



2008 ANNUAL REPORT

**INTERNATIONAL
GOLDFIELDS
LIMITED**

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EXECUTIVE CHAIRMAN

Antony William Paul Sage

NON-EXECUTIVE DIRECTORS

Timothy Paul Turner

Michael George Povey

COMPANY SECRETARY

Jane Flegg

PRINCIPAL & REGISTERED OFFICE

18 Oxford Close

LEEDERVILLE WA 6007

Telephone: (08) 9388 0744

Facsimile: (08) 9382 1411

AUDITORS

BDO Kendalls Audit & Assurance (WA) Pty Ltd

128 Hay Street

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Telephone: (08) 9380 8400

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SHARE REGISTRAR

Computershare Investor Services Pty Ltd

Level 2, 45 St George's Terrace

PERTH WA 6000

Telephone: (08) 9332 2000

Facsimile: (08) 9323 2033

STOCK EXCHANGE LISTING

Australian Stock Exchange

(Home Exchange: Perth, Western Australia)

Code: IGC

Dear Shareholder

I am delighted to provide a summary of your Company's activities for the year ended 30 June 2008.

This year has been quite a journey, where we have transitioned from a Company with gold assets in Australia, to a Company with significant platinum assets in South Africa.

We started the year with the sale of our Evanston gold project in the Eastern Goldfields region of Western Australia to Southern Cross Goldfields for AUD\$875,000. This sale, together with the earlier sale of the Mt Ida gold project to Monarch Gold, further consolidated our focus on the exploration and development of the recently acquired farm-in rights to the Genorah Farms platinum project in the Bushveld region of South Africa. The Bushveld region produces over 70% of the world's platinum and the Genorah Farms project is seen as one of the most highly prospective projects in the region.

Under a Farm-In Agreement signed in 2006, we are earning a 15% interest in three "farms", Hoepakrantz 291KT, Nooitverwacht 324KT and Eerste Geluk 327KT that comprise the "Tubatse Project", by spending US\$10 million (AUD\$10.4 million) on exploration over a three year period that commenced in April 2007.

Over the past year we have had up to ten drill rigs on site and in May, with our joint venture partners Nkwe Platinum Limited and Genorah Resources (Pty) Ltd, released the initial JORC Inferred Resource totalling 12.4moz (3PGE+Au) across two of the region's projects – Merensky and UG2. Since the end of the year however, this resource has increased by more than 45% to 20.4Moz.

You are no doubt aware that the prospectivity of the area and the strong development potential of the three farms in which your Company has an earn-in right are such that over the 2007/08 year, International Goldfields Limited received a number of proposals of a corporate nature. Since year end, on 19 August 2008, your Board announced the appointment of an independent adviser to provide independent valuation of its holding in the three platinum rich farms.

The appointment came as your Board decided to step up negotiations with fellow Australian platinum company and joint venture partner Nkwe Platinum Limited ("Nkwe") regarding a potential merger of the two companies. On 7 August 2008 International Goldfields confirmed it had signed an exclusive Option Agreement with Nkwe in relation to our 15% interest in the three farms comprising the Tubatse Project.

Under the Option Agreement, Nkwe has paid International Goldfields Limited an option fee of A\$100,000 and 2.5 million of its own shares for time to facilitate the acquisition of our 15% interest in the Tubatse Project by way of a scheme of arrangement. Should the Agreement receive the necessary shareholder and regulatory approvals, Nkwe will have the option to increase its participating interest in the Project from 59% to 74%.

Your Board wishes to advise Shareholders that, despite the six month option period, both parties are committed to the deal and expect to have an agreement finalised by October of this year. Your Board feels that, having reviewed a range of opportunities associated with this investment, including the continued exploration and eventual development of the Project, this deal with Nkwe will deliver maximum return and long-term value to you, the Shareholders.



Tony Sage
Chairman

Your Directors present their report on International Goldfields Limited ("International Goldfields" or "Company") for the financial year ended 30 June 2008.

1. DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Mr Antony William Paul Sage

Mr Michael George Povey

Mr Timothy Paul Turner

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. COMPANY SECRETARY

The Company Secretary is Ms Jane Flegg. Ms Flegg was appointed on the 21 November 2007. Ms Joanna Kiernan held the position of Company Secretary prior to 21 November 2007.

3. PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was mineral exploration and development. During the year the Company continued divesting from its Western Australian gold interests and earning a right into the Genorah Platinum farms in South Africa.

4. OPERATING RESULTS

The profit/(loss) of the Company after providing for income tax amounted to \$1,538,123 (2007: (\$5,037,391)).

5. DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

6. REVIEW OF OPERATIONS

Mt Ida Project

International Goldfields entered into a Sale Agreement with Monarch Gold Mining Company Limited ("Monarch") in June 2007. The initial payment from Monarch of A\$2.5m was received in September 2007 with the sale completed on receipt of the final payment of A\$3.75m in December 2007.

Evanston Project

In September 2007 the Company reached an agreement with Southern Cross Goldfields Limited ("Southern Cross") to sell its Unaffected Tenements in the Evanston project in the Eastern Goldfields region of Western Australia for A\$875,000. The sale was completed in December 2007.

Southern Cross also has the option to acquire the Company's Affected Tenements in the Evanston project for A\$450,000 and 2.5 million ordinary shares.

Under the terms of an earlier agreement between International Goldfields and Cape Lambert Iron Ore Limited ("Cape Lambert"), Cape Lambert's subsidiary Global Iron Limited will retain the rights to explore for and develop any iron ore projects on these tenements.

Genorah Farms Platinum Project

The sale of the Mt Ida and Evanston Projects further consolidated the Company's focus on the exploration and development of the Company's 15% farm-in rights to the Genorah Farms Platinum Project located on the eastern limb of South Africa's renowned Bushveld Complex, the world's premier platinum group metal producing region comprising approximately 70% of world production.

Under the Farm-in Agreement, IGC will earn a 15% interest in three Genorah Farms (Hoepakrantz 291KT; Nootverwacht 324KT and Eerste Geluk 327KT, collectively "the Tubatse project") by spending USD\$10m on exploration over the next three years. As at the date of this report USD\$7.5m has been spent.

To date, the joint venture partnership have drilled a total of 30 diamond drill holes but importantly, for the purpose of the initial inferred resource referred to below, only 9 borehole assays were available for the Merensky reef and 14 boreholes for the purposes of the UG2.

The Company has been extremely encouraged by these drilling results to date which have confirmed an initial JORC Inferred Resource totalling 12.4Moz (3PGE+Au) across two of its projects in the Bushveld Complex. This resource is for both the Merensky and UG2 horizons over a portion of the farms Eerste Geluk and Nootverwacht.

Genorah Project – Initial Resource Statement

	Discounted Resource Tonnage (Mt)	Grade (3PGE+Au g/t)	3PGE+Au Ounces (Moz)
Merensky			
Inferred	35.7	4.1	4.7
UG2			
Inferred	31.2	7.7	7.7
Total / Average	66.9	5.8	12.4

The resource estimates an average width of 1.32m for the Merensky reef, and an average width of 0.67km for the UG2. The resource estimate was completed by GEMECS Consultants

The UG2 commences from near surface to a depth of 1,100m, with the Merensky resource commencing from surface to a depth of 700m.

Short term Loan

In January 2008, IGC entered into a loan agreement with Exchange Minerals Limited ("Exchange"), in which \$2.15m was advanced to Exchange. Exchange and IGC have entered an agreement with Golden Falls Trading 565 (Pty) Ltd ("Golden Falls") to re-assign the debt from Exchange to Golden Falls. The loan term has also been extended and the principal and interest are now repayable on or before 31 December 2008.

Settlement of Anglo Claim

On 13 February 2008 IGC was pleased to announce the following joint statement that involves the 3 farms, Hoepakrantz 291KT; Nootverwacht 324KT and Eerste Geluk 327KT, in which IGC has a 15% farm-in right.

Following several meetings between Anglo Platinum, Nkwe Platinum Limited, Genorah Resources, Africa Rainbow Minerals ("ARM") and the Department of Minerals and Energy ("the DME") collectively ("the Parties"), the Parties are pleased to announce that agreement has been reached to settle the dispute that had arisen over the award of prospecting licences over the Farms by the DME.

In terms of the agreement reached:

- a) The parties will abide by the original decisions of the DME, firstly in refusing the applications submitted by Anglo Platinum and secondly in awarding of prospecting licences to Genorah;
- b) The legal proceedings instituted by Anglo Platinum or its subsidiary companies, which were suspended in 2007, will be discontinued; and
- c) Anglo Platinum, Nkwe, Genorah and ARM will enter into commercial negotiations to consider joint exploitation of their respective mineral resources.

The Parties are pleased that this matter has been amicably resolved and removes the uncertainty attached to the dispute, particularly for Nkwe and Genorah.

Share / Option Issues

During the year a total of 5,466,501 shares were issued following the conversion of options, raising \$869,975.

Financial Position

The entity has cash funds on hand of \$2,139,520 (2007: \$2,897,581) at year end.

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Refer to review of operations, which outlines significant changes in the state of affairs during the year.

