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SIGNIFICANT EXTENSIONS TO MINERALISATION IDENTIFIED AT THE UNION PROJECT, BRAZIL

HIGHLIGHTS

➤ **Extension drilling identifies additional mineralisation outside existing resource modelling - Better Drill Assay Results Include;**

- **0.93m @ 8.32g/t Au** included in **3.6m @ 2.59g/t Au** from 75.3m - Hole ANA028
- **1.43m @ 1.16g/t Au** from 31.57m drill depth - Hole LZG035
- **0.73m @ 1.64g/t Au** from 56.4m drill depth - Hole LZG036
- **1.02m @ 1.26g/t Au** from 63.08m drill depth - Hole LZG037
- **1.6m @ 1.18g/t Au** from 51.7m drill depth - Hole LZG038

International Goldfields Limited (ASX: IGS) ("IGS" or "the Company") is pleased to announce assay results for an additional eleven diamond holes completed at the Union Project area as part of extension drilling along trend from the União, Carrapato, and Ana Prospects which form a significant portion of the Ouro Paz Gold Project's maiden Mineral Resource Estimation (MRE) totalling 690,000oz gold averaging 2.5g/t Au at the Company's Ouro Paz Joint Venture in Brazil.

The extension drilling includes targets between existing resources with up to 500m step-outs from known mineralisation. All holes are returning strong alteration and associated anomalism or favourable structure that confirms the anticipated continuity of a very strong and extensive mineralising system in the structural corridor at the Union Project. Several holes have returned favourable gold assay results requiring additional work to increase resource estimates to better define the project's full potential.

In addition to drilling, surface mapping and rock chip sampling work also continues, defining further resource extension targets within the 15km long mineralised corridor at the Union Project area now extending from Peru Prospect to the Jaca Prospect (refer to Figure 2) This mineralised corridor identified in previously announce surface geochemistry is host to a significant proportion of the current drilled mineral resource. Ongoing extension drilling has tested less than 20% of the mineralised corridor and additional surface exploration activities will be used to prioritise multiple favourable targets emerging in the district.

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Drilling

A total of 4,647m of drilling in 42 holes have been completed towards a 6,000m campaign for the 2014 field season. The final phase of drilling in the last 2,000m of the proposed program will focus on the main mineralised corridor at the Union Project area, where recent IP ground geophysical surveys and high resolution airborne magnetics have been integrated with surface geochemistry including soils, auger and trench work, to better prioritise targets in the extensive anomalous zone that extends over 15km from surface gold anomalism at the Jaca Prospect, to the recently acquired Peru Prospect, further extending the potential for additional mineralisation to the west.

