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## HIGHER GOLD GRADES INTERSECTED AT UNION PROJECT, BRAZIL

### Highlights

- IGS completes its funding period for 2013 to the Ouro Paz Joint Venture ("JV") with the Company's 35% interest in the JV now finance carried for the remainder of the year by the private Brazilian operator and 65% JV owner
- Maiden JORC resource scheduled to be reported in Q3 2013
- 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 @ 14.85 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

International Goldfields Limited (ASX: IGS) ("IGS") is pleased to announce initial drilling results for the Ney Prospect and higher gold grades intersected from further drilling of the Ana South Prospect at the Union Project, located in Mato Grosso State, Brazil.

The Union Project, situated on an extensive land position within the Ouro Paz JV, is currently targeting surface gold anomalies within a 20km diameter to assess the economic viability of a centralised milling and/or heap leach facility.

Preliminary metallurgical test work indicates favourable recoveries from cyanide methods in both oxide and sulphide material tested (refer to release to ASX dated 7 February 2013).

Multiple prospect areas have been defined within the Union Project area hosting epithermal style high-grade gold mineralisation associated with quartz veining. Each prospect area is host to gold mineralisation at surface with potential for

### BOARD

Michael Edwards  
Non-Executive Chairman

Travis Schwertfeger  
Managing Director

David Tasker  
Non-Executive Director

### JOINT COMPANY SECRETARIES

Jane Flegg

Shannon Robinson

### REGISTERED OFFICE AND PRINCIPLE PLACE OF BUSINESS

Ground Floor, 1 Havelock Street  
WEST PERTH WA 6005

PO Box 684  
WEST PERTH WA 6872

### COMMUNICATION DETAILS

Telephone: +61 8 9488 5220  
Facsimile: +61 8 9324 2400

Web Address:  
www.intgold.com.au  
Email Address:  
info@intgold.com.au

### AUSTRALIAN BUSINESS NUMBER

69 099 544 680

### SHARE REGISTRY

Advanced Share  
Registry Services Pty Ltd  
150 Stirling Hwy  
Nedlands WA 6009

### MEDIA CONTACT

Tony Dawe  
PPR

T: 08 9388 0944  
E: tony.dawe@ppr.com.au

### ASX CODE

IGS

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 and prioritise additional resource definition work.

Inclusive of these results, assays have now been received for 27 diamond holes totalling 3,002m of the proposed 5,000m drill program.

At the same time as the diamond drilling, trench sampling and channel sampling of existing workings was in progress on mineralised prospects to be incorporated into 3D resource models, with surface samples received on the PF Vein and Ney Prospects, and surface samples pending for the Ana South Prospect.

### **Ney Prospect**

The Ney Prospect is the area surrounding shallow surface workings (called Garimpo pits) that are notched into a hill of strongly silicified granite and abundant hydrothermal quartz breccia associated with east-west trending shearing, located 1.1km southwest of the União Prospect (refer to Figure 2).

Channel sampling of exposures in the Garimpo pit that extend up to 3m below surface have returned **2m @ 9.55g/t Au** true thickness across the mineralised zone in channel sample NEY-GAR01, and **1m @ 7.64g/t Au** in channel sample NEY-GAR02.

Assays received for the first diamond hole of an initial three drill hole test to assess down-dip potential for approximately 100m of strike along this mineralised corridor have returned **3m @ 7.56g/t Au** from 60m depth in hole NEY001, with assays pending on NEY002, and drilling in progress on hole NEY003.

### **Ana South Prospect**

Assays have been received for six diamond drill holes targeted to assess resource potential at the Ana South prospect, with in-fill drilling between wide-spaced 2012 reverse circulation (RC) drill holes

The first diamond hole, ANA025 intersected **13.1m @ 4.88 g/t Au** from 46.3 m drill depth between the 80m spaced RC drill holes AR045 and AR046, which intersected **4m @ 3.28 g/t Au** and **1m @ 4.17 g/t Au** respectively at the eastern extent of over 500m of surface workings and surface gold anomalism.

Diamond holes ANA026 through ANA029 are additional in-fill on encouraging first pass RC drill intercepts, with diamond hole ANA028 intersecting **1m @ 9.44g/t Au** from 35.5m depth on an up-dip test of the RC intercept in hole AR042 that returned **16m @ 1.57g/t Au**, including **4m @ 4.06g/t Au** from 100m drill depth, demonstrating good vertical continuity of the mineralised zone.

