

NEWS RELEASE

INTERNATIONAL MINERALS CORPORATION

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INTERNATIONAL MINERALS REPORTS RESULTS OF FEASIBILITY STUDY AT RIO BLANCO GOLD-SILVER PROJECT, ECUADOR

International Minerals Corporation (“IMC”) announces the results of an independent feasibility study carried out under the overall supervision of Micon International Limited of Toronto, Canada (“Micon”) for the Alejandra North Vein deposit at IMC’s 100%-owned Rio Blanco gold-silver project in Ecuador. The Micon study proposes an 800 tonnes per day (“tpd”) underground mining operation for a period of approximately seven years using conventional mining and processing methods based on estimated proven and probable reserves of 2.0 million tonnes (“t”) at an average grade of 8.1 grams per tonne (“g/t”) gold and 63 g/t silver containing 521,000 ounces (“oz”) of gold and 4.04 million ounces of silver.

The mining operation will require an estimated initial capital expenditure of \$60.3 million, excluding working capital estimated at \$4 million. Assuming financing on a 100% equity basis, the Micon study estimates a pre-tax, pre-royalty Internal Rate-of-Return (“IRR”) of 20.1% for the project using base-case metal prices of \$475 per ounce (“/oz”) gold and \$8.00/oz silver. Life-of-mine pre-tax, pre-royalty cash flow is projected to be \$60.4 million and the Net Present Value (“NPV”) at a 5% discount rate is \$35.4 million. At a gold price of \$550/oz, the estimated numbers would be: an IRR of 30%, cash flow of \$94 million, and NPV at a 5% discount rate of \$61 million. See Table 2.

Table 1 below is a summary of the key project data from the feasibility study.

Table 1. Highlights - Alejandra North Vein Deposit – Base Case (in US Dollars)

Item	Units	
Gold price	/oz	\$475
Silver Price	/oz	\$8.00
Initial Mine life	years	6.9
Payback period	years	3.4
Average annual gold production	oz/year	66,000
Average annual silver production	oz/year	410,000
Life-of-mine gold production	oz	455,450
Life-of-mine silver production	oz	2,820,000
Plant processing rate	t/day	800
Plant processing rate	t/year	292,000
Metallurgical recovery – gold	%	87%
Metallurgical recovery – silver	%	70%
Initial capital ¹	millions	\$60.3
Mine operating cost	/t ore	\$23.75
Process operating cost	/t milled	\$16.99
G & A operating cost ²	/t ore	\$9.68
Total operating cost ^{3,4}	/oz	\$171
Total cost (incl. total capital) ^{3,4}	/oz	\$341
Pre-tax IRR	%	20.1%
Pre-tax Cash Flow (non-discounted)	millions	\$60.4
Pre-tax NPV, 5% discount rate	millions	\$35.4
Pre-tax NPV, 10% discount rate	millions	\$18.8

Note ¹, excluding working capital of \$4.0 million

Note ², includes refining and off-site costs

Note ³, cost per ounce of gold net of silver credit, includes sustaining capital of \$17.4 million

Note ⁴, Ecuadorian value-added tax (IVA) and royalties are not included

The estimates in Table 1 are projections only and there can be no assurance that these projections can be attained in an actual mining operation.

A project sensitivity analysis based on gold price only is shown below in Table 2. The overall project is relatively insensitive to variations in the silver price.

Table 2. Project Sensitivity to Variations in Gold Price

Category	Gold Price (US\$/oz)							
	\$400	\$450	\$475 (base case)	\$500	\$550	\$600	\$650	\$700
IRR %	9.2%	16.6%	20.1%	23.5%	30.1%	36.4%	42.6%	48.6%
Cash Flow (\$US millions)	\$26.3	\$49.0	\$60.4	\$71.8	\$94.5	\$117.3	\$140.0	\$162.8
NPV 5% (\$US millions)	\$9.5	\$26.7	\$35.4	\$44.0	\$61.3	\$78.6	\$95.9	\$113.2
NPV 10% (\$US millions)	(\$1.3)	\$12.1	\$18.8	\$25.5	\$38.9	\$52.4	\$65.8	\$79.2

Mineral Reserves

Table 3 below summarizes the estimated proven and probable reserves that were used in to generate the economic and technical data shown in Table 1 above. The Mineral Reserve estimate was prepared in accordance with National Instrument (“NI”) 43-101 by Micon (Qualified Person, Mining Engineer Malcolm Buck, P. Eng).

