INTERNATIONAL GOLDFIELDS LTD

ABN 69 099 544 680

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

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Corporate Directory

DIRECTORS

David Tasker	Non-Executive Director
Kenny Keogh	Non-Executive Director
Nicholas Sage	Non-Executive Director

JOINT COMPANY SECRETARIES
Melissa Chapman
Catherine Grant Edwards

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ABN 69 099 544 680

ASX CODE: IGS (CURRENTLY NOT TRADING)

Directors present their report for International Goldfields Limited ("IGS" or "the Company") and its controlled entities for the year ended 30 June 2016, (together referred to as the "Consolidated Entity" or "the Group").

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows:-

Mr David Tasker	Non-executive Director
Mr Kenny Keogh	Non-executive Director (appointed 5 January 2018)
Mr Nicholas Sage	Non-executive Director (appointed 5 January 2018)
Mr Ray Shorrocks	Non-executive Director (appointed 8 September 2016; resigned 5 January 2018)
Mr Stephen Brockhurst	Non-executive Director (appointed 8 September 2016; resigned 5 January 2018)
Mr Jason Brewer	Non-executive Director (appointed 1 December 2015; resigned 8 September 2016)
Mr Travis Schwertfeger	Non-executive Director (resigned 31 July 2016)
Mr Michael Edwards	Non-executive Chairman (resigned 1 December 2015)

The directors were in office for the entire period unless otherwise stated.

Company Secretary

The following people held the position of company secretary during the financial year and at the date of this report:-

Ms Jane Flegg (resigned 7 July 2016)
Mr Jason Brewer (appointed 7 July 2016; resigned 8 September 2016)
Mr David Palumbo (appointed 8 September 2016; resigned 1 February 2018)
Ms Melissa Chapman and Ms Catherine Grant Edwards (appointed 1 February 2018)

PRINCIPAL ACTIVITIES

The principal focus of the Company is focusing on acquiring a highly promising mineral asset in Australasia while continue to maintain its interest in the Ouro Paz Gold Project in Brazil.

OVERVIEW

During the year ended 30 June 2016 the Group continued its program of resource confidence on the existing Maiden Resource Estimation in its effective 20% ownership in the Ouro Paz Gold Project in Brazil.

The Company is well advanced in the acquisition of another highly promising mineral asset in Australasia. Subject to successful completion of due diligence, the company expects to execute a term sheet to acquire majority interest in the proposed asset, which it believes would be highly complementary to the Ouro Paz Gold Project in Brazil.

OPERATING RESULTS

The Consolidated Entity recorded an operating loss after income tax and non-controlling interests of $925,322 (2015 loss: $8,893,463).

DIVIDENDS PAID OR RECOMMENDED

The directors recommend that no dividend be paid for the year ended 30 June 2016 nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

REVIEW OF OPERATIONS

Corporate

Definitive Agreement signed with WinterGarden Biosciences and subsequent termination

IGS signed a binding Definitive Agreement ("DA") with Jardin de Invierno SA, trading as WinterGarden Biosciences ("WinterGarden" or "WG"), for the acquisition by IGS of an 85% interest in WG (refer ASX announcement dated 1 May 2015).

WinterGarden is an emerging agriculture bioscience and biotechnology company based in Uruguay, with the aim of becoming one of the first companies in the world to legally harvest and produce non-synthetic cannabis products for the mass-market.

Uruguay is the first nation in the world to federally legalise research and development, as well as cultivation, sale and consumption of non-synthetic cannabinoids. Winter Garden, which possesses a plantation site, corporate headquarters and a laboratory in Uruguay, is able to take advantage of these new laws and regulations to become one of the first companies in the world to legally develop cannabis products.

Federal Uruguayan laws not only facilitate the legal use and research of cannabis, but also provision the use of cannabinoids containing a higher percentage of Tetrahydrocannabinol (THC), which is the psychoactive substance found within cannabis. Globally, growth and research on cannabis with a THC content of more than .03% is prohibited. This has altered every aspect of the plant to the point that it offers almost no useful research benefits. As a result, only synthetic plants can be utilised for research and these are ineffective and inadequate for both research as well as pharma-grade medical applications.

WinterGarden is seeking to grow, research and produce cannabis plants containing a THC content of approximately 1%. The higher THC content will assist Winter Garden to develop products that will provide clinical relief for a variety of neurological ailments. The ailments which could be improved by medicinal cannabis products are wide-ranging, from depression and post-traumatic stress disorder to anti-inflammation and neuropathic pain.

It has all required licences and infrastructure in place to enable this objective to be met.

On 17 July 2016 this transaction was terminated, due to the key terms of the agreement not being satisfied.

Santa Fe Update

IGS has 9,259,259 shares in Santa Fe Gold Corporation ("Santa Fe" or "SFEG") and Convertible Notes with face value of US$4 million plus accrued interest expired in October 2015.

On 26 August 2015 the Company advised that, Santa Fe and three affiliates filed voluntary chapter 11 cases pursuant to the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. In its chapter 11 filings, Santa Fe has indicated, among other things, that it intends to conduct a process to sell substantially all of the debtors' assets and, to facilitate a sale process, has entered into a debtor-in-possession loan facility with Waterton Global Value, L.P. ("Waterton") and a stalking horse purchase agreement with Waterton under which Waterton proposes to purchase the debtors' assets. The loan facility and sale process are subject to the approval of the bankruptcy court. A committee of unsecured creditors of Santa Fe has been formed to represent the interests of unsecured creditors in the chapter 11 cases. The Company has been appointed to this committee and will work with the other members of the committee to maximize the recovery to unsecured creditors and to achieve an outcome that is in the best interests of the creditors.

Further background on this can be found in the IGS announcement dated 28 April 2016.

Within this announcement IGS advised that it was awaiting the establishment of the General Unsecured Creditor Trust, which once established would see a total of US$500,000 distributed to unsecured creditors on a pro-rata basis. The matter was resolved in June 2016 and the Company subsequently received approximately $318,000 from the General Unsecured Creditor Trust trustee in August 2016 and May 2017 as a settlement of all outstanding liabilities with Santa Fe.

IGS retains 9,259,259 shares in Santa Fe. Santa Fe Gold Corporation share price as at January 2018 is US$0.16 per share.

Ouro Paz Gold Project

The Company's 93% owned subsidiary, Latin Gold Ltd, holds a 20% interest joint venture interest in the Ouro Paz Gold Project, located in Brazil. It remains committed to this interest and will continue to proactively work with its joint venture partners to progress development of this asset.

During the period It conducted no meaningful work as part of the Ouro Paz Gold Project JV.

Significant changes in the state of affairs
During the period the Company undertook and advanced a range of activities that had the potential to significantly change (in a positive way) the business.

These included:
- 11 August 2015, the Company announced that Jardin de Invierno SA, trading as WinterGarden Biosciences ("WinterGarden"), had obtained a range of key permits, licenses and authorisations from the Uruguayan government which provide it with the ability to import any and all varieties of hemp and cannabis Fativa-L (heirloom varieties), with no restrictions on cultivars and tonnage.
- 13 August 2015, the Company advised that Due Diligence on Winter Garden Biosciences successfully completed to the satisfaction of International Goldfields Board
- 30 October 2015, the Company confirmed that its effective interest in the Brazilian JV entity, CIA Mineradora Ouro Paz S.A. ("Ouro Paz JV"), had diluted to 20% due to a decision by the IGS board not to contribute to JV expenditure under the terms of the JV agreement.
- 5 February 2016, IGS announced that a binding Definitive Agreement ("DA") has been signed with Jardin de Invierno SA, trading as WinterGarden Biosciences ("WinterGarden" or "WG"), for the acquisition by IGS of an 85% interest in WG (refer ASX announcement dated 1 May 2015).

Likely developments and expected results
It is the intention of IGS to continue to review and advance discussions regarding a recapitalisation of the company and the attraction of an asset/ or assets capable of attracting new funding to the Company and delivering value to shareholders.

Significant events after balance sheet date
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years other than the following:

-On 7 July 2016, the Company announced effective 10 July 2016, it has terminated its agreement to acquire 85% interest in Jardin de Invierno SA, trading as WinterGarden Biosciences ("WinterGarden"). The refundable deposit of $212,000 has been impaired by the Company as at 30 June 2016 together with advances made to WinterGarden.

-On 18 August 2016, the Company announced that it had commenced negotiations regarding the acquisition of a highly prospective minerals asset in Australia.

-On 8 September 2016, the Company announced resignation of Jason Brewer from his position as Non-Executive Director and Company Secretary.

-On 8 September 2016, the Company announced appointments of Non-Executive Directors, Ray Shorrocks and Stephen Brockhurst. The company also announced the appointment of David Palumbo as the Company Secretary.

-On 3 October 2016, the Company announced expiry of 37,100,000 unlisted options at $0.01 exercise price.

-During the period August 2016 to November 2016, the directors and various external creditors had agreed to forgive liabilities totalling $592,655. The Group has also entered into agreement with its Convertible Note holders (details at note 18 of this report) to convert the existing Convertible Note principal amounts into IGS shares at $0.002 per share. As at the date of this report, the Group has received $323,000 worth of Convertible Note acceptances.

-On 30 June 2017, the Company's 14,850,640 unquoted options exercisable at $0.03 expired unexercised.

-On 4 October 2017, the Company announced that it has been progressing with a range of acquisition options, new asset and suitable funding before it applies to the ASX to re-commence the trading of Company's securities.

-On 4 October 2017, the Company announced that Latin Gold, which owns the Brazilian gold assets and in which the Company holds an approximate 95% interest, has had a liquidator appointed.

