



## INTERNATIONAL BASE METALS LIMITED (“IBML”)

### QUARTERLY REPORT TO MARCH 31, 2010

#### INTRODUCTION

All IBML’s exploration activity was focussed in Namibia in the first quarter of 2010.

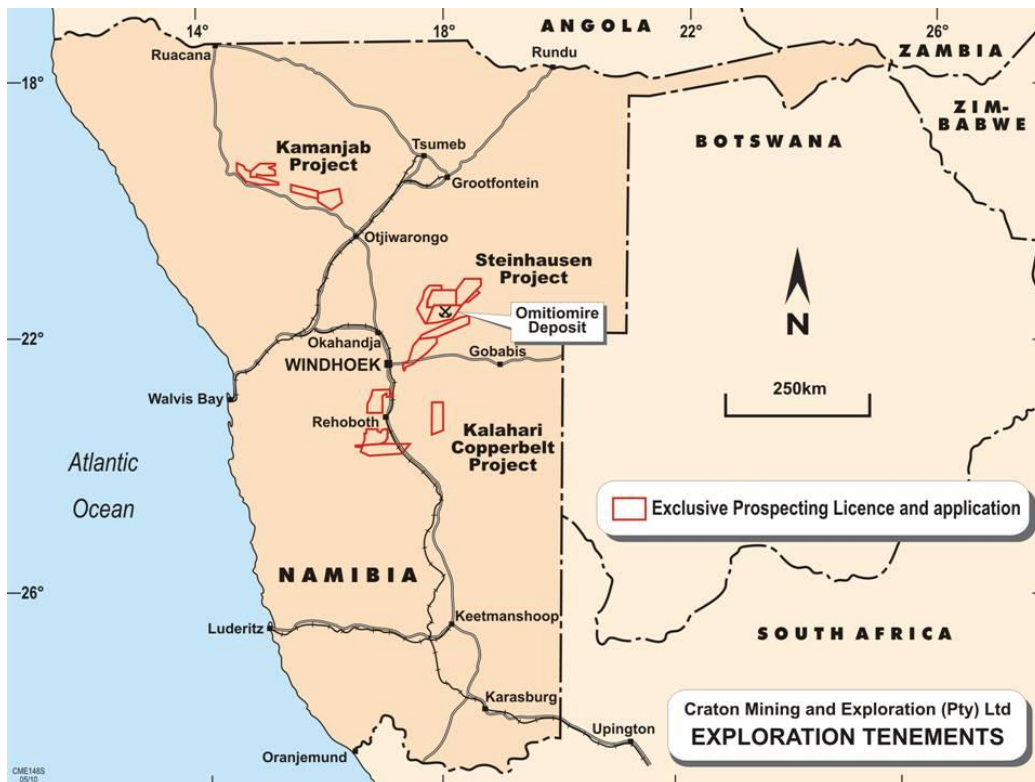


Figure 1: IBML’s Namibian projects

#### EXPLORATION ACTIVITIES

##### 1. Steinhausen Project

Soil sampling continued in EPL3590 (Figure 2). Soil geochemical anomalies are subdued in the north and northeast of the tenement, apparently due to increased thickness of overburden (mainly sand). Samples will be re-assayed with the more powerful Niton Gold spectrometer to highlight the lower-order anomalies, which may be of exploration significance.



