

VMS Announces Third Quarter Reed Mine Financial Performance

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 19, 2014) - [VMS Ventures Inc.](#) (TSX VENTURE:VMS) ("VMS Ventures" or the "Company") is pleased to update shareholders on the performance of the Reed Mine to the end of September 2014. [VMS Ventures Inc.](#) owns 30% and [HudBay Minerals Inc.](#) (TSX:HBM)(NYSE:HBM) ("Hudbay") owns 70% and is the Operator. Management has reviewed the Reed Mine financial report received from joint venture partner Hudbay.

Reed Mine Third Quarter Production

During the third quarter of 2014, the Reed Mine produced 109,562 tonnes of ore at a copper grade of 2.23% and zinc grade of 1.79% from a combination of ore development and longhole stope mining. Year to date, as of the end of September, Reed has produced a total of 296,392 tonnes of ore.

Financial Information (as of September 30, 2014)

The following financial information for the Reed Mine was provided to the Company by Hudbay as part of its joint venture reporting obligations.

Summary of Financial Results		
Final VMS portion of Ore Sales:	April-June 2014	\$ 4,836,025
VMS portion of Production Costs:	April-June 2014	\$ 3,348,131
	July-September 2014	\$ 3,531,452
Reduced the Contribution Loan:	To the end of September 2014	\$ 1,304,572
Working Capital	To the end of September 2014	\$ 3,867,858

The Company reports monthly provisional ore sales and production costs based on reporting requirements from Hudbay. Since the start of commercial production on April 1, 2014 the Company has reported provisional ore sales and production costs as indicated in our financial statements ending May 31, 2014 and disclosed on July 30, 2014. The process in which the Company discloses or receives final ore sales from Hudbay is generally one hundred days after the shipment of concentrate. Therefore, the net proceeds, being final ore sales less the current period production costs, will be disclosed in the subsequent quarter. Those net proceeds will reduce the contribution loan.

The Company is in receipt of the first net proceeds results which were generated from final ore sales for April-June, 2014 of \$4,836,025 less the current period production costs for July-September, 2014 of \$3,531,452 for net proceeds of \$1,304,572. This was the first reduction on the contribution loan leaving the balance owing at September 30, 2014 at \$22,436,991.

Since there is a one hundred day delay from the time of shipping concentrate to the final sale of ore, the production costs during the period April-June, 2014 were covered by Hudbay with a Loan Agreement effective April 1, 2014. Hudbay has agreed to advance funds subject to a maximum of \$3.95 million at an 8% annual interest rate. As of September 30, 2014 the bridge loan was \$3,475,546 which is a result of April-June, 2014 production costs of \$3,348,131 and interest of \$127,415. Repayment of the loan does not take place until the contribution loan has been paid back.

The working capital of \$3,867,858 indicates the position of VMS Ventures only which represents the Company's share of the current available assets for day to day operations.

Neil Richardson COO states "We are pleased with the performance of the mine over its first two quarters of commercial production. As commercial production commenced at the Reed Mine on April 1, 2014, the Company recorded an amount of \$23,741,563 as a contribution loan owing to Hudbay for 30% of the applicable development costs as well as other amounts due, pursuant to the Reed Lake Project Joint Venture Agreement. The loan will be repaid by offsetting amounts owed to the Company from the sale of 30% of the Reed Mine ore, after payment of VMS Ventures' proportionate share of operating expenses. The reductions on the loan will be based and reported on the expected timing of ore purchases, generally up to one hundred days after shipment of concentrate."

Qualified Person

All technical information in this release has been reviewed by Dr. Mark Fedikow, P. Geo, who is the Qualified Person for the Company and Vice President of Exploration & Technical Services, [VMS Ventures Inc.](#)

About VMS Ventures Inc.:

[VMS Ventures Inc.](#) is a mining and mineral exploration company currently in partnership with Hudbay Minerals on the producing Reed Mine near Flin Flon Manitoba. VMS holds a 30% interest in the Reed Mine which is operated by Hudbay Minerals and achieved full production earlier this year. In addition, VMS is exploring a large prospective property package in Manitoba. The Company is actively evaluating new growth opportunities to build on success of Reed. The Company also holds approximately 22% of the shares in North American Nickel (TSX VENTURE:NAN) which is exploring a new district scale nickel-copper-cobalt PGE deposit belt in S.W. Greenland.

For more information on [North American Nickel Inc.](#), please visit www.northamericannickel.com.

Forward Looking Statement:

Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company are forward-looking statements that involve various risks. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward-looking statements: changes in the world wide price of mineral commodities, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future profitability and the uncertainty of access to additional capital. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events may differ materially from those anticipated in such statements. [VMS Ventures Inc.](#) undertakes no obligation to update such forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on such forward-looking statements.

ON BEHALF OF THE BOARD OF DIRECTORS

John Roozendaal, B.Sc., Interim CEO, President, Director

[VMS Ventures Inc.](#)

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