Table 3. Mineral Reserves – Alejandra North Vein Deposit

Category	Tonnes	Gold		Silver	
		Grade (g/t)	Contained Ounces ('000s)	Grade (g/t)	Contained Ounces ('000s)
Proven reserves	153,660	11.2	56	96	476
Probable reserves	1,837,303	7.9	465	60	3,563
Total	1,990,962	8.1	521	63	4,039

Note 1, Reserves are derived from Measured and Indicated resources, see news release dated January 26, 2005 for details

Note 2, Reserves are estimated using a 4 g/t gold cut-off grade

Note 3, Reserves are subject to metallurgical recovery of 87% for gold and 70% for silver.

Note 4, Mining dilution of approximately 10%, with a diluting grade of 1.7 g/t gold, has been accounted for in the reserves.

Note 5, Mining losses have been estimated at 10% for general mining. In addition, approximately 60% of the sill pillar will not be recovered. These losses are accounted for in the stated reserves.

Mining Method

The Alejandra North Vein deposit will be mined underground by a longhole open stoping technique with a combination of hydraulic and waste rock backfill using mobile diesel-operated rubber-tired equipment. The mine will be accessed via adits and a ramp system connected to surface at two portals. The portals will be located on the southern hillside, on the 3780 and 3640 meter (“m”) levels. The mining methods employed will utilize ramp access to the mining levels (20 m between each level) and each stope will be backfilled after mining is completed.

IMC has elected to use contract mining for the Alejandra North Vein deposit and has pre-selected Mas Errásurriz of Santiago, Chile as the mining contractor for the initial life of the project. Mas Errásurriz is a well-known and well-respected mining contractor that has carried out multi-scale mining contracts for major and mid-size mining companies worldwide, including Codelco in Chile.

Metallurgical Testing

Under the supervision of Mr. A.J. Brown, a metallurgical consultant under contract to IMC, a comprehensive metallurgical testing program was completed on selected drill core and rock panel samples taken from an adit within the mineralized zone. Approximately 10% of the drill sample assay intervals within the resource shell were submitted for testing. The work was carried out using industry-accepted procedures by the well-known testing facility, McClelland Labs, in Nevada, USA. Results indicated that (a) the material tested was not particularly hard or abrasive (b) it was generally amenable to direct cyanidation (c) it exhibited good settling and filtration characteristics, and (d) washed leach residue responded well to cyanide destruction.

Although the majority of samples tested were amenable to cyanide leaching, some produced relatively poor gold and silver recoveries. This recovery issue was ultimately linked to elevated arsenic content combined with relatively low gold grades. Diagnostic leaching of tailings from poorly performing bottle roll tests, combined with optical and scanning electron microscopy, identified gold in sulfides (specifically arsenian pyrite) as the cause of the relatively poor recovery. It was concluded that deleterious levels of arsenic (typically above 2,000 ppm) are generally associated with gold grades less than 8g/t, which represent approximately 30% of the gold in proven and probable reserves.

A series of regression analyses were developed correlating gold in cyanidation tails to arsenic head grades. These analyses were then used to define cyanide-recoverable gold on a block-by-block basis in the reserve database. Average life-of-mine gold recovery is projected by IMC at 87%. Life-of-mine silver recovery which is not impacted by arsenic content is projected at 70%.

Process Plant Design

All key process design parameters, equipment sizing criteria and reagent consumption rates were established by the metallurgical testing described above. The process flow sheet includes two-stage crushing and screening, grinding and classification, cyanide leaching, thickening and filtration of leach discharge slurries. Leached tailings will be treated to destroy residual cyanide, classified to remove slimes and used as required for backfill underground. Tails not returned underground will be transferred to a lined impoundment adjacent to the plant. Pregnant leach solution from cyanide leaching will be clarified and de-aerated prior to the injection of zinc dust and lead nitrate to precipitate gold and silver. Precipitates will be collected in a filter press, dried and smelted to produce doré bars containing gold, silver and minor impurities, for final refining offsite.

