INTERNATIONAL BASE METALS LIMITED

ABN: 73 100 373 635

Annual Report
2021

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Corporate Directory

International Base Metals Limited ('IBML') is an Australian unlisted public company engaged in mineral exploration and development.

Directors

Mr Hugh Thomas	Executive Chairman
Dr Kenneth John Maiden	Non-executive Director
Mr Zhehong Luo	Non-executive Director
Mr Rui Liu	Non-executive Director
Mr Jinhua Wang	Non-executive Director
Mr Shilai Jiang	Non-executive Director
Mr Qiang Chen	Alternate Non-executive Director to Mr Zhehong Luo
Mr Xianwu Deng	Alternate Non-executive Director to Mr Jinhua Wang

Company Secretary

Mr John Stone

Registered Office and Principal Place of Business

Suite 201, Level 2,
29 Albert Avenue
Chatswood NSW 2067
Telephone: + 61 2 8412 8110
Internet: https://www.interbasemetals.com/

Auditors

KrestonSW Audit Pty Ltd
c/- Kreston Stanley & Williamson
Level 1
34-38 Burton Street
Kirribilli NSW 2061

Bankers

Bankwest
17 Castlereagh Street
Sydney NSW 2000

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: + 61 2 9290 9600
Fax: + 61 2 9279 0664
Internet: www.boardroomlimited.com.au

Chairman’s Letter

Dear Shareholders,

As Chairman of the Board of Directors of International Base Metals Limited (IBML) I present to you, on behalf of the Board, the Company’s Annual Report for 30th June 2021. As Australia is slowly emerging from its COVID response I trust all shareholders have positively weathered the restrictions that may have been placed upon them.

Thankfully COVID has only had a limited effect on IBML moving forward with our projects; the most significant impact is a delay in the schedule of the Bankable Feasibility Study (BFS) being drafted in our Mauritian Joint Venture, Omico Copper Limited (Omico), which has been delayed by approximately 6 months and is now scheduled to be completed by Calendar year end 2022.

The last financial year has in many regards been very positive, a pleasant change from recent years when we were working though the difficulties regarding Macquarie Gold Limited. Hogan Sprowles, the Receiver appointed by IBML, finalised the receivership process and obtained Settlement Agreements with all debtholders. The remaining funds were distributed on June 19th 2020 with Hogan Sprowles being retired as Receiver on July 20th 2020.

Omico, IBML’s joint venture relationship with Greenstone Venture Capital LP (GVC), a London based specialist Private Equity Fund, is maturing and moving forward in a positive fashion. As mentioned earlier, and in the 2020 Annual Report, there have been some delays caused by COVID however these have been successfully kept to a minimum even with the availability of many third-party technical providers being influenced by ‘lockdowns’ and difficulties in the logistics of moving samples around the world.

Even with these challenges there has been significant work done. At the time of writing we have had our first metallurgical mini column test results which have been most encouraging. The next phase will be to optimise for particle size and initial acid tenor and overall acid consumption. A comprehensive programme for Phase 2 column test work has been prepared and our metallurgical consultants are currently costing the programme and preparing a firm proposal. This next Phase has been designed to ensure that the programme will give sufficient information for the BFS. Power and water studies have been commissioned however with the need to liaise with Nampower and Namwater these are expected to take several months to complete due to current COVID restrictions.

IBML’s remaining assets are 10% interests in two copper exploration licences in the Cobar district of NSW held though AuriCula Mines Pty Ltd. AuriCula is a 100% subsidiary of IBML. The remaining 90% interests are both held by subsidiaries of Glencore Australia.

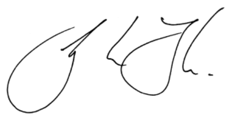
Financially the Company continues to be supported by engaged shareholders. All shareholders recently received detailed information of IBML’s financial position, post June 30, 2021 financial year end, in the accompanying notes prepared for the Extraordinary General Meeting (EGM) held on October 6th, 2021. The Board called the EGM for the purpose of converting to equity (ordinary shares) the Convertible Note held by Rui King Resources Limited. The Resolution was successfully passed at the meeting. An updated Top 20 Shareholding table was posted on the Company’s website.

IBML’s only remaining financing liability is secured loans in the amount of AUD500,000 plus interest. The loans mature in February 2022 and the Company is actively seeking funding both to satisfy the loans and for ongoing working capital. We are also in dialogue with the loan holders looking to renegotiate the repayment terms.

As is prudent IBML has also managed expenses with continued reductions in many areas.

I trust all shareholders can take heart in the positive progress being made moving toward the Bankable Feasibility Study. I very much hope that at this time next year I will be able to report we have an economically viable copper project in Namibia.

Finally, I thank the Board, subsidiary Boards, and employees for their ongoing commitment to the IBML group of companies.



Hugh Thomas - Chairman

Review of Operations

Introduction

Information on the operations, activities and business strategies of the Group are detailed below.

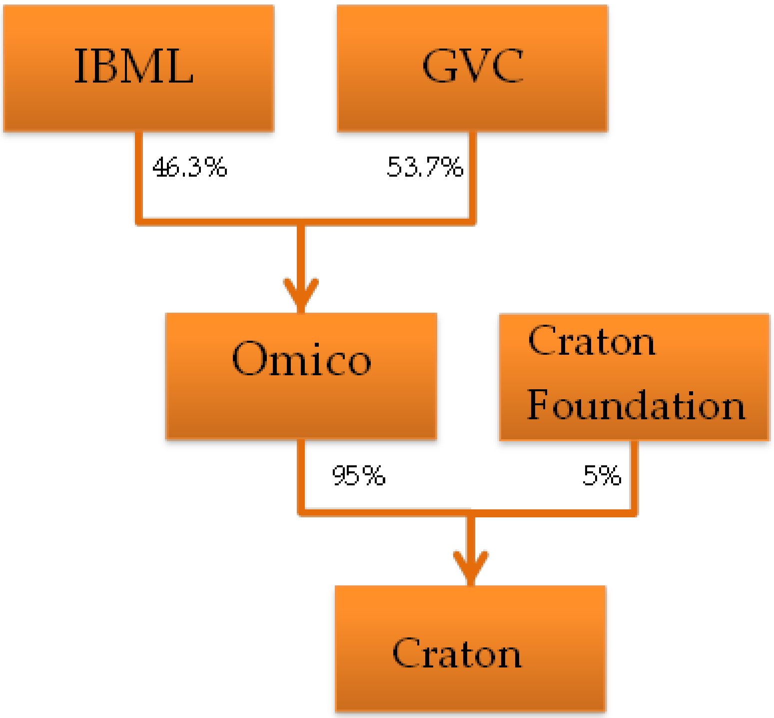
<u>**Craton Mining and Exploration (Pty) Ltd (Namibia)**</u>

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 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 Deposit

Previous drilling by the Company identified a JORC Indicated and Inferred resource of 137 million tonnes ('Mt') at 0.54% Cu for 740,000 t contained copper at a 0.25% Cu cut-off grade (Bloy, August 2014). This resource was the subject of a Preliminary Feasibility Study (PFS) in 2010 which was revised in 2015. Craton has now commenced a Bankable Feasibility Study on the deeper sulphide copper resource.

Bankable Feasibility Study (BFS)

- Increasing rates of Covid-19 infection in Namibia have resulted in tightened restrictions on activities. Consequently, the Company's work program, in particular the planned drilling program, has been adversely affected.
- Metallurgically, the 2010 PFS focussed on a flotation process to produce copper sulphide concentrate. By contrast, the current BFS is focussing on an acid leach – solvent extraction – electrowinning process to produce cathode copper. Assaying of available drill core has shown excellent total soluble copper of more than 90% (acid soluble plus cyanide soluble).
- The next stage of metallurgical work will be mini-scale column testing to indicate whether heap leching is likely to be successful. Once the results of the column test work look positive, power and water supply studies can commence.

<u>AuriCula Mines Pty Ltd</u>

Background

Through its wholly-owned subsidiary, AuriCula Mines Pty Ltd, IBML has a 10% interest in two exploration licences covering historic copper mines in the Cobar district of NSW. The other 90% interest is held by subsidiaries of Glencore Australia. Exploration activities are managed by the Glencore subsidiary Cobar Management Pty Ltd (CMPL). The impacts of the Covid-19 pandemic resulted in a significant reduction in exploration activities.