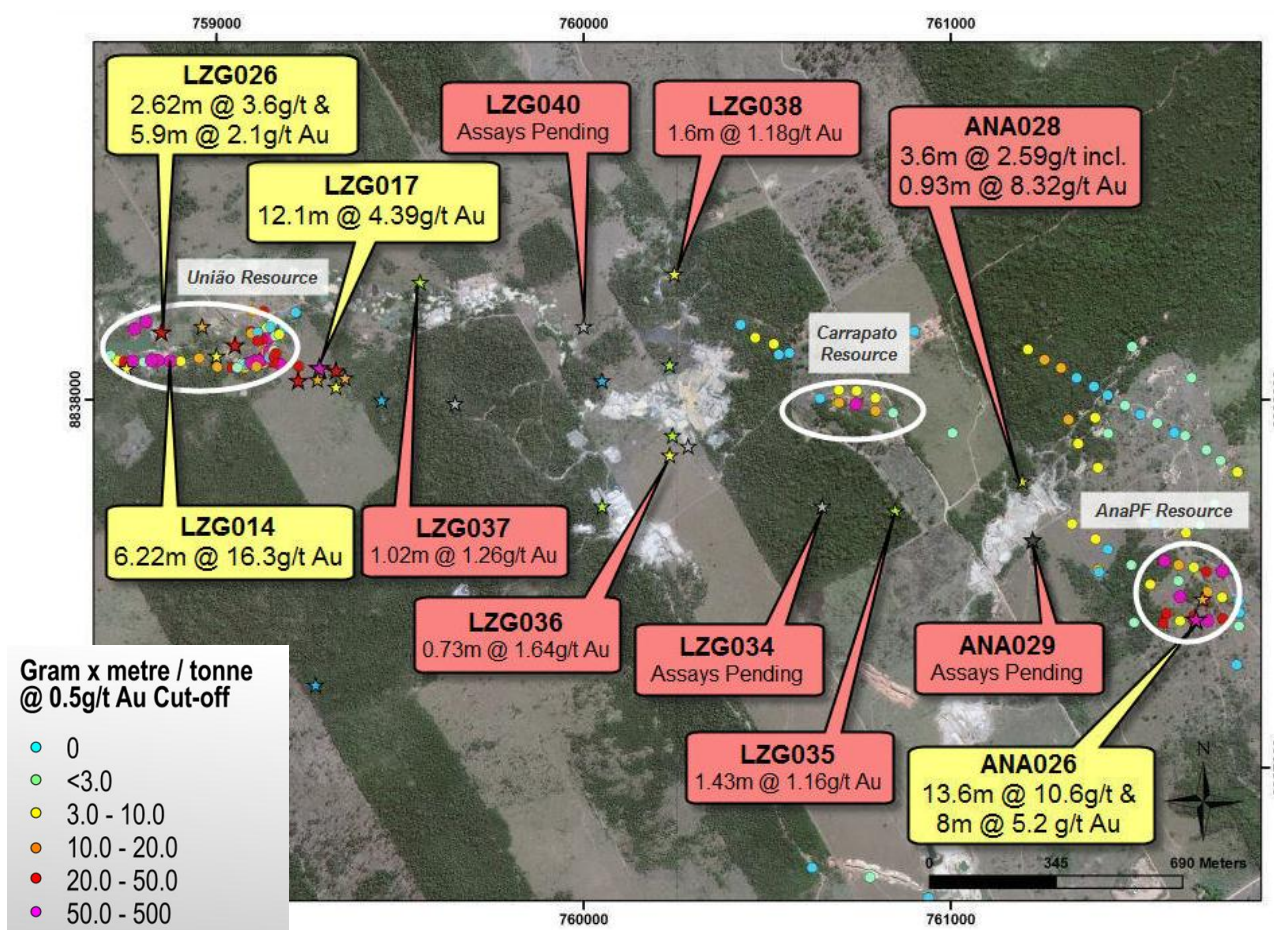


Figure 1: Union Project JV drill locations with better 2014 drill intercepts (previously announce results in yellow labelled and collar locations coloured by grade time thickness (gold grade in g/t multiplied by thickness in metres of drilled intercept at >0.5g/t Au) and all 2014 drill collar locations marked with star outlines.

The reported assay results from diamond drilling include hole ANA028, which returned 0.93m @ 8.32g/t Au included in 3.6m @ 2.59g/t Au from 75.3m. The hole ANA028, along with hole ANA029 (pending assay results) both target extensions to mineralisation within the 500m gap in drilling between Ana Prospect and Morro do Carrapato Prospect resources that is host to a significant artisanal (garimpo) workings in the dry drainage catchment between the two resource areas. The drilling confirms that blind mineralising structures persist beneath the transported surface mineralisation, and indicates potential continuity of the mineralised structure between the two resource estimate areas.

Reported exploration results also include several drill holes on targets within the 1.2km gap between the Uniao and Carrapato resource estimate areas. As previously reported, mineralisation has already been extended east from Uniao prospect into this corridor with this year's results in holes LZG017

through LZG022 (refer to releases to the ASX dated 29 August and 6 October 2014). Located a further 900m to the East from hole LZG019 is holes LZG036 and LZG031 which have identified a mineralised structure within the corridor between Uniao and the Carrapato resource. The holes have intersected wide zones of quartz breccia associate with sulphide alteration and haloed by strong quartz-sericite alteration in the surrounding granodiorite host rock providing some evidence to link the resources together.

Hole LZG038 has intersected strong quartz-sericite-pyrite alteration in two zones from 38m drill depth located 400m to the northwest of the Carrapato resource. The altered zones have returned moderate gold grades over relatively narrow widths with a best assay result of 1.75g/t Au from 52.5m drill depth, however the drilling confirms the persistence of the mineralised zone and quality of targeting methodology, and provides are relatively large strike extent of structural corridor with strong potential for mineralisation requiring additional exploration work.

Holes LZG034 (pending assay results) and LZG035 (1.43m @ 1.16g/t Au from 31.57m) represent a new structural corridor of mineralisation identified from recent ground IP geophysics that will also require additional exploration work at the Union project. The drilling highlights a sub-parallel zone of mineralisation located 200m to the south of the Carrapato resource area. Additional work is required to further test the strike extent of the mineralised zone and assess how the sub-parallel mineralisation is associated with the existing resource areas.

