

March 2010

# Executive Summary

## Growing Silver and Gold Producer



INTERNATIONAL MINERALS

Toronto and Zurich: symbol IMZ

### Overview (All in US\$, M=million)

---

- Growing production and cash flow from 40%-owned **Pallancata** underground silver-gold mine, Peru. **The #5 primary silver mine worldwide**. Partnered with Hochschild Mining.
- **14 million ounces gold equivalent resources** in 6 properties (75% in Measured and Indicated resources categories).
- Recent (Jan 2010) acquisition of **Ventura Gold Corp** adds 70% interest in **Inmaculada** underground gold-silver deposit in Peru, close to Pallancata Mine. Also partnered with Hochschild.
- Recent (Feb 26, 2010) acquisition of **Metallic Ventures** adds significant gold resources at the **Goldfield** and **Converse** deposits in Nevada, USA.
- **Rio Blanco** underground gold-silver deposit in Ecuador. "Production ready". Development subject to new mining law regulations, permits, financing and construction.
- **Gaby** open-pittable gold deposit, also in Ecuador, at feasibility stage. Development subject to the new mining law regulations, completion of a final feasibility study, permitting and financing.
- **17 years operating in Ecuador and Peru**. Experienced management team with history of discoveries worldwide.
- **Market Capitalization**: Approximately \$488 million (basis C\$4.24 share price).
- **Issued Shares**: 115.2 million. Fully Diluted: 125.3 million.
- **Major shareholders**: European institutions (~70% in Switzerland). No shareholder >10%.
- **Strong Balance Sheet**: \$32 million in cash and equivalents. \$36 million in long-term debt (C\$40 million 5.5% convertible debenture due May 2012).

### Corporate Strategy

---

- Achieve higher production and increased cash flow at Pallancata Mine in Peru.
- Accelerate feasibility studies at Inmaculada in Peru and Goldfield and Converse properties in Nevada.
- Acquire low-cost gold-silver mining operations in the Americas.
- Production possible at Rio Blanco in Ecuador in 2013.

### Main Assets

**P+P Reserves = 1.0M oz; M+I Resources = 10.6M oz; Inferred Res. = 3.5M oz** (all gold equivalent, basis 65:1 Ag: Au ratio)

---

#### PALLANCATA SILVER-GOLD MINE, PERU (40% Interest)

- Epithermal silver-gold deposit in southern Peru. **Fifth largest primary silver mine in the world**.
- Partnered with London-listed Hochschild Mining (60% interest) **at zero initial capital cost to IMZ**.
- **Record production in 2009**: 8.4 million oz silver and 32,000 oz gold (40% or 3.4M oz silver and 13,000 oz gold to IMZ). Total cash costs at 5.50/oz silver (after gold by-product credit). **10 million ozs silver, 35,000 ozs gold expected in 2010**.
- **Estimated free cash flow to IMZ**: ~\$20 million in 2010 (\$10 million in cash dividends received in Feb).
- **Proven & Probable Reserves** (Dec 2008): 51M oz silver and 209,000 oz gold (4.3 Mt at 366g/t silver and 1.5g/t gold). 20M oz silver and 84,000 ounces gold to IMZ. Resources/Reserves update in March 2010.

#### INMACULADA GOLD-SILVER DEPOSIT, PERU (70% Interest)

- Epithermal gold-silver deposit in southern Peru, close to the Pallancata Mine.
- IMZ earning 70% interest from JV partner, Hochschild. IMZ is operator.
- As of February 2010, **666,000 ozs gold and 27M ozs silver resources** (indicated and inferred categories, 100% project basis) contained within 5.9 Mt at 3.5 g/t gold and 142 g/t silver. 60% increase over January 2009 resource.
- Possible underground production in less than two years using nearby Hochschild process facility.

*Cautionary Statement: The above description contains forward looking statements related to production, exploration, capital, schedules, resources and reserves, which involve risks and uncertainties as described in the Company's filings. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Actual results and future events could differ materially from those anticipated. Please refer to the Company's latest news releases and regulatory filings at [www.sedar.com](http://www.sedar.com). The Qualified Persons for the various reserve and resource estimates are listed in the respective news releases and Technical Reports filed with SEDAR. The Qualified Person for the Company's technical information reported above is VP Corporate Development, Nick Appleyard.*

## [GOLDFIELD AND CONVERSE GOLD PROPERTIES, NEVADA, USA](#) (100% interest)

- Potential open-pit deposits in well-known mining districts in Nevada.
- **Over 5 million NI 43-101 compliant measured and indicated gold resources.**
- Production royalty from Barrick Mine produces ~\$3 million per year in revenue.
- Production time lines: 2-3 years for Goldfield, 5-6 years for Converse.

## [RIO BLANCO GOLD-SILVER PROJECT, ECUADOR](#) (100% Interest)

- High grade Epithermal, gold-silver deposit in south-central Ecuador.
- **2013 target production date.** Depends on permit approval in 2010/2011, financing and new mining law.
- **Proven & Probable Reserves** (Oct 2006) = **605,000 oz gold and 4.3 M oz silver** (2.2 Mt at 8.8 g/t gold & 62 g/t silver).
- **Est. avg. production: ~70,000 oz gold & ~400,000 oz silver per year, total cash costs of ~\$300/oz gold** (after Ag credit)
- **Mine life:** 7.5 years at 800 tpd production. Capex ~\$120 M.
- At \$1,000 gold: 32% IRR and life-of-mine cash flow ~\$246M.

## [GABY GOLD PROJECT, ECUADOR](#) (50-100% Interest in property, ~60% in contained gold ounces)

- Large, low-grade gold porphyry deposit in Ecuador. Highly leveraged to gold price.
- **Measured & Indicated Resources** (Jan 2009) = **7.0 M oz gold** (356 Mt at 0.6 g/t). **4.1 M oz gold to IMZ (~59%)**. Copper (0.09%) is currently non-recoverable.
- 16 year mine life at 60,000 tpd, estimated production ~330,000 oz gold/year (~235,000 to IMZ) at cash costs of ~\$670/oz. Capex estimated at ~\$900 M. Break-even at gold price ~\$850. Possible production date: 2015.

## **Mining Analyst Coverage**

---

Dundee Securities—Paul Burchell

TD Newcrest Securities—Steven J. Green

Wellington West— Steve Parsons



*Cautionary Statement: The above description contains forward looking statements related to production, exploration, capital, schedules, resources and reserves, which involve risks and uncertainties as described in the Company's filings. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Actual results and future events could differ materially from those anticipated. Please refer to the Company's latest news releases and regulatory filings at [www.sedar.com](http://www.sedar.com). The Qualified Persons for the various reserve and resource estimates are listed in the respective news releases and Technical Reports filed with SEDAR. The Qualified Person for the Company's technical information reported above is VP Corporate Development, Nick Appleyard.*