INTERNATIONAL BASE METALS LIMITED

ABN: 73 100 373 635

Annual Report
2022

Table of Contents

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 - resigned 17 October 2022
Mr Rui Liu	Non-executive Director
Mr Jinhua Wang	Non-executive Director – resigned 9 August 2022
Mr Shilai Jiang	Non-executive Director
Mr Xianwu Deng	Alternate Non-executive Director to Mr Jinhua Wang – resigned 9 August 2022
Mr Chengliang Wang	Non-executive Director – appointed 9 August 2022
Mr Qiang Chen	Non-executive Director - appointed 28 October 2022
Mr YiChun Wang	Non-executive Director - appointed 28 October 2022

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
KrestonSW Audit Pty Ltd
c/- Kreston Stanley Williamson
Level 1
34-38 Burton Street
Kirribilli NSW 2061

Bankers
Bankwest
17 Castlereagh Street
Sydney NSW 2000

Share Registry
Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000
Telephone: + 61 2 9290 9616
Fax: + 61 2 9279 0664
Internet: www.boardroomlimited.com.au

Chairman's Letter

Dear Shareholders,

On behalf of the board of directors, I am pleased to present the annual report of International Base Metals Limited (IBML or the Company) for the financial year ended 30 June 2022.

The last financial year has very much been one of consolidation; with our joint venture partner Greenstone Venture Capital LP (GVC) we continue to work towards completion of the Bankable Feasibility Study (BFS). Latest estimates are that the BFS will be completed in the second calendar quarter of 2023. There have been some 'sovereign risk' delays as the result of the Namibian Government; the first of these was a change in policy in regard to exploration licences where in effect the Government placed a moratorium on all existing licences asking existing holders to resubmit plans and proof of funding for each exploration licence. Omico, the JV vehicle with GVC, was successful in regranting of licences.

The second delay has been with the granting of environmental permits for drilling upon the exploration leases. As a result of COVID numerous government departments have had manpower shortages, this in conjunction with expanding interest in exploration in Namibia has caused significant processes delays in granting permits. This has resulted in the exploration drilling designed to potential augment the resource base for the BFS being delayed.

Other aspects of the BFS are progressing well. The metallurgical testwork programme is continuing favourably. Water Supply studies have been completed and presented to Namwater (the State-owned water authority) and the Department of Water Affairs. Formal applications have also been made to Nampower (the Namibian State-owned Power company) for costing and connection to the Namibian transmission system.

We have also engaged, at the IBML level, the services of advisors to help construct operational, financial and valuation models so the Company can explore our strategic options in the lead up to the BFS' completion.

IBML's remaining assets are 10% interests in two copper exploration licences in the Cobar district of NSW held though AuriCula Mines Pty Ltd. AuriCula is a 100% subsidiary of IBML. As at the time of writing Glencore Australia, our JV partner in the two exploration licences, is in the process of divesting its CSA Copper assets to an American special purpose acquisition company Metals Acquisition Corp. (MAC). The deal is still to complete but once completion is reached, we will enter discussion with our new partner to ascertain there plans and therefore the future possibilities for AuriCula.

Financially the Company has continued to be supported by the major shareholders; working capital funding was once again provided in the form of shareholder loans from Rui King Resources Limited and West Minerals Limited for a combined value of AUD668,000.

Having spoken of the last financial year your Board expects this financial year to be a watershed year for the Company. The completion of the BFS will finally provide the Company with strategic options around the monitorisation or development of the Omitiomire assets held in the Omico joint venture. The commercial agreements with GVC provide IBML with significant flexibility as to the choices and outcomes available all of which will be explored to maximise shareholder value in IBML.

Whilst technically not within the 2022 financial year it would be remiss of me not to thank Mr Jinhua Wang (王锦华) and alternate director Mr Xianwu Deng (邓先武), who resigned from the Board effective 9 August 2022; and Mr Zhehong Luo (骆哲宏), who resigned from the Board effective 14 October 2022 for their valuable service to the Board. We welcome Mr Chengliang Wang (王成良), Mr Qiang Chen (陈强) and Mr Yichun Wang (王义春) to the Board and look forward to their contribution in the exciting times ahead.

I trust all shareholders share the Boards enthusiasm in respect to the completion of the BFS and what options that may provide.

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

Information on the operations, activities and business strategies of the Group are detailed below.

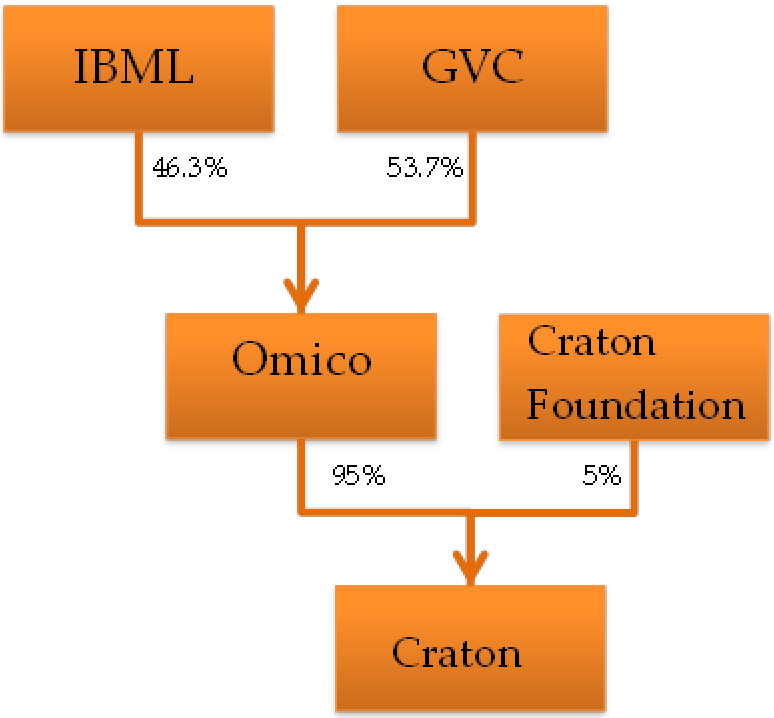
<u>Craton Mining and Exploration (Pty) Ltd (Namibia)</u>

Corporate

As previously reported, IBML completed a Private Equity deal with a UK fund, Greenstone Venture Capital (GVC). 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 transfer of Craton has precipitated restructuring of the Craton board, with two IBML members stepping down and two GVC representatives appointed.

