NI 43-101 Technical Report

on the

Nivloc Property

Esmeralda County

Nevada, USA

Prepared for:

International Millennium Mining Corp.

3rd Floor, 120 Lonsdale Avenue
North Vancouver, British Columbia, Canada
V7M 2EB

Effective Date: December 31, 2011

Report Date: July 31, 2012

Prepared by:

Seymour M. Sears, B.A., B.Sc., P.Geo.
Sears, Barry & Associates Limited
International Geological Consultants
201-289 Cedar Street, Sudbury, Ontario, Canada P3B 1M8
APGO Certificate of Authorization No. 90150

and

Patrick J. Hollenbeck, B.Sc., CPG
Blue Goo Enterprises, LLC
Resource Modeling
Colorado Springs, Colorado 80903, USA
AIPG CPG No. 11436

and

Allen David Heyl, B.Sc., CPG
P.O. Box 4054, Evergreen, Colorado 80437, USA
AIPG CPG No. 11277

TABLE OF CONTENTS

FIGURES

TABLES

PHOTOS

1.0 Summary

The Nivloc Property consists of 122 lode mining claims located in Esmeralda County, southwestern Nevada, USA. The claims cover the underground workings and surface exposure of the Nivloc Mine, a former silver/gold (Ag/Au) producer. International Millennium Mining Corp. (IMMC) owns a 100% interest in 104 of these claims (IMMC Claims) and has an option to purchase an 85% interest subject to certain terms and conditions defined by an Option and Joint Venture Agreement with Silver Reserve Corp. (SRC) on the remaining 18 claims (Optioned Claims). After IMMC has paid for and acquired the 85% interest in the Optioned Claims, SRC will retain a 15% undivided interest in the Optioned Claims, and further, SRC shall have the option to purchase a 15% interest in the 104 IMMC Claims, provided that it contributes its 15% share of the costs of certain expenditures. Should SRC not exercise its right, SRC's interest would reduce to a 2% Net Smelter Return on the entire Nivloc Property.

The Nivloc Property is located in the geologically complex terrain of the Walker Lane wrench fault zone in the Great Basin of western Nevada. It is underlain by Tertiary aged andesitic to rhyolitic volcanic and sedimentary rocks that are associated with the late Tertiary Silver Peak Volcanic Center. These rocks were deposited upon, and locally intrude a basement of Paleozoic aged metasedimentary rocks and Mesozoic aged granitic rocks which are mainly alaskite. All of these rocks are locally overlain by a Tertiary aged dacite unit, mostly preserved as caps on ridges and hills. Much of the volcanic and sedimentary rocks are thought to have been deposited in a landlocked basin formed by the collapse of the Silver Peak caldera following a major volcanic eruption.

Silver (Ag) and gold (Au) mineralization occurs on the Nivloc Property in epithermal quartz veining and stockwork zones that are hosted within a northeast-southwest trending, northwest dipping normal fault zone referred to as the Nivloc Structure. It cuts all rock types including the underlying basement rocks and has a vertical displacement of up to 180 metres. The Nivloc Structure ranges from 25 – 70 metres in width and is at its widest when the hangingwall is composed of sandstone. It appears to pinch into one or more narrow veins or faults as it intersects the basement sequence at 300 m depth, but there has been very little drilling below this point. It also often pinches into narrow veins and stockwork type veining in the overlying volcanic rocks. The Nivloc Structure has been traced at surface for more than 2,000 metres and it remains open in all directions. The composition of the Nivloc Structure is 30 – 40% quartz-adularia, 30 – 40% sandstone (as fragments, layers and blocks), 30 – 40% altered material (clays, FeOx, MnOx) and up to 5% dykes of granitic composition. The quartz veins display classic primary epithermal vein textures including banding (crustiform and colloform), concentric banding (cockade), comb and prismatic zoning as well as replacement textures (hydrothermal breccias), lattice style bladed crystals (calcite and quartz) and saccroidal. These vein textures are indicative of geochemical and physical conditions that were favourable for deposition of precious metals.

Mineralization was discovered on the Nivloc Property in 1907 and between this year and 1937, there was a limited amount of small-scale production from shallow shafts and pits. From 1937 through 1943, Desert Silver Inc., a subsidiary of Canadian based Bralorne Ltd., mined portions of the deposit and operated a 200 ton per day mill. Historical records indicate that the operation milled a total of 364,064 tons of ore averaging 12.84 oz/ton Ag and 0.0516 oz/ton Au. During that period, 4,675,408 oz of Ag and 18,794 oz of Au were produced. Subsequently, several mining companies (Anaconda Copper, Ranchers Exploration, and Sunshine Silver) evaluated the Property and developed historical resource/reserve estimates.

International Millennium Mining Corp. acquired the Nivloc Property in 2008 and during 2011 carried out a 34-hole diamond-drilling program along with surface mapping and data compilation. The drilling was focused on a 365 metre long un-mined portion of the Nivloc Mine. Thirty of the holes intersected the host Nivloc Structure. Analytic results from sampling of the drill core outlined a wide, altered and mineralized zone containing multiple quartz lenses and intervening narrow quartz stockwork veining. Based upon these drill intersections and lithological data, a 3D geological model and a block model were constructed of the Nivloc Structure for the area drilled. The block model was constrained in thickness by the boundaries of the Nivloc Structure, laterally by the old mined out areas, and vertically by the 800 and 400 levels in the old workings. A block model was constructed using Vulcan modeling software, an industry-standard modeling package. Six tonnage and grade scenarios were generated from the block model data using cutoff grades ranging from 10 to 100 g/t Ag. At a cutoff grade of 40 g/t Ag, the area drilled contains an Inferred Mineral Resource Estimate of 1,640,000 tonnes having grades of 106.47 g/t Ag and 0.78 g/t Au containing an estimated 5,633,000 oz Ag and 41,000 oz Au.

The area tested by the 2011 drilling program and from which the Inferred Mineral Resource Estimate was calculated, represents less than 20% of the known strike length of the favourable host structure within the Nivloc Property. In addition, the vertical extent of the vein system has not yet been determined.

The Nivloc Property is ideally located in an area that has historical and currently producing mines. It has excellent road access and available infrastructure (power lines, water, labour force) as well as existing underground workings. These include a network of underground drifts on at least 9 levels, three shafts and an accessible decline (the Hudson Decline) that extends to within 60 metres of the old workings.

An aggressive multi-phased work program on the Nivloc Property is highly recommended. Phase I of the work program should be designed to increase the confidence level of the current defined resource area by closer spaced drill holes as well as to test the lateral continuity of the zone along strike from the resource area. This Phase is estimated to cost $1,340,000. If results from Phase I are encouraging, a second phase consisting of a major drilling program (surface and underground) along with an underground development and sampling program should be initiated. This work should include the reconditioning and extension of the Hudson Decline into the old Nivloc workings.

2.0 Introduction

2.1 Issuer and Terms of Reference

Sears, Barry & Associates Limited (SBA), Blue Goo Enterprises, LLC (Hollenbeck) and Allen David V. Heyl (Heyl) have been retained by International Millennium Mining Corp. (IMMC), a reporting issuer (TSX-V: IMI), to complete a resource estimate and an independent technical report on the Nivloc Property, Nevada, USA. This report is prepared in compliance with guidelines prescribed by National Instrument 43-101 (NI 43-101), its Companion Policy, NI 43-101CP and Form 43-101F1 of the Canadian Securities Administrators.

The relationship between IMMC and SBA is a professional non-independent relationship. The relationship between IMMC and Hollenbeck and Heyl is a professional relationship between a client and two independent consultants. This report is prepared in return for fees at standard commercial rates and the payment of these fees is not contingent on the results or recommendations in this report.

2.2 Purpose of Report

This report is designed to summarize the scientific and technical data available for the Nivloc Property, to complete a preliminary resource estimate on one targeted area selected and drill-tested by IMMC and to make recommendations for a work program to advance the exploration and possible development of the Property.

2.3 Sources of Information

The conclusions and recommendations in this report are based upon information obtained from public domains as well as from extensive work experience by the authors in the evaluation of precious metal deposits in North and South America. These sources are summarized below and a more detailed listing can be found in section 27.0 References.

- Information supplied by the client including: acquisition history and related agreements; historical information acquired by IMMC from previous owners; a complete dataset from the 2011 drilling program.
- Publications and other information from the Nevada Bureau of Mines and Geology; the US Geological Survey; the US Bureau of Land Management.

- Information from various websites including government agencies; mining and exploration companies that are active in the area and published research.
- Discussions with IMMC representatives, in particular, Tom Evans, a Professional Geologist and Qualified Person who was in charge of the 2011 drilling program at Nivloc.

2.4 Property Visit and Inspection

2.4.1 S. M. Sears

S. M. Sears carried out various consulting assignments for International Millennium Mining Corp. on the Nivloc Property intermittently from May to December, 2011. He visited the Property for the purpose of gathering information for a technical report, examining core and QA/QC procedures and examining the regional geological setting between November 9th and December 31, 2011. He is a “qualified person” within the meaning of National Instrument 43-101 of the Canadian Securities Administration.

2.4.2. P.J. Hollenbeck

P. J. Hollenbeck reviewed the database and the models generated for the purpose of confirming database and modeling order, criteria, and practices between April 15 – May 15, 2012. He then participated in the writing of this report. He is a “qualified person” within the meaning of National Instrument 43-101 of the Canadian Securities Administration. He has previous professional experience in deposits similar to the Nivloc project and has completed database and model inspections in April and May 2012. He did not visit the Nivloc Property.

2.4.3 A.D. Heyl

A. D. Heyl completed on-site inspection of the Nivloc Property, examined the drill core at the core storage site and reviewed the database in Tonopah, NV between April 11 – 14, 2012. He then participated in the writing and editing of this report. He is a “qualified person” within the meaning of National Instrument 43-101 of the Canadian Securities Administration. He has previous professional experience in the project area.

2.5 Units of Measure

The UTM Coordinate System used in this report is NAD 27 CONUS, Zone 11N. Any reference to currency in this report is in Canadian dollars (CDN$) unless otherwise stated.

Measurements used in this report are in the metric system for consistency purposes and to conform to internationally accepted standards of reporting. Most available historical information relating to the Nivloc project is in imperial units (feet, miles, tons, ounces). The drilling program was carried out using imperial measurements, including drill core footages, sampling intervals and lithological information. The conversions used in this report are shown in Table 1.

Table 1 Conversions

Conversions	
1 troy ounce = 31.1035 grams	1 gram = 0.0322 troy ounces
1 ton = 0.9073 tonnes	1 tonne = 1.1023 tons
1 troy ounce/ton (oz/ton) = 34.286 grams/tonne (g/t)	1 gram/tonne (g/t) = 0.0292 ounces per ton (oz/ton)
1 inch = 2.5400 centimetres	1 centimetre = 0.3937 inches
1 foot = 0.30480 meters	1 metre = 3.2808 feet
1 mile = 1.6093 kilometres	1 kilometre = 0.6214 miles
1 acre = 0.4047 hectares	1 hectare = 2.4711 acres

2.6 Definition of Mineral Bearing Zones

Nivloc Structure refers to a zone located on the Nivloc Property that is composed of intensely deformed and altered quartz-bearing rocks whose upper and lower contacts are defined by recognizable, sheeted quartz veins (the upper Nivloc Vein and the Nivloc Footwall Vein). The Nivloc Structure is part of a normal fault zone striking northeast-southwest and dipping moderately towards the northwest.

Nivloc Vein(s), in this report refers to a quartz vein or veins within the Nivloc Structure that have textures that are characteristic of quartz veins associated with an epithermal vein system. Multiple Nivloc Veins occur within the Nivloc Structure.

Nivloc Target Zone or Target Zone, in this report, refers to the area tested by the IMMC 2011 drilling program. It is a 365 m long by 135 m high un-mined area that lies between two portions of the Nivloc Mine that were previously mined. Five access drifts were developed along the strike of the Target Zone during the period when the mine was in production.

Gold Cap, in this report, refers to a portion of the Nivloc Structure, lying between the Target Zone and surface, which was reported historically to contain above average gold content (in comparison to the known part of the Nivloc Structure) and lower, but erratic, silver content.

2.7 Abbreviations and Symbols

The abbreviations and symbols used in this report are listed in Table 2.

Table 2 Abbreviations and Symbols

Name	Abbreviation	Name	Abbreviation
Silver	Ag	hectare(s)	ha
Gold	Au	kilogram(s)	kg
Copper	Cu	kilometre(s)	km
Iron	Fe	metre(s)	m
Zinc	Zn	centimetre(s)	cm
Mercury	Hg	millimeter(s)	mm
Lead	Pb	foot (feet)	ft
Lithium	Li	mile(s)	mi
Molybdenum	Mo	percent	%
Oxygen	O	million	M
Barium	Ba	billion	B
Antimony	Sb	million years	Ma
Thallium	Tl	above mean sea level	amsl
Arsenic	As	parts per billion	ppb
Manganese	Mn	parts per million	ppm
Silver Equivalent	AgEq	Quality Assurance/Quality Control	QA/QC
ounce(s)	oz	Qualified Person	QP
gram(s)	g	reverse circulation	RC
ton(s)	ton	diamond drill hole	ddh
tonne(s)	t	Universal Transverse Mercator	UTM
gram(s) per tonne	g/t	National Instrument 43-101	NI 43-101
ounce(s) per ton	oz/ton	Canadian Dollar	CDN$
tons per day	tpd	United States Dollar	US$
degrees	˚	Bureau of Land Management	BLM
degrees Centigrade	˚C	Plan of Operations	PoO

3.0 Reliance on Other Experts

All conclusions, opinions and recommendations concerning the Nivloc Property are based on information available at the time of this report. The authors have relied on historical reports, mining plans and other data that were prepared by professionals who were employed by the Nivloc Mine owners (Desert Silver) while in production between 1937 and 1943 and later reputable parties (Anaconda Copper, Ranchers Exploration, Sunshine Silver) and the authors see no reason to question the accuracy or content of this data.

4.0 Property Description and Location

4.1 Property Location

The Nivloc Property is located in Esmeralda County, southwestern Nevada, USA. It lies on the eastern side of the Silver Peak Range in the Red Mountain area of the Silver Peak mining district. It is 11 km southwest of the town of Silver Peak, 285 km from Las Vegas (350 km by road) and 270 km from Reno (380 km by road). See Figures 1, 2 and 3. It is centered at UTM 433500 E and 4174500 N, NAD 27 Zone 11 N.

4.2 Claim Ownership in Nevada

Unpatented mining claims in Nevada give the owner the right to explore for and mine within the boundaries of the claim. The state recognizes two types of mining claim, “lode” claim and “placer” claim. Where minerals are hosted in bedrock, as is the case in Nivloc, claims must be lode claims. With the exception of “fractional claims” (claims covering gaps between other claims) claims in Nevada are typically 600ft x 1,500ft (183m x 457m) in size and cover approximately 20 acres (8 hectares) of surface area. Claim corners must be marked in the field with 2 inch by 2 inch by 4 foot wooden posts, 4 inch by 4 foot pvc pipes or rock cairns that are 3 feet (0.92 m) high.

Once a claim is staked, location notices for each claim must be filed with the Bureau of Land Management (BLM) and at the courthouse in the County in which the claims are located. Copies of the individual claim notices and the detailed map showing their locations must be filed with the central BLM office in Reno, Nevada and, in the case of the Nivloc Property with the Esmeralda County Recorder’s office in Goldfield, Nevada. The map and claim notices on file constitute the legal surveys for the Property.

To maintain mining claims in good standing, a claim holder must make annual maintenance fee payments to the BLM prior to September 01, of US$140.00 per claim. An additional fee of US$10.50 per claim plus a document fee of US$8.00 per document, referred to as an “intent to hold” fee, is payable in the County in which the claims are located prior to November 01 annually. Claims expire annually on September 01 if the fees are not paid to the BLM by August 31 or on November 01 if the “intent to hold” fee is not paid to the county.

Figure 1 Regional Location Map

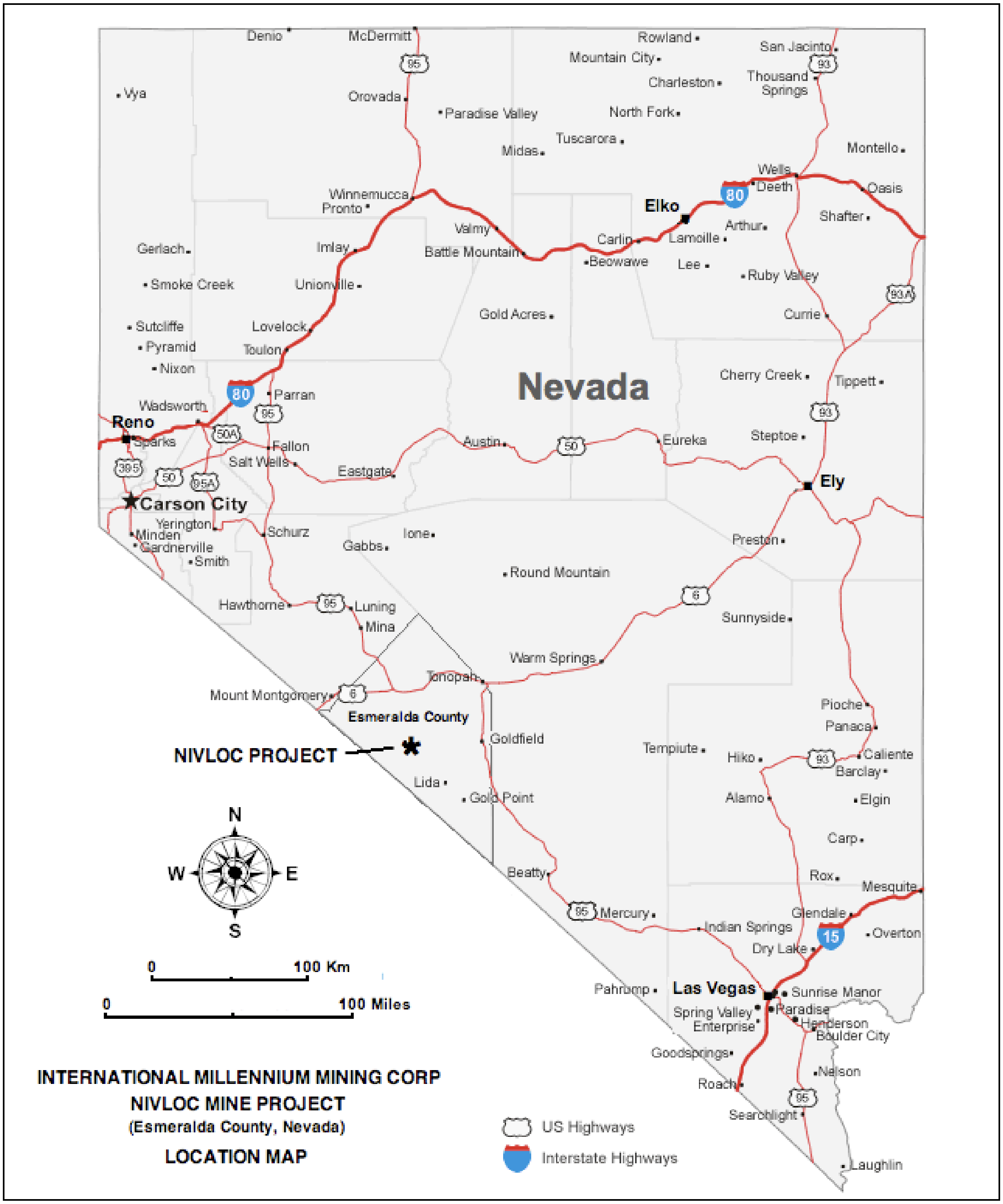

Figure 2 Nivloc Property Location Map

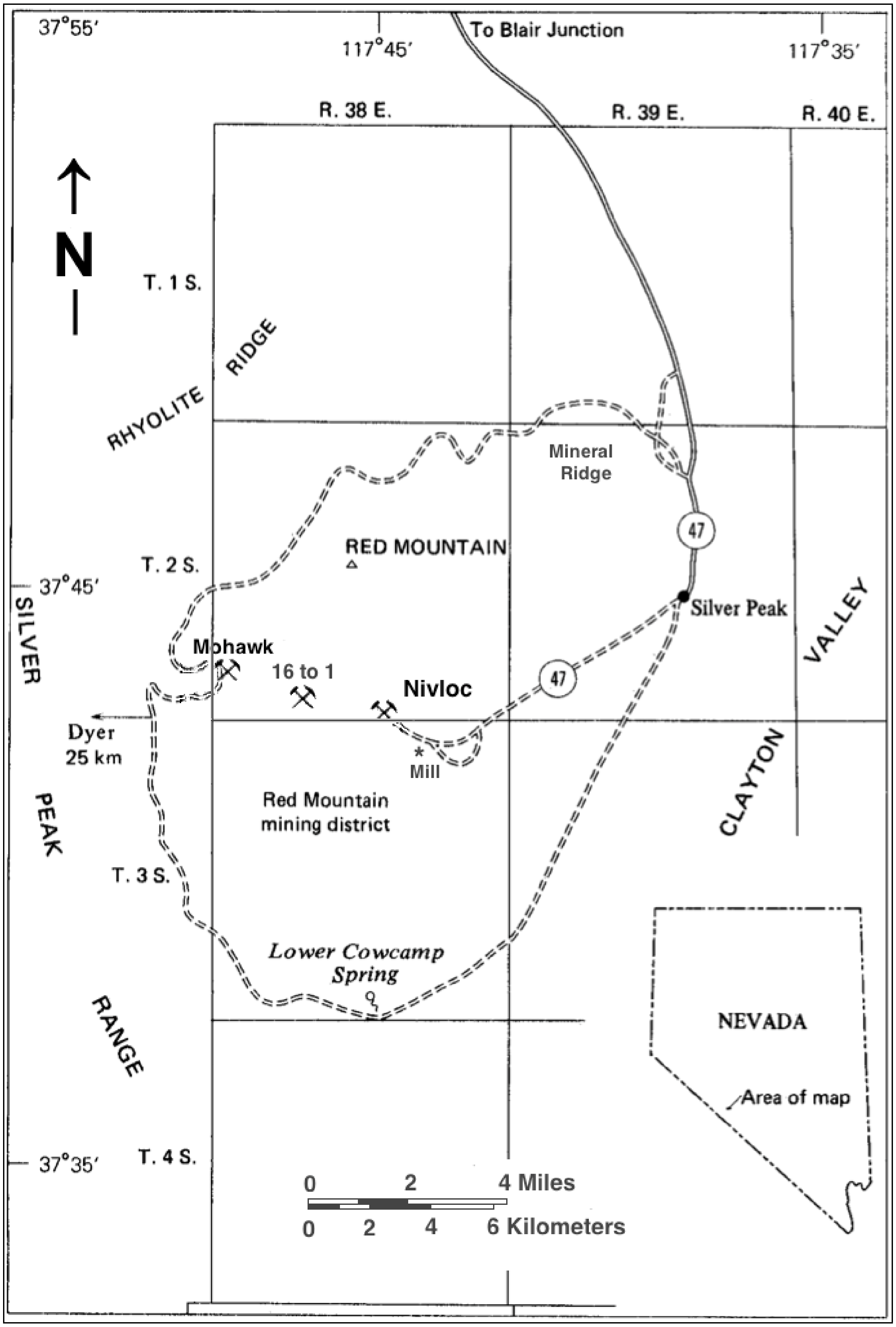

Figure 3 Nivloc Property Local Location Map

4.3 Property Description

Information regarding ownership and description of the Nivloc Property has been obtained from documents supplied by IMMC, including the "Nivloc Property Option and Joint Venture Agreement" dated February 25, 2011 with Addendum thereto, dated May 22, 2012 between Silver Reserve Corp. (SRC) and International Millennium Mining Inc. (IMMI). IMMI, a Nevada corporation, is a wholly-owned subsidiary of IMMC and SRC, a Delaware corporation, is a wholly-owned subsidiary of Infrastructure Materials Corp. In addition, SBA personnel searched and examined claim registration documents at the Esmeralda County Courthouse in Goldfield, Nevada.

The Nivloc Property consists of 122 contiguous unpatented lode mining claims. Due to intentional overlaps that were designed to eliminate potential fractions in the irregularly shaped groups, the overall claim block contains approximately 973 hectares (2,404 acres). In this report, the Nivloc Property has been broken down into three claim groups: i) the original 9 IMMC Claims; ii) the Silver Reserve Corp. Optioned Claims, consisting of 18 claims; and iii) the 95 claims staked by IMMC after the SRC Option. The details of these claim groups are discussed below. See Tables 3 to 6.

Esmeralda County and BLM records indicate that all the Nivloc Property claim filings are current and that the claims are valid until August 31, 2012, when the next annual maintenance fee payments and filings are due. SBA located a number of claim posts in the field, and several key claims covering the Nivloc Mine workings were included in a land survey completed by ASAPS Surveyors, Goldfields, Nevada in December, 2011.

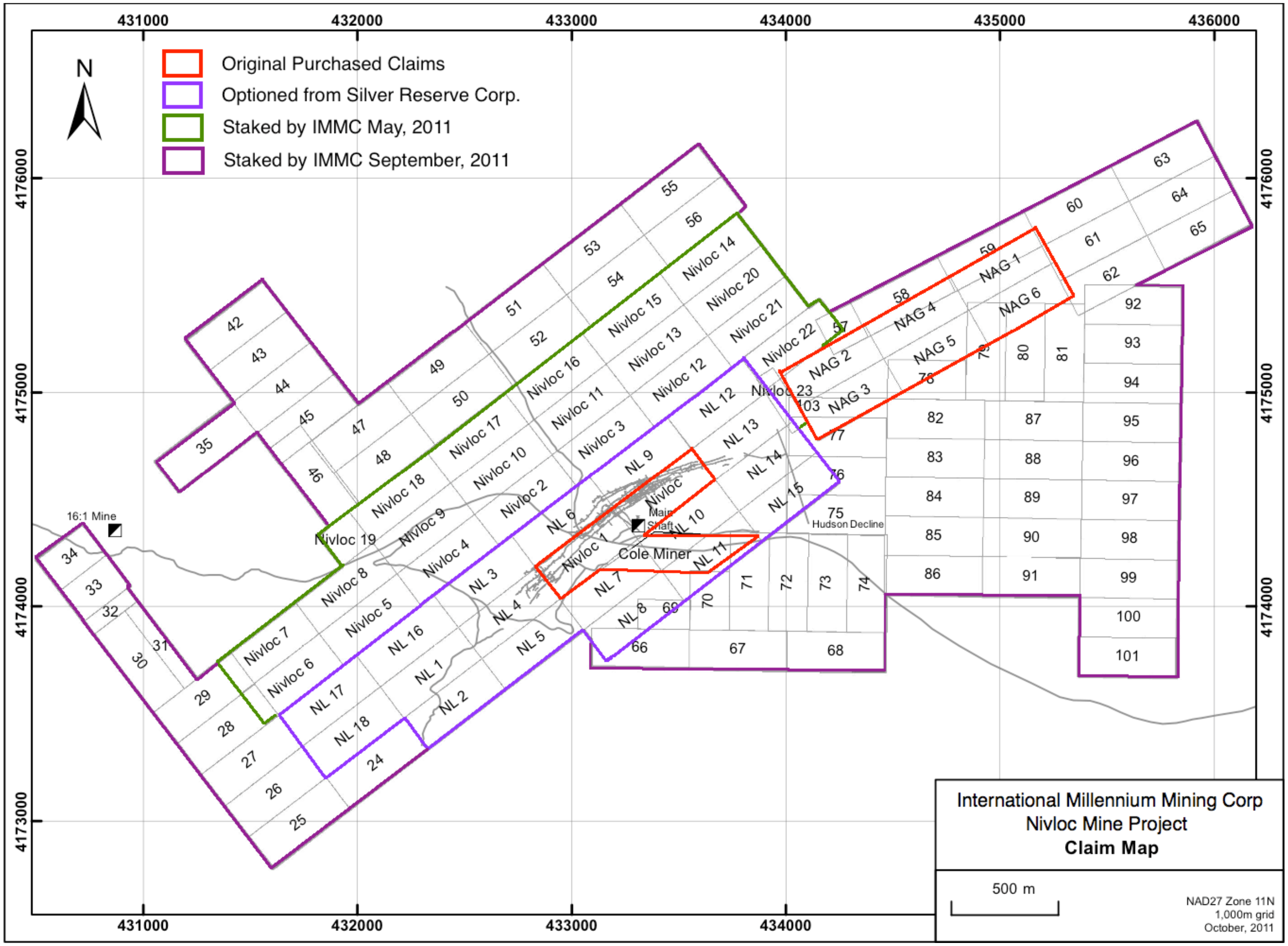

Figure 4 Nivloc Property Claim Map

Table 3 IMMC Original Purchased Claims

IMMC Original Purchased Claims								
Data from BLM Registration Office, Goldfield, Nevada								
Claim	**Recording Date**	**Recorded Holder**	**Map Reference**	**Book**	**Pages**	**BLM Registration Number**	**Hectares**	**Acres**
Nivloc	23-Aug-01	IMMI	155148	209	171-173	824583	8.36	20.66
Nivloc 1	23-Aug-01	IMMI	155148	209	171-173	824584	8.36	20.66
Cole Miner	23-Aug-01	IMMI	155148	209	171-173	824585	9.05	22.35
NAG 1	14-Sep-07	IMMI	168129	256	196-201	965083	8.36	20.66
NAG 2	14-Sep-07	IMMI	174517	278	30-31	1008596	8.36	20.66
NAG 3	14-Sep-07	IMMI	174517	278	30-31	1008597	8.36	20.66
NAG 4	14-Sep-07	IMMI	168129	256	196-201	965086	8.36	20.66
NAG 5	14-Sep-07	IMMI	168129	256	196-201	965087	8.36	20.66
NAG 6	14-Sep-07	IMMI	168129	256	196-201	965088	8.36	20.66
Total	**9 Claims**						**75.93**	**187.63**

Table 4 Silver Reserve Corp. Optioned Claims

Silver Reserve Corp. Option Claims								
Data from BLM Registration Office, Goldfield, Nevada								
Claim	**Recording Date**	**Recorded Holder**	**Map Reference**	**Book**	**Pages**	**BLM Registration Number**	**Hectares**	**Acres**
NL 1	30-Apr-04	SRC	160033	226	420-434	867511	8.36	20.66
NL 2	30-Apr-04	SRC	160033	226	420-434	867512	8.36	20.66
NL 3	30-Apr-04	SRC	160033	226	420-434	867513	8.36	20.66
NL 4	30-Apr-04	SRC	160033	226	420-434	867514	8.36	20.66
NL 5	30-Apr-04	SRC	160033	226	420-434	867515	8.36	20.66
NL 6	30-Apr-04	SRC	160033	226	420-434	867516	8.37	20.67
NL 7	30-Apr-04	SRC	160033	226	420-434	867517	8.36	20.66
NL 8	30-Apr-04	SRC	160033	226	420-434	867518	8.36	20.66
NL 9	30-Apr-04	SRC	160033	226	420-434	867519	8.34	20.60
NL 10	30-Apr-04	SRC	160033	226	420-434	867520	8.36	20.66
NL 11	30-Apr-04	SRC	160033	226	420-434	867521	8.36	20.66
NL 12	30-Apr-04	SRC	160033	226	420-434	867522	8.35	20.63
NL 13	30-Apr-04	SRC	160033	226	420-434	867523	8.36	20.66
NL 14	30-Apr-04	SRC	160033	226	420-434	867524	8.36	20.66
NL 15	30-Apr-04	SRC	160033	226	420-434	867525	8.36	20.66
NL 16	26-Sep-07	SRC	168151	256	241-243	964719	8.36	20.66
NL 17	26-Sep-07	SRC	168151	256	241-243	964720	8.36	20.66
NL 18	26-Sep-07	SRC	168151	256	241-243	964721	8.36	20.66
Total	**18 Claims**						**150.47**	**371.80**

