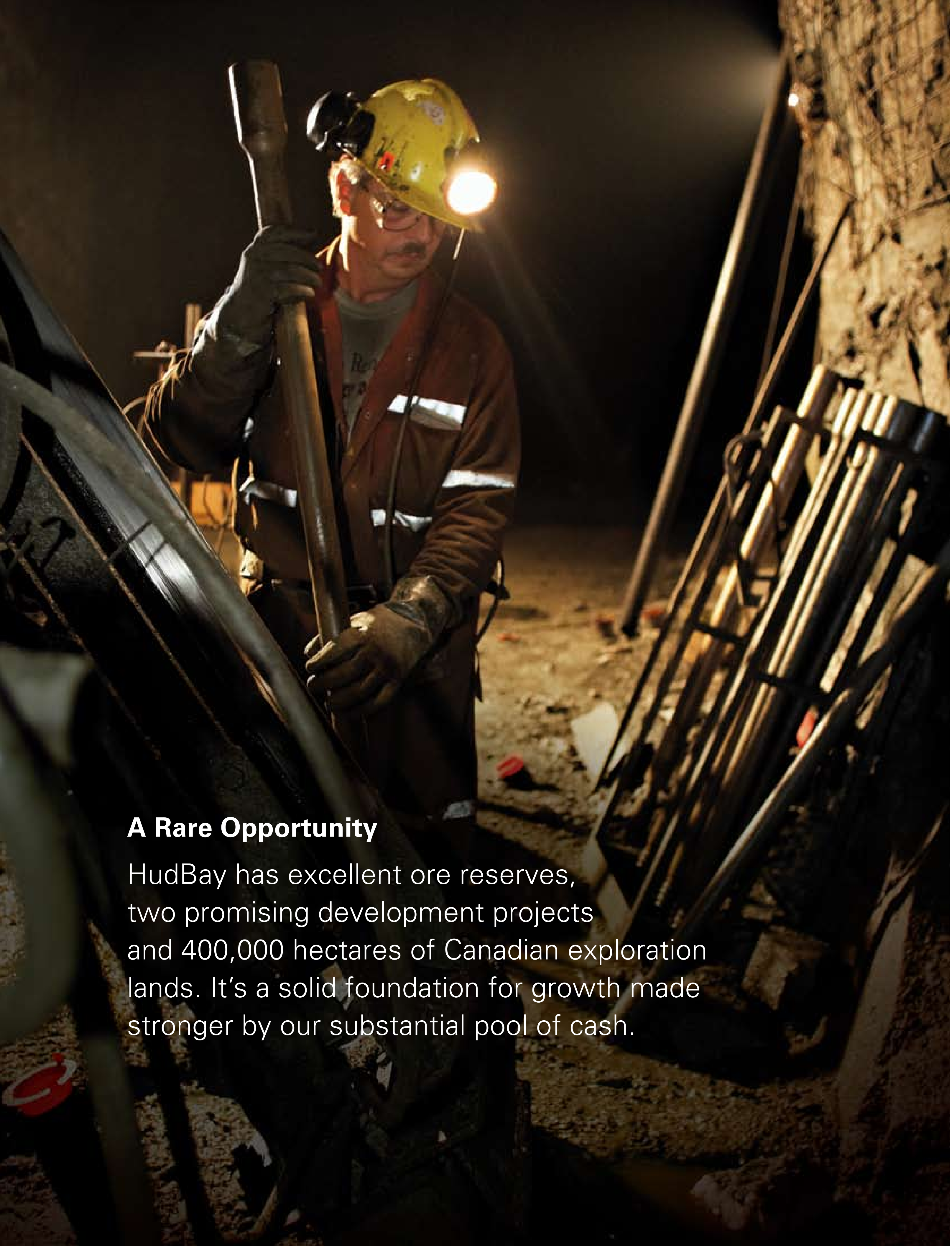
HudBay Minerals

Untapped Potential

Annual Review 08



A Rare Opportunity

HudBay has excellent ore reserves, two promising development projects and 400,000 hectares of Canadian exploration lands. It's a solid foundation for growth made stronger by our substantial pool of cash.

Strength to Build the Future

HudBay Minerals Inc. (TSX: HBM) is a Canadian integrated mining company with assets in North and Central America principally focused on the discovery, production and marketing of base metals. The company's objective is to maximize shareholder value through efficient operations, organic growth and accretive acquisitions, while maintaining its financial strength. A member of the S&P/TSX Composite Index and the S&P/TSX Global Mining Index, HudBay is committed to high standards of corporate governance and sustainability.

