



INTERNATIONAL MINERALS

NEWS RELEASE

International Minerals Announces Results of Optimization Study and Updated Gold Resource Estimates at Gaby Project, Ecuador

Scottsdale, Arizona, January 26, 2009 – International Minerals Corporation (TSX and Zurich (SIX): “IMZ”) reports the results of an internal project optimization study and an updated mineral resource estimate for the Gaby gold porphyry deposit (“Gaby Project”) in southern Ecuador. The Gaby Project is currently on hold pending the expiry of a Mining Mandate (which has suspended all exploration and production activities in Ecuador since April 2008) and the approval of a new mining law, which is expected in the coming weeks.

Optimization Study

The results of a Preliminary Feasibility Study (“PFS”) for the Gaby Project, announced in an IMZ news release on February 11, 2008, showed that at a base case gold price of \$650 per ounce (“/oz”) and a 20,000 tonnes per day (“tpd”) tonnage throughput, an open pit gold mining project did not return positive cash flow and therefore IMZ was unable to report a mineral reserve estimate.

Since then, an internal project optimization study has been undertaken by IMZ to determine an optimal scale for the mining operation and process flowsheet in order to lower operating costs and benefit from improved economies of scale.

For the optimization study, tonnage throughputs were considered at 20,000 tpd (the base case for the PFS), 40,000 tpd, 60,000 tpd and 80,000 tpd, using gold prices ranging from \$750/oz to \$1,500/oz.

The range of tonnages and operating costs shown in Table 1 were used to generate various optimized pit models (or “shells”) from the updated mineral resource estimate discussed below.

Table 1. Operating and Capital Cost Estimates at Various Tonnage Rates

		Process Rate Throughput Options			
Annual Tonnes treated (tpy)	tpy	7,200,000	14,400,000	21,600,000	28,800,000
Daily Tonnes treated	tpd	20,000²	40,000	60,000	80,000
Processing (Main Gaby/Papa Grande) ¹	US\$/t	\$8.14/9.32	\$7.88/9.06	\$7.78/8.96	\$7.71/8.89
General, Admin and Environmental	US\$/t	\$1.22	\$0.61	\$0.41	\$0.30
Tailings Disposal	US\$/t	\$0.20	\$0.21	\$0.22	\$0.22
Mine	US\$/t	\$2.46	\$2.32	\$2.21	\$1.98
Total Operating Costs²	US\$/t	\$12.26	\$11.25	\$10.85	\$10.44
Cash Costs per ounce of gold²	US\$/oz	\$680	\$675	\$670	\$645
Estimated Total Capital Costs²	US\$ millions	\$490	\$730	\$900	\$1,000

- Notes: 1. Due to different rock characteristics at the Main Gaby and Papa Grande deposits, there are different processing costs for each pit.
 2. In the February 2008 PFS estimate, total operating costs were 12.16/t, cash costs per ounce were \$538 and the capital cost was \$432 million.

Table 2 below indicates the beneficial impact of higher gold prices and increased tonnage throughput on the economics of the Gaby Project, with a tonnage throughput of 60,000 tpd being at or close to the optimal case at a gold price of \$1,000 per ounce.

In addition, based on Table 2, IMZ has concluded that a stable gold price at or above \$1,000/oz would be sufficient to merit initiation of a final feasibility study for the Gaby Project (assuming a positive outcome relating to the new mining law in Ecuador).

The optimization “base case” selected by IMZ is the 60,000 tpd case at \$1,000/oz gold, which could yield a cash flow of US\$916 million over a 16-year mine life at an estimated capital cost of US\$900 million and could recover approximately 5.3 million gold ounces at an average annual production of approximately 330,000 ounces of gold. The Net Present value (NPV) at a 5% discount rate is approximately US\$331 million and the Internal Rate of Return (IRR) is approximately 11%. At this base case projection, the project could break even at a gold price of approximately \$850/oz.

Table 2. Results of Gaby Project Pit Optimizations at Various Tonnage Rates and Gold Prices.

