

INTERNATIONAL BASE METALS LIMITED ('IBML')
QUARTERLY ACTIVITIES REPORT – End-September 2017

OCCUPATIONAL HEALTH AND SAFETY

There were no lost-time or injury incidents during the Quarter.

CORPORATE ACTIVITIES

Board Meetings

The IBML Board met on 29th September.

Management

On 30th September, Mr Jordan Li resigned as IBML's part-time CEO, citing family reasons. The Board thanked Mr Li for his significant contribution to the Company and group during the past several years. The Company's Chairman, Mr Hugh Thomas, will act as interim CEO.

CRATON MINING & EXPLORATION (PTY) LTD ('Craton')

Craton Board

Mr Otto Shikongo resigned as a Director of Craton after seven years. The IBML and Craton Boards recorded their thanks to Mr Shikongo for his contribution and service during this time.

IBML Chairman, Mr Hugh Thomas, visited Namibia to join Craton's directors in discussions with Tradeport Holdings.

Craton Corporate

A Heads of Agreement has been signed with a Namibian company, Tradeport Holdings, for the placement / sale of a 10% equity in Craton. The contracted amount is Namibian Dollars N\$50 million. It is planned to issue new shares in Craton on terms to be agreed by IBML and Tradeport.

The planned issue of new equity in Craton will satisfy the requirements of the Namibian Ministry of Mines and Energy ('MME') in respect of Namibian ownership of the Omitiomire Copper Project.

Omitiomire Copper Project - Farm Access

As previously advised, the farm Omitiomire is being sold. When the sale process has been completed, Craton will negotiate an access agreement with the new owner.

Omitiomire Copper Project - “Mini-mining” Development Option

The mini-mining proposal was updated to produce 10 000 tonnes per month (‘tpm’). The life of mine remains the same at 3.5 years by increasing the mining depth to 16m.

The Environmental Clearance Certificate (‘ECC’) for Omitiomire is valid for three years and expires in November 2017. Craton applied for a 3-year “renewal” for the ECC of ML197 and the new ECC has been awarded by the Ministry for a further three years.

Craton signed an agreement with SLR to conduct a social and environmental impact assessment (“SEIA”) and management plan (“EMP”) to amend the ECC from the previous Phase 1 operation to mini-mining. This process is expected to be completed in the first quarter of 2018.

Craton Exploration

A relinquishment report for EPL4150 was submitted to the MME.

In line with overall cost-cutting, no field exploration activities have taken place on EPL3589, which is the only remaining prospecting licence held by Craton.

Craton Foundation

The Craton Foundation donated reading glasses to 40 pupils at the Havana Primary School after Tobich Optics concluded their eye screening tests. The occasion was attended by the Foundation Chairman, Kobus van Graan, and several high-ranking Ministry of Education officials.

The Foundation visited two areas in the Windhoek area to gauge the suitability for possible classroom erection.

Mildy Samaria joined the Foundation in October as trustee as Sister Roswitha Pelle resigned – to take up a convent in Johannesburg.

Mildy Samaria is the MD of Cornastone (IT Company) in Windhoek.

MACQUARIE GOLD LIMITED (‘MGL’) – ADELONG GOLD PROJECT

As previously reported, IBML has acquired a 40% stake in MGL, which holds the Adelong Gold Project in southern New South Wales (‘NSW’).

After delays, the project is now in production but the gold recovery plant is experiencing some teething problems. IBML is in close contact with the Board and management of MGL and is trying to provide technical support. IBML's Board confirms its commitment to the Adelong Gold Project.

Please refer to the Macquarie Gold website www.macquariegold.com.au for further details.