Table 5 IMMC Staked Claims

International Millennium Mining Corp. Claims								
Data from BLM Registration Office, Goldfield, Nevada								
Claim	**Recording Date**	**Recorded Holder**	**Map Reference**	**Book**	**Pages**	**BLM Registration Number**	**Hectares**	**Acres**
Nivloc 2	13-Dec-10	IMMI	181103	300	35-36	1033463	8.36	20.66
Nivloc 3	13-Dec-10	IMMI	181103	300	35-36	1033464	8.36	20.66
Nivloc 4	29-Apr-11	IMMI	182059	303	1-20	1043123	8.36	20.66
Nivloc 5	29-Apr-11	IMMI	182059	303	1-20	1043124	8.36	20.66
Nivloc 6	29-Apr-11	IMMI	182059	303	1-20	1043125	8.36	20.66
Nivloc 7	29-Apr-11	IMMI	182059	303	1-20	1043126	8.36	20.66
Nivloc 8	29-Apr-11	IMMI	182059	303	1-20	1043127	8.36	20.66
Nivloc 9	29-Apr-11	IMMI	182059	303	1-20	1043128	8.36	20.66
Nivloc 10	29-Apr-11	IMMI	182059	303	1-20	1043129	8.36	20.66
Nivloc 11	29-Apr-11	IMMI	182059	303	1-20	1043130	8.36	20.66
Nivloc 12	29-Apr-11	IMMI	182059	303	1-20	1043131	8.36	20.66
Nivloc 13	29-Apr-11	IMMI	182059	303	1-20	1043132	8.36	20.66
Nivloc 14	29-Apr-11	IMMI	182059	303	1-20	1043133	8.36	20.66
Nivloc 15	29-Apr-11	IMMI	182059	303	1-20	1043134	8.36	20.66
Nivloc 16	29-Apr-11	IMMI	182059	303	1-20	1043135	8.36	20.66
Nivloc 17	29-Apr-11	IMMI	182059	303	1-20	1043136	8.36	20.66
Nivloc 18	29-Apr-11	IMMI	182059	303	1-20	1043137	8.36	20.66
Nivloc 19	29-Apr-11	IMMI	182059	303	1-20	1043138	3.33	8.22
Nivloc 20	29-Apr-11	IMMI	182059	303	1-20	1043139	8.36	20.66
Nivloc 21	29-Apr-11	IMMI	182059	303	1-20	1043140	8.36	20.66
Nivloc 22	29-Apr-11	IMMI	182059	303	1-20	1043141	8.36	20.66
Nivloc 23	29-Apr-11	IMMI	182059	303	1-20	1043142	2.79	6.89
Nivloc 24	27-Oct-11	IMMI	184357	309	35-107	1053933	8.36	20.66
Nivloc 25	27-Oct-11	IMMI	184357	309	35-107	1053934	8.37	20.68
Nivloc 26	27-Oct-11	IMMI	184357	309	35-107	1053935	8.36	20.66
Nivloc 27	27-Oct-11	IMMI	184357	309	35-107	1053936	8.37	20.68
Nivloc 28	27-Oct-11	IMMI	184357	309	35-107	1053937	8.36	20.65
Nivloc 29	27-Oct-11	IMMI	184357	309	35-107	1053938	8.36	20.66
Nivloc 30	27-Oct-11	IMMI	184357	309	35-107	1053939	8.36	20.66
Nivloc 31	27-Oct-11	IMMI	184357	309	35-107	1053940	3.48	8.61
Nivloc 32	27-Oct-11	IMMI	184357	309	35-107	1053941	1.97	4.88
Nivloc 33	27-Oct-11	IMMI	184357	309	35-107	1053942	5.02	12.40
Nivloc 34	27-Oct-11	IMMI	184357	309	35-107	1053943	5.02	12.40
Nivloc 35	27-Oct-11	IMMI	184357	309	35-107	1053944	8.34	20.60
Nivloc 42	27-Oct-11	IMMI	184357	309	35-107	1053945	8.36	20.66
Nivloc 43	27-Oct-11	IMMI	184357	309	35-107	1053946	8.36	20.66
Nivloc 44	27-Oct-11	IMMI	184357	309	35-107	1053947	8.36	20.66
Nivloc 45	27-Oct-11	IMMI	184357	309	35-107	1053948	8.36	20.67
Nivloc 46	27-Oct-11	IMMI	184357	309	35-107	1053949	8.36	20.66
Nivloc 47	27-Oct-11	IMMI	184357	309	35-107	1053950	8.36	20.66
Nivloc 48	27-Oct-11	IMMI	184357	309	35-107	1053951	8.36	20.66
Nivloc 49	27-Oct-11	IMMI	184357	309	35-107	1053952	8.36	20.66

International Millennium Mining Corp. Claims (cont.)								
Data from BLM Registration Office, Goldfield, Nevada								
Claim	**Recording Date**	**Recorded Holder**	**Map Reference**	**Book**	**Pages**	**BLM Registration Number**	**Hectares**	**Acres**
Nivloc 50	27-Oct-11	IMMI	184357	309	35-107	1053953	8.36	20.66
Nivloc 51	27-Oct-11	IMMI	184357	309	35-107	1053954	8.40	20.76
Nivloc 52	27-Oct-11	IMMI	184357	309	35-107	1053955	8.36	20.66
Nivloc 53	27-Oct-11	IMMI	184357	309	35-107	1053956	8.36	20.66
Nivloc 54	27-Oct-11	IMMI	184357	309	35-107	1053957	8.36	20.66
Nivloc 55	27-Oct-11	IMMI	184357	309	35-107	1053958	8.36	20.66
Nivloc 56	27-Oct-11	IMMI	184357	309	35-107	1053959	8.36	20.66
Nivloc 57	27-Oct-11	IMMI	184357	309	35-107	1053960	3.34	8.26
Nivloc 58	27-Oct-11	IMMI	184357	309	35-107	1053961	8.36	20.66
Nivloc 59	27-Oct-11	IMMI	184357	309	35-107	1053962	8.36	20.66
Nivloc 60	27-Oct-11	IMMI	184357	309	35-107	1053963	8.36	20.66
Nivloc 61	27-Oct-11	IMMI	184357	309	35-107	1053964	8.36	20.66
Nivloc 62	27-Oct-11	IMMI	184357	309	35-107	1053965	8.36	20.66
Nivloc 63	27-Oct-11	IMMI	184357	309	35-107	1053966	8.36	20.66
Nivloc 64	27-Oct-11	IMMI	184357	309	35-107	1053967	8.36	20.66
Nivloc 65	27-Oct-11	IMMI	184357	309	35-107	1053968	8.36	20.66
Nivloc 66	27-Oct-11	IMMI	184357	309	35-107	1053969	8.36	20.66
Nivloc 67	27-Oct-11	IMMI	184357	309	35-107	1053970	8.36	20.66
Nivloc 68	27-Oct-11	IMMI	184357	309	35-107	1053971	8.36	20.66
Nivloc 69	27-Oct-11	IMMI	184357	309	35-107	1053972	3.33	8.23
Nivloc 70	27-Oct-11	IMMI	184357	309	35-107	1053973	5.02	12.40
Nivloc 71	27-Oct-11	IMMI	184357	309	35-107	1053974	8.36	20.66
Nivloc 72	27-Oct-11	IMMI	184357	309	35-107	1053975	8.36	20.66
Nivloc 73	27-Oct-11	IMMI	184357	309	35-107	1053976	8.36	20.66
Nivloc 74	27-Oct-11	IMMI	184357	309	35-107	1053977	8.36	20.66
Nivloc 75	27-Oct-11	IMMI	184357	309	35-107	1053978	8.36	20.66
Nivloc 76	27-Oct-11	IMMI	184357	309	35-107	1053979	8.36	20.66
Nivloc 77	27-Oct-11	IMMI	184357	309	35-107	1053980	8.36	20.66
Nivloc 78	27-Oct-11	IMMI	184357	309	35-107	1053981	6.69	16.53
Nivloc 79	27-Oct-11	IMMI	184357	309	35-107	1053982	8.36	20.66
Nivloc 80	27-Oct-11	IMMI	184357	309	35-107	1053983	8.36	20.66
Nivloc 81	27-Oct-11	IMMI	184357	309	35-107	1053984	8.36	20.66
Nivloc 82	27-Oct-11	IMMI	184357	309	35-107	1053985	8.36	20.66
Nivloc 83	27-Oct-11	IMMI	184357	309	35-107	1053986	8.36	20.66
Nivloc 84	27-Oct-11	IMMI	184357	309	35-107	1053987	8.36	20.66
Nivloc 85	27-Oct-11	IMMI	184357	309	35-107	1053988	8.36	20.66
Nivloc 86	27-Oct-11	IMMI	184357	309	35-107	1053989	8.36	20.66
Nivloc 87	27-Oct-11	IMMI	184357	309	35-107	1053990	8.36	20.66
Nivloc 88	27-Oct-11	IMMI	184357	309	35-107	1053991	8.36	20.66
Nivloc 89	27-Oct-11	IMMI	184357	309	35-107	1053992	8.36	20.66
Nivloc 90	27-Oct-11	IMMI	184357	309	35-107	1053993	8.36	20.66
Nivloc 91	27-Oct-11	IMMI	184357	309	35-107	1053994	8.36	20.66

International Millennium Mining Corp. Claims (cont.)								
Data from BLM Registration Office, Goldfield, Nevada								
Claim	**Recording Date**	**Recorded Holder**	**Map Reference**	**Book**	**Pages**	**BLM Registration Number**	**Hectares**	**Acres**
Nivloc 92	27-Oct-11	IMMI	184357	309	35-107	1053995	8.36	20.66
Nivloc 93	27-Oct-11	IMMI	184357	309	35-107	1053996	8.36	20.66
Nivloc 94	27-Oct-11	IMMI	184357	309	35-107	1053997	8.36	20.66
Nivloc 95	27-Oct-11	IMMI	184357	309	35-107	1053998	8.36	20.66
Nivloc 96	27-Oct-11	IMMI	184357	309	35-107	1053999	8.36	20.66
Nivloc 97	27-Oct-11	IMMI	184357	309	35-107	1054000	8.36	20.66
Nivloc 98	27-Oct-11	IMMI	184357	309	35-107	1054001	8.36	20.66
Nivloc 99	27-Oct-11	IMMI	184357	309	35-107	1054002	8.36	20.66
Nivloc 100	27-Oct-11	IMMI	184357	309	35-107	1054003	8.36	20.66
Nivloc 101	27-Oct-11	IMMI	184357	309	35-107	1054004	8.36	20.66
Nivloc 103	27-Oct-11	IMMI	184357	309	35-107	1054005	4.18	10.33
Total	**95 Claims**						**746.53**	**1844.68**

Table 6 Nivloc Property Claim Summary

Nivloc Property Claim Summary				
Claim Ownership	**Number of Claim Units**	**Hectares**	**Acres**	**Claim Fees US$ Due Annually August 31**
IMMC Original Claims	9	75.93	187.63	1,354.50
Optioned Claims (SRC)	18	150.47	371.80	2,709.00
IMMC Staked Claims	95	746.53	1,844.68	14,297.50
Total	**122**	**972.93**	**2,404.11**	**18,361.00**

4.3.1 Terms of Ownership and Acquisition Agreements

IMMC, through its wholly-owned subsidiary, International Millennium Mining Inc., holds a 100% interest in 104 of the 122 contiguous mining claims that make up the Nivloc Property. IMMI has executed an option agreement to acquire an 85% interest in the remaining 18 mining claims subject to the terms and conditions of Option and Joint Venture Agreement between IMMI and Silver Reserve Corp. (SRC). The terms of the claim ownership and acquisition agreements are presented in more detail in below.

IMMC Original Purchased Claims

In September 2007, IMMC purchased, from private individuals, a 100% interest in two mining properties near Silver Peak, Nevada for US$ 75,000 cash and 110,000 IMMC shares. The properties include three lode claims covering most of the historic Nivloc Mine workings and six additional lode staked claims lying to the northeast of the Nivloc Mine workings. Together these 9 claims total approximately 76 hectares (188 acres). SRC has the right to participate in these claims by paying an amount equal to 15% of certain expenditures under the terms of the IMMI/SRC Option and Joint Venture Agreement referred to under the 'Silver Reserve Corp. Option Claims'.

Silver Reserve Corp. Option Claims

Pursuant to the Option and Joint Venture Agreement dated February 25, 2011 with Addendum thereto, dated May 22, 2012 (Option Agreement), IMMI has the sole and exclusive right and option to purchase an 85% undivided right, title and interest in and to the 18 Silver Reserve Corp. Optioned Claims (Optioned Claims) in consideration of cash payments to SRC in the total sum of US $350,000 and the issuance to SRC of 1,925,000 shares of the capital stock of IMMC. After IMMI has paid for and acquired the 85% interest in the Optioned Claims, SRC will retain a 15% undivided interest in the Optioned Claims, and further, SRC shall have the option to purchase a 15% interest in the 104 IMMC Claims (SRC Option), pursuant to the following protocol: following IMMI's completion of the acquisition of the undivided 85% interest in the Optioned Claims, IMMI shall be required to prepare and present to SRC a feasibility study, as described in the Option Agreement; and, prepare and present to SRC a written one-year exploration plan and budget for the Nivloc Property, accompanied by a cash call notice to SRC for an amount equal to 15% certain expenditures ("Cash Call"). Upon receipt of the feasibility study, exploration plan and budget and the Cash Call, SRC shall thereupon have a sole and exclusive right and option, for a period not to exceed 120 days from the date of the Cash Call, to acquire a 15% undivided right, title and interest in and to the IMMC Claims, and concurrently retain its 15% undivided right, title and interest in and to the Optioned Claims as consideration for paying to IMMI the amount set forth in the Cash Call. In the event SRC does not exercise the SRC Option, as described herein, the SRC Option shall terminate and SRC's participating interest in the Optioned Claims and IMMC Claims shall transfer to IMMI and IMMI shall have an undivided 100% right, title and interest in and to all of the Optioned Claims and IMMC Claims, and shall be the sole and exclusive owner of all rights, title and interest in and to the Nivloc Property. In this event, SRC shall nevertheless be entitled to retain and receive a royalty equal to 2% of the net smelter returns from operations on the Nivloc Property, as provided in the Option Agreement.

In the event SRC does not exercise the SRC Option and the Cash Call is not fully funded thereafter by IMMI and/or IMMC within 3 months of the date that the subject Cash Call was delivered to SRC, the status of the property ownership and relationship between SRC and IMMI shall revert to the status prior to the Cash Call, i.e., SRC shall own 15% and IMMI shall own 85% undivided right, title and interest in and to the Optioned Claims.

In the event SRC exercises its SRC Option and pays the amount of the Cash Call, the parties shall thereupon be deemed to have entered into a joint venture with respect to all subsequent exploration, development and mining on the Nivloc Property.

The 18 Optioned Claims total approximately 150 hectares (372 acres).

IMMC Staked Claims

Subsequent to the IMMC acquisition of the original 9 claims and the 18 SRC optioned claims, an additional 95 claims were acquired by staking. The 95 claims total approximately 747 hectares (1,845 acres). SRC has the right to participate in these claims by paying an amount equal to 15% of certain expenditures under the terms of the IMMI/SRC Option and Joint Venture Agreement referred to under the 'Silver Reserve Corp. Option Claims'.

4.4 Royalties

4.4.1 Silver Reserve Option Claims

Under the terms of the Option Agreement outlined above (Section 4.3) SRC's interest in the Nivloc Property may be reduced to a 2% NSR Royalty if SRC fails to acquire and maintain their interest according to terms of the Option and Joint Venture Agreement with IMMC.

4.4.2 Proceeds of Mines Act

The Property is subject to taxation (described as a royalty) under the State of Nevada Proceeds of Mines Act, which defines a 2 - 5% levy proportionate to net proceeds of the mine. This "royalty" applies only to net proceeds after expenses, capital and other costs.

4.5 Environmental Regulations

The Nevada Division of Environmental Protection (NDEP) and the US Environmental Protection Agency (USEPA) are generally responsible for the protection of the environment, water and air quality throughout the state of Nevada. There are no specific regulations relating to mineral exploration projects other than monitoring of the local environment. IMMC is responsible for protecting the environment and is required to report any spills or other events that might negatively affect the environment.

4.6 Permits Required

In Nevada, most public lands including the Nivloc Property are managed by the United States Bureau of Land Management (BLM). The BLM recognize 3 levels of activity, each having different permitting requirements. With respect to mineral exploration and mine development the levels include:

1. Casual Use: no particular notification or permits are required (e.g. staking claims, routine prospecting, geological mapping, geochemical sampling, geophysical surveys and related non-disturbance activities).
2. Notice Level Operations: the operator must submit a notice to the local BLM office, 15 days prior to the start of activities including surface disturbance (trenching, stripping, drilling, underground exploration, etc.). The “notice” allows for the disturbance of a 5.0 acre (2.02 hectare) area. It must include a description of the planned activities, a plan for reclamation and the posting of a refundable bond to cover the cost of reclamation. The BLM is required to evaluate the notice and if acceptable, must respond within 15 days of receiving the notice. If approved, or if the 15 day period expires, operations can commence (assuming the reclamation bond is in place) immediately. The notice is for a term of two years but is renewable. Permits are required from the BLM for each drill pad or other proposed area of disturbance (i.e. stripping, access road construction) prior to initiating these activities.
3. Plan of Operations (PoO): if more than 5 acres of lands are to be disturbed or a bulk sample in excess of 970 tonnes (1000 tons) is to be collected, an operator must file a detailed PoO which must be approved by the BLM prior to commencing such activities. This level of activity is designed for advanced exploration and mine development. It requires a considerable amount of planning including baseline studies, construction and

reclamation plans. The BLM has a “one window” policy whereby one application will be evaluated by all government agencies that have a vested interest in the operations. The PoO will be evaluated within 30 days of receipt, but all concerns expressed during that evaluation must be addressed satisfactorily prior to commencement of such operations.

4.7 Status of IMMC Permits

As of the effective date of this report, exploration is being carried out under the authorization of a “notice level operation”. Permits are in place for 6 drill pads and associated access roads. A reclamation bond has been posted for the amount of US$ 33,019. Bonds are refundable once the reclamation has been completed and inspected.

5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Accessibility

The Nivloc Property area can be reached by regular international flights to either Las Vegas (LAS) or Reno (RNO), Nevada and then by Highway US 95 to Tonopah, the nearest sizable town. Tonopah is 346 km (215 miles) from Las Vegas and 383 km (238 miles) from Reno.

From Tonopah the Nivloc Property can be easily accessed by following Highway 95 south for 10 km (6 miles) and then travelling west for 46 km (28 miles) on a graveled desert road to Silver Peak or by following Highway US 95 North in a westerly direction for 54 km (33.8 miles) to Blair Junction and Nevada Highway 265 for 34 km (21 miles) to Silver Peak. From Silver Peak the Nivloc Property lies 11 km (7 miles) along a graveled road that is maintained by Esmeralda County. All of these roads are well maintained. Within the claim group there are numerous trails and small roads that give access to most of the Property. See Figures 3 and 4.

5.2 Climate

The climate in the area is arid with warm summers and cool winters. Daily weather statistics for the town of Silver Peak, 11 km to the east of Nivloc, show an average annual high temperature of 21.9˚C and lows of 4.1˚C (Table 7) . Average annual precipitation is 11.132 cm which includes minor amounts of snow during the winter months. The Nivloc Property is approximately 500 metres higher in elevation than Silver Peak which results in about a 6^{o} Celsius drop in average temperature and a significant increase in annual precipitation. Snow accumulation can reach up to 30 cm at night however; it generally melts quickly during the day.

The climate in the Nivloc Mine area is ideal for year-round surface and/or underground operations.

Table 7 Silver Peak, Nevada - Weather Statistics

Silver Peak, Nevada - Weather Statistics													
Average	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Annual**
Max. Temperature [C]	8.5	12.3	16.5	20.8	26.3	32.4	36.4	35.1	30.3	22.7	14.2	8.0	21.9
Min. Temperature [C]	-7.3	-4.1	-0.2	3.3	8.8	13.8	16.9	15.4	10.2	3.3	-3.1	-8.0	4.1
Total Precipitation (cm)	0.79	0.99	1.35	0.97	0.91	0.66	1.12	1.22	1.04	0.89	0.74	0.43	11.13
Total Snowfall (cm)	0.76	3.05	1.27	0.25	0.00	0.00	0.00	0.00	0.00	0.51	0.25	0.25	6.35
Monthly Climate Summary (Period: 16/10/1967 to 31/12/2011)*													

**Modified from Western Climate Center: wrcc@dri.edu*

5.3 Local Infrastructure and Resources

The small mining towns of Tonopah, Silver Peak and Goldfields are well positioned as sources of labour, equipment, services and supplies needed to support exploration and mine development. Tonopah, with a population of 2,600 (2000 census) has several large chain and local hotels, numerous restaurants, grocery and hardware stores as well as garages for vehicle and small equipment repair. Silver Peak has a population of 376 (2009 census) and the town of Goldfields has a population of 440 (200 census). These towns have a lesser supply of amenities but offer mining related services and expertise as well as a mining friendly attitude.

The Nivloc Property is very well located within a state where mining is an important part of the economy. There are numerous mining operations, historical and active, within Esmeralda and surrounding counties. These include the recently opened Mineral Ridge open pit mine of Scorpio Resources and the Silver Peak Lithium Brine operations of Chemetall Foote, both located within 12 km radius of Nivloc.

A serviced, year round, graveled country road and an electrical power line pass diagonally through the Nivloc Property and within 50 metres of the Main Nivloc Shaft. The power line extends northwestward approximately 2.5 km to the past producing 16 to 1 Mine (previously operated by Sunshine Mining Company) where there is a substation for converting the high voltage line to usable power. The line is currently switched off at the 16 to 1 Mine mill-site (previously operated by Sunshine Mining) located 2.5 km southeast of the Nivloc Mine. This mill site is on privately owned land and some of the buildings, tanks and foundations are intact. The owners, a private company, have plans to rebuild and operate the 16 to 1 mill as a custom milling facility in the future.

IMMC also owns the rights to withdraw water from the Cottonwood Spring located approximately 2 km northwest of the Main Nivloc Shaft. Water is a very important commodity in Nevada and necessary for drilling and mining purposes. The water rights are for up to 60 gallons of water per minute.

5.4 Nivloc Mine Infrastructure

5.4.1 Buildings and Other Facilities

There are three old buildings located near the Main Nivloc Shaft, two of which are currently used by IMMC for core storage. The third building, an old house, is filled with abandoned core from a previous drilling program in the area. None of these buildings are suitable for use in future operations.

The foundations for the historic Desert Silver Mill, which was abandoned prior to 1945, as well as several old tanks and a trestle bridge connecting the Main Nivloc Shaft to the old mill site remain on the site but are in serious disrepair.

The small valley to the east of the mill site contains the tailings from the historic mining operations at Nivloc.

5.4.2 Mine Workings

Approximately 7.3 km of development work including shafts, winzes, drifts, raises and cross-cuts exist at the Nivloc Mine. These workings may be of use in some capacity at a later stage of exploration and development, but they are currently considered inaccessible. At least 3 shafts are known to have been used for access and ventilation in the old underground workings. The levels were named in feet and are relative to the shaft collar (considered 0), but the actual vertical distance between surface and the levels are not accurately measured. The Main Nivloc Shaft has a steel head frame that was installed by the owners in the 1950s replacing the former wooden structure. This shaft is vertical and extends down to the 600 foot level. Two access drifts, one from the 440 level and one from the 600 level were driven northwestward into the vein zone. The other two shafts that reached the workings were both inclined shafts that followed roughly the dip of the footwall vein. One of these, the Stimler shaft, is thought to have been installed as an escape-way. It is located approximately 10 metres northeast of the Main Nivloc Shaft and has an old ladder system in place.

The third shaft, the Pegleg shaft, is located near the western end of the old workings, approximately 500 metres southwest of the Main Nivloc Shaft. In addition to these shafts there are 14 shallow shafts that were mostly sunk prior to or during the 1940s. These were used by small miners who are reported to have been active while the mine was operating and possibly into the 1950s. There is very little information on the extent of these workings, but the amount of waste material around them and historic references suggest that they ranged from 10 to 30 metres in depth with a limited amount of drifting on several of them.

Approximately 800 metres east of the Main Nivloc Shaft, there exists a 2.75 x 2.75 m decline that extends downward, passing through the Nivloc Structure, to a length of 415 metres; at a point of approximately 350 m from the entrance, a downward ramp was driven towards the southwest in the footwall of the Nivloc Structure for 213 m. The end of this ramp is thought to be within 52 m horizontally of and 7.6 m above the 600 level of the eastern end of the old Nivloc workings. The decline was driven in 1970 and is in relatively good condition, making it a valuable asset in the future exploration and development of the Nivloc Property.

5.5 Physiography

Nevada lies mostly within the Great Basin of western United States, a 200,000 square mile region lying between the Rocky Mountains on the east and the Sierra Nevada Mountain Range on the west. Its defining characteristic is that all rivers and streams drain inward terminating in lakes, salt flats and marshes that have no outlet to the ocean. The Nivloc Property is located on the western side of the Great Basin, a short distance from the Sierra Nevada Mountain Range.

The local area is considered to be “highland desert”. Drainage is towards the south and east into the Clayton Valley. Vegetation in most of the area covered by the Nivloc Property is very sparse and dominated by sage brush. Other species that occur in the lower elevations include fourwing saltbrush, several varieties of patchy grasses and minor low lying cactus. Small cottonwood brush and wetland reeds and grasses grow along the small creek draining Cottonwood Spring on the western side of the Property.

At elevations above 2,150 m in the northern part of the Nivloc Property, sparse pinion pine, Utah juniper and other scrubby coniferous trees become the dominant vegetation.

Wildlife in the area includes small populations of Mule Deer, Desert Bighorn Sheep, wild Horses & Burros, Mountain Lion, Coyote, Blacktailed Jackrabbit, and various small rodents, birds, and reptiles.

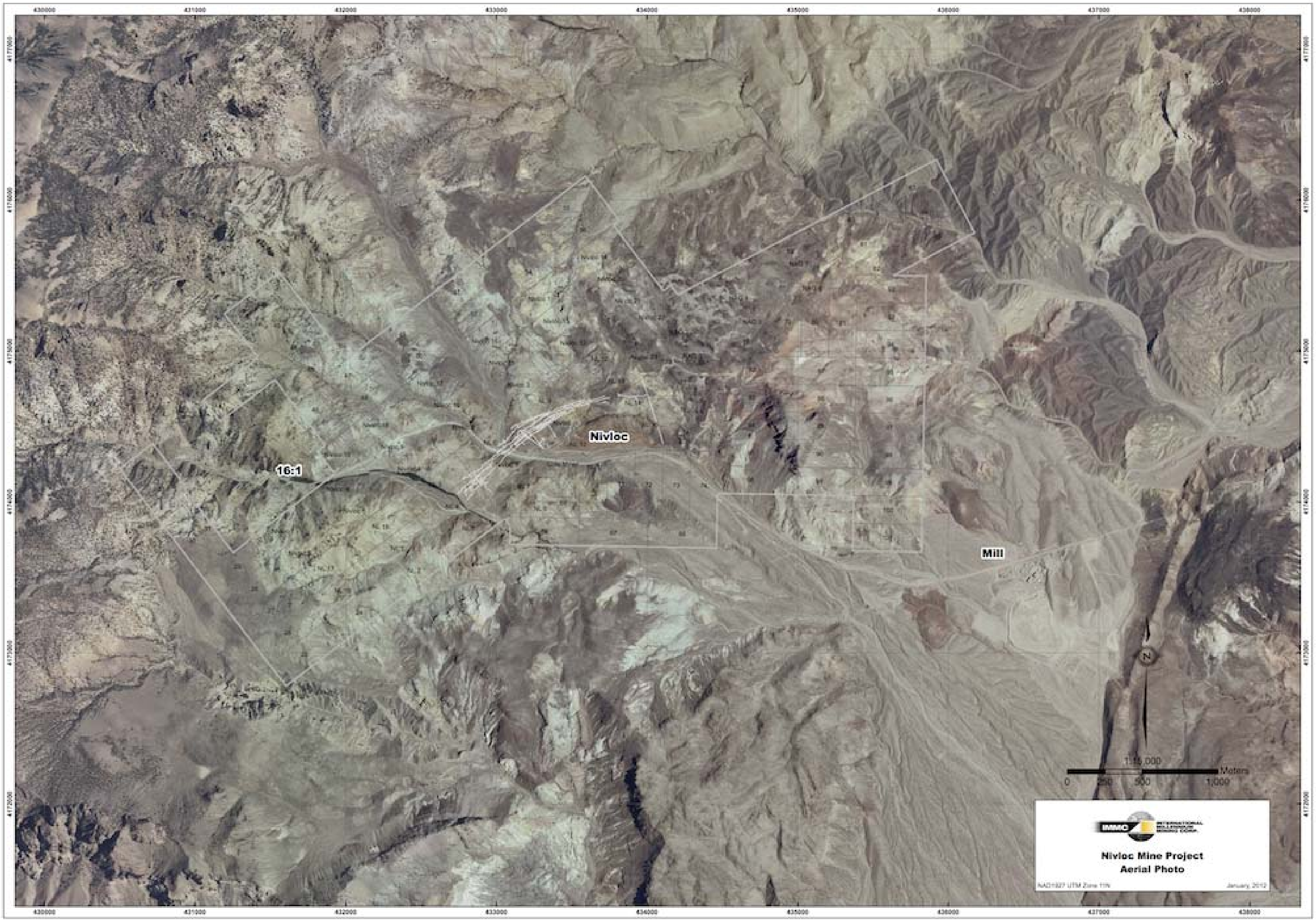

Figure 5 Nivloc Property Aerial Photograph showing Physiography

6.0 History

6.1 Ownership and Development History

1907: Discovery by a “wandering Indian of unknown name and origin” and located (staked) by Mr. Harry Stimler and sold to Mr. W.H. Colvin, a Chicago broker in the same year.

1907 – 1934: Mr. Colvin completed sporadic development work including: sinking a vertical shaft to 440 feet with lateral development on three levels – 105 ft level (200ft), 201 ft level (340 ft) and the 440 ft level (<2,000 ft); drove 3 winzes down the dip of the vein from the 440 ft level – “A” winze (350 ft); “B” winze (150ft); “C” winze (175 ft); developed a small level from 100 ft down on Winze “A”. In addition, numerous other shafts were sunk along the vein, some with lateral development estimated to be 2000 ft (Whitley, 1934). Approximately 100 tons of ore is reported to have been mined from the 40 ft level and “20 to 30 car loads” of ore was shipped from the other shallow shafts.

1934 – 1937: The property was acquired by Mr. F.A. Vollmar who completed additional underground development and established several ore zones.

1937 – 1943: Desert Silver Inc., a wholly owned subsidiary of a Canadian company, Bralorne Ltd., purchased the property and initiated production in 1937. The company built a 200 ton per day (tpd) cyanide mill and between 1937 and 1943 produced a total of 364,064 tons of material having an average grade of 12.84 oz/ton Ag and 0.0516 oz/ton Au (Nivloc Mines, 1946). Development work totaled more than 24,000 ft (shafts, raises, winzes, levels) with lateral development for a distance of 3,000 feet. The Main Nivloc Shaft was sunk to the 600 foot level, a winze sunk from the 600 – 900 ft level and another winze from the 900 to the 1100 level. Drifting by level included: 440 ft level (3,000 ft); 500 ft level (1,300 ft); 600 ft level (3,700 ft); 700 ft level (3,000 ft); 800 ft level (1,900 ft); 900 ft level (900 ft) (Nivloc Mines, 1946). In 1943, as a result of labour shortages and other issues relating to US government wartime order L-208, production was suspended.

1943 – 1946: During this period the mine property was held in trust by Mr. B. Thatcher. The mill was torn down prior to 1945; a “few carloads” of direct shipping ore was produced during this period by local interests.

1946 – 1956: Nivloc Mines Ltd. acquired ownership of the mine from Desert Silver. During this period approximately 1000 tons of ore was mined and shipped directly to a smelter.

1956 – 1960: US Mining and Milling Corporation (USMMC) acquired the property along with an option to acquire a 250 tpd mill in Silver Peak. During this period, there was no production from Nivloc.

1960 – 1964: USMMC fell into bankruptcy and during this period the Nivloc Mine assets, including claims covering the western part of the Nivloc Structure, were frozen.

1962 – 1975: Claims covering the northeastern part of the Nivloc Structure (Bighorn Extension claims) were acquired by W.T. Hudson, who formed a company named Silver Ridge Mining Company (Silver Ridge). Silver Ridge drove the Hudson Decline (aka. “Silver Jack decline” and “Bighorn decline”) around 1970.

1964 – 1973: Mid-Continent Uranium Corporation (Mid-Continent) and Sunshine Mining Company (Sunshine) jointly purchased claims covering the Nivloc Mine from a bankruptcy trustee and acquired other assets in the area (including the 16 to 1 Mine located 2.5 km northwest of Nivloc). Sunshine funded an exploration program on several properties in the Silver Peak area including the Nivloc and the 16 to 1 Mines. In 1973, they earned a 75% interest and became the operator of the venture.

1973 – 2000 During this period, Sunshine/Mid Continent carried out exploration and development of many properties in the Silver Peak area, focusing mainly on the 16 to 1 Mine. This included the construction of a 400 tpd mill located approximately 2.5 km southeast of the Nivloc Property. Mining commenced on the 16 to 1 Mine in 1981 and continued until 1986. In 1985, the companies completed a resource estimate for the Nivloc Mine and in January of 1986, they completed an in-house feasibility study aimed at developing and mining the Nivloc deposit but development did not proceed. During the 1990's, Sunshine encountered severe financial difficulties and eventually declared bankruptcy. The Nivloc claims were abandoned.

1975 – 1980: The Bighorn Extension claims were optioned from Silver Ridge by Sunshine who completed surface work and 2 drill holes from underground.

1981 – 1984: Ranchers Exploration and Development Company (Ranchers) optioned the Bighorn Claims from Silver Ridge who completed 2 reverse circulation drill holes from surface. In 1984, Ranchers was acquired by Hecla Mining and the Bighorn Extension claims were transferred to Sunshine (apparently an affiliated company to the merger).

2001 – 2007: Three claims (Nivloc, Nivloc 1 and Cole Miner) covering most of the surface exposure of the Nivloc Structure as well as the old tailings deposits were staked (located) by F & K Eagan, local area residents.

2004 - 2006: Fifteen claims (NL-1 to NL-15) surrounding the Eagan claims were staked by Mineral Exploration & Development Co ("MED") of Mina, Nevada; these were then transferred to Mojave Silver Company, Inc. of Sparks, NV (Mojave); In 2006, Silver Reserve Corporation (Silver Reserve) purchased these claims from Mohave and staked 3 additional claims (NL-16 to NL-18).

