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Dear Shareholders,

As has been previously disclosed International Base Metals Limited (IBML) has been working with a London based Private Equity firm on a transaction regarding Craton Mining and Exploration (Pty) Ltd (Craton).

On 20 December 2019 IBML signed the various legal agreements, therefore consummating the deal, with UK based Private Equity fund Greenstone Venture Capital LP (Greenstone) <https://www.greenstoneresources.com> who are a specialised mining fund with existing investments in Namibia.

Greenstone has the right, subject to an agreed expenditure and timetable, to earn 51% of Craton in return for completing a Bankable Feasibility Study (BFS) with a minimum expenditure of USD5.0m. At the conclusion of the BFS, and assuming it meets the required future investment hurdles, IBML has the option to either sell its remaining equity in Craton to Greenstone for USD7.5m plus a 1.5% smelting royalty or invest in the future project to the extent of its equity holding.

We are delighted to now be partnering with Greenstone who have the expertise, funds and experience to bring the Craton project to fruition. We also thank them for their professionalism and commercial approach during the due diligence, negotiations and ultimate signing of the deal. I hope all shareholders agree this is an exiting and positive step for Craton and IBML and we look forward to publishing further updates as the BFS progresses.

The signing of the deal with Greenstone is the catalyst required for securing additional investment funds for IBML. The Board is in advanced discussions with several potential investors, some of whom would be new to the Company share registry. We hope to be able to announce the new funding arrangements by the end of the March quarter 2020.

Hugh Thomas  
Chairman

07 January 2020