

LAKE MACKAY PROJECT

August 2013 Monthly Report

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HIGHLIGHTS

- On the 21st August 2013 an exploration agreement was entered into with ABM Resources (ABM) covering the Lake Mackay Regional Project in the Northern Territory.
- Soil sampling was initiated on the 27th August.

1 THE EXPLORATION AGREEMENT

The Western Arunta was identified by B. Keillor as one of the “few remaining areas in Australia that contained large areas of untested favourable geology that is highly prospective for gold”. The Lake Mackay Project was particularly interesting because the majority of the licence area lies under relatively shallow cover and recent granting of exploration licences to ABM had opened up large areas that were now accessible to modern exploration for the first time.

The exploration agreement covers over 6,700 square kilometres of granted exploration licenses to the east of Lake Mackay in the Northern Territory, shown as the green licenses in Figure 1.

The option agreement consists of two phases:

- Phase 1- Option Phase (ABM retaining 100% interest):
 - IGO earning the right to proceed to Phase 2 by:
 - Spending \$1.6M on exploration expenditure.
 - After 2 years IGO can elect to withdraw or proceed to Phase 2.
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- Phase 2- IGO has the option to enter into a farm-in and joint venture agreement with ABM to earn 70% interest in the project by:
 - Making a \$1M cash payment to ABM or subscribing for \$1.5M ABM shares in placement with a 6 month escrow period.
 - Spending \$6M on exploration on the project over 4 years.

Upon completion of Phase 2 ABM and IGO will form a contributing joint venture (30/70) where each party contributes pro-rata or dilutes as per industry standard formulas.

This agreement is primarily focussed on gold and base metal exploration. Uranium and other elements noted under the Atomic Energy Act 1953 (Cth) are excluded.

The agreement is subject to Central Land Council approval (CLC).