8. AFTER BALANCE DATE EVENTS

On 3rd July 2008, the Company announced together with its joint venture partners an increased resource of over 45% to 20.4Moz on the Tubatse Project.

Nkwe Platinum Limited signed an Option Agreement with International Goldfields to acquire the Company's 15% stake in the Tubatse Project.

Under the option agreement, which is valid for six months (with Nkwe being able to extend the option for a further six months), Nkwe will be required to pay International Goldfields an option fee of A\$100,000 and issue 2.5 million Nkwe shares to International Goldfields.

Upon exercise of the option by Nkwe, Nkwe and International Goldfields agree to facilitate the acquisition of the 15% interest in the Tubatse Project by way of a scheme of arrangement (i.e. cash and/or share offer to acquire all of the issued share capital of International Goldfields).

The purchase price payable will be agreed using two (2) independent expert's valuations as an initial basis. If a scheme of arrangement is not implemented, Nkwe and International Goldfields agree to pursue the sale of the 15% interest in the Tubatse Project by way of an asset sale. Settlement will be conditional on the receipt of all necessary governmental, regulatory shareholder and third party approvals and consents.

9. BUSINESS STRATEGIES, PROSPECTS, LIKELY DEVELOPMENTS & EXPECTED RESULTS

The Company will continue to meet its obligations to earn the right to 15% of the Tubatse Project with the object of identifying and developing commercial resources until the Nkwe Option Agreement has been finalised.

10. ENVIRONMENTAL ISSUES

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

11. INFORMATION ON DIRECTORS

Antony William Paul Sage	Executive Chairman	
Qualifications	B.Com, FCPA, CA, FTIA	
Experience	<p>Mr Sage has in excess of 23 years experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining companies for the last 14 years.</p> <p>Mr Sage is also a Director of Cape Lambert Iron Ore Limited, and Non-Executive Chairman of Canadian listed NFX Gold Inc.</p>	
Interest in Shares and Options	Fully Paid Ordinary Shares	1,555,691
	20 Cent, 31 December 2008 Options	1,500,000
Michael George Povey	Non-Executive Director	
Qualifications	Mr Povey is a Chartered Engineer, a member of the Australian Institute of Mining and Metallurgy, a Member of the Institute of Company Directors and Associate of the Camborne School of Mines and holds a number of Certificates of Competency in the mining industry including an unrestricted West Australian Mine Managers certificate.	
Experience	<p>Mr Povey is a mining engineer with 28 years experience in the mining and explosives industry. Previous experience has been gained in Southern Africa, North America and Australia and has included senior management positions with Rio Tinto Ltd, ICI Explosives and the Angelo America Group of Companies.</p> <p>Mr Povey is also a Director of Range Resources Limited.</p>	
Interest in Shares and Options	Mr Povey does not hold any shares or options in the Company.	

Timothy Paul Turner	Non-Executive Director	
Qualifications	B.Bus, FCPA, FTIA, Registered Company Auditor	
Experience	<p>Mr Turner is senior partner with accounting firm, Hewitt Turner & Gelevitis. Mr Turner specialises in domestic business structuring, corporate and trust tax planning and the issuing of audit opinions. Mr Turner also has in excess of 20 years experience in new ventures, capital raisings and general business consultancy.</p> <p>Mr Turner has a Bachelor of Business (Accounting and Business Administration), is a Registered Company Auditor, Fellow of CPA Australia and a Fellow of the Taxation Institute of Australia.</p> <p>Mr Turner is also a Director of Cape Lambert Iron Ore Limited.</p>	
Interest in Shares and Options	Fully Paid Ordinary Shares 20 Cent, 31 December 2008 Options	161,819 500,000
Jane Flegg	Company Secretary	
Experience	<p>Ms Flegg has many years of experience in finance and administration. During the past decade she has been a Corporate Advisor to several ASX Public Listed Companies specialising in corporate and financial management, compliance and company secretarial advice.</p> <p>Ms Flegg is also Joint Company Secretary of Continental Capital Limited.</p>	
Interest in Shares and Options	Ms Flegg does not hold any shares or options in the Company.	

12. REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for key management personnel of International Goldfields Limited.

Remuneration Policy

Details of Directors and Key Management Personnel

(i) *Directors*

Antony Sage – Executive Chairman
 Michael Povey – Non-Executive Director
 Timothy Turner – Non-Executive Director

(ii) *Other Key Management Personnel*

Jane Flegg – Company Secretary

The Board's policy for determining the nature and amount of remuneration for board members is as follows:

12. REMUNERATION REPORT (AUDITED) (continued)

The remuneration policy, setting the terms and conditions for the directors, was approved by the Board as a whole. The Board considered that it was not considered necessary to establish a separate remuneration committee. This function could be performed just as efficiently with full board participation.

The entity is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. The remuneration may consist of a salary, bonuses, or any other element but must not be a commission on or percentage of operating revenue. Currently there is no link between remuneration and shareholder wealth or company performance. Options have no link to performance history. Options have been issued as a long term incentive to increase shareholders wealth.

The executive directors do not receive any retirement benefits. All remuneration paid to Directors is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Chairman determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is \$200,000 or such other amount approved by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors were issued with options upon listing on ASX on 27 April 2006.

Company Performance and Shareholder Wealth and Directors' and Executives' Remuneration

The Board continues to maintain promotional activity amongst analysts so as to increase investor awareness of the Company in line with a consistent and stable financial position and base value of assets.

12. REMUNERATION REPORT (AUDITED) (continued)*Details of Remuneration for Year Ended 30 June 2008*

The remuneration for each key management personnel of the entity during the year was as follows:

2008	Short Term Benefits			Share-based Payment	Post Employment Benefits	Performance Related	
Name	Salary, Fees and Commissions	Non-cash Benefits	Cash Bonus	Options	Superannuation Contribution	Total	
	\$	\$	\$	\$	\$	\$	
Antony Sage (i)	350,000	-	-	-	-	350,000	-
Timothy Turner (iii)	48,000	-	-	-	-	48,000	-
Michael Povey (iv)	60,000	-	-	-	-	60,000	-
Jane Flegg (v)	-	-	-	-	-	-	-
Total	458,000	-	-	-	-	458,000	-

Details of Remuneration for Year Ended 30 June 2007

The remuneration for each key management personnel of the entity during the year was as follows:

2007	Short Term Benefits			Share-based Payment	Post Employment Benefits	Performance Related	
Name	Salary, Fees and Commissions	Non-cash Benefits	Cash Bonus	Options	Superannuation Contribution	Total	
	\$	\$	\$	\$	\$	\$	
Antony Sage (i)	265,000	-	-	-	-	265,000	-
Napoleon Mayer (vi)	-	-	-	-	-	-	-
Charles Mostert (ii)	32,000	-	-	-	-	32,000	-
Timothy Turner (iii)	48,000	-	-	-	-	48,000	-
Michael Povey (iv)	20,000	-	-	-	-	20,000	-
Total	365,000	-	-	-	-	365,000	-

- (i) An aggregate amount of \$350,000 (2007: \$265,000) was paid, or due and payable to Okewood Pty Ltd, a company controlled by Mr Sage, for the provision of his director services to the Company.
- (ii) An aggregate amount of \$0 (2007: \$32,000) was paid, or due and payable to Daruma Investments Pty Ltd, a company controlled by Mr Mostert, for the provision of his director services to the Company. Mr Mostert resigned as Director on 1 June 2007.
- (iii) An aggregate amount of \$48,000 (2007: \$48,000) was paid, or due and payable to Corporate Resource and Mining Services, for the provision of Mr Turner's director services to the Company.

12. REMUNERATION REPORT (AUDITED) (continued)

- (iv) An aggregate amount of \$60,000 (2007: \$20,000) was paid, or was due and payable to Minman Pty Ltd, a company controlled by Mr Povey for the provision of director services to the Company.
- (v) Ms Flegg is an employee of Lacka Consulting Pty Ltd and is paid a salary through Lacka's consulting agreement with International Goldfields Limited. Ms Flegg was appointed as Company Secretary on the 21st November 2007.
- (vi) Mr Mayer resigned as Director on the 26 February 2007.

Options Issued as Part of Remuneration for the Year Ended 30 June 2008

There were no options issued as part of remuneration for the year ended 30 June 2008.

Options issued to directors as part of their remuneration have not been exercised during the year. Options granted in prior years as remuneration are set out in the table below:

	Vested No.	Granted No.	Date Granted/ Date Vested	Date Exercisable	Last Exercisable Date	Exercise Price	Value per option at grant date
<i>Key Management Personnel</i>							
Antony Sage	1,500,000	1,500,000	02/05/2006	21/05/2008	31/12/2008	\$0.20	\$0.078
Napoleon Mayer	1,500,000	1,500,000	02/05/2006	21/05/2008	31/12/2008	\$0.20	\$0.078
Charles Mostert	1,500,000	1,500,000	02/05/2006	21/05/2008	31/12/2008	\$0.20	\$0.078
Timothy Turner	500,000	500,000	02/05/2006	21/05/2008	31/12/2008	\$0.20	\$0.078
	5,000,000	5,000,000					

Service Agreements**Mr Antony Sage – Executive Chairman**

The Company has entered into an executive chairman consultancy agreement with Okewood Pty Ltd and Mr Antony Sage to provide the services of the Executive Chairman of the Company.