Greenstone has the right, subject to an agreed expenditure and timetable, to retain its shareholding in Omico return for completing a Bankable Feasibility Study (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 Greenstone for USD7.5m plus a 1.5% smelting royalty or invest in the future project to the extent of its equity holding.

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).



Omitiomire Copper Deposit

Previous drilling by the Company identified a JORC Indicated and Inferred resource of 137 million tonnes (‘Mt’) at 0.54% Cu for 740,000 t contained copper at a 0.25% Cu cut-off grade (Bloy, August 2014). This resource was the subject of a Preliminary Feasibility Study (PFS) in 2010 which was revised in 2015. Craton has now commenced a Bankable Feasibility Study on the deeper sulphide copper resource.

Omico plans to have the Bankable Feasibility Study (BFS) finished by May 2023. The Omico budget, work program and timetable were approved by the Omico Board in December 2021. Existing funding sources are sufficient to complete the BFS. IBML’s working relationship with Greenstone is solid with the strategic direction of both JV partners aligned.

Bankable Feasibility Study (BFS)

- By the end of July 2022, Namibia has removed all internal COVID related restrictions except for vaccinated travellers to show proof of vaccination on arrival. There is limited impact on the project progress due to COVID.
- In terms of the metallurgical study, the current focus is on an acid leach – solvent extraction – electrowinning process to produce cathode copper. Early assaying of available drill core has shown excellent total soluble copper of more than 90% (acid soluble plus cyanide soluble). Phase 2 column test are being carried out and now awaits the test work of 4m columns and 1m columns.
- High level of power and water supply studies and OPEX and CAPEX were delivered in April 2022 at the Omico board meeting. Follow up studies are being conducted with more data and details.

AuriCula Mines Pty Ltd

Background

Through its wholly-owned subsidiary, AuriCula Mines Pty Ltd, IBML has a 10% interest in two exploration licences covering historic copper mines in the Cobar district of NSW. The other 90% interest is held by Cobar Management Pty Limited (CMPL), a subsidiary of Glencore Australia. Exploration activities are managed by CMPL. The impacts of the Covid-19 pandemic resulted in a significant reduction in exploration activities.

Metals Acquisition corp.(NYSE:MTAL.U) ("MAC") announced in March 2022 that it has entered into a sale and purchase agreement with Glencore to acquire CSA Copper Mine. The transaction will be effected by the acquisition by MAC's 100%-owned subsidiary, Metals Acquisition Corp. (Australia) Pty Ltd, of the issued share capital of CMPL, 100%-owned Glencore subsidiary which owns CSA Copper Mine.

EL6223 Shuttleton

- Exploration was adversely impacted by state border closures due to the COVID-19 pandemic.
- A soil geochemical survey was conducted across the eastern portion of the tenement. Several areas of interest were identified.
- A fixed-loop electromagnetic (FLEM) survey commenced.
- CMPL plans to expand exploration efforts at EL6223, pending results of the FLEM survey.

EL6907 Mount Hope

- An airborne radiometric-magnetic survey was completed over the northern portion of the tenement. The survey will deliver increased structural understanding which will form a basis for future planning of exploration programs.
- CMPL received positive feedback from community consultation prior to commencement of the airborne geophysical survey.

Company Strategy

- In Namibia, the priority is to assist GVC in whatever way possible in working towards the completion of the BFS.
- 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.

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 8550	Ekuja	735 km^2	Awaiting renewal	Preparedness to Grant
AuriCula Mines JV Projects				
EL 6223	Shuttleton	13 units	05-04-2023	JV with CMPL
EL 6907	Mt Hope	11 units	11-10-2027	JV with Actway

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

IBML's other investments

Macquarie Gold Limited – Corporate

On 22 March 2019, MGL and its subsidiary Challenger Mines Pty Ltd (CML) were placed in receivership.

On 20 July 2020 Hogan Sprowles retired as Receivers and Managers of Macquarie Gold Limited (MGL). MGL remains a wholly owned subsidiary of IBML and is dormant.

Zamia Metals Limited

IBML floated Zamia Gold Mines Limited in 2007 (changed to Zamia Metals Limited in 2010).
The company holds 13,593,875 shares in Zamia which was delisted from the ASX in 2018 and has not lodged Financial Statements from that date.

Zamia retains exploration permits in the Clermont District of Central Queensland.

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

IBML's shareholding in Zamia Metals Limited has been written down to $nil (2021: $nil).

Abbreviations

BFS	Bankable feasibility study
Bloy	Bloy Mineral Resource Evaluation

Cu	Copper (chemical symbol)
CMPL	Cobar Management Pty Ltd
EL	Exploration Licence (NSW)
EPL	Exclusive Prospecting Licence (Namibia)
FY2020	Financial year ended 30 June 2020
GVC	Greenstone Venture Capital
JORC	Joint Ore Reserves Committee
JV	Joint venture
km, km^2	Kilometres, square kilometres
ML	Mining Licence
PFS	Pre-feasibility survey
t, Mt	Tonnes, million tonnes
USD	United States Dollars

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.

