Mineral Resources and Ore Reserves". Dr Maiden consents to the inclusion of the matters in the form and context in which they appear.

IBML INVESTMENTS

ZAMIA GOLD MINES LIMITED (IBML 17.9 %)

Zamia Gold Mines Limited ('Zamia'), (ASX: ZGM) has a substantial portfolio of exploration tenements in the Clermont District of central Queensland. This portfolio currently (September 2009) comprises six EPMs and six EPM applications covering about 1,500 km^2. The region is host to a number of significant gold deposits.

In 2008, Zamia discovered what appears to be a significant porphyry-style molybdenum deposit at the Anthony prospect. Zamia is currently raising funds to initiate a resource drilling programme at Anthony. Additional work is also planned on a number of promising gold anomalies.

During the reporting period, IBML's equity in Zamia increased substantially as a result of an agreement whereby IBML provided administrative services to Zamia and received shares in Zamia for those services. Details are provided in the Financial Statements and the Notes to the Financial Statements.

IBML is pleased to note that, following a quiet period during the global financial crisis, Zamia is preparing for further drilling to establish a resource for the Anthony deposit at a time when molybdenum prices are recovering.

Further information on Zamia and its projects can be found at www.zamiagold.com.au.

COPPER RANGE LIMITED (IBML 1.5%)

Copper Range Limited is an ASX-listed company (ASX: CRJ) with a portfolio of exploration tenements in South Australia. During the early part of the reporting period, Copper Range continued exploring for copper deposits in its own tenements and in JV tenements, and also identified significant potential for iron ore.

During the global financial crisis, Copper Range restructured its management team, which is charting a new strategic direction for the company. IBML has not participated in recent capital raisings and has allowed its shareholding to reduce to 1.5%.

Further information is available at www.copperrange.com.au.

EXPLORATION TENEMENTS

NAMIBIAN TENEMENTS

Tenement No	Project Name	Application Date	Grant Date	Expiry Date	Area km²
Steinhausen					
EPL 3586	Okanjesu	17.11.2005	26.04.2007	25.04.2010	726
EPL 3587	Mabela	17.11.2005	26.04.2007	25.04.2010	979
EPL 3588	Glenorkie	17.11.2005	26.04.2007	25.04.2010	602
EPL 3589	Omitiomire	17.11.2005	26.04.2007	25.04.2010	988
EPL 3590	Oorlogsdeel	17.11.2005	26.04.2007	25.04.2010	985
EPLA 4054	Hochfeld	09.04.2008			763
EPLA 4150	Seeis	01.08.2008			981
EPLA 4151	Karamba	01.08.2008			960
Kalahari Copperbelt					
EPL 3262	Kojeka	26.10.2004	13.05.2005	12.05.2010	73
EPL 3583	Rehoboth Central	17.11.2005	26.04.2007	25.04.2010	994
EPL 3584	Rehoboth South	17.11.2005	26.04.2007	25.04.2010	983
EPL 4039	Nomeib	02.04.2008	01.07.2008	30.06.2011	886
EPLA 4055	Sib	09.04.2008			938
EPLA 4057	Oamites	02.04.2008			969
EPLA 4100	Lorelei	17.06.2008			16
Kamanjab					
EPL 3372	Kopermyn	13.05.2005	13.12.2005	12.12.2010	856
EPLA 4296	Tzaus	19.06.2009			499
EPLA 4297	Vaalberg	19.06.2009			78

AUSTRALIAN TENEMENTS

Tenement No	Project Name	Application Date	Grant Date	Expiry Date	Area km² at 30.06.09
Cobar, NSW					
EL 6223	Shuttleton	21.11.2003	05.04.2004	04.04.2010	38
EL 6867*	Shuttleton West	21.11.2003	06.09.2007	06.09.2009	70
EL 6868*	Mt Hope South	21.11.2003	06.09.2007	06.09.2009	101
EL 6907*	Mt Hope	21.11.2003	11.10.2007	11.10.2009	269
Maranoa, QLD					
EPM 14260	Darkwater	24.09.2003	13.04.2005	12.04.2010	155
EPMA 14261	Mt Tabor	24.09.2003			62

* Tenements held by Actway Pty Ltd

GLOSSARY OF TECHNICAL TERMS

Alteration. A change in the chemical and mineralogical composition of a rock commonly brought about by reaction with hydrothermal solutions
Amphilbole. A common calcium-iron-magnesiem silicate minerals
Amphibolite. Metamorphic rocks formed usually by metamorphism of basalt
Anomaly. A value (e.g. of geochemical and geophysical parameters) significantly higher than the norm
Aster. A remote sensing system carried aboard the Terra satellite
Basalt. A common mafic volcanic rock
Basement. Older, usually metamorphic, rocks beneath younger strata
Basin. A broad sub-continental depression in which sediments are deposited. The Gulf of Carpentaria and the Coral Sea are present-day examples
Batholith. A large composite intrusion of igneous rocks
Bed, bedding. Layering in sedimentary rocks
Belt. A large linear body of rocks
Biotite. A common black mica mineral
Breccia. A rock consisting of large angular fragments cemented together. Fragmentation ("brecciation") can be caused by processes such as faulting, igneous intrusion and hydrothermal activity
Chalcocite. Copper sulphide [Cu_2S]
Chalcopyrite. The most common ore mineral of copper [$CuFeS_2$]
Chrysocolla. A hydrated copper silicate mineral, formed in the oxide zone of copper deposits
Concentrate. The product of metallurgical upgrading of minerals by various mineral separation processes
Conglomerate. A coarse grained sedimentary rock consisting of cemented pebbles and cobbles
Craton. A large, geologically-stable block of continental crust
Cut-off grade. The lowest grade to which a mineral deposit can be economically mined
Dense medium separation ('DMS'). A mineral separation process whereby denser material is separated from less dense material
Diamond drilling. Recovery of drill core using a hollow drilling bit studded with industrial diamonds
Dip. The angle below the horizontal of a tilted unit of strata
Dome. A body of old rocks surrounded by younger rocks (See also 'Inlier')
Epidote. A calcium-aluminium-iron silicate mineral
Epithermal. A low temperature hydrothermal mineral deposit
Exploration Licence ('EL'). A mineral exploration tenement conferred by the New South Wales government
Exploration Permit for Minerals ('EPM'). A mineral exploration tenement conferred by the Queensland government
Exclusive Prospecting Licence ('EPL'). A mineral exploration tenement conferred by the Namibian government
Fault. A break in a rock sequence, along which there has been movement
Feldspar. Common rock-forming minerals composed of silicates of potassium, sodium and calcium with aluminium
Felsic. Pale in colour, rich in "felsic" minerals such as quartz and feldspar
Fold. A bend in rock strata
Flotation. A commonly-used mineral separation process whereby crushed and ground metal sulphide minerals are liberated from barren minerals
Formation. A geologically mappable unit of rock strata
Gabbro. An intrusive mafic igneous rock, having the same composition as basalt
Geochemical survey. Prospecting techniques which measure the concentrations of certain metals in soil and rocks, and define anomalies for further testing
Geophysical survey. Prospecting techniques which measure physical properties of rocks (e.g. magnetic susceptibility, electrical conductivity) and define anomalies for further testing
Gneiss. Metamorphic rocks formed under intense heat and pressure
Grade. The concentration of a metal in a mineral deposit
Granite. A common intrusive igneous rock, consisting mainly of quartz and feldspar, with subordinate mica
Group. A stratigraphic term referring to a package of several rock formations
Heap leach. A metal recovery process whereby one or more minerals are dissolved, usually by acid, from a heap of crushed ore for subsequent processing to recover the contained metals
Hydrothermal. Literally "hot water". Hydrothermal fluids, typically carrying metals in solution, develop in the Earth's crust through a number of processes
Igneous rocks. Rocks formed by crystallisation of molten rock (magma)
Induced polarisation ('IP'). A geophysical exploration method which measures changes in electrical fields induced in the earth by applying an electrical current to the ground
Inlier. A large body of older "basement" rocks surrounded by younger strata
Intersection. A width of rock cut by a section of a drill hole
Intrusion. A mass of igneous rock which, while molten, was forced into or between other rocks
Jurassic. A division of geological time from about 200 to 145 million years ago
Layered complex. A composite body of mafic and ultramafic igneous rocks
Lineament. A large linear structure of uncertain origin
Mafic. Dark in colour. "Ultramafic" refers to very dark igneous rocks
Magnetic survey. A geophysical survey which measures variations in the Earth's magnetic field, caused by variations in the magnetic susceptibility of the rocks

Magnetite. Magnetic iron oxide [Fe_3O_4]
Malachite. A basic copper carbonate mineral, formed in the oxide zone of copper deposits
Mesoproterozoic. A division of geological time from about 1600 to 1000 million years ago
Metamorphism. The processes by which rocks become mineralogically and texturally altered under the influence of heat and pressure
Mica. A group of soft and sheet-like minerals
Mineralisation. The processes by which ore minerals are emplaced into rocks
Mineralisation. The concentration of metals, not necessarily to ore grade, within a body of rock
Mineralogical. Referring to the relative concentrations of various mineral within a rock
Mining Licence. A tenement, conferred by the Namibian government, which permits the holder to carry out mining operations
Molybdenite. Molybdenum sulphide [MoS_2]
Neoproterozoic. A division of geological time from about 1000 to 542 million years ago
Oxide zone. The upper, weathered portion of a mineral deposit, wherein metal sulphide minerals have been converted ("oxidised") to metal oxide , sulphate, carbonate, etc minerals
Petrological. Referring to the composition and texture of rocks
Plug. The core of a volcano
Porphyry. An intrusive igneous rock with conspicuous crystals in a fine grained groundmass
Porphyry deposit. Referring to a common style of copper and molybdenum deposits, related to bodies of porphyry
Pre-feasibility study. A preliminary study of the commercial feasibility of a mining and processing operation
Pyrite. An iron sulphide mineral [FeS_2]
Quartz. A very common mineral composed of silicon and oxygen [SiO_2]
Radiometric surveys. A geophysical survey which measures variations in the Earth's natural radioactivity
Recumbent. A style of folding in which a body of rock strata is bent back over itself
Reserve. An estimate of tonnage and grade of an orebody, based on detailed sampling and measurement. The categories Proven and Probable reflect the degree of uncertainty
Resource. An estimate of the tonnage and grade of a mineral deposit, but not implying that it can all be profitably mined. The categories Measured, Indicated and Inferred reflect the degree of uncertainty
Reverse circulation ('RC') drilling. A percussion drilling technique in which rock cuttings are recovered through the centre of hollow drill rods, thus minimising sample contamination
Rotary air blast ('RAB') drilling. A shallow percussion drilling technique
Sandstone. A common sedimentary rock made of cemented sand grains
Schist. A common metamorphic rock with parallel orientation of mica minerals
Sedimentary. Rocks formed at the Earth's surface by deposition of sediment
Sequence. A package of rock strata
Shale. A common fine-grained sedimentary rock
Shear zone. A zone of strongly-deformed rock
Siltstone. A common fine-grained sedimentary rock
Sphene. A calcium-titanium silicate mineral
Strike. The trend of a unit of strata
Stockwork. A network of intersecting veins
Strata. Superimposed layers of sedimentary rocks. Hence "stratigraphic"
Stratabound. Hosted by strata and usually broadly parallel to bedding
Supergene. Processes by which minerals become altered (and commonly upgraded) due to weathering, but occurring below the oxide zone
Tectonic. Referring to the processes by which bodies of rocks have been formed
Tenements. A mining or mineral exploration title, conferred on the holder by government
Tertiary. A division of geological time from about 65 to 2 million years ago
Thrust. A type of fault in which older strata are emplaced over younger strata
Vein. A tabular or sheet-like mineral-filled fracture
Volcanics. A collective term for rocks derived from volcanic activity

TECHNICAL ABBREVIATIONS

Au	Gold
Capex	Capital expenditure
Co	Cobalt
Cu	Copper
DD	Diamond drill hole
DMS	Dense medium separation
EL	Exploration Licence (NSW)
EPL	Exclusive Prospecting Licence (Namibia)
EPM	Exploration Permit for Minerals (Queensland)
g/t	Grams per tonne
IP	Induced polarisation
IRR	Internal rate of return
JORC	Joint Ore Reserves Committee
km, km^2	Kilometres, square kilometres
lb	Pound (weight)
m, mm	Metres, millimetres
MPa	Megapascals (measure of compressive strength)
Mt, Mtpa	Million tonnes, million tonnes per annum
Ni	Nickel
NPV	Net present value
Pd	Palladium
PFS	Pre-Feasibility Study
Pt	Platinum
ppm	Parts per million
RAB	Rotary air blast
RC	Reverse circulation
ROM	Run-of-mine
SG	Specific gravity
t	Tonnes
XRF	X-ray fluorescence

DIRECTORS' REPORT

The directors of International Base Metals Limited ('IBML') present their report on the Company and its controlled entities for the financial year ended 30 June 2009.

