

## FINAL DRILL ASSAYS & GROUND GEOPHYSICS COMPLETED, BRAZIL

### Highlights

- **Assay results received for the final diamond hole at the Ouro Paz Gold Project's União Prospect, with best intercept returning;**
  - **1m @ 11.4 g/t Au within 7.8m @ 2.09g/t Au - LZG016**
- **Ground geophysics completed with induced polarization (IP)/Resistivity orientation survey over three prospect areas.**

International Goldfields Limited (ASX: IGS) ("IGS") is pleased to announce the completion of an Induced Polarization (IP)/Resistivity geophysical orientation survey program and an additional high-grade gold result at the União Prospect for the Company's Ouro Paz Gold Project located in Brazil in the state of Mato Grosso and held in Joint Venture (JV) with Brazil-based Biogold Investment Fund.



**Figure 1: Example of mineralisation from interval assaying 11.4g/t Au - LZG016**

Assays reported are for the final hole of a 5,860.2m diamond drilling campaign completed in 2013. Hole LZG016 tests the open-ended eastern extent of União, returning 1m at 11.4g/t Au amongst several anomalous intercepts throughout the hole (refer to Table 1), leaving significant potential for additional mineralisation to the east.

The same style of quartz stockworks and veining observed in LZG016 have been identified in recent surface mapping located approximately 800m to the east, in addition to shearing with oxidised sulphide textures observed approximately 1.1km from LZG016. Both exposures further increasing confidence in potential to extend mineralisation with additional drilling beyond the current limits of defined mineralisation.

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Surface sampling is pending on those potentially mineralised exposures located between the União prospect and the Morro do Carrapato prospect located 1.5km to the east which host the better intercept of **5.77m @ 16.5g/t Au** in hole MOC002 (refer to Figure 3 & 4) reported to the ASX 7 May 2013.

### **União Prospect – Technical Review**

The final hole tests the open-ended eastern extent of the União prospect mineralised zone with a 50m step to the east of historic diamond hole UND003, which returned several narrow intercepts >1g/t Au including **1m @ 2.46g/t Au** from 22m and **4.89m @ 3.5g/t Au**, including **0.32m @ 9.5g/t Au**. The drill hole, LZG016, intersected **1m at 11.4g/t Au** at relatively shallow depth amongst several anomalous intercepts throughout the hole.

The high-grade intercept in hole LZG016 is located on the margin of a 7.8m wide zone of mineralised quartz stockworks and quartz healed breccia which averaged **2.09g/t Au** across the drilled thickness. The pervasiveness and intensity of alteration in the hole suggests the hole is still located in a strong part of the mineralising system and increases confidence for further extensions of the mineralised zone with additional exploration along strike and with depth.

Surface mapping continues along trend of the União mineralisation to map in detail the 1.5km gap in drilling between the União and Morro do Carrapato Prospects. With surface mapping, ground geophysics and soil sampling along trend suggesting potential for the mineralisation to extend between the two prospects. The combination of recent mapping and drilling highlight significant potential for additional high-grade shoots within the untested 1.5km corridor. The Morro do Carrapato Prospect returned a better intercept of **5.77m @ 16.5g/t Au** in hole MOC002 in initial drill testing this year (refer to IGS release to the ASX dated 7 May 2013). The JV is currently completing detailed mapping of the area for planning initial drill tests of the zone for the 2014 field season to assess potential for increases to gold resource.

### **Ground Geophysics Orientation Survey Completed**

The Ouro Paz JV has concluded an orientation survey of spectral induced polarisation / resistivity geophysical methods (IP) to assess the responsiveness of the characteristics for the style of gold mineralisation at the Ouro Paz Gold Project to the style to the geophysical method. Four line-km of IP geophysics has been completed on four traverses over 3 prospects within the project area (refer to Figure 3 for traverse locations).

The IP surveying was conducted by using a spectral induced polarisation (IPR12/TSQ3) system, configured in a conventional 2-D dipole-dipole array. The potential electrode spacing was set to 25 metres and separation factors of n=1 to 8 were used.

At the União Prospect, a one line-km north-south traverse of IP geophysics (União\_IP-01) was completed over an east-west trending zone of known mineralisation. The survey highlights a strong anomalous response in both the chargeability (Refer to Figure 4) and resistivity related to the projection of the mineralised zone in diamond drilling at União. Similar results were returned on a one line-km traverse between the Morro do Carrapato and Ana PF Prospect areas. The orientation lines indicate the method is effective in recognises potential mineralisation and additional lines of IP are planned for the area as weather permits following seasonal rains from November to February.

