

31 October 2012

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## SEPTEMBER QUARTERLY REPORT

### Highlights

#### Corporate:

- Santa Fe Gold Corporation Merger
  - International Goldfields Limited and US-based, Santa Fe Gold Corporation (OTCBB: SFEG) ("SFEG") have entered into a conditional Binding Heads of Agreement ("HoA") that will combine the companies and create a significant gold/silver producer and explorer.
  - Completion of a \$2M raise to facilitate a \$2M loan to SFEG as outlined in the HoA completed.
- Plumridge Gold Pty Ltd Divestment - In consideration for the sale, the Company will receive:
  - 600M shares in AAQ (pre-consolidation basis) issued at settlement of the AAQ Transaction.
  - Two staged cash payments totalling up to \$0.5M pending successful separate capital raising events.
- IGS holds \$8M cash on hand at 30 September 2012

#### Brazil:

- Drilling completed at Ana Prospect with 6,776 meters drilled in 53 RC holes and 11 diamond holes. Better intercepts received to date include:
  - **2m at 14.3g/t Au** from 25m and **3m at 3.51g/t Au** from 152m drill depth in diamond hole ANA010
  - **1m at 36g/t Au** from 34m in diamond hole ANA012
  - **11m at 1.14g/t Au** from 122m and **10m at 3.1g/t Au** from 143m drill depths in diamond hole ANA013
  - **10m at 3.13g/t Au** from 93m in RC hole AR011
  - **11m at 3g/t Au** from 22m including **4m at 7g/t Au** in RC hole AR023
- Gold intercepts along PF Quartz Vein zone for over one kilometre of strike in RC drilling, and to 120m depths in diamond provide major increase to tonnage potential.

#### West Africa:

- Expansion of the Nangalasso Project with acquisition of the adjacent Doubasso permit through lease-option agreement.

#### BOARD

Antony William Paul Sage  
Chairman

Bernard Aylward  
Non-Executive Director  
& Technical Advisor

Paul Kelly  
Non-Executive Director

#### MANAGEMENT

Pip Leverington  
Company Secretary

Travis Schwertfeger  
Chief Executive Officer

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**ASX CODE**  
IGS

## CORPORATE ACTIVITY

### SANTA FE GOLD CORPORATION MERGER

As announced on 12 October 2012, IGS and US based, Santa Fe Gold Corporation (OTCBB: SFEG) (“SFEG” or “Santa Fe”) have entered into a conditional Binding Heads of Agreement (“HoA”) that will combine the companies and create a significant gold/silver company (“Merger”).

The proposed merged entity will be a diversified, well-funded and low cost gold-silver explorer, developer and miner, listed on the ASX and also traded on a major US exchange or on the OTC Bulletin Board, with projects located in emerging mining districts including West Africa, Brazil and the south-west United States.

Following settlement of the Merger, the combined entity will have an initial market capitalisation of approximately A\$80 million (post proposed A\$15M capital raising), cash reserves anticipated to be in excess of A\$13 million (following settlement of SFEG debt facilities), low cost gold & silver production of 28,000oz pa (gold equivalent), an operating mill, near term development assets and a portfolio of advanced exploration assets.

#### **Key assets of the combined group will initially consist of:**

##### Summit Gold-Silver Mine, New Mexico

Currently building to production of approximately 28,000 gold equivalent oz per annum with 2013 and 2014 production scheduled for 120,000 tpa at average head grade currently at 7.8g/t (gold and gold equivalent) and increasing over 2013 to an average head grade of 12g/t gold equivalent with average cash cost in the range of USD\$400-\$500 per gold and gold equivalent ounce. Potential exists to increase production rates with further development and exploration. The ore produced from the Summit Mine is processed at the SFEG owned Lordsburg Mill, which has a capacity of 300,000 tpa.

##### Ortiz Gold Project, New Mexico

The Ortiz gold project consists of 170 contiguous square kilometres (66 square miles) of the Ortiz Land Grant in Santa Fe County, New Mexico. Historical production exceeded 350,000 ounces of gold. Drilling totalling over 120,000metres by several companies up to the early 1990’s indicated non JORC compliant gold resources contained in several deposits. JORC compliant resource estimation is currently underway and anticipated to be completed in November 2012. That resource estimation will be followed up with a pre-feasibility study in 2013 to confirm reserves and economic parameters associated with the low-cost gold production potential of the Ortiz Project as IGS initiates permitting of the project.

##### Mogollon Gold- Silver Project, New Mexico

Santa Fe has entered into an option agreement to acquire the Mogollon Project from Columbus Silver Corporation. The project is within trucking distance (approximately 160km) from Santa Fe’s Lordsburg Mill. The Mogollon Project acquisition has the potential to more than double the supply of ore to the mill.

Past production from the Mogollon Project includes 15.7 million ounces of silver and 327,000 ounces of gold. Santa Fe believes production from the Mogollon Project could recommence as early as 2015 pending favourable outcome of resource definition drilling and preliminary economic assessment.

### Latin Gold Project, Mato Grosso, Brazil

IGS' 93% owned subsidiary, Latin Gold Limited, is the 100% owner of a major gold project in Mato Grosso state, Brazil. The Latin Gold Project is 2,976 square kilometres, and is made up of 33 granted exploration licences. The Latin Gold Project is located in an area of a major gold rush, with over 5Moz gold extracted by "Garampeiro" (artisanal) mining in the Alta Floresta region during the 1980's. At this site IGS is targeting large gold-copper porphyry style systems.

### Nangalasso Project, Mali

The Nangalasso Project is 462 square kilometres comprises 3 licences located approximately 30 kilometres northwest of the Syama Mine (7.9Moz Au) and covers a northeast structural zone in the Birimian greenstone that is parallel, and of the same Eburnean age as the Tengrela-Syama structural trend. The structural corridor is host to several intrusions and strong deformation in the Birimian rocks, providing analogous geological setting for both Morilla and Tengrela style mineralisation across the project area.

### **Transaction overview**

Santa Fe shareholders will receive a total of 1,449,469,462 fully paid ordinary shares in the capital of IGS (on a pre-consolidation basis) in exchange for their Santa Fe stock.

In addition, SFEG has unlisted options, warrants and convertible securities on issue and the convertible security holders will be issued "replacement options and warrants" in IGS containing substantially the same economic terms and provisions as such options, warrants and convertible securities.