2007: IMMC purchased the 3 claims covering the core of the Nivloc Mine (Nivloc, Nivloc 1 & Cole Miner) from F & K Eagan along with an additional 6 claims (NAG-1 to Nag-6) lying northeast of the Silver Reserve claims.

2011: IMMC optioned the 18 Silver Reserve claims and acquired, by staking, an additional 95 claims. The IMMC land position now totals 122 claims.

6.2 Project Exploration History

Since the Nivloc Mine was closed in 1943, there has been a very limited amount of exploration activity on the Property. Parts of the claims were held at different times by different individuals or corporations. There are numerous pits trenches, shallow shafts and short adits along the strike of the Nivloc Structure, but there is very little information as to who completed this work, when it was completed and what the results of their efforts were. The following is a brief summary of the most significant work carried out on the claims currently owned by IMMC, for which there is documented information. The precise timing of some of the work is not clear.

1948: Anaconda Copper Mining Company completed an assessment of the property, including underground sampling and a resource estimate (Wilson, 1948). The resource estimate is described in Section 6.3.

1970: Silver Ridge Mining Company drove the Hudson decline on the eastern end of the Nivloc Structure. The decline was driven at an angle of -10˚ for a distance of 412 m. At the 350 m point, a ramp was then driven in the footwall of the Nivloc Structure for approximately 230 metres towards the west-southwest to a point that is thought to be approximately 52 m laterally and 5 m above the 600 level of the old easternmost Nivloc underground workings. The decline passed through the Nivloc Structure from 355 to 385 m.

1975 – 1976: Sunshine Mining Company optioned the Silver Ridge property and completed two drill holes from the bottom of the decline (see drilling Section 10.1.1) and carried out geological mapping along the surface trace of the Nivloc Structure and a test line of soil sampling near the surface projection of the decline. The geological and soil data are not available but an old memo (Forrest, 1976) suggests that the soil sampling data successfully detected the surface projection of the Nivloc mineralization.

1982: Ranchers Exploration and Development Corporation completed trenching and 2 drill holes from surface (see drilling Section 10.1.2) in the northeastern part of the Nivloc Structure, beyond the old workings and further northeast than the Hudson decline (Ranchers, 1981-1988).

1985 to 1986: Sunshine Mining Company completed a resource estimate (Earnest, 1985) and a feasibility study (Bagan, 1986) focused on mining selected parts of the Nivloc deposit. The resource estimate is discussed in Section 6.3. The feasibility study was an in-house study that was designed to assist management in making a decision to re-open the Nivloc Mine and processing the mineralized material in their existing mill (the 16 to 1 mill, located 2.5 km southeast of the Nivloc Main Shaft). The conclusions were based upon “reserves” that pre-date the implementation of NI 43-101 and are therefore not compliant. Details from the feasibility study are not included in this report.

As part of the evaluation of the Nivloc Mine, Sunshine Mining completed 11 drill holes between 1985 and 1986 (see Drilling, Sections 10.1.3 and 10.1.4). Three of the holes were designed to verify precious metal grades in three mineralized blocks in their non-NI 43-101 compliant resource estimate (see Historic Resources, Section 6.3.2). The assay results from their drilling were found to be very close to the results from the historic underground sampling.

The other 8 holes were part of a broader exploration program designed to investigate a near surface source of mineralization to process in their nearby mill (16 to 1 Mill). The work program started with a surface exploration program along the trend of the Nivloc Structure, between Silver Lake on the southwest end and a point west of the county road, approximately 150 metres southwest of the Main Nivloc Shaft. The surface program included geological mapping, geochemical soil sampling, manual and mechanical trenching and rock sampling. The work identified a near surface zone of relatively high gold mineralization with lower and erratic silver located between the county road and a point approximately 350 metres southwest of the Main Nivloc Shaft. The zone is referred to as the “Gold Cap”. A 24 metre long section of this zone is reported to have an average width of 5.2 m that assayed 843 g/t Ag and 2.13 g/t Au. The zone was sampled in 5 surface trenches towards the southwest but lower grade values were reported. During 1986, Sunshine Mining drilled 5 reverse circulation and 3 diamond drill holes to test this shallow target. The drill logs and precise locations of these holes are not available and results are incomplete.

2007 – 2008: Silver Reserve Corp. completed 7 drill holes in the southwestern part of the Property, beyond the “Target Zone” that is the focus of this report. A summary of the drilling is included in Section 10.1.4. One of these holes was drilled towards the Nivloc Structure and intersected it at a shallow depth. The other 6 holes appear to have been directed towards other targets or were drilled without benefit of historical information.

2008 – 2011: IMMC acquired the Property in 2008 and in 2011 completed a work program that included acquisition of historical data files from archives of the NBLMG, data compilation and validation, a topographic survey of the mine area, completed a 34 hole diamond drilling program, and commenced to construct a digital geological model of the Nivloc Structure.

6.3 Historic Resources

There have been numerous resource estimates considered and proposed by various owners or potential owners of the Nivloc Property since 1943. Most of these refer to all or portions of resources estimated by the following two companies.

6.3.1 Anaconda Copper Mining Company (Wilson, 1948)

In 1948, Anaconda Copper Mining Company carried out an in depth study of the Nivloc Mine which included underground examination and confirmation sampling in parts of the old workings where mineralization had been identified by Desert Silver. The exact parameters of the resource are not clear and all of the material identified was considered to be "mill grade ore" (Wilson, 1948). The estimate, considered a "reserve" at the time was:

Table 8 Anaconda Copper - Reserve Estimate

Anaconda Copper Mining Company - Reserve Estimate 1948		
680,857 tons (617,663 tonnes)	6.91 oz/ton Ag (237 g/t Ag)	0.042 oz/ton Au (1.44 g/t Au)

This reserve estimate uses categories that are inconsistent with reserve categories as currently defined by CIM Definition Standards on Mineral Resources and Reserves (CIM standards) and should not be relied upon.

6.3.2 Sunshine Mining Company (Earnest, 1985)

In 1985, Sunshine Mining Company (Sunshine) completed an exhaustive review of all available sampling plans and related data for the Nivloc Mine. Since the underground workings were inaccessible at the time, Sunshine relied upon the sampling information from the Desert Silver operations (1937 to 1943) and sampling information completed by Anaconda Mining Company in 1948. In order to verify some of this information, Sunshine completed 3 diamond drill holes designed to intersect 3 of the resource blocks outlined by the historical sampling. The assay results from the drilled intervals correlated very well with the average block grades delineated by the historic sampling. Variations between drill results and historic block grades for silver were reported to be approximately 2% lower for silver and 83% higher for gold while true widths ranged from 24 to 437% wider.

The main parameters used in the estimation of the Nivloc "mine ore reserves" were:

- All Ore blocks bounded on at least one side by existing mine workings.
- Maximum block projection of ½ the vertical distance between levels.

- Mining width of 12 feet (3.66 m).
- Tonnage factor of 12.0 cubic feet per ton (specific gravity of 2.66).
- Cut-off grade of 3.0 oz/ton Ag (102.9 g/t Ag).
- Dilution factor of 10% @ grade of 0.02 oz/ton Au, 2.0 oz/ton Ag (0.69 g/t Au, 68.6 g/t Ag) based upon using Vertical Cave Retreat (VCR) type mining.

The 1985 "reserves" were estimated as:

Table 9 Sunshine Mining - Reserve Estimate

Sunshine Mining Company - Reserve Estimate 1985		
621,314 tons (563,647 tonnes)	4.5 oz/ton Ag (154 g/t Ag)	0.03 oz/ton Au (1.03 g/t Au)

The Sunshine "reserve" estimate is historic in nature and used categories that are inconsistent with resource and reserve categories as currently defined by CIM standards and should not be relied upon.

6.4 Production History

The Nivloc Mine was operated by Desert Silver from October 01, 1937 until July 31, 1943. During that period it was reported to be the largest silver producer in Nevada. Production records indicated that 4,675,408 ounces of silver and 18,794 ounces of gold were produced from a tonnage of 364,064 tons (330,273 tonnes). The calculated "recovered" grade was 12.84 oz/ton (440 g/t) Ag and 0.0516 oz/ton (1.769 g/t) Au.

In 1942, the United States War Production board issued a Limitation Order, L-208, which required that all operating mines producing non-essential products, including gold and silver, were to cease operation. The purpose of this order was to redirect equipment and manpower for essential wartime uses, in particular for the production of other strategic metals such as copper and molybdenum.

Desert Silver continued operations temporarily with escalating manpower and equipment shortages and very limited development work; the Nivloc Mine was closed in August 1943. Since there was no end to the war in the foreseeable future, the mill was dismantled and sold for scrap.

Although there are no accurate records available, old reports refer to the possible mining of approximately 907 tonnes by the former developer of the mine, a Chicago based broker named

W.H. Colvin during the 1920s. An additional 907 tonnes may have been mined from near surface workings following the closing of the mine in 1943.

7.0 Geological Setting and Mineralization

7.1 Geological Setting

7.1 .1 Regional Geology

Nevada has had a very complex geologic history since Precambrian time, and for the last 500 million years it has been directly affected by the westward movement of the North American Plate. The Nivloc Property is located in southwestern Nevada within the Great Basin province of western North America, astride the western edge of the Walker Lane wrench fault zone. Within the Great Basin province, exposed rock units range from late Precambrian metasedimentary rocks to Pleistocene cinder cones and present day eruptive tuffs. Tectonic events include alternating periods of continental scale compression, extension, and shearing.

The Great Basin is an active extensional terrain, with the eastern and western edges of the region, roughly the current sites of Salt Lake City (east) and Reno, Nevada (west), having moved apart by some 161 kilometers (100 miles) in the past 40 million years since the mid Cenozoic (late Eocene). Prior to this period of extensional movement, the region had seen at least three major periods of compression during the late Paleozoic, Mesozoic and Cenozoic. The two oldest events, the late Paleozoic Antler and the Sonoma orogenies are characterized by large-scale eastward directed low-angle, overthrust faulting. These tectonic events include alternating periods of continental scale compression, extension and shearing. The Laramide orogeny took place in the Mid Mesozoic through the Early Cenozoic, and is typified by extensive plutonism and volcanism.

The geologic activity since the Late Eocene has been characterized by two opposite forces. First is the continuation since the Laramide orogeny of active plate compressional deformation along the America/Pacific plate boundary that has had its force distributed eastward, inboard across a wide zone of the western margin of the North American plate. This extends from the San Andreas Fault eastward into the western Basin and Range province an area referred to as the Walker Lane Belt (WLB). In the central WLB in southwestern Nevada the deformation is being accommodated along a system of Miocene and younger faults with strain partitioned into components of extension, strike-slip faulting and rotation of crustal blocks between the fault systems in the region (Petronis, 2005). The WLB is a northwest-southeast trending zone, from 70 – 170 km wide that separates the Great Basin terrain (Basin and Range Provinces) to the east and the northwest trending Sierra Nevada mountain range to the west (Stewart, 1988;

Faulds and Henry, 2008). The complex structure within the WLB is due to the northwest movement of the Pacific oceanic plate relative to the North American continental plate. This movement has created major northwest trending, right-lateral wrench faults and associated deformation within the WLB.

The deformation of the fabric of the Basin and Range is typified by the Walker Lane wrench fault zone, as can be seen in Figure 6 parallel to the Nevada-California border and running through the Nivloc Property. Figure 7 shows the approximate extent of the WLB along with a subdivision of domains, based upon the “dominant style of faulting” within each block (Steward, 1988; Faulds and Henry, 2008). The Walker Lane wrench fault zone takes up 15 to 25 percent of the boundary motion between the Pacific Plate and the North American Plate, the other 75 percent being taken up by the San Andreas Fault system to the west. The Walker Lane may represent an evolution into an incipient major transform fault zone, which could replace the San Andreas as the plate boundary in the future.

Second, the area has been continuously affected from below by orogenic, extensional, igneous activity until the present. Nevada lies within the active Basin and Range province, a Late Cenozoic (15 Ma) extensional geologic environment that evolved from the earlier Mid Cenozoic orogenic activity. The Basin and Range is dominated by a series of broadly north-northeasterly trending linear mountain ranges separated by broad sediment filled valleys. The Basin and Range geomorphic pattern is thought to be a result of stretching and thinning of the earth’s crust in a broad antiform above the subduction zone, of the Pacific Plate while it has descended beneath the North American Continental Plate.

One demonstration of the Mid Cenozoic orogenic activity was the formation of detachment fault structures over the majority of the Great Basin between the antiformally arching lower basement rocks and the overlying sedimentary and igneous rocks. This stretching and thinning has created an extensional environment with regional scale north-south trending normal faults that result in the alternating Basin and Range structures. Erosion of the uplifted blocks (ranges) has produced sediments that have partially in-filled and leveled the valleys (basins).

The complex plate tectonics that formed the Basin and Range environment were accompanied by abundant igneous activity (volcanism, dykes, sills and shallow intrusions) within the resulting geological sequence. This activity is known to have been the heat generators that have driven many hydrothermal systems and created many mineral deposits in the Great Basin.

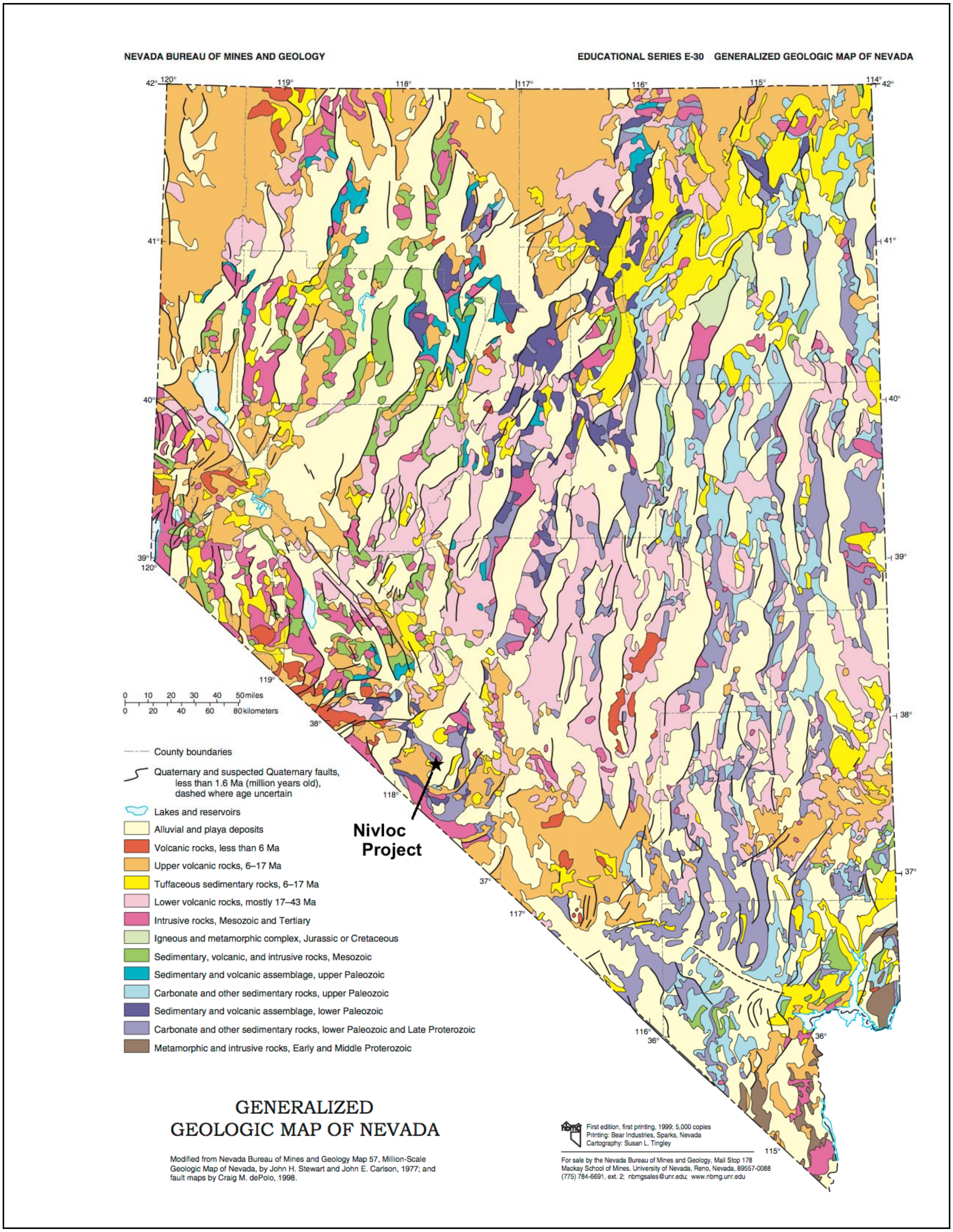

Figure 6 Geological Map of Nevada

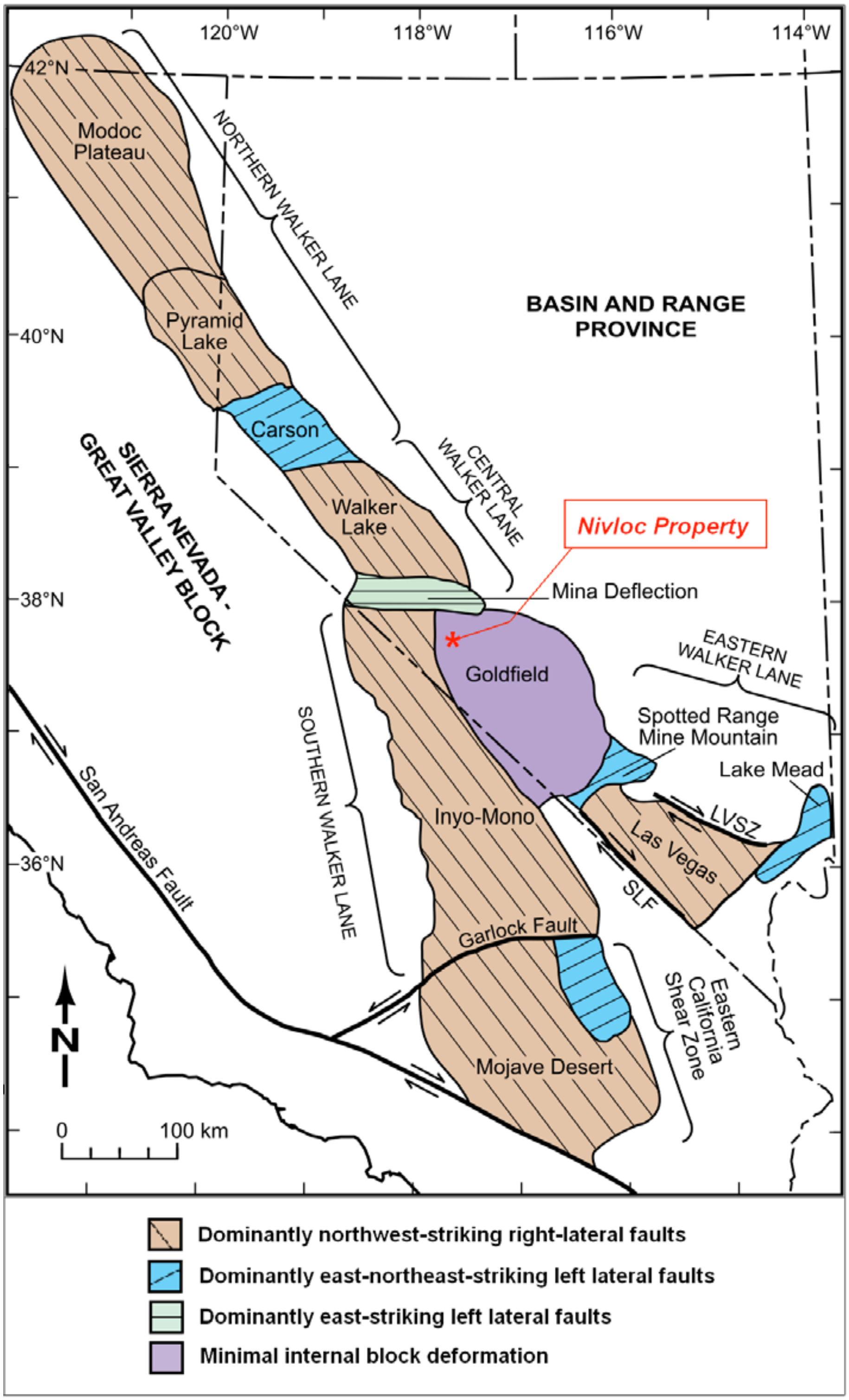

Figure 7 Walker Lane Trend Deformation Blocks

7.1.3 Local Geology

The Nivloc Property lies within and near the southeast end of the Silver Peak volcanic center (SPVC), a northwest-southeast trending belt of Miocene and Pliocene aged, slightly alkaline, potassic volcanic and associated sedimentary rocks bounded on all four sides by Cambrian aged metasedimentary, metavolcanic rocks and younger intrusive rocks (Keith, 1977; Robinson, 1968, 1972; Spurr, 1903) (Figure 8). The SPVC is part of the Silver Peak extensional complex which is a displacement-transfer system linking the Furnace Creek – Fish Lake Valley fault system and transcurrent faults of the central Walker Lane (Petronis, et al, 2002). One of the primary units from the earlier part of this period includes the regionally extensive Candelaria pyroclastic sequence which was erupted from several distinct source areas likely separated by several kilometers. It has been dated at 25.7 Ma and 23.8 Ma (Petronis, 2005).

Mid Miocene to Pliocene (11 to 6 Ma) displacement on the shallowly northwest dipping Silver Peak - Lone Mountain detachment system transferred 30 to 40 km of right slip. Top-to-the-northwest slip on the detachment by the upper plate lower Paleozoic sedimentary and Tertiary volcanic and volcaniclastic rocks was accompanied by upper-plate extension on steeply dipping faults and large-scale exhumation of metamorphic midcrustal rocks of the lower-plate complex. Doubly plunging, northwest-trending folds (turtleback structures) control the outcrop distribution of the extensional complex and formed in response to simple shear of the footwall complex (Oldow J.S., et.al., 1994).

The Miocene–Pliocene pyroclastic and sedimentary rocks of the upper plate and the lower plate metamorphics had modest horizontal-axis tilting (northwest-side-up) and modest vertical-axis rotation (some 20° clockwise) within the Silver Peak extensional complex concurrent with uplift of the lower-plate rocks. The preferred age estimate for mafic intrusions suggests emplacement between 12 and 10.5 Ma. The lower-plate granitic rocks had rapid cooling from well above 300 °C to 100 °C between 13 and 5 Ma. (Petronis, et al, 2002, 2007).

Activity on the detachment ceased as Miocene - Pliocene (6 - 4.8 Ma) volcanic rocks were erupted and deformed during the final stage of northwest-trending folding. Late Pliocene to Holocene displacement transfer shifted north to a curved array of steeply dipping faults that may be underlain by a shallowly northwest-dipping detachment (Oldow, et.al., 1994).

Rocks within the Pliocene Silver Peak volcanic center include a lower sequence composed mainly of fanglomerates, sandstone and finer grained sediments, overlain by a sequence of trachybasalt to andesitic to rhyolitic volcanic rocks (breccias, tuffs, flows), with latite the most voluminous (Robinson, 1972). They are capped by a layer of latite and porphyritic rhyolite (Figure 9). The latter rocks dated around 5.9 ± 0.2 Ma are thought to have been deposited over a very short time period. This rapid volcanic eruption resulted in the formation of a collapsed caldera near the center of the SPVC. The collapse is thought to be partially responsible for the formation of northeast trending graben and normal fault structures which later became the loci for mineralizing fluids. These structures are host to most of the known Ag-Au deposits in the Red Mountain mining district.

All of the above rocks are thought to have been deposited on the Paleozoic aged basement rocks, although these are not exposed at surface. On the Nivloc Property these rocks have been observed in the old mine workings as well as in diamond drill holes. Although the stratigraphy in the area is relatively simple, the faulting and local tilting associated with the formation of the collapsed caldera as well as regional scale tectonics associated with the Walker Lane deformation have resulted in very complex local geology.

In particular, the area which includes the Nivloc Property has northeast to east-northeasterly trending, arcuate, normal fault zones that are inconsistent with the north-northeasterly trending structures that are characteristic of the Basin and Range Province. According to Keith (1977), the northeast to east-northeasterly faulting may be related to a combination of WLB deformation and tectonics associated with a collapsing caldera. The Silver Peak volcanic center lies within the Silver Peak block (Albers and Kleinhampl, 1970; Albers and Steward, 1972; Robinson, P.T., 1968) and it has been suggested that this volcanic center collapsed following a major volcanic event between 4.8 and 6.1 Ma (late Miocene epoch).

The most recent volcanic units in the area are the Pleistocene basalts dated 390,000 years old and the Pleistocene to Historical tuff deposits from the major sized Long Valley Caldera located near Bishop, California. Quaternary and Recent colluvial and alluvial gravels fill the valleys of the area and cover much of the hill slopes.

7.1.4 Property Geology

Figure 9 shows the geology underlying the part of the Nivloc Property that has been explored to date by IMMC. Based upon this map and information from drilling, the host rocks to the Nivloc Structure consist of three recognizable rock sequences. The lower sequence, referred to in this report as the Alaskite Complex, is a Paleozoic aged group of rocks made up mainly of alaskite and associated metamorphic rocks (skarn, marble, quartzite, minor andesitic volcanic rocks). The Alaskite Complex is immediately overlain by a sequence made up mostly of clastic sediments (sandstone, arkose, conglomerate, minor siltstone, fanglomerates) with a small percentage of interlayered volcanic rocks (tuffs, breccias) and very minor limestone. This sequence is referred to as the Sedimentary Rock Member. Overlying the Sedimentary Rock Member is a sequence consisting mainly of volcanic rocks, the Volcanic Rock Member, composed of fine to coarse grained rhyolite to andesitic volcanic breccias (heterolithic), rhyolite breccias, minor tuffaceous sandstone and sandstone-siltstone, and capped locally by a very siliceous latite porphyry. The Volcanic Rock Member sometimes includes a very distinct, grey, quartz porphyritic, small-clast breccia that appears to be intrusive. All of these rocks are locally cut by younger andesitic to rhyolitic dykes.

All of the younger rocks have been tilted, mega-scale brecciated and fractured, making correlation on a small scale virtually impossible.

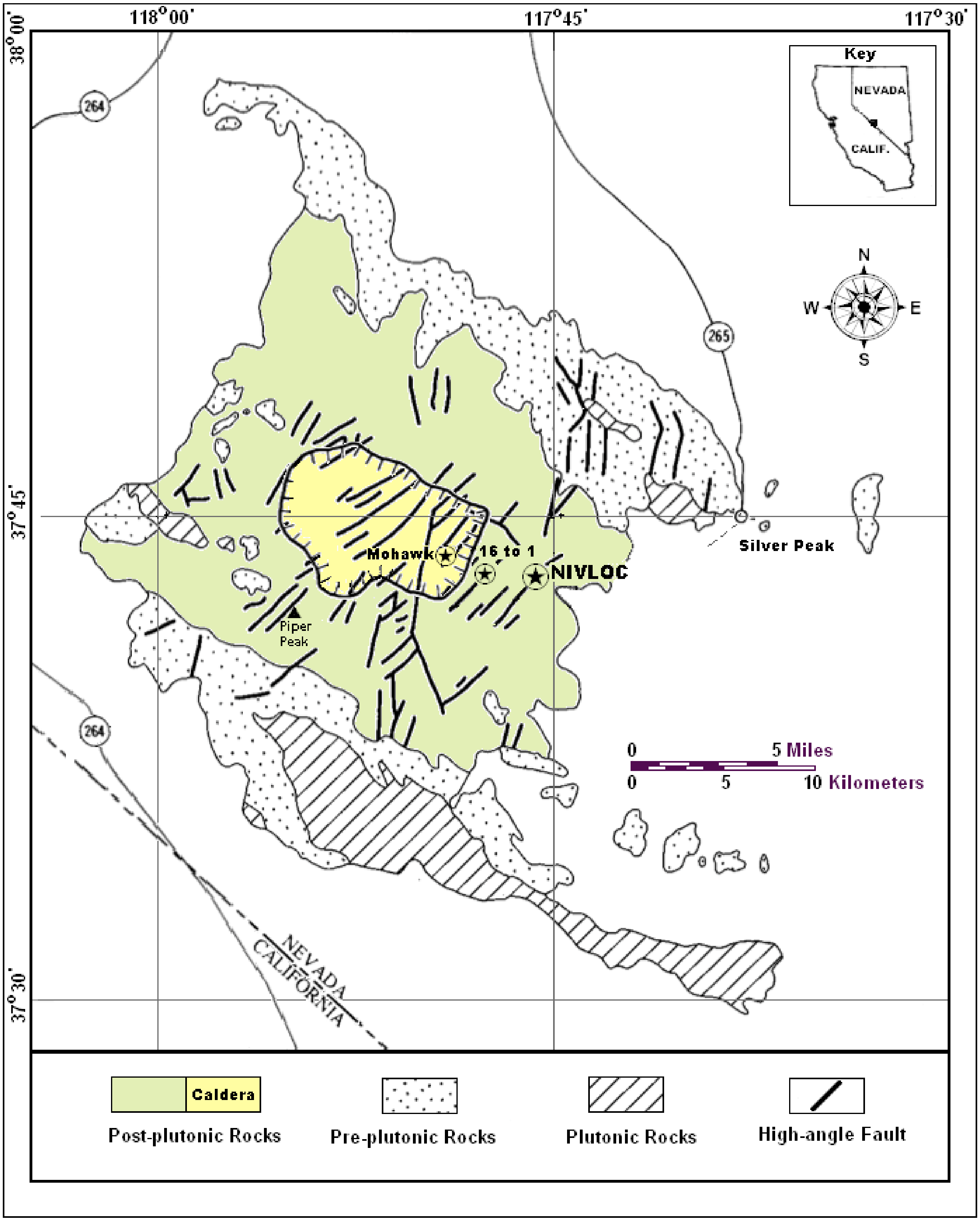

Figure 8 Silver Peak Volcanic Center

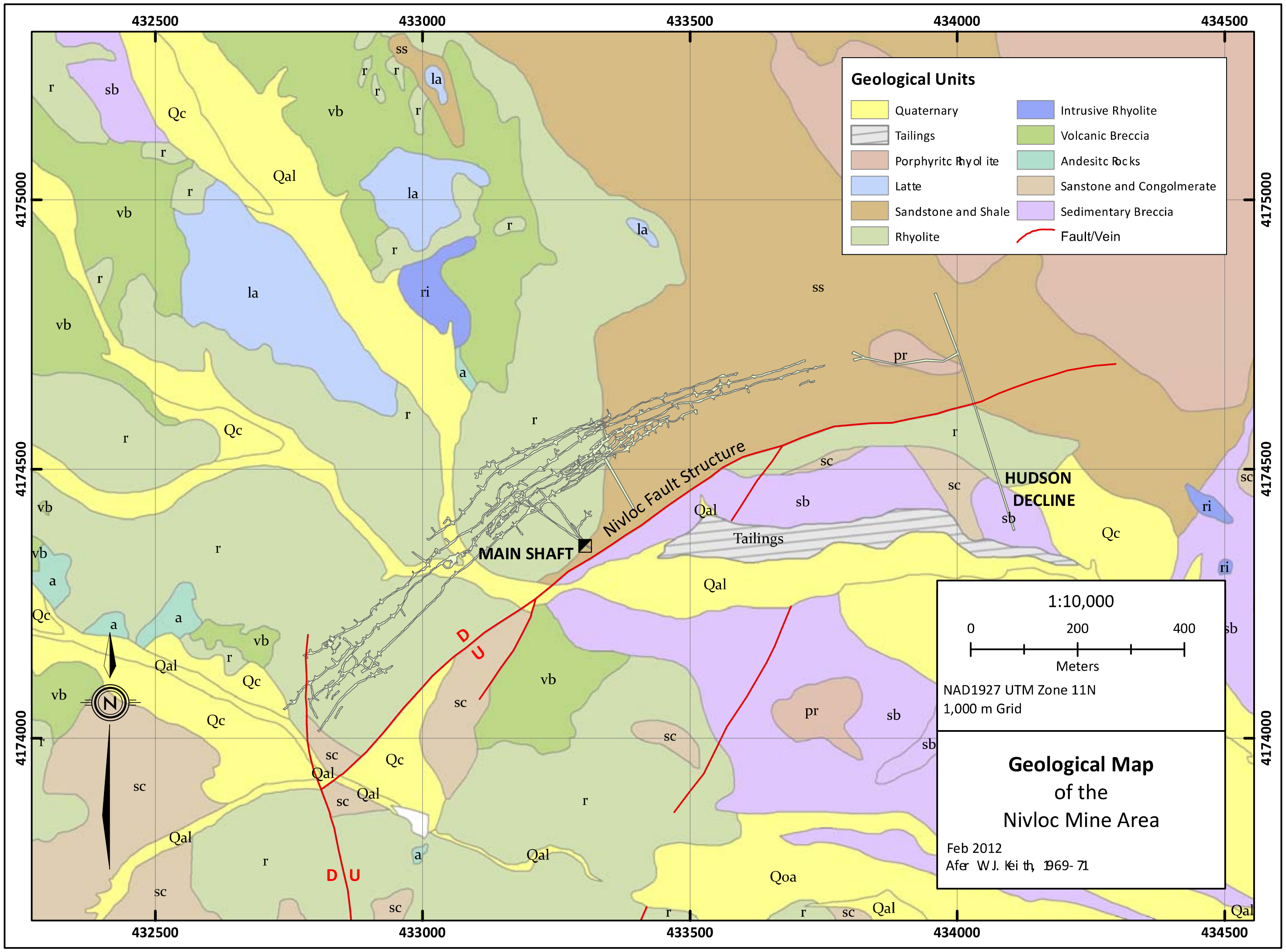

Figure 9 Geological Map of the Nivloc Property Area

Structural Features

The structural features that are relevant to the Nivloc Vein zone are thought to be related to a collapsed caldera, centered approximately 5 km northwest of the Nivloc Property. This tectonic event resulted in a series of normal faults and local graben structures that step downwards towards the northwest. The Nivloc Vein system is developed along one of these normal faults. It strikes northeast-southwest and dips from 45 to 72° towards the northwest. There is some evidence of right lateral movement along the Nivloc Structure. In addition, there may be local offset due to small, east-west and north-south oriented faults. The Nivloc Structure appears to be developed on a gentle northwest plunging flexure best seen on the geological model, but also evident in the orientation of the underground workings.