At the Ney Prospect, two lines were completed, with the first line covering a diamond drill intercept, which returned **3m @ 7.56g/t Au** from 60m drill depth. An additional line of IP (Ney\_IP-02) was completed 400m to the east for exploration purposes, following the trend of substantial hydrothermal breccia's and silica sinter. The line Ney\_IP-02 is host to a significant chargeable anomaly at the margin of a large resistivity anomaly below 60m depth in inverted depth sections. The IP anomalies at Ney justify plans for additional IP survey work for the area to refine drilling plans to test the conceptual target.

## Tenement Update

The Ouro Paz JV has been granted renewals for 12 exploration authorisation licences totalling 1,010km<sup>2</sup> held within the Ouro Paz Gold Project for a term of 12 months. With the approval of the renewals, the project currently covers 1,493km<sup>2</sup> of granted mineral rights.

The JV also currently has rights to over 500km<sup>2</sup> of applications for exploration authorisation licences, with the approval process for applications currently held up with proposed changes to the mining law in Brazil. The government has a moratorium on granting exploration licences so that tenure can be granted under, and be subject to the revised mining code, which is the subject of significant debate in Brazil.

Within the twelve tenements requiring renewal, the JV also lodged a “positive final report” for eight of the twelve tenements in conjunction with filing for renewal of the exploration licences. The positive final report is the first step under Brazilian Mining Law to convert tenure from exploration licence to mining licence. Following approval of renewals for all 12 licences of interest on the project, the JV has subsequently withdrawn five of the eight positive final reports and will revise the withdrawn reports with additional exploration results and lodge again in a year’s time.

The three positive reports being filed are to initiate the environmental permitting and trial mining approval process. The positive reports are filed with the National Department of Mineral Production (DNPM) with the acceptance and approval of those reports pending a field review by the DNPM.

With acceptance and approval of the positive report by the DNPM, the Ouro Paz JV will then seek to obtain the Preliminary Environmental License (“LP”), issued by the competent environmental agency and submit the LP to the DNPM. The LP is obtained at the planning stage of the mining project, and an Environment Impact Assessment (“EIA”) and a plan for the restoration of degraded areas will also be prepared.

The second stage of the environmental licensing process is the Installation Licence (“LI”) where the JV will produce an Environmental Control Plan (“PCA”), among other documents and submit it to the environmental authorities. Once the PCA is approved, the LI is granted and filed with the DNPM.

Pursuant to completion of the environmental and reporting obligations and other basic conditions met, a request for a mining concession is made to the Ministry of Mines and Energy through an application by the holder of the exploration authorisation licence.

## Ouro Paz Gold Project JV Summary

IGS holds 93% ownership in the private UK based company Latin Gold Ltd, which is party to the incorporated Joint Venture Ouro Paz Mineradora S.A. (Ouro Paz), with Latin Gold Ltd holding a 35% interest in the Joint Venture controlled by Brazil based Biogold Investment Fund. The Ouro Paz JV covers an area of 1,493km<sup>2</sup>, with Ouro Paz holding rights to an additional 500km<sup>2</sup> in mineral applications in the highly prospective Juruena Belt of northern Mato Grosso, Brazil.

Multiple prospect areas have been defined within a 20km diameter area hosting epithermal style high-grade gold mineralisation associated with quartz veining that forms the Union Gold Project within the Ouro Paz joint venture’s extensive tenement position.

Each prospect area is host to gold mineralisation at surface with potential for open pit extraction, and higher gold grades provide the potential for underground mining methods to be economically viable. The current exploration program is focused on both quantifying shallow oxide gold mineralisation and identifying new prospects with high-grade gold values to support planned preliminary economic assessment for viability of a centralised milling and/or heap leach facility processing ore from several mineralised zones in close proximity.

ENDS

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**Competent person statement: Ouro Paz**

*The information included in this release that relates to exploration data for the Ouro Paz Gold Project is based on information compiled by Mario Conrado Reinhardt, who is a member of the Australian Institute of Geoscientists (MAIG). Mr. Reinhardt is employed as Senior Geologist by Brazil based Biogold Investment Fund and Exploration Manager of CIA Ouro Paz Mineradora S.A. 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 as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). 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**

International Goldfields Ltd (ASX: IGS) is an Australian precious metals exploration company with assets in highly prospective goldfields in Brazil and Western Australia and investments in gold & silver production in the U.S.

