



# INTERNATIONAL MINERALS

## NEWS RELEASE

### **International Minerals Announces Expiry of Agreements with Chinese Company for Financing and Construction of Rio Blanco and Gaby Gold Projects in Ecuador.**

**Scottsdale, Arizona, June 30, 2011** – International Minerals Corporation (Toronto and Swiss stock exchanges: “IMZ”) reports that the previously announced (see press release dated November 15, 2010) Memoranda of Understanding (“MOU”) between IMZ and China CAMC Engineering Co., Ltd (“China Co.”) for the financing and construction of IMZ’s Rio Blanco and Gaby gold projects (the “Projects”) in Ecuador have expired without the signing of definitive agreements.

Based on the terms of the MOUs for the projects, China Co. was to be responsible for:

- Arranging the required production financing for the Projects through one or more Chinese financial institutions; and
- Constructing and delivering turnkey mining operations for the Projects, based on industry-standard Engineering, Procurement and Construction (“EPC”) contracts.

With increasingly restrictive financing conditions in China, China Co. was not successful in arranging the project-recourse debt financing for the Rio Blanco project, as required under the terms of the MOU and even though alternative financing scenarios were discussed with China Co., an acceptable financing alternative could not be arranged.

The project-recourse financing was, for IMZ, a fundamental component of the agreement with China Co. Without such financing, there is no business advantage for IMZ to pursue a stand-alone EPC contract with China Co. for the Rio Blanco project.

Financing and an EPC contract with China Co. for the Gaby project was to be contingent on the successful completion of a feasibility study at Gaby, which has not yet been completed.

IMZ is currently in discussions with a Canadian company regarding a potential transaction for the sale of the Rio Blanco and Gaby projects, although there are no assurances that any agreement can be reached. IMZ continues to negotiate with the Ecuadorian government for a production contract at Rio Blanco and hopes to conclude the contract in the near future.

#### **About International Minerals**

International Minerals is a silver-gold producer, explorer and developer with silver-gold production from its 40%-owned Pallancata Mine in Peru, the fifth largest primary silver mine in the world. Production at Pallancata in calendar year 2010 was approximately 10.1 million ounces of silver and 36,000 ounces of gold (on a 100% project basis).

In addition to the Pallancata Mine, IMZ also owns a 40% interest in the Inmaculada gold-silver project in Peru and majority or 100% ownership interests in development stage gold projects in Nevada (Goldfield and Converse) and Ecuador (Rio Blanco and Gaby). IMZ also receives a 3% net smelter return royalty from Barrick Gold’s Ruby Hill gold mine in Nevada, which produced approximately 80,000 gold ounces in 2010.

IMZ is listed on the Toronto Stock Exchange (since 1994) and the Swiss Stock Exchange (since 2002).

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