ANA030 is an 80m step-out to the west to extend sub-surface mineralisation that continues to the west in surface soil geochemistry anomalism. ANA030 intersected relatively lower grade gold, but further demonstrates continuity of the mineralised zone at Ana South, which remains open in all directions.

Also at the Ana South Prospect, over 200 linear meters of excavation has been completed in five trenches testing 600m of strike extent along the mineralised corridor. All assays from trench sampling are pending analyses.

### **PF Vein Zone Prospect**

Four diamond holes have been drilled at the PF Vein Zone Prospect to define the geometry of the mineralisation, with all holes pending analyses.

The prospect area also had representative channel sampling and detailed surveying of existing Garimpo pits over the area and 80m of excavation was completed in three trenches with assay results received for the PF Vein Zone surface work.

Favourable gold results from sampling of Garimpo pits up to 3m deep include a channel sample across the PF Vein zone returning **4.8m @ 2.89g/t Au** and also sampling along strike of the PF Vein zone where exposure permits in the Garimpo pit returned **5m @ 9.47g/t Au** on the PF Vein at surface. These zones along with several samples of wall rock material exceeding 1 g/t Au adjacent to the PF Quartz Vein zone highlight the potential for early extraction of mineralised material by open pit methods.

Trench assays intercepted gold mineralised structures additional to the main PF Vein structure returning **1m @ 3.87g/t Au**, and **3m @ 3.72g/t Au** in trench PF\_TR02. The trench ended in the latter intercept, located 25m north of the east-west trending PF Vein zone.

Trench ANA\_TR001 intersected **4.5m @ 4.2 g/t Au**, including **1.5m @ 8.8g/t Au**, 78m north of the PF Vein Zone, and is located above the **7m @ 11.2g/t Au** intercept from 25m depth in diamond hole ANA010, demonstrating continuity of mineralisation to surface along a northeast trending strike that remains open at depth and along strike, generating an additional exploration target to increase the resource potential of the prospect.

### **Ouro Paz Joint Venture Summary**

The Ouro Paz Joint Venture was formed with the 93% IGS-owned private UK entity, Latin Gold Ltd, and private Brazil based CIA Minerado Manganês Conselheiro S.A. ("Conselheiro") each contributing mining tenements located on the Juruena Belt to form a new Brazilian exploration company, with Conselheiro contributing 21 licences totalling 227km<sup>2</sup> land package and becoming operator for its 65% share in the JV, including key mining tenements hosting a significant proportion of the mineralisation in the now consolidated land package called the Union Project.

The consolidated Union project area is host to the União, PF Vein, Ana South, Ney, Bigode and numerous other prospects where exploration is defining epithermal style high-grade gold mineralisation hosted in quartz-veining and disseminated sulphides associated with shearing.

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

Exploration activity currently includes 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. The Ouro Paz Joint Venture has also commenced several trenches with mapping and channel sampling to better delineate the surface expression of the mineralisation.

The ongoing diamond drill program continues to complete drill tests on several prospects, including at the Ney and Pe Quente areas, and will soon commence an initial drill tests at the Bigode Prospect, located 1.3km northeast of the Morro do Carrapato Prospect, and is part of the Union Project area.

Updated resource estimation of the current 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.

ENDS

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

International Goldfields  
Travis Schwertfeger  
T: +61 8 9221 7729  
E: [tschwertfeger@intgold.com.au](mailto:tschwertfeger@intgold.com.au)

Professional Public Relations  
Tony Dawe  
T: +61 8 9388 0944  
M: +61 405 989 743  
E: [tony.dawe@ppr.com.au](mailto:tony.dawe@ppr.com.au)

**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 Ouro Paz 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**

International Goldfields Ltd (ASX: IGS) is an Australian precious metals exploration company with assets in highly prospective gold fields 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 Juruena belt gold districts in Brazil and the Albany-Fraser gold belt in Western Australia.

