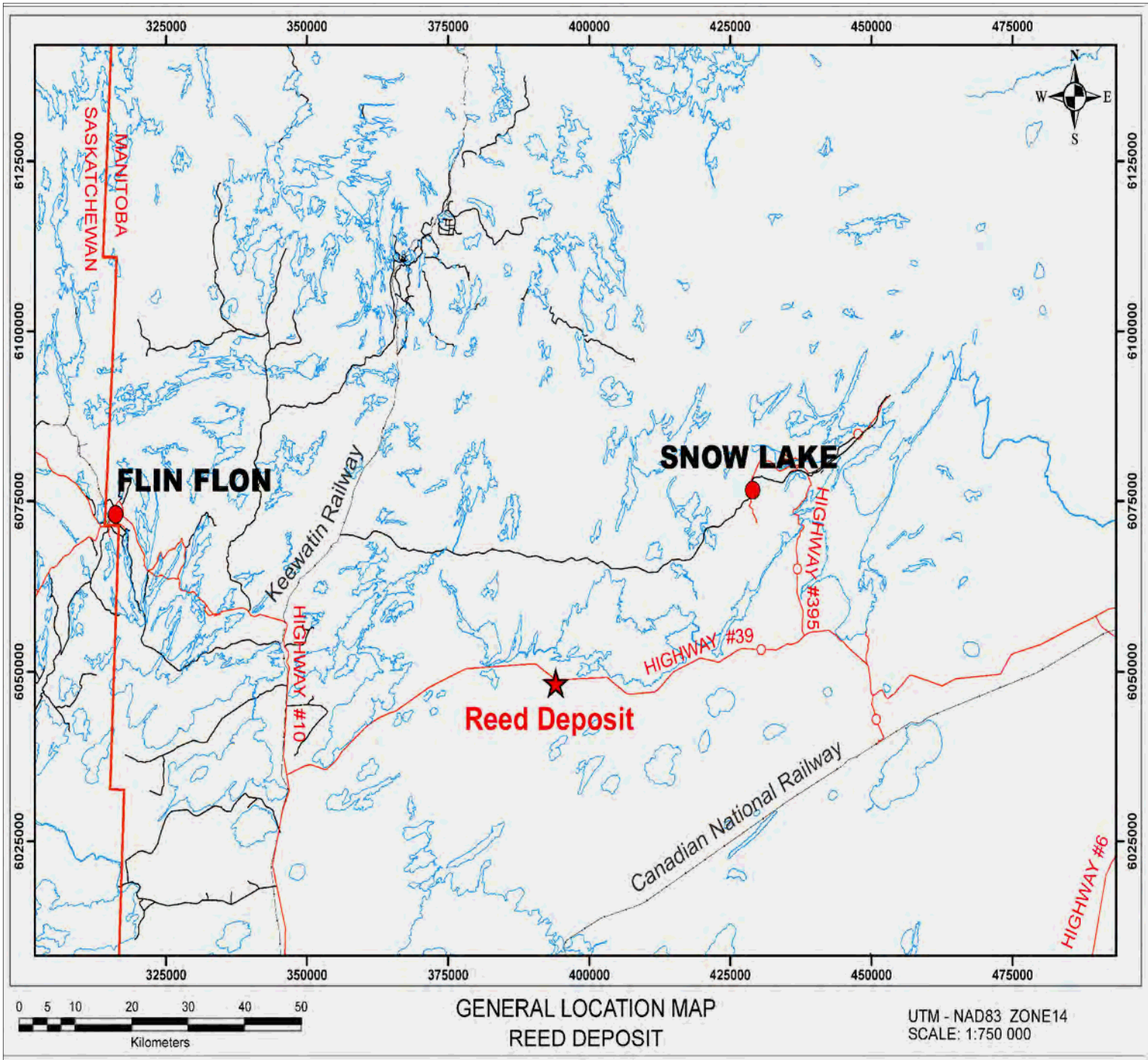


Project Overview

- 2.16 million tonnes of copper ore
- At full production mining rate is anticipated to be 1,300 tonnes/day
- All ore will be trucked and processed in Flin Flon
- 95% of the mine revenue will come from copper
- Approximate 5 year mine life
- \$71.9 million CAPEX (2012-2013)
- Will provide 88 jobs at full production

