

Water Infrastructure

Main Lines (Freshwater and Discharge)

- In progress new line installation from Chisel North to Lalor site
 - 8" freshwater line and 10" discharge
- 2012 upgrade current Chisel North line to Chisel Lake and Chisel Open Pit



Water Infrastructure

Polishing pond at main site being constructed

- retention time for solids to settle from shaft sinking discharge

Booster pumphouse required due to distance from main water source

- Civil work in progress followed by structural steel, mechanical/electrical

Main site pumphouse and water treatment plant

- Civil work in progress followed by structural steel, mechanical/electrical
- A “distribution center” to direct water throughout site based on purpose
 - Fire suppression (untreated)
 - Underground feed (untreated)
 - Offices/dry (treated)



Booster pumphouse - Feb 24, 2011

Water Infrastructure – Main Pumphouse



Excavation - Jan 24, 2011



Initial formwork - Feb 24, 2011



Inside hoarding - Mar 7, 2011



Apr 7, 2011

Project Critical Item – Ventilation Shaft



Loading first blast on collar – Dec 16, 2010



Collar excavation completed – Jan 12, 2011



Placing Form for Collar – Jan 17, 2011



Collar First Concrete Pour – Jan 21, 2011

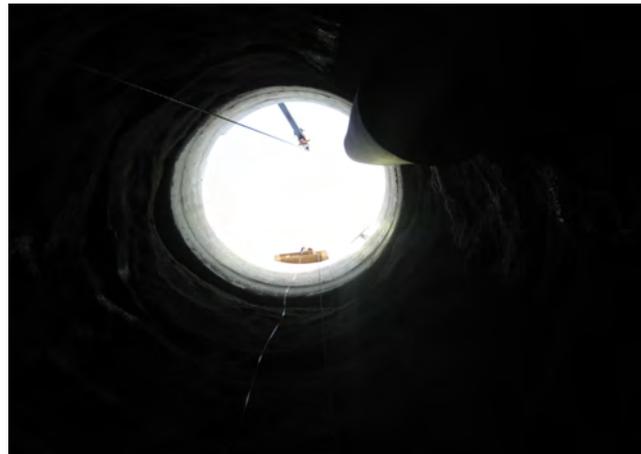
Project Critical Item – Ventilation Shaft



Lowering drill – Feb 24, 2011



Looking down collar – Mar 20, 2011



Looking up collar – Mar 20, 2011

Project Critical Item – Ventilation Shaft



Maze of hoist house rebar – Mar 16, 2011



Hoisthouse foundation work – Mar 20, 2011



Offices – Feb 24, 2011



Shaft heating system – Mar 5, 2011

Project Critical Item – Ventilation Shaft



Placing Top Deck on Stage – Apr 10, 2011



Lowering Galloway – Apr 10, 2011



Galloway in Shaft – Apr 10, 2011

Ventilation Shaft Site



Spring?? – Apr 12, 2011

Procurement - Hoists



Lalor Auxiliary/Service Hoist Assembly
DavyMarkham – Sheffield, UK

Delivery of Service Hoist June 2011

196 Person Temporary Construction Camp



Conclusion - Milestones

2011: Ventilation shaft and ramp

2012: Develop on the 835ml towards the production shaft to establish drill platforms + some ore extraction

2013: Focus on production shaft sinking and main level lateral development

2014: Lateral development and pre-production

2015: Full production

The Lalor Team – Strength to Build the Future





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THE

UNDERGROUND PRESS

Volume 15, Issue 09

Snow Lake, Manitoba

April 28, 2011

Did you Know?