The agreement stipulates the following terms and conditions:

- (a) the term of the agreement is a minimum of three (3) years commencing 2 May 2006;
- (b) the Company will pay Mr Sage a consultancy fee of \$180,000 per annum to be reviewed bi-annually by the Board. In addition Mr Sage will be reimbursed for all reasonable expenses incurred in the performance of his duties. Effective 1 January 2007 the Board reviewed his fee and agreed to increase it to \$350,000 per annum;

12. REMUNERATION REPORT (AUDITED) (continued)

- (c) this agreement may be terminated by the Company in a number of circumstances including:
- (i) failure to comply with lawful directions given by the Company through the Board;
 - (ii) failure to produce the services to a satisfactory standard which continues unremedied for ten business days after written notice of failure has been given;
 - (iii) a serious or consistent breach of any of the provisions of the Executive Chairman consultancy agreement which is either not capable of being remedied or is capable of being remedied and is not remedied within 14 day; and
 - (iv) Mr Sage being unable to perform services for 40 consecutive business days or an aggregate of 60 business days in any 12 months.

Upon termination without meeting the circumstances outlined in (c) above the Company must pay the fee for the remaining term of the agreement.

13. MEETINGS OF DIRECTORS

The number of Directors' meetings (including committees) held during the year and the number of meetings attended by each director are:

Director	Directors' Meetings	
	Number Eligible to Attend	Meetings Attended
Antony Sage	4	4
Michael Povey	4	-
Timothy Turner	4	4

The audit committee did not meet during the year.

14. INDEMNIFYING OFFICERS OR AUDITOR

In accordance with the constitution, except where prohibited by the Corporations Act 2001, every director, principal executive officer or secretary of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as director, principal executive officer or secretary of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the year the Company paid a premium of \$19,602 to insure the directors and officers of the Company.

15. OPTIONS***Unissued Shares under Option***

Grant date	Expiry date	Exercise price	Number on issue	
			2008	2007
14 February 2007	30/06/2009	15 cents	2,800,165	7,266,666
24 April 2007	30/06/2009	20 cents	60,000,000	60,000,000
24 April 2007	31/12/2008	20 cents	5,000,000	6,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares issued on the exercise of options

The following ordinary shares of the Company were issued during the year ended 30 June 2008 on the exercise of options.

24 July 2007	100,000 shares issued on the exercise of 15 cents options
12 September 2007	133,500 shares issued on the exercise of 15 cents options
13 February 2008	83,000 shares issued on the exercise of 15 cents options
22 April 2008	150,001 shares issued on the exercise of 15 cents options
10 June 2008	4,000,000 shares issued on the exercise of 15 cents options
27 June 2008	1,000,000 shares issued on the exercise of 20 cents options
4 August 2008	5,000,000 shares issued on the exercise of 20 cents options
4 August 2008	83,333 shares issued on the exercise of 15 cents options

16. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

17. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 57 of the annual report.

18. NON AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the auditor (BDO Kendalls Audit & Assurance (WA) Pty Ltd) for audit and non-audit services provided during this financial period are set at below.

18. NON AUDIT SERVICES (continued)

The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principle relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity of the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the year the following fees were paid or payable for services provided by the auditor or its related practices:

Assurance Services

	2008	2007
BDO Kendalls Audit & Assurance (WA) Pty Ltd	\$	\$
(a) Audit & Review Services	30,251	22,542
(b) Other	-	-
	<u>30,251</u>	<u>22,542</u>

This report is made in accordance with a resolution of the Board of Directors.



Timothy Turner
Director

Perth, 30 September 2008

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Revenues from continuing operations	2	392,232	219,021
Depreciation expense	3	(59)	(4,936)
Consulting expenses, including directors' remuneration		(948,283)	(523,211)
Occupancy expenses		(1,182)	(2,474)
Compliance and regulatory expenses		(108,762)	(107,209)
Administration expenses		(199,616)	(86,304)
Loss before income tax		(865,670)	(505,113)
Income tax expense	6	-	-
Loss from continuing operations	7	(865,670)	(505,113)
Profit/(Loss) from discontinued operations	7	2,403,793	(4,532,278)
Profit/(Loss) for the year	17	1,538,123	(5,037,391)
Overall Operations		Cents per share	Cents per share
EPS from continuing operations			
Basic loss per share	19	(0.76)	(0.65)
Diluted earnings cents per share	19	n/a	n/a
EPS from overall operations			
Basic earnings/(loss) per share	19	1.36	(6.46)
Diluted earnings cents per share	19	1.06	n/a

The accompanying notes form part of these financial statements

BALANCE SHEET AS AT 30 JUNE 2008

	NOTE	2008 \$	2007 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,139,520	2,897,581
Trade and other receivables	9	41,511	1,425,058
Non-current assets classified as held for sale	10	634,444	3,412,493
Short term loan	11	2,300,000	-
TOTAL CURRENT ASSETS		5,115,475	7,735,132
NON CURRENT ASSETS			
Property, plant and equipment	12	1,875	-
Exploration, evaluation and development expenditure	13	21,346,152	16,507,962
TOTAL NON CURRENT ASSETS		21,348,027	16,507,962
TOTAL ASSETS		26,463,502	24,243,094
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	143,100	223,439
TOTAL CURRENT LIABILITIES		143,100	223,439
TOTAL LIABILITIES		143,100	223,439
NET ASSETS		26,320,402	24,019,655
EQUITY			
Contributed equity	15	22,853,400	22,090,776
Reserves	16	7,501,126	7,501,126
Accumulated losses	17	(4,034,124)	(5,572,247)
TOTAL EQUITY		26,320,402	24,019,655

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Note	Ordinary Share Capital	Converting Performance Share Capital	Accumulated Losses	Share Based Payment Reserve	Redeemed Option Reserve	Total
		\$	\$	\$	\$	\$	\$
Balance at 30 June 2006		12,000,001	-	(534,856)	471,526	-	11,936,671
Loss attributable to members of entity	17	-	-	(5,037,391)	-	-	(5,037,391)
Total recognised income and expense for the year		-	-	(5,037,391)	-	-	(5,037,391)
Shares issued during the year	15	9,000,000	600	-	-	-	9,000,600
Options exercised during the year	15&16	2,284,400	-	-	(374,400)	-	1,910,000
Transaction costs	15	(1,194,225)	-	-	-	-	(1,194,225)
Options issued during the year	16	-	-	-	7,404,000	-	7,404,000
Balance at 30 June 2007		22,090,176	600	(5,572,247)	7,501,126	-	24,019,655
Profit attributable to members of entity	17	-	-	1,538,123	-	-	1,538,123
Total recognised income and expense for the year		-	-	1,538,123	-	-	1,538,123
Shares issued during year	15	-	-	-	-	-	-
Options exercised during the year	15&16	869,975	-	-	(452,988)	452,988	869,975
Transaction costs	15	(107,351)	-	-	-	-	(107,351)
Balance at 30 June 2008		22,852,800	600	(4,034,124)	7,048,138	452,988	26,320,402

The accompanying notes form part of these financial statements.

CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,216,436)	(822,204)
Interest received		234,039	222,313
Withholding tax paid		-	(1,582)
Income tax refund received		17,469	-
Other		1,252	(863)
<i>Net cash used in operating activities</i>	20	(963,676)	(602,336)
Cash Flows From Investing Activities			
Proceeds from sale of right to ore bodies		7,060,000	1,130,000
Payments for purchase of property, plant and equipment		(1,934)	(479,123)
Payments for exploration expenditure		(65,998)	(440,652)
Payments for development expenditure		-	(3,133,742)
Payments for right to farm-in		(5,469,727)	(3,211,920)
Loans to other entities		(2,150,000)	-
<i>Net cash used in investing activities</i>		(627,659)	(6,135,437)
Cash Flows from Financing Activities			
Proceeds from issue of equity securities		907,475	4,910,000
Payments for costs of raising equity		(74,201)	(258,225)
<i>Net cash provided by financing activities</i>		833,274	4,651,775
Net decrease in cash held		(758,061)	(2,085,998)
Cash at beginning of financial year		2,897,581	4,983,579
Cash at end of financial year	8	2,139,520	2,897,581

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

International Goldfields Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. The financial report of International Goldfields Limited complies with all International Financial Reporting Standards (IFRS) in their entirety.

The financial report has been prepared on an accruals basis and is based on the historical cost convention, as modified for selected non current assets and liabilities for which the fair value basis of accounting has been applied.

(a) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(b) Property, Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property, Plant and Equipment

Plant and equipment are measured on the cost basis. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. Refer to Note 1(d).

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depn Rate 2008	Depn Rate 2007
Computer equipment	33.0%	-
Mining plant and equipment	-	30.0%
Office furniture and equipment	-	25.0%
Motor vehicle	-	20.0%

All mining plant and equipment, office furniture and equipment and motor vehicles were disposed of in the 2007 financial period and were not carried forward to 2008.