Setting of the Reed Property

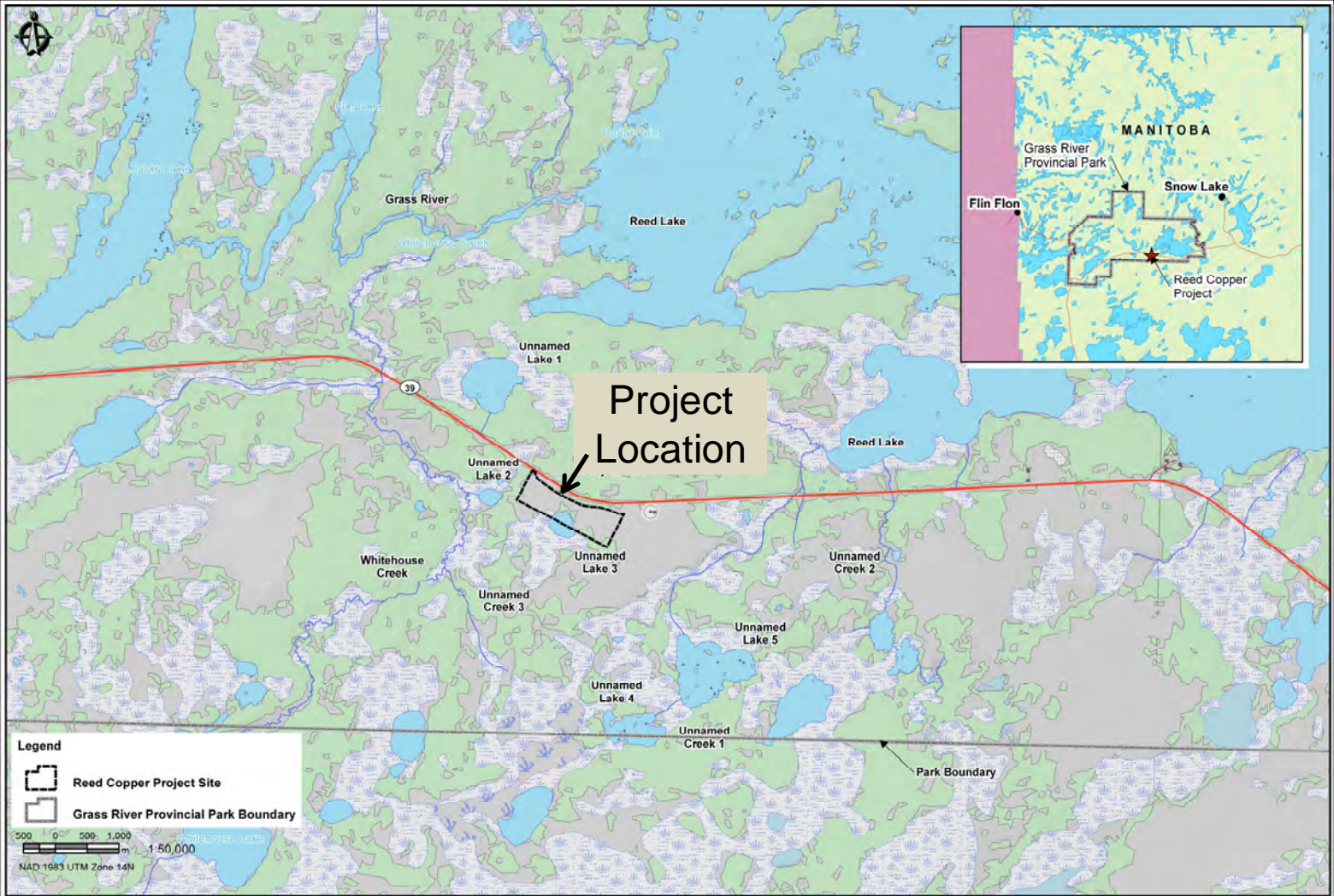
- The site is approximately 80 km southwest of the Town of Snow Lake, Manitoba and 120 km southeast of Flin Flon, Manitoba.
- The site lies approximately 150 m south of PTH #39 and has been made accessible via an existing 1.4 km access road, previously developed as a logging road.
- Site located on the southern edge of the Grass River Provincial Park.
- Grass River Provincial Park
 - Classified as a “natural park” that will accommodate commercial resources, including mining, where such activities do not compromise other park purposes.
 - The Reed Property is categorized for “resource management” under the Provincial Parks Designation Regulation (Manitoba Regulation 37/97)).