EL6223 Shuttleton

- An airborne magnetic and radiometric survey, covering the entirety of EL6223, highlighted north-west trending structures across, which are deemed to be the controlling structures for mineralisation at the historic workings. CMPL carried out community consultations prior to the survey.
- A review of previous surface geochemical data highlighted the prospectivity to the east and south of the main Shuttleton workings.
- The positive results of the magnetic survey and review of geochemical data review resulted in planning a substantial auger soil geochemical program to be completed in the ensuing reporting period.
- CMPL initiated updating and executing new Land Access Arrangements with landholders in preparation for the expanded exploration program in 2021.

EL6907 Mount Hope

- An airborne magnetic / radiometric survey was flown over the northern portion of the tenement.
- A planned soil geochemical survey was delayed due to the Covid-19 pandemic, CMPL plans to complete the survey later in the year.
- The tenement was due for renewal on 10th October 2021. CMPL has lodged a renewal application for a six-year term to the Department of Mining on 5 October 2021.Now waiting for the decision from the Department of Mining.

<u>Company Strategy</u>

- In Namibia, the priority is to assist GVC in whatever way possible in working towards the completion of the BFS.
- IBML will remain a passive minority partner in the exploration programs in the Cobar District of NSW.
- The IBML Board will retain close control on expenditure.
- IBML is currently exploring future financing options to assure the Company is funded.

Competent Person

Dr Ken Maiden, a Director of International Base Metals Limited, compiled the geological technical aspects of this report. Dr Maiden is a Member of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Maiden consents to the inclusion of the matters in the form and context in which they appear and takes responsibility for data quality.

Mineral Tenements

Licence Code	Name	Area (km^2)	Expiry Date	Status
Omitiomire Project (Craton)				
ML 197	Omitiomire	29 km^2	06-03-2036	Granted
EPL 3589	Ekuja	735 km^2	13-02-2021	Pending for decision
AuriCula Mines JV Projects				
EL 6223	Shuttleton	13 units	05-04-2023	JV with CMPL
EL 6907	Mt Hope	11 units	11-10-2021	JV with CMPL

Note: NSW Exploration Licences: a "unit" is an area of 1 Minute of Latitude x 1 Minute of Longitude.

IBML's other investments

Macquarie Gold Limited – Corporate

As disclosed 'Under Review of Operations' Macquarie Gold and its fully owned subsidiary Challenger Mines Pty Ltd were placed in Receivership on 22 March 2019. IBML subsequently also appointed a Receiver on 25 March 2019.

The Board of MGL now comprises one Director namely Mr Qiang Chen. The Company Secretary is Mr John Stone.

Challenger Mines were sold to 3D Resources Limited on 15 May 2020 by Hogan Sprowles and Hogan Sprowles retired as the receiver of Challenger Mines on the same date. Hogan Sprowles retired as receiver of Macquarie Gold Ltd on 20 July 2020.

MGL remains a wholly owned subsidiary of IBML and is dormant.

Zamia Metals Limited

IBML floated Zamia Gold Mines Limited in 2007 (changed to Zamia Metals Limited in 2010).
The company holds 13,593,875 shares in Zamia which was delisted from the ASX in 2018 and has not lodged Financial Statements from that date.

Zamia retains exploration permits in the Clermont District of Central Queensland.

Further Information on Zamia and its projects can be found at www.zamia.com.au.

IBML's shareholding in Zamia Metals Limited has been written down to $nil (2020: $nil).

WestStar Industrial Limited (WSI)

The Company holds 40,000 shares in WSI following the acquisition and restructuring of Copper Range Limited which it floated in 2006.

WSI is an Australian industrial services company providing engineering and mining services to the resources, energy and infrastructure sectors.

The fair value of IBML's shareholding in WSI is not material at the reporting date.

Firstwave Cloud Technology Limited (FCT)

IBML has 86 shares in Firstwave Cloud Technology Limited, received as an in specie distribution from Antares Mining Limited. The company's principal business activities are the development and sale of internet security software and related professional services to business and enterprises.

The fair value of IBML's shareholding in FCT is not material at the reporting date.

Abbreviations

BFS	Bankable feasibility study
Bloy	Bloy Mineral Resource Evaluation
Cu	Copper (chemical symbol)
CMPL	Cobar Management Pty Ltd
EL	Exploration Licence (NSW)
EPL	Exclusive Prospecting Licence (Namibia)
FY2020	Financial year ended 30 June 2020
GVC	Greenstone Venture Capital
JORC	Joint Ore Reserves Committee
JV	Joint venture
km, km^2	Kilometres, square kilometres
ML	Mining Licence
PFS	Pre-feasibility survey
t, Mt	Tonnes, million tonnes
USD	United States Dollars

Personnel, OH&S, Environment and Community

Occupational Health and Safety (OH&S)

IBML recognises its duty to ensure the health and safety of all employees, consultants and visitors:

- Visible support and commitment to safety from the board and senior management
- Raising awareness of health and safety in the workforce
- Promoting a culture of health and safety by assigning responsibilities and powers to ensure adherence to health and safety standards and legislation
- Suitable training for health and safety representatives and staff to improve their ability to identify hazards and control OHSE risks
- Structured risk identification process for all work areas
- Commitment to root cause investigations and reporting
- Maintaining records and statistics on incidents, accidents and injuries.

Initiatives undertaken to ensure the health and safety of employees:

- Actively supporting and promoting a healthy lifestyle by offering free annual preventative medical screening
- Encouraging physical activity and good nutrition
- Daily toolbox talks
- Training
- Relating an unblemished health and safety record to annual performance assessments.

IBML is proud of the fact that no lost time injuries occurred during the past year.

Our People

IBML believes in fostering diversity by promoting equal opportunity. The teams consist of people from different backgrounds, worldviews and beliefs; each contributing towards the attainment of company goals.

We support and motivate our employees within an established organisational structure, to ensure that changes to company strategies occur as smoothly as possible.

All employees are viewed as assets. IBML appreciates its employees' skills and abilities. In addition to basic remuneration, IBML remuneration structure recognises dedication and performance which contribute towards continued company achievement.

The company believes in:

- Promoting our values
- Respecting, trusting and supporting all employees
- Creating a positive work environment
- Commitment to a safe and healthy work environment
- Offering interesting and challenging tasks
- Offering ongoing development and training
- Paying performance-based bonuses
- Company contributions for medical aid and retirement fund membership.

Environmental Regulations

The Group's operations are subject to significant environmental and other regulations under the laws of the Australian Commonwealth, the State of New South Wales and the Republic of Namibia. The Group has a policy of engaging appropriately experienced contractors and consultants. There have been no reports of breaches of environmental regulations in the financial year and at the date of this report.

In its exploration and mining activities, IBML acknowledges its duties in environmental protection:

- Minimise the extent and impact of disturbed areas and rehabilitate them as required.
- Monitor the operations to ensure compliance with accepted environmental standards and licence conditions.
- Monitor the latest developments in environmental management and technology and apply new principles and techniques as required.
- Educate all members of the organisation in the need for responsible environmental management of our operations.

Corporate Governance Statement

International Base Metals Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Although the Company is not listed it has decided in its disclosure policy to adopt the ASX Corporate Governance Principles and Recommendation (4th edition) (CGPR) published by the ASX Corporate Governance.

The Corporate Governance Statement was approved by the Board on 22 July 2021 and reflects the practices in place during the financial year. A description of the group's corporate governance practices is set out in the group's corporate governance statement which can be viewed at www.interbasemetals.com.

Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as the 'Group') consisting of International Base Metals Limited ('IBML') and the entities it controlled at the end of or during the year ended 30 June 2021.

