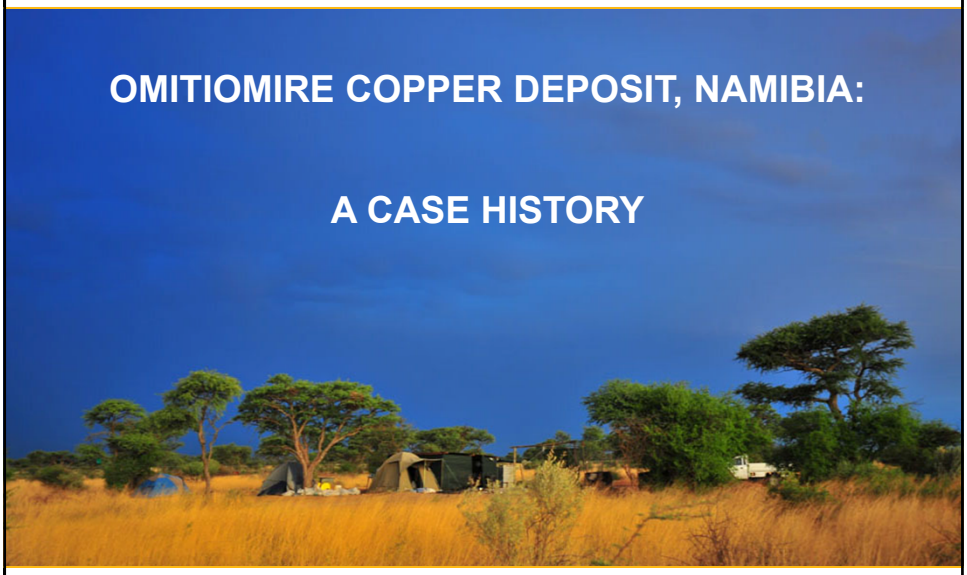
INTERNATIONAL BASE METALS LIMITED

OMITIOMIRE COPPER DEPOSIT, NAMIBIA:

A CASE HISTORY



Ken Maiden, Karl Hartmann & Ken Hart

Outline

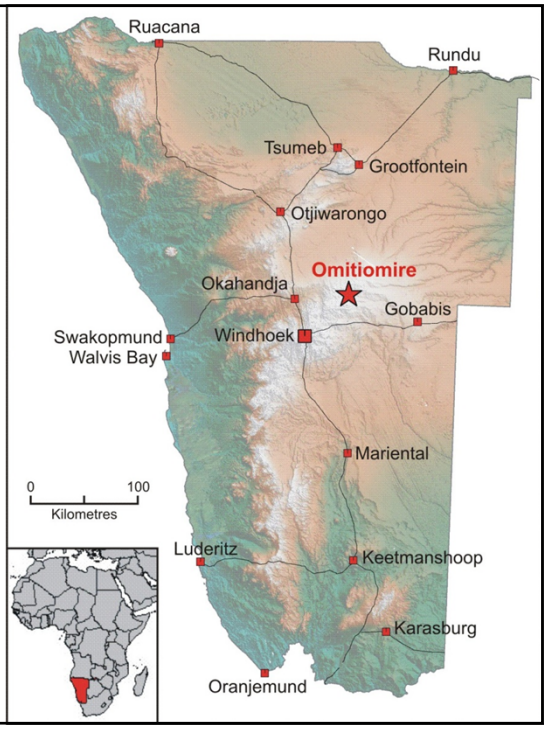
- **Introduction - Getting Started**
- **Geological Setting**
- **Understanding the Geology**
- **Expanding the Resource**
- **Creating a Viable Project**
- **Discovery Potential**

Why Namibia?