-On 5 January 2018, Mr Kenny Keogh and Mr Nicholas Sage were appointed as Non-Executive Directors of International Goldfields Limited effective immediately. As a result of the appointments, Messrs Shorrocks and Brockhurst resigned as Non-Executive Directors of International Goldfields Limited effective immediately.

-In February 2018, the Company entered into agreement with various trade creditors and directors to convert the existing outstanding amounts totalling $107,784 into IGS shares at $0.002 per share. The Company is anticipating for the conversion of trade creditors balances and directors' fees to be shareholder approved and converted within 8 weeks of the date of this report.

-In February 2018, the Company announced resignation of David Palumbo from his position as Company Secretary and the appointment of Joint Company Secretaries of Melissa Chapman and Catherine Grant-Edwards.

INFORMATION ON DIRECTORS

Mr David Tasker (Director)
BBus

Mr Tasker is the National Director of Investor Relations at Professional Public Relations and is a specialist corporate communications and investor relations consultant with over 15 years' experience in the mining and resources sector. He has extensive knowledge of corporate finance, compliance and reporting and excellent contacts with capital markets and the media.

Mr Tasker has not held directorships of other listed companies in the 3 years prior to the end of the financial year.
Mr Tasker holds no shares in IGS.

Mr Kenny Keogh (Director)

Mr Keogh is an experienced finance and development professional with experience in Mining, Oil & Gas and Renewables projects. Mr Keogh is currently Executive General Manager at UON Pty Ltd. Mr Keogh is based in Western Australia and consults to various private companies and holds key management position in UON Pty Ltd. Mr Keogh also runs his own successful investment firm which holds interest in Mining, Services and Hospitality businesses.

Mr Keogh holds a degree in Accounting & Finance from DBS and also holds MBA (AIB). Mr Keogh holds no shares in IGS.

Mr Nicholas Sage (Director)

Mr Sage is an experienced marketing and communications professional with in excess of 25 years in various management and consulting roles. Mr Nicholas Sage is based in Western Australia and currently consults to various companies and has held various managements roles with Tourism Western Australia. He also runs his management consulting business.

Mr Nicholas Sage is currently a director of Cauldron Energy Limited and Fe Limited. Mr. Sage holds no shares in IGS.

Mr Ray Shorrocks (Director)

Mr Shorrocks has over 20 years' experience working in the investment banking industry, and is highly conversant and experienced in all areas or mergers and acquisitions and equity capital markets, including a significant track record of transactions in the metals and mining, industrials and property sectors.

Mr Shorrocks heads the corporate finance department of Patersons Securities Limited in Sydney, and is also a director of a Draig Resources Limited, Estrella Resources Limited, Galilee Energy Limited, Indago Energy Limited and number of private companies. Mr. Shorrocks resigned on 5 January 2018.

Mr Stephen Brockhurst (Director)
BCom

Mr Brockhurst has 15 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses on a number of initial public offers and transactions. Mr Brockhurst's experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements.

Mr Brockhurst has served on the Board and acted as a Company Secretary for numerous ASX listed and private companies. Mr Brockhurst is also a director of Estrella Resources Limited and Roto-Gro International Limited. Mr. Brockhurst resigned on 5 January 2018.

Mr Travis Schwertfeger (Director)
BSc, Msc

Mr Schwertfeger is a professional geologist with over 15 years of gold exploration experience in Australia, North and South America and West Africa. Mr. Schwertfeger resigned as a director of the Company during the financial year.

Mr Jason Brewer (Director, Company Secretary)

Jason Brewer has over 20 years' international experience in investment banking, funds management and the natural resources sector. Mr Brewer is an engineer with a Master's degree from Imperial College of Science and Technology, London and has worked for major global investment banks including Dresdner Kleinwort Benson, NM Rothschild & Sons (Australia) Limited and Investec Bank (Australia) Limited in London, Sydney and Perth where he had particular responsibility for structuring and arranging corporate and project funding facilities.

Mr David Palumbo (Company Secretary)

Mr Palumbo is a Chartered Accountant with over ten years' experience in the accounting and financial reporting of ASX listed and unlisted companies, which includes five years as an external auditor.

Mr Palumbo provides corporate advisory and financial management advice and specializes in corporate compliance, statutory reporting and financial accounting services. Mr Palumbo has also been involved in the listing of several junior exploration companies on the ASX and currently acts as Company Secretary for a number of ASX listed/unlisted and private companies.

Ms Melissa Chapman and Ms Catherine Grant-Edwards (Joint Company Secretaries)

Ms Melissa Chapman and Ms Catherine Grant-Edwards were appointed as Joint Company Secretary on 1 February 2018. Ms Chapman and Ms Grant-Edwards are directors of Bellatrix Corporate Pty Ltd ('**Bellatrix'**), a company that provides company secretarial and accounting services to a number of ASX listed company.

CORPORATE STRUCTURE

IGS is a company limited by shares that is incorporated and domiciled in Australia. The Company has prepared a consolidated financial report incorporating the entity that it controlled during the financial year, which are outlined in Note 16 of the financial statements.

LOSS PER SHARE	**2016**	**2015**
Basic loss per share (cents)	(0.10)	(1.15)

CAPITAL STRUCTURE

As at the date of this report, the Company had 814,542,456 (2015: 814,542,456) fully paid ordinary shares and Nil options over ordinary shares on issue.

CASH FROM OPERATIONS

The net cash outflow from operations was $162,317 compared to a cash outflow during 2015 year of $498,054. The cash balance at year end was $12,658.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity holds licences issued by the relevant regulatory authorities of the various countries in which the group operates. These licences specify limits and regulate the management associated with the operations of the Company. There have been no significant known breaches of the consolidated entity's licence conditions.

SHARES UNDER OPTION

As at the date of this report, there was no unissued ordinary share under option

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. No options were exercised during the year.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has entered into Director and Officer Protection Deeds ("D&O Deed") with each Director and the Company Secretary ("Officers"). Under the D&O Deed, the Company indemnifies the Officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the Officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the D&O Deed.

Also pursuant to the D&O Deed, the Company must insure the Officers against liability and provide access to all board papers relevant to defending any claim brought against the Officers in their capacity as officers of the Company. The Company has paid insurance premiums of $9,900 (2015: $12,530) in respect of liability for any current and future directors, company secretary, executives and employees of the Company. This amount is payable in total and no specific amount is included in the directors' remuneration.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

REMUNERATION REPORT (AUDITED)

This Report outlines the remuneration arrangements in place for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning and directing the major activities of Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Remuneration Policy

The Company's remuneration policies are reflected in the Company Charter. It is the Company's objective to provide maximum stakeholder benefit from the retention of higher quality board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The Company's remuneration policy is to establish competitive remuneration (including performance incentives) consistent with long term development and success, to ensure remuneration is fair and reasonable (taking into account all relevant factors, and within appropriate controls or limits) that performance and remuneration are appropriately linked, that all remuneration packages are reviewed annually or on an ongoing basis in accordance with management's remuneration packages, and that retirement benefits or termination payments (other than notice periods) will not be provided or agreed other than in exceptional circumstances.

It is the Company's objective that the remuneration policy aligns with the achievement of strategic objectives and creation of long term value for shareholders. The Company does not use specific performance indicators in determining remuneration or short term rewards.

Services from remuneration consultants

The Group did not use any remuneration consultants for the year ended 30 June 2016.

Group Performance and shareholder wealth

Below is a table summarising key performance and shareholder wealth statistics for the consolidated entity over the last five financial years.

Financial year	Loss after tax $'000s	Loss per share Cents	Share Price $
30 June 2012	(13,472)	(2.36)	0.03
30 June 2013	(20,930)	(3.58)	0.004
30 June 2014	(5,097)	(0.79)	0.002
30 June 2015	(8,893)	(1.15)	0.002
30 June 2016	(925)	(0.10)	-*

*The company last traded on 9 March 2016. Share price as at this date was $0.003.

Remuneration Committee

The board has not established a separate Remuneration Committee. The IGS Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and executives. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Non-Executive Director Remuneration

The aggregate cash remuneration to non-executive directors will not exceed the maximum approved amount of $500,000. The board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable by shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers fees paid to non-executive directors of comparable companies when undertaking the annual review as well as additional time commitment of directors who serve on one or more sub committees and assistance to the Company with new investment opportunities.

Non-executive directors are encouraged by the board to hold shares in the Company. It is considered good corporate governance for directors to have a stake in the Company on whose board he or she sits.

Executives' and Executive Directors' Remuneration
During the financial year, the Company did not have Executives employed by the Company. Director David Tasker was acting in the capacity of an Executive during the period to date of this report.

Fixed Remuneration

Base pay and benefits

Base pay is structured as a total employment cost package that may be delivered as a combination of cash and salary sacrifice superannuation at the executive's discretion.

Executives are offered a competitive base pay. Reference is made to industry benchmarks to ensure that the base pay is set to reflect the market for a comparable role. Base pay is reviewed annually, or upon promotion, to ensure the executive's pay is competitive with comparable positions of responsibility. There is no guaranteed base pay increases included in any executive contracts.

Equity Based Remuneration

Options may be granted to certain executives, employees and consultants of the Group in the form of share-based payments. There is currently no formal employee share plan, however selected employees of the Group can be granted options. The purpose of the grant of options to selected employees is to:

- recognise the ongoing ability of the employees of the Group and their expected efforts and contribution in the long term to the performance and success of the Company; and

- provide an incentive to the employees of the Group to remain in their employment in the long term.

No options were granted to key management personnel during the financial year 2016. No options were vested or forfeited during the financial year.