Directors

The names of directors in office at any time during or since the end of the year are:

Dr Alasdair James Macdonald

Non-executive Chairman (appointed on 1 September 2008)

Qualifications: BA, MSc, PhD, APEGBC

Experience: A geologist by training, James Macdonald had extensive mine and exploration geological experience in Mexico, Canada and the USA before completing a PhD in economic geology at the University of Toronto. Subsequently, he worked for the Ontario Geological Survey and the Mineral Deposit Research Unit at the University of British Columbia. From 1994, he developed a corporate career, initially with Homestake Mining Company in Chile, then with Billiton International Metals and BHP Billiton, gaining broad experience in exploration management, project assessment and strategic planning.

Dr Macdonald brings a wealth of international geological, exploration and planning experience to the Board.

Interest in shares and options: 416,662 ordinary shares and 1,500,000 options.

Other current directorships: Chairman of Clancy Exploration Limited, Director of Mantle Diamonds Limited and Director of Geoinformatics Tasmania Ltd.

Stephen Edward Blackman

Managing Director

Qualifications: BBus. MBA, ACIS, ACIM, FFin, MAusIMM

Experience: Stephen has over 36 years experience in the mining and metals industry. He has worked with all levels of management in base and precious metal mining operations, project assessment, project development and project finance in addition to roles in consultancy and marketing.

Stephen's experience with large mining companies includes ten years with Rio Tinto group in project development roles and three years with Consolidated Gold Fields Limited in London. Stephen represented the Canadian Imperial Bank of Commerce in the resource sector in Australasia before becoming a corporate advisor to both global and emerging mining companies.

Stephen is a founding Director of International Base Metals Limited

Interest in shares and options: 15,305,808 ordinary shares and 4,000,000 options.

Other current directorships: Chairman of Zamia Gold Mines Limited.

Dr Deng Jiniu

Non-executive Director

Qualifications: Doctorate degree from the Chinese University of Geosciences

Experience: Dr Deng Jiniu is a well-known professorial senior engineer with a doctorate degree from the Chinese University of Geosciences. He has held the position of Chief Geologist and Executive Director of Western Mining Co Ltd from 2000 to 2008 and since 2006 has been Chairman and Managing Director of Qinghai West Resources Co Ltd and Chairman of Qinghai West Rare & Precious Metals Co Ltd. His exploration successes have included the discovery of lead-zinc in the Xitieshan deposit, nickel in the Hami Tulaergen deposit of Xinjiang province, and copper and lead-zinc in the Huogeqi deposit of Inner Mongolia. Dr Deng has been honoured with numerous scientific and business awards in China.
Dr Deng brings to the Board extensive geological, mining and business experience.

Interest in shares and options: 375,000 ordinary shares and 2,000,000 options

Dr Kenneth John Maiden

Executive Director

Qualifications: BSc, PhD, FAusIMM, MAIG

Experience: Since completing a doctoral thesis on the Broken Hill orebody, Ken has had 37 years professional experience - as an exploration geologist with major resource companies (CSR and MIM), as an academic (University of the Witwatersrand, Johannesburg) and as a mineral exploration consultant. Ken has participated in successful base metal exploration programmes in South Australia, Queensland, southern Africa and Indonesia. Ken brings particular strengths in project generation to the Board. He has established mineral exploration companies in Southern Africa, South Australia and Queensland, and is a founding director of International Base Metals Limited.

Ken is a Fellow of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and a Fellow of the Society of Economic Geologists.

Interest in shares and options: 11,078,557 ordinary shares and 2,750,000 options

Other current directorships: Director of Zamia Gold Mines Ltd.

Peter Bradford

Non-executive Director (appointed on 1 September 2008)

Qualifications: B AppSc, FAusIMM, MSME

Experience: A metallurgist by training, after graduation Peter Bradford had experience in development and operations of base metals, gold and mineral sands projects in Australia, followed by gold mine development in Ghana and strategic planning for Ashanti Goldfields Company. He was Managing Director of Anvil Mining Limited in 1998-99 and President and Chief Executive Officer of Golden Star Resources Limited from 1999 to 2007.

Mr Bradford brings to the Board significant mining and business experience at operating and corporate levels in Australia, North America and Africa.

Interest in shares and options: 312,000 ordinary shares and 1,000,000 options

Other current directorships: Director of Anvil Mining Limited, Ashburton Minerals Limited, Kula Gold Pty Ltd and Copperbelt Minerals Plc.

Alan Humphris

Non-executive Director (appointed on 30 July 2009)

Qualifications: BSc, BEc, LLB, FCPA

Experience: Alan Humphris is an investment banker with more than 30 years experience in Australian and international markets. He is Managing Director of Balmoral Capital Pty Ltd, an investment banking firm specialising in providing corporate advisory services which he founded in 1997 following a career in merchant banking with JP Morgan and Hambros Australia.

Interest in shares : 100,000 ordinary shares

Other current directorships: Director of Rey Resources Limited and ASF Group Limited.

Chen Qiang

Alternate Director to Dr Deng Jiniu

Qualifications: BSc, MSc

Experience: Mr Chen is Managing Director of West Minerals Pty Ltd, the Company's largest shareholders. Mr Chen, a resident of Perth, has extensive experience in international commodities trading and private equity investment. In the 1990's he was the Marketing Manager of China Metallurgical Import and Export Corporation

Interest in shares: Nil

Ian Cunynghame Daymond

Non-executive Director (resigned on 6 December 2008)

Company Secretary

John Stone BEc

Experience: John has over 30 years' experience in the Australian and international corporate markets. He has been a director and company secretary for private and public listed companies.

Interest in shares and options: 203,125 ordinary shares and 300,000 options

Geoffrey Broomhead MComm, FCIS FCPA, SASIA (resigned 23 March 2009)

Directors' Meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director while they were a director. During the financial year 17 Board meetings and 1 Remuneration Committee meeting were held.

	Full meetings of Directors		Meetings of Remuneration Committee	
	A	**B**	**A**	**B**
Dr Alasdair James Macdonald	14	14	1	1
Stephen Blackman	17	17	-	-
Dr Deng Jiniu	17	1	-	-
Chen Chiang as alternate for Dr Deng	17	15	-	-
Dr Kenneth Maiden	17	15	1	1
Peter Bradford	14	12	1	1
Ian Cunynghame Daymond	7	7	-	-

A. Number. of Meetings held during the time the director held office or was a member off the committee during the year
B. Number of meetings attended

Principal Activities

The principal activity of the entity during the financial year was the continued exploration for economic base metal and gold resources both within Australia and internationally with a specific focus on copper exploration in Namibia.

There were no changes in the Group's principal activities during the course of the financial year.

Dividends

No dividends have been declared in the 2009 financial year (2008: no dividend declared).

Review of Operations

The Company continued with significant exploration initiatives in Namibia during the review period but scaled back its activities in Australia.

Namibia

The Company's wholly-owned Namibian subsidiary, Craton Mining and Exploration (Pty) Ltd ('Craton') continued its major exploration programme centred on the **Omitiomire** Copper Project, some 140 km northeast of Windhoek.

The first quarter, to 30 September 2008, saw the completion of the Omitiomire resource assessment by consultants Hellman & Schofield Pty Ltd ('H&S') and a pre-feasibility study under the direction of both the Company and its feasibility study manager, Green Team International (Pty) Ltd ('GTI') of Johannesburg.

The resource assessment demonstrated a considerably larger deposit than expected with the potential for further extensions. At a cut-off grade of 0.25% Cu, the deposit was determined to have a resource of **98 million tonnes at 0.51% Cu** or over 500,000 tonnes of contained copper. Approximately 20% of this resource is in the Indicated category; the remainder is in the Inferred category.

Metallurgical testwork established the opportunity to rapidly upgrade the mill head grade from around 0.5% Cu to over 1% Cu and that radically improved the economics of the Project. Testwork also showed that flotation would produce a +55% Cu concentrate with +90% recovery from sulphide ore and around 70% recovery from oxide ore.

Preliminary mine planning showed the feasibility of an opencut mining operation. Environmental studies on the deposit and its environs showed no impediments to eventual project development. Studies on infrastructure issues (power, water, transport, etc) and discussions with Government on these issues have been very positive. The pre-feasibility study concluded that the Omitiomire resource would support a financially robust copper mining and processing project, with significant upside in terms of resource expansion.

A planned Definitive Feasibility Study was postponed when the global financial crisis, with the associated "credit crunch", adversely affected the Company's capital-raising ability from September 2008.

Resource drilling stopped in early July and exploration drilling recommenced in October for a six week period. Regionally, the Company's portable XRF analyser facilitated soil geochemical surveys throughout the Omitiomire tenement. Extensive geochemical anomalies are being followed up by shallow RAB drilling and by RC drilling, which are producing encouraging results.

Geochemical surveys were also carried out within the surrounding **Steinhausen** project area, providing targets for follow-up exploration.

Scout drilling at the **Kalahari Copperbelt** project was completed in the first quarter as a follow up to geochemical, geophysical and geological mapping that occurred in 2007-08. Further work is planned.

No substantial work was undertaken at the **Kamanjab** project.

A small EPL has been applied for over the Lorelei copper-molybdenum prospect and surrounding areas in the Orange River region in the south of Namibia close to the South African border.

Policies for protecting the environment are in place. Rehabilitation of surface disturbances following drilling is carried out at the highest level to ensure minimal impact.

Attention to health and safety issues is ongoing during exploration programmes.

Craton provides vocational training to its employees. In particular, by the end of 2008 the Company had trained over 30 personnel in basic exploration sampling techniques.

Craton has developed a close association with the Geology Department of the University of Namibia. The Company has provided two N$150,000 Honours Scholarships to final year geology students to study in South Africa. Craton has also provided field geological training for final-year geology students and has employed several geology students on a casual and vacation training basis. The Company also encourages its technical staff and external consultants to provide lectures to geology students.

The Craton Foundation has been established to provide broader educational support to employees and to the communities in which the Company operates.

Craton has a policy of using Namibian enterprises as contractors whenever/wherever possible to ensure maximum added value to the local economy.

Craton has enjoyed good relations with the farming communities in its tenement areas and with the relevant Namibian Government authorities. In particular, it has built relationships with those responsible for infrastructural inputs such as power and water.

By the end of November 2008 the Company had a fully equipped exploration office, warehouse facilities, an enclosed field camp and a complement of over 20 permanent and casual employees. The team was reduced during December as austerity measures were imposed.

Directors are very pleased with the progress made in Namibia during the period, albeit cash constrained by period end.

Australia

Maranoa Resources

In the period, IBML successfully negotiated an access agreement with the Bidjara people to cover all exploration within their Native Title claim. This was a significant breakthrough and facilitated exploration programmes over the Darkwater igneous complex which had earlier been shown to be a large 10 km x 10 km target area. Austerity measures in November-December dictated a withdrawal of several EPM applications that had been outstanding for up to four years. The Board made a decision to seek a joint venture partner to fund ongoing exploration of the project areas.

