



## International Base Metals Limited

ABN 73 100 373 635

### Notice of Extraordinary General Meeting Proxy Form

#### Date of Meeting

6 October 2021

#### Time of Meeting

10:30am (AEST)

The Notice of Extraordinary General Meeting should be read in its entirety.  
If Shareholders are in doubt  
as to how to vote, they should seek advice from a suitably qualified professional advisor  
prior to voting. Full document is available on the following link:  
<https://www.interbasemetals.com/investor-information/announcements>

**Due to the ongoing COVID-19 pandemic, Shareholders are recommended to attend and participate in the Meeting via teleconference. Please refer to the Explanatory Statement attached to the Notice for further details.**

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## **IMPORTANT INFORMATION**

### **TIME AND PLACE OF MEETING**

Notice is hereby given that an Extraordinary General Meeting of the members of International Base Metals Limited ABN 73 100 373 635 (Company) will be held at Suite 201, 29 Albert Avenue, Chatswood, NSW Australia at 10:30 am (AEST) on Wednesday 6 October 2021 to consider and, if thought fit, to pass the Resolution in this Notice.

### **YOUR VOTE IS IMPORTANT**

The business of the Meeting affects your shareholding and your vote is important.

### **VOTING ELIGIBILITY**

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001(Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00 pm (AEST) on Monday 4 October 2021.

### **NO VOTING IN PERSON**

Given the current COVID-19 circumstances and in the interests of public health and safety shareholders may not be permitted to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

### **VOTING BY PROXY**

Shareholders are encouraged to complete a Proxy Form to provide specific instructions to the Chair on how the Shareholder's vote is to be exercised on the item of business. The Chair must follow your instructions.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice.

Proxy Forms can be lodged:

By mail:	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
By email:	jstone@ibml.com.au

### **CHAIR'S VOTING INTENTION**

The Chair intends to exercise all available proxies in favour of the Resolution unless the Shareholder has expressly indicated a different voting intention.

## **REMOTE ATTENDANCE AND VOTING VIA POLL FORM**

The Meeting will be accessible to all Shareholders via a teleconference, which will allow Shareholders to listen to the Meeting.

Shareholders who wish to participate in the Meeting can do so remotely by joining via teleconference using the following details:

Australia dial-in number: (02) 4022 9113

Access Code: 112667

International dial-in number: please contact [jstone@ibml.com.au](mailto:jstone@ibml.com.au) for details.

Shareholders who do not wish to vote using a Proxy Form and who intend to vote on a poll at the Meeting must contact the Company at [jstone@ibml.com.au](mailto:jstone@ibml.com.au) by 4 October 2021 to notify the Company of their intentions and to request a poll form.

The Company will send poll forms following the cut-off time for the return of Proxy Forms (i.e. after 10:30am (AEST) on 4 October 2021) to Shareholders who request them prior to this time. The poll forms must be completed and returned to the Company after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you how and when you are able to complete and return the personalised poll form.

You may still attend the Meeting via the teleconference facility if you have completed a Proxy Form but have not notified the Company that you intend to vote using a poll form. The person you have appointed as proxy will cast your vote on your behalf.

## **JOINT HOLDERS**

In the case of shares held by joint holders. One of the joint holders may vote and if more than one joint holder is present and voting at the meeting, only the vote of the joint holder whose name appears first in the register may be counted.

## **QUORUM**

The Company constitution provides that three members present in person constitutes a quorum.

## **QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING**

In accordance with the Corporation Act, a reasonable opportunity will be given to shareholders at the meeting to ask questions about the Resolution. Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at [jstone@ibml.com.au](mailto:jstone@ibml.com.au) by 4 October 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal item of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

## 1. Business of the Meeting

The contents of this Notice have been prepared to provide information which the Directors believe to be material in ensuring Shareholders are able to make an informed decision about whether or not to approve the Resolution.

