

12 August 2014

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ENVIRONMENTAL PERMIT GRANTED FOR OURO PAZ JOINT VENTURE, BRAZIL

International Goldfields Limited (ASX: IGS) (IGS or the Company) is pleased to announce the issue of both the Preliminary Licence (Licença Prévia or "LP") and the Installation Licence (Licença de Instalação or "LI"), to the Ouro Paz Joint Venture (JV) (IGS – 33% economic interest) for the tenement within the Union Gold Project area that is host to the União Resource in the state of Mato Grosso, Brazil.

The União resource is one of several modelled resource estimates on multiple zones of shear and quartz vein hosted mineralisation in the Ouro Paz JV's maiden Mineral Resource Estimation (MRE) totalling 700koz Au contained metal in 3.4M tonne Measured & Indicated resource averaging 2.55g/t gold, and a 5.1M tonne Inferred resource averaging 2.48g/t gold.

Managing Director Travis Schwertfeger said, *"The issue of the "LI" in the time frame expected attests to the high quality of work being completed by our JV partner in Brazil, and is a key licence in the planned permitting process for the Union Project."*

"It allows the JV to construct facilities for a 100,000 tonne per annum heap leach operation pending a decision to mine by the JV, which will be made after completion of the current studies to define oxide reserves for the project."

"The potential development of a leach pad to process the oxide portion of the mineral resource is part of a strategy of the JV partners to establish early cash flow in a staged development of the project that significantly improves modelled economic outcomes."

The "LI" gives the Ouro Paz JV the rights to mine a portion of the current oxide resource estimation which totals 56,000 oz Au at 3.03g/t Au including 116,000t Indicated and 460,000t Inferred within the Union Project Area, with all of the 116,000t of Indicated category material averaging 3.22g/t Au located within the 866.353/2003 tenement. The "LI" also allows for surface activities to be completed within the permitted tenement that can increase confidence in the oxide resource.

The remaining oxide resource estimate for the Union Project area is within three adjacent tenements located within 1.5km of the proposed heap leach facility. As announced on 20 May 2014 the resource estimation reports for the larger project area have been accepted by Brazil's National Department of Mineral Production ("DNPM") and advancement of environmental permitting for the balance of the resource is pending completion and submission of an 'Economic Use Plan' ("PAE") for each of those tenements to be filed during the December quarter to initiate the environmental permit application.

The PAE reports planned to be submitted in the next quarter will also provide for permitting of conventional CIL processing facilities and open pit mining plan to develop the larger sulphide portion of the MRE and significantly expand operations

BOARD

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Non-Executive Chairman

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Managing Director

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ASX CODE

IGS

after establishment of cash flow from oxide processing.

There is a low level of geological confidence associated with the inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

The mineral resource estimation outputs contained in this report are given on a 100% project basis unless stated otherwise.

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.

The combined "LP" and "LI" have been issued from the Mato Grosso State Agency; Secretaria Estado do Meio Ambiente (SEMA), which is responsible for licensing, compliance, and regulation of environmental affairs for the Union Project Area. The issued licences are now being filed with the DNPM to acquire the mining licence (Portaria de Lavra) pending approval of the PAE report for tenement 866.353/2003 already filed with the DNPM in 2013

The final outstanding environmental licence required to commence production is the Operating License ("LO"), which would be issued following completion of construction of the processing facilities in accordance with the environmental parameters established under the PAE.

About the Ouro Paz JV

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 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 700koz 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.

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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'.

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