

21 January 2015

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**SIGNIFICANT RESOURCE PROJECT ACQUISITION
INTERNATIONAL GOLDFIELDS TO ACQUIRE PROSPECTIVE
MINING & EXPLORATION PERMITS WITH POLYMETALLIC JORC
RESOURCE**

HIGHLIGHTS

- **International Goldfields to acquire Musketeer Mining Limited, which holds the prospective 'Lennons Find' and 'Yandicoogina' Projects**
- **Lennons Find includes mining lease with a mineral resource estimate of 1.85Mt at 82g/t silver, 0.26g/t gold, 5.1% zinc, 0.2% copper and 1.4% lead**
- **Significant untested targets already identified at the Musketeer projects**
- **International Goldfields to undertake a \$1m capital raising, share consolidation and change of name**

International Goldfields Limited (ASX: IGS) ("IGS" or "the Company") is pleased to announce that it has entered into a binding terms sheet to acquire the unlisted company Musketeer Mining Limited ("Musketeer"), which holds a number of highly prospective mineral tenements in the Pilbara region of Western Australia.

The Lennons Find Project is located 75km south-east of Marble Bar in the Pilbara region of WA. Three key prospects have been identified from prior exploration and a mineral resource estimate based on documentation prepared by a Competent Person as defined by the JORC Code has been delineated of 1.85Mt at 82g/t silver, 0.26g/t gold, 5.1% zinc, 0.2% copper and 1.4% lead.

The Yandicoogina Project is located approximately 6km southwest of the Lennons Find Project. Early stage exploration has discovered elevated silver-lead-zinc values from the gossanous outcrops. A number of gossanous targets remain untested by drilling.

Musketeer has previously agreed to acquire 100% of the Yandicoogina Project (E45/3293) and 95% of The Lennons Find Project (M45/368) under a binding term sheet with Laconia Resources Limited ("Laconia") through the payment of \$500,000. The only outstanding consideration to Laconia is the issue of 2,387,898 shares in Musketeer, which equates to 10% of the issued capital in Musketeer and two further cash instalments of \$75,000 on or before 31 March 2015 and \$125,000 on or before 31 October 2015.

Following completion of the acquisition, the Company plans to launch an aggressive exploration campaign at the Lennons Find Project with details given below.

BOARD

Michael Edwards
Chairman

David Tasker
Director

Travis Schwertfeger
Director

COMPANY SECRETARY

Jane Flegg

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PRINCIPLE PLACE OF BUSINESS**

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ASX CODE
IGS

Under the agreement, the management of IGS is to change with the appointment of the highly experienced executive team from Musketeer. Mr Steven Elliot will be appointed as Managing Director and Mr Keith Bowker as Non-Executive Chairman and Company Secretary of International Goldfields. Mr Michael Edwards will step down from the board of the Company, with the other existing non-executive Directors to remain on the board.

Lennons Find / Yandicoogina Projects

The Lennons Find is the flagship project held by Musketeer. This project has been explored since the early 1900's and a JORC resource estimate has been defined of 1.85mt @ 82g/t silver, 5.1% Zinc, 1.4% lead, 0.2% copper and 0.26g/t gold,- (refer to Figure 2 for details).

This Information and the information in Figure 2 was prepared and first disclosed by Laconia Resources Limited under the 2004 edition JORC Code. It has not been updated since to comply with the 2012 edition of the JORC Code on the basis that the information has not materially changed since it was last reported. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement by Laconia Resources dated 19 January 2012. Please refer to this market announcement for the full parameters and other data in respect of the resources estimate.

The estimated resource is open at depth and down dip. Previous exploration has identified a mineralised zone with a strike length of 15km and less than 2km has been previously tested by drilling.

Three Prospects have been identified at Lennons Find; Hammerhead, Bronze Whaler and Tiger which are situated approximately 1 to 2 kilometres apart from each other.

A table of assay results from historical drilling at the Hammerhead Prospect is given at Appendix A.

The Yandicoogina Project is located 6km southwest of the Lennons Find Project and within the same geological formation known as the Duffer Formation.

