



International Base Metals Limited

ACN 100 373 636

Notice of Annual General Meeting and Explanatory Memorandum

Date: 16 November, 2011
Time: 2.00pm (AEST)
Place: Level 8, 275 George Street
Sydney NSW 2000

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of **International Base Metals Limited (Company or IBML)** will be held at 2.00pm **(AEST)** on 16 November 2011 at Level 8, 275 George Street, SYDNEY NSW 2000.

The accompanying Explanatory Memorandum and Proxy Form provide additional information relating to matters to be considered at the meeting, and form part of this notice of general meeting.

Agenda

A. Annual Financial Statements and Reports

To receive and consider the Directors' Report, the Auditor's Report, and the Financial Report in respect of the year ended 30 June 2011.

B. Ordinary Resolutions

To consider and, if thought fit, to pass, with or without amendment, the following resolutions as **ordinary resolutions**:

1. Re-election of Dr Jiniu Deng as a Director

"That, for the purpose of clause 8.3 of the Constitution and for all other purposes, Dr Jiniu Deng, a Director who retires by rotation, and being eligible, is re-elected as a Director."

2. Re-election of Mr Alan Humphris as a Director

"That, for the purpose of clause 8.3 of the Constitution and for all other purposes, Mr Alan Humphris, a Director who retires by rotation, and being eligible, is re-elected as a Director."

3. Re-election of Mr Jinhua Wang as a Director

"That, for the purpose of clause 8.1 of the Constitution and for all other purposes, Mr Jinhua Wang, a Director who was appointed to fill a casual vacancy (effective as from 9 August 2011), retires, and being eligible, is re-elected as a Director."

4. Ratification of Prior Issue of Shares

"That for the purposes of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the issue of a total of 25,833,334 fully paid ordinary shares at twelve cents a share (12.0 cents) in the capital of the Company to Sophisticated Investors made on 30 June 2011 and on 9 August 2011."

5. Adoption of Remuneration Report

“That the remuneration report as contained within the Directors’ Report and forming part of the Company’s 2011 Annual Report, which accompanies the Notice convening this meeting, be adopted”

Dated 19 October 2011
By order of the Board

A handwritten signature in black ink, appearing to read 'John Stone', with a large, stylized initial 'J'.

John Stone Company Secretary

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Level 8, 275 George Street Sydney, 2.00pm AEST on the 16 November 2011.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution in the Notice of Meeting.

1. Annual Financial Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the director's report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. However, shareholders may view the Company annual financial report on its website www.ibml.com.au

2. Resolution 1 – Re-election of Dr Jiniu Deng as a Director

Dr Jiniu Deng is a well-known professorial senior engineer with a doctorate degree from the Chinese University of Geosciences and post-doctoral from the Central South University of China. Dr Deng is Chairman of Qinghai West Resources Co. Ltd and Director of Qinghai West Rare & Precious Metals Co. Ltd. His exploration successes have included the discovery of lead-zinc in the Xitieshan deposit, nickel in the Hami Tulaergen deposit of Xinjiang province, and copper and lead-zinc in the Huogeqi deposit of Inner Mongolia. Dr Deng has been honoured with numerous scientific and business awards in China.

Dr Deng brings to the Board extensive geological, mining and business experience.

A Director who retires by rotation under clause 8.3 of the Constitution is eligible for re-election.

Dr Jiniu Deng retires by rotation and seeks re-election.

3. Resolution 2 – Re-election of Mr Alan Humphris as a Director

Alan Humphris is an independent investment banker with more than 30 years experience in Australia as a corporate advisor. He was formerly Managing Director of Hambros Corporate Finance Limited and, earlier, he was an Executive Director of JP Morgan Australia Limited responsible for mergers and acquisitions and other corporate advisory services. He has gained wide corporate finance experience in Australia and internationally, particularly involving China.

He is Chairman of the Audit Committee and a Member of the Remuneration Committee and the Nomination Committee.

A Director who retires by rotation under clause 8.3 of the Constitution is eligible for re-election.

Mr Alan Humphris retires by rotation and seeks re-election.

4. Resolution 3 – Re-election of Mr Jinhua Wang as a Director

Clause 8.1 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors.

Mr Wang holds a Bachelor Degree in Mining Engineering a Masters degree of Industrial Engineering and he has rich experience in mining projects development and marketing.

He established Hangzhou Kings Industry Co. Ltd in 2002 a company engaged in the investment and management of fluorspar mines and the fluoride chemical industry and the company possesses the largest fluorspar reserves in China and is an industrial leader.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

5. Resolution 4 – Ratification of Prior Issue of Shares

The Corporations Act 2001 (Cth.) provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

The issue of Shares in Resolution 5 did not exceed the 15% limit referred to above.

