



International Base Metals Limited

ABN: 73 100 373 635

Partially Underwritten Rights Issue Offer Information Statement

For an offer of 5 Shares for every 11 Shares held for the issue of up to
320,786,478 Shares at an issue price
of \$0.0045 per Share to raise up to \$1,450,000 (**Offer**)

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. Potential investors should obtain professional investment advice before accepting the offer for Shares under this Offer Information Statement.

This document is not a prospectus under the Corporations Act 2001 (Cth) and has a lower level of disclosure than that which would be required under a prospectus.

The Offer is partially underwritten to an amount of \$600,000.

This Offer Information Statement is dated 29 December 2020 and was lodged with ASIC on 29 December 2020 by International Base Metals Limited.

The Shares offered by this Offer Information Statement should be considered highly speculative.

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Corporate Directory

Directors

Mr Hugh Thomas	Executive Chairman
Dr Kenneth John Maiden	Non-executive Director
Mr Zhehong Luo	Non-executive Director
Mr Rui Liu	Non-executive Director
Mr Jinhua Wang	Non-executive Director
Mr Shilai Jiang	Non-executive Director
Mr Qiang Chen	Alternate Non-executive Director to Mr Zhehong Luo
Mr Xianwu Deng	Alternate Non-executive Director to Mr Jinhua Wang

Company Secretary

Mr John Stone

Registered Office and Principal Place of Business

Suite 201, Level 2,
29 Albert Avenue
Chatswood NSW 2067
Telephone: + 61 2 8412 8110
Internet: <https://www.interbasemetals.com/>

Auditors

S&W Audit and Assurance Pty Limited
c/- Stanley & Williamson
Level 1
34-38 Burton Street
Kirribilli NSW 2061

Bankers

Bankwest
17 Castlereagh Street
Sydney NSW 2000

Solicitors

McCullough Robertson
MLC Centre, Level 32
19 Martin Place
Sydney NSW 2000

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: + 61 2 9290 9600
Fax: + 61 2 9279 0664
Internet: www.boardroomlimited.com.au

Chairman's Letter

Dear Shareholder

I am pleased to present to you this offer to invest in the future of International Base Metals Limited (**IBML** or the **Company**).

The Company owns 46.3% of Omico Copper Limited based in Mauritius which in turn owns 95% of Craton Mining and Exploration (Pty) Ltd in Namibia. Craton maintains Mining Licence ML197 which covers the Omitiomire Copper project areas. Omico Copper Limited is fully funded and is committed to investing USD5.0 million in the production of a Bankable Feasibility Study (BFS) planned to be complete by calendar year end 2022. Omico also hold Exploration Licence EPL3589 covering 735km² which can be broadly described as the ground surrounding the mining licence.

IBML's partner in Omico is Greenstone Venture Capital a private equity fund and long-term investor specializing in the mining and metals sector. Greenstone holds other investments in Namibia and is therefore an established name with a depth of experience in that country.

IBML, through its wholly owned subsidiary, AuriCula Mines Pty Ltd, has a 10% interest in two exploration licences in the Cobar district of NSW - EL6223 Shuttleton and EL6907 Mount Hope. The other 90% interests are held by subsidiaries of Glencore Australia. Glencore recently flew airborne magnetic & radiometric survey over both properties; we are awaiting the interpretations of the data.

The purpose of this fund raising is for working capital to enable the Company to properly oversee and exploit these opportunities and to prepare the Company to undertake a more substantial capital raising should either opportunity become commercially viable. Both through Omico and Auricula, IBML has the right to invest in the future projects should the feasibility studies present commercial opportunities. IBML will also continue to monitor the market in Australia and Sub-Saharan Africa for additional investment opportunities.

This capital raising is by way of a non-renounceable rights issue to existing shareholders. The Offer is a partially underwritten offer to issue 5 Shares for every 11 Shares held on 29 December 2020 at an issue price of \$0.0045, to raise up to a total of \$1,450,000.

The rights issue is underwritten up to an amount of \$600,000 by Rui King Resources Limited and West Minerals Pty Ltd. Rui King Resources Limited is a related entity of one of the Directors, Mr Rui Liu, who has also agreed to guarantee the performance of the obligations of the underwriters. West Minerals Pty Ltd is a related entity of one of the Directors, Mr Zhehong Luo and is also a related entity of Mr Luo's Alternate Director, Mr Qiang Chen.

Any investment in IBML by way of this Offer Information Statement or otherwise contains a significant element of risk and appropriate professional advice should be sought before making a final decision to proceed.

We look forward to the growth in our portfolio of projects and to the successful exploration and exploitation of those projects with optimism. Whilst early stage mining opportunities are always highly speculative we have quality venture partners and the Board of Directors of IBML commends this opportunity to invest in the Company to you and I look forward to welcoming your ongoing Shareholder support.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'H I Thomas', with a stylized flourish at the end.

Hugh I Thomas
Chairman

3. Important Notices

This Offer Information Statement dated 29 December 2020 was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Offer Information Statement or the merits of the investment to which this Offer Information Statement relates.

This Offer Information Statement expires on 5 February 2021. No Shares will be allotted or issued on the basis of this Offer Information Statement after that date.

The Offer is a rights offer which is only available to Shareholders of IBML on 29 December 2020.

This Offer Information Statement was prepared in accordance with section 715 of the Corporations Act and is not a prospectus. An Offer Information Statement has a lower level of disclosure requirements than a prospectus and investors should obtain professional investment advice before accepting the Offer.

No Shares may be issued on the basis of this Offer Information Statement later than 13 months after the date of this Offer Information Statement.

Whilst care and diligence have been applied in the preparation of this Offer Information Statement, neither IBML nor any of its officers, employees or associates nor ASIC make or give any representation or warranty as to the accuracy, reliability or completeness of the information contained in this Offer Information Statement. This Offer Information Statement has not undergone the same extent of verification and due diligence normally applied with the issue of a prospectus. Nothing contained in this Offer Information Statement is or may be relied upon as a promise or representation, whether as to the present or as to the future return or performance of IBML.

No person is authorised to give information or to make any representation in connection with this Offer Information Statement, which is not contained in the Offer Information Statement. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Offer Information Statement.

It is important that you read this Offer Information Statement in its entirety and seek professional advice where necessary. The Shares the subject of this Offer Information Statement should be considered highly speculative.

3.1 Exposure Period

This Offer Information Statement will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Offer Information Statement to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Offer Information Statement and, in those circumstances, any application that has been received may need to

be dealt with in accordance with section 724 of the Corporations Act. In accordance with the Corporations Act, applications for Shares under this Offer Information Statement will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

3.2 Web Site – Electronic Offer Information Statement

A copy of this Offer Information Statement can be downloaded from the website of the Company at <https://www.interbasemetals.com/investor-information/announcements>. If you are accessing the electronic version of this Offer Information Statement for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Offer Information Statement from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Offer Information Statement or it accompanies the complete and unaltered version of this Offer Information Statement. You may obtain a hard copy of this Offer Information Statement free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Offer Information Statement and any relevant supplementary or replacement document or any of those documents were incomplete or altered.

You can only apply for Shares under the Offer using the Application Form attached to this Offer Information Statement which has been sent to you.

3.3 Website

No document or information included on our website is incorporated by reference into this Offer Information Statement.

3.4 Forwarding-looking Statements

This Offer Information Statement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Information Statement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Information Statement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Information Statement, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in sections 4.5 and 7 of this Offer Information Statement.

3.5 Photographs and Diagrams

Photographs used in this Offer Information Statement which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Offer Information Statement or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Offer Information Statement are illustrative only and may not be drawn to scale.

3.6 Foreign jurisdictions

This Offer Information Statement has been prepared having regard to the Australian disclosure requirements. The Offer is not intended to constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Information Statement under the laws applicable in that jurisdiction. It is not practicable for the Company to comply with the securities laws of every overseas jurisdiction, having regard to the number of overseas Shareholders, the number and value of the Shares these Shareholders would be offered, and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, the Offers are limited to those Shareholders with a registered address which is in Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consent is required or whether any other formalities need to be considered and followed. This Offer Information Statement does not constitute an offer in any place in which, or to any person to whom, where it would be unlawful to make such an offer.

3.7 Definitions

Certain terms and abbreviations used in this Offer Information Statement have defined meanings that are explained in the Glossary.

4. INVESTMENT OVERVIEW

This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Offer Information Statement. This Offer Information Statement should be read and considered in its entirety.

4.1 The Company

The Company was incorporated on 29 April 2002 and became an unlisted public company on 29 April 2002. The Company is principally involved in the exploration and exploitation of base metals, predominately Copper and Gold, with a geographic focus on Australia and Sub-Saharan Africa.

There are two principal assets of the Company:

1. 46.3% of Omico Copper Limited based in Mauritius which in turns owns 95% of Craton Mining and Exploration (Pty) Ltd in Namibia
2. through its 100% owned subsidiary, AuriCula Mines Pty Ltd, the Company has a 10% interest in two exploration licences in the Cobar district of NSW.

Detailed descriptions of the assets can be found in Section 6.

4.2 Business Model

The Company is a minerals exploration company, focused on base metal (predominately Copper and Gold) exploration in Australia and Sub-Saharan Africa.

The Company's approach has been to identify and secure the exploration license for prospective projects. The Company then looks to do initial geological work, usually to the Pre-Feasibility Stage (PFS), then based on early prospective nature of the project seek 'blue chip' investment partners to fund further work on an earn in, or farm in, basis to bring the projects to the stage of having Bankable Feasibility Studies (BFS). IBML will traditionally maintain the rights to contribute our equity share of capital should the project move to exploitation/commercialisation.

4.3 The Objectives

The Company's main objectives on completion of the Offer are:

- to continue the oversight and assistance in the preparation of the Bankable Feasibility Study for the Omitiomire Copper Project held through Omico.
- to continue the oversight and assistance in the exploration of the Shuttleton and Mount Hope Exploration Licences held though Auricula Mining.

- to continue to identify other copper and gold properties for pegging and/or acquisition.

4.4 Key Investment Highlights

- Earn-in terms have been negotiated with joint partners for both assets of the Company: Omico with Greenstone Venture Partners, a London based private equity firm specialising in mining, and Glencore's subsidiaries, Cobar Management Pty Ltd and Actway Pty Ltd, for our assets held in Auricula.
- IBML has maintained the rights to coinvest on any commercialisation or mine development
- The Company has assembled an experienced Board of Directors with the range of skills required to execute the Company's objectives.

4.5 Key Risks

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Set out below are some specific risks that the Company is exposed to. Further risks associated with an investment in the Company are outlined in section 7 of this Offer Information Statement.

- a. **Exploration risks:** The Company's exploration licences are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these licences, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.

- b. **Mineral Resources risk:** An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a clearly definable Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been sufficient exploration to estimate a Mineral Resource within the Omico asset but not for the assets held in Auricula.

The Exploration Target estimates are based on historic production, drill assays and surface sampling described in other sections of this Offer Information Statement based on all known occurrences known over defined cut of grades.

- c. **Development and production risks:** Any future discovery may not be commercially viable or recoverable. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited.
- d. **Risks of operating in another country:** The Company's most significant opportunity is located in Namibia. The Company's operations are therefore subject to the laws and regulations of Namibia. Exploration, development and mining activities may be affected by political stability and changes to government regulations relating to the mining industry and foreign investment. Adverse changes in these regulations may negatively affect the Company's growth plans and strategy. Operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls. The success of the Company is dependent on the stability of the political, economic and legal situation in Namibia. Any change in legislation could have an adverse effect on the Company.
- e. **Regulatory risks:** The Company's operations require approvals from Australian and Namibian regulatory authorities which may not be forthcoming, either at all or in a timely manner, or which may not be able to be obtained on terms acceptable to the Company. The Company cannot guarantee that any or all requisite approvals will be obtained. A failure to obtain any approval would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.
- f. **Commodity prices risks:** Commodity prices, including copper and gold, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors

may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.

- g. **Future funding risks:** The Company has no income producing assets and will generate losses for the foreseeable future. In order to proceed with the exploration and development of any project, the Company is likely to be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise capital or debt when it is required or that the terms associated with providing such capital or debt will be satisfactory to the Company, which would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities. Any additional equity funding may dilute existing Shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, including exploration success, subsequent development, commissioning and operational performance.
- h. **COVID-19:** Following the recent outbreak of COVID-19, an infectious respiratory illness caused by a novel coronavirus, there have been impacts to Australian businesses in the form of travel restrictions, healthcare systems, disruption, imposed quarantine periods, service cancellations, supply chain disruptions, lower consumer demand, defaults and other significant economic impacts. Certain industries have experienced temporary closures, reduced operations and increased trading costs. Some of these events may have an impact on the Company. Other infectious illness outbreaks in the future may result in similar impact.
- i. **Liquidity risks:** intending subscribers should recognise that the Company is not listed on a stock exchange and there is no secondary market in existence for IBML Shares. Shareholders may not be able to readily sell their Shares to achieve a sale price equivalent to their initial investment and may not be able to sell their Shares at all.
- j. **Speculative Investment:** Investment is subject to risks of a general nature relating to investment in shares and securities and especially where the company in which the investment is made has a small market capitalisation, such as the case with the Company. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Information Statement. Therefore, the Shares to be issued pursuant to this Offer Information Statement carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding

whether to apply for the Shares offered under this Offer Information Statement.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in section 7 of this Offer Information Statement before deciding whether to apply for Shares pursuant to this Offer Information Statement.

4.6 The Offer

This Offer is a non-renounceable rights issue pursuant to which the Company invites applications for up to 320,786,478 Shares at \$0.0045 per Share to raise up to \$1,450,000 (before expenses of the Offer).

The Offer is non-renounceable. This means that the rights of Eligible Shareholders to subscribe for Shares under this Offer Information Statement are not transferable.

No Shares will be issued under the Offer if that issue would result in a breach of the takeover prohibitions in Chapter 6 of the Corporations Act.

Each Eligible Shareholder's Entitlement under the Offer is to apply for 5 Shares for each 11 Shares held by that Eligible Shareholder as at the date of this Offer Information Statement, 29 December 2020.

By way of examples:

- if an Eligible Shareholder holds 20,000,000 Shares as at the date of this Offer Information Statement, their Entitlement is to acquire 9,090,909 Shares under the Offer; or
- if an Eligible Shareholder holds 56,909,078 Shares as at the date of this Offer Information Statement, their Entitlement is to acquire 25,867,763 Shares under the Offer.

All Eligible Shareholders may apply for Shares in excess of their Entitlement. However, the issue and allotment of Shares in excess of an Eligible Shareholder's Entitlement will be allotted in accordance with the Directors' discretion. The intention of the Directors is, to the extent permitted by law, to issue available Shares in the event of a shortfall to such Eligible Shareholders applying for Shares in excess of their Entitlement, in priority to the Underwriter.

The Offer will remain open until the Closing Date, 5 February 2021, unless all Eligible Shareholders take up their Entitlement earlier or the Closing Date is extended by the Directors.

Pursuant to the Corporations Act no Shares will be issued after the Expiry Date.

Eligible Shareholders may apply for Shares under the Offer by submitting their Application Form which is attached to this Offer Information Statement. If you submit an Application for Shares this constitutes an offer by you to subscribe for Shares on the terms and subject to the conditions set out in this Offer Information Statement. A binding contract to issue Shares will be formed when your Application is accepted by IBML. IBML will accept all valid Applications from Eligible Shareholders in respect of their Entitlement.

Eligible Shareholders may return their completed Application Form together with payment of the Application Monies (in each case in accordance with the payment methods set out in the Application Form) at any time after the date of this Offer Information Statement and before the Closing Date.

The key information relating to the Offer and references to further details are set out below.

4.7 Partially Underwritten

The Offer is partially underwritten by Rui King Resources Limited and West Minerals Pty Ltd (whose underwriting obligations are each guaranteed by Rui Liu), which have agreed to partially underwrite the Offer to the maximum amount of \$600,000 or 132,739,232 shares should existing shareholders not take up their rights.

Rui King Resources Limited is a related entity of one of the Directors, Mr Rui Liu. West Minerals Pty Ltd is a related entity of one of the Directors, Mr Zhehong Luo and is also a related entity of Mr Luo's Alternate Director, Mr Qiang Chen. The relevant interests of Mr Liu, Mr Luo and Mr Chen and their respective voting power in the Company (including the effects of the Offer and the potential acquisition of Shares due to the underwriting) are set out in section 4.17 of this Offer Information Statement.

The Underwriters and the Company have entered into an underwriting agreement. Under the underwriting agreement, no fee will be paid to the Underwriters or any other person for underwriting the Offer. The Underwriters do not, under any circumstances, have the right to terminate their agreement to underwrite the Offer.

Entry into the underwriting agreement is a related party transaction under Chapter 2E Corporations Act. The Directors (other than Mr Liu and Mr Luo (and Mr Chen as his alternate)) have determined that the underwriting agreement is on terms to which the 'arms length' exception in section 210 Corporations Act applies.

The Directors (other than Mr Liu and Mr Luo (and Mr Chen as his alternate)) believe that the Underwriters have the financial capacity and ability to fund the partial underwriting of the Offer of \$600,000. Further, the Directors believe that without the backing and support of Mr Liu, Mr Luo and Mr Chen and entities associated with them, the Company would be unlikely to be able to source sufficient funds to proceed with the objectives set out in this Offer Information Statement.

The Company has not sought member approval for the underwriting agreement.

4.8 Indicative Timetable ¹

Lodgement of Offer Information Statement with ASIC	29 December 2020
Opening Date	13 January 2021
Closing Date	5 February 2021
Despatch of Share Certificates	12 February 2021

¹ The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

4.9 Purpose of the Offer

The purpose of the Offer is to raise sufficient working capital for the continued oversight and management of the existing investment opportunities.

4.10 Use of Funds

The Company intends to apply funds raised from the Offer as follows:

Allocation of Funds	Full Subscription (\$1,450,000) \$	Percent of Funds %	\$600,000 raised under the Offer	Percent of Funds
Expenses of the Offer ²	27,000	1.86	27,000	4.50
General and Administrative expenses – people costs including travel	896,000	61.79	448,000	74.67
General and Administrative expenses – Property, Plant, Equipment	300,000	20.69	125,000	20.83
3 rd party costs associated with investigation of other tenement or project acquisition opportunities	227,000	15.66	0	0
Total	1,450,000	100	600,000	100

² Refer to section 11.6 of this Offer Information Statement for further details.

The above table is a statement of current intentions as of the date of this Offer Information Statement. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

4.11 Capital Structure

The capital structure of the Company following completion of the Offer (assuming full subscription) is summarised below:

Shares	Number
Currently on Issue	707,942,572
To be issued pursuant to the Offer	320,786,478
Total Shares on completion of Offer	1,028,729,050

The Company has no Options on issue or outstanding.

4.12 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue as at the date of this Offer Information Statement are set out in table below.

As at the date of the Offer Information Statement:

Holder Name	Shares Held	%
Rui King Resources Limited	168,630,068	23.82
West Minerals Pty Limited	118,326,492	16.71
Mining Tenement Management Pty Ltd	56,909,078	8.04

Notes:

1. Rui King Resources Limited is a related party of Mr Rui Liu, a Director of the Company
2. West Minerals Pty Limited is a related party of Mr Zhehong Luo, a Director of the Company and is also a related entity of Mr Luo's Alternate Director, Mr Qiang Chen

4.13 Key Offer Statistics, Historical and Pro-forma Financial Information

Key Offer Statistics:

Offer Price	\$0.0045
Shares offered under this Offer Information Statement	320,786,478
Shares retained by Existing Shareholders	707,942,572
Total Shares on issue on completion of the Offer (if all Entitlements taken up)	1,028,729,050
Pro-forma cash on hand on completion of the Offer (if all Entitlements taken up)	\$1,832,788

Key Financial Information:

	Audited Annual Accounts Financial Year End June 30, 2019 \$	Audited Annual Accounts Financial Year End June 30, 2020 \$	Pro-forma ³ \$
Total Assets	414,695	447,662	1,870,662
Total Liabilities	311,779	1,442,454	1,442,454
Net Assets	102,916	(994,792)	428,208
Cash Balance	297,742	409,788	1,832,788

	Audited Annual Accounts Financial Year End June 30, 2019 \$	Audited Annual Accounts Financial Year End June 30, 2020 \$
Revenue	113,193	152,737
Loss after Income Tax	3,154,110	1,097,708
Loss per Share ⁴	0.46	0.16

Investors should note that past financial performance of the Company is not a guide to the future financial performance of the Company.

