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INTERNATIONAL BASE METALS LIMITED

QUARTERLY ACTIVITIES REPORT – End December 2013

HIGHLIGHTS

Corporate

- The IBML Board accepted the recommendation from the Craton Board to progress development of the Omitiomire Oxide Copper Project.

Omitiomire Oxide Copper Project

- The Omitiomire Oxide Copper Project Mining Licence application was submitted to the Ministry of Mines and Energy on 13 December 2013.
- The surface rights agreement for Omitiomire has been extended for a further six months.
- An offer to purchase the farm Omitiomire has been submitted to the bank that is handling the estate of the late owner.

Namibian Exploration Projects

- Omitiomire exploration: Drilling intersected copper mineralisation at the Tiger prospect.
- Epembe tantalum-niobium project: Metallurgical testwork is in progress.

CORPORATE ACTIVITIES

Occupational Health and Safety

A high potential incident was reported when a drill rig was being transported on a trailer. The trailer fell on its side due to driving through a hole dug by an animal. Nobody was injured.

Company Strategy

The aim remains to increase the value of IBML by:

- Developing a small oxide copper mining and processing operation at Omitiomire;
- Expanding the copper resource within trucking distance of Omitiomire; and
- Completing the Phase 1 Epembe exploration work to earn 31% and, if successful, committing to Phase 2 for a 51% interest.

Once we have increased IBML's value and favourable market conditions return, a securities exchange listing or other form of potential exit for shareholders could be considered.

Capital Raising and Investor Relations

- Meetings were held with potential EPCM contractors and investors for the development of the Omitiomire Oxide Copper Project.
- The Omitiomire Oxide Copper DFS Financial model was sent to a number of potential debt providers.
- A list of further potential investors and debt providers is being developed with the aim of approaching them early in 2014.

IBML Board

- An IBML Board meeting was held by telephone on 24 October 2013 where the Board supported the Craton Board recommendation to proceed with development of the Omitiomire Oxide Copper Project. It was agreed that a Mining Licence application be lodged. The Board also supported the Craton recommendation to appoint Grant Thornton as Craton's external auditors.
- An IBML Board meeting was held on 21 November 2013 wherein the IBML Board approved the release of the Omitiomire Oxide Copper financial model.
- The IBML AGM was held on 21 November. Afterwards, the MD presented the outcomes from the Omitiomire Oxide Feasibility Study.

Craton Mining & Exploration Pty Ltd

- A Special Craton Board meeting was held on 17 October. This was the first meeting for our new Chairman, Mr E Shikongo. The Craton Board made the following two recommendations to the IBML Board:
 1. The Craton Board supports the Steering Committee recommendation that the Omitiomire Oxide Copper Project be approved.
 2. The Craton Board recommends that the Craton external auditors be changed from BDO to Grant Thornton and furthermore recommends that this Audit function be separated from any other non-audit function.
- A Craton Board meeting was held on 13 November.
- The Craton Board also envisions restructuring its composition to better reflect expectations in Namibia. The intention is for the Craton Board to appoint a Namibian non-executive director with a financial background.
- The upgrade of the new Craton office is nearing completion. The target date for occupation is January 2014. A contract has been issued for the supply and installation of an expanded IT system.

Projects

Omitiomire oxide copper project

- The Definitive Feasibility Study ('DFS') report has been completed and Rev 00 has been issued.
- The project was recommended by the Craton Board and approved by the IBML Board.
- The Social and Environmental Impact Assessment ('SEIA') and Environmental Management Plan ('EMP') were presented at a public meeting, with considerable comments from a section of the farming community.
- The Omitiomire Oxide Copper Mining Licence application was submitted to the Ministry of Mines and Energy on 13 December 2013. The environmental documents were submitted in Draft form as further work is required to address concerns expressed by external parties.
- A highly experienced Project Director has accepted a contract for the position of General Manager for the development of the project.
- An offer to purchase the farm Omitiomire has been submitted to the bank that is handling the estate of the late owner.
- The surface rights agreement for Omitiomire has been extended for a further six months until 31 May 2014. Currently, while held in an estate, only six-month extensions to our surface rights are possible.

Other projects

- The JV Agreement and the Management Agreement with African Mining Capital Pty Ltd ('AMC') for the Epembe Project were finalised and signed.
- A number of potential acquisition/JV opportunities were investigated. Two were declined and a third is under consideration.