### **Advance Payments**

In accordance with the terms of the HoA, IGS completed an advance of A\$2 million to Santa Fe to secure SFEG's option to the Mogollon project and for general working capital purposes. Funds for this cash advance were raised by way of a single tranche placement of 66,666,669 IGS shares to sophisticated investors at 3¢ per share, to raise \$2 million ("Placement Shares").

The Company will also issue one (1) free attaching unlisted option for every two (2) Placement Shares subscribed for exercisable at 3¢ per share with an expiry of two (2) years from allotment ("Attaching Options"). The issue of the Attaching Options is subject to shareholder approval to be sought at IGS' Annual General Meeting and successful completion of the Merger.

A further A\$2 million will be provided by IGS to Santa Fe on or before 31 October 2012 for debt repayment and general working capital purposes.

The two advance payments will be secured by way of a convertible note with Santa Fe's interest in the rights to the Mogollon option as collateral. At completion of the Merger ("Completion"), IGS will have a minimum of A\$10 million available cash and liquid assets, following transaction costs, and a maximum of A\$100,000 in total indebtedness, assuming a further A\$4 million (minimum) is raised in conjunction with Completion.

## Conditions Precedent

Completion is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- (a) completion of due diligence by IGS and SFEG by 31 October 2012, or such later date as agreed by the parties;
- (b) IGS applying for an ADR listing in the US (at SFEG's cost) to ensure ability to trade IGS securities in the US and IGS maintaining its listing on the ASX;
- (c) IGS undertaking a consolidation of its issued capital on a one for 10 (ten) basis ("IGS Consolidation") in conjunction with Completion;
- (d) the shareholders of IGS approving the issue of securities pursuant to the Merger and associated advisors, the Consolidation and change in the Board of IGS as contemplated below;
- (e) the required percentage of SFEG shareholders approving the Merger;
- (f) all necessary consents and approvals for the Merger (if any) including any regulatory approvals; and
- (g) the parties entering into formal agreements in relation to the Merger.

If the conditions are not satisfied (or waived) within 120 days of the execution of the HoA or such later date as agreed, the agreement will be at an end.

## Board and Management Structure

On Completion the IGS board will be restructured to consist of four directors nominated by Santa Fe and one director nominated by IGS.

IGS will seek to appoint a new SFEG nominated president and chief executive officer within 6 months after Completion. Prior to such appointment, Dr Pierce Carson will be engaged as IGS' president and chief executive officer. Once the new CEO has been appointed, Dr Carson will be retained as a consultant for 24 months to assist with the management of existing Santa Fe projects and assess new business opportunities.

The merged entity will retain Travis Schwertfeger as an executive officer or consultant for 24 months following Completion to manage existing IGS projects.

## Completion

Completion will take place as soon as possible after the satisfaction of the conditions precedent and in accordance with any statutory timetables applicable to the Merger.

### Indicative Timetable \*

The proposed timetable to complete the Merger involves:

Despatch IGS shareholder documentation	23 October 2012
Despatch Santa Fe shareholder documentation	15 December 2012
IGS Shareholder Meeting	23 November 2012
IGS Strategic Placement	December 2012
SFEG Meeting to approve the Merger	30 January 2013
Completion of Merger	February 2013

\*Note: The above timetable is indicative only and subject to change

Further details in respect of the Merger are set out in the Notice of Annual General meeting announced on 23 October 2012.

## SALE OF PLUMRIDGE GOLD PROJECT

The Company has entered into a binding term sheet with AAQ Holdings Limited (ASX: AAQ) ("AAQ") 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 AAQ's acquisition of the Buraminya project (see Figure 1) located south east of Norseman ("AAQ Transaction").

In order to complete the AAQ Transaction, AAQ will be required by ASX to re-comply with Chapters 1 and 2 of the ASX Listing Rules and will undertake a capital raising of no less than \$2 million ("AAQ Capital Raising"). As part of the re-compliance the share capital of AAQ will be consolidated ("AAQ Consolidation").

In consideration for the sale of Plumridge, the Company will receive:

- (a) 600 million AAQ shares (on a pre-AAQ Consolidation basis) issued at settlement of the AAQ Transaction ("AAQ Settlement");
- (b) in the event that not less than \$3M is raised under the AAQ Capital Raising (and any earlier capital raising), the payment of \$250,000 at AAQ Settlement; and
- (c) in the event AAQ undertakes a further capital raising following AAQ Settlement, the payment of \$250,000 at completion of such further capital raising.

Completion of the AAQ Transaction is subject to and conditional on:

- (a) AAQ being satisfied with the results of its due diligence investigations on the Plumridge Gold Project;
- (b) the granting of all regulatory approvals required to complete the AAQ Transaction;

- (c) the granting of all ASX approvals required to complete the AAQ Transaction;
- (d) AAQ shareholder approval of such resolutions as may be necessary to give effect to the AAQ Transaction, the re-compliance and the AAQ Capital Raising; and
- (e) AAQ raising a minimum of \$2 million (or such greater amount as required by ASX as part of the re-compliance) pursuant to the Capital Raising.

## SALE OF MURRAY BASIN MINERAL SANDS PROJECT

The Company has executed an agreement to sell the tenements which comprise its Murray Basin Project (“Mineral Sands Transaction”). 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 will receive \$100,000 cash.

Completion of the Mineral Sands Transaction is only conditional on relevant Ministerial approval. The Company has received a non-refundable deposit of A\$20,000 from the party acquiring the asset. Applications for Ministerial approval has been filed and receipt of the final A\$80,000 payment pending completion of title transfer of tenements which is expected in the December quarter.

## GOLD EXPLORATION

### BRAZIL

The Company is 93% owner in the private company Latin Gold Ltd, and retains mineral rights on the Latin Gold project through their wholly owned Brazilian entity Amazongold Pesquisas Mineraias Ltda. The Latin Gold project covers an area of approximately 3,000km<sup>2</sup> in the highly prospective Juruena Belt of Brazil. Several early stage exploration prospects within the Latin Gold Project area have moved to advance prospect status with resource potential following recent exploration activities.