Notes:

3. The Pro-forma Statement of Financial Position information has been prepared based on the audited Statement of Financial Position of the Company as at 30 June 2020 and adjusted for the transactions resulting from the Offer pursuant to this Offer Information Statement. The assumptions on which the Pro-forma Statement of Financial Position is based are the Directors' best estimate assumptions are subject to uncertainties and contingencies which are beyond the control of the Directors.
4. Adjusted for shares on issues at the time

4.14 Taxation:

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Offer Information Statement.

4.15 Dividend Policy:

The Company does not yet have a dividend policy and has no immediate intention to declare or distribute dividends. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

4.16 Directors and Key Personnel:

The Board has a broad range of experience in the mining industry, exploration and geology as well as commercial expertise. A summary of the experience of each of the Directors is set out below.

Mr Hugh Ian Thomas

Executive Chairman

Qualifications: BA, Grad Dip Finance,

Experience: Hugh has had significant experience in the resources sector as a company director, senior financial executive and investment banker working throughout the Asian region including China as well as parts of Africa. He was based in Hong Kong for several years in senior positions with JP Morgan and Morgan Stanley, returning to Australia in 2011 to take up a senior position with South African investment bank, Investec, in Sydney. Since 2014 Hugh has worked as an independent investment banker and company director based in South East Asia.

Dr Kenneth John Maiden

Non-Executive Director

Qualifications: BSc, PhD

Experience: Ken has had more than 40 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. He has participated in successful mineral exploration programmes in Australia, southern Africa and Indonesia. Ken has previously established mineral exploration companies in Southern Africa, South Australia and Queensland, and is a founding Director of International Base Metals Limited.

Mr Rui Liu

Non-Executive Director

Qualifications: BSc

Experience: Rui Liu has worked in geology and the mineral industry since his graduation from university in 1985. He became the Deputy Director of Heilongjiang Geology Mineral Testing Application Research Institute in 1988 and later went to Botswana as Deputy General Manager of CGC Botswana Co., Ltd. Rui Liu has been General Manager and Chairman of Heilong Group since 2005. He holds the position of Executive Deputy Chairman of the Heilongjiang Mining Industry Association.

Mr Jinhua Wang

Non-executive Director

Qualifications: B Min Eng, Master of Industrial Engineering

Experience: Mr Wang is a Senior Engineer and Deputy Director, Mining Association of Zhejiang Province, China.

Mr Wang has extensive experience in mining project development and marketing. In 2002, he established Hangzhou Kings Industry Co. Ltd, a company engaged in the investment and management of fluorspar mines and the fluoride chemical industry. The company possesses the largest fluorspar reserves in China and is an industrial leader.

Mr Qiang Chen

Alternate Director to Zhehong Luo

Qualifications: BSc, MSc

Experience: Qiang Chen is Managing Director of West Minerals Pty Ltd, one of 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.

Mr Shilai Jiang

Experience: Jiang Shilai, is a surveying and mapping engineer. From 1987 to 1999, worked in Xianlinbu Molybdenum Mine in Hangzhou and from 2000 to 2008, he was engaged in marketing management in Hangzhou Nobel Group Co., Ltd. responsible for the sales management of the Southwest region of Nobel Group.

From 2009 to present, he has served as executive deputy general manager of Qinghai West Resources Co., Ltd. and Qinghai West Rare and Precious Metals Co., Ltd., engaged in the management of mining enterprises.

Mr Xianwu Deng

Alternate Director to Mr Jinhua Wang

Qualifications: Bachelor's degree in mining engineering at the University of Science & Technology Beijing, China, CPA and an economist

Experience: Currently he is the Chairman of the Board of Supervisors of China Kings Resources Group Company Ltd., China

Company Secretary

Mr John Stone

Qualifications: B Econ

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

4.17 Shares held by Directors:

The relevant interest of each of the Directors in the securities of the Company as at the date of this Offer Information Statement is set out below.

- Mr Hugh Ian Thomas – 13,603,963 ordinary shares held indirectly through Tamerlane Group Limited
- Dr Kenneth John Maiden – 10,613,001 ordinary shares
- Mr Rui Liu – 193,652,701 ordinary shares held indirectly through Rui King Resources and Heilongjiang Resources Investment Co Ltd
- Mr Jinhua Wang – 42,500,000 ordinary shares held indirectly through China Sun Industry Pty Ltd and China King Resources Group Co Ltd
- Mr Zhehong Luo – 118,326,492 ordinary shares held indirectly through West Minerals Pty Ltd

Mr Rui Liu's related parties Rui King Resources Limited and Heilongjiang Resources Investment Co Ltd currently hold voting power in the Company of approximately 27.35%.

This Offer under the Offer Information Statement is partially underwritten up to A\$600,000 by Rui King Resources Limited and West Minerals Pty Ltd (whose underwriting obligations are guaranteed in each case by Rui Liu). Rui King Resources Limited is a related entity of Mr Liu. West Minerals Pty Ltd is a related entity of Mr Zhehong Luo and is also a related entity of Mr Luo's Alternate Director, Mr Qiang Chen.

If Eligible Shareholders do not take up their Entitlements or subscribe for the full amount of the Offer, the Underwriters are required, in accordance with the underwriting agreement, to acquire the shortfall up to a maximum subscription amount of \$600,000 and thus the Underwriters may acquire up to 132,739,227 Shares if Eligible Shareholders do not take up their Entitlement under the Offer.

The obligations of each Underwriter under the underwriting agreement are as follows:

- Rui King Resources Limited will underwrite the shortfall up to a maximum amount of \$350,000;
- West Minerals Pty Ltd will underwrite the shortfall to the extent that it exceeds \$350,000 (up to a maximum underwritten amount of \$250,000); and
- in the event that Rui King Resources Limited or West Minerals Pty Ltd fails to comply with its obligations under the underwriting agreement, then Rui Liu will, upon demand from the Company underwrite all such shortfall in respect of which such breach applies.

The shareholdings and voting power in IBML of Mr Liu and entities related to and/or controlled by Mr Liu in a number of potential outcomes under the Offer are described in the table below (in each case on the basis, as confirmed by Mr Liu that, in accordance with the takeover prohibitions in Chapter 6 of the Corporations Act, those entities will not take up their Entitlement under the Offer):

Outcome	Number of Shares held	Percentage of Shares held
Shares held at the date of this Offer Information Statement	193,652,791	27.35%
Shares held if all Eligible Shareholders (excluding Mr Liu and entities related to and/or controlled by Mr Liu) take up their Entitlement	271,084,010	26.35%
Shares held if other Eligible Shareholders (excluding Mr Liu and entities related to and/or controlled by Mr Liu) take up 80% of the total Entitlements and the shortfall is issued to the Underwriters	271,084,010	27.35%
Shares held if no Eligible Shareholders take up their Entitlement and the shortfall is issued to the Underwriters	271,084,010	32.25%

In addition to any Shares issued pursuant to the Offer, Rui King Resources Limited may potentially acquire further Shares pursuant to the convertible note issued to it by the Company as described in section 8.4b.

The shareholdings and voting power in IBML of Mr Luo and Mr Chen and entities related to and/or controlled by them in a number of potential outcomes under the Offer are described in the table below (in each case on the basis, as confirmed by Mr Luo and Mr Chen that those entities will not take up their Entitlement under the Offer to the extent that to do so would be in breach of the takeover prohibitions in Chapter 6 of the Corporations Act):

Outcome	Number of Shares held	Percentage of Shares held
Shares held at the date of this Offer Information Statement	118,326,492	16.71%
Shares held if all Eligible Shareholders (including Mr Luo and Mr Chen and entities related to and/or controlled by them, only to the extent permitted under the takeover prohibitions in Chapter 6 of the Corporations Act) take up their Entitlement	173,634,505	16.88%
Shares held if other Eligible Shareholders (including Mr Luo and Mr Chen and entities related to and/or controlled by them, only to the extent permitted under the takeover prohibitions in Chapter 6 of the Corporations Act) take up 80% of the total Entitlements and the shortfall is issued to the Underwriters	173,634,505	17.52%
Shares held if no Eligible Shareholders take up their Entitlement and the shortfall is issued to the Underwriters	173,634,505	20.65%

4.18 Corporate Governance:

The Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations).

The Company's main corporate governance policies and practices are available from the Company's website www.interbasemetals.com

4.19 Related Party Agreements:

The Company's policy in respect of related party arrangements is:

- a. a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- b. for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Company has entered into the following agreements with related parties of the Company; the Board considers that all arrangements are on arms length commercial terms:

- a. Appointment Agreements between the Company and each Director and the Company Secretary; and
- b. A secured loan provided by Messrs Rui Liu and Qiang Chen
- c. A Convertible Note provided by Rui King Resources Limited

Agreements b. and c. above are summarised in section 8.4 of this Offer Information Statement.

5. DETAILS OF THE OFFER

5.1 The Offer

Pursuant to the non renounceable rights issue under this Offer Information Statement, the Company offers up to 320,786,478 new Shares at an issue price of \$0.0045 per share to raise up to \$1,450,000 (before expenses of the Offer).

Each Eligible Shareholder's Entitlement under the Offer is to apply for 5 Shares for each 11 Shares held by that Eligible Shareholder as at the date of this Offer Information Statement, 29 December 2020.

The Shares offered under this Offer Information Statement will rank equally with the existing Shares on issue.

5.2 Partial underwriting

The Offer is partially underwritten by Rui King Resources Limited and West Minerals Pty Ltd (whose underwriting obligations are guaranteed in each case by Rui Liu) to a maximum amount of 132,739,232 shares for a subscription amount of \$600,000. For the avoidance of doubt this means that should no other Shareholder participate in the Offer, Rui King Resources Limited and West Minerals Pty Ltd (and Rui Liu, if applicable) will pay \$600,000 for 132,739,232 shares thus diluting all other shareholders proportionately.

5.3 Applications

Applications for Shares under the Offer must be made using the Application Form.

Applications for Shares must be for a minimum of 1,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.0045 per Share.

Completed Application Forms and accompanying payment must be delivered in accordance with the instructions set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

5.4 No ASX listing

The Shares offered under this Offer Information Statement will not be listed on ASX following their issue and the Company will remain an unlisted public company following the completion of this Offer.

5.5 Issue

Issue of Shares offered by this Offer Information Statement will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Information Statement, all application monies will be held by the Company in trust for the Applicants. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Each Eligible Shareholder's Entitlement is to apply for 5 Shares for each 11 Shares held by them as at the Record Date, 29 December 2020. Please contact the Company if you do not know your Entitlement.

If you submit a valid Application Form (along with the Application Monies) to apply for your Entitlement or a number of Shares less than your Entitlement, you will be allocated the number of Shares you apply for unless the Company decides to close the Offer and return your Application Monies (along with all other Application Monies received).

You can apply for more or less Shares than your Entitlement. Any Shares applied for over and above your Entitlement will be allotted in accordance with the Directors' sole and absolute discretion, and you may or may not be allotted those Shares. Shares applied for in excess of your Entitlement will not be issued to you if that issue would result in a breach of the takeover prohibitions in Chapter 6 of the Corporations Act.

Only IBML Shareholders on the Record Date are able to participate in the Offer. Any Shares not taken up by the Eligible Shareholders, or applied for in excess of an Eligible Shareholders' Entitlement, will be allocated by the Directors in their discretion and may be acquired by the Underwriters in accordance with the underwriting agreement. The effect on the voting power of the Underwriters in a number of potential scenarios under the Offer is set out in section 4.17 of this Offer Information Statement.

If you apply for more than your Entitlement, the Directors reserve the right to allot a lesser number of Shares than you applied for, however, subject to the terms in this Offer Information Statement, you will be allotted your Entitlement. If the number of Shares allotted to you is less than the number applied for, the surplus Application Monies will be refunded to you within seven days after the allotment of Shares.

IBML reserves the right not to continue with the Offer at any time prior to the issue or allotment of Shares under this Offer Information Statement.

5.6 Applicants Outside Australia

This Offer Information Statement does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer

or to issue this Offer Information Statement. The distribution of this Offer Information Statement in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Information Statement should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Offer Information Statement in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Offer Information Statement. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

5.7 Oversubscriptions

No oversubscriptions will be accepted by the Company.

5.8 Financial report basis

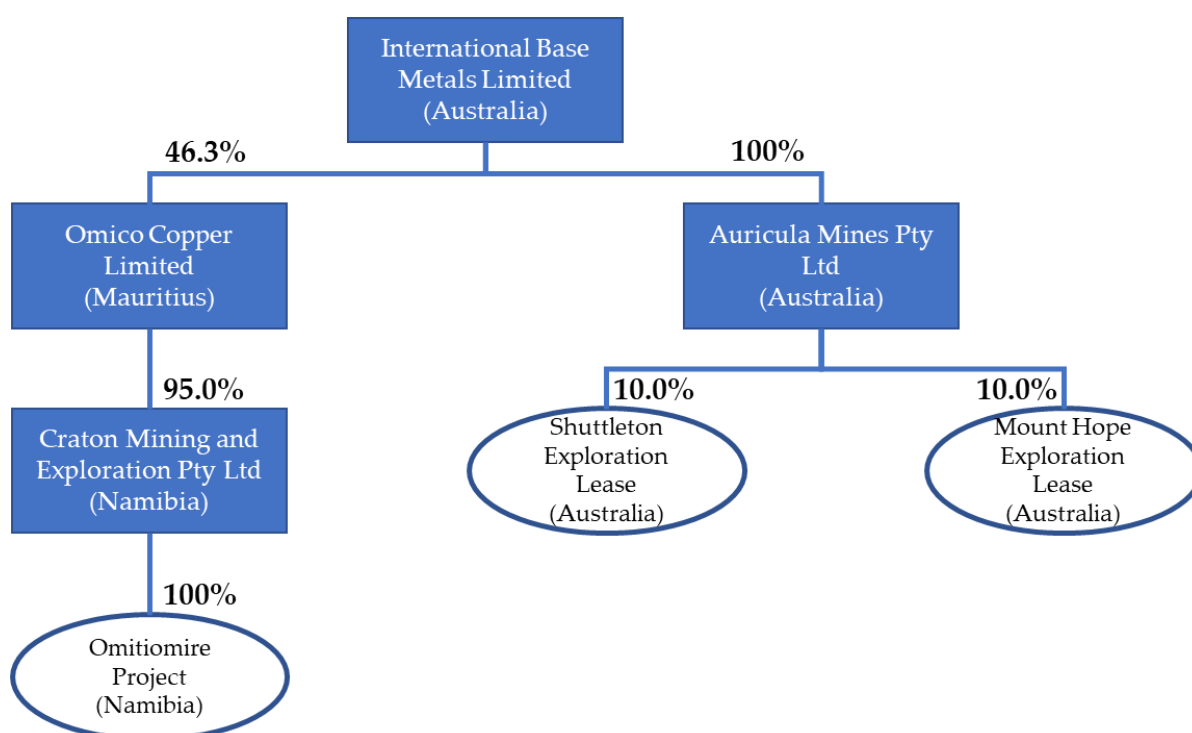
IBML's financial reporting year ends 30 June. An audited financial report has been prepared for the twelve (12) months ended 30 June 2020 as required by the Corporations Act and is included at section 8.

6. COMPANY AND PROJECTS

6.1 Introduction

Founded in 2002, the Company is a mining exploration company with projects in Namibia and Australia. The Company's business model was summarised in section 4.2 of the Offer Information Statement.

The Company is currently an Australian Unlisted Public Company. The corporate structure holding the assets is summarised diagrammatically below:



The Company's joint venture partner in Omico is Greenstone Venture Capital LP. Greenstone is a London based private equity fund and long-term investor in the mining and metals sector. Greenstone considers itself to be an industry insider, with in-house operational, construction, permitting, stakeholder engagement and financial experience, which can be leveraged to add value to investments. Greenstone was Co-founded by Michael Haworth and Mark Sawyer, the Greenstone investment team possesses over 100 years of experience covering all key aspects of mining project development.

The Company's joint venture partner through the Auricula subsidiary is Cobar Management Pty Ltd which is a 100% subsidiary of Glencore PLC. Glencore plc is an Anglo-Swiss diversified natural resources company headquartered in Baar, Switzerland. The Company operates in three groups, metals and minerals, energy products, and agricultural products.

Mineral Tenements

Licence Code	Name	Area (km ²)	Expiry Date	Status
Omitiomire Project (Craton)				
ML 197	Omitiomire	29 km ²	06-03-2036	Granted
EPL 3589	Ekujja	735 km ²	13-02-2021	Granted
AuriCula Mines JV Projects				
EL 6223	Shuttleton	13 units	05-04-2020(Renewal Application Submitted)	JV with CMPL
EL 6907	Mt Hope	23 units	11-10-2021	JV with CMPL

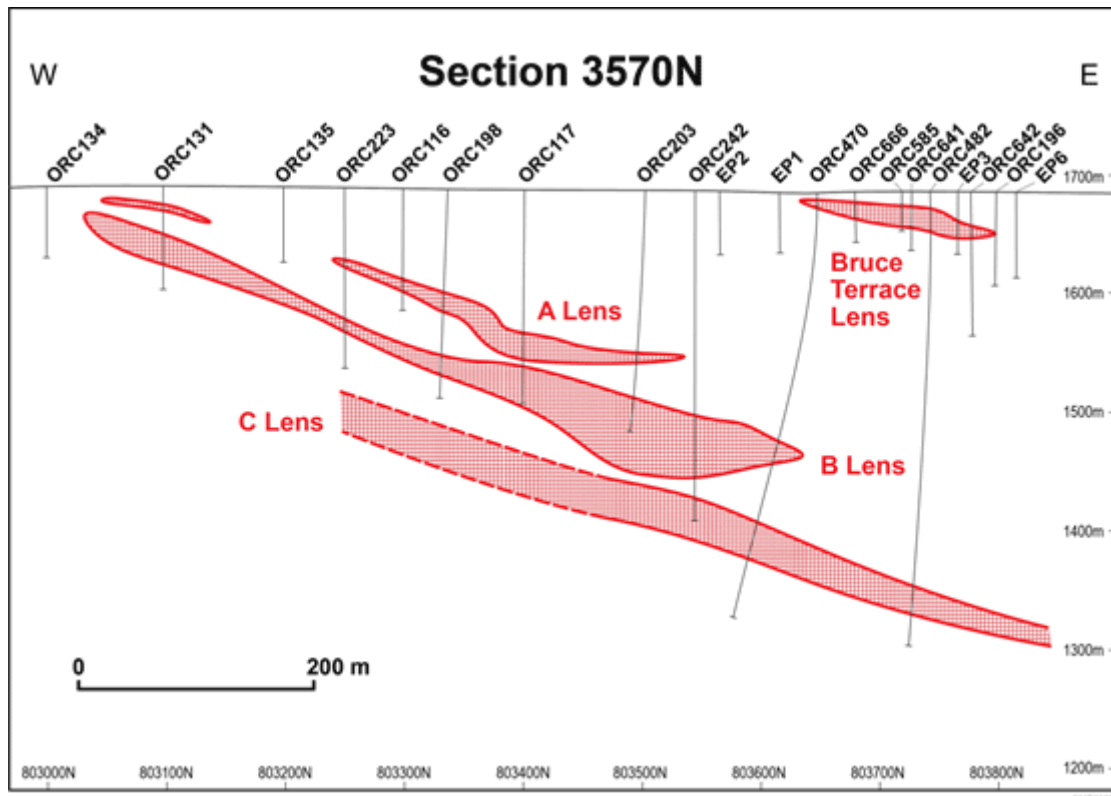
Notes:

- NSW Exploration Licences: a “unit” is an area of 1 Minute of Latitude x 1 Minute of Longitude.
- EPL3589’s renewal has been submitted, the IBML Board is unaware of any issue that would prevent the Licence from being renewed

6.2 Omitiomire Project

The Omitiomire Project hosts the Omitiomire copper deposit. The project is entirely within EPL 3589 which covers some 735km² and lies approximately 120 km northeast of Windhoek in central Namibia. The Omitiomire Project consists of the basement schist and gneissic rocks of the Ekujja Dome which hosts the Omitiomire copper deposit and the Barreshagencopper prospect which is considered to be analogous to the Omitiomire deposit. The Omitiomire deposit is hosted by banded schist and gneiss which are overlain by massive unmineralised quartz-feldspar gneiss. The copper mineralisation occurs mainly as chalcocite within bands of biotite-bearing schist. The deposit comprises a broadly tabular body lying at a depth of approximately 20 m below surface to greater than 200 m below surface and dips towards the east. The interpretation of the Omitiomire deposit indicates that it lies at the eastern edge of the Ekujja Dome whereas the Barreshagen prospect lies on the southern flank. As such the margin of the dome is considered likely to be a primary control on the location of copper mineralisation. Recent geochemical soil sampling by IBML confirms this interpretation with anomalous and highly encouraging results along a strike length of up to 20km following the margin of the dome.