REVIEW OF PROJECTS

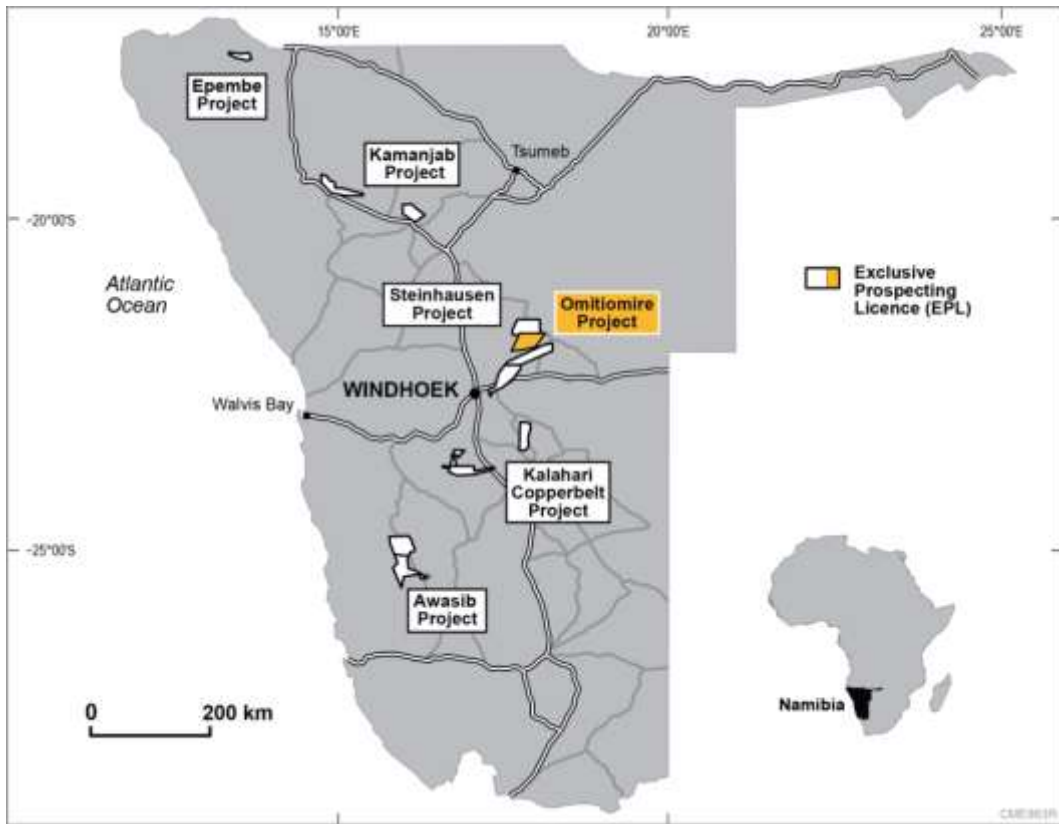


Figure 1. Projects in Namibia

OMITIOMIRE PROJECT

Oxide Copper Project

Infill drilling continued during the quarter (see Figure 2). Good grades were reported from the planned Pan Pit, with best intersections of 7m at 3.34% Cu and 7m at 2.82% Cu.