Directors

The names of the Directors in office at any time during, or since the end of, the year and continue in office at the date of this report unless otherwise stated:

Mr Hugh Ian Thomas

Executive Chairman

Qualifications:	BA, Grad Dip Finance,
Experience:	Hugh has had significant experience in the resources sector as a company director, senior financial executive and investment banker working throughout the Asian region including China as well as parts of Africa. He was based in Hong Kong for several years in senior positions with JP Morgan and Morgan Stanley, returning to Australia in 2011 to take up a senior position with South African investment bank, Investec, in Sydney. Since 2014 Hugh has worked as an independent investment banker and company director based in South East Asia.
Other listed Directorships in last 3 years:	-

Dr Kenneth John Maiden

Non-Executive Director

Qualifications:	BSc, PhD
Experience:	Ken has had more than 40 years professional experience - as an exploration geologist with major resource companies (CSR and MIM), as an academic (University of the Witwatersrand, Johannesburg) and as a mineral exploration consultant. He has participated in successful mineral exploration programmes in Australia, southern Africa and Indonesia. Ken has previously established mineral exploration companies in Southern Africa, South Australia and Queensland, and is a founding Director of International Base Metals Limited.
Other listed Directorships in last 3 years:	

Mr Rui Liu

Non-Executive Director

Qualifications:	BSc
Experience:	Rui Liu has worked in geology and the mineral industry since his graduation from university in 1985. He became the Deputy Director of Heilongjiang Geology Mineral Testing Application Research Institute in 1988 and later went to Botswana as Deputy General Manager of CGC Botswana Co., Ltd. Rui Liu has been General Manager and Chairman of Heilong Group since 2005. He holds the position of Executive Deputy Chairman of the Heilongjiang Mining Industry Association.
Other listed Directorships in last 3 years:	-

Directors' Report (continued)

Mr Jinhua Wang
Non-executive Director

Qualifications: B Min Eng, Master of Industrial Engineering

Experience: Mr Wang is a Senior Engineer and Deputy Director, Mining Association of Zhejiang Province, China.

Mr Wang has extensive experience in mining project development and marketing. In 2002, he established Hangzhou Kings Industry Co. Ltd, a company engaged in the investment and management of fluorspar mines and the fluoride chemical industry. The company possesses the largest fluorspar reserves in China and is an industrial leader.

Other listed Directorships in last 3 years: -

Mr Zhehong Luo
Non-executive Director

Qualifications: BSc

Experience: Executive Director of Hangzhou Hongcheng Real Estate Co Ltd from 2005. During this period the company built a high-grade office building, reaching a height of 150m. Since 2009 he has been Chairman and Managing Director of Qinghai West Resources Co Ltd and Chairman of Qinghai West Rare & Precious Metals Co Ltd. Under his leadership, these companies have achieved a good reputation with excellent growth prospects.

Other listed Directorships in last 3 years: -

Mr Qiang Chen
Alternate Director to Zhehong Luo

Qualifications: BSc, MSc

Experience: Qiang Chen is Managing Director of West Minerals Pty Ltd, one of the Company's largest shareholders. Mr Chen, a resident of Perth, has extensive experience in international commodities trading and private equity investment. In the 1990's he was the Marketing Manager of China Metallurgical Import and Export Corporation.

Other listed Directorships in last 3 years: Zamia Metals Limited

Mr Shilai Jiang
Non-executive Director

Experience: Jiang Shilai, is a surveying and mapping engineer.From 1987 to 1999, worked in Xianlinbu Molybdenum Mine in Hangzhou and from 2000 to 2008, he was engaged in marketing management in Hangzhou Nobel Group Co., Ltd. responsible for the sales management of the Southwest region of Nobel Group.

From 2009 to present, he has served as executive deputy general manager of Qinghai West Resources Co., Ltd. and Qinghai West Rare and Precious Metals Co., Ltd., engaged in the management of mining enterprises.

Special responsibilities: -

Other listed Directorships in last 3 years:

Directors' Report (continued)

Mr Xianwu Deng

Alternate Director to Mr Jinhua Wang

Qualifications: Bachelor degree in Mining Engineering at the University of Science & Technology Beijing, China, CPA and an economist

Experience: Currently he is the Chairman of the Board of Supervisors of China Kings Resources Group Company Ltd., China

Other listed Directorships in last 3 years: -

Company Secretary

Mr John Stone

Qualifications: B Econ

Experience: John has over 30 years' experience in the Australian and international corporate markets. He has been a director and company secretary for several private and public listed companies.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director while they were a Director. During the financial year, the Company held four Board meetings, nil Audit Committee meetings, nil Nomination Committee and nil Remuneration Committee meetings. (Audit, Nomination and Remuneration matters were addressed at Board meetings)

	Full meetings of Directors		Meetings of Committees					
			Audit		Nomination		Remuneration	
	A	B	A	B	A	B	A	B
Mr Hugh Thomas	4	4	-	-	-	-	-	-
Dr Kenneth John Maiden	4	3	-	-	-	-	-	-
Mr Rui Liu	4	4	-	-	-	-	-	-
Mr Jinhua Wang	4	-	-	-	-	-	-	-
Mr Zhehong Luo	4	-	-	-	-	-	-	-
Mr Qiang Chen as alternate for Mr Zhehong Luo	4	4	-	-	-	-	-	-
Mr Shilai Jiang	4	1	-	-	-	-	-	-
Mr Xianwu Deng as alternate to Mr Jinhua Wang	4	-	-	-	-	-	-	-

A. No. of meetings held during the time the Director held office or was a member of the committee during the year

B. No. of meetings attended

Directors' Report (continued)

Principal Activities

The principal activity of the entity during the financial year was the continued exploration for economic base metals in Namibia and raising capital for potential new projects to invest in.

Key activities during the year are disclosed under the section of "Review of Operations" on pages 5-8. Activities for preparation of the BFS have been carried out by Craton during the year according to the plan and management of Omico Copper Ltd.

There were no other changes in the Group's principal activities during the course of the financial year.

Dividends

No dividends have been declared in the 2021 financial year (2020: no dividend declared).

Review of Operations and Activities

Financial

For the financial year ended 30 June 2021, the consolidated entity's net loss after taxation was $749,373 (2020: $ 1,097,276).

Exploration expenditure on Australian tenements in the 2021 financial year was nil (2020: $8,860) and was fully expensed, rather than capitalised.

The Directors believe that expensing, rather than capitalising exploration expenditure is more relevant to understanding the Company's financial position and complies fully with AASB 6.

Exploration activities

A review of the Group's exploration activities in Australia is set out on pages 5-8.

Share Issues

- Partially underwritten rights-new share issues

The Company did a non-renounceable rights issue to raise capital in February 2021. The rights issue offer was a partially underwritten offer to issue 5 shares for every 11 shares held by shareholders on 29 December 2020.

The non-renounceable rights issue announced on 29 December 2020 was approved by ASIC and opened on 13 January 2021. The underwriting amount A$600,000 was received by IBML on 4 February 2021 with Rui King contributing $350,000 and West Minerals contributing $250,000. Other than the two underwriters, there are another two shareholders who contributed based on their shareholdings for a total of $3,068.

The total amount raised was $603,068. 134,015,152 ordinary shares were issued.

- Convertible Note-Interest payment in form of shares

On 17 March 2020, a convertible note which amount is $0.6 million was issued to a related party, Rui King Resources from IBML. Interest is calculated at a rate of 15% pa and payable on the last day of each 6-month anniversary either in cash or in shares. The notes have a maturity of 2 years. Rui King Resources were also entitled to issue a conversion notice at any time after 18 months to convert the notes into 68,931,250 ordinary shares.

During FY2021, total 37,260,136 ordinary shares were issued to Rui King Resources on 18 September 2020 (18,630,068 shares) and 17 March 2021(18,630,068 shares) as payment of the first ($25,890) and second ($25,890) interest instalments totalling $51,780 due on the convertible note.

After the year end of FY2021, on 17 September 2021, a further 18,630,068 shares were issued to Rui King Resources as a payment of the third ($25,890) interest due on the convertible note.

On 6 October 2021, a resolution was passed at an Extraordinary General Meeting of IBML for issuing shares to convert the note. 68,931,250 shares were issued to Rui King Resources.

Options

There are no outstanding and unexpired options on ordinary shares.

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 $0.5 million being $0.1 million from Far Union Ltd and $0.4 million from Mr Liu. This amount to be drawn down as required by the company giving notice to the lenders. 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. At the date of this report the loans have been fully drawn down and interest accrued.

Investments in Listed and Unlisted Entities

IBML's investment in Macquarie Gold Limited has been fully impaired on the basis that the company was in receivership.

IBML's investment in Zamia Metals Limited (ZGM) has been fully impaired on the basis that the company's shares are currently delisted from the ASX.

IBML has effectively lost control of Craton and as from 31 December 2019 and is not consolidated in the financials of the Group. IBML's investment in Omico Copper Ltd is recorded as an investment in an associate.

IBML decides to keep holding the shares in WestStar Industrial Limited and Firstwave Cloud Technology Limited.