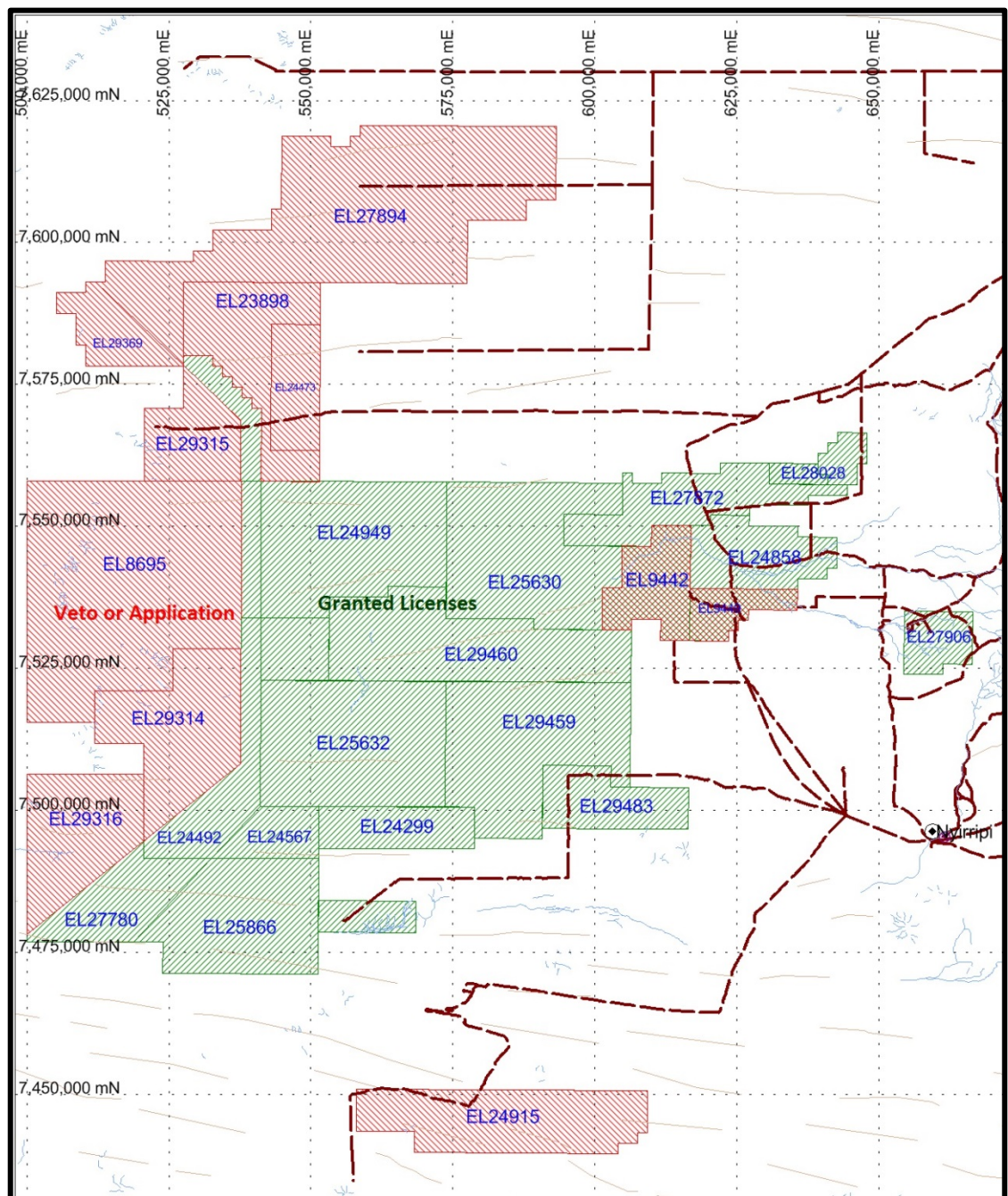


Figure 1: Lake Mackay Project Exploration Licenses

2 HEALTH, SAFETY, ENVIRONMENT & HERITAGE

2.1 Safety Statistics and Events

Nothing to report.

2.2 Environmental Statistics and Events.

Nothing to report.

2.3 Heritage Issues

Approval was obtained from the CLC to modify the planned sample grid spacing to 800m x 800m within areas approved for work in 2013. A request to extend the approved sample areas for 2013 was also submitted and a response on this has yet to be received.

3 DRILLING

Nothing to report.

4 SURFACE SAMPLING

Surface sampling was initiated on the Lake Mackay project on the 27th August. For this season the sampling is presently restricted to 6 areas, Grids A-F, that were proposed for work by ABM to the CLC, this is displayed in Figure 2.

