



Property Locations



Overview (\$ = US\$ unless otherwise noted, M = millions, M&I = Measured and Indicated resources; P&P = Proven & Probable reserves)

- **Production from Pallancata** underground silver mine in Peru (40% IMZ, 60% Hochschild).
 - **5th largest primary silver mine in the world in 2010. \$54 million in free cash flow to IMZ in 2011.**
- **1.5M P&P gold equiv ozs contained in 12.8M M&I gold equiv ozs.** Additional 3.6M gold equiv ozs in Inferred category.
- Recently completed feasibility study at **Inmaculada** (40% IMZ, 60% Hochschild) underground gold-silver deposit in Peru.
- Significant gold resources at 100%-owned **Converse** and **Goldfield** deposits in Nevada, USA.
- **3% NSR royalty from Barrick's Ruby Hill gold mine** in Nevada. ~\$4M-\$5M/year to IMZ at normal operating rates.
- **Rio Blanco** (100% IMZ) underground gold-silver deposit in Ecuador. "Production ready", pending production contract.
- **Gaby** (60% IMZ) open-pit gold deposit in Ecuador at feasibility stage.
- **19 years operating in Peru and Ecuador.** Experienced management team with history of discoveries worldwide.
- **Market Capitalization:** ~\$656 million (basis Cdn\$5.55 share price).
- **Issued Shares:** 119.4 million. **Fully Diluted:** 128.0 million (5.8M Debenture shares, 2.8M stock options).
- **Major shareholders:** European institutions (~70% in Switzerland). No shareholder >10%.
- **Strong Balance Sheet:** \$96 million in cash and \$4 million in marketable securities. C\$40 million in long-term debt (5.5% convertible debenture due May 19, 2012. Strike price C\$6.88).

Corporate Strategy

- Increase cash flow and locate additional resources/reserves at Pallancata Mine in Peru.
- Achieve production at Inmaculada in 2013, Rio Blanco in 2014, Goldfield in 2015 and Converse in 2017.
- Complete feasibility study at Goldfield in 2012 and at Converse in 2013.
- Acquire additional low-cost gold-silver mining operations/development projects in the Americas.

Principal Resource Assets (Total 1.5M P&P Gold Equivalent Reserves)

M&I Resources = 12.8M oz; Inferred Res. = 3.6M oz (all gold equivalent, M&I inclusive of P&P)

PALLANCATA SILVER-GOLD MINE, PERU (40% IMZ, 60% Hochschild)

- High-grade epithermal silver-gold vein deposit in southern Peru.
- **5th largest primary silver mine in the world in 2010.** Partnered with Hochschild (60% interest and operator).
- **Record production in 2010:** 10.1 M oz silver and 36,000 oz gold (40% to IMZ). Total cash costs (after Au credit):\$5.47/oz
 - Estimated production in 2011 of 9.3M oz Ag and 37K oz Au at total cash costs of \$7.00/oz silver (after Au credit).

PALLANCATA SILVER-GOLD MINE, PERU (Cont'd)

- **Free cash flow to IMZ:** \$26M in 2010. \$54M in 2011.
- **Proven & Probable Reserves** (Dec 2010): 38.5M oz silver and 182,000 oz gold (3.9 Mt at 308g/t silver and 1.5g/t gold).
- **M&I Resources** (Dec 2010): 60.6M oz silver and 280,000 oz gold (4.9 Mt at 385g/t silver and 1.8g/t gold).

INMACULADA GOLD-SILVER DEPOSIT, PERU (40% IMZ, 60% Hochschild)

- High-grade epithermal gold-silver vein deposit in southern Peru, 25km south of Pallancata Mine.
- **P&P Gold Reserves** (100% basis. Jan 2012): **1.35M Au Equiv. ozs averaging 5.4 g/t Au Equiv. 2.3 g/t Au equiv cut-off.**
 - P&P Reserves: 845,000 ozs gold + 30M ozs silver (7.8Mt at 3.4 g/t gold & 120 g/t silver). Included in M&I resources
 - M&I Resources: 930,000 ozs gold + 33M ozs silver (7.1Mt at 4.1g/t gold & 144 g/t silver). 1.5 Au equiv cut-off.
 - Inferred Resources: 620,000 ozs gold + 24M ozs silver (4.9Mt at 3.9g/t gold & 152 g/t silver). 1.5 Au equiv cut-off.
- **Feasibility study Jan 2012. Strong production and economic parameters at base case \$1100 Au, \$18 Ag**
 - Avg annual prodn (100%): 124,000 ozs Au, 4.2M ozs Ag (194,000 ozs Au equiv) at total cash costs of \$172/oz Au (net of Ag by-product).
 - Pre-tax 100% project basis: IRR 18%; CF \$323M; NPV5% \$181M. Capex \$315M. Cost/t processed \$74.
 - **IMZ's attributable 40%: Pre-tax: IRR 26%; CF \$136M, NPV5% \$85M. Capex \$91M. Cost/t processed \$74.**
- **Estimated production (underground) date: December 2013.**