In addition to the main Nivloc Veins that are contained within the Nivloc Structure, there are several other quartz vein zones that appear to be splays oblique to the main trend. These occur in both the footwall and in the hangingwall. The most interesting to date, is a vein that was intersected in the 2011 drilling program and referred to as the "hangingwall vein". The hangingwall vein is further described in the drilling section (Section 10).

7.2 Mineralization

The Late Cenozoic epithermal mineralization at Nivloc is hosted by quartz lenses, sheets and stockwork that have been emplaced into a zone of "crushed" and altered wallrock within the Nivloc "Fault" Structure. There is a relatively clear vertical zoning displayed by the volume of quartz vein development and in the grade and distribution of Ag-Au mineralization. The crushed zone/quartz vein zone is at its widest, in excess of 70 metres, in that part of the structure where there exists a hangingwall of sandstone and a footwall of metasediments and granitic intrusive rocks (Alaskite Complex). In the area explored to date, the interval is situated between the 440 and the 800 levels. Above the 440 level, the hangingwall is more likely to be volcanic rock, in which case the "crushed zone" becomes less developed and the quartz veining gives way to quartz-calcite and eventually is dominated by calcite. In the western part of the Nivloc Property, beyond the area drilled, there appears to be an increase in the thickness of the sedimentary unit. It is unclear whether or not the favourable mineralized zone increases vertically or pinches out in the sandstone. Stockwork quartz continues upward but gradually decreases in the volcanic host rocks. The tops of most hills consist of a younger quartz porphyritic rhyolite unit that postdates the mineralization.

Below the 800 level in the area explored, both the hangingwall and footwall are Alaskite Complex, and the “crushed zone” appears to pinch out. In this area the veining becomes narrower, calcite begins to dominate and quartz veining and Ag-Au mineralization becomes more erratic. It should be noted that at this time, there are very few drill holes and other information to confirm this observation.

The Ag and Au mineralization occurs, along with very minor galena, sphalerite and pyrite in a series of quartz lenses and sheets that are developed within a fault zone cutting Paleozoic aged sedimentary and igneous basement rocks and overlying Miocene aged sedimentary and volcanic rocks. The quartz includes banded veins, comb quartz, massive lenses, vuggy quartz, replacement breccias and stockwork veinlets. The quartz veins display classic primary epithermal vein textures including banding (crustiform and colloform), concentric banding (cockade), comb and prismatic zoning as well as replacement textures such as hydrothermal breccias, lattice style bladed crystals (calcite and quartz) and saccroidal. The veining occupies 20 – 30% of the fault structure with the remaining being sandstone or other wallrock and their intensely clay-altered equivalents. Accessory minerals include manganese oxides, barite and locally, gypsum.

The controlling structure is a normal fault. It is anastomosing and very irregular, ranging from 25 – 70 m in width. The quartz veining can occur anywhere within the structure but is generally better developed on the footwall and near the hangingwall. Figures 14 and 15 are schematic representations of the Nivloc Structure.

The Ag-Au mineralogy at Nivloc is not well known, partly because detailed petrological studies have not yet been completed (at least are not known or documented) and partly because much of it occurs in association with oxides of iron and manganese that occurs in fractures, vugs and other openings within the quartz veins. The most commonly visible minerals are oxidation products of primary sulfides of Ag including acanthite/argentite (Ag_2S), cerargyrite ($AgCl$), Iodyrite (AgI) and bromargyrite ($AgBr$) although argentiferous galena is reported along with probable Ag-sulfosalts. Gold may occur in its native form and has been reported with silver in the form of electrum. The most common associated sulphide minerals include galena, sphalerite and rarely pyrite. Manganese oxide is ubiquitous throughout the mineralized zone and it often occurs as a halo in the overlying sedimentary and volcanic rocks.

Quartz, including amethystine quartz, is the dominant gangue mineral although there is not always a direct correlation between Ag-Au grades and the percentage of quartz. Instead, the better precious metal grades frequently occur when there is a mixture of quartz-clay-manganese and iron oxides. Silver to gold ratios average 150:1 within a range of 89:1 in the higher grade zones to 189:1 in the zones with lower grade.

The Nivloc mineralization paragenesis has yet to be fully established and once it is, the zoning of the veins will help guide future exploration.

8.0 Deposit Types

The Nivloc Vein system can best be described as a low sulphidation, epithermal (quartz-adularia) vein-type Ag-Au deposit. It is similar in character and in its depositional setting to: the famous Comstock Ag-Au deposit (+1 B oz Ag) near Virginia City, Nevada; the nearby Tonopah District (+150 M oz Ag); Guanajuato district in Mexico (+ 500 M oz Ag); and similar to many other Au and Ag-Au deposits in the western United States, Mexico and throughout the American Cordillera and other parts of the world. Classic low sulfidation, epithermal vein systems typically have the following attributes (Simmons et al, 2005; Rowlands and Simmons, 2012):

- Occur as moderately to steeply dipping, fault controlled permeable structures in an extensional and/or extensional shear environment (or at least locally extensional).
- Range in strike length from 300 to over 8,000 metres.
- Range in width from 0.5 to over 50 metres.
- Vertical range of the epithermal environment from 300 – 1,500 metres.
- Typically form at temperatures < 300˚C.
- Typically form at depths of from 50 to < 1,500 metres
- Quartz in finely banded opaline, chalcedonic, subhedral, or finely to medium euhedral forms.
- Adularia and carbonates are present as gangue minerals.
- Sulfide mineralization is usually very fine grained, and base metal contents are generally low.
- Generally have more uniform grade distribution (better variography) compared to deeper seated vein types.
- Docile metallurgy.
- Bonanza grade zones.

The width of the mineralized zone is likely to vary as a result of active extension or shearing at the time of deposition as a result of multiple geothermal episodes along the same structure.

Deposits of this type have historically ranged from 100,000 tonnes to 50 million tonnes with Ag grades ranging from 10 to 100,000 grams per tonne (Mosier, et al, 1986). Most of these deposits carry Au values but not all deposits of this type contain significant Au values and there is insufficient data available on those deposits that do contain Au to comment at this time.

Historically, this type of deposit has been found by prospecting. If there is no vein exposure in bedrock or rubble or no obvious alteration at surface, this type of zone was not likely to be discovered. Modern day techniques like soil sampling, geophysical surveys and alteration studies might be successful in identifying a new mineralized zone. Any of these methods should be accompanied by detailed structural geological mapping. Ultimately, diamond drilling is the most useful tool in the discovery and delineation of new mineralized zones.

9.0 Exploration

In late December of 2010, IMMC commenced a diamond drilling program designed to explore an un-mined area between old underground workings at the Nivloc Mine referred to in this report as the “target zone” (see results in Drilling, Section 10.2). Between July and September 2011, the Company acquired copies of the historic data relating to the Nivloc Mine and surrounding area. This data included level plans, geology, assay plans, mining stopes and production records as well as information relating to exploration activities prior to and since the mine was closed in 1943. Parts of this data that were considered reliable, were compiled in a digital format and used for more precise drill hole locations and for later use in a geological model.

Field work in 2011 included preliminary geological mapping along the 1500 metre surface trace of the Nivloc Structure and general examination of the regional geological setting. During this period, surface features such as shafts, pits, adits and trenches were located. A local Land Surveyor, Advanced Surveying and Professional Services (ASAPS), was contracted in early December 2011 to survey these surface features in order to accurately locate them and consolidate these locations into a common grid system, UTM NAD 27 CONUS, Zone 11N. The surveying also included the drill hole collars and sufficient topographic points to generate a digital terrain model (DTM) of the surface. This surface was then used to anchor the drill collars and other information into a geological model and to tie in the underground workings based upon the historic mine drawings. Figure 10 shows the topography and the location of the old workings at surface.

One of the more significant discoveries from review of the historic data was a surveyors drawing of the Hudson decline, the collar of which was subsequently located approximately 800 metres east of the Main Nivloc Shaft. This decline extends approximately 450 metres towards the NNW and an off-ramp at the 350 metre point extends westward for 200 metres to a point that is projected to be within 52 metres laterally of the old Nivloc underground workings. This decline, shown on Figure 10 above, is in relatively good condition and with modest rehabilitation could prove very useful in the future exploration and development of the Nivloc Structure.

Surface exposure of the Nivloc Structure is very limited due to post-mineral cover and the dissolution by rain water of the calcite rich upper vein mineralization. There are occasional bedrock exposures of several of the individual veins that are part of the much wider structure; however there is no location where sufficient representative sampling could be carried out across the entire width of the mineralized zone. Any samples that were collected during the field program were for visual examination only. Future work should include stripping and systematic surface sampling with the assistance of an excavator.

During the drilling program, 10 samples from 5 random locations (1st sample from 0 to I metre depth; 2nd sample from 1 to 2 metre depth) were collected from shallow holes manually dug into the tailings pile near the old mill site. The results and UTM locations for these samples are shown in Table 10. The average grade from these samples is 32.6 g/t Ag and 0.087 g/t Au. The Ag grade of the 10 samples appears very consistent. Analysis for lead (Pb) and zinc (Zn) also show consistent grades (Pb: 4,398 ppm; and Zn: 2,468 ppm). They were collected for the purpose of obtaining an approximate grade of the tailings material. Additional sampling by means of a power auger is required to improve the grade estimate of the tailings. Metallurgical testing will also be required to determine if the tailings have any possible value. At least 330,273 tonnes of ore were processed at the Nivloc site and most of the tailings remain on the Nivloc Property.

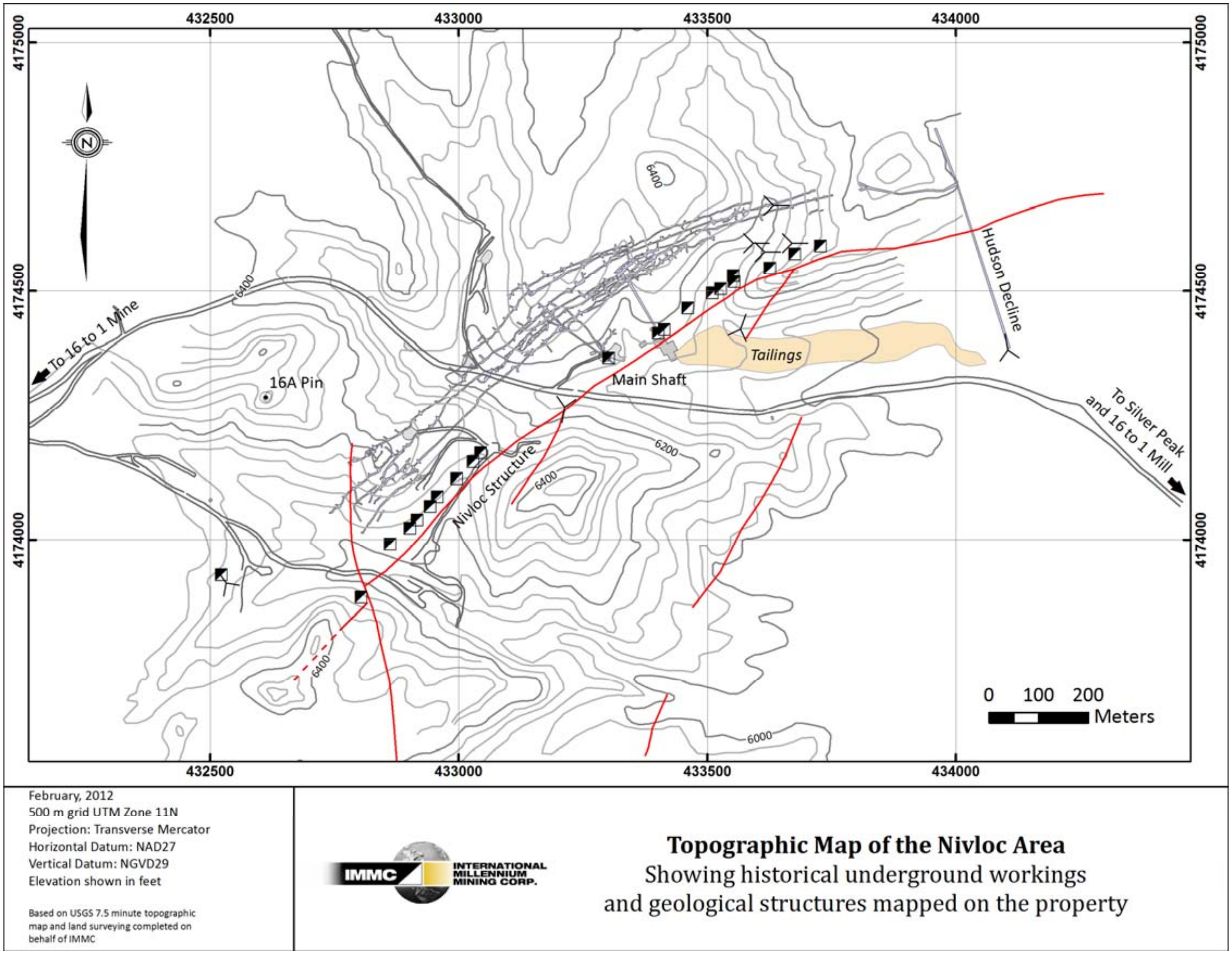

Figure 10 Map of Nivloc Mine Showing topography, shafts and projection of underground workings

Table 10 IMMC Tailings Samples

IMMC Tailings Sample Location and Assay Results							
Sample Number	Description	NAD 27 Zone 11N		Au (g/t)	Ag (g/t)	Pb (ppm)	Zn (ppm)
		Easting	Northing				
NT001	Upper	433527	4174382	<0.05	28	6,140	3,030
NT002	Lower	433527	4174382	0.06	30	6,200	3,130
NT003	Upper	433616	4174385	<0.05	36	3,070	2,030
NT004	Lower	433616	4174385	<0.05	36	2,940	2,230
NT005	Upper	433568	4174409	0.06	30	4,020	2,620
NT006	Lower	433568	4174409	0.06	24	4,400	2,190
NT007	Upper	433773	4174400	0.1	38	3,430	2,590
NT008	Lower	433773	4174400	0.08	33	3,030	2,410
NT009	Upper	433928	4174429	0.08	38	5,600	2,390
NT010	Lower	433928	4174429	0.35	33	5,150	2,060
			Average	**0.087**	**32.6**	**4,398**	**2,468**

10.0 Drilling

10.1 Historic Drilling

Two small drilling programs are known to have been completed on parts of the Nivloc Property since the mine was closed in 1943. Results from these programs are summarized below.

10.1.1 Sunshine Mining Company / Silver Ridge Mining Company, 1975-1976

In 1975 the Sunshine Mining Company acquired an option on claims to the east of the Nivloc Mine workings from the Silver Ridge Mining Company and completed two diamond drill holes. Both holes were collared from a drill station established at the bottom of the Hudson decline and drilled through the Nivloc Vein structure. Both holes intersected the vein zone at a point where both the hangingwall and the footwall consisted of Paleozoic basement rocks. The intersection points were below the vertical interval from which most of the historic production was derived at the Nivloc Mine. Nevertheless, vein material was intersected. There is a strong probability that these holes pass through the Nivloc Structure at a point where it is less well developed. As a general rule, in this type of deposit, the veining pinches and swells both laterally and vertically. Deeper holes are required to test the potential for down dip continuity of the vein.

The drill hole collar information and orientation details are shown in Table 11.

Table 11 Sunshine Mining/Silver Ridge Mining Drilling Summary

Sunshine Mining / Silver Ridge Mining Drilling Summary						
Hole Number	NAD 27 Zone 11N		Elevation (m)	Bearing	Inclination	Total Depth (m)
	Easting	Northing				
BHE-1	433968	4174805	1715.1	158°	-52°	99.36
BHE-2	433969	4174805	1714.8	149°	-64°	138.68
Total						**238.05**

Both holes intersected weak mineralization as shown in Table 12.

Table 12 Sunshine Mining/Silver Ridge Mining - Intersections

Sunshine Mining / Silver Ridge Mining - Intersections						
Hole Number	From (m)	To (m)	Width (m)	Ag g/t	Au g/t	Zone
BHE-1	68.3	75.3	7.0	34.9	0.15	Nivloc
BHE-2	80.2	86.0	5.8	10.6	Trace	Nivloc

10.1.2 Ranchers Exploration and Development Corporation

In 1982, Ranchers Exploration completed two RC drill holes on the Big Horn Extension claims northeast of the Nivloc Mine workings and northeast of the Hudson decline. Both holes targeted and are reported to have intersected the Nivloc Structure; assay results are unavailable. The hole locations and orientations are shown in 13.

Table 13 Ranchers Exploration and Development Drilling Summary

Ranchers Exploration and Development Corporation Drilling Summary						
Hole Number	NAD 27 Zone 11N		Elevation (m)	Bearing	Inclination	Depth (m)
	Easting	Northing				
BH-1	433878	4174633	1943.7	0°	-90°	135.6
BH-2	434063	4174722	1928.8	135°	-74°	143.3
Total						**278.9**

10.1.3 Sunshine Mining Company

In early 1986, 3 shallow diamond drill holes totaling 230 m (754 ft) and 5 reverse-circulation drill holes totaling 366 m (1200 ft) were completed in an area southwest of the Main Nivloc Shaft for the purpose of testing a shallow gold enriched part of the Nivloc Structure. This zone, referred to as the “Gold Cap” is discussed previously in Section 6. The exact locations of these holes are not known and the assay results are incomplete.

During 1986 – 1987, Sunshine Mining Company completed 3 diamond drill holes (1,002.5 metres) targeting the lower part of the Nivloc Structure and designed to intersect mineralization outlined in ore reserve blocks that were delineated from historic underground sampling (1937 – 1943, Desert Silver). The drilling was part of a data verification process for an in-house feasibility study prior to a proposed re-opening of the Nivloc Mine. The 3 holes all intersected the Nivloc Veins between the 700 and 800 levels. Results from this drilling are presented in Tables 14 and 15.

Table 14 Sunshine Mining Drilling Summary

Sunshine Mining Company Drilling Summary						
Hole Number	NAD 27 Zone 11N		Elevation (m)	Bearing	Inclination	Total Depth (m)
	Easting	Northing				
84N-1	collared near 84N-1A - hole lost due to driller error					
84N-1A	433058	4174573	1904.4	173˚	-59˚	333.1
84N-2	433066	4174605	1905.9	159˚	-58˚	336.2
84N-4	433059	4174572	1904.4	180.5˚	-54˚	333.1
Total						**1002.5**

Table 15 Sunshine Mining - Intersections

Sunshine Mining Company – Intersections						
Hole Number	From (m)	To (m)	Width (m)	Ag g/t	Au g/t	Zone
84N-1A	307.8	325.6	17.8	149.80	1.10	Nivloc
84N-2	306.0	320.0	14.0	167.70	0.65	Nivloc
84N-4	299.6	333.1	33.5	131.00	0.93	Nivloc

The results demonstrated that drilling was relatively effective at reproducing grades associated with the “reserve blocks” postulated in their historic reserve estimate (Earnest, 1985). These “reserves” are historic in nature and sufficient work has not been completed by the authors to consider them to be resources and therefore should not be relied upon.

10.1.4 Silver Reserve Corporation

In 2007 – 2008, Silver Reserve Corp., a wholly owned subsidiary of Infrastructure Material Corp. of Reno, Nevada, completed 7 drill holes (5 reverse circulation type and 2 diamond drill type) on claims now subject to an Option Agreement with IMMC (as described in Section 4.3) located to the west of the Nivloc underground workings. The collar locations, orientations and depth are shown in Table 16. Only one of these holes, RNL-3 was drilled in a direction that would optimally cut the Nivloc Vein structure. Two other holes, RNL-1 and RNL-2 were collared to the southeast of the northwest dipping Nivloc Structure and had no chance of intersecting it. The other 4 holes, RNL-4, RNL-5, CNL-1 and CNL-2 are assumed to have been testing a secondary north-south trending vein system that is thought to be a splay of the main Nivloc Structure.

Table 16 Silver Reserve Drilling Summary

Silver Reserve Corp. Drilling Summary						
Hole Number	NAD 27 Zone 11N		Elevation (m)	Bearing	Inclination	Total Depth (m)
	Easting	Northing				
RNL-1	432943	4173986	1892.8	258°	-61°	182.9
RNL-2	432983	4173921	1888.2	0°	-90°	91.4
RNL-3	432750	4173959	1891.3	145°	-60°	74.7
RNL-4	432554	4173946	1911.1	235°	-60°	214.9
RNL-5	432538	4173834	1908.7	60°	-60°	213.4
CNL-1	432594	4173840	1902.0	280°	-60°	121.9
CNL-2	432594	4173840	1902.0	307°	-47°	209.7
Total						**1108.9**

Hole RNL-3 appears to have intersected the Nivloc Structure at an elevation that is shallow relative to the underground workings. Several of the other holes intersected precious metal mineralization. The more significant intersections are shown in Table 17.

Table 17 Silver Reserve - Intersections

Silver Reserve Corp. – Intersections						
Hole Number	From (m)	To (m)	Width (m)	Ag g/t	Au g/t	Zone
RNL-3	22.9	47.2	27.4	39.80	0.43	Nivloc Structure
incl.	41.1	47.2	6.1	64.90	1.02	Nivloc Vein
RNL-5	114.3	115.8	1.5	716.60	0.65	splay vein
CNL-1	64.0	68.6	4.6	263.70	0.03	splay vein
	104.9	106.4	1.5	247.50	2.04	splay vein
	107.9	109.4	1.5	144.60	1.57	splay vein
CNL-2	72.1	73.0	0.9	750.40	0.05	splay vein
	100.6	100.9	0.3	39.60	1.58	splay vein
	116.7	119.8	3.0	120.20	1.72	splay vein

10.2 IMMC Drilling Program, 2011

In December 2010, IMMC contracted Cabo Drilling Corp's, Nevada subsidiary to carry out a diamond drilling program on the Nivloc Property. A modified track mounted, CMS 200 drill was utilized to drill 34 holes totaling 9,578 metres. Core size was primarily HQ (63.5 mm in diameter) with the lower part of several holes being reduced to NQ (47.6 mm) due to ground conditions. All of the drill holes targeted an un-mined part of the Nivloc Vein located between the 900 foot level and the 200 foot level of the old workings and between partially mined areas near the west end and center of the vein structure. The drill hole collar and directional information is shown in Table 18. The hole locations are shown on Figure 13. The points where the drill holes pierced the center of the Nivloc Structure are shown on a longitudinal section through the structure, Figure 14.

The lack of groundwater to at least a 400 metre depth is noteworthy and important. It can make the variable and broken ground much harder for the drillers to maintain a well-conditioned drill hole. It also implies that the supergene enrichment zone of “Bonanza” type silver grades could exist, still undiscovered at depth. This zone often occurs at the water table contact.

Of the 34 holes drilled, 30 intersected the altered, crushed and quartz-bearing zone referred to as the Nivloc Structure (Holes 11NL-5 to 11NL-34). The remaining 4 holes (10NL-1 to 11NL-4) were either suspended due to drilling conditions or were stopped short of the down-dip projection of the zone.

The following tables present the weighted average grades of Ag and Au mineralization intersected by the drilling. Table 19 shows the weighted average intersections across the entire width of the Nivloc Structure. Table 20 presents weighted average intersections through a narrower but higher grade mineralized zone within the Nivloc Structure. Table 21 shows the weighted average intersections through a narrow but relatively high grade zone that was intersected in most holes near the footwall of the Nivloc Structure. This zone is assumed to be the zone that was the principal focus of the historical mining.

Table 18 IMMC Drilling Summary 2011

IMMC Drilling Summary 2011						
Hole Number	NAD 27 Zone 11N		Elevation (m)	Bearing (º)	Inclination (º)	Total Depth (m)
	Easting	Northing				
10NL-1	433055	4174560	1904.39	161	-65	225.6
11NL-2	433055	4174561	1904.39	164.5	-83.7	337.1
11NL-3	433058	4174562	1904.39	140.7	-84.7	331.6
11NL-4	433059	4174568	1904.39	117.4	-85	422.8
11NL-5	433020	4174363	1889.76	190	-75	353.6
11NL-6	433021	4174364	1889.76	165	-80	399.3
11NL-7	432897	4174387	1903.17	130	-78	347.8
11NL-8	432900	4174382	1903.17	150	-55	276.1
11NL-9	432902	4174383	1903.17	168	-57	328.0
11NL-10	432902	4174383	1903.17	168	-66	311.5
11NL-11	432900	4174387	1903.17	140	-50	264.0
11NL-12	432901	4174382	1903.17	135	-65	119.6
11NL-12A	432901	4174382	1903.17	135	-65	299.0
11NL-13	432900	4174384	1903.17	156	-50	266.9
11NL-14	432901	4174388	1903.17	165	-65	289.6
11NL-15	432900	4174389	1903.17	169	-49	271.3
11NL-16	433020	4174360	1889.76	190	-50	213.7
11NL-17	433020	4174360	1889.76	165	-50	214.6
11NL-18	433020	4174360	1889.76	135	-50	208.8
11NL-19	433020	4174360	1889.76	116	-50	224.0
11NL-20	433020	4174360	1889.76	210	-50	272.8
11NL-21	433020	4174360	1889.76	190	-65	224.3
11NL-22	433020	4174360	1889.76	190	-87	270.1
11NL-23	433020	4174360	1889.76	155	-63	205.1
11NL-24	433020	4174360	1889.76	119	-79	239.9
11NL-25	433020	4174360	1889.76	87	-82	267.0
11NL-26	433057	4174563	1903.48	150	-63	321.9
11NL-27	432871	4174220	1943.10	144	-66	224.6
11NL-28	432871	4174220	1943.10	144	-88	288.3
11NL-29	432872	4174220	1943.10	135	-81	251.8
11NL-30	432872	4174220	1943.10	125	-75	265.2
11NL-31	432872	4174220	1943.10	55	-86	309.4
11NL-32	432873	4174218	1943.10	116	-63	231.0
11NL-33	432873	4174218	1943.10	90	-68	241.4
11NL-34	432874	4174219	1943.10	109	-47	260.3
TOTAL						**9,577.7**

