

30 April 2013

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MARCH QUARTERLY REPORT

International Goldfields Limited (ASX: IGS) ("IGS" or "the Company") provides the following Company update and Appendix 5B for the period ended 31 March 2013.

During the period, the Company progressed the merger transaction with Santa Fe Gold Corporation and exploration activities across its portfolio, primarily on its Brazil assets.

CORPORATE ACTIVITY

SANTA FE GOLD CORPORATION MERGER

During the quarter, IGS and US based Santa Fe Gold Corporation (OTCBB: SFEG) ("SFEG" or "Santa Fe") entered into a definitive merger agreement pursuant to a Binding Heads of Agreement ("HoA") executed 12 October 2012, that will combine the companies and create a significant gold/silver company ("Merger"), as announced on 18 February 2013. The parties are finalising a revised transaction structure given current market conditions and remain committed to completing the transaction to ensure IGS gets significant exposure to Santa Fe and its assets with Santa Fe utilising IGS' short and medium term balance sheet.

JOINT VENTURE OF BRAZIL ASSETS

IGS has recently executed a Joint Venture Agreement pursuant to the Memorandum of Understanding ("MoU") announced 7 February 2013 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 Latin Gold will transfer assets of its 100% owned subsidiary Amazongold Pesquisas Mineraiis Ltda ("Amazongold") to Conselheiro's 100% owned subsidiary CIA Minerado Ouro Paz S.A. ("Ouro Paz") in exchange for 35% ownership in Ouro Paz.

For IGS, the Joint Venture provides a consolidated land position with significantly increased resource potential in the Ana Prospect area, with the adjacent União Project host to a larger proportion of the mineralised shear zone identified in surface geochemistry. The Joint Venture also introduces additional highly qualified Brazilian national staff and management to the project and additional funding for exploration that will advance the project at an accelerated rate.

The Joint Venture entity, Ouro Paz, will hold over 2,700km² land position in the highly prospective Juruena Belt and has an approved Joint Venture expenditure budget which includes 5,000m of drilling for additional

BOARD

Tony Sage
Chairman

Bernard Aylward
Non-Executive Director

Mark Gwynne
Non-Executive Director

JOINT COMPANY SECRETARIES

Pip Leverington

Shannon Robinson

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COMMUNICATION DETAILS

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ASX CODE

IGS

delineation and exploration drilling for 2013.

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

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

Conselheiro and other Biogold subsidiaries contribute a total of 21 tenements to the Joint Venture and has already initiated transfer of 3 tenements into Ouro Paz located 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.

The Joint Venture has commenced drilling of a 5,000m diamond program on the consolidated Union project area to extend drilled mineralisation at the Uniao Prospect and Ana Prospect and test additional targets with outcropping gold mineralisation between the two prospects located 2.6km apart along a mineralised structural corridor. Diamond drilling is expected to be completed in July in support of planned resource estimation and preliminary economic assessment to be completed in August. Further technical information on the consolidated project and exploration activities provided below.

DIVESTMENT OF WEST AFRICAN ASSETS

In late April 2013, the Company entered into a binding term sheet 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) ("IGS Bermuda Group") ("West African Assets") ("West African Transaction").

In consideration for the sale the Company will receive a royalty of 2% of gross revenue from all gold produced from the West African Assets.

In addition, at Completion the purchaser shall pay the Company such amount of cash as represents the value of any cash holdings of the IGS Bermuda Group as at the date of the term sheet, any bonds and/or financial assurances in place as at Completion in relation to the West African Assets which are required by the relevant department, governmental authority, regulatory body or organisation to ensure that the party holding such tenements complies with its environmental or other obligations. These items are estimated at approximately USD\$104,000.

Completion is subject to fulfilment or waiver of the following conditions by no later than 45 days from the date of the term sheet with respect to (a) below and six months from the date of the term sheet with respect to (b) and (c) below:

- (a) the purchaser being satisfied with the results of its due diligence investigations on the West African Assets at its absolute discretion;
- (b) the granting of all regulatory approvals required to complete the West African Assets Transaction on terms acceptable to the purchaser (if any); and
- (c) approval of the West African Assets Transaction by the shareholders of the Company (if required).

The parties shall negotiate in good faith and enter into a formal share purchase agreement within forty five (45) days of the date of the term sheet (or such later date as agreed by the parties) ("End Date") ("Share Purchase Agreement").

If the Share Purchase Agreement is not executed on or before 5.00pm (WST) on the End Date, the agreement constituted by the term sheet will be at an end and the parties will be released from their obligations under the term sheet.

