International Minerals Announces Update of Feasibility Study at Goldfield, Nevada

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SCOTTSDALE, AZ -- (Marketwired) -- 06/17/13 -- International Minerals Corporation (TSX: IMZ) (SWISS: IMZ) (the "Company" or "IMZ") announces an update of the July 2012 feasibility study for the Gemfield gold deposit ("Updated Study"), located on its 100%-owned Goldfield gold property in Nevada.

Compared to the July 2012 feasibility study, the Updated Study reports:

- Estimated Proven and Probable mineral reserves have increased by 11% from 511,000 to 567,000 gold ounces (contained within 17.3 million tonnes ("Mt") at an average grade of 1.0 grams per tonne ("g/t") gold).

- Annual gold production estimate has increased by 15% from 66,000 to 76,000 ounces.

- Heap leach processing rate estimate has increased by 25% from 6,000 tonnes per day ("tpd") to 7,500 tpd.

- Operating costs per tonne of ore processed have decreased by 8% from $15.67 to $14.38.

- Total cash costs per ounce of gold remain unchanged at $612.

- Initial capital cost (including $24 million to re-align the highway) has increased by 14% from $133 million to $151 million.

- Pre-tax net present value at a 5% discount rate ("NPV5") has increased by 12% from $102 million to $114 million. Post-tax NPV5 has increased by 23% from $75 million to $92 million.

- Internal rate of return ("IRR") is higher, both on a pre-tax basis (at 23%) and post-tax basis (at 20%), compared to 22% and 18%, respectively, in the July 2012 feasibility study.

A base price of $1,350 per gold ounce was used in both studies to estimate the economic parameters.

A detailed comparison of the July 2012 feasibility study (see IMZ news release dated July 17, 2012) and the Updated Study is shown in Table 1.

Commenting on the results of the Updated Study, Steve Kay, President/CEO of IMZ, said, "It is very encouraging to see in the Updated Study that Gemfield can produce close to 15% more gold ounces per year compared to the 2012 feasibility study without an increase in total cash costs per ounce. In addition, overall project economics, measured by both IRR and NPV, have improved, showing that the 14% increase in capital cost in the Updated Study is more than offset by reduced operating costs and increased production."

Updated Study Details

The Updated Study for Gemfield was reviewed by the independent engineering firm, Micon International Limited of Toronto, Canada. M3 Engineering and Technology of Tucson, Arizona have been awarded the contract for the engineering, procurement and construction management ("EPCM") of the Gemfield project. SRK of Reno, Nevada is responsible for the engineering of the heap leach pads and Atkins, also in Reno, is responsible for the realignment of Highway 95. Basic engineering is substantially complete on the process facilities and heap leach site and is the basis for the capital cost estimate used in Table 1.

Table 1. Gemfield - Updated Study Data (all in US Dollars).

Item	Units	July 2012 Feasibility Study	June 2013 Updated Study
Base Case gold price	$ per ounce	$1350	$1350
Mine life	years	6.5	6.3
Average annual gold production	ounces/year	66,000	76,000
Life-of-mine gold production	ounces	430,000	483,000
Plant processing rate	Tonnes per day/year	6,000 / 2,190,000	7,500 / 2,734,000
Average metallurgical recovery - gold	%	84%	85%
Initial capital cost (1)	$ millions	$133	$151
Sustaining capital cost	$ millions	$16	$13
Direct site operating costs (2)	per tonne processed	$15.67	$14.38
Cash operating costs (2,5)	per ounce Au	$526	$524
Total cash costs (2,5)	per ounce Au	$611	$612
Payback period (non-discounted)	years	3.4	3.2
IRR pre-tax/post-tax (3,4)	%	22% / 18%	23% / 20%
Pre-tax /post-tax cash flow (non-discounted) (3,4)	$ millions	$168 / $132	$185 / $156
Pre-tax/post-tax NPV, 5% discount rate (3,4)	$ millions	$102 / $75	$114 / $92
Pre-tax/post-tax NPV, 7% discount rate (3,4)	$ millions	$83 / $59	$92 / $73