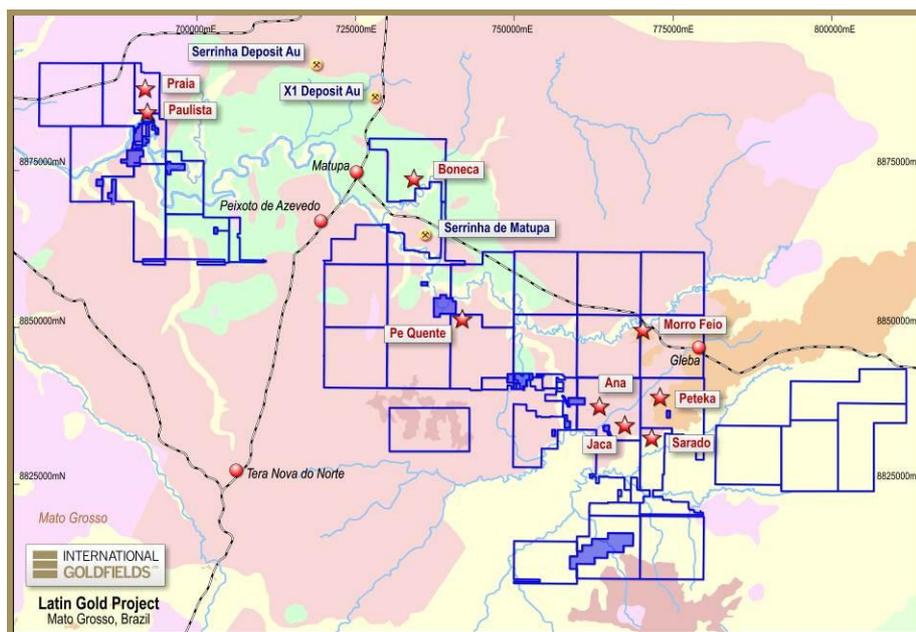


Figure 1: Latin Gold Project tenement map, prospect locations, and regional summary geology

## ANA PROSPECT

The discovery of significant gold mineralisation at the Ana Prospect is the highlight of the 2012 exploration program at the Latin Gold Project. March quarter diamond drilling at the Ana Prospect diamond totalled 902.2m in eight holes and intersected significant Au-Cu mineralisation on the PF Quartz Vein, returning **21m at 5.9g/t Au, including 8m at 13.6g/t Au** in diamond hole ANA008, **6m at 5.18g/t Au and 0.68% Cu**, and **18m at 3.24g/t Au including 9m at 0.24% Cu** in hole ANA006.

Six months after the discovery of high-grade gold mineralisation at Ana, IGS completed a second phase of drilling at the project that has extended mineralisation of the high-grade zone to over 1km in strike, and to 140m depth with mineralisation still open in all directions. The second phase of drilling has also identified mineralisation at additional targets at the Ana Prospect, each representing significant resource potential.

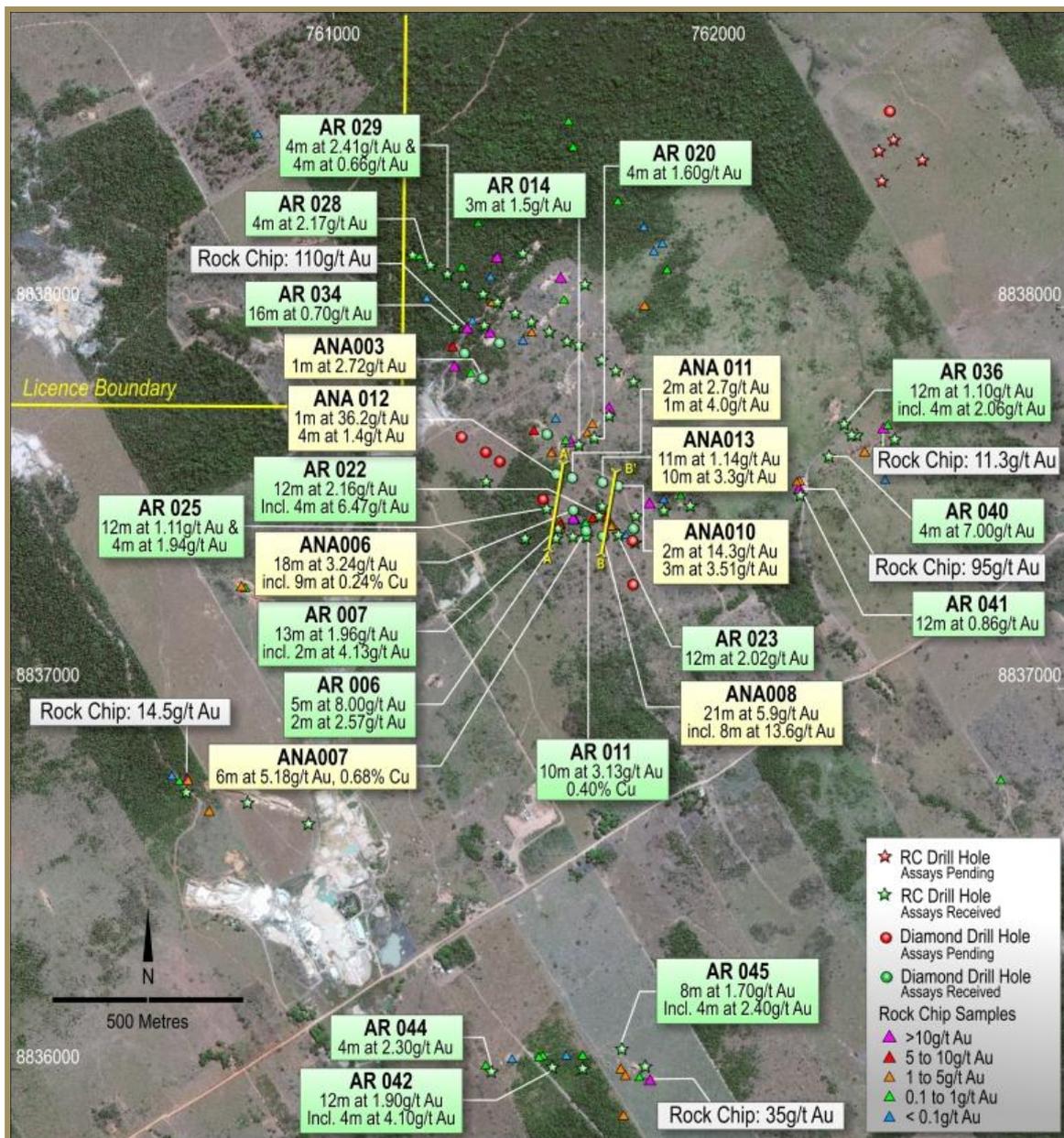


Figure 2: Ana Prospect diamond drill and rock chip locations with significant results

## RC Drilling

RC drilling is complete at Ana Prospect with 53 holes totalling 4,779m drilled in the recent campaign. Results for initial 4m composite sampling for all but the final four RC drill holes are received. Overall, the RC drill campaign tested multiple targets. In addition to follow-up drilling proximal to the maiden diamond program intercepts, the RC drilling tested an additional five target zones within the extensive 2.5 by 4km surface geochemistry gold anomaly.

