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PROMISING INITIAL RESULTS FROM OURO PAZ JOINT VENTURE DRILLING

Highlights

- 20 holes totalling over 2,500m of a 5,000m diamond drilling program completed at Union Project in Brazil.
- Assay results received for eleven holes totalling 1,263m of drilling testing four prospects within the União Project area. Better intercept's include:
 - **5.77m at 16.5g/t Au** from 40.55m depth, including **1m at 85.6g/t Au** in diamond hole MOC02
 - **2.45m at 2.44g/t Au** from 25m depth – MOC03
 - **4.25m at 2.58g/t Au** from 34.55m depth, including **1.1m at 7.56g/t Au** – LZG003
 - **2.7m at 2.06g/t Au** from 82.5m depth – CAR01
- União Prospect resource estimate and 2012 Ana Prospect drilling to be incorporated with current exploration results for a JORC-compliant resource estimate update expected by August 2013.

International Goldfields Limited (ASX: IGS) ("IGS") is pleased to announce initial assay results from ongoing diamond drilling by the Ouro Paz Joint Venture in Brazil.

Over 2,500m of diamond drilling is completed in 20 holes testing six prospects (União, Carrapato, Morro do Carrapato, Jeová, PF Vein Zone, and Ana South) within the Union Project area (refer to Figure 2). Assay results recently received for the first eleven holes totalling 1,263m drilling from four of the six prospects.

Encouraging assay results are located at the initial drill test of the Morro do Carrapato Prospect, with additional down-dip drilling complete and pending assay.

Morro do Carrapato is an outcropping quartz ridge analogous in appearance and geological setting to the PF Quartz Vein outcrop and is host to several >5g/t Au rock chip samples. Morro do Carrapato is situated at the intersection of the northeast trending Jeová prospect veining and the northwest trending mineralised shear zone that also hosts mineralisation at the PF Vein Prospect one kilometre to the southeast.

Holes MOC 001 through 004 at Morro Carrapato are drilled on 50m spacing along strike with better results in MOC 002 returning **5.77m at 16.5g/t Au** from 40.55m depth, including **1m at 85.6g/t Au** (See photo below of core sample

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from MOC 002) and MOC 001 returning **6.15m at 1.065g/t Au, including 1.25m averaging 1.84g/t Au** from 31.9m depth 50m to the northwest, and MOC 003 returning **2.45m at 2.44g/t Au** from 25m depth and mineralisation open to the southeast.



Figure 1: MOC002 Diamond Core - gold mineralised interval averaging 16.4g/t Au over 5.77 metres

Managing director Travis Schwertfeger described the latest diamond drilling results as extremely encouraging.

“These initial results suggest there is strong potential for multiple zones of high grade gold mineralisation to be hosted at the Union project. With just over half the diamond drilling campaign now completed, we are encouraged and eagerly await the next round of diamond drilling results to assess the potential of the project.”

Diamond holes CAR 001 through CAR 003 are part of an initial drill test of the Carrapotto Prospect, the northwest extension of Morro do Carrapato.

The assay results for these holes demonstrate down-dip potential of the near-surface workings and continuity of the extensive mineralised corridor that is the focus of additional exploration work.

Diamond holes LZG 001 through LZG 003 are the first three of five holes to test 300m of strike to the west of the drilled mineralisation of the União Prospect on 50m spacing. Hole LZG 003 returned **4.25m at 2.58g/t Au** from 34.55m depth, including **1.1m at 7.56g/t Au** demonstrating potential to significantly extend the existing footprint of the mineralised zone.

Updated Resource estimation of the current foreign resource estimate to JORC compliant standards for the União Prospect and a maiden resource for the PF Vein Prospect is planned for August 2013 following completion of the current drill program. Geological modelling has commenced on the Ana Prospect, with results of density measurements for tonnage calculations recently received. Samples for preliminary metallurgical assessment for Ana Prospect are being prepared for shipment.

Union Project Summary

The consolidated Union project area is host to the União, Ana, and numerous other prospects where exploration is defining epithermal style high-grade gold mineralisation hosted in quartz-veining and disseminated sulphides associated with shearing. The Union project includes the 2.5km by 4.5km surface geochemistry gold anomaly defined in 2012.

The União Prospect is located 2.6km west-northwest of the high-grade shoot of the PF Quartz Vein of the Ana Prospect. Mineralisation previously drilled at the União Prospect lies on the projection of mineralised shearing associated with the PF Quartz Vein Zone with multiple un-drilled targets defined between the two zones of confirmed mineralisation.

Conselheiro initiated drilling on behalf of the Joint Venture in February this year. Exploration activity has recently increased to three diamond drill rigs on site to test priority targets across the full extent of the consolidated Union Project area with a 5,000m diamond drill program expected to complete by July. The Joint Venture has also commenced several trenches with mapping and channel sampling to better delineate the surface expression of the mineralization.