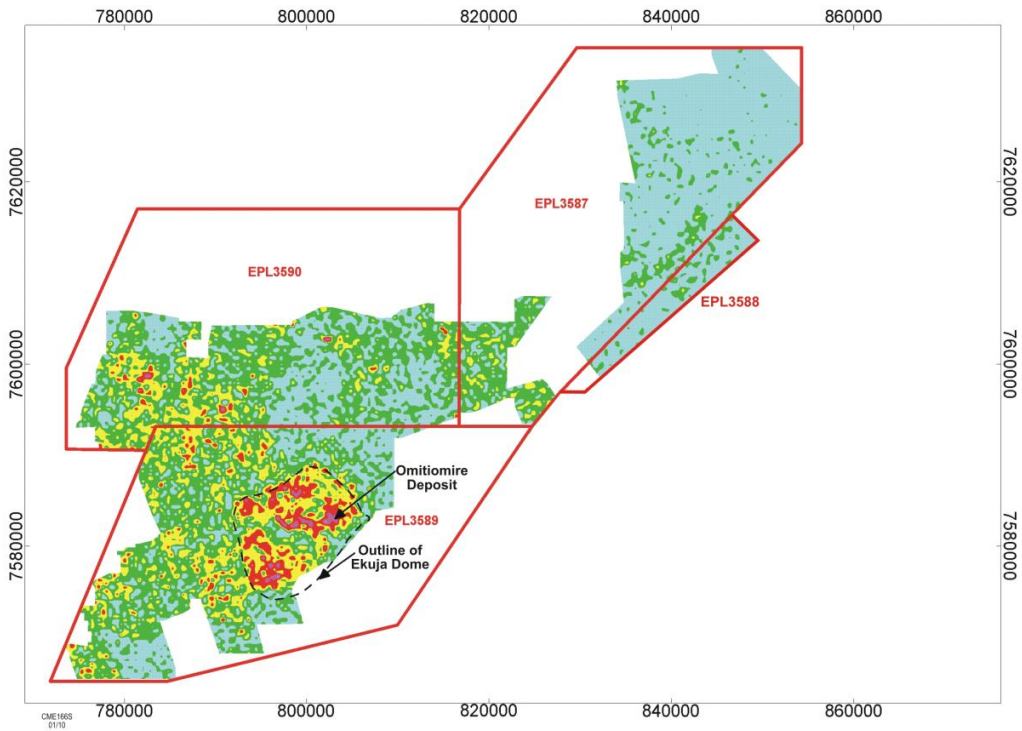


Figure 2: Copper-in-soil, Steinhausen Project area, containing the Omitiomire Project (see below)

## 2. Kalahari Copperbelt Project

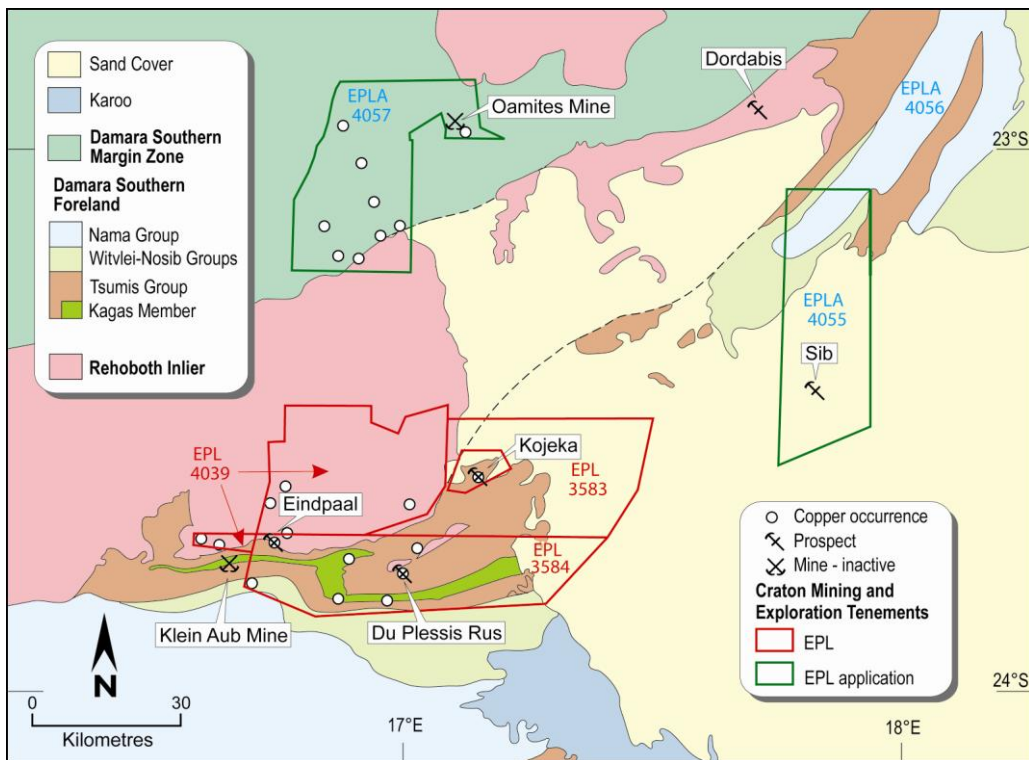


Figure 3: Kalahari Copperbelt Project



The main target is stratabound copper in shales of the Kagas Member of the Klein Aub Formation in EPL 3584, where copper occurrences and copper-in-soil geochemical anomalies are intermittently developed over a strike length of 80 km. The host rock is correlated with the strata which host the Discovery Metals and Hana Mining copper deposits in Botswana.