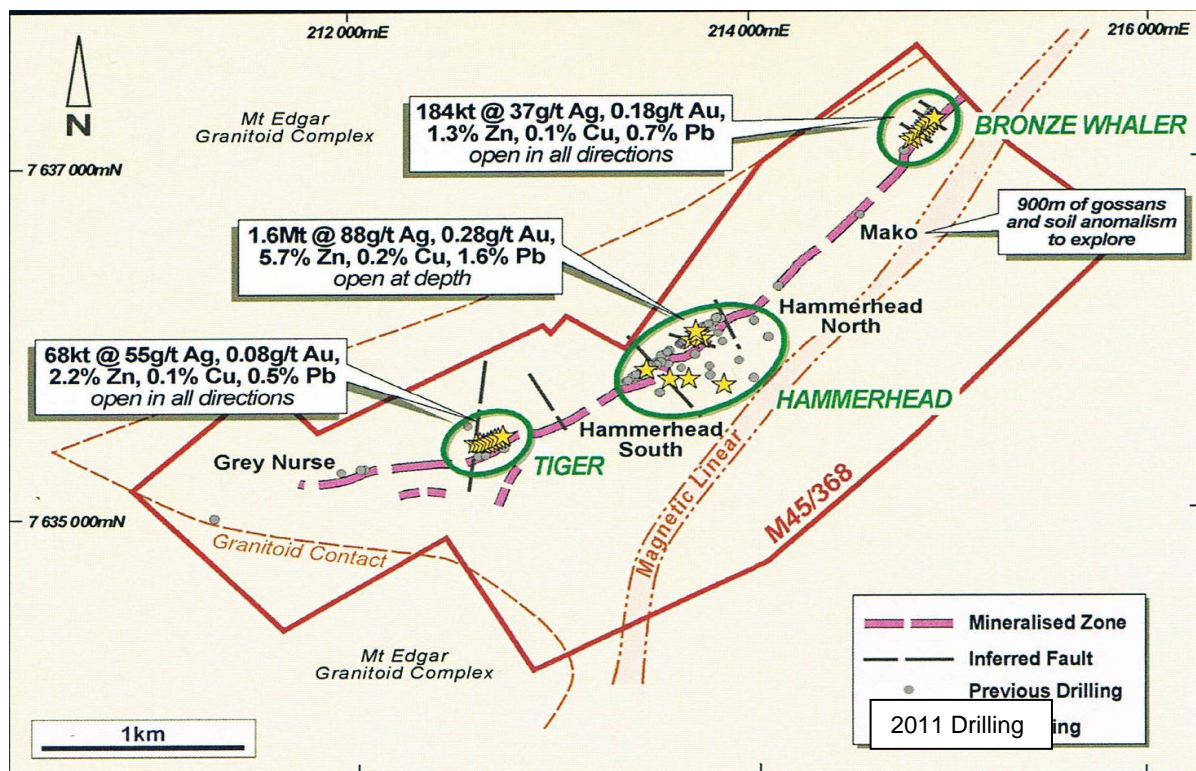


Figure 1 - Summary of Mineral Resource Estimates by location and drill hole locations at Lennons Find

	Deposit	Ore Type	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Zn Eq (%)
Indicated	Bronze Whaler	Oxide	29,000	0.29	60	0.3	0.9	0.2	5.3
	Hammerhead	Oxide	144,000	0.41	95	0.2	1.3	1.8	9.0
	Tiger	Oxide	22,000	0.18	93	0.1	0.9	0.8	6.4
	Total - Indicated	Oxide	197,000	0.37	89	0.2	1.2	1.4	8.1
Inferred	Bronze Whaler	Sulphide	154,000	0.15	33	0.1	0.7	1.5	4.4
	Hammerhead	Sulphide	1,448,000	0.27	87	0.2	1.6	6.1	12.8
	Tiger	Sulphide	46,000	0.03	36	0.1	0.3	2.8	5.1
	Total - Inferred	Sulphide	1,649,000	0.25	81	0.2	1.5	5.6	11.8
Total	Bronze Whaler		184,000	0.18	37	0.1	0.7	1.3	4.6
	Hammerhead		1,593,000	0.28	88	0.2	1.6	5.7	12.5
	Tiger		68,000	0.08	55	0.1	0.5	2.2	5.5
	Total - Lennons Find		1,846,000	0.26	82	0.2	1.4	5.1	11.4

Figure 2 – Mineral Resource Table at Lennons Find from Laconia Resources Limited release dated 19 January 2012

Note 1: For oxide and sulphide Resources the Bronze Whaler deposit is reported above 1%Zn Eq, the Hammerhead deposit is reported above 2% Zn Eq and the Tiger deposit is reported above 4% Zn Eq