The deposit consists of a number of stacked parallel tabular bodies (“lenses”) which partly merge.



Drill section showing stacked ore lenses. The numbers on the right-hand side of the figure show elevation above sea level

In August 2014, Bloy Resource Evaluation ('Bloy') provided an updated resource estimate of 137 million tonnes ('Mt') at an average grade of 0.54% copper ('Cu') at a cut-off grade of 0.25% Cu. The resources are reported in accordance with the guidelines set out by the Joint Ore Reserves Committee (JORC, 2012). The Measured and Indicated categories constitute 71% of the deposit.

Resource class	Million tonnes (Mt)	Grade (% Cu)	Contained metal ('000 t)
Measured	4.4	0.85	38
Indicated	93.4	0.52	486
Inferred	39.1	0.56	217
Total	136.9	0.54	741

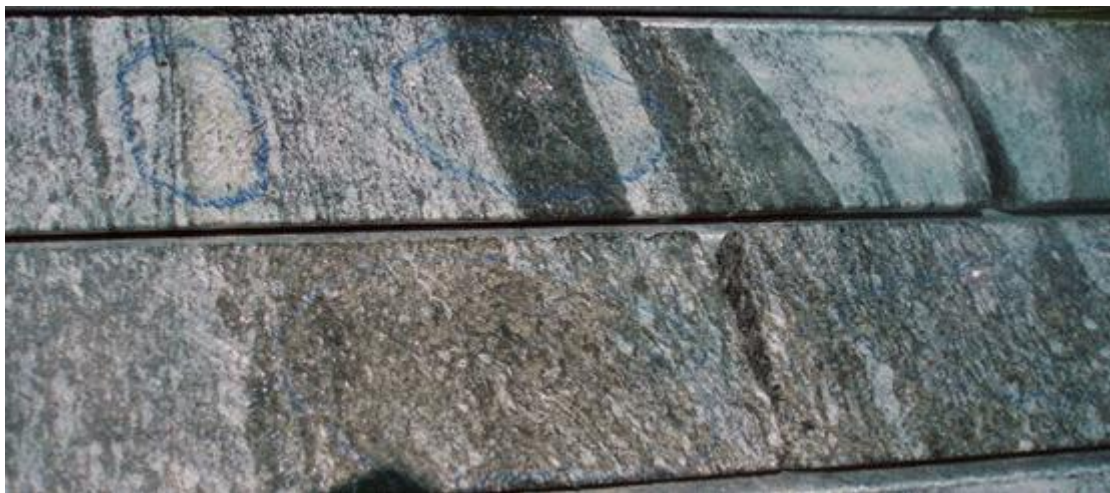
*Table 2. Omitiomire resource at a cut-off grade of 0.25% Cu (Bloy, 2014).
Note: The resource figures are not constrained within any form of resource limiting pit shell*

In addition, Bloy reported Exploration Target material, also at a cut-off grade of 0.25% Cu, in the range 76 Mt – 155 Mt for 430,000t – 650,000t of metal grading between 0.4% and 0.6% Cu.

Caution: Exploration Target material remains conceptual in nature and might or might not be realised in the future.

Note: The technical information relating to the Omitiomire resources has been summarised from a report dated 31 August 2014, provide by Bloy Resource Evaluation.

Primary copper mineralisation occurs mainly as the mineral chalcocite (Cu_2S) with minor bornite (Cu_5FeS_4) within bands of mafic (amphibole-biotite-plagioclase) schist. There are no iron sulphides (pyrite or pyrrhotite). The highest copper grades are associated with bands of strongly deformed epidote-biotite schist. Inter-banded felsic (quartz-plagioclase-biotite) gneiss is barren. Banding is on a scale of centimetres to metres in thickness.



*Sawn NQ drill core showing the banded nature of Omitiomire ore.
The steel-grey mineral is chalcocite and the brown-coloured mineral is chrome-epidote*

Primary sulphide copper is oxidised to 20m depth and partly oxidised to 40m depth. Oxide copper occurs mainly as the mineral malachite (green hydrated copper carbonate) with subordinate chrysocolla (blue hydrated copper silicate) and minor tenorite (black copper oxide). The proportion of primary chalcocite increases with depth.

Initial 2021 Programme

Preparations for the Initial Programme have begun and the programme will comprise the following three key components:

1. Metallurgical Test Programme

Given the previous focus on a float concept, limited work was done to test the heap leachability of the chalcocite orebody and so obtaining this data will be critical to future development of the OCP. Preliminary sequential copper assaying was conducted by GVC during due diligence using small composite samples and this work will be expanded to confirm metallurgy across the deposit and outline the parameters for a commercial heap-leach operation.

OBJECTIVE:

Proof of concept that sulphuric acid heap leaching, with SX/EW to produce Cu cathode, will be a suitable, and economic, processing route for the Omitionire deposit. This programme will include:

- Assaying of the existing core,
- Selection of composite samples for heap leach column test work based on geo-metallurgical classification of the material,
- Curing acid optimisation tests,
- Stacking tests,
- Hydrodynamic column tests,
- Column leach tests.

PROGRAMME:

Phase 1: Cutting and Sampling of the Existing PQ Core:

The PQ core on site is currently being cut in half and sampled. There is approximately 600m of core to cut, with an average sample interval length of 1.6m, to produce approximately 370 individual samples. Samples will be shipped to Mintek in Johannesburg.

Approximately 5 weeks.

Phase 2: Assaying of Samples at Mintek for:

- Total copper,
- Sequential copper - being acid soluble copper followed by cyanide soluble copper (as a proxy for heap leach conditions),
- Ferric-soluble copper (to better define the chalcocite component),
- GAC (Gangue Acid Consumption) on composites to initially evaluate the acid consumption.

All these data will be used, with geological logging records, to define the geo-metallurgical classification of the various material types in the deposit for the selection of composites for the column test work.

Approximately 5 weeks.

Phase 3: Metallurgical and Column Test work

Range of test work to include:

- Curing acid optimisation tests at 3 acid strengths initially,
- Stacking tests,
- Hydrodynamic column tests,
- Column leach tests - initially planned 8 columns on a 150-day leach cycle

Approximately 5 months. After approximately 2 months there should be sufficient initial results indicating if heap leach and SX/EW is a potential processing route for Omitionire.

2. Critical Studies

Three key strategic inputs have been identified for restudy as a priority both to feed into the BFS and also to provide the basis for commencing any long-lead permitting:

- Power: investigate options for the supply of electricity, outside of connecting to the local grid. Alternatives should also be considered such as diesel generation or a combined genset/solar solution. Study work will cover both demand and supply side.
- Water Study: The previous prefeasibility study from Namwater in 2009 outlined connection to a trunk line to be connected from the Kombat mine to Windhoek. That proposal will need to be revisited since the existing pipeline capacity is now dedicated for Windhoek consumption and so additional capacity will be required to connect to the main line.
- Acid: the acid market in Namibia is undergoing considerable change with potential operational changes at Tschudi and Skorpion due to influence acid supplies by the time the OCP comes into commissioning. Utility of a nearby rail line may also improve economics of shipping acid from South Africa via Walvis Bay.
- Environmental: the OCP currently has a valid Environmental Clearance Certificate from the MET until May 2021, which permits commercial exploration and mining under the previously proposed small-scale oxide development project. While it is not required to undertake any additional regulatory environmental work, it may be advisable to commission baseline studies in anticipation of renewal.

3. Regional Exploration

There may be merit of further investigation into the larger exploration potential of the Omitionire and Steinhausen Projects based on the existing geological data available. Multiple geochemical anomalies have been identified, but never pursued, over the larger Ekuja Dome setting of the Omitionire deposit.



Omitionire oxide copper ore. The green mineral is malachite; the blue-green mineral is chrysocolla

6.3 Omitiomire Project; Bankable Feasibility Study - 2021 schedule

Omico is currently conducting a Bankable Feasibility Study which is planned for completion in early 2023.

Preparations for the 2021 Omico Work Programme have begun and the programme will comprise the following three key components:

1. Metallurgical Test Programme

Given the previous focus on a float concept, limited work was done to test the heap leachability of the chalcocite orebody and so obtaining this data will be critical to future development of the OCP. Preliminary sequential copper assaying was conducted by Greenstone during due diligence using small composite samples and this work will be expanded to confirm metallurgy across the deposit and outline the parameters for a commercial heap-leach operation.

OBJECTIVE:

Proof of concept that sulphuric acid heap leaching, with SX/EW to produce Cu cathode, with be a suitable, and economic, processing route for the Omitiomire deposit. This programme will include:

- Assaying of the existing core,
- Selection of composite samples for heap leach column test work based on geo-metallurgical classification of the material,
- Curing acid optimisation tests,
- Stacking tests,
- Hydrodynamic column tests,
- Column leach tests.

PROGRAMME:

Phase 1: Cutting and Sampling of the Existing PQ Core:

The PQ core on site is currently being cut in half and sampled. There is approximately 600m of core to cut, with an average sample interval length of 1.6m, to produce approximately 370 individual samples. Samples will be shipped to Mintek in Johannesburg.

Approximately 5 weeks.

Phase 2: Assaying of Samples at Mintek for:

- Total copper,
- Sequential copper - being acid soluble copper followed by cyanide soluble copper (as a proxy for heap leach conditions),
- Ferric-soluble copper (to better define the chalcocite component),

- GAC (Gangue Acid Consumption) on composites to initially evaluate the acid consumption.

All these data will be used, with geological logging records, to define the geo-metallurgical classification of the various material types in the deposit for the selection of composites for the column test work.

Approximately 5 weeks.

Phase 3: Metallurgical and Column Test work

Range of test work to include:

- Curing acid optimisation tests at 3 acid strengths initially,
- Stacking tests,
- Hydrodynamic column tests,
- Column leach tests - initially planned 8 columns on a 150-day leach cycle

Approximately 5 months. After approximately 2 months there should be sufficient initial results indicating if heap leach and SX/EW is a potential processing route for Omitionire.

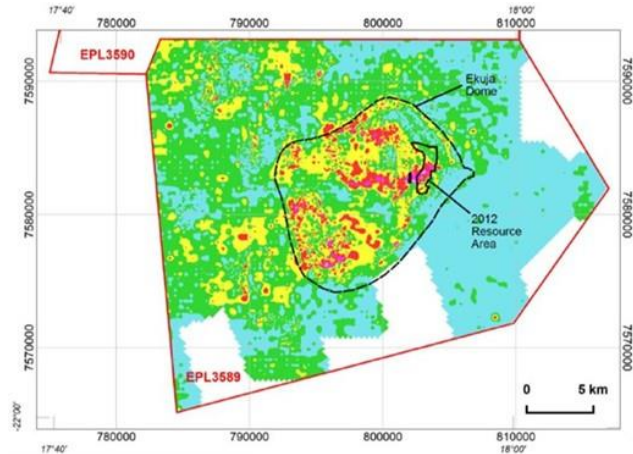
2. Critical Studies

Three key strategic inputs have been identified for restudy as a priority both to feed into the BFS and also to provide the basis for commencing any long lead permitting:

- Power: investigate options for the supply of electricity, outside of connecting to the local grid. Alternatives should also be considered such as diesel generation or a combined genset/solar solution. Study work will cover both demand and supply side.
- Water Study: The previous prefeasibility study from Namwater in 2009 outlined connection to a trunk line to be connected from the Kombat mine to Windhoek. That proposal will need to be revisited since the existing pipeline capacity is now dedicated for Windhoek consumption and so additional capacity will be required to connect to the main line.
- Acid: the acid market in Namibia is undergoing considerable change with potential operational changes at Tschudi and Skorpion due to influence acid supplies by the time the OCP comes into commissioning. Utility of a nearby rail line may also improve economics of shipping acid from South Africa via Walvis Bay.
- Environmental: the OCP currently has a valid Environmental Clearance Certificate from the MET until May 2021, which permits commercial exploration and mining under the previously proposed small-scale oxide development project. While it is not required to undertake any additional regulatory environmental work, it may be advisable to commission baseline studies in anticipation of renewal.

3. Regional Exploration

There may be merit of further investigation into the larger exploration potential held within the Exploration Licence based on the existing geological data available. Multiple geochemical anomalies have been identified, but never pursued, over the larger Ekuja Dome setting of the Omitiomire deposit.



Regional Copper Anomalies in Soils

An IP study would take around 3 – 4 months to conduct but requires additional land access agreements with the neighbouring farms and dismantling of any wire fences on the intended survey area. Any survey would be contingent on an updated Environmental Clearance Certificate and extension of EPL 3589 (application for which has been lodged)

Further Additional Programme

Assuming satisfactory results from the Initial 2021 Programme and no new restrictions being introduced which may affect operations, Omico would look to proceed with the full development plan to BFS up to NI 43-101 standards with the objective of delivering the study by early 2023.

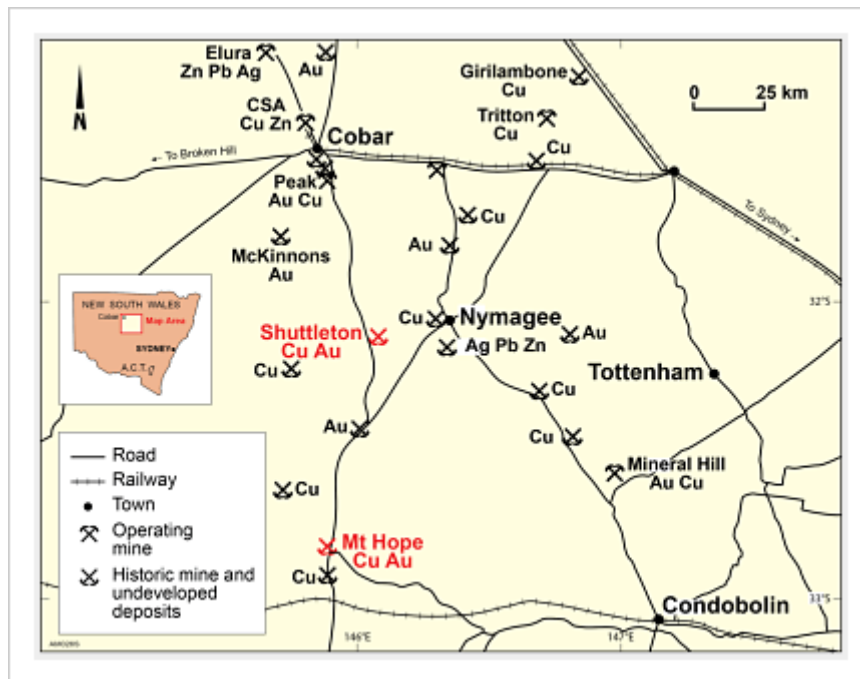
The key elements of the outstanding programme remain:

- A 50 x 50m drill spacing programme of around 180 new holes to a depth of around 200m (22 – 25,000m of RC drilling)
- Updated resource statement
- Completion of mine plan, process design and infrastructural studies
- Geotechnical drilling

The budget for the full BFS programme is currently estimated to around USD6.0 million (including work to date and the Initial 2021 Programme). The budget is fully funded through Greenstone.

6.3 Auricula Exploration leases

IBML's wholly owned subsidiary, AuriCula Mines Pty Ltd, holds a 10% interest in two project areas south of Cobar in western NSW. The project areas have historic mine workings and are considered to have good potential for discovery of copper-gold resources. Exploration is being conducted by Cobar Management Pty Ltd ('CMPL'), a subsidiary of Glencore.



Location of AuriCula's project areas

The mineralisation within the Shuttleton Project is interpreted to represent a metamorphosed VHMS deposit which is characterised by recrystallised and mechanically remobilised en-echelon sulphide lenses. The mineralisation is reported to be localised in high strain zones in proximity to early Devonian volcanic and porphyritic intrusive rocks. The Crowl Creek and South Shuttleton workings lie along a north trending shear plane which varies in width up to 250 m and can be traced for up to 5km along strike. The target zone is approximately 50m wide. Within the shear plane, the rocks are highly deformed and variably altered. On the macro-scale the shear plane separates sandstones on the western side from a package of sandstone, slate and volcanic units to the east.

The Mount Hope Project sits immediately adjacent to a flexure in the Sugarloaf Fault, where the Sugarloaf Fault bifurcates to form a fault wedge of which the western segment is known as the Great Central Fault. To the east, the Early Devonian Broken Range group consists of sandstone and siltstone units dipping to the west featuring tight folds adjacent to the fault. To the west of the fault lies the volcanic rocks of the Mount Halfway and Ambone Volcanics which comprise part of the Mount Hope Group. The rocks dip steeply east. Within the faulting plane felsic tuffs, lavas and associated sediments of the Regina Volcanics occur as slivers, which are variably sheared and altered.

6.4 Auricula schedule

The latest work on the leases include:

At Shuttleton:

- Completed logging and sampling SH0006 & SH0007 diamond drill holes;
- Core processing including structural interpretation; and
- Data entry and validation.

Those two holes had previously intersected weak copper mineralisation which could indicate proximity to a more substantial copper body. An application for tenement renewal was lodged in March 2020 and has been granted.

No field work was carried out on Mt Hope EL6907 during the year.

Recently, Glencore flew airborne magnetic & radiometric survey over both properties; we are awaiting the results.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Offer Information Statement are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Offer Information Statement, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Offer Information Statement.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the value of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Key risks

A summary of some key risks relevant to the Company have been set out in section 4.5 of this Offer Information Statement. Those key risks have been identified as:

- a. exploration risks;
- b. mineral resource risk;
- c. development and production risks;
- d. risks of operating in another country;
- e. regulatory risks;
- f. commodity prices risks;
- g. future funding risks;
- h. COVID-19;
- i. liquidity risks;
- j. investment is speculative.

7.3 Industry specific risks

- a. Exploration risks

The Company's exploration licences are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk

undertaking. There can be no assurance that exploration of these licences, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.

b. Mineral Resources risk

The Auricula projects do not currently have any Mineral Resources defined in accordance with a professional code such as the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

c. Development and production risks

Any future discovery may not be commercially viable or recoverable. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited.

d. Risks of operating in another country

The Company's most significant opportunity is located in Namibia. The Company's operations are therefore subject to the laws and regulations of Namibia. Exploration, development and mining activities may be affected by political stability and changes to government regulations relating to the mining industry and foreign investment. Adverse changes in these regulations may negatively affect the Company's growth plans and strategy. Operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls. The success of the Company is dependent on the stability of the political, economic and legal situation in Namibia. Any change in legislation could have an adverse effect on the Company.

e. Regulatory risks

The Company's operations require approvals from Australian and Namibian regulatory authorities which may not be forthcoming, either at all or in a timely

manner, or which may not be able to be obtained on terms acceptable to the Company. The Company cannot guarantee that any or all requisite approvals will be obtained. A failure to obtain any approval would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.

f. Commodity prices risks

Commodity prices, including copper and gold, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.

7.4 General Risks

g. Liquidity risks

Intending subscribers should recognise that the Company is not listed on a stock exchange and there is no secondary market in existence for IBML Shares. Shareholders may not be able to readily sell their Shares to achieve a sale price equivalent to their initial investment and may not be able to sell their Shares at all.

h. Investment risks generally

Investment is subject to risks of a general nature relating to investment in shares and securities and especially where the company in which the investment is made has a small market capitalisation, such as the case with the Company. The Company is not currently listed on a stock exchange and there is no assurance that acceptable market conditions will prevail to enable the Company to achieve a stock exchange listing. Trading in unlisted company shares is more difficult than trading in shares in a listed company.

i. Economic conditions

Changes in world and domestic economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may adversely impact on the Company's activities.

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities as well the Company's ability to fund those activities.

j. Future funding risks

The Company has no income producing assets and will generate losses for the foreseeable future. In order to proceed with the oversight and management of any project, the Company is likely to be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise capital or debt when it is required or that the terms associated with providing such capital or debt will be satisfactory to the Company, which would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.