- Low political risk
- Developed mining industry
- Under-explored base metal trends
- Good infrastructure
- Effective mining & taxation legislation
- Security of tenure
- Full convertibility for foreign investment
- Good exploration & mining support

Getting started

- Namibian subsidiary - Craton Mining and Exploration (Pty) Ltd
- Office in Windhoek -
  - Exploration manager
  - Admin manager
  - 5 geologists
  - Support staff
  - Field teams
- Craton Foundation -
  - Established to provide funds for education



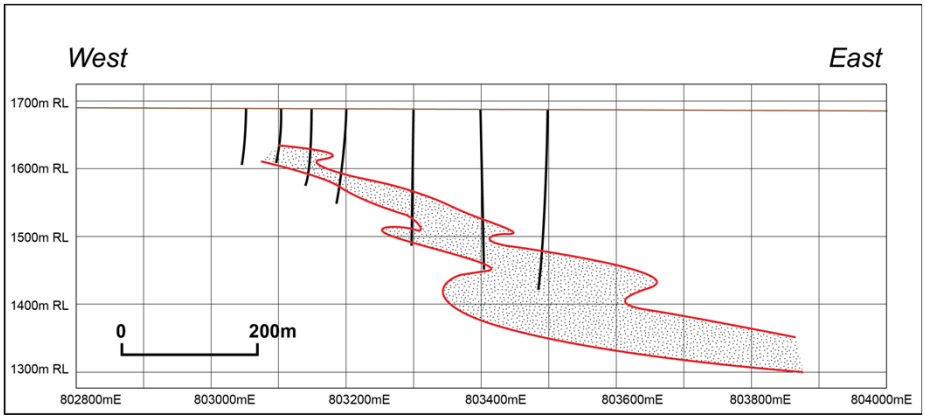
Getting started

- **Feb 2007** — **JV agreement with Cheetah Minerals (subsidiary of Manica Minerals)**
- **Apr 2007** — **Tenements granted**
- **May 2007** — **Ground magnetic survey**
- **May 2007** — **Assessment of pre-Craton drilling**
- **July 2007** — **Exploration manager appointed**
- **Aug 2007** — **First drill hole**
- **May 2008** — **JV converted to equity in IBML**

Geological setting - summary

- **Mesoproterozoic (~ 1100 Ma) basement dome**
- **Basic meta-volcanics (amphibolite & biotite-amphibole schist), felsic meta-volcanics (felsic gneiss) & intrusive tonalite sheets**
- **Bounded by thrusts related to Pan-African (Cambrian) collision of Congo & Kalahari Cratons**
- **Flanked by Damara Sequence (Neoproterozoic)**

Geological interpretation - Section 3970N



Omitiomire deposit + 0.2% Cu

Geology - summary

- Barren hanging wall felsic gneiss
- Sheared contact with underlying mineralised zone
- Highest copper immediately below hanging wall contact
- Recumbent folds repeat mineralised zone at depth
- Coarse-grained chalcocite cross-cuts foliation
- Chalcocite associated with post-cleavage biotite & epidote, plus minor sphene & fuchsite

→ Remobilisation of copper in late Damaran orogeny

OR Emplacement of copper in late Damaran orogeny

Mineralogy - summary

- Sulphide mineralogy dominated by chalcocite - digenite
- Minor bornite, rare chalcopyrite, no pyrite
- Poorly-developed supergene zone with covellite & native copper
- Oxidised to ~ 40m depth -
  - sulphides → malachite & chrysocolla
  - magnetite → iron oxides