1 **Manitoba/Saskatchewan**

HudBay's principal operating platform is in the Flin Flon Greenstone Belt (see page 6 for a detailed map)

- 777 Mine
- Trout Lake Mine
- Chisel North Mine
- Flin Flon Concentrator
- Snow Lake Concentrator
- Copper Smelter
- Zinc Plant
- Lalor Deposit

2 **Ontario**

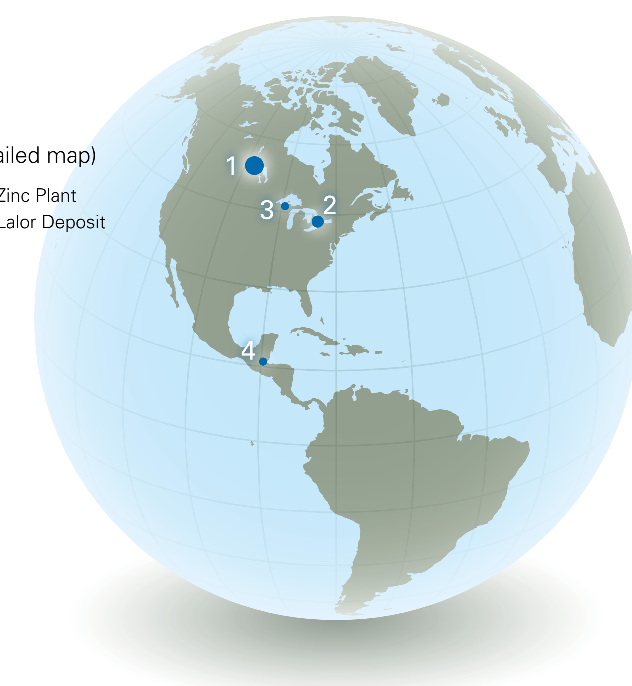
- HudBay Head Office
- Zochem Zinc Oxide

3 **Michigan**

- White Pine Copper Refinery

4 **Guatemala**

- Fenix Nickel Project



$705M

HudBay's strong treasury will enable us to strengthen our operations in Manitoba and seek acquisition and development opportunities further afield.

Properties with Potential

The Lalor deposit has the potential to be a significant producer of zinc and gold. Fenix is expected to have competitive operating costs, and long reserve life.

Over 80 Years in Mining

We've profitably developed more than 25 mines from which we've mined millions of tonnes of ore, and assembled a wealth of knowledge and talent.

Integrated Production

HudBay's integrated operations include mining, concentration and metallurgical facilities, and position the company to capitalize on new opportunities.

Financial highlights

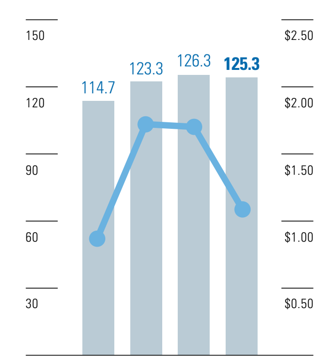
($ millions) For the years ended December 31	2008	2007	2006	2005
Revenue				
Zinc & zinc oxide	$ 278.9	$ 487.5	$ 409.8	$ 217.7
Copper	551.5	668.8	624.0	351.8
Gold	93.5	70.6	56.3	50.4
Silver	27.0	17.8	14.6	11.2
Other	$ 31.1	$ 25.2	$ 24.3	$ 21.0
Total Revenue	$ 982.0	$ 1,269.9	$ 1,129.0	$ 652.1
Earnings before tax	$ 169.7	$ 365.5	$ 442.4	$ 74.4
Net Earnings	$ 73.4	$ 227.1	$ 564.0	$ 85.2
Total Assets	$ 1,918.4	$ 1,551.6	$ 1,318.5	$ 728.8
Shareholders' equity	$ 1,558.7	$ 1,191.2	$ 964.2	$ 261.2
Cash and cash equivalents	$ 704.7	$ 757.6	$ 385.9	$ 141.7

Operations highlights

		2008	2007	2006	2005
Production					
Zinc	(000 tonnes)	125.3	126.3	123.3	114.7
Copper	(000 tonnes)	74.7	90.0	88.2	86.3
Gold	(000 troy ounces)	108.5	102.6	98.0	102.4
Silver	(000 troy ounces)	2,294.0	1,446.7	1,345.0	1,410.5

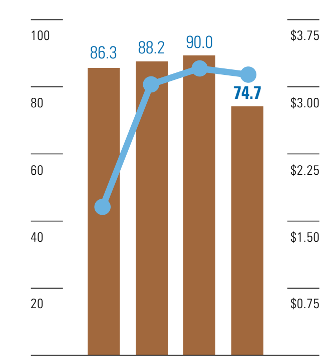
Zinc Production
(000 tonnes)

LME Average Price
(US $ per lb.)