- That Hazel Corman advises that Linda Butler has created a website for the village of Herb Lake Landing? Butler spent the majority of her childhood in Snow Lake and recently has been spending summers at 'The Landing'. "She has captured her love of the land and community in this website," said Corman. You can find this site at <http://www.herblakelanding.ca/>
- That I note in the April 18th edition of the *Winnipeg Free Press* (Tory's words raise eyebrows - By: Mary Agnes Welch) that Churchill Conservative Party candidate, Wally Daudrich, appears to be a bit of right wing zealot? Some of the peculiar statements attributed to him in this article might lead one to believe that he's been drinking the Kool-Aid instead of passing it out to the faithful!
- That our last paper was late getting to Snow Lake because it was inadvertently left on the bus and went to Flin Flon, rather than coming here? Kim and Hank at HD Central once again went above and beyond in their service to this community. Kim tracked down the papers just minutes after I phoned about them and proceeded to get approval to go and get them. Hank then drove into Flin Flon and picked them up. This is not the first time this couple has come to the rescue in this regard... I don't know what we'd do without them!
- That on the evening of April 23rd, Danielle Leslie (Linda Bill's daughter) and her Notre Dame Hound teammates won the Esso Cup (national female Midget Hockey championship) with a 5 - 2 victory over the Edmonton Thunder? Danielle played a fine game! MJ

Lalor presentation well worth the wait!



(L): Lalor Project Manager, Kim Proctor ~ photo by Marc Jackson (Top R): Placing Top Deck on Galloway - April 10, 2011 (Bottom R): Galloway in Shaft - April 10, 2011 ~ HudBay Minerals photos (ED NOTE: Galloways are used as temporary working platforms in vertical shaft development. As vertical development progresses, the Galloway is lowered as required.)

HudBay Minerals holding a public meeting to update the community on their plans for a new mine... many in Snow Lake would say that this is something the company has never done. However, on the evening of April 13th, this is precisely what played out in Snow Lake's Lawrie Marsh Hall. The gathering was well attended, very informative, and appeared to be well accepted and genuinely appreciated. To be fair and accurate, it was probably the most in-depth and well prepared presentation of this kind that Snow Lakers have ever bared witness to.

HudBay's Chief Operating Officer (COO), opened the presentation with some great news on the community's fiscal front (see story elsewhere) and things only got better from there. He handed things over to the company's Lalor Project Manager, Kim Proctor, and she reacquainted herself with Snow Lakers and introduced everyone to the project that will guide both HudBay Minerals and the Town of Snow Lake into a new era of growth, development, and sustainability.

No stranger to many in the audience, Proctor handled the presentation with ease and began by advising the audience of what she has been up to in the years subsequent to her first 15. Those years were spent camping and angling with her parents at nearby Wekusko Falls. Employed with HudBay for the past

24 years, Proctor had worked at eight of their mines, when in 2007 she was asked to take a prominent role in the Lalor Project. In January 2011, she was appointed as the Project Manager for Lalor.

Proctor, who holds both a Professional Geoscientist and a Bachelor of Science Honours degree from Brandon University, advised the crowd that in her estimation Lalor is the largest pre-development deposit that the company has ever put into production. She noted that being a fast track project, it is quite unique to HudBay.

In explanation, she said that the company will normally begin a project with a scoping study that looks at revenue and expenses; they would then go to the pre-feasibility stage where design, engineering, and more in-depth cost estimates would be considered. From there a full-fledged feasibility study would be undertaken. It would look at detailed engineering, planning, and capital commitments.

However, construction of Lalor was scoped while drilling was in progress. She said that the drill results excited people so much that the pre-feasibility study and construction were jointly undertaken. "Engineering, procurement, and construction are going ahead simultaneously," said

See LALOR on page 4...



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everything!

LALOR from page 1...

Proctor. "Everything is progressing, it isn't a concept anymore, it's a minesite."

Following this, the Project Manager gave an overview of the prolificacy of the Chisel Basin, the Lalor discovery, and the further drilling that has defined this enormous deposit. As well, she explained the thought pattern that brought it from discovery hole to what will no doubt become a flagship mine.

In this overview, Ms. Proctor stated that the top of Lalor's orebody is situated 570m below surface and the bottom intersection is at the 1500m level; however, it is still open at depth. Thus far, Lalor has six base metal bearing horizons, with two main horizons among them. There are five gold bearing horizons, with two main zones and an immense copper-gold zone; exploration continues with 30 million tonnes outlined thus far.

Further to this, Proctor noted that one of the most recent drill holes completed on the property, Dub 189, caught a zone that didn't line up with the property's other lenses. "This is why it is so exciting," she said. "Because we believe that Lalor is only going to grow once we get underground, closer to these targets, and are able to do more diamond drilling."

