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SIGNIFICANT EXTENSION TO MINERALISATION CONFIRMED IN DRILLING, OURO PAZ JV PROJECT, BRAZIL

HIGHLIGHTS

- **Extension drilling triples the strike length of mineralisation along trend from the Morro do Carrapato resource area with over 650m of shallow mineralisation identified northwest of existing resource**

- Better drill assay results include;

- **2.55m @ 3.35g/t Au** from 34.92m – Hole LZG053
- **0.5m @ 27g/t Au** from 52.6m drill depth and
0.5m @ 1.07g/t Au from 44.25m – Hole LZG051
- **0.7m @ 2.37g/t Au** from 62.7m drill depth – Hole LZG048
- **2.11m @ 1.87g/t Au** from 31.62m drill depth and
1.86m @ 1.67g/t Au from 63.74m – Hole LZG040

International Goldfields Limited (ASX: IGS) ("IGS" or "the Company") is pleased to announce assay results for an additional eight diamond holes from the Union Project Area following the completion of a 56 diamond hole program totalling 6,284 metres of drilling in 2014 at the Ouro Paz JV located in the state of Mato Grosso in Brazil.

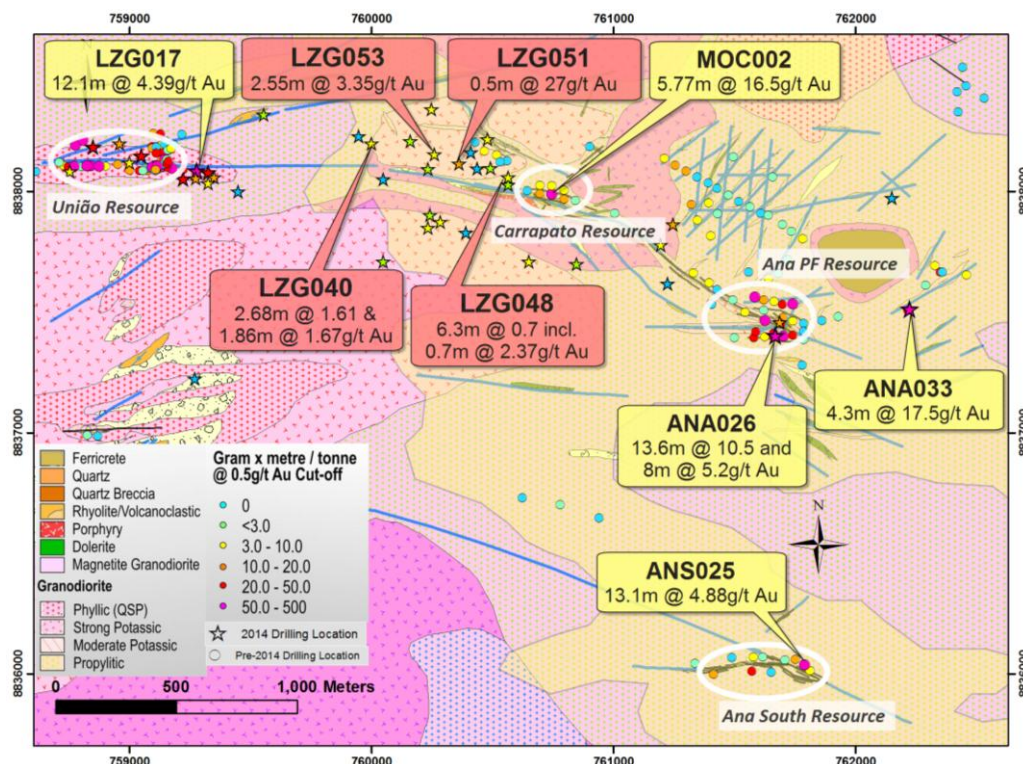


Figure 1: Union Project JV drill locations on project geology with all 2014 drill collar locations with star outlines. Assay results announced in this report labelled in pink (previously announced results labelled in yellow) Collar locations coloured by grade*thickness value (gold grade multiplied by thickness in metres of drilled intercept at >0.5g/t Au lower cut-off).

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The reported exploration results includes ten drill holes drilled targeting extensions to a defined mineral resource estimation at the Morro do Carrapato Prospect, where drilling an approximate 700m extension has consistently intersected mineralisation for the first 650m extent beyond previous drilling, demonstrating strong continuity of the mineralised corridor for over one kilometre of total extent at the Morro do Carrapato Prospect.

The Carrapato Prospect area is an extensive zone of mineralisation located between high grade shoots of mineralisation at the União and Ana Prospect areas, which all combined form an over 3km long corridor of mineralisation and a significant portion of the Ouro Paz Gold Project's maiden Mineral Resource Estimation (MRE) totalling 690,000oz gold averaging 2.5g/t Au at the Company's Ouro Paz Joint Venture in Brazil, where IGS holds an effective 33% interest in the Ouro Paz JV project.