Tonnage Rate (,000's tonnes per day or ktpd)	Gold Price (US\$/oz)	Mine Life (Yrs)	Ore Processed		Strip Ratio	Pit Optimization 5% Discount Rate (US\$ million) ¹		Gold Production (Million ozs)		Cash Flow (US\$ million) ¹
			Ore - Millions of Tonnes (Mt)	Average Gold Grade (g/t)		NPV (US\$M)	IRR (%)	Per Year (Moz)	Total (Moz)	
20ktpd	\$1,000	29	202	0.7	0.7:1	\$211	10%	0.13	3.7	\$711
	\$1,500	54	387	0.5	0.4:1	\$1,145	23%	0.11	5.8	\$3,535
40ktpd	\$1,000	21	290	0.6	0.7:1	\$306	11%	0.23	4.9	\$889
	\$1,500	34	490	0.5	0.5:1	\$1,728	25%	0.21	7.0	\$4,214
60ktpd	\$750	7	138	0.7	0.6:1	-\$302	-6%	0.39	2.7	-340
	\$1,000	16	324	0.6	0.7:1	\$331	11%	0.33	5.3	\$916
	\$1,500	27	568	0.5	0.6:1	\$2,084	26%	0.29	7.8	\$4,541
80ktpd	\$1,000	12	336	0.6	0.7:1	\$323	10%	0.46	5.5	\$924
	\$1,500	21	595	0.5	0.6:1	\$2,869	40%	0.39	8.1	\$4,651

Notes: 1. **The Net Present Value (“NPV”), Internal Rate of Return (“IRR”) and cash flow estimates shown in Table 2 are not calculated from detailed project scheduling, hence may not reflect actual project economics in the future. However they do show the relative performances of the process throughput options that have been analyzed in this internal optimization study.**

Processing

Following completion of the PFS in early 2008, a decision was taken by IMZ to focus the project on conventional processing methods using crushing/milling, agitation leaching, carbon-in-leach (“CIL”), carbon stripping, electrowinning and smelting to produce doré bars on site for shipping to a refinery. This process option does not recover copper.

The base case presented for the optimization study assumes using semi-autogenous grinding and recycle crushing followed by ball milling, but it should be noted that secondary and tertiary crushing and screening followed by ball milling is still an option being contemplated by IMZ.

Updated Mineral Resource Estimates

Based on additional drill results received after the issuance of the February 11, 2008 news release, an updated mineral resource estimate has been calculated, which was used in the optimization study described above.

The updated combined **Measured and Indicated (“M&I”) Resources** are now estimated by FSS Canada, an independent consulting firm, at approximately 356 million tonnes (“Mt”) at an average grade of 0.61 grams per tonne (“g/t”) gold containing approximately 6,940,000 ounces of gold (with approximately 4.6 million ounces of gold attributable to IMZ).

This updated M&I Resource estimate of 6.94 million gold ounces represents an 11% increase in M&I Resources compared to the February 2008 estimate of approximately 6.2 million ounces of gold contained

within 308 Mt at an average grade of 0.63 g/t gold. Approximately 3.8 million ounces of gold were attributable to IMZ based on its property ownership at that time compared to the new estimate of 4.6 million ounces, which represents an approximate 21% increase in attributable M&I Resources for IMZ.

Additional updated **Inferred Resources** are estimated to be 140 Mt at an average grade of 0.62 g/t gold containing approximately 2.9 million ounces of gold (with approximately 2.2 million ounces of gold attributable to IMZ). This new resource estimate represents a 13% increase in Inferred Resources compared to the February 2008 estimate of 2.6 million ounces of gold contained within 122 Mt at an average grade of 0.65 g/t. Approximately 1.7 million were attributable to IMZ and that time compared to the new estimate of 2.2 million ounces, which represents an approximate 29% in attributable Inferred Resources for IMZ.

The resource estimate discussed above and shown in Table 3 is reported at a cut-off grade of 0.4 g/t gold, which approximates the cut-off grade for the open-pit mining and conventional milling/CIL process option selected for the Gaby Project using a base-case gold price of US\$650 per ounce. Because the cut-off grade is a factor of operating costs, metallurgical recoveries and gold price, it is possible that a lower or higher cut-off grade could be applied in the future.

IMZ holds variable interests (ranging from 55% to 100%) in the three principal mining concessions that comprise the Gaby Project. A summary of the mineral resource estimates using a range of gold cut-off grades (with the base case in bold print) is provided in Table 3 below, including the total contained project ounces and the ounces attributable to IMZ.

