



International Goldfields Limited

18 Oxford Close
Leederville WA 6007

Company Announcements Platform via Fax 1300 135 638

30 January 2009

REPORT FOR THE QUARTER ENDING 31 DECEMBER 2008

The Board is pleased to provide the following commentary to be read in conjunction with the attached Appendix 5B.

COMPANY HIGHLIGHTS

- Draft Independent Valuation received
- Finalised Project Valuation Terms at A\$60m
- Proposed NKWE/IGC Merger negotiations continuing

Issued Shares: 123M ASX Code - **IGC** Closing price **\$0.31** (31 December 2008)

Market Cap: A\$ 38M (31 December 2008)

Last year, International Goldfields Limited ("**IGC**") and NKWE Platinum Limited ("**NKWE**") signed an Option Agreement ("Agreement") providing NKWE exclusive rights to negotiate a transaction with IGC regarding its South African platinum assets or shares in IGC.

IGC is earning a 15 per cent interest in three farms within the Bushveldt platinum region, Hoepakrantz 291KT, Nooitverwacht 324KT, and Eerste Geluk 327KT which together comprise the Tubatse Project, by spending US\$10 million on exploration.

The JORC-compliant resource on portions of Nooitverwacht 324KT and Eerste Geluk 327KT was recently upgraded from 12.4Moz to 20.4Moz (3PGE + Au). The mineralisation potential of the entire Tubatse Project is independently estimated at approximately 60Moz and 67Moz 3PGE + Au (this includes the 20.4Moz JORC-compliant inferred resource).

NKWE has recently exercised its option to acquire a 59 per cent interest in the Tubatse Project, with South African black empowerment company, Genorah Resources (Pty) Ltd, holding the remaining 26 per cent interest in the project.

NKWE also holds a 74 per cent working interest in the two farms directly adjacent (north) to the Tubatse Project and has a stated goal of becoming a platinum producer with its joint venture partner Xstrata, producing a steady rate of 1Moz of PGM per annum.

Draft Independent Valuation

During the quarter IGC received a DRAFT independent valuation on its platinum asset in the Bushveldt region of South Africa – one of the world's premier platinum producing regions.

The draft valuation by a leading advisory firm, confirms IGC's stake in these farms to be in a range of A\$44.1M to A\$63.57M, or A\$35c to A\$51c per share.

Finalised Project Valuation Terms

Recently (12 January 2009) International Goldfields Limited finalised project valuation terms for the proposed merger with NKWE Platinum Limited, expected to occur via a Scheme of Arrangement pursuant to the Australian Corporations Act (the "Scheme").

Under the terms of the proposal, NKWE will offer to buy all IGC Ordinary shares on the basis of IGC's cash at bank at the time of the implementation of the Scheme plus a valuation of IGC's interest in the Tubatse Project of AUD\$60m ("Offer price").

The final Offer price for the IGC Ordinary shares will be determined by the total number of shares on issue at the time the Scheme is implemented, divided by the Offer price.

Proposed NKWE/IGC Merger Update

On approval of the terms by the NKWE board the proposed merger would be subject to a number of conditions, most notably the receipt of all necessary governmental, regulatory shareholder and third party approvals and consents. The merger would also be subject to NKWE successfully completing a debt/royalty financing to fund the proposed merger.

Key steps to be undertaken to implement the merger include:

- Nkwe sign off to the merger terms;
- lodgement of Scheme documents with ASIC;
- obtaining Court approval to hold the Scheme meeting for shareholders to vote on the Scheme;
- obtaining IGC shareholder approval of the Scheme;
- NKWE completing a debt/royalty financing; and
- If IGC shareholders approve the Scheme, Court ratification of the Scheme.

Technical Update Tubatse Project

Access roads to the Hoepakrantz property of the Tubatse Project were made during the Quarter, allowing drilling to commence on this mountainous area. One drill rig was allocated and completed the first hole ever to be drilled on this property. Both the Merensky and UG2 mineralisation were successfully intercepted, both reefs presenting as well-mineralised and geologically normal for the area. The total number of drill holes completed on the Tubatse Project to date comprises 31 holes. Some 2007 assay samples have been submitted to date.

The current Mineral Resource statement for the Tubatse Project is given in Table 1.