Gains and proceeds on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is the Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(c) Financial instruments

Recognition and derecognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below. Financial instruments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Loans and receivables are included within Trade and other receivables (Note 9) and Short term receivable (Note 11)

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of Assets

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Goods and Services Tax (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(g) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure is recorded at historical costs on an area of interest basis. Expenditure on acquisition of an area of interest is carried forward where rights to tenure of the area of interest are current and:

- (i) it is expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale; or
- (ii) exploration and evaluation activities are continuing in an area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Projects are advanced to development status when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Earnings Per Share

- (i) Basic earnings per share ("EPS") is calculated by dividing the net profit or loss attributable to members for the reporting period, after excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares of the Company, adjusted for any bonus elements in ordinary shares issued during the year.
- (ii) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(i) Revenue

Revenues are recognised as fair value of the consideration received or receivable net of the amount of goods and services tax paid to the taxation authority. Revenue is recognised for the major business activities as follows:

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Interest

Interest revenue is recognised on a time proportional basis using the effective interest method.

Sale of Goods

Revenue from the sale of goods is recognised when control of the goods passes to the customer.

Sale of non-current assets

The net proceeds of non-current asset sales are recognised as revenue at the date control of the asset passes to the buyer, usually when a signed contract of sale becomes unconditional.

(j) Cash and cash equivalents

For cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Joint Venture Entities

A joint venture entity is an entity in which the Company holds a long-term interest and which is jointly controlled by the Company and one or more other venturers. Decisions regarding the financial and operating policies essential to the activities, economic performance and financial position of that venture require the consent of each of the venturers that together jointly control the entity.

The Company has certain contractual arrangements with other participants to engage in joint activities where all significant matters of operating and financial policy are determined by the participants such that the operation itself has no significant independence to pursue its own commercial strategy. These contractual arrangements do not create a joint venture entity due to the fact that the policies are those of the participants, not a separate entity carrying on a trade or a business of its own.

The financial statements of the Company include its share of the assets, liabilities and cash flows in such joint venture operations, measured in accordance with the terms of each arrangement, which is usually pro-rata to the Company interest in the joint venture operations.

(l) Contributed Equity

Contributed equity is recognised at the fair value of the consideration received by the Company, less any capital raising costs in relation to the issue.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchases consideration.

(m) Share Based Payment

The fair value of shares and options granted are recognised as an expense or the fair value of the asset acquired with a corresponding increase in equity. The fair value is measured at grant date taking into account market performance conditions only, and will be spread over the vesting period during which the holder becomes unconditionally entitled to the options. The fair value of the options is measured using the Black-Scholes model.

Upon exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs are credited to share capital.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately on the face of the income statement.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Fair value estimation (continued)

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(q) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(r) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economics data, obtained both externally and within the Company.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment triggers exists, the recoverable amounts of the assets is determined. During the prior year, an amount of \$4,108,698 was recognised as the impairment of an interest in a mining tenement. This was based upon the projected loss on disposal of this interest which was made after the period of impairment assessment.

The financial report was authorised for issue on 30 September 2008 by the Board of Directors.

2. REVENUE

	2008	2007
	\$	\$
REVENUE FROM CONTINUING OPERATIONS		
- Interest received/receivable	390,980	205,269
- Other	1,252	13,752
	<u>392,232</u>	<u>219,021</u>
OTHER INCOME FROM DISCONTINUED OPERATIONS		
- Net gain on sale of mining tenements	3,026,002	-
	<u>3,026,002</u>	<u>-</u>

3. EXPENSES

	2008	2007
	\$	\$
Depreciation of non-current assets		
- computer equipment	59	-
- property, plant and equipment	-	18,089
- office furniture and equipment	-	2,554
- motor vehicles	-	3,621
	<u>59</u>	<u>24,264</u>
Total depreciation	59	24,264
Less amount capitalised as development expenditure	<u>-</u>	<u>(19,328)</u>
Depreciation expense	<u>59</u>	<u>4,936</u>
Finance costs – other persons	-	863
Loss on sale of right to ore bodies	496,894	423,580
Written off exploration expenditure	622,209	-
Impairment of capitalised development expenditure	-	4,108,698

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008 (continued)

4. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Name and positions held by Directors' in office at any time during the financial year are:

Mr Antony William Paul Sage	Executive Chairman
Mr Michael George Povey	Non-Executive Director
Mr Timothy Paul Turner	Non-Executive Director

Other Key Management Personnel

Ms Jane Flegg	Company Secretary
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(b) Key management personnel compensations

	2008	2007
	\$	\$
Short term employee benefits	458,000	365,000
Post-employment benefits	-	-
Share-based payments	-	-
	<u>458,000</u>	<u>365,000</u>

The Company has transferred detailed remuneration disclosures to the Director's report. The relevant information can be found in the remuneration report on pages 11 to 13.

(c) Shareholdings

Number of shares held by Directors and other Key Management Personnel:

2008	Balance 01.07.07	Balance held on Appointment	Net Change Other	Balance 30.06.08	Balance held nominally
Antony Sage	1,727,443	-	(171,752)	1,555,691	23,864
Michael Povey	-	-	-	-	-
Timothy Turner	161,819	-	-	161,819	161,819
Jane Flegg	-	-	-	-	-
	<u>1,889,262</u>	<u>-</u>	<u>(171,752)</u>	<u>1,717,510</u>	<u>185,683</u>

2007	Balance 01.07.06	Balance held on Appointment	Net Change Other	Balance 30.06.07	Balance Held nominally
Antony Sage	1,551,691	-	175,752	1,727,443	1,531,827
Michael Povey	-	-	-	-	-
Timothy Turner	161,819	-	-	161,819	161,819
Napoleon Mayer	-	-	-	-	-
Charles Mostert	-	-	-	-	-
	<u>1,713,510</u>	<u>-</u>	<u>175,752</u>	<u>1,889,262</u>	<u>1,693,646</u>

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(d) Option Holdings

Number of 20 cent Options expiring 31 December 2008 held by Directors and Executives:

2008	Balance 01.07.07	Net Change Other	Balance 30.06.08	Total Vested	Total Exercisable
Antony Sage	1,500,000	-	1,500,000	1,500,000	1,500,000
Michael Povey	-	-	-	-	-
Timothy Turner	500,000	-	500,000	500,000	500,000
Jane Flegg	-	-	-	-	-
	2,000,000	-	2,000,000	2,000,000	2,000,000

2007	Balance 01.07.06	Net Change Other	Balance 30.06.07	Total Vested	Total Exercisable
Antony Sage	1,500,000	-	1,500,000	1,500,000	1,500,000
Michael Povey	-	-	-	-	-
Timothy Turner	500,000	-	500,000	500,000	500,000
Napoleon Mayer	1,500,000	(1,500,000)	-	-	-
Charles Mostert	1,500,000	(1,500,000)	-	-	-
	5,000,000	(3,000,000)	2,000,000	2,000,000	2,000,000

Note: Options were not forfeited by Mr Mayer and Mr Mostert when they resigned on 26 February 2007 and 1 June 2007 respectively.

(e) Loans to Key Management Personnel

There have been no loans made to key management personnel.

(f) Other Transactions with Key Management Personnel

Refer to Note 24 for details on other transactions with key management personnel.

(g) Share Based Compensation

Options issued as Part of Remuneration for the Period Ended 30 June 2008

During the year ended 30 June 2008 and 30 June 2007, no options were issued to directors as part of their remunerations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008 (continued)

5. AUDITORS' REMUNERATION

	2008	2007
	\$	\$
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	30,251	22,542
- Other services	-	-
Total remuneration for assurance services	<u>30,251</u>	<u>22,542</u>

6. INCOME TAX

	2008	2007
	\$	\$
(a) The components of income tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
(b) The prima facie tax on Profit/(Loss) from continuing activities before income tax is reconciled to the income tax as follows:	1,538,123	-
Prima facie tax (benefit) on Profit/(Loss) from ordinary activities before income tax at 30%	461,437	(1,511,217)
Add/(Less)		
Tax effect of		
- Foreign exploration expenditure	1,640,919	-
- Entertainment	3,616	-
- Non deductible Share based payments	-	-
- Deferred tax asset attributable to tax losses	-	1,511,217
- Deferred tax assets utilised	(2,105,972)	-
Income tax attributable to the Company	<u>-</u>	<u>-</u>
(c) The applicable weighted average effective tax rate is as follows:	N/A	N/A
(d) Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in note 1(e) occur.		
- Exploration expenditure	(588,759)	-
- Temporary differences	8,660	10,200
- Tax losses		
- Operating losses	1,807,521	3,755,573
- Capital losses	-	-
	<u>1,227,422</u>	<u>3,765,773</u>

7. DISCONTINUED OPERATIONS

(a) Description

On 31st December 2007, the Company received final payment for the Mt Ida 'JV' and "Excluded" sale agreements and the Evanston "Unaffected Tenements" sale agreements. The sale of these tenements is reported in this financial report as a discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below. Further information is set out in Note 22 – Segment information.

