

9 November 2016

Company Announcements Office
Australian Securities Exchange
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Via E Lodgement

UPDATE ON ISSUE OF CONVERTIBLE NOTES

The board of directors of International Goldfields Limited (**ASX: IGS**) (“**IGS**” or “**Company**”) wishes to provide an update relating to convertible notes on issue in the Company.

Convertible Notes

The new board of directors and company secretary of the Company recently undertook a review of the Company’s books and records during which it became apparent that the Company was required to disclose, by an Appendix 3B, the terms of convertible notes issued by the Company during the period from April to December 2015 (the “**Convertible Notes**”). The Appendix 3B in respect of the Convertible Notes was released by the Company on 26 October 2016.

Following release of the Appendix 3B, ASX advised the Company that Class B, Class C and Class D of the Convertible Notes (such Classes having the terms disclosed in the Appendix 3B) were issued contrary to the requirements of ASX Listing Rule 7.1.

The Company advises as follows:

- The Company has exceeded its capacity to issue equity securities without security holder approval under Listing Rule 7.1 as a consequence of the issue of the Convertible Notes. The non-compliance with Listing Rule 7.1 is due to the Company’s failure to correctly calculate its Listing Rule 7.1 capacity at the time of completing the issue of the Convertible Notes.
- Ratification by security holders of the issue of the Convertible Notes will not refresh the Company’s capacity to issue securities without security holder approval under Listing Rule 7.1, as ratification under Listing Rule 7.4 is only available where the securities are issued without breaching Listing Rule 7.1.

- The Company has provided ASX with an undertaking not to issue any equity securities without security holder approval until 26 October 2019, unless the issue comes within an exception in Listing Rule 7.2.
- The Company is also ineligible at its next three upcoming Annual General Meetings (until 2019) to seek shareholder approval pursuant to Listing Rule 7.1A to issue securities under the additional 10% placement capacity.

The Company confirms that it is able to issue equity securities until 26 October 2019, provided such issues are made with the approval of shareholders or are otherwise permitted by an exception under Listing Rule 7.2.

For and on behalf of International Goldfields Limited.

David Tasker
Director
International Goldfields Limited