Drill planning

Soil geochem - Outlined north-trending deposit

I.P. - Farm fences interfere with I.P. survey

- No significant conductivity differences

Magnetics - Response similar to unmineralised tonalite

Grid drilling - Up to 4 RC rigs & 2 diamond rigs

- 100m x 100m step-out drilling

  → Inferred Resource over 2500m x 700m

- 50m x 50m infill drilling

  - Indicated Resource in shallow southern area

Resource estimation

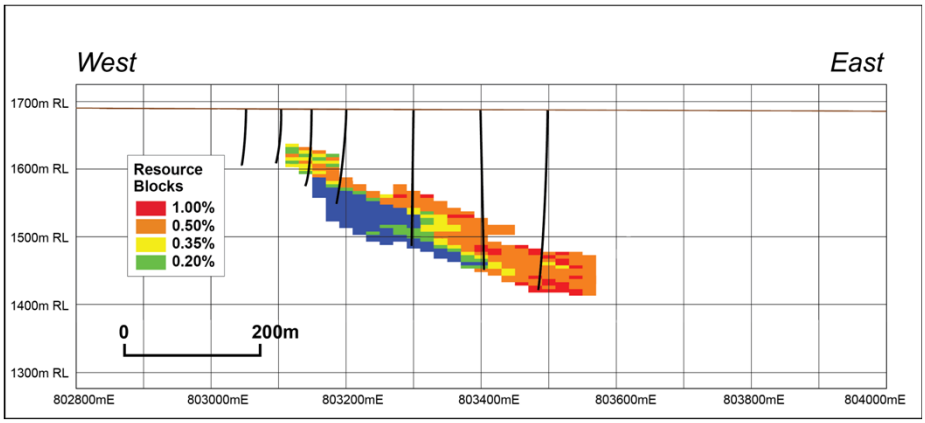
- Consultant's assessment of pre-Craton data in May 2007
- Periodic transfer of data to consultant from Nov 2007
- Consultant's site visit in 2008 - Check on procedures & QC
- Ongoing close collaboration between consultant & Craton staff
- Resource estimations in 2008 & 2010
- Addition of sulphide ratio (S_Ratio) and bandedness (DRUC)
- Two resource estimations -
  - (a) Whole blocks
  - (b) Blocks cut by ore zone outlines

Resource estimation 2010

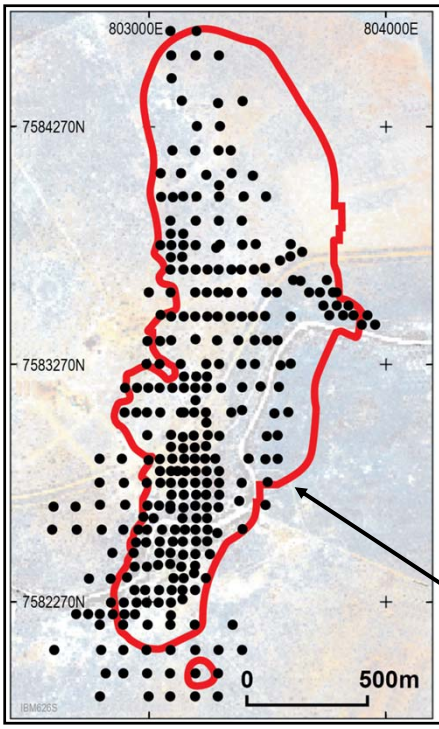
Cut Off	Ore (Mt)	Cu%	Cu (t)
0.10	240	0.31	753 000
0.20	143	0.45	638 000
0.25	117	0.50	579 000
0.35	74	0.61	453 000
0.45	50	0.71	356 000

Approx 20% Indicated, 80% Inferred

Resource blocks



Blocks confirmed by close-spaced (25m) drilling in two areas



Drilling Summary

- 305 holes, total > 50,000m
- Deposit covers 2,600m x 700m
- Stratabound body, 10 – 80m thick
- Deposit dips east
- Grade & thickness increase to east
- Depth > 250m at eastern edge
- Remains open at depth to east

Pre-feasibility study pit outline

Pre-concentration

- Deposit banded - centimetres to metres in thickness
- Copper in mafic schist bands - soft (< 150 MPa) & heavy (> 2.8 g/cm^3)
- Felsic gneiss bands barren - hard (> 200 MPa) & light (< 2.8 g/cm^3)

→ Cheap & effective pre-concentration by dense medium separation (DMS)