Transaction Overview

IGS' 93% owned subsidiary, Latin Gold Ltd has finalised a Joint Venture Agreement with Brazil domiciled Conselheiro, a 100% owned subsidiary of Biogold Investment Fund, a party to the Memorandum of Understanding to form a joint venture disclosed 7 February 2013. The Final Agreement includes several parties related to Biogold, whereby each entity will contribute their respective land holdings located in the south eastern extent of the Juruena belt in Brazil into the private Brazil based entity Ouro Paz. The combined landholding will form an incorporated Joint Venture between Latin Gold holding a 35% interest and Conselheiro a 65% interest.

Conselheiro and other Biogold subsidiaries will contribute 21 tenements to the joint venture and provide JV management. Biogold and Conselheiro have already initiated transfer of 3 tenements adjacent to the Ana Prospect comprising the União Project that is host to drilled gold mineralisation into Ouro Paz, and an additional 224km² of applications for 18 exploration licences that are adjacent to, or complimentary with, the Latin Gold Project tenure that will be transferred to Ouro Paz following grant of the mineral rights.

Amazongold has initiated transfer of 29 granted tenements totalling 2,285km² in exchange for a 35% ownership in Ouro Paz. Amazongold also holds 6 applications for exploration licences totalling approximately 300km² to be transferred to Ouro Paz following grant of the mineral rights.

Terms of Joint Venture (JV)

The merged project areas will be operated under a joint venture agreement between Conselheiro, a subsidiary of Biogold, and Latin Gold. A JV committee will include two nominees from each company, with Conselheiro appointed as JV manager so long as Conselheiro retains greater than 50% interest in Ouro Paz. The JV committee will meet and approve JV expenditure budgets every 6 months.

Latin Gold's proportion of the JV expenditure for 2013 is capped at US\$600,000 ("Latin Gold Funding") with Conselheiro financing Latin Gold's proportion of JV expenditure in excess of that amount, so that Latin Gold will be finance-carried and not subject to dilution in the JV in 2013. Any expenditure funded by Conselheiro on behalf of Latin Gold in 2013 will be subject to repayment from future JV revenues.

The mining tenements and application for mining tenements contributed by each JV party are subject to a 2km buffer defining an area of interest (“AOI”). Any acquisition or applications for mining tenements that are located partially or wholly within the AOI for 24 months from completion of the Memo of Understanding agreement will be subject to the terms of the JV.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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Competent person statement: Ouro Paz

The information included in this release that relates to Ouro Paz foreign resource estimates and exploration data for the Union Project is based on information compiled by Mario Conrado Reinhardt, MAIG. Mr. Reinhardt is employed as Senior Geologist by Biogold and Exploration Manager of Our Pas and has worked as a consultant in regional exploration, mine evaluation and mine development for over 30 years in precious and base metal deposits. Mr. Reinhardt has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person. Mr. Reinhardt consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

About International Goldfields Limited

The Company’s 93% owned private entity Latin Gold Ltd (“Latin Gold”) holds rights to a 35% interest in the Brazilian based entity CIA Minerado Ouro Paz S.A. (“Ouro Paz”) by way of a Joint Venture Agreement with Brazil based CIA MINERADORA MANGANÊS CONSELHEIRO S.A. (“Conselheiro”) that was finalised in April pursuant to the Heads of Agreement announced 7 February 2013.

The JV entity Ouro Paz will hold over 2,700km² land position in the highly prospective Alta Floresta Mineral Province of the Juruena Belt, with several parties to the agreement contributing licences proximal to Latin Gold’s Ana Prospect discovery to form a consolidated land package called the **Union Project** located central to the vast land holdings of the Ouro Paz Joint Venture.

Table 1: Ouro Paz Joint Venture Significant Drill Intercepts at >0.5g/t Au cut-off

