



INTERNATIONAL BASE METALS LIMITED

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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Directors' Report

The Directors present their consolidated report on International Base Metals Limited (“the Company”), and its controlled entities (“consolidated entity” or “group”) for the half-year ended 31 December 2023 (“the period” or “the half-year”).

Directors

The names of Directors who held office during or since the end of the half year:

Mr Hugh Ian Thomas, Executive Chairman
Dr Kenneth John Maiden, Non-Executive Director
Mr Rui Liu, Non-executive Director
Mr Shilai Jiang, Non-executive Director
Mr Chengliang Wang, Non-executive Director
Mr Qiang Chen, Non-executive Director
Mr Yichun Wang, Non-executive Director

Company Secretary

John Stone B.Ec.

Financial Officer

Sophie Wang

Principal Activities

The principal activity of the entity during the period was the continued exploration for economic base metal in Namibia. There were no changes in the Group's principal activities during the half-year.

Operating Results

The net loss after tax of the consolidated entity for the half-year was \$367,757 (2022: corresponding period loss of \$421,556).

Dividends

No dividends were paid during the period and no recommendation is made as to payment of dividends.

Review of Operations

Craton Mining and Exploration (Pty) Ltd ('Craton')

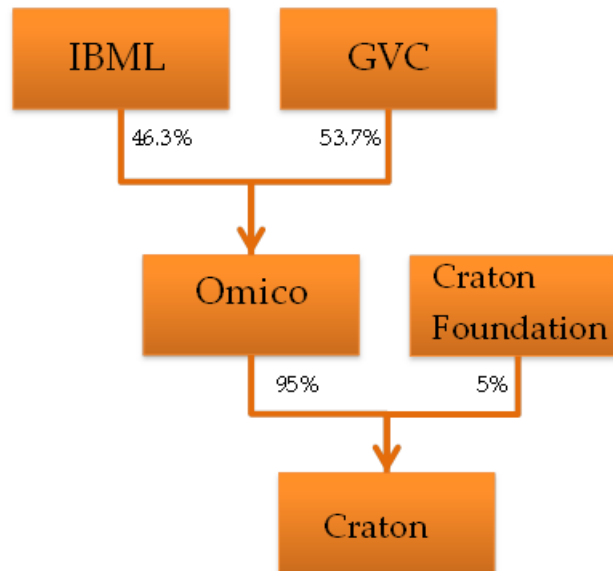
Corporate

As previously reported, IBML completed a Private Equity deal with a UK fund, Greenstone Venture Capital (GVC). All Craton issued shares previously held by IBML have been sold to a new entity Omico Copper Ltd (Mauritius) with the shares in this entity held 53.7% by Greenstone and 46.3% by IBML. The transfer of Craton has precipitated restructuring of the Craton board, with two IBML members stepping down and two GVC representatives appointed.

Greenstone has the right, subject to an agreed expenditure and timetable, to retain its shareholding in Omico 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 equity in Omico to Greenstone for USD7.5m plus a 1.5% smelting royalty or invest in the

future project to the extent of its equity holding.

As previously reported, during 2016, Craton received a letter from the Namibian Ministry of Mines and Energy ('MME') stating its Preparedness to Grant a Mining Licence (ML197) covering the Omitiomire Project area, once certain terms and conditions had been met. Those conditions included making a minimum 5% equity shareholding available to approved Namibian citizens or companies (Craton Foundation).



Omitiomire Copper Project

Phase 3 metallurgical test work was completed in October 2023 which supports better metallurgical performance with associated economic benefits, including: lower acid consumption, lower capex, improved copper recoveries and reduced leach times. All specialist studies for environmental permitting process and de-risking of the power and water supply are also completed by the end of 2023. The studies of groundwater and surface water and drainage design are also finalised.

IBML received a technical study on the project from Greenstone on 3rd February 2024 which will act as the foundation for the BFS. It is expected that the BFS is to be finalised in the second half of 2024.

Macquarie Gold Limited

On 22 March 2019, MGL and its subsidiary Challenger Mines Pty Ltd (CML) were placed in receivership.

On 20 July 2020 Hogan Sprowles retired as Receivers and Managers of Macquarie Gold Limited (MGL). MGL remains a wholly owned subsidiary of IBML and is dormant.

AuriCula Mines Pty Ltd (NSW)

Through its wholly-owned subsidiary, AuriCula Mines Pty Ltd, IBML has a 10% interest in two exploration licences (EL) in the Cobar district of NSW - EL6223 Shuttleon and EL6907 Mount Hope. The other 90% interests are held by Cobar Management Pty Ltd (CMPL), a subsidiary of Metals Acquisition Corp (NYSE:MTAL). CMPL continue to manage the exploration of the two joint venture ELs.

