

NEWS RELEASE

**International Minerals Announces Positive Feasibility Study at
Inmaculada Gold-Silver Project, Peru.
Proven and Probable Reserve Estimate of 1.3 Million Ounces Gold Equivalent.**

Scottsdale, Arizona, January 11, 2012 – International Minerals Corporation (TSX and Swiss stock exchanges: “IMZ”) announces positive results for the independent Feasibility study at its 40%-owned (Hochschild Mining 60%) Inmaculada gold-silver deposit in Peru (“Inmaculada”).

At base-case gold and silver prices of \$1,100 per ounce (“oz”) and \$18/oz respectively and a 3,500 tonnes per day (“tpd”) processing throughput, an underground mine on the Angela Vein deposit at Inmaculada could return a pre-tax net present value at a 5% discount rate (“NPV5”) of approximately \$181 million. Estimated Proven and Probable mineral reserves are 7.8 million tonnes (“Mt”) at an average grade of 3.4 grams per tonne (“g/t”) gold and 120 g/t silver results in an initial mine-life of approximately seven years.

Based on IMZ’s 40% ownership of Inmaculada and Hochschild’s required contribution of \$100 million in feasibility study and initial capital costs for Inmaculada, IMZ’s attributable pre-tax NPV5 is approximately \$85 million, at base-case metal prices. See Table 6 below for sensitivities to metal prices.

Basic engineering is scheduled for completion in the first quarter of 2012 and, subject to ongoing permitting, first production should commence in December 2013, as required contractually under the terms of the agreement between IMZ and Hochschild.

Feasibility Study Details

The Inmaculada feasibility study was overseen by the independent engineering firm, Ausenco Peru, of Lima, Peru (Qualified Person, Clint Donkin MAusIMM(CP)). Details of the study are shown below in Table 1.

Table 1. Inmaculada - Feasibility Study Data (all in US Dollars, 100% project basis)

Item	Units	
Base Case gold price	\$ per ounce	\$1100
Base Case silver Price	\$ per ounce	\$18
Initial Mine life	years	6.3
Average annual gold production	ounces/year	124,000
Average annual silver production	ounces/year	4,204,000
Average annual gold equiv. production ⁴	ounces/year	194,000
Life-of-mine gold production	ounces	783,000
Life-of-mine silver production	ounces	26,488,000
Life-of-mine gold equiv. production ⁴	ounces	1,220,000
Plant processing rate (3,500 tpd)	tonnes/year	1,260,000
Metallurgical recovery – gold	%	95.6%
Metallurgical recovery – silver	%	90.6%
Initial capital ²	\$ millions	\$315
Direct site costs ³	per tonne processed	\$74
Direct site costs ^{3,5}	per ounce Au (with Ag credit)	\$133
Total cash operating costs ^{3,5,6}	per ounce Au (with Ag credit)	\$172
IRR pre-tax/post-tax	%	18% / 12%
Pre-tax /post-tax cash flow (non-discounted)	\$ millions	\$323 / \$194
Pre-tax/post-tax NPV, 5% discount rate	\$ millions	\$181 / \$90
Pre-tax/post-tax NPV, 8% discount rate	\$ millions	\$120 / \$46

- 1) IMZ owns a 40% interest in the Inmaculada project. Under the joint venture agreement signed between IMZ and Hochschild, in December 2010, Hochschild must contribute the first \$100 million of feasibility study, project development and capital costs with subsequent costs funded 60% by Hochschild and 40% by IMZ. Hochschild will receive a 7% management fee as operator of Inmaculada. Table 1 does not consider the impact of these agreement terms. **IMZ's attributable cash flow and project economics are shown separately in Table 5.**
- 2) Initial capital includes \$25 million in contingency allowance and is based on Q4 2011 estimates. No escalation factors have been applied.
- 3) Direct site costs include mining, processing and mine administration. Total cash operating costs include direct site costs plus estimates of refining charges and government royalty (but do not include workers profit sharing which is 8% of net income).
- 4) Gold equivalent ("gold equiv.") numbers are estimated using a silver-to-gold ratio of 60:1 calculated by using the ratio of the base case metal prices.
- 5) By-product accounting subtracts the revenue generated by silver from the total operating costs to determine the cost per ounce of gold.
- 6) For comparative purposes, if IMZ had selected co-product accounting, the resulting total cash operating costs are estimated to be \$502/oz of gold and \$8.20/oz of silver.