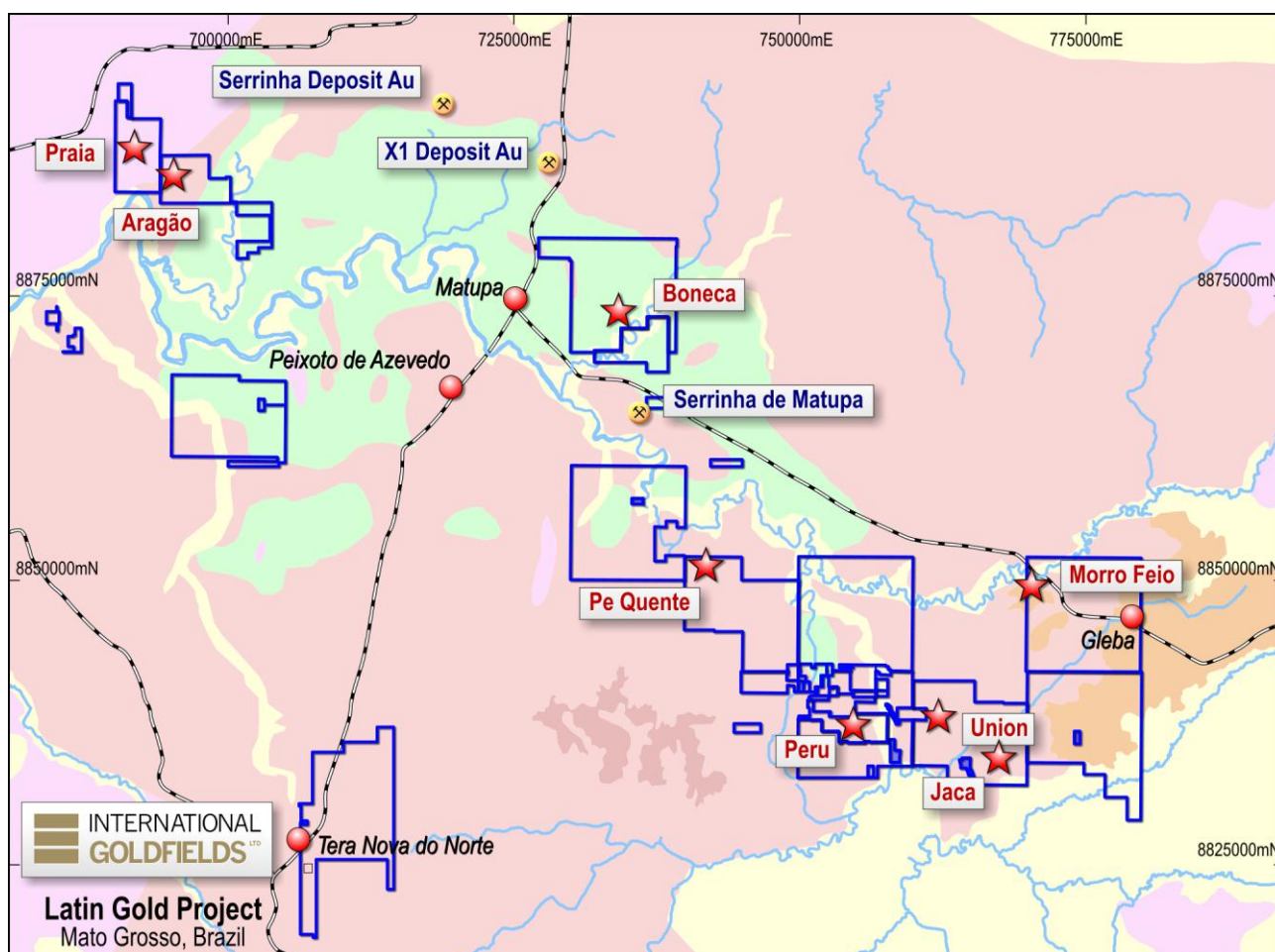


Figure 2: Latin Gold Project Location and Regional Geology – Alta Floresta Province

About the Ouro Paz JV

The Ouro Paz Gold Project is located in the state of Mato Grosso, Brazil, held in Joint Venture between IGS' 93% owned subsidiary Latin Gold Ltd, and Brazil-based Biogold Investment Fund. The project is host to over 1,000km² tenement position 100% held by the Brazilian entity CIA Mineradora Ouro Paz S.A., which is 35% owned by Latin Gold Ltd.

