

JUNE QUARTERLY REPORT & APPENDIX 5B

FOR PERIOD ENDING 30 JUNE 2013

International Goldfields Limited (ASX: IGS) ("IGS" or "the Company") provides the following commentary and Appendix 5B for the period ended 30 June 2013.

COMPANY HIGHLIGHTS

- Joint venture with experienced private Brazilian resources company for joint development of both groups Brazilian interests (IGS holds 35% interest in enlarged tenement package),
- Binding farm-in agreement for Plumridge Gold Project, whereby private entity to spend A\$1 million dollars at project over next 18 months to earn a 60% interest in project,
- Successful divestment of West African gold assets, with IGS to receive a 2% royalty and cash consideration,
- Successful negotiation of revised transaction with Santa Fe Gold Corporation provides IGS opportunity to acquire a significant shareholding in Santa Fe from current investment following the lapse of the original agreement between parties, and IGS provides USD\$2 million capital injection to increase production at Summit Mine operation by way of a loan (majority funded by third party groups) to Santa Fe Gold Corporation.

Under stewardship of new board IGS, in response to challenging equity markets, has spent the period undertaking a thorough review of its expenditure commitments (corporate and operational), to ensure it focussed its efforts (and funds) in areas that maximise shareholder value in the short to medium term.

As a result of this review, and after careful consideration and evaluation, the board undertook to divest itself of assets and introduce joint venture/farm in partners capable of adding value to IGS assets in a manner that limited expenditure to IGS, while providing the Company with continued exposure to these assets.

The board considered its investment in Santa Fe Gold Corporation as one capable of providing a substantial return in the mid-term and therefore provided further funding to that organisation during the period.

The board will continue to be vigilant in evaluating any expenditure made by the company to ensure returns are maximised for IGS and its shareholders.

BOARD

Michael Edwards
Non-Executive Chairman

Travis Schwertfeger
Managing Director

David Tasker
Non-Executive Director

JOINT COMPANY SECRETARIES

Jane Flegg

Shannon Robinson

REGISTERED OFFICE

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ASX CODE
IGS

CORPORATE ACTIVITY

SANTA FE GOLD CORPORATION TRANSACTION

During the quarter, IGS and US based Santa Fe Gold Corporation (OTCBB: SFEG) (“SFEG” or “Santa Fe”) negotiated a revised transaction following the expiration of the definitive merger agreement between the two companies, as announced on 18 February 2013.

As announced to the ASX on 1 July 2013, IGS has agreed provide a USD\$2 million capital injection to fund further operational enhancements by way of an additional loan to SFEG (USD\$500,000 will be funded from Company cash reserves and USD\$1.5m is being funded via a loan (as previously disclosed).

The additional capital will enhance gold production and operational efficiencies at the Summit Mine in the period leading up to the development of the high grade gold zone in September/ October 2013, which is expected to significantly improve operating margins and generate substantial surplus cash flow.

The additional funding also positions the Company to convert the secured note provided to SFEG in 2012 (now totalling USD\$4.16 million with accrued interest), into shares, subject to completion of SFEG’s proposed list on the Singapore Catalist Stock Exchange (SGX-ST) as part of a refinancing and recapitalisation strategy.

JOINT VENTURE OF BRAZIL ASSETS

During the reporting period, IGS executed a Joint Venture Agreement to form an incorporated joint venture between IGS’ 93% owned private entity Latin Gold Ltd (“Latin Gold”) and Brazil based CIA MINERADORA MANGANÊS CONSELHEIRO S.A. (“Conselheiro”), a wholly owned subsidiary of the private entity group Biogold Investment Fund (“Biogold”) (“Joint Venture”).

Pursuant to the Joint Venture agreement, IGS completed 100% of Latin Gold’s expenditure commitment of US\$600,000 (“Latin Gold Funding”) during the reporting period by way of a convertible note to Latin Gold Ltd. The balance of expenditure for the 2013 exploration program and resource estimation reporting will be funded by Conselheiro, so that Latin Gold’s 35% interest in the Ouro Paz JV will be finance carried and not be subject to dilution in 2013. Any expenditure funded by Conselheiro on behalf of Latin Gold in the second half of 2013 will be subject to repayment from future Joint Venture revenues.

