

INTERNATIONAL BASE METALS LIMITED ('IBML')
QUARTERLY ACTIVITIES REPORT – End-March 2017

OCCUPATIONAL HEALTH AND SAFETY

There were no lost-time or injury incidents during the Quarter.

CORPORATE ACTIVITIES

Company Strategy

The IBML Board met on 1st March and agreed as follows:

Craton Mining & Exploration (Pty) Ltd, Namibia: The priority is to finalise the grant of the Omitiomire Mining Licence. Until the Mining Licence has been issued, other activities in Namibia are on hold and spending will be minimised.

Investment in Macquarie Gold Limited: The delays in commissioning the Adelong Gold Project have been frustrating. IBML will assist where possible in advancing the project to production.

An IPO for IBML: As previously reported, the Board's view is that a successful ASX listing would be more likely when Macquarie Gold's Adelong Project is in production and the Omitiomire copper project is progressing towards development.

CRATON MINING & EXPLORATION (PTY) LTD ('Craton')

Craton Board

The Directors of Craton continue to work towards resolving the twin issues of the grant of the Omitiomire Mining Licence and access to the farm Omitiomire.

Omitiomire Copper Project - Mining Licence

ML197 is still pending. As previously advised, the Namibian Ministry of Mines and Energy ('MME') has requested that 5% of the Project should be held by approved Namibian entities. Discussions are progressing.

Omitiomire Copper Project - Farm Access

Parties hostile to Craton's proposals to develop the Omitiomire Copper Project are preventing access to the farm Omitiomire. Craton continues to pursue avenues to secure its legal right to conduct exploration and assessment activities on the farm.

Omitiomire Copper Project - "Mini-mining" Development Option

As previously advised, the Company is assessing the option of an initial small-scale oxide copper mining and processing operation to expedite mine development after the Mining Licence has been awarded. However, the Company is unable to access the farm to collect a bulk sample of oxide ore for metallurgical testing.

Craton Exploration

There were no field activities during the quarter.

AURICULA MINES PTY LTD

Background

IBML's wholly-owned subsidiary, AuriCula Mines Pty Ltd, has a 10% interest in two exploration projects for copper-gold in the Cobar district of NSW. Exploration of the projects is managed by Cobar Management Pty Ltd (CMPL), a subsidiary of Glencore.

Shuttleton Project (EL6223)

CMPL commenced a two-hole diamond drilling program (930m) at South Shuttleton during March.

AuriCula Mines has signed documents for the renewal of EL6223 for three years. CMPL plans the following two-year programme:

- Year 1: \$50,000 for surface geophysics and soil geochemistry in the South Shuttleton area;
- Year 2: \$170,000 for 2,000m of RC drilling at South Shuttleton.

Mount Hope Project (EL6907)

A ground magnetic survey is scheduled for the northern end of the lease in Q2 2017.

IBML INVESTMENTS

Macquarie Gold Limited – Adelong Gold Project

As previously reported, IBML has acquired a 40% stake in Macquarie Gold Limited, which holds the Adelong Gold Project in southern New South Wales ('NSW').

There have been delays in advancing the Project to production, although mill commissioning is in progress.

Please refer to the Macquarie Gold website www.macquariegold.com.au for further details.