The Corporations Act 2001 (Cth.) provides that where a company ratifies an issue of securities, the issue will be treated as having been made with shareholder approval, thereby refreshing the Company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 5 proposes that Shareholders ratify and approve the allotment and issue of Shares for this purpose and the following information is provided to shareholders in relation to Resolution 5:-

- 25,833,334 Fully Paid Ordinary Shares were issued at 12.0 cents per share to the following sophisticated and professional investors.

On 30 June 2011-

8,333,333 shares – West Minerals Pty Limited
416,667 shares – Dr BJ Barker & Mrs J A Barker <HSBR S/F No3 A/c>
416,667 shares – Strive Resources Enterprises Limited

On 9 August 2011-

16,666,667 shares - Kings Resources Group Co Ltd

- The ordinary shares rank equally in all respects with the Company's ordinary shares on issue.
- The funds are being used for working capital purposes including continuation of the current drilling exploration programme on the Company's tenements.
- The company will disregard any votes cast on Resolution 4 by the sophisticated investors who received ordinary shares in accordance with this resolution.

However, the Company need not disregard a vote if:-

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; and
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Resolution 5 - Adoption of the Remuneration Report

The Remuneration Report is set out in the Director's Report in the Company's 2011 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. The Shareholders should note that the vote on Resolution 5 is advisory only and is not binding on the Company and its Directors. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Voting and Proxies

Voting

The Company has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth), that the holders of shares recorded in the Company's register at 7.00pm AEST, 14 November 2011, will be taken, for the purposes of the annual general meeting, to be held by the persons who held them at that time.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by Jiniu Deng and by any associate of Dr Deng.

The Company will disregard any votes cast on Resolution 2 by Alan Humphris and by any associate of Mr Humphris.

The Company will disregard any votes cast on Resolution 3 by Jinhua Wang and by any associate of Mr Wang.

However, the Company need not disregard a vote on any of the Resolutions if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with a voting specification on the proxy appointment in relation to the resolution; or
- (b) it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, if their appointment as proxy did not specify the way they are to vote on the resolution.

Proxies

A shareholder who is entitled to attend and vote at the meeting may appoint up to two proxies to attend and vote on behalf of that shareholder.

If a shareholder appoints two proxies, the appointment of the proxies must specify the proportion or the number of that shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes.

Where a shareholder appoints more than one proxy, only the first named proxy is entitled to vote on a show of hands.

A proxy need not be a shareholder of the Company.

To be effective, the Company must receive the completed proxy form and, if the form is signed by the shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 2.00pm AEST, 14 November 2011.

Proxies may be only lodged with the Company's share registry:-

- (a) by mail or delivery to:
Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000
- (b) by facsimile: +61 2 9290 9655
- (c) www.boardroomlimited.com.au/vote/ibmlagm2011

Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by two (2) directors, a director and the company secretary, a duly authorised officer or attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

Enquiries

Shareholders are requested to contact the Company Secretary John Stone on + 61 2 8223 3777 if they have any queries in respect of the matters set out in these documents.

Glossary

Annual General Meeting or Meeting means the meeting convened by the notice.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Securities Exchange Limited

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of directors of the Company.

Business Day means Monday to Friday inclusive, except public holidays

Company means International Base Metals Limited (ABN 73 100 373 635)

Constitution means the Company's constitution

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Statement

Remuneration Report means the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2011.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires

Share means a share in the Company



FOR ALL ENQUIRIES CALL:
(within Australia) 1300 737 760 (outside Australia) +61
2 9290 9600

FACSIMILE
+61 2 9290 9655

ALL CORRESPONDENCE TO:
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia



Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

Reference Number:

Please note it is important you keep this confidential

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 2.00PM, MONDAY 14TH NOVEMBER 2011

TO VOTE ONLINE



STEP 1 : VISIT www.boardroomlimited.com.au/vote/ibmlagm2011

STEP 2: Enter your holding/Investment type

STEP 3: Enter your Reference Number and VAC:

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **2pm on Wednesday, 16 November 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Share Registry – Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

www.boardroomlimited.com.au/vote/ibmlagm2011
or turnover to complete the Form →

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

International Base Metals Limited

STEP 1 - Appointment of Proxy

I/We being a member/s of **International Base Metals Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of International Base Metals Limited to be held at Level 8, 275 George Street, Sydney 2000 on Wednesday, 16th November 2011 at 2pm (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of a resolution, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of resolutions 4 & 5 and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolution.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business	For	Against	Abstain*
Resolution 1 Re-election of Dr Jiniu Deng as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Alan Humphris as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Jinhua Wang as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 250px; height: 40px;" type="text"/>	<input style="width: 250px; height: 40px;" type="text"/>	<input style="width: 250px; height: 40px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name Contact Daytime Telephone Date / / 2011