Recent results intersected mineralisation across >1,000m of strike along the PF Quartz Vein zone, and define a new corridor of mineralisation 500m north. The RC drill results received on targets associated with the PG Quartz vein zone include better intercepts of;

- **16m at 2.16g/t gold** from 20m depth, including **4m at 6.47g/t gold** - AR022
- **12m at 2.02g/t gold** from 36m drill depth - AR023
- **12m at 1.11g/t gold** from surface on a 200m west step-out along the PF quartz vein zone in drill-hole AR 025.
- **12m at 1.10g/t gold** from 44m including **4m at 2.06g/t gold** in hole AR036 located 650m east along trend of PF vein zone mineralisation.
- **4m at 2.41g/t gold** and **4m at 2.17g/t gold** in holes AR029 and AR028 located on new sub-parallel mineralised zone.

New RC drill assay results received on initial target tests at Ana Prospect. Better four metre composites samples include:

- **4m at 1.15g/t Au** from 56m drill depth - AR037
- **4m at 6.96g/t Au** from 84m drill depth - AR040
- **16m at 1.57g/t Au** from 88m drill depth, including **4m at 4.06g/t Au** from 100m - AR042 (*Newly identified zone*)
- **4m at 2.28g/t Au** from 44m drill depth - AR044 (*Newly identified zone*)
- **8m at 1.69g/t Au** from 52m drill depth - AR045 (*Newly identified zone*)

## RC Drilling one-metre results

IGS is completing one-metre sampling of anomalous drill intervals highlighted in four-metre composite sampling. The revised assays have slightly narrower drilled thickness and consistent increase in gold grades for intervals reported at a 0.5g/t gold cut-off grade. Better intercepts include:

- **5m at 8.0g/t gold** from 24m and **2m at 2.57g/t gold** from 89m - AR006
- **13m at 1.96g/t Au** including **2m at 4.13g/t Au** -hole AR007
- **10m at 3.13g/t Au** and **0.4% Cu** - hole AR011

Drill hole AR007, that previously reported 16m at 1.65g/t gold in composite sampling, returned **13m at 1.96g/t gold** from 33m drill depth, including **2m at 4.13g/t gold** in 1m resampling. AR007 is an 80m step-out west from diamond hole ANA006 that intersected 18m at 3.24g/t gold earlier in the year.

On a down-dip test of the PF Quartz Vein zone, RC hole AR011 intersected sulphide mineralisation 35m beneath diamond hole ANA007. The earlier diamond hole intersected 6m at 5.18g/t gold and 0.68% copper from 36m drill depth and the RC hole intersected **10m at 3.13g/t gold and 0.4% copper** from 93m drill depth (previously reported as 12m averaging 2.92g/t gold and 0.31% copper from composite sampling).

Several holes similarly return narrower intervals with a corresponding increase in gold grades in more detailed sampling, including several RC holes with low-level gold anomalism in four metre composite sampling which have returned gold grades in excess of the 0.5g/t gold cut-off, and appended to the significant intercepts table (refer to Table 1).

### Diamond Drilling

IGS has recently completed an additional eleven diamond drill holes totalling 1,997m drilling at the Ana Prospect, with ten holes testing potential extensions to the PF Quartz Vein zone.

The first four holes of the programme target down-dip extensions to the mineralisation, with a pair of holes on 80 metre spacing drilled at the extents of the mineralisation with highest gold grades. The four holes are drilled to the south on the east-west trending mineralised zone intersect additional intervals of high-grade gold mineralisation up-hole of the main target zone, with better intercepts including **1m at 36g/t gold** in hole ANA012, and **2m at 14.3g/t gold** in ANA010. These narrow high-grade intercepts indicate potential for a parallel mineralised structure located 80m north of the PF Quartz Vein zone and will require further work to assess mineralisation potential.

The four drill-holes testing mineralisation at depth intersected the targeted shear zone, which is host to significant quartz veining and sulphide alteration haloed by a major zone of magnetic and propylitic alteration in the host Matupá sequence granite. The drilling indicates good continuity of grade to over 120 metres depth for over 300m of strike (refer to Figure 4), and indicates a potential east plunge to a shoot of high-grade mineralisation within the corridor as observed in holes ANA010 (**3m at 3.51g/t gold**) and ANA013 (**10m at 3.3g/t gold**) (refer to Figure 3). The pair of holes testing the western extent (ANA011 and 012) indicate a potential refraction (bend) or splaying to northwest of the east-west structure that is host to mineralisation.