Auricula Mines

In the review period, IBML's joint venture partners continued work on the Mount Hope and Shuttleton Project areas.

Endolithic Resources

One of the two EPM applications over prospective base metal targets in north Queensland were offered for grant in December but in view of the austerity measures then in place, the offer was declined and the other application withdrawn.

Project Generation

During the period, research by IBML identified a number of targets but no licence applications were submitted.

Corporate Activities

Corporately, the emphasis during the period was in securing access to additional funding in order to maintain the Australian and Namibian exploration effort.

The Company appointed New Holland Capital and Balmoral Capital - Sinonew Capital Advisory as its financial advisers in August-September and embarked upon a Convertible Note issue coupled with Institutional Placements. West Minerals Pty Ltd, the company's cornerstone investor, took a A$1 million placement at A$0.20 per share in early September 2008 in anticipation of the impending IPO priced at A$0.30 per share.

In late September, as the global financial crisis adversely affected the world's stock exchanges, the planned IPO was postponed and an Information Memorandum was launched in October 2008 to raise equity funds via placements. The Convertible Note issue did not attract funding with a similar response to the Information Memorandum which incorporated the July 2008 Omitiomire pre-feasibility study.

The ongoing meltdown of the financial sector coupled with a severe downturn in the copper price dried up traditional sources of funding and the Company sought assistance from its cornerstone investor by way of a secured A$850,000 Convertible Loan in late December. The Loan was convertible at either 8 cents or 5 cents depending on additional funding being secured by the end of the financial year. A condition of the Loan was the issue to the lender of 6,250,000 options on the same pricing; this arrangement was approved by shareholders at the EGM on 5 February 2009.

The first drawdown of the loan facility occurred on 23 December 2008 and the second on 31 January 2009. A Notice of an Extraordinary General Meeting ('EGM') to approve the Loan conversion and options terms was lodged with ASIC before year end. In June 2009 the lender converted the Loan plus accrued interest to equity in IBML at 5 cents, contributing $874,657. This lender also converted its options at the same price, contributing a further $312,500.

As a condition of this Loan, in February 2009 the Company approached Shareholders with an 8 cents Rights Issue, which raised $972,867.

The Company continues to be very transparent in its need to raise capital progressively to maintain its targeted exploration activities. As an exploration company, IBML recognises the need to modify planned activities in the light of market conditions and the availability of capital.

During the financial year, the Group conserved working capital by the payment of outstanding creditors and payables to consultants from the previous year with share based payments of $226,709.

Company Strategy

The Board has adopted the following strategy:

- To continue to assess the resource potential of the Omitiomire project area;
- To update the Omitiomire pre-feasibility study, including a revised resource estimate;
- To define and prioritise exploration targets in other Namibian project areas;
- To secure a Joint Venture partner for the Maranoa projects;
- To continue to assess other exploration opportunities, especially within Namibia and Australia;
- To prepare for an IPO and a listing of the Company's shares on ASX at an appropriate time, which is likely to be in the first half of 2010;
- To assess and follow up other suitable capital-raising options; and
- To initiate a Definitive Feasibility Study for a copper mining and processing operation based on the updated Omitiomire resource.

As at 30 June 2009 the number of listed ordinary shares was 238,926,234 (2008:193,488,355). There are 24,500,000 unquoted options which can be exercised up until 2 October 2013.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no other significant changes in the state of affairs of the consolidated entity that occurred during the period not otherwise disclosed in this report or the financial report.

After Balance Date Events

a) An EGM was held on 31 July 2009 at which meeting shareholders approved the following resolutions:
   - The issue of a total of 1,104,162 shares to Directors or their nominees at a deemed issue price of $0.08 per share in satisfaction of unpaid directors fee of $33,333 to James Macdonald, $25,000 to Peter Bradford and $30,000 to Deng Jiniu; and
   - To allot up to 37,886,226 fully paid ordinary shares at an issue price of $0.08 to raise up to $3,030,898 with shares to be allotted no later than one month after the date of the EGM.

b) In accordance with the AGM approval, 312,500 shares were allotted to Director Peter Bradford and 375,000 shares to Deng Jiniu on 31 August 2009 and 416,662 shares to Chairman James Macdonald on 22 September 2009.

c) On 27 July 2009, 6,250,000 shares were allotted to Hunan Central South Biohydrometallurgy Company Ltd following receipt of allotment monies of $500,000 as per shareholder approval at the EGM of 31 July 2009.

d) On 27 August 2009, 31,250,000 shares were allotted to a major shareholder, West Minerals Pty Ltd, following the receipt of allotment monies of $2,500,000 as per shareholder approval at the EGM of 31 July 2009.

Exploration activities subsequent to 30 June 2009 are covered in the Review of Operations.

Environmental Regulations

The Consolidated Entity's operations are presently subject to environmental regulation under the laws of Australian State Governments, the Commonwealth of Australia and Namibia. The Consolidated Entity is at all times in full environmental compliance with these laws and the conditions of its exploration licences

Remuneration Report

This report outlines the remuneration arrangements in place for directors, executives and key management personnel of International Base Metals Limited.

Remuneration policy

The Board determine the remuneration policy applicable to each executive as and when required based on market rates and funding available. Currently all executive key management personnel are contractors to the Company and all were appointed under arms length agreements acceptable to both parties.

Key management personnel are entitled to participate in the employee share and option arrangements and to benefits at the discretion of the Board.

Details of remuneration

Details of the remuneration of the Directors, the key management personnel of the Group (as defined in AASB 124 Related Parry Disclosures) and specified executives of International Base Metals Limited ('IBML') are set out in the following tables

Remuneration – Key management personnel of the Group 2009

	Short-term benefits	Post-employment benefits	Share-based payments			
	Cash, salary and fees $	Super-annuation $	Equity (a) $	Options (b) $	Termination benefit $	Total $
Executive Directors						
Stephen Blackman	139,145	66,688	56,771	-	-	262,604
Kenneth Maiden	104,561	66,383	51,094	-	-	222,038
Non-executive Directors						
Dr Alastair James Macdonald (appointed 01/09/08)	-	-	33,333	7,236	-	40,569
Dr Deng Jiniu	-	-	30,000	-	-	30,000
Ian Daymond (resigned 06/12/08)	20,550	1,125	-	-	-	13,625
Peter Bradford (appointed 01/09/08)	-	-	25,000	4,824	-	29,824
Other Key Management Personal						
Kart Hartmann, Exploration Manager	187,689	-	118,974	-	-	306,663
John Stone , Company Secretary	59,800	-	-	-	-	59,800
Geoffrey Broomhead (until 18/12/2008)	140,821	10,769	47,687	-	-	199,277
Gary Baglin (retrenched 30/06/09)	69,711	5,807	-	-	46,240	121,758
Robert Ilchik	89,258	5,625	-	-	-	94,883
Charlotte Seabrook (resigned 03/10/08)	34,621	2,363	-	-	-	36,984
Total Key Management Remuneration	**838,106**	**158,760**	**362,859**	**12,060**	**46,240**	**1,418,025**

(a) *Share-based payments issued to Executives at a deemed value of $0.08 cents per share in satisfaction of unpaid executive fees. Shares issued to Dr Macdonald, Dr Deng and Peter Bradford were not allotted until after 30 june 2009 as per Note 24 'Subsequent Events'.*

(b) *Non-cash benefits consist of share based payments with options issued on 2/10/2008 as approved by shareholders at the 2008 AGM.*

Remuneration – Key management personnel of the Group 2008

	Short- term benefits	Post-employment benefits	Share-based payments		
	Cash, salary and fees $	Super-annuation $	Equity $	Options $	Total $
Executive Directors					
Stephen Blackman	131,333	7,500	-	72,998	211,831
Kenneth Maiden	71,500	3,375	-	72,998	147,873
Non-executive Directors					
Ian Daymond	81,313	2,430	-	36,499	120,242
Dr Deng Jiniu	27,000	-	-	36,499	63,499
Company Secretary					
Geoffrey Broomhead	173,333	15,600	-	72,998	261,931
John Stone	59,800	-	-	5,460	65,260
Other Key Management Personnel					
Gary Baglin, Exploration Manager	150,000	13,500	-	18,249	181,749
Robert Ilchik, Project Generation Manager	150,000	13,500	-	18,249	181,749
Charlotte Seabrook, Project Geologist	104,167	9,375	-	8,212	121,754
Karl Hartmann, Exploration Manager, Craton Mining & Exploration (Pty) Ltd	153,225	-	50,000	-	203,225
Total Key Management Remuneration	**1,101,671**	**65,280**	**50,000**	**342,162**	**1,559,113**

Service Contracts

Managing Director

The Managing Director, Stephen Edward Blackman, has a service agreement between the Company and his related entity Blackmans & Associates Pty Ltd signed on 9 June 2009 and expiring on 31 March 2010. Under the terms of the present contract:

- Mr Blackman has the right to at least 4 days per week of professional time paid by way of a $9,000 per month retainer plus a daily consulting rate of $300 plus GST.
- Mr Blackman is entitled to participate in such bonus and share option schemes as are established by the Company for the benefit of its employees and/or directors and/or consultants from time to time.
- Mr Blackman may resign from his position and thus terminate this contract by giving 90 business days' notice in writing.
- On a change of control the Company may terminate this agreement by paying 12 times the average monthly consulting fee invoiced by the consultant since the commencement of this agreement.
- The Company may terminate this contract at any time without notice if serious misconduct has occurred.

Executive Director – Technical

The Executive Director – Technical, Dr Ken Maiden , has a service agreement between the Company and his related entity Kraton Geoscience Pty Ltd signed on 18 May 2009 and expiring on 31 March 2010. Under the terms of the present contract:

- Dr Maiden's related entity, in consideration of the provision of services by the consultant, is entitled to payment of a retainer of $7,500 per month plus a daily consulting rate of $300 per day plus GST. The fee payable is to be reviewed every six months.
- Dr Maiden is entitled to participate in such bonus and share option schemes as are established by the Company for the benefit of its employees and/or directors and/or consultants from time to time.
- Dr Maiden may resign from his position and thus terminate this contract by giving three months notice in writing.
- On a change of control the Company may terminate this agreement by paying 12 times the average monthly consulting fee invoiced by the consultant since the commencement of this agreement.
- The Company may terminate this contract at any time without notice if serious misconduct has occurred.

Exploration Manager – Craton Mining and Exploration (Pty) Ltd

On 1 July 2008 the Company extended Mr Karl Hartmann's initial 12 month contract for three years from 1 July 2008. Under the terms of this contract:

- Mr Hartmann receives a contract fee of US$190,000 per annum and received 500,000 ordinary shares at nil consideration upon commencement of his contract in 2007.
- The Company will review this fee arrangement on 30 June each year.
- Upon the Board's decision to list the Company in July 2008, Mr Hartmann was issued with 500,000 ordinary shares at nil consideration.
- Mr Hartmann is entitled to participate in the Company Employee Share Option Plan.
- Mr Hartmann may resign from his position and thus terminate this contract by giving four weeks' notice in writing.
- The Company may terminate this contract by giving four weeks' written notice or the Company may provide a payment in lieu of such notice with entitlements to various leave.
- The Company may terminate this contract at any time without notice if serious misconduct has occurred.

Mr Hartmann's contract was amended in April 2009, reducing his contract fee to US$150,000 per annum.

Other executives (standard contracts)

All executives have rolling contracts. The Company may terminate the executives' employment agreement by providing four weeks' written notice or providing payment in lieu of the notice period (based on the fixed component of the executive's remuneration). The Company may terminate the contracts at any time without notice if serious misconduct has occurred.

Options Granted as Remuneration

Options are issued to Directors and Company Executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to all Directors and executives of the Company to increase goal congruence among Directors, executives and shareholders.

All options were issued for nil consideration. When exercisable, each option is convertible into one ordinary share.