Copper Production
(000 tonnes)

LME Average Price
(US $ per lb.)



Revenue by Commodity
($ millions)

- Copper
- Zinc & Zinc Oxide
- Other
- Gold
- Silver

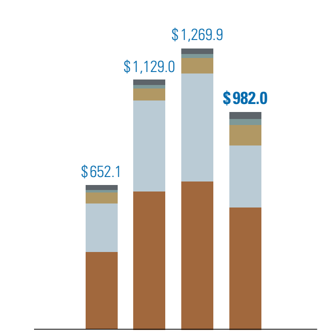


Table of Contents

untapped potential

Peter R. Jones
Chief Executive Officer

Renewed Opportunities

It's great to be a part of HudBay again and I appreciate the support you've shown me and the new board. The new board and management team has transitioned well, and your company is operationally and financially well positioned. Our core producing properties remain cash positive even at currently depressed metals prices. And, through astute financial management during the recent commodity boom, we also have one of the strongest balance sheets in the Canadian mining industry.

Looking back on 2008

Base metal prices shifted extraordinarily during 2008: a strong first six months deteriorated rapidly in the second half of the year as the global credit crisis and subsequent recession took hold. As a result, our revenues, operating cash flow and net earnings declined by 23, 51, and 68 per cent respectively, compared to 2007. We generated approximately $292 million in EBITDA for the year, and finished 2008 with more than $700 million in cash and cash equivalents. Our strong cash position has been additionally supplemented by $236 million in proceeds from the sale of our Lundin Mining Corporation shares in May 2009.

Copper and zinc production for the year was in line with our forecasts, while gold and silver production was higher than anticipated. Unfortunately, we had to make the difficult but necessary decisions to suspend our Snow Lake and Balmat operations, and postpone construction of the Fenix project, all in response to the challenging economic environment.

We maintained a high commitment to safety, health and environmental standards during the year, including meeting our ISO 14001, 18001, and Towards Sustainable Mining targets. We had a lost time accident frequency of 1.0 per 200,000 hours worked, and we were deeply saddened to lose a member of our team in a rock fall at Balmat. HudBay conducted a full investigation, and remains fully committed to meeting all of its safety standards.

Guided by a strategic plan

The new board and management team has already fulfilled one of its committed goals since taking office in March 2009: HudBay has a strategic plan focused on strengthening the company and realizing superior shareholder value.

HudBay has a strong treasury in an environment where peer company valuations are modest. As such the strategic focus for the company will be twofold: first, we intend to strengthen our principal operating platform in Manitoba; and, second, we will seek acquisition and development opportunities further afield.

We plan to strengthen our Manitoba operations by continuing exploration expenditures in the prolific Flin Flon Greenstone Belt, evaluating the Lalor deposit for production, and seeking other opportunities to better utilize our mine and plant production potential. As our Manitoba copper smelter will need to close due to environmental and operating cost pressures, we soon plan to commit to a closure date consistent with good business practice, while being sensitive to our employees.

We intend to build our future to include acquisitions and developments that are further afield but with a continued focus on copper, zinc and nickel. We believe the deep skill base developed from operating fully integrated facilities, our strong treasury and an environment where acquisition values are comparatively modest present good opportunities for growth.

Opportunities in 2009

There are several reasons to be enthusiastic about our future, despite the current daunting economic environment. During 2008 we identified a separate gold zone at our 100 per cent owned Lalor zinc rich base metal deposit that has the potential to have a significant economic impact on its viability.

Although temporarily suspended, our 98.2% owned Fenix lateritic nickel project in Guatemala has 41.4 million tonnes of mineral reserves, and provides an opportunity to build our growth pipeline with a planned production rate of 50 million pounds per annum of nickel.