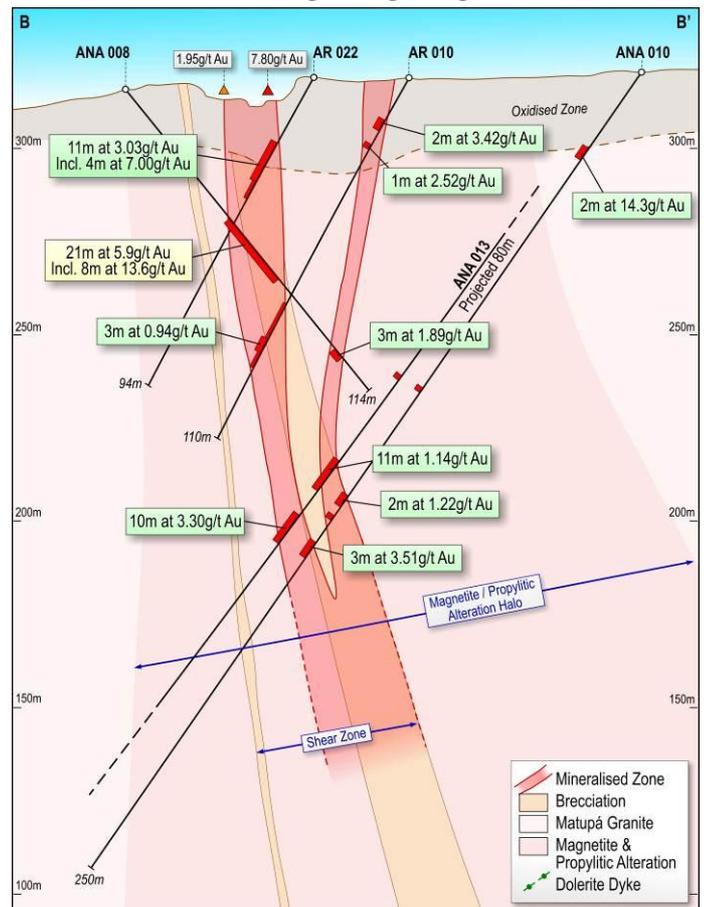


Figure 3: Diagrammatic cross section of PF Quartz Vein Zone (Section B-B' located on Figure 2).

Recent diamond drilling on down-dip test of the PF Quartz Vein zone intersect:

- 10m at 3.1g/t Au from 143m drill depths - ANA013
- 3m at 3.51g/t Au from 152m drill depth - ANA010
- 8m at 0.94g/t Au including 1m at 4g/t Au from 122m - ANA011

The new mineralised zone identified on parallel hangingwall mineralisation proximal to PF Quartz Vein zone returned better results of:

- 11m at 1.14g/t Au from 122m including 3m at 2.6g/t Au - ANA013
- 1m at 36g/t Au from 34m -hole ANA012
- 2m at 14.3g/t Au from 25m drill depth - ANA010

Additional diamond drilling in the subsequent six holes drilled and pending analysis test further strike extensions near surface along the PF Quartz Vein zone.

An eleventh and final diamond drill hole to complete the 1,997m program is follow-up work to test beneath disseminated sulphide mineralisation intersected in the final four RC holes at Ana that targeted better copper-molybdenum surface geochemistry anomalism. Results of all diamond drilling and the final RC drill holes are pending assay analysis results.

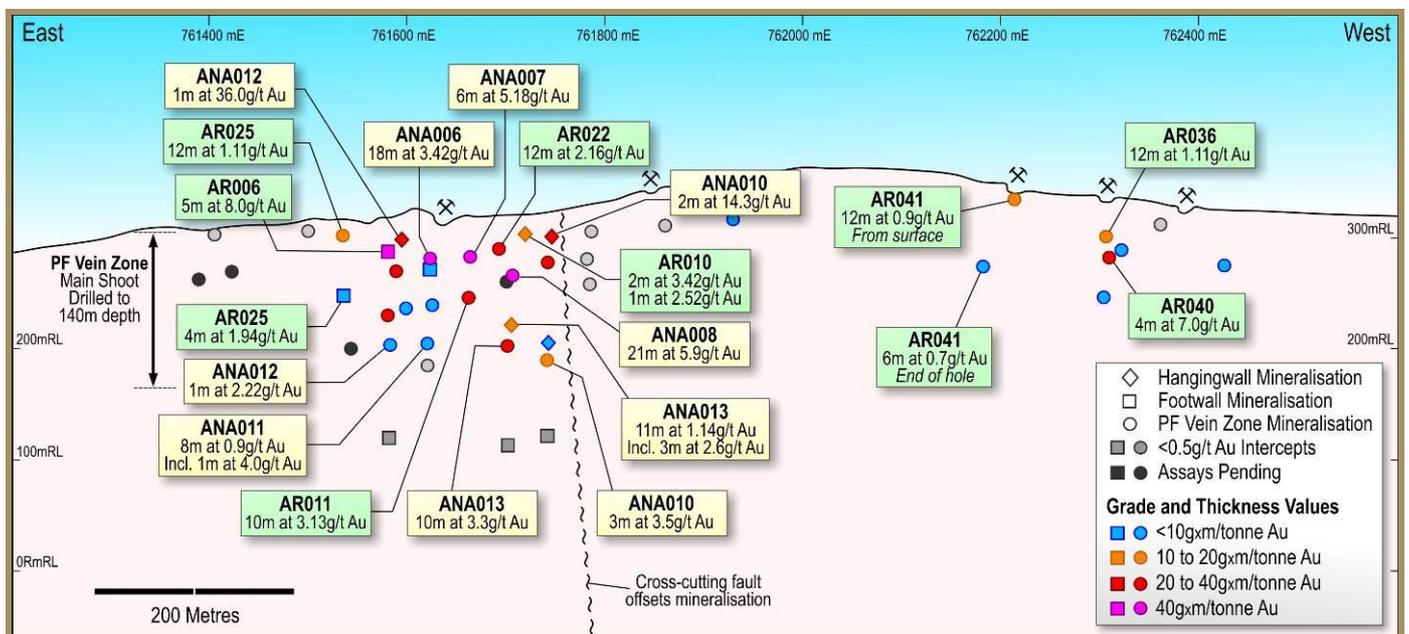


Figure 4: Diagrammatic long section of PF Quartz Vein Zone with grade multiplied by thickness values of significant intercepts (>0.5g/t Au) plotted where drilling intersects projected plane of mineralisation.

## WEST AFRICA

IGS continues its review of successful exploration results in West Africa to prioritise the Company's multiple early stage projects for advancement to drilling. The Company will prioritise targets and define exploration programs for prioritising further activities in its large land holdings in the Birimian aged greenstone terrain to define projects with the best potential for discovery of multi-million ounce deposits.

## MALI

The Company completed no field work during the September 2012 quarter due to seasonal rains in southern Mali. While access is not prohibitive in the wet season in the project areas, the increased costs of exploration associated with inclement weather means the Company has deferred exploration till the dry season to get the best value for exploration expenditure in Mali.

Since October 2011, the Company has completed multiple work programs in quick succession with a combination of auger and surface geochemical sampling techniques to prioritise projects for drilling across seven highly prospective project areas covering 1,450 km<sup>2</sup> of Birimian greenstone terrain.

The results of the surface sampling programs were highly favourable, and brought forward initial drill tests at Nangalasso, Diendo and Tanala into the 2012 field season. Better intercepts in maiden air core scout drilling at Nangalasso returning **1m at 7.8g/t Au** and **3m at 7.84g/t Au** in follow-up analyses. The latter interval was at the end of a 17m vertical hole and included **1m at 13.5g/t Au** hosted in the targeted granodiorite on separate lines of drilling 2km apart.