Significant changes in state of affairs

Likely developments and expected results of operations

Additional comments on likely and expected results of operations of the Group are included in this annual report under the 'Review of Operations' on pages 5-8.

After balance date events

On 17 September 2021, 18,630,068 ordinary shares were issued to Rui King Resources as a payment of the third ($25,890) interest due on the convertible note.

On 18 August 2021, in accordance with the terms of the Notes, Rui King Resources Limited issued a conversion notice to IBML to convert the note into 68,931,250 shares. As the conversion is subject to shareholder approval, an extraordinary general meeting was held on 6 October 2021. On 6 October 2021, the resolution was passed and 68,931,250 shares were issued to Rui King Resources.

There are no other matters or circumstances that have arisen since the end of the financial year which has significantly affected, or which may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years. We will continue to monitor the impact of COVID-19 on the Group's operations.

Environment regulations

The Consolidated Entity's operations are presently subject to environmental regulation under the laws of Australian state governments, the Commonwealth of Australia and Republic of Namibia. The Consolidated Entity is at all times in full environmental compliance with these laws and the conditions of its exploration licences.

Remuneration Report

The directors present the remuneration report for the Group, detailing the arrangements of key management personnel (KMP) remuneration in accordance with the requirements of the Corporations Act 2001 and its regulations.

Names and positions held by consolidated and parent entity key management personnel in office during the whole of since the end of the financial year and up to the date of this report were:	
Mr Hugh Ian Thomas	Executive Chairman
Dr Kenneth John Maiden	Non-executive Director – Technical and Chief Geologist
Mr Rui Liu	Non-executive Director
Mr Jinhua Wang	Non-executive Director
Mr Zhehong Luo	Non-executive Director
Mr Qiang Chen	Alternate to Zhehong Luo
Mr Aidong Yang	Alternate to Rui Liu and General Manager Technical
Mr Xianwu Deng	Alternate to Mr Jinhua Wang
Mr John Stone	Company Secretary

Remuneration governance

The remuneration committee is a committee of the board. It is primarily responsible for making recommendations to the board on:

- the over-arching executive remuneration framework
- operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles
- non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the company.

Executive remuneration policy and framework

In determining executive remuneration, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood, and
- acceptable to shareholders.

Key management personnel are entitled to participate in the employee share and option arrangements and to benefits at the discretion of the Board.

Details of remuneration

The following benefits and payments represent the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in accordance with Australian Accounting Standards.

Remuneration – key management personnel of the Group 2021

	Short-term benefits	Post-employment benefits	Share-based payments			
	Cash, salary and fees $	Super-annuation $	Equity $	Options $	Termination benefit $	Total $
Directors						
Mr Hugh Thomas[1]	177,000	-	-	-	-	177,000
Dr Kenneth John Maiden[1]	40,020					40,020
Mr Rui Liu[2]	40,020	-	-	-	-	40,020
Mr Qiang Chen (Alternate to Zhehong Luo)[2]	40,020					40,020
	297,060	**-**	**-**	**-**	**-**	**297,060**
Other Key Management Personnel						
Mr John Stone, Company Secretary	44,136	-	-	-	-	44,136
Mr Aidong Yang, General Manager-Technical	-					-
Total Key Management Remuneration	**341,196**	**-**	**-**	**-**	**-**	**341,196**

1 *Includes fees paid to related parties of key management personnel*

2 *For Mr Rui Liu in FY2021: Accrued director fee: $40,020, total short-term benefits $40,020*
For Mr Qiang Chen in FY2021: Accrued director fee: $40,020, total short-term benefits $40,020
No cash or non-cash remuneration, including share based payments, were paid or payable to Mr Jinhua Wang, and Mr Xianwu Deng during the year ended 30 June 2021 (2020:Nil)

Remuneration – key management personnel of the Group 2020

	Short-term benefits	Post-employment benefits	Share-based payments			
	Cash, salary and fees $	Super-annuation $	Equity $	Options $	Termination benefit $	Total $
Directors						
Mr Hugh Thomas[1]	260,000	-	-	-	-	260,000
Dr Kenneth John Maiden[1]	41,380	-	-	-	-	41,380
Mr Rui Liu[4]	40,020	-	-	-	-	40,020
Mr Qiang Chen[4] (Alternate to Zhehong Luo)	40,020	-	-	-	-	40,020
	381,420	**-**	**-**	**-**	**-**	**381,420**
Other Key Management Personnel						
Mr Karl Hartmann, Non-Executive Director[2,5]	26,592	-	-	-	-	26,592
Mr Aidong Yang, General Manager-Technical[1]	7,500	-	-	-	-	7,500
Mr John Stone, Company Secretary	32,832	-	-	-	-	32,832
Mr Barry F Neal, Chief Financial Officer[1,5]	73,320	-	-	-	-	73,320
Mrs Sigrid Hartmann, Company Secretary [3,5]	10,548	-	-	-	-	10,548
Total Key Management Remuneration	**532,212**	**-**	**-**	**-**	**-**	**532,212**

1 *Includes fees paid to related parties of key management personnel*
2 *Non-executive Director of controlled entity Craton Mining and Exploration (Pty) Ltd*
3 *Company Secretary of controlled entity Craton Mining and Exploration (Pty) Ltd*
4 *For Mr Rui Liu in FY2020: Director fee paid in cash: $ 3,335, accrued director fee: $36,685, total short-term benefits $40,020*
For Mr Qiang Chen in FY2020: Director fee paid in cash: $ 3,335, accrued director fee: $36,685, total short-term benefits $40,020
5 *Mr Karl Hartmann resigned in June 2020, Mr Barry F Neal resigned in February 2020 and Mrs Sirgrid Hartmann resigned in September 2019.*

Service Contracts

Remuneration and other terms of employment for Key Management Personnel of the Company and its fully owned subsidiaries, are formalised in service agreements.

The major provisions of the agreements are set out below:

Name	Term of agreement	Base fees	Termination Benefit
Hugh Thomas, Executive Chairman	Remuneration Committee decision 29 September 2017 and ongoing	Director fee $78,000 per annum plus GST for July 2020 to December 2020. Director fee of $276,000 per annum plus GST from January 2021.	-
John Stone, Company Secretary	Contract 11 October 2015 and ongoing	A consulting fee of $72 p.h.	Agreement may be terminated at any time by either party with one month's notice.

Other executives (standard contracts)

The Company may terminate the executive's employment agreement by providing four weeks written notice or providing payment in lieu of the notice period (based on the fixed component of the executive's remuneration). The Company may terminate the contract at any time without notice if serious misconduct has occurred.

Shareholdings of key management personnel

2021	Balance at start of the year	Received during the year as share based payments	Other changes during the year	Balance at the end of the year
Hugh Thomas	13,603,963	-	-	13,603,963
Kenneth Maiden	10,613,001	-	-	10,613,001
Rui Liu	175,022,723	-	115,037,914	290,060,637
Jinhua Wang	42,500,000	-	-	42,500,000
Zhehong Luo	118,326,492	-	55,555,556	173,882,048
John Stone	1,828,125	-	-	1,828,125
	361,894,304	**-**	**170,593,470**	**532,487,774**

2020	Balance at start of the year	Received during the year as share based payments	Other changes during the year	Balance at the end of the year
Hugh Thomas	13,603,963	-	-	13,603,963
Kenneth Maiden	10,613,001	-	-	10,613,001
Rui Liu	175,022,723	-	-	175,022,723
Jinhua Wang	42,500,000	-	-	42,500,000
Zhehong Luo	118,326,492	-	-	118,326,492
John Stone	1,828,125	-	-	1,828,125
Karl Hartmann*	1,862,179	-	-	1,862,179
Sigrid Hartmann*	280,146	-	-	280,146
	364,036,629	**-**	**-**	**364,036,629**

* No longer a KMP holding after resignation

Option holdings of key management personnel

Options may be issued to Directors and Company Executives as part of their remuneration. The options are not issued based on performance criteria and are issued to all Directors and executives of the Company to increase goal congruence among Directors, executives and shareholders. Options are granted for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. No options were issued as remuneration during the reporting period.

Shares issued on exercise of remuneration options

No shares were issued to key management personnel during the year or since the end of the year up to the date of this report, as a result of the exercise of remuneration options.

Lapse of remuneration options

At the 30 June 2021 there were no KMP unexpired remuneration options on issue (2020: Nil).