The processing plant will operate seven days per week at a throughput of 800 tonnes per day. Crushing will be accomplished in one eight-hour shift per day. The processing plant will operate 24 hours per day at 90% availability for a total projected annual throughput of 292,000 tonnes per year.

Permitting

Because the project is located within the “*Molleturo Bosque Protector*” (which is the lowest order of protected forest in Ecuador) the controlling agency for the approval of the environmental license for IMC’s Rio Blanco operation will be the Ministry of the Environment. Under Ecuadorian law, a mining project is generally approved only by the environmental department of the Ministry of Energy and Mines, unless the operation is located within a protected forest, as is the Rio Blanco project. As a

result, IMC will be required to submit all permitting documentation to both governmental agencies for their approval. The permitting process, including multiple public consultations with surrounding communities and the regional government agencies (which must also give their approval to IMC's project) is expected to take about 6 months from the date of initiation of the permitting process. Initial preparation of documentation required for the permitting process has commenced and final permitting is anticipated to be completed in June this year.

Time Line for Production

A comprehensive project schedule for the project was developed by Mine and Quarry Engineering Services ("MQes") of San Mateo, California. See Table 4 below. This schedule was derived from information developed during the preparation of the feasibility study and it reflects a phased approach to the engineering, procurement, construction and commissioning of the mine facility by Q4 2007.

Table 4. Estimated Project Time Line

Activity	Estimated Completion Date
EIS Submitted for Approval	5 -May-06
EIS Approval Granted	22-Jun-06
Basic Engineering	2-Oct-06
Access Road	18-Dec-06
Tails Dam Construction	6-Aug-07
Detailed Engineering	17-Aug-07
Mine Development	26-Sep-07
Procurement/Freight/Expediting	29-Oct-07
Process Plant Construction	15-Dec-07

Final governmental approval of the Environmental Impact Study ("EIS") is the key "trigger" for all site development and construction activities on the project. The EIS is currently being finalized and is expected to be submitted by May 5, 2006.

Additional Upside Potential - San Luis Veins

In December 2005, IMC reported an inferred resource estimate for the San Luis Veins (an area immediately adjacent to the north of the Alejandra North Vein deposit) of 125,000 tonnes at an average grade of 35 g/t gold and 152 g/t silver containing approximately 140,000 ounces gold and 611,000 ounces silver, based on uncut gold grades. **The contained gold and silver resources at San Luis, however, are currently not mineral reserves and do not have demonstrated economic viability.** See news release dated December 12, 2005 for further details of the resource estimate.

IMC continues to drill at San Luis in order to confirm the existing inferred resource and, if possible, to upgrade it to the measured and indicated resource categories. IMC will complete the drilling in March and expects to finalize the new resource estimation by April 2006. Based on the results of the new resource estimation at San Luis, the overall project economics and mine life may be re-estimated by IMC and an amended feasibility study issued to reflect the new technical and economic data.

IMC anticipates that if the San Luis Veins can be upgraded to the measured and indicated category of resource, and subsequently to mineral reserves, they could have a significant positive impact on the overall project economics. This is due to the relatively high-grade gold content of the veins and the possibility that they can be mined early in the project life, thereby accelerating cash flow and reducing the project capital payback period.

General

In addition to Micon acting as overall supervisor for the feasibility study, the study was supervised internally by IMC's Qualified Person, Technical Manager, Nick Appleyard. An updated Technical Report compliant with NI 43-101 will be finalized by Micon and filed by IMC on SEDAR within 45 days of the date of this news release.

IMC requires additional financing for the construction of the mining and processing operation at Rio Blanco and necessary working capital. This funding is expected to be provided by a combination of equity and/or convertible debt financing.

ON BEHALF OF THE BOARD

"Stephen J. Kay"

Stephen J. Kay, President and CEO

The Toronto, Swiss and Frankfurt Stock Exchanges neither approve nor disapprove the information contained in this News Release.

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