### RESOLUTION 1- APPROVAL OF ISSUE OF SHARES TO RUI KING RESOURCES LIMITED

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

*"That, for the purposes of section 611 (item 7) of the Corporations Act, and for all other purposes, approval is given for:*

- (1) *The Company to issue 68,931,250 Shares to Rui King Resources Limited; and*
- (2) *The acquisition of a relevant interest in the issued voting shares of the Company by Rui King Resources Limited otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Shares referred to in paragraph (1) which, in addition to the 283,667,982 shares already held by Rui King Resources Limited as of 18 September 2021, and the 25,022,723 Shares already held by its Associates, will result in:*
  - (a) *Rui King Resources Limited's voting power increasing from 32.26% to approximately 37.19% in the capital of the Company; and*
  - (b) *the voting power of Rui King Resources Limited and its Associates increasing from 35.11% to approximately 39.83% in the capital of the Company,*

*on the terms and conditions set out in the Explanatory Statement."*

Dated 26 August 2021  
By order of the Board



John Stone – Company Secretary

**Voting Exclusion:** No votes may be cast in favour of this Resolution by:

- (a) Rui King Resources Limited and its Associates; or
- (b) The persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by Rui King Resources Limited and any of its Associates.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

## 2. Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution.

## **2.1 RESOLUTION 1-APPROVAL OF ISSUE TO SHARES TO RUI KING RESOURCES LIMITED**

### **2.1.1 Background**

In the Company's Annual Report of FY2019, the Company stated that there was the need to raise funds for working capital purposes. During the second half of 2019, the Company was in a difficult position in terms of fund raising for the following reasons.

- (a) Two (Macquarie Gold Limited and Challenger Mines Pty Ltd) of the three subsidiaries of the Company were in receivership. The third subsidiary, Craton Mining and Exploration Pty Ltd in Namibia, IBML's main project, was trying to finalise an earn-in agreement with UK-based mining investment entity, Greenstone Venture Capital LP. As a result of these activities there was no imminent cash forecast from the subsidiaries to support the Company; making IBML an unattractive investment option to the market.
- (b) The Company was running low on operational cash and already had secured debt in place. The Company expected to run out of working capital in early 2020. If no imminent funding was available, the Company would be in financial distress which potentially would have led to insolvency.
- (c) The two financing options available the Company were a third-party placement and the convertible note with Rui King Resources Limited. The potential placement deal was unsuccessful and therefore the only available option to the Company was the offer of a convertible note with Rui King Resources Limited.
- (d) For the purposes of section 611 of the Corporation Act, followings are the details of any other Shareholders of IBML who are associates of Rui King Resourced Limited. Heilongjiang Heilong Resources Investment Co Ltd is a Shareholder of IBML who is an associate of Rui King Resources Limited. Current shareholding of Heilongjiang Heilong Resources Investment Co. Ltd is 25,022,723 which represents a 2.69% of the voting power of the Company.

It was proposed that the fundraising would take the form of convertible note. The Updates to Shareholders published on the Company's website on 20 April 2020 set out the key terms of the proposed Convertible Notes and those terms are further summarised in Annexure A to this Notice.

The subscriber for \$600,000 worth of convertible notes (**Convertible Notes**) was Rui King Resources Limited. Rui King Resources Limited is a major shareholder of the Company. Mr Rui Liu is a related party associated with Rui King Resources Limited and also a director of the Company. Heilongjiang Heilong Resources Investment Co Ltd is an associate of Rui King Resources Limited.

Interest under the Convertible Notes is to be paid every six months at the rate of 15% per annum on the face value of the Convertible Notes either, at the Company's election, in cash or by the issue in respect of each interest payment of 18,630,068 ordinary shares in the Company (which represented approximately 2.5% of the shares in the Company on issue).

In accordance with the terms of the Convertible Notes, Rui King Resources Limited has issued a conversion notice to the Company in writing after the date 18 months after the date of issue of the Convertible Notes to convert, subject to the Resolution being passed, the Convertible Notes into 68,931,250 Shares. The Resolution seeks Shareholder approval for the purpose of Item 7 of section 611 of the Corporations Act to allow the Company to convert the Convertible Notes and issue 68,931,250 Shares (**New Shares**) to Rui King Resources Limited.

As per the approval of the Board on 22 July 2021, the Company will make the third interest payment under the terms of the Convertible Notes in the form of the issue of 18,630,068 ordinary shares in the Company on 17 September 2021 to Rui King Resources Limited.

The issue of the New Shares, when aggregated with the existing Shares held by Rui King Resources Limited and its Associates as of 18 September 2021, will result in the voting power of Rui King Resources Limited and its Associates in the Company increasing to 39.83%.

The issue of the New Shares pursuant to the Convertible Notes is intended to occur within 5 Business Days of the Meeting if the Resolution is approved by the Shareholders at the Meeting.