(b) Financial performance and cash flow information

	2008	2007
	\$	\$
Revenue from sale of mining tenements	5,885,000	-
Expenses incurred during the life of tenement	(2,858,998)	(423,580)
Gain/(loss) on sale of tenements before income tax	3,026,002	(423,580)
Income tax expense	-	-
Gain/(loss) on sale of tenements after income tax	3,026,002	(423,580)
Impairment of capitalised development expenditure	-	(4,108,698)
Written off exploration expenditure	(622,209)	-
Profit/(loss) from discontinued operations	2,403,793	(4,532,278)
Net cash inflow/(outflow) from operating activities	-	-
Net cash inflow/(outflow) from investing activities	7,060,000	1,125,000
Net cash inflow/(outflow) from financing activities	-	-
Net increase in cash generated by sale of tenements	7,060,000	1,125,000

8. CASH AND CASH EQUIVALENTS

	2008	2007
	\$	\$
Cash at bank and on hand	1,277,901	2,354,770
Deposits at call	861,619	542,811
2,139,520	2,897,581	

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2008	2007
	\$	\$
Balances as above	2,139,520	2,897,581
Bank overdrafts	-	-
Balances as per statement of cash flow	2,139,520	2,897,581

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008 (continued)

9. TRADE & OTHER RECEIVABLES

	2008	2007
	\$	\$
Current		
Amounts receivable from sale of rights to ore	-	1,300,000
Other debtors	41,511	125,058
	<u>41,511</u>	<u>1,425,058</u>

The Other debtors balance is predominantly GST receivable and prepaid expenses. No interest will be charged on the Other debtor amounts.

10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2008	2007
	\$	\$
Costs carried forward in respect of areas of interest in:		
- Exploration, evaluation and development phases	634,444	3,412,493
	<u>634,444</u>	<u>3,412,493</u>

As per the Conditional Purchase Agreement dated 27 August 2007, the Company has given Southern Cross Goldfields the option to purchase the Evanston Project's Affected tenements for \$450,000 and 2.5 million ordinary shares. As at 30 June 2008, this option has not been exercised.

11. SHORT TERM RECEIVABLE

	2008	2007
	\$	\$
Short term loan to Exchange Minerals Limited	2,300,000	-
	<u>2,300,000</u>	<u>-</u>

After year end, Exchange and IGC have entered an agreement with Golden Falls Trading 565 (Pty) Ltd ("Golden Falls") to re-assign the debt from Exchange to Golden Falls. The loan term has also been extended and the principal of \$2,150,000 and fixed interest of \$300,000 are now repayable on or before 31 December 2008.

An interest amount of \$150,000 has been included in the balance at year end.

12. PROPERTY, PLANT AND EQUIPMENT

	2008	2007
	\$	\$
Computer equipment		
At cost	1,934	-
Accumulated depreciation	(59)	-
	<u>1,875</u>	<u>-</u>

Movements in carrying amounts

	Computer Equipment	Mining Plant and Equipment	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Carrying amount at incorporation	-	-	-	-	-
Additions	-	467,625	14,715	-	482,340
Disposal	-	(562,201)	(17,820)	(32,488)	(612,509)
Depreciation	-	(18,089)	(2,554)	(3,621)	(24,264)
Carrying amount at 30 June 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additions	1,934	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	(59)	-	-	-	-
Carrying amount at 30 June 2008	<u>1,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008 (continued)

13. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	2008 \$	2007 \$
Non-Current		
Costs carried forward in respect of areas of interest in:		
- Exploration, evaluation and development phases	21,346,152	16,507,962
Costs carried forward in respect of areas of interest in:		
- Exploration and evaluation phases		
Opening balance	16,507,962	3,794,869
Exploration expenditure acquired	-	-
Exploration expenditure incurred	5,460,399	16,139,279
Exploration expenditure written off	(622,209)	-
Exploration expenditure sold	-	(13,693)
Exploration expenditure reclassified as Held for Sale (refer Note 10)	-	(3,412,493)
Exploration and evaluation phases	21,346,152	16,507,962
- Development phase		
Opening balance	-	3,061,223
Development expenditure acquired	-	-
Development expenditure incurred	-	3,149,853
Impairment of development expenditure	-	(4,108,698)
Development expenditure sold	-	(2,102,378)
Development phase	-	-
Exploration and evaluation and development phases	21,346,152	16,507,962

Included in exploration expenditure incurred is \$21,248,200 relating to the Company's option to acquire a 15% interest in the Tubatse Project.

To secure the 15% interest the Company must expend a further US \$2.5 million on the exploration and development of the project within a further 18 month period. This has not been booked as a liability at 30 June 2008.

At the date of this report, the Directors are of the opinion this amount represents fair value over and above book value of the assets acquired.

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

14. TRADE & OTHER PAYABLES

	2008	2007
	\$	\$
Current		
Unsecured Liabilities		
Trade payables	105,600	98,439
Unearned revenue – deposit for sale of tenements	-	125,000
Shares to be issued	37,500	-
	143,100	223,439

15. CONTRIBUTED EQUITY

	2008	2007
	\$	\$
118,199,840 Fully Paid Ordinary Shares (2007: 112,733,339)	(a) 22,852,800	22,090,176
60,000 Converting Performance Shares (2007: 60,000)	(b) 600	600
	22,853,400	22,090,776

a) Fully paid ordinary shares

Shares issued during 2007:

	2007	2007
	Number	\$
- 27 January 2007 shares were issued to Bodmin Resources Limited for facilitating the Company's right to farm into the Genorah Platinum Project	20,000,000	6,000,000
- 14 February 2007 placement following short form prospectus	20,000,000	3,000,000
- From the exercise of options throughout the year	12,733,334	2,284,400
- Transaction costs relating to share issues	-	(1,194,225)
Ordinary shares issued during 2007	52,733,334	10,090,175

Ordinary shares on issue at 30 June 2007	(c) 112,733,339	22,090,176
--	------------------------	-------------------

	2008	2008
	Number	\$
Shares issued during 2008:		
- From the exercise of options throughout the year	5,466,501	869,975
- Transaction costs relating to share issues	-	(107,351)
Ordinary shares issued during 2008	5,466,501	762,624

Ordinary shares on issue at 30 June 2008	(c) 118,199,840	22,852,800
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b) Converting performance shares

- Issued 27 January 2007 to Bodmin Resources Limited for facilitating the right to farm into Genorah Platinum project	60,000	600
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Converting performance shares on issue at 30 June 2008	(d) 60,000	600
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15. CONTRIBUTED EQUITY (continued)

- (c) Ordinary shares participate in dividends and the proceeds on winding up in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.
- (d) The terms of the converting performance shares ("CPS") are as follows:
- 20,000 CPS will convert into 20 million shares and 10 million options (exercisable at 20 cents on or before 30 June 2009) upon Genorah and the Company establishing a JORC compliant (or similar) resource of 25 million contained 3PGE + Au ounces on the project by not later than 12 months from the commencement date;
 - 20,000 CPS will convert into 20 million shares and 10 million options (exercisable at 20 cents on or before 30 June 2009) upon Genorah and the Company establishing a JORC compliant (or similar) resource of 45 million contained 3PGE + Au ounces on the project by no later than 30 months from the commencement date; and
 - 20,000 CPS will convert into 20 million shares and 10 million options (exercisable at 20 cents on or before 30 June 2009) upon Genorah and the Company establishing a JORC compliant (or similar) resource of 65 million contained 3PGE + Au ounces on the project by no later than 36 months from the commencement date.

None of the above converting performance shares were exercised during the financial period.

* PGE is an abbreviation for the Platinum Group element. The platinum group elements include, in this instance, in a decreasing order of abundance of platinum, palladium and rhodium. Au is the chemical symbol for gold. 3PGE + Au is therefore 3 parts of platinum, palladium, rhodium and gold per ounce.

(e) Options

The Company has on issue at year end:

- 5,000,000 (2007: 6,000,000) options over unissued shares exercisable at 20 cents on or before 31 December 2008
- 60,000,000 (2007: 60,000,000) options over unissued shares exercisable at 20 cents on or before 30 June 2009
- 2,800,165 (2007: 7,266,666) options over unissued shares exercisable at 15 cents on or before 30 June 2009

For information relating to options issued, exercised and lapsed during the financial year and options outstanding at year end, refer to the Directors report.

16. RESERVES

	2008 \$	2007 \$
Share Based Payment Reserve		
At beginning of reporting period	7,501,126	471,526
Option expense	-	7,404,000
Options exercised	(452,988)	(374,400)
At reporting date	<u>7,048,138</u>	<u>7,501,126</u>

The share based payments reserve is used to recognise the fair value of options issued but not exercised.

Redeemed Option Reserve

At beginning of reporting period	-	-
Option expense	-	-
Options exercised	452,988	-
At reporting date	<u>452,988</u>	<u>-</u>

The redeemed option reserve is used to recognise the fair value of options exercised from the share based payment reserve.

17. ACCUMULATED LOSSES

	2008 \$	2007 \$
Accumulated losses at the beginning of the financial year	(5,572,247)	(534,856)
Net profit/(loss) attributable to the members of the entity	1,538,123	(5,037,391)
Accumulated losses at the end of the financial year	<u>(4,034,124)</u>	<u>(5,572,247)</u>

18. FINANCIAL INSTRUMENTS

(a) Overview

This note presents information about the Company's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Company does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

18. FINANCIAL INSTRUMENTS (continued)

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(c) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

(d) Credit Risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counter-parties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis. The consolidated entity does not have any significant credit risk exposure to any single counter-party.

