
**QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B
FOR THE QUARTER ENDING 31 MARCH 2014**

International Goldfields Limited (ASX: IGS) (“IGS” or “the Company”) is pleased to provide the following commentary and Appendix 5B for the quarter ending 31 March 2014.

GOLD EXPLORATION ACTIVITY**BRAZIL**

The Ouro Paz Gold Project is located in the state of Mato Grosso, Brazil, held in Joint Venture (Ouro Paz JV) with Brazil-based operator Biogold Investment Fund. The Ouro Paz Gold Project is host to a maiden Mineral Resource Estimation (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 690,000oz Au of contained metal as announced to the ASX on 19 December 2013.

Summary of Exploration Activity and results during the reporting period:

- 6,000m diamond drill program in Brazil commenced at end of the reporting period.
- Surface soil surveys completed on area between Jaca and Peteca prospects and extension of soil sampling east of Peteca covering the Carlinhos Prospect area.
- Rock Chip sample results from Carlinhos Prospect reported and rock chip sampling and mapping of the Enio, Peixoto West and Boneca regional target areas advanced.
- Agreement executed to exchange data with neighbouring AngloGold Ashanti to increase airborne geophysical coverage of the region. Re-processing and interpretation of high resolution airborne geophysical and radiometric datasets acquired in September quarter completed during the reporting period.

Diamond Drilling

The Ouro Paz Joint Venture commenced diamond drilling on the Ouro Paz Gold Project in late March, with the initial drill hole of the program completed at the Carlinhos Prospect. The drilling targets down-dip extensions of the encouraging rock chip results including up to 77g/t Au values that are summarised below, and

BOARD

Michael Edwards
Non-Executive Chairman

Travis Schwertfeger
Managing Director

David Tasker
Non-Executive Director

JOINT COMPANY SECRETARIES

Jane Flegg

Sara Kelly

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69 099 544 680

SHARE REGISTRY

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ASX CODE

IGS

released to the ASX on 24 March 2014. Drilling Exploration results are pending sampling and analyses.

With completion of the first hole at Carlinhos Prospect, the diamond drill was then mobilised to the Union Project area, where it commenced drilling on extensions to the existing resources at the Union Project area. A total of four holes have been completed with two holes testing strike extension to mineralisation at the União Prospect, and two in-fill diamond holes were completed at the Ana PF Prospect to acquire material for planned metallurgical test work. All diamond drill samples are pending lab analysis at the time of reporting.

A second diamond rig is expected to arrive on-site in the next month to expedite the 6,000 metre diamond drill program. The second diamond drill is anticipated to make several initial drill tests on new gold targets recently defined at the Ouro Paz JV over the next month then join the first diamond rig at the Union Project, where the focus of the proposed exploration activities for the 2014 field season will be de-risking the maiden MRE with anticipated increases to Measured, Indicated and Inferred categories for use in a planned pre-feasibility study at the end of the exploration program, with drilling planned to;

- extend existing mineralisation – step-out drilling on open-ended resource areas;
- drill inferred resource material within constraints of optimised open pit shells to increase resource category confidence of the in-pit estimation, with 30% of inferred resource material targeted for conversion to measured and indicated within preliminary pit shell designs; and
- Advance five to six drill-ready targets with existing mineralisation to identify additional prospects with potential for resource delineation.

The current Mineral Resource Estimation is located within a cumulative total of 2.9kilometres strike extent of exploration drill results. The proposed drilling program will cover an estimated 2.6km of cumulative strike along mineralised structures considered to have a high potential to increase the resource estimate, including 1.6km of strike across seven target areas drilling extensions to known mineralisation and remaining strike distance with proposed drilling to be completed on 4 targets identified for initial drill tests.

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.

Surface Geochemistry – Rock Chip Results

The Ouro Paz JV completed geological mapping and rock chip sampling on the Carlinhos Prospect area, located within the area of recent soil sampling. Rock chips submitted for analysis totalled 230, and included 205 samples from trenching and recent excavations and 25 rock chip samples from surface outcrops.

In addition to the surface mapping and rock chip sampling program completed at Carlinhos, additional programs have been completed, or are in progress on the Enio, Boneca regional and Peixoto West target areas with final results of those program pending compilation and assay analyses. In total, 824 rock chip samples from surface were collected in the March quarter.

Surface Geochemistry - Soil Survey

The Ouro Paz JV continues to expand the soil sampling coverage at the Ouro Paz Gold Project along the extensive mineralised corridors extending 12 to 15 of kilometres to the northwest and southeast of the Mineral Resource Estimate at the Union Project area.