In the current financial year 2,500,000 options over ordinary shares were issued to new directors as approved at the 2008 AGM.

The terms of each grant of options affecting remuneration in the previous and the current reporting periods are as follows:

	Grant date	Granted	Vested	Date vested and exercisable	Expiry date	Exercise Price	Value per option at grant date
2009							
Dr James Macdonald	2 Oct 08	1,500,000	1,500,000	2 Oct 08	02 Oct 13	$0.30	$0.0048
Peter Bradford	2 Oct 08	1,000,000	1,000,000	2 Oct 08	02 Oct 13	$0.30	$0.0048
		2,500,000	2,500,000				
2008							
Stephen Blackman	20 Dec 07	4,000,000	4,000,000	20 Dec 07	20 Dec 12	$0.20	$0.0182
Kenneth Maiden	20 Dec 07	4,000,000	4,000,000	20 Dec 07	20 Dec 12	$0.20	$0.0182
Ian Daymond	20 Dec 07	2,000,000	2,000,000	20 Dec 07	20 Dec 12	$0.20	$0.0182
Deng Jiniu	20 Dec 07	2,000,000	2,000,000	20 Dec 07	20 Dec 12	$0.20	$0.0182
John Stone	20 Dec 07	300,000	300,000	20 Dec 07	20 Dec 12	$0.20	$0.0182
Geoffrey Broomhead	20 Dec 07	4,000,000	4,000,000	20 Dec 07	20 Dec 12	$0.20	$0.0182
Garry Baglin	20 Dec 07	1,000,000	1,000,000	20 Dec 07	20 Dec 12	$0.20	$0.0182
Robert Ilchik	20 Dec 07	1,000,000	1,000,000	20 Dec 07	20 Dec 12	$0.20	$0.0182
Charlotte Seabrook	20 Dec 07	450,000	450,000	20 Dec 07	20 Dec 12	$0.20	$0.0182
		18,750,000	18,750,000				

Shares Issued on Exercise of Remuneration Options

No shares were issued to key management personnel during the financial year as a result of the exercise of remuneration options. For details of options exercised by a shareholder during the financial year refer to Note 27(b).

Shares under Option

Unissued ordinary shares of International Base Metals Limited under option to key management personnel and other holders at the date of this report are as follows:

Date options granted	Expiry Date	Issue price of shares	Number under option
20 Dec 07	20 Dec 12	$0.20	22,000,000
2 Oct 08	2 Oct 13	$0.20	2,500,000
			24,500,000

Indemnifying and Insurance of Directors and Officers

During or since the end of the previous financial year, the Company has given an indemnity or entered into an agreement to indemnity, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure all of the Directors of the Company as named above, the Company Secretary Mr John Stone, and all executive officers of the Company against any liability incurred as such by a Directors, Secretary or Executive Officers to the extent permitted by the

Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 35 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Dr James Macdonald
Chairman
Sydney, 27 October 2009

BDO Kendalls

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ABN 79 112 284 787

27 October 2009

The Directors
International Base Metals Limited
Level 8, 275 George Street
Sydney NSW 2000

Dear Sirs

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF INTERNATIONAL BASE METALS LIMITED

As lead auditor of International Base Metals Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of International Base Metals Limited and the entities it controlled during the period.

Peter Toll
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia.

BDO Kendalls

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTERNATIONAL BASE METALS LIMITED

We have audited the accompanying financial report of International Base Metals Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

(a) the financial report of International Base Metals Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

We draw attention to Note 1 (b) in the financial report which indicates as at 30 June 2009 the consolidated entity incurred a net loss of $5,270,685. This condition, along with other matters as set forth in Note 1 (b), indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern and therefore whether it will realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report.

Auditor's Opinion

In our opinion, the Remuneration Report of International Base Metals Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001.*

BDO Kendalls Audit and Assurance (WA) Pty Ltd

BDO Kendalls

Peter Toll
Director

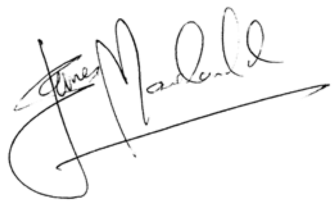
Dated this 27th day of October 2009
Perth, Western Australia

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 39-63, are in accordance with the Corporations Act 2001 including:
   a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
   b) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2009 and of their performance for the year ended on that date, and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Dr James Macdonald
Chairman
Sydney, 27 October 2009

INCOME STATEMENTS

For the Financial Year Ended 30 June 2009

	Note	Consolidated Group 30 June 2009 $	Consolidated Group 30 June 2008 $	Parent Entity 30 June 2009 $	Parent Entity 30 June 2008 $
Revenue	4	1,059,304	1,615,438	1,625,597	2,144,169
Other income	5	12,199	-	12,199	-
Expenditure					
Administrative expenses		(871,484)	(1,276,958)	(719,532)	(1,003,017)
Exploration expenditure	6	(2,294,342)	(6,608,634)	-	(24,955)
Depreciation and amortisation expense	6	(97,425)	(53,567)	(97,425)	(52,112)
Consultants' expense		(383,297)	(542,941)	(381,897)	(542,941)
Financial and legal advice		(66,960)	(45,236)	(56,611)	(45,236)
Occupancy expenses		(209,725)	(228,639)	(170,572)	(179,415)
Financial expenses		(24,658)	(1,377)	(24,658)	(1,377)
Employee benefits expense		(1,945,760)	(1,947,641)	(1,653,145)	(1,663,697)
Impairment of receivables	6	-	-	(3,034,084)	(8,236,559)
Share based payments	6	(448,537)	(535,487)	(448,537)	(535,487)
Loss before income tax		(5,270,685)	(9,625,042)	(4,948,663)	(10,140,627)
Income tax	7	-	-	-	-
Loss attributable to members of parent entity		**(5,270,685)**	**(9,625,042)**	**(4,948,663)**	**(10,140,627)**

Earnings per share attributable to the ordinary equity holders of the company

	Note	2009	2008
Basic loss per Share	**27**	($0.03)	($0.06)
Diluted loss per share	**27**	($0.03)	($0.06)

Notes to financial statements are included on pages 44-63

BALANCE SHEETS

As at 30 June 2009

		Consolidated Group		Parent Entity	
		30 June 2009	30 June 2008	30 June 2009	30 June 2008
	Note	$	$	$	$
Current Assets					
Cash and cash equivalents	8	297,837	2,492,699	81,671	1,728,060
Trade and other receivables	9	72,127	204,583	72,127	10,875
Total Current Assets		369,964	2,697,282	153,798	1,738,935
Non-current Assets					
Available-for-sale financial assets	11	390,490	1,183,875	390,490	1,183,875
Other financial assets	12	-	-	23	23
Plant and equipment	13	122,501	204,205	122,501	204,205
Other assets	14	164,915	164,162	160,945	160,945
Total Non-current Assets		677,906	1,552,242	673,959	1,549,048
Total Assets		1,047,870	4,249,524	827,757	3,287,983
Current Liabilities					
Trade and other payables	15	342,586	785,318	278,803	356,172
Total Current Liabilities		342,586	785,318	278,803	356,172
Total Liabilities		342,586	785,318	278,803	356,172
Net Assets		705,284	3,464,206	548,954	2,931,811
Equity					
Contributed equity	16	17,362,960	13,838,710	17,362,960	13,838,710
Reserves	17	552,709	1,565,196	602,039	1,560,483
Accumulated losses	17	(17,210,385)	(11,939,700)	(17,416,045)	(12,467,382)
Total Equity		705,284	3,464,206	548,954	2,931,811

Notes to financial statements are included on pages 44-63

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2009

Consolidated Group

	Share Capital $	Retained Earnings $	Other Reserves $	Total Equity $
Balance at 1 July 2007	3,851,982	(2,314,658)	2,166,371	3,703,695
Changes in the fair value of available-for-sale financial assets	-	-	(1,007,375)	(1,007,375)
Foreign currency translation differences	-	-	4,713	4,713
Total expense for the year recognition directly in equity	-	-	(1,002,662)	(1,002,662)
Loss for the year	-	(9,625,042)	-	(9,625,042)
Total income and expense for the year	-	(9,625,042)	(1,002,662)	(10,627,704)
Shares issued during the year	8,666,920	-	-	8,666,920
Share issue costs	(634,192)	-	-	(634,192)
Share based payments	1,954,000	-	-	1,954,000
Share based payments expense	-	-	401,487	401,487
Balance at 30 June 2008	13,838,710	(11,939,700)	1,565,196	3,464,206
Balance at 1 July 2008	13,838,710	(11,939,700)	1,565,196	3,464,206
Changes in the fair value of available-for-sale financial assets	-	-	(1,202,981)	(1,202,981)
Foreign currency translation differences	-	-	(54,043)	(54,043)
Total expense for the year recognition directly in equity	-	-	308,172	(1,257,024)
Loss for the year	-	(5,270,685)	-	(5,270,685)
Total income and expense for the year	-	(5,270,685)	308,172	(3,063,503)
Shares issued during the year	2,847,525	-	-	2,847,525
Share issue costs	(66,484)	-	-	(66,484)
Options exercised	312,500	-	-	312,500
Share based payments	430,709	-	244,537	675,246
Balance at 30 June 2009	17,362,960	(17,210,385)	552,709	705,284

Notes to financial statements are included on pages 44-63

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2009

Parent Entity

	Share Capital $	Retained Earnings $	Other Reserves $	Total Equity $
Balance at 1 July 2007	3,851,982	(2,326,755)	2,166,371	3,691,598
Changes in the fair value of available-for-sale financial assets	-	-	(1,007,375)	(1,007,375)
Total expense for the year recognition directly in equity	-	-	(1,007,375)	(1,007,375)
Loss for the year	-	(10,140,627)	-	(10,140,627)
Total income and expense for the year	-	(10,140,627)	(1,007,375)	(11,148,002)
Shares issued during the year	8,666,920	-	-	8,666,920
Share issue costs	(634,192)	-	-	(634,192)
Share based payments	1,954,000	-	-	1,954,000
Share based payments expense	-	-	401,487	401,487
Balance at 30 June 2008	13,838,710	(12,467,382)	1,560,483	2,931,811
Balance at 1 July 2008	13,838,710	(12,467,382)	1,560,483	2,931,811
Changes in the fair value of available-for-sale financial assets	-	-	(1202,981)	(1202,981)
Foreign currency translation differences	-	-	-	-
Total expense for the year recognition directly in equity	-	-	(1,202,981)	(1,202,981)
Loss for the year	-	(4,948,663)	-	(4,948,663)
Total income and expense for the year	-	(4,948,663)	(1202,981)	(6,151,644)
Shares issued during the year	2,847,525	-	-	2,847,525
Share issue costs	(66,484)	-	-	(66,484)
Options exercised	312,500	-	-	312,500
Share based payments	430,709	-	244,537	430,709
Balance at 30 June 2009	17,362,960	(17,416,045)	(405,735)	548,954

Notes to financial statements are included on pages 44-63

CASH FLOW STATEMENT

For the Financial Year Ended 30 June 2009

	Note	Consolidated Group		Parent Entity	
		30 June 2009	30 June 2008	30 June 2009	30 June 2008
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		528,620	1,352,460	527,312	1,352,460
Payments to suppliers and employees		(3,471,336)	(1,994,037)	(2,802,902)	(1,025.844)
Payments for exploration expenditure		(2,348,383)	(6,556,639)	-	24,955
Interest received		67,814	256,327	55,975	194,007
Interest paid		(24,658)	(1,377)	(24,658)	(1,377)
Net cash(used in)/ provided by operating activities	**25**	**(5,247,943)**	**(6,943,266)**	**(2,243,273)**	**544,201**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of plant and equipment		(16,356)	(206,502)	(16,356)	(206,502)
Proceeds from sale of property, plant and equipment		1,308	-	1,308	-
Security deposit paid		(754)	(153,868)	-	(150,650)
Investment in controlled entities		-	-	-	(1)
Investment in listed entities		-	(5,000)	-	(5,000)
Net cash (used in)/ investing activities		**(15,802)**	**(365,370)**	**(15,048)**	**(362,153)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		3,135,367	8,666,919	3,135,367	8,666,919
Cost of capital raising		(66,484)	(634,191)	(66,484)	(634,191)
Repayment of loan from related entity		-	305,013	-	305,013
Loans to related parties – controlled entities		-	-	(2,455,951)	(8,236,559)
Net cash provided by financing activities		**3,068,883**	**8,337,741**	**612,932**	**101,182**
Net (decrease)/increase in cash held		(2,194,862)	1,029,105	(1,646,389)	283,230
Cash at the beginning of the financial year		2,492,699	1,463,594	1,728,060	1,444,830
Cash at the end of the financial year	**8**	**297,837**	**2,492,699**	**81,671**	**1,728,060**

Notes to financial statements are included on pages 44-63

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of International Base Metals Limited and controlled entities ('Group)' and separate financial statements and notes of International Base Metals Limited as an individual parent entity.