The Company aims to create value for shareholders through the successful exploration and delineation of gold resources at projects located in the emerging Juruená belt gold districts in Brazil and the Albany-Fraser belt in Western Australia.

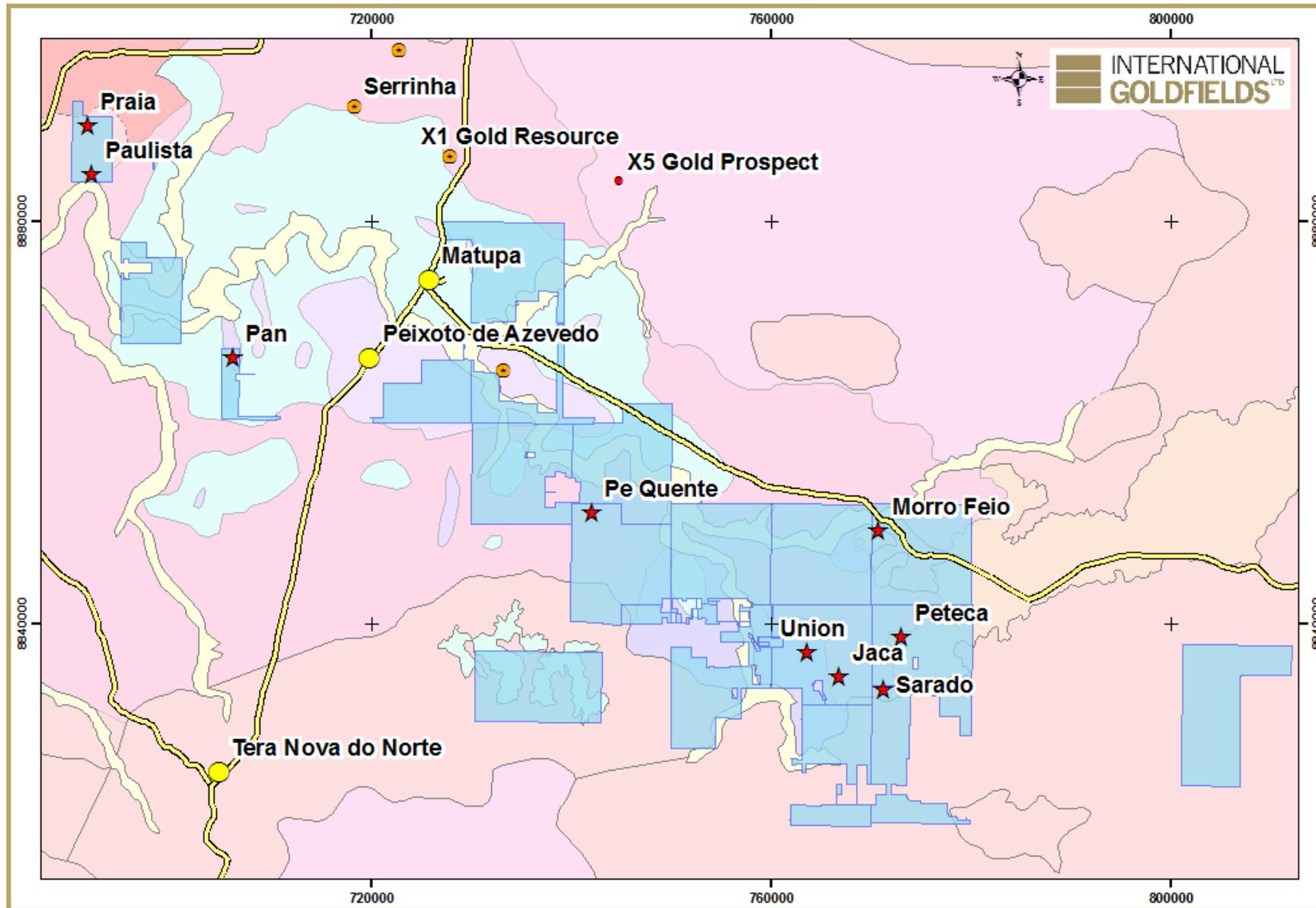
IGS is also aiming to generate returns for its shareholders through exposure to prudent investments in producing assets in the U.S. with existing gold and silver production and significant potential for further growth, and will continue to look for new commercial opportunities to invest in precious metal projects with the potential to increase shareholder value.