#### **2.1.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must, pursuant to section 208 of the Corporations Act:

- (a) Obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) Give the benefit within 15 months following such approval,

Unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of New Shares constitutes giving a financial benefit and Rui King Resources Limited is a related party of the Company as Rui King Resources Limited is controlled by Mr Rui Liu, who is a Director of the Company.

The Directors (other than Mr Rui Liu who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of New Shares because the Convertible Notes were negotiated on an arm's length basis and therefore fall within the exception contained in section 210 of the Corporation Act.

Relevant factors considered by the Directors in determining that the Convertible Notes were negotiated on an arm's length basis include the following:

Factors Considered by the Board	
Comparable terms	Based on the common experience and usual terms of trade, the Board understood that the commercial interest rate that prevailed in the open market for similar transactions was around 15% per annum.
Bargaining process	The negotiation was initiated, structured, negotiated and disclosed to the directors as a transaction to an unrelated party. There was consultation with external lawyers during the negotiation process. The proposed transaction was contractual and in binding form. The Board was fully updated during the whole process.  Also, the Company managed to maintain the right until the point of the first interest payment to refinance the Company and to cancel the convertible note should more favourable financial terms could be found.
Valuation of the Convertible Notes	The Board, having taken legal advice, formed the opinion that using an internal valuation was appropriate for determining the number of Shares to be issued in respect of the

	<p>Convertible Notes rather than commissioning a third-party valuation report, the Board's view being that, in light of the Company's financial circumstances, the cost of a third-party report would greatly outweigh the benefit it could bring.</p> <p>The Company's sole asset is its interest in Craton Mining and Exploration Pty Ltd (<b>Craton</b>) in Namibia. As previously disclosed to Shareholders, under the Company's joint venture arrangements with Greenstone in relation to Craton, Greenstone has the right, subject to agreed expenditure and timetable, to earn a 51% interest in Craton in return for completing a Bankable Feasibility Study (<b>BFS</b>) with a minimum expenditure of USD5.0m. At the conclusion of the BFS, and assuming it meets the required future investment hurdles, the Company has the option to either sell its remaining equity in Craton to Greenstone for USD7.5m plus a 1.5% smelting royalty or invest in the future project to the extent of its equity holding.</p> <p>It is difficult to estimate a value for an early-stage mineral exploration asset as most of the value is perceived and little quantified. Multiples of Exploration Expenditure (<b>MEE</b>) is one of the methodologies used to estimate the valuation of an exploration stage asset. The essence of the MEE method contains three important phases:</p> <ul style="list-style-type: none"> <li>i. establish a cost base of reasonable and relevant exploration expenditure;</li> <li>ii. determine a relevant adjustment factor (<b>Prospectivity Enhancement Multiplier or PEM</b>) to put the cost base into perspective; and</li> <li>iii. combine the cost base and the Prospectivity Enhancement Multiplier to derive a value for the particular asset.</li> </ul> <p>Using the MEE method, the cost base of exploration expenditure according to the Greenstone arrangement is U\$5 million (in return for 51% of the shares of Craton), hence the total amount of cost base of the whole Craton project would be U\$9.8 million (US\$5million/51%).</p> <p>Based on an assessment of Lawrence &amp; Dewar publicly available information, the Board determined that 0.5 was an appropriate PEM to apply. Using the exchange rate of AUD/USD 0.68, the Board's valuation of the Craton project based on the MEE method was A\$ 7.21 million (U\$9.8 million/0.68*0.5).</p>
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	<p>Under the structuring arrangements for the Craton joint venture, the Company will ultimately have a 44% interest in Craton, so that the value of the Company's interest in Craton on the above basis would be A\$ 3.2 million (44%*A\$7.21million).</p> <p>On that basis, the Board considered that a fair and reasonable valuation of the Company was approximately A\$3.2 million and that a fair and reasonable total number of Shares to be issued in consideration for the Convertible Notes (including interest payments) with a face value of \$600,000 (representing 18.75% of the above A\$3.2 million valuation of the Company) was 17.5% of the Shares, comprising 2.5% in respect of each of the 3 interest payments under the Convertible Notes (in respect of which the Company had the option to make interest payments in cash if available) plus 10% in respect of the conversion of the face value of the Convertible Notes (subject to approval of Shareholders).</p>
Potential impact	If the Company had not taken the offer of the convertible note, the company would have been in immediate financial distress and may have become insolvent.
Other Options	<p>At the time of negotiation of the Convertible Notes, the only other potential financing available to the Company was a possible third-party placement. The potential placement was unsuccessful.</p> <p>At the time of signing the convertible note agreement, there was no other option available to the Company.</p>