IBML’s subsidiary in Namibia, Craton Mining and Exploration, is focussing on two extensive zones of structural complexity - the Kagas Thrust Zone, which coincides with the dominant magnetic trend, and the Groendoorn Syncline. Northeast-trending faults cut the stratigraphy and may be important in controlling thicker zones of copper mineralisation along the zone. Geological mapping has shown that many of the soil geochemical anomalies are spatially related to northeast-trending structures. Geological mapping has identified seven thin (< 1m thick) shale beds having visible copper mineralisation of between trace and 3%.

A total of 10,625 samples have been taken along the copper-bearing shales in the upper portion of the Kagas Member. Much of the target area has extensive cover of calcrete and sand. Copper-in-soil anomalies are therefore erratic. It is anticipated that analysis of the samples will be completed in May 2010.

3. Kamanjab Project

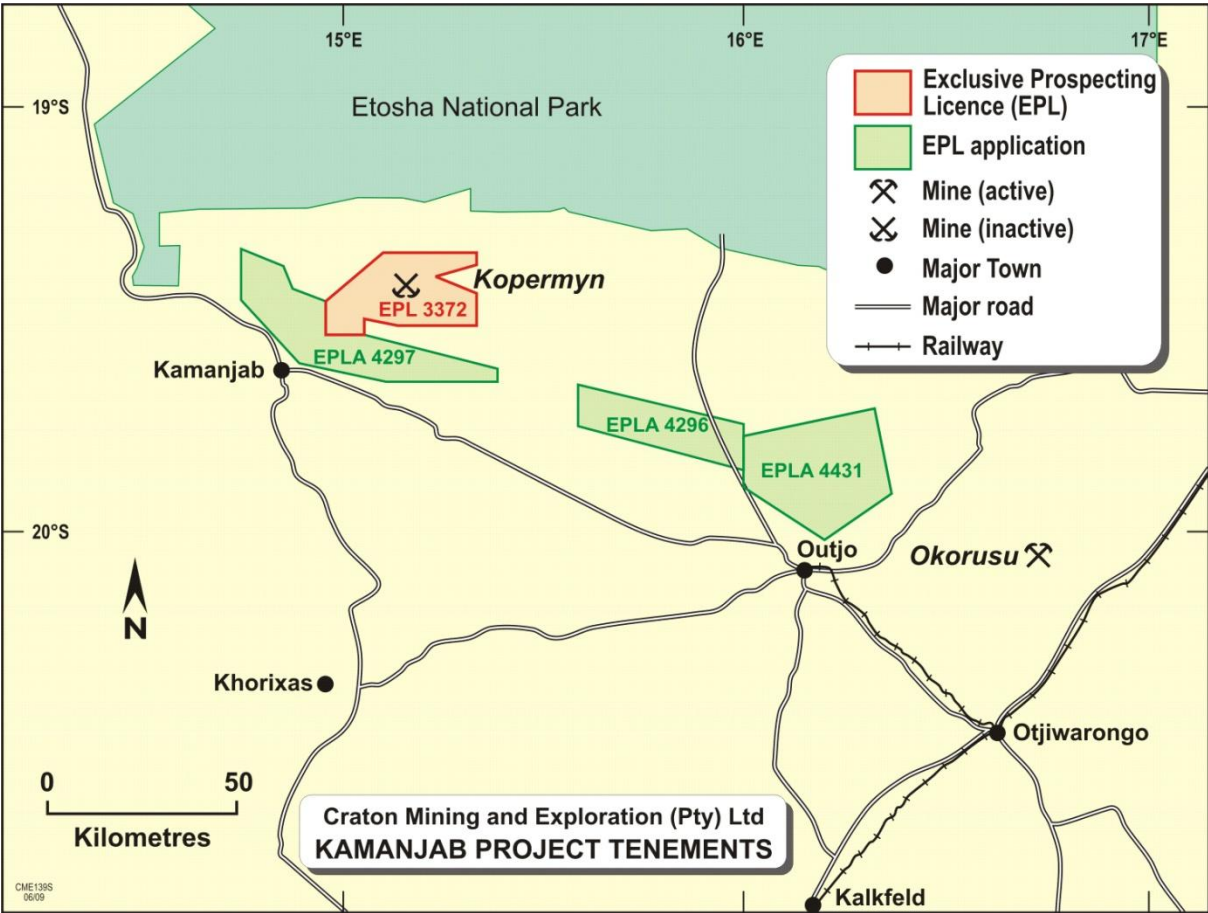


Figure 3: Kamanjab Project area



In November 2009, IBML signed a joint venture agreement with Antofagasta Minerals S.A. over EPL 3372 Kopermyn (Figure 3). The agreement envisages Antofagasta Minerals funding a two year exploration programme - to spend no less than US\$ 500,000 on or before the first anniversary, with the right to withdraw, and a further US\$ 1,300,000 before the second anniversary - in exchange for a 60% interest in the tenement.

Remote Exploration Services has completed preliminary exploration for the Antofagasta Joint Venture. This work has entailed:

- Compilation and review of previous exploration;
- Field reconnaissance;
- Soil and rock chip geochemical traverses across the target zone of the Kopermyn Inlier contact;
- Detailed geological mapping across the Kopermyn Inlier contact;
- Detailed ground magnetic survey across the contact;
- Petrographic and mineralogical analysis of mineralised rocks;
- A comprehensive report on the work carried out.