Three campaigns of soil sampling totalling 1,615 soil sample sites were completed during the reporting period with exploration results reported on 1,081 samples.

- 1) An extension of the Jaca soil sampling survey completed in the September Quarter left both gold and copper anomalism open to the east of the Jaca Prospect. During the reporting period an additional 550 surface samples collected on a 400m by 100m grid with 100m spaced samples on north-south lines further extended surface anomalism as reported to the ASX on 11 February 2014.

The recent soil survey results connect the Jaca Prospect and Peteca Prospect soil grids and extend copper anomalism to an 11km long northwest trending corridor with 1km to 2.5km widths, haloing localised patches of anomalous molybdenum in soils. The additional sampling closes off the copper anomalism at surface to the southeast, and the anomalous copper trend remains open, but narrowing at the northwest extent.

- 2) Additional soil sampling extending the soil survey grid a further 1.5km to the east totalling an additional 331 surface samples collected on a 200m by 50m grid was reported to the ASX on 24 March 2014.

The Carlinhos soil grid extends surface geochemistry coverage onto the overlapping sediments capping an escarpment on the south-eastern margin of the tenement holdings. The sediment cover appears to post-date the major tectonic event in the region that forms northwest to east-west shear corridors through the Matupá granite, but the timing of the younger sedimentary cover relative to gold deposition is not clear. The highest grade soil result returning 1,347ppb Au located 320m south of the high-grade gold rock chips located on a narrow northeast trending zone of anomalism with several >100ppb Au soil values that extends for over 1km along a northeast structural trend that dominates the structural fabric in the relatively shallow sedimentary cover (refer to Figure 1).

- 3) In-fill and extension soil sampling was completed on the Enio Prospect to define potential targets for initial drill testing in the area. Sampling of 200 sample sites was completed on a 100m by 50m grid covering a 1km by 1km area, with summary of exploration results pending laboratory analysis.

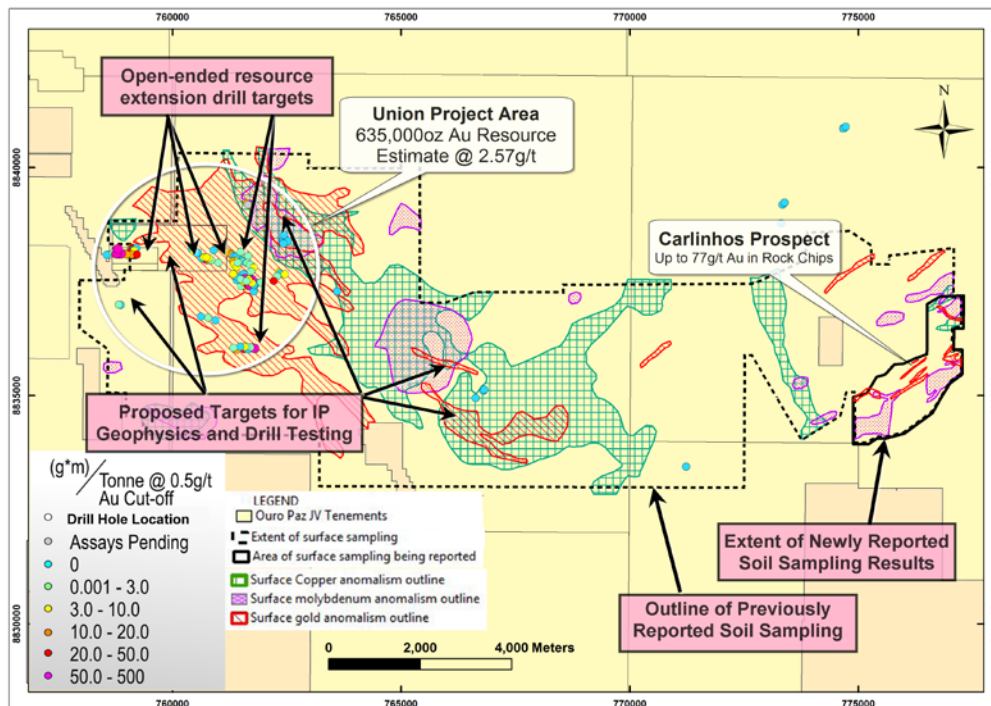


Figure 1: Ouro Paz JV Surface Soil Geochemistry Results Compilation and Union Project Location with Proposed Drill targets

Results of the recent surface geochemistry have identified several new gold anomalies which appear similar in orientation and geometry to zones currently being drilled. Anomalous zones with sample results predominantly over 50ppb Au are outlined in Figure 1, with 24 samples in the survey exceeding 50ppb Au, and a peak value in the survey of 2,188ppb Au located 850m southwest of the Jaca prospect drilling. Overall, the survey has extended the corridor of gold anomalism to 9km of strike extent.