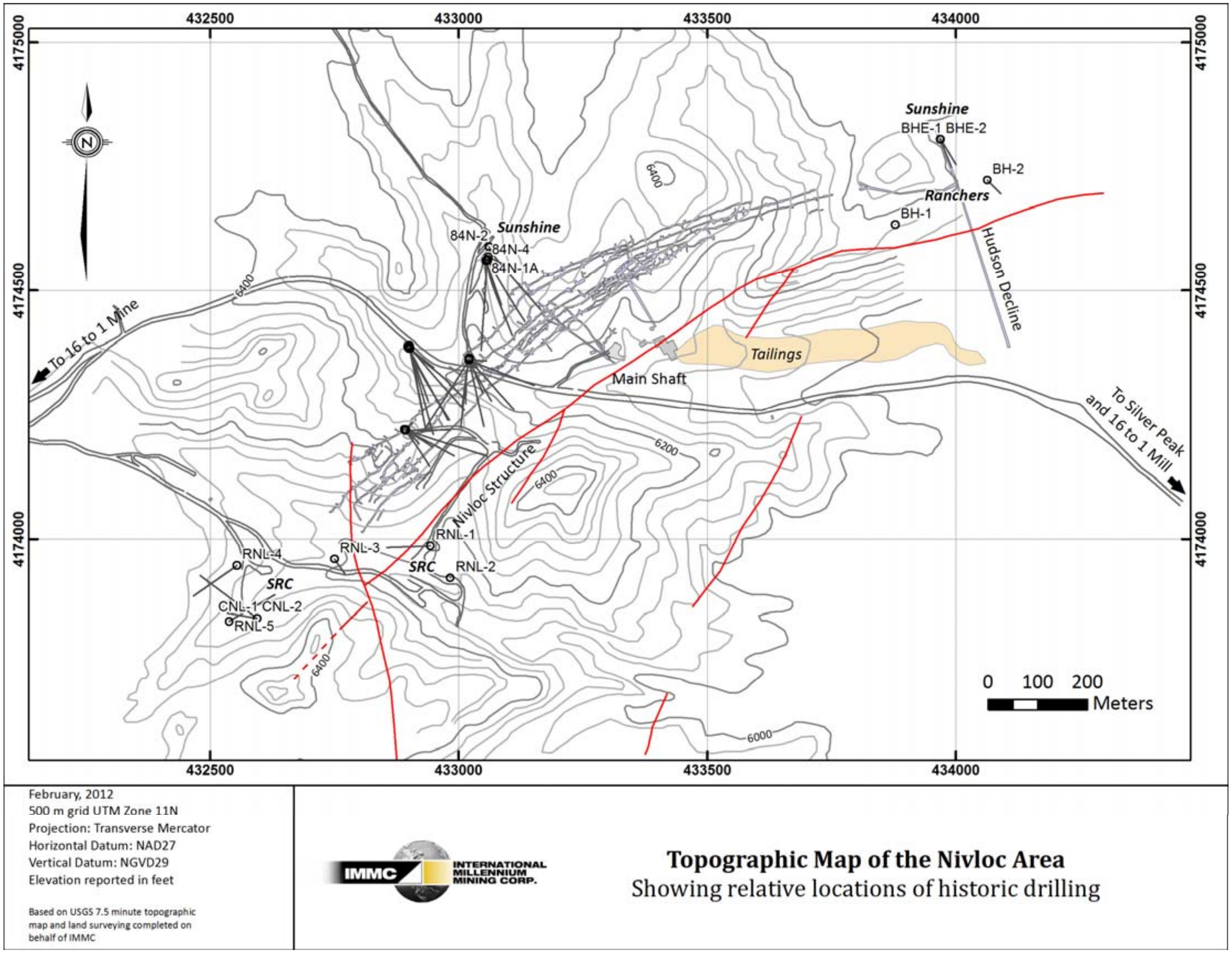

Figure 11 Map showing locations of IMMC 2011 and Historic drill holes

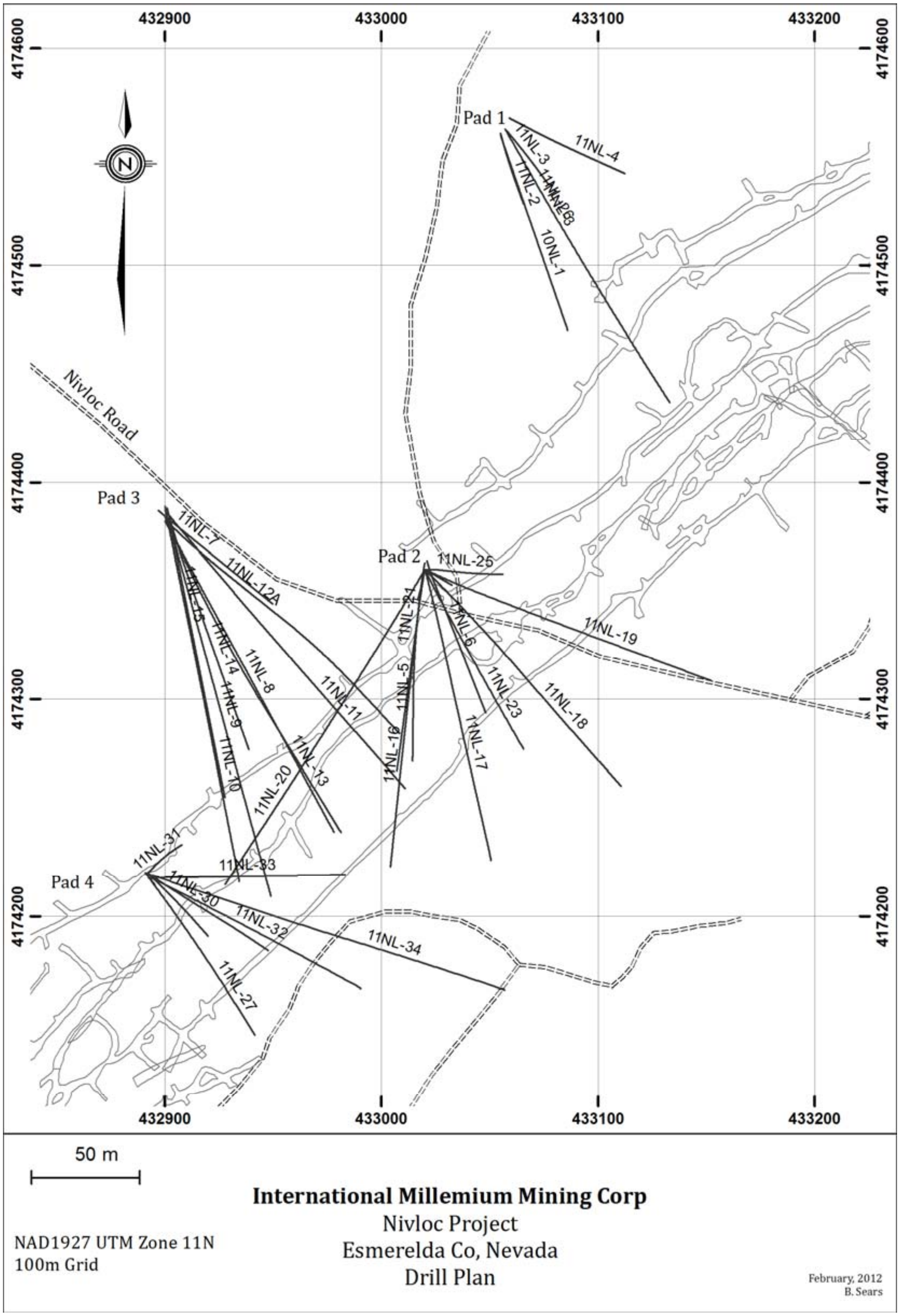

Figure 12 IMMC 2011 Detailed DDH Location

Figure 13 Longitudinal Section Through Nivloc Mine Showing IMMC 2011 DDH

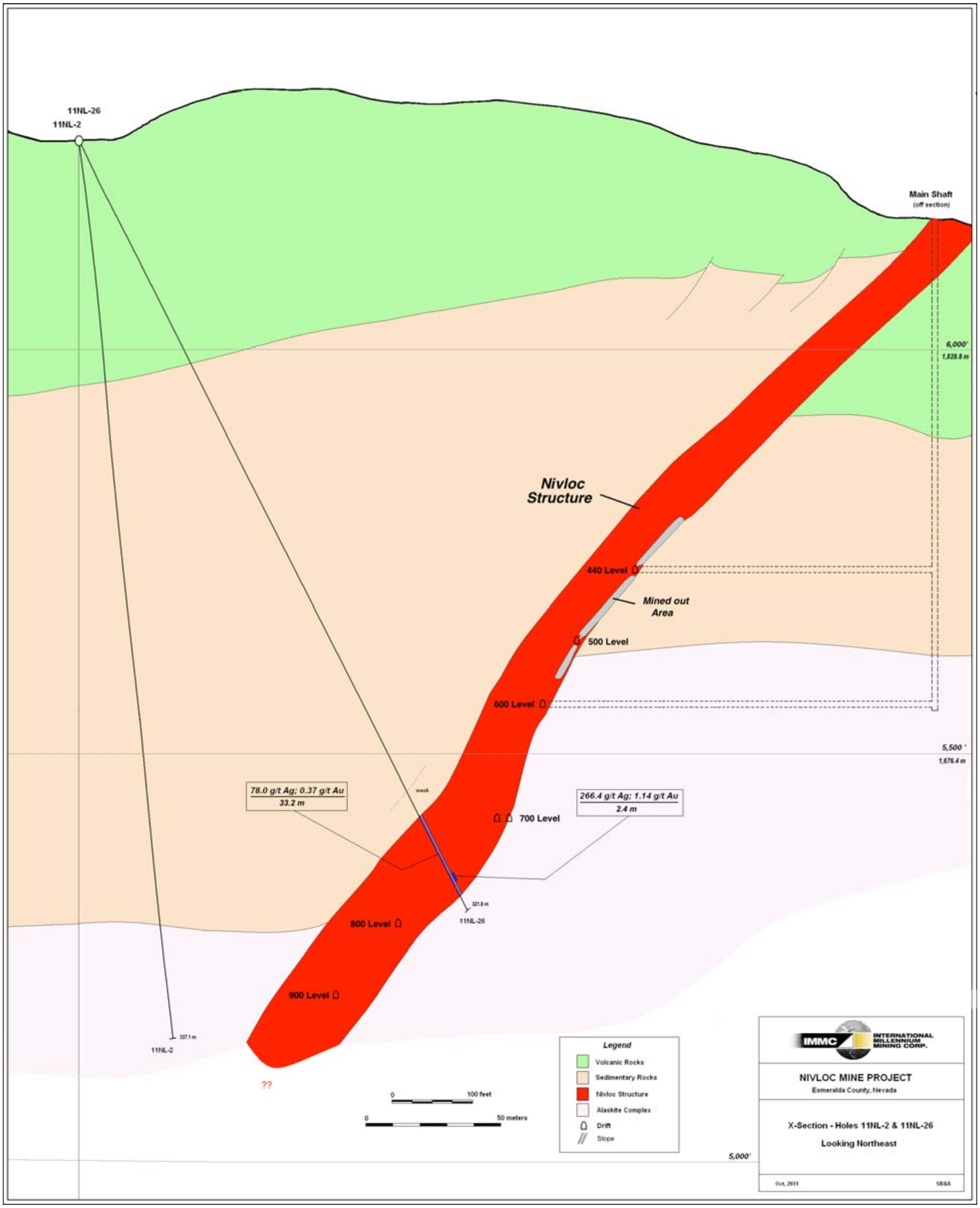

Figure 14 Cross-Section Through the Eastern Part of IMMC Drilled Area

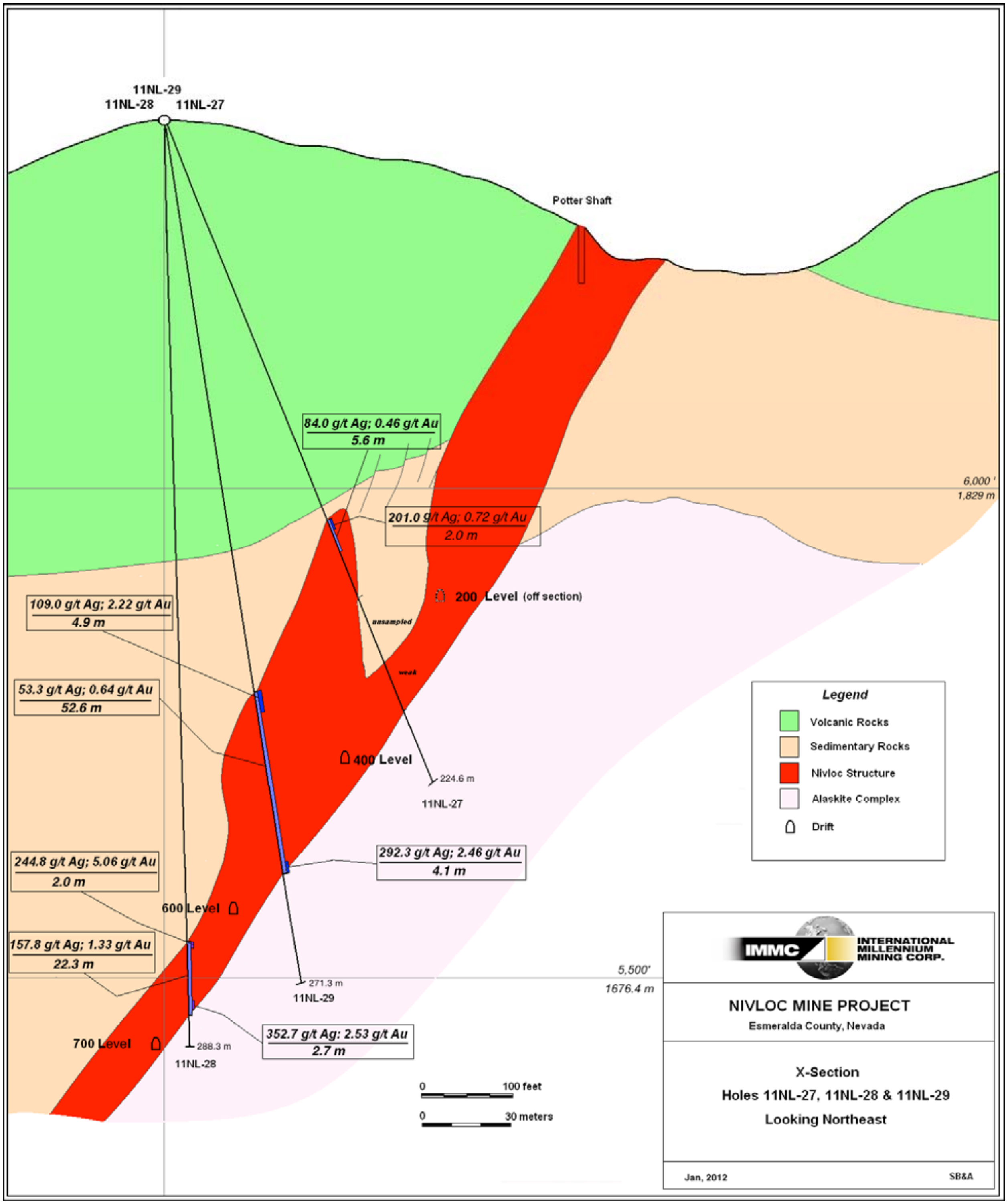

Figure 15 Cross-Section Through the Western Part of IMMC Drilled Area

Table 19 Nivloc DDH Intersections – Wide Interval

NIVLOC PROJECT - COMPOSITE INTERVALS					
Hole Number	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**	**Ag (g/t)**
11NL-5	187.06	222.20	35.14	0.52	60.2
11NL-6	181.66	229.67	48.01	0.70	72.8
11NL-8	247.65	266.24	18.59	0.38	54.0
11NL-9	261.34	277.67	16.34	0.19	25.4
11NL-10	259.42	293.07	33.65	0.21	59.7
11NL-11	224.03	235.00	10.97	0.57	72.0
11NL-12	260.30	278.28	17.98	1.01	120.0
11NL-13	238.48	258.47	19.99	1.45	169.3
11NL-14	254.81	284.38	29.57	0.21	41.5
11NL-15	240.55	267.07	26.52	0.51	44.8
11NL-16	135.79	162.15	26.37	0.63	62.5
11NL-18	141.88	196.60	54.71	0.21	59.7
11NL-19	168.86	202.39	33.53	0.38	54.0
11NL-20	245.15	270.30	25.15	0.93	88.0
11NL-21	154.44	216.65	62.21	1.01	119.2
11NL-22	193.85	237.74	31.88	0.66	84.8
11NL-23	179.53	199.03	19.51	0.70	124.4
11NL-24	208.33	220.68	12.34	1.90	134.2
11NL-25	224.73	257.56	32.83	0.86	129.9
11NL-26	282.55	315.77	33.22	0.37	78.0
11NL-27	131.98	137.53	5.55	0.46	84.0
11NL-28	256.64	278.89	22.25	1.33	157.8
11NL-29	180.87	233.48	52.61	0.64	53.3
11NL-30	163.98	223.72	59.74	0.31	98.6
11NL-31	267.01	283.16	16.15	0.86	92.3
Average width and grade (wide interval):			**29.79 m**	**0.63 g/t Au**	**83.2 g/t Ag**

Table 20 Nivloc DDH Intersections - Medium Interval

NIVLOC PROJECT - COMPOSITE INTERVALS					
Hole Number	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**	**Ag (g/t)**
11NL-5	199.95	214.58	14.63	0.37	252.6
11NL-6	197.88	204.00	6.13	1.71	183.1
11NL-8	254.05	262.59	8.53	0.66	93.9
11NL-9	267.43	276.82	9.39	1.51	137.2
11NL-10	277.86	291.39	13.53	0.67	100.3
11NL-11	224.03	230.83	6.80	1.83	149.7
11NL-12	260.30	266.24	5.94	0.90	133.8
11NL-13	252.68	258.47	5.79	1.09	137.9
11NL-14	278.59	284.38	5.79	1.78	171.8
11NL-15	256.79	261.52	4.72	0.37	52.0
11NL-16	135.79	143.26	7.47	1.03	143.9
11NL-18	170.78	176.02	5.24	0.11	225.7
11NL-19	176.17	181.97	5.79	0.50	94.3
11NL-20	257.25	266.24	8.99	1.02	111.5
11NL-21	154.44	174.50	20.06	2.23	267.8
11NL-22	204.22	209.70	5.49	2.05	191.0
11NL-23	187.91	199.03	11.13	1.08	164.3
11NL-24	208.33	218.39	10.06	2.18	151.7
11NL-25	228.36	237.13	8.78	1.48	182.8
11NL-26	303.12	313.64	10.52	0.61	140.5
11NL-27	131.98	134.02	2.04	0.72	201.0
11NL-28	262.59	277.67	15.09	1.22	181.1
11NL-29	228.45	235.46	7.01	1.51	174.6
11NL-30	211.23	223.72	12.50	0.41	269.0
11NL-31	273.10	279.81	6.71	1.88	165.3
Average width and grade (medium interval):			**8.73 m**	**1.17 g/t Au**	**172.5 g/t Ag**

Table 21 Nivloc DDH Intersections - Narrow Interval

NIVLOC PROJECT - COMPOSITE INTERVALS					
Hole Number	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**	**Ag (g/t)**
11NL-5	187.06	192.79	5.73	2.53	237.8
11NL-6	197.88	201.26	3.38	2.507	243.1
11NL-8	257.56	259.08	1.52	1.52	198
11NL-9	268.53	270.05	1.52	2.47	223
11NL-10	277.86	279.41	1.55	1.28	139
11NL-11	228.75	230.83	2.07	5.54	422
11NL-12	261.61	263.83	2.23	1.94	287.7
11NL-13	252.68	254.51	1.83	2.56	300
11NL-14	282.85	284.38	1.52	4.57	420
11NL-15	256.79	258.17	1.37	0.46	82
11NL-16	135.79	140.21	4.42	0.98	192.8
11NL-18	172.61	176.02	3.41	0.117	288.7
11NL-19	198.73	200.56	1.83	1.6	147
11NL-20	255.79	258.78	2.99	1.78	172.7
11NL-21	164.90	174.50	9.60	3.738	321.7
11NL-22	205.68	208.18	2.50	3.98	323
11NL-23	193.85	196.90	3.05	1.86	321
11NL-24	208.33	210.62	2.29	3.52	300.6
11NL-25	229.82	231.34	1.52	3.97	353
11NL-26	309.98	312.42	2.44	1.14	266.4
11NL-27	131.98	134.02	2.04	0.72	201
11NL-28	274.93	277.67	2.74	2.53	352.7
11NL-29	229.36	233.48	4.11	2.46	292.3
11NL-30	216.56	223.72	7.16	0.63	462.5
11NL-31	273.10	274.60	1.52	2.12	226
Average width and grade (narrow interval):			**2.97 m**	**2.24 g/t**	**288.7 g/t Ag**

10.2.1 Hangingwall Vein Intersections

Fourteen of the 34 drill holes intersected mineralized quartz vein material in the rocks that overlie the Nivloc Structure. The veining is similar in appearance to the quartz veining in the Nivloc Structure. The veins are thought to be splay veins that are oblique to the Nivloc Structure. They may be emplaced along cross-cutting faults, but this is inconclusive at this point. Several veins of this type have been reported by earlier workers in both the hangingwall and footwall. The intersections in holes 11NL-8 to 11NL-14 are thought to be of a single vein, referred to as the "Hangingwall Vein" in company press releases and in drill logs. It appears to be north trending and east dipping. Further investigation of this vein is required to assess its economic potential.

The veins contain very encouraging amounts of Ag and Au. A summary of the intersections and assay results is shown in Table 22.

Table 22 Nivloc Hangingwall Vein Intersections

IMMC - Nivloc Hangingwall Vein Intersections					
Hole Number	**From (m)**	**To (m)**	**Width (m)**	**Au g/t**	**Ag g/t**
11NL-6	370.5	384.4	13.90	2.52	563.4
11NL-8	657	671	14.00	0.44	139.6
11NL-9	662.2	665.8	3.60	5.46	360.0
11NL-10	793	805	12.00	2.94	331.9
11NL-11	411	413	2.00	1.64	100.0
11NL-12	630	636	6.00	0.14	85.4
11NL-13	517.9	519	1.10	3.47	275.0
(2nd vein)	619.4	624.1	4.70	0.48	395.0
11NL-14	615.7	620	4.30	0.32	113.0
(2nd vein)	746	750.8	4.80	2.33	275.5
11NL-15	661.6	671.8	10.20	2.60	180.5
11NL-23	424.2	429	4.80	0.47	131.6
11NL-24	332.5	343	10.50	2.51	231.0
11NL-25	397.9	413	15.10	0.86	100.9
11NL-30	366.3	371.5	5.20	1.16	65.0

10.3 Drilling, Logging and Sampling Procedures IMMC 2011

The locations of the drill holes were designed to test the "Target Zone" of the Nivloc Structure at a systematic spacing of approximately 50 metres. Due to the rugged terrain, drill sites were chosen on relatively flat ground with reasonable access. Holes were then oriented such that the pierce point through the center of the "Target Zone" was intersected in a grid pattern. Each drill site or "pad" was pre-selected and the required permits obtained from the US Bureau of Land Management (BLM). Pads were then cleared and leveled by means of a backhoe. The drill was aligned on the pad in the desired bearing by using pickets arranged as front and back sites using a Brunton compass. The inclination was determined by means of a magnetic inclinometer placed on the drill stem. A qualified geologist supervised the collaring and abandonment of the holes as well as periodically visited the drill during the drilling of each hole.

Downhole surveys were completed on the holes using a Flexit down-hole survey instrument. Measurements were typically taken within 30 metres of surface following collaring of the hole, 3 metres above the bottom and periodically in between during the abandonment of the hole. The drill pad locations were surveyed in December 2011 by ASAPS of Goldfield, Nevada.

Drill core from the rocks overlying the mineralized zone was placed by the drilling crew in 2-foot long, waxed, cardboard boxes. Once the mineralized zone, "Target Zone", was intersected, 2.5-foot long wooden boxes were utilized. All core boxes were marked on the end with hole number, box number and approximate footage. The footage at the end of each drilled "run" (each time the core was retrieved) was inscribed on a wooden marker and placed in the appropriate location in the box.

Drill core was delivered to the logging facility at the old Nivloc Mine site by the drilling company at the end of each shift. Once received at the logging facility, the core was laid out in sequence by Company personnel. Labeling was checked for errors and the core was cleaned and oriented as reasonably as possible. Core recoveries and Rock Quality Designation (RQD) logs were then recorded by a geologist or by a trained field assistant.

The core was then logged by a qualified geologist. Relatively detailed observations were recorded on a paper logging form. The log included location, bearing and inclination of the hole, and start and finish dates as well as lithological, alteration, structural and other attributes that are considered relevant for the Nivloc mineralization.

Favourable zones were identified during the logging and intervals marked out for sampling and the intervals recorded in the drill logs. Sample lengths varied depending upon observed lithologies, alteration or mineralization. Individual sample lengths ranged from 0.3 m to 3.4 m with an average thickness ranging from 0.9 m to 1.5 m. It is planned for the future drilling programs to keep the sample lengths within the mineralization to a maximum of 1.0 m., and no more than 2.0 m in length outside of the mineralization. Where a significant core loss was observed, the top and bottom of the sample interval was usually placed at the driller's footage markers. The footages marking the top and bottom of the sample intervals were inscribed on the side of the container row with permanent marker. During the latter part of the program, the sampled sections of the core were photographed prior to sampling.

Following logging and sample layout, the core was transported to a secure location in the village of Mina (1.2 hours by vehicle) where the marked intervals were sawed lengthwise with a diamond bladed saw. Once sawed, the geologist and an assistant assigned each sample an exclusive number from a pre-numbered sample book. Intervals were recorded in the sample book. One half of the core was then placed in a fabric-type sample bag, inscribed with the appropriate sample number. A sample tag with the same number was placed in the bag and the bag was tied with the attached strings. During this sampling process, unmarked reference samples (standards, duplicates and blanks) were inserted randomly into the sampling sequence.

Company personnel then transported the samples by vehicle along with a list of sample numbers on a "chain of custody" requisition form to the ALS Chemex Laboratory in Reno, Nevada (3 hours by vehicle). ALS Chemex documented the sample numbers and date stamped the "chain of custody" form once received.

11.0 Sample Preparation, Analyses and Security

11.1 Sample Preparation Prior to Dispatch

No sample preparation was carried out by IMMC or its representatives prior to delivery of the sample to the assay laboratory.

11.2 Laboratory and Assay Methods

All of the samples from the 2011 drilling program were assayed by ALS Chemex, a certified commercial laboratory that is independent of the issuer. In the Reno, Nevada laboratory (ISO 9001:2008 certified for quality management systems (QMS)) the samples were weighed, logged into the computer management system, crushed to >70% at <2mm, riffle split and the split pulverized to >85% at <75 micron (200 mesh) size. The final pulps were then sent by courier to the ALS Chemex Laboratory in Vancouver, B.C., Canada where they were assayed by ALS Chemex method ME-GRA22 (assayed for Ag and Au by Fire Assay with a gravity finish). The Vancouver laboratory is ISO 9001:2008 certified for QMS as well as ISO/IEC 17025:2005 certified for Ag/Au by Fire Assay, gravity finish. Additional information on the ALS Chemex analytical and data management accreditation can be found on their website: (http://www.alsglobal.com/upload/minerals/downloads/technical-notes/2011-03e-Quality-Technical-Note.pdf). The ALS Chemex laboratory uses a comprehensive QA/QC control system that includes the insertion of certified reference materials (CRM's) and routine grinding size tests. This data is monitored by the laboratory and is provided to the client for each sample batch.

Samples from 2 drill holes were also analyzed for 48 elements by the ICP method (ALS CHEMEX method ME-MS61). Samples from the first 4 drill holes were assayed for Au by Fire assay, AA finish and for Ag by Fire Assay, ICP finish. These holes were stopped short of the targeted zone, so the results from these assays are not considered to be of material significance to the overall assay database.

11.3 IMMC QA/QC Program

IMMC has implemented a Quality Assurance (QA) program at Nivloc designed to ensure that all acquired data is representative of the Nivloc Property. This program includes putting in place procedures for core logging, sampling, sample storage, data management and other exploration methods that are compliant with industry best practice guidelines. Part of this QA program involves Quality Control (QC) with regards to sampling and assaying procedures. In addition to the ALS Chemex QC program, the IMMC program includes the random insertion of analytical standards, blanks and duplicates at an average rate of 1 standard, 1 blank and 1 duplicate for each 30 samples submitted. The results are routinely monitored for accuracy or inconsistencies. The number of control samples used by IMMC during the 2011 drilling program is shown in Table 23.

Table 23 IMMC 2011 - QA/QC Program

IMMC 2011 - QA/QC Program			
Sample Type	**Primary Lab - ALS Chemex**	**Secondary Lab - Inspectorate**	**Total Samples**
Standards	55	2	57
Duplicates	16	26	42
Blanks	56	0	56
TOTAL			**155**

11.3.1 Standards

Analytical standards are sample pulps for which the metal content (in this case, Au and Ag) has been previously determined by the supplier. These values have been determined, within a reasonable range, by submitting the sample to various laboratories and tabulating the results. The standard has an expected value and a range of values (usually 2 standard deviations from the mean value) within which the assay result should fall at least 95% of the time. By inserting these standards randomly amongst the samples submitted to the assay laboratory, a measure of accuracy, precision and analytical bias can be obtained. This routine can also serve to detect sample mix-ups that sometimes occur during the sampling and assaying process.

During the first part of the IMMC program, only one reference standard was utilized. In August, 2011, two additional standards were obtained. A summary of the expected values and acceptable range values for these standards is presented in Table 24.

Table 24 IMMC - Certified Reference Material

IMMC - Certified Reference Material						
Standard Id.	Supplier	Expected Value for Ag		Expected Value for Au		
		Ag (g/t)	Range Ag (g/t)	Au (g/t)	Range Au (g/t)
CDN-ME-6	CDN Resource Lab.	101	93.9 to 108.1	0.27	0.242 to 0.298
MEG-Au.09.03	Shea Clark Smith	17.218	13.574 to 20.863	2.09	1.759 to 2.422
MEG-Au.09.04	Shea Clark Smith	26.267	19.670 to 32.865	3.397	2.990 to 3.805

A total of 57 standards were inserted into the sample stream. Figures 16, 18 and 20 show the performance results for Ag as obtained from the assay laboratory. Figures 17, 19 and 21 show the performance results for Au as obtained from the assay laboratory.

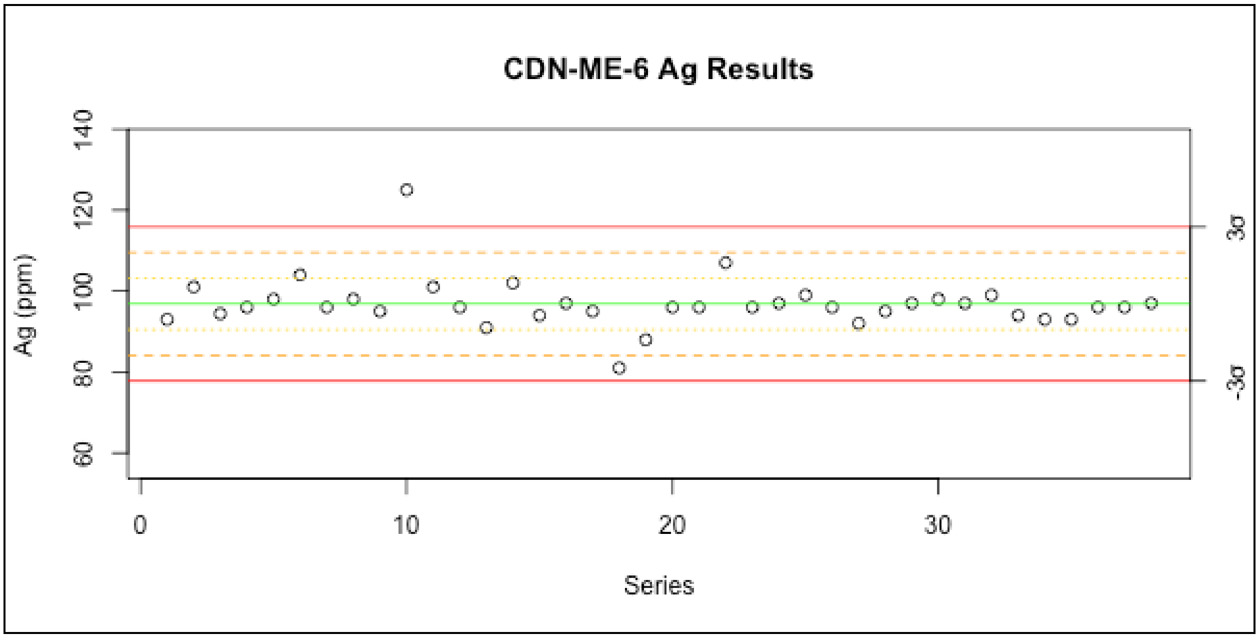

Figure 16 CDN-ME-6 Ag Results

Nearly all assays of this standard were within the expected range for Ag. One value was greater than 2 standard deviations from the mean and one sample was greater than 3 standard deviations from the mean, which is considered a failure. Action taken: The failure was classified as an isolated failure; data from the laboratory QC samples do not show any unusual variations; samples on either side were waste rock and there were no unusual results for these.

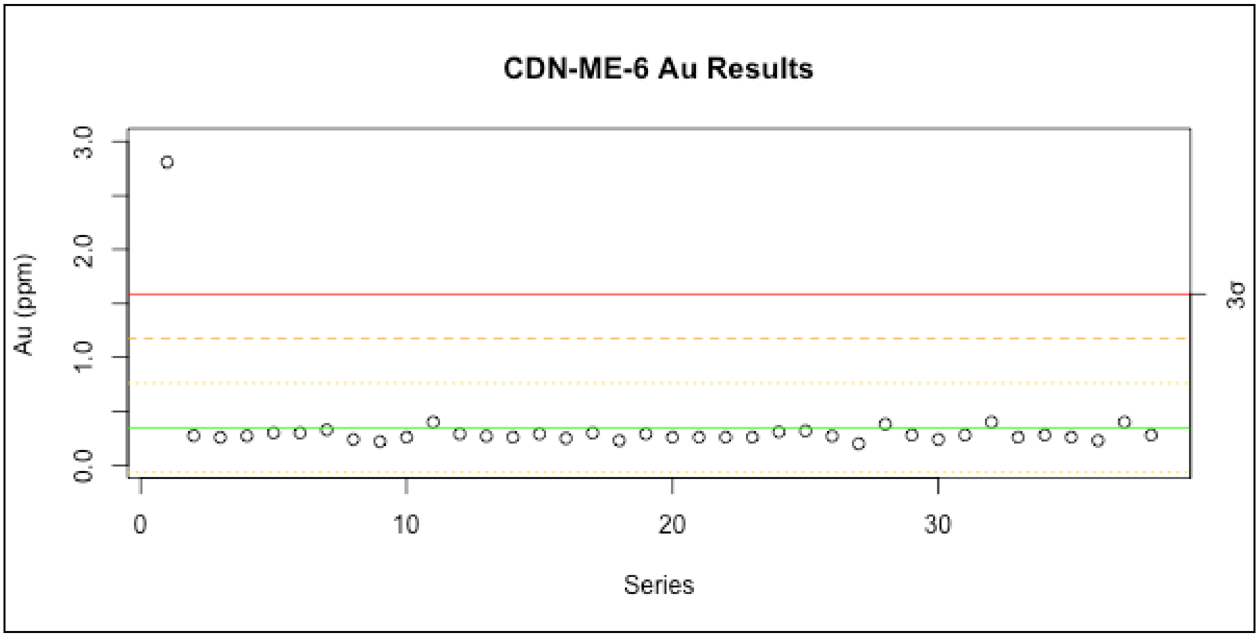

Figure 17 CDN-ME-6 Au Results

There was one serious failure for Au in the analysis of the CDNME-6. A gold assay of 2.81 ppm was returned from an expected value of 0.27 ppm. There is no explanation for such an order of magnitude failure, other than a misplotted decimal place. No other irregularities appeared to occur in this sample batch. Action taken: samples on either side of this failed sample were not mineralized and values were low as expected; these were selected for re-assay but this has not yet been carried out. The samples in this area were not part of the mineralized zone that is being considered as a resource therefore SBA feels that it is not critical for the purpose of the mineral resource. Nevertheless, monitoring and corrective action should be taken.

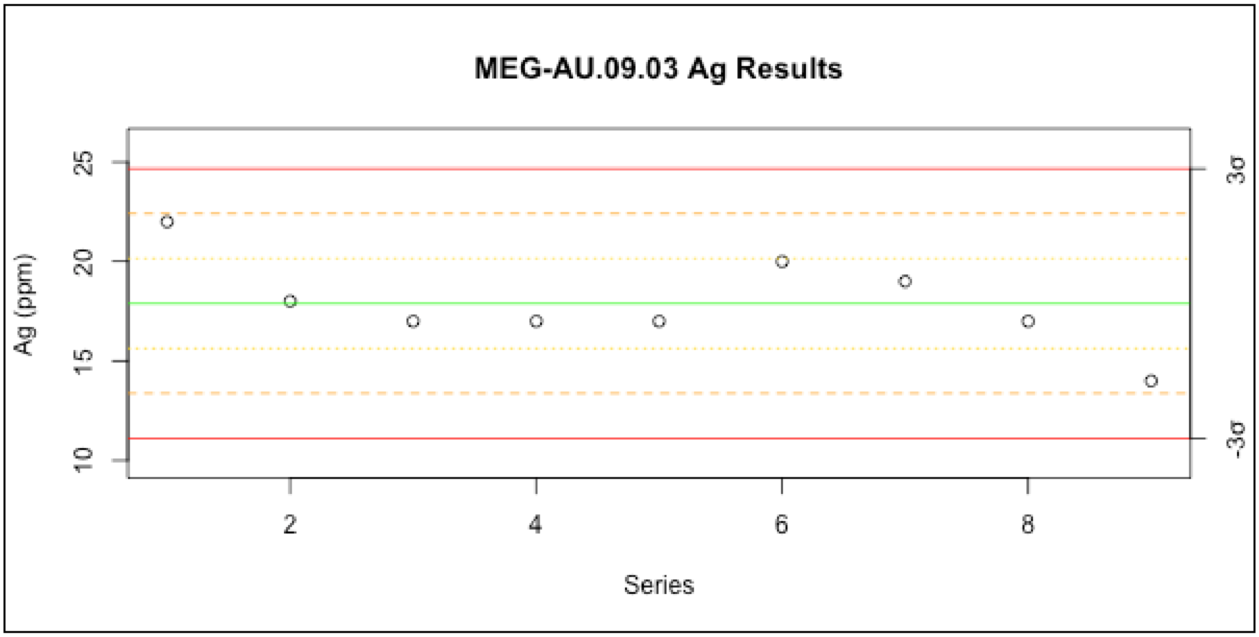

Figure 18 MEG-AU.09.03 Ag Results

The Ag values for this standard are all within the expected range.

