

# **INTERNATIONAL BASE METALS LIMITED ('IBML')**

## **QUARTERLY ACTIVITIES REPORT – End-December 2015**

### **OCCUPATIONAL HEALTH AND SAFETY**

There was one lost-time injury in November when a consultant sprained his back through incorrect lifting procedure.

### **CORPORATE ACTIVITIES**

#### **Annual General Meeting**

The Company's AGM was held in Sydney on 19<sup>th</sup> November. The following resolutions were passed by the shareholders:

- Resolution 1 – Re-election of Mr Rui Liu as a Director
- Resolution 2 – Re-election of Mr Jinhua Wang as a Director
- Resolution 3 – Re-election of Mr Hugh Thomas as a Director.

#### **Company Strategy**

At the AGM, the Chairman, Mr Hugh Thomas, affirmed the Company's commitment to development of the Omitiomire copper project. However, as a result of the delays to development, the Board took the decision to cut costs by implementing staff retrenchments.

The Chairman also confirmed IBML was actively evaluating copper and gold projects with the aim of proceeding with a transaction that provides liquidity/listing for shareholders. Subsequent to the reporting period, the Company has executed a non-binding Heads of Agreement with ASX-listed Mantle Mining Corporation Limited to evaluate a possible merger.

### **OMITIOMIRE COPPER PROJECT, NAMIBIA**

#### **Mining Licence**

After discussions with the Minister and with officials of the Namibian Ministry of Mines and Energy (MME), the Company's wholly-owned Namibian subsidiary, Craton Mining & Exploration (Pty) Ltd ('Craton') re-lodged its application for a Mining Licence to cover the Omitiomire project area.

## **Surface Access**

As previously reported, Craton lodged an application with the Mineral Ancillary Rights Commission (MARC) to secure access to the farm Omitiomire for exploration purposes. The case was heard on 30<sup>th</sup> November 2015, but the Commission postponed a decision pending the result of the court hearing, scheduled for 1<sup>st</sup> March 2016, regarding the re-instatement of the executor of the Omitiomire farm estate.

## **Project Work**

Low-cost studies continued to focus on the Phase 1 oxide and Phase 2 sulphide operations with the aim of providing improved economics.

# **EXPLORATION PROJECTS**

## **Exploration Strategy**

As previously reported, the Company's exploration strategy is to:

- Identify, prioritise and test targets within trucking distance of Omitiomire;
- As far possible, use low-cost exploration methods, with limited drilling;
- Relinquish tenements which have low potential for discovery of viable deposits;
- Maintain all remaining licences in good standing.

## **Epembe Tantalum-Niobium Project, Namibia (EPL 3299)**

IBML's wholly-owned subsidiary, Tandem Resources Pty Ltd, formally withdrew from the Epembe exploration joint venture project in north-western Namibia (see Figure 1). All amounts owing to IBML and Craton were paid and Karl Hartmann resigned as a director of Tandem JV Company.

## **Namibian Tenement Position**

At end-December 2015, Craton held five Exclusive Prospecting Licences, totalling 3035 km<sup>2</sup> (see Figure 1).

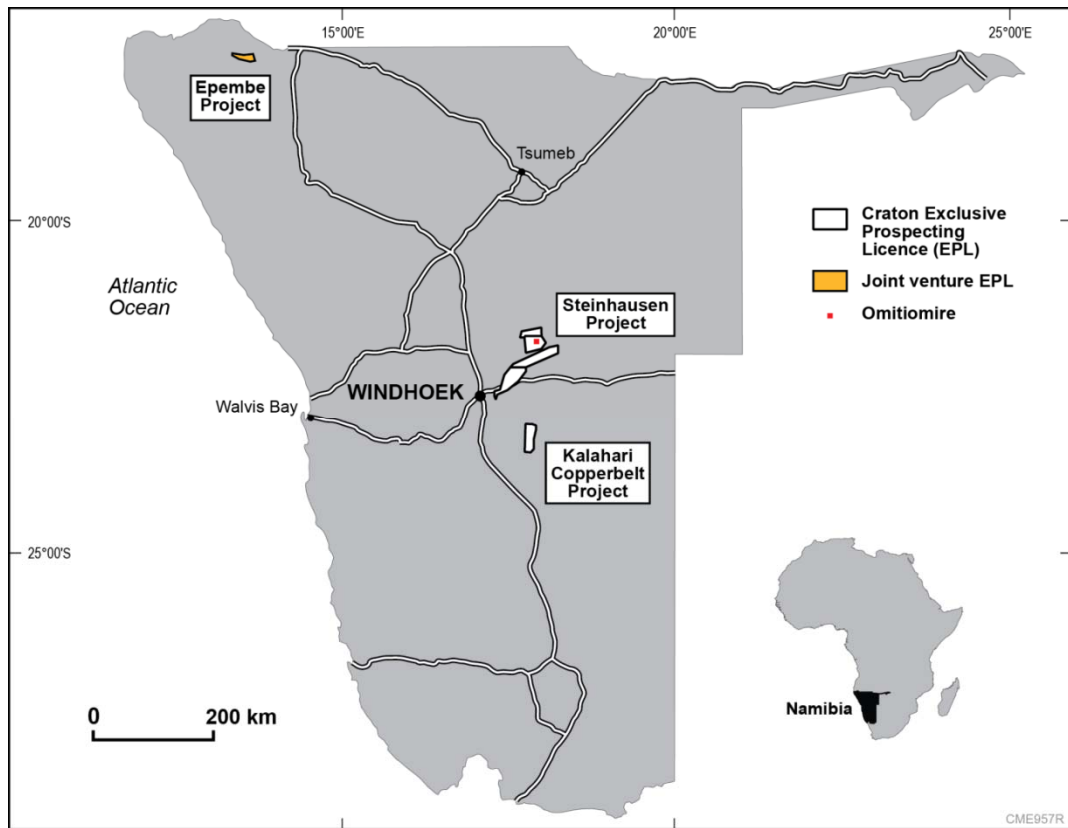


Figure 1. IBML's Namibian projects

### Steinhausen Project

The project consists of four granted tenements (EPLs 3589, 4590, 4150 and 4151), three of them potentially within “trucking distance” of the Omitiomire copper deposit.