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 (4th edition) (CGPR) published by the ASX Corporate Governance.

The Corporate Governance Statement was approved by the Board on 22 July 2021 and reflects the practices in place during the financial year. A description of the group's 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 2022.

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.
Other listed Directorships in last 3 years:	NT Minerals 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.
Other listed Directorships in last 3 years:	

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.
Other listed Directorships in last 3 years:	-

Directors' Report (continued)

Mr Jinhua Wang
Non-executive Director– resigned on 9 August 2022

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.

Other listed Directorships in last 3 years: -

Mr Zhehong Luo
Non-executive Director – resigned on 17 October 2022

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.

Other listed Directorships in last 3 years: -

Mr Qiang Chen
Alternate Director to Zhehong Luo – appointed as non-executive director on 28 October 2022

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.

Other listed Directorships in last 3 years: Zamia Metals Limited

Mr Shilai Jiang
Non-executive Director

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: -

Other listed Directorships in last 3 years:

Directors' Report (continued)

Mr Xianwu Deng

Alternate Director to Mr Jinhua Wang – resigned on 9 August 2022

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
Other listed Directorships in last 3 years:	-

Mr Chengliang Wang

Non-executive Director - appointed on 9 August 2022

Qualifications:	Bachelor Degree in Geology from Chengfu University of Technology and a Master Degree in Engineering from Zhejiang University of Technology
Experience:	He had 26 years with The seventh Geological Brigade of Zhijiang Province and was the Chief Engineer. From June 2018 he is the director and chief geologist for China Kings Resources Group Co Ltd which possesses the largest fluorspar reserves in China and is an industrial leader.

Mr Yichun Wang

Non-executive Director - appointed on 28 October 2022

Qualifications:	Bachelor degree in Geological Engineering, Department of Geology, Kunming University of Technology, China
Experience:	Assistant to General Manager and Company Secretary to the Board of Qinghai West Resources Co.

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.

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 three Board meetings, nil Audit Committee meetings, nil Nomination Committee and one Remuneration Committee meetings. (Audit and Nomination matters were addressed at Board meetings)

The Company held one Extraordinary General Meeting during the financial year.

	Full meetings of Directors		Meetings of Committees					
			Audit		Nomination		Remuneration	
	A	B	A	B	A	B	A	B
Mr Hugh Thomas	3	3	-	-	-	-	1	1
Dr Kenneth John Maiden	3	2	-	-	-	-	-	-
Mr Rui Liu	3	3	-	-	-	-	1	1
Mr Jinhua Wang	3	-	-	-	-	-	-	-
Mr Zhehong Luo	3	-	-	-	-	-	-	-
Mr Qiang Chen as alternate for Mr Zhehong Luo	3	3	-	-	-	-	1	1
Mr Shilai Jiang via proxy Mr Yichun Wang	3	3	-	-	-	-	-	-
Mr Xianwu Deng as alternate to Mr Jinhua Wang	3	-	-	-	-	-	-	-

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.

Key activities during the year are disclosed under the section of "Review of Operations" on pages 6-9.

Activities for preparation of the BFS have been carried out by Craton during the year according to the plan and management of Omico Copper Ltd.

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 2022 financial year (2021: no dividend declared).

Review of Operations and Activities

Financial

For the financial year ended 30 June 2022, the consolidated entity's net loss after taxation was $833,461 (2021: $ 749,373).

Exploration expenditure on Australian tenements in the 2022 financial year was nil (2021: nil) 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 Australia is set out on pages 6-9.

Share Issues

On 17 September 2021, 18,630,068 shares were issued to Rui King Resources as a payment of the third ($25,890) interest due on the convertible note.

On 6 October 2021, a resolution was passed at an Extraordinary General Meeting of IBML for issuing shares to convert the note. 68,931,250 shares were issued to Rui King Resources.

Options

There are no outstanding and unexpired options on ordinary shares.

Loans

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 $500,000 being $100,000 from Far Union Ltd and $400,000 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. The existing loans with Mr Rui Liu and Far Union Ltd were due for repayment in February 2022. Further to negotiation in January 2022 with Mr Rui Liu and Far Union Ltd, the loans have been rolled over for another 18 months to July 2023.

On 14 January 2022, the Group secured additional funding through the execution of Shareholder Loan agreements with Rui King Resources Limited and West Minerals Pty Ltd. The amount borrowed and drawn down from Rui King is $447,560 and the amount borrowed from and drawn down from West Minerals is $220,440. The loans are for 18 months and are due in July 2023. These loans are secured over IBML's assets but subordinated to the existing shareholders loans which are $400,000 from Mr Rui Liu and $100,000 from Far Union Ltd.

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, and is now a wholly owned subsidiary which is dormant.

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

IBML has effectively lost control of Craton and as from 31 December 2019 and is not consolidated in the financials of the Group. IBML's investment in Omico Copper Ltd is recorded as an investment in an associate.

IBML holds shares in WestStar Industrial Limited and Firstwave Cloud Technology Limited. The fair value of these shareholdings are not material at reporting date.

Significant changes in state of affairs

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 6-9.

After balance date events

There are no 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 Group, 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 Group's operations are presently subject to environmental regulation under the laws of Australian state governments, the Commonwealth of Australia and Republic of Namibia. The Group is at all times in full environmental compliance with these laws and the conditions of its exploration licences.

Remuneration Report

The directors present the remuneration report for the Group, detailing the arrangements of key management personnel (KMP) remuneration in accordance with the requirements of the Corporations Act 2001 and its regulations.