A total of 6,284m of drilling in 56 holes have been completed to date during the diamond drill campaign for the 2014 field season, with several additional holes yet to be completed to follow-up on successful intercepts, along with some initial drill tests of targets defined by this year's surface geochemistry and geophysical campaigns (refer to releases to the ASX dated 23 June 2014 and 29 August 2014).

Carrapato Extension Drilling

The exploration results proximal to the Carrapato Resource area include extension drilling on 80 to 120m spaced offsets to the west/northwest from the Carrapato resource area covering over 700m of additional strike extent along trend. Partial assay results were reported on holes LZG040 and LZG041 at the western extent of the extension drilling (refer to IGS release to the ASX dated 15 December 2014).

The assay results for additional in-fill drilling on the extension target reported here return significant intercepts demonstrating continuity of gold mineralisation, with better intercepts in hole LZG051 (0.5m @ 27g/t Au from 52.6m) and hole LZG053 (2.55m @ 3.35g/t Au) returning significant mineralisation at 400m and 520m step-outs respectively from the previously announced intercept of 5.77m @ 16.5g/t Au in MOC002, which is included in the current mineral resource estimate (refer to ASX announcements dated 7 May 2013 and 19 December 2013).

Jaca Prospect Reconnaissance Drilling

Two holes totalling 170.8m of diamond drilling were completed as initial drill tests on surface geochemistry anomalism identified in 2014 surface geochemistry studies and geological mapping work.

The JCA001 and JCA002 holes both intercepted sequences of volcanoclastic rocks, locally foliated and interbedded with volcanic rocks (both acid and intermediate in composition determined from field logging). The volcanoclastic rocks vary in particle size from feldspathic greywacke to conglomeratic sandstones with silty matrix and clasts size ranging from coarse sand to pebbles composed of quartz and / or volcanic rocks.

The mineralisation and alteration intersected is associated with stockworks of quartz veinlets ranging in width from several millimetres to several centimetres in thickness and narrow fractures containing fine disseminated sulphides. The predominant hydrothermal alteration is localised potassic alteration and selvages of sericitization proximal to stockworks among a more widespread clay/kaolinite alteration.

The alteration and mineralisation observed in this initial drill test are encouraging and although final assay results are still pending analysis, the evidence for potentially widespread mineralisation indicates additional exploration activity to assess the potential of the Jaca prospect area is required.

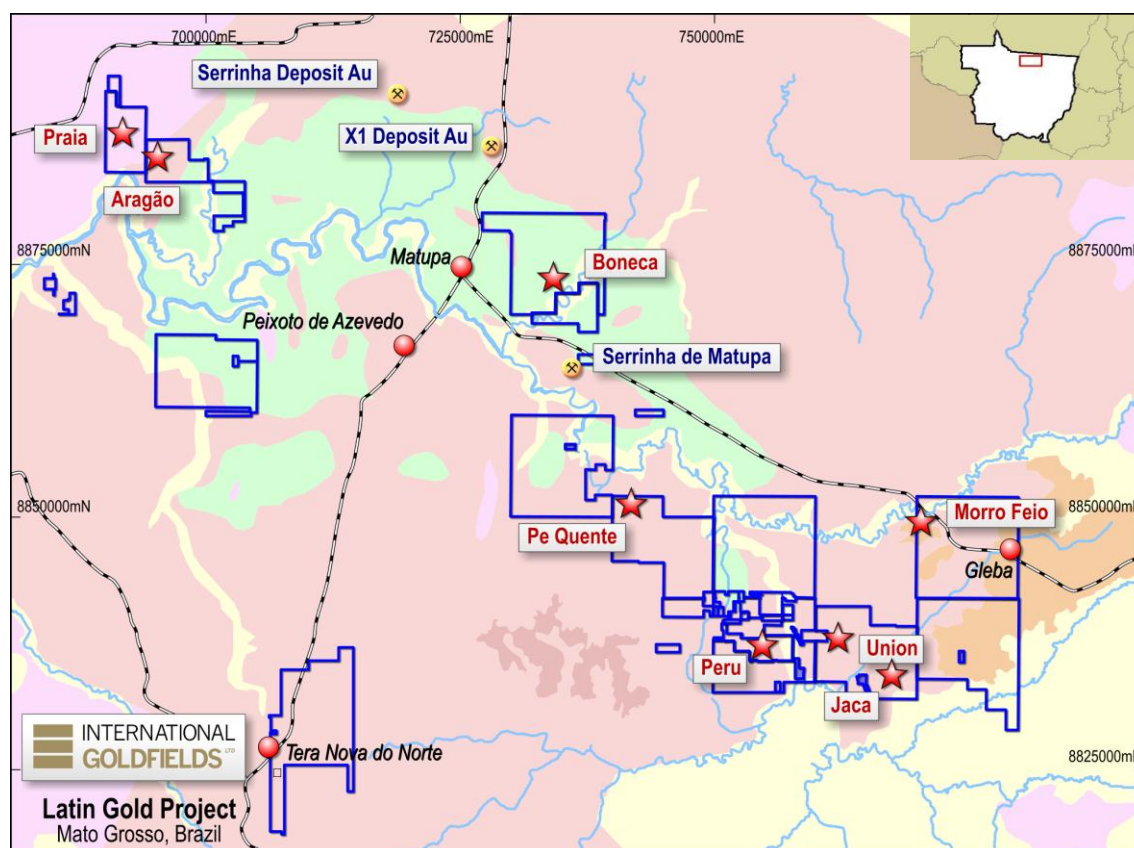


Figure 2: Ouro Paz Gold Joint Venture Project Location and Regional Geology – Alta Floresta Province