Airborne Geophysical Survey

The Ouro Paz Joint Venture contracted Prospectors Aerolevantamentos e Sistemas Ltda (Prospectors) to complete a low altitude, high resolution magnetic and radiometric geophysical survey. The fixed wing survey was completed in September over two areas totalling 820km² of coverage over priority target areas across the Ouro Paz JV with 200m spaced north-south oriented flight lines and 2,000m spaced east-west tie lines.

The high resolution airborne geophysics collected by the Ouro Paz JV significantly helps in refining regional geology and structural interpretation for the project area. It is expected that the more detailed geology products generated will focus exploration efforts on the ground in the next field season, and generate new gold targets when integrated with the extensive geologic database already compiled on the project area.

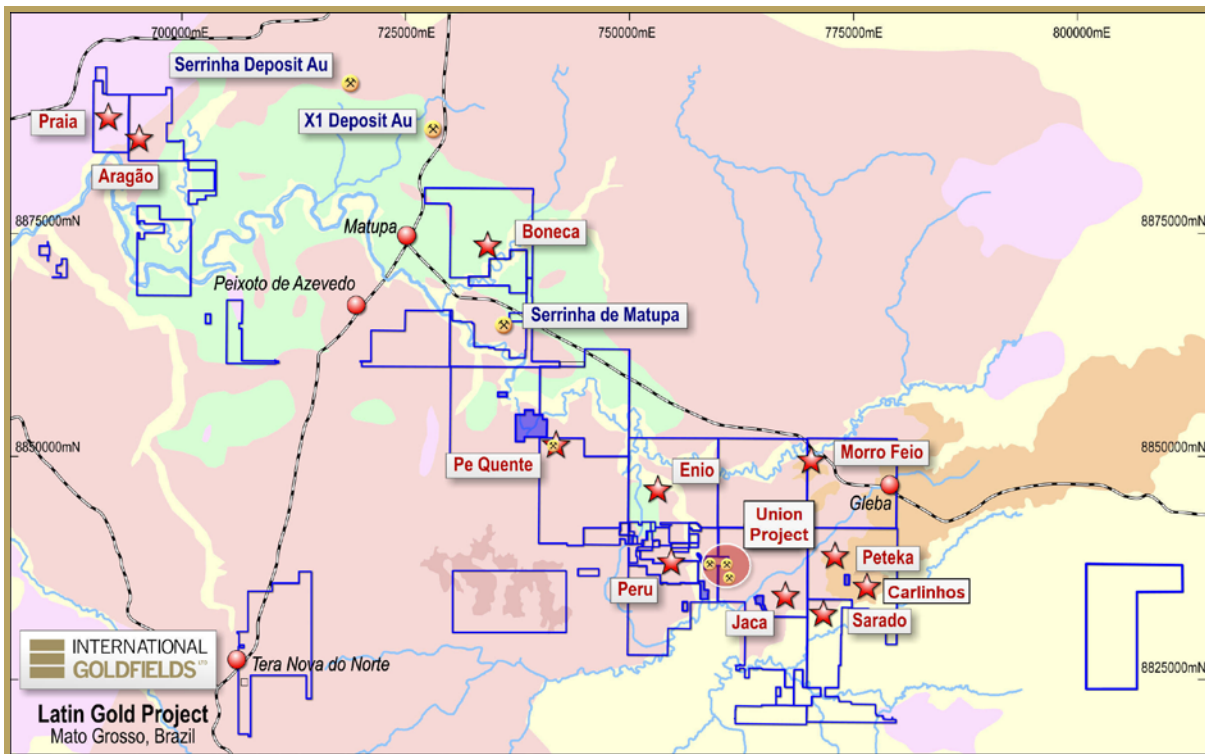


Figure 2: Ouro Paz Gold Project Location and Regional Geology – Alta Floresta Gold Province

EXPLORATION PROPOSED

Exploration activities proposed for the next 3 month period are:

- Continue with 6,000m diamond drill program, with a second diamond drill arriving on-site in early May 2014.
- Continue surface sampling programs, with mapping and rock chip sampling continuing, and several targets being advance to trench sampling to define drill targets.
- Commence an induced polarity-resistivity (IP) ground geophysics program, targeting completion of 20-25 line-km of IP geophysics survey in the June quarter

CORPORATE ACTIVITY

Sale of Plumridge Tenements

Subsequent to quarter end the Company announced the sale of its four Plumridge exploration tenements in the Fraser Range Province of Western Australia to Segue Resources Limited (Segue), (*refer ASX Announcement of 9 April 2014*).