Details of Remuneration

Details of the remuneration each director of the consolidated entity was paid or was entitled to be paid during the year are as follow:

Key Management Personnel Compensation

30 June 2016	Short Term Salary & Fees $	Post Employment Superannuation $	Termination Benefits $	Equity Options $	Total $	Option Related %
Directors						
Michael Edwards (i) Non-Executive Chairman	15,000	-	-	-	**15,000 (iii)**	-
David Tasker Non-Executive Director	48,000	-	-	-	**48,000 (iii)**	-
Travis Schwertfeger Non-Executive Director	24,318	-	-	-	**24,318**	-
Jason Brewer (ii) Non-Executive Director	21,000	-	-	-	**21,000 (iii)**	-
Total	**108,318**	**-**	**-**	**-**	**108,318**	**-**

(i) Mr Edwards resigned on 1 December 2015.
(ii) Mr Brewer was appointed on 1 December 2015.
(iii) Subsequent to the year-end, the directors signed deeds of release of their entitled directors' fees resulting in an extinguishment of debt owed to these directors by the Company.

30 June 2015	Short Term Salary & Fees $	Post Employment Superannuation $	Termination Benefits $	Equity Options $	Total $	Option Related %
Directors						
Michael Edwards Non-Executive Chairman	36,000	-	-	-	**36,000**	-
David Tasker Non-Executive Director	48,000	-	-	-	**48,000**	-
Travis Schwertfeger Chief Executive Officer	120,112	7,268	-	-	**127,380**	-
Total	**204,112**	**7,268**	**-**	**-**	**211,380**	**-**

EMPLOYMENT CONTRACTS

Employment Contract – Mr David Tasker

The Non-Executive Director, Mr David Tasker is employed under contract. Mr Tasker's remuneration is an annual salary of $48,000. In the event of Mr Tasker's employment being terminated other than in the case of misconduct, either party must give one month's notice. In addition to the notice period, one month's fee is payable at the date of termination. Alternatively, 2 months fees can be paid in lieu of notice.

Employment Contract – Mr Travis Schwertfeger

Mr Schwertfeger was appointed Chief Executive Officer and Managing Director on 18 January 2012. Mr Schwertfeger is employed under a contract and his remuneration is $208,000 per annum. Mr Schwertfeger resigned from this position on the 18th of November 2014. He was then appointed as a non-executive director and has an annual remuneration of $36,000. In the event of Mr Schwertfeger employment being terminated other than in the case of misconduct, either party must give one month's notice. In addition to the notice period, one month's fee is payable at the date of termination. Alternatively, 2 months fees can be paid in lieu of notice. Travis resigned as non-executive director on 31 July 2016.

Employment Contract – Mr Jason Brewer

The Non-Executive Director, Mr Jason Brewer is employed under commercial terms in line with his fellow Directors. Mr Brewer's remuneration is an annual salary of $48,000. In the event of Mr Brewer's employment being terminated other than in the case of misconduct, either party must give one month's notice. In addition to the notice period, one month's fee is payable at the date of termination. Alternatively, 2 months fees can be paid in lieu of notice.

There were no other key management personnel of the Group during the financial years ended 30 June 2015 and 30 June 2016. No remuneration is performance related.

The Group pays for Director's Indemnity Insurance. The premium is payable in total and no separate amount is included in the director's remuneration.

Share Based Compensation

No options were issued to Directors and Key Management personnel during the current year. No awards were exercised during the current year.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. No remuneration options were exercised for the year ended 30 June 2016 (30 June 2015: nil).

Interests in the shares and options of the company and related bodies corporate
At 30 June 2016, the interests of the directors in the shares of the Company were:

		Ordinary Shares	Options Over Ordinary Shares
M Edwards	Non-Executive Chairman	-	-
D Tasker	Non-Executive Director	-	-
T Schwertfeger	Non-Executive Director	305,555	-
J Brewer	Non-Executive Director	-	-

There were no changes in the share and option holdings of the key management personnel during the financial year. No shares or options were issued to any party including the Key Management Personnel or exercised during the year.

Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2016 (2015: Nil).

Related party transactions

As at 30 June 2016, the following balances remain payable to the Key Management Personnel and their related parties. All of these arose from the remuneration payable to Key Management Personnel.

Payable to KMP	2016 $	2015 $
M Edwards and his related parties	87,600	72,600
D Tasker and his related parties	134,400	86,400
T Schwertfeger	74,170	49,852
J Brewer	21,000	-
Total	317,170	208,852

End of Remuneration Report

Directors' Meetings

The number of meetings of directors held during the year and the number of meetings attended by each director was as follows:

	Directors' Meetings held	Directors' Meetings attended
Number of Meetings Held		
M Edwards	1	1
D Tasker	1	1
T Schwertfeger	1	1
J Brewer	-	-

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of IGS support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained on company's website at http://www.intgold.com.au

Auditor Independence and Non-Audit Services

Section 307C of the Corporation Act 2001 requires our auditors, Ernst and Young, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is disclosed on page 14 of this report and forms part of this directors' report for the year ended 30 June 2016.

Non-Audit Services

The Company's auditors, Ernst and Young, did not provide for any non-audit services during this financial year 2016 (2015: NIL).

Signed in accordance with a resolution of the directors.

David Tasker
Director

6 March 2018

Building a better
working world

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Auditor's Independence Declaration to the Directors of International Goldfields Limited

As lead auditor for the audit of International Goldfields Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

V L Hoang
Partner
6 March 2018

Director's Declaration

1. In the opinion of the directors:

   (a) the accompanying financial statements, notes and additional disclosures are in accordance with the *Corporations Act 2001* including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the year then ended; and

      (ii) complying with Accounting Standards (includes the Australian Accounting Interpretations) and Corporations Regulations 2001.

   (b) Subject to the matters disclosed in Note 1 (c), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1(e).

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2016.

The declaration is signed in accordance with a resolution of the Board of Directors.

D Tasker

David Tasker
Director

6 March 2018

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Independent auditor's report to the members of International Goldfields Limited

Report on the financial report

We were engaged to audit the accompanying financial report of International Goldfields Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Basis for disclaimer of opinion

Going Concern

As detailed in Note 1 to the financial statements, as at 30 June 2016, the Group had net current liabilities of $4,030,465 and the total liabilities exceed its total assets by $3,166,017 with limited cash available to fulfil its short term expenditure commitments. The Group's ability to continue as a going concern is dependent on its ability to:

- Dispose of its investment in Santa Fe Gold Corporation, an OTC listed trading entity in the United States, at an acceptable price to the Group in the short term

- Secure agreements with its convertible noteholders to convert its existing convertible note principal amounts into shares in International Goldfields Limited and with major creditors and lenders to forgive or defer repayment of their debts.

We have been unable to obtain sufficient appropriate evidence as to whether the Group can achieve the above matters and we have therefore been unable to determine whether it is appropriate to prepare the financial statements on a going concern basis.

Carrying value of investment in CIA Mineradora Ouro Paz (“Ouro Paz”)

As detailed in Note 15 to the financial statements, included in the 2016 Investment in Joint Venture balance was an amount of $864,448, representing the Group’s interest in the incorporated joint venture, Ouro Paz. The audit of Ouro Paz was last undertaken as at 31 December 2014 and we have therefore been unable to obtain audited financial statements after this date.

In the absence of updated audited financial statements from Ouro Paz, we have been unable to obtain sufficient appropriate audit evidence to determine the accuracy of the share of profit or loss of this equity accounted investee, nor have we been able to assess the recoverable value of this investment. Consequently, we have been unable to determine whether any adjustments to the carrying amount of the investment as at 30 June 2016, the share of profit or loss of equity accounted investee for the year then ended, or any associated disclosures were necessary.

Carrying value of loan from CIA Mineradora Ouro MT S.A (“Ouro MT”)

As detailed in Note 17 to the financial statements, included in the 2016 borrowing balance was an amount of $1,268,894 being an advance from Ouro MT to the Group to meet its cash calls from Ouro Paz. The Group announced on 30 October 2015 that it had elected to repay the outstanding balance to Ouro MT with shares in Ouro Paz and had diluted its interest in Ouro Paz to 20%. We have not been provided with the underlying agreement with Ouro MT in relation to this settlement.

In the absence of a legally binding agreement to confirm the settlement, we have been unable to obtain sufficient appropriate audit evidence to determine the accuracy of the carrying value of the advance from Ouro MT and the reasonableness of the interest expense accrued on the advance. Consequently, we have been unable to determine whether any adjustments to the carrying amount of the advance as at 30 June 2016 or interest expenses for the year then ended or associated disclosures were necessary.

Liabilities recorded in Latin Gold Limited (Liquidators appointed) (“Latin Gold”)

As detailed in Note 16 to the financial statement, the Group held a 93% interest in Latin Gold. On 8 May 2017, Latin Gold was wound up by the High Court in London and liquidators were subsequently appointed. This decision was made by the High Court following a winding-up petition by OCRA Trustees (Seychelles) Limited as Trustee of Global Trust (formerly Amazonegold Seychelles Trust) (“OCRA Trustees”) in relation to an outstanding amount of GBP16,021,601 arising from a Sale & Purchase agreement dated 23 May 2008 between the Group and OCRA Trustee. The Group has not been able to confirm with the liquidators the progress of the liquidation and to what extent the liquidators have considered and accepted the claim from OCRA Trustees. At 30 June 2016, the Group recognised no liabilities in relation to the claim.

Without a full understanding of the progress of the liquidation process and the extent to which the liquidators have accepted OCRA Trustees claim, we have been unable to obtain sufficient appropriate audit evidence to determine if any part of the OCRA Trustee’s claim should be recognised by the Group. Consequently, we have been unable to determine whether any adjustment to the carrying amount of the Group’s liabilities as at 30 June 2016 or associated disclosures was necessary.