**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)
LZG016	759223	8838098	22.00	22.84	2.84	0.87	<1	<0.1%
			45.20	53.00	7.80	2.090	3	<0.1%
<b>45.20</b>			<b>46.20</b>	<b>1.00</b>	<b>11.362</b>	12	<0.1%	
63.00			64.43	1.43	1.455	5	<0.1%	
99.00			100.24	1.24	1.260	5	<0.1%	
115.12			116.18	1.06	1.092	5	<0.1%	
including								

#### Technical Notes

- All core material recovered from Diamond drilling logged in detail for lithology, structure, alteration, and mineralisation type and photographed for archive.
- 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, shipped for analysis by an independent laboratory who crushes the entire sample to passing 2mm, then splits a 250 to 300g sample and pulverises to 95% passing a 150 mesh.
- Determination of Au with 50g charge by fire assay with ICP finish.
- Determination of additional 36 elements done with ICP on solution from four-acid digest.
- Samples collected on nominal 1m intervals, with sample length varied where required to match lithologic contacts.
- 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, with sample intervals varied to match geologic contacts where required.



*Figure 2: Latin Gold Project Location and Regional Geology - Alta Floresta Province*

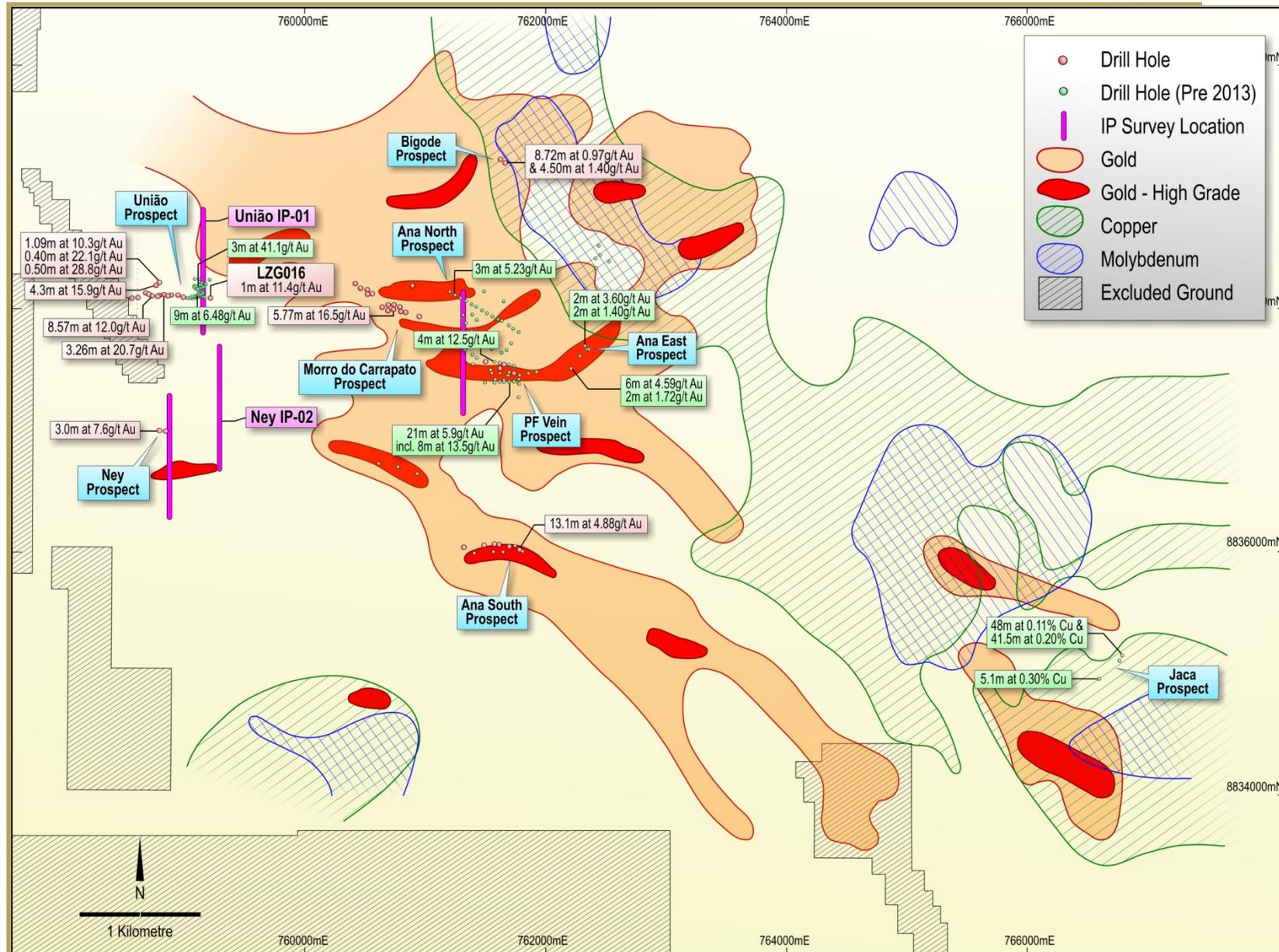


Figure 3: Union Project area anomalous soil outlines with prospect areas labelled and drill-hole locations with better intercepts labelled