(i) Cash and cash equivalents

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

(ii) Trade and other receivables

Trade and other receivables as at the balance sheet date mainly comprise GST and short term loans to be refunded to the Company. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

(iii) Short term receivable

The short term loan as at the balance sheet date comprises of \$2.15m principal that was loaned to Exchange Minerals Limited as well as \$150,000 interest receivable (as per the loan agreement). During the year, the debt was re-assigned from Exchange Minerals Limited to Golden Falls Trading 565 (Pty) Ltd ("Golden Falls"). The loan term has also been extended and the principal and total interest of \$300,000 are now repayable on or before 31 December 2008.

The Company have established an allowance for impairment that represents their estimate of incurred losses in respect of other receivables (mainly relate to short term loans) and investments. The management does not expect any counterparty to fail to meet their obligations.

18. FINANCIAL INSTRUMENTS (continued)

(d) Credit Risk (continued)

Exposure to Credit Risk

The carrying value of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	2008	2007
	\$	\$
Loans and receivables	2,341,511	1,425,058
	<u>2,341,511</u>	<u>1,425,058</u>

Impairment Losses

None of the Company's other receivables are past due (2007: nil).

(e) Liquidity Risk Management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Company does not have any external borrowings.

The Company anticipates a need to raise additional cash in the next 12 months to meet forecast operational and exploration activities. The decision on how the Company will raise future capital will depend on market conditions existing at the time.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years
2008	A\$	A\$	A\$	A\$	A\$	A\$
Trade and other payables	143,100	-	143,100	-	-	-
	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years
2007	A\$	A\$	A\$	A\$	A\$	A\$
Trade and other payables	223,439	-	223,439	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008 (continued)

18. FINANCIAL INSTRUMENTS (continued)

The following table details the Company's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years
2008	%	A\$	A\$	A\$	A\$
Non-interest bearing	-	41,511	-	-	-
Variable interest rate instruments	4.73%	1,993,520	-	-	-
Fixed interest rate instruments	14.26%	2,446,000	-	-	-
		4,481,031	-	-	-

	Weighted average effective interest rate	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years
2007	%	A\$	A\$	A\$	A\$
Non-interest bearing	-	1,425,058	-	-	-
Variable rate instruments	5.70%	2,897,581	-	-	-
		4,322,639	-	-	-

(f) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

18. FINANCIAL INSTRUMENTS (continued)

(g) Currency Risk

The Company is exposed to currency risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company entities, which is primarily the Australian Dollar (AUD). The currency in which these transactions primarily are denominated are United States Dollar (USD). The Company has one outstanding joint venture cash call denominated for USD 2.5 million.

The Company has not entered into any derivative financial instrument to hedge such transactions.

Sensitivity Analysis

A 10 percent strengthening of the Australian dollar against the following currencies at 30 June would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2007.

	Equity ⁽ⁱ⁾ A\$	Profit or loss A\$
30 June 2008		
USD	259,713	-
30 June 2007		
USD	883,704	-

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(i) This is attributable to the exposure to the Genorah joint venture cash calls.

(h) Interest Rate Risk

The Company is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Company does not use derivatives to mitigate these exposures.

18. FINANCIAL INSTRUMENTS (continued)

(h) Interest Rate Risk (continued)

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Weighted Average Interest Rate %	2008 \$	Weighted Average Interest Rate %	2007 \$
Fixed rate instruments				
Financial assets – short term deposits	6.32%	146,000	-	-
Financial assets – short term loan	14.76%	2,150,000	-	-
		<u>2,296,000</u>		<u>-</u>
Variable rate instruments				
Financial assets – cash	4.73%	1,993,520	2.70%	2,897,581
		<u>1,993,520</u>		<u>2,897,581</u>

Fair value sensitivity analysis for fixed rate investments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at reporting date would not affect profit or loss.

An increase of 100 basis points in interest rates would have increased the Company's equity by A\$30,693 (2007: nil).

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

	Equity A\$	Profit or loss A\$
30 June 2008		
Variable rate instruments	<u>23,322</u>	<u>23,322</u>
30 June 2007		
Variable rate instruments	<u>9,985</u>	<u>9,985</u>

18. FINANCIAL INSTRUMENTS (continued)

(i) Commodity Price Risk

The Company operates primarily in the exploration and evaluation phase and accordingly the Company's financial assets and liabilities are subject to minimal commodity price risk.

(j) Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt. The Company's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Company monitors capital on the basis of the gearing ratio, however there are no external borrowings as at balance date.

There were no changes in the Company's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008 (continued)

19. EARNINGS PER SHARE (EPS)

	2008	2007
	\$	\$
<i>(a) Basic earnings per share</i>		
Continuing operations	(0.76)	(0.65)
Overall operations	1.36	(6.46)
<i>(b) Diluted earnings per share</i>		
Continuing operations	n/a	n/a
Overall operations	1.06	n/a
<i>(c) Reconciliation of earnings used in calculating earnings per share</i>	2008	2007
	\$	\$
Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(865,670)	(505,113)
Profit/(loss) from discontinued operation	2,403,793	(4,532,278)
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	1,538,123	(5,037,391)
<i>(d) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share</i>	Number	Number
	113,219,640	78,001,064
<i>(e) Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive earnings per share</i>	186,000,005	78,001,064

Options on issue are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

20. CASH FLOW INFORMATION

	2008 \$	2007 \$
(i) Reconciliation of Cash Flows from Operating Activities with Profit/(Loss) after Income Tax		
Profit/(loss) for the year	1,538,123	(5,037,391)
<i>Non-cash flows in (profit)/loss from ordinary activities:</i>		
Depreciation	59	4,963
Profit on sale of right to ore body	(3,522,896)	-
Loss on sale of right to ore body	496,894	423,580
Written off exploration expenditure	622,209	-
Impairment of assets	-	4,108,698
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in operating receivables and prepayments	(143,650)	15,294
(Decrease)/increase in trade and other creditors and accruals	45,585	(117,480)
Net cash (outflows) from Operating Activities	(963,676)	(602,336)
	2008 \$	2007 \$
(ii) Non-cash financing and investing activities		
Acquisition of interest in mineral tenements by means of share and option issue	-	12,468,600
Acquisition of plant and equipment by means of share issue	-	-
Brokers remunerated by means of share based payment	-	936,000
	-	13,404,600

(iii) Finance Facilities

At 30 June 2008 there are no credit facilities available.

21. COMMITMENTS

Remuneration Commitments

	2008	2007
	\$	\$
Commitments for the payment of remuneration under long term contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within 1 year	291,674	350,000
Later than 1 year and not later than 5 years	-	291,674
Later than 5 years	-	-
	<u>291,674</u>	<u>641,674</u>

Refer further to page 12 for details of service contracts.

Mineral tenement discretionary commitments

In order to maintain current rights of tenure to mining tenements, the Company has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	2008	2007
	\$	\$
Within 1 year	-	-
Later than 1 year and not later than 5 years	(a) 2,896,493	11,566,087
Later than 5 years	-	-
	<u>2,896,493</u>	<u>11,566,087</u>

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

(a) Included in this discretionary commitments for 2008 are:

\$2,597,133 (US \$2,500,000) to complete the terms of the 15% farm into the Tubatse Project. Refer further to Note 13.

21. COMMITMENTS (continued)

Joint Venture Commitments

The Company is a party to the following joint venture and royalty agreements:

Cape Lambert Iron Ore Limited ("CFE")

Pursuant to an agreement for the purchase of mining assets on 14 March 2006, CFE retained the right to explore and mine iron ore on all tenements acquired by the Company. CFE retains a 50% interest in the operating profit derived from the "Excluded Area" an area of M29/2 described as the Dave Line and the Timoni Line.

Lord Byron Joint Venture Agreement ("Cre") *

A Letter Agreement allows for Anglo Gold Ashanti Australia Ltd to earn an initial 85% interest in the defined project area by an initial expenditure of \$300,000 within three years of the grant of E39/970 and a refund of costs incurred to date. This expenditure must include a minimum of \$75,000 prior to withdrawal. The Company may elect to contribute at this point and should any party dilute their interest to less than 10% it is deemed to withdraw from the Joint Venture. Crescent Gold Ltd assumed AGAA's interest on the 16 September 2005.

Philips River Mining Sale Agreement ("Wal")

The Company has a gross royalty of 1% on all product from the tenement. The Company may elect to obtain a 70% interest in the tenement should Philips River Mining Pty Ltd (Philips) deliver a pre-feasibility study whereby the capital cost exceeds \$20 million, for an amount equal to 3 times the amount of incurred expenditure by Philips.

* *The Company's interests in these joint ventures have been sold after year end. Refer to Note 23.*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008 (continued)

22. SEGMENT INFORMATION

The Company operates in the following business and geographical segments.