Unsecured loans and convertible notes to external third parties

As detailed in Note 17 to the financial statements, included in the Group's 2016 borrowings was $96,000 worth of convertible notes issued during this financial year. The Group was unable to provide the underlying agreements with the noteholders specifying terms and conditions of the notes.

In the absence of these agreements, we have been unable to obtain sufficient appropriate audit evidence to assess the reasonableness of the accounting treatment of the note and the accuracy of interest expenses accrued. Consequently, we have been unable to determine whether any adjustment to the carrying amount of the borrowing balance or associated disclosures was necessary.

Valuation of the foreign currency translation reserve

As detailed in the Consolidated Statement of Changes in Equity to the financial statements, included in the 2016 foreign currency translation reserve was a foreign translation loss of $1,883 arising from the translation of the Group's subsidiaries' financial statements, denominated in foreign functional currencies, into Australian dollars. We have been unable to obtain sufficient appropriate audit evidence to assess the reasonableness of the measurement of this foreign currency translation gain. Consequently, we have been unable to determine whether any adjustment to the carrying amount of the foreign currency translation reserve was necessary.

Impact of the 2015 disclaimer of opinion

We issued a disclaimer of opinion dated 30 September 2015 on the financial report of the Group for the year ended 30 June 2015 as we were unable to obtain sufficient appropriate audit evidence to assess:

a. Whether the Group could achieve specific matters relating to its ability to continue as a going concern

b. The reasonableness of the carrying value of the investment in CIA Mineradora Ouro Paz

c. The reasonableness of the carrying value of the loan receivable from Jardin De Invierno S.A.

Since the 30 June 2015 carrying values of the investment in CIA Mineradora Ouro Paz and the loan receivable from Jardin De Invierno S.A. are included in the determination of the impairment charge and therefore the financial performance of the Group for the year ended 30 June 2016, we were unable to determine whether adjustments might have been necessary in respect of the impairment change and the loss reported in the statement of comprehensive income for the year ended 30 June 2016.

Disclaimer of opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Emphasis of matter – Liquidators appointed for Latin Gold Limited in May 2017

As detailed in Note 16, in May 2017, Latin Gold Limited ("Latin Gold"), a 93% owned subsidiary of the Group was wound up by the High Court in London and liquidators were subsequently appointed. This decision was made by the High Court following a winding-up petition by OCRA Trustees (Seychelles) Limited as Trustee of Global Trust (formerly Amazonegold Seychelles Trust) ("OCRA Trustees") in relation to an outstanding amount of GBP16,021,601 arising from a Sale & Purchase agreement dated 23 May 2008 between the Group and OCRA Trustee. At 30 June 2016, Latin Gold holds the Group's equity interest in the Ouro Paz project in Brazil with a carrying value of $864,448 (as detailed in Note 15) and the loan from CIA Mineradora Ouro MT S.A with a carrying value of $1,312,288 (as detailed in Note 17). No adjustments have been made to these balances as a result of this subsequent event. Our opinion is not modified in respect of this matter.

Report on the remuneration report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2016. 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.

Opinion

In our opinion, the Remuneration Report of International Goldfields Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

Report on other legal and regulatory requirements

Due to the matters described in the Basis for Disclaimer of Auditor's Opinion paragraphs, we have not been given all information, explanation and assistance necessary for the conduct of the audit; and we are unable to determine whether the company has kept:

a. financial records sufficient to enable the financial report to be prepared and audited; and

b. other records and registers as required by the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

V L Hoang
Partner
Perth
6 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2016

		CONSOLIDATED	
		2016	2015
REVENUES	**Note**	**$**	$
Interest Received	2	**33**	241,646
Other Income – reversal of previously recognised impairment expenses	2	**318,000**	72,422
EXPENSES			
Employee and consultancy expenses	2	**(168,317)**	(333,988)
Share based payments	11	-	(132,415)
Public Relation Expenses		**(29,800)**	(62,079)
Acquisition costs		-	(162,500)
Corporate Expenses		**(354,589)**	(689,409)
Depreciation	2	-	(16,750)
Realised gains on sales of Segue Shares		-	181,892
Borrowing costs		**(445,841)**	(209,036)
Gain in fair value of financial assets at fair value through profit & loss	8	**182,312**	287,849
Share of loss of equity accounted investment	15	-	(1,485,369)
Loss in fair value of financial assets at fair value through profit & loss	8	**(79,093)**	(829,409)
Impairment expense	2	**(327,811)**	(5,886,082)
Foreign currency (loss)/gain		**(20,216)**	129,765
Loss before income tax expense		**(925,322)**	(8,893,463)
Income tax benefit	3	-	-
Loss for the year		**(925,322)**	(8,893,463)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit and loss			
- Exchange differences on translation of foreign operations attributable to Parent		**(81,007)**	318,819
Items that may not be reclassified subsequently to profit and loss			
- Exchange differences on translation of foreign operations attributable to Non-Controlling Interest		**79,124**	(475,144)
Total comprehensive loss for the period		**(927,205)**	(9,049,788)
Loss attributable to:			
Owners of the parent		**(847,950)**	(9,100,945)
Non-controlling Interest		**(77,372)**	207,482
		(925,322)	(8,893,463)
Total comprehensive loss for the period attributable to:			
Owner of the parent		**(928,957)**	(9,246,623)
Non-controlling interest		**1,752**	196,835
		(927,205)	(9,049,788)
Loss per share from continuing operations attributable to the members of the parent			
Basic loss per share (cents per share)	5	**(0.10)**	(1.15)
Diluted loss per share (cents per share)	5	**(0.10)**	(1.15)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2016

		CONSOLIDATED	
		2016	2015
	Note	**$**	$
Current Assets			
Cash and cash equivalents	6	**12,658**	1,845
Trade and other receivables	7	**318,000**	103,899
Financial assets at fair value through profit and loss	8	**200,702**	97,483
Total Current Assets		**531,360**	203,227
Non-Current Assets			
Loan Receivable from Winter Garden	7	-	162,500
Investment in Joint Venture	15	**864,448**	864,448
Total Non-Current Assets		**864,448**	1,026,948
Total Assets		**1,395,808**	1,230,175
Current Liabilities			
Trade and other payables	12	**1,172,420**	689,624
Borrowings	17	**3,370,972**	2,751,056
Provisions	17	**18,433**	28,307
Total Current Liabilities		**4,561,825**	3,468,987
Total Liabilities		**4,561,825**	3,468,987
Net Liability		**(3,166,017)**	(2,238,812)
Shareholders' Deficit			
Issued capital	13	**89,429,882**	89,429,882
Reserves	13	**4,728,010**	4,809,017
Accumulated losses		**(96,783,156)**	(95,935,206)
Parent entity interest		**(2,625,264)**	(1,696,307)
Non-controlling interest		**(540,753)**	(542,505)
Total shareholders' deficit		**(3,166,017)**	(2,238,812)

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2016

INTERNATIONAL GOLDFIELDS LTD

	Note	CONSOLIDATED 2016 $	2015 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(162,350)**	(507,817)
Interest received		**33**	1,646
Other income		-	9,638
Interest & other borrowing expenses		-	(1,521)
Net cash used in operating activities	6	**(162,317)**	(498,054)
Cash Flows from Investing Activities			
Exploration and development expenditure		-	(781,334)
Return of restricted cash		-	170,085
Proceeds on sale of Segue shares		-	681,892
Loan funds to WG		-	(162,500)
Net cash used in investing activities		-	(91,857)
Cash Flows from Financing Activities			
Proceeds from borrowings		-	738,870
Proceeds from Convertible Notes		**196,000**	-
Repayment of borrowings		**(22,870)**	(327,945)
Cash Flows from Financing Activities		**173,130**	410,925
Net increase / (decrease) in cash and cash equivalents		**10,813**	(178,986)
Cash and cash equivalents at beginning of year		**1,845**	180,893
Effects of exchange rate changes on cash		-	(62)
Cash and Cash Equivalents at end of year	6	**12,658**	1,845

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2016

CONSOLIDATED	Issued Capital $	Accumulated Losses $	Option Reserve $	Foreign Currency Reserve $	Non-controlling Interest $	Total Equity $
As at 1 July 2014	**89,297,467**	**(86,834,261)**	**4,606,913**	**(116,715)**	**(274,843)**	**6,678,561**
Loss for the period	-	(9,100,945)	-	-	207,482	(8,893,463)
Other comprehensive income	-	-	-	318,819	(475,144)	(156,325)
Total comprehensive (loss) / income for the period	**-**	**(9,100,945)**	-	**318,819**	**(267,662)**	**(9,049,788)**
Recognition of share-based payments	132,415	-	-	-	-	**132,415**
Balance at 30 June 2015	**89,429,882**	**(95,935,206)**	**4,606,913**	**202,104**	**(542,505)**	**(2,238,812)**
Loss for the period	-	(847,950)	-	-	(77,372)	(925,322)
Other comprehensive income	-	-	-	(81,007)	79,124	(1,883)
Total comprehensive (loss) / income for the period	**-**	**(847,950)**	-	**(81,007)**	**1,752**	**(927,205)**
Balance at 30 June 2016	**89,429,882**	**(96,783,156)**	**4,606,913**	**121,097**	**(540,753)**	**(3,166,017)**

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate information

International Goldfields Limited ('IGS') (the Parent) is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. IGS shares were also being traded on the Frankfurt Stock Exchange as from 2015 financial year. The Company is a 'for profit entity' and primarily is involved in the exploration, evaluation and exploitation of precious metals. The Company currently has interests in investments in highly prospective gold fields in Brazil. The Company is registered and domiciled in Australia.

(b) Basis of Preparation

The consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial report has been prepared on a historical cost basis, except for certain financial assets at fair value.

