

Edgar Filing: IMA EXPLORATION INC - Form 6-K

IMA EXPLORATION INC  
Form 6-K  
December 13, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934

For the month of NOVEMBER, 2004.

Commission File Number: 0-30464

IMA EXPLORATION INC.

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(Translation of registrant's name into English)

#709 - 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6, Canada  
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(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F: FORM 20-F  FORM 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

Indicate by check mark whether the registrant by furnishing the information  
contained in this Form, is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.  
YES  NO

If "Yes" is marked, indicate below the file number assigned to the registrant in  
connection with Rule 12g3-2(b): 82-\_\_\_\_\_

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the  
registrant has duly caused this report to be signed on its behalf of the  
undersigned, thereunto duly authorized.

IMA EXPLORATION INC.  
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Date: NOVEMBER 30, 2004  
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/s/ Joseph Grosso  
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Joseph Grosso,  
President & CEO

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IMA EXPLORATION INC.

Suite 709 - 837 West Hastings Street,  
Terminal City Club Tower,  
Vancouver, B.C. V6C 3N6

Tel: 604-687-1828 Fax: 604-687-1858 Toll Free: 800-901-0058  
Internet: www.imaexploration.com E-mail: info@imaexploration.com

TSX Venture Exchange: IMR OTC Bulletin Board: IMXPF  
Frankfurt & Berlin Exchanges: IMT (WKN 884971)

NEWS RELEASE

November 30, 2004

## 3RD QUARTER RESULTS

IMA EXPLORATION INC. (IMR:TSX-V) is pleased to provide the interim financial results of the Company for the quarter ended September 30, 2004:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE SE
	2004	2003	2004
	\$	\$	\$
<b>EXPENSES</b>			
Administrative and management services	91,855	31,666	184,1
Bank charges and interest	2,741	1,731	10,2
Corporate development and investor relations	42,683	48,491	180,5
Depreciation	4,536	2,732	10,2
General exploration	70,817	30,376	185,8
Office and sundry	21,503	8,569	49,2
Printing	1,159	14,444	21,5
Professional fees	84,713	58,870	392,1
Rent, parking and storage	29,533	6,676	64,0
Salaries and employee benefits	84,664	24,623	221,8
Stock based compensation	-	346,080	1,871,3
Telephone and utilities	7,635	4,451	21,7
Transfer agent and regulatory fees	16,412	29,875	56,0
Travel and accommodation	63,700	8,124	139,4
Cost recoveries	(58,525)	-	(91,7
	463,426	616,707	3,316,6
<b>LOSS BEFORE OTHER ITEMS</b>	(463,426)	(616,707)	(3,316,6
<b>OTHER ITEMS</b>			
Provision on marketable securities	-	-	(132,0
Foreign exchange	(61,665)	2,760	41,0
Gain on disposition of mineral property and deferred costs	-	-	313,8
Interest and other income	24,543	27,790	76,1
Reorganization costs	7,986	-	(341,6

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Income (loss) allocated to spin-off assets	-	22,655	(131,2
	(29,136)	53,205	(173,8
LOSS FOR THE PERIOD	(492,562)	(563,502)	(3,490,5
DEFICIT - BEGINNING OF PERIOD	(20,575,359)	(14,875,363)	(17,577,3
DEFICIT - END OF PERIOD	(21,067,921)	(15,438,865)	(21,067,9
	=====	=====	=====
 BASIC AND DILUTED LOSS PER COMMON SHARE	 \$ (0.01)	 \$ (0.02)	 \$ (0.
	=====	=====	=====

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IMA EXPLORATION INC.