Table 2. Inmaculada – Pre-tax Sensitivity Analysis to Metal Prices (100% Project, base case in bold)

Category	Gold Price/Silver Price (\$/oz)					
	\$900/ \$15.00	\$1,100/ \$18.00	\$1,300/ \$21.00	\$1,500/ \$25.00	\$1,700/ \$28.00	\$1,900/ \$31.00
IRR	5%	18%	28%	38%	46%	53%
Cash Flow (\$ millions)	\$88	\$323	\$559	\$821	\$1,057	\$1,292
NPV 5% (\$ millions)	\$6	\$181	\$356	\$551	\$726	\$901
NPV 8% (\$ millions)	(\$28)	\$120	\$268	\$433	\$581	\$729

- 1) **Sensitivities that relate specifically to IMZ's 40% interest in Inmaculada are shown in Table 6 below.**
- 2) On a 100% project basis, Inmaculada is most sensitive to revenue parameters and less sensitive to costs.

Mining

The underground mining method for Inmaculada will comprise a combination of Sub-level Stopping ("SLS") and Cut-and-Fill ("CF") based on geotechnical rock conditions and vein width, which ranges from 3 metres ("m") to 15m with an average of approximate 6.5m. The CF will account for 55% of the life-of-mine production while the SLS will generate the remaining 45%. In-mine truck haulage will deliver ore to a surface primary crusher located near the mine portal. Crushed material will then be delivered to the process plant by conveyor belt.

Processing

The process flowsheet includes primary crushing, semi-autogenous ("SAG") and ball mill grinding and classification to 80% passing 50 microns followed by cyanide leaching for 96 hours. After countercurrent decantation to recover pregnant solution the leached tailings will be treated to destroy residual cyanide and used, as required, for stope backfill in the mine. Tailings not returned underground will be transferred to a lined impoundment adjacent to the plant. Pregnant leach solution will be clarified and de-aerated prior to precipitation of gold and silver with zinc dust. Precipitates will be dried and smelted on-site to produce doré bars containing gold, silver and minor impurities, for shipment to a third party refinery.

Taxation

The after-tax estimates in Table 1 include all Peruvian income taxes applied to the project on a stand-alone basis. Workers profit sharing and the recently-introduced modified production royalty have been incorporated in the post-tax scenario only.

Updated Mineral Resource and Reserve Estimates

Mineral Resource Estimate

An updated mineral resource estimate for Inmaculada was calculated by R. Mohan Srivastava (P.Geo), an independent consultant and qualified person, with an effective date of January 11th, 2012.

The updated resource estimate shown in Table 3 replaces the previous resource estimate reported in a news release dated February 24, 2011 and represents an increase in Measured and Indicated gold equivalent resources of 17%.

Table 3 Inmaculada - Estimated Mineral Resources at a Cut-off Grade of 1.5g/t Gold Equiv.

Resource Estimate Category	Tonnes (millions)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Ounces		
				Gold	Silver	Gold Equivalent
Measured	3.28	4.10	128	430,000	13,500,000	655,000
Indicated	3.78	4.05	159	490,000	19,300,000	812,000
Measured and Indicated	7.07	4.07	144	930,000	32,800,000	1,477,000
Inferred	4.94	3.91	152	620,000	24,200,000	1,023,000

- 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) Gold equivalent ounces are estimated for mineral resources using a 60:1 silver to gold ratio.
- 4) To limit the influence of individual high-grade samples, grade capping was used. Gold assay grades were capped at 100 g/t and silver grades were capped at 5,000 g/t for the Angela vein which contributes 95% of the measured and indicated tonnage and 97% of the gold equivalent ounces. Minor veins were capped at variable values ranging from 5 g/t to 50 g/t gold and 500 g/t to 1,250 g/t silver.
- 5) An estimated dry bulk density of 2.51 tonnes per cubic meter was used for all mineralized rocks.
- 6) The grades were interpolated using the "Ordinary Kriging" estimation technique.
- 7) Descriptions of parameters to determine "Measured", "Indicated" and "Inferred" resources are provided below.
- 8) The contained metal estimates remain subject to factors such as mining dilution and losses and, process recovery losses.
- 9) The mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council December 11, 2005.

The resource estimation was conducted using all drill assay data available as of June 30th 2011, representing a total of 274 core drill-holes totaling approximately 83,000m. Drilling has been continuous since June 2011 and a further updated resource estimate is expected in the first half of 2012.