(c) Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 30 June 2016, the Consolidated Entity had net current liabilities of $4,030,465 (30 June 2015: net current liabilities of $2,238,812) and a net shareholders' deficit of $3,166,017 (30 June 2015: net shareholders' deficit of $3,265,760). The cash balance at 30 June 2016 was $12,658 (30 June 2015: $1,845).

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to continue as a going concern. In forming this view, the directors have considered the Group's current position and funding objective via the disposal of its currently held investment in Santa Fe Gold Corporation (OTC: SFEG) (OTC listed trading entity). The Group is currently in negotiations to dispose of its 9,259,259 fully paid ordinary shares investment in SFEG to a third party with expected net proceeds of approximately USD $900,000 to be generated.

In the event that the above funding option does not result in the receipt of cash in the short term, the Group would need to seek alternative sources of funding to meet its immediate operating obligations.

The Group has also entered into agreement with certain Convertible Note holders to convert the existing Convertible Note principal amounts into IGS shares at $0.002 per share. As at the date of this report, the Group has received $323,000 worth of Convertible Note acceptances. In February 2018, the Group entered into agreement with various trade creditors and directors to convert the existing outstanding amounts totalling $107,784 into IGS shares at $0.002 per share. The Group is anticipating for the conversion of Convertible Notes, trade creditors balances and directors' fees to be shareholder approved and converted within 8 weeks of the date of this report. In addition and subsequent to year-end, the directors and certain external creditors have agreed to forgive liabilities totalling $592,655 as part of Group's current restructuring plan.

The Directors are confident that with the incoming funds from the sale of SFEG investment shares, Convertible Notes conversions and settlement of existing creditors, the Group will be able to rapidly advance the acquisition of a new asset and suitable funding to re-list.

The Directors are of a view that the Latin Gold liability for the settlement of the cash calls provided to Latin Gold during the 2015 financial year to fund the exploration operations at its project in Brazil should not require a cash outflow. As per the executed agreement, Latin Gold's interest could dilute its interest in the Brazilian project if the Company does not meet the agreed cash call requirements.

Should the Consolidated Entity not achieve the matters as outlined above, there is significant uncertainty as to whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in this financial report. This financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Company and the Consolidated Entity not be able to continue as a going concern.

(d) New accounting standards and Interpretations

New accounting standards adopted in the current period

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

New accounting standards and interpretations issued but yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2016. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

(e) Statement of Compliance

The financial report was authorised for issue on 2 March 2018.

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(f) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2016 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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 to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

(g) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments 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 Company.

(i) Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

(ii) *Taxation*
Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

(h) Income Tax

Excepted as note below, deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

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.

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 the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences 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 entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it has become probable that the sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(i) 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.

(j) Plant and Equipment

Plant and equipment is measured on the cost basis less accumulated depreciation and impairment losses.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Impairment
Carrying values of assets are reviewed at each balance date to determine whether there are any objective indicators of impairment that may indicate the carrying values may not be recoverable in whole or in part.

Where an asset does not generate cash flows that are largely independent it is assigned to cash generating unit and the recoverable amount test applied to the cash generating unit as a whole.

Recoverable amount is determined as the greater of fair value less costs to sell and value in use. The assessment of value in use considers the present value of future cash flows discounted using an appropriate pre-tax discount rate reflecting the current market assessments of the time value of money and risks specific to the asset.

An impairment exists if the carrying value of the asset is determined to be in excess of its recoverable amount, the asset or cash generating unit is written down to its recoverable amount.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and office equipment	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

(k) Foreign Currency Transactions and Balances

The functional and presentation currency of International Goldfields Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the average exchange rates of the reporting period. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All differences in the consolidated financial report are taken to the Statement of Comprehensive Income with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of a net investment, at which time they are recognised in the Statement of Comprehensive Income.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

The functional currency of the overseas subsidiaries is Brazilian Real ("BRL"), Great British Pound ("GBP") and Central African Franc ("CFA").

As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of IGS at the rate of exchange ruling at the balance date and the Statement of Comprehensive Income are translated at the average rate for the period.

The exchange differences on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity is recognised in the Statement of Comprehensive Income.

(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 three months or less.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue is capable of being reliably measured.

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividend revenue is recognised when the right to receive the payment is established.

All revenue is stated net of the amount of goods and services tax.

(n) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Segment Reporting

Operating segments are reported in the manner that is consistent with internal reporting provided by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of International Goldfields Limited.

(p) Financial Assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments or available-for-sale investments, as appropriate. The Group determines the classification of its financial assets on initial recognition.

Financial assets at fair value through profit and loss

Financial assets classified as held for trading are included in the 'financial assets at fair value through the profit and loss' category. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in profit and loss.

(q) Derecognition of financial assets and financial liabilities

Financial assets

A financial asset is derecognised when the rights to receive cash flows from the asset have expired.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(r) Share Based Payment Transactions

Equity settled transactions

The Group may provide benefits to directors and employees (including senior executives) of the Group in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of these equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black & Scholes model, further details of which are given in Note 12.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of IGS (market conditions) if applicable.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If terms of equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.
If equity settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and

designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(s) Employee Benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave are due to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken, and are measured at the rates paid or payable.

(t) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(u) Comparative Figures

Certain comparative figures have been adjusted to conform to changes in presentation in the current financial year.

(v) Investment in Joint Venture

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Impairment of investment in Associates" in the statement of profit or loss.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

	CONSOLIDATED	
	2016	2015
	$	$
2. REVENUES AND EXPENSES		
Interest (Includes interest receivable from Santa Fe - see note 9)	**33**	241,646
	33	241,646
Other Income		
Royalty from Segue	-	7,500
Loan Forgiven from Yorkville	**-**	62,715
Refund from Tenements	**-**	2,207
Reversal of previously recognised impairment expenses (note 9)	**318,000**	-
	318,000	72,422
(b) Depreciation – plant and equipment	**-**	16,750
(c) Employment and consultancy expenses		
- wages and fees	**108,317**	333,988
- consultancy expenses	**60,000**	-
	168,317	333,988
(d) Impairment expense		
Impairment of Loan Santa Fe (note 9)	-	4,642,592
Impairment of Investment in Ouro Paz (note 15)	-	1,243,490
Impairment of receivable from Jardin De Invierno S.A (note 7)	259,186	-
Impairment of receivable from OKAP	66,145	-
Others	2,480	-
Impairment Expense for the financial year	**327,811**	**5,886,082**

	CONSOLIDATED	
	2016	2015
	$	$
3. INCOME TAX		
(a) Income tax benefit		
Major component of tax benefit for the year:		
Current tax	**-**	-
Deferred tax	**-**	-
	-	-
(b) Reconciliation to Income Tax Expense on Accounting Loss		
The prima facie income tax expense on pre tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before income tax	**(925,322)**	(8,893,463)
Tax payable/(benefit) at the statutory income tax rate 30%	**(277,596)**	(2,668,039)
Non Deductible Expenses		
Entertainment expenses	**-**	1,754
International travel expenses	**2,284**	6,217
Tax losses and timing differences not recognised	**262,394**	2,588,268
Cost in respect of foreign operations	**-**	125,519
Other non-deductible expense	**12,918**	(53,719)
Income tax benefit	**-**	-

	CONSOLIDATED	
	2016	2015
	$	$

3. INCOME TAX (Continued)

(c) Unused tax losses		
Unused tax losses – revenue *	**5,116,343**	32,982,642
Unused tax losses – capital	**1,038,696**	17,414,849
Potential tax benefit not recognised at 30%	**(1,846,512)**	(15,036,997)

*The decrease in the losses available is a result of a recent review undertaken by the Group's tax advisor to determine the eligibility to be carried forward of the existing tax losses.

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia and

(iii) no changes in tax legislation in Australia, adversely affect the Group in realising the benefit from the deductions for the losses.

Tax Consolidation

International Goldfields Limited and its 100% owned Australian resident subsidiaries formed a tax consolidation group with effect from 1 July 2003. IGS is the head entity of the tax consolidated group. Members of the group have entered into a tax funding and sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro rata basis. In addition the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The group has applied the group allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, IGS. The difference between the current tax amount that is allocated under the tax funding agreement and the amount that is allocated under the allocation method is recognised as an equity contribution/distribution.

4. SEGMENT REPORTING

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board in assessing performance and in determining the allocation of resources. During the period, the Group operated predominantly in one business segment being the gold exploration sector. The financial results from this segment are equivalent to the financial statements of the Group as a whole. Total revenue earned by the Group is generated in Australia. The following presents the non-current assets by geographic regions.

	CONSOLIDATED	
	2016	2015
	$	$
Geographic information – non-current assets		
Australia	**-**	-
Brazil	**864,448**	864,448
Total non-current assets	**864,448**	864,448

	CONSOLIDATED	
	2016	2015
	Cents per Share	Cents per Share
5. LOSS PER SHARE		
Basic / diluted loss per share	**(0.10)**	(1.15)
	$	$
Loss used in calculation of total basic / diluted earnings per share	**(847,950)**	(9,100,945)
Weighted average number of ordinary shares for the purposes of basic / diluted earnings per share	**814,542,456**	770,389,814
Effect of dilution:		
- share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**814,542,456**	770,389,814

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements. 51,950,640 outstanding options at year-end (30 June 2015: 70,950,640 options) are antidilutive as the Group made losses for the financial year.

	CONSOLIDATED	
	2016	2015
	$	$
6. CASH AND CASH EQUIVALENTS		
Cash at bank	**12,658**	1,845

Cash at bank earns interest at floating rates based on daily bank deposit rates and are with financial institutions with a credit rating of A or higher.