Table 1. Tubatse Project – Mineral Resource Statement on 4 July 2008

(in accordance with JORC requirements)

	Discounted Resource Tonnage (Mt)	Channel Width (m)	Grade (3PGE+Au g/t)	3PGE+Au Ounces (Moz)
Merensky Inferred	54.49	1.22	5.03	7.75
UG2 Inferred	48.09	0.68	8.17	12.62
Total / average	102.58			20.37

The resource estimate was completed by N Denner, an independent Competent Person as defined by JORC.

Figure 1 shows the location of drill holes on the Eerste Geluk and Nooitverwacht properties, and Figure 4 shows drill hole location on the Hoepakrantz property, of the Tubatse Project.

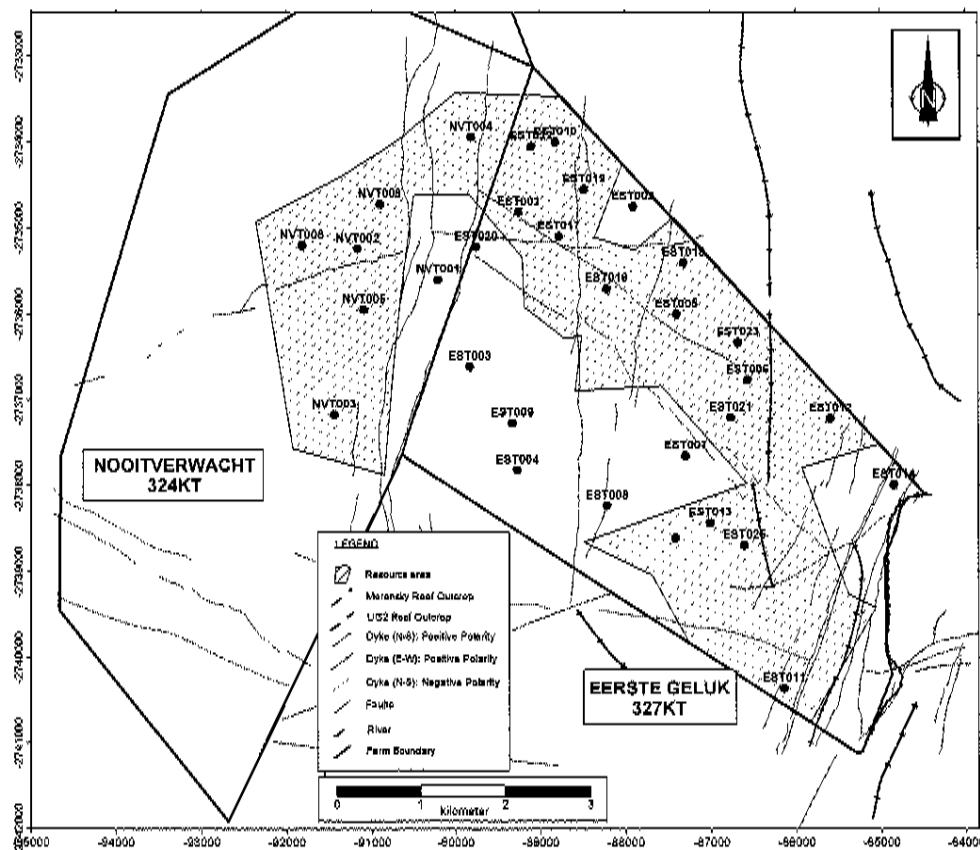


Figure 1: Plan map for the Eerste Geluk and Nooitverwacht properties of the Tubatse Project, with Mineral Resource area indicated