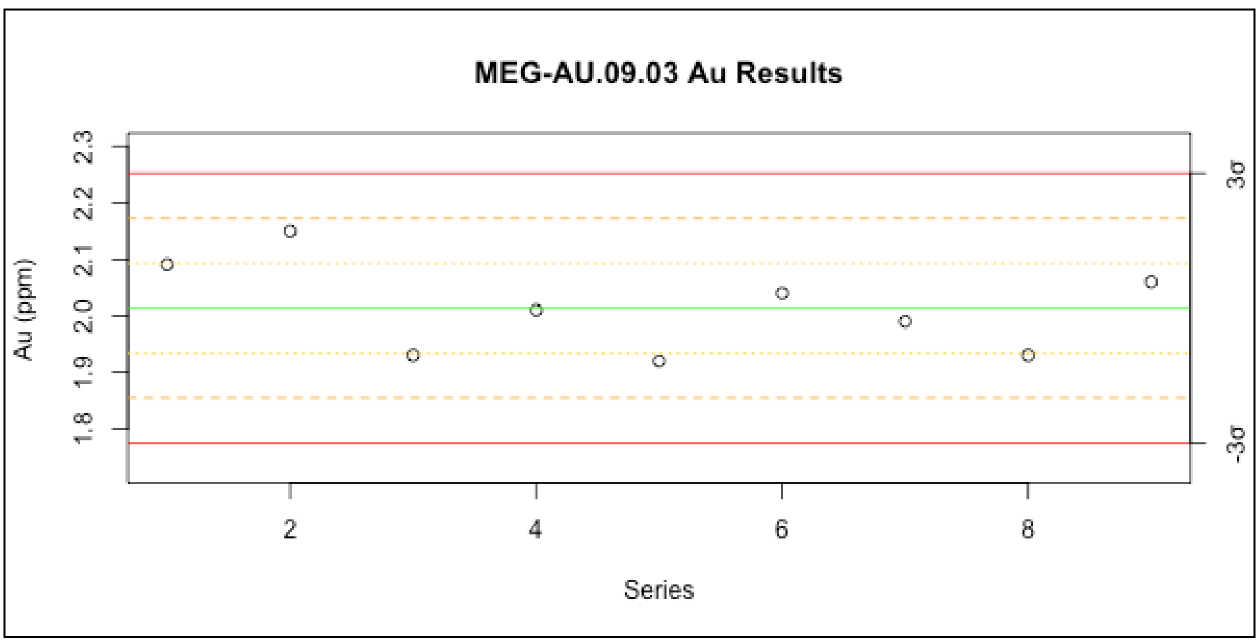

Figure 19 MEG-AU.09.03 Au Results

The Au values for this standard are all within the expected range.

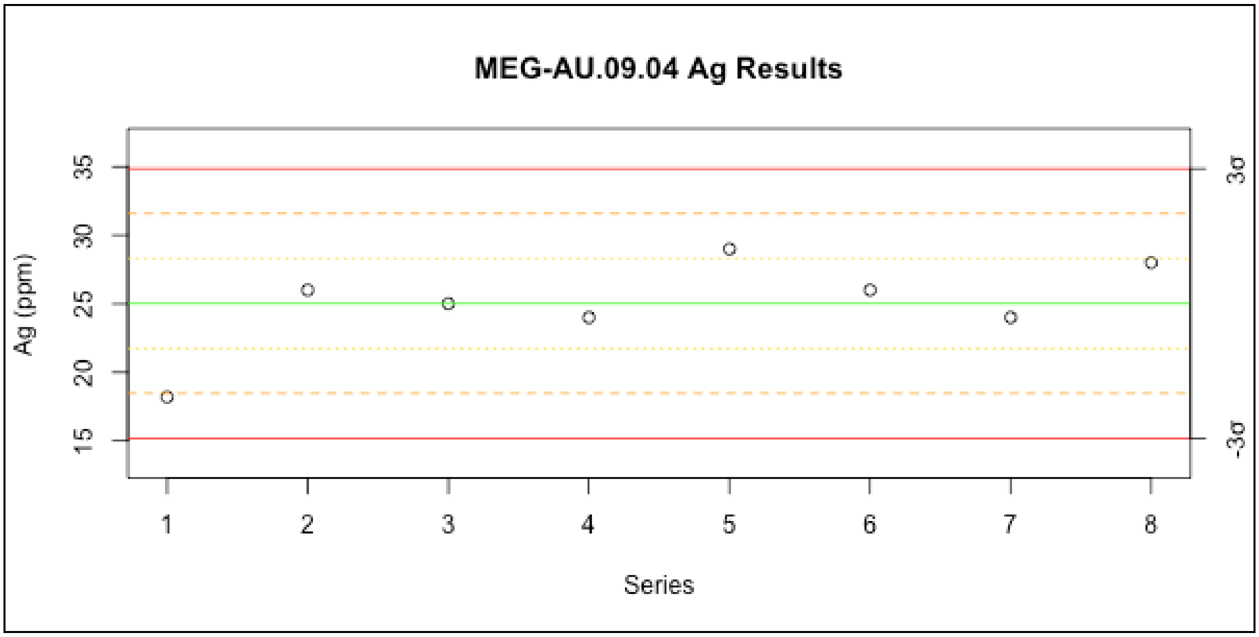

Figure 20 MEG-AU.09.04 Ag Results

The Ag values for this standard are all within the expected range.

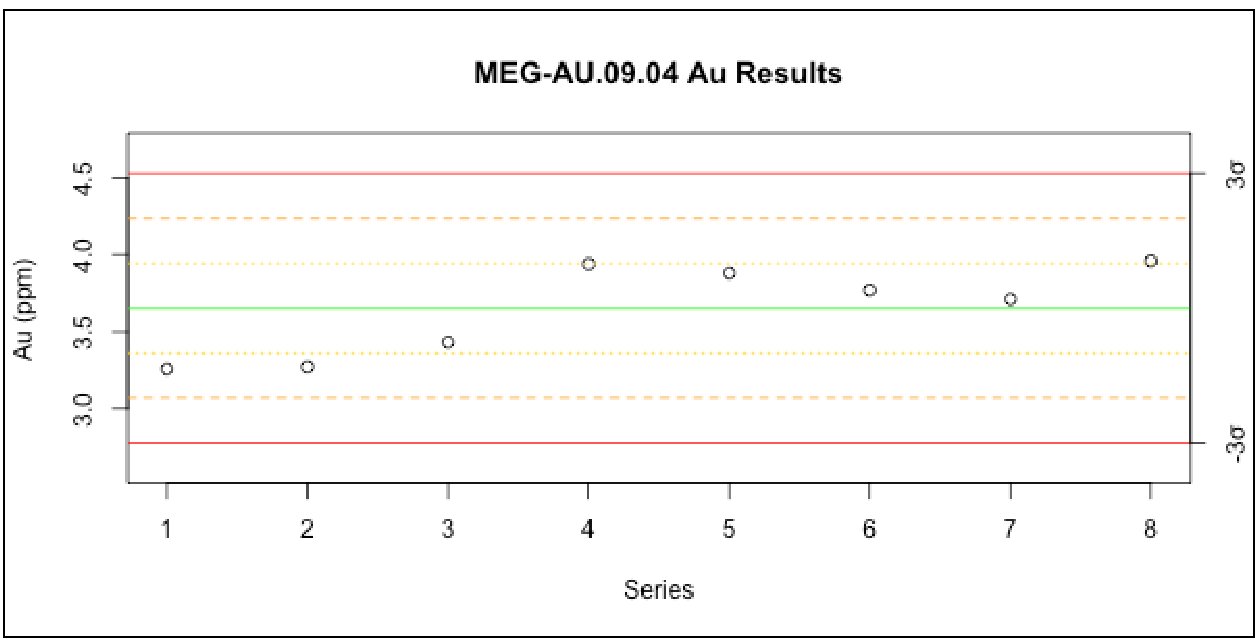

Figure 21 MEG-AU.09.04 Au Results

The Au values for this standard are all within the expected range.

11.3.2 Blanks

Blank samples are samples that contain nil or a very minimal amount of metallics, particular Au and Ag. They can be in the form of a pulp (pulverized material that can test for precision in the analytical equipment) or as coarse material that is treated as a normal sample. A coarse blank helps to test for contamination during the sample preparation process, such as improper cleaning of crushers, screens or other equipment.

During the early part of the IMMC 2011 drilling program, a pulverized blank was used (CDN-BL-7; purchased from CDN Resource Laboratories Ltd.). In August, a coarse reject was introduced into the QC program. The coarse reject was a barren, landscaping stone acquired from Shea Clark Smith in Reno, Nevada. Although not certified, it is a better option for monitoring potential laboratory contamination.

A total of 34 pulp blanks and 22 coarse blanks were used during the 2011 drilling campaign. Figure 22 shows the performance results for Ag from the blank analysis. Figure 23 shows the performance results for Au from the blank analysis.

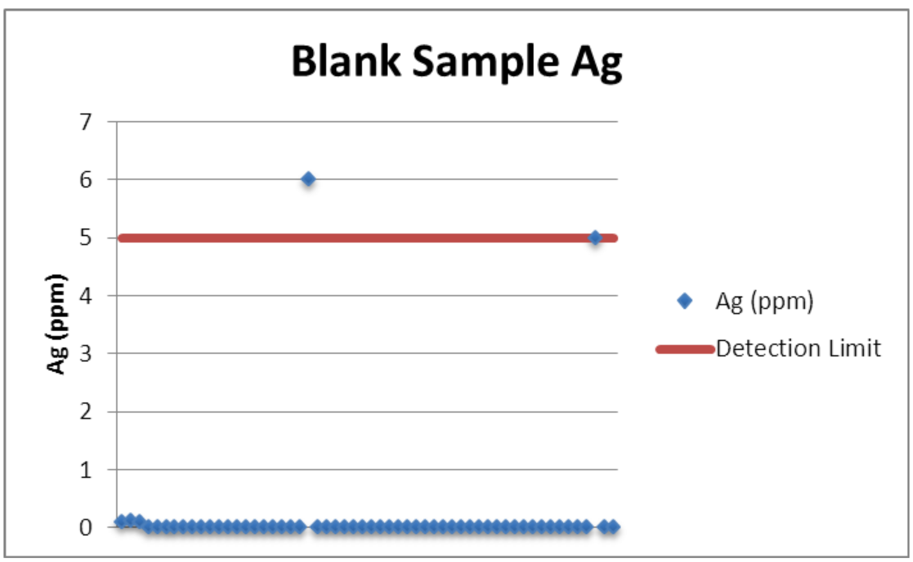

Figure 22 Blank Sample Ag Results

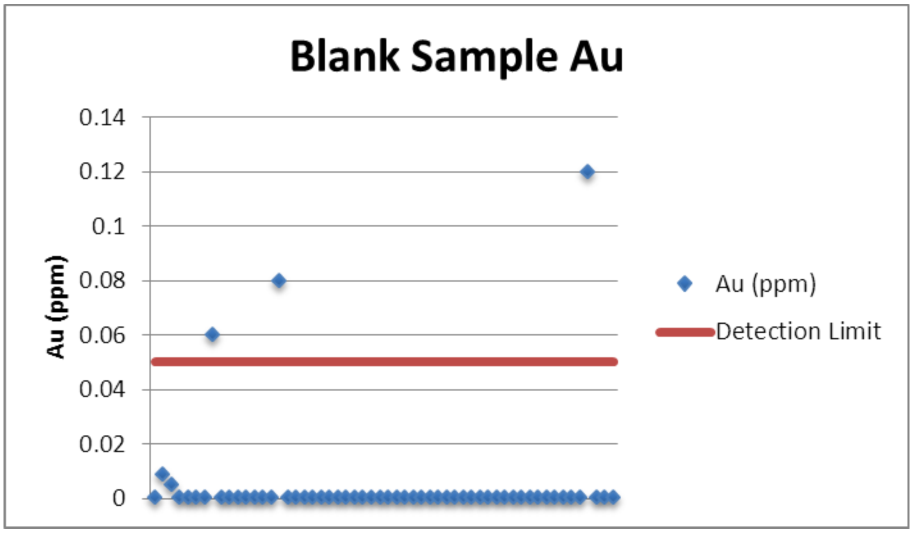

Figure 23 Blank Sample Au Results

The lower detection limits using the ALS Chemex Fire Assay – Gravity Finish assay technique is 5 ppm for Ag and 0.05 ppm for Au. The expected values for Ag and Au in the blank samples are less than the detection limits. One sample exceeded and one sample was equal to the detection limit for Ag; three samples exceeded the detection limit for Au. The highest failure was a Au value of 0.12 ppm. Action Taken: the other QC data for this batch of samples was scrutinized and there appeared to be no other discrepancies. The sample was a prepared pulp so it is unlikely that the elevated value was due to improper cleaning of the sample preparation equipment. It is more probable that the blanks are not 100% free of precious metals.

11.3.3 Duplicates

Duplicate samples serve a dual role of monitoring the laboratories ability to repeat an assay with relative accuracy and to check for inhomogeneity within the mineralized zone being sampled. Duplicate samples can consist of the second half of a sawed core, a quarter core sample or a re-submittal of the reject (or pulp) from a previously analyzed sample. It was considered important to retain a good representative sample of the Nivloc core. For this reason, the second half of the core was not submitted as a duplicate. After Hole NL11-22, coarse reject and pulps were obtained from two previously assayed holes and the reject material was re-submitted as part of the QC program. A total of 16 duplicate samples were submitted. Figure 24 is an X-Y plot of the Ag values in sample duplicates. Figure 25 is an X-Y plot of the Au values in sample duplicates.

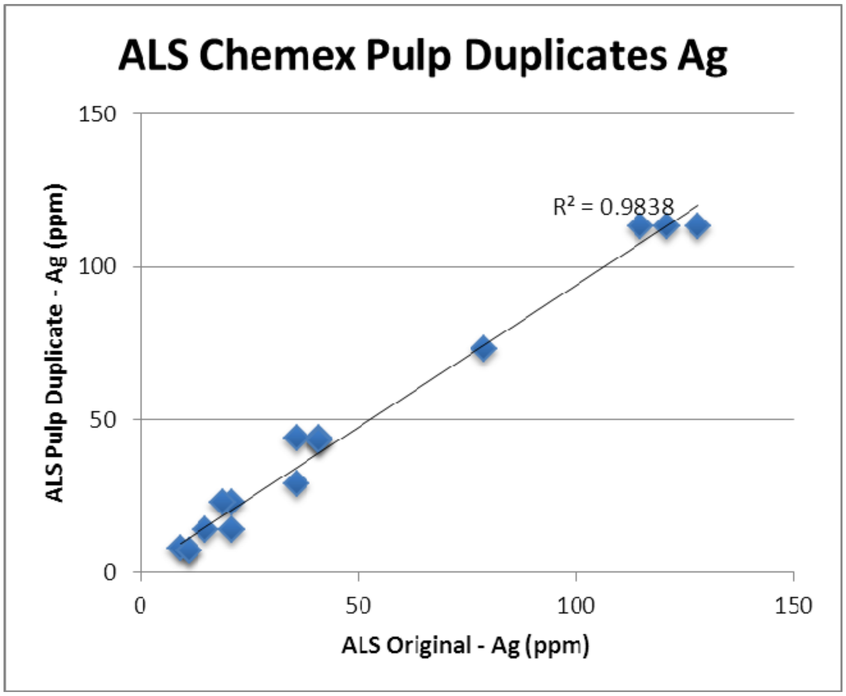

Figure 24 ALS Chemex Pulp Duplicate Ag

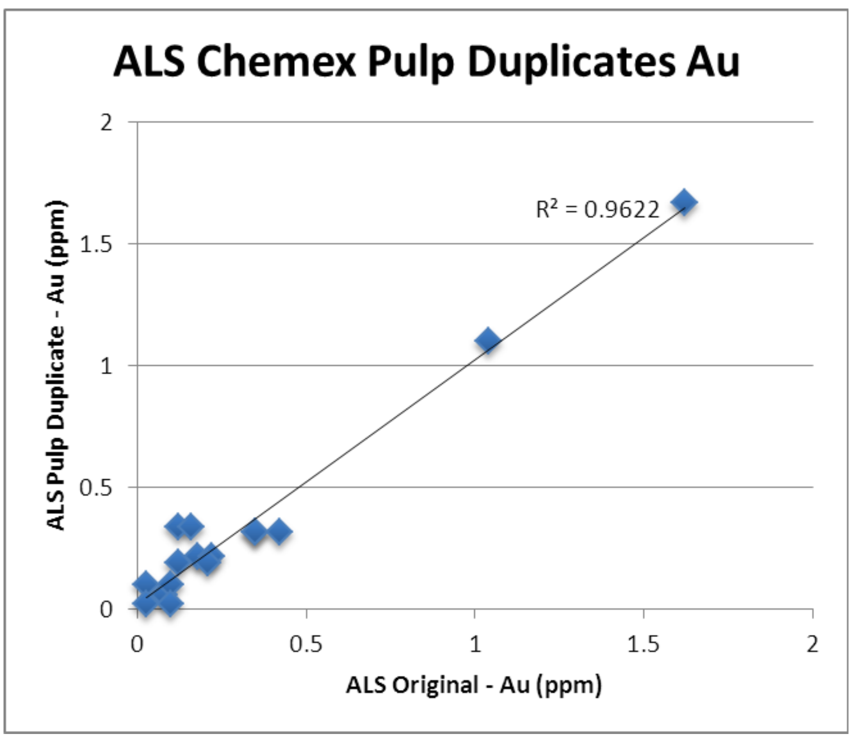

Figure 25 ALS Chemex Pulp Duplicate Au

The duplicate samples consisting of reject material from previously analyzed samples shows a reasonable performance, particularly on the higher values. Future duplicate samples should include some quartered core to monitor any biases that may arise during the sampling process.

11.3.4 Additional QA/QC Measures

IMMC has initiated a program of re-assaying of sample pulps and rejects by a second laboratory as a routine check on the assaying results. Only one batch of samples has been submitted to a second laboratory to date, but the QA/QC protocol established by IMMC calls for regular re-analysis by external laboratories as well as re-submittal of sample rejects to the primary laboratory (ALS Chemex).

Twenty-nine samples (15 pulps and 14 rejects) were submitted to the Inspectorate Laboratory in Sparks, Nevada for re-analysis. Inspectorate is an accredited laboratory and is independent of IMMC. The analytical method used on the samples submitted to Inspectorate is somewhat different than the method used at ALS Chemex. At Inspectorate, samples were crushed to -10 mesh, split, and a sample pulverized to >90% at 150 mesh (100 microns). A 1-assay-ton sample (approx. 30 grams) was then analyzed for Au by Fire Assay with an Atomic Absorption (AA) finish and Ag by Fire Assay with a gravity finish.

Figures 26 and 27 are X-Y plots showing a comparison of the ALS Chemex and Inspectorate assays for Ag and Au.

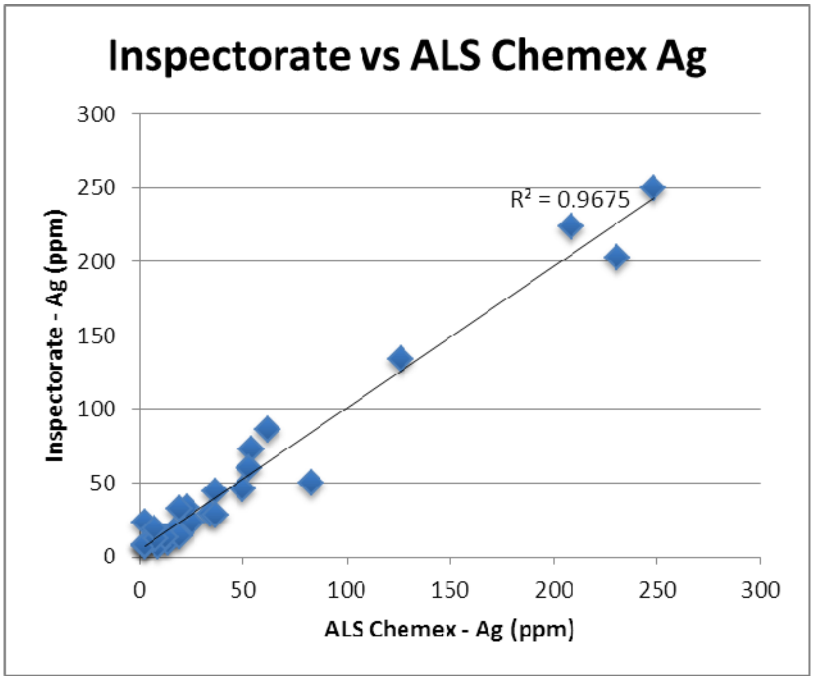

Figure 26 Duplicate Samples - Inspectorate vs ALS Chemex Ag

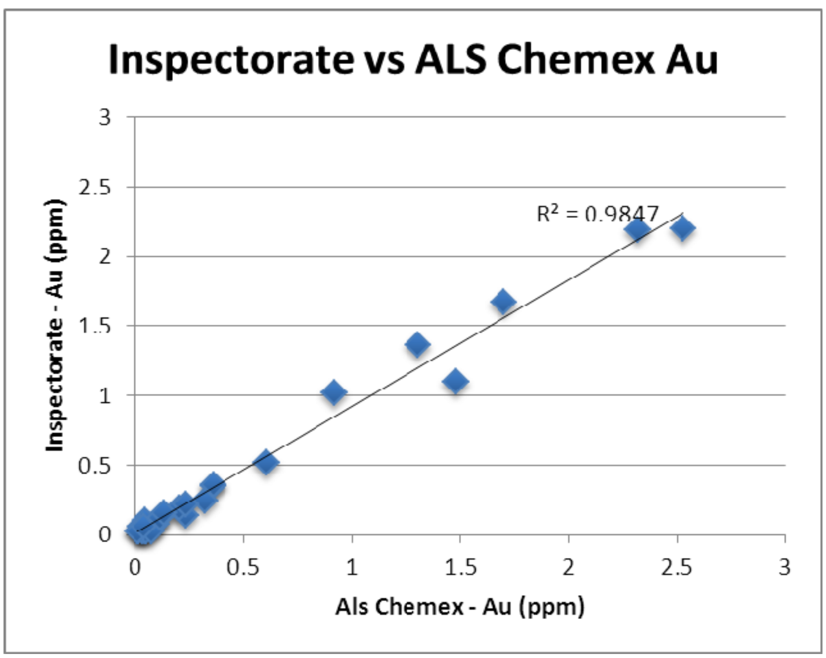

Figure 27 Duplicate Samples - Inspectorate vs ALS Chemex Au

The results from check analysis made on the duplicate pulps and rejects that were submitted to a second laboratory show that both Ag and Au appear to be repeating within a reasonable degree of accuracy. Future check assaying should include the re-submittal of sample rejects and pulps to the primary lab (ALS Chemex) as well as a secondary laboratory. For complete confidence in the assay data, at least 10% of the samples should be re-assayed; 5% to the primary lab and 5% to a secondary lab would be more than adequate.

11.3.4 Adequacy of Sampling Procedures

SBA and Heyl are of the opinion that the sampling procedures and QA/QC program were appropriate for confirmation of the assay database and that the data can be used for resource estimation.

12.0 Data Verification

The IMMC 2011 drilling was planned as a small program designed to test a relatively deep part of the Nivloc Mine where previous workers had outlined possible blocks of mineralized material (historic reserves). After intersecting encouraging mineralization in Hole IINL-5 and subsequent similar intersections, the program morphed into a 34-hole campaign. During these early holes, all data was drawn manually on paper and precise locations of the drill-hole intersections were not clear. In July, all of the historic files of the Sunshine Mining Company, which owned the Property from 1973 to 2000, were located. These files included underground level plans, production records and other information from Desert Silver, the operators of the Nivloc Mine from 1937 to 1943. All of this data was copied (scanned) and the important drawings were digitized and assembled into a GIS format (ArcGIS). Armed with this “lost” information, it became easier to design drill holes to systematically test an un-mined area in the western part of the Nivloc Structure.

During the period from August to December, 2011 an Excel database was assembled by IMMC consultants and staff that included drill hole collar and directional information, summary geological logs and assay intervals (double entry system). This information was then combined with the sample assay data in a relational database. The sample intervals were then validated using Leapfog geological modeling software. The database was examined by the author in January 2012. At that time, all collar information was verified along with approximately 30% of the sample intervals using the sample booklets to confirm input. The original assay certificates were used to manually verify more than 30% of the imported data.

The underground workings are based upon the original mine plans which are assumed to have been accurately surveyed. In December 2011, a 600 m wide by 1,800 m long strip centered on the Nivloc fault structure was surveyed to provide accurate control on the drill holes, surface geology, shaft collars and other surface features. All information collected earlier in the program was then adjusted to provide a very accurate surface plan. The locations included the collars of three shafts that access the Nivloc historic underground workings. These shaft collars, plotted on the old mining plans, have been used as control points for tying in the underground workings.

13.0 Mineral Processing and Metallurgical Testing

IMMC has not yet carried out any mineral processing or metallurgical testing on the Nivloc mineralization. During the operating period (1937 to 1943) silver and gold recoveries are reported in old management reports (Desert Silver) to have ranged from 86% to 94%. In 1986, Sunshine Mining Limited completed an in-house feasibility study to develop and mine a part of the Nivloc deposit (Bagan, 1986). Sunshine estimated silver recoveries of 89.5% and gold recoveries of 95% using a traditional cyanide leach process. In reaching this conclusion, Sunshine relied upon old production records and their own in-house data from experience gained from milling ore from the nearby “16 to 1” mine (2.5 km northwest in a similar geological setting with similar mineralogy). None of this information can be verified by the author. The information was published prior to the implementation of NI 43-101 and should not be relied upon.

14.0 Mineral Resource Estimate

A mineral resource is defined by the CIM Definition Standards on Mineral Resources and Mineral Reserves, (CIM, 2004) as:

> "…*a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.*
>
> *An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes."*

Silver and gold mineralization at Nivloc is contained within quartz veins and quartz stockwork veining across a structurally controlled zone that ranges in width from 15 to 50 metres. The mineralized zone has been outlined by drilling for in excess of 300 metres along strike and in excess of 200 metres down dip and is open along strike in both directions. Within the area drilled, the geological setting of the mineralization at Nivloc is reasonably well understood and this mineralization appears to have good continuity along strike and in a down dip direction.

In addition to the reasonable geological predictability of the mineralized zone, the Nivloc Property is located in a historical mining district where mine related infrastructure and services are routinely available and there is a reasonable assurance of approvals for mining development. There are old underground workings on 4 levels in the area drilled and an existing decline ramp that could provide near-term access for more advanced exploration and potential development. The project has existing power lines, serviced access roads and water access rights. The drilled zone is adjacent to historic mined areas where selective, high grade, narrow vein mining was carried out (Desert Mining, 1937 to 1943). The wider host structure, the Nivloc Structure, has a very strong potential for moderate tonnage, lower grade mineralization that might be extracted by underground, bulk-mineable methods. The purpose of this early stage resource estimate is to quantify the mineralization in the area drilled, identify areas within the mineralized zone that require additional drill testing and recommend the next stage of exploration that is required to test for extensions to the size of the mineralized zones and increase confidence in the mineralization outlined to date.

14.1 Available Database

IMMC has established an in-house computerized system for storage and retrieval of all geological and related data associated with the Nivloc project. This includes the following:

- All historical information has been scanned and stored in PDF format; data generated by ongoing work programs including original drill hole logs, drill hole cross-sections, assay certificates and other field generated data is also scanned and stored as PDF files.
- Property geology, surface and underground plans, Property boundaries, and other data have been geo-referenced and digitized in an ArcGIS format.
- The old mining stopes in the Target Area were digitized in order to remove these volumes from the resource calculations.
- Drill hole summary logs and collar information, down hole surveys and assay intervals for 34 holes drilled by IMMC during 2011 were entered into Microsoft Excel tables and are stored in a normalized tabular form suitable for use with common geological modeling software.

For the purpose of this resource estimate, an electronic database consisting of drill hole collar information, down-hole directional surveys, summary lithological logs, sample intervals, sample analytical results and QA/QC performance results was used. All collar information was audited along with spot-checking of approximately 50% of the assay intervals (using original sample books) and the assay results (using original assay certificates). No data entry errors were found. The drilling and assay data appears to be adequate for the purposes of this preliminary mineral resource estimate and the author has no reason to believe that any of the information is inaccurate.

Underground sampling plans drafted while the mine was in production from 1937 to 1943 are available and have been partially digitized. Sampling and access drifts were limited to higher-grade sections usually along the footwall of the mineralized zone and do not cross the total width of the Nivloc Structure. It may be possible to establish sub-domains within the structure, using this historic data, but this data was not included in the current resource calculations.

14.2 Coordinate System, Topography

All topography and drill-hole data used in the block modeling and the resource estimate was in UTM NAD 27 CONUS, Zone 11N. Topography was generated from USGS topographic data augmented by ground surveying completed by a local surveyor (ASAPS) in December, 2011. A digital terrain model (DTM) was constructed of the area drilled for import into the modeling software. Drill hole collars were surveyed by ASAPS along with critical shaft collars. This information was used to adapt the old surveyed plans of the underground workings and to bring all data into the same coordinate system.

14.3 Geology and Grade Modeling

Based upon the old underground level plans, geology and sample plans, historical mining at Nivloc was restricted to narrow, higher grade quartz lenses and sheets with most of the work directed towards a single narrow sheet that occurs along the footwall of the much wider Nivloc Structure. Old reports suggest that the average mining width was 5 to 6 feet (1.5 to 2 metres) although some lenses may have had widths up to 30 feet (9 metres). The IMMC drill holes consistently intersected a much wider mineralized zone containing multiple quartz veins separated by stockwork-quartz zones of altered wall rock. The wider lower grade zone is considered by the author to have "..*reasonable prospects for economic extraction"* in keeping with the principal component of a mineral resource (CIM, 2004). A wireframe of the geological unit, the Nivloc Structure, hosting the mineralization at Nivloc, based upon the IMMC 2011 drill intersections was created using the 3D geological modeling application Leapfrog Mining v2.4. The upper limit of the wireframe was determined from lithologies and assays from the drilling program and historical information. The lower limit is a geological boundary. The horizontal limits were assigned as approximately 30 metres from the last drill hole. The wireframe and relevant sampling data were then imported into Vulcan software to create a block model.

Figure 28 shows the plane of the Nivloc Structure (brown) and the solid block (red) outlined by the 2011 drilling.

Underground workings were provided only as rib lines in CAD format, with no indication of along-dip 3D extents. To account for the workings on a rudimentary level, the rib lines were projected along dip using Leapfrog software. The average projection length was 20 m to either side of the rib lines on each level, with some levels merging to form a complete corridor of likely-mined material. This wireframe projection was then exported to Vulcan software, in which the blocks were flagged by the percentage of mined out material (0.0 = unmined, 1.0 =fully mined.) The mined percentage was integrated into the Grade-Tonnage evaluation to remove the material flagged as "mined" from the volume. Figure 29 represents the mined-out working projections relative to the Nivloc Structure.

