



905 West Riverside Avenue – Suite 311
Spokane, Washington 99201 United States
Phone: (509)838-6050
Fax: (509)838-0486
Email: info@minesmanagement.com
Web: www.minesmanagement.com

FOR IMMEDIATE RELEASE

RELEASE 11-12

**MINES MANAGEMENT ANNOUNCES
THIRD QUARTER 2011 FINANCIAL AND OPERATING RESULTS**

Spokane, Washington – December 19, 2011 – Mines Management, Inc. (NYSE-Amex: “MGN”, TSX: “MGT”) (the “Company”) is pleased to announce financial and operating results for the third quarter.

Mr. Glenn Dobbs, the Company’s President and Chief Executive Officer, stated, “A significant milestone was reached during the quarter with the completion of the Supplemental Draft Environmental Impact Statement (“SDEIS”). We are now able to move forward with the remaining steps in the permitting process, including the Biological Consultation and Opinion, among other things, followed by the Final EIS and Record of Decision.”

Overview Third Quarter 2011

- The U.S. Forest Service (“USFS”) and the Montana Department of Environmental Quality (“MDEQ”) continued their environmental review of the Montanore Project and the responses to comments received from the public and from the Environmental Protection Agency (“EPA”) and issued the Supplemental Draft EIS in late September 2011.
- The Company continued meetings with federal and state agencies, Montana legislators, local Lincoln County Commissioners, Libby City officials, business leaders and community members and kept them informed of the project status.
- The Company continued its program to reduce expenditures and conserve cash pending the completion of permitting.
- Cash and investment position remained strong at \$20.5 million as of September 30, 2011.
- The Company’s exploration and corporate development team continued to examine and evaluate additional opportunities in North America and Latin America.

The net decrease in cash and cash equivalents for the quarter ended September 30, 2011 was approximately \$1.5 million. Management has reviewed the near term spending forecast and continued a plan to diligently conserve cash where prudent. Given our current cash and investment position of approximately \$20.5 million as of September 30, 2011, we have sufficient funds to complete the permitting process and initiate the adit rehabilitation and drill station development. Additional financing would be required to complete the evaluation drilling program and a bankable feasibility study.

Current Activities

During the third quarter of 2011, work at the Montanore Project included ongoing support operations for the permitting process. Studies continued on the ground water intake for the adit, monitoring wells and the surface waters

in the area. Additional support for the permitting process includes data gathering for the biological aspects of the permit relating to fisheries and other wildlife in the area.

A light, imaging, detection and ranging (“LIDAR”) survey, which commenced in the second quarter of 2011, was completed in the third quarter of 2011. The LIDAR survey provides a more accurate topographic rendition of the Montanore Project area. LIDAR survey methods have the ability to “see through” the trees and underbrush to yield a very accurate topographic map. This accuracy is necessary for the final engineering of surface facility layouts including the tailings area, plant site, conveyor runs and roads.

Community support activities included participation in the local Chamber of Commerce meetings, Montanore Positive Action Committee (“MPAC”) activities, and job service surveys. MPAC is a local support group that is actively promoting and supporting the Montanore Project. An MPAC rally was held in late September of 2011 with speakers from several local businesses, local state legislators and representatives from the offices of U.S. Representative Dennis Rehberg, U.S. Senator Max Baucus, and U.S. Senator Jon Testor.

Permitting and Environmental

The Company continues its efforts to obtain the requisite approvals, permits and opinions from the USFS, the MDEQ, the U.S. Army Corps of Engineers and the U.S. Fish and Wildlife Service (“USFWS”) that would allow the Company to initiate its underground exploration drilling program.