The Geologist then moved on to sketch the timeline in respect to construction at the nearby site. She said that the property's budget for 2011 is \$163 million, which covers a lot of the major service infrastructure required for the project. Power was attained at the site in March, and water will be there the third week in May. Additionally, she spoke about the deposit's three separate access

points. The first of these will be the ramp from Chisel North, which she estimated was 61% complete, and on track. The second is the ventilation shaft – a vertical opening from the 835m level to surface. It was started in December of 2010 and with the collar and pre-sink completed, they are down to the 30.3m level. Official sinking will start in late May of 2011 and they hope to connect the ramp and the vent shaft by the end of 2011.

The third point of access is the main shaft, or production shaft. It will be identical to the one at Flin Flon's 777. As Proctor noted, "It works well, why change a good thing?" Awarding of the production shaft contract is just now being finalized.

"Official sinking will begin in late October or early November 2011," she opined.

HudBay hopes to connect the ramp with the vent shaft in 2012, and there is also an opportunity to drive a heading into the first base metal orebody at that point and bring up some of Lalor's rich ore. They will hoist this via a temporary headframe over the vent shaft. However, once the production shaft is commissioned, they will take the headframe away and it will

revert to a vent shaft.

Further down the road, in 2013 they plan to join the main level up with production shaft. In 2014/15, the production shaft will be commissioned in addition to more lateral development and internal ramps to access the various ore lenses.

She explained that decisions are now being made on the mine plan and layout



Lalor hoists being manufactured at Davy McKean Plant, Sheffield England.

— photo courtesy of HudBay

of ramps, ore passes, and rock breaker locations. Pointing to a screen at the front of the hall and a PowerPoint presentation she had been referring to, Proctor revealed a 3D cross section of the mine that spun on screen, depicting the orebody from all directions. Of the orebody, she noted that because of its shallow dip, the mining method would be the same or similar to Chisel North's. They will take what works there and what doesn't work and try to draw it into the Lalor Plan. They

will also study a paste fill system for the mine; which would reduce the amount of tailings being dispersed.

There will be three main levels in the mine – the 835m level, which will be the key level, as well as the 910m and the 955m levels.

In relation to the concentrator, Proctor said that there is still no decision on the tradeoff study they have been undertaking in regard to using the current mill or building a new one. The project team will take their recommendations to the Board of Directors

sometime during the summer of 2011.

Nevertheless, she talked about the benefit of having a concentrator on site and being able to bring ore from underground, send it by conveyor to the crusher, then into the concentrator – they wouldn't have to truck ore, only con.

In respect to the metallurgy of the ore – the deposit started as a zinc orebody, then they found gold, then copper. "It got to the point where the engineers said, 'God stop drilling... you are just complicating things,'" Proctor laughed. However, she says that metallurgy is encouraging to date with good recoveries, similar to Chisel North's. They are able to combine ore from all of the deposit's lenses and still get good recoveries. "That is a huge accomplishment, to get that level of satisfaction," she said.

Moving away from the Lalor site and into town, Proctor reassured people that the camp on the outskirts of Snow Lake was not permanent. "When construction starts winding down, you will see the camp also wind down," she said assuredly. "We are not providing permanent accommodations for HudBay people, this is not our intention." Currently there are 30 people on the site and there will be 60 in camp by July 2011, when steel fabrication begins.

Prior to the end of the presentation, Ms. Proctor said that she wanted to recognize the group of people who work with her on the project. "Because of the fast track process, the question every day is, 'How do we do things better, faster, cheaper?'" she said with admiration and praise for the hard work and innovation of her team. "They are inventive, they have good experience, and they put fires out on a day by day basis." Following this, she introduced key people in attendance.

Proctor reiterated the size of the project in relation to other's in HudBay's past and present portfolio, and cryptically predicted it would have at least a 20-year mine life. "By my count, this will be the 30th mine that HudBay has put into production," she said. "And by doing so, for sure we will be celebrating 100 years of mining in Manitoba."