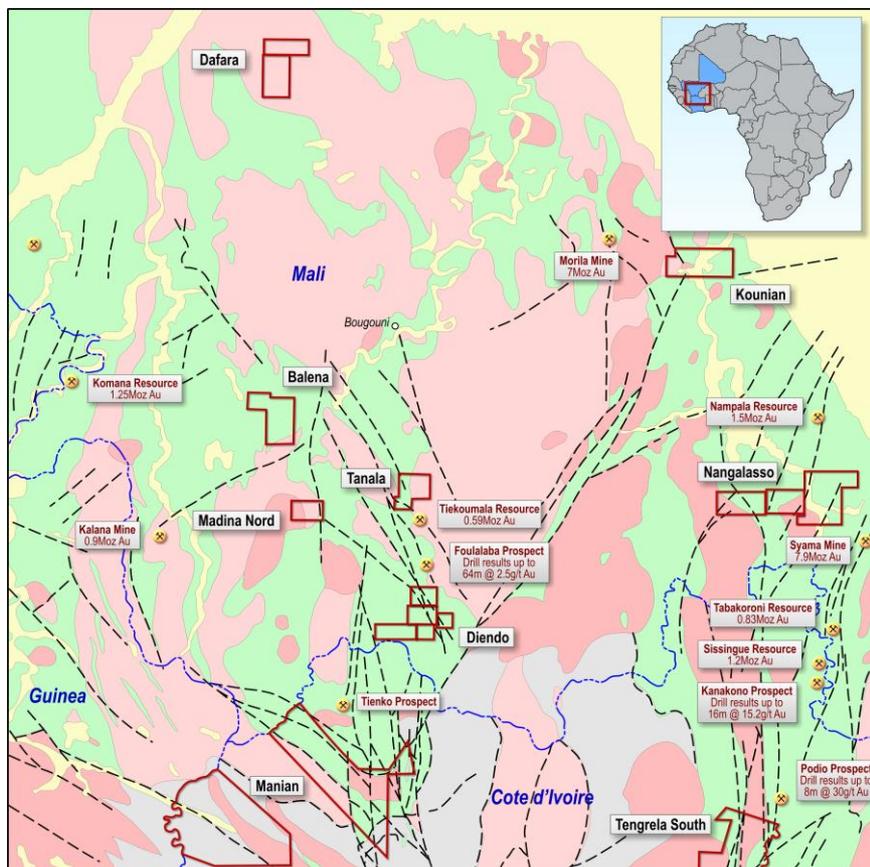
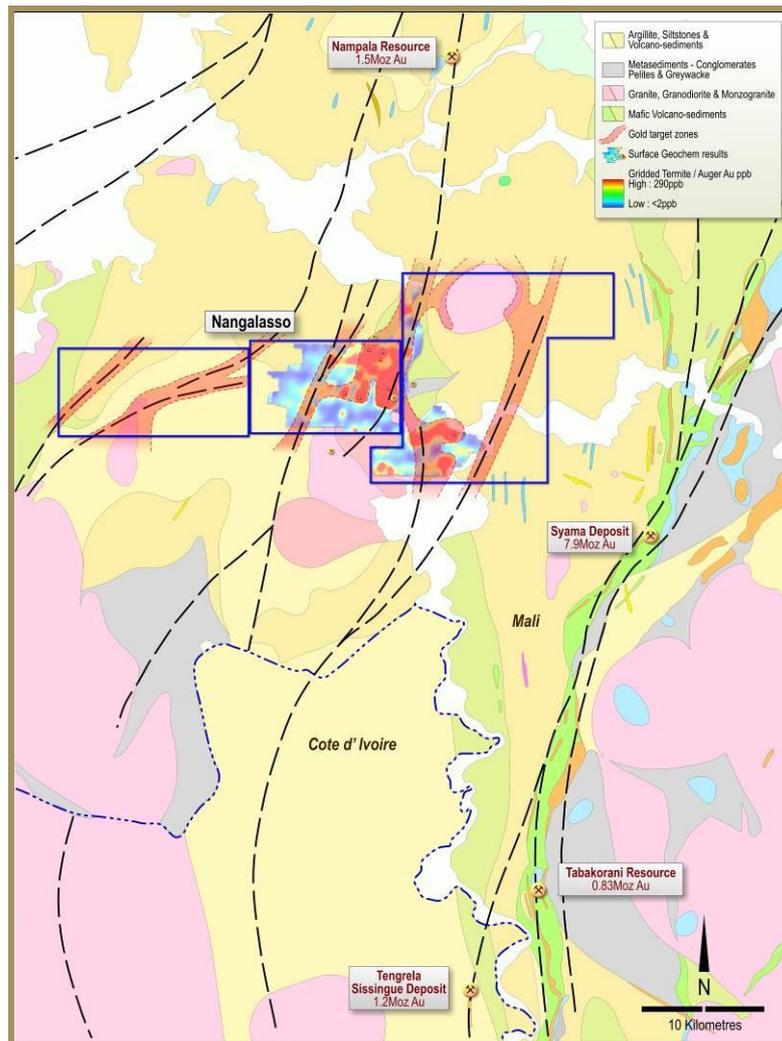


Figure 5: Southern Mali Regional Geology and Project Locations

## NANGALASSO PROJECT

The Nangalasso Project (345km<sup>2</sup>) is located approximately 23km northwest of the 7.9Moz Au Syama Mine. The project covers a northeast structural zone in the Birimian greenstone that is parallel, and of the same Eburnean age as the Tengrela-Syama structural trend. The structural corridor is host to several intrusions and strong deformation in the Birimian rocks, providing analogous geological settings for both Morila and Tengrela style mineralisation across the project area.



*Figure 6: Nangalasso Project regional geology and project location, with Doubasso licence acquisition to the west and Nangalasso Project gold target zones with gold anomalism in termitaria sampling.*

### About Mali

Mali is the 3rd largest gold producer in Africa and host to several major gold deposits, including the Syama Mine (7.3Moz Au) and the Morila Mine (7Moz Au) located in Southern Mali and discovered just over a decade ago. Modern exploration is still in its early days in Mali with vast areas of the Birimian gold belts underexplored. The recent increase in exploration activity in southern Mali has seen it host to a majority of the discoveries and newly reported resources in West Africa over the last 5 years, including the +1Moz resources recently developed at Komana, and the 600,000oz resources at Tiekoumala, adjacent

to IGS's Tanala project. The ongoing trend of exploration success in Southern Mali demonstrates this prospective region is likely to host several more major deposits.