1) Initial capital is based on Q1 2013 estimates and includes $24 million for the realignment of US Highway 95, $95 million for plant and infrastructure, $23 million for the mine and $9 million in Owners' costs. The initial capital estimate includes $14 million in contingency allowance. No escalation factors have been applied. IMZ management estimates that a two-year escalation factor (assuming production in late 2015) could result in capital costs increasing by up to $15 million.
2) Direct site operating costs per tonne of ore comprise: mining ($6.65), processing ($5.75) and G&A ($1.99). Cash operating costs include direct site costs plus estimates of transport and refining charges. Total cash costs include cash operating costs plus a 5% Net Smelter Return ("NSR") royalty and the Nevada Net Proceeds on Minerals tax. "Cash operating costs" and "total cash costs" follow guidelines set by the Gold Institute.
3) Cash flow and NPV estimates include a 5% NSR royalty payable to an arm's length third party.
4) After-tax estimates include federal income taxes.
5) By-product accounting was used in the July 2012 Feasibility Study. The Updated Study does not include any by-product silver credit as silver was not modeled as its content is not significant.

Sensitivity of the Gemfield project economics to gold price is summarized below in Table 2. The base case gold price of $1,350 per ounce is highlighted.

Table 2. Gemfield Update Study: Pre-tax Sensitivity Analysis to Gold Price (base case in bold)

Gold Price ($/oz)	$1,100	$1,350	$1,600	$1,850
IRR	10%	23%	34%	45%
Cash Flow ($ millions)	76	185	294	403
NPV 5% ($ millions)	31	114	196	279
NPV 7% ($ millions)	18	92	167	241

Mining

Standard open pit technology using 50 tonne haul trucks to create an ultimate pit with approximate dimensions of 900 meters ("m") by 1,000m and a maximum depth of 170m. Waste material has largely been characterized as benign in terms of acid rock drainage. The average life-of-mine waste-to-ore (strip) ratio is approximately 2.1 to 1, with inter-ramp slope angles ranging from 40 to 45 degrees.

Processing

Three-stage crushing (100% passing 1.0 inch) and cyanide heap leaching followed by carbon adsorption/stripping, electrowinning and smelting to produce gold/silver doré bars for shipment to an off-site refinery. Metallurgical testwork by previous owners of the Goldfield property, combined with IMZ's detailed testwork based on samples from the recent drill programs, form the basis for the process design criteria.

Environmental and Permitting

The Plan of Operations ("PoO") document is close to completion and will be submitted to the Bureau of Land Management ("BLM") within the next 60 days, at which time the Environmental Impact Statement ("EIS") process will commence with an estimated timeline for approval of 15 to 18 months. Permitting should start shortly after the EIS process commences and would run in parallel with the EIS process. Dependent on the preceding timelines, production might be expected in late 2015.

Updated Mineral Reserve and Resource Estimates

Mineral Reserve Estimate

The updated mineral reserve estimate for the Gemfield deposit is shown in Table 3 and was calculated by Sam Shoemaker SME, of Micon International Limited an independent Qualified Person. The updated reserve estimate represents a 21% increase in tonnage and an 11% increase in the contained ounces of gold compared to the previously-published reserve estimate (July 17, 2012). The increase in mineral reserves at Gemfield is primarily due to additional drilling at the southeast part of the Gemfield deposit.

Table 3. Gemfield Deposit - Estimated Mineral Reserves (as of June 17, 2013) at a gold price of $1,450 per ounce and an average cut-off grade of 0.25 g/t Gold.

Reserve Estimate Category	Tonnes	Gold Grade (g/t)	Gold Ounces
Proven	13,751,000	1.1	493,000
Probable	3,509,000	0.7	74,000
Proven and Probable	17,260,000	1.0	567,000

1) The mineral reserves were estimated at $1,450 per ounce of gold, based on optimization and scheduling work conducted in March of 2013, when the spot gold price was approximately $1,600 per ounce of gold. IMZ management believes that using $1,350 per ounce of gold for the pit optimization would not significantly change the estimated reserves or mine schedule.
2) Numbers are rounded to reflect the precision of a reserve estimate.
3) The mineral reserves were classified using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves,
4) IMZ is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that materially affect the validity of these reserve estimates.