Names and positions held by consolidated and parent entity key management personnel in office during the whole of 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 – resigned on 9 August 2022
Mr Zhehong Luo	Non-executive Director - resigned on 17 October 2022
Mr Aidong Yang	Alternate to Rui Liu and General Manager Technical
Mr Xianwu Deng	Alternate to Mr Jinhua Wang - resigned on 9 August 2022
Mr Shilai Jiang	Non-executive Director
Mr Chengliang Wang	Non-executive Director – appointed on 9 August 2022
Mr Qiang Chen	Non-executive Director – appointed on 28 October 2022
Mr Yichun Wang	Non-executive Director – appointed on 28 October 2022
Mr John Stone	Company Secretary

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 2022

	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]	276,000	-	-	-	-	276,000
Dr Kenneth John Maiden[1]	36,396	3,640	-	-	-	40,036
Mr Rui Liu[2]	40,020	-	-	-	-	40,020
Mr Qiang Chen (Alternae to Zhehong Luo)[2]	40,020	-	-	-	-	40,020
	392,436	**3,640**	**-**	**-**	**-**	**396,076**
Other Key Management Personnel						
Mr John Stone, Company Secretary	48,600	-	-	-	-	48,600
Mr Aidong Yang, General Manager-Technical	-	-	-	-	-	-
Total Key Management Remuneration	**441,036**	**3,640**	**-**	**-**	**-**	**444,676**

1 *Includes fees paid to related parties of key management personnel*

2 *For Mr Rui Liu in FY2022: Accrued director fee: $40,020, total short-term benefits $40,020*
For Mr Qiang Chen in FY2022: Accrued director fee: $40,020, total short-term benefits $40,020
No cash or non-cash remuneration, including share based payments, were paid or payable to Mr Jinhua Wang, Mr Shilai Jiang, Mr Zhehong Luo and Mr Xianwu Deng during the year ended 30 June 2022 (2021:Nil)

Remuneration – key management personnel of the Group 2021

	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]	177,000	-	-	-	-	177,000
Dr Kenneth John Maiden[1]	40,020	-	-	-	-	40,020
Mr Rui Liu[2]	40,020	-	-	-	-	40,020
Mr Qiang Chen (Alternate to Zhehong Luo)[2]	40,020	-	-	-	-	40,020
	297,060	**-**	**-**	**-**	**-**	**297,060**
Other Key Management Personnel						
Mr John Stone, Company Secretary	44,136	-	-	-	-	44,136
Mr Aidong Yang, General Manager-Technical	-	-	-	-	-	-
Total Key Management Remuneration	**341,196**	**-**	**-**	**-**	**-**	**341,196**

1 *Includes fees paid to related parties of key management personnel*

2 *For Mr Rui Liu in FY2021: Accrued director fee: $40,020, total short-term benefits $40,020*
For Mr Qiang Chen in FY2021: Accrued director fee: $40,020, total short-term benefits $40,020
No cash or non-cash remuneration, including share based payments, were paid or payable to Mr Jinhua Wang, Mr Shilai Jiang, Mr Zhehong Luo and Mr Xianwu Deng during the year ended 30 June 2021 (2020: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	Director fee of $276,000 per annum plus GST from January 2021.	-
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.

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

2022	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	10,613,001	-	-	10,613,001
Rui Liu	290,060,637	-	87,561,318	377,621,955
Jinhua Wang	42,500,000	-	-	42,500,000
Zhehong Luo	173,882,048	-	-	173,882,048
John Stone	1,828,125	-	-	1,828,125
	532,487,774	**-**	**87,561,318**	**620,049,092**

2021	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	10,613,001	-	-	10,613,001
Rui Liu	175,022,723	-	115,037,914	290,060,637
Jinhua Wang	42,500,000	-	-	42,500,000
Zhehong Luo	118,326,492	-	55,555,556	173,882,048
John Stone	1,828,125	-	-	1,828,125
	361,894,304	**-**	**170,593,470**	**532,487,774**

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 2022 there were no KMP unexpired remuneration options on issue (2021: Nil).

END OF REMUNERATION REPORT (Audited)

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 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 2022 has been received and is set out on page 21 of the financial report.

Signed in accordance with a resolution of the Board of Directors

Hugh Thomas
Chairman

Sydney, 24 November 2022

Auditor's Independence Declaration

As lead auditor of International Base Metals Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of International Base Metals Limited and the entities it controlled during the year.

Kamal Thakkar
Director

KrestonSW Audit Pty Ltd

Sydney

24 November 2022

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KRESTON STANLEY WILLIAMSON

KrestonSW Audit Pty Ltd

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 controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the 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:

- giving a true and fair view of the financial position of the Group as at 30 June 2022 and of its financial performance for the year then ended; and
- 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 auditor independence requirements of 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 (including Independence Standards)* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 incurred a net loss of $833,461 ($749,373), had net cash outflows of $629,237 (2021: $538,141) during the year ended 30 June 2022 and, as of that date, the Group's total liabilities exceeded its total assets by $1,260,147 (2021: $1,071,317). As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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* and for 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.

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In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has 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 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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion the Remuneration Report of International Base Metals Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Kreston SW Audit

K Thakkar

KrestonSW Audit Pty Ltd

Kamal Thakkar

Director

Sydney

24 November 2022

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 the Group's financial position as at 30 June 2022 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. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standard as issued by the International Accounting Standards Board.