As part of this process, the USFS and MDEQ completed a draft environmental impact statement (“DEIS”) in March 2009, evaluated the environmental impacts of the project, and circulated the DEIS to the EPA and to the public for comment. The USFS and MDEQ analyzed and responded to EPA and public comments in the SDEIS which addressed certain issues including wetlands mitigation, water quality analyses, and the placement and impact of the transmission line. The SDEIS was completed in late September 2011, which is followed by submission of the SDEIS to the public and a public comment period. The public comment period is currently underway and was scheduled to close on November 21, 2011, but has been extended 30 days to December 21, 2011 by the USFS. A meeting soliciting comments from the public on the SDEIS was held in Libby, Montana on October 25, 2011.

The Company is currently reviewing the SDEIS and will provide comments to the same which will supplement comments made previously by the Company to the DEIS. Once the public comment period expires, the agencies will prepare responses to comments generated by the public, following which, edits will be made to the DEIS and the SDEIS with a view to issuance of a final EIS.

During the third quarter of 2011, the MDEQ issued a draft air quality permit relating to the Montanore Project. This permit was issued as a draft several years ago but was updated to reflect EPA changes to the Clean Air Act. The draft air quality permit is included in the SDEIS for public review and comment.

As part of the development of a final EIS and the determination of the agencies’ preferred alternatives, the U.S. Army Corps of Engineers must complete an analysis of potential project discharges of dredged or fill material into waters of the United States, including wetlands. Such discharges are regulated by Section 404 of the Clean Water Act which requires a permit before dredged or fill material may be discharged. The Company submitted its formal application to the U.S. Army Corps of Engineers for the 404 permit for the project in the second quarter of 2011. The Company also recently completed critical wetlands field work and jurisdictional water field investigations, the results of which were submitted with 404 permit application support documents. It is anticipated the U.S. Army Corps of Engineers will initiate the public comment period for the 404 permit application in the fourth quarter of 2011.

As part of the Montanore Project permitting process, the USFS must undertake certain biological assessments and submit draft reports of these assessments to the USFWS for consideration in connection with the USFWS’s biological opinions addressing the impact of the project on threatened and endangered species. The issuance of the biological opinions by the USFWS is required prior to the completion of a record of decision, which is the final step of the federal

approval process. The USFS completed draft biological assessments in the second quarter of 2011 and the USFWS continues its review of the same.

Financial and Operating Results

Mines Management, Inc. is an exploration stage company with a large silver-copper project, the Montanore Project, located in northwestern Montana. The Company continues to expense all of its expenditures when incurred, with the exception of equipment and buildings which are capitalized. The Company has no revenues from mining operations. Financial results of operations include primarily interest income, general and administrative expenses, permitting, project advancement and engineering expenses.

Quarter Ended September 30, 2011

The Company reported a net loss of \$2.8 million for each of the quarters ended September 30, 2011 and 2010. Operating costs for the third quarter were \$0.9 million higher in 2011 compared to 2010, primarily due to the issuance of stock options during the third quarter of 2011. This was offset by an increase of \$0.9 million in the net gain on fair market value of warrant derivatives in the third quarter of 2011 compared to the same period during the prior year.

Nine Months Ended September 30, 2011

The Company reported a net loss for the nine months ended September 30, 2011 of \$3.1 million, or \$0.11 per share, compared to a loss of \$7.4 million or \$0.32 per share for the nine months ended September 30, 2010. The \$4.3 million decrease in net loss from 2010 is attributable to the following items: (i) increased general and administrative costs of \$0.2 million in 2011, which were primarily the result of increased property evaluation expenditures of \$0.1 million and investor relation consulting fees of \$0.1 million; (ii) decreased technical services costs of \$0.7 million in 2011 principally due to a reduction in consultant fees paid to Mine and Quarry Engineering and the completion of the Grizzly Bear Study in 2010; (iii) gain on sale of available-for sale securities of \$2.0 million during 2011; and (iv) an increase of \$1.8 million in the net gain on fair market value of warrant derivatives during 2011.

Liquidity

During the nine months ended September 30, 2011, the net cash used for operating activities was approximately \$5.1 million, which is \$0.1 million less than the same period during the prior year. We have continued to limit expenditures, including capital expenditures, until the timing for the receipt of the Record of Decision becomes clearer.