Mineral Resource Estimate

Table 4 shows an updated mineral resource estimate for the Gemfield deposit. It was calculated by R. Mohan Srivastava (P.Geo), an independent consultant and Qualified Person.

Table 4. Gemfield Deposit - Estimated Mineral Resources using a 0.25 g/t cut-off (as at June 17, 2013).

Resource Estimate Category	Tonnes	Gold Grade (g/t)	Gold Ounces
Measured	15,500,000	1.0	524,000
Indicated	9,100,000	0.5	157,000
Measured and Indicated	24,590,000	0.9	681,000
Inferred	1,080,000	0.5	18,000

1) Numbers are rounded to reflect the precision of a resource estimate.
2) Estimated mineral resources that are not mineral reserves do not have demonstrated economic viability.
3) To limit the influence of individual samples, high-grade assays were capped at 40 g/t in the main mineralized zone, and at 3 g/t outside this zone.
4) Estimated dry bulk densities of 2.21 to 2.37 tonnes per cubic meter ("t/m3) were used for mineralized material.
5) The grades were interpolated using the "Ordinary Kriging" estimation technique.
6) The contained metal estimates remain subject to factors such as mining dilution and losses and process recovery losses.
7) The mineral resources were classified using the CIM Standards on Mineral Resources and Reserves,
8) The mineral resources are inclusive of the mineral reserves shown in Table 3.

The resource estimation was conducted using all drill assay data available as of mid-January 2013, representing a total of 655 core and reverse circulation drill-holes totaling approximately 94,500m.

The updated resource estimate represents a 44% increase in Measured and Indicated tonnage and a 18% increase in contained gold ounces compared to the previously-published resource estimate (July 17, 2012). The increase in estimated mineral resources at Gemfield is primarily due to additional drilling in the southeast part of the Gemfield deposit and the use of a lower reporting cut-off grade that corresponds to the most recent technical and economic data.

The ordinary kriging method was used for grade interpolation with the search oriented parallel to the mineralized zone, following its undulations and with a radius of 53m in the N25 degrees E direction, 30m in the N65 degrees W direction and 6m in the vertical direction, equal to the ranges of the variogram. A parent block size of 6m×6m×6m was used for estimation, with sub-blocks as small as 1.5m×1.5m×1.5m used to capture the small undulations in the main mineralized zone. 6m×6m×6m blocks were used for inventorying and reporting the mineral resource. All classified mineral resources lie in the oxide zone.

Resource classification was based on the following criteria:

- Measured Resources have blocks within 1/3 of the variogram range of a drill-hole sample from at least four different drill holes in at least four octants.

- Indicated Resources have blocks that are within 2/3 of the variogram range of a drill-hole sample from at least two drill holes in at least four octants.

- Inferred resources have blocks that are within the variogram range of a drill-hole sample.

General

The technical information reported in this news release was reviewed by IMZ's Qualified Person, VP Corporate Development, Nick Appleyard. A National Instrument 43-101 Technical Report, completed by Micon International Limited, will be filed by IMZ on SEDAR within 45 days of the date of this news release.

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; estimates of taxes payable; political and regulatory risks; and other risks and uncertainties detailed in the Company's Annual Information Form for the year ended June 30, 2012, 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 operating costs per tonne; cash operating costs per ounce; and total cash operating costs per ounce. Management believes these items may be useful measures to analyze the economics of the Gemfield project, but readers of this news release should not rely on them 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.

For additional information, contact:

International Minerals Corporation
In North America: Paul Durham
Vice President Corporate Relations

Tel: +1 203 883 8359
Or email us at: Email Contact

In Europe: Oliver Holzer
Marketing Consultant
+41 44 853 00 47

Web Site: http://www.intlminerals.com