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## PRESS RELEASE

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### **IBML secures A\$30m cornerstone investment from Heilong**

International Base Metals Limited (**IBML**) is pleased to announce that Heilongjiang Heilong Resources Investment Co. Ltd (**Heilong**) has signed a binding Subscription Agreement to subscribe for A\$30 million in the share capital of IBML, at an issue price of 20 cents per share (**Transaction**).

Heilong is a privately owned Chinese mining company with copper and gold operations named Baoshan, Tongshan and Duobaoshan, located in Heilongjiang Province, China.

Payment under the Transaction will take place in two tranches:

- \$15 million on or before 15 March 2013; and
- \$15 million on or before 14 June 2013

The precise use of funds will be agreed by the IBML board in due course. Likely use of proceeds include:

- a) establishing an Omitiomire Phase 1 oxide copper mining and processing operation
- b) expanding the JORC compliant Omitiomire resource and / or regional drilling
- c) selective farm-ins to other exploration assets in Namibia and the region; and
- d) general working capital.

Commenting on the Transaction, Frank Bethune, Managing Director of IBML said, "Following the formal process undertaken by the IBML Board to secure a cornerstone investor which began in December 2011, we are delighted to have attracted a partner of the calibre of Heilong. We believe that together the funds from Heilong and their expertise in bringing mines into production will be an impetus for driving value for all IBML shareholders."

Heilong currently holds an approximate 6.3% interest in IBML and is a related party of West Minerals which holds an approximate 30.0% interest in IBML. After the proposed Transaction has been completed, Heilong and West Minerals will together hold a combined 53.9% interest in IBML.

Under the Subscription Agreement Heilong will have the right to nominate, and have appointed, one person as a director of the IBML Board, one full time management position, two part time positions as well as certain anti-dilution rights.

IBML negotiated the terms of the Transaction on an arm's length basis, and the independent expert IBML retained by IBML to report upon the Transaction considers the Transaction to be fair and reasonable to IBML shareholders not associated with Heilong or West Minerals.

The Transaction is subject to a number of conditions including:

- Approval under the Foreign Acquisitions and Takeovers Act
- Approval by various government agencies in the People's Republic of China
- Approval by the shareholders of IBML not associated with Heilong or West Minerals
- ASIC's response to the documents submitted to it by IBML.

IBML shareholders not associated with Heilong or West Minerals are entitled to vote on the Transaction at an EGM scheduled to be held in late January 2013. The Notice of Meeting including the Independent Expert's Report is expected to be dispatched to shareholders in January 2013.

Azure Capital Limited is acting as corporate advisor and Norton Rose (Perth) as legal advisor to IBML, in relation to the Transaction.