The Ouro Paz JV Project is host to a maiden MRE of 3.4M tonne Measured & Indicated Resource averaging 2.55g/t gold, and a 5.1M tonne Inferred resource averaging 2.48g/t gold for a total of 690koz Au of contained metal. The MRE for the Ouro Paz JV was completed by independent consultant Coffey Consultoria e Serviços Ltda (Coffey), a Brazilian subsidiary of Coffey International Ltd in accordance with the principles of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (JORC Code), and based on documentation prepared by a Competent Person as defined by the JORC Code. The MRE was prepared based on data acquired through 22 November 2013 and released to the ASX on 19 December 2013.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement dated 19 December 2013 and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

For required information under ASX listing rule 5.7.1, please refer to Appendix B of the IGS release to the ASX dated 06 October 2014 which provides information for the reported exploration results for drilling in the criteria of Section 1 and Section 2 of Table 1 from Appendix 5A of the JORC code ("JORC Table 1"). The exploration results in this report are a continuation of the same drilling program with previously reported results, and no changes to the JORC Table 1 are required for this report.

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The information included in this report that relates to Exploration Results is based on information compiled by Travis Schwertfeger, B.Sc, M.Sc., MAIG, a competent person who is a member of the Australian Institute of Geoscientists. Mr. Schwertfeger is a full-time employee of the Company in the role of Managing Director for International Goldfields Ltd, with a related party holding securities in International Goldfields. Mr Schwertfeger has worked as a geologist in regional exploration, mine evaluation, resource estimation and mineral production roles for over 15 years in precious and base metal deposits. Mr. Schwertfeger has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken 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'. Travis Schwertfeger consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information is extracted from the report entitled 'Maiden Resource Estimate of 690,000oz Gold - Ouro Paz Joint Venture, Mato Grosso, Brazil' created on 19 December 2013 and appended with the report entitled 'Additional information for the Ouro Paz Joint Venture Mineral Resource Estimation and Scoping Study' created 31 December 2013 and are available to view on www.intgold.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statement:

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

Appendix A: Drill Collar Table
(Significant Intercepts at 0.5g/t Au cut-off)

Hole ID	Prospect	Easting	Northing	RL	Inclination	Azimuth	Total Depth (m)	From (m)	To (m)	Drilled Interval (m)	Estimated True Thickness (m)	Au (g/t)	Ag (g/t)	Cu (percent)	
ANA028	ANA-MOC	761195	8837779	299	-55	180	130.52		75.3	78.9	3.6	NA	2.59	NA	NA
								including	75.3	76.23	0.93	NA	8.32		
ANA029	ANA-MOC	761224	8837619	296	-55	360	121.77	Assays Pending Analysis							
LZG028	União	759656	8837991	268	-50	343	113.6	No Significant Intercepts							
LZG029	União	759650	8837990	267	-50	360	0	Proposed Hole – Not Yet Drilled							
LZG031	União	760240	8837849	275	-55	360	164.84		116.45	116.9	0.45	NA	1.73	NA	NA
									131	132.9	1.9	NA	0.60	NA	NA
									136.58	138.36	1.78	NA	0.57	NA	NA
								139.36	140.4	1.04	NA	1.18	NA	NA	
LZG032	União	760055	8838053	269	-60	360	120.39	No Significant Intercepts							
LZG033	União	760050	8838204	265	-55	180	87.75	33.85	36.7	2.85	NA	0.55	NA	NA	
LZG034	União	760650	8837711	295	-55	360	157.70	Assays Pending Analysis							
LZG035	União	760850	8837700	305	-55	180	138.21	31.57	33	1.43	NA	1.16	NA	NA	
LZG036	União	760243	8837903	274	-60	360	90.91	56.37	57.1	0.73	NA	1.64	<1	0.56%	
LZG037	União	759555	8838320	264	-55	180	98.41	63.08	64.1	1.02	NA	1.26	NA	NA	
LZG038	União	760248	8838342	268	-55	180	120.35		39.5	41.8	2.3	NA	0.69	NA	NA
									51.7	52.5	1.6	NA	1.18	NA	NA
									74.09	76	1.91	NA	0.46	NA	NA