For IGS, the Joint Venture provides exposure to a larger consolidated land position with significantly increased resource potential in the Union Project area with the addition of the União and Morro Carrapato Prospects along trend of the Ana mineralisation discovered by IGS in 2012. The Joint Venture also introduces additional highly qualified Brazilian national staff and management to the project, additional funding for exploration that will advance the project at an accelerated rate, and increased duration of tenure on the exploration assets.

Diamond drilling is expected to be completed soon in support of a planned resource estimation and preliminary economic assessment to be completed within coming months. Further technical information on the consolidated project and exploration activities are provided below.

JOINT VENTURE OF PLUMRIDGE GOLD PROJECT

IGS has executed a binding farm-in agreement with a private Australian company in relation to the development of the Plumridge Gold Project (“Plumridge Project”), as announced to the ASX on 21 June 2013.

Under the terms of the farm in agreement the private entity will spend A\$1 million dollars on the Plumridge Project over a period of 18 months (until 31 January 2015) to earn an interest in the Plumridge Project of 60% (IGS retaining 40% interest).

The Company entered into the farm-in agreement following the termination, by mutual consent, of the agreement announced 20 September 2012 to sell IGS’ wholly owned subsidiary Plumridge Gold Pty Ltd, owner of the Plumridge Project, to Fraser Range Metals Group Limited (Previously named AAQ Holdings Limited) (ASX: FRN).

DIVESTMENT OF WEST AFRICAN ASSETS

The Company entered into a binding term sheet during the reporting period for the divestment of its interests in Mali and Cote d’Ivoire by the sale of its wholly owned subsidiary International Goldfields (Bermuda) Limited (which is the direct or indirect holder of those assets) (“West African Assets”) (“West African Transaction”) as announced to the ASX on 30 April 2013.

Subsequent to the reporting period IGS completed settlement of the West African Transaction.

The Company will receive a royalty of 2% of gross revenue from all future gold produced from the West African Assets.

GOLD EXPLORATION ACTIVITY

BRAZIL

Diamond drilling and trenching in support of a September Quarter maiden resource estimation continues on the Ouro Paz joint venture tenements, with 34 diamond holes totalling 3,905m of the proposed 5,000 metre diamond drill program initiated in February nearing completion. Assay results for 27 diamond holes totalling 3,002m of drilling received by the end of the reporting period with continuous disclosure of results to the ASX on 27 June, 21 May, and 7 May 2013.

Union Project Summary

The Union Project area is the consolidation the União and Morro Carrapato Prospect area and Latin Gold’s recent Ana Prospect discovery with each prospect host to high-grade gold intercepts in drilling within the greater Union Project area. The Union Project is host to epithermal style high-grade gold mineralisation hosted in quartz-veining and disseminated sulphides associated with shearing within a 2.5km by 4km area of surface anomalism.

The Union Project gold-copper anomaly is located within an extensive 2,700km² land position held by the Ouro Paz Joint Venture, with the current exploration activity prioritising multiple surface gold anomalies for further resource definition work.

The 2013 exploration program has extended known mineralisation, and identified several new mineralised prospects host to high-grade gold mineralisation providing multiple potential sources of ore within a 20km diameter. An initial resource estimate will be completed in the current quarter to assess the economic viability of a centralised milling and/or heap leach facility at the Union Project.