Note 2: All cut-offs based on Zn Eq are conceptual in nature only. There has been insufficient metallurgical test work to date to determine eventual metallurgical recoveries and it is uncertain that the conceptual cut-offs used below will be appropriate following further metallurgical test work

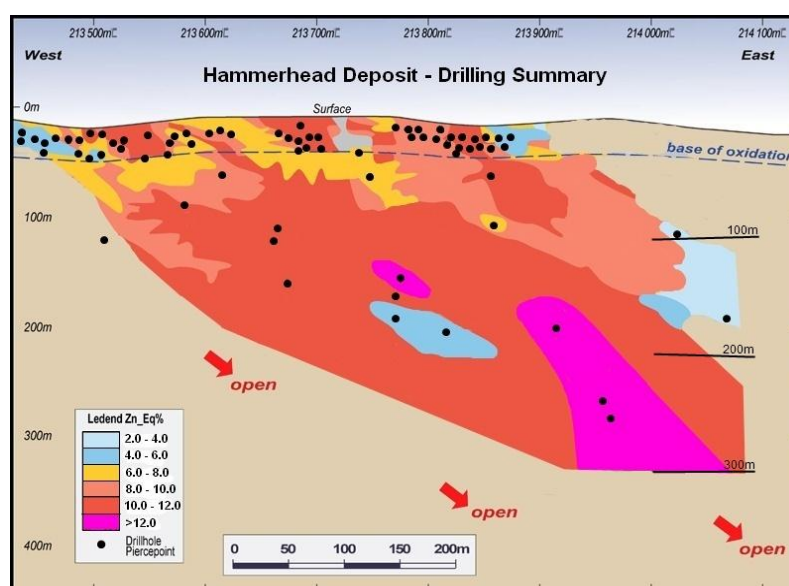


Figure3 – Drilling Summary in longitudinal section at the Hammerhead Deposit

Exploration Programme

Following the Musketeer acquisition, the Company plans to commence exploration at The Lennons Find project with a drilling programme targeting high grade copper and zinc at the Hammerhead Prospect with 4-6 holes of 250m to 300m.

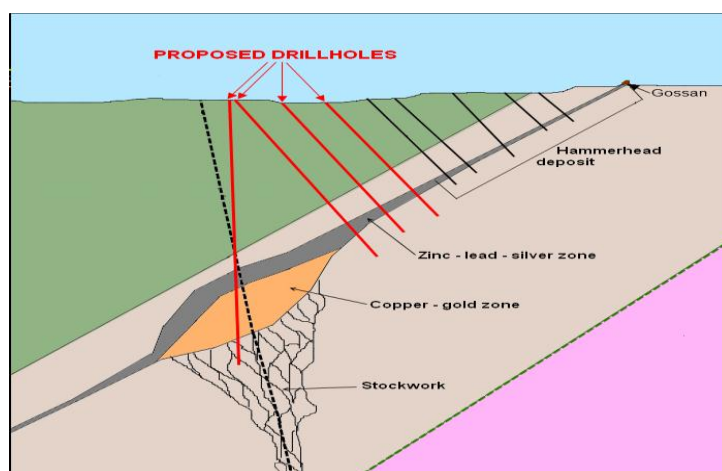


Figure 4 - Planned drilling cross section at the Hammerhead Prospect

Further details of this programme will be provided as management prepares for the campaign following completion of the acquisition.

Change of Board

International Goldfields will appoint Mr Steven Elliot as Managing Director and Mr Keith Bowker as Non-Executive Chairman and Company Secretary of the Company as part of the acquisition of Musketeer.

Mr Bowker is a Chartered Accountant of Australia and New Zealand and is a founding director of Somerville Advisory Group, a firm which specialises in providing financial reporting, compliance services, corporate advisory services and company secretarial services to ASX listed companies predominately within the resources sector. Mr Bowker is currently the Non-Executive Director and Company Secretary of Caeneus Minerals Ltd (ASX:CAD) and Company Secretary of Mount Ridley Mines Limited (ASX:MRD) and NKWE Platinum Limited (ASX:NKP).