Hole ID	Easting	Northing	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (percent)
MOC 001	760643	8837949	9.00	11.80	2.80	0.426	102	<0.1%
			17.7	18.8	1.10	0.938	21	<0.1%
			25.00	25.75	0.75	2.895	3	<0.1%
			31.90	38.05	6.15	1.065	24	<0.1%
			43.65	44.50	0.85	0.560	1	<0.1%
			98.00	98.50	0.50	1.086	3	<0.1%
MOC 002	760692	8837946	40.55	46.32	5.77	16.473	36	<0.1%
			50	51	1.00	0.633	6	<0.1%
MOC 003	760743	8837926	25.05	27.50	6.15	2.442	15	0.13%
			35.00	36.00	1.00	0.900	9	<0.1%
MOC 004	760592	8837961	No Significant Intercepts					
CAR 001	760466	8838109	82.5	85.2	2.7	2.060	53.8	0.13%
CAR 002	760376	8838162	No Significant Intercepts					
CAR 003	760415	8838126	133.25	134.25	1.00	2.925	15	0.21%
			135.75	137.65	1.90	0.626	11.6	<0.1%
JEV 001	760849	8838143	No Significant Intercepts					
LZG 001	758750	8838060	47.00	49.00	2.00	2.691	1	<0.1%
			61.55	63.35	1.80	1.539	5	0.12%
			67.75	68.30	0.55	1.015	10	<0.1%
LZG 002	758850	8838060	47.85	50.55	2.70	1.686	3	<0.1%
			83.05	84.05	1.00	0.836	9	<0.1%
LZG003	758900	8838070	34.55	38.80	4.25	2.581	3	Pending
including			37.70	38.80	1.10	7.557	9	Pending
			51.00	52.00	1.00	0.733	4	Pending
			55.15	56.40	1.25	0.874	<1	Pending

Technical Notes

- Samples assayed are ½ NQ2 diamond core cut at the Ouro Paz field camp located at the Union Project area, and ½ HQ diamond core in weathered profile sampled by splitting.
- All assay numbers are reported as un-cut and all intercepts reported as drilled thickness and are not to be interpreted as true thickness unless otherwise indicated.
- Reported intersections are based on a 0.5 g/t gold lower cut-off, no upper-cut applied and maximum 2m internal dilution on nominal 1m interval sampling