END OF REMUNERATION REPORT (Audited)

Indemnifying and insurance of Directors and officers

During or since the end of the previous financial year, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure all of the Directors of the Company as named above, the Company Secretary Mr John Stone, and all executive officers of the Company against any liability incurred as such by Directors, the Company Secretary and executive officers to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services

The company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the company and/or the group are important.

No such services were provided to the Company during the reporting period.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and is set out on page 20 of the financial report.

Signed in accordance with a resolution of the Board of Directors

Hugh Thomas
Chairman

Sydney, 24 November 2021

Auditor's Independence Declaration

As lead auditor of International Base Metals Limited for the year ended 30 June 2021, 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 audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

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

Kamal Thakkar
Director

KrestonSW Audit Pty Ltd

Sydney

24 November 2021

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of International Base Metals Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position of the Group as at 30 June 2021 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Group incurred a net loss of $749,373 during the year ended 30 June 2021 and, as of that date, the Group's total liabilities exceeded its total assets by $1,071,314 and is in a net current liability position of $1,086,373. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: *http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf*.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion the Remuneration Report of International Base Metals Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Kreston SW Audit

KrestonSW Audit Pty Ltd

K Thakkar

Kamal Thakkar

Director

Sydney

24 November 2021

Directors’ Declaration

In the opinion of the Directors of International Base Metals Limited:

1. The consolidated financial statements and notes of International Base Metals Limited are in accordance with the Corporations Act 2001, including:

   (a) Giving a true and fair view of its financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

   (b) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; 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.

3. The consolidated financial statements comply with International Financial Reporting Standards.

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

Hugh Thomas
Chairman

24 November 2021

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	30 June 2021 $	30 June 2020 $
Other income	**4**	13,149	152,737
Expenditure			
Administrative expenses		(110,925)	(212,213)
Exploration expenditure		-	(8,860)
Depreciation and amortisation expense	**5**	(21,729)	(63,030)
Consultants' expenses		-	(1,620)
Legal costs		(22,295)	(78,588)
Interest Paid		(137,122)	(83,050)
Occupancy expenses		(40,012)	(10,459)
Employee benefits expense		(430,439)	(619,704)
Loss on interests in associates and joint ventures		-	(671)
Loss before income tax	**5**	(749,373)	(925,458)
Income tax	**6**	-	-
Loss for the year from continuing operations		(749,373)	(925,458)
Loss from discontinued operations		-	(171,818)
Loss for the year		**(749,373)**	**(1,097,276)**
Other Comprehensive Income			
Items that may subsequently be reclassified to profit or loss: Exchange differences on translation of foreign operations		-	(432)
Total Other Comprehensive Income		**(749,373)**	**(432)**
Total Comprehensive Income for the year		**(749,373)**	**(1,097,708)**
Basic and diluted loss per Share (cents)	**20**	(0.10)	(0.16)

The accompanying notes form part of the financial statements

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021 $	30 June 2020 $
Current Assets			
Cash and cash equivalents	**7**	451,255	409,788
Total Current Assets		**451,255**	**409,788**
Non-current Assets			
Other Assets	**8**	15,056	15,056
Right of Use-Assets	**22**	-	22,818
Total Non-current Assets		**15,056**	**37,874**
Total Assets		**466,311**	**447,662**
Current Liabilities			
Trade and other payables	**10**	283,906	235,109
Lease liabilities	**22**	-	23,460
Short-term provisions	**11**	6,819	4,142
Borrowings	**12**	1,246,903	553,852
Total current liabilities		**1,537,628**	**816,563**
Non-Current Liabilities			
Borrowings	**12**	-	625,891
Total Non-Current Liabilities		**-**	**625,891**
Total Liabilities		**1,537,628**	**1,442,454**
Net Liabilities		**(1,071,317)**	**(994,792)**
Equity			
Issued capital	**13**	69,769,668	69,096,820
Reserves		-	-
Accumulated losses		(70,840,985)	(70,091,612)
Total Equity		**(1,071,317)**	**(994,792)**

The accompanying notes form part of the financial statements

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

Consolidated Group

	NOTE	Share Capital $	Accumulated Losses $	Foreign Exchange Translation Reserve $	Total Equity $
Balance at 1 July 2019		69,096,820	(67,278,336)	(1,715,568)	102,916
Loss for the year		-	(1,097,276)	-	(1,097,276)
Other comprehensive income		-	-	(432)	(432)
Total comprehensive income for the year		**-**	**(1,097,276)**	**(432)**	**(1,097,708)**
Transactions with owners, in their capacity as owners, and other transfers					
Transfer of foreign exchange translation reserve to accumulates losses following loss of control of a foreign subsidiary		-	(1,716,000)	1,716,000	-
Total transactions with owners in their capacity as owners		-	(1,716,000)	1,716,000	-
Balance at 30 June 2020		69,096,820	(70,091,612)	-	(994,792)

	NOTE	Share Capital $	Accumulated Losses $	Foreign Exchange Translation Reserve $	Total Equity $
Balance at 1 July 2020		69,096,820	(70,091,612)	-	(994,792)
Loss for the year		-	(749,373)	-	(749,373)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**-**	**(749,373)**	**-**	**(749,373)**
Transactions with owners, in their capacity as owners, and other transfers					
Contribution of equity, net of transaction costs	13	672,848	-	-	672,848
Total transactions with owners in their capacity as owners		672,848	-	-	672,848
Balance at 30 June 2021		69,769,668	(70,840,985)	-	(1,071,317)

The accompanying notes form part of the financial statements

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	30 June 2021 $	30 June 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts – from other income		13,000	152,716
Payments to suppliers and employees		(481,328)	(1,020,930)
Payments for exploration expenditure		-	(45,351)
Interest received		149	4,319
Interest paid		(69,962)	(3,308)
Net cash used in operating activities	**20**	**(538,141)**	**(912,554)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of plant and equipment		-	55,075
Cash lost from loss of control of a subsidiary		-	(76,353)
Net cash used in investing activities		**-**	**(21,278)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	**22**	(23,460)	(54,122)
Proceeds from Secured Loan		-	500,000
Proceeds from Convertible Note		-	600,000
Proceeds from Underwritten Rights Issue, net of transaction costs	**13**	603,068	-
Net cash provided by financing activities		**579,608**	**1,045,878**
Net increase in cash held		41,467	112,046
Cash at the beginning of the financial year		409,788	297,742
Cash at the end of the financial year	**7**	**451,255**	**409,788**

The accompanying notes form part of the financial statements

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

a. Accounting Policies

The same accounting policies and methods of computation have generally been followed in the financial year statements as those employed in the Group's annual financial statements for the year ended 30 June 2020.

b. Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent International Base Metals Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 18.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group.

When a change in the Company's ownership in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss.

The consolidation of a subsidiary is discontinued from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

c. 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 Group for the year ended 30 June 2021 was a loss of $749,373 (2020: $1,097,276) and the Group had net cash outflows from operating activities of $538,141 (2020: $912,554). As at 30 June 2021, the Group's total liabilities exceeded its total assets by $1,071,317 (2020: $994,792).

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

(i) The Group had $451,255 cash on hand at 30 June 2021;

(ii) The Group expects to have further capital raised in the open market or existing shareholders to fund working capital requirements.

(iii) Costs cutting measures can be undertaken to reduce operating cash outflows.

(iv) The convertible note of $600,000 has been converted subsequent to the year end further to the resolution at the extraordinary general meeting on 6 October 2021.

(v) In terms of the remaining secured loans, the Group is in ongoing negotiations with the debt holders regarding the fund-raising situation and potential deferral of the loan repayment dates.

In the event that the consolidated entity is unable to obtain sufficient funds (specifically the raising of capital) to meet anticipated expenditure, there is a material uncertainty that may cast significant doubt upon the Company 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 financial report, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements at 30 June 2021. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Interests in Joint Arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. International Base Metals Limited has a joint venture.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

e. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors of International Base Metals Limited.

f. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is International Base Metals Limited's functional and presentation currency.

(ii) Transactions and balance

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

g. Other Income

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Research, Development and Government Grants

Mine development costs may be eligible for a Government Research and Development Grant with such grants being taken up as income in the statement of income and expenditure.