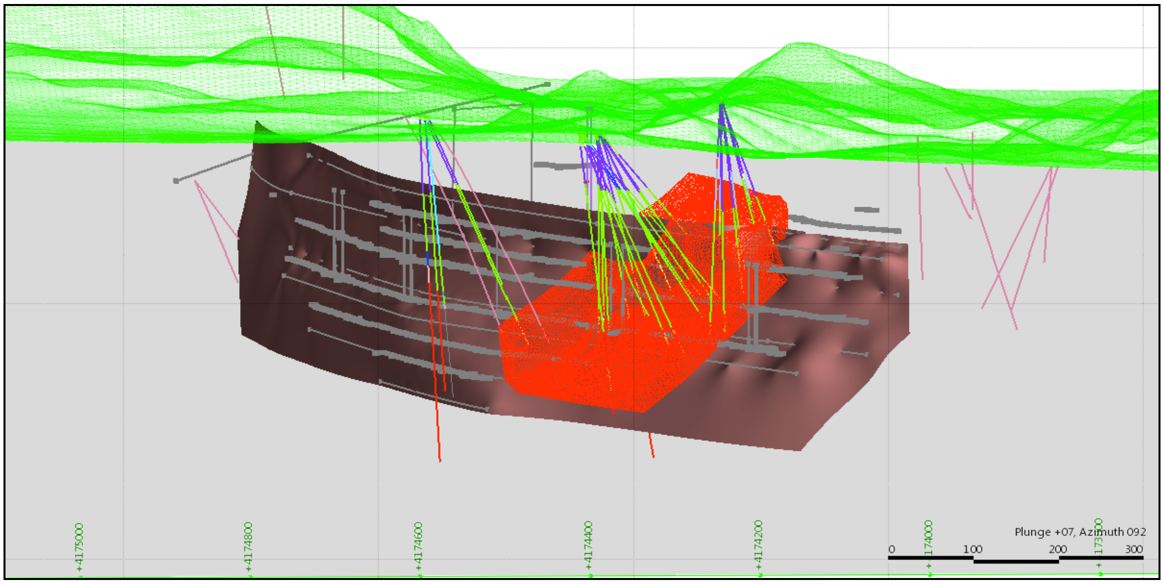

Figure 28 Geological Model of Nivloc Structure looking east (created in Leapfrog)

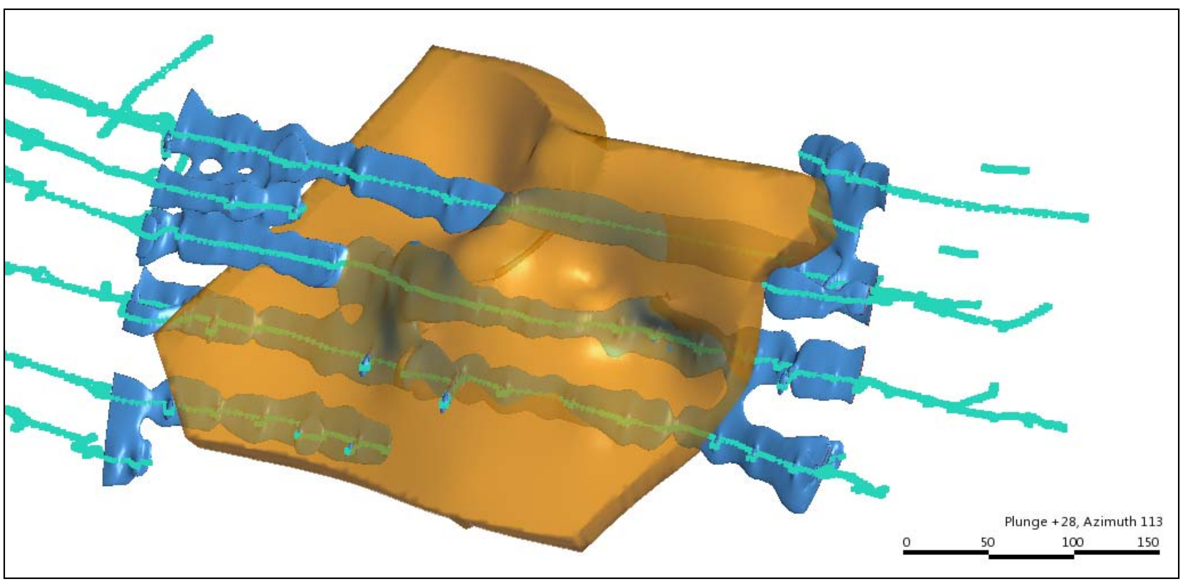

Figure 29 Geological Model of Nivloc Structure with workings projected (Leapfrog)

14.3.1 Basic Parameters Used in the Resource Estimate

Density: The density used for this initial resource estimate was 2.65. This is considered to be a valid and relatively conservative measurement. Historical reports and mine records indicate that the tonnage factor used in the past was 12 cubic feet per ton (equivalent to a density of 2.67). In house measurements were completed on three quartz vein samples from Nivloc resulting in an average density of 2.69. The Company plans to routinely obtain rock densities for core samples in future drilling in order to confirm the tonnage factors in different parts of the mineralized zone.

Values Less than Detection Limit: All analytical values ‘below detection limit’ were assigned one-half the lower detection limit value for the purposes of this resource estimate.

All data are expressed in metric units and grid coordinates are in the UTM NAD27 Datum reference system.

14.3.2 Block Model Construction

The Leapfrog program checked the input data for duplicate assays, invalid intervals and overlapping intervals. Once imported into Vulcan for the block-modeling process, the data was reanalyzed using similar criteria. The assay data was then composited for each hole into 5m lengths in preparation for block modeling. The intervals were broken at the boundary of the vein, such that the composites started a 5m run exactly upon entering the vein for the least likelihood of contamination by samples in the host rock. The grade samples were capped to reduce the influence of high-yield statistical outliers. Table 25 represents the cap values used for the samples during compositing. The caps were set using a Lognormal Probability Plot analysis – the point at which the continuous trend of grade and probability broke (i.e. where there was a significant jump in grade value relative to probability) became the grade value for the cap. The Lognormal Probability Plots are seen in Figures 30 and 31.

The block model is a regular 5x5x5m model flagged by the vein wireframe – only blocks identified as within the vein solid were estimated. The block size was selected in an effort to retain some resolution of the high-grade trends in the footwall and hangingwall, while at the same time maintaining a block size consistent with the anticipated bulk underground mining methods.

Variography was attempted on the Au samples inside the vein boundary. The variance was too high for the Ag samples to produce a reasonable result. While downhole and omni-directional variograms produced decent results, there were too few samples to reasonably derive an anisotropic variogram model to identify trend directions. Figure 32 represents the omni-directional variogram.

Variable	Cap (GPT)	Number of Capped Values
Ag	486	2
Au	3.96	4

Table 24: Capping Parameters and Affected Values

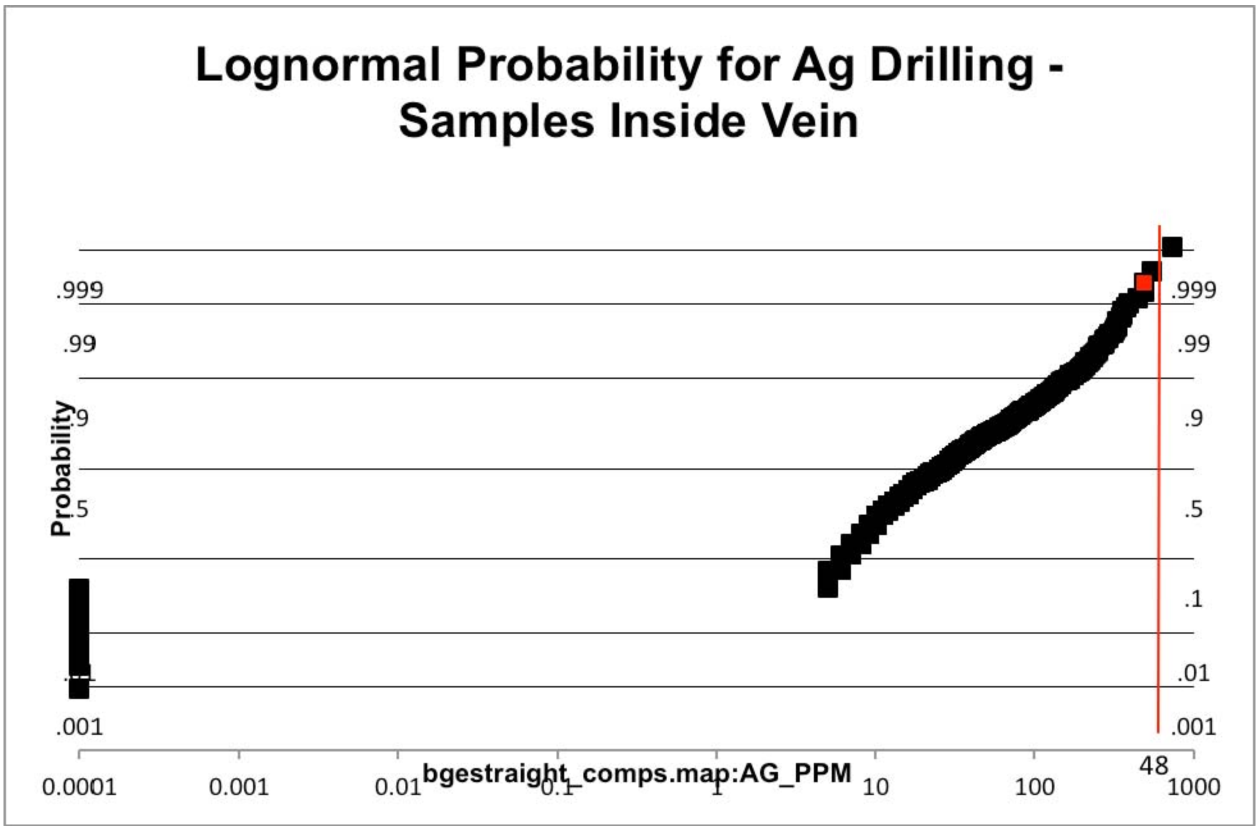

Figure 30 Lognormal Probability Plot for Ag Drill Samples - Samples Inside Vein

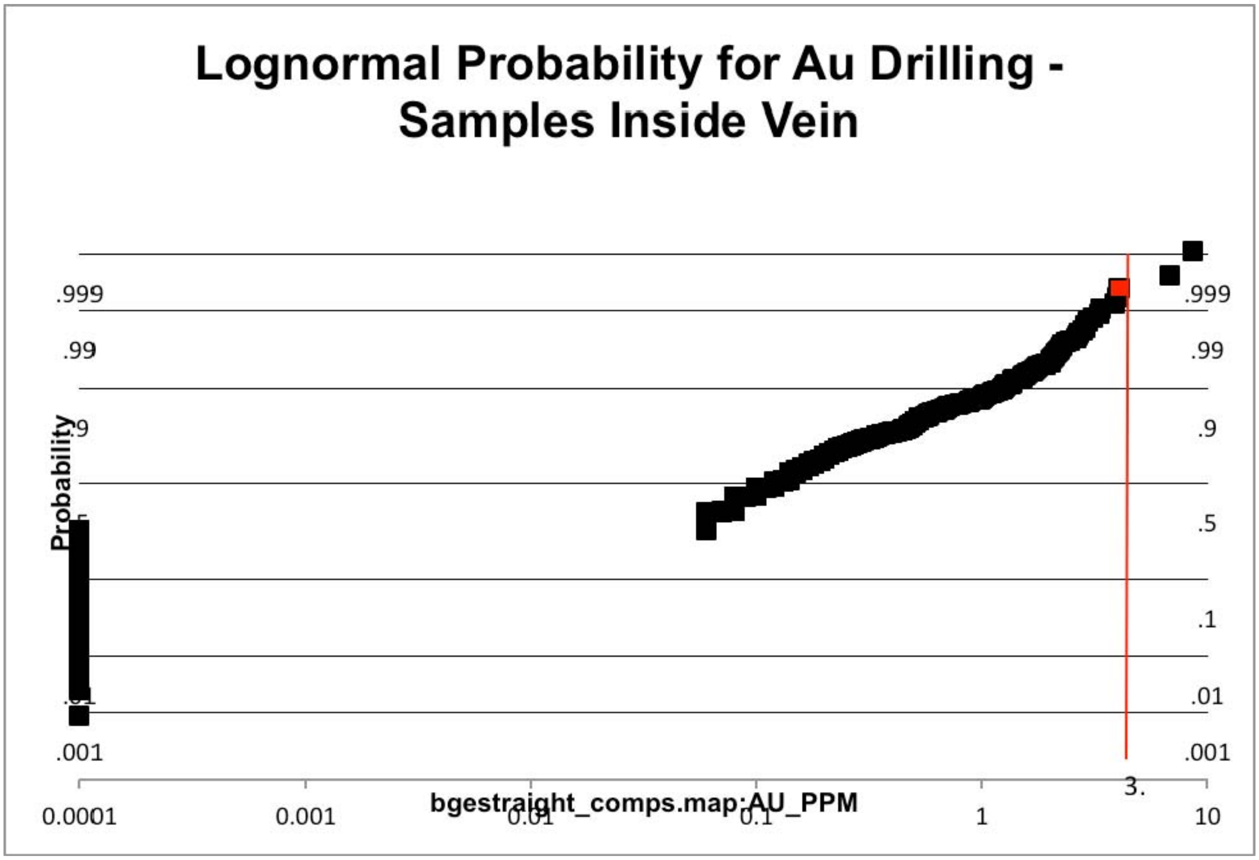

Figure 31 Lognormal Probability Plot for Au Drill Samples - Samples Inside Vein

There are two clear structures in the variogram – one from the 0 distance to 16m where it meets the sill, and a second structure from 40m to just over 50m. This second structure likely represents the major variogram axis in an anisotropic model, while the first structure is likely influenced by the down-hole values. It is suggested that 30m drill spacing be used to attempt to fill in the disparity of data between the 20m and 40m ranges.

A search ellipsoid of 30x30x10m was determined by visually examining the drilling spacing, as well as doubling the maximum range of the omni-directional variogram for the Major and Semi-Major Axes. The minor axis was reduced to 10m to apply anisotropy to the estimation – this will attempt to force higher-grade blocks to adhere to the hangingwall and footwall surfaces as is the nature of the Nivloc Structure. The ellipsoid was oriented at Azimuth 315° Plunge -50° Dip 0° to correspond with the apparent dip and dip direction of the Nivloc Structure. Full estimation parameters are listed in Table 25.

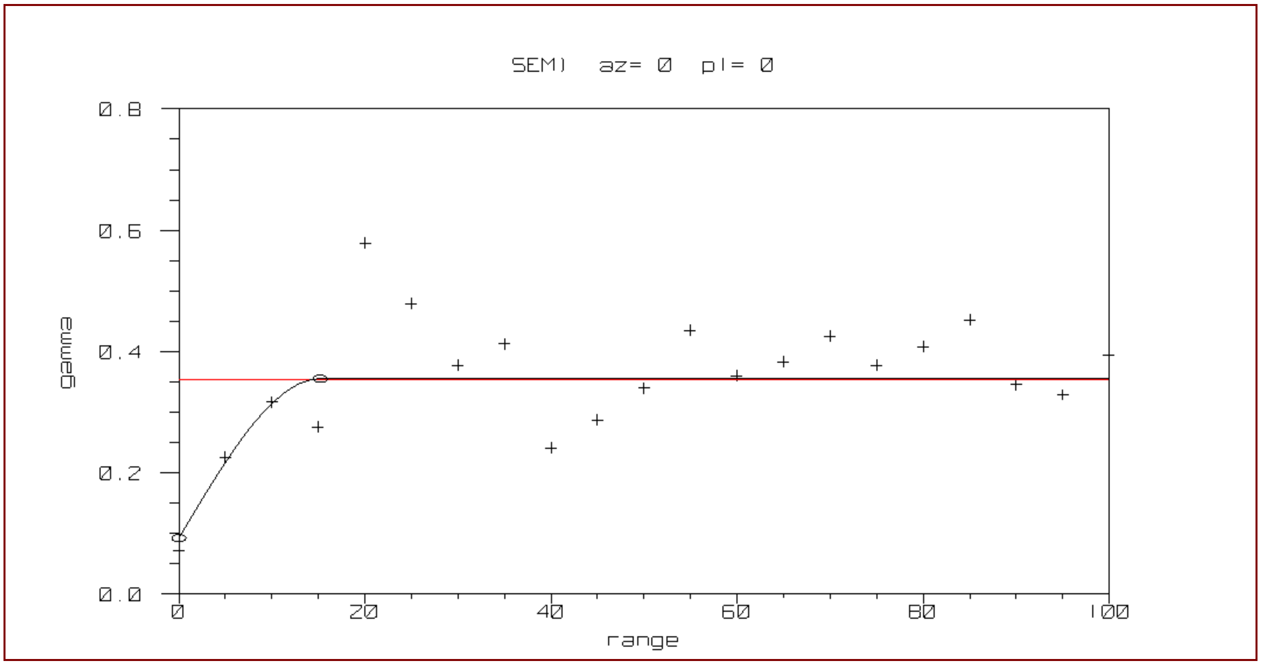

Figure 32 Omni-Directional Variogram, 5m Lags, Au Samples Inside Vein

Table 25 Estimation Parameters for the Nivloc Block Model

Estimated Variable	Major Range	Semi-Major Range	Minor Range	Major Azimuth	Major Plunge	Major Dip	Min Samples	Max Samples
Ag	30	30	10	315	-50	0	1	1
Au	30	30	10	315	-50	0	1	1

Blocks were estimated using a Nearest Neighbor (NN) method. The basic statistical information related to the assays and the block model is shown in Table 26. Figure 33 is a view of the Vulcan block model for Ag. Figure 34 is the same view for Au. Figure 35 shows a cross section showing Ag values in blocks near the center of the block model. Figure 36 is a similar cross-section with Au values.

The block model was compared to the results of the 2011 drilling campaign by visually inspecting the sample results on cross-sections perpendicular to the zone as well as comparing general statistics between the composites and blocks – given that the blocks were estimated using nearest-neighbor calculations, the grade distribution should be nearly identical to the composites. The model appears to reflect the geological and assay grades that are seen in the drill holes.

	Samples Inside Vein		
Ag	**Drillholes**	**5m Composites**	**Block Model**
Number of samples:	569	198	17,004
Minimum:	0.00	5.00	0.00
Maximum:	731.00	387.29	387.29
Range:	731.00	382.29	387.29
Average:	59.88	68.04	39.40
Standard deviation:	85.74	65.14	58.55
Variance:	7,351	4,243	3,428
Coef. of variance:	1.43	0.96	1.49
Au	**Drillholes**	**5m Composites**	**Block Model**
Number of samples:	569	201	17,004
Minimum:	0.00	0.06	0.00
Maximum:	8.61	3.86	3.86
Range:	8.61	3.80	3.86
Average:	0.40	0.55	0.32
Standard deviation:	0.78	0.60	0.54
Variance:	0.61	0.35	0.29
Coef. of variance:	1.94	1.09	1.71

Table 26 Nivloc Data - Statistical Summary

The mineral resource estimate was calculated by applying a silver cut-off grade to the block model data and reporting the resulting tonnes and grades. The silver equivalent (AgEq) was calculated using a 50:1 Ag to Au ratio. The undiluted and Inferred Mineral Resource Estimate of the Nivloc silver-gold mineralized zone at various silver cut-off grades has been summarized in Table 27.

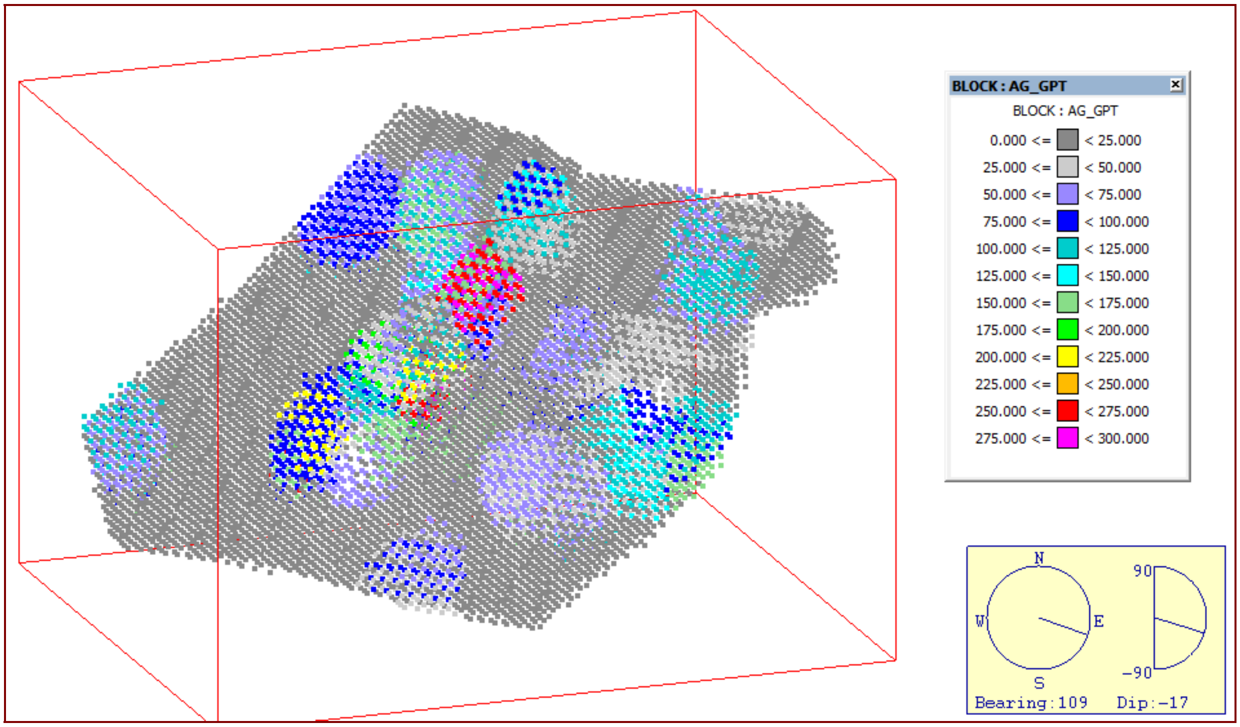

Figure 33 Vulcan Block Model of Nivloc Resources Area - Ag (looking down from northwest)

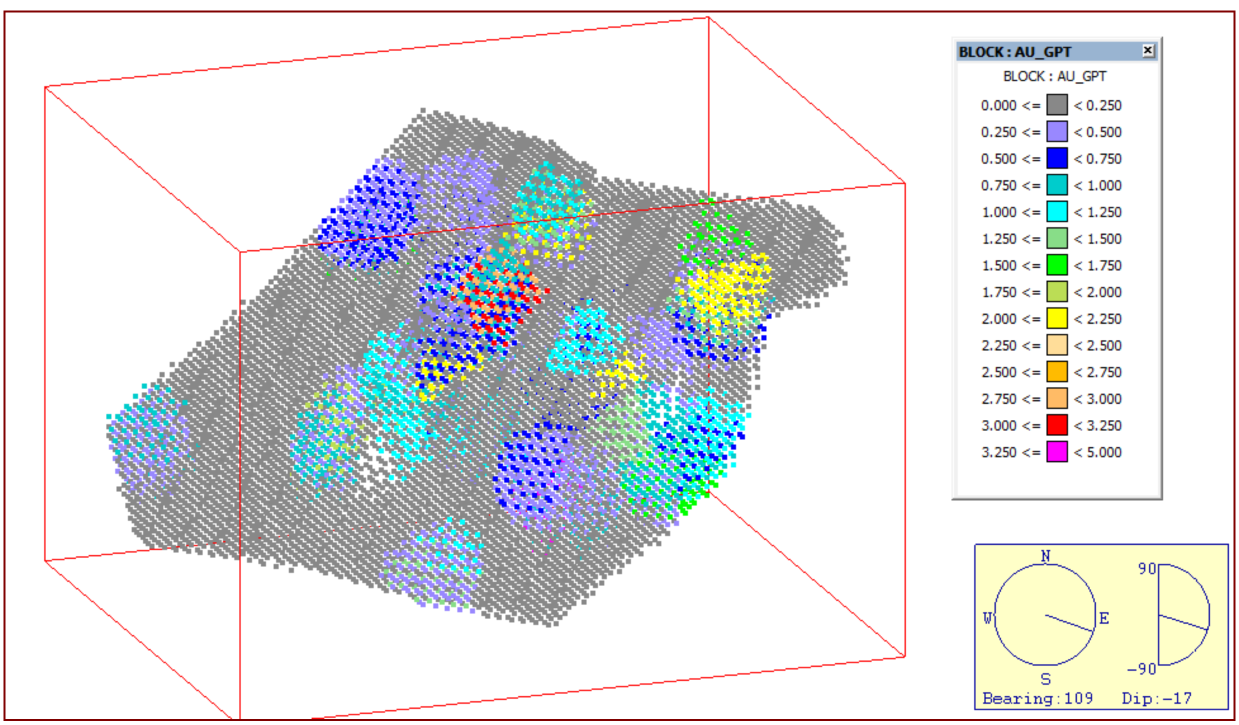

Figure 34 Vulcan Block Model of Nivloc Resources Area - Au (looking down from northwest)

The resources outlined by the 40 g/t Ag cutoff are considered to best reflect the status of exploration at Nivloc. At the 40 g/t Ag cutoff, the area drilled contains an Inferred Mineral Resource Estimate of 1,640,000 tonnes grading 106.47 g/t Ag and 0.78 g/t Au.

Ag Cutoff g/t	Tonnage	Ag Average Grade, g/t	Au Average Grade, g/t	Ag Total oz	Au Total oz	AgEq Total oz (50:1 Ratio)
10	2,817,000	70.68	0.55	6,422,000	50,000	8,912,000
20	2,176,000	87.20	0.67	6,120,000	47,000	8,464,000
40	1,640,000	106.47	0.78	5,633,000	41,000	7,689,000
60	1,350,000	118.67	0.87	5,167,000	38,000	7,055,000
80	906,000	142.83	1.06	4,175,000	31,000	5,719,000
100	708,000	157.66	1.17	3,599,000	27,000	4,931,000

Table 27 Nivloc Inferred Mineral Resource Estimate

Cautionary Statement:

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing or other relevant issues. There is no guarantee that IMMC will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise for the Nivloc project or that the project will be placed into production.

Due to the uncertainty which may attach to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure.

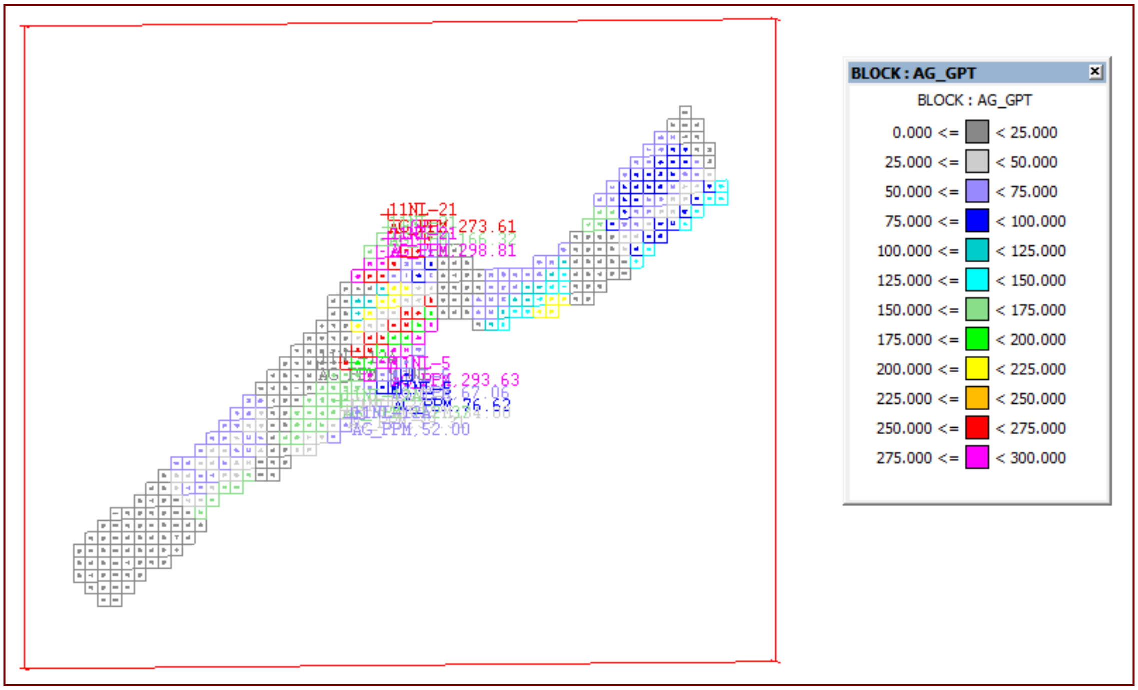

Figure 35 Cross-Section through Block Model with Ag values (looking northeast)

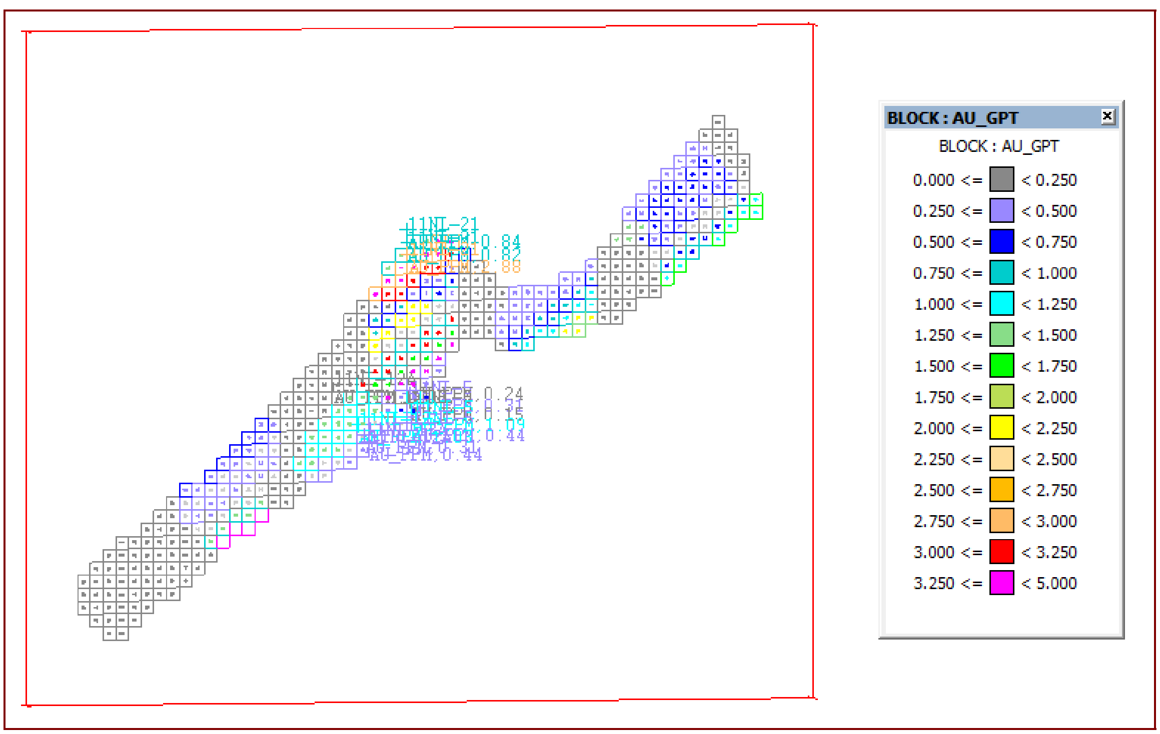

Figure 36 Cross-Section through Block Model with Au values (looking northeast)

