

REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

22 July 2015

Dear IBML Shareholders

There was a minor oversight with respect to Resolution 3 in the original Notice of Meeting circulated to shareholders, which is now corrected in the attached revised NOM.

As evident from the revised NOM, the EGM will proceed on 14 August 2015 as originally notified.

IBML apologises for any inconvenience.

A handwritten signature in black ink, appearing to be 'John Stone', with a horizontal line underneath.

John Stone
Company Secretary



International Base Metals Limited

ACN 100 373 636

Revised Notice of Extraordinary General Meeting and Explanatory Memorandum

Date: 14 August 2015

Time: 2pm (Sydney time)

Place: Piper Alderman,

Level 23, Governor Macquarie Tower,
1 Farrer Place,

Sydney NSW 2000

Revised Notice of Extraordinary General Meeting

Notice is given that the Extraordinary General Meeting of shareholders of International Base Metals Limited (**Company** or **IBML**) will be held at 2pm (Sydney time) on Friday, 14 August 2015 at Piper Alderman, Level 23, Governor Macquarie Tower, 1 Farrer Place Sydney NSW 2000.

The accompanying revised Explanatory Memorandum and Proxy Form provide additional information relating to matters to be considered at the meeting, and form part of this notice of general meeting.

Agenda

1. Special Resolution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

Resolution 1 – Winding up the Company

Subject to Resolution 2 being approved and with effect from the close of the meeting, for the purposes of Part 5.5 of the Corporations Act and for all other purposes, pursuant to section 491(1) of the Corporations Act, the Company be wound up as a Members Voluntary Liquidation.

2. Ordinary Resolution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

Resolution 2 – Appointment of Liquidators

Subject to Resolution 1 being approved and with effect from close of the meeting, for the purposes of winding up the affairs of the Company and distributing the property of the Company (net of liabilities), pursuant to section 495(1) of the Corporations Act, Quentin James Olde of FTI Consulting be appointed as liquidator of the Company.

Resolution 3 – Approval of termination benefits to Mr Frank Bethune

That approval is given for the purposes of sections 200B and 200E of the *Corporations Act 2001* (Cth) and for all other purposes to give benefits to Mr Frank Bethune in connection with Mr Bethune's cessation of employment with the Company, as described in the Explanatory Memorandum which forms part of this Notice of Meeting.

Dated 15 July 2015
By order by the Board



John Stone
Company Secretary

Revised Explanatory Memorandum

This revised Explanatory Memorandum has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting to be held at Piper Alderman, Level 23, Governor Macquarie Tower, 1 Farrer Place Sydney NSW 2000 at 2pm (Sydney time) on Friday, 14 August 2015.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. Resolution 1 – Winding up the Company

Background

As outlined in the Notice of Meeting, a resolution is before the Shareholders to wind up the Company by way of a Members Voluntary Liquidation.

Resolution 1 has been put before the Shareholders at the request of Shareholders holding at least 5% of the votes that may be cast at a general meeting. The Directors are not in support of this Resolution.

Requirements for the Members Voluntary Liquidation

The proposed Members Voluntary Liquidation is required to be approved by a special resolution of Shareholders (section 491(1) of the Corporations Act). Therefore, to be passed, this Resolution must be supported by 75% of the votes cast by Shareholders voting on the Resolution, either in person, by proxy, by attorney or by authorised representatives at the general meeting.

Further, the Directors have filed a Declaration of Solvency with ASIC as required by section 494 of the Corporations Act, prior to sending the Notice of Meeting.

Resolution 1 is further conditional on Resolution 2 being approved and takes effect after the close of the Meeting. If Resolution 2 is not approved, then Resolution 1 will be of no force or effect.

Effect of Resolution 1 being approved

If Resolution 1 is approved, then from the date of its approval:

- the Company must cease carrying on all business (section 493 of the Corporations Act); and
- Shareholders will not be able to deal with their shares. Any transfer of shares in the Company that is made after the passing of Resolution 1 is void unless the consent of the liquidator (once appointed) is given in limited circumstances.

Directors' intention and recommendation

IBML is in a strong financial position. Recent cost-cutting measures and refocusing of the management team have been aimed at conserving cash so that the company can recommence development of its Omitiomire project when the (previously foreshadowed) legal issues have been resolved. IBML remains committed to its vision of becoming a successful

and sustainable mineral exploration and mining company with its' primary focus being Namibia.

The Directors advise that as at the date of the Notice of Meeting, they intend to vote AGAINST Resolution 1 and recommend that Shareholders also vote AGAINST Resolution 1.

2. Resolution 2 – Appointment of Quentin James Olde of FTI Consulting as Liquidator of the Company

Background

As outlined in the Notice of Meeting, if Resolution 1 is passed, then Shareholders are further requested to approve the appointment of a liquidator elected by the Board.

Resolution 2 has been put before the Shareholders at the request of Shareholders holding at least 5% of the votes that may be cast at the general meeting. The Directors are not in support of this Resolution.

The requisition from Shareholders with regards to the appointment of a liquidator did not specify the liquidator to be appointed. Quentin James Olde of FTI Consulting has been proposed as the potential liquidator of the Company (subject to both Resolutions 1 and 2 being passed) in order to give effect to the Shareholder requisition.

Requirements for appointment of a liquidator

The proposed appointment of the liquidator is required to be approved by an ordinary resolution of Shareholders. Therefore, to be approved, this Resolution must be supported by 50% of the votes cast by Shareholders voting on the Resolution, either in person, by proxy, by attorney or by authorised representatives at the general meeting.