We have prudently prepared for an extended period of weak base metal prices by reducing our sustaining capital and exploration expenditures and by undertaking other cost management initiatives. We will, however, continue to review the suspension of our Chisel North mine regularly and work toward ways to reactivate the Fenix project as well as identifying other opportunities. In the meantime, our mines and processing facilities in Manitoba provide a strong base for future growth.

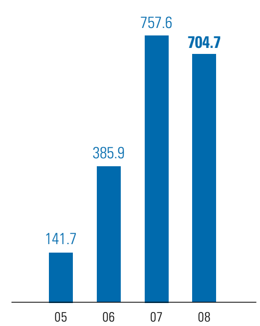
Moving forward

I look forward to working with the management team and the board on the challenges and opportunities of the coming year. We have successfully completed a senior management and governance transition. I thank everyone responsible for making this a smooth transition, particularly HudBay's employees for their patience and our shareholders for their support.

(signed)

Peter R. Jones
Chief Executive Officer

Cash and cash equivalents
($ millions)



Through astute financial management during the recent commodity boom, HudBay has developed one of the strongest balance sheets in the Canadian mining industry in an environment where peer company valuations are modest.

Responsible. Trustworthy. Transparent.

As a new board, we made three commitments to our shareholders: 1) to develop a strategic plan that enhances the value of our company through considered and appropriate growth initiatives (both organic and inorganic); 2) to establish best practice corporate governance that ensures that HudBay's directors and management act responsibly and with respect for our shareholders; and, 3) to be transparent in all we do. In this way, HudBay will regain the trust and confidence of our shareholders.

"HudBay's new board will ensure the company is managed responsibly, with transparency and in the best interest of the company and our shareholders."

Allocating capital prudently

Our first commitment to our shareholders is the development of an appropriate strategic plan for HudBay.

We are in the unique position of having a substantial amount of cash on hand at a time when assets can be acquired at modest prices. To ensure we derive maximum strategic benefit from our circumstances, we have retained an investment advisor to work with us to develop and implement our strategic plan, as well as to assist us in implementing our acquisition strategy.

Establishing best practice governance

As a step in restoring shareholder trust, we have reviewed all of HudBay's corporate governance procedures and policies; from the role of the board to the policies that guide the activity of each committee, as well as our policies on disclosure, confidentiality, insider trading, whistleblowing and ethical conduct. We've adopted new policies that establish best practice corporate governance at HudBay.

We've also adopted (or will shortly adopt) the four changes proposed by our predecessor board.

- HudBay's by-laws have been amended to require shareholder approval when the company proposes to issue common shares in excess of 25% of outstanding common shares in order to make an acquisition.
- We've adopted meaningful share ownership guidelines for directors of HudBay consistent with those of Canadian mining issuers of a similar size, and we are developing similar guidelines for executive officers.
- We've adopted the Canadian Coalition on Good Governance's guidelines on majority voting, whereby director nominees who receive more than 50% of votes as "withheld" must offer to resign from the board.

The development of a modified stock option plan that includes performance-based vesting thresholds – the fourth change proposed by the previous board – is underway but not yet complete. In adopting these performance criteria, we will ensure a compensation arrangement that aligns, as best we can, the interests of our employees with the interests of our shareholders. We will also ensure that creating value for shareholders is our number one priority.

Establishing transparency

Our third commitment is to transparency. We know we need to ensure that HudBay is managed responsibly and in the best interest of the company and our shareholders, but we also know that we need to do so in a transparent manner. We intend to be transparent in all we do and to ensure that your new directors do not betray the confidence that was shown in us earlier this year.

(signed)

G. Wesley Voorheis
Chairman

Governance best practices

We've adopted new policies that establish best practice corporate governance at HudBay, including new key corporate policies, committee charters and role descriptions.

Untapped Potential

HudBay and its predecessor companies have operated continuously in northern Manitoba and Saskatchewan for more than 80 years. We're proud of our legacy. In addition to profitably developing more than 25 mines from which we've mined over 155 million tonnes of ore, we've assembled a wealth of knowledge and talent across the company.

Lalor's new gold zone

Significant gold mineralization could enhance the deposit's value; HudBay will spend $13 million on exploration at Lalor in 2009.

A strong operating asset base

HudBay's legacy will carry on. Its assets in Manitoba and Saskatchewan remain HudBay's principal operating platform, which the company will continue to develop and strengthen. Production at our flagship mine, the 777 in Flin Flon, has increased every year since it opened. In 2008, the 777 produced 1,470,290 tonnes of ore containing zinc, copper, gold and silver. The Trout Lake mine is just six kilometres away from the 777 and is currently estimated to remain in production until 2011. Opened in 1982, Trout Lake produced 776,205 tonnes of ore in 2008, a decline from 2007 consistent with the mining plan.