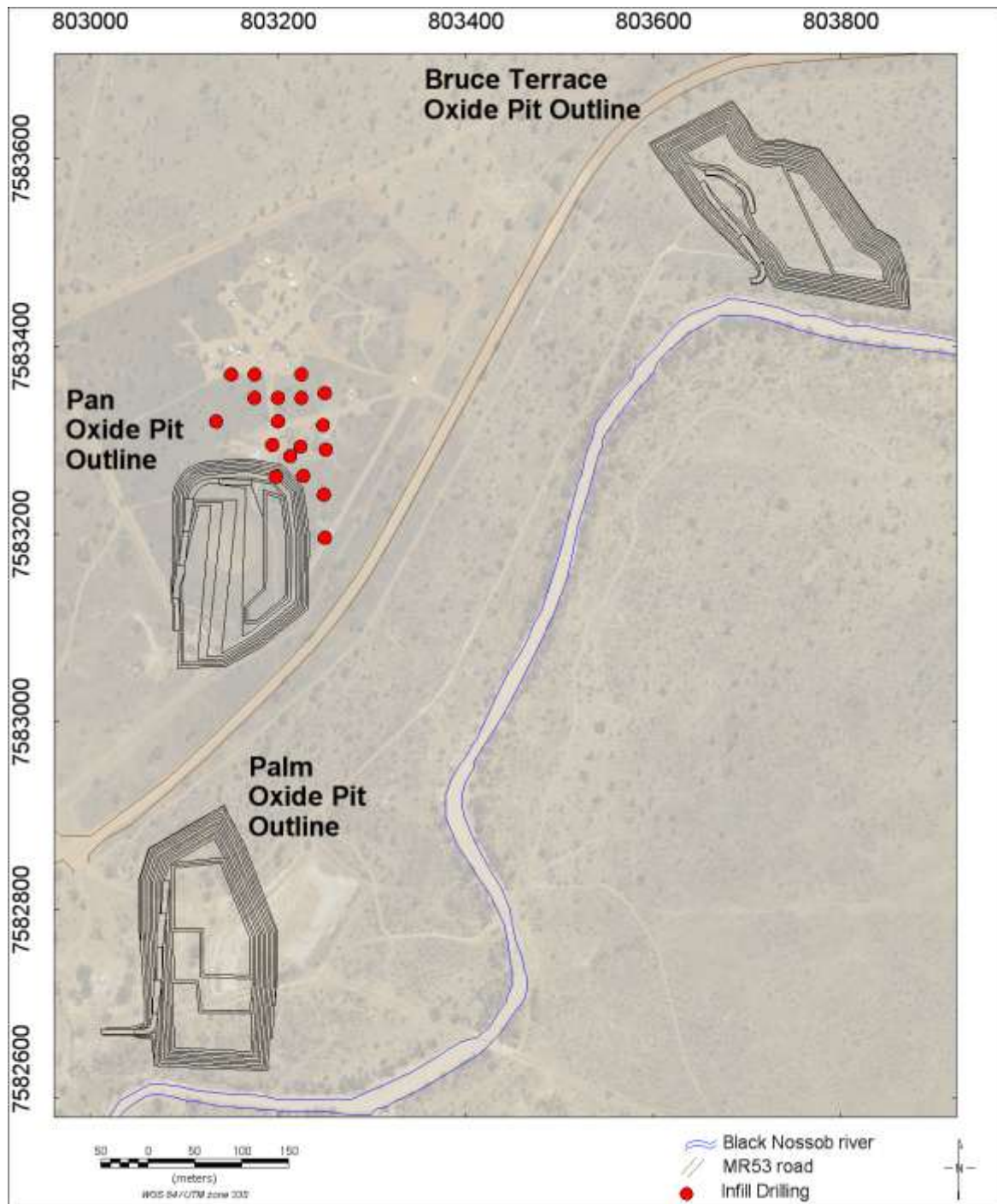


Figure 2. Oxide copper project: Location of holes drilled during the quarter

Omitiomire Regional Exploration

- At the Tiger prospect on the farm Omitiomire (see Figure 3), one drill hole intersected 4m at 1.17% Cu. Three other holes intersected low grade copper.
- An induced polarisation ('IP') grid was completed on farms Borealis and Barreshagen. Follow-up drilling on the farm Borealis intersected low grade copper (7m at 0.34% Cu).