### 2.1.3 **Section 611 (item 7) of the Corporation Act**

Section 606 of the Corporation Act prohibits a person acquiring a relevant interest in issued voting shares in a company if, as a result of the acquisition, that person or someone else's voting power in the Company increases from less than 20% to more than 20%, or from a starting point that is above 20% and below 90% (**Section 606 Prohibition**).

The voting power of a person in a body corporate is determined under section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

Section 608 of the Corporations Act states that a person has a relevant interest in securities if they:

- (a) Are the holder of the securities; or
- (b) Have power to exercise, or control the exercise of, a right to vote attached to securities; or
- (c) Have power to dispose of, or control the exercise of power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

There are various exceptions to the Section 606 Prohibition, including under section 611 (item 7) of the Corporations Act. Section 611 (item 7) of the Corporations Act provides an exception to the Section 606 Prohibition, in circumstances where the shareholders of the company approve an acquisition of a relevant interest in the company at a meeting at which no votes are cast by the acquirer of the relevant interest and the person from whom the acquisition is to be made, including their respective associates.

There is a further exception to the Section 606 Prohibition under section 611 (item 9) of the Corporations Act (**3% Creep Exception**) which applies in relation to an acquisition by a person who throughout the 6 months before the acquisition has had voting power in the Company of at least 19% and where as a result of the acquisition the person does not have voting power in the Company more than 3 percentage points higher than they had 6 months before the acquisition.

In accordance with its obligations with respect to interest payments under the Convertible Notes, the Company issued to Rui King Resources Limited 18,630,068 Sharers in September 2020 plus a further 18,630,068 Sharers in March 2021, and will issue an additional 18,630,068 Shares to Rui King Resources Limited on 17 September 2021. Each of those issues of Shares are made in reliance on the 3% Creep Exception to the Section 606 Prohibition.

#### **2.1.4 Reason Section 611 Approval is Required**

As a result of the conversion of the Convertible Notes into New Shares, Rui King Resources Limited and its Associates will have a relevant interest in 377,621,955 Shares in the Company. Upon the issue of the New Shares, there will be 948,149,110 Shares on issue. Rui King Resources Limited's and its Associates relevant interest will therefore represent 39.83% of the voting power in the Company. This increase in voting power would breach the Section 606 Prohibition.

For this reason, the Company is seeking Shareholder approval for the purposes of section 611 (item 7) of the Corporations Act to permit the Company to issue the New Shares to Rui King Resources Limited.

## **2.2 Disclosure of material information**

### **2.2.1 Section 611(item 7)**

The following information is provided in accordance with section 611 (item 7) of the Corporations Act and ASIC Regulatory Guide 74: Acquisitions approved by members (RG 74).

#### **(a) Explanation of the reasons for the proposed acquisition**

Please refer to section 2.1 of this Explanatory Statement

#### **(b) When the proposed acquisition is to occur**

Please refer to section 2.1 of this Explanatory Statement

#### **(c) The material terms of the proposed acquisition**

Please refer to section 2.1 of this Explanatory Statement

#### **(d) Identity of the person proposing to make the acquisition and their associates**

The acquirer is Rui King Resources Limited. Rui King Resources Limited has the following Shareholder associates (the **Associates**):

Heilongjiang Heilong Resources Group Co. Ltd

**(e) Maximum extent of the increase in Rui King Resources Limited's voting power in the Company**

The company currently has 860,587,792 shares on issue. Upon the third interest payment of the Convertible Note on 17 September 2021 which the Board has approved to pay, in accordance with the terms of the Convertible Notes, by the issue to Rui King Resources Limited of 18,630,068 ordinary shares in the Company, the Company will have 879,217,860 Shares on issue.