Mr Steve Elliot is a qualified geologist with over 33 years' experience in the mineral exploration industry. Mr Elliot has broad experience in public companies and as a consultant to the industry as well as previous directorships of publicly listed ASX companies exploring for various commodities. Mr Elliot has experience within Australia, Africa, South America, Canada and U.S.A. Mr Elliot was the co-founding director of Helix Resources and listed Talisman Mining in 2005, subsequently assuming the role of Managing Director. Mr Elliot has been involved in many exploration discoveries throughout Australia and South Africa. Mr Elliot is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM).

Debt Conversion

Prior to completing the acquisition, International Goldfields plans to satisfy \$638,608 of current debt via the issue of 638,608,000 shares at a deemed price of \$0.001 per share to various creditors. Details of the creditors intended to be settled are:-

Creditor	Amount owed (\$)	Shares to be issued in satisfaction of amount owed
CFE - Loan	200,000	200,000,000
Komodo Capital Pty Ltd - Loan	250,000	250,000,000
Director salaries and others	188,608	188,608,000
Total	638,608	638,608,000

Share Consolidation and Capital Raising

Further, the Company intends to undertake a consolidation on a 1 for 10 basis and then a capital raising of \$1 million through a share placement to sophisticated investors at 1 cent per share (on a post consolidated basis), with funds to be applied towards exploration, repayment of existing loans and for working capital.

Acquisition Terms

The proposed terms of the acquisition are as follows:

(a) Consideration

Subject to Satisfaction of the Conditions Precedent outlined below, International Goldfields will acquire 100% of the issued capital of Musketeer in consideration for:

- (i) 5. 9186 International Goldfields ordinary shares for each Musketeer share held, being a total of 141,329,982 shares;
- (ii) 141,329,982 International Goldfields unlisted options exercisable at \$0.02 exercisable on or before 31 December 2017;
- (iii) 50 million A Class Performance Shares, which expire 3 years from the date of issue and are convertible (1:1) upon the successful completion of a pre-feasibility study within 3 years on any of the Musketeer Projects;
- (iv) 50 million B Class Performance Shares, which expire 3 years from the date of issue and are convertible (1:1) upon the successful completion of a bankable feasibility study within 4 years on any of the Musketeer Projects;
- (v) 50 million C Class Performance Shares, which expire 5 years from the date of issue and are convertible (1:1) upon opening of a mine site on any of the Musketeer Projects;

The terms of the Performance shares are subject to ASX approval under ASX Listing Rule 6.2. The Consideration securities may be subject to ASX imposed escrow.

(b) Conditions Precedent

Completion is conditional upon the following events occurring:

- (i) Formal agreements being negotiated and executed by International Goldfields and Musketeer including the standard terms expected from an agreement of this type;
- (ii) All representations and warranties given in the formal agreement remaining true and correct at Completion;
- (iii) Completion by International Goldfields and Musketeer of legal, technical and financial due diligence on the other party and their respective assets to the satisfaction of each party;
- (iv) Approval from International Goldfields shareholders required for the Transaction under the Corporations Act and the ASX Listing Rules including approvals necessary for the change of Company name;
- (v) International Goldfields to undertake a minimum capital raising of \$1m via the issue of 100m fully paid ordinary shares (on a 1 for 10 post consolidation basis);

(c) Completion is to occur as soon as practicable as and no later than 9 March 2015 after the date of the Heads of Agreement, unless otherwise agreed in writing;

Capital Structure Post Transaction

The indicative effect of the Debt Conversion, Share Consolidation, Capital Raising and Transaction on the capital structure of the Company will be as follows:

Description	Ordinary Shares	Options	Performance Shares
Current Issued Capital	774,691,817	70,950,640 ⁽¹⁾	-
Shares issued pursuant to the Debt Conversion	638,608,000		
Total after Debt Conversion	1,413,299,817	70,950,640	
Shares on issue after consolidation (1 for 10 basis)	141,329,982	7,095,064	
Estimate of securities to be issued pursuant to the Capital Raising	100,000,000		
Securities to be issued pursuant to the Transaction	141,329,982	141,329,982 ⁽²⁾	150,000,000 ⁽³⁾
Capital Structure on completion of the Debt Conversion, Share Consolidation, Capital Raising and Transaction⁽⁴⁾	382,659,964	148,425,046	150,000,000

(1) Comprising:-

- a. 14,000,000 unquoted options exercisable at \$0.08 on or before 31 December 2015;
- b. 37,100,000 unquoted options exercisable at \$0.01 on or before 30 September 2016;
- c. 5,000,000 unquoted options exercisable at \$0.03 on or before 30 September 2016; and
- d. 14,850,640 unquoted options exercisable at \$0.03 on or before 30 September 2017

(2) Unlisted options exercisable at \$0.02 exercisable on or before 31 December 2017

(3) Performance Shares issued on the terms set out in the acquisition terms above

(4) Assumes no options are exercised prior to completion of the Capital Raising and Transaction

Notice of General Meeting

The acquisition of Musketeer is subject to the approval of International Goldfields' shareholders. The Company is currently preparing the Notice of Meeting to send to shareholders and will advise of dispatch in due course.