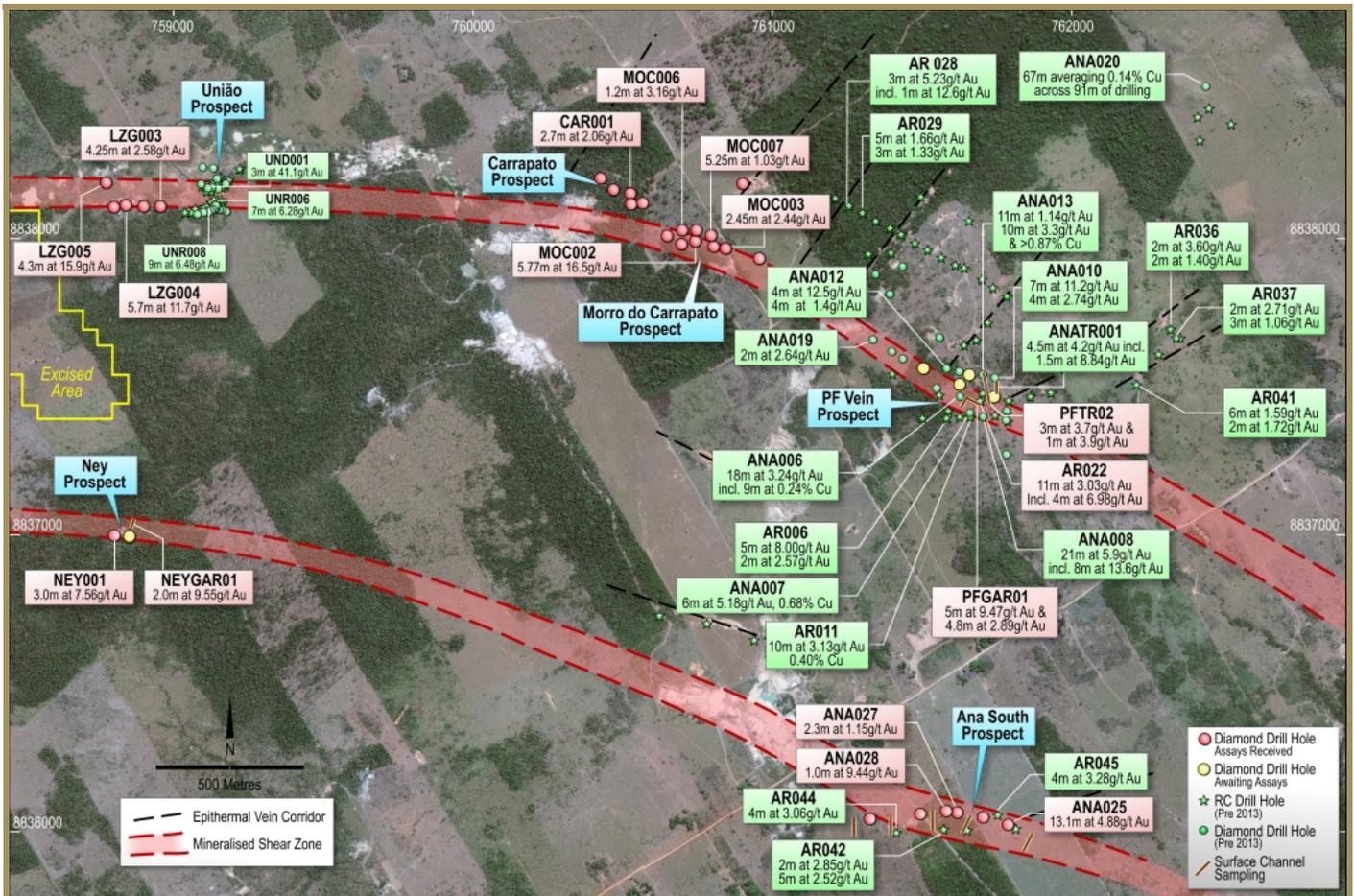


Figure 1: Union Project area with prospect area, drill holes, and surface channel sampling locations on satellite imagery with better intercepts labelled [2013 diamond and surface channel sample results in pink]

Better intercepts in 2013 drilling and surface channel sampling at a 0.5g/t Au cut-off for the various prospects include:

- Assay results extending União Prospect mineralisation to over 450 metre strike length and better intercepts include;
 - **4.25m @ 2.58g/t Au** from 34.55m depth, including **1.1m @ 7.56g/t Au** – LZG003
 - **5.7 m @ 11.7 g/t Au** from 50.4 m depth, Including, **3.6 m @ 17.8 g/t Au** in diamond hole LZG 004
 - **4.3 m @ 15.9 g/t Au** from 72m depth, and
 - **5.8 m @ 2.77 g/t Au** from 106m in diamond hole LZG 005
- Morro do Carrapato Prospect better intercepts include;
 - **5.77m @ 16.5g/t Au** from 40.55m depth, including **1m @ 85.6g/t Au** in diamond hole MOC02
 - **2.45m @ 2.44g/t Au** from 25m depth – MOC03
 - **1.2 m @ 3.6 g/t Au** from 82.75 m – MOC 006
 - **5.25 m @ 1.03 g/t Au** from 58.85 m – MOC 007
- Ney Prospect results received for surface sampling and first of three holes on initial drill test, with better intercepts;
 - **3m @ 7.56g/t Au** from 60m depth – NEY001
 - **2m @ 9.55g/t Au** at surface – NEY GAR01
- Ana South Prospect better drill intercepts include;
 - **13.1m @ 4.88 g/t Au** from 46.3 m depth, including; **1.8m @ 14.9 g/t Au** & **2.1 m @ 11.9 g/t Au** – ANA025
 - **1m @ 9.44 g/t Au** from 35.5m depth – ANA028
- PF Vein Prospect better surface results include;
 - **5 m @ 9.47 g/t Au** in floor of 3m deep open workings – PF_GAR01a
 - **4.8 m @ 2.89 g/t Au** across wall of open workings – PF_GAR01b
 - **4.5m @ 4.2 g/t Au**, including **1.5m @ 8.8 g/t Au** in trench ANA_TR001
 - **3m @ 3.72 g/t Au** and **1m @ 3.87 g/t Au** in trench PF_TR02

PLUMRIDGE PROJECT SUMMARY

The Plumridge Project is located 250km east of Kalgoorlie in Western Australia, and is hosted in the Albany-Fraser Belt, a tectonic collision zone on the margin of the Yilgarn craton. This geological setting is host to both the +5Moz Tropicana gold deposit and the recent Nova deposit nickel-cobalt discovery by Sirius Resources. It remains a highly prospective and exciting region which is vastly under-explored and has the potential to host a number of significant base and precious metal deposits.

The Plumridge Project straddles the contact between the Fraser Zone and Eastern Biranup Zone units within the Albany-Fraser Belt. The Fraser Zone is host to mafic and ultramafic units, and is host to the Nova discovery. A recent aerial EM survey has identified multiple anomalies for follow-up work in the portion of the Plumridge project covering the Fraser Range Zone, including several targets located along the contact between the Fraser and Eastern Biranup zones.

The Eastern Biranup Zone of the Albany Fraser Belt is host to the Tropicana gold deposit, along with several other gold prospects, including the Plumridge Project's Corvette gold anomaly located approximately 60km southwest of Tropicana. The Corvette gold anomaly is a 10km long gold anomaly defined by AC drilling, with multiple intercepts of significant gold mineralisation in localised areas of RC drilling. The extensive Corvette gold anomaly has several target areas requiring follow-up RC drilling and AC gold anomalies requiring initial drill testing.

IGS is currently working on integrating recent VTEM survey completed by Fraser Range Metals Group Limited with IGS datasets and compilation work with the private entity party to the farm-in agreement to define an exploration strategy for the A\$1 million earn-in over the next 18 months.

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Competent person statement - IGS

The information in this report that relates to exploration results for International Goldfields Ltd is based on information compiled by Mr Travis Schwertfeger. Mr Schwertfeger is the Managing Director of International Goldfields Limited. Mr Schwertfeger is a member of The Australian Institute of Geoscientists and has 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 in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schwertfeger consents to the inclusion in the report of the matters based on information in the form and context in which it appears. ns on which any such forward-looking statement is made.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

INTERNATIONAL GOLDFIELDS LIMITED

ABN

69 099 544 680

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(988)	(4,214)
(b) development	-	-
(c) production	-	-
(d) administration	(263)	(1,160)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	91
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
2011 R&D Claim refund received	-	253
Payment of stamp duty on the transfer of exploration assets	-	(425)
Net Operating Cash Flows	(1,247)	(5,455)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	(862)
(c) other fixed assets	-	(3)
1.9 Proceeds from sale of: (a) prospects	-	100
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(4,000)
1.11 Loans repaid by other entities	-	-
1.12 Other – restricted cash relinquished	-	170
Net investing cash flows	-	(4,595)
1.13 Total operating and investing cash flows (carried forward)	(1,247)	(10,050)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,247)	(10,050)
	Cash flows related to financing activities		
1.14a	Proceeds from issues of shares, options, etc	-	2,000
1.14b	Shares to issue	-	-
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 - Capital raising costs	-	(247)
	Acquisition costs	-	(500)
	Net financing cash flows	-	1,253
	Net increase (decrease) in cash held	(1,247)	(8,797)
1.20	Cash at beginning of quarter/year to date	2,755	10,418
1.21	Exchange rate adjustments to item 1.20	(1)	(114)
1.22	Cash at end of quarter *	1,507	1,507

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	52
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees

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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+ See chapter 19 for defined terms.