6. CASH AND CASH EQUIVALENTS (continued)

	CONSOLIDATED	
	2016	2015
	$	$
(i) Reconciliation of Loss for the Year to Net Cash Flows (used in) / from Operating Activities		
Loss for the year	**(925,322)**	(8,893,463)
Depreciation of assets	**-**	16,750
Impairment in Associates and equity accounting losses	**-**	1,485,369
Loss on financial assets at fair value through profit or loss	**79,093**	1,243,490
Impairment expenses	**327,811**	5,472,001
Share based payments	**-**	132,415
Gain on financial assets at fair value through profit or loss	**(182,312)**	(287,849)
Unrealised foreign exchange loss	**20,216**	129,821
Borrowing costs	**445,841**	209,036
Other income	**(318,000)**	72,422
Decrease / (increase) in assets:		
– Current receivables	**214,101**	120,039
– Non-current receivables	**(162,500)**	(402,495)
(Decrease) / increase in liabilities:		
– Current payables	**338,755**	204,410
Cash flow used in operating activities	**(162,317)**	(498,054)

7. CURRENT TRADE AND OTHER RECEIVABLES

	2016	2015
	$	$
Loan Receivable from Santa Fe (refer to note 9)	**318,000**	-
GST recoverable and other receivable	-	103,899
	318,000	103,899

Trade receivables are non-interest bearing and are generally on 30 day terms. All trade and other receivables are current. Given the short term nature of trade and other receivables, the carrying value is equal to the fair value.

On 23 August 2016 and 1 May 2017, the Company received $210,000 and $108,000 from Santa Fe as a repayment of the outstanding loan.

NON CURRENT ASSETS	**$**	$
Loan Receivable from Winter Garden	-	162,500
	-	162,500

As part of the Winter Garden Heads of Agreement, IGS had to make an initial payment of $325,000. The first payment of $162,500 was accounted for as acquisition cost in the Statement of Comprehensive Income. The 2nd payment made was for $129,179. This is a refundable loan at 0% interest if the Winter Garden deal does not go through. During the financial year, the Group also paid $130,000 to Winter Garden. In July 2016, the company announced the termination of the deal resulting to an impairment expense of $259,186 recognised in the income statement.

8. FINANCIAL ASSETS

	CONSOLIDATED	
	2016	2015
	$	$
Opening balance listed shares (including OTC market)	**97,483**	1,131,544
Receipt of Segue Shares in relation to sales of Plumridge	**-**	7,500
Disposal of Segue Shares	**-**	(500,000)
Loss in fair value from revaluation	**(79,093)**	(829,410)
Gain in fair value from revaluation	**182,312**	287,849
Financial assets at fair value through profit and loss	**200,702**	97,483

Financial assets comprise listed investments (including those in the OTC market) in the ordinary share capital of various entities. The fair value of financial assets has been determined directly by reference to published price quotation in an active market (level 1 fair value hierarchy). All of these financial assets were purchased and sold on market. Refer to note 17 for security arrangement.

9. NON-CURRENT RECEIVABLES

	CONSOLIDATED	
	2016	2015
	$	$
Loan Santa Fe including interest receivable at start of FY	-	4,402,592
Interest Receivable accrued during the year	-	240,000
Impairment of loan to Santa Fe	-	(4,642,592)
Impairment reversal	318,000	-
Total loan to Santa Fe	318,000	-
Of which		
- Current assets	318,000	-
- Non-current assets	-	-

The Loan receivable as well as accrued interest receivable from Santa Fe has been fully impaired in 2015 when Santa Fe Gold Corporation and its three affiliates filed voluntary chapter 11 cases pursuant to the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware resulting in an impairment expense of $4,642,592. $318,000 was subsequently reversed during the financial year ended 30 June 2016 and reflected the amount the Group expected to receive from Santa Fe as part of its restructuring effort to emerge from the voluntary petitions under Chapter 11. The amount was received in October 2016 and May 2017.

10. PLANT AND EQUIPMENT

	CONSOLIDATED	
	2016	2015
	$	$
Cost	**103,895**	103,895
Accumulated depreciation and impairment	**(103,895)**	(103,895)
Net carrying amount	**-**	-
Plant and Equipment		
At beginning of year, net of accumulated depreciation and impairment	**-**	16,750
Additions	**-**	-
Disposals/ Write off of PPE	**-**	-
Depreciation charge for the year	**-**	(16,750)
At end of year, net of accumulated depreciation and impairment	**-**	-

11. SHARE BASED PAYMENT PLAN

a) Recognised share based payment transactions

Share based payment transactions recognised either as operation expenses in the statement of comprehensive income or cost of business acquisition during the year were as follows:

	CONSOLIDATED	
	2016	2015
	$	$
Operating expenses		
Facility fee settled in shares & options	-	132,415
	-	132,415

b) Share based payment

During 2016 financial year, the Group did not issue any options as part of the remuneration incentives to its executive officers, consultants and employees.

The table below summarises options issued to consultants as part of the remuneration incentives:

Grant Date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired / forfeited during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
7/10/2011	31/12/2015	$0.08	6,500,000	-	-	(6,500,000)	-	-
25/11/2011	31/12/2015	$0.08	7,500,000	-	-	(7,500,000)	-	-
16/10/2013	30/06/2016	$0.03	5,000,000	-	-	(5,000,000)	-	-
11/10/2013	30/09/2016	$0.01	37,100,000	-	-	-	37,100,000	37,100,000
26/06/2014	30/06/2017	$0.03	14,850,640	-	-	-	14,850,640	14,850,640
			70,950,640	**-**	**-**	**(19,000,000)**	**51,950,640**	**51,950,640**
Weighted remaining contractual life (yrs)			0.47	-	-	-	0.47	0.47
Weighted average exercise price			$0.016	-	-	$0.067	$0.015	$0.015

c) Option valuation

The fair value of options granted were determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

No options were issued during the financial year (2015: Nil).

		CONSOLIDATED	
		2016	2015
	Note	**$'000s**	$'000s
12. TRADE AND OTHER PAYABLES			
Trade payables	(i)	**824,030**	591,142
Other creditors and accruals		**348,390**	98,482
		1,172,420	689,624

(i) Trade payables and other creditors are non-interest bearing and are normally settled on 30 day terms. Given the short term nature of trade and other payables, the carrying value is equal to the fair value. Including in the other payable is fees accrued to Okap Ventures for the provision of strategic and corporate advisory, capital raising, company secretarial, financial management, investor and public relations and associated services of $150,000 (2015: Nil). Total expenditure payable to Okap Ventures for the year was $150,000 (2015: $375,000).

	CONSOLIDATED	
	2016	2015
	$	$
13. CONTRIBUTED EQUITY AND RESERVES		
Issued capital	**89,429,882**	89,429,882

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

	No.	$'000s
Movement in ordinary shares on issue:		
At 1 July 2014	**671,669,555**	89,297,467
Shares issued during the year	142,872,901	132,415
At 30 June 2015	**814,542,456**	**89,429,882**
Shares issued during the year	-	-
At 30 June 2016	**814,542,456**	**89,429,882**

	Option Reserve	Foreign Currency Translation Reserve	Total
Reserves – Consolidated	**$'000s**	**$'000s**	**$'000s**
At 30 June 2014	4,606,913	(116,715)	4,490,198
Foreign currency translation	-	318,819	318,819
At 30 June 2015	**4,606,913**	**202,104**	**4,809,017**
Foreign currency translation	-	(81,007)	(81,007)
At 30 June 2016	**4,606,913**	**121,097**	**4,728,010**

Refer to the Statement of Changes in Equity for a reconciliation of movements in accumulated losses and non-controlling interest.

Option reserve

This reserve is used to record the value of equity benefits provided to directors, employees and external service providers as part of their fees and remuneration.

Nature and Purpose of Reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

Capital Management

The Group's capital comprises share capital, reserves less accumulated losses amounting to a net deficiency of $3,166,017 at 30 June 2016 (2015: net deficiency of $2,238,812).

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels, distributions to shareholders and share and option issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior period.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash, receivables, financial assets at fair value through profit and loss, other financial assets and payables.

The Group manages its exposure to key financial risks in accordance with its risk management policy with the objective to ensure that the financial risks inherent in exploration activities are identified and managed accordingly.

The main financial risks that arise in the normal course of business for the Group's financial instruments are foreign currency risk, interest rate risk, credit risk, equity price risk and liquidity risk. Management employs different methods to measure and mitigate the different risks to which the Group is exposed. These include monitoring exposure to foreign exchange risk and assessments of market forecast for interest rate, foreign exchange, equity prices and commodity prices. Liquidity risk is managed by development of rolling budgets and forecasts.

Primary responsibility for identification and control of financial risks lies with the Board of Directors, under the authority of the Board. The Board is abreast of these risks and agrees any policies that may be implemented to manage the risks identified.