About the Ouro Paz IV

The Ouro Paz Gold Project is located in the state of Mato Grosso, Brazil, held in Joint Venture between IGS' 93% owned subsidiary Latin Gold Ltd, and Brazil-based Biogold Investment Fund. The project is host to over 1,000km² tenement position 100% held by the Brazilian entity CIA Mineradora Ouro Paz S.A., which is 35% owned by Latin Gold Ltd.

The Ouro Paz JV Project is host to a maiden MRE of 3.4M tonne Measured & Indicated Resource averaging 2.55g/t gold, and a 5.1M tonne Inferred resource averaging 2.48g/t gold for a total of 690koz Au of contained metal. The MRE for the Ouro Paz JV was completed by independent consultant Coffey Consultoria e Serviços Ltda (Coffey), a Brazilian subsidiary of Coffey International Ltd in accordance with the principles of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (JORC Code), and based on documentation prepared by a Competent Person as defined by the JORC Code. The MRE was prepared based on data acquired through 22 November 2013 and released to the ASX on 19 December 2013.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement dated 19 December 2013 and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

For required information under ASX listing rule 5.7.1, please refer to Appendix B of the IGS release to the ASX dated 06 October 2014 which provides information for the reported exploration results for drilling in the criteria of Section 1 and Section 2 of Table 1 from Appendix 5A of the JORC code ("JORC Table 1"). The exploration results in this report are a continuation of the same drilling program with previously reported results, and no changes to the JORC Table 1 are required for this report.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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Competent person statements:

The information included in this report that relates to Exploration Results is based on information compiled by Travis Schwertfeger, B.Sc, M.Sc., MAIG, a competent person who is a member of the Australian Institute of Geoscientists. Mr. Schwertfeger is a full-time employee of the Company in the role of Managing Director for International Goldfields Ltd, with a related party holding securities in International Goldfields. Mr Schwertfeger has worked as a geologist in regional exploration, mine evaluation, resource estimation and mineral production roles for over 18 years in precious and base metal deposits. Mr. Schwertfeger has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Travis Schwertfeger consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information extracted from the report entitled 'Maiden Resource Estimate of 690,000oz Gold - Ouro Paz Joint Venture, Mato Grosso, Brazil' created on 19 December 2013 and appended with the report entitled 'Additional information for the Ouro Paz Joint Venture Mineral Resource Estimation and Scoping Study' created 31 December 2013 and are available to view on www.intgold.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statement:

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

Appendix A: Drill Collar Table
(Significant Intercepts at 0.5g/t Au cut-off)

Hole ID	Prospect	Easting	Northing	RL	Inclination	Azimuth	Total Depth (m)		From (m)	To (m)	Drilled Interval (m)	Estimated True Thickness (m)	Au (g/t)	Ag (g/t)	Cu (%)
LZG040	MOC West	760002	8838212	268	-55	180	106.1		32.19	34.3	2.11	NA	1.87	NA	NA
									63.74	65.6	1.86	NA	1.67	NA	NA
									94.8	95.3	0.5	NA	0.64	NA	NA
LZG046	MOC West	760492	8838098	288	-50	180	117.51		69.35	69.76	0.41	NA	2.19	NA	NA
									78.46	78.86	0.4	NA	1.14	NA	NA
LZG047	MOC West	760570	8838027	291	-55	180	49.4		26.01	26.52	0.51	NA	1.70	NA	NA
									28.44	29.24	0.8	NA	0.56	NA	NA
LZG048	MOC West	760565	8838060	290	-55	180	102.09		52.2	52.8	0.6	NA	0.59	NA	NA
									61.2	67.5	6.3	NA	0.72	NA	NA
								including	62.7	63.4	0.7	NA	2.37	NA	NA
LZG050	MOC West	760437	8838108	286	-55	180	109.63		No Significant Intercepts						
LZG051	MOC West	760362	8838118	281	-55	180	88.24		44.25	44.75	0.5	NA	1.07	15	<0.1%
									52.6	53.1	0.5	NA	27.0	73	<0.1%
LZG052	MOC South	759669	8838736	277	-55	360	107.23		No Significant Intercepts						
LZG053	MOC West	760260	8838155	275	-55	180	73.09		34.92	37.47	2.55	NA	3.35	NA	NA
JCA001	Jaca	766492	8834020	353	-55	360	90.47		Assays Pending						
JCA002	Jaca	766500	8833840	346	-55	360	80.35		Assays Pending						