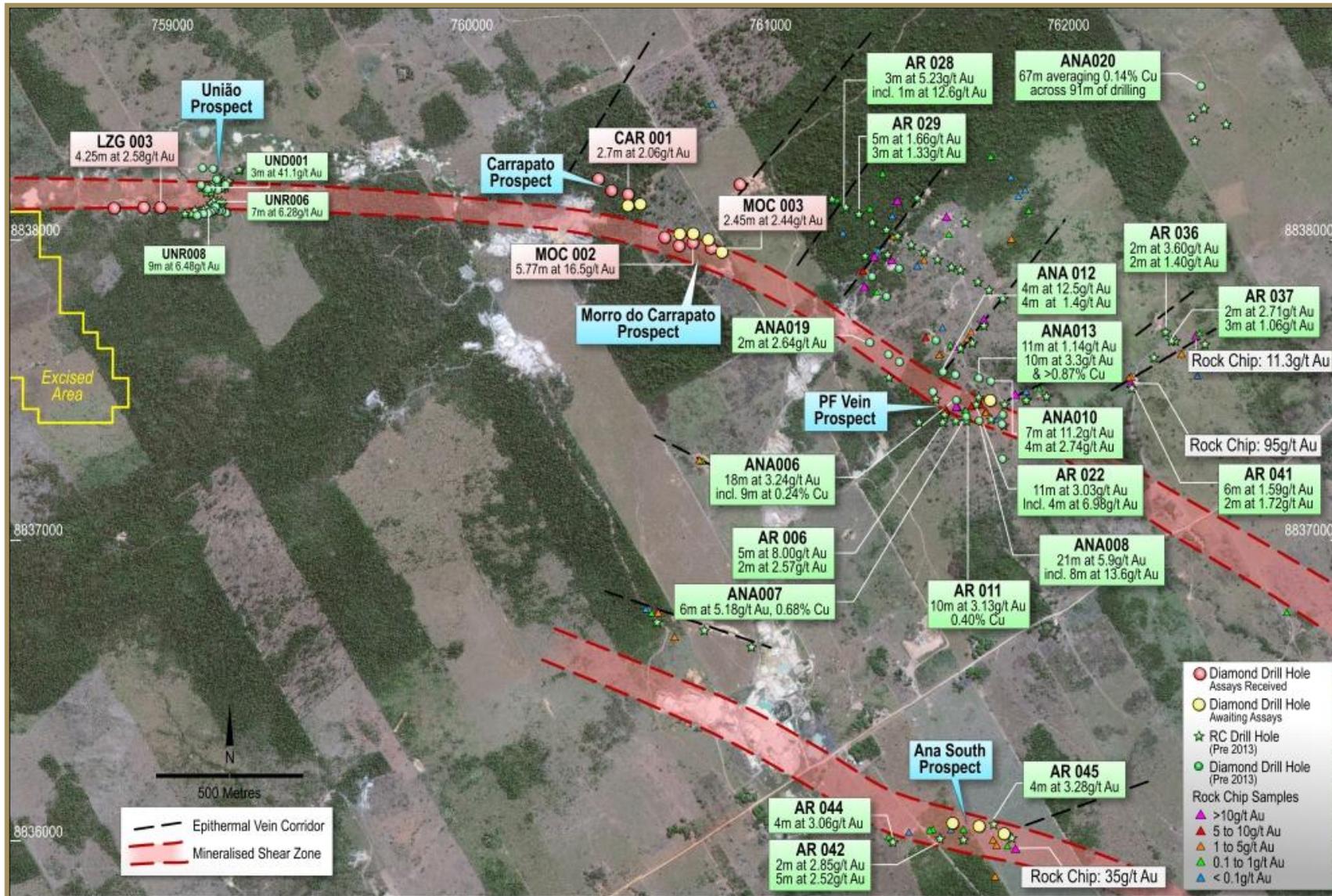


Figure 2: Union Project area with prospect and drill hole locations on satellite imagery with better intercepts labelled

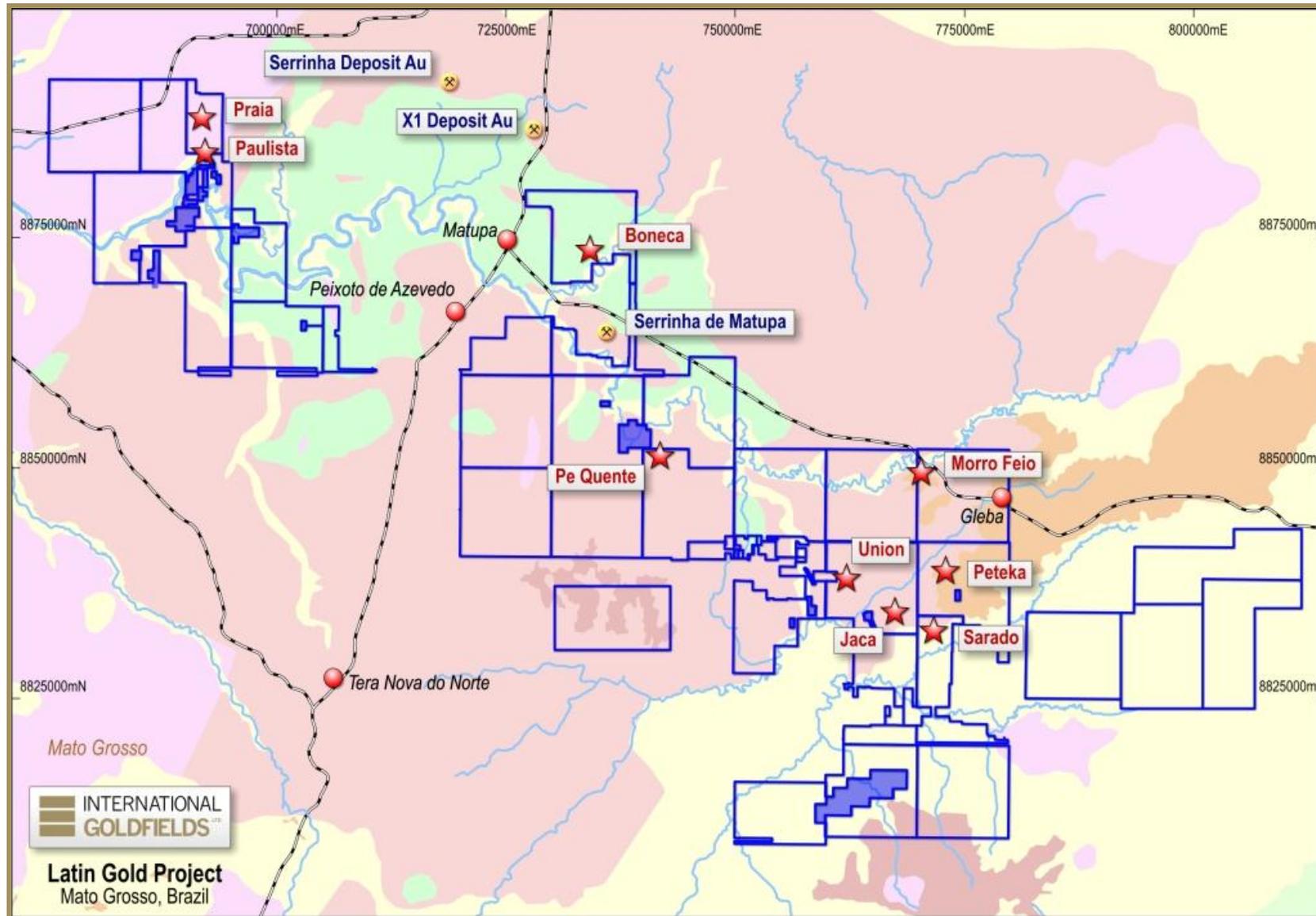


Figure 3: Ouro Paz Joint Venture tenement map, project locations, and regional summary geology