The government in Mali continues to function with the interim civilian government put in place following the March coup, with the permitting process advancing on several IGS permit areas in the last month. The interim government is recognised locally and internationally, and is resuming working towards developing the country. The Company continues exploration programs unhindered by political instability in the country and with no present danger to personal safety at project sites and no evident threat to project tenure.

## IVORY COAST

IGS is party to a Cote d'Ivoire Earn-in agreement ("Agreement") between IGS and Cape Lambert Resources Ltd pursuant to which IGS may earn up to an 80% interest in eleven licenses, covering five project areas totalling 9,900km<sup>2</sup> of mineral rights which are highly prospective for gold in Cote d'Ivoire, West Africa. Each project is hosted by Birimian greenstone belts and associated with major Birimian aged structures, which are key criteria to many of the major gold deposits in the West African region.

International Goldfields, through its wholly owned Ivorian subsidiary, has submitted licence applications for three large projects within Cote d'Ivoire that are complimentary to land positions in the current Agreement.

### *About Ivory Coast*

Ivory Coast provides very good infrastructure in several locations and is one of Africa's best developed countries thanks to a strong agricultural industry. However, Ivory Coast has indicated its intention to diversify its economy and provide an exploration friendly environment for foreign investment. The government is positioned to provide a stable political climate for uninterrupted exploration and development that can allow major increases in gold reserves.

Ivory Coast has the largest proportion of the Birimian aged greenstone belts that hosts deposits in Burkina Faso and Mali. IGS is well positioned across several of the country's underexplored greenstone belts to implement its technical expertise for potential discovery of major gold deposits.

## GOLD EXPLORATION PROPOSED

Exploration activity proposed for the next 3 month period is:

- Commencement of geologic and grade shell modelling at the Latin Gold project targeting potential resource at the Ana and Pe Quente prospect areas.
- Outline scope for metallurgical preliminary metallurgical work for Ana Prospect mineralisation
- Commencement of surface sampling and mapping at the Nangalasso Project, initiated on newly acquired Doubasso Licence and un-tested portions of the Sotian Licence areas.
- Compilation and review of Santa Fe exploration projects and work programs at Mogollon, Summit, Lordsburg and Ortiz Projects

## CASH ON HAND

As at 30 September 2012, the Company had a cash balance of \$8 million AUD and an additional \$1.8M AUD equity in short term investments.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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**Competent person statement - IGS**

*The information in this report that relates to exploration results 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.*

**Competent Person Statement – Santa Fe**

*The information included in this release that relates to Santa Fe Gold resources and historical mining data is based on information compiled by Douglas F. Irving, who is a professional member of a 'Recognised Overseas Professional Organisation' (The Association of Professional Engineers and Geoscientists of British Columbia) included in a list promulgated by the ASX from time to time. Mr. Irving is employed by Chapman, Wood and Griswold, Inc. and has worked as a consultant in exploration and mine development for 40 years in precious and base metal exploration. Mr. Irving 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. Irving consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.*

Table 1: Ana Prospect significant intercepts in diamond ½ core sampling; 0.5g/t Au cut-off

Hole ID	Easting	Northing	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (percent)	
ANA Prospect - Diamond								
ANA002	761345	8837880	17.7	18	0.3	1.3	0.02%	
			45	46	1.0	0.6	0.04%	
			53	54	1.0	0.55	<.01%	
			81	85	4.0	0.68	<.01%	
ANA003	761391	8837813	70	71	1.0	2.72	0.03%	
			83	84	1.0	0.57	<0.01%	
ANA004	761433	8837907	32	34	2.0	0.94	<0.01%	
ANA006	761626	8837464	19.8	23	3.2	0.54	<b>0.36%</b>	
			33	51	18.0	<b>3.24</b>	0.16%	
including			33	42	9.0	3.35	<b>0.24%</b>	
ANA006			60	60.45	0.45	<b>3.17</b>	0.01%	
ANA007	761661	8837411	34	45	11.0	<b>3.00</b>	<b>0.30%</b>	
			including	36	42	6.0	<b>5.18</b>	<b>0.68%</b>
			66	67	1.0	0.11	<b>0.23%</b>	
ANA008	761702	8837399	45	66	21.0	<b>5.88</b>	0.12%	
including			50	58	8.0	<b>13.6</b>		
including			51	53	2.0	25.4	<b>0.49%</b>	
including			58	60	2.0	1.88	<b>0.41%</b>	
			90	93	3.0	1.90	<0.01%	
	102	103	1.0	0.73	0.02%			
ANA010	761741	8837534	25	27	2	<b>14.3</b>	Pending	
			137	139	2	1.22	Pending	
			144	145	1	0.85	Pending	
			152	155	3	<b>3.51</b>	Pending	
ANA011	761620	8837550	97	98	1	0.58	<0.01%	
			104	105	1	0.77	<0.01%	
			113	115	2	<b>2.7</b>	0.07%	
			122	130	8	0.94	0.03%	
			including	122	124	1	<b>4.02</b>	<0.01%
	161	162	1	0.66	<0.01%			
ANA012	761584	8837562	34	35	1	<b>36.2</b>	Pending	
			96	97	1	0.9	Pending	
			107	111	4	1.4	Pending	
			including	<b>109</b>	<b>110</b>	<b>1</b>	<b>3.59</b>	Pending
				115	116	1	0.89	Pending
				127	128	1	0.78	Pending
				134	135	1	<b>2.22</b>	Pending
ANA013	761697	8837532	95	96	1	1.17	Pending	
			including	122	133	11	<b>1.14</b>	Pending
				130	133	3	<b>2.6</b>	Pending
			<b>143</b>	<b>153</b>	<b>10</b>	<b>3.3</b>	Pending	

Table 2: Ana Prospect significant intercepts in RC drill sampling; 0.5g/t Au cut-off