Quentin James Olde of FTI Consulting has consented to act as the liquidator of the Company, subject to Resolutions 1 and 2 being approved. The consent of Quentin James Olde will be tabled at the Extraordinary General Meeting.

Effect of Resolution 2 being approved

If Resolution 2 is approved, then from the close of the Meeting:

- Quentin James Olde of FTI Consulting will be responsible for winding up the affairs of the Company and distributing any remaining assets of the Company; and
- on the appointment of Quentin James Olde of FTI Consulting as the liquidator of the Company, all the powers of the Directors' cease (section 495(2) of the Corporations Act).

Directors' intention and recommendation

IBML is in a strong financial position. Recent cost-cutting measures and refocusing of the management team have been aimed at conserving cash so that the company can recommence development of its Omitiomire project when the (previously foreshadowed) legal issues have been resolved. IBML remains committed to its vision of becoming a successful and sustainable mineral exploration and mining company with its' primary focus being Namibia.

The Directors advise that as at the date of the Notice of Meeting, they intend to vote AGAINST Resolution 2 and recommend that Shareholders also vote AGAINST Resolution 2.

3. Resolution 3 – Approval of termination benefits to Mr Frank Bethune

Background

As announced on 23 March 2015, 2 April 2015 and 1 June 2015, Frank Bethune was on 23 March 2015 given 12 months' notice of termination of employment as Managing Director of the Company in accordance with his employment contract. As a consequence of this notice, Mr Bethune stepped down as Managing Director and resigned as a Director of the Company and of other group companies. Since receiving his notice, Mr Bethune continued to be an employee of the Company on 'gardening leave'. It was intended that Mr Bethune would remain on gardening leave until the end of his notice period, ie 23 March 2016.

The Board has subsequently decided that it is in the best interests of the Company to take Mr Bethune off 'gardening leave' and to make a payment to Mr Bethune in lieu of his remaining notice period in accordance with his employment contract.

This decision was based on numerous factors, including the receipt of Shareholder feedback and the fact that the Board no longer requires Mr Bethune to make himself available to the Company.

Based on a termination date of 31 July 2015, the amount payable to Mr Bethune, will, subject to Shareholder approval, be **A\$284,392.00**, which represents Mr Bethune's remuneration entitlements under his employment contract up to 23 March 2016, being the end of his notice period.

Mr Bethune's employment will end on receipt of the payment described above.

Reasons for approval

Under section 200B of the Corporations Act, a person must not be given a benefit in connection with that person's retirement from an office, or position of employment, in a company or related body corporate of that company if the person holds, or has in the three years prior to retirement held, a managerial or executive office.

A benefit may be given if the company's shareholders approve that benefit under section 200E of the Corporations Act or where the benefit falls within certain exceptions set out in the Corporations Act.

A payment will only fall within the exceptions set out in the Corporations Act if the amount of the payment is less than a prescribed multiple of the person's remuneration and if the nature of the payment falls within one of a number of categories set out in the Corporations Act (for example, a payment by way of damages for breach of contract or a payment for past services).

The proposed termination payment to Mr Bethune described above is less than the prescribed multiple. However, the termination payment may not technically fall within any of the categories of exception set out in the Corporations Act and, accordingly, Shareholder approval is being sought.

Approval is not being sought for the payment of Mr Bethune's statutory employment entitlements, which include annual leave entitlements. These must be paid by law.

Directors' intention and recommendation

The Directors advise that as at the date of the Notice of Meeting, they intend to vote FOR Resolution 3 and recommend that Shareholders also vote FOR Resolution 3.

Voting and Proxies

Voting

The Company has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that the holders of Shares recorded in the Company's register at 7pm (Sydney time) on Wednesday, 12 August 2015, will be taken, for the purposes of the annual general meeting, to be held by the persons who held them at that time.

Proxies

A Shareholder who is entitled to attend and vote at the meeting may appoint up to two proxies to attend and vote on behalf of that Shareholder.

If a Shareholder appoints two proxies, the appointment of the proxies must specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes.

Where a Shareholder appoints more than one proxy, only the first named proxy is entitled to vote on a show of hands.

A proxy need not be a Shareholder of the Company. Shareholders may appoint the Chairman as their proxy.

To be effective, the Company must receive the completed proxy form and, if the form is signed by the Shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 2pm (Sydney time) on Wednesday, 12 August 2015.

Proxies may be only lodged with the Company's share registry:-

- (a) by mail or delivery to:
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
- (b) by facsimile: +61 2 9290 9655
- (c) www.votingonline.com.au/ibmlgm2015

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by two (2) directors, a director and the company secretary, a duly authorised officer or attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

If Shareholders appoint the Chairman as their proxy and do not direct the Chairman as to how to vote, the Chairman will vote AGAINST Resolutions 1 and 3, and FOR Resolution 3.

Voting exclusions

The Company will disregard any votes cast (in any capacity) on Resolution 3 by Mr Bethune and any associate of Mr Bethune. However, the Company need not disregard a vote cast on Resolution 3 if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 3; and

- it is not cast on behalf of Mr Bethune or an associate of Mr Bethune.

Enquiries

Shareholders are requested to contact the Company Secretary John Stone on + 61 2 8223 3777 if they have any queries in respect of the matters set out in these documents.

Glossary

Board means the board of directors of the Company.

Company means International Base Metals Limited ABN 73 100 373 635.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory statement accompanying the Notice.

Extraordinary General Meeting or **Meeting** means the meeting convened by the Notice.

Notice of Meeting or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting including the Explanatory Memorandum.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Shareholder means a shareholder of the Company.