We anticipate expenditures of approximately \$1.8 million for the final three months of 2011, which we expect to consist of \$1.1 million for general and administrative expenses and \$0.7 million for permitting, engineering, and geologic studies to finalize the permitting for the Montanore Project. Depending on the amount and rate of progress with our permitting efforts and market conditions, the Company might seek additional financing before the end of 2012.

About Mines Management

Mines Management, Inc. is engaged in the business of acquiring and exploring, and if exploration is successful, developing mineral properties containing precious and base metals. The Company's primary focus is on the advancement of the Montanore silver-copper project located in northwestern Montana. The Montanore is an advanced stage exploration project, which contains a Canadian NI43-101 compliant resource of approximately 81.5 million tons of material with average grades of 2.04 ounces silver per ton and 0.75% copper, in the measured and indicated category, plus an inferred resource of 35.1 million tons with average grades of 1.85 ounces silver per ton and 0.71% copper.

Cautionary Note to U.S. Investors concerning estimates of Measured, Indicated and Inferred Mineral Resources:

This press release uses the terms “Measured Mineral Resources,” “Indicated Mineral Resources” and “Inferred Mineral Resources.” We advise U.S. investors that while those terms are recognized and required by Canadian NI 43-101, the Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. Inferred Mineral Resources have a greater amount of uncertainty as to their existence and as to their economic and legal feasibility. In accordance with Canadian rules, estimates of Inferred Mineral Resources cannot form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that part or all of the Inferred Mineral Resources exists, or is economically or legally mineable. Disclosure of “contained ounces” in a Mineral Resource is permitted under Canadian regulations, however, the SEC normally only permits issuers to report mineralization that does not constitute ‘reserves’ by SEC standards as “in place” tonnage and grade without reference to unit measures. Accordingly, the information contained in this press release may not be comparable to similar information made public by U.S. companies that are not subject to NI 43-101.

Statements Regarding Forward Looking Information: *Some statements contained in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially, including, among other things, comments regarding further exploration and evaluation of the Montanore Project, including drilling activities, feasibility determinations, including those in the Preliminary Economic Assessment, engineering and environmental studies, environmental, reclamation and permitting requirements and the process and timing and the costs associated with the foregoing; the process and timing associated with the permitting process, including the issuance of biological opinions, a final environmental impact statement and a record of decision and completion of wetland mitigation plans; estimates of mineralized material; financing needs, including the financing required to fund the final phases of the advanced exploration and delineation drilling program and a bankable feasibility study; sources of financing; the sufficiency of working capital to complete the rehabilitation of the Libby adit and commence delineation drilling; planned expenditures and cash requirements for 2011; efforts to reduce costs, including reducing manpower; results of the hydrological model and the effects thereof; the search for potential exploration and development opportunities in the mining industry; the possibility of challenges by environmental groups or others to our permitting efforts or planned exploration, development or mining activities; potential completion of a bankable feasibility study and the costs associated therewith; and markets for silver and copper. Actual results may differ materially from those presented. Factors that could cause results to differ materially include, among other things, fluctuations in silver and copper prices. Mines Management, Inc, assumes no obligation to update this information. There can be no assurance that future developments affecting Mines Management, Inc, will be those anticipated by management. Please refer to the discussion of risk factors in the Company’s Form 10-K for the year ended December 31, 2010, as amended.*

FOR MORE INFORMATION:

Mines Management, Inc.

905 W. Riverside Avenue - Suite 311

Spokane, Washington 99201

Phone: 509 838 6050

Fax: 509 838 0486

Email: info@minesmanagement.com

Web: www.minesmanagement.com

Contact: Douglas Dobbs, Vice President of Corporate Development

Renmark Financial Communications Inc.

Maurice Dagenais: mdagenais@renmarkfinancial.com

Peter Mahzari: pmahzari@renmarkfinancial.com

Tel.: (514) 939-3989 or (416) 644-2020

www.renmarkfinancial.com