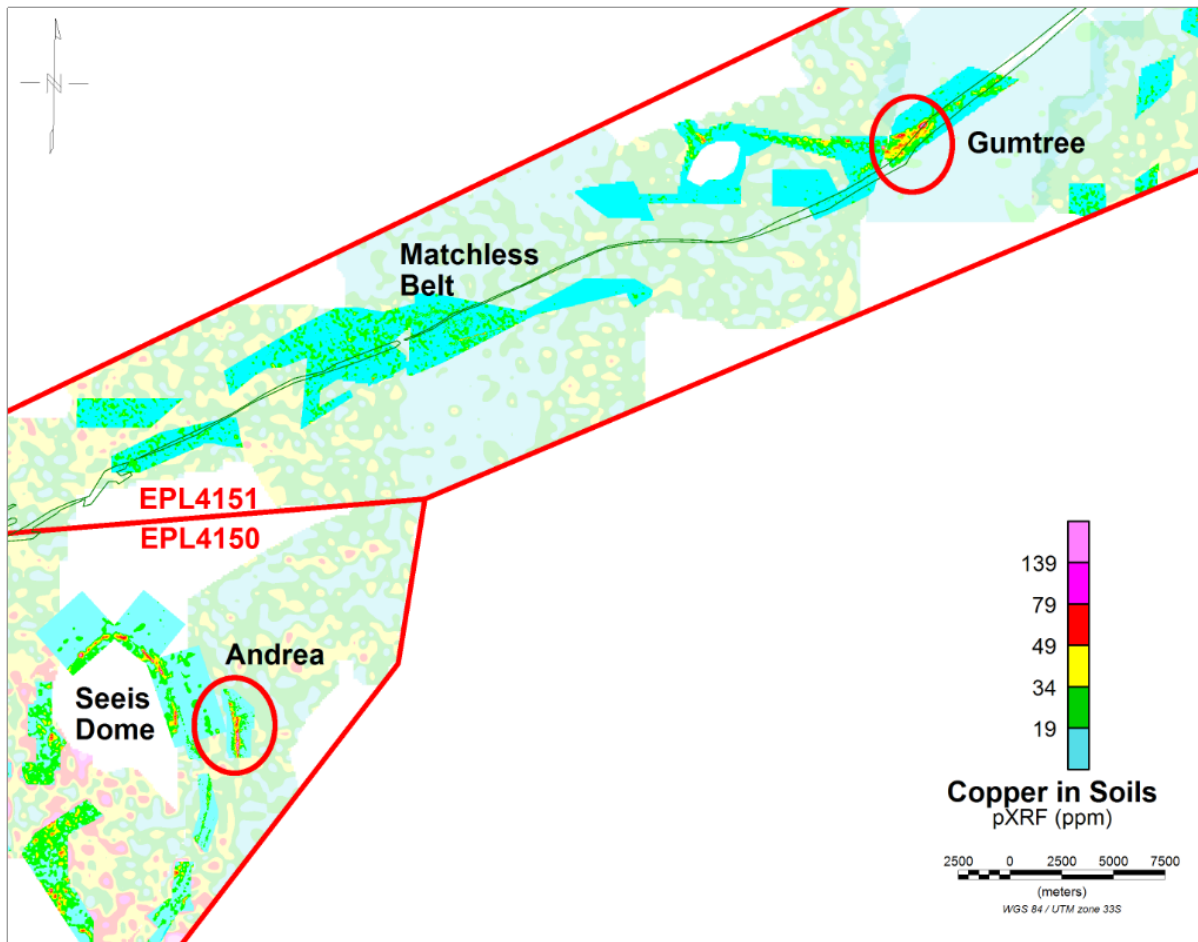


Figure 2. Soil geochemistry, EPLs 4150 & 4151, showing targets for follow-up exploration. “Warm” colours show copper-in-soil anomalies.

### Copper in Basal Damaran Strata

EPLs 4150 hosts known copper occurrences within Damaran sedimentary rocks which flank the Seeis Dome. Historic drill holes around the Seeis Dome report isolated values over 1% Cu.

As previously reported, Craton has discovered a 2 km-long anomaly (the Andrea prospect; Figure 2), which contains higher values in soils than the other anomalies drilled by previous explorers. A number of trenches are planned to evaluate this potential.

### Copper in the Matchless Belt

Craton signed access agreements for the farms Gumtree and Nancefield, which cover copper targets on the Matchless Belt.

**AuriCula Mines Pty Ltd** (Cobar district, New South Wales)

IBML's wholly-owned subsidiary, AuriCula Mines, holds a 10% interest in two project areas south of Cobar:

- Shuttleton Project: EL 6223;
- Mount Hope Project: ELs 6868 and 6907.

Exploration is being conducted by Cobar Management Pty Ltd ('CMPL'), a subsidiary of Glencore. The NSW Department of Trade & Industry accepted the renewal of EL6907 for two years. In line with discussions between IBML and CMPL, the area will be reduced.