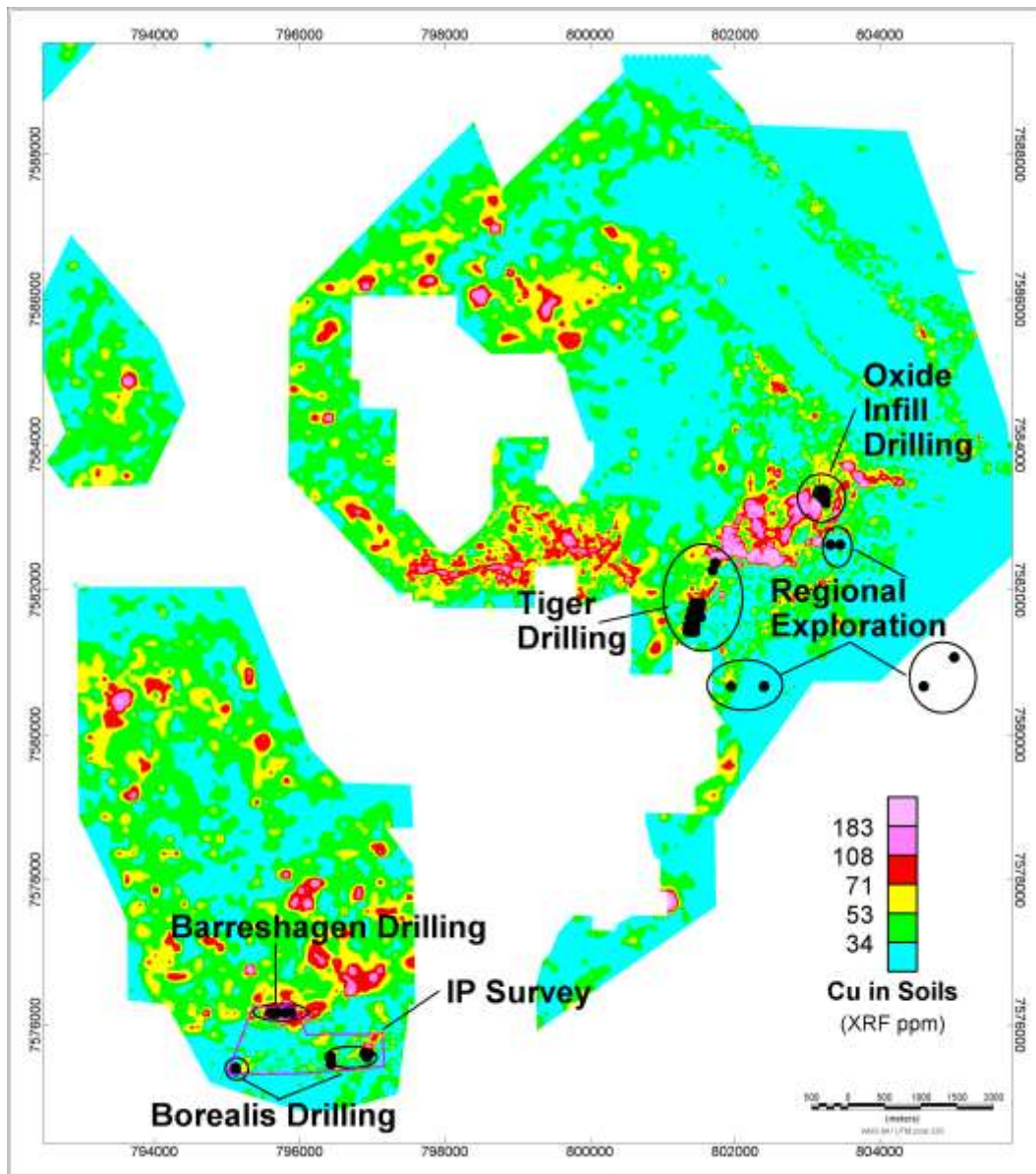


Figure 3. Omitiomire Project: Location of exploration activity during the quarter.
Background map: soil geochemistry

OTHER CRATON EXPLORATION PROJECTS

Steinhausen Project

- EPL 3590 (Oorlogsdeel): Drilling at the Omba target indicated modest copper grades. No further work is planned for this target.
- EPL 4151 (Karamba): Soil geochemical and magnetic surveys continued (see Figure 4).