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group complies with all attached conditions.

h. Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted at the end of the reporting period based on the applicable income tax rates for each jurisdiction where the Company and its subsidiaries operate and generate income.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

International Base Metals Limited and its wholly owned Australian controlled entities have not implemented the tax consolidation legislation.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

i. Exploration expenditure

In accordance with AASB 6 – Exploration for and the Evaluation of Mineral Resources, the Group has elected to expense in the profit or loss all its exploration expenditure.

j. Restoration, rehabilitation and environmental protection expenditure

Where applicable, a provision for material restoration obligations is recognised for exploration licences. The amount recognised includes costs of reclamation and site rehabilitation after taking into account restoration works which are carried out during exploration. The provision for restoration costs are determined from an estimate of future costs and are capitalised as exploration expenditure.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Management has reassessed and provided for restoration as required for any disturbance during the field exploration and development work, which has been recognised as part of mines under development.

k. Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- the entity’s business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instrument.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI. Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

Impairment of financial assets

AASB 9's impairment model use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the impairment model depends on whether there has been a significant increase in credit risk.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

All financial assets, except for those at fair value through profit or loss (FVPL) and equity investments at fair value through other comprehensive income (equity FVOCI), are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown with short-term borrowings in current liabilities.

m. Leases

At inception of a contract, the Group assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.

The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Group has the right to direct the use of the asset i.e., decision-making rights in relation to changing how and for what purpose the asset is used.

The Group has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

o. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily tak a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

p. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

q. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, and accumulating annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in current provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

r. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

s. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

t. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except, where the amount of GST incurred is not recoverable from the Australian Tax Office is not recoverable from the Namibian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authorities is included with other receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis except for the GST component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

u. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined using the fair value less disposal costs or value in use approach, whichever is more appropriate for the underlying asset.

Key judgements – Exploration expenses

The Directors have elected to expense rather than capitalise expenditure on exploration, evaluation and development on all the Group's exploration as it is incurred. Directors believe this treatment when expenditure is expensed rather than capitalised is more relevant with understanding the Company's financial position, complies fully with AASB 6 and is cash flow neutral. Refer Note 1(i).

v. Parent entity financial information

The financial information for the parent entity, International Base Metals Limited, disclosed in Note 14 has been prepared on the same basis as the consolidated financial statements, except as set out below

Investments in subsidiaries Investments in subsidiaries are accounted for at cost in the financial statements of International Base Metals Limited less any accumulated impairment.

The carrying value of the investments in subsidiaries is assessed for impairment at each year end. Where impairment is identified, the impairment expense is recognised in profit or loss for the year.

Notes to the Financial Statements

NOTE 2: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

Risk management is carried out by management under policies approved by the Board of Directors. The Group's overall risk management strategy is to ensure that financial targets are met, while minimising potential adverse effects on financial performance relating to current and future cash flow requirements.

The Group's financial instruments consist mainly of deposit with banks, accounts receivable, investments, loans received, convertible notes and trade and other payables.

The total for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group	
	2021	2020
	$	$
Financial Assets		
Cash and cash equivalents	451,255	409,788
Security deposits	15,056	15,056
	466,311	424,844
Financial liabilities		
Borrowings	1,246,903	1,179,743
Trade and other payables	283,906	235,109
Lease liabilities	-	23,460
	1,530,809	1,438,312

(i) Price risk-security prices

The Group is exposed to equity security price risk. This arises from investments held by the Group and classified as financial assets at fair value through profit or loss representing shares held in listed companies.

The Directors have resolved to fully impair these investments with the result that the carrying value is nil.

The Group is not exposed to commodity price risk.

(ii) Interest rate risk

As the Group borrowings were at fixed rates of interest there is no rate risk from these loans.

Receivables are carried at amortised cost and are therefore not subject to interest rate risk as defined in AASB 7.

The Group's interest rate risk arises from cash equivalents with variable interest rates and from other assets (prepayments and security deposits). The average interest rate applicable during the reporting period is 0.01% (2020:0.06%).

Group sensitivity

At 30 June 2021 if interest rates had increased/decreased by 50 basis points from the year end rates with all other variables held constant, the Group's net profit before tax would have been $2,301 higher/lower (2020: $2,295 higher/ lower as a result of higher/lower interest income from cash and cash equivalents）.

(iii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from other third parties, investments, banks and financial institutions.

Investments, banks and financial institutions

The Group limits its exposure to credit risk by only limiting transactions with high credit quality financial institutions that have an external credit rating, set down by Standard and Poors (S&P), of at least AA- and BBB+ category for long-term investing and at least a short-term rating of A-1 and A-1. With respect to investments, it limits its exposure by investing in liquid investments that are principally exchange traded.

Trade and other receivables

As the Group currently has no mines in production, the group and the parent generally do not have trade receivables. The Group however does receive refunds for GST (all of which are not subject to AASB 7 disclosures). The Group is therefore not generally exposed to credit risk in relation to trade receivables. The Group however provides security deposits as part of its exploration activities which does expose the Group to credit risk in this area but which is not material.

Financial assets past due but not impaired

As the Group and Parent Entity are currently only involved in mineral exploration and development and are not trading, there are no financial assets past due and there is no management of credit risk through performing an aging analysis as required by AASB 7. For this reason, an ageing analysis has not been disclosed in relation to this class of financial instrument.

Notes to the Financial Statements

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

Financial assets neither past due nor impaired

The Group and Company credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or past history:

	Carrying amount Consolidated 2021 $	2020 $
Cash and cash equivalents		
A+ Standard & Poor's, Moody's A+	346	344
Aa2 Standard & Poor's, Moody's AA-	450,909	409,444
	451,255	409,788

(iv) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational and financing activities;
- ensuring that adequate capital raising activities are undertaken;
- maintaining a reputable credit profile; and
- Investing surplus cash only with major financial institutions.

The Group's preference is to use capital raising rather than borrowings to balance cash flow requirements.

The following tables reflect undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

As at 30 June 2021	Less than 1 Year $	1 to 5 Years $	More than 5 Years $	Total contractual cash flows $	Carrying Value $
Trade and other payables	283,906	-	-	283,906	283,906
Borrowings	1,246,903	-	-	1,246,903	1,246,903
Total financial liabilities	**1,530,809**	**-**	**-**	**1,530,809**	**1,530,809**

As at 30 June 2020	Less than 1 Year $	1 to 5 Years $	More than 5 Years $	Total contractual cash flows $	Carrying Value $
Trade and other payables	235,109	-	-	235,109	235,109
Lease Liabilities	23,460			23,460	23,460
Borrowings	553,852	625,891	-	1,380,860	1,179,743
Total financial liabilities	**812,421**	**625,891**		**1,639,429**	**1,438,312**

(v) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments are carried at amortised cost.

Notes to the Financial Statements

NOTE 3: SEGMENT INFORMATION

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 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: OTHER INCOME

	Consolidated Group	
	2021 $	2020 $
Interest received	149	21
Miscellaneous income	-	139,716
COVID-19 government grants	13,000	13,000
TOTAL OTHER INCOME	**13,149**	**152,737**

NOTE 5: RESULT FOR THE YEAR

	Consolidated Group	
	2021 $	2020 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant & equipment	-	8,266
Right-of-use asset	21,729	54,764
Total Depreciation and amortisation expense	21,729	63,030
Total rental expense relating to operating leases	29,073	-
Director fees	297,060	198,060
Insurance	34,399	42,227

NOTE 6: INCOME TAX

	Consolidated Group	
	2021 $	2020 $
(a) Income tax expense		
Current tax	-	255,523
Deferred tax	-	-
Deferred tax assets not recognised	-	(255,523)
	-	-

Notes to the Financial Statements

	Consolidated Group 2021 $	2020 $
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
The prima facie tax on (loss) before income tax is reconciled to the income tax as follows		
Prima facie tax payable on (loss) before income tax at 26% (2020: :27.5%):	(194,837)	(301,751)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Exploration expenditure incurred – Namibia	-	361,341
- Other allowable items	(413)	(413)
- Loss resulted from business discontinuity	-	47,250
- Provisions and accruals	1,874	245,453
Difference in overseas tax rates	-	(96,358)
Tax losses not recognised	193,376	(255,523)
Income tax expense	**-**	**-**
(c) Unrecognised temporary differences		
Deferred tax assets 26% (2020: 27.5%)		
Carry forward tax losses	4,826,070	5,177,326
Temporary differences	12,765	12,767
	4,838,835	**5,190,093**

NOTE 7: CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at bank and in hand	451,255	409,788

Interest rate exposure

The Group and the parent entity's exposure to interest rate risk is disclosed in Note 2.