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

Hugh Thomas
Chairman

24 November 2022

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Other income	**4**	18,755	13,149
Expenditure			
Administrative expenses		(100,501)	(110,925)
Depreciation and amortisation expense	**5**	-	(21,729)
Legal costs		(17,708)	(22,295)
Interest Paid		(127,747)	(137,122)
Occupancy expenses		(59,969)	(40,012)
Employee benefits expense		(546,291)	(430,439)
Loss before income tax	**5**	(833,461)	(749,373)
Income tax	**6**	-	-
Loss for the year		**(833,461)**	**(749,373)**
Total other comprehensive income for the year		-	-
Total Comprehensive Income for the year		**(833,461)**	**(749,373)**
Basic and diluted loss per Share (cents)	**21**	(0.09)	(0.10)

The accompanying notes form part of the financial statements

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Current Assets			
Cash and cash equivalents	**7**	490,018	451,255
Trade and other receivables		-	-
Total Current Assets		**490,018**	**451,255**
Non-current Assets			
Other Assets	**8**	15,056	15,056
Right of Use-Assets	**22**	-	-
Total Non-current Assets		**15,056**	**15,056**
Total Assets		**505,074**	**466,311**
Current Liabilities			
Trade and other payables	**10**	353,350	283,906
Lease liabilities	**22**	-	-
Short-term provisions	**11**	13,851	6,819
Borrowings	**12**	-	1,246,903
Total current liabilities		**367,201**	**1,537,628**
Non-Current Liabilities			
Borrowings	**12**	1,398,020	-
Total Non-Current Liabilities		**1,398,020**	**-**
Total Liabilities		**1,765,221**	**1,537,628**
Net Liabilities		**(1,260,147)**	**(1,071,317)**
Equity			
Issued capital	**13**	70,414,299	69,769,668
Reserves		-	-
Accumulated losses		(71,674,446)	(70,840,985)
Total Equity		**(1,260,147)**	**(1,071,317)**

The accompanying notes form part of the financial statements

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

Consolidated Group

	Note	Share Capital $	Accumulated Losses $	Foreign Exchange Translation Reserve $	Total Equity $
Balance at 1 July 2020		69,096,820	(70,091,612)	-	(994,792)
Loss for the year		-	(749,373)	-	(749,373)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**-**	**(749,373)**	**-**	**(749,373)**
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		672,848	-	-	672,848
Total transactions with owners in their capacity as owners		672,848	-	-	672,848
Balance at 30 June 2021		69,769,668	(70,840,985)	-	(1,071,317)
Balance at 1 July 2021		69,769,668	(70,840,985)	-	(1,071,317)
Loss for the year		-	(833,461)	-	(833,461)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**-**	**(833,461)**	**-**	**(833,461)**
Transactions with owners, in their capacity as owners, and other transfers					
Contribution of equity, net of transaction costs	13	644,631	-	-	644,631
Total transactions with owners in their capacity as owners		644,631	-	-	644,631
Balance at 30 June 2022		70,414,299	(71,674,446)	-	(1,260,147)

The accompanying notes form part of the financial statements

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts – from other income	**4**	-	13,000
Payments to suppliers and employees		(629,452)	(481,328)
Payments for exploration expenditure		-	-
Interest received	**4**	215	149
Interest paid		-	(69,962)
Net cash used in operating activities	**20**	**(629,237)**	**(538,141)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	**22**	-	(23,460)
Proceeds from Secured Loan	**12**	668,000	-
Proceeds from Underwritten Rights Issue, net of transaction costs		-	603,068
Net cash provided by financing activities		**668,000**	**579,608**
Net increase in cash held		38,763	41,467
Cash at the beginning of the financial year		451,255	409,788
Cash at the end of the financial year	**7**	**490,018**	**451,255**

The accompanying notes form part of the financial statements

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Accounting policies and methods of computation have generally been consistently applied in these financial statements as those employed in the Group's annual financial statements for the year ended 30 June 2021.

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 18.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group.

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 2022 was a loss of $833,461 (2021: $749,373) and the Group had net cash outflows from operating activities of $629,237(2021: $538,141). As at 30 June 2022, the Group's total liabilities exceed its total assets by $1,260,147 (2021: $1,071,317)

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

(i) The Group had $490,018 cash on hand at 30 June 2022;

(ii) The Group expects to have further capital raised in the open market or existing shareholders to fund working capital requirements.

(iii) Costs cutting measures can be undertaken to reduce operating cash outflows.

(iv) The convertible note of $600,000 has been converted at the extraordinary general meeting on 6 October 2021.

(v) In terms of the remaining secured loans, the Group is in ongoing negotiations with the debt holders regarding the fund-raising situation and potential deferral of the loan repayment dates past the existing due date of July 2023.

(vi) The Group continues to focus on the completion of Bankable Feasibility Study which is expected to be finalised by calendar year 2023.

In the event that the Group is unable to obtain sufficient funds (specifically the raising of capital) to meet anticipated expenditure, there is a material uncertainty that may cast significant doubt upon the Company and the Group'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 or liability is likely to be realised for an amount different to which it is recorded in the financial statements at 30 June 2022. 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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

necessary should the Group be unable to continue as a going concern and meet its debt as and when they fall due.

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.

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, Development and Government 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.

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group complies with all attached conditions.

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

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. 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.

k. 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)

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.

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.

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) 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.

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.

l. 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.

m. Leases

At inception of a contract, the Group 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 Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Group 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 Group 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 Group 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 Group'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.

n. 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.

o. 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.

p. 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.

q. 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.

r. 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.

s. 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;

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.

t. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except, where the amount of GST incurred is not recoverable from the Australian Tax Office is not recoverable from the Namibian Tax Office. In these circumstances the GST 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. The net amount of GST 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 component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

u. 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 – 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 Group’s financial position, complies fully with AASB 6 and is cash flow neutral. Refer Note 1(i).

v. Parent entity financial information

The financial information for the parent entity, International Base Metals Limited, disclosed in Note 14 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.

w. 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 Group will continue to adopt best practice protocols as the situation evolves to ensure the ongoing safety and wellbeing of employees and contractors.The impact on the activity of the Group is mainly related to the restriction of international travel which slowed drilling and other exploration work planned for the Craton project.