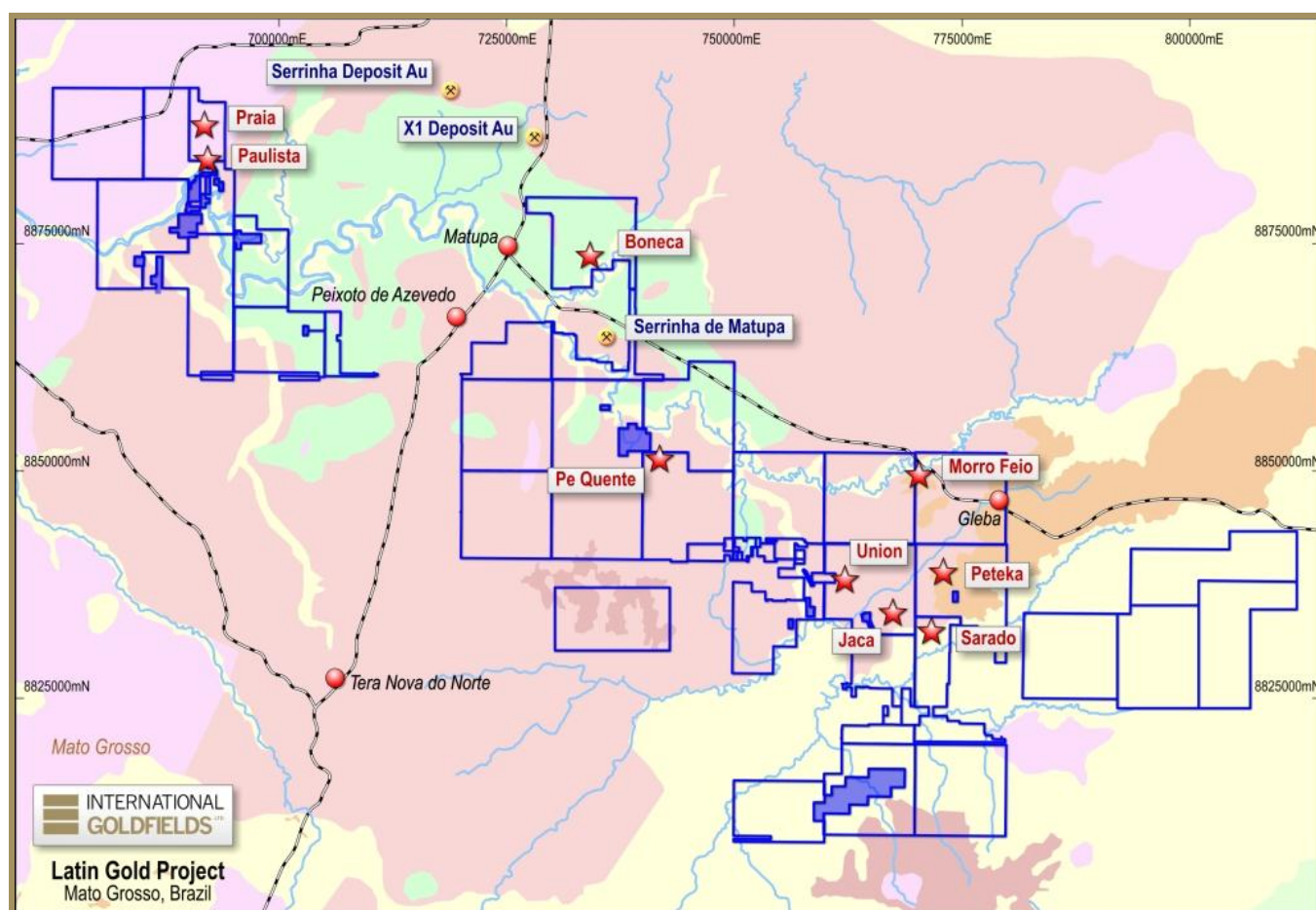
IGS is also aiming to generate returns for its shareholders through exposure to prudent investments in producing assets in the U.S. with existing gold and silver production and significant potential for further growth, and will continue to look for new commercial opportunities to invest in precious metal 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)
ANA025	761734	8835988	46.3	59	13.1	4.88	20	<0.1%
<i>including</i>			47.45	49.25	1.8	14.85	39	0.01%
<i>and</i>			54.2	56.3	2.1	11.9	38	<0.1%
ANA026	761651	8836013	24.0	26.0	2.0	0.86	<1	<0.1%
ANA027	761563	8836026	37.7	40.0	2.3	1.15	<1	<0.1%
ANA028	761523	8836026	35.5	36.5	1.0	9.44	1	<0.1%
ANA029	761436	8836023	No Significant Intercepts					
ANA030	761270	8835999	36.45	37.5	1.0	0.863	3	<0.1%
MOC009	760953	8837934	39.0	40.0	1.0	1.06	28	<0.1%
NEY001	758765	8836945	60	63.0	3.0	7.56	8	<0.1%
			85	87.0	2.0	0.635	<1	<0.1%