The following table outlines the Group's financial liabilities and provides an ageing analysis:

	Current	90 – 120 Days	120 – 180 Days	180 + Days	Total
30 June 2016					
Financial liabilities					
Trade and other payables	1,172,420	-	-	-	**1,172,420**
Loans and borrowings	3,370,972	-	-	-	**3,370,972**
Total	**4,543,392**	**-**	**-**	**-**	**4,543,392**

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

30 June 2015	**Current**	**90 – 120 Days**	**120 – 180 Days**	**180 + Days**	**Total**
Financial liabilities					
Trade and other payables	766,519	-	-	-	**766,519**
Loans and borrowings	2,674,161	-	-	-	**2,674,161**
Net Maturity	**(3,440,680)**	**-**	**-**	**-**	**(3,440,680)**

Foreign currency risk

Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

During 2015 financial year, the Group was exposed to US dollar (USD) foreign exchange risk as a result of its term deposits in USD. The Group does not enter in to any financial arrangements to mitigate the exposure to foreign currencies. The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at balance date is as follows:

	2016 **$**	2015 $
Cash balances denominated in USD:	-	313
Loan balances denominated in USD:	(1,492,091)	(1,318,585)
	(1,492,091)	(1,318,272)

The effect on the statement of comprehensive income due to reasonably possible change in market factors, as represented by movement in exchange rate, which all other variable held constant is indicated in the table below:

	Effect on Post Tax Earnings		**Impact on Other Comprehensive Income**	
	Increase/(Decrease)		**Increase/(Decrease)**	
	2016	2015	**2016**	2015
	$	$	**$**	$'
Consolidated				
USD/AUD 5%	**(54,323)**	**(64,150)**	**-**	-
USD/AUD -5%	**54,323**	**46,150**	**-**	-

The sensitivity analysis is based on reasonably possible changes expected over the following financial year using general economic and financial forecasts.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest Rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group's interest bearing liabilities bear fixed interest rates and are therefore subject to interest rate risk. The Group manages the risk by investing in short term deposits.

	Consolidated	
	2016	2015
	$	$
Cash balances and term deposits	**12,658**	**1,845**

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income to a reasonably possible change in interest rates, with all other variables constant.

	Effect on Post Tax Losses		Impact on Other Comprehensive Income	
	Increase/(Decrease)		Increase/(Decrease)	
	2016	2015	**2016**	2015
	$	$	**$**	$
Increase 25 basis points	**222**	**32**	**-**	**-**
Decrease 25 basis points	**(222)**	**(32)**	**-**	**-**

A sensitivity of 25 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis was performed on the same basis in 2015.

Credit risk

The consolidated entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position. The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question. Cash are with financial institutions with a credit rating of A or higher.

Equity price risk

Price risk is the risk that the fair value of investment in equities decrease or increase as a result of changes in market prices. The Group is exposed to equity price risks arising from financial assets fair value through profit and loss as disclosed in note 8. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the balance date and on reasonably possible changes expected over the following financial year using general economic and financial forecasts.

At balance date, if the equity prices had been 5% higher or lower, net profit would increase and decrease by $7,641 (2015: increase and decrease by $4,874). The value of financial assets at fair value through profit and loss would also be adjusted.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet all financial commitments in a timely and cost efficient manner. The Board of Directors constantly reviews the liquid position including cash flow forecasts to determine the forecast cash position and maintain appropriate liquidity levels.

15. INVESTMENT IN A JOINT VENTURE

The Ouro Paz Gold Project is located in the state of Mato Grosso, Brazil, held via the Group's 33% equity interest in CIA Mineradora Ouro Paz, a Brazilian entity (Ouro Paz JV) . The Ouro Paz Gold Project is host to a maiden Mineral Resource Estimation (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 690,000oz Au of contained metal.

The Group has accounted for the investment in the jointly controlled entity using the equity method as below

	CONSOLIDATED	
	2016	2015
	$	$
Opening Balance of investment in JV	**864,448**	2,107,938
Cash Calls made during the year	-	1,485,369
Group's share of loss for the year	-	(1,485,369)
Impairment of Investment	-	(1,243,490)
Foreign Exchange	-	-
Closing balance of the Investment in JV	**864,448**	864,448

In the prior year, the investment has been impaired to the Group's share of the Joint Ventures net assets based on the last available information being 31 December 2013 and the share of loss in the JV is equal to the cash calls payment made during the year.

For the current financial year, the Group did not receive the necessary financial information for the year ended 30 June 2016 from Ouro Paz for equity accounting purposes and are therefore unable to make the required disclosures under Australian accounting standards or perform appropriate equity accounting for the investment.

No contingent liabilities or capital commitments exist at 30 June 2016.

16. RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of IGS and the subsidiaries listed in the following table:

	Country of Incorporation	% Equity Interest 2016	2015
Latin Gold Limited	United Kingdom	**93**	**93**

The below provides a summary of the key financial information of Latin Gold Limited:

Summarised of statement of comprehensive income

	2016 $	2015 $
Revenue	-	-
Loss after tax	(1,167,314)	(3,046,723)

Summarised of statement of financial position

Current assets	27	383
Non-current assets	864,448	864,448
Current liabilities	(8,791,606)	(8,831,125)
Non-current liabilities	-	
Net deficiency	**(7,927,130)**	**(7,966,294)**

On 8 May 2017, Latin Gold was wound up by the High Court in London and liquidators were subsequently appointed. This decision was made by the High Court following a winding-up petition by OCRA Trustees (Seychelles) Limited as Trustee of Global Trust (formerly Amazonegold Seychelles Trust) ("OCRA Trustees") in relation to the below outstanding amount of GBP16,021,601 arising from a Sale & Purchase agreement dated 23 May 2008 between the Group and OCRA Trustee.

- GBP 420,000 cash payable within five business after Latin Gold Ltd successfully completes an Initial Public Offering
- GBP1,200,000 to be satisfied at the absolute discretion of the Company in cash or by the allotment and issue of shares with a market value equal to this value within 20 business days from the date the Company's proven and probable reserves of gold within the mining tenement exceed 1,500,000 ounces as determined in accordance with JORC
- Royalty of US$7 per ounce of gold produced from the reprocessing of the tailings existing at the date hereof within the mining tenements calculated by OCRA Trustee at GBP14,401,601.

Latin Gold directly holds the Group's equity interest in the Ouro Paz project in Brazil (refer to note 15) and also the loan from CIA Mineradora Ouro MT S.A (refer to note 17).

At 30 June 2016, the Group recognised no liabilities in relation to the claim as the directors believe that the milestones associated to these payments have not been met.

17. BORROWINGS AND PROVISIONS

	Consolidated	
	2016	2015
	$	$
BORROWINGS - current		
Working Capital Facility (a)	**-**	22,870
Unsecured Loan (b)	**245,084**	222,000
Secured Loan (c)	**468,895**	427,698
Unsecured Loan (d)	**239,803**	211,413
Convertible Notes (e)	**1,085,900**	733,172
Ouro Paz loan (f)	**1,312,288**	1,100,582
Other loan	**19,002**	-
Fee Payable to WG (g)	**-**	33,321
	3,370,972	2,751,056

	Consolidated	
	2016	2015
PROVISIONS - current	**$**	$
Provision for annual leave (h)	**18,433**	**18,430**
Provision for lease liability (i)	**-**	**9,877**
	18,433	**28,307**

(a) IGS entered into a loan agreement in April 2015 to fund short term working capital. The loan was non-interest bearing and had been fully repaid in August 2015.

(b) IGS entered into a loan agreement in May 2014 for an amount of $200,000. The loan is interest bearing at 10% and matured in March 2015. The directors are currently negotiating an extension. The balance represents principal plus interest up to 30 June 2016.

(c) IGS entered into a loan agreement in September 2013 for an amount of $350,000. The interest on the loan is at 12% per annum and matured in March 2015. The loans are secured by listed shares by the Group as detailed in note 8. The directors are currently negotiating an extension. The balance represents principal plus interest up to 30 June 2016.

(d) The company entered into a loan agreement in May 2015 for an amount of USD$160,000. The loan is interest bearing at 10% and matured in June 2015. The directors are currently negotiating an extension. The balance represents principal plus interest up to 30 June 2016.

(e) The company entered into various convertible note agreements in April 2015, August 2015 and December 2015 totalling $972,485. This convertible notes carry an interest of 12% and will be converted to shares at a deemed issue price of $0.002 per share which is subject to shareholders approval. The balance represents principal plus interest up to 30 June 2016.

(f) Ouro Paz Cia Mineradora has agreed to fund the December 14, March 15 and June 15 quarter cash call on behalf of Latin Gold. The amount advanced was USD$790,000. The interest on the funds advanced is 18% per annum, accruing daily. The company has the option of repaying the debt or diluting its share in the joint venture. The balance represents principal plus interest up to 30 June 2016.

(g) The 2015 balance of $33,321 relates to WG. It is part of the deposit of $325,000 that IGS agreed upon in April 2015. As of August 2015, this has been paid.

(h) The provision for annual leave relates to accrued annual leave for Mr Travis Schwertfeger for the financial years 2015 and 2016.

(i) The lease liability relates to the onerous lease provision for Oxford Leederville rent. The liability was settled during the financial year upon the expiry of the lease.

18. COMMITMENTS AND CONTINGENCIES

Other than the deferred consideration under the Sale & Purchase agreement dated 23 May 2008 between the Group and OCRA Trustee as disclosed in note 16, there are no contingent liabilities for the year ended 30 June 2016 (2015: nil).

19. PARENT ENTITY DISCLOSURES

Financial position

	2016	2015
Assets	**$**	$
Current Assets	**531,360**	202,844
Non-current Assets	-	162,500
Total assets	**531,360**	365,344
Liabilities		
Current liabilities	**3,232,875**	2,359,929
Total liabilities	**3,232,875**	2,359,929
Net liabilities	**(2,701,515)**	(1,994,585)
Shareholders Deficit		
Issued capital	**89,429,882**	89,429,882
Reserves	**4,606,913**	4,606,913
Accumulated losses	**(96,738,310)**	(96,031,380)
Shareholders Deficit	**(2,701,515)**	(1,994,585)

Financial performance

Loss for the year	**(706,930)**	(15,495,912)
Other comprehensive loss	**-**	-
Total comprehensive loss	**(706,930)**	(15,495,912)

The parent entity has no contingent liabilities for the year ended 30 June 2016 (2015: nil).

20. EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years other than:

-On 5 July 2016, the company announced the termination of the Heads of Agreement with Winter Garden. IGS is entitled to receive full repayment of the refundable deposit of $212,000 which it had previously paid to Winter Garden.