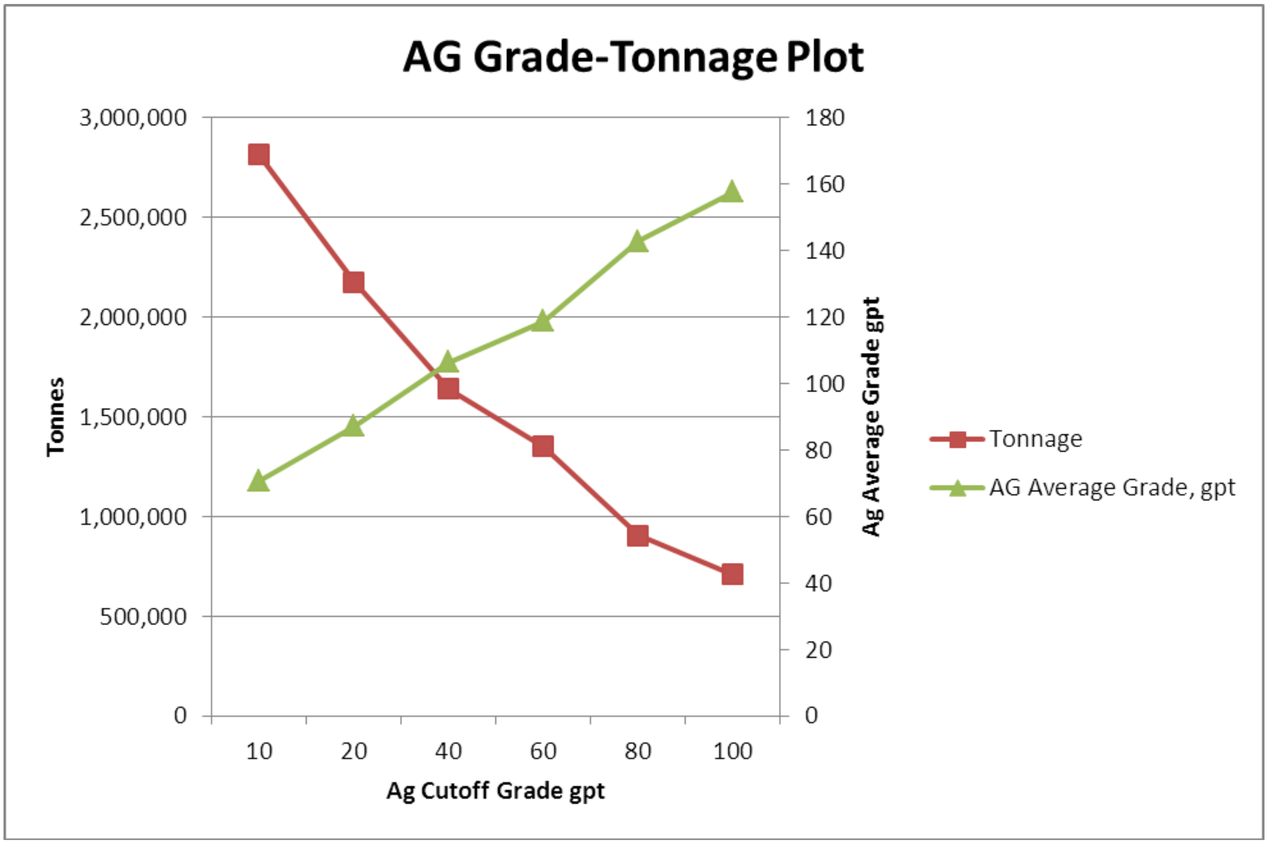

Figure 37 Grade - Tonnage Plot for Ag at various grade cutoffs

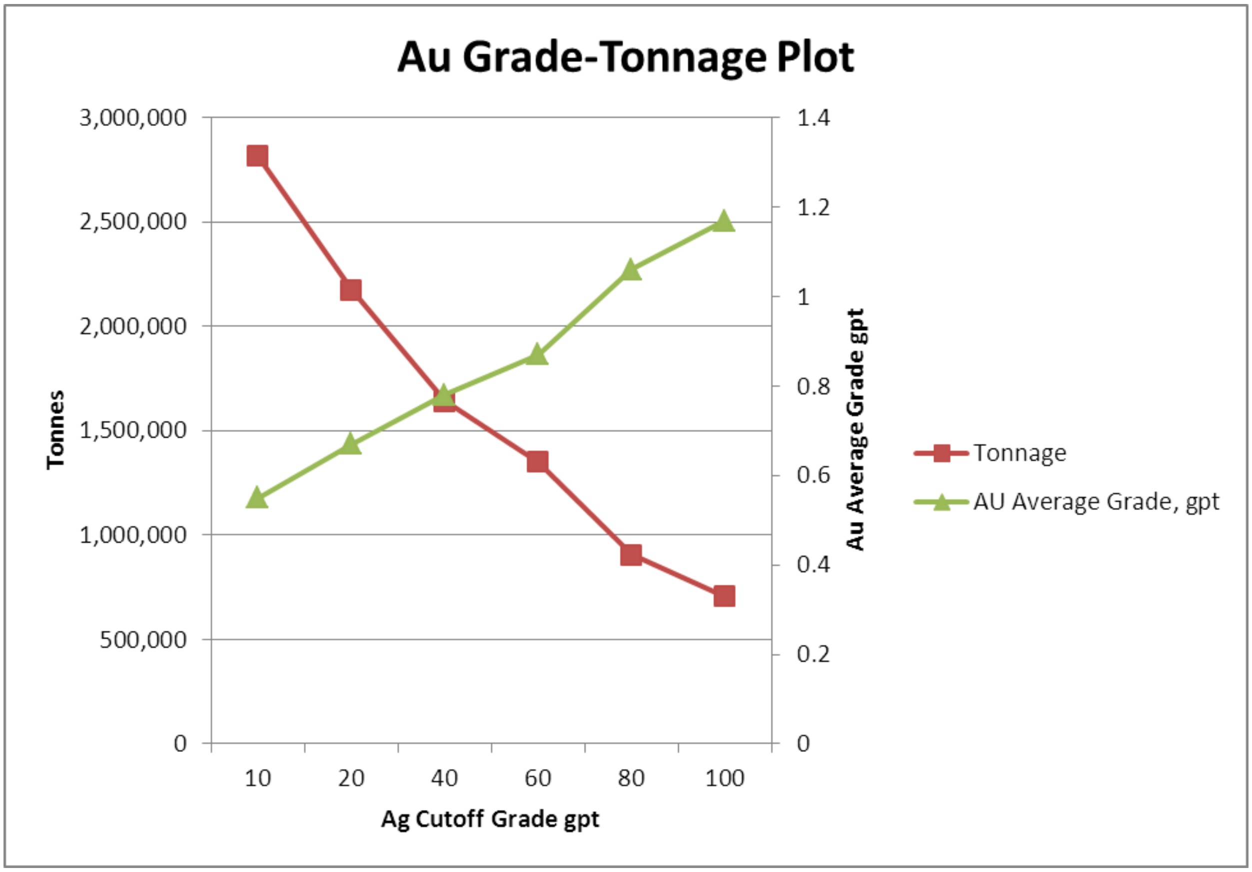

Figure 38 Grade - Tonnage Plot for Au at various grade cutoffs

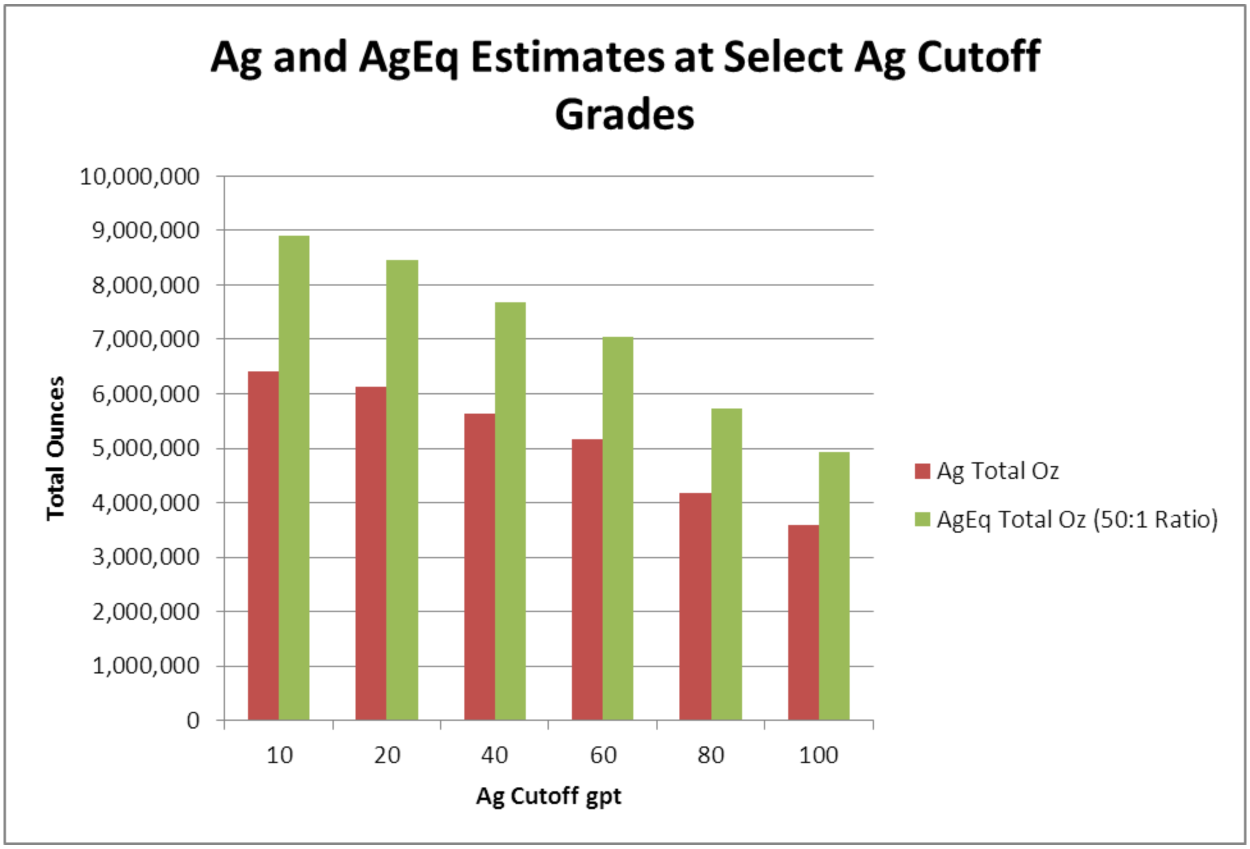

Figure 39 Nivloc Ag and AgEq Estimates at Select Ag Grade Cutoffs

15.0 – 22.0 Sections not applicable

23.0 Adjacent Properties

The Silver Peak – Mineral Ridge area has been in the center of numerous small past producing silver/gold mines. Several historic mines were in similar geological settings to Nivloc, including the 16 to 1, Mohawk and Sanger discussed below. All of these were historic past producers. There are two currently operating mines within a 15 km radius of the Nivloc, although neither of them is similar in geology to Nivloc. These include the Mineral Ridge project (Au/Ag) of Scorpio Gold Corporation and the Silver Peak Lithium operation of Chemetall Foote Corporation.

23.1 Historic Adjacent Producers

23.1.1 The 16 to 1 Mine, Sunshine Mining Company, 1981-1986

The 16 to 1 mine is located approximately 2.5 km west of Nivloc. The 16 to 1 was operated by Sunshine Mining between 1981 and 1986, during which time it produced 907,185 tonnes grading 174.9 g/t Ag, and 1.16 g/t Au (1 million tons @ 5.10 oz/ton Ag and 0.034 oz/t Au) (Barker et al, 1989). The epithermal vein mineralization is a close match to the Nivloc. The vein averages 7 m wide and has the same host rocks. It is hosted within a northeast trending normal fault structure semiparallel to the Nivloc Structure that dips towards the southeast, opposite to the Nivloc's. This suggests there may be a graben between the two vein systems, and other veins may be present.

23.1.2 The Mohawk, Various Operators, 1920 to 1982

The Mohawk mine is located approximately 5 km west-northwest of Nivloc, approximately 2.5 km beyond the 16 to 1 mine. Mineralization at Mohawk is similar in style and geological setting to the Nivloc and the 16 to 1. Between 1920 and 1982, production at this mine is reported to have been 96,568 tonnes grading 641 g/t Ag (106,448 tons grading 18.7 oz/ton Ag) (Bruff, et al, 1982; 1983). No gold values are reported.

23.2 Adjacent Current Producers

23.2.1 The Mineral Ridge Project, Scorpio Gold Corporation

The Mineral Ridge project of Scorpio Gold Corporation encompasses numerous small gold deposits. It has some similarities to the Nivloc deposit, primarily in that it has the basement rocks separated by the vein mineralization from the overlying, younger formations. Further study may lead to more genetic relationships. The center of the Property is located 10 km northeast of the Nivloc Property and consists of 4,118 hectares. Its closest reported mineralized zone is approximately 5 km from the Nivloc Property.

Gold and silver mineralization occurs within lenses of quartz and carbonate veining in low angle detachment style fault zones and high angle feeder veins. The veins cut Cambrian aged metamorphic rocks formed in an anticlinal dome and younger intrusive rocks that lie on the northeast side of the Silver Peak Volcanic Center. It has been interpreted as an uplifted metamorphic core complex where unmetamorphosed and unfolded Cambrian strata are in detachment-fault contact with underlying deformed granitoids (alaskite and granite) and Precambrian Wyman Formation metamorphic rocks of the core complex.

The vein zones vary in width from a few up to 43 m. Historical production from this area started in the 1860's and is reported to have been 575,000 ounces of Au (Scorpio Gold Website, 2012). The current mine is an open pit, heap leach operation processing 3,175 tpd of ore with reported measured & indicated resources of 4,261,000 tonnes @ 1.61 g/t Au (4,697,000 tons @ 0.047 oz/ton Au) and Inferred Mineral Resources of 3,441,000 tonnes @ 1.234 g/t Au (3,793,000 tons @ 0.036 oz/ton Au).

The known mineralized zones occur over an area of approximately 4,300 m (14,000 ft) north-south and 4,600 m (15,000 ft) east-west. The mineralized zones usually consist of a higher-grade 1.5 to 9.0 m wide halo surrounded by a lower-grade mineralized envelope. Two or more high-grade zones are commonly observed stacked on one another. Gold deposition is structurally controlled, and some of the highest grade material is found in mineralization shoots that are at an oblique angle to the direction of movement of the upper plate slab.

Gold is present as native gold and electrum, and generally occurs as rounded, angular, irregularly shaped and elongated inclusions and intergrowths in quartz, frequently associated with micaceous minerals or carbonates occupying interspatial spaces or fracture filling. Gold is also frequently associated with goethite, sometimes with relict pyrite, and on occasions intergrown with sphalerite, galena, anglesite/cerrusite and pyrite. (Scorpio Gold Website, 2012).

23.2.2 Silver Peak Lithium Mine, Chemetall Foote Corp.

The Silver Peak Lithium Mine owned by Chemetall Foote Corp. is the only operating lithium mine in the United States. Brines from salt-rich aquifers beneath the desert are pumped to surface and evaporated in large ponds. The concentrated brines are then processed into lithium carbonate (Chemetall Foote Website). The Silver Peak mine is located 10 km east of the Nivloc Property. The deposit's genesis has been hypothesized to been from Lithium-rich hot springs fluids coming from the faults of the Silver peak Range and in the valley underlying the deposits. It is likely the Pleistocene basaltic volcanism in the area would have been a good thermal driving mechanism to generate fluid flow through the Lithium rich metamorphic basement rocks (Lepidolite, Li mica, is present at Mineral Ridge). There is no comparison or relationship, either geologically or from a commodity viewpoint between the Nivloc Mine and the Silver Peak Lithium Mine, but it is a mine that has been in operation since 1964 and is testimony to the mining friendly environment in this area.

24.0 Other Relevant Data and Information

There is no other relevant data or information to report at this time.

25.0 Interpretation and Conclusions

The Nivloc Property lies within a geological domain known as the Walker Lane Belt, located in southwestern Nevada. The Walker Lane Belt is a northwest-southeast trending belt of rocks, dominated by a zone of transform faults. This belt separates Basin and Range style physiography that typifies most of eastern Nevada and the Sierra Madre mountain batholithic rocks in neighboring California to the west. Silver and gold mineralization occurs on the Nivloc Property in quartz veining and stockwork zones that are hosted within a northeast-southwest trending, northwest dipping normal fault zone referred to as the Nivloc Structure. The Nivloc Mine, which is reported to have produced 4,675,408 oz of silver and 18,794 oz of gold between 1937 and 1943 (Desert Silver), was developed on this structure. The historical records show that this mine had extensive development on five levels (lesser development on several other levels) along a strike length of over 1,100 metres and over a vertical distance of approximately 335 metres. Within this extensive area of development drifting, mining was carried out in four small areas representing less than 20% of the length of the underground workings. The mining was restricted to narrow, relatively high-grade quartz lenses and sheets, with an average width of less than 2 metres. Historic and 2011 drilling results indicate that the average intersected width of the entire Nivloc Structure was approximately 30 metres. This suggests that there is very likely to be parallel veins and stockwork mineralization in the hangingwall of the areas that were mined. The historic underground sampling and geological data should be re-examined and that which is reliable should be entered into the digital database.

In 2011, IMMC completed a 34-hole diamond drilling program within a 365 metre long un-mined portion of the Nivloc Mine. Thirty of the holes intersected the host Nivloc Structure. Analytic results from sampling of the drill core outlined a wide, altered and mineralized zone containing multiple quartz lenses and intervening narrow quartz stockwork veining. Simple weighted average assays across the mineralized zone indicated an average intersected thickness of 29.79 m grading 83.2 g/t Ag and 0.63 g/t Au. Based upon these drill intersections and lithological data, a 3D geological model and a block model were constructed of the Nivloc Structure for the area drilled. The block model was constrained in thickness by the boundaries of the Nivloc Structure, laterally by the old mined out areas, and vertically by the 800 and 400 levels in the old workings. A block model was constructed using Vulcan modeling software, an industry-standard modeling package. Six tonnage and grade scenarios were generated from the block model data using cutoff grades ranging from 10 to 100 g/t Ag. At a cutoff grade of 40 g/t

Ag, the area drilled contains an Inferred Mineral Resource Estimate of 1,640,000 tonnes having grades of 106.47 g/t Ag and 0.78 g/t Au.

A program of infill drilling will increase confidence in the resource and provide information that can be combined with other parameters (metallurgy, engineering and mining cost projections) to possibly increase the classification of the resource.

Compilation of historic data and surface geological mapping suggests that the Nivloc Structure continues along strike in both directions for a minimum length of 2,000 metres. It is locally covered by a younger volcanic unit and may be periodically offset by faulting. The area tested by the IMMC 2011 drilling program and containing the current defined Inferred Mineral Resource Estimate represents only a small percentage of the observed strike length of the host Nivloc Structure. There is very good exploration potential in both directions (northeast and southwest) beyond the current limits of the area drilled as well as at depth.

The width of the Nivloc Structure (25 – 70 metres) is unusual for a typical epithermal deposit, the normal average width being from 1 – 3 metres. There is a possibility that the Nivloc Structure represents the extreme upper part of an epithermal system, referred to as the “discharge zone” by Rowlands and Simmons (2012). The bottom of the mineralization has not been determined from the exploration completed to date. The mineralization that has been outlined is considered to be within the oxidized upper portion of the deposit. It is probable that the weathering process has leached silver mineralization from the upper part of the zone. It is logical to assume that there could be an enriched zone of mineralization at or near the present day water table.

26.0 Recommendations

The next phase of exploration for the Nivloc Property should be designed to increase the confidence level and obtain additional technical information in the area containing the Inferred Mineral Resource Estimate and to test the extension of the mineralized zone along strike and down-dip from the resource area. An aggressive exploration program involving diamond drilling, underground exploration and bulk metallurgical test work is recommended.

26.1 Resource Area Proposed Work Program

- A minimum of 11 core drill holes are recommended to tighten the sample spacing within the resource area. Additionally, drill spacing of 30 m should be undertaken to help define trends for use in statistical modeling, as well as helping to differentiate the higher grade hangingwall and footwall material from the central low grade zone.
- Density measurements should be taken from drill core across the Nivloc Structure and throughout the resource area.
- Mineralogical identification and preliminary metallurgical testing using QUEMSCAN or similar methods should be carried out. Samples representing different parts of the resource area should be collected and evaluated to predict metal recoveries.
- Preliminary engineering and rock mechanics studies should be completed to determine the cost and feasibility of extending the existing decline into the old underground workings.
- A more detailed geologic model should be constructed. This would include defining the fault area, which is deforming the current vein boundary, as it is clearly offsetting the Nivloc Structure in the center and will skew any attempts at Variography unless addressed. The Nivloc Structure wireframe should be extended to surface and depth. Additionally, the high-grade intercepts should be considered for a separate internal domain depending upon grade continuity in new drilling.
- Data acquisition in advance of a near term application for a Plan of Operations for advanced exploration and potential development of the Nivloc Property is recommended. This should include baseline geochemical sampling, potential cultural site identification and plant and animal inventories.

26.2 Target Extension Work Program

- Detailed surface geological mapping and rock sampling, soil sampling test surveys along strike of the Nivloc Zone.
- Drilling – 5 core drill holes; 2 to test for extension of the Nivloc Zone towards the southwest; 1 to test for parallel mineralization in mined out area east of the resource area; and 2 holes in an un-mined area northeast of the resource area.

This Phase 1 program is estimated to cost approximately $1,340,000 as shown in Table 28.

A Phase II program should include rehabilitation of the Hudson Decline (located on the eastern end of the Nivloc underground workings); extension of the west ramp of the decline along the footwall of the Nivloc Structure; crosscuts through the Nivloc Structure; underground drill testing of the Nivloc Structure and an extensive drilling program to define the extension of the Nivloc mineralization beyond the currently explored area. The extent and cost of this program is dependent upon encouraging results from the Phase 1 program.

Table 28 Phase I Budget

Phase I - Estimated Budget - Nivloc Mine Property				
Description	**Unit Value**		**CDN$**	**CDN$**
	Units	**Unit Cost**		
Diamond Drilling				
Drilling (16 holes)	4,000 m	$180/m	720,000	
Supervision, logging @ 20%			144,000	
Sampling, assaying, QA/QC, Storage			120,000	
Total Diamond Drilling			***984,000***	***984,000***
Preliminary Mineralogical/Metallurgical & Engineering Studies				
Mineralogy and QUEMSCAN of drill core samples			50,000	
Rock mechanics, preliminary engineering study			50,000	
Total Preliminary Studies			***100,000***	***100,000***
Initiate Plan of Operation Data Gathering				
Environmental and stream sampling			10,000	
Cultural, flora, fauna inventory and documentation			10,000	
Total Data Gathering			***20,000***	***20,000***
Surface Geology & Geochemistry				
Geological mapping and rock sampling			30,000	
Soil Sampling Test (50 MMI, 50 B-horizon)			5,000	
Total Surface Geology & Geochemistry			***35,000***	***35,000***
Field Support				
Vehicles, fuel, consumables, data management, accommodation, travel			80,000	
Total Field Support			***80,000***	***80,000***
Contingency and Overhead @ 10%				***121,000***
TOTAL PHASE I				**$1,340,000**

27.0 References

Albers, J.P. and Kleinhampl, 1970: Spatial Relation of Mineral Deposits to Tertiary Volcanic Centers in Nevada, in Geological Survey Research 1970; US Geol. Survey Prof. Paper 700-C, p C1 - C10.

Albers, J.P. and Stewart, J.H., 1972: Geology and Mineral Deposits of Esmeralda County; Nevada Bureau of Mines and Geology, Bulletin 78, 80p.

Bagan, T., 1986: Nivloc Mine Feasibility Study, memo to management of Sunshine Mining Company; miscellaneous files of the Nevada Bureau of Mines and Geology, in files at the University of Nevada in Reno.

Barker, J., Ryan, D., Walker, G., Earnest, D. and Burns, T., 1989: Resource Inventory Summary Report, for the Silver Peak Operations, Precious Metal Group, Sunshine Mining Company; Nevada Bureau of Mines & Geology, Reno Nevada.

Bruff, S.R., 1983; Mohawk Vein Reserve Report, Mohawk Claim Group, Esmeralda County, Nevada; file 38600035, Nevada Bureau of Mines & Geology, Reno Nevada.

Bruff, S.R. and Baker, W.P., 1982: Property Report and Exploration Potential, Mohawk Claim

Chemetall-Foote, 2012: Company Website: accessed in January of 2012: http://www.chemetalllithium.com/en/home.html

CIM Publication, 2004: CIM Definition Standards on Mineral Resources and Mineral Reserves; Prepared by the CIM Standing Committee on Reserve Definitions; Adopted by CIM Council, November 14, 2004

Group, Esmeralda County; Nevada Bureau of Mines & Geology files, Reno Nevada.

Dewonck, B., Harrop, J. and Jutras, G., 2009: Technical Report on the Nivloc Silver Property, Esmeralda County, Nevada, prepared for Silver Reserve Corp.

Dong, G., Morrison, G., Jaireth, S., 1995: Quartz Textures in Epithermal Veins, Queensland – Classification, Origin, and Implication: Economic Geology, Vol. 90, pp. 1841-1856.

Earnest, D., 1985: Nivloc Mine Ore Reserves; an ore reserve statement for Sunshine Mining Company; miscellaneous files of the Nevada Bureau of Mines and Geology, in files at the University of Nevada in Reno.

Earnest, W.F., 1985: Ore Reserve Statement for the Nivloc Mine, January 1, 1985; an internal report for the Sunshine Mining Company; NBMG, file 60003097.

Earnest, F., 1986; Geological Department Report for March, 1986; Sunshine Mining Company, internal report; Nevada Bureau of Mines and Geology, Reno, Nevada, File 60003079.

Forrest, R. A., 1976; Exploration of the Silver Ridge Big Horn Extension Decline, Red Mountain District, Esmeralda County, Nevada; a company report for Sunshine Mining Company, at Nevada Bureau of Mines and Geology, Reno Nevada.

Faulds, J.E. and Henry, C.D., 2008: Tectonic Influences on the spatial and temporal evolution of the Walker Lane: An incipient transform fault along the evolving Pacific-North American Plate boundary; in Ores and Orogenesis: Circum-Pacific Tectonics, Geological Evolution and Ore Deposits; Arizona Geological Society Digest 22, p. 437-470.

Forrest, R. A., 1976; Exploration of the Silver Ridge Big Horn Extension Decline, Red Mountain District, Esmeralda County, Nevada; a company report for Sunshine Mining Company, at Nevada Bureau of Mines and Geology, Reno Nevada.

John, D.A., 2001: Miocene and Early Pliocene Epithermal Gold-Silver deposits in the Northern Great Basin, Western United States: Characteristics, distribution and relationship to magmatism; Economic Geology Volume 96, p 1827-1953.

Keith, W.J., 1993: Geology of the Red Mountain Mining district, Esmeralda County, Nevada. Geological Survey Bulletin 1423, 43 pp.

Mosier, D.L., Menzie, W.D. and Kleinhampl, F.J., 1986: Geological and grade-tonnage information on Tertiary Epithermal precious and base-metal vein districts associated with volcanic rocks; USGS Bulletin 1666.

Mosier, D.L., Singer, D.A. and Berger, B.R., 1986: Mineral Deposit Models, USGS Bulletin 1693.

Oldow, J.S., Kohler, G., and Donelik, R.A., 1994: Late Cenozoic extensional transfer in the Walker Lane strike-slip belt, Nevada, Geology July, 1994 v. 22, no. 7, pp. 637-640.

Petronis, M. S., 2005: Cenozoic evolution of the central Walker Lane Belt, west-central Nevada. The University of New Mexico, 2005, no. 3201644.

Petronis, M.S., Geissman, J.W., Oldow, J.S., McIntosh, W.C., 2002: Paleomagnetic and $^{40}Ar/^{39}Ar$ geochronologic data bearing on the structural evolution of the Silver Peak extensional complex, west-central Nevada GSA Bulletin September, 2002 v. 114 no. 9 p. 1108-1130

Petronis, M. S., Giessman, J. W., Oldow, J. S., McIntosh, W.C., 2007: Tectonism of the southern Silver Peak Range: Paleomagnetic and geochronologic data bearing on the Neogene development of a regional extensional complex, central Walker Lane, Nevada, GSA Special Papers 2007, v. 434, p. 81-106.

Ranchers Exploration and Development, 1981 to 1988; Miscellaneous Memos and Other Data; Nevada Bureau of Mines and Geology, Reno, Nevada, File No. 60003118.

Robinson, Paul T., 1972: Petrology of the Potassic Silver Peak Volcanic Center, Western Nevada, GSA Bulletin June 1972 v.83 no.6, p.1693-1708.

Rowland, J.V., and Simmons, S.F., 2012: Hydrologic, Magmatic and Tectonic controls on Hydrothermal Flow, Taupo Volcanic Zone, New Zealand: Implications for the formation of Epithermal Vein Deposits; Economic Geology, Volume 107, Number 3, p 427-457.

Simmons, S.F., White, N.C. and John, D., 2005: Geological Characterizes of Epithermal Precious and Base Metal Deposits; Economic Geology 100th Anniversary Volume, p 485-522.

Scorpio Gold Corporation, 2012: Company Website: accessed in January, 2012: http://www.scorpiogold.com/s/mineral_ridge.asp

Spurr, J.E., 1906: Ore deposits of the Silver Peak Quadrangle, Nevada; USGS Professional Paper 55, 174pp.

Steward, J.H., 1988: Tectonics of the Walker Lake Belt, Western Great Basin: Mesozoic and Cenozoic deformation in a zone of shear; In Metamorphism and Crustal Evaluation of the Western U.S., Ruby Volume VII, Prentice-Hall, Englewood Cliffs, N.J, p. 685-713.

Steward, J.H., 1992: Walker Lane Belt, Nevada and California – An Overview: in Structure, Tectonics and Mineralization of the Walker Lane, Walker Lane Symposium published by Geological Society of Nevada, Proceedings Volume, p. 1-16.

Wilson, J.R., 1948: Report on the Nivloc Mine; Silver Peak Mining district, Esmeralda County, Nevada; a report for Anaconda Mining Co.

Additional websites accessed:

http://en.wikipedia.org/wiki/Silver_Peak,_Nevada accessed January 11, 2012

http://en.wikipedia.org/wiki/Goldfield,_Nevada accessed January 11, 2012

28.0 Certificate of Qualifications

28.1 Seymour M. Sears

To accompany the report entitled: *"NI 43-101 Technical Report on the Nivloc Property, Esmeralda County, Nevada, USA", effective date*. December 31, 2011.

I, Seymour M. Sears, do hereby certify that:

1. I reside at 840 Hillsdale Crescent, Sudbury, Ontario, Canada, P3E 3S9.
2. I am a graduate of Mount Allison University in Sackville, New Brunswick with a B.A. in Psychology and a B.Sc. in Geology.
3. I have been practicing my profession continuously since 1972.
4. I am a member of the Association of Professional Geoscientists of Ontario (APGO # 0413).
5. I am a partner of Sears, Barry & Associates Limited (APGO Certificate of Authorization # 90150), a firm of consulting geologists based in Sudbury, Ontario, Canada.
6. I have extensive work experience in the exploration and evaluation of all types of silver and gold deposits in the Andean-Cordillllera.
7. I am a "Qualified Person" as defined by National Instrument 43-101 by virtue of my education, qualifications, work experience and membership in the Association of Professional Geoscientists of Ontario, Canada (APGO).
8. I visited the Nivloc Property most recently on April 20, 2012.
9. I have worked on all sections of this report with A. D. Heyl and on Section 14 with P. J. Hollenbeck.
10. I am not independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101.
11. I have previously worked for International Millennium Mining Corp. as an independent consultant on the Nivloc Property.
12. I have read the NI 43-101 – standards of disclosure for mineral projects, Form 43-101F1 and Companion Policy NI 43-101CP of the Canadian Securities Administrators and have prepared this report in compliance with these documents and with generally accepted Canadian mining industry standards.
13. As of the effective date of this technical report, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make this report not misleading.

28.2 Patrick J. Hollenbeck

To accompany the report entitled: "*NI 43-101 Technical Report on the Nivloc Property, Esmeralda County, Nevada, USA*", effective date, December 31, 2011.

I, Patrick J. Hollenbeck, do hereby certify that:

1. I am a resource geologist with an office at 601 E. Dale St., Colorado Springs, CO, 80903, USA.

2. I have received a Bachelor's Degree in Geology from the Colorado College, Colorado Springs, CO, 2000.

3. I am a Certified Professional Geologist of the American Institute of Professional Geologists (AIPG#11436). I am also a member in good standing in the Society of Economic Geologists.

4. I have practiced as a mine production geologist since 2000 and have been a practicing resource modeling consultant since 2008. My experience as a resource modeling consultant has focused on geostatistics as well as mineral resource and reserve estimation.

5. As of the effective date of this report, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed in Section 14 to make the report not misleading.

6. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

7. This report has been prepared solely for the purposes of providing technical and scientific information and opinions on the resource potential of the Nivloc Property in Nevada and no warranties of any kind are intended, implied, or should be inferred.

8. I am responsible for preparing most of Section 14, Mineral Resource Estimates.

9. To a large extent this report relies on data prepared by and for others. The author accepts responsibility for the sections of this report that he has prepared, but disclaims any and all liabilities arising out of the database provided by the client, International Millennium Mining Corp.

10. I am a geologic consultant specializing in computerized resource modeling of precious, base-metal, specialty metal, and industrial mineral deposits including their evaluation and the estimation of resources and reserves by industry standard and proprietary computer programs. I am not an employee, officer, director, or stockholder of International Millennium Mining Corp. or any subsidiaries or affiliated companies and I have no expectation of becoming such.

11. I have no interests in International Millennium Mining Corp. properties or any adjacent properties and I am presently not working with any other clients within a 25- mile radius of the Nivloc property.

28.3 Allen David Heyl

To accompany the report entitled: *"NI 43-101 Technical Report on the Nivloc Property, Esmeralda County, Nevada, USA", effective date,* December 31, 2011.

Allen David V. Heyl, B.Sc., C.P.G.
PO Box 4054, Evergreen, Colorado, USA 80437
Tel: (1-720)544-1419, Email: adheyl@yahoo.com

I, Allen David V. Heyl, do hereby certify that:

1. I graduated with a B.Sc. in Geology from Ft. Lewis College, Durango, Colorado in 1982.

2. I am a member in good standing with the American Institute of Professional Geologists and the Society of Economic Geologists. I am a Certified Professional Geologist (C.P.G. #11277) with the American Institute of Professional Geologists (AIPG).

3. I have worked as a professional exploration geologist for a total of 28 years in the Americas and have worked extensively on all types of silver and gold deposits, including epithermal vein systems.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101), and relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I visited the Nivloc Property and its facilities on April 11 – 14, 2012.

6. I am responsible for all sections of this report as a coauthor of the technical report titled, "NI 43-101 Technical Report on the Nivloc Property, Esmeralda County, Nevada, USA", effective date, December 31, 2011, and its editing.

7. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

8. As of the effective date of this technical report, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make this report not misleading.

9. I am independent of the issuer applying all tests in section 1.5 of the National Instrument 43-101. I have not previously worked for International Millennium Mining Corp. nor have I previously worked on the Nivloc Property.

29.0 Date and Signature Pages

29.1 Seymour M. Sears

This report entitled: '*NI 43-101 Technical Report on the Nivloc Property, Esmeralda County, Nevada, USA'* with an effective date of December 31, 2011 was prepared and signed by the following co-author:

[Original signed by]

Dated	Seymour M. Sears, P.Geo. (APGO # 0413)
July 31, 2012	President and Consulting Geologist
	Sears, Barry & Associates Limited

29.2 Patrick J. Hollenbeck

This report entitled: '*NI 43-101 Technical Report on the Nivloc Property, Esmeralda County, Nevada, USA'* with an effective date of December 31, 2011 was prepared and signed by the following co-author:

[Original signed by]

Dated

Patrick J. Hollenbeck, CPG. (AIPG # 11436)

July 31, 2012

29.3 Allen David Heyl

This report entitled: '*NI 43-101 Technical Report on the Nivloc Property, Esmeralda County, Nevada, USA'* with an effective date of December 31, 2011 was prepared and signed by the following author:

[Original signed by]

Dated

Allen David Heyl, CPG. (AIPG # 11277)

July 31, 2012

30.0 Photos

Photo 1 Nivloc Vein bladed textures

Photo 2 Nivloc Vein zonal textures

Photo 3 Nivloc Vein breccia and replacement textures

Photo 4 Nivloc Vein epithermal textures

Photo 5 View of Nivloc Main Shaft, tailings, looking northeast

Photo 6 View of Nivloc Structure looking southwest

Photo 7 Nivloc Main Shaft, trestle, tailings

Photo 8 The Hudson Decline

Photo 9 Oblique vein in footwall of Nivloc Structure

Photo 10 Nivloc Footwall vein

Photo 11 Splay vein west end

Photo 12 Nivloc Vein exposed near Main Shaft

Photo 13 Nivloc Structure west end