Any additional equity funding will dilute existing Shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, including exploration success, subsequent development, commissioning, and operational performance.

k. Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its Directors and small management team. The continued involvement of the Directors, key employees and consultants is not assured. The loss of their services to the Company may have a material adverse effect on the performance of the Company pending replacements being identified and retained by the Company.

l. Shareholder voting power

Mr Rui Liu's related parties Rui King Resources Limited and Heilongjiang Resources Investment Co Ltd currently hold voting power in the Company of approximately 27.35%.

West Minerals Pty Ltd, a related party of Mr Zhehong Luo and Mr Qiang Chen currently holds voting power in the Company of approximately 16.71%.

If Eligible Shareholders do not take up their Entitlements or subscribe for the full amount of the Offer, the Underwriters are required, in accordance with the underwriting agreement, to acquire the shortfall up to a maximum subscription amount of \$600,000.

As set out in section 4.17 of this Offer Information Statement, entities related to and/or controlled by Mr Liu (including the Underwriters) could, if no other Eligible

Shareholders take up any of their Entitlement, hold voting power in the Company of approximately 32.25%.

As set out in section 4.17 of this Offer Information Statement, entities related to and/or controlled by Mr Zhehong Luo and Mr Qiang Chen (including the Underwriters) could, if no other Eligible Shareholders take up any of their Entitlement, hold voting power in the Company of approximately 20.65%.

m. Underwriter risk

While the Directors believe that the Underwriters have the desire, financial capacity and ability to perform their obligations under the underwriting agreement, the Underwriters may not ultimately acquire any shortfall of Shares not taken up by the Eligible Shareholders. This would leave the Company with a shortfall of funds and little hope of implementing its business plan. It is unlikely the Company will have sufficient funding to pursue the Underwriters if they fail to perform their obligations under the underwriting agreement.

n. Investment is speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Information Statement. Therefore, the Shares to be issued pursuant to this Offer Information Statement carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Shares offered under this Offer Information Statement.

8. FINANCIAL INFORMATION

8.1 Introduction

This section contains the historical financial information and a pro-forma balance sheet of the Company (the **Financial Information**) that the Directors consider relevant to investors. The Financial Information is presented in an abbreviated form and does not contain all the disclosures that are usually contained in an annual report prepared in accordance with the Corporations Act. The Financial Information has been prepared in accordance with the recognition and measurement principles of applicable Australian Accounting Standards (**AASB**).

The Financial Information in this section comprises:

- (a) the Historical Financial Information, being:
 - i. audited Consolidated Statements of Profit or Loss and Other
 - ii. Comprehensive Income for the 12 month period ended 30 June 2020 and 2019 comparatives;
 - iii. audited Consolidated Statements of Financial Position as at 30 June 2020 and 2019 comparatives;
 - iv. audited Consolidated Statements of Changes in Equity for the 12 month period ended 30 June 2020 and 2019 comparatives;
 - v. audited Consolidated Statements of Cash Flows for the 12 month period ended 30 June 2020 and 2019 comparatives;
 - vi. audited Notes to the Financial Statements for the 12 month period ended 30 June 2020; and
 - vii. a Directors' Declaration in relation to the Historical Financial Information as at 30 June 2020.
- (b) A **Pro-forma Statement of Financial Position** as at 30 June 2020 prepared based on the audited Consolidated Statement of Financial Position of the Company as at 30 June 2020 and adjusted for the transactions resulting from the Offer pursuant to this Offer Information Statement.

The Directors are responsible for the preparation and presentation of the Pro-forma Statement of Financial Position, including the assumptions on which the Pro-forma Statement of Financial Position is based. The Directors' best estimate assumptions are subject to uncertainties and contingencies which are beyond the control of the Directors.

8.2 30 June 2020 Consolidated Statement of Financial Position and Pro-forma Statement of Financial Position

	30 June 2020 \$	Pro-forma Adjustments \$	Pro-forma \$
Assets			
Current assets			
Cash and cash equivalents	409,788	1,423,000	1,832,788
Total current assets	409,788	1,423,000	1,832,788
Non-current assets			
Security deposits	15,056	-	15,056
Right of use asset	22,818	-	22,818
Total non-current assets	37,874	-	37,874
Total assets	447,662	1,423,000	1,870,662
Liabilities			
Current liabilities			
Trade and other payables	235,109	-	235,109
lease liabilities	23,460	-	23,460
Short-term provisions	4,142	-	4,142
Borrowings	553,852	-	553,852
Total current liabilities	816,563	-	816,563
Non-current liabilities			
Borrowings	625,891	-	625,891
total non-current liabilities	625,891	-	625,891
Total liabilities	1,442,454	-	1,442,454
Net assets	(994,792)	1,423,000	428,208
Equity			
Issued Capital	69,096,820	1,423,000	70,519,820
Accumulated losses	(70,091,612)	-	(70,091,612)
Total equity	(994,792)	1,423,000	428,208

The 30 June 2020 Consolidated Statement of Financial Position is the Company's audited Consolidated Statement of Financial Position as at that date. The Company's audited financial report for the 12 month period ended 30 June 2020 and 2019 comparatives is set out in section 8.3 of this Offer Information Statement. The Pro-forma Statement of Financial Position has been prepared based on the audited Consolidated Statement of Financial Position of the Company as at 30 June 2020 and adjusted for the transactions resulting from the Offer pursuant to this Offer Information Statement as follows:

- The issue of 320,786,478 Shares at \$0.0045 each to raise \$1,450,000 pursuant to the Offer; and
- Estimated costs of the Offer of \$27,000.

8.3 Audited financial report for the 12 month period ended 30 June 2020



INTERNATIONAL BASE METALS LIMITED

ABN: 73 100 373 635

Annual Report

2020

ABN: 73 100 373 635

IBML Annual Report 2020 | 1

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Corporate Directory

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

Directors

Mr Hugh Thomas	Executive Chairman
Dr Kenneth John Maiden	Non-executive Director
Mr Zhehong Luo	Non-executive Director
Mr Rui Liu	Non-executive Director
Mr Jinhua Wang	Non-executive Director
Mr Shilai Jiang	Non-executive Director (appointed 21 July 2020)
Mr Qiang Chen	Alternate Non-executive Director to Mr Zhehong Luo
Mr Xianwu Deng	Alternate Non-executive Director to Mr Jinhua Wang

Company Secretary

Mr John Stone

Registered Office and Principal Place of Business

Suite 201, Level 2,
29 Albert Avenue
Chatswood NSW 2067
Telephone: + 61 2 8412 8110
Internet: <https://www.interbasemetals.com/>

Auditors

Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street
Sydney NSW 2000

Bankers

Bankwest
17 Castlereagh Street
Sydney NSW 2000

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: + 61 2 9290 9600
Fax: + 61 2 9279 0664
Internet: www.boardroomlimited.com.au

Chairman's Letter

Dear Shareholders,

As Chairman of the Board of Directors of International Base Metals Limited (IBML) I present to you, on behalf of the Board, the Company's Annual Report for 30th June 2020. As a first course of business, the IBML Board trusts all Shareholders, their families and friends are weathering the burden that COVID-19 has placed upon everybody.

The last financial year has really been a consolidation, and finalisation of those events highlighted in last year's Annual Report. From last year's report you are aware that Macquarie Gold Limited (MGL) and its 100% subsidiary Challenger Mines Pty Ltd (Challenger) were placed into receivership as a result of failed negotiations with the existing debtholders to refinance those two entities. Hogan Sprowles, the Receiver appointed by IBML, finalised the receivership process by successfully selling Challenger to 3D Resources Limited on 15th May 2020 and retired as the receivers of Challenger Mines on the same day. Settlement Agreements with all debtholders and distribution of funds occurred on June 19th with Hogan Sprowles retiring as Receiver of MGL on July 20th, 2020.

Whilst the MGL/Challenger experience was not by any means a positive event for IBML the matter is now closed, and we hope to look toward a more positive future regarding the Company's other assets. MGL remains a 100% subsidiary of IBML but with the permission of the Australian Securities and Investments Commission (ASIC) we privatised MGL so it is no longer a Public Company. This was done to reduce costs to IBML.

Regarding Craton Mining and Exploration Pty Ltd (Craton); IBML successfully completed a transaction with Greenstone Venture Capital LP (GVC), a London based specialist Private Equity Fund. The transaction assures the Bankable Feasibility Study (BFS) for the development of Craton's Omitiomire Copper project is fully funded. IBML's interest in Craton is now held through a Mauritian Joint Venture vehicle, Omico Copper Limited (Omico), which is owned 46.3% by IBML and 53.7% by GVC both having two Board seats on the Omico Board.

IBML and GVC, through Omico, are working as expeditiously as possible to complete the BFS. This had originally been planned for the end of 2021 calendar year; however the impact of COVID-19 has meant a more realistic target is now mid to late 2022. The delay has principally been driven by the inability to move equipment and labour between South Africa and Namibia due to COVID-19 'lockdowns'. As at the time of writing those cross border, and inter province movement restrictions in Namibia, have been lifted but due to the impending start of the wet season the drilling campaign will not start until the end of the wet season approximately March next year. We are in discussion with GVC, with both parties being hopeful, to augment the original drill programme with some additional exploration drilling as through reinterpretation of historical geological data there is understanding that the Omitiomire project may be able to be expanded significantly beyond the assumed 25,000tpa for 20 years.

IBML's remaining assets are 10% interests in two copper Exploration Leases in the Cobar district of NSW held though AuriCula Mines Pty Ltd (NSW). AuriCula is a 100% subsidiary of IBML.

The recent working capital financing of IBML has been through supportive shareholders who we thank deeply for their ongoing support. During the period that MGL was in Receivership it was impossible to glean additional third-party funding from 'the market' due to the uncertainty around that process. During the 2019-20 financial year the Board organised a secured loan (AUD500,000) and a Convertible Note (AUD600,000) from various shareholders. The Board believes these arrangements to be on arms-length commercial terms which have been disclosed via our reporting through the IBML website. Whilst not technically within the 30 June 2020 period we have recently renegotiated the maturity date on the secured loan for an additional 12 months on the same terms as the original loan; the maturity date is now February 2022.

With the MGL Receivership now completed IBML will explore additional/alternate financing options should the market be receptive. As is prudent IBML has also managed expenses with significant reductions in costs, particularly labour, having been enacted.

Finally, I thank the Board, subsidiary Boards, and employees for their ongoing commitment to the IBML group of companies.

Hugh Thomas - Chairman

Review of Operations

Introduction

Craton Mining and Exploration (Pty) Ltd (Namibia)

In the FY2019 annual report we announced we had been granted the Mining Licence (ML197) covering the Omitiomire copper resource. As a result of the granting of ML197, IBML and Craton were in a position to be able to approach the market for financing. To assist we also strengthened the Craton Board with the appointment of Mr Primus Hango. Primus has a distinguished commercial background in Namibia having been Chairman of the Namibian Stock Exchange and CEO of the Namibian Government Pension fund.

At the time one of our plans was to seek an investor who was prepared to fund a BFS which explored the full opportunity of the oxide/sulphide deposits.

Your Board is delighted that IBML has finalised the documentation that would provide the Company with exploration funding through Greenstone Venture Capital, a UK based Private Equity fund that specialises in Mining in December 2019. On 20 December 2019 IBML signed agreement with Greenstone Venture Capital LP. All Craton issued shares previously held by IBML have been sold to a new entity Omico Copper Ltd (Mauritius) with the shares in this entity held 53.7% by Greenstone and 46.3% by IBML.

The fund has the right, subject to an agreed expenditure and timetable, to retain its shareholding in Omico return for completing a BFS with a minimum expenditure of USD5.0m. At the conclusion of the BFS, and assuming it meets the required future investment hurdles, IBML has the option to either sell its equity in Omico to the Fund for USD7.5m plus a 1.5% smelting royalty or invest in the future project to the extent of its equity holding.

As a condition of ML197 Craton must facilitate a 5% Equity Partner in Craton who meets the Indigenous Owners Requirement. We had got the approval from MINERALS ANCILLARY RIGHTS COMMISSION (MARC) that Craton Foundation (www.cratonfoundation.com) qualifies. We believe this would be a wonderful outcome that the Charitable Foundation established in 2011 was the benefactor of the 5% equity and it continues our history of a strong Corporate Social Responsibility Programme (CSR).

Macquarie Gold Limited and subsidiary Challenger Mines Pty Ltd (NSW)

In early 2018, IBML and MGL agreed to a merger, making MGL a wholly-owned subsidiary of IBML. During the reporting period Adelong Gold Project remained on a care-and-maintenance basis pending completion of a thorough review of the operation. Macquarie Gold had been endeavouring to work with the Secured debt holders (including IBML) to find a solution to repay the debt holders which we believed would have seen the secured debt holders repaid in full but unfortunately on a deferred basis. Whilst Macquarie Gold had been renegotiating in good faith, and had agreed acceptable terms with several of the debt holders, Ferromin Pty Ltd ATF Ambler Family Trust chose to exercise its right to appoint a receiver. Therefore Macquarie Gold was placed in Receivership on 22 March 2019. IBML subsequently also appointed a Receiver on 25 March 2019. IBML appointed the firm Hogan Spowles who has controlled the assets since the appointment date. As a result of this appointment and the loss of control, MGL and its subsidiary CML have been deconsolidated.

On 15 May 2020 Hogan Spowles has settled the Asset and Share Sale Deed with 3D Resources Limited (DDD) of sale of Challenger Mines Pty Ltd. And Hogan Spowles retired as Receivers and Managers appointed over the assets of Challenger Mines on the same date. Payments were made from the settlement proceeds and distributed to debt holders on 19 June 2020.

On 20 July 2020 Hogan Spowles retired as Receivers and Managers of Macquarie Gold Limited.

AuriCula Mines Pty Ltd (NSW)

Through its wholly-owned subsidiary, AuriCula Mines Pty Ltd, IBML has a 10% interest in two exploration licences in the Cobar district of NSW.

Company Strategy

In Namibia, the priorities are:

- to assist the UK Private Equity fund in whatever way possible in working towards the completion of the BFS

In regard to MGL the Company's intentions are:

- to continue to explore options for IBML as the owner of the equity in MGL

IBML will remain a passive minority partner in the exploration programs in the Cobar District of NSW.

The IBML Board will retain close control on expenditure.

IBML is currently exploring future financing options to assure the Company is funded.

Craton Mining & Exploration (Pty) Ltd ('Craton')

Craton - Background

After the agreement with Greenstone Venture Capital, IBML's owning Craton via a Mauritian entity by holding 46.3%, Omico Copper Limited. Craton Mining and Exploration (Pty) Ltd ('Craton'), holds the Omitionire copper deposit in central Namibia. Drilling by the Company has identified a JORC Indicated and Inferred resource of 137 million tonnes ('Mt') of ore at 0.54% Cu for 740,000 t contained copper at a 0.25% Cu cut-off grade (Bloy, August 2014).

As a result of the UK Private Equity deal mentioned above, a BFS will be prepared for the large project based on the deeper sulphide copper resource. This resource was the subject of a Preliminary Feasibility Study in 2010 which was revised in 2015.

AuriCula Mines Pty Ltd

Background

Through its wholly-owned subsidiary, AuriCula Mines Pty Ltd, IBML has a 10% interest in two exploration licences in the Cobar district of NSW - EL6223 Shuttleton and EL6907 Mount Hope. The other 90% interest is held by subsidiaries of Glencore Australia.

During the year, the following work was carried out in Shuttleton EL6223:

- Completed logging and sampling SH0006 & SH0007 diamond drill holes;
- Core processing including structural interpretation; and
- Data entry and validation.

Those two holes had previously intersected weak copper mineralisation which could indicate proximity to a more substantial copper body. An application for tenement renewal was lodged in March 2020.

No field work was carried out on Mt Hope EL6907 during the year.

During FY2021, Glencore plans to fly an airborne magnetic & radiometric survey over both properties.

Competent Person

Dr Ken Maiden, a Director of International Base Metals Limited, compiled the geological technical aspects of this report. Dr Maiden is a Member of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Maiden consents to the inclusion of the matters in the form and context in which they appear and takes responsibility for data quality.

Mineral Tenements

Licence Code	Name	Area (km ²)	Expiry Date	Status
Omitiomire Project (Craton)				
ML 197	Omitiomire	29 km ²	06-03-2036	Granted
EPL 3589	Ekuja	735 km ²	13-02-2021	Granted
AuriCula Mines JV Projects				
EL 6223	Shuttleton	13 units	05-04-2020(Renewal Application Submitted)	JV with CMPL
EL 6907	Mt Hope	23 units	11-10-2021	JV with CMPL

Note: NSW Exploration Licences: a "unit" is an area of 1 Minute of Latitude x 1 Minute of Longitude.

Abbreviations

Cu	Copper (chemical symbol)
DFS	Definitive feasibility study
EL	Exploration Licence (NSW)
EPL	Exclusive Prospecting Licence (Namibia)
FY2015	Financial year ended 30 June 2015
g/t	Grams per tonne (= ppm)
JV	Joint venture
km, km ²	Kilometres, square kilometres
m	Metres
ML	Mining Licence
MME	Ministry of Mines and Energy (Namibia)
N\$	Namibian Dollars
NSW	New South Wales
PFS	Pre-feasibility survey
ppm	Parts per million
SX/EW	Solvent extraction – electro-winning (ore processing method)
t, Mt	Tonnes, million tonnes
tpa, tpm	Tonnes per annum, tonnes per month

Personnel, OH&S, Environment and Community

Occupational Health and Safety (OH&S)

IBML recognises its duty to ensure the health and safety of all employees, consultants and visitors:

- Visible support and commitment to safety from the board and senior management
- Raising awareness of health and safety in the workforce
- Promoting a culture of health and safety by assigning responsibilities and powers to ensure adherence to health and safety standards and legislation
- Suitable training for health and safety representatives and staff to improve their ability to identify hazards and control OHSE risks
- Structured risk identification process for all work areas
- Commitment to root cause investigations and reporting
- Maintaining records and statistics on incidents, accidents and injuries.

Initiatives undertaken to ensure the health and safety of employees:

- Actively supporting and promoting a healthy lifestyle by offering free annual preventative medical screening
- Encouraging physical activity and good nutrition
- Daily toolbox talks
- Training
- Relating an unblemished health and safety record to annual performance assessments.

IBML is proud of the fact that no lost time injuries occurred during the past year.

Our People

IBML believes in fostering diversity by promoting equal opportunity. The teams consist of people from different backgrounds, worldviews and beliefs; each contributing towards the attainment of company goals.

We support and motivate our employees within an established organisational structure, to ensure that changes to company strategies occur as smoothly as possible.

All employees are viewed as assets. IBML appreciates its employees' skills and abilities. In addition to basic remuneration, IBML remuneration structure recognises dedication and performance which contribute towards continued company achievement.

The company believes in:

- Promoting our values
- Respecting, trusting and supporting all employees
- Creating a positive work environment
- Commitment to a safe and healthy work environment
- Offering interesting and challenging tasks
- Offering ongoing development and training
- Paying performance-based bonuses
- Company contributions for medical aid and retirement fund membership.

Environmental Regulations

The Group's operations are subject to significant environmental and other regulations under the laws of the Australian Commonwealth, the State of New South Wales and the Republic of Namibia. The Group has a policy of engaging appropriately experienced contractors and consultants. There have been no reports of breaches of environmental regulations in the financial year and at the date of this report.

In its exploration and mining activities, IBML acknowledges its duties in environmental protection:

- Minimise the extent and impact of disturbed areas and rehabilitate them as required.
- Monitor the operations to ensure compliance with accepted environmental standards and licence conditions.
- Monitor the latest developments in environmental management and technology and apply new principles and techniques as required.
- Educate all members of the organisation in the need for responsible environmental management of our operations.

Community Relations

Craton Mining and Exploration (Pty) Ltd

Craton strives to maintain good relations with the property owners on whose farms its field teams operate. The field teams adhere to a Code of Conduct to ensure that disruptions to farm activities are kept to a minimum.

Craton is active in the Namibian mining and exploration fraternity through its links with the Namibian Chamber of Mines, with the University of Namibia and its staff members' activities in support of the Geological Society of Namibia.

IBML supports the initiatives of the Namibian Chamber of Mines and the Ministry of Mines and Energy in its commitment to the International Council on Mining and Metals' Sustainable Development Principles and the Voluntary Principles on Security and Human Rights (Voluntary Principles) in relation to security, risk assessment and the maintenance of human rights.

In the wider Namibian community, Craton makes an impact through the Craton Foundation.