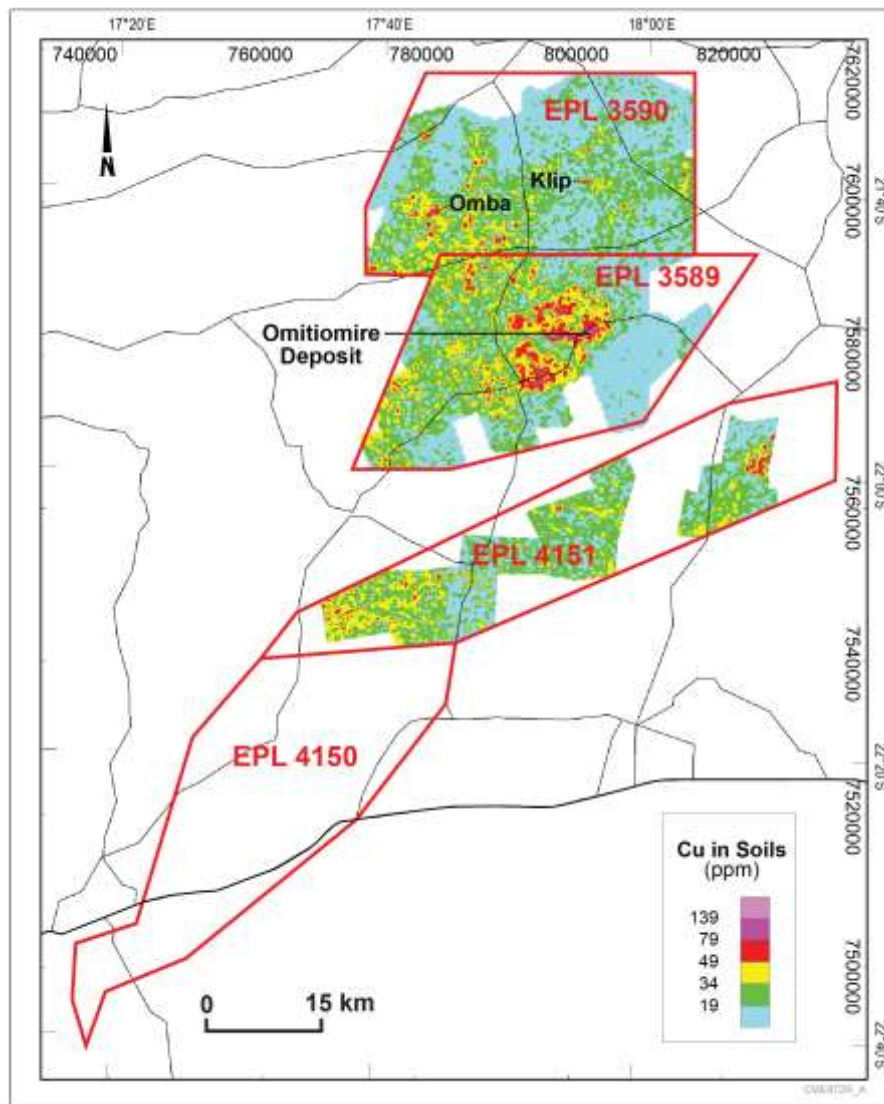


Figure 4. Steinhausen and Omitiomire copper-in-soil geochemistry.
Note location of Omba target in EPL 3590

Kamanjab Project

- EPL 4297 (Vaalberg): Soil geochemical surveys, targeting stratiform zinc mineralisation, identified a number of anomalies. These are being assessed.
- EPL 4296 (Tzaus): Craton submitted the final report to the Namibian MME for relinquishment of the tenement.

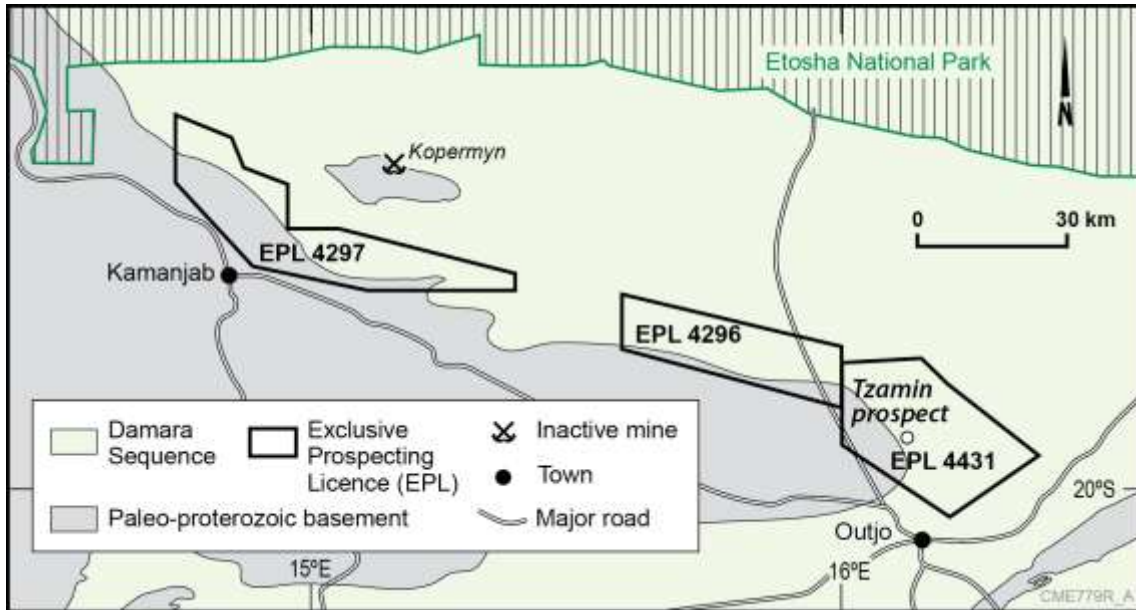


Figure 5. Kamanjab Project: tenement situation prior to relinquishment of EPL 4296