This process doubles the grade of mill feed to ~ 1% Cu

Mineralogy & flotation

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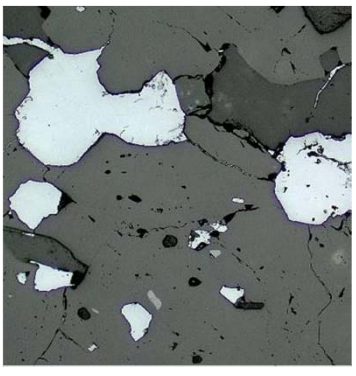
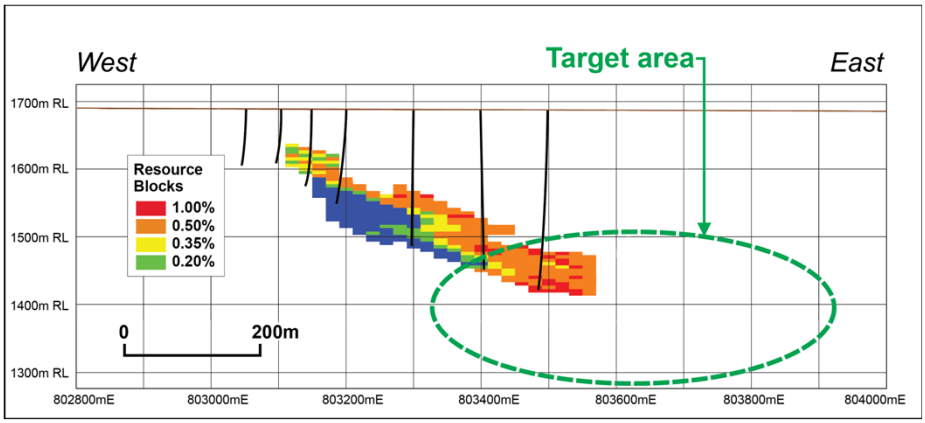
- Mainly coarse chalcocite (Cu_2S) with minor bornite (Cu_5FeS_4)
- Partly oxidised to 40m depth
- 90% sulphide copper recovery
  63% oxide copper recovery
- Sulphide flotation
  +50% Cu concentrate
  no deleterious elements (As Bi etc)



Pre-feasibility study at US$2.50 /lb

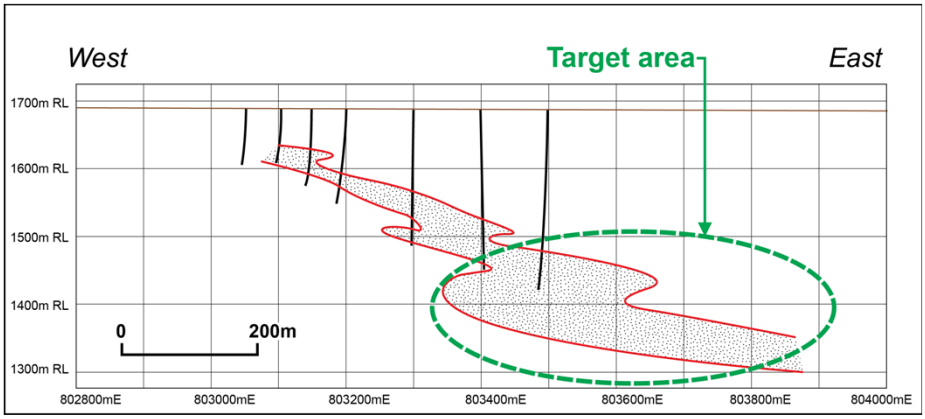
Item	Parameter
Total crusher feed	69 Mt at 0.55% Cu
Waste to ore ratio	5 - 6:1
Crusher feed	6 Mtpa
Processing	Crush, dense medium separation (DMS), grind, flotation
Mill feed	3.45 Mt at 1% Cu
Overall Recovery	Sulphides – 90%, oxides – 63%
Concentrate	30,000 – 36,000 tpa Cu in concentrate at + 50% Cu
Capex (incl mining)	US$297 Million
Opex (before royalties & taxes)	US$1.30 – 1.65/lb