Resource Estimation Methodology

The ordinary kriging method utilized a search neighbourhood that considered only those nearby drill hole samples that fell within the vein wireframe. The search neighbourhood had a radius equal to the range of the variogram (110m) in the strike and dip directions of the vein, and had a width equal to the full vein width perpendicular to the vein. An octant search was used to limit the effects of sample clustering, looking perpendicular to the vein at the 110m circular projection of the search neighbourhood. Within each octant, only the closest four samples were retained for estimation. A block size of 10x10x2m was used. The volume and tonnage of the vein material within each block was calculated so that the estimated grades are correctly applied to partial blocks.

The estimation of grade used the actual capped drill-hole assays; no compositing was performed. Once the ordinary kriging weights had been calculated, these weights were multiplied by the assay length and then re-normalized to sum to one. This technique ensures that variable sample length in drill core samples is correctly accounted for in grade estimation.

Resource classification was based on three criteria: 1) Distance to the nearest assay sample, 2) Number of octants with data, and 3) Number of different drill-holes. Below are the principal criteria for each resource category:

- Measured Resources have (a) blocks within 25m of a drill-hole sample and (b) samples closer than 110m (the variogram range) in at least four octants.
- Indicated Resources have (a) blocks that are within 40m of a drill-hole sample and (b) samples closer than 110m (the variogram range) in at least four octants.
- Inferred resources have blocks that are within 110m (the variogram range) of a drill-hole sample. This criterion was extended in the sparsely-drilled minor veins to classify the interpreted structures, whilst assigning them the lowest level of confidence.

Mineral Reserve Estimate

The mineral reserve estimate, shown in Table 4, was calculated by Angel Mondragon MAusIMM(CP), an independent consultant and qualified person, with an Effective Date of January 11th, 2012.

Table 4 Inmaculada - Estimated Mineral Reserves at a Cut-off Grade of 2.3 g/t Gold Equiv.

Reserve Estimate Category	Tonnes (millions)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Ounces		
				Gold	Silver	Gold Equivalent
Proven	3.844	3.40	106	421,000	13,125,000	640,000
Probable	3.958	3.33	134	424,000	17,796,000	707,000
Proven and Probable	7.801	3.37	120	845,000	30,140,000	1,347,000

- 1) Numbers are rounded to reflect the precision of a reserve estimate.
- 2) Gold equivalent ounces are estimated for mineral reserves using 60:1 silver to gold ratio.
- 3) The contained metal estimates include approximately 30% mining dilution for Sub-level stoping areas, 25% mining dilution for cut-and-fill areas and a 3% ore loss factor, but remain subject to process recovery losses. Dilution has been included with a grade of 0.3 g/t gold and 11 g/t silver.
- 4) The mineral reserves were estimated using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on December 11, 2005.
- 5) IMZ is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the validity of these reserve estimates.

Mine Design

Based on geotechnical rock conditions and orebody geometry - vein width and dip angle - two highly mechanized mining methods were selected, namely CF and SLS. The SLS was selected for the better rock conditions, wider veins and near vertical dip angles with sub-levels developed at 9m vertical intervals to limit hanging wall exposure, drill hole deviation and dilution. The CF method was selected generally on weaker ground, narrower veins and lower dip angles; accesses to the vein will be developed at 12.50m vertical intervals. Both methods will use cemented backfill. The 2 km long vein has good continuity and sufficient height to allow a number of simultaneous mining sections to ensure a production of 3,500 tpd. A robust mine infrastructure has been designed to handle development and production material, ventilation, backfill, ore transfers and water handling.

Attributable Production and Economic Parameters for IMZ's 40% Interest in Inmaculada

Under the joint venture agreement between IMZ and Hochschild (see press release dated December 28th, 2010) Hochschild is required to contribute the first \$100 million in feasibility study and capital costs for Inmaculada before the partners commence funding proportionally. In addition, Hochschild, as mine operator, will receive a management fee calculated at 7% of the mine operating costs to be paid by the joint venture company.

To date Hochschild, has spent approximately \$11.5 million on feasibility and project development costs, leaving a further \$88.5 million to be expended by Hochschild before IMZ is required to start contributing its 40% share of the capital required for the construction of Inmaculada. IMZ anticipates that its initial funding of the estimated capital cost of Inmaculada will commence during the first quarter of calendar year 2013.

Table 5 below shows IMZ's attributable production and economic parameters for Inmaculada based on the terms of the joint venture agreement.