The Craton Foundation

The Craton Foundation was registered in 2010 as a trust with three founding trustees namely Kobus van Graan, MD of Indongo Group of Companies, Elize Angula, attorney, and Florence Kamona, an events manager.

The Craton Foundation was officially launched on 28 September 2011, strategically timed to take place on Namibia's 'Day of the Child'. The launch was celebrated with a donation to the Olof Palme Primary School of N\$80,000. With these funds a new classroom, with space for 30 to 40 learners, was built in 2012.

The current trustees are:

			
<i>Kobus van Graan</i>	<i>Margareth Gustavo</i>	<i>Mildy Samaria</i>	<i>Ziggy Hartmann</i>
<i>CEO at Frans Indongo Group</i>	<i>Owner/Manager Cornerstone Joe Public (Pty) Ltd</i>	<i>Managing Director at Cornastone Information Technology Services (Pty) Ltd</i>	<i>Company Secretary</i>

The Craton Foundation believes in creating long lasting relations within the Khomas region communities and regions in which Craton Mining and Exploration operates. The communities become friends of the Foundation.

Through its good works, the Foundation believes by assisting several communities, foundations are laid for development, upliftment and progress.

The Craton Foundation can be found via their website: <http://www.cratonfoundation.com>

IBML Investments

Macquarie Gold Limited – Corporate

As disclosed under 'Review of Operations' Macquarie Gold and its fully owned subsidiary Challenger Mines Pty Ltd were placed in Receivership on 22 March 2019. IBML subsequently also appointed a Receiver on 25 March 2019.

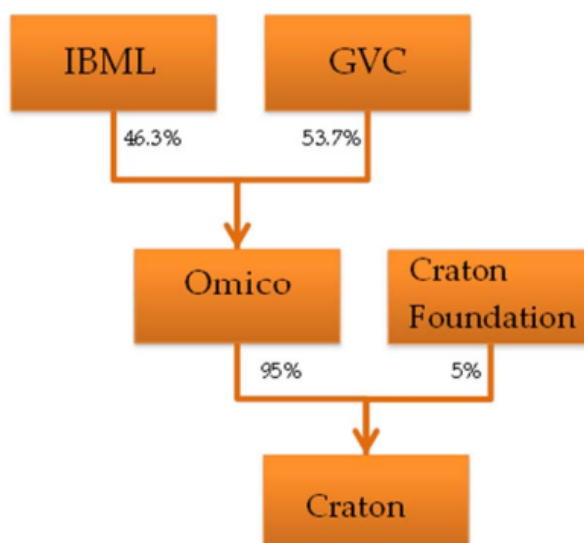
The Board of MGL now comprises one Director namely Mr Qiang Chen. The Company Secretary is Mr John Stone.

Challenger Mines were sold to 3D Resources Limited on 15 May 2020 by Hogan Sprowles and Hogan Sprowles retired as the receiver of Challenger Mines on the same date. Hogan Sprowles resigned as receiver of Macquarie Gold Ltd on 20 July 2020.

Omico Copper Limited

According to the agreement with Greenstone Venture Capital, IBML owns 46.3% of Omico Copper Limited which is based in Mauritius. The rest 53.7% of Omico Copper is owned by Greenstone Venture Capital. Craton Mining and Exploration is owned by Omico Copper (95%) and Craton Foundation (5%). Structure is listed below.

As previously reported, during 2016, Craton received a letter from the Namibian Ministry of Mines and Energy ('MME') stating its Preparedness to Grant a Mining Licence (ML197) covering the Omitiomire Project area, once certain terms and conditions had been met. Those conditions included making a minimum 5% equity shareholding available to approved Namibian citizens or companies (Craton Foundation).



Zamia Metals Limited (IBML 2%)

Zamia Metals Limited ('Zamia') (ASX: ZGM), through its wholly-owned subsidiary Zamia Resources Pty Ltd, holds a portfolio of Exploration Permits for Minerals (EPMs) in the Clermont District of central Queensland. This district is part of an established gold province prospective for gold, copper and other metals including molybdenum.

No field exploration activity has taken place over the past year and the company has been pursuing an acquisition and a capital raising.

The company's shares are currently suspended on the ASX.

Further Information on Zamia and its projects can be found at www.zamia.com.au.

WestStar Industrial Limited (WSI) (IBML 0.02%)

The Company was previously involved in mineral exploration but with the sale of shares in Copper Range and the acquisition of Precast Australia Pty Ltd., a Western Australian business involved in the manufacture of precast concrete products, this has resulted in a significant change in the nature of the Company's main business activity from mineral exploration and resource investment to the manufacture of precast concrete products.

Firstwave Cloud Technology Limited (FCT) (IBML 0.02%)

IBML has 86 shares in Firstwave Cloud Technology Limited, received as an in specie distribution from Antares Mining Limited. The company's principal business activities are the development and sale of internet security software and related professional services to business and enterprises.

Corporate Governance Statement

International Base Metals Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Although the Company is not listed it has decided in its disclosure policy to adopt the ASX Corporate Governance Principles and Recommendation (3rd edition) (CGPR) published by the ASX Corporate Governance.

The 2020 corporate governance statement is dated as at 30 June 2020 and reflects the corporate governance practices in place during the 2020 financial year. The corporate governance statement was approved by the Board on 20 June 2020. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed at (www.interbasemetals.com).

Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as the 'Group') consisting of International Base Metals Limited ('IBML') and the entities it controlled at the end of or during the year ended 30 June 2020.

Directors

The names of the Directors in office at any time during, or since the end of, the year and continue in office at the date of this report unless otherwise stated:

Mr Hugh Ian Thomas

Executive Chairman

Qualifications: BA, Grad Dip Finance,

Experience: Hugh has had significant experience in the resources sector as a company director, senior financial executive and investment banker working throughout the Asian region including China as well as parts of Africa. He was based in Hong Kong for several years in senior positions with JP Morgan and Morgan Stanley, returning to Australia in 2011 to take up a senior position with South African investment bank, Investec, in Sydney. Since 2014 Hugh has worked as an independent investment banker and company director based in South East Asia.

Interest in shares: 13,603,963 ordinary shares held indirectly through Tamerlane Group Limited

Dr Kenneth John Maiden

Non-Executive Director

Qualifications: BSc, PhD

Experience: Ken has had more than 40 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. He has participated in successful mineral exploration programmes in Australia, southern Africa and Indonesia. Ken has previously established mineral exploration companies in Southern Africa, South Australia and Queensland, and is a founding Director of International Base Metals Limited.

Interest in shares: 10,613,001 ordinary shares

Mr Rui Liu

Non-Executive Director

Qualifications: BSc

Experience: Rui Liu has worked in geology and the mineral industry since his graduation from university in 1985. He became the Deputy Director of Heilongjiang Geology Mineral Testing Application Research Institute in 1988 and later went to Botswana as Deputy General Manager of CGC Botswana Co., Ltd. Rui Liu has been General Manager and Chairman of Heilong Group since 2005. He holds the position of Executive Deputy Chairman of the Heilongjiang Mining Industry Association.

Special responsibilities: Chairman of the Remuneration Committee and a Member of the Audit Committee

Interest in shares: 193,652,791 ordinary shares held indirectly through Rui King Resources and Heilongjiang Heilong Resources Investment Co Ltd

Directors' Report (continued)

Mr Jinhua Wang
Non-executive Director

Qualifications: B Min Eng, Master of Industrial Engineering
Experience: Mr Wang is a Senior Engineer and Deputy Director, Mining Association of Zhejiang Province, China.

Mr Wang has extensive experience in mining project development and marketing. In 2002, he established Hangzhou Kings Industry Co. Ltd, a company engaged in the investment and management of fluorspar mines and the fluoride chemical industry. The company possesses the largest fluorspar reserves in China and is an industrial leader.

Interest in shares: 42,500,000 ordinary shares hold indirectly through China Sun Industry Pty Ltd and China Kings Resources Group Co Ltd.

Mr Zhehong Luo
Non-executive Director

Qualifications: BSc
Experience: Executive Director of Hangzhou Hongcheng Real Estate Co Ltd from 2005. During this period the company built a high-grade office building, reaching a height of 150m. Since 2009 he has been Chairman and Managing Director of Qinghai West Resources Co Ltd and Chairman of Qinghai West Rare & Precious Metals Co Ltd. Under his leadership, these companies have achieved a good reputation with excellent growth prospects.

Interest in shares: 118,326,492 ordinary shares hold indirectly through West Minerals Pty Ltd.

Mr Qiang Chen
Alternate Director to Zhehong Luo

Qualifications: BSc, MSc
Experience: Qiang Chen is Managing Director of West Minerals Pty Ltd, one of 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.

Special responsibilities: Chairman of the Nomination Committee and a Member of the Remuneration Committee and the Audit Committee.

Interest in shares: -

Mr Shilai Jiang

Experience: Jiang Shilai, is a surveying and mapping engineer. From 1987 to 1999, worked in Xianlinbu Molybdenum Mine in Hangzhou and from 2000 to 2008, he was engaged in marketing management in Hangzhou Nobel Group Co., Ltd. responsible for the sales management of the Southwest region of Nobel Group.

From 2009 to present, he has served as executive deputy general manager of Qinghai West Resources Co., Ltd. and Qinghai West Rare and Precious Metals Co., Ltd., engaged in the management of mining enterprises.

Special responsibilities: -

Interest in shares: -

Directors' Report (continued)

Mr Xianwu Deng

Alternate Director to Mr Jinhua Wang

Qualifications: Bachelor degree in Mining Engineering at the University of Science & Technology Beijing, China, CPA and an economist

Experience: Currently he is the Chairman of the Board of Supervisors of China Kings Resources Group Company Ltd., China

Interest in shares: -

Company Secretary

Mr John Stone

Qualifications: B Econ

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

Interest in shares: 1,828,125 ordinary shares.

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, the Company held 4 Board meetings, one Audit Committee meetings, nil Nomination Committee and one Remuneration Committee meetings.

	Full meetings of Directors		Meetings of Committees					
			Audit		Nomination		Remuneration	
	A	B	A	B	A	B	A	B
Mr Hugh Thomas	4	4	-	-	-	-	1	1
Dr Kenneth John Maiden	4	4	-	-	-	-	-	-
Mr Rui Liu	4	4	-	-	-	-	1	1
Mr Jinhua Wang	4	-	-	-	-	-	-	-
Mr Zhehong Luo	4	-	-	-	-	-	-	-
Mr Qiang Chen as alternate for Mr Zhehong Luo	4	4	-	-	-	-	1	1
Mr Xianwu Deng as alternate to Mr Jinhua Wang	4	-	-	-	-	-	-	-

A. No. of meetings held during the time the Director held office or was a member of the committee during the year

B. No. of meetings attended

Directors' Report (continued)

Principal Activities

The principal activity of the entity during the financial year was the continued exploration for economic base metals in Namibia and raising capital for potential new projects to invest in.

Macquarie Gold was placed in Receivership on 22 March 2019. IBML subsequently also appointed a Receiver on 25 March 2019. As a result of this appointment and the loss of control, MGL and its subsidiary CML have been deconsolidated. On 15 May 2020 Hogan Sprowles has settled the Asset and Share Sale Deed with 3D Resources Limited (DDD) of sale of Challenger Mines Pty Ltd. And Hogan Sprowles retired as Receivers and Managers appointed over the assets of Challenger Mines on the same day. Payments were made from the settlement proceeds and distributed to debt holders on 19 June 2020. Hogan Sprowles resigned as receiver of MGL on 20 July 2020.

On 20 December 2019 IBML signed agreement with Greenstone Venture Capital LP regarding Craton Mining and Exploration (Pty) Ltd. All Craton issued shares previously held by IBML have been sold to a new entity Omico Copper Ltd (Mauritius) with the shares in this entity held 53.7% by Greenstone and 46.3% by IBML.

The fund has the right, subject to an agreed expenditure and timetable, to retain its shareholding in Omico return for completing a BFS with a minimum expenditure of USD5.0m. At the conclusion of the BFS, and assuming it meets the required future investment hurdles, IBML has the option to either sell its equity in Omico to the Fund for USD7.5m plus a 1.5% smelting royalty or invest in the future project to the extent of its equity holding.

As a condition of ML197 Craton must facilitate a 5% Equity Partner in Craton who meets the Indigenous Owners Requirement. We had got the approval from MINERALS ANCILLARY RIGHTS COMMISSION (MARC) that Craton Foundation (www.cratonfoundation.com) qualifies. We believe this would be a wonderful outcome that the Charitable Foundation established in 2011 was the benefactor of the 5% equity and it continues our history of a strong Corporate Social Responsibility Programme (CSR).

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

Dividends

No dividends have been declared in the 2020 financial year (2019: no dividend declared).

Review of Operations and Activities

Financial

For the financial year ended 30 June 2020, the consolidated entity's net loss after taxation was \$1,097,276 (2019: \$ 3,152,063).

Exploration expenditure on Australian and Namibian tenements in the 2020 financial year was \$45,351 (2019: \$295,204) and was fully expensed, rather than capitalised.

The Directors believe that expensing, rather than capitalising exploration expenditure is more relevant to understanding the Company's financial position and complies fully with AASB 6.

Exploration activities

A review of the Group's exploration activities in Namibia and Australia is set out on pages 5-7.

Share Issues

No capital was raised in the 2020 financial year.

Options

There are no outstanding and unexpired options on ordinary shares

Loans

Borrowings were incurred by Macquarie Gold Limited, prior to the company becoming a subsidiary of IBML in January 2018.

Failure to reach agreement with the lenders to extend the term of these loans resulted in one of the borrowers putting these MGL and its subsidiary Challenger Mines Pty Ltd into receivership. The sale proceeds of CML by Hogan Sprowles with 3D Resources was A\$39,715.91 which was distributed to IBML on 19 June 2020.

Directors' Report (continued)

On 14 August 2019, agreements were signed with a related party of Director Mr Qiang Chen (Far Union Ltd) and Director Mr Rui Liu to advance loans totalling \$0.5 million being \$0.1 million from Far Union Ltd and \$0.4 million from Mr Liu. This amount to be drawn down as required by the company giving notice to the lenders. The maturity date of the loans is 18 months from the date the agreements were signed with interest at 13.5% pa is payable with the principal at maturity date. At the date of this report the loans have been fully drawn down and interest accrued.

On 17 March 2020, a convertible note which amount is \$0.6 million was issued to a related party, Rui King Resources from IBML. Interest is calculated at a rate of 15% pa and payable on the last day of each 6 month anniversary either in cash or in shares. The notes have a maturity of 2 years. Rui King Resources may issue a conversion notice at any time after 18 months to convert the notes into 68,931,250 ordinary shares.

Investments in Listed and Unlisted Entities

IBML's investment in Macquarie Gold Limited has been fully impaired on the basis that the company was in receivership.

IBML's investment in Zamia Metals Limited (ZGM) has been fully impaired on the basis that the company's shares are currently suspended on the ASX.

IBML has effectively lost control of Craton and as from 20 December 2019 and it will therefore not be consolidated in the financials of the Group. IBML's investment in Omico Copper Ltd will be recorded as an investment in an associate.

Significant changes in state of affairs

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

Likely developments and expected results of operations

Additional comments on likely and expected results of operations of the Group are included in this annual report under the 'Review of Operations' on pages 5-7.

Impact of COVID-19

The Group has implemented a number of processes in response to the COVID-19 pandemic to ensure the health and safety of employees and contractors and to aid in reducing the risk of transmission while still supporting an effective and productive workforce. These include measures which support social distancing, restrict non-essential travel, support staff wellbeing and include improved hygiene and cleaning protocols. The impact on the activity of the Group has been minimal. The Group will continue to adopt best practice protocols as the situation evolves to ensure the ongoing safety and wellbeing of employees and contractors.

After balance date events

Hogan Sprowles resigned as the receiver of MGL on 20 July 2020.

The COVID-19 pandemic did not have any significant impact on the Group's operations during the year. Subsequent to the end of the financial year, the pandemic and its impact has continued to evolve with further outbreaks resulting in lockdown restrictions in Victoria, additional border closures between states, new stimulus measures (such as Jobkeeper 2.0) and many other items. It is therefore not practical to estimate the potential impact, positive or negative, after reporting date.

On the 24 October 2020, the debt holders extended the maturity of the loan of \$500,000 from 13 February 2021 to 13 February 2022.

There are no other matters or circumstances that have arisen since the end of the financial year which has significantly affected, or which 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. We will continue to monitor the impact of COVID-19 on the Group's operations.

Environment regulations

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

Remuneration Report (unaudited)

Names and positions held by consolidated and parent entity key management personnel in office during the whole or since the end of the financial year and up to the date of this report were:

Mr Hugh Ian Thomas	Executive Chairman
Dr Kenneth John Maiden	Non-executive Director – Technical and Chief Geologist
Mr Rui Liu	Non-executive Director
Mr Jinhua Wang	Non-executive Director
Mr Zhehong Luo	Non-executive Director
Mr Shilai Jiang	Non-executive Director (appointed 21 July 2020)
Mr Qiang Chen	Alternate to Zhehong Luo
Mr Aidong Yang	Alternate to Rui Liu and General Manager Technical
Mr Xianwu Deng	Alternate to Mr Jinhua Wang
Mr Karl Hartmann	Non-executive Director, Craton Mining and Exploration (Pty) Ltd (resigned in June 2020)
Mr John Stone	Company Secretary
Mr Barry F Neal	Chief Financial Officer (resigned in February 2020)
Mrs Sigrid Hartmann	Company Secretary, Craton Mining and Exploration (Pty) Ltd (resigned in September 2019)

Remuneration governance

The remuneration committee is a committee of the board. It is primarily responsible for making recommendations to the board on:

- the over-arching executive remuneration framework
- operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles
- non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the company.

Executive remuneration policy and framework

In determining executive remuneration, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood, and
- acceptable to shareholders.

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

The following benefits and payments represent the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in accordance with Australian Accounting Standards.

Remuneration – key management personnel of the Group 2020

	Short-term benefits	Post-employment benefits	Share-based payments		Termination benefit	Total
	Cash, salary and fees	Super-annuation	Equity	Options		
	\$	\$	\$	\$	\$	\$
Directors						
Mr Hugh Thomas ¹	260,000	-	-	-	-	260,000
Dr Kenneth John Maiden ¹	41,380	-	-	-	-	41,380
Mr Rui Liu	3,335	-	-	-	-	3,335
Mr Qiang Chen (Alternate to Zehong Luo)	3,335	-	-	-	-	3,335
	308,050	-	-	-	-	308,050
Other Key Management Personnel						
Mr Karl Hartmann, Non-Executive Director ²	26,592	-	-	-	-	26,592
Mr Aidong Yang, General Manager-Technical ¹	7,500	-	-	-	-	7,500
Mr John Stone, Company Secretary	32,832	-	-	-	-	32,832
Mr Barry F Neal, Chief Financial Officer ¹	73,320	-	-	-	-	73,320
Mrs Sigrid Hartmann, Company Secretary ³	10,548	-	-	-	-	10,548
Total Key Management Remuneration	458,842	-	-	-	-	458,842

¹ Includes fees paid to related parties of key management personnel

² Non-executive Director of controlled entity Craton Mining and Exploration (Pty) Ltd

³ Company Secretary of controlled entity Craton Mining and Exploration (Pty) Ltd

No cash or non-cash remuneration, including share based payments, were paid or payable to Mr Jinhua Wang, and Mr Xianwu Deng during the year ended 30 June 2020 (2019: Nil)

Remuneration – key management personnel of the Group 2019

	Short-term benefits	Post-employment benefits	Share-based payments		Termination benefit	Total
	Cash, salary and fees	Super-annuation	Equity	Options		
	\$	\$	\$	\$	\$	\$
Directors						
Mr Hugh Thomas ¹	309,500	-	-	-	-	309,500
Dr Kenneth John Maiden ¹	84,390	-	-	-	-	84,390
Mr Rui Liu	40,020	-	-	-	-	40,020
Mr Dennis Morton resigned 22 March 2019 ¹	26,680	-	-	-	-	26,680
Mr Qiang Chen (Alternate to Zehong Luo)	40,020	-	-	-	-	40,020
	500,610	-	-	-	-	500,610
Other Key Management Personnel						
Mr Karl Hartmann, Non-Executive Director ²	102,017	-	-	-	-	102,017
Mr Aidong Yang, General Manager-Technical ¹	90,000	-	-	-	-	90,000
Mr John Stone, Company Secretary	57,628	-	-	-	-	57,628
Mr Barry F Neal, Chief Financial Officer ¹	119,183	-	-	-	-	119,183
Mrs Sigrid Hartmann, Company Secretary ³	41,433	-	-	-	-	41,433
Total Key Management Remuneration	910,871	-	-	-	-	910,871

¹ Includes fees paid to related parties of key management personnel

² Non-executive Director of controlled entity Craton Mining and Exploration (Pty) Ltd

³ Company Secretary of controlled entity Craton Mining and Exploration (Pty) Ltd

No cash or non-cash remuneration, including share based payments, were paid or payable to Mr Jinhua Wang, and Mr Xianwu Deng during the year ended 30 June 2019 (2018: Nil)

Service Contracts

Remuneration and other terms of employment for Key Management Personnel of the Company and its fully owned subsidiaries, are formalised in service agreements.

