

INTERNATIONAL BASE METALS LIMITED ('IBML')

QUARTERLY ACTIVITIES REPORT – End-June 2018

OCCUPATIONAL HEALTH AND SAFETY

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

CORPORATE ACTIVITIES

Board Meetings

The IBML Board met on 20th June and addressed the following issues:

- Craton Mining & Exploration (Pty) Ltd
- Macquarie Gold Limited
- Capital requirements and funding.

An updated Corporate Governance Statement was tabled and approved.

Management

The Company's Chairman, Mr Hugh Thomas, continues to act as interim CEO.

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

Craton Board

Board meetings: The Craton Board met on 29th June.

New directors: Two new non-executive directors have been appointed to the Craton Board:

- Mr Hugh Thomas: IBML's Executive Chairman.
- Mr Primus Hango: BA, National University of Lesotho; Executive Management Program, Harvard Business School. Positions include:
 - Secretary of the Tender Board of Namibia;
 - Chief Executive Officer of the Government Institutions Pension Fund;
 - Chairman of the Namibian Stock Exchange.

Omitiomire Copper Project

Funding for project development: Windhoek-based Simonis Storm Securities has been engaged as an advisor to raise N\$60 million for the funding of the Omitiomire "Mini Mine" Project.

Mini Mine: Craton is not progressing with the “Mini Mine” project until funding for development has been raised.

Craton Exploration

There were no field exploration activities during the quarter.

MACQUARIE GOLD LIMITED ('MGL')

Challenger Gold Project

Care-and-maintenance

- The project remains on care-and-maintenance.
- The Adelong project office is manned and regular maintenance of plant and equipment is being carried out.
- Mr Rod Gray has been appointed as Mining Engineering Manager (part-time) for the Project.
- Mr Gray carried out a site inspection during the quarter and made a number of recommendations to enhance site safety and security.

Project review: Hunter Bay Partners has been appointed to manage a review of all aspects of the project. The review is progressing well and is likely to be completed during August 2018.

Exploration Licence EL5728

Tenement: EL5728, which surrounds the Mining Lease (ML1435), was granted to Challenger Mines Pty Ltd for three years commencing 16th May 2016.

Exploration activities: The exploration licence carries a 2018-2019 work commitment of \$131,000 (to be completed by May, 2019) and each of the Mining Claim Leases carries an annual \$2,000 work commitment. EL5728 was renewed in 2016 for a three year period with a combined work commitment of about \$400,000. To date, exploration expenditure is less than that required, as expenditure has been focussed on the gold mill construction and commissioning and underground mine development.

During the quarter, the Company's consultants carried out a field inspection of exploration targets previously identified from a detailed ground magnetic survey. Several targets warrant further exploration, including drilling. An EL5728 Annual Report for 2018 was prepared and submitted by the due date to the NSW Mines Department in fulfilment of that requirement.