- Gold exploration in Australia; and
- Platinum exploration in South Africa

	Gold in Australia		Platinum in South Africa		Unallocated		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Other income: net gain on disposal of tenements	3,026,002	-	-	-	-	-	3,026,002	-
Other income	-	-	-	-	392,233	219,021	392,233	219,021
Result before income tax from continuing activities	-	-	(135,236)	-	(730,434)	(505,113)	(865,670)	(505,113)
Assets	825,955	5,469,088	21,346,152	15,876,425	4,291,395	2,897,581	26,463,502	24,243,094
Liabilities	105,600	223,439	-	-	37,500	-	143,100	223,439
Depreciation expense	-	-	-	-	(59)	(4,936)	(59)	(4,936)
Impairment loss	-	(4,108,698)	-	-	-	-	-	(4,108,698)
Acquisition of non current assets	634,444	4,044,230	21,346,152	15,876,425	1,875	-	21,982,471	19,920,655

Accounting policies

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. While most assets can be directly attributed to individual segments, cash has been unallocated as there is no reasonable basis for allocating it across segments. Segments assets and liabilities do not include deferred income taxes.

Intersegment Transfers

Segment revenues, expenses and results include transfer between segment. The prices charged on intersegment transactions are the same as those charged for similar goods to external parties at an arm's length. These transfers are eliminated on consolidation.

23. EVENTS SUBSEQUENT TO REPORTING DATE

On 3rd July 2008, the Company announced together with its joint venture partners an increased resource of over 45% to 20.4Moz at its South African Platinum Project.

Nkwe Platinum Limited signed an Option Agreement with International Goldfields to acquire the Company's 15% stake in the South African platinum project.

Under the option agreement, which is valid for six months (with Nkwe being able to extend the option for a further six months), Nkwe will be required to pay International Goldfields an option fee of A\$100,000 and issue 2.5 million Nkwe shares to International Goldfields.

Upon exercise of the option by Nkwe, Nkwe and International Goldfields agree to facilitate the acquisition of the 15% interest in the Tubatse Project by way of a scheme of arrangement (i.e. cash and/or share offer to acquire all of the issued share capital of International Goldfields).

The purchase price payable will be agreed using two (2) independent expert's valuations as an initial basis. If a scheme of arrangement is not implemented, Nkwe and International Goldfields agree to pursue the sale of the 15% interest in the Tubatse Project by way of an asset sale. Settlement will be conditional on the receipt of all necessary governmental, regulatory shareholder and third party approvals and consents.

As noted in Note 11, after year end, Exchange Minerals Limited and International Goldfields Limited have entered into an agreement with Golden Falls Trading, to re-assign the receivable from Exchange to Golden Falls.

24. RELATED PARTY INFORMATION

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

(a) Transactions with related entities:

- (i) Remuneration (excluding the reimbursement of costs) received or receivable by the Directors of the Company and aggregate amounts paid to superannuation plans in connection with the retirement of directors are disclosed in the remuneration report on page 11.
- (ii) During 2006 the Company acquired \$7,000,000 interest in mineral tenements and related fixed assets from Cape Lambert Iron Ore Limited ("CFE") a company related to Mr Sage and Mr Turner, for the issue of 35,000,000 shares in the Company.

CFE agreed to pay for:

- All mining expenditure on the Mt Ida project until 30 June 2006;
- Half the minimum expenditure on all of the tenements comprising the Evanston Project for each of the first 2 years following the settlement date (being a minimum of \$600,000 in total);
- All costs associated with the floating of the Company on the ASX; and
- The stamp duty payable on the purchase of mining assets agreement.
- These amounts have not been recognised in the accounts of International Goldfields Limited.

Balances of ordinary shares on issue held by CFE as at 30 June 2008: 9,367,529 (2007: 9,367,529).

- (iii) An aggregate amount of \$30,962 (2007: \$52,924) was paid or payable accrued to Hewitt Turner and Gelevitis, an entity related to Mr Turner, a Director, for the provision of accounting services to the Company.

25. SHARE – BASED PAYMENTS

The following share based payment arrangements existed at 30 June 2008:

On 2 May 2006, 6,000,000 share options were granted to Directors and advisers upon successful listing of the Company on the ASX. Each option granted confers a right of one ordinary share at an exercise price of 20 cents each. The options are exercisable on or before 31 December 2008. The options hold no voting or dividend rights.

On 27 January 2007, 20,000,000 ordinary shares were issued to Bodmin Resources Limited for facilitating the Company's right to farm into the Genorah Platinum Project.

On 27 January 2007, 60,000,000 options were issued to Bodmin Resources Limited for facilitating the Company's right to farm into the Genorah Platinum project. Each option granted confers a right of one ordinary share at an exercise price of 20 cents each. The options are exercisable on or before 30 June 2009. The options hold no voting or dividend rights. No options have since been exercised.

On 27 January 2007 60,000 converting performance shares were issued to Bodmin Resources Limited for facilitating the Company's right to farm into the Genorah platinum project. Details of the terms of the converting performing shares are outlined in Note 15(b).

On 14 February 2007, 10,000,000 options were issued to brokers as part consideration for broking services provided in relation to the prospectus. Each option granted confers a right of one ordinary share at an exercise price of 15 cents each. These options are exercisable on or before 30 June 2009. The options hold no voting or dividend rights.

<u>Options granted</u>	2008		2007	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	Number	\$	Number	\$
Outstanding at the beginning of the year	73,266,666	0.1951	6,000,000	0.2000
Granted	-	-	80,000,000	0.1875
Forfeited	-	-	-	-
Exercised	(5,466,501)	0.1590	(12,733,334)	0.1500
Expired	-	-	-	-
Outstanding and Exercisable at year end	67,800,165	0.1979	73,266,666	0.1951

25. SHARE – BASED PAYMENTS (continued)

2008 Options

There were 5,466,501 options exercised during the year ended 30 June 2008. These options had a weighted average exercise price of 0.159 cents at exercise date.

The options outstanding at 30 June 2008 had a weighted average exercise price of 0.1979 cents and a weighted average remaining contractual life of 11.5 months. Exercise prices range from 15 cents to 20 cents in respect of options outstanding at 30 June 2008.

2007 Options

There were 12,733,334 shares options exercised during the year ended 30 June 2007. These options had a weighted average share price of 32.12 cents at exercise date.

The options outstanding at 30 June 2007 had a weighted average exercise price of 19.51 cents and a weighted average remaining contractual life of 1.965 years. Exercise prices range from 15 cents to 20 cents in respect of options outstanding at 30 June 2007.

The fair value of the options granted during the year was 9.26 cents. The price was calculated by using the Black-Scholes model applying the following inputs:

Weighted average exercise price	18.75 cents
Weighted average life of the option	2.46 years
Underlying share price	29 cents
Expected share price volatility	80%
Risk free interest rate	5.88%

Given the Company has only been listed for a short period, historic volatility of the share price was not available. Volatility was estimated based on the annual volatility of comparable ASX listed companies.

Shares issued

No shares were granted as consideration for goods and services during the period.

26. CHANGES IN ACCOUNTING POLICY

The following Australian Accounting Standards have been issued or amended and are applicable to the Company but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 123 (revised Jun 2007)	Borrowing Costs	To the extent that borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset, the option of recognising borrowing costs immediately as an expense has been removed. Consequently all borrowing costs for qualifying assets will have to be capitalised.	Periods commencing on or after 1 January 2009.	The transitional provisions of this standard only require capitalisation of borrowing costs on qualifying assets where commencement date of capitalisation is on or after 1 January 2009. As such, there will be no impact on prior period financial statement when this standard is adopted.
AASB 2008-1 (issued February 2008)	Amendments to AASB 2 – Share-based Payments – Vesting Conditions and Cancellations	The definition of vesting conditions has changed and the accounting treatment clarified for cancellations to share-based payment arrangements by the counterparty. This is to ensure that conditions other than performance conditions do not result in a 'true up' of the share-based payment expense and are treated in a manner similar to market conditions.	Periods commencing on or after 1 January 2009	To date the entity has not issued any options to employees that include non-vesting conditions and as such there will be no impact on the financial statements when this revised standard is adopted for the first time.
AASB 8 (Issued Feb 2007)	Operating Segments	Replaces the disclosure requirements of AASB 114: Segment Reporting.	Periods commencing on or after 1 January 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, disclosures required for the operating segments will be significantly different to what is currently reported (business and geographical segment).

27. CONTINGENT LIABILITIES

As at 30 June 2008 the Company has no contingent liabilities (2007: NIL).

The Directors of the company declare that:

1. The financial statements, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The remuneration disclosures included in pages 9 to 13 of the Directors' report (as part of audited Remuneration Report), for the year ended 30 June 2008, comply with section 300A of the Corporations Act 2001.
4. The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Timothy Turner
Director

Perth, 30 September 2008

INDEPENDENT AUDITOR DECLARATION TO THE DIRECTORS OF INTERNATIONAL GOLDFIELDS LIMITED



BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
SUBIACO WA 6008
PO Box 700
WEST PERTH WA 6872
Phone 61 8 9380 8400
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aa.perth@bdo.com.au
www.bdo.com.au
ABN 79 112 284 787

30 September 2008

The Directors
International Goldfields Limited
PO Box 144
WEST PERTH WA 6872

Dear Sirs

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF INTERNATIONAL GOLDFIELDS LIMITED

As lead auditor of International Goldfields Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of International Goldfields Limited and the entities it controlled during the period.

BG McVeigh

Director

A handwritten signature in black ink, appearing to read 'BDO Kendalls' followed by a stylized signature, likely 'B. McVeigh'.