SALE OF PLUMRIDGE GOLD PROJECT

The Company has agreed to an extension for the share sale agreement with Fraser Range Resources (formerly AAQ Holdings Limited) (ASX: FRN) ("Fraser Range") to sell its wholly owned subsidiary Plumridge Gold Pty Ltd ("Plumridge"), the holder of the Plumridge Gold Project, located north east of Kalgoorlie, in conjunction with Fraser Range's acquisition of the Buraminya project located south east of Norseman. The sale of Plumridge is subject to Fraser Range satisfying regulatory approvals as announced in the Company release made on 20 September 2012.

SALE OF MURRAY BASIN MINERAL SANDS PROJECT

The Company completed the sale of Murray Basin Project tenements during the quarter. In consideration for the sale of the Murray Basin Project, which is located in the heavy mineral sands province in the west and north-west of Victoria, the Company received \$100,000 cash. Ministerial approval and completion of transfer of title for the tenements occurred in December 2012, and the final instalment of the cash consideration was received in January 2013.

GOLD EXPLORATION ACTIVITY

BRAZIL

Exploration activity has commenced on the Ouro Paz joint venture tenements, with a 5,000 metre diamond drill program initiated in February and completing 20 holes totalling approximately 2,500 metres of drilling as of the date of this report.

Union Project Summary

The Union Project area is the consolidation of two tenement group located over an extensive mineralised system that is host to gold and copper mineralisation at numerous prospects within a 2.5km by 4km zone of gold and copper surface geochemistry anomalism. The Union Project area is host to epithermal style high-grade gold mineralisation hosted in quartz-veining and disseminated sulphides associated with shearing.

The União Prospect is located adjacent to Latin Gold's recent Ana Prospect discovery area with each prospect host to high-grade gold intercepts in drilling within the greater Union Project area. União

gold-silver mineralisation is located 2.6km west-northwest of the high-grade gold-copper mineralised shoot of the PF Quartz Vein of the Ana Prospect. Mineralisation drilled at the União Project 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.

IGS has completed 72 holes totalling 7,678.2m at Ana Prospect identifying significant mineralisation on 4 vein trends, including delineation drilling to 120m depth on a high grade shoot extending up to 300m horizontally within the 1km strike extent of the PF Quartz Vein zone.

The União drilling consists of 52 drill-holes totalling 4,619m of drilling that delineate mineralisation for 150m of strike extent within the larger mineralised zone. Follow-up diamond drilling to test additional targets along the 2.5km of mineralised corridor located in the União tenement group commenced in January this year, with the initial drill-hole located approximately 300m west of the drilled mineralised zone intercepting favourable silica and sulphide altered zones.

Results of soil sampling at União Prospect correspond well to Ana surface geochemistry results at the boundaries between the two sampling programs. Mapping and rock chip sampling has identified multiple un-drilled targets between the two drilled zones of mineralisation with high-grade gold values up to 39g/t Au and 16.5g/t Au at surface.

Biogold has completed on behalf of Ouro Paz a ground magnetic survey of the União Prospect area highlighting several priority targets amongst the plethora of surface geochemistry anomalies requiring drill testing at the Union Project. Biogold has also completed preliminary metallurgical studies for the União Prospect area in support of an economic analysis, and metallurgical studies for the Ana Prospect mineralisation have commenced.