Notes to the Financial Statements

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, convertible notes and trade and other payables.

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:

	Note	Consolidated Group 2022 $	2021 $
Financial Assets			
Cash and cash equivalents	**7**	490,018	451,255
Security deposits	**8**	15,056	15,056
		505,074	466,311
Financial liabilities			
Borrowings	**12**	1,398,020	1,246,903
Trade and other payables	**10**	353,350	283,906
		1,751,370	1,530,809

(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 is 0.02% (2021: 0.01%).

Group sensitivity

At 30 June 2022 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 $2,548 higher/lower (2021: $2,301 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 GST (which is 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 which is not material.

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 ageing analysis as required by AASB 7. For this reason, an ageing analysis has not been disclosed in relation to this class of financial instrument.

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

Notes to the Financial Statements

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 2022 $	Carrying amount Consolidated 2021 $
Cash and cash equivalents		
A+ Standard & Poor's, Moody's A+	346	346
Aa2 Standard & Poor's, Moody's AA-	489,672	450,909
	490,018	451,255

(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 2022	**Less than 1 Year $**	**1 to 5 Years $**	**More than 5 Years $**	**Total contractual cash flows $**	**Carrying Value $**
Trade and other payables	353,350	-	-	353,350	353,350
Borrowings	-	1,398,020	-	1,398,020	1,398,020
Total financial liabilities	**353,350**	**1,398,020**	**-**	**1,751,370**	**1,751,370**
As at 30 June 2021	**Less than 1 Year $**	**1 to 5 Years $**	**More than 5 Years $**	**Total contractual cash flows $**	**Carrying Value $**
Trade and other payables	283,906	-	-	283,906	283,906
Borrowings	1,246,903	-	-	1,246,903	1,246,903
Total financial liabilities	**1,503,809**	**-**	**-**	**1,530,809**	**1,530,809**

(v) Fair value estimation

The Group is not exposed to significant fair value estimation as it does not have any material financial assets or liabilities at fair value.

Notes to the Financial Statements

NOTE 3: SEGMENT INFORMATION

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 one reportable segment.

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.

NOTE 4: OTHER INCOME

	Consolidated Group 2022 $	Consolidated Group 2021 $
Interest received	215	149
Miscellaneous income	18,540	-
COVID-19 government grants	-	13,000
TOTAL OTHER INCOME	**18,755**	**13,149**

NOTE 5: EXPENDITURE

	Consolidated Group 2022 $	Consolidated Group 2021 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Right-of-use asset	-	21,729
Total Depreciation	-	21,729
Director fees	392,436	297,060
Insurance	31,985	34,399

NOTE 6: INCOME TAX

	Consolidated Group 2022 $	Consolidated Group 2021 $
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Deferred tax assets not recognised	-	-
	-	-
(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 25% (2021: :26%):	(208,365)	(194,837)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
- Exploration expenditure incurred – Namibia	-	-
- Other allowable items	(413)	(413)
- Loss resulted from business discontinuity	-	-
- Provisions and accruals	3,809	1,874
Difference in overseas tax rates	-	-
Tax losses not recognised	204,969	193,376
Income tax expense	**-**	**-**

Notes to the Financial Statements

	Consolidated Group 2022 $	2021 $
(c) Unrecognised temporary differences		
Deferred tax assets 25% (2021: 26%)		
Carried forward tax losses	6,554,532	6,600,014
Carried forward capital losses	536,558	558,020
Temporary differences	14,595	12,765
	7,105,684	**7,170,798**

NOTE 7: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank and in hand	490,018	451,255

Interest rate exposure

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

NOTE 8: OTHER ASSETS

	Consolidated Group 2022 $	2021 $
Non-current		
Deposits paid re office leases	15,056	15,056
Total other assets	**15,056**	**15,056**

NOTE 9: JOINT VENTURES AND OTHER ARRANGMENTS

Joint Venture-Omico Copper Limited

IBML and Greenstone Venture Capital signed the agreement in December 2019 to form a Joint Venture named Omico Copper Limited based in Mauritius. Omico Copper is 46.3% owned by IBML and 53.7% owned by Greenstone Venture Capital. Craton Mining was sold to Omico Copper as part of the deal signed with Greenstone.

As a condition of ML197 Craton must facilitate a 5% Equity Partner in Namibia who meets the indigenous Owners Requirement. The 5% was issued to Craton Foundation in early 2020 and the rest 95% is owned by Omico Copper Limited.

IBML's investment in Omico Copper Ltd (Omico) 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 share of future revenue(loss) in Omico will be taken up as an increase (decrease) in investment in associate.

The pre-tax loss of Omico from July 2021 to June 2022 is U$68,152 (A$95,304) (for period January 2021 to June 2021: U$31,605 or A$42,140). The Company's share of loss is U$31,554 (A$44,126) (for period January 2021 to June 2021: U$14,633 or A$19,511).

Significant joint ventures	Country of operation	Principal activity	Acquisition date	Effective interest % 2022	Effective Interest % 2021
Omico Copper Limited	Mauritius	BFS study, resource drilling and regional exploration	20 December 2019	46.3%	46.3%

Other Arrangements-Auricula Mines Farm-in Agreement

AuriCula Mines Pty Ltd, a wholly owned subsidiary of IBML, has an exploration farm-in and joint venture agreement 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 (the Auricula exploration projects).