Share Issues

No capital has been raised in the current half-year.

Shares and options on issue

There were 948,149,110 ordinary shares on issue at 31 December 2023. There were no outstanding options.

Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the period not otherwise disclosed in this report or the financial report.

Events subsequent to reporting period

Subsequent to the year end, the following events took place:

- i. IBML received a technical study on the project from Greenstone on 3rd February 2024 which will act as the foundation for the BFS. It is expected that the BFS is to be finalised in the second half of 2024.
- ii. Renegotiation of Borrowings: As detailed in Note 4, in March 2024, the Group renegotiated the maturity date of all its borrowings with the Directors and Shareholders which balance at 31 December 2023 of \$2,297,074 extending the maturity date to 31 March 2025.

There are no other matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the entities, the results of those operations, or state of affairs of the entities in future financial periods.

Expected future developments

Craton Mining and Exploration (Pty) Ltd ('Craton')

As per executed agreements, Greenstone Venture Capital has the right, subject to an agreed expenditure and timetable, to retain its shareholding in Omico in return for completing a 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 equity in Omico to Greenstone for USD7.5m plus a 1.5% smelting royalty or invest in the future project to the extent of its equity holding. The Group continues to pursue its options in this regard.

Environment Regulation

The consolidated entity's operations are presently subject to environmental regulation under the laws of the Commonwealth of Australia. The consolidated entity seeks to ensure full environmental compliance with the conditions of its licences. As at the date of this report, the Group has continued to meet its obligation under these conditions and regulations.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Auditor's Independence

A copy of the independence declaration by the lead auditor under Section 307C of the Corporations Act is included on page 14 of this financial report.

Signed on 22 March 2024 in accordance with a resolution of the Board of Directors



Hugh Ian Thomas
Chairman

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Half-Year ended 31 December 2023

	Note	Half-Year ended	
		31 Dec 2023	31 Dec 2022
		\$	\$
Other Income	2	2,442	752
Expenditure			
Administrative expenses		(47,403)	(36,509)
Directors and company secretarial fees		(96,708)	(216,954)
Consultants' expenses		(23,000)	-
Financial and legal advice		(5,177)	(4,161)
Interest expense		(120,321)	(79,488)
Occupancy expenses		(10,153)	(30,320)
Employee benefits expense		(67,437)	(54,876)
Loss before income tax		(367,757)	(421,556)
Income tax expense		-	-
Loss for the half year		(367,757)	(421,556)
Other comprehensive income		-	-
Total Comprehensive Income for the half-year		(367,757)	(421,556)
Basic loss per share (cents)		(0.04)	(0.04)
Diluted loss per share (cents)		(0.04)	(0.04)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position As at 31 December 2023

	Note	As at	
		31 Dec 2023 \$	30 Jun 2023 \$
Current Assets			
Cash and cash equivalents		305,938	550,182
Trade and other receivables		19,204	-
Total Current Assets		325,142	550,182
Non-current Assets			
Other Assets		11,696	-
Total Non-current Assets		11,696	-
Total Assets		336,838	550,182
Current Liabilities			
Trade and other payables		453,317	415,222
Provisions		21,813	25,831
Borrowings	4	2,297,074	-
Total Current Liabilities		2,772,204	441,053
Non-Current Liabilities			
Borrowings	4	-	2,176,738
Total Non-Current Liabilities		-	2,176,738
Total liabilities		2,772,204	2,617,791
Net Liabilities		(2,435,366)	(2,067,609)
Equity			
Issued capital	5	70,414,299	70,414,299
Accumulated losses		(72,849,665)	(72,481,908)
Total Equity		(2,435,366)	(2,067,609)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity For the Half-Year ended 31 December 2023

Note	Contributed Equity \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2022	70,414,299	(71,674,446)	(1,260,147)
Loss for the half year	-	(421,556)	(421,556)
Other comprehensive income	-	-	-
Total Comprehensive income for the half-year	-	(421,556)	(421,556)
Transactions with owners, in their capacity as owners, and other transfers	-	-	-
Balance at 31 December 2022	70,414,299	(72,096,002)	(1,681,703)
Balance at 1 July 2023	70,414,299	(72,481,908)	(2,067,609)
Loss for the half year	-	(367,757)	(367,757)
Other comprehensive income	-	-	-
Total Comprehensive income for the half-year	-	(367,757)	(367,757)
Transactions with owners, in their capacity as owners, and other transfers	-	-	-
Balance at 31 December 2023	70,414,299	(72,849,665)	(2,435,366)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows
For the Half-Year ended 31 December 2023**