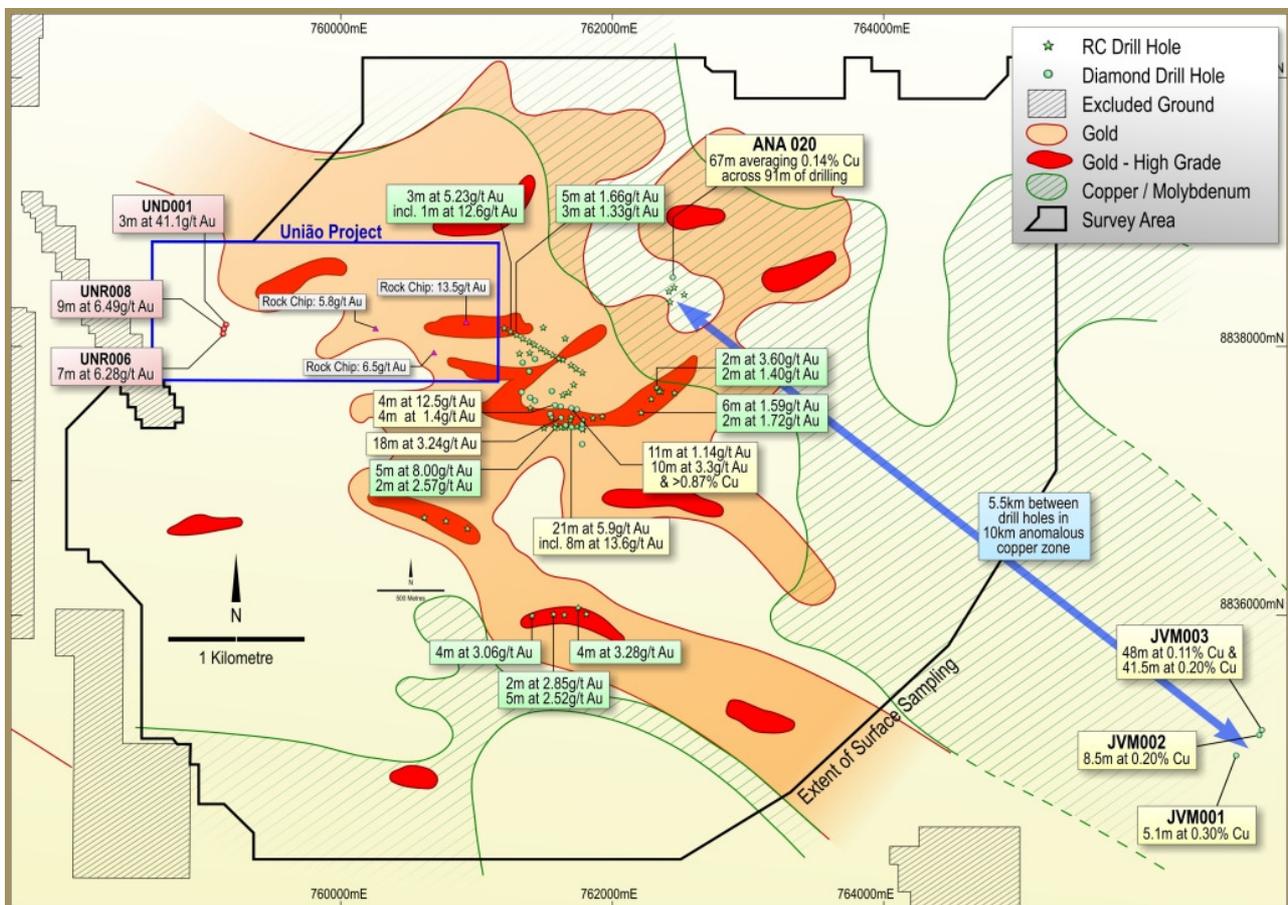


Figure 1: União Project surface geochemistry anomaly outlines and drill hole location map.

EXPLORATION PROPOSED

Exploration activity proposed for the next 3 month period is:

- Ouro Paz Joint Venture exploration in Brazil to continue 5,000 metre diamond drill program in support of September quarter resource estimation and preliminary economic assessment report.

CASH ON HAND

As at 31 March 2013, the Company had a cash balance of A\$2.76 million. The company also hold A\$0.78 million equity in short term investments at 31 March 2013, and a convertible note of A\$4 million by way of a secured loan to SFEG. IGS is currently focused on reducing costs and conserving cash through a variety of methods, including divestment of the West African assets to reduce expenditure commitments.

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

Name of entity

INTERNATIONAL GOLDFIELDS LIMITED

ABN

69 099 544 680

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

	Current quarter	Year to date (9 months)
Cash flows related to operating activities	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(692)	(3,225)
(b) development	-	-
(c) production & care & maintenance costs	-	-
(d) administration	(171)	(897)
1.3 Dividends received	-	-
1.4 Interest and similar items received	10	88
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	(853)	(4,206)
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	80	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	50	170
Net investing cash flows	130	(4,595)
1.13 Total operating and investing cash flows	(723)	(8,801)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows carried forward	(723)	(8,801)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	2,000
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 (decrease) in cash held	(723)	(7,548)
1.20	Cash at beginning of quarter/year to date	3,573	10,418
1.21	Exchange rate adjustments to item 1.20	(95)	(115)
1.22	Cash at end of quarter	2,755	2,755

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

\$52,500 was paid to Directors of the Company for the current quarter.

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

N/A

- 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

N/A

Financing facilities available

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

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	980
4.2	Development	-
4.3	Production	-
4.4	Administration	290
Total		1,270

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	2,728	835
5.2	Deposits at call	27	2,738
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		2,755	3,573

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	Kounian Tanala Balena	West African tenements relinquished	100%	Nil
6.2	Interests in mining tenements acquired or increased				

+ 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>(description)</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	-	Exercise price \$0.20	Expiry date 31/12/2013
	6,250,000	-	\$0.20	31/12/2013
	7,500,000	-	\$0.08	31/12/2015
	6,500,000	-	\$0.08	31/12/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/forfeited 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Pip Leverington
 Company Secretary

Date: 30 April 2013

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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