CMPL and Actway are wholly owned subsidiaries of Glencore Operations Australia Pty Ltd, a wholly owned subsidiary Glencore Plc (collectively referred to as Glencore).

Under the terms of the Farm-in joint venture agreement, and as at the reporting date, Glencore has earned a 90% interest in the AuriCula exploration projects, with IBML retaining a 10% holding. Glencore has the option to earn the remaining 10% in the AuriCula exploration projects subject to continuing certain expenditure commitments and the completion of feasibilities studies as appropriate.

As at 30 June 2022, the carrying value of IBML's equity interest in the AuriCula exploration projects is $nil (2021 $nil). IBML is not exposed to any further liabilities or commitments under the terms of the Farm-in joint venture agreements, and Glencore has continued to meet its obligations under the Agreements.

NOTE 10: TRADE AND OTHER PAYABLES

	2022 $	2021 $
Current		
Trade payables	10,356	26,275
Sundry payable and accrued expenses	342,994	257,631
	353,350	**283,906**

NOTE 11: PROVISIONS

	2022 $	2021 $
Current		
Employee benefits	13,851	6,819
Balance at end of year	**13,851**	**6,819**

NOTE 12: BORROWINGS

	Consolidated Group	
	2022 $	2021 $
Current		
Loans from Directors*	-	500,000
Accrued interest on loans from Directors and Directors' related entities*	-	121,259
Convertible Note**	-	600,000
Accrued interest on the convertible note**	-	25,644
	-	**1,246,903**
Non-Current		
Loans from Directors*	500,000	-
Accrued interest on loans from Directors and Directors' related entities*	188,760	-
Loan from Shareholders***	668,000	-
Accrued interest on loans from Shareholders***	41,260	-
	1,398,020	**-**

*These borrowings were incurred in August 2019 when two directors of IBML lent in total of $500,000 to IBML. Security on all loans is a first ranking general security granting security over the borrower's assets. The due date is 13 February 2022.

**On 17 March 2020, a convertible note which amount is $600,000 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 had a maturity of 2 years. On 18 August 2021, in accordance with the terms of the Notes, Rui King Resources Limited issued a conversion notice to IBML to convert the note into 68,931,250 shares. As the conversion is subject to shareholder approval, an extraordinary general meeting was held on 6 October 2021. On 6 October 2021, the resolution was passed and 68,931,250 shares were issued to Rui King Resources.

In total 55,890,204 ordinary shares were issued to Rui King Resources on 18 September 2020 (18,630,068 shares), 17 March 2021(18,630,068 shares) and 17 September 2021(18,630,068 shares) as payment of the first ($25,890), second ($25,890) and third ($25,890) interest repayments respectively amounting to a total of $77,670 due on the convertible note.

***On 14 January 2022, the Group secured additional funding through the execution of Shareholder Loan agreements with Rui King Resources Limited and West Minerals Pty Ltd. The amount borrowed and drawn down from Rui King is $447,560 and the amount borrowed from and drawn down from West Minerals is $220,440. The loans are for 18 months and are due in July 2023. These loans are secured over IBML's assets but subordinated to the existing shareholders loans which are $400,000 from Mr Rui Liu and $100,000 from Far Union Ltd.

NOTE 13: ISSUED CAPITAL

	2022 No of Shares	2021 No of Shares	2022 $	2021 $
Fully paid ordinary shares	948,149,110	860,587,792	70,414,299	69,769,668

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

Movements in ordinary shares:

Details	Number of Shares	Total $
Opening balance of 1 July 2021	860,587,792	69,769,668
Convertible note Interest payment in shares (September 2021)	18,630,068	44,631
Conversion of convertible note (6 October 2021)	68,931,250	600,000
Balance 30 June 2022	948,149,110	70,414,299

(a) Options

No options were issued during the financial year. There are no unexpired options on issue (2021: 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.

Notes to the Financial Statements

NOTE 14: PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

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

	Parent Entity 2022 $	Parent Entity 2021 $
Current assets	490,018	451,255
Non-Current assets	15,053	15,056
Total assets	**505,071**	**466,311**
Current liabilities	367,198	1,537,628
Non-current liabilities	1,398,020	-
Total liabilities	**1,765,218**	**1,537,628**
Shareholders' equity		
Contributed equity	70,414,299	69,769,668
Retained losses	(71,674,446)	(70,840,985)
Total equity	**(1,260,147)**	**(1,071,317)**
Loss for the year	(833,461)	(749,373)
Total Comprehensive Income	**(833,461)**	**(749,373)**
Loans by parent to controlled entities		
Amounts owing by controlled entities	29,151,750	29,151,750
Provision for impairment of receivables	(29,151,750)	(29,151,750)
	-	-

(i) Impaired receivables and receivables past due

At 30 June 2022 $29,151,750 (2021: $29,151,750) 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 (2021: $27,985,002) 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 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 2022 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.

NOTE 15: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	Consolidated Group 2022 $	Consolidated Group 2021 $
Short-term employee benefits	**444,676**	**341,196**

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 (2021: 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 17 Related Party Transactions.