(a) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical cost, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

(b) Financial report prepared on a Going concern basis

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.
The net loss after income tax for the consolidated entity for the financial year ended 30 June 2009 was $5,270,685 (2008: $9,625,042).

The Directors nevertheless believe that it is appropriate to prepare the financial report on a going concern basis because:-

a) In the financial year the Company raised funds from share placements including a rights issue and the conversion of options to shares resulting in a cash injection of $2,285,367;
b) The Group had $297,837 in cash at 30 June 2009;
c) Shareholders at an EGM on 31 July 2009 approved the issue of up to 37,886,226 fully paid shares at an issue price of $0.08 cents. On 24 July 2009 a placement at $0.08 cents per share resulted in a cash injection of $500,000 and a further placement on 26 August 2009 raised $2,500,000; and

The ability of the Group to meet operating expenditure is dependent upon future fundraising or the Company's business activities generating positive cash flows. The Company is projected to require further capital raising in the future to advance its projects through the standard stages of feasibility studies, development and ultimate operation. Following a period of plant commissioning the company should be in a positive cash flow position thereafter.

In the event that the consolidated entity is unable to raise sufficient funds there is a significant uncertainty whether it will be able to continue as a going concern and therefore whether the Company and the consolidated entity can realise its assets and extinguish its liabilities. The ability of the Group to raise funds will depend on the industry and resource market interest.

(c) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of International Base Metals Limited ("company" or "parent entity") as at 30 June 2009 and the results of all subsidiaries for the year then ended. International Base Metals Limited and its subsidiary together are referred to in this financial report as the Group or the Consolidated Entity.
Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another sector.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.
Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Group

(d) Segment reporting
A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments. The Group operates in one business sector and two geographic sectors being Australia and Namibia. (Refer Note 3).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign currency translation

(I) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency'). The consolidated financial statements are presented in Australian dollars, which is International Base Metals Limited's functional and presentation currency.

(ii) Transactions and balance

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(f) Revenue Recognition

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

Revenue from the rendering of a service is recognised upon delivery of services to customers.

All Australian revenue is stated net of the amount of goods and services tax (GST) and Namibian revenue net of VAT.

(g) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

International Base Metals Limited and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(h) Exploration and development expenditure

All exploration, evaluation and development expenditure on all the Company's exploration tenements is expensed as incurred. Directors believe this treatment where expenditure is expensed rather than capitalised is more relevant with understanding the Company's financial position, complies fully with AASB 6 and is cash flow neutral.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown with short-term borrowings in current liabilities on the balance sheet.

(k) Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loan to subsidiaries are classified as non-current receivables.

Available-for-sale financial assets

The Group classifies its investments as available-for-sale assets, which comprise of marketable securities. They are included in non-current assets unless management intends to dispose of the investments within 12 months of the balance sheet date. Such investments are stated at fair value, with any resultant gain or loss recognised directly in equity. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement.

The fair value of financial instruments classified as available-for-sale is the quoted bid price at the balance date.

Financial instruments classified as available-for-sale investments are recognised/derecognised by the entity on the date it commits to purchase/sell the investments.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired, in the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

(l) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

At each reporting date, the group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value is use is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Depreciation

Depreciation is provided on plant and equipment and leasehold improvements. Depreciation is calculated on a straight line basis over the useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the expired period of the lease or the estimated useful lives of the improvements. The following estimated useful lives are used in the calculation of depreciation:

Parent and Australian registered subsidiaries

Furniture & fitting	20-50%
Office equipment	5-37.5%
Computer software and equipment	33.3-50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

(m) Trade and other payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(n) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the reporting date.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Operating Leases

Lease payments for operating leases, where substantially all the risks remain with the lessor, are charged as expenses in the periods in which they are incurred.

(p) Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date**.**

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Income Statement in the period in which they are incurred.

(r) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in current provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, plus related on-costs.

Share-based payments

Share-based compensation benefits are provided to directors, employees and company consultants via the International Base Metals Ltd Employee Share Option Plan. Information relating to this Plan is disclosed in Note 27.

The fair value of options or shares granted under the Plan is recognised as an expense in the income statement with a corresponding increase in equity.

The fair value of options at grant date is independently determined using a Black-Scholes option pricing model that take into account the exercise price, the term of the options, the impact of dilution, the share price at grant date, expected price volatility of the underlying share, and the the risk free interest rate for the term of the options The total amount is expensed by reference to the fair value of those options at the date the shares or options are granted over the vesting period**.**

Shares issued under the Plan for no cash consideration vest immediately on grant date. On this date, the deemed market value of the shares issued is recognised as an expense in the income statement with a corresponding increase in equity.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(t) Earnings per share

(i) Basic earnings per share

Basic earnings pr share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) or value added tax(VAT), except, where the amount of GST incurred is not recoverable from the Australian Tax Office or VAT is not recoverable from the Namibian Tax Office. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables and payables in the balance sheet, are shown inclusive of GST/VAT. The net amount of GST/VAT recoverable from, or payable to, the taxation authorities is included with other receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis except for the GST/VAT component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

(v) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(w) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgements – impairment of other receivables

The directors have reviewed outstanding debtors as at 30 June 2009 and have formed the opinion that not all debtors outstanding are collectible and have therefore decided that a provision for impairment of other receivables should be made in the accounts of $3,034,084 being a debt owing by a subsidiary to the parent entity.

(x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Company is currently evaluation the effect on the Group but as the Group currently operates in one business segment and two geographic segments and reports on that basis the new standard is not expected to change reporting requirements.

(ii) *Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [1,AASB 101,AASB 107,AASB 111,AASB 116&AASB 138 and Interpretations 1 & 12]*

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. This revised standard is not expected to have an effect on the Company and the Group as it does not depend on borrowings to provide working capital..

(iii*) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101*
A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period

(iv*) AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations (Effective from 1 January 2009).*

AASB 2008-1 clarifies that vesting conditions consist of service and performance conditions only and that other features of a share share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

The Group will apply the revised standard from 1 July 2009, but it is not expected to affect accounting for the Group's share-based payments

(v) Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. The Group will apply the revised standard to business combinations entered into after 1 July 2009.

(vi) AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 July 2009)

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards are part of the lASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Group will apply the amendments prospectively to all partial disposals of subsidiaries from 1 July 2009.

(vii) AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)

In July 2008, the AASB approved amendments to AASB 1 *First-time Adoption of International Financial Reporting Standards* and AASB 127 *Consolidated and Separate Financial Statements.* The Group will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment.

(viii) AASB Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* (effective 1 October 2008).

AASB-I 16 clarifies which foreign currency risks qualify as hedged risks in the hedge of a net investment in a foreign operation. The Group currently does not hedge but has noted the clarification..

(ix) AASB 2008-8 Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective 1 July 2009).

AASB 2008-8 amends AASB 139 *Financial Instruments: Recognition and Measurement* and must be applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors.* The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Group does not hedge so that the amended standard will have no material impact on the Group's financial statements.

(*ix) AASB 2009-2 Additional Financial Instrument Disclosures (effective for period beginning 1 January 2009).*

This amends AASB 4 'Insurance Contracts', AASB 1023 'General Insurance Contracts', AASB 1038 'Life Insurance Contracts' and AASB 7 'Financial Instrument Disclosure' of which only changes to AASB 7 will impact on the Group. The changes to AASB 7 require enhanced disclosures about fair value measurements and liquidity risk. The Group will not implement the standard until the 2011 financial year.

NOTE 2: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

Risk management is carried out by management under policies approved by the Board of Directors. The Group's overall risk management strategy is to ensure that financial targets are met, while minimising potential adverse effects on financial performance relating to current and future cash flow requirements.
The Group's financial instruments consist mainly of deposit with banks, accounts receivable, investments, and payables, and loans to subsidiaries.

The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
Financial Assets				
Cash and cash equivalents	297,837	2,492,699	81,671	1,728,060
Trade and other receivables	72,127	204,583	72,127	10,875
Deposit	164,916	164,162	160,945	160,945
Available-for-sale financial assets	390,490	1,183,875	390,513	1,183,898
	925,370	4,045,319	705,256	3,083,778
Financial liabilities				
Trade and other payables	297,054	699,440	250,691	356,172
	297,054	699,440	250,691	356,172

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from other third parties, investments, banks and financial institutions.

Investments, banks and financial institutions

The Group limits its exposure to credit risk by only limiting transactions with high credit quality financial institutions that have an external credit rating ,set down by Standard and Poors (S&P), of at least AA and AAA category for long term investing and at least a short term rating of A-1 and A-1+, excluding available-for-sale financial assets. With respect to investments, it limits it's exposure by investing in liquid investments that are principally exchange traded. The group along with external advisors has established an internal investment committee whose purpose it to monitor and make adjustments to individual portfolio's based upon current economic outlooks in order to maximise returns on the individual portfolio's.

Trade and other receivables

As the Group operates in the mining exploration sector, the group and parent generally does not have trade receivables only fuel tax, VAT and GST (both of which are not subject to AASB 7 disclosures) therefore is not generally exposed to credit risk in relation to trade receivables. The Group however provides security deposit's as part of it's exploration activities which exposes the Group to credit risk.

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

Presently, the Group undertakes exploration and evaluation activities in Australia and Namibia. At the balance sheet date there are generally no significant concentrations of credit risk other than the transaction disclosed above.

Exposure to credit risk

The carrying amount of the Group and Parent's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying amount			
	Consolidated		**Parent entity**	
	2009 $	**2008 $**	**2009 $**	**2008 $**
Cash and cash equivalents	297,837	2,492,699	81,671	1,728,060
Other receivables	72,127	204,583	72,127	10,875
Other assets	164,915	164,162	160,945	160,945
Available-for-sale financial assets	390,490	1,183,875	390.490	1,183,875
	925,369	4,045,319	315,133	3,083,755

Financial assets past due but not impaired

As the Group and Company are not trading there are no financial assets past due and there is no management of credit risk through performing an aging analysis as required by AASB 7 therefore an aging analysis has not been disclosed in relation to this class of financial instrument.

Financial assets neither past due nor impaired

The Group and Company credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or past history:

	Carrying amount			
	Consolidated		**Parent entity**	
	2009 $	**2008 $**	**2009 $**	**2008 $**
Cash and cash equivalents				
AA Standard & Poor's	88,438	1,753,732	81,671	1,728,060
BBB+ Standard & Poor's	96,724	738,967	-	-
BBB+ Fitch Rating	112,675	-	-	-
	297,837	2,492,699	81,671	1,728,060
Other receivables				
Counterparts without external credit rating				
Group 1*	72,127	204,583	72,127	10,875

* Customers (More than 6 months) with o defaults in the past

(b) Cash flow interest rate risk

As the Consolidated Entity does not at the end of the reporting period have any external debt and all its liabilities are non-interest bearing, the effect on profit and equity as a result of change in the interest rate, with all other variables remaining constant would be immaterial. The short term loan from a related party taken out in December 2008 and was converted to equity in June 2009 was at a fixed rate of interest.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial Liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational and financing activities;
- Ensuring that adequate capital raising activities are undertaken;
- maintaining a reputable credit profile; and
- investing surplus cash only with major financial institutions.