Kalahari Copperbelt Project

- EPL 4055 (Sib): At the Sib copper deposit, an “order of magnitude” feasibility study showed that further work on the recovery of silver is required.
- EPL 4039 (Nomeib): Bulk leach extractable gold (‘BLEG’) geochemistry and follow-up geological mapping identified a number of targets for detailed gold-in-soil sampling and eventual drill testing in 2014.

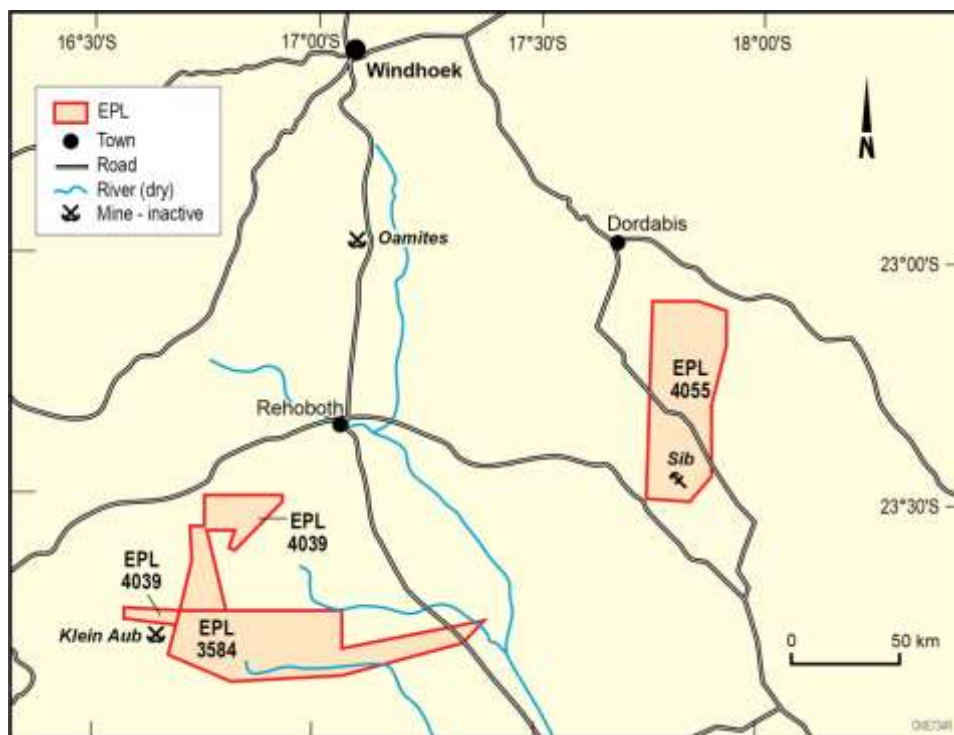


Figure 6. Kalahari Copperbelt Project: Craton's tenements

TANDEM RESOURCES PROJECTS

Epembe Project – Epembe Carbonatite Dyke

- Drilling continued to show potentially economic grades (e.g. Hole EPR050: 10m at 370 ppm Ta₂O₅; 1850 ppm Nb₂O₅ and 3.43% P₂O₅) within a large mineralised system. (Note: Ta = tantalum, Nb = niobium, P = phosphorus.)
- Drilling has concentrated on Sector B (see Figure 7), where continuity of high Ta-Nb grades occurs along a zone, 1m to 15m in width, which extends along 500m strike length and at least 150m down dip. A number of parallel mineralised zones are evident and are being drilled to determine their grade, width and continuity.
- Drilling has also intersected good Ta-Nb grades in Sectors F and K but current indications are that there is greater continuity of thick high grade zones in Sector B.