Upon the conversion of the Convertible Notes and issue of the New Shares, the Company will have 948,149,110 Shares on issue. The maximum extent of the increase in Rui King Resources Limited and its Associates' voting power in the Company is 39.83% as illustrated in the following table, which also sets out each increase in Rui King Resources Limited's voting power in the Company as a result of Shares issued to Rui King Resources Limited in satisfaction of the Company's interest obligations under the Convertible Notes:

	Position prior to any interest payment (Feb 2020)	Position after first interest payment in shares (September 2020)	Position after underwritten rights issue (Feb 2021)	Position after second interest payment in shares (March 2021)	Current Position (August 2021)	Position upon the third interest payment of the Notes (17 Sep 2021)	Position upon the conversion of the Notes and issue of the New Shares
Number of Shares on issue	689,312,504	707,942,572	841,957,724	860,587,792	860,587,792	879,217,860	948,149,110
Number of Shares owned by Rui King Resources Limited	150,000,000	168,630,068	246,407,846	265,037,914	265,037,914	283,667,982	352,599,232
Number of Shares owned by the Associates	25,022,723	25,022,723	25,022,723	25,022,723	25,022,723	25,022,723	25,022,723
Rui King Resources Limited and its Associates' voting power	25.39%	27.35%	32.24%	33.70%	33.70%	35.11%	39.83%

**(f) Voting power Rui King Resources Limited would have as a result of the acquisition and the maximum extent of the increase in the voting power of each Associate that would result from the acquisition**

Rui King Resources Limited and its Associates will have a voting power in the Company of 39.83% as a result of the issue of the New Shares. Please refer to section 2.2.1 (e) of this Explanatory Statement.

**(g) The identity, associations and qualifications of any person who it is intended will become a director if Shareholders approve this Resolution**

Rui King Resources Limited will not seek to appoint another director (other than Mr Rui Liu) to the Board if the issue of New Shares is approved. A statement of Rui

King Resources Limited regarding the future of the Company if members approve the acquisition.

Rui King Resources Limited does not currently have:

- i. Any intention to change the business of the entity;
- ii. Any intention to inject further capital into the entity;
- iii. Any intentions regarding the future employment of present employees of the entity;
- iv. Any proposal where assets will be transferred between the entity and either it or any of its associates; or
- v. Any intention to otherwise redeploy the fixed assets of the entity.

**(h) Any intention of Rui King Resources Limited to significantly change the financial or dividend distribution policies of the Company**

Rui King Resources Limited has no intention in this respect and the Board advises that a dividend is not presently paid by the Company and that there is no foreseeable change to this policy.

**(i) The interest that any Director has in the acquisition or any relevant agreement**

The Directors (other than Mr Rui Liu) do not have an interest in this Resolution or the Convertible Notes. Mr Rui Liu controls Rui King Resources Limited. The terms of the Convertible Notes have been disclosed in Updates to Shareholder on the Company's website on 20 April 2020.

**(j) Recommendation of each Director as to whether Shareholders should approve the Resolution**

The Directors (other than Mr Rui Liu who has a material personal interest in the Resolution) unanimously recommend each Shareholder approve the Resolution.

**(k) An analysis of whether the acquisition the subject to this Resolution is fair and reasonable to the non-associated Shareholders**

The Directors consider that:

- i. An offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the shares that are the subject of the offer. The comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable, but not anxious, seller acting at arm's length; and
- ii. An offer is considered to be "reasonable" if it is "fair". If the offer is "not fair", it may be still be "reasonable", if the Director believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher offer.

With reference to the Company's current circumstances, the Directors consider that given the Shares are being issued based on the terms specified in the Convertible Notes, which were negotiated on arm's length terms.

Under the terms of the Convertible Notes, if the Shareholders do not approve the Resolution, the Company has the option to:

- repay to Rui King Resources Limited in cash the face value of the Convertible Notes together with accrued unpaid interest calculated up to the date of the repayment, or
- negotiate with Rui King Resources Limited to convert the Convertible Notes to a secured loan.

Under the current circumstances, the Company does not have enough cash to repay the Convertible Notes or to make repayments or interest payments if the Convertible Notes are converted to a secured loan.

Based on the above reasons, the Directors (other than Rui Liu) consider the offer of New Shares pursuant to conversion of the Convertible Notes to be fair and reasonable within the meaning in this section 2.2.1 (k) of the Explanatory Statement.

### **2.3 Enquiries**

Shareholders are requested to contact the Company Secretary on +61 2 8412 8110 or [jstone@ibml.com.au](mailto:jstone@ibml.com.au) if they have any queries in respect of the matters set out in this Notice.