GENERAL LOCATION MAP
REED DEPOSIT

UTM - NAD83 ZONE14
SCALE: 1:750 000

Project Location

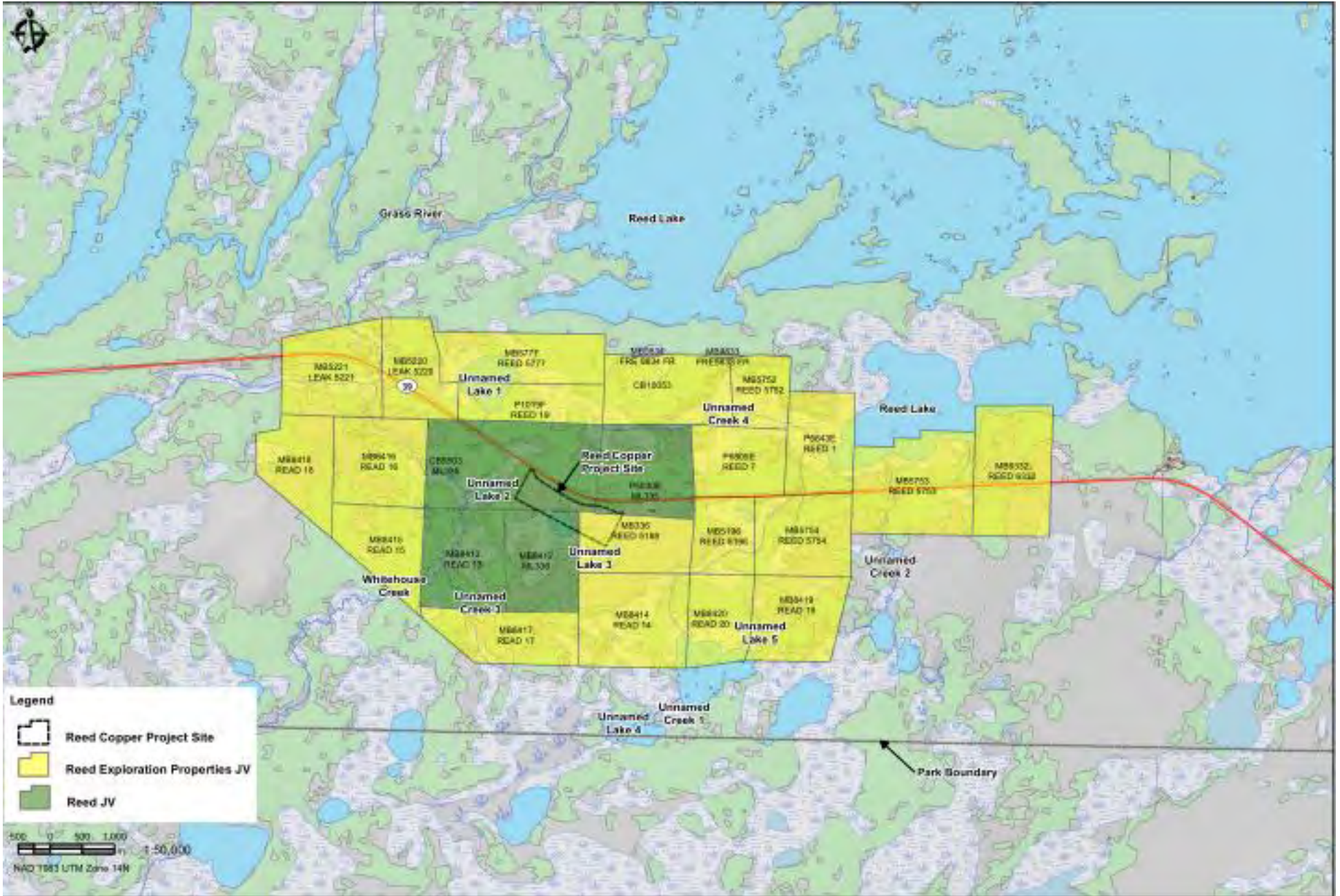


Reed Property Exploration History

- Based on targets identified in the 1970s, the area in and around the Reed deposit has been under exploration in some form since 1974.
- Airborne and ground geophysical surveys began in 2007.
- VMS Ventures Inc. intersected a 33.5 m interval copper rich mineralization in October 2007.
- On July 5, 2010, HBMS concluded a joint venture agreement with VMS for exploration and development of the Reed deposit.

Reed Property Rights

- Lies within Mineral Leases 335 and 336, granted April 11, 2012, converted from four contiguous claims, covering an area of 841 ha.
- Surface rights have been granted by Lease Number 66082, issued December 31, 2011.