Table 3. Gaby Project – Mineral Resource Estimates (as of January 26, 2009 at US\$650 gold)

Resource Estimate Category	Cut-Off (g/t gold)	Tonnes (Mt)	Gold Grade (g/t)	Contained Gold Ounces (100% Project)	IMZ Attributable Gold Ounces
Measured	0.3	122.8	0.57	2,250,000	1,600,000
	0.4	91.6	0.64	1,900,000	1,340,000
	0.5	61.1	0.74	1,460,000	1,030,000
Indicated	0.3	419.3	0.50	6,770,000	4,880,000
	0.4	264.8	0.59	5,040,000	3,560,000
	0.5	157.6	0.69	3,500,000	2,450,000
Measured and Indicated	0.3	542.1	0.52	9,020,000	6,480,000
	0.4	356.4	0.61	6,940,000	4,900,000
	0.5	218.7	0.71	4,960,000	3,480,000
Inferred	0.3	245.2	0.51	3,980,000	3,060,000
	0.4	143.2	0.62	2,850,000	2,170,000
	0.5	86.1	0.73	2,030,000	1,530,000

- Notes
1. Numbers are rounded to reflect the precision of a resource estimate.
 2. The estimated mineral resources are not mineral reserves and do not have demonstrated economic viability.
 3. To limit the influence of individual high-grade gold samples, grade cutting was used. Gold assay grades were capped at 30 g/t.
 4. Average dry bulk densities of 2.77 tonnes per cubic meter (“t/m³”) for intrusive rocks, 2.97 t/m³ for volcanic rocks and 1.36 t/m³ for the saprolite (oxidized zone) were applied to block volumes.
 5. The grades were interpolated using the “Probability Assisted Constrained Kriging” estimation technique within the sulfide geologic domain and ordinary kriging within the saprolite.
 6. Descriptions of parameters to determine “Measured”, “Indicated” and “Inferred” resources are provided below.
 7. The contained metal estimates remain subject to factors such as mining dilution and process recovery losses.
 8. Previously released resource estimates have included grades for copper. Copper recovery has now been eliminated from the process flowsheet as the contained copper values at consensus long-term copper prices of approximately US\$1.50 per pound do not meet the requirement of a “reasonable prospect for economic extraction” under NI 43-101 and therefore are no longer included in IMZ’s resource inventory for the Gaby Project.

The mineral resources were estimated based on IMZ's previously-released assay results from 297 core drill holes and 188 reverse circulation drill holes totaling approximately 81,200m, which produced an average drill spacing of 50 - 70m. These mineral resources were classified in accordance with CIM guidelines by FSS's Qualified Person, R. Mohan Srivastava (P.Ge.), and the estimate has an effective date of January 26, 2009.

Resource Estimation Methodology

Mineral resources were estimated using geostatistical interpolation methods within each of the two principal geological domains: (a) the near-surface saprolite (oxidized) zone and (b) the underlying sulfide zone. The saprolite zone averages approximately 15m in thickness and accounts for only about 5% of the total contained gold at the Gaby Project and is included in the overall resource estimate shown in Table 3.

Within the saprolite domain, ordinary kriging was used to interpolate the gold grade. Within the sulfide domain, "Probability Assisted Constrained Kriging", a combination of indicator kriging and ordinary kriging, was used.

Ordinary kriging was used to interpolate gold grades for four separate sub-domains that may intermix within each block (block size is 20m by 20m by 10m high). The four sub-domains were defined by kriging indicators of the intensity of mineralization that were based on the geological characteristics that best separate weak mineralization from strong mineralization. The kriged indicator values provide estimates of the probability or proportion of each sub-domain within each block. The grades of each sub-domain were interpolated separately, using only the nearby data from the same sub-domain, and the final block grade was calculated by taking the proportion and density weighted average of the grades from each of the sub-domains.

Resources were classified according to the number of nearby drill holes, their proximity to the block being estimated, and their spatial arrangement around the block. Blocks that were surrounded by data and that had four or more drill holes within the range of the variogram were classified as **Measured Resources**. Blocks were classified as **Indicated Resources** if they were surrounded by data and had two or more drill holes within the range of the variogram, or if the block was actually pierced by a drill hole. Blocks were classified as **Inferred Resources** if they had data within the range of the variogram but could not be classified as Measured or Indicated.

General

Drilling at the Gaby Project was carried out by Paragon Drilling Ecuador S.A., a wholly-owned subsidiary of Major Drilling of Canada. Sample preparation was carried out by ALS Chemex in Quito, Ecuador using standard industry practices. Analytical work was carried out by ALS Chemex in Lima, Peru using conventional fire assay methods for gold. For quality control purposes, analytical standards with known metal values were included with IMZ's samples submitted for assay. The overall drilling program was supervised by IMZ's Qualified Person, Technical Manager Nick Appleyard, who reviewed the foregoing disclosure.

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Cautionary Statement:

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