Segue is initially acquiring a 65% interest in the four tenements for \$100,000 in cash (which has been received by the Company) and the issue of 50 million Segue shares.

Segue can acquire the remaining 35% interest in the four tenements (increasing its stake to 100%) by paying \$200,000 within three (3) months and granting IGS a 1% net smelter royalty.

Santa Fe Gold –Tyhee Merger Update

During the quarter, Santa Fe Gold Corporation (OCTBB: SFEG) signed a Definitive Merger Agreement (“Agreement”) with Tyhee Gold Corp. (TSX Venture: TDC) (“Tyhee”). Santa Fe has since terminated the merger agreement when Tyhee did not finalise its financing requirement on time as conditional in the Agreement.

Santa Fe announced as part of the termination that they will be resuming discussions with private equity funds who had previously engaged with Santa Fe with regards to refinancing the company's debt (which includes IGS) and funding the summit mine into full production of 40,000. - 50,000 gold ozs (equivalent) per annum.

IGS, along with the other two primary creditors; Waterton Global Resource Management and Sandstorm Gold Ltd, continue to be supportive of SFEG and its focus on re-financing to allow for a restart of mining operations at the Summit Mine and associated Lordsburg Mill, which were suspended in November 2013 due to operational challenges brought about by capital constraints that prevented planned capital injections required in the development plan of the mine to decrease operating costs and achieve scheduled production increases.

IGS elected to take 9.3 million SFEG common shares as consideration for the A\$1.25 million principal and interest of the most recent convertible note as part of the amended creditor agreements put in place with signing of the Agreement with Tyhee. The Company will still retain A\$4 million in convertible notes and accrued interest. IGS is actively working with SFEG and other parties in pursuing potential funding opportunities for Santa Fe.

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 15 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 690,000 oz 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 is available to view on www.intgold.com.au. Material from the referenced reports that relates to project costs and parameters of Mineral Resource Estimation is based on and fairly represents, information and supporting documentation compiled under the overall supervision and direction of Porfirio Cabaleiro Rodriguez B.Sc., MAIG, a competent person who is a member of the Australian Institute of Geoscientists and is an associate consultant with Coffey Consultoria e Serviços Ltda on a contract basis and holds no direct or indirect interest in the Gleba-União (Ouro Paz) Gold Project of Cia. Mineradora Ouro Paz S/A and does not beneficially own, directly or indirectly, any securities of International Goldfields Ltd or any associate or affiliate of such company. Mr Rodriguez is as a professional engineer with more than 34 years of relevant experience in Resource and Reserve estimation, involving mining properties in Brazil, including among others; iron ore, gold, and copper mineralisation. Mr. Rodriguez has sufficient experience that is relevant to the style of mineralisation 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'. 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.

The information extracted from the report entitled 'Maiden Resource Estimate of 690,000 oz 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 is available to view on www.intgold.com.au. Material from the referenced report that relates to Mineral Resource Estimation is based on information compiled by Leonardo de Moraes Soares B.Sc., MAIG, a competent person who is a member of the Australian Institute of Geoscientists and a full time employee of Coffey Consultoria e Serviços Ltda and holds no direct or indirect interest in the Gleba-União (Ouro Paz) Gold Project of Cia. Mineradora Ouro Paz S/A and does not beneficially own, directly or indirectly, any securities of International Goldfields Ltd or any associate or affiliate of such company. Mr Soares has over 11 years of relevant experience in Resource and Reserve estimation, involving mining properties in Brazil, including, among others; iron ore, gold, and copper mineralisation. Mr. Soares has sufficient experience which 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'. 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.

The information extracted from the report entitled 'Maiden Resource Estimate of 690,000 oz 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 is available to view on www.intgold.com.au. Material from the referenced report that relates to Exploration Results supporting Mineral Resource Estimation, Scoping Study, and mineral resource estimate underpinning the production target is based on information compiled by Mario Conrado Reinhardt MAIG, a competent person who is a member of the Australian Institute of Geoscientists. Mr. Reinhardt is contract employee as Senior Geologist for Biogold Investment Fund and is

Exploration Manager of CIA Ouro Paz Mineradora S.A. and holds an indirect interest in the Gleba União Gold Project of Cia. Mineradora Ouro Paz S/A but does not beneficially own, directly or indirectly, any securities International Goldfields Ltd. Mr Conrado 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 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'. 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.