The major provisions of the agreements are set out below:

Name	Term of agreement	Base fees	Termination Benefit
Hugh Thomas, Executive Chairman	Remuneration Committee decision 29 September 2017 and ongoing	Executive Chairman package is £260,000 for FY20.	-
Barry F. Neal, CFO	Contract 1 September 2015 and resigned in Feb 2020	A consulting fee of \$137 p.h. plus GST	Agreement may be terminated at any time by either party with one month's notice.
John Stone, Company Secretary	Contract 11 October 2015 and ongoing	A consulting fee of \$72 p.h.	Agreement may be terminated at any time by either party with one month's notice.
Karl Hartmann, Craton Exploration Manager	Consulting contract from 1 March 2016 and resigned in June 2020	A consulting fee of US\$1,000 per day plus applicable VAT. Consultant guaranteed a minimum of fifteen days/quarter.	Agreement may be terminated at any time by either party with one month's notice.
Ziggy Hartmann, Craton Administrative Services	Consulting contract from 7 October 2016 and left in September 2019	A consulting fee of N\$35,000 per month plus applicable VAT. Consultant guaranteed a minimum of five days per month	Agreement may be terminated at any time by either party with one month's notice.

Other executives (standard contracts)

The Company may terminate the executive's 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 contract at any time without notice if serious misconduct has occurred.

Shareholdings of key management personnel

	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
2020				
Hugh Thomas	13,603,963	-	-	13,603,963
Kenneth Maiden, Non- executive Director	10,613,001	-	-	10,613,001
Rui Liu	193,652,791	-	-	193,652,791
Jinhua Wang	42,500,000	-	-	42,500,000
Zhehong Luo	118,326,492	-	-	118,326,492
John Stone	1,828,125	-	-	1,828,125
Karl Hartmann	1,862,179	-	-	1,862,179
Sigrd Hartmann	280,146	-	-	280,146
	382,666,697	-	-	382,666,697

	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
2019				
Hugh Thomas	13,603,963	-	-	13,603,963
Kenneth Maiden, Non- executive Director	10,613,001	-	-	10,613,001
Rui Liu	193,652,791	-	-	193,652,791
Jinhua Wang	42,500,000	-	-	42,500,000
Zhehong Luo	118,326,492	-	-	118,326,492
John Stone	1,828,125	-	-	1,828,125
Dennis Morton *	29,598,094	-	(29,598,094)	-
Karl Hartmann	1,862,179	-	-	1,862,179
Sigrd Hartmann	280,146	-	-	280,146
	353,068,603	-	(29,598,094)	382,666,697

* No longer a KMP holding after resignation

Option holdings of key management personnel

Options may be issued to Directors and Company Executives as part of their remuneration. The options are not issued based on performance criteria and are issued to all Directors and executives of the Company to increase goal congruence among Directors, executives and shareholders. Options are granted for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. No options were issued as remuneration during the reporting period.

Shares issued on exercise of remuneration options

No shares were issued to key management personnel during the year or since the end of the year up to the date of this report, as a result of the exercise of remuneration options.

Lapse of remuneration options

At the 30 June 2020 there were no KMP unexpired remuneration options on issue (2019: Nil).

END OF REMUNERATION REPORT (Unaudited)

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 indemnify, 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 Directors, the Company Secretary and 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.

Non-audit services

The company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the company and/or the group are important.

No such services were provided to the Company during the reporting period.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and is set out on page 22 of the financial report.



Signed in accordance with a resolution of the Board of Directors

Hugh Thomas
Chairman

Sydney, 6 November 2020

Auditor's Independence Declaration

To the Directors of International Base Metals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of International Base Metals Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



N P Smetana
Partner – Audit & Assurance

Sydney, 6 November 2020

Independent Auditor's Report

To the Members of International Base Metals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of International Base Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 1(c) in the financial report, which indicates that the Group's net result after income tax for the year ended 30 June 2020 was a loss of \$1,097,276 and the Group had net cash outflows from operating activities of \$912,554. It also has negative equity of \$994,792 and is in a net current liability position of \$406,775. As stated in note 1(c), these events or conditions, along with other matters set forth in note 1(c), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



NP Smetana
Partner – Audit & Assurance

Sydney, 6 November 2020

Directors' Declaration

In the opinion of the Directors of International Base Metals Limited:

1. The consolidated financial statements and notes of International Base Metals Limited are in accordance with the Corporations Act 2001, including:
 - (a) Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
 - (b) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that International Base Metals Limited will be able to pay its debts as and when they become due and payable.
3. The consolidated financial statements comply with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of Directors:



Hugh Thomas
Chairman

6 November 2020

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
Other income	4	152,737	113,193
Expenditure			
Administrative expenses		(517,785)	(729,474)
Exploration expenditure		(8,860)	(103,859)
Depreciation and amortisation expense	5	(63,030)	(12,574)
Consultants' expenses		(183,620)	(287,734)
Legal costs		(78,588)	(36,965)
Finance costs		(83,050)	-
Occupancy expenses		(10,459)	(67,898)
Employee benefits expense		(132,132)	(239,221)
Share of loss from associate	8	(671)	-
Loss before income tax		(925,458)	(1,364,532)
Income tax	6	-	-
Loss for the year from continuing operations		(925,458)	(1,364,532)
Loss from discontinued operations-MGL	7.2	-	(1,409,479)
Loss from discontinued operations-Craton	7.1	(171,818)	(378,052)
Loss for the year		<u>(1,097,276)</u>	<u>(3,152,063)</u>
Other Comprehensive Income			
The items listed in Other Comprehensive Income may recycle subsequently to profit or loss:			
Exchange differences on translation of foreign operations	18(a)	(432)	(2,047)
Total Other Comprehensive Income		<u>(432)</u>	<u>(2,047)</u>
Total Comprehensive (loss) for the year		<u>(1,097,708)</u>	<u>(3,154,110)</u>
Basic and diluted loss per Share (cents)	26	(0.16)	(0.46)

The accompanying notes form part of the financial statements

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
Current Assets			
Cash and cash equivalents	9	409,788	297,742
Trade and other receivables	10	-	84,659
Total Current Assets		409,788	382,401
Non-current Assets			
Security deposits	11	15,056	15,056
Plant and equipment	13	-	17,238
Right of use asset	27	22,818	-
Total Non-current Assets		37,874	32,294
Total Assets		447,662	414,695
Current Liabilities			
Trade and other payables	14	235,109	236,903
Lease liabilities	27	23,460	-
Short-term provisions	15	4,142	74,876
Borrowings	16	553,852	-
Total current liabilities		816,563	311,779
Non-Current Liabilities			
Borrowings	16	625,891	-
Total Non-Current Liabilities		625,891	-
Total Liabilities		1,442,454	311,779
Net (liabilities) / assets		(994,792)	102,916
Equity			
Issued capital	17	69,096,820	69,096,820
Reserves		-	(1,715,568)
Accumulated losses	18	(70,091,612)	(67,278,336)
Total (deficiency) / equity		(994,792)	102,916

The accompanying notes form part of the financial statements

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2020

Consolidated Group

	Share Capital	Accumulated Losses	Foreign Exchange Transaction Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2018	69,096,820	(64,126,273)	(1,713,521)	3,257,026
Loss for the year	-	(3,152,063)	-	(3,152,063)
Other comprehensive income	-	-	(2,047)	(2,047)
Total comprehensive (loss)/income for the year	-	(3,152,063)	(2,047)	(3,154,110)
Transactions with owners, in their capacity as owners, and other transfers	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 30 June 2019	69,096,820	(67,278,336)	(1,715,568)	102,916
Balance at 1 July 2019	69,096,820	(67,278,336)	(1,715,568)	102,916
Loss for the year	-	(1,097,276)	-	(1,097,276)
Other comprehensive income	-	-	(432)	(432)
Total comprehensive (loss) for the year	-	(1,097,276)	(432)	(1,097,708)
Transactions with owners, in their capacity as owners, and other transfers:				
Transfer of foreign exchange translation reserve to accumulates losses following loss of control of a foreign subsidiary	-	(1,716,000)	1,716,000	-
Total transactions with owners	-	(1,716,000)	1,716,000	-
Balance at 30 June 2020	69,096,820	(70,091,612)	-	(994,792)

The accompanying notes form part of the financial statements

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts – other		152,716	109,834
Payments to suppliers and employees		(1,020,930)	(1,806,814)
Payments for exploration expenditure		(45,351)	(652,276)
Interest received		4,319	21,372
Interest paid		(3,308)	(50,000)
Net cash (outflow) from operating activities	25	(912,554)	(2,377,884)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	(49,478)
Proceeds from the sale of plant and equipment		55,075	8,286
Cash derecognised as a result of the loss of control of subsidiary		(76,353)	(263,682)
Net cash (outflow) from investing activities		(21,278)	(304,874)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(54,122)	-
Loans received from shareholders		500,000	-
Convertible notes issued by shareholders		600,000	-
Net cash inflow from financing activities		1,045,878	-
Net increase/(decrease) in cash held		112,046	(2,682,758)
Cash at the beginning of the financial year		297,742	2,980,500
Cash at the end of the financial year		409,788	297,742

The accompanying notes form part of the financial statements

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

a. Accounting Policies

The same accounting policies and methods of computation have generally been followed in the financial year statements as those employed in the Group's annual financial statements for the year ended 30 June 2019 with the exception of the application of AASB 16 Leases and Interpretation 23 Uncertainty over income tax treatments

AASB 16 Leases

The Company has elected to adopt AASB 16 Leases using the modified retrospective method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations. The impact of adopting AASB 16 is described below.

Under AASB 117, the consolidated entity assessed whether leases were operating, or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the lessee or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except where an exemption election is used). The leases identified by the consolidated entity have been recognised as a right of use asset with a corresponding lease liability on the balance sheet.

AASB 16 includes several practical expedients which can be used on transition, the consolidated entity has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 and associated Accounting Interpretations were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- right of use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments;
- leases with an expiry date prior to 30 June 2020 were excluded from the statement of financial position and the lease expenses for these leases have been recorded on a straight-line basis over the remaining term; and
- hindsight was used when determining the lease term where the contract contains options to extend or terminate the lease.

Financial report impact of adoption of AASB 16

The Company has recognised right of use assets of \$77,582 and lease liabilities of \$77,582 at 1 July 2019 for leases previously classified as operating leases. The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 4.64%.

Interpretation 23 – Uncertainty over income tax treatments

Interpretation 23 clarifies how to apply the recognition and measurement requirements of AASB 112 'Income Taxes' in circumstances where uncertain tax treatment exists. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments.

The Group has adopted Interpretation 23 from 1 July 2019. Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions. The Group has determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The adoption of Interpretation 23 did not have an impact on the consolidated financial statements of the Group.

The Group will continue to review the "Same Business Test" and the "Continuity of ownership test" to assess whether it has an impact on the accessibility of tax losses.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent International Base Metals Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 23.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which the Group obtains control. When a change in the Company's ownership in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

c. Material uncertainty related to going concern

The financial report has 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 and at the amounts stated in the financial report.

The net result after income tax for the consolidated entity for the year ended 30 June 2020 was a loss of \$1,097,276 (2019: loss of \$3,152,063) and the Group had net cash outflows from operating activities of \$912,554 (2019: \$2,377,884). It also has negative equity of \$994,792 and is in a net current liability position of \$406,775.

The Directors have considered the following in their assessment of going concern:

- (i) The Group had \$409,788 cash on hand at 30 June 2020;
- (ii) On the 17 March 2020, one of the major shareholders provided a convertible note of \$600,000 to finance the Group's immediate cash needs. The Group expects further financial support to be provided if required;
- (iii) Further costs cutting measures can be taken reducing operating cash outflows.
- (iv) On the 26 October 2020, the debt providers extended the repayment date of the loans amounting to \$500,000 from February 2021 to February 2022.

In the event that the consolidated entity is unable to obtain sufficient funds (specifically the raising of capital or additional debt) to meet anticipated expenditure, there is a material uncertainty that may cast significant doubt upon the Company and the consolidated entity's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

At the date of approval of this financial report, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements at 30 June 2020. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary.

d. Interests in Joint Arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. International Base Metals Limited has a joint venture.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors of International Base Metals Limited.

f. 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 profit or loss.

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.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

g. Other Income

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Research and Development Grants

Mine development costs may be eligible for a Government Research and Development Grant with such grants being taken up as income in the statement of income and expenditure.

h. 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 at the end of the reporting period based on the applicable income tax rates for each jurisdiction where the Company and its subsidiaries operate and generate income.

Deferred tax is accounted for using the 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 profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

i. Exploration expenditure

In accordance with AASB 6 – Exploration for and the Evaluation of Mineral Resources, the Group has elected to expense in the profit or loss all its exploration expenditure.

j. Mineral Development expenditure

Capitalised expenditure is transferred from 'Exploration and evaluation expenditure' to 'Mines under development' once the work completed to date supports the future development of the property. After transfer of the exploration and evaluation assets, all subsequent expenditure on the development is capitalised in 'Mines under development'. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income. After production starts, all assets included in 'Mines under development' are then transferred to 'Producing mines'.

Mine development costs may be eligible for a Government Research and Development Grant with such grants being taken up as income in the statement of income and expenditure.

k. Restoration, rehabilitation and environmental protection expenditure

Where applicable, a provision for material restoration obligations is recognised for exploration licences. The amount recognised includes costs of reclamation and site rehabilitation after taking into account restoration works which are carried out during exploration. The provision for restoration costs are determined from an estimate of future costs and are capitalised as exploration expenditure.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Management has reassessed and provided for restoration as required for any disturbance during the field exploration and development work, which has been recognised as part of mines under development.

l. Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classifications are determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instrument.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI. Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

Impairment of financial assets

AASB 9's impairment model use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the impairment model depends on whether there has been a significant increase in credit risk.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

All financial assets, except for those at fair value through profit or loss (FVPL) and equity investments at fair value through other comprehensive income (equity FVOCI), are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets at fair value through other comprehensive income

The Group recognises 12 months expected credit losses for financial assets at FVOCI. As most of these instruments have a high credit rating, the likelihood of default is deemed small. However, at each reporting date the Group assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Group relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Group only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Group would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, the Group considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results.

Should any of these indicators imply a significant increase in the instrument's credit risk, the Group recognises for this instrument or class of instruments the lifetime expected credit losses.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

m. 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.

n. Property, plant and equipment

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

The carrying amount of property, 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. 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 in use is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Depreciation

Depreciation of non-mining assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Leasehold improvements are depreciated over the shorter of either the unexpired period or the lease or the estimated useful lives of the improvements.

The depreciation rate used for each class of depreciable assets are:

Office equipment	4 years
Furniture & fitting	5 years
Plant and Equipment	5 years
Motor vehicles	4 years
Computer equipment	4 years

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation on mining assets commences when the asset is put into use and is based on the units of production method which results in a decreasing charge over the useful life of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 recognised in profit or loss. When re-valued assets are sold, amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

o. Leases

At inception of a contract, the Company assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.

The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use. The Company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used. The Company has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Previous policy (before 1 July 2019)

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

p. Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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 profit or loss in the period in which they are incurred.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. 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.

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.

s. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, and accumulating annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

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.

t. 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.

u. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Group, 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.

v. Goods and services tax and VAT

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.

Receivables and payables 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.

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.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

w. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

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 – Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Key estimates – Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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 using the fair value less disposal costs or value in use approach, whichever is more appropriate for the underlying asset.

Key judgements – Exploration expenses

The Directors have elected to expense rather than capitalise expenditure on exploration, evaluation and development on all the Group's exploration as it is incurred. Directors believe this treatment when 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. Refer Note 1(i).

x. Parent entity financial information

The financial information for the parent entity, International Base Metals Limited, disclosed in Note 19 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of International Base Metals Limited less any accumulated impairment.

The carrying value of the investments in subsidiaries is assessed for impairment at each year end. Where impairment is identified, the impairment expense is recognised in profit or loss for the 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, loans received and trade and other payables.

Notes to the Financial Statements

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

The total for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group	
	2020	2019
	\$	\$
Financial Assets		
Cash and cash equivalents	409,788	297,742
Trade and other receivables	-	84,659
Security deposits	15,056	15,056
	<u>424,844</u>	<u>397,457</u>
Financial liabilities		
Borrowings	1,179,743	-
Lease liabilities	23,460	-
Trade and other payables	235,109	236,903
	<u>1,438,312</u>	<u>236,903</u>

(j) Price risk-security prices

The Group is exposed to equity security price risk. This arises from investments held by the Group and classified as financial assets at fair value through profit or loss representing shares held in listed companies.

The Directors have resolved to fully impair these investments with the result that the carrying value is nil.

The Group is not exposed to commodity price risk.

(i) Interest rate risk

As the Group borrowings were at fixed rates of interest there is no rate risk from these loans.

Receivables are carried at amortised cost and are therefore not subject to interest rate risk as defined in AASB 7.

The Group's interest rate risk arises from cash equivalents with variable interest rates and from other assets (prepayments and security deposits). The average interest rate applicable during the reporting period 0.06% (2019:0.52%).

Group sensitivity

At 30 June 2020 if interest rates had increased/decreased by 50 basis points from the year end rates with all other variables held constant, the Group's net profit before tax would have been \$1,278 lower/higher (2019: \$1,142 higher/ lower as a result of higher/lower interest income from cash and cash equivalents).

(ii) 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 BBB+ category for long term investing and at least a short-term rating of A-1 and A-1. With respect to investments, it limits its exposure by investing in liquid investments that are principally exchange traded.

Trade and other receivables

As the Group currently has no mines in production, the group and the parent generally do not have trade receivables. The Group however does receive refunds for VAT and GST (all of which are not subject to AASB 7 disclosures). The Group is therefore not generally exposed to credit risk in relation to trade receivables. The Group however provides security deposits as part of its exploration activities which does expose the Group to credit risk in this area but which is not material.

Notes to the Financial Statements

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

Financial assets past due but not impaired

As the Group and Parent Entity are currently only involved in mineral exploration and development and 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. For this reason an ageing 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	
	2020	2019
	\$	\$
Cash and cash equivalents		
AA- Standard & Poor's, Moody's Aa2	-	-
A+ Standard & Poor's, Moody's A+	344	343
AA Standard & Pooers	-	102,224
Moody's Baa3	-	104,117
Moody's Aa2	-	-
Aa2 Standard & Poor's, Moody's AA-	409,444	91,058
	<u>409,788</u>	<u>297,742</u>

(iv) 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's preference is to use capital raising rather than borrowings to balance cash flow requirements.

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.

As at 30 June 2020	Less than 1 Year	1 to 5 Years	More than 5 Years	Total contractual cash flows	Carrying Value
	\$	\$	\$	\$	\$
Trade and other payables	235,109	-	-	235,109	235,109
Lease liabilities	23,640	-	-	23,640	23,460
Borrowings	553,852	625,891	-	1,380,860	1,179,743
Total financial liabilities	812,601	625,891	-	1,639,609	1,438,312

As at 30 June 2019	Less than 1 Year	1 to 5 Years	More than 5 Years	Total contractual cash flows	Carrying Value
	\$	\$	\$	\$	\$
Trade and other payables	236,903	-	-	236,903	236,903
Total financial liabilities	236,903	-	-	236,903	236,903

(v) Fair value estimation

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Notes to the Financial Statements

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments are carried at amortised cost.

NOTE 3: SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the business from both exploration and a geographic perspective and has identified three reportable segments.

International Base Metals Limited and its controlled entities are involved in mineral exploration and development without an income stream at this stage. Cash flow including the raising of capital to fund exploration and the development of mines is presently therefore the main focus rather than profit.

The three reportable segments are Australia Mining, Namibia Mining and Australia Corporate which also equate to the geographic locations.