-On 18 August 2016, the company announced that it has commenced discussions with range of parties regarding the acquisition of mineral assets.

-In August 2016, the company received approximately USD $210,000 from the Trustee to the Unsecured Credit Trust under the Santa Fe bankruptcy proceedings. This amount was paid on pro-rata basis to all outstanding Santa Fe unsecured creditors.

-On 7 July 2016, the Company announced effective 10 July 2016, it has terminated its agreement to acquire 85% interest in Jardin de Invierno SA, trading as WinterGarden Biosciences (“WinterGarden”). The refundable deposit of $212,000 has been impaired by the Company as at 30 June 2016.
-On 18 August 2016, the Company announced that it had commenced negotiations regarding the acquisition of a highly prospective minerals asset in Australia. While the transaction remains confidential and negotiations incomplete, the Company remains confident of concluding a transaction in the near term.

-On 8 September 2016, the company announced resignation of Jason Brewer from his position as Non-Executive Director and Company Secretary.

20. EVENTS AFTER THE BALANCE DATE (continued)

-On 8 September 2016, the company announced appointments of Non-Executive Directors, Ray Shorrocks and Stephen Brockhurst. The company also announced the appointment of David Palumbo as the Company Secretary.

-On 3 October 2016, the company announced expiry of 37,100,000 unlisted options at $0.01 exercise price.

-During the period August 2016 to November 2016, the directors and various external creditors had agreed to forgive liabilities totalling $592,655. The Group has also entered into agreement with its Convertible Note holders (details at note 18 of this report) to convert the existing Convertible Note principal amounts into IGS shares at $0.002 per share. As at the date of this report, the Group has received $323,000 worth of Convertible Note acceptances

-On 30 June 2017, the Company's 14,850,640 unquoted options exercisable at $0.03 expired unexercised.

-On 4 October 2017, the Company announced that it has been progressing with a range of acquisition options, new asset and suitable funding before it applies to the ASX to re-commence the trading of Company's securities.

-On 4 October 2017, the Company announced that Latin Gold, which owns the Brazilian gold assets and in which the Company holds an approximate 95% interest, has had a liquidator appointed.

-On 5 January 2018, Mr Kenny Keogh and Mr Nicholas Sage were appointed as Non-Executive Directors of International Goldfields Limited effective immediately. As a result of the appointments, Messrs Shorrocks and Brockhurst resigned as Non-Executive Directors of International Goldfields Limited effective immediately.

-In February 2018, the Company entered into agreement with various trade creditors and directors to convert the existing outstanding amounts totalling $107,784 into IGS shares at $0.002 per share. The Company is anticipating for the conversion of trade creditors balances and directors' fees to be shareholder approved and converted within 8 weeks of the date of this report.

-In February 2018, the Company announced resignation of David Palumbo from his position as Company Secretary and the appointment of Joint Company Secretaries of Melissa Chapman and Catherine Grant Edwards.

21. AUDITORS' REMUNERATION

The auditors of IGS for the year ended 30 June 2016 and 30 June 2015 are Ernst and Young.

	CONSOLIDATED	
	2016	2015
	$	$
EY Australia		
An audit or review of the financial report of the entity and any other entity in the consolidated entity	**28,658**	66,030
Affiliate of EY Australia		
UK & Brazil audits	**-**	17,538
	28,658	83,568

22. KEY MANAGEMENT PERSONNEL

Details of Remuneration

Details of the remuneration for each director of the consolidated entity during the year are as follow:

	CONSOLIDATED	
	2016	2015
Key Management Personnel	**$**	$
Short-term	**108,318**	204,112
Post-employment & Long term benefits	**-**	7,268
	108,318	211,380

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 23 January 2018:

Shareholding

Distribution of Shareholders	**Number (as at 26 September 2016)**	
Category (size of holding)	**Shareholders**	**Ordinary Shares**
1 – 1,000	43	15,203
1,001 – 5,000	79	293,625
5,001 – 10,000	157	1,385,869
10,001 – 100,000	469	21,614,178
100,001 – and over	583	791,233,581
	1,331	814,542,456

The number of shareholdings held in less than marketable parcels is 807 shareholders amounting to 31,340,069 shares.

There are no restricted securities at 23 January 2018.

The names of substantial shareholders listed in the company's register as at 23 January 2018 are:

Shareholder	**Ordinary Shares**	**% Held of Total Ordinary Shares**
PERSHING AUSTRALIA NOMINEES PTY LTD <INDIAN OCEAN A/C>	80,086,496	9.83%
BOONYIN INVESTMENTS PTY LIMITED	63,600,000	7.81%

Voting Rights
The voting rights attached to the ordinary shares are as follows:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

20 Largest Shareholders as at 23 January 2018 — Ordinary Shares

Name		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	PERSHING AUSTRALIA NOMINEES PTY LTD <INDIAN OCEAN A/C>	80,086,496	9.83
2.	BOONYIN INVESTMENTS PTY LIMITED	63,600,000	7.81
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,652,554	3.27
4.	CITICORP NOMINEES PTY LIMITED	18,154,914	2.23
5.	P R & M SIMMONS PTY LTD <SIMMONS SUPER FUND A/C>	17,500,000	2.15
6.	AMB CONSOLIDATED PTY LTD	16,666,667	2.05
7.	WHITEY TIGER PTY LTD <THE WTL A/C>	15,000,000	1.84
8.	MR MICHAEL DAVID CROOKS + MRS PATRICIA ANN CROOKS <MISHANI SUPER FUND A/C>	12,175,717	1.49
9.	MR RUSSELL NEIL CREAGH	12,000,000	1.47
9.	NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INVESTMENTS S/F /AC>	12,000,000	1.47
9.	MR HAI TAO ZHANG + MRS MIAO GUO <M & H SUPER FUND A/C>	12,000,000	1.47
10.	J P MORGAN NOMINEES AUSTRALIA LIMITED	11,251,567	1.38
11.	MR CORY MARSH	10,345,207	1.27
12.	CHRIS BARNES	7,500,000	0.92
13.	CLEARVIEW ESTATE NOMINEES PTY LTD	7,372,428	0.91
14.	LAGUNA BAY CAPITAL PTY LTD <LAGUNA BAY CAP TRADING A/C>	6,438,795	0.79
15.	MR PETER GALVIN	6,326,200	0.78
16.	MR STEPHEN JOHN O'KEEFE <SUKI PRIVATE PENSION A/C>	6,000,000	0.74
17.	PERSHING AUSTRALIA NOMINEES PTY LTD <DJ CARMICHAEL ACCOUNT>	5,800,000	0.71
18.	HON JOHN COLINTON MOORE + MS JACQUELINE SARAH MOORE	5,540,000	0.68
19.	MR YAN XIANG WEE	5,500,000	0.68
20.	MR JAMALI HUNTER	5,464,999	0.67
		363,375,544	44.61

1. **Company Secretary:**
   The name of the company secretary is David Palumbo.

2. **The address of the principal registered office in Australia is:**
   Level 11, 216 St Georges Terrace Perth WA 6000.

3. **Registers of securities are held at the following address:**
   Advanced Share Registry, 110 Stirling Hwy, Nedlands, WA 6009

4. **Stock Exchange Listing**
   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

5. **Unquoted Securities**
   The Company does not have any unquoted securities as at 23 January 2018

6. **Corporate Governance**
   A copy of the Company's Corporate Governance Statement is available on the Company's website: http://www.intgold.com.au

SCHEDULE OF MINING TENEMENTS		
Tenement ID	**Location**	**Interest Held at end of FY**
866006/2005	Mato Grosso, Brazil	20%
866127/2005	Mato Grosso, Brazil	20%
866187/2005	Mato Grosso, Brazil	20%
866240/2005	Mato Grosso, Brazil	20%
866267/2005	Mato Grosso, Brazil	20%
866286/2005	Mato Grosso, Brazil	20%
866294/2005	Mato Grosso, Brazil	20%
866322/2005	Mato Grosso, Brazil	20%
866338/2005	Mato Grosso, Brazil	20%
866349/2011	Mato Grosso, Brazil	20%
866353/2003	Mato Grosso, Brazil	20%
866357/2005	Mato Grosso, Brazil	20%
866377/2005	Mato Grosso, Brazil	20%
866398/2005	Mato Grosso, Brazil	20%
866407/2005	Mato Grosso, Brazil	20%
866429/2004	Mato Grosso, Brazil	20%
866435/2005	Mato Grosso, Brazil	20%
866447/2005	Mato Grosso, Brazil	20%
866475/2005	Mato Grosso, Brazil	20%
866633/2009	Mato Grosso, Brazil	20%
866655/2008	Mato Grosso, Brazil	20%
866668/2012	Mato Grosso, Brazil	20%
866673/2005	Mato Grosso, Brazil	20%
866688/2009	Mato Grosso, Brazil	20%
866742/2013	Mato Grosso, Brazil	20%
867121/2012	Mato Grosso, Brazil	20%
867122/2012	Mato Grosso, Brazil	20%
867123/2012	Mato Grosso, Brazil	20%
867124/2012	Mato Grosso, Brazil	20%
867125/2012	Mato Grosso, Brazil	20%
867126/2012	Mato Grosso, Brazil	20%
867128/2012	Mato Grosso, Brazil	20%
867129/2012	Mato Grosso, Brazil	20%
867130/2012	Mato Grosso, Brazil	20%
867142/2012	Mato Grosso, Brazil	20%
867143/2012	Mato Grosso, Brazil	20%
867144/2012	Mato Grosso, Brazil	20%
867145/2012	Mato Grosso, Brazil	20%
867148/2012	Mato Grosso, Brazil	20%