The Group has no long term financial liabilities and prefers to use capital raising rather than borrowings to balance cash flow requirements.

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

The following tables reflect undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

Group as at 30 June 2009	Less than 1 Year $	1 to 5 Years $	More than 5 Years $	Total contractual cash flows $	Carrying Value $
Trade and other payables	297,054	-	-	297,054	297,054
Total financial liabilities	297,054	-	-	297,054	297,054

Group as at30 June 2008	Less than 1 Year $	1 to 5 Years $	More than 5 Years $	Non-interest Bearing $	Carrying Value $
Trade and other payables	699,440	-	-	699,440	699,440
Total financial liabilities	699,440	-	-	699,440	699,440

Parent as at 30 June 2009	Less than 1 Year $	1 to 5 Years $	More than 5 Years $	Total contractual cash flows $	Carrying Value $
Trade and other payables	250,691	-	-	250,691	250,691
Total financial liabilities	250,691	-	-	250,691	250,691

Parent as at 30 June 2008	Less than 1 Year $	1 to 5 Years $	More than 5 Years $	Non-interest Bearing $	Carrying Value $
Trade and other payables	356,172	-	-	356,172	356,172
Total financial liabilities	356,172	-	-	356,172	356,172

(d) Equity price risk

The Group and Company are exposed to equity price risk on it's equity investments classified as available-for-sale.

The Group has no policy for mitigating potential adversities associated equity price risk however the group regularly reviews the prices to ensure a maximum return.

Price risk sensitivity

The analysis of the available for sale assets is based upon the change in the S&P/ASX Metals and Mining Index which has decreased by 4.81% over the financial year.

30 June 2009	Equity 48% Increase $	Equity 48% Decrease $
Available-for-sale financial assets	$187,435	$187,435

(e) Fair value

Cash and cash equivalents, trade and other receivables and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave which is not considered a financial instrument.

NOTE 3: SEGMENT INFORMATION

(a) Primary reporting format – geographical segments

2009	Australia $	Namibia $	Eliminations $	Consolidated $
Segment revenue				
Sales to external customers	986,319	-	-	986,319
Other revenue (including finance revenue)	651,483	11,836	(578,135)	85,184
Consolidated revenue	**1,637,802**	11,836	(578,135)	**1,071,503**
Segment result				
Profit /(Loss) before tax	(5,224,241)	(3,080,528)	3,034,084	(5,270,685)
Income tax expense	-	-	-	-
Profit /(Loss) for the year	**(5,224,241)**	**(3,080,528)**	**3,034,084**	**(5,270,685)**

NOTE 3: SEGMENT INFORMATION (continued)

2009	Australia	Namibia	Eliminations	Consolidated
	$	$	$	$
Segment assets	834,523	213,370	(23)	1,047,870
Segment liabilities	2,125,338	10,490,653	(12,273,405)	342,586
Other segment information				
Depreciation and amortisation expense	97,425	-	-	97,425
Impairment of assets	3,034,084	-	(3,034,084)	-
Acquisition of property, plant and equipment	16,356	-	-	16,356
Cash flow information				
Net cash inflow from operating activities	(1,930,812)	(3,317,131)	-	(5,247,943)
Net cash outflow from investing activities	(2,803,364)	-	2,787,562	(15,802)
Net cash inflow from financing activities	3,068,883	2,787,562	(2,787,562)	3,068,883

2008	Australia	Namibia	Eliminations	Consolidated
	$	$	$	$
Segment revenue				
Sales to external customers	1,352,460	-	-	1,352,460
Other revenue	791,868	52,815	(581,705)	262,978
Consolidated revenue	**2,144,328**	**52,815**	**(581,705)**	**1,615,438**
Segment result				
(Loss)/profit before tax	(10,730,457)	(7,127,568)	8,232,983	(9,625,042)
Income tax benefit	-	-	-	-
(Loss)/profit for the year	**(10,730,457)**	**(7,127,568)**	**8,232,983**	**(9,625,042)**
Segment assets	3,324,034	925,513	(23)	4,249,524
Segment liabilities	1,952,837	8,068,225	(9,235,744)	785,318
Other segment information				
Depreciation and amortisation expense	53,567	-	-	53,567
Impairment of assets	8,236,559	-	(8,236,559)	-
Acquisition of property, plant and equipment	206,502	-	-	206,502
Cash flow information				
Net cash inflow from operating activities	(62,839)	(6,880,427)	-	(6,943,266)
Net cash outflow from investing activities	(7,968,546)	(3,217)	7,606,393	(365,370)
Net cash inflow from financing activities	8,337,741	7,606,393	(7,606,393)	8,337,741

(b) Description of Segments

Geographical segments

The consolidated entity operates in two main geographical areas:

- Australia - Exploration activities
- Namibia - Exploration activities

Business segments

The consolidated entity operates in one main business namely exploration.

The business segments equate to the geographical segments, hence no secondary reporting format is disclosed.

(c) Notes to and forming part of the segment information

Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1 and Accounting Standard AASB 114 – Segment Reporting.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories and property, plant and equipment. Segment liabilities consist primarily of trade and other creditors, employee benefits and borrowings.

* The Group has no sales to external customers

NOTE 4: REVENUE

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
From continuing operations				
(a) Service revenue				
Administration service fees	696,000	779,360	696,000	779,360
Technical service fees	290,319	573,100	290,319	573,100
	986,319	1,352,460	986,319	1,352,460
(b) **Other revenue**				
Interest received – other entities	67,814	246,982	55,975	194,007
Interest received – related party		-	578,132	174,566
Other revenue	5,171	15,996	5,171	15,996
	72,985	261,568	639,278	384,569

NOTE 5: OTHER INCOME

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Foreign currency gain	12,199	-	12,199	-

NOTE 6: EXPENSES

Loss before income tax includes the following specific expenses:

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Finance costs					
- related parties		24,658	-	24,658	-
Exploration expenditure		2,294,342	6,608,634	-	24,955
Impairment losses – receivables	10(a)	-	-	3,034,084	8,236,559
Depreciation and amortisation expense		97,425	53,567	97,425	52,112
Share based payments expensed					
- Directors and employees (shares)		204,000	535,487	204,000	535,487
- Directors and employees (options)		12,060	-	12,060	-
- Related party		232,477	-	232,477	-

NOTE 7: INCOME TAX

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(a) income tax expense				
Current tax	-	-	-	-
Deferred tax	(1,484,220)	(2,602,669)	(247,739)	(439,452)
Deferred tax assets not recognised	1,484,220	2,602,669	247,739	439,452
	-	-	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
The prima facie tax on profit/(loss) before income tax is reconciled to the income tax as follows				
Prima facie tax payable on profit/(loss before income tax at applicable rates:				
- consolidated	(1,581,206)	(2,887,512)	-	-
- parent	-	-	(1,484,599)	(3,042,188)
Add tax effect of non-allowable items				
- Doubtful debts expense	-	-	910,225	2,470,968
- Share based payments expensed	134,561	706,646	134,561	160,646
- Other non allowable items	-	-	-	-
- Other assessable items	-	-	-	-
- Write off of investment	238,016	-	238,016	-
- Rate differences	(231,040)	(398,068)	-	-
Less tax effect of:				
- Other allowable items	(45,315)	(41,326)	(45,315)	(41,326)
- Timing differences	764	17,591	(627)	12,448
- Tax losses not recognised	1,484,220	2,602,669	247,739	439,452
Income tax benefit attributable to operating loss	-	-	-	-

NOTE 7: INCOME TAX (continued)

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
(c) Unrecognised temporary differences				
Deferred tax assets (at 30%)				
Carry forward tax losses	5,078,425	3,346,903	1,365,978	1,130,164
Capital losses	-	-	-	-
Timing difference	(30,293)	(280,353)	(35,520)	(284,467)
	5,048,132	3,066,550	1,330,458	845,697

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	297,837	2,492,699	81,671	1,728,060

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash at bank and in hand	297,837	2,492,699	81,671	1,728,060

Interest rate exposure

The Group and the parent entitiy's exposure to interest rate risk is disclosed in Note 2.

NOTE 9: CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

Trade and other receivables	72,127	204,583	72,127	10,875

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

NOTE 10: NON-CURRENT ASSETS – OTHER RECEIVABLES

Amounts owing by controlled entities	-	-	12,273,405	9,239,321
Provision for impairment of receivables	-	-	(12,273,405)	(9,239,321)
	-	-	-	-

(a) Impaired receivables and receivables past due

At 30 June 2009 $12,273,405 (2008:$9,239,321) owing by controlled entities was impaired with $3,034,084 provided for in 2009 (2008: $8,236,559). The impairment has resulted from the Parent Entity advancing working capital to Controlled Entities which entities have no income and therefore are not in a position to meet their liability to the Parent Entity.

(b) Fair values

After provisioning for impairment for the amount owing by a controlled entities of $3,034,084, the carrying amount is assumed to approximate the fair value of the other receivable. Information about the Group's and the parent entity's exposure to credit and interest risk is provided in Note 2.

NOTE 11: NON-CURRENT ASSETS – AVAILABLE-FOR-SALE FINANCIAL ASSETS

Shares in listed entities at fair value	390,490	1,183,875	390,490	1,183,875

(a) Fair value

Shares in listed entities have been valued at market price on 30 June 2009 resulting in a writedown of the Asset Revaluaiton Reserve by $1,202,981 (2008:$1,007,375). As the majority of these investments were issued for no consideration as part of an in-specie distribution, they are not considered impaired as they are not recorded below cost.

NOTE 12: NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

Available for sale financial assets comprise shares in controlled entities, disclosed in note 23 are carried at cost.

Shares in Controlled Entities – at cost	-	-	23	23

NOTE 13: NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
Cost at fair value	316,451	302,815	311,510	297,876
Accumulated depreciation	(193,950)	(98,612)	(189,009)	(93,671)
Net book value	**122,501**	**204,205**	**122,501**	**204,205**

Office furniture and equipment	Consolidated	Parent
As at 1 July 2007	$	$
Cost at fair value	121,320	116,379
Accumulated depreciation	(55,093)	(51,607)
Net book value	66,227	64,772
As at 30 June 2008		
Opening Net book value	66,227	64,772
Additions	206,504	206,504
Disposals	(14,957	(14,957)
Depreciation charge	(53,569)	(52,114)
Closing Net book value	204,205	204,205
As at 30 June 2009		
Opening Net book value	204,205	204,205
Additions	16,356	16,356
Disposals*	(635)	(635)
Depreciation charge	(97,425)	(97,425)
Closing Net book value	122,501	122,501

NOTE 14: NON-CURRENT ASSETS – OTHER CURRENT ASSETS

	Consolidated		Parent	
	2009	2008	2009	2008
Security deposits Australia and Namibia	164,916	164,162	160,945	160,945

NOTE 15: CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	2009	2008	2009	2008
Trade payables	93,012	454,517	75,858	198,009
Sundry payable and accrued expenses	204,041	244,923	174,833	86,000
Employee benefits	45,533	85,878	28,112	72,163
	342,586	785,318	278,803	356,172

NOTE 16: CONTRIBUTED EQUITY

	Parent & Consolidated		Parent & Consolidated	
	2009	2008	2009	2008
	Shares	Shares	$	$
Fully paid ordinary shares 238,926,234 (FY2008: 193,488,355)	238,926,234	193,488,355	17,362,959	13,838,709
1 (FY2007: 1) fully paid "A" class preference share	1	1	1	1
	238,926,235	193,488,356	17,362,960	13,838,710

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTE 16: CONTRIBUTED EQUITY (continued)