(b) Segment performance

2020	Australia Corporate	Namibia Mining (discontinued operation)	Total
	\$	\$	\$
REVENUE			
Other revenue (including finance revenue)	1,180,437	45,573	1,226,010
Total segment revenue	1,180,437	45,573	1,226,010
Reconciliation of segment revenue to group revenue			
Discontinued operations	-	(45,573)	(45,573)
Inter-segment elimination*	(1,027,700)	-	(1,027,700)
Total group revenue and income	152,737	-	152,737

2019	Australia Corporate	Namibia Mining (discontinued operation)	Australia Mining (discontinued operation)	Total
	\$	\$	\$	\$
REVENUE				
Other revenue (including finance revenue)	2,587,694	10,340	7,663	2,605,697
Total segment revenue	2,587,694	10,340	7,663	2,605,697
Reconciliation of segment revenue to group revenue				
Discontinued operations	-	-	(7,663)	(7,663)
Inter-segment elimination*	(2,474,501)	-	-	(2,474,501)
Total group revenue and income	113,193	10,340	-	123,533

Notes to the Financial Statements

NOTE 3: SEGMENT INFORMATION (continued)

NET (LOSS) BEFORE TAX

2020	Australian Corporate	Namibia Mining (discontinued operation)	Total
	\$	\$	\$
Net (loss) Before Tax	(825,457)	(1,085,634)	(1,911,091)
<i>Reconciliation of segment net loss before tax to group net loss before tax</i>			
Inter-segment eliminations	(100,001)	913,816	813,815
Operating Net Loss before tax	(925,458)	(171,818)	(1,097,276)

2019	Australian Corporate	Namibia Mining	Australia Mining (discontinued operation)	Total
	\$	\$	\$	\$
Net profit (loss) Before Tax	(2,765,723)	(2,069,507)	(1,409,479)	(6,244,709)
<i>Reconciliation of segment net loss before tax to group net loss before tax</i>				
Inter-segment eliminations	1,401,190	1,691,456	-	3,092,646
Operating Net Loss before tax	(1,364,533)	(378,051)	(1,409,479)	(3,152,063)

(c) Segment assets

2020	Australian Corporate	Namibia Mining (discontinued operation)	Australia Mining (discontinued operation)	Total
	\$	\$	\$	\$
Segment assets current*	409,788	121,910	-	531,698
Segment assets non-current**	37,874	3,438	-	41,312
Inter-segment eliminations	-	-	-	-
Discontinued activities	-	(125,348)	-	(125,348)
Total group assets	447,662	-	-	447,662

* Australian current assets are cash and receivables

** Australian non-current assets include investment in subsidiaries, investments in associate and in other listed entities, and office plant and equipment.

2019	Australian Corporate	Namibia Mining	Australia Mining (discontinued operation)	Total
	\$	\$	\$	\$
Segment assets current*	104,653	277,748	-	382,401
Segment assets non-current**	23,321	8,973	-	32,294
Total group assets	127,974	286,721	-	414,695

* Australian current assets are cash and receivables; Namibian current assets are cash, receivables and prepayments.

** Australian non-current assets include investment in subsidiaries, investments in associate and in other listed entities, and office plant and equipment. These are stated net of impairment provisions against investment in subsidiaries and loans of \$29,151,750 and \$12,705,129 respectively.

Notes to the Financial Statements

NOTE 3: SEGMENT INFORMATION (continued)

(d) Segment liabilities

	Australian Corporate	Namibia Mining (discontinued operation)	Total
2020	\$	\$	\$
Segment liabilities*	1,442,454	27,988,292	29,430,746
<i>Reconciliation of segment liabilities to group liabilities</i>			
Inter-segment eliminations**	-	(27,985,002)	(27,985,002)
Discontinued activities	-	(3,290)	(3,290)
Total group liabilities	1,442,454	-	1,442,454

Australian liabilities include payables and loans extended to subsidiaries

	Australian Corporate	Namibia Mining	Australia Mining (discontinued operation)	Total
2019	\$	\$	\$	\$
Segment liabilities*	297,307	26,988,725	-	27,286,032
<i>Reconciliation of segment liabilities to group liabilities</i>				
Inter-segment eliminations**	-	(26,974,253)	-	(26,974,253)
Total group liabilities	297,307	14,472	-	311,779

NOTE 4: OTHER INCOME

	Consolidated Group	
	2020	2019
	\$	\$
Interest received	21	21,372
Net gain on disposal of plant and equipment	-	1,783
Currency gain	-	288
Miscellaneous income	139,716	100,090
Government grants (job-keeper, cash boost)	13,000	-
TOTAL OTHER INCOME	152,737	123,533

NOTE 5: EXPENSES

	Consolidated Group	
	2020	2019
	\$	\$

Loss before income tax includes the following specific expenses:

Depreciation

Office equipment	-	126
Furniture & fitting	8,266	8,266
Plant and equipment	528	9,472
Computer software and equipment *	-	4,183
Right of Use-Office Lease Depreciation	54,764	-
Total Depreciation	63,558	22,047

Total rental expense relating to operating leases	-	86,575
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* Balance disclosed in discontinued operations

Notes to the Financial Statements

NOTE 6: INCOME TAX

	Consolidated Group	
	2020	2019
	\$	\$
(a) Income tax expense		
Current tax	255,523	(376,519)
Deferred tax	-	-
Deferred tax assets not recognised	(255,523)	376,519
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
The prima facie tax on (loss) before income tax is reconciled to the income tax as follows		
Prima facie tax payable on (loss) before income tax at 27.5% (2019:27.5%):	(301,751)	(866,817)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Exploration expenditure incurred – Namibia	361,341	776,065
- Other allowable items	(413)	(413)
- Non allowable items	-	-
- Goodwill arising from acquisition	-	-
- Loss resulted from business discontinuity	47,250	387,607
- Provisions and accruals	245,453	(466,010)
Difference in overseas tax rates	(96,359)	(206,951)
Timing differences not recognised	-	-
Tax losses (utilised) / not recognised	(255,523)	376,519
Income tax expense	-	-
(c) Unrecognised temporary differences		
Deferred tax assets (at 27.5% - Australian entities)		
Carry forward tax losses	5,177,326	5,432,849
Temporary differences	12,767	32,218
	5,190,093	5,465,067

Notes to the Financial Statements

NOTE 7: DISCONTINUED OPERATIONS – LOSS OF CONTROL

7.1 Discontinued Operations-Craton Mining and Exploration Pty Ltd

(a) Description

On 20 December 2019 IBML signed an agreement with a UK based Private Equity fund Greenstone Venture Capital LP. All Craton issued shares previously held by IBML have been sold to a new entity Omico Copper Ltd (Mauritius) with the shares in this entity held 53.7% by Greenstone and 46.3% by IBML.

The fund has the right, subject to an agreed expenditure and timetable, to retain its shareholding in Omico return for completing a BFS with a minimum expenditure of USD5.0m. At the conclusion of the BFS, and assuming it meets the required future investment hurdles, IBML has the option to either sell its equity in Omico to the Fund for USD7.5m plus a 1.5% smelting royalty or invest in the future project to the extent of its equity holding.

IBML has effectively lost control of Craton and as from 20 December 2019 has de-consolidated Craton and instead recognised IBML's investment in Omico Copper Ltd as an investment in an associate (refer to note 8).

(b) Assets and liabilities of discontinued operation

Assets of Discontinued operation	20 December 2019
	\$
Cash	76,353
Other assets	45,557
Deposits	-
Exploration assets and Property, plant and equipment	3,438
Total assets of Discontinued Operation	125,348
Liabilities of Discontinued operation	
Trade and other payables	3,290
Total liabilities of Discontinued Operation	3,290
Net assets of Discontinued Operation	122,058

(c) Financial performance and cash flow information

	20 December 2019	30 June 2019
	\$	\$
Revenue	45,573	10,340
Expenses	(95,334)	(388,392)
Loss on de-consolidation	(122,057)	-
Loss before income tax on discontinued operations	(171,818)	(378,052)
Income tax expense	-	-
Loss before after income tax on discontinued operations	(171,818)	(378,052)
Net (outflow) from operating activities	(171,264)	(81,630)
Net cash inflow from investing activities	41,275	-
Net cash (outflow)/inflow from financing activities	-	-
Net (decrease) in cash used by the discontinued entities	(129,989)	(81,630)

(d) Details of the sale of shares in Craton

Consideration received or receivable	
Cash	1
Total disposal consideration	1
Carrying amount of net assets sold	(122,058)
Loss on sale before income tax	(122,057)

Notes to the Financial Statements

NOTE 7: DISCONTINUED OPERATIONS – LOSS OF CONTROL (continued)

7.2 Discontinued Operations - Macquarie Gold Limited

(a) Description		22 March 2019
On 22 March 2019 subsidiaries Macquarie Gold Limited (MGL) and Challenger Mines Pty Ltd were placed in receivership by lenders to MGL as a result of the borrower not being successful in negotiating an extension of the repayment terms with the lenders.		\$
(b) Assets of Discontinued operation		
Cash	263,682	
Other assets	14,680	
Deposits	447,090	
Exploration assets and Property, plant and equipment	-	
Total assets of Discontinued Operation	725,452	
(c) Liabilities of Discontinued operation		
Trade and other payables	150,153	
Loans	3,918,180	
Provisions	400,491	
Total liabilities of Discontinued Operation	4,468,824	
(d) Financial performance and cash flow information		
Revenue	7,663	
Expenses	(802,785)	
Impairment of assets	(4,357,731)	
Gain on de-consolidation	3,743,374	
(Loss) before income tax on discontinued operations	(1,409,479)	
Income tax expense	-	
(Loss) after income tax on discontinued operations	(1,409,479)	
Net (outflow) from operating activities	(627,519)	
Net cash (outflow) from investing activities	(40,965)	
Net cash (outflow) from financing activities	(50,000)	
Net (decrease) in cash used by the discontinued entities	(718,484)	

NOTE 8: INVESTMENT IN AN ASSOCIATE

IBML's investment in Omico Copper Ltd has been recorded as an investment in an associate as IBML does not have control of this entity with a shareholding of 46.3%. IBML's subscription paid to Omico was US\$463 (A\$671). IBML's share of losses in Omico has been taken up as a decrease in investment in associate to the extent bringing value down to nil.

	Consolidated Group	
	June 2020 \$	June 2019 \$
Investment in associate Omico Copper Ltd - 20 December	671	-
Share of loss in associate	(671)	-
Investment in associate Omico Copper Ltd - 30 June	-	-

Notes to the Financial Statements

NOTE 9: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2020	2019
	\$	\$
Cash at bank and in hand	409,788	297,742

Reconciliation of cash

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

Cash at bank and in hand	409,788	297,742
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Interest rate exposure

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

NOTE 10: CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2020	2019
	\$	\$
Other receivables	-	3,509
VAT/GST refund due	-	76,640
Prepayments	-	4,510
Total Trade and other receivables	-	84,659

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. No receivable are past due at year end.

NOTE 11: NON-CURRENT ASSETS – DEPOSITS

	Consolidated Group	
	2020	2019
	\$	\$
Deposits paid (office leases)	15,056	15,056
Total Deposits paid	15,056	15,056

Fair value and credit risk

The carrying amount is assumed to approximate their fair value.

NOTE 12: JOINT ARRANGEMENTS

Cobar/Actway Joint Venture

AuriCula Mines Pty Ltd, a wholly owned subsidiary of IBML, has an exploration Joint Venture with Cobar Management Pty Ltd ('CMPL') and Actway Pty Ltd ('Actway') in the Cobar district, of central New South Wales. AuriCula holds Exploration Licence ('EL') 6223 (Shuttleton Project); another tenement, EL 6907 (Mt Hope Project), is held by Actway. CMPL manages the projects.

Notes to the Financial Statements

NOTE 13: NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	Office Equipment	Furniture & Fittings	Land & Buildings	Plant & Equipment	Motor Vehicles	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2019							
Opening Net book value	-	16,574	330,000	1,050,326	21,321	2,632	1,420,853
Impairment	-	-	(359,950)	(1,051,270)	(11,000)	(2,098)	(1,424,318)
Additions	126	-	29,950	15,220	-	4,182	49,478
Disposal	-	-	-	-	(7,000)	-	(7,000)
Foreign exchange loss on conversion	-	1	-	160	95	16	272
Depreciation charge	(126)	(8,266)	-	(9,472)	-	(4,183)	(22,047)
Closing Net book value at 30 June 2019	-	8,309	-	4,964	3,416	549	17,238
At 30 June 2019							
Cost or fair value at acquisition date	9,125	44,285	-	127,120	88,747	95,000	364,277
Accumulated depreciation	(9,125)	(35,976)	-	(122,156)	(85,331)	(94,451)	(347,039)
Net Book Value	-	8,309	-	4,964	3,416	549	17,238
Year ended 30 June 2020							
Opening Net book value	-	8,309	-	4,964	3,416	549	17,238
Addition	-	-	-	-	-	-	-
Disposal	-	(43)	-	(4,474)	-	(552)	(5,069)
Foreign exchange loss on conversion	-	-	-	33	22	3	58
Depreciation charge	-	(8,266)	-	(523)	(3,438)	-	(12,227)
Closing Net book value	-	-	-	-	-	-	-
At 30 June 2020							
Cost or fair value at acquisition date	-	37,217	-	-	89,328	-	126,545
Accumulated depreciation	-	(37,217)	-	-	(85,890)	-	(123,107)
Discontinued Operation	-	-	-	-	(3,438)	-	(3,438)
Net book value	-	-	-	-	-	-	-

NOTE 14: CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated Group	
	2020	2019
	\$	\$
Trade payables	31,218	98,023
Sundry payable and accrued expenses	203,891	138,880
	235,109	236,903

Notes to the Financial Statements

NOTE 15: PROVISIONS

	Consolidated Group	
	2020	2019
	\$	\$
Current		
Employee benefits	4,142	74,876
Opening balance	74,876	81,411
Balance at loss of control of subsidiary	-	(5,491)
(Decrease)/Additions in the year	(70,734)	(1,044)
Balance at end of year	4,142	74,876
Non-current		
Restoration and rehabilitation costs		
Balance at acquisition date of subsidiary	-	395,000
Additions in the year	-	-
Balance at loss of control of subsidiary	-	(395,000)
Balance at end of year	-	-

NOTE 16: BORROWINGS

	Consolidated Group	
	2020	2019
	\$	\$
CURRENT		
Loans from Directors	500,000	-
Accrued interest on loans from Directors and Directors' related entities	53,852	-
	553,852	-

These borrowings were incurred in August 2019, two directors of IBML lent in total \$500,000 to IBML. Security on all loans is a first ranking general security granting security over the borrower's assets.

NON-CURRENT

Convertible note	600,000	-
Accrued interest on convertible notes	25,821	-
	625,821	-

On 17 March 2020, a convertible note which amount is \$0.6 million was issued to a related party, Rui King Resources from IBML. Interest is calculated at a rate of 15% pa and payable on the last day of each 6 month anniversary either in cash or in shares. The notes have a maturity of 2 years. Rui King Resources may issue a conversion notice at any time after 18 months to convert the notes into 68,931,250 ordinary shares.

Notes to the Financial Statements

NOTE 17: ISSUED CAPITAL

	2020	2019	2020	2019
	No of Shares	No of Shares	\$	\$
Fully paid ordinary shares	689,312,504	689,312,504	69,096,820	69,096,820

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

(a) Options

No options were issued during the financial year. There are no unexpired options on issue (2019: nil).

(b) 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.

All ordinary shares issued are fully paid up.

(c) 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 seek debt to fund operations.

The Group and the parent entity continually monitor capital on the basis of budgeted expenditure. The Group had no long-term debt at balance date.

NOTE 18: RESERVES AND ACCUMULATED LOSSES

(a) Foreign Exchange Translation Reserves (FETR)

	Consolidated Group	
	2020	2019
	\$	\$
Balance at beginning of financial year	(1,715,568)	(1,713,521)
Currency translation differences arising during the year	(432)	(2,047)
Transfer to accumulated losses on deconsolidation of a subsidiary	1,716,000	-
Balance at end of financial year	-	(1,715,568)

(b) Accumulated losses

Movements in retained losses were as follows:

Balance 1 July	(67,278,336)	(64,126,273)
Net (loss) attributable to members of the Company	(1,097,276)	(3,152,063)
Transfer from FETR	(1,716,000)	-
Balance 30 June	(70,091,612)	(67,278,336)

(c) Nature and purpose of reserves

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.

Notes to the Financial Statements

NOTE 19: PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts

	Parent Entity	
	2020	2019
	\$	\$
Current assets	406,483	104,653
Non-Current assets	37,877	23,324
Total assets	444,360	127,977
Current liabilities	813,256	297,307
Non-Current liabilities	625,891	-
Total liabilities	1,439,147	297,307
Shareholders' equity		
Contributed equity	69,096,820	69,096,820
Retained losses	(70,091,607)	(69,266,150)
Total equity	(994,787)	(169,330)
Loss for the year	(825,457)	(2,765,723)
Total Comprehensive Income	(825,457)	(2,765,723)
Loans by parent to controlled entities		
Amounts owing by controlled entities	(29,151,750)	(28,141,001)
Provision for impairment of receivables	(29,151,750)	(28,141,001)
	-	-

(i) Impaired receivables and receivables past due

At 30 June 2020 \$29,151,750 (2019: \$28,141,001) owing by controlled entities was impaired. The impairment has resulted from the Parent Entity and a controlled entity advancing working capital to Controlled Entities which have no income and therefore are not in a position at this exploration stage to meet their liability to the Parent Entity or controlled entity.

The Company has signed loan standstill agreement with Greenstone in terms of Omico's Controlled Entity, Craton Mining and Exploration (Pty) Ltd. Both parties agreed not to call up the above-mentioned loans totalling \$27,985,002 (2019: \$26,974,251) until this Controlled Entities is able to pay its debts as and when they fall due; and to provide further funding as is necessary to enable the Controlled Entities to pay its debts as and when they become due and payable.

(ii) Impaired investment in subsidiaries

The group's accounting policy is consistent with accounting standards that financial assets are carried at fair value in accordance with AASB 9.

The accounting policies for the Parent Entity (IBML) are the same as those of the group, other than investments in subsidiary which are carried at their cost, less any impairment.

At 30 June 2020 the parent company's investment in Craton Mining and Exploration (Pty) Ltd was \$12,705,129 which was fully provisioned for impairment as a result of IBML losing its control over Craton Mining and Exploration (Pty) Ltd.

(iii) Fair values

The carrying amount is assumed to approximate the fair value of the loans to controlled entities of \$Nil. Information about the Group's exposure to credit and interest risk is provided in Note 2.

Notes to the Financial Statements

NOTE 20: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation	Consolidated Group	
	2020	2019
	\$	\$
Short-term employee benefits	458,842	910,871
Share based payments	-	-
	458,842	910,871

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

(b) **Shareholdings of key management personnel**

Details of shareholdings of key management personnel are disclosed in the remuneration report.

(c) **Option holdings of key management personnel**

No options are held by KMP's (2019: Nil).

There have been no other transactions involving equity instruments other than those described in the table above. For details of other transactions with KMP's (including loans) refer to Note 22 Related Party Transactions.

NOTE 21: REMUNERATION OF AUDITORS

	Consolidated Group	
	2020	2019
	\$	\$
Auditor to the parent company		
Audit and review of financial statements		
Grant Thornton Audit Pty Ltd	50,000	94,878
Auditors of subsidiaries		
Grant Thornton Neuhaus	-	11,233
Other services to the subsidiaries		
Taxation Services – Zane Advisory Pty Ltd	5,000	-
Taxation services – Ernst Young	-	4,692
Taxation services – Willtax	-	4,250
	55,000	115,053

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 subsidiaries are set out in Note 23

(c) **Key management personnel**

Disclosures in relation to key management personnel are set out in Note 20

Other transactions with related parties of Parent

Aggregate amounts of each of the above types of transaction with related parties of the Group not including key management personnel:

	Consolidated Group	
	2020	2019
	\$	\$
Amounts outstanding from related parties		
Secured Loans from related party – Director (including accrued interest)	553,852	-
Convertible Note from related party- Shareholder (including accrued interest)	625,891	-
Directors' fees and service fees payable to KMP's and their related parties	73,370	53,555
Amounts payable to Hunter Bay Partners Pty Ltd	20,075	20,075

Expenses claimed by Tamerlane Advisory Group Pty Ltd (a company related to Hugh Thomas) has been included in directors' fees.