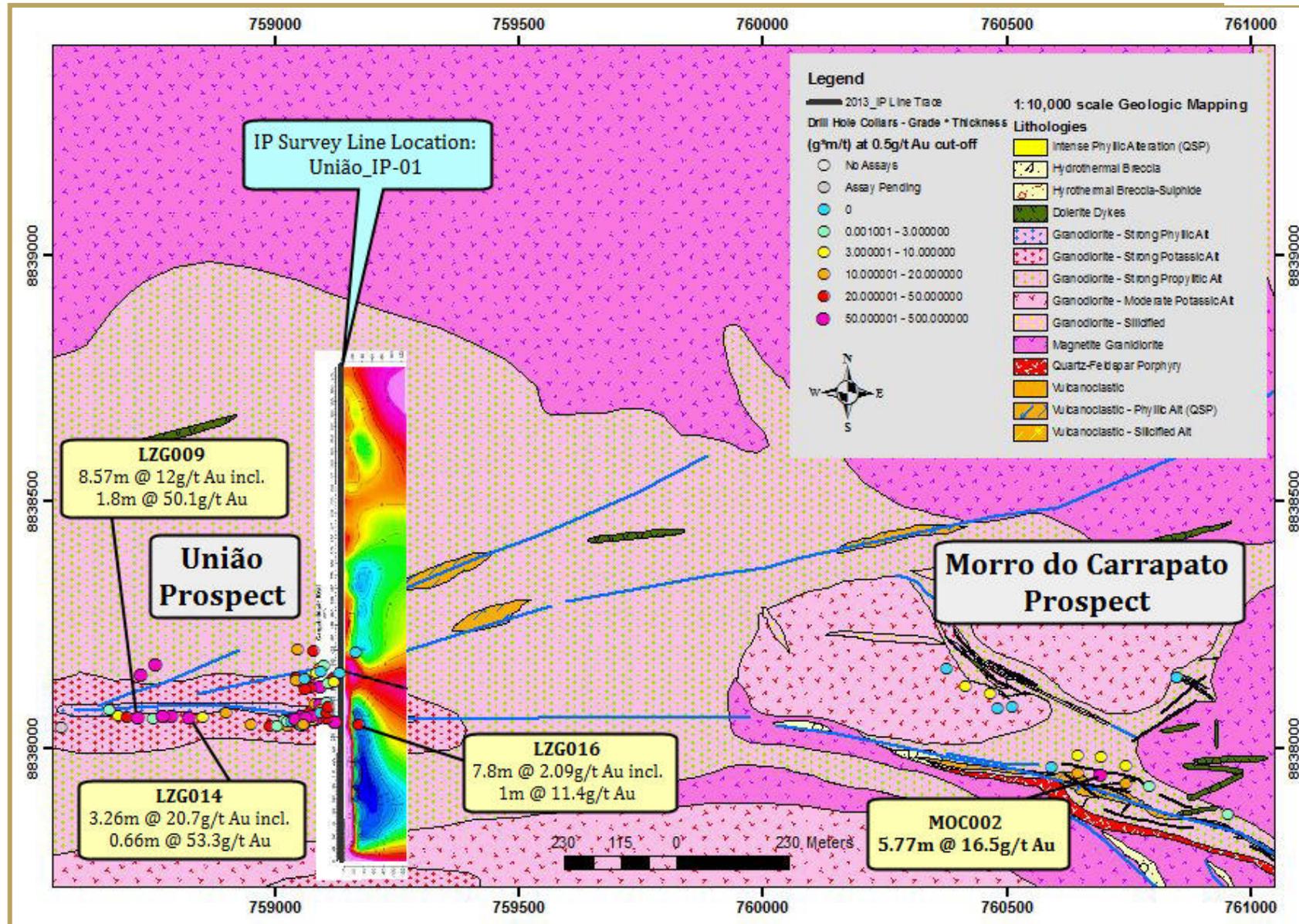


Figure 4: União and Morro do Carrapato Prospect generalised local geology with drill locations and IP Geophysics cross-section results plotted in plan view.