

## **INTERNATIONAL BASE METALS LIMITED ('IBML')**

### **QUARTERLY ACTIVITIES REPORT – End-December 2017**

#### **OCCUPATIONAL HEALTH AND SAFETY**

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

#### **CORPORATE ACTIVITIES**

##### **Annual General Meeting**

The Company's AGM was held in Sydney on 29<sup>th</sup> November. The Annual Financial Statements and Reports were tabled. Three resolutions were put to the meeting and carried:

- Resolution 1 - Re-election of Mr Hugh Thomas as a Director;
- Resolution 2 - Re-election of Mr Rui Liu as a Director;
- Resolution 3 - Re-election of Mr Jinhua Wang as a Director.

The Chairman, Hugh Thomas, addressed the meeting and provided shareholders with an update on the Company's activities.

##### **Board Meetings**

The IBML Board met on 29<sup>th</sup> November.

##### **Management**

The Company's Chairman, Mr Hugh Thomas, continues to act as interim CEO.

##### **Office**

The Company's Sydney office has relocated to Suite 201, 29 Albert Ave, Chatswood, NSW 2067. The new telephone number is +61 (0)2 8412 8110.

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

### **Craton Corporate**

10% equity purchase by Atlantic Tradeport Holdings (Pty) Ltd ('Tradeport'): The Subscription Agreement and Shareholders' Agreement between Tradeport and Craton / IBML have been signed for the placement of a 10% equity in Craton. As previously reported, the contracted amount is Namibian Dollars N\$50 million.

### **Omitiomire Copper Project**

Mining licence: The issue of new equity in Craton satisfies the requirements of the Namibian Ministry of Mines and Energy ('MME') in respect of Namibian ownership of the Omitiomire Copper Project. In December 2017, the MME issued ML197, covering the Omitiomire project area, to Craton.

Farm access: As previously reported, Craton is in the process of negotiating an Access Agreement with the new owner of the farm Omitiomire.

"Mini-mining" proposal: As previously reported, to comply with the MME requirement for expeditious mine development, Craton plans initial development of a small "mini-mining" operation, to bring the project into production quickly and at low cost. The "mini mining" scenario targets higher grade (average 0.93% Cu) oxide copper ore within the top 11m of the Omitiomire deposit. The project plans to produce 10,000 tonnes per month ('tpm') of oxide copper ore. Ore processing will be via acid leach – solvent extraction – electrowinning to produce cathode copper (+99.9% Cu).

Metallurgical testwork: Considerable bench-scale testwork has been completed and indicates a likely recovery of 89%. When an Access Agreement has been concluded, Craton can extract a small bulk sample of oxide copper ore from the existing sample pit for pilot plant metallurgical (mainly acid leach) testing.

"Mini-mining" Development: Project Charter: A Project Charter has been developed. Once approved by the Craton and IBML Boards, a Project Development team can be appointed.

### **Craton Exploration**

No field exploration activities have taken place on EPL3589, which is the only remaining prospecting licence held by Craton.

## **MACQUARIE GOLD LIMITED ('MGL') – ADELONG GOLD PROJECT**

As previously reported, the gold recovery plant has experienced some problems and the project has been placed on care-and-maintenance pending resolution of the issues. During the quarter, IBML contracted a metallurgical consultant to assess the processing plant and other aspects of the operation.

Subsequent to the reporting period, IBML announced on 22<sup>nd</sup> January 2018 that IBML and Macquarie Gold had agreed to a merger.

## **OTHER PROJECTS**

The Company has remained a passive minority partner in exploration programmes on tenements south of Cobar in NSW.