

2010 Highlights



Iroquois mine - Underground activities - circa 1947

HIGHLIGHTS

During 2010, the Company completed or initiated activities which advanced the Montanore Silver-Copper Project toward development, including:

I The U.S. Forest Service (USFS) and the Montana Dept. of Environmental Quality (MDEQ) continued their environmental review.

The Company responded to comments received from the public and from U.S. Environmental Protection Agency (EPA) on the Draft Environmental Impact Study (EIS). Responses to comments will be incorporated into a Supplemental Draft EIS targeted for completion in 2011.

I Milestones achieved in 2010 included:

Selection of the preferred alternative by the government agencies for the electrical transmission line proposed for the Montanore Project.

Completion of a study to monitor the grizzly bear in the Montanore Project area. Results of the study are intended to be utilized in development of a mitigation plan to manage any potential impact of activities on the species.

I The Company engaged Mine and Quarry Engineering Services, Inc. of San Mateo, California (MQES) to prepare a Preliminary Economic Assessment (PEA) entitled:

"Technical Report: Preliminary Economic Assessment, Montanore Project, Montana, USA prepared for Mines Management, Inc." (PEA) in compliance with guidelines under Canadian National Instrument 43-101 ("NI 43-101"). The Company announced the PEA results on December 22, 2010.

The PEA was successfully completed after the end of the year, on February 3, 2011, and gives the Company an economic basis for proceeding with the exploration program.

I At December 31, 2010, the balance of cash and unrestricted certificates of deposit remained strong at over \$6.4 million. We also had \$3.7 million in equity securities that were available for sale.

I Subsequent to the end of the year, the Company completed a financing, resulting in net proceeds of \$15,160,320, further bolstering the Company's liquidity position.