**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 1: Ouro Paz Joint Venture tenement map, project locations, and regional summary geology**



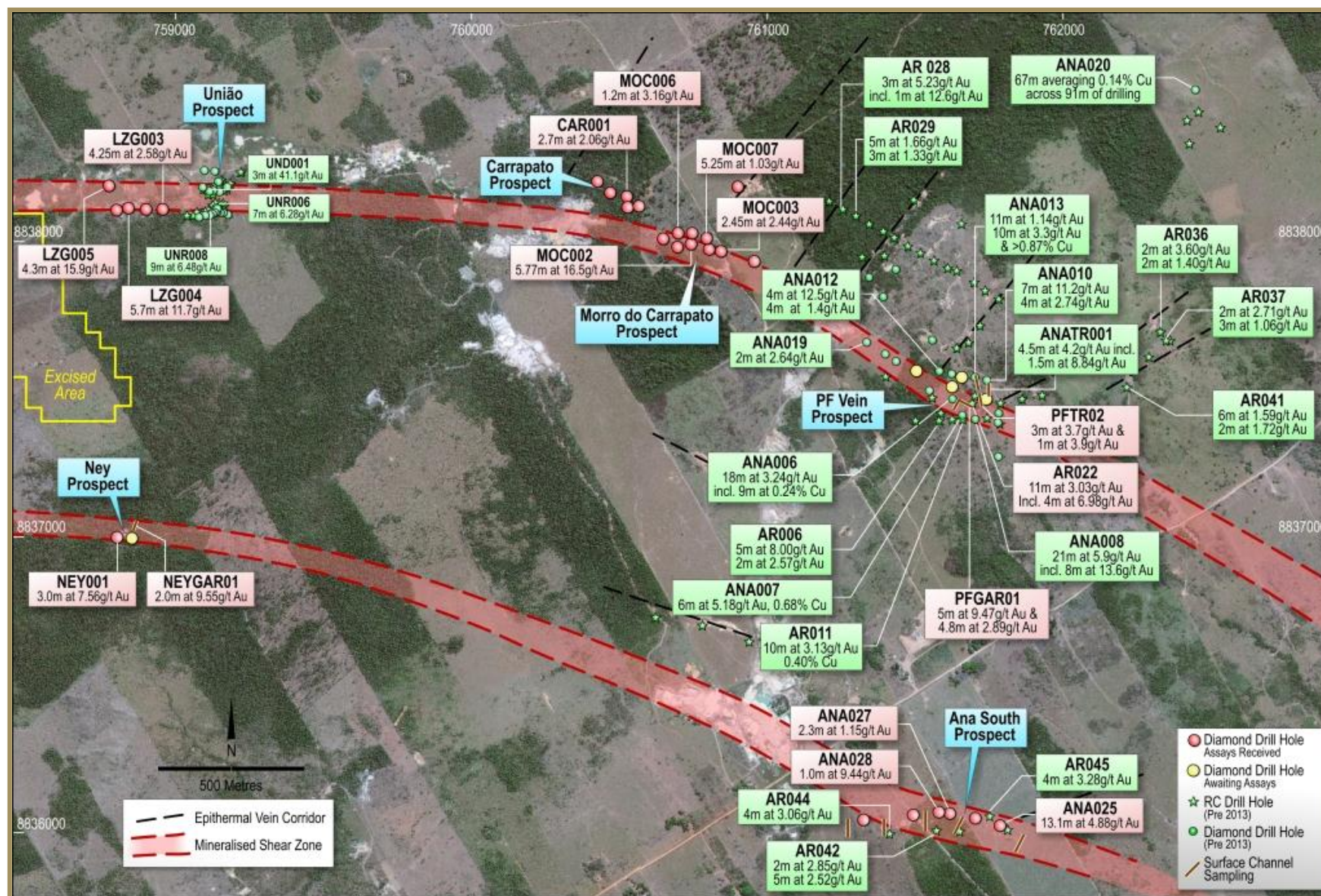


Figure 2: União Project area with prospect areas, drill holes, and surface channel sampling locations on satellite imagery with better intercepts labelled [2013 diamond and surface channel sample results in pink]