INTERNATIONAL BASE METALS LIMITED

ABN: 73 100 373 635

Annual Report

2020

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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 Sprowles 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 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 date. Payments were made from the settlement proceeds and distributed to debt holders on 19 June 2020.

On 20 July 2020 Hogan Sprowles 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 Omitiomire 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:

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

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.

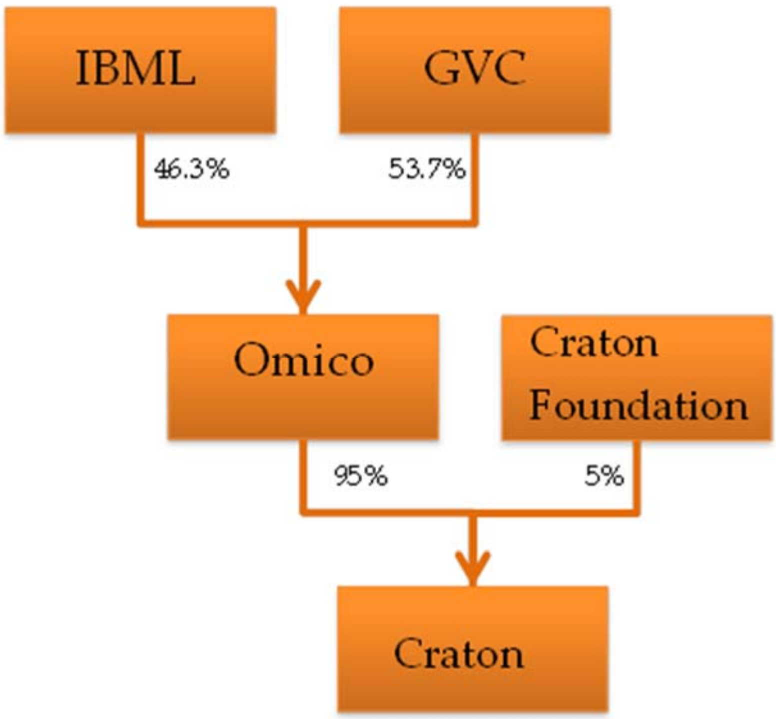
The Board of MGL now comprises one Director namely Mr Qiang Chen. The Company Secretary is Mr John Stone.

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 hold 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 hold 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.

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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			
	Cash, salary and fees $	Super-annuation $	Equity $	Options $	Termination benefit $	Total $
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			
	Cash, salary and fees $	Super-annuation $	Equity $	Options $	Termination benefit $	Total $
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

2020	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
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
Sigrid Hartmann	280,146	-	-	280,146
	382,666,697	-	**-**	**382,666,697**

2019	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
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
Sigrid 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

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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

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
Partner – Audit & Assurance

Sydney, 6 November 2020

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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.

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
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		**(1,097,276)**	**(3,152,063)**
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		**(432)**	**(2,047)**
Total Comprehensive (loss) for the year		**(1,097,708)**	**(3,154,110)**
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.

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)

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
	424,844	397,457
Financial liabilities		
Borrowings	1,179,743	-
Lease liabilities	23,460	-
Trade and other payables	235,109	236,903
	1,438,312	236,903

(i) 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.

(ii) 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.

(iii) 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.

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 $	Carrying amount Consolidated 2019 $
Cash and cash equivalents		
AA- Standard & Poor's, Moody's Aa2	-	-
A+ Standard & Poor's, Moody's A+	344	343
AA Standard & Poors	-	102,224
Moody's Baa3	-	104,117
Moody's Aa2	-	-
Aa2 Standard & Poor's, Moody's AA-	409,444	91,058
	409,788	297,742

(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.

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)
Reconciliation of segment net loss before tax to group net loss before tax			
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)
Reconciliation of segment net loss before tax to group net loss before tax				
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

2020	Australian Corporate $	Namibia Mining (discountinued operation) $	Total $
Segment liabilities*	1,442,454	27,988,292	29,430,746
Reconciliation of segment liabilities to group liabilities			
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

2019	Australian Corporate $	Namibia Mining $	Australia Mining (discontinued operation) $	Total $
Segment liabilities*	297,307	26,988,725	-	27,286,032
Reconciliation of segment liabilities to group liabilities				
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

* 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**	
	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.	**22 March 2019 $**
(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

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 $	Consolidated Group 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 $	Consolidated Group 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.

	Consolidated Group 2020 $	Consolidated Group 2019 $
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 No of Shares	2019 No of Shares	2020 $	2019 $
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:

	2020	2019
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 $	Parent Entity 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 $	Consolidated Group 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 $	Consolidated Group 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 $	Consolidated Group 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%
Omitiomire 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 Cent per Share	2019 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)	-
	22,818	**-**

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	-	-
	23,460	**-**

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)
	23,460	**-**	**23,460**

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	2,246	-

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**	