### **3. GLOSSARY**

**\$** means Australian dollars.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales;  
**Associates** has the meaning set out in section 2.2.1(d) of the Explanatory Statement.

**Board** means the board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except public holidays.

**Chairman** or **Chair** means the chair of Meeting;

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

**Constitution** means the Company's constitution.

**Convertible Notes** has the meaning set out in section 2.1.1 of the Explanatory Statement.

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

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

**New Shares** has the meaning set out in section 1.1 of the Explanatory Statement.

**Notice** means this notice of general meeting including the Explanatory Statement.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolution** means the resolution set out in the Notice.

**RG 74** has the meaning set out in section 2 of the Explanatory Statement.

**Share** means an ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

## 4. Annexure

### 5.1 Annexure A

The key terms of the Convertible Notes are summarised as follows:

Term	Description
Face Value Amount:	A\$600,000
Use of Funds:	Company's working capital purposes.
Interest:	Interest is calculated on the Face Value Amount at the rate of 15.0 % per annum and is payable by the Company on the last day of each 6-month anniversary of the date of issue of the Convertible Notes (Interest Period) by either, at the Company's election: (a) payment in cash to Rui King Resources Limited; or (b) the issue by the Company to Rui King Resources Limited of 18,630,068 ordinary shares in the Company representing the amount of the interest payment for that Interest Period.
Maturity Date:	17 September 2021
Conversion:	Rui King Resources Limited may issue a conversion notice to the Company in writing at any time after the date 18 months after 17 March 2020 (the date of convertible note agreement) to convert the Convertible Notes into 68,931,250 ordinary shares in the Company.
Conversion Limitation:	In the event that the shareholders of the Company do not approve the conversion at a general meeting of the Company pursuant to the conversion request, the Company will, within 10 days after the date of the general meeting, either: (a) redeem the Convertible Notes by repaying to Rui King Resources Limited the Face Value Amount together with accrued unpaid interest calculated up to and including the date of repayment, whereupon all obligations of the parties under the agreement will terminate; or (b) notify Rui King Resources Limited that it elects to convert the Convertible Notes to a secured loan, whereupon the parties must negotiate in good faith and execute as soon as reasonably practicable standard form loan and security documents (with the same interest rate as specified in the Convertible Notes)
Redemption of the Convertible Note	At any time: (a) prior to the date 6 months after the date of the agreement; or (b) after the date [2 years] after the date of this agreement (if the Investor has not at that time issued a valid Conversion Notice), the Company may redeem the Convertible Note by repaying to the Investor the Face Value Amount together with accrued unpaid interest up to and including the date of repayment, whereupon all obligations of the parties under the agreement will terminate.

## 5. PROXY FORM



### All Correspondence to:

- By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- By Fax:** +61 2 9290 9655
- Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

### YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30 am on Monday, 4 October 2021.**

#### TO VOTE ONLINE

#### BY SMARTPHONE

**STEP 1: VISIT** <https://www.votingonline.com.au/ibmlegm2021>



**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

Scan QR Code using smartphone  
QR Reader App

#### TO VOTE BY COMPLETING THE PROXY FORM

##### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

##### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

##### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

##### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30 am on Monday, 4 October 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

**Online** <https://www.votingonline.com.au/ibmlegm2021>

**By Fax** + 61 2 9290 9655

**By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

**In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

##### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# International Base Metals Limited

ABN 73 100 373 635

## Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of International Base Metals Limited (Company) and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held via teleconference **Wednesday, 6 October, 2021 at 10:30 am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

### STEP 2 VOTING DIRECTIONS

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

Resolution 1 *That, for the purposes of section 611 (item 7) of the Corporations Act, and for all other purposes, approval is given for:*

- (1) *The Company to issue 68,931,250 Shares to Rui King Resources Limited; and*  
(2) *The acquisition of a relevant interest in the issued voting shares of the Company by Rui King Resources Limited otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Shares referred to in paragraph (1) which, in addition to the 283,667,982 shares already held by Rui King Resources Limited as of 18 September 2021, and the 25,022,723 Shares already held by its Associates, will result in:*  
(a) *Rui King Resources Limited's voting power increasing from 32.26% to approximately 37.19% in the capital of the Company; and*  
(b) *the voting power of Rui King Resources Limited and its Associates increasing from 35.11% to approximately 39.83% in the capital of the Company, on the terms and conditions set out in the Explanatory Statement.*

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021