Table 5. Inmaculada – IMZ's 40% Attributable Production and Economic Parameters

Item	Units	
Average annual gold production	ounces/year	49,600
Average annual silver production	ounces/year	1,682,000
Average annual gold equiv. production ²	ounces/year	78,000
Life-of-mine gold production	ounces	313,000
Life-of-mine silver production	ounces	10,600,000
Life-of-mine gold equiv. production ²	ounces	488,000
Initial capital	\$ millions	\$91
Direct site costs ¹	per tonne processed	\$74
Direct site costs ^{1,3}	per ounce Au (with Ag credit)	\$133
Total cash operating costs ^{1,3,4}	per ounce Au (with Ag credit)	\$262
IRR Pre-tax/post-tax	%	26% / 21%
Pre-tax /post-tax cash flow (non-discounted)	\$ millions	\$136 / \$95
Pre-tax/post-tax NPV, 5% discount rate	\$ millions	\$85 / \$57
Pre-tax/post-tax NPV, 8% discount rate	\$ millions	\$63 / \$40

- 1) Direct site costs include mining, processing and mine administration. Total cash operating costs include direct site costs plus estimates of the management fee, refining charges and government royalty (but do not include workers profit sharing which is 8% of net income).
- 2) Gold equivalents are estimated using a silver-to-gold ratio of 60:1 calculated by using the ratio of the base case metal prices.
- 3) By-product accounting subtracts the revenue generated by silver from the total operating costs to determine the cost per ounce of gold.
- 4) For comparative purposes, if IMZ had selected co-product accounting, the resulting cash operating costs would be \$560/oz of gold and \$9.15/oz of silver.

Sensitivities to gold and silver prices based on IMZ's attributable production and economic parameters are shown in Table 6 below.

Table 6. Inmaculada – Pre-tax Sensitivity Analyses Attributable to IMZ (base case in bold)

Category	Gold Price/Silver Price (\$/oz)					
	\$900/ \$15.00	\$1,100/ \$18.00	\$1,300/ \$21.00	\$1,500/ \$25.00	\$1,700/ \$28.00	\$1,900/ \$31.00
IRR	9%	26%	40%	55%	67%	78%
Cash Flow (\$ millions)	\$42	\$136	\$231	\$335	\$429	\$523
NPV 5% (\$ millions)	\$15	\$85	\$155	\$233	\$302	\$372
NPV 8% (\$ millions)	\$3	\$63	\$122	\$188	\$247	\$306

General

The technical information reported in this news release was reviewed by IMZ's Qualified Person, VP Corporate Development, Nick Appleyard.

A Canadian National Instrument (NI) 43-101 compliant Technical Report, completed by the independent firm, Ausenco Peru, will be filed by IMZ on SEDAR within 45 days of the date of this news release.

Hochschild Mining does not accept any responsibility for the adequacy or inadequacy of the disclosure made in this news release and any responsibility is hereby disclaimed in all respects.

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, which is operated by Hochschild and in 2010 was one of the top-5 primary silver mines in the world. Production for Pallancata in calendar year 2011 is estimated by IMZ to be approximately 9.3 million ounces of silver and 35,000 ounces of gold (on a 100% project basis).

In addition to Inmaculada and Pallancata, IMZ also owns a 100% ownership interests in advanced stage gold projects in Nevada (Goldfield and Converse) and variable interests in gold projects in Ecuador (Rio Blanco 100% and Gaby 60%).

IMZ also holds a 3% NSR royalty from Barrick Gold Corporation'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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Cautionary Statements:

Some of the statements contained in this release are "forward-looking statements" within the meaning of Canadian securities law requirements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements in this release include statements regarding estimates of capital and operating costs; economic returns; timing and significance of future cash flows and revenue from the project; timing and scale of production and processing; and resource and reserve estimates. Factors that could cause actual results to differ materially from anticipated results include risks and uncertainties such as: risks relating to estimates of production and processing rates; risks relating to estimates of mineral resources and reserves; risks relating to capital and operating costs; risks relating to obtaining mining and environmental permits; mining and development risks; risk of commodity price fluctuations; political and regulatory risks; and other risks and uncertainties detailed in the Company's Annual Information Form for the year ended June 30, 2011, which is available at www.sedar.com under the Company's name.

A number of measures reported above are non-IFRS (International Financial Reporting Standards) financial measures which include: direct site costs per tonne; direct site costs per ounce (with by-product credit); and total cash operating costs per ounce (with by-product credit). Management believes these items may be useful measures to analyze the economics of the Inmaculada project, but readers of this news release should not rely on these non-IFRS measures in isolation.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.