CONVERSE GOLD DEPOSIT, NEVADA, USA (100% IMZ)

- Open-pittable deposit in well-known mining district in northern Nevada (Battle Mountain Trend).
- **M&I resources of 5.2M ozs gold and 38M ozs silver** (320 Mt at 0.5 g/t gold and 3.7 g/t silver).
- **Scoping study released Dec 2011** (at \$1300 gold):
 - **Avg annual prodn:** ~173,000 Au Eq ozs. Capex~\$455M. Cash Cost ~\$998/oz.
 - IRR 10.5%, C.F. \$494M, NPV5% \$185M; cost/t processed \$8.35.
- **Targeted production date: 2017**

GOLDFIELD GOLD DEPOSIT, NEVADA, USA (100% IMZ)

- Open-pittable deposit in well-known mining district in central Nevada. Historical production > 4 million ozs gold.
- **M&I resources of 1.25M ozs gold** (31 Mt at an average grade of 1.2 g/t gold).
- Feasibility study by mid-2012. Anticipating ~40,000 ozs Au/year. Capex ~\$45M. Cash cost ~\$400/oz.
- **Targeted production date: 2015.**

RIO BLANCO GOLD-SILVER PROJECT, ECUADOR (100% IMZ)

- High-grade epithermal, gold-silver vein deposit.
- **Proven & Probable Reserves** (Oct 2006): **605,000 oz gold and 4.3 M oz silver** (2.1 Mt at 8.8 g/t gold & 62 g/t silver).
- **Est. avg. annual production: ~70,000 oz gold & ~400,000 oz silver. Total cash costs: ~\$350/oz gold (after Ag credit).**
- Mine life: 7.5 years at 800 tpd production. Capex ~\$120 M.
- Basis 2009 update: At \$1,500 gold: 57% IRR and NPV¹⁰ of ~\$266M.
- **Estimated production date: mid-2014.** Timing dependent on permit and production contract approvals in mid 2012.

GABY GOLD PROJECT, ECUADOR (Variable 50%-100% IMZ interest in property, ~60% in contained gold ounces)

- Potential open-pit deposit. Highly leveraged to gold price.
- **M&I Resources** (Jan 2009) = **7.0 M oz gold** (356 Mt at 0.6 g/t). **4.1 M oz gold to IMZ** (~59%).
- 16 year mine life at 60,000 tpd; estimated yearly production: ~330,000 oz gold (~235,000 to IMZ) at cash costs of ~\$700/oz.
- Capex estimate ~\$900 M.
- At \$1,500 gold: IRR =26% + cash flow = ~\$4.5 billion.
- **Earliest production date: 2017.** Timing dependent on feasibility study and permit approvals.

Mining Analyst Coverage

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- Dundee Securities - Paul Burchell. RECOMMENDATION: **BUY. TARGET PRICE: C\$11.30**
 - National Bank - Steve Parsons. RECOMMENDATION: **SECTOR PERFORM. TARGET PRICE: C\$6.95**
 - TD Newcrest Securities - Steven Green. RECOMMENDATION: **HOLD. TARGET PRICE: C\$7.50**
 - Bank Vontobel (Switzerland) - Patrick Rafaisz. RECOMMENDATION: **HOLD. TARGET PRICE: SF7.00 (~C\$7.49)**
 - Bank am Bellevue (Switzerland) - Johannes Borner. RECOMMENDATION: **BUY. TARGET PRICE: SF9.20 (~C\$9.84)**
 - Dahlman Rose (USA) - Adam Graf. RECOMMENDATION: **BUY. TARGET PRICE: C\$10.94**
 - Collins Stewart (UK) - Andrei Kroupnik. RECOMMENDATION: **BUY. TARGET PRICE: C\$7.30**