(a) Movements in ordinary share capital

Date	Details	No of shares	Issue price	$
30 Jun 2007	Opening Balance	104,864,023	-	3,851,981
05 Jul 2007	Share placement	500,000	0.10	50,000
12 Jul 2007	Share placement	200,000	0.10	20,000
31 Oct 2007	Share placement	28,874,999	0.12	3,465,000
23 Nov 2007	Share placement	1,416,665	0.12	170,000
26 Nov 2007	Share placement	24,957,376	0.12	2,994,885
07 Dec 2007	Share placement	16,957	0.12	2,035
20 Dec 2007	Share placement	7,916,667	0.12	950,000
05 Feb 2008	Share placement	9,041,668	0.12	1,085,000
18 Jun 2008	Share placement	15,000,000	0.12	1,800,000
18 Jun 2008	Share placement	200,000	0.12	24,000
18 Jun 2008	Share placement	500,000	0.12	60,000
	Less transaction costs arising on shares issued			(634,192)
30 Jun 2008	Balance	193,488,355	-	13,838,709
04 Aug 2008	Share based payment (b)	200,000	0.12	24,000
12 Aug 2008	Share based payment (b)	800,000	0.12	96,000
21 Aug 2008	Share based payment (b)	700,000	0.12	84,000
18 Sep 2008	Share placement	5,000,000	0.20	1,000,000
08 Apr 2009	Rights issue	11,110,862	0.08	888,867
06 May 2009	Share based payment (b)	2,833,859	0.08	226,709
06 May 2009	Rights issue	50,000	0.08	4,000
16 May 2009	Rights issue	1,000,000	0.08	80,000
29 Jun 2009	Share issued for convertible loan & interest (b)	17,493,158	0.05	874,658
29 Jun 2009	Option exercise	6,250,000	0.05	312,500
	Less transaction costs arising on shares issued			(66,484)
		238,926,234		17,362,959

(b) Share-based payments

The following share-based payments were made during the financial year:-

		No of shares	Issue price*	$
04 Aug 2008	Consultant payments	200,000	0.12	24,000
12 Aug 2008	Consultant and staff payments	800,000	0.12	96,000
21 Aug 2008	Consultant and staff payments	700,000	0.12	84,000
06 May 2009	Payment of amounts owing to employees and consultants from prior year	2,833,859	0.08	226,709
29 Jun 2009	Shares issued on conversion of loan and interest accrued on loan	17,493,158	0.05	874,658
		22,207,017		1,305,366

* Deemed value for issue of share based payments was the last share placement price.

(c) Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

At 30June 2009 there were 238,926,234 ordinary shares issued and fully paid up.

NOTE 16: CONTRIBUTED EQUITY (continued)

(d) Capital risk management

The Group and the parent entity's objective when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

Consistently with others in the industry, the Group and the parent entity monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The Group had no long-term debt at balance date and therefore no meaningful gearing ratio.

NOTE 17: RESERVES AND ACCUMULATED LOSSES

(a) Reserves

	Consolidated		Parent	
	2009 $	**2008 $**	**2009 $**	**2008 $**
Available-for-sale investments revaluation reserve	(43,985)	1,158,996	(43,985)	1,158,996
Share-based payments reserve	646,024	401,487	646,024	401,487
Foreign currency translation reserve	(49,330)	4,713	-	-
	552,709	1,565,196	602,039	1,560,483
Movements				
Available-for-sale investments revaluation reserve				
Balance at beginning of financial year	1,158,996	2,166,371	1,158,996	2,166,371
Revaluation	(1,202,981)	(1,007,375)	(1,202,981)	(1,007,375)
Balance at end of financial year	(43,985)	1,158,996	(43,985)	1,158,996
Share-based payments Reserve				
Balance at beginning of financial year	401,487	-	401,487	-
Options issued to employees	12,060	401,487	12,060	401,487
Options issued to a related party	232,477	-	232,477	-
Balance at end of financial year	646,024	401,487	646,024	401,487
Foreign Exchange Translation Reserve				
Balance at beginning of financial year	4,713	-	-	-
Currency translation differences arising during the year	(54,043)	-	-	-
Balance at end of financial year	(49,330)	4,713	-	-

(b) Accumulated losses

Movements in retained profits were as follows:				
Balance 1 July	(11,939,700)	(2,314,658)	(12,467,382)	(2,326,755)
Net profit / (loss) attributable to members of the Company	(5,270,685)	(9,625,042)	(4,948,663)	(10,140,627)
Balance 30 June	(17,210,385)	(11,939,700)	(17,416,045)	(12,467,382)

(c) Nature and purpose of reserves

(i) Foreign Exchange Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

(ii) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

(iii) Share-based payment reserve

The share base payment reserve represents the value of options issued to employees. This reserve will be reversed against share capital when the options are converted into shares by the employee.

NOTE 18: KEY MANAGEMENT PERSONNEL DISCLOSURES

Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year were:-

(a) Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year were:-

Dr Alasdair James Macdonald	Non-executive Chairman	Appointed 1 September 2008
Stephen Edward Blackman	Managing Director	
Dr Deng Jiniu	Non-executive Director	
Dr Kenneth John Maiden	Non-executive Director	
Peter Bradford	Non-executive Director	Appointed 1 September 2008
Ian Cunynghame Daymond	Non-executive Director	Resigned 6 December 2008
Chen Qiang	Alternate to Dr Deng Jiniu	
John Stone	Company Secretary	
Geoffrey Broomhead	Company Secretary/CFO	Resigned 23 March 2009
Karl Hartmann	Exploration Manager, Craton Mining and Exploration (Pty) Ltd	
Gary Baglin	Exploration Manager	Retrenched 30/6/2009
Robert Ilchik	Project Generation Manager	
Charlotte Seaborne	Project Geologist	Resigned 3/10/2008

(b) Key management personnel compensation:

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Short-term employee benefits	838.106	1,101,671	650,417	948,446
Post employment benefits	158,760	65,280	158,760	65,280
Share-based payments - shares	362,859	50,000	243,885	-
Share-based payments - options	12,060	342,162	12,060	342,162
Termination benefits	46,240	-	46,240	-
	1,418,025	1,559,113	1,111,362	1,355,888

Details of key management personnel remuneration are included in the remuneration report on page 31.

(c) Shareholdings of key management personnel

The number of shares in the company held during the financial year by each director of International Base Metals Limited and other key management personnel of the Group, including their personally related parties are set out below.

2009	**Balance at start of the year**	**Received during the year as share based payments**	**Other changes during the year**	**Balance at the end of the year**
Stephen Blackman, Managing Director	14,596,172	709,638	-	15,305,810
Dr Kenneth Maiden, Executive Director	10,439,885	638,672	-	11,078,557
Ian Daymond, Non-executive Director *	3,015,596	-	(3,015,596)	-
Chen Qiang, alternate to Dr Deng Jiniu	-	-	-	-
Geoffrey Broomhead*	2,031,250	596,094	(2,627,344)	-
John Stone	203,125	-	-	203,125
Karl Hartmann	625,000	-	1,237,179	1,862,179
Garry Baglin *	1,225,000	-	(1,225,000)	-
Robert Ilchik	525,000	-	-	525,000
Charlotte Seabrook*	350,000	-	(350,000)	-
	33,011,028	1,944,404	(5,980,761)	28,974,671

* No longer in Company's employ

An EGM held on 31 July 2009 approved the issue of the following shares to Directors as payment for director's fees accrued and not paid as at 30 June 2009 – Dr James Macdonald 416,662 shares, Dr Deng Jiniu 375,000 shares and Peter Bradford 312,500 shares. See Note 24 for further details.

2008				
Stephen Blackman, Managing Director	11,676,937	-	2,919,235	14,596,172
Dr Kenneth Maiden, Executive Director	10,314,635	-	125,250	10,439,885
Ian Daymond, Non-executive Director	2,598,930	-	416,666	3,015,596
Brian Rear, Non-executive Director	6,351,962	-	(6,351,962)	-
Geoffrey Broomhead	125,000	-	1,906,250	2,031,250
John Stone	-	-	203,125	203,125
Karl Hartmann	-	500,000	125,000	625,000
Garry Baglin	595,000	-	630,000	1,225,000
Robert Ilchik	115,000	-	410,000	525,000
Charlotte Seabrook	105,000	-	245,000	350,000
	31,882,464	500,000	628,564	33,011,028

NOTE 18: KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(d) Option holdings of key management personnel

The number of share options in the company held at the end of the financial year by each director of International Base Metals Limited and other key management personnel of the Group, including their personally related parties are set out below.

2009	Balance at start of the year	Received during the year as share based payments	Other changes*	Balance at the end of the year	Vested and exercisable
Dr James Macdonald	-	1,500,000	-	1,500,000	1,500,000
Peter Bradford	-	1,000,000	-	1,000,000	1,000,000
Stephen Blackman	4,000,000	-	-	4,000,000	4,000,000
Kenneth Maiden	2,750,000	-	-	2,750,000	2,750,000
Deng Jinliu	2,000,000	-	-	2,000,000	2,000,000
John Stone	300,000	-	-	300,000	300,000
Ian Daymond	2,000,000	-	(2,000,000)	-	-
Geoffrey Broomhead	4,000,000	-	(4,000,000)	-	-
Garry Baglin	1,000,000	-	(1,000,000)	-	-
Charlotte Seabrook	450,000	-	(450,000)	-	-
Robert Ilchik	1,000,000	-	-	1,000,000	1,000,000
	17,500,000	2,500,000	(7,450,000)	12,550,000	12,550,000

2008	Balance at start of the year	Received during the year as share based payments	Other changes*	Balance at the end of the year	Vested and exercisable
Stephen Blackman	-	4,000,000	-	4,000,000	4,000,000
Kenneth Maiden	-	4,000,000	(1.250,000)	2,750,000	2,750,000
Ian Daymond	-	2,000,000	-	2,000,000	2,000,000
Deng Jinliu	-	2,000,000	-	2,000,000	2,000,000
Geoffrey Broomhead	-	4,000,000	-	4,000,000	4,000,000
Garry Baglin	-	1,000,000	-	1,000,000	1,000,000
John Stone	-	300,000	-	300,000	300,000
Robert Ilchik	-	1,000,000	-	1,000,000	1,000,000
Charlotte Seabrook	-	450,000	-	450,000	450,000
	-	18,750,000	-	17,500,000	17,500,000

** Other changes refer to options acquired or disposed during the financial period.*

NOTE 19: REMUNERATION OF AUDITORS

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Auditor to the parent company				
Auditing or reviewing the financial report	36,530	30,500	36,500	30,500
Other services:				
- corporate advisory services	652	13,000	652	13,000
Other auditors of subsidiaries				
Auditing or reviewing the financial report of subsidiaries	7,876	5,369	-	-
	45,058	48,869	37,152	43,500

NOTE 20: CONTINGENT LIABILITIES

There were no contingent liabilities at balance date.

NOTE 21: COMMITMENTS

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $

(a) Non-cancellable operating leases

The property lease is a non-cancellable lease with a 3 years term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the lower of CPI or 5% per annum. An option exists to renew the lease at the end of the 3 year term for an additional term of 3 years.

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Non-cancellable operating leases contracted but not capitalised in the financial statements				
- Payable not later than one year	360,233	316,413	299,250	316,413
- Longer than 1 year and not longer than five years	644,135	986,109	644,135	986,109
Minimum lease payments	1,004,368	1,302,522	943,385	1,302,522

(b) Exploration and Development

Exploration tenements granted in Australia, Namibia are issued with a minimum annual expenditure commitment. The total minimum expenditure on existing exploration tenements in the next financial year is $325,000 although there is some flexibility in expenditure patterns over the life of the tenements where shortfalls in any single year can be made good in aggregate terms. (Minimum annual expenditure for tenements in Namibia is translated at rate of 1A$=6N$)

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
- Namibia Tenement Payable not later than one year	325,000	547,917	-	-
- Australia Tenement Payable not later than one year	300,000	115,000	-	-

(c) Loans to Controlled entities

The Company has issued Letters of Support to its Controlled Entities agreeing not to call up loans totalling $12,273,405 (2008: $9,239,321) referred to in Note 10 until each of the Controlled Entities is able to pay its debts as and when they fall due; and to provide further funding as is necessary to enable each of the Controlled Entities to pay its debts as and when they become due and payable

NOTE 22: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entity

The parent entity within the Group is International Base Metals Limited

(b) Subsidiaries

Interests in sbsidiaries are set out in Note 23

(c) Key management personnel

Disclosures in relation to key management personnel are set out in Note 18 and on page 31-33 of the Directors' Report.