NOTE 8: OTHER ASSETS

	Consolidated Group 2021 $	2020 $
Non-current		
Deposits paid re office leases	15,056	15,056
Total other assets	**15,056**	**15,056**

NOTE 9: JOINT VENTURES AND OTHER ARRANGEMENTS

Joint Venture - Omico Copper Limited

IBML and Greenstone Venture Capital signed the agreement in December 2019 to form a Joint Venture named Omico Copper Limited based in Mauritius. Omico Copper is 46.3% owned by IBML and 53.7% owned by Greenstone Venture Capital. Craton Mining was sold to Omico Copper as part of the deal signed with Greenstone.

As a condition of ML197 Craton must facilitate a 5% Equity Partner in Namibia who meets the indigenous Owners Requirement. The 5% was issued to Craton Foundation in early 2020 and the rest 95% is owned by Omico Copper Limited.

IBML's investment in Omico Copper Ltd (Omico) has been recorded as an investment in an associate as IBML does not have control of this entity with a shareholding of 46.3%. IBML's share of future revenue(loss) in Omico will be taken up as an increase (decrease) in investment in associate.

The pre-tax loss of Omico from January 2021 to June 2021 is U$31,605 (A$42,140). The Company's share of loss is U$14,633 (A$19,511).

NOTE 9: JOINT VENTURES AND OTHER ARRANGEMENTS (continued)

Significant joint ventures	Country of operation	Principal activity	Acquisition date	Effective interest % 2021	Effective Interest % 2020
Omico Copper Limited	Mauritius	BFS study, resource drilling and regional exploration	20 December 2019	46.3%	46.3%

Other Arrangements - Auricula Mines Farm-in Agreement

AuriCula Mines Pty Ltd, a wholly owned subsidiary of IBML, has an exploration farm-in and joint venture agreement with Cobar Management Pty Ltd (‘CMPL’) and Actway Pty Ltd (‘Actway’) in the Cobar district, of central New South Wales. AuriCula holds Exploration Licence (‘EL’) 6223 (Shuttleton Project); another tenement, EL 6907 (Mt Hope Project), is held by Actway. CMPL manages the projects (the Auricula exploration projects).

CMPL and Actway are wholly owned subsidiaries of Glencore Operations Australia Pty Ltd, a wholly owned subsidiary Glencore Plc (collectively referred to as Glencore).

Under the terms of the Farm-in joint venture agreement, and as at the reporting date, Glencore has earned a 90% interest in the AuriCula exploration projects, with IBML retaining a 10% holding. Glencore has the option to earn the remaining 10% in the AuriCula exploration projects subject to continuing certain expenditure commitments and the completion of feasibilities studies as appropriate.

As at 30 June 2021, the carrying value of IBML’s equity interest in the AuriCula exploration projects is $nil (2020 $nil). IBML is not exposed to any further liabilities or commitments under the terms of the Farm-in joint venture Agreements, and Glencore has continued to meet its obligations under the Agreements.

NOTE 10: TRADE AND OTHER PAYABLES

	2021 $	2020 $
Current		
Trade payables	26,275	31,218
Sundry payable and accrued expenses	257,631	203,891
	283,906	**235,109**

NOTE 11: PROVISIONS

	Consolidated Group 2021 $	 2020 $
Current		
Employee benefits	6,819	4,142
Balance at end of year	**6,819**	**4,142**

NOTE 12: BORROWINGS

	Consolidated Group 2021 $	 2020 $
Current		
Loans from Directors*	500,000	500,000
Accrued interest on loans from Directors and Directors’ related entities*	121,259	53,852
Convertible Note**	600,000	-
Accrued interest on the convertible note**	25,644	-
	1,246,903	**553,852**

NOTE 12: BORROWINGS (continued)

Non-Current		
Convertible Note**	-	600,000
Accrued interest on the convertible note**	-	25,821
	-	**625,821**

*These borrowings were incurred in August 2019 when two directors of IBML lent in total of $500,000 to IBML. Security on all loans is a first ranking general security granting security over the borrower's assets. The due date is 13 February 2022.

**On 17 March 2020, a convertible note which amount is $0.6 million was issued to a related party, Rui King Resources from IBML. Interest is calculated at a rate of 15% pa and payable on the last day of each 6-month anniversary either in cash or in shares. The notes had a maturity of 2 years. On 18 August 2021, in accordance with the terms of the Notes, Rui King Resources Limited issued a conversion notice to IBML to convert the note into 68,931,250 shares. As the conversion is subject to shareholder approval, an extraordinary general meeting was held on 6 October 2021. On 6 October 2021, the resolution was passed and 68,931,250 shares were issued to Rui King Resources.

In total 55,890,204 ordinary shares were issued to Rui King Resources on 18 September 2020 (18,630,068 shares), 17 March 2021(18,630,068 shares) and 17 September 2021(18,630,068 shares) as payment of the first ($25,890), second ($25,890) and third ($25,890) interest repayments respectively amounting to a total of $77,670 due on the convertible note.

NOTE 13: ISSUED CAPITAL

	2021 No of Shares	2020 No of Shares	2021 $	2020 $
Fully paid ordinary shares	860,587,792	689,312,504	69,769,668	69,096,820

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movements in ordinary shares:

Details	Number of Shares	Total $
Opening balance of 1 July 2020	689,312,504	69,096,820
Convertible note Interest payment in shares (Sep 2020)	18,630,068	25,890
Underwritten rights issue (Feb 2021)	134,015,152	603,068
Convertible note Interest payment in shares (Mar 2021)	18,630,068	43,890
Balance 30 June 2021	860,587,792	69,769,668

(a) Options

No options were issued during the financial year. There are no unexpired options on issue (2020: nil).

(b) Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

All ordinary shares issued are fully paid up.

(c) Capital risk management

The Group and the parent entity's objective when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or seek debt to fund operations.

The Group and the parent entity continually monitor capital on the basis of budgeted expenditure. The Group had no long-term debt at balance date.

Notes to the Financial Statements

NOTE 14: PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts

	Parent Entity 2021 $	Parent Entity 2020 $
Current assets	451,255	406,483
Non-Current assets	15,056	37,877
Total assets	**466,311**	**444,360**
Current liabilities	1,537,628	813,256
Non-current liabilities	-	625,891
Total liabilities	**1,537,628**	**1,439,147**
Shareholders' equity		
Contributed equity	69,769,668	69,096,820
Retained losses	(70,840,985)	(70,091,607)
Total equity	**(1,071,317)**	**(994,787)**
(Loss)/Profit for the year	(749,373)	(825,457)
Total Comprehensive Income	**(749,373)**	(825,457)
Loans by parent to controlled entities		
Amounts owing by controlled entities	(29,151,750)	(29,151,750)
Provision for impairment of receivables	(29,151,750)	(29,151,750)
	-	-

(i) Impaired receivables and receivables past due

At 30 June 2021 $29,151,750 (2020: $29,151,750) owing by controlled entities was impaired. The impairment has resulted from the Parent Entity and a controlled entity advancing working capital to Controlled Entities which have no income and therefore are not in a position at this exploration stage to meet their liability to the Parent Entity or controlled entity.

The Company has signed loan standstill agreement with Greenstone in terms of Omico's Controlled Entity, Craton Mining and Exploration (Pty) Ltd. Both parties agreed not to call up the above-mentioned loans totalling $27,985,002 (2020: $27,985,002) until this Controlled Entities is able to pay its debts as and when they fall due; and to provide further funding as is necessary to enable the Controlled Entities to pay its debts as and when they become due and payable.

(ii) Impaired investment in subsidiaries

The accounting policies for the Parent Entity (IBML) are the same as those of the group, other than investments in subsidiary which are carried at their cost, less any impairment.

At 30 June 2021 the parent company's investment in Craton Mining and Exploration (Pty) Ltd was $12,705,129 which was fully provisioned for impairment as a result of IBML losing its control over Craton Mining and Exploration (Pty) Ltd.

(iii) Fair values

The carrying amount is assumed to approximate the fair value of the loans to controlled entities of $Nil. Information about the Group's exposure to credit and interest risk is provided in Note 2.

NOTE 15: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	Consolidated Group 2021 $	Consolidated Group 2020 $
Short-term employee benefits	341,196	532,212
	341,196	**532,212**

Details of key management personnel remuneration are included in the remuneration report.