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	500
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total *	700

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	262	27
5.2 Deposits at call	1,245	2,728
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,507	2,755

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	Manankaro			
		Doubasso			
			Relinquished:		
			West African licence	100%	0%
			West African licence	100%	0%
			Contributed to JV:		
		866964/2011	Application – Expl licence	100%	35%
		866963/2011	Application – Expl licence	100%	35%
		866965/2011	Application – Expl licence	100%	35%
		866101/2013	Application – Expl licence	100%	35%
		866102/2013	Application – Expl licence	100%	35%
		866103/2013	Application – Expl licence	100%	35%
		866313/2005	Granted – Expl licence	100%	35%
		866375/2005	Granted – Expl licence	100%	35%
		866452/2005	Granted – Expl licence	100%	35%
		866217/2005	Granted – Expl licence	100%	35%
		866249/2005	Granted – Expl licence	100%	35%
		866286/2005	Granted – Expl licence	100%	35%
		866168/2005	Granted – Expl licence	100%	35%
		866398/2005	Granted – Expl licence	100%	35%
		866267/2005	Granted – Expl licence	100%	35%
		866275/2005	Granted – Expl licence	100%	35%
		866407/2005	Granted – Expl licence	100%	35%
		866128/2005	Granted – Expl licence	100%	35%
		866435/2005	Granted – Expl licence	100%	35%
		866187/2005	Granted – Expl licence	100%	35%
		866377/2005	Granted – Expl licence	100%	35%
		866338/2005	Granted – Expl licence	100%	35%
		866240/2005	Granted – Expl licence	100%	35%
		866294/2005	Granted – Expl licence	100%	35%
		866357/2005	Granted – Expl licence	100%	35%
		866119/2005	Granted – Expl licence	100%	35%
	866127/2005	Granted – Expl licence	100%	35%	
	866447/2005	Granted – Expl licence	100%	35%	
	866322/2005	Granted – Expl licence	100%	35%	
	866475/2005	Granted – Expl licence	100%	35%	
	866349/2005	Granted – Expl licence	100%	35%	
	866150/2005	Granted – Expl licence	100%	35%	
	866250/2005	Granted – Expl licence	100%	35%	
	866134/2009	Granted – Expl licence	100%	35%	
	866773/2011	Granted – Expl licence	100%	35%	
6.2	Interests in mining tenements acquired or increased	866688/2009	Granted – Expl licence	0%	35%
		866353/2003	Granted – Expl licence	0%	35%
		867122/2012	Application – Expl licence	0%	35%
		867129/2012	Application – Expl licence	0%	35%
		867142/2012	Application – Expl licence	0%	35%
		867148/2012	Application – Expl licence	0%	35%
		867130/2012	Application – Expl licence	0%	35%
		867121/2012	Application – Expl licence	0%	35%
		867147/2012	Application – Expl licence	0%	35%
		867145/2012	Application – Expl licence	0%	35%
		867123/2012	Application – Expl licence	0%	35%
		867125/2012	Application – Expl licence	0%	35%
		867126/2012	Application – Expl licence	0%	35%
		867127/2012	Application – Expl licence	0%	35%
		867144/2012	Application – Expl licence	0%	35%
		867128/2012	Application – Expl licence	0%	35%
		867119/2012	Application – Expl licence	0%	35%
		867124/2012	Application – Expl licence	0%	35%
		867143/2012	Application – Expl licence	0%	35%
			866668/2012	Requirimento de Lavra Garimpeira	0%
	866416/2012	Application – Expl licence	0%	35%	

+ See chapter 19 for defined terms.

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	638,187,055	638,187,055		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(Convertible Notes)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,000,000 6,250,000 7,500,000 6,500,000	- - - -	<i>Exercise price</i> \$0.20 \$0.20 \$0.08 \$0.08	<i>Expiry date</i> 31/12/2013 31/12/2013 31/12/2015 31/12/2015

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 July 2013
(Company secretary)

Print name: Jane Flegg

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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