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia



BDO Kendalls

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL GOLDFIELDS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of International Goldfields Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. Basis for Qualified Auditor's Opinion Included in the company's balance sheet is a receivable for the amount of \$2,300,000 including accrued interest of \$150,000. We have not been provided sufficient audit evidence to determine the recoverability of this asset. Accordingly, we are unable to determine the asset's realisable value and any commensurate effect that an adjustment to realisable value would have on the company's balance sheet or profit and loss.



BDO Kendalls

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL GOLDFIELDS LIMITED

Given this limitation of scope, we are unable to conclude on the financial effect, if any, on the carrying value of the company's accounts or its commensurate effect on the company's profit and loss.

Qualified Auditor's Opinion

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraphs, if any:

- (a) the financial report of International Goldfields Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of International Goldfields Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

A handwritten signature in dark ink, appearing to read 'BG McVeigh', is written over the printed name.

BG McVeigh
Director

Perth, Western Australia
Dated this 30th day of September 2008

Additional information required by the Australian Stock Exchange Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Shareholdings

The issued capital of the Company as at 30 September 2008 is 123,283,173 ordinary fully paid shares. There are 2,716,832 unlisted options (\$0.15, 30 June 2009), 55,000,000 unlisted options (\$0.20, 30 June 2009) and 5,000,000 listed options (\$0.20, 31 December 2008).

Ordinary Shares	No. of Holders	No. of Shares
1 - 1,000	510	201,806
1,001 - 5,000	651	1,674,527
5,001 - 10,000	281	2,303,944
10,001 - 100,000	803	28,714,228
100,001 and over	206	90,448,668
	2,451	123,343,173
Number holding less than a marketable parcel	689	423,301
Listed Options (\$0.20, 31 December 2008)	No. of Holders	No. of Options
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	-	-
100,001 and over	4	5,000,000
	4	5,000,000
Number holding less than a marketable parcel	-	-

2. Top 20 Shareholders as at 30 September 2008

		No. of Shares Held	% Held
1	Cape Lambert Iron Ore Ltd	10,717,529	8.69
2	Peter Treen Electrical Discounter Pty Ltd <Peter Treens Emp SF Account>	4,300,000	3.49
3	CS Fourth Nominees Pty Ltd	2,653,858	2.18
4	Mr Russell Neil Creagh	2,542,562	2.06
5	Ms Thi Ly Houngh Pham	2,092,000	1.70
6	Gun Capital Management Pty Ltd	1,883,728	1.53
7	Mr Bruce Cedric Armstrong & Mrs Lillian Ross Baillie	1,670,228	1.35
8	Anthony William Paul Sage <Egas Superfund Account>	1,531,827	1.24
9	Mr Steven Jan Zielinski & Mrs Karen Lyn Zielinski <Mauvista Park Super A/C>	1,520,000	1.23
10	Go Now (WA) Pty Ltd <J Morfesse Super Fund Account>	1,139,000	0.92
11	Dr Xuan Thinh Duong	1,010,000	0.82
12	Murfett Investments Pty Ltd <NJM Super Fund Account>	1,000,000	0.81
13	Nazlan Pty Ltd	953,937	0.77
14	Mr Michael John Smith <Maradyne Family Account>	944,545	0.77
15	Mr Robert John Benussi	925,000	0.75
16	Miss Hiu Yin Chan	900,000	0.73
17	Classic Caterers Pty Ltd <The Hardman Superfund Account>	900,000	0.73
18	MBM Investments Pty Ltd <Brett McKeon Family Account>	900,000	0.73
19	Ms Xiao Ya Chen	887,564	0.72
20	Citicorp Nominees Pty Ltd	871,917	0.71
		<hr/> 39,373,695	<hr/> 31.92

3. Top 4 Option holders (\$0.20, 31 December 2008) as at 30 September 2008

		No. of Options Held	% Held
1	Mr Antony William Paul Sage	1,500,000	30.00
2	Mr Napoleon Mayer	1,500,000	30.00
3	Mr Charles Mostert	1,500,000	30.00
4	Mr Timothy Turner	500,000	10.00
		<hr/> 5,000,000	<hr/> 100.00

4. Substantial Shareholders as at 30 September 2008

		No. of Shares Held	% Held
1	Cape Lambert Iron Ore Ltd	10,717,529	8.69

5. Substantial Option holders as at 30 September 2008

		No. of Options Held	% Held
1	Mr Antony William Paul Sage	1,500,000	30.00
2	Mr Napoleon Mayer	1,500,000	30.00
3	Mr Charles Mostert	1,500,000	30.00
4	Mr Timothy Turner	500,000	10.00

The Company has considered and set up a framework for embracing the ASX Principles of Good Corporate Governance and Best Practice Recommendations ("Recommendations"). The Company has followed each of the Recommendations where the Board has considered the practices appropriate, taking into account factors such as size of the Company and the Board, the resources available to the Company and the activities of the Company. Where, after due consideration the Company's corporate governance policies depart from the Recommendations, the Board has outlined the nature of, and reason for, the adoption of its own practice.

Copies of the Company's corporate governance policies are available on the Company's website at www.internationalgoldfields.com

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations. As the Company's activities develop in size, nature and scope, further consideration will be given by the Board to implementation of additional corporate governance structures.

Recommendation		International Goldfields Ltd current practice
1.1	Formalise and disclose the functions reserved to the board and those delegated to management.	Satisfied. Board charter available on the Company website.
2.1	A majority of the board should be independent directors.	Not satisfied. The Board has considered this and have deemed it to be appropriate for the Company at its early stage of operation
2.2	The chairperson should be an independent director.	Not satisfied. The chairman of the Board is Executive Chairman. The Company does not currently consider it would benefit from a change from the existing approach given the size of the Company.
2.3	The roles of the chairperson and chief executive officer should not be exercised by the same individual.	Not satisfied. The chairman of the Board is the Executive Chairman and will undertake the function of CEO. The Company does not currently consider it would benefit from a change from the existing approach given the size of the Company and early stage of its operations.
2.4	The board should establish a nomination committee.	Not satisfied. The Board considers that given the current size of the board, this function is efficiently achieved with full Board participation. Accordingly, the Board has resolved not to establish a nomination committee at this stage.
2.5	Annual Report requirements:	Satisfied.
3.1	Establish a code of conduct to guide the directors.	Satisfied. Code of conduct is available on the Company website.
3.2	Disclose the policy concerning trading in company securities by directors, officers and employees.	Satisfied. Trading in securities policy is available on Company website.
3.3	Report and disclose 3.1 and 3.2.	Satisfied. Available on Company website.
4.1	Require the CEO (or equivalent) and the CFO (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.	Due to the size of the Company, it does not have a designated CEO or CFO. This is performed by the Executive Chairman and Company Secretary.
4.2	The Board should establish an audit committee.	Satisfied. An audit committee has been established.
4.3	Structure the audit committee so that it consists of: only non-executive directors; a majority of independent directors; an independent chairperson, who is not chairperson of the board; and at least three members.	Not satisfied. The role of the audit committee is currently being undertaken by two non-executive directors, one of which is an accountant. There are currently no independent directors on the audit committee. The Board notes that ASX Corporate Governance Council recommends a majority of independent directors, the Company does not consider it would benefit from a change from the existing approach given the size of the Company.
4.4	The audit committee should have a formal charter.	Satisfied. Available on the Company website.

4.5	Provide the information indicated in Guide to Reporting on Principle 4.	Satisfied. Refer to Director's report.
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Satisfied. Continuous disclosure policy is available on the Company website.
5.2	Post 5.1 on website.	Satisfied. Refer 5.1
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Satisfied. Communications with shareholders policy is available on the Company website.
6.2	Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.	Satisfied.
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	Satisfied. Risk management program is available on the Company website.
7.2	The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that: the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board; and the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	Due to the size and scale of operations the Company does not have a designated CEO or CFO. The roles are performed by the Board as a whole.
7.3	Report and disclose 7.1 and 7.2	Satisfied. Refer 7.1 Not currently applicable. Refer 7.2
8.1	Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.	Not satisfied. The Company has not yet established formal performance review measures for key executives nor has it established a nomination committee given the size and stage of the Company's operations. The full Board will review the performance of key executives.
9.1	Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.	Satisfied. Refer to Directors' report.
9.2	The board should establish a remuneration committee.	Not satisfied. The Board considers this recommendation and formed the view that given the number of directors on the Board, this function could be performed just as efficiently with full board participation.
9.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Details of executive and non-executive remuneration are outlined in the Directors' report.
9.4	Ensure that payment of equity based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.	Not currently applicable.
9.5	Report on the above matters.	Satisfied. The Company has incorporated all information as required.
10.1	Establish and disclose a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders.	Satisfied. Code of Conduct is available on the Company website.

SCHEDULE OF MINERAL TENEMENTS

Tenement No.	Prospect Area	Percentage
E08/1372	Bali Hi	10%
E77/1074	British Hill	100%
E77/1106	Bungalbin	10%
E77/1037	Evanston	100%
E77/1158	Evanston	100%
E77/1167	Evanston	100%
M77/0394	Evanston	100%
M77/0576	Evanston	100%
M77/0824	Evanston	100%
P77/3413	Evanston	100%



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