	Note	Half-Year ended	
		31 Dec 2023	31 Dec 2022
		\$	\$
Cash flow from operating activities			
Payments to suppliers and employees		(246,686)	(333,146)
Interest received	2	2,442	752
Net cash (outflows) from operating activities		(244,244)	(332,394)
Cash flow from investing activities		-	-
Cash flow from financing activities		-	-
Net (decrease) in cash held		(244,244)	(332,394)
Cash at beginning of the period		550,182	490,018
Cash at end of the period		305,938	157,624

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 1: GENERAL INFORMATION

a. Basis of Preparation

These consolidated interim financial statements for half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of International Base Metals Limited and its controlled entities (referred to as the “consolidated entity” or “group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the half-year.

During the period certain reclassifications were undertaken in the Group's Statement of Profit and Loss and Other Comprehensive Income to better align the expenses to their nature. These reclassifications have been applied consistently to the comparative period and did not change the results for the period. Comparatives are otherwise consistent with prior periods.

b. Accounting Policies

The principal accounting policies and methods of computation have been consistently applied in these half-year financial statements as those in the Group's annual financial statements for the year ended 30 June 2023, unless otherwise stated.

c. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies

The critical estimates and judgments are consistent with those applied and disclosed in the Group's 2023 Annual Financial Report.

d. Material uncertainty related to going concern

The financial report has been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

The net result after income tax for the consolidated entity for the half year ended 31 December 2023 was a loss of \$367,757 (31 December 2022: \$421,556). The Group had net cash outflows from operating activities of \$244,244 (31 December 2022 \$332,394), is in a net current liability position of \$2,447,062 (30 June 2023: net current asset of \$109,129) and has net liabilities of \$2,435,366 (30 June 2023: net liabilities of \$2,067,609).

The Directors have considered the following in their assessment of going concern:

- (i) The Group had \$305,938 cash on hand at 31 December 2023;
- (ii) The existing loans with Mr Rui Liu and Far Union Ltd and Rui King Resources and West Minerals were due for repayment in November 2024. Further to negotiation with Mr Rui Liu and Far Union Ltd, Rui King Resources and West Minerals in March 2024, the loans have been rolled over for a further 4 months with the revised repayment date of 31 March 2025. The same maturity date has also been renegotiated in respect of the most recent shareholder loan (with Rui King Resources and West Minerals) signed in January 2023.
- (iii) Costs saving measures have been undertaken to reduce operating cash outflows.
- (iv) The Group continues to pursue further capital raising options with existing shareholders to fund working capital requirements.
- (v) The Group continues to focus on the completion of Bankable Feasibility Study which is expected to be delivered in the second half of 2024.

Based on the cash flow forecasts and having carefully assessed the likelihood and timing of achieving funding through the above factors and means, the directors are confident that the consolidated entity will be able to fund its activities and meet its requirements as mentioned above, and hence being able to continue as a going concern.

In the event that the consolidated entity is unable to obtain sufficient funds from the above means to meet anticipated expenditure and financing outflows, there is a material uncertainty that may cast significant doubt upon the Company's and the consolidated entity's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

At the date of approval of this interim financial report, the directors are of the opinion that no asset or liability is likely to be realised for an amount different to the amount at which it is recorded in the half year financial statements at 31 December 2023. Accordingly, no adjustments have been made to the financial statements relating to the

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 2: OTHER INCOME

	31 Dec 2023	31 Dec 2022
	\$	\$
Interest received	2,442	752
Other income	-	-
	2,442	752

NOTE 3: SEGMENT REPORTING

Description of segments

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the business from both an exploration and a geographic perspective and has identified one reportable segment.

International Base Metals Limited and its controlled entities are involved in mineral exploration and development without an income stream at this stage. Cash flow including the raising of capital to fund exploration and the development of mines is presently therefore the main focus rather than profit.