Notes to the Financial Statements

NOTE 23: CONTROLLED ENTITIES

(a) **Subsidiaries**

The group's principal subsidiaries at 30 June 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Nature of Operations	Country of Incorporation	Ownership Interest	
			2020	2019
Parent entity				
International Base Metals Limited	Holding Company	Australia	100%	100%
Controlled entities				
Auricula Mines Pty Ltd	Exploration	Australia	-	100%
Craton Mining and Exploration (Pty) Ltd *	Exploration	Namibia	-	100%
Omtiomire Mining Company (Pty) Ltd	Exploration	Namibia	100%	100%
Macquarie Gold Limited **	Exploration	Australia	100%	100%
Challenger Mines Pty Ltd **	Exploration	Australia	-	100%

* Craton Mining and Exploration (Pty) Ltd has been sold during the year to Omico Copper Ltd. The Company owns 46.3% of the shares of this entity who is classified as an associate (refer to note 8)

** Macquarie Gold was placed in Receivership on 22 March 2019. IBML subsequently also appointed a Receiver on 25 March 2019. As a result of this appointment and the loss of control, MGL and its subsidiary CML have been deconsolidated. On 15 May 2020 Hogan Sprowles has settled the Asset and Share Sale Deed with 3D Resources Limited (DDD) of sale of Challenger Mines Pty Ltd. And Hogan Sprowles retired as Receivers and Managers appointed over the assets of Challenger Mines on the same day. Payments were made from the settlement proceeds and distributed to debt holders on 19 June 2020. Hogan Sprowles resigned as receiver of MGL on 20 July 2020.

NOTE 24: SUBSEQUENT EVENTS

Hogan Sprowles resigned as the receiver of MGL on 20 July 2020.

The COVID-19 pandemic did not have any significant impact on the Group's operations during the year. Subsequent to the end of the financial year, the pandemic and its impact has continued to evolve with further outbreaks resulting in lockdown restrictions in Victoria, additional border closures between states, new stimulus measures (such as Jobkeeper 2.0) and many other items. It is therefore not practical to estimate the potential impact, positive or negative, after reporting date.

On the 24 October 2020, the debt holders extended the maturity of the loan of \$500,000 from 13 February 2021 to 13 February 2022.

There are no other matters or circumstances that have arisen since the end of the financial year which has significantly affected, or which 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. We will continue to monitor the impact of COVID-19 on the Group's operations.

Notes to the Financial Statements

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

	Consolidated Group	
	2020	2019
	\$	\$
Operating (loss) after income tax	(1,097,276)	(3,152,063)
Non-cash items included in profit and loss:		
- depreciation and amortization	63,030	22,047
- Impairment of property, plant and equipment	-	1,424,318
- Impairment of development assets	-	2,933,413
- Finance costs recognised not paid	79,741	-
- Loss/(gain) on deconsolidation of subsidiaries	122,057	(3,743,374)
- Gain on disposal of property, plant and equipment	-	(1,555)
- Net foreign exchange difference	(449)	(2,047)
Change in assets and liabilities		
Decrease in receivables	39,102	3,611
(Decrease)/Increase in payables	(48,025)	144,301
(Decrease) in provisions	(70,734)	(6,535)
Net cash (outflow) from operating activities	(912,554)	(2,377,884)

NOTE 26: LOSS PER SHARE

	Consolidated Group	
	2020	2019
	Cent per Share	Cents per Share
Basic loss per share	(0.16)	(0.46)
Diluted loss per share	(0.16)	(0.46)

Basic and diluted loss per share

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

	2020	2019
	\$	\$
Loss (i)	(1,097,276)	(3,152,063)
Weighted average number of ordinary shares (ii)	689,312,504	689,312,504

(i) Losses used in the calculation of basic and diluted loss per share are net loss after tax attributable to owners as per statement of comprehensive income.

(ii) There were no options outstanding at 30 June 2020 (2019: Nil) and therefore no dilutive effect on the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted loss per share.

NOTE 27: RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right-of-use Assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Notes to the Financial Statements

NOTE 27: RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Right-of-use assets are presented in the statement of financial position as follows:

	Consolidated Group	
	2020	2019
	\$	\$
Non-current assets		
Right of use assets – office lease	77,582	-
Less: accumulated depreciation	(54,764)	-
	<u>22,818</u>	<u>-</u>

Lease Liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the entity's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent arm's length borrowing rate received as a starting point, adjusted to reflect changes in financing conditions since borrowing was received, making adjustments specific to the lease (e.g. term, country, currency and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities are presented in the statement of financial position as follows:

	Consolidated Group	
	2020	2019
	\$	\$
Current	23,460	-
Non-current	-	-
	<u>23,460</u>	<u>-</u>

Notes to the Financial Statements

NOTE 27: RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2020 were as follows:

	Within one year	Two or more years	Total
30 June 2020			
Lease payments	23,640	-	23,460
Finance charges	(180)	-	(180)
	<u>23,460</u>	<u>-</u>	<u>23,460</u>

Additional profit or loss and cash flow information

Amounts recognised in the statement of profit or loss and other comprehensive income

	Consolidated Group 2020	2019
	\$	\$
Depreciation	54,764	-
Interest expense	<u>2,246</u>	<u>-</u>

NOTE 28: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets and liabilities as at 30 June 2020.

Shareholder Information

Statement of issued securities as at 26 October 2020.

There are 348 shareholders holding a total of 707,942,572 ordinary fully paid shares on issue by the Company eligible to be present at any general meeting of the Company and to vote on any question on a show of hands and upon a poll and to be reckoned in a quorum.

Distribution of issued securities as at 26 October 2020.

Ordinary fully paid shares

Range of holding	Number of holders	Total Units
1 - 1,000	-	-
1,001 - 5,000	3	7,500
5,001 - 10,000	6	51,655
10,001 - 100,000	129	7,414,669
100,001 - and over	210	700,468,748
Total holders	348	707,942,572

Substantial shareholdings as at 26 October 2020 of Fully Paid Ordinary Shares

Ordinary shareholder	Total relevant interest notified	% of total voting rights
Rui King Resources Limited	168,630,068	23.82
West Minerals Pty Limited	118,326,492	16.71
Ferromin Pty Ltd (The Ambler Unit A/c)	56,909,078	8.04
Heilongjiang Heilong Resources Investment Co Ltd	25,022,723	3.53

The three entities which are substantial Shareholders are associates with 52.11% voting control of the Company.

Top Twenty Shareholders 26 October 2020

Holder Name	Shares held	%
RUI KING RESOURCES LIMITED	168,630,068	23.82%
WEST MINERALS PTY LIMITED	118,326,492	16.71%
FERROMIN PTY LTD <THE AMBLER UNIT A/C>	56,909,078	8.04%
HEILONGJIANG HEILONG RESOURCES INVESTMENT CO LTD	25,022,723	3.53%
CHINA KINGS RESOURCES GROUP CO LTD	22,500,000	3.18%
BUDSIDE PTY LTD <EMPLOYEES SUPER FUND A/C>	21,815,375	3.08%
CHINA SUN INDUSTRY PTY LTD	20,000,000	2.83%
MANICA MINERALS LTD	15,000,000	2.12%
TAMERLANE GROUP LIMITED	13,603,963	1.92%
PEARL GLOBAL INVESTMENT LIMITED	13,333,333	1.88%
BLACKMANS & ASSOCIATES PTY LTD <SUPER FUND A/C>	13,000,000	1.84%
JIAN XU	10,718,379	1.51%
MR KENNETH JOHN MAIDEN & MRS MARGARET FRANCES MAIDEN <MAIDEN FAMILY S/F A/C>	10,521,751	1.49%
GREAT SEA WAVE INVESTMENT PTY LTD	9,167,333	1.29%
MACQUARIE BANK LTD	8,333,333	1.18%
THETA ASSET MANAGEMENT LIMITED <AUCTUS RESOURCES FUND A/C>	8,333,333	1.18%
MR DENNIS JAMES MORTON	7,782,719	1.10%
TECTOMET EXPLORATION PTY LTD	7,220,277	1.02%
OCTAN ENERGY PTY LTD	6,681,096	0.94%
PEAK SUCCEED INVESTMENTS LIMITED	6,666,667	0.94%
Total Securities of Top 20 Holdings	563,565,920	79.61%
Total of Securities	707,942,572	

8.4 Related Party Financial Agreements

a. A secured loan provided by Messrs Rui Liu and Qiang Chen

On 14 August 2019, agreements were signed with a related party of Director Mr Qiang Chen (Far Union Ltd) and Director Mr Rui Liu to advance loans totalling \$0.5 million being \$0.1 million from Far Union Ltd and \$0.4 million from Mr Liu. This amount was drawn down as required by the Company giving notice to the lenders. The original maturity date of the loans is 18 months from the date the agreements were signed, with interest at 13.5% pa. The interest is payable with the principal at maturity date. Rollover Loan Agreements were signed with Far Union Ltd and Mr Rui Liu on 26 October 2020 to extend the repayment date for an additional 12 months with the new maturity date being 13 February 2022. At the date of this report the loans have been fully drawn down and interest is accruing.

The loans are secured by a general security granted to each of the lenders over all of the assets of the Company.

If the Company fails to repay the loans on the maturity date as set out above, this default allows the lenders to enforce their security over all of the assets of the Company. The realisation of those assets may not provide sufficient funds to repay the loans.

b. Convertible Note issued to Rui King Resources Limited

On 17 March 2020, a convertible note with principal of \$0.6 million was issued to the related party of Director Mr Rui Liu, Rui King Resources Limited by IBML. Interest is calculated at a rate of 15% pa and payable on the last day of each 6-month anniversary either in cash or, at IBML's election, by the issue by the Company to Rui King Resources Limited of 18,630,068 Shares, representing the amount of the interest payment for each interest period at an issue price of \$0.0043 per Share. The note has a maturity term of 2 years. Rui King Resources may issue a conversion notice at any time after 18 months to convert the note into 68,931,250 Shares. Completion of such conversion is (if required) conditional on the approval of the shareholders of the Company being obtained in accordance with exception 7 of section 611 of the Corporations Act.

The first interest payment was made in September 2020 to Rui King Resources in the form of the issue of 18,630,068 Shares to Rui King Resources Limited.

9. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

9.1 The Board of Directors

The Company's Board of Directors is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against the objectives of its corporate governance processes listed below. The objectives of the corporate governance processes are to:

- a. maintain and increase shareholder value;
- b. ensure an ethical basis for the Company's conduct and activities; and
- c. ensure compliance with the Company's legal and regulatory objectives.

Consistent with these objectives, the Board assumes the following responsibilities:

- a. developing initiatives for the augmentation, exploration and development of the Company's assets;
- b. reviewing the corporate, commercial and financial performance of the Company on a regular basis; and
- c. identifying business risks and implementing actions to manage those risks.

The Company, is committed to the following principles:

- a. the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- b. the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

No formal nomination committee has been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, has been committed to by the Board.

The Company has a six-member Board of Directors with a mix of commercial, financial and geologic skills considered appropriate for the successful growth and development of the Company.

Detailed summaries of the background and experience of each of the Directors is set out in section 4.16 of this Offer Information Statement.

9.2 Management

In addition to the Board of Directors, corporate management is provided by the Company Secretary and Finance Manager.

10. MATERIAL CONTRACTS

The Directors consider that the material contracts referred to below are the contracts that an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find referred to in this Offer Information Statement for the purpose of making an informed assessment of the Offer.

10:1 Commercial Agreements with joint venture partners

The Company and its subsidiaries are parties to agreements regulating the terms of the joint ventures with respect to Omico Copper Limited (Greenstone) and Auricula Mines Pty Ltd (Glencore), which joint ventures are described in section 6 of this Offer Information Statement.

10:2 Mining and Exploration Licenses:

Details of the Company's Mining and Exploration licences have been highlighted throughout this Offer Information Statement. The Company's Board believes all Licence are in good standing and have not reason to believe none will not be renewed, if and, when they fall due.

10.3 Normal Commercial Arrangements involved in running a non-listed Public Company

The Company has commercial arrangements with its Auditors, Tax Advisor, IT Provider and Landlord. The Board considers all these arrangements to be on relatively standard commercial terms and at arms length.

10.4 Secured loan

The Company is party to the secured loan arrangements described in section 8.4a of this Offer Information Statement.

10.4 Convertible note

The Company is party to the convertible note arrangements described in section 8.4b of this Offer Information Statement.

11. ADDITIONAL INFORMATION

1.1 Litigation

As at the date of this Offer Information Statement, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

a. General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

b. Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- i. each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii. on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii. on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

c. Dividend right

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

d. Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

e. Shareholder liability

As the Shares under the Offer Information Statement are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

f. Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act.

g. Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

h. Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 21 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.3 Interests of Directors

Other than as set out in this Offer Information Statement, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Offer Information Statement with the ASIC, any interest in:

- a. the formation or promotion of the Company;
- b. any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- c. the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- a. as an inducement to become, or to qualify as, a Director; or
- b. for services provided in connection with:
 - i. the formation or promotion of the Company; or
 - ii. the Offer.

11.4 Interests of Experts and Advisors

Other than as set out below or elsewhere in this Offer Information Statement, no:

- a. person named in this Offer Information Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Offer Information Statement;
- b. promoter of the Company; or
- c. underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Offer Information Statement as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Offer Information Statement with the ASIC, any interest in:

- a. the formation or promotion of the Company;
- b. any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- c. the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- a. the formation or promotion of the Company; or
- b. the Offer.

Grant Thornton has audited the Company's audited financial report for the twelve months ended June 2020, which contains the comparative twelve month period to 30 June 2019, is set out in section 8.3 of this Offer Information Statement. The Company paid Grant Thornton a total of \$50,000 (excluding GST) for this service. These audits were the financial year end accounts published by the Company and included in the Company's Annual Report. During the 24 months preceding lodgement of this Offer Information Statement with the ASIC, Grant Thornton received \$138,060 for the audit of the Company's financial reports for the two prior financial years.

McCullough Robertson has acted as the legal adviser to the Company in relation to the Offer. McCullough Robertson has not undertaken any verification of the contents of this Offer Information Statement or been involved in any due diligence. McCullough Robertson did not prepare this Offer Information Statement and takes no responsibility for its contents.

11.5 Consents

Each of the parties referred to in this Section:

- a. does not make, or purport to make, any statement in this Offer Information Statement other than those referred to in this section; and

- b. to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Offer Information Statement other than a reference to its name and a statement included in this Offer Information Statement with the consent of that party as specified in this section.

S&W Audit and Assurance Pty Limited has given its written consent to being named as the Company's auditor in this Offer Information Statement. Grant Thornton was retired as the Company's auditor as the 2020 Annual General Meeting and S&W Audit and Assurance Pty Limited was appointed as the Company's Auditor going forward. S&W Audit and Assurance Pty Limited has not withdrawn its consent prior to the lodgement of this Offer Information Statement with the ASIC.

ASIC were informed and approved the change of the Company Auditor.

McCullough Robertson has given its written consent to being named as the legal advisers to the Company for this Offer Information Statement. McCullough Robertson has not withdrawn its consent prior to the lodgement of this Offer Information Statement with ASIC.

11.6 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$27,000 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Full Subscription (\$)
ASIC Fees	2,000
Legal Fees	15,000
Miscellaneous	10,000
TOTAL	27,000

11.7 Electronic Offer Information

If you have received this Offer Information Statement as an electronic Offer Information Statement, please ensure that you have received the entire Offer Information Statement accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Offer Information Statement or both. Alternatively, you may obtain a copy of this Offer Information Statement from the website of the Company at <https://www.interbasemetals.com/investor-information/announcements>

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Offer Information Statement and any

relevant supplementary or replacement document or any of those documents were incomplete or altered.

11.8 Privacy Statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Company at the relevant contact number set out in this Offer Information Statement.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

12. ADDITIONAL INFORMATION

This Offer Information Statement is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Offer Information Statement with the ASIC.



Hugh Ian Thomas
Chairman
For and on behalf of
International Base Metals Limited

13. GLOSSARY

Where the following terms are used in this Offer Information Statement they have the following meanings:

\$ means an Australian dollar.

Application Form means the application form attached to or accompanying this Offer Information Statement relating to the Offer.

Application Monies means the amount payable for the Shares applied for under this Offer Information Statement.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

Board means the board of Directors as constituted from time to time.

Closing Date means 5 February 2021, being the closing date of the Offer as set out in the indicative timetable in the Investment Overview in section 4 of this Offer Information Statement (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

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

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Offer Information Statement.

Eligible Shareholders means Shareholders in the Company at 9.00am (Sydney time) on the Record Date.

Entitlement means each Shareholder's entitlement under the Offer being an entitlement to acquire 5 Shares for every 11 Shares held on the Record Date.

Expiry Date means 25 January 2022, or such other date as determined by the Directors (but not later than 13 months after the date of this Offer Information Statement).

Exposure Period means the period of 14 days after the date of lodgement of this Offer Information Statement with ASIC, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Offer means the offer of Shares pursuant to this Offer Information Statement as set out in section 5 of this Offer Information Statement.

Offer Information Statement means this offer document prepared in accordance with section 715 of the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Underwriters means Rui King Resources Limited, West Minerals Pty Ltd and Rui Liu.

14. Application Form

International Base Metals Limited ABN 73 100 373 635 ("IBML")

SHARE APPLICATION FORM

SHARES APPLIED FOR:

A.	NUMBER OF SHARES		PRICE PER SHARE		TOTAL APPLICATION AMOUNT
	_____	X	AU\$0.0045	=	A\$_____
	(or such lesser number of Shares that may be allocated to me/us.)				

TOTAL AMOUNT PAYABLE A\$_____

The full amount payable must accompany this Application

B. WRITE YOUR NAME HERE (THE ENTITY APPLYING MUST BE A SHAREHOLDER IN IBML ON 29 DECEMBER 2020)

Applicant 1 – Title, Given Name(s) and Surname or Company Name or Trust <Account Name>

Applicant 2

Applicant 3

C. WRITE YOUR POSTAL ADDRESS AND TELEPHONE NUMBER HERE

PO Box Number/Street Number and Street Name

Suburb/Town

State

Post Code

Telephone Number - Home: _____ Work: _____

Email address: _____

D. TAX FILE NUMBER (IF APPLICABLE)

TFN of Applicant 1

TFN of Applicant 2

Exemption Category

Exemption Category

Note: Completion of this section is not compulsory.

CHEQUE PAYMENT DETAILS

E.

Please fill out your cheque details and make your cheque payable to
"International Base Metals Limited"

Name of drawer of cheque
A\$

Cheque No

8SB No

Account No

Amount

Total Amount Enclosed A\$ _____

Cheques should be forwarded to:

International Base Metals Limited

Suite 201, Level 2,

29 Albert Avenue

Chatswood NSW 2067

F. ELECTRONIC FUNDS TRANSFER DETAILS

International Base Metals Ltd (Trading Account)

Bank: Bankwest

Address: 300 Murray Street, Perth, WA 6000 Australila

Account Number: 092 5076

BSB: 302 100

Swift code: BKWAAUSP

Transfer Reference: _____

Applicants should insert their last name as the transfer reference

If using electronic funds transfer, submit your completed share application form after the funds have been transmitted to:

International Base Metals Limited

Suite 201, Level 2,

29 Albert Avenue

Chatswood NSW 2067

DECLARATION

By lodging this Application Form and payment of the Application Monies, I/we declare that I/we have read the accompanying Offer Information Statement, agree to bound by IBML's constitution and have applied for Shares on the terms in this document and waived any right to communication of acceptance.

If my/our Application is accepted, I/we hereby irrevocably appoint International Base Metals Limited ABN 73 100 373 635, its Directors and officers (**Attorney**) jointly and severally to be my/our attorney (with power to appoint and from time to time removal of substitute or substitutes), and authorise and empower my/our attorney in my/our name, on my/our behalf, as my/our act and deed to do all things and to sign or seal any other documents or declarations which are required to give effect to my/our subscription, and to do all things necessary or expedient to give effect to the document set out in the Offer Information Statement including completing the blanks, making any amendments, alterations or additions to which the Attorney may consider to be necessary or not contrary in my/our interests.

I/we agree to ratify and confirm whatever my/our Attorney does under this Power of Attorney and be bound, together with any person claiming under or through my/our, by anything my/our Attorney does in exercising powers under this Power of Attorney.

The terms used in this Power of Attorney are the same as given to them in the Offer Information Statement to which this Application form is attached.

Applicant's Signature

Applicant's Signature