ASX Additional Information for Quarterly Report to 31 March 2014
SCHEDULE OF MINING TENNEMENTS

| Tenement ID | Location | Interest Acquired during quarter | Interest Disposed during quarter | Beneficial Interest Farmed-out during quarter | Interest Held at end of quarter | Comments |
|-------------|---------------------|----------------------------------|----------------------------------|---|---------------------------------|--|
| E28/1475 | Western Australia | | | 0% | 100% | <i>The four Western Australia tenement's are subject to a Sale Agreement with Segue Resources Limited post quarter end</i> |
| E39/1118 | Western Australia | | | 0% | 100% | |
| E39/1117 | Western Australia | | | 0% | 100% | |
| E39/1084 | Western Australia | | | 0% | 100% | |
| 866003/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866006/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866127/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866187/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866217/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866240/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866249/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866250/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866267/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866275/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866286/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866294/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866313/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866322/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866338/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866349/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866353/2003 | Mato Grosso, Brazil | | | na | 33% | |
| 866357/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866375/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866377/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866398/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866407/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866429/2004 | Mato Grosso, Brazil | | | na | 33% | |
| 866435/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866447/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866452/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866475/2005 | Mato Grosso, Brazil | | | na | 33% | |
| 866633/2009 | Mato Grosso, Brazil | | | na | 33% | |
| 866655/2008 | Mato Grosso, Brazil | | | na | 33% | |
| 866668/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 866673/2005 | Mato Grosso, Brazil | | | na | 33% | |

| Tenement ID | Location | Interest Acquired during quarter | Interest Disposed during quarter | Beneficial Interest Farmed-out during quarter | Interest Held at end of quarter | Comments |
|-------------|---------------------|----------------------------------|----------------------------------|---|---------------------------------|----------|
| 866688/2009 | Mato Grosso, Brazil | | | na | 33% | |
| 866773/2011 | Mato Grosso, Brazil | | | na | 33% | |
| 867121/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867122/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867123/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867124/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867125/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867126/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867128/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867129/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867130/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867142/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867143/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867144/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867145/2012 | Mato Grosso, Brazil | | | na | 33% | |
| 867148/2012 | Mato Grosso, Brazil | | | na | 33% | |

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

INTERNATIONAL GOLDFIELDS LIMITED

ABN

69 099 544 680

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) exploration & evaluation | (101) | (498) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (174) | (463) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | - | 4 |
| 1.5 Interest and other costs of finance paid | - | (23) |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (provide details if material) | - | - |
| Net Operating Cash Flows | (275) | (980) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.9 Proceeds from sale of: (a) prospects | - | - |
| (b) equity investments | - | 104 |
| (c) other fixed assets | - | 23 |
| (d) Data in regards to prospects | 25 | 25 |
| 1.10 Loans to other entities (Santa Fe) | - | (1,090) |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other – refund of tenement bonds | - | 116 |
| Net investing cash flows | 25 | (822) |
| 1.13 Total operating and investing cash flows (carried forward) | (250) | (1,802) |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

| | | | |
|-------|--|-------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (250) | (1,802) |
| | Cash flows related to financing activities | | |
| 1.14a | Proceeds from issues of shares, options, etc | - | - |
| 1.14b | Shares to issue | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | 570 | 920 |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other - Capital raising costs | - | - |
| | Net financing cash flows | 570 | 920 |
| | Net increase (decrease) in cash held | 320 | (882) |
| 1.20 | Cash at beginning of quarter/year to date | 300 | 1,502 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 620 | 620 |

Subsequent to quarter end the Company announced the sale of its Plumridge tenements in the Fraser Range Province of Western Australia and received initial payment of \$100,000.

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 | 21,118 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Directors' 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

| |
|--|
| |
|--|

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

+ See chapter 19 for defined terms.

| |
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| |
|--|

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 400 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 86 |
| Total | 486 |

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 | 593 | 273 |
| 5.2 Deposits at call | 27 | 27 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 620 | 300 |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 | | | |
| 6.2 | Interests in mining tenements acquired or increased | | | |

*Full details of the Group's tenement holdings are set out in the attached Schedule of Mining Tenements

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>(Convertible Notes)</i> | | | |

+ See chapter 19 for defined terms.

| | | | | | |
|------|---|-------------------------|---|---|--|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | Options <i>(description and conversion factor)</i> | 14,000,000 | - | <i>Exercise price</i> \$0.08 | <i>Expiry date</i> 31/12/2015 |
| 7.8 | Issued during quarter | 5,000,000 37,100,000 | | <i>Exercise price</i> \$0.03 \$0.01 | <i>Expiry date</i> 30/09/2016 30/09/2016 |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 April 2014
(Company secretary)

Print name: Jane Flegg

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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+ See chapter 19 for defined terms.