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### RESULTS OF OPERATIONS

#### CORPORATE COSTS AND OTHER INCOME

#### GENERAL AND ADMINISTRATIVE EXPENSES

The Company's operating expenses for the nine months ended September 30, 2004 were \$3,316,698 (excluding \$339,516 of operating expenses to June 30, 2004 which have been reclassified as Loss Allocated to Spin-Off Assets). This is an increase of \$2,210,638 from the comparable 2003 period. A significant portion of the increase for 2004 is attributed to the Company's application of the fair value method of accounting for stock options granted to its employees and directors. In the nine months ended September 30, 2004 the Company recorded a non-cash expense of \$1,871,360. During 2003 the Company a non-cash expense of \$346,080 and disclosed a pro-forma charge for stock options granted to its employees and directors of \$910,578. Had the Company applied retroactive treatment it would have recorded this amount as an expense in the 2003 period. Other increases in the operating expenses can be attributed to the Company's increase in staff and activities driven by Navidad. The Company has added staff and new office space and has incurred additional operating expenses as a result of this increase in activity. Administrative and management services increased \$94,756, corporate development and investor relations increased \$48,002, office expense increased \$27,857. Travel increased \$115,207 due to the attendance and participation in various conferences. The increase in salaries of \$148,967 includes a retiring allowance for the Company's former CFO, William Lee, and the addition of personnel. The increase of \$309,532 in professional fees is primarily due to legal costs incurred in connection with the Aquiline legal action and substantially increased costs of compliance with reporting requirements. General exploration increased \$33,884 as activities have been focused on areas around the Navidad property. Cost recoveries from Amera increased \$75,062. Cost recoveries from Golden Arrow, which commenced in July 2004, were \$27,500. A portion of the operating expenses for the first six months of 2004 (\$339,516) and the nine months in 2003 (\$502,054) have been reclassified as Loss Allocated to Spin-Off Assets as discussed in Note 2. This has had the effect of reducing the General and Administrative expenses reported in the

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September 30, 2004 consolidated financial statements.

### OTHER ITEMS

During 2004 the Company recorded a gain of \$313,801 from the farm out of interests in its mineral properties and a provision for the write down of the carrying value of marketable securities of \$132,000 to reflect a reduction in the current market value. In 2004 the Company received marketable securities from Tinka Resources Limited (300,000 shares, deemed value \$147,000) and Consolidated Pacific Bay Minerals Ltd. (900,000 shares, deemed value \$180,000) from sale or farm out of its interests in mineral properties. The amounts reported in the September 30, 2004 consolidated financial statements represent farm outs which remained with the Company. In 2003 no gains, losses or provisions for losses were recorded. Marketable securities are received by the Company as a result of the joint venturing of certain of its non-core properties. The Company's intent is to sell these securities to maximize return to the Company, not to trade its holdings. Interest and other income increased \$31,633 primarily as a result of an increase of funds on deposit. The Company also recorded an increase in a gain from foreign exchange of \$41,039 in this period. Cost of \$341,603 for fees and expenses related to the Reorganization have been recorded in this period. The Loss Allocated to Spin-Off Assets represents the allocated expenses of the assets transferred to Golden Arrow as discussed in Note 2.

### LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at September 30, 2004 was \$6,718,622, compared to \$4,454,241 at December 31, 2003. The increase in cash is primarily due to the completion of a financing and exercise of warrants from previous financings. In February 2004 the Company completed a brokered private placement of 1,500,000 units at \$3.10 per unit, for proceeds of \$4,238,763 net of costs of \$411,237. In addition, through September 30, 2004, the Company has received \$4,466,392 from the exercise of warrants and stock options. Subsequent to September 30, 2004 the Company has received a further \$257,500 from the exercise of stock options and warrants.

The Company considers that it has adequate resources to maintain its ongoing operations but currently does not have sufficient working capital to fund all of its planned exploration work and property commitments. A Phase III budget for the Navidad project has been approved in the amount of \$2,200,000. The Company will continue to rely on successfully completing additional equity financing and/or conducting joint venture arrangements to further exploration on its properties. There can be no assurance that the Company will be successful in obtaining the required financing or negotiating joint venture agreements. The failure to obtain such financing or joint venture agreements could result in the loss of or substantial dilution of its interest in its properties.

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The Company's management may elect to acquire new projects, at which time additional equity financing may be required to fund overhead and maintain its interests in current projects, or may decide to relinquish certain of its properties. These decisions will be based on the results of ongoing exploration programs and the response of equity markets to the projects and business plan.

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ON BEHALF OF THE BOARD

/s/ Joseph Grosso

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Mr. Joseph Grosso, President & CEO

For further information please contact Joseph Grosso, President & CEO, or Sean Hurd, Investor Relations Manager, at 1-800-901-0058 or 604-687-1828, or fax 604-687-1858, or by email [info@imaexploration.com](mailto:info@imaexploration.com), or visit the Company's web site at <http://www.imaexploration.com>.

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2004 NUMBER 32