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IBML MAJOR INVESTMENT IN MACQUARIE GOLD

International Base Metals Limited (IBML) is pleased to announce that it has executed a Subscription Agreement (the Agreement) with **Macquarie Gold Limited (MGL)** for a major investment in MGL and its gold assets. Upon completion of the Agreement IBML will invest \$10 million in MGL for new shares in MGL representing 40% of the total issued capital.

IBML fully supports MGL's plan of an imminent IPO listing and at the same time to proceed to near term production at MGL's Challenger Gold Mine at Adelong, New South Wales.

IBML is an unlisted Australian mineral exploration and development company, with a focus of investing in near term cashflow gold projects in Australia. MGL is an Australian company focusing on bringing Challenger Gold Mine to production and expanding resources at deposits nearby. The two Boards share an aligned view on the cash generating opportunity of the Challenger Mine and substantial resource upside of MGL's mining and exploration tenements at Adelong.

MGL has been constructing facilities capable of handling 100,000 tonnes of ore per annum and producing gold at a rate of 12,000oz to 15,000oz per year from MGL's existing JORC defined resource in the Challenger Deposit. A test run of the crusher unit was carried out successfully in late May and mining and production are expected to commence in late August 2016.

Both IBML and MGL believe that there is also significant upside resource potential in the Challenger deposit, Currajong deposit and other known gold-bearing reefs within MGL's mining and exploration tenements. Mine and plant expansions can be implemented if expansion of production is required. Additional resource targets will be the subject of MGL's exploration once Challenger Mine has started generating cashflow.

IBML holds the Omitiomire copper deposit which contains a resource of almost 750,000 tonnes of contained copper metal through its wholly-owned Namibian subsidiary, Craton Mining and Exploration (Pty) Ltd (Craton).

IBML is also exploring the feasibility of listing on the ASX soon.

For further information please contact:



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