Indicative Timetable

An indicative timetable set out below outlines the timetable for the key milestones of the transaction but remains subject to change:

Event	Date
Completion of Formal Share Sale Agreement	23 January 2015
Despatch of Notice of General Meeting	2 February 2015
General Meeting of Shareholders to approve the transaction	2 March 2015

A timetable for the proposed share consolidation will be provided to shareholders shortly.

For and on behalf of International Goldfields David Tasker

About International Goldfields

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

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

IGS currently holds 9.3m common shares and US\$4m in convertible notes in Santa Fe (due Oct 2015), in addition to approx. US\$400,000 of accrued interest.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Competent Person's Statement

The information included in this report that relates to Exploration Results is based on information compiled by Mr Steven Elliot, a competent person who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr. Elliot is a full-time employee and shareholder of Musketeer Mining and appointed to become Managing Director for International Goldfields Ltd with completion of the reported transaction. Mr. Elliot has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Steven Elliot consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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

The information extracted from the report entitled 'Laconia Confirms Major Resource Upgrade at Lennons Find Project' created on 19 January 2012 is available to view on www.asx.com.au with company symbol ASX: LCR. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statement:

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

APPENDIX A – Better Assay Results from Drilling at the Hammerhead Prospect

Drillhole	From(m)	To(m)	Width(m)	Zn(%)	Ag(g/t)	Pb(%)	Cu(%)	Au(g/t)
LFRC43	37.00	42.00	5.00	3.60	15.0	0.64	0.08	0.03
Y701	52.43	53.65	1.12	8.30	180.7	2.80	1.37	na
Y601	57.91	59.43	1.52	5.60	45.9	1.40	0.08	na
LFRC44	66.00	67.00	1.00	5.51	30.0	0.81	0.10	0.02
LF2	84.02	86.02	2.00	6.00	94.9	2.82	0.28	na
LFRC47	89.00	91.00	2.00	1.32	307.0	0.50	0.03	0.25
LF3	93.30	94.61	1.31	4.20	180.5	2.08	0.03	na
LF1	96.55	101.73	5.18	4.09	53.8	0.86	0.23	na
LF11	105.00	106.00	1.00	0.33	14.0	0.08	0.21	na
LF3	105.58	106.25	0.67	3.50	75.0	0.68	1.45	na
LFRC1	149.00	153.00	4.00	8.69	63.0	2.04	0.34	0.21
LFRC48	150.00	154.00	4.00	2.35	174.0	1.04	0.08	0.23
LF12	194.70	195.70	1.00	0.57	38.0	0.25	0.34	na
LF15	197.23	199.23	2.00	1.28	52.5	0.49	0.15	na
LF9	204.10	207.10	3.00	10.83	81.0	0.85	0.56	na
LFRC49	222.00	223.00	1.00	2.65	36.0	0.65	0.13	0.19
LFRC49	232.00	233.00	1.00	0.35	127.0	2.44	0.87	1.40
LFRC5	286.00	288.00	2.00	11.56	97.5	3.82	0.17	0.13
LF10	298.00	304.00	5.00	9.78	78.0	1.16	0.16	na
incl.	299.30	300.30	1.00	18.00	142.0	5.70	0.04	na

na: Not assayed

For an extended listing of diamond and RC drilling intersections calculated at a cut-off grade of Ag > 50g/t, or Au >0.3g/t, or Cu >0.3%, or Zn >2%, accepting up to 2m of internal dilution, refer to releases to the ASX by Laconia Resources Ltd (ASX: LCR) dated: 9 March 2011 – Appendix 1, 3 October 2011, and 12 October 2011.

APPENDIX B – Lennons Find prospect map showing locations of downhole intersections from Laconia 2011 drilling at the Hammerhead, Bronze Whaler and Tiger Prospects