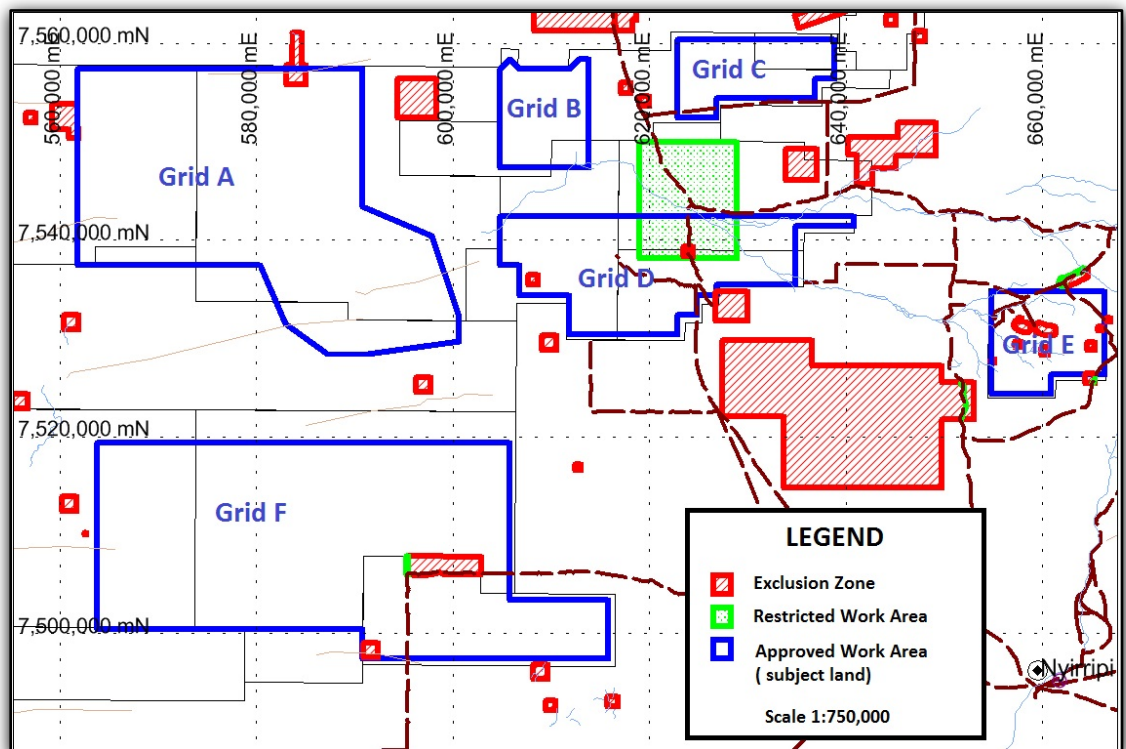


Figure 2: Approved work areas for 2013

4.1 Soils

369 soil samples were collected during August and this involved the completion of Grid D. The locations of these samples is displayed in Figure 3. Following on from the orientation sampling programs it was decided to collect samples from 0-20cm in depth. Samples are screened to -0.4mm in the field. The samples are then submitted to Genalysis in Alice Springs for additional screening to -50µm.

Samples will be submitted for Bulk Leach Extractable Gold (BLEG) in 20g aliquots and analyses for Ag, As, Au, Cu, Ni and Zn will be undertaken.

4.2 Rock Chips

Two rock chip samples were collected during August. One was from the Tekapo Gossan in Grid D and the other was from a ferruginous outcrop within Grid B that was identified when marking the access track. These are displayed in Figure 3. These samples are submitted for a 4 acid digest.

4.3 Results Received

Results were received from an orientation sampling program that was conducted during July. This data assisted in the selection of the sampling technique to be used for the entire survey.