As previously reported, copper concentrations have been identified within the target Nosib Group, developed intermittently over 11 km of strike in a zone up to 50m thick. The Nosib Group is correlated with the copper-bearing Roan Group in the Central African Copperbelt and the styles of copper mineralisation are considered to be similar. In summary, the work to date indicates a very promising exploration target. The next stage is proof-of-concept drilling which is planned for April 2010.

Three other tenement applications have been lodged with the Namibian Ministry of Mines and Energy.

#### 4. Omitiomire Project

##### (a) Schedule

The Omitiomore project is located approximately 140km NE of the capital city, Windhoek. A Prefeasibility Study (PFS) has been underway for several months. According to project manager Green Team International, the PFS is progressing on or close to schedule to have the printed final PFS reports available by late May. Information for the IPO document should be available from the draft PFS report in early May.



(b) Resource

Resource estimations (Hellman and Schofield) were updated in January 2010 and an optimised pit shell produced by SRK.

Cut Off % Cu	Resource (Hellman, 2010)		Optimised Pit shell (SRK, 2010)	
	Tonnes	Cu %	Tonnes	Cu %
0.1	201,650,507	0.36	725,942	
0.2	142,995,836	0.45	637,761	94,597,073
0.25	116,756,908	0.50	579,114	80,678,302
0.3	94,834,001	0.55	520,639	67,058,784
0.35	74,003,020	0.61	452,898	55,670,907
0.4	62,981,673	0.65	411,270	46,136,333

(c) Mining, Metallurgy, etc.

Consulting companies undertaking studies that will contribute to the PFS include:

- Mintek Metallurgical testwork
- Metallicon Process Consulting (Pty) Ltd Metallurgy and process
- SRK Consulting Mining
- SRK Consulting Mine geotechnical
- SRK Consulting Tailings disposal
- Matomo Projects (Pty) Ltd Process plant
- Hardrock Drilling Exploration drilling
- Namwater Bulk water supply
- A Speiser Environmental Consultants CC Social and environmental impact assessment study

An independent geological report is being prepared by Snowden Mining Industry Consultants Pty Ltd.



