

# Beaufield Provides Additional Details Regarding Proposed Acquisition of Balmat Holding Corp.

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MONTREAL, QUÉBEC -- (Marketwire - Feb. 27, 2013) - [Beaufield Resources Inc.](#) ("Beaufield" or the "Company") (TSX VENTURE:BFD) is pleased to provide additional details regarding its proposed acquisition (the "Acquisition") of the Balmat Zinc Mine ("Balmat") in New York State via the acquisition of all the issued and outstanding shares of the capital of Balmat Holding Corporation ("Balmat Holding"), a wholly-owned subsidiary of [HudBay Minerals Inc.](#) ("Hudbay").

As disclosed in its news release of February 19, 2013, Beaufield signed an exclusivity agreement (the "Exclusivity Agreement") and a non-binding letter of intent (the "LOI") with Hudbay, an arm's length party, to acquire Balmat Holding for payments totalling \$12 million and up to \$2 million in initial equity of Beaufield. As part of the Acquisition, Beaufield will assume the decommissioning and restoration liabilities of Balmat Holding estimated at \$20.9 million as at December 31, 2012. The LOI and Exclusivity Agreement give Beaufield 90 days to complete its confirmatory due diligence review, negotiate a definitive agreement, and close the Acquisition based on the terms provided for in the LOI.

Closing of the Acquisition is subject to a number of conditions, including completion and execution of a definitive agreement, filing of a National Instrument 43-101 compliant geological report, filing audited consolidated financial statements of Balmat Holding for the year ended December 31, 2012 and receipt of all required regulatory approvals.

It is anticipated that a financing by way of debt or equity and/or off-take will be completed concurrently with the closing of the Acquisition to fund the cost of restarting the operation of Balmat; however, closing of the Acquisition is not conditional upon raising these funds.

By the closing date of the Acquisition, Beaufield will consider adding senior executives and directors to ensure its management team and board have the appropriate mix of skills in operations and exploration activities.

## Balmat Holding Financial information

The following tables set out certain unaudited consolidated financial information in respect of Balmat Holding for the fiscal years ended December 31, 2012 and 2011. Such information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and is stated in thousands of Canadian dollars.

(Unaudited) 2012 2011

\$ \$

Assets

Current assets

Cash and cash equivalents 48 118

Prepaid expenses and other current assets 320 342

Total current assets 368 460

Inventories 777 777

Restricted cash - Environmental deposit 1,655 1,692

Property, plant and equipment 2,590 2,590

Total assets 5,390 5,519

(Unaudited) 2012 2011

\$ \$

Liabilities

Current liabilities

Trade and other liabilities 115 463

Other liabilities 18 -

Total current liabilities 133 463

Loan with HudBay Minerals Inc. 113,748 110,563  
Provision - Decommissioning and restoration liabilities 20,891 20,274  
Total liabilities 134,772 131,300

Equity  
Share capital 0 0  
Deficit (129,382 ) (125,781 )  
(129,382 ) (125,781 )  
Total liabilities and equity 5,390 5,519

(Unaudited) For the year ended December 31 For the year ended December 31  
2012 2011

Revenue - -  
Cost of sales - -  
Gross profit - -

Other operating  
Exploration & Evaluation 406 768  
Other operating income (8 ) -  
Other operating expense 3,357 5,893  
Results from operating activities (3,755 ) (6,661 )  
Finance income (485 ) (29 )  
Finance expense 298 454  
Other finance losses (gains) 33 103  
Net finance expense (income) (154 ) 528  
Loss before tax (3,601 ) (7,189 )  
Tax expense - -  
Loss for the year (3,601 ) (7,189 )

In August of 2008, Hudbay suspended the Balmat operations due to prevailing market conditions, including declining zinc prices, and since then it has been on care and maintenance. As at December 31, 2012, Hudbay recorded the carrying value of the Balmat property, plant and equipment at an estimated fair value less costs for sale and the material and supplies inventory at its net realizable value.

The decommissioning and restoration liability relates to the rehabilitation and closure of the Balmat mine. The amount of the provision has been recorded based on estimates and assumptions that Hudbay believes are reasonable; however, actual decommissioning and restoration costs may differ from expectations.

The intercompany loan with Hudbay will be eliminated concurrently with closing of the Acquisition.

#### About Beaufield:

[Beaufield](#) is a mineral exploration company with its exploration activity focused in Quebec. With approximately \$7 million in working capital, including \$2 million in flow-through financing to be dedicated for exploration by the end of 2013, Beaufield is well positioned to advance its portfolio of exploration properties and identify other potential opportunities in the mineral exploration or development stage that we can add value to on behalf of our shareholders.

*The information set forth in this press release includes certain forward-looking statements. Such statements are based on assumptions exposed to major risks and uncertainties. Although Beaufield deems the expectations reflected in these forward-looking statements to be reasonable, the Company cannot provide any guarantee as to the materialization of the expectations reflected in these forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has reviewed or accepts responsibility for the adequacy or accuracy of this Release. Completion of the Acquisition is subject to a number of conditions, including but not limited to, Exchange acceptance. There can be no assurance that the Acquisition will be completed as proposed or at all.*

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