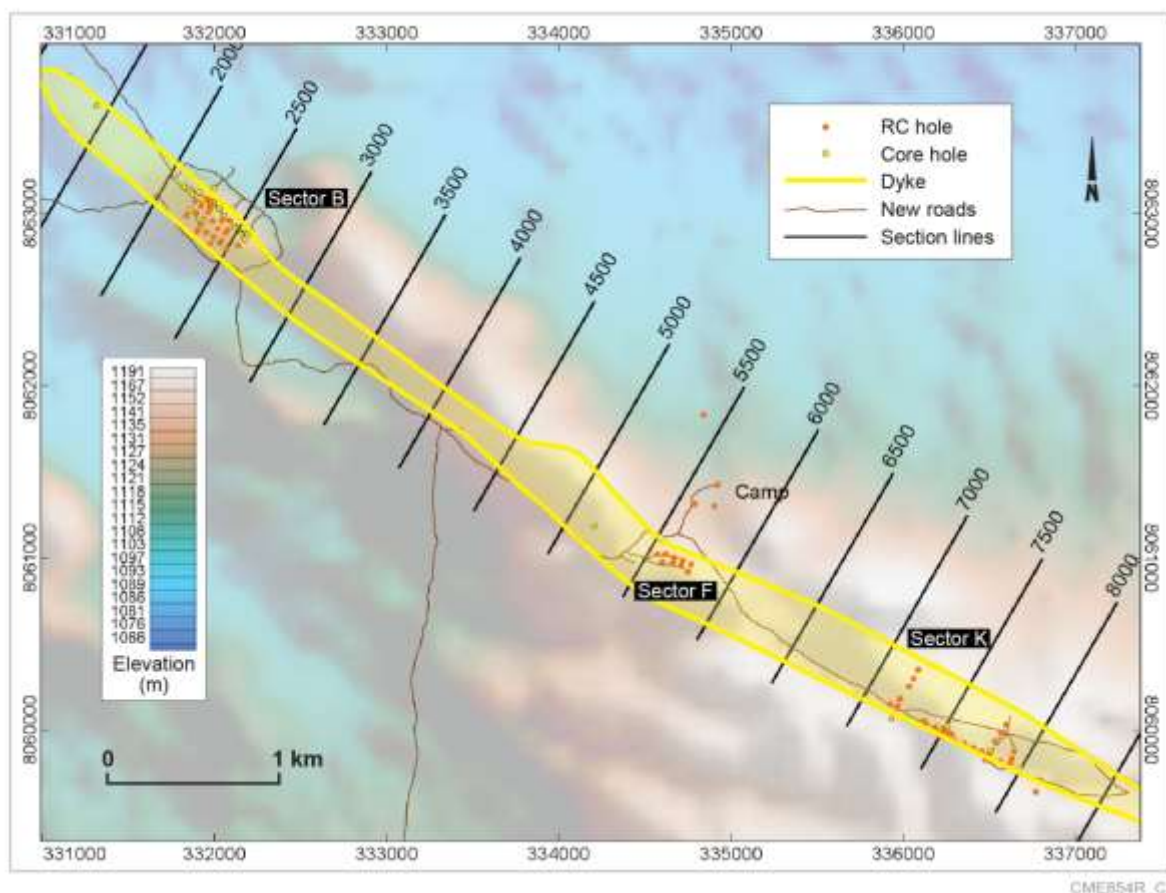


Figure 7. Epembe: Status of drilling as at December 2013

- A detailed assessment of analytical methods indicated that tantalum assays are being underestimated by up to 20%. A programme of re-assaying has been initiated.
- An airborne topographic survey was flown to provide accurate drill hole collar positions.
- A 200kg metallurgical sample was sent to Global Mineral Research Laboratories in Vancouver. Metallurgical test work is in progress.
- A detailed geological mapping programme has been completed.

Epembe Project – Regional Exploration (EPL 3299)

Away from the Epembe carbonatite dyke, EPL 3299 has potential for high grade Ta-Nb and rare earth element ('REE') deposits associated with small intrusive bodies. Hyperspectral imagery is assisting in geological mapping of the tenement.

Awasiib Project (EPLs 4759 and 4760)

Geophysical consultant Mr Greg Symons carried out an interpretation of regional-scale airborne magnetic and radiometric imagery.

AUSTRALIAN PROJECTS

No significant work was carried out during the quarter.