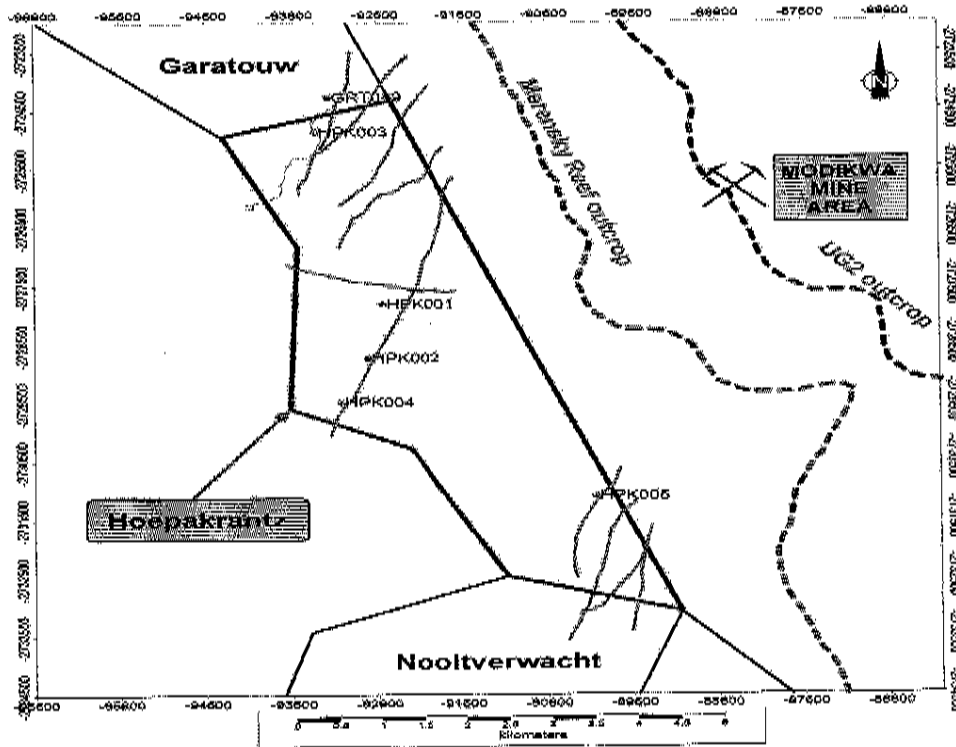


Figure 2: Plan map for the Hoepakrantz property of the Tubatse Project, showing current and planned drilling

By order of the Board

Tony Sage
Executive Chairman

For further information:

Tony Sage, Executive Chairman, International Goldfields Limited
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David Tasker, Professional Public Relations
Ph: 08 9388 0944

The information in this report that relates to Mineral Resources is based on a resource estimate completed by Mr Nico Denner who is employed by Geological and Mine Evaluation Computer Services. Mr Denner is a Geologist with over 14 years of experience in the South African Mining Industry and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and the Ore reserves. Mr NJ Denner is a member of South African Council for Natural Scientific Professions (Membership No. 400060/98).

Mr Denner consents to the inclusion of this information in the form and context in which it appears in this report.

Appendix 5B
Mining exploration entity quarterly report

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

INTERNATIONAL GOLDFIELDS LIMITED

ABN

76 118 108 615

Quarter ended ("current quarter")

31 DECEMBER 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(9)	(39)
(b) development	-	-
(c) production	-	-
(d) administration	(301)	(892)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	22	67
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (income tax refund)	-	-
Net Operating Cash Flows	(288)	(864)
Cash flows related to investing activities		
1.8 Payments for: (a) prospects	(496)	(496)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	15
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(496)	(481)
1.13 Total operating and investing cash flows (carried forward)	(784)	(1,345)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(784)	(1,345)
	Cash flows related to financing activities		
1.14	Proceeds from application for shares	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other -- proceeds from the exercise of options	-	1,025
	Payments for share issue transaction costs	(1)	(5)
	Net financing cash flows	(1)	1,020
	Net increase (decrease) in cash held	(785)	(325)
1.20	Cash at beginning of quarter/year to date	2,600	2,140
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,815	1,815

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	156
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$156,250 payment for Executive and non-executive salaries.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Appendix 5B
Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	-
Total	30

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	915	1,714
5.2 Deposits at call	900	886
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,815	2,600

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	Genorah's Platinum bearing properties of Hoepakrantz 291KT, Nooitverwach t 324KT and Eerste Geluk 327 KT	-	-

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺ securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	125,116,672	125,116,672		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,500,000 -	- -		
7.5 *Convertible debt securities	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7 Options <i>(description and conversion factor)</i>	2,383,333 <u>55,000,000</u> 57,383,333	- - -	<i>Exercise price</i> 15 cents 20 cents	<i>Expiry date</i> 30 June 2009 30 June 2009
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	1,500,000	-	20 cents	
7.10 Expired during quarter	3,500,000	-	20 cents	
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-			
7.13 Converting Performance Shares	60,000	60,000		

Appendix 5B
Mining exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 30 January 2009

Print name: Jane Flegg
Company Secretary

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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