(b) Shareholdings of key management personnel

Details of shareholdings of key management personnel are disclosed in the remuneration report.

(c) Option holdings of key management personnel

No options are held by KMP's (2020: Nil).

NOTE 15: KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

There have been no other transactions involving equity instruments other than those described in the table above. For details of other transactions with KMP's (including loans) refer to Note 17 Related Party Transactions.

NOTE 16: REMUNERATION OF AUDITORS

	2021 $	2020 $
Auditor to the parent company		
Audit and review of financial statements		
KrestonSW Audit Pty Ltd	45,000	-
Grant Thornton Audit Pty Ltd	-	50,000
	45,000	**50,000**

NOTE 17: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entity

The parent entity within the Group is International Base Metals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 18

(c) Key management personnel

Disclosures in relation to key management personnel are set out in Note 15

Other transactions with related parties of Parent

Aggregate amounts of each of the above types of transaction with related parties of the Group:

	2021 $	2020 $
Secured Loan from Directors*		
Beginning of the year	553,852	-
Loans Received	-	500,000
Interest Accrued	67,407	53,852
End of the year	621,259	553,852
Convertible Noted from a Shareholder*		
Beginning of the year	625,890	-
Amount Received	-	600,000
Interest Accrued	69,534	25,890
Interest Paid (in form of shares)	(69,780)	-
End of the year	625,644	625,890
Directors' Fee Accrued		
Beginning of the year	73,370	-
Amount Accrued	80,040	73,370
End of the year	153,410	73,370

*For details regarding these transactions with related parties, refer to Note 12.

NOTE 18: CONTROLLED ENTITIES

(a) Subsidiaries

The group's principal subsidiaries at 30 June 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Nature of Operations	Country of Incorporation	Ownership Interest 2021	Ownership Interest 2020
Controlled entities				
AuriCula Mines Pty Ltd	Exploration	Australia	100%	100%
Macquarie Gold Limited	Dormant	Australia	100%	100%

Notes to the Financial Statements

NOTE 19: SUBSEQUENT EVENTS

At 30 June 2021, the Group had convertible notes of $600,000 on issue to Rui King Resources under an agreement signed on 17 March 2020. On 18 August 2021, in accordance with the terms of the Notes, Rui King Resources Limited issued a conversion notice to IBML to convert the note into 68,931,250 shares. As the conversion is subject to shareholders' approval, an extraordinary shareholder meeting was held on 6 October 2021. On 6 October 2021, the resolution was passed and 68,931,250 shares were issued to Rui King Resources.

The COVID-19 pandemic had some impact on the Group's operations during the year. Subsequent to the end of the financial year, the pandemic and its impact has continued to evolve with further outbreaks resulting in lockdown restrictions in New South Wales, additional border closures between states of Australia, and many other effects. It is not practical to estimate the potential impact, positive or negative, after reporting date.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 20: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2021 $	2020 $
Operating (loss) after income tax	(749,373)	(1,097,276)
Non-cash items included in profit and loss:		
- depreciation and amortization	21,729	63,030
- Finance costs recognised not paid	137,050	79,741
- Loss/(Gain) on deconsolidation of subsidiaries	-	122,057
- Net foreign exchange difference	979	(449)
Change in assets and liabilities		
Decrease/(Increase) in receivables	-	39,102
Increase/(Decrease) in payables	48,797	(48,025)
(Decrease)/Increase in provisions	2,677	(70,734)
Net cash (outflow) from operating activities	**(538,141)**	**(912,554)**

NOTE 21: LOSS PER SHARE

	Consolidated Group	
	2021 Cent per Share	2020 Cents per Share
Basic loss per share	(0.10)	(0.16)
Diluted loss per share	(0.10)	(0.16)

Basic and diluted loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	2021 $	2020 $
Loss (i)	(749,373)	(1,097,276)
Weighted average number of ordinary shares (ii)	759,938,388	689,312,504

(i) Loss used in the calculation of basic and diluted loss per share is net loss after tax attributable to owners as per statement of comprehensive income.

(ii) There were no options outstanding at 30 June 2021 (2020: Nil) and therefore no dilutive effect on the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted loss per share.

Notes to the Financial Statements

NOTE 21: LOSS PER SHARE (continued)

Weighted average number of shares used as the denominator

	2021 Number	2020 Number
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	759,938,388	689,312,504
Adjustments for calculation of diluted earning per share:		
Convertible notes	68,931,250	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	828,869,638	689,312,504

NOTE 22: RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right-of-use Assets

Right-of-use assets are measured at cost comprising the followings:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received any initial direct costs. and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Right-of-use assets are presented in the statement of financial position as follows:

	Consolidated Group 2021 $	2020 $
Non-current assets		
Right-of-use assets	77,582	77,582
Less: accumulated depreciation	(77,582)	(54,764)
	-	**22,818**

Lease Liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the entity's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent arm's length borrowing rate received as a starting point, adjusted to reflect changes in financing conditions since borrowing was received, making adjustments specific to the lease (e.g. term, country, currency and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Financial Statements

NOTE 22: RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities are presented in the statement of financial position as follows:

	Consolidated Group	
	2021	2020
	$	$
Current	-	23,460
Non-current	-	-
	-	**23,460**

NOTE 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets and liabilities as at 30 June 2021. (2020: none)

Shareholder Information

Statement of issued securities as at 15 October 2021.

There are 346 shareholders holding a total of 948,149,110 ordinary fully paid shares on issue by the Company eligible to be present at any general meeting of the Company and to vote on any question on a show of hands and upon a poll and to be reckoned in a quorum.

Distribution of issued securities as at 15 October 2021.

Ordinary fully paid shares

Range of holding		Number of holders	Total Units
1 -	1,000	-	-
1,001 -	5,000	3	7,500
5,001 -	10,000	6	51,655
10,001 -	100,000	129	7,414,669
100,001 -	and over	208	940,675,286
Total holders		346	948,149,110

Substantial shareholdings as at 15 October 2021 of Fully Paid Ordinary Shares

Ordinary shareholder	Total relevant interest notified	% of total voting rights
Rui King Resources Limited	352,599,232	37.19
West Minerals Pty Limited	173,882,048	18.34
Ferromin Pty Ltd (The Ambler Unit A/c)	56,909,078	6.00
Heilongjiang Heilong Resources Investment Co Ltd	25,022,723	2.64

The three entities which are substantial Shareholders are associates with 61.53% voting control of the Company.

Top Twenty Shareholders 15 October 2021

Holder Name	Shares held	%
RUI KING RESOURCES LIMITED	352,599,232	37.19%
WEST MINERALS PTY LIMITED	173,882,048	18.34%
MINING TENEMENT MANAGEMENT PTY LTD	56,909,078	6.00%
HEILONGJIANG HEILONG RESOURCES INVESTMENT CO LTD	25,022,723	2.64%
CHINA KINGS RESOURCES GROUP CO LTD	22,500,000	2.37%
BUDSIDE PTY LTD <EMPLOYEES SUPER FUND A/C>	21,815,375	2.30%
CHINA SUN INDUSTRY PTY LTD	20,000,000	2.11%
MANICA MINERALS LTD	15,000,000	1.58%
TAMERLANE GROUP LIMITED	13,603,963	1.44%
PEARL GLOBAL INVESTMENT LIMITED	13,333,333	1.44%
BLACKMANS & ASSOCIATES PTY LTD <SUPER FUND A/C>	13,000,000	1.37%
JIAN XU	10,718,379	1.13%
MR KENNETH JOHN MAIDEN	10,521,751	1.11%
GREAT SEA WAVE INVESTMENT PTY LTD	9,167,333	0.97%
OCTAN ENERGY PTY LTD	8,990,347	0.95%
MACQUARIE BANK LTD	8,333,333	0.88%
THETA ASSET MANAGEMENT LIMITED <AUCTUS RESOURCES FUND A/C>	8,333,333	0.88%
MR DENNIS JAMES MORTON	7,282,719	0.82%
TECTOMET EXPLORATION PTY LTD	7,220,277	0.76%
PEAK SUCCEED INVESTMENTS LIMITED	6,666,667	0.70%
Total Securities of Top 20 Holdings	**804,899,891**	**84.98%**
Total of Securities	**948,149,110**	**100.00%**