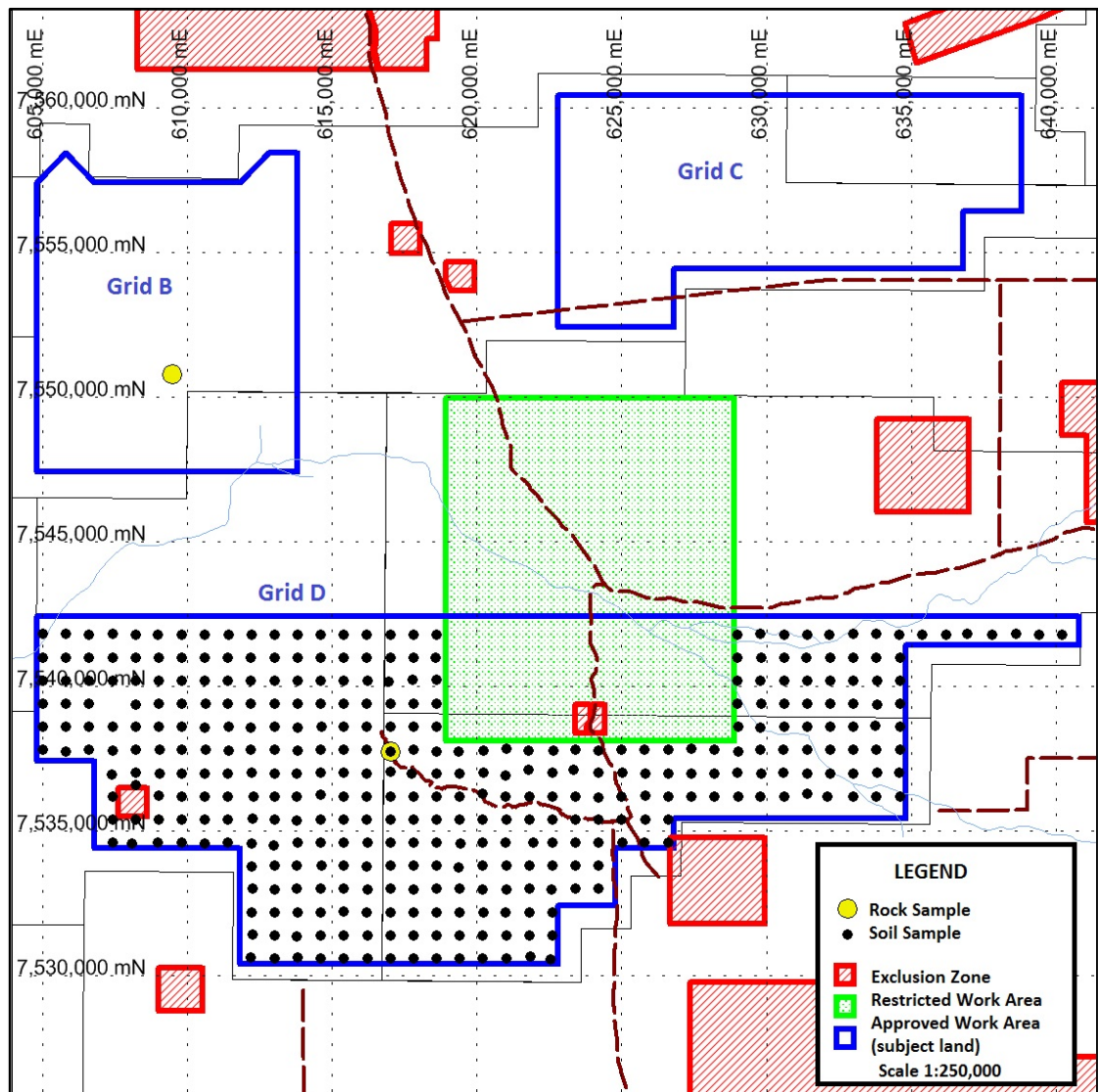


Figure 3: Samples collected in August 2013.

5 LOGISTICS

An IGO camp was established at the old Tekapo camp location on 19 August prior to the agreement being signed to ensure that sampling could begin as soon as possible.

Tim Kennedy and Brett Keillor visit the project on 20-22 August.

XM Logistics began mobilization from Perth on 20 August and arrived at Tekapo camp on 25 August. The XM camp was established on 26 August and sampling began the following day.

Water is collected from Nyirripi and all other supplies are sourced from Alice Springs during sample deliveries or crew rotations.

6 GEOLOGY

Nothing to report.

7 GEOPHYSICS

Nothing to report.

8 QAQC

Summary of Monthly QA Samples – 0 samples returned in August			
Check Type	Number samples returned	Percentage of primary samples	Protocol %
Standards	0		
Blanks	0		
Field Duplicates	0		
Cross-lab (Pulp_X)	0		
Primary pulps (Pulp_P)	0		
Bulk residue pulps (Prej_P)	0		
Coarse residue (CRej_P)	0		
Sizing data (passing 75micron)	8		

8.1 Quality Control

During August it was decided that duplicate samples would be collected every 50 samples and that a standard would also be collected every 50.

8.1.1 Standards discussion

No certified BLEG standards are available so it was decided to investigate the possibility of developing in house BLEG standards for this program. This was ongoing at the end of the month.