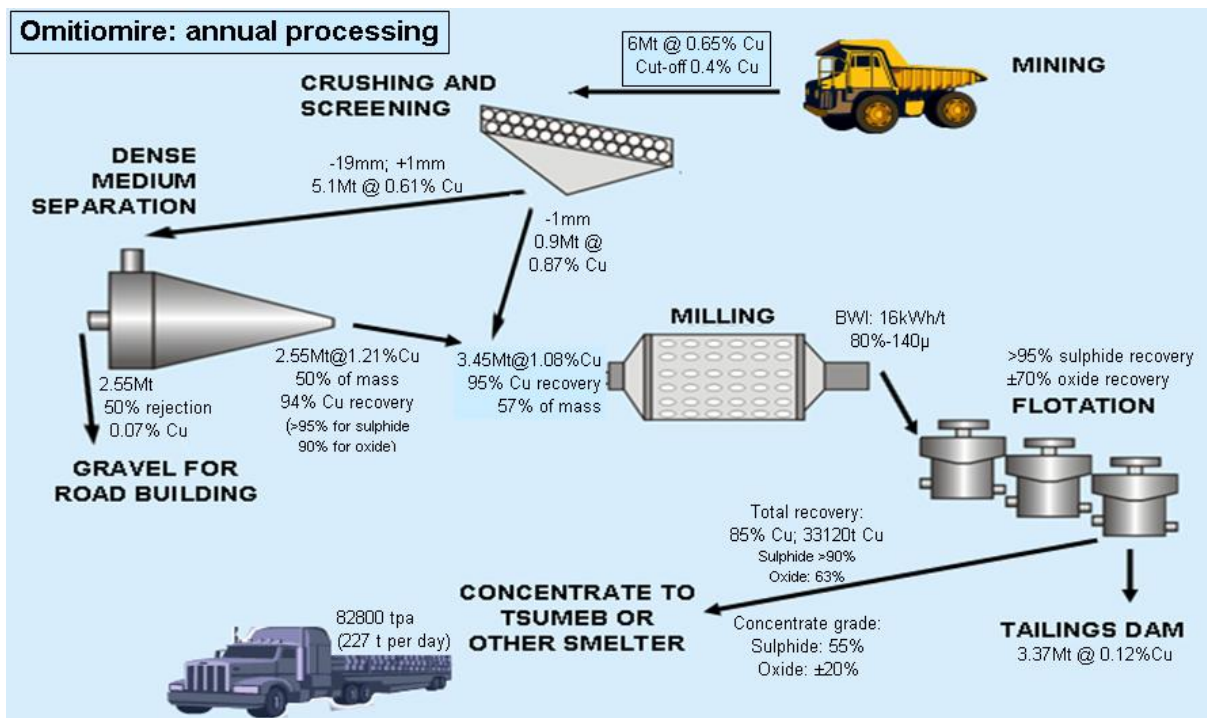


Figure 4: Conceptual Processing Flow Diagram

(d) Infrastructure Planning

Soil sampling is in progress on the Omitiomire farm to cover the areas ear-marked for mine infrastructure and waste dumps. Sterilisation drilling will take place after the IPO.

(e) Discovery Potential

Widespread geochemical anomalies and a first phase of (Rotary Air Blast) RAB drilling suggest the likelihood that a resource of one million tonnes of contained copper can eventually be defined. In addition, there is potential for other styles of copper deposits outside the dome. These additional discoveries are expected to extend the life of mine beyond 10.3 years.

**CORPORATE**

In January 2010, IBML was pleased to announce two placements, totalling \$3 million:

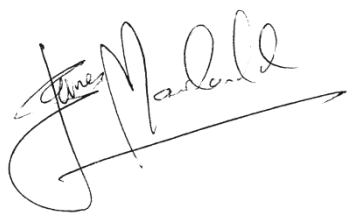
- Great Sea Wave Investment made a placement of \$1,000,000
- Hangzhou Kings Industry placed \$2,000,000 thus becoming the 2<sup>nd</sup> largest holder in the Company.



In the New Year, IBML advertised globally for a Managing Director; the company received over 140 applications for the position, which was reduced to thirteen who were invited to an interview by telephone and/or internet video conference. From this group, four were selected for interview in Sydney. IBML expects to announce the appointment of a new MD in May, 2010.

The company is planning for an Initial Public Offering on the Australian Stock Exchange in 2010, subject to a successful PFS.

For and on behalf of the Board,

A handwritten signature in black ink, appearing to read 'James Macdonald', written over a horizontal line that extends to the right.

James Macdonald  
Chairman