Down-dip extension



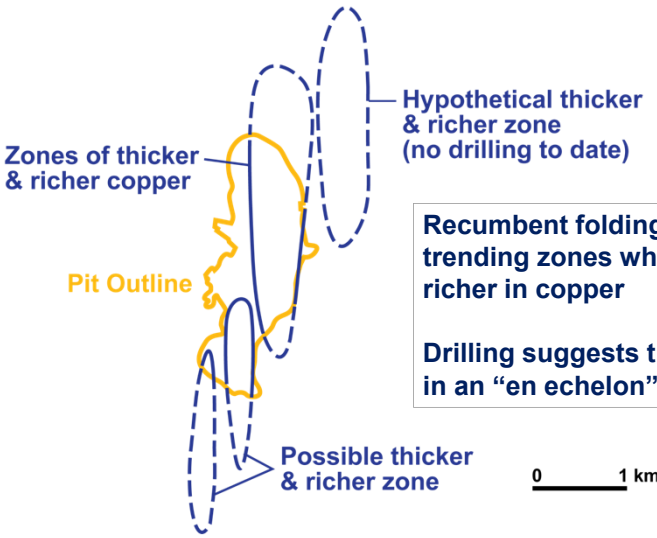
Resource blocks - Section 3970N

Down-dip extension - Section 3970N



Omitiomire deposit + 0.2% Cu

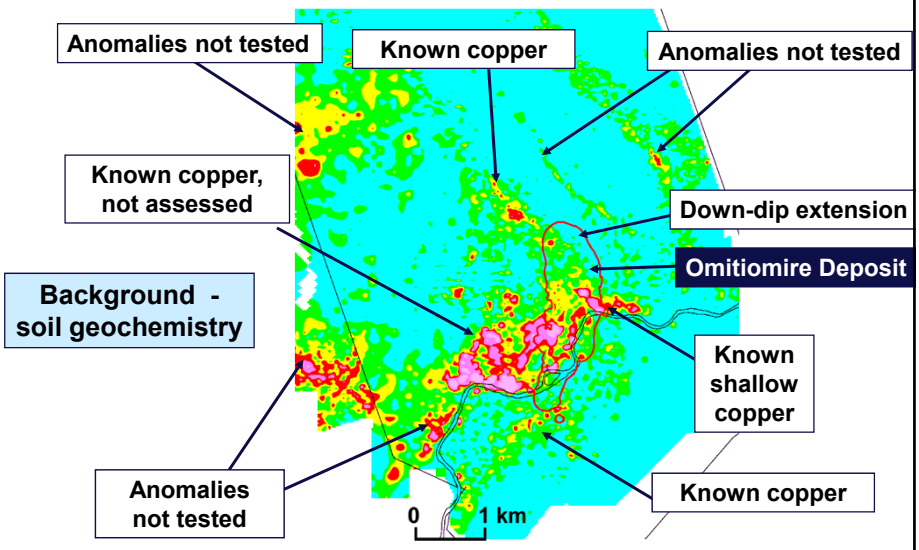
En echelon ore shoots



Recumbent folding results in north-trending zones which are thicker & richer in copper

Drilling suggests they are arranged in an "en echelon" pattern

Near-mine targets



"Trucking distance" targets

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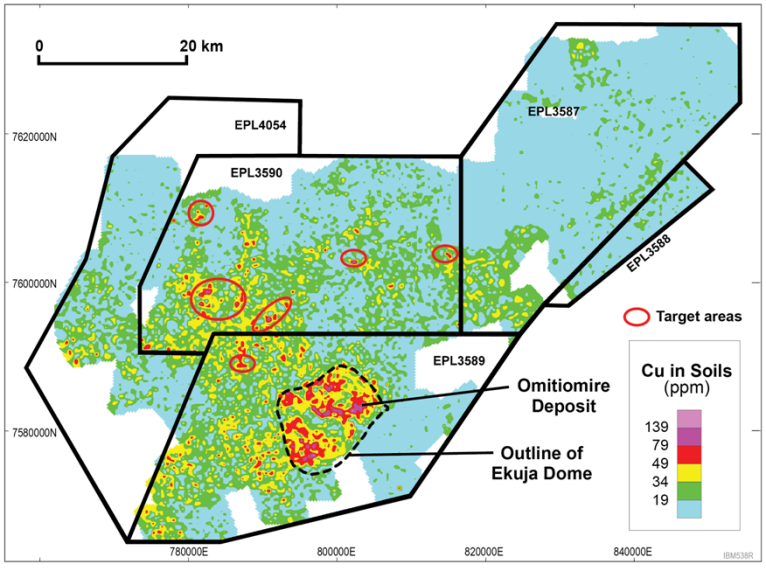

Omitiomire project - summary

- Tabular body, 10 – 80m thick, shallow dip
- Allows large-scale open-cut mining
- Substantial resource - over 600,000 tonnes contained copper
- Excellent potential to expand resource to + 1 million tonnes copper
- Process for cheap effective pre-concentration to ~ 1% Cu mill feed
- Mainly chalcocite (Cu_2S – 79% Cu) → concentrate grade + 50% Cu
- Clean concentrate - no deleterious elements (arsenic, etc)
- Accessible to grid power & water
- No significant environmental issues