Hole ID	Easting	Northing	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (percent)
ANA Prospect – RC, One-metre resamples							
AR002	761475	8837984	9	11	2	1.24	<0.01%
AR004	761563	8837936	77	78	1	0.93	<0.01%
AR006	761579	8837393	24	29	5	7.99	0.21%
			35	36	1	0.55	<0.01%
			89	91	2	2.57	0.01%
			118	119	1	0.6	0.03%
AR007	761587	8837418	7	14	7	0.55	0.02%
including			7	8	1	1.07	0.02%
AR007			33	46	13	1.96	0.05%
including			37	39	2	4.13	0.04%
AR008			3	4	1	0.59	0.01%
AR010	761699	8837477	14	16	2	3.42	0.09%
			20	21	1	2.52	0.02%
			30	31	1	0.56	0.05%
			80	83	3	0.94	0.08%
including			81	82	1	1.33	0.03%
AR011	761662	8837399	81	82	1	1.33	0.03%
			93	103	10	3.13	0.40%
AR012	761625	8837398	80	85	5	0.71	0.04%
AR013			67	68	1	0.65	<0.01%
AR014	761641	8837638	17	18	1	0.76	0.02%
			25	28	3	1.50	<0.01%
			49	53	4	0.51	<0.01%
			70	71	1	0.68	<0.01%
			74	75	1	0.53	<0.01%
AR016			48	49	1	0.59	<0.01%
AR017			47	49	2	0.62	<0.01%
AR018	761697	8837863	10	11	1	0.62	<0.01%
			22	24	2	1.14	<0.01%
ANA Prospect – RC, four-metre composites samples							
AR019	761782	8837803	72	76	4	0.86	<.01%
AR020	761679	8837659	76	80	4	1.6	<.01%
AR021	761719	8837717	36	40	4	0.76	<.01%
AR022	761692	8837452	0	4	4	0.87	<.01%
			20	32	12	2.16	0.05%
including			24	28	4	6.47	0.06%
AR023	761741	8837404	32	52	20	1.39	0.05%
including			36	48	12	2.02	0.06%

Hole ID	Easting	Northing	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (percent)
ANA Prospect – RC, four-metre composite samples							
AR025	761534	8837447	0	12	12	1.11	<.01%
			72	76	4	1.94	<.01%
AR027	761210	8838136	68	72	4	0.56	<.01%
AR028	761255	8838108	40	44	4	2.17	<.01%
AR029	761300	8838085	0	4	4	2.41	<.01%
			24	28	4	0.66	0.01
AR032	761494	8838143	64	68	4	0.69	<.01%
AR033	761393	8837951	28	32	4	1.53	0.01
AR034	761321	8837945	8	12	4	0.58	<.01%
			44	60	16	0.66	0.012
AR036	762328	8837692	44	56	12	1.10	0.023
including			44	48	4	2.06	0.065
			45	47	2	3.60	0.12%
			54	56	2	1.40	<0.01%
AR037	762349	8837665	56	60	4	1.15	<0.01%
			64	68	4	0.66	0.02%
			96	100	4	0.51	<0.01%
AR039	762458	8837653	84	92	8	0.70	<0.01%
AR040	762292	8837610	44	48	4	6.96	0.05%
AR041	762212	8837511	0	12	12	0.86	<0.01%
			60	64	4	0.64	<0.01%
			84	90	6	0.69	<0.01%
AR042	761571	8836009	88	104	16	1.57	Pending
Including			100	104	4	4.06	Pending
AR044	761413	8835997	44	48	4	2.28	Pending
			56	60	4	0.55	Pending
AR045	761751	8836057	0	4	4	0.61	Pending
			52	60	8	1.69	Pending
AR046	761811	8836011	60	64	4	0.97	Pending
AR048	760780	8836701	28	32	4	0.90	Pending

#### Technical Notes

- Samples assayed are ½ NQ2 diamond core cut at the Company's core yard at Peixoto de Azevedo
- 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 interoval sampling and maximum 4m dilution on nominal 4m sampling interoval
- Grid coordinates are SAD69 UTM zone 21S

# 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")

30 September 2012

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(1,294)	(1,294)
(b) development	-	-
(c) production & care & maintenance costs	-	-
(d) administration	(284)	(284)
1.3 Dividends received	-	-
1.4 Interest and similar items received	57	57
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 <b>Other (provide details if material)</b>		
2011 R&D claim refund received	253	253
Payment of stamp duty on the transfer of exploration assets	(425)	(425)
<b>Net Operating Cash Flows</b>	<b>(1,693)</b>	<b>(1,693)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(791)	(791)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	20	20
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other:	-	-
<b>Net investing cash flows</b>	<b>(771)</b>	<b>(771)</b>
<b>1.13 Total operating and investing cash flows</b>	<b>(2,464)</b>	<b>(2,464)</b>

+ See chapter 19 for defined terms.

<b>1.13</b>	<b>Total operating and investing cash flows carried forward</b>	<b>(2,464)</b>	<b>(2,464)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
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: interest paid on convertible loan notes	-	-
	<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
	<b>Net (decrease) in cash held</b>	<b>(2,464)</b>	<b>(2,464)</b>
1.20	Cash at beginning of quarter/year to date	<b>10,418</b>	<b>10,418</b>
1.21	Exchange rate adjustments to item 1.20	2	2
1.22	<b>Cash at end of quarter</b>	<b>7,956</b>	<b>7,956</b>

**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	67
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director 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

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	1,000
4.2	Development	-
4.3	Production	-
4.4	Administration	300
<b>Total</b>		<b>1,300</b>

**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	1,317	1,444
5.2	Deposits at call	6,639	8,974
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>7,956</b>	<b>10,418</b>

**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	EL5083	Relinquished	100%	0%
		EL28/1476	Relinquished	100%	0%
		EL28/1537	Relinquished	100%	0%
		EL39/1116	Relinquished	100%	0%
		EL39/1119	Relinquished	100%	0%
		EL39/1085	Relinquished	100%	0%
		EL28/1556	Relinquished	100%	0%
		EL28/1557	Relinquished	100%	0%
6.2	Interests in mining tenements acquired or increased	EL28/1558	Relinquished	100%	0%
		Doubasso, Mali	100% rights acquired through lease/option agreement	0%	100%

+ 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 <b>Preference</b> <sup>+</sup> <b>securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	571,520,386	571,520,386		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	1,000,000	-	<b>Exercise price</b> \$0.20	<b>Expiry date</b> 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 <b>Debentures</b> <i>(totals only)</i>	-	-	-	-
7.12 <b>Unsecured notes</b> <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: 31 October 2012

## **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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