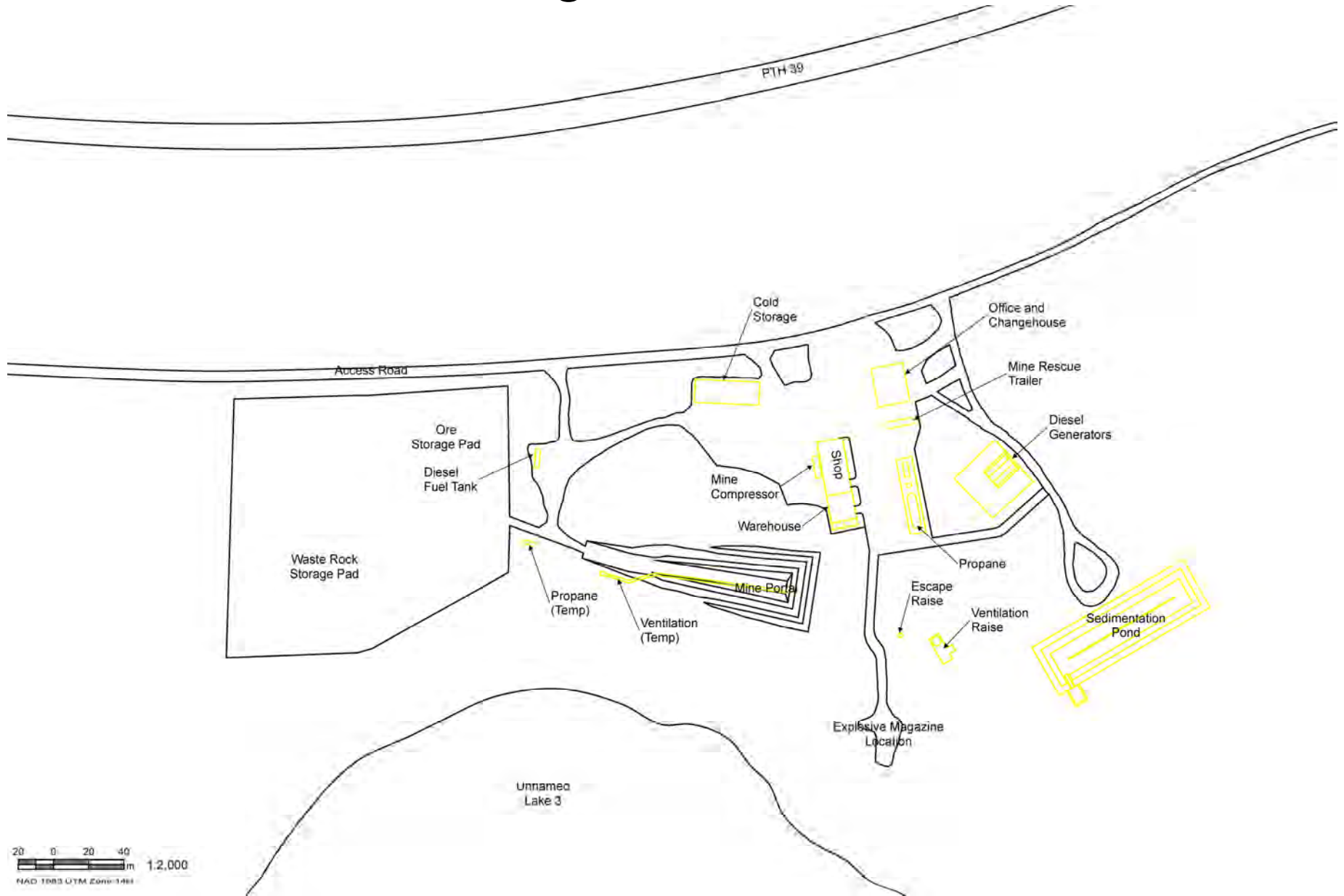
Existing AEP Site

- The AEP Closure Plan was accepted by the Mines Branch on October 31, 2011, and development is currently ongoing.
- The AEP was planned to encompass a site of approximately 14 hectares, but only 7 hectares have been cleared to support AEP activities.



AEP Site – Looking West

Existing AEP Site Plan



Reed Property and Existing Access Road (Left) and HWY #39 (Right)
Looking West in 2011



Reed AEP Site, Looking West (2011)



Existing AEP Site

- Structures currently completed or under development include:
 - Access road upgraded and gate installed
 - Site office and change house constructed
 - Polishing pond constructed
 - Waste pad constructed
 - Portal and decline to provide access to ore body
 - Decline is currently developed to 30 m.
 - Maintenance shop / warehouse