With the presentation concluded, Proctor fielded a number of questions on subjects and issues such as tailings, roads, trap lines, financing, training, and apprenticeships. She also advised that the company would hold regular Snow Lake updates on the project. All questions were thoroughly answered and no one left this exceptional presentation wanting for information. *MJ*

Fighting the 2011 Flood

Flooding and Well-Water Safety

Floodwaters increase the risk of well-water contamination

Risk Factors

During a flood, there is an increased risk that both shallow or deep wells may become contaminated with bacteria. The risk of contamination increases if:

- your well or other wells close to yours are flooded or have elevated bacteria levels
- your well is shallow or is built on sand or gravel
- there are sources of contamination nearby
- the colour, clarity, taste or odour of your well-water has changed

When Boiling is Necessary

In flood-affected areas, you should **boil well-water for one minute before using** it for drinking or preparing food or, if you prefer, use bottled water. You should continue to take these steps until flooding is over and bacteria tests show your well-water is safe to use.

Free Well-Water Testing

Until June 30, 2011, the Manitoba government is waiving all fees for professional testing of private wells affected by flooding. You can pick up a collection bottle and instructions by visiting your local rural municipal office or Manitoba Water Stewardship and Conservation offices.

Learn More

For more detailed information about well-water safety as well as up-to-date flood forecasts and information, please visit the flood website at manitoba.ca or call 1-866-Manitoba.

Manitoba 

 Manitoba Gaming Control Commission

Service Notice

Manitoba Gaming Control Commission

From May 2011 to September 2011, the Manitoba Gaming Control Commission's (MGCC) regional office in The Pas at the Provincial Building will operate on a limited service basis. The MGCC regrets any inconvenience to our clients and stakeholders. We are committed to providing the best level of service possible during this period via the following information and assistance options:

- call us, 1-800-782-0363, weekdays, 8:30 a.m. to 4:30 p.m.
- on the web at www.mgcc.mb.ca
- by appointment, 623-2710 or 1-800-782-0363

The MGCC regulates gaming activities in Manitoba with the aims of ensuring these activities are conducted honestly, with integrity and in the public interest including oversight for charitable licensed events, VLT operators and lottery ticket retailers, and casino employees, operators and suppliers.

HUDBAY MINERALS

Site Visit May 9, 2011

Name	Boot Size	Coverall Size	Respirator Size
Chief Arlen Dumas	8	L	L
Sherman Lewis	12	XLT	M
Floyd North	10	XL	L
Ken Bighetty	12	XLT	M
Hanson Dumas	11	XLT	L
Gordie Bear	8.5	XLT	L
Jimmy Colomb	11	XXLT	M
Kelly Linklater	12		
Pam Marsden	7	L	S

Monday, May 9

4:00 pm – 6:00 pm	Orientation & Fit Testing – Staffhouse Basement	W Ryan R Rebelo C Dewhirst
6:30 pm	Dinner at Staffhouse Basement – Northern Manitoba Sector Council	B Lantz D Lauvstad D Nisbet C Taylor K Gilmore B. Niedermaier

Tuesday, May 10

 8:30 am – 11:00 am	Presentation & 777 Mine Tour	R Trudeau
11:15 am	Transport to Staffhouse Basement	
11:30 pm – 1:00 pm	Lunch – Lalor Presentation	B Lantz K Proctor
 1:00 pm	Transport to Mill	B Lantz K Hoover
1:15 pm – 2:45 pm	Zinc Plant & Mill Tour	B Lantz R Winton K Hoover

Tuesday, May 10

2:45 pm	Transport to Staffhouse Basement to change out of surface gear	B Lantz R Winton
3:00 pm	Transport to Logistics	
3:15 pm -- 4:00 pm	Meeting with Contracts	T Goodman G Thompson C Huntley M Lippett

HBMS Contacts	
Antila, Dianne	Chief Financial Officer
Barth, Rick	Metallurgical Manager
Fulmore, Joyce	Timekeeper / Receptionist 777 Mine
Goodman, Tom	Senior Vice President & COO
Hoover, Karl	Flin Flon Mill Superintendent
Huntley, Cal	Contracts Administrator
Lantz, Brad	Vice President, Mining
Lippett, Miles	Contracts Administrator – Lalor Project
Proctor, Kim	Lalor Project Manager
Rebelo, Richard	Industrial Hygiene Technologist
Ryan, Walt	Safety & Health Coordinator
Thompson, Garth	Director of Supply Chain & Contracts Administration
Trudeau, Richard	777 Mine Manager

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