Notes to the Financial Statements

NOTE 16: REMUNERATION OF AUDITORS

	2022 $	2021 $
Auditor to the parent company		
Audit and review of financial statements		
KrestonSW Audit Pty Ltd	45,000	45,000
	45,000	**45,000**

NOTE 17: 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 18

(c) Key management personnel

Disclosures in relation to key management personnel are set out in Note 15

Other transactions with related parties of Parent

Aggregate amounts of each of the above types of transaction with related parties of the Group:

	2022 $	2021 $
Secured Loan from Directors*		
Beginning of the year	621,259	553,852
Loans Received	-	-
Interest Accrued	67,501	67,407
End of the year	688,760	621,259
Convertible Noted from a Shareholder*		
Beginning of the year	625,644	625,890
Amount Received	-	-
Interest Accrued	18,986	69,534
Interest Paid (in form of shares)	(44,630)	(69,780)
Conversion into shares	(600,000)	-
End of the year	-	625,644
Directors' Fee Accrued		
Beginning of the year	153,410	73,370
Amount Accrued	80,040	80,040
End of the year	233,450	153,410
Secured Loan from Shareholders*		
Beginning of the year	-	-
Loans Received	668,000	-
Interest Accrued	41,260	-
End of the year	709,260	-

*For details regarding these transactions with related parties, refer to Note 12.

NOTE 18: CONTROLLED ENTITIES

(a) Subsidiaries

The group's principal subsidiaries at 30 June 2022 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 2022	Ownership Interest 2021
Controlled entities				
AuriCula Mines Pty Ltd	Exploration	Australia	100%	100%
Macquarie Gold Limited	Dormant	Australia	100%	100%

Notes to the Financial Statements

NOTE 19: SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or 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.

NOTE 20: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2022 $	2021 $
Operating (loss) after income tax	(833,461)	(749,373)
Non-cash items included in profit and loss:		
- depreciation and amortization	-	21,729
- Finance costs recognised not paid	-	137,050
- Loss/(Gain) on deconsolidation of subsidiaries	-	-
- Net foreign exchange difference	(304)	979
Change in assets and liabilities		
Decrease/(Increase) in receivables	-	-
Decrease/(increase) in non-current assets	(22,818)	-
Increase/(Decrease) in payables	69,444	48,797
(Decrease)/Increase in provisions	7,032	2,677
(Decrease)/Increase in other non-current liabilities	150,870	-
Net cash (outflow) from operating activities	**(629,237)**	**(538,141)**

NOTE 21: LOSS PER SHARE

	Consolidated Group 2022 Cent per Share	2021 Cents per Share
Basic loss per share	(0.09)	(0.10)
Diluted loss per share	(0.09)	(0.10)

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:

	2022 $	2021 $
Loss (i)	(833,461)	(749,373)
Weighted average number of ordinary shares used as denominator in calculating basic and diluted earnings per share (ii)	925,609,281	759,938,388

(i) Loss used in the calculation of basic and diluted loss per share is net loss after tax attributable to owners as per statement of comprehensive income.
(ii) The convertible notes were not included in the calculation of diluted earnings per share as they are antidilutive.

Note 22: RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right-of-use Assets

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

- 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.

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

	Consolidated Group 2022 $	Consolidated Group 2021 $
Non-current assets		
Right-of-use assets	-	77,582
Less: accumulated depreciation	-	(77,582)
	-	-

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 2022 $	Consolidated Group 2021 $
Current	-	-
Non-current	-	-
	-	-

Note 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets and liabilities as at 30 June 2022. (2021: none)

Shareholder Information

Statement of issued securities as at 23 November 2022.

There are 344 shareholders holding a total of 948,149,110 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 23 November 2022.

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	128	7,364,669
100,001 -	and over	207	940,725,286
Total holders		344	948,149,110

Substantial shareholdings as at 23 November 2022 of Fully Paid Ordinary Shares

Ordinary shareholder	Total relevant interest notified	% of total voting rights
Rui King Resources Limited	352,599,232	37.19
West Minerals Pty Limited	173,882,048	18.34
Mining Tenement Management Pty Ltd	56,909,078	6.00
Heilongjiang Heilong Resources Investment Co Ltd	25,022,723	2.64

The three entities which are substantial Shareholders are associates with 64.17% voting control of the Company.

Top Twenty Shareholders 23 November 2022

Holder Name	Shares held	%
RUI KING RESOURCES LIMITED	352,599,232	37.19%
WEST MINERALS PTY LIMITED	173,882,048	18.34%
MINING TENEMENT MANAGEMENT PTY LTD	56,909,078	6.00%
HEILONGJIANG HEILONG RESOURCES INVESTMENT CO LTD	25,022,723	2.64%
CHINA KINGS RESOURCES GROUP CO LTD	22,500,000	2.37%
BUDSIDE PTY LTD <EMPLOYEES SUPER FUND A/C>	21,815,375	2.30%
CHINA SUN INDUSTRY PTY LTD	20,000,000	2.11%
MANICA MINERALS LTD	15,000,000	1.58%
MRS OLIVIA MAHALANI	13,603,963	1.43%
PEARL GLOBAL INVESTMENT LIMITED	13,333,333	1.41%
BLACKMANS & ASSOCIATES PTY LTD <SUPER FUND A/C>	13,050,000	1.38%
JIAN XU	10,718,379	1.13%
MR KENNETH JOHN MAIDEN	10,521,751	1.11%
GREAT SEA WAVE INVESTMENT PTY LTD	9,167,333	0.97%
OCTAN ENERGY PTY LTD	8,990,347	0.95%
MACQUARIE BANK LTD	8,333,333	0.88%
THETA ASSET MANAGEMENT LIMITED <AUCTUS RESOURCES FUND A/C>	8,333,333	0.88%
MR DENNIS JAMES MORTON	7,282,719	0.77%
TECTOMET EXPLORATION PTY LTD	7,220,277	0.76%
PEAK SUCCEED INVESTMENTS LIMITED	6,666,667	0.70%
Total Securities of Top 20 Holdings	**804,949,891**	**84.90%**
Total of Securities	**948,149,110**	