

MINING PLAYS KEY ROLE IN PROVINCIAL ECONOMY

Over the last 100 years, Manitoba's mining industry has spawned over 70 mines – leading railways, roads and airports into the northern reaches of the province, and giving rise to mining centres at Flin Flon, Snow Lake, Thompson, Leaf Rapids and Lynn Lake. From these hubs a strong infrastructure has developed, generating increased exploration and mining activity. Spin-offs in tourism, forestry and hydroelectricity have further strengthened the provincial economy. While the mining industry's primary focus remains the north, significant developments continue to take place in southern Manitoba, particularly at the mining community of Bissett.

Mining makes a significant contribution to the economy. Manitoba's mining industry employs about 3,700 people directly—most of whom reside in the north—and another 13,000 in indirect spin-off business. Mineral production averages over \$1 billion annually. In 2004, mineral production totalled \$1.4 billion, accounting for approximately 4% of the total GDP for the province and 15% of the \$9.5 billion of Manitoba exports.

HUDSON BAY MINING & SMELTING CO., LIMITED (HBMS)

Company profile:

HBMS is Canada's 3rd largest copper and zinc metal producer. In 2001, the world's first two-stage zinc pressure leach plant at HBMS' Flin Flon facility was expanded to include an automated-electrolytic cell-house. The company's copper smelter gas handling technology has reduced fugitive gas emissions by 90% at ground level.

Major shareholder:

a wholly owned subsidiary of HudBay Minerals Inc.

Stock exchange listing:

HudBay Minerals Inc. listed on TSX; symbol: HBM

Manitoba operations:

Mines: Chisel North Mine at Snow Lake; 777 and Trout Lake mines at Flin Flon

Employees: 1380

Description: fully vertically integrated mining and metallurgical complex including two concentrators, a copper smelter and a zinc refinery; since January 2002, HBMS has invested about \$435 million in the 777 Project extending mining in the Flin Flon region to 2016; the company estimates an additional \$600 million in capital expenditures over the life of the operational business plan to 2016, for a total investment of \$1 billion in their Manitoba operations

Products/Minerals: zinc, copper, gold and silver