NOTE 4: BORROWINGS

CURRENT	31 Dec 2023	30 Jun 2023
	\$	\$
Loans from directors in August 2019*	500,000	-
Accrued interest on loans from directors in August 2019*	290,287	-
Loan from Shareholders in January 2022**	668,000	-
Accrued interest on loans from Shareholders in January 2022**	176,901	-
Loan from Shareholders in January 2023***	600,000	-
Accrued interest on loans from Shareholders in January 2023***	61,886	-
	2,297,074	-

NON-CURRENT	31 Dec 2023	30 Jun 2023
	\$	\$
Loans from directors in August 2019*	-	500,000
Accrued interest on loans from directors in August 2019*	-	256,260
Loan from Shareholders in January 2022**	-	668,000
Accrued interest on loans from Shareholders in January 2022**	-	131,440
Loan from Shareholders in January 2023***	-	599,985
Accrued interest on loans from Shareholders in January 2023***	-	21,053
	-	2,176,738

SECURED LOANS

*On 14 August 2019 agreements were signed with a related party of Director Mr Qiang Chen (Far Union Ltd) and Director Mr Rui Liu to advance loans totalling \$500,000 being \$100,000 from Far Union Ltd and \$400,000 from Mr Liu. The maturity date of the loans is 18 months from the date the agreements were signed with interest at 13.5% pa is payable with the principal at maturity date. On 26 October 2020, an agreement with these directors was reached whereby the repayment date of loans amounting to \$500,000 was extended from February 2021 to February 2022. The loan term was further extended in January 2022 with a new maturity date in July 2023. The loan term was further extended in January 2023 with a maturity date of 19 July 2024. The loan term was further extended in October 2023 with a new maturity date of 19 November 2024. In March 2024, the Group renegotiated a further extension in respect of these loans to a revised maturity date of 31 March 2025. At the date of this report the loans have been fully drawn down and interest accrued.

**On 14 January 2022 agreements were signed with shareholders Rui King Resources Limited and West Minerals Pty Ltd to advance loans totalling \$668,000 being \$447,560 from Rui King Resources and \$220,440 from West Minerals Pty Ltd. The maturity date of the loans is 18 months from the date the agreements were signed with interest at 13.5% pa payable with the principal at maturity date. On 31 January 2023, an agreement with these shareholders was reached whereby the repayment date of loans amounting to \$668,000 was extended from July 2023 to July 2024. The loan term was further extended in October 2023 with a new maturity date of 19 November 2024. In March 2024, the Group renegotiated a further extension in respect of these loans to a revised maturity date of 31 March 2025. At the date of this report, the loans have been fully drawn down and interest accrued.

***On 20 January 2023, the Group secured additional funding through the execution of Shareholder Loan agreements with Rui King Resources Limited and West Minerals Pty Ltd. The amount borrowed and drawn down from Rui King is \$400,000 and the amount borrowed from and drawn down from West Minerals is \$199,985. Interest is calculated at a rate of 13.5% pa. The loans were for 12 months and due in July 2024. In October 2023, the Group renegotiated terms with the shareholders such that the loans are rolled over and repayment extended to November 2024. In March 2024, the Group renegotiated a further extension in respect of these loans to a revised maturity date of 31 March 2025. These loans are secured over IBML's assets but subordinated to the existing shareholders loans which are \$400,000 from Mr Rui Liu and \$100,000 from Far Union Ltd.

NOTE 5: ISSUED CAPITAL

Fully paid ordinary shares 948,149,110 (30 June 2023: 948,149,110)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the year end, the following events took place:

- i. IBML received a technical study on the project from Greenstone on 3rd February 2024 which will act as the foundation for the BFS. It is expected that the BFS is to be finalised in the second half of 2024.
- ii. Renegotiation of Borrowings: As detailed in Note 4, in March 2024, the Group renegotiated the maturity date of all its borrowings with the Directors and Shareholders which balance at 31 December 2023 of \$2,297,074 extending the maturity date to 31 March 2025.


There are no other matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the entities, the results of those operations, or state of affairs of the entities in future financial periods.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the financial statements and notes set out on pages 4-10 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Regulations 2001*; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
2. there are reasonable grounds to believe that International Base Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors



Hugh Ian Thomas
Executive Chairman

Dated this 22 March 2024

Independent Auditor's Review Report To the Members of International Base Metals Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of International Base Metals Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements, including material accounting policy information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the interim financial report, which describes the events or conditions which give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*.

Our responsibilities are further described in the *Auditor's Responsibility for the Review of the Interim Financial Report* section of our report.

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

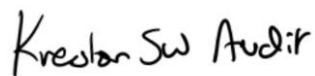
Responsibilities of the Directors for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KrestonSW Audit Pty Ltd



Kamal Thakkar

Director

Sydney

22 March 2024

Auditor's Independence Declaration

As lead auditor for the review of International Base Metals Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of International Base Metals Limited and the entities it controlled during the period.



Kamal Thakkar
Director

KrestonSW Audit Pty Ltd
Sydney
22 March 2024