(d) Outstanding balances arising from transactions with the Group

The Group includes the ultimate parent entity and its wholly owned and partly owned subsidiaries. The ultimate parent entity in the Group is International Base Metals Limited. Amounts receivable from entities in the Group are disclosed in note 10.

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Amounts owing by controlled entities	-	-	12,273,405	9,239,321
Provision for impairment of amounts owing by controlled entities	-	-	(12,273,405)	(9,239,321)

A provision for impairment of debtors of $3,034,084 was raised in the 2008 financial year (2008: $8,236,559) in relation to outstanding balances owing by a related entity and an expense was recognised with respect to this impairment.

(e) Other transactions with related parties

The Parent Entity has an Administrative Services Agreement with Zamia Gold Mines Limited ("ZGM") whereby the Parent Entity provides services of receptionist, secretarial, tenement management, accounting, investor relations, information technology and office facilities. Under a separate agreement, the Technical Services Agreement, the Parent Entity provides geological services, as and when required, to the ZGM Consolidated Entity. During the year the Parent Entity received $658,300, in fees from the ZGM Consolidated Entity for these services. Stephen Blackman and Ken Maiden are also Directors of Zamia Gold Mines Limited.

NOTE 22: RELATED PARTY TRANSACTIONS (continued)

Under an Administrative Services Agreement Service fees were charged for part of the financial year to Copper Range Ltd and its subsidiary amounting to $325,238, a Group of which Ken Maiden was a Director for the whole year and Stephen Blackman a Director for part of the year.

In December 2008 a secure convertible loan was extended to the Company by West Minerals Pty Ltd of $850,000, a company in which Director Dr Jiniu and his alternate Director Chen Qiang have a financial interest. The loan plus interest accrued of $24,658 was converted to equity in June 2009.

Aggregate amounts of each of the above types of transaction with key management personnel of the Group:

	2009	2008
	$	$
Amounts recognised as expense - interest	24,658	-
Amounts recognised as revenue – service fees	811,593	1,352,480
Amounts recognised as equity – share-based payment	874,658	-

(d) Outstanding balances arising from sale of services

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Current receivables – service fees	71,027	6,655	71,027	6,655

NOTE 23: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 10.

Name of entity	Country of Incorporation	Class of Shares	Ownership Interest	
			2009	2008
Parent entity				
International Base Metals Limited	Australia	Ordinary	100%	100%
Controlled entities				
AuriCula Mines Pty Ltd (incorporated 15 March 2004)	Australia	Ordinary	100%	100%
Maranoa Resources Pty Ltd (incorporated 31 August 2004)	Australia	Ordinary	100%	100%
Endolithic Resources Pty Ltd (incorporated 8 November 2007)	Australia	Ordinary	100%	100%
Craton Mining and Exploration (Pty) Ltd (acquired 12 February 2007)	Namibia	Ordinary	100%	100%

NOTE 24: SUBSEQUENT EVENTS

An EGM was held on 31 July 2009 at which meeting shareholders approved the following resolutions:-

- The issue of a total of 1,104,162 shares to Directors or their nominees at a deemed issue price of $0.08 per share in satisfaction of unpaid directors fee of $33,333 to James Macdonald, $25,000 to Peter Bradford and $30,000 to Dr Deng.
- To allot up to 37,886,226 fully paid ordinary shares at an issue price of $0.08 to raise up to $3,030,898 with shares to be allotted no later than one month after the date of the EGM.

In accordance with the AGM approval 312,500 shares were allotted to Director Peter Bradford and 375,000 shares to Dr Deng on 31 August 2009 and 416, 662 shares to Chairman James Macdonald on 22 September 2009.

On 27 July 2009, 6,250,000 shares were allotted to Hunan Central South Biohydrometallurgy Company Ltd following receipt of allotment monies of $500,000 as per shareholder approval at the EGM of 31 July 2009.

On 27 August 2009 31,250,000 shares were allotted to a major shareholder, West Minerals Pty Ltd following the receipt of allotment monies of $2,500,000.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 25: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated Group		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Operating profit/(loss) after income tax	(5,270,685)	(9,625,042)	(4,948,663)	(10,140,627)
Non cash items included in profit and loss:				
- proceeds from disposal of Controlled Entity	-	-	-	-
- depreciation and amortization	97,425	53,567	97,425	52,112
- share based payments	448,537	535,487	448,537	535,487
- share based payments (exploration costs)	-	1,820,000	-	1,820,000
- interest paid as a share-based payment	24,658	-	24,658	-
- interest charged to a controlled entity	-	-	(578,133)	-
- provision for impairment of receivables	-	-	3,034,084	8,236,559
- fixed assets written off	635	14,958	635	14,958
Change in assets and liabilities				
(Increase)/ decrease in:				
- receivables	(475,068)	(151,893)	(470,848)	36,657
- prepayments	(754)	-	-	-
Increase/(decrease) in:				
- payables	(72,691)	409,657	148,332	(30,937)
Net cash (outflow)/inflow from operating activities	**(5,247,943**	**(6,943,266)**	**(2,244,273)**	**544,201**

NOTE 26: NON-CASH INVESTING AND FINANCING ACTIVITIES

	Consolidated Group		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Convertible loan from a related party plus interest on the loan paid in shares	874,658	-	874,658	-

NOTE 27: LOSS PER SHARE

	Consolidated Group	
	2009	2008
	Cent per Share	Cents per Share
Basic loss per share	(2.61)	(2.63)
Diluted loss per share	(2.61)	(2.41)

Basic and diluted loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:-

	2009 $	2008 $
Loss (i)	(5,270,685)	(9,625,042)
	No.	**No**
Weighted average number of ordinary shares (ii)	202,028,784	150,382,537

(i) Earnings used in the calculation of basic and diluted loss per share are net loss after tax attributable to members of the parent entity as per the income statement.

NOTE 27: SHARE-BASED PAYMENTS

(a) Employee Share Option Plan

The Company has a shareholder approved Employee Share Option Plan. The Plan is designed to provide long-term incentives for senior managers, directors and contractors, and to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options are granted under the Plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. Shares granted under the Plan are also issued for no consideration and carry dividend and voting rights.

NOTE 27: SHARE-BASED PAYMENTS (continued)

The following share based payments were made during the financial year in payment for services rendered to the Group:-

(b) Shares

Grant Date	No of Shares	Fair Value per share	Total Fair Value
04 Aug 2008	200,000	0.12	24,000
12 Aug 2008	800,000	0.12	96,000
21 Aug 2008	700,000	0.12	84,000
06 May 2009	2,833,859	0.08	226,709
	4,533,859	-	430,709

(i) Fair value

Share-based payments have been valued at the last transaction price for the company's shares in relation to the date of approval of the issue.

(c) Options

Options are issued to Directors and Key Management Personnel as part of their remuneration with options granted for no consideration. Options were issued during the year to a major shareholder and were exercised during the year. Options granted are not listed and carry no dividend or voting rights. When exercisable each option is convertible into one ordinary share.

Set out below are summaries of all options granted to key management personnel and to a related party:

			Number				
Grant date	**Expiry date**	**Exercise Price**	**Balance at start of Year**	**Granted during the year**	**Exercised during the year**	**Balance at end of Year**	**Date vested and exercisable at end of year**
Consolidated and parent entity 2009							
20 Dec 07	20 Dec 12	$0.20	22,000,000	-	-	22,000,000	20 Dec 07
02 Oct 08	02 Oct 13	$0.30	-	2,500,000	-	2.500,000	02 Oct 08
05 Feb 09	05 Aug 09	$0.05	-	6,250,000*	(6,250,000)	-	05 Feb 09
Weighted average exercise price			$0.20	$0.12		$0.21	$0.21

** Options issued as a condition of a loan agreement and exercised on 16 May 2009 with the issue of ordinary shares*

			Number				
Grant date	**Expiry date**	**Exercise Price**	**Balance at start of Year**	**Granted during the year**	**Exercised during the year**	**Balance at end of Year**	**Date vested and exercisable at end of year**
Consolidated and parent entity 2008							
20 Dec 07	20 Dec 12	$0.20	-	22,000,000	-	22,000,000	20 Dec 07
Weighted average exercise price			-	$0.20	-	$0.20	$0.20

The weighted average remaining contractual life of share options outstanding at 30 June 2009 was 3.56 years (2008: 4.48 years)

(d) Expense arising from share-based payment transactions

Total expense arising from share-based transactions during the period charged against income was $448,537 of which $204,000 was for shares and $244,537 for options issued with a corresponding amount credited to contributed equity.
17,493,158 shares at $0.05 cents per share were issued on conversion of a loan from a related party and in payment of interest accrued on the loan resulting in acquittal of the loan, an increase in equity of $874,658.
Shares issued as share based payments as disclosed in (b) above of $226,709 was in payment of key management personnel remuneration accrued and not paid at 30 June 2008.

(e) Fair value of options granted

The assessed fair value at grant date of the 2,500,000 options granted to key management personnel during the year ended 30 June 2009 was 0.48 cents and of the fair value of the 6,250,000 options issued to a major shareholder as a condition of a loan agreement was 0.004 cents.
The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, and the risk free interest rate for the term of the option.

(f) Model inputs for options granted

The model inputs for options granted during the year ended 30 June for no consideration included:-

	Options granted 2 Oct 08	**Options granted 5 Feb 09**
Exercise price	$0.03	$0.05
Expiry Date	5 Aug 2013	5 Aug 2009
Estimated share price at grant date	$0.015	$0.08
Expected price volatility of the company's shares	100%	100%
Risk-free interest rate	7.00%	4.25%

TOP 20 SHAREHOLDERS

Holder Name	Shares held	%
WEST MINERALS PTY LIMITED	104,993,158	37.831
BLACKMANS & ASSOCIATES PTY LTD	15,304,558	5.515
MANICA MINERALS LTD	15,000,000	5.405
MR KENNETH JOHN MAIDEN & MRS MARGARET FRANCES MAIDEN	11,077,307	3.991
MACQUARIE BANK LTD	8,333,333	3.003
PERPETUAL CORPORATE TRUST LIMITED	8,333,333	3.003
HUNAN CENTRAL SOUTH BIOHYDROMETALLURGY COMPANY LTD	6,250,000	2.252
GOLDVANCE PTY LTD	5,047,200	1.819
MRS CORAL ESTELLE HARRIS & MR KERRY WILLIAM JOHN HARRIS	3,500,000	1.261
AUSTRALIAN GEOSCIENTISTS PTY LTD	2,932,500	1.057
MR MATTHEW STEPHENS	2,859,702	1.030
FITEL NOMINEES LIMITED	2,856,667	1.029
MULATO NOMINEES PTY LTD	2,500,000	0.901
MRS CLAUDE BROOMHEAD	2,096,094	0.755
SOS INITIATIVES PTY LTD	2,093,750	0.754
AUREX PTY LTD	2,083,333	0.751
DAYMOND & ASSOCIATES PTY LTD	2,069,167	0.746
MR JOCK BANKS	2,002,000	0.721
LEWER CORPORATION PTY LTD	2,000,000	0.721
ROYAL BANK OF SCOTLAND GROUP PLC	2,000,000	0.721
TISIA NOMINEES PTY LTD	2,000,000	0.721
	205,332,102	73.985
Total Number of Issued Ordinary Shares	**277,530,396**	

INTERNATIONAL BASE METALS LIMITED
ABN 73 100 373 635