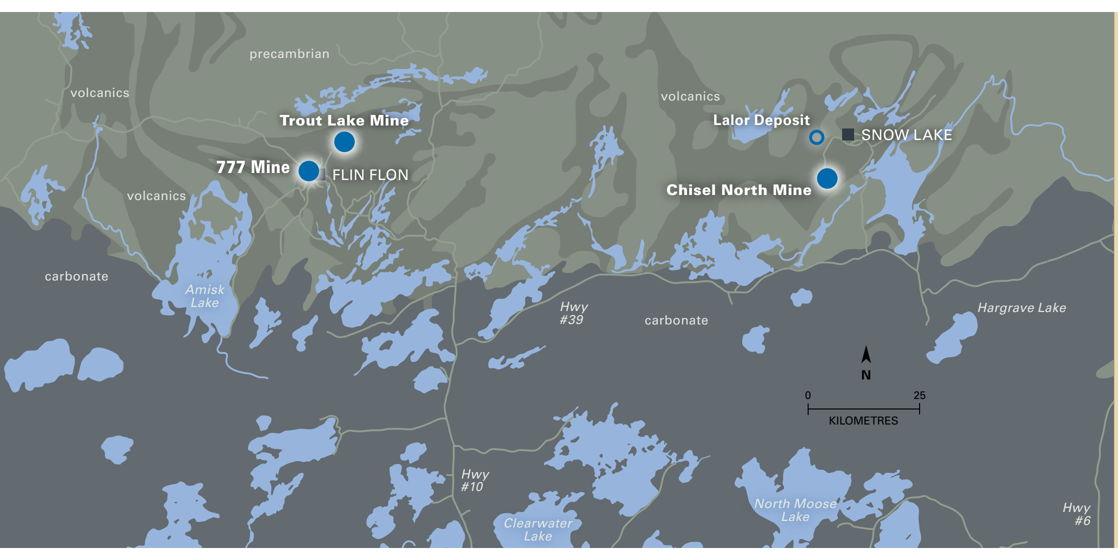
HudBay's integrated operations include mining, concentration and metallurgical facilities in the area, and position the company to capitalize on new opportunities in the Flin Flon Greenstone Belt, such as the Lalor deposit, discovered in 2007.

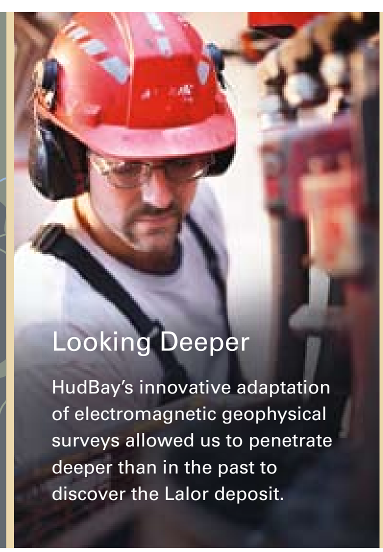
One of HudBay's core strategies has always been to ensure its mining operations create value for all stakeholders, and at times, this requires the company to make difficult decisions. HudBay placed its Balmat operation in upstate New York on care and maintenance in the summer of 2008, and suspended operations at the Chisel North mine and Snow Lake concentrator in early 2009. We plan to evaluate returning the Chisel North and Balmat mines to production after zinc prices return to levels that will support economic mining on a sustainable basis.

The economic environment has challenged us to operate more efficiently and many of our recent initiatives will have a long-term impact on our productivity:

- Where skills and efficiencies permit, employees from suspended operations are replacing contractors at continuing operations. For example, the

The Flin Flon Greenstone Belt: Centre of our exploration activity





Looking Deeper

HudBay's innovative adaptation of electromagnetic geophysical surveys allowed us to penetrate deeper than in the past to discover the Lalor deposit.

Trout Lake mine has absorbed approximately 35 Snow Lake employees by replacing contractors.

- Key commodity and service providers are being challenged to improve costs through negotiation as well as tender processes.
- Initiatives are in place to reduce power consumption throughout the zinc plant and copper smelter.
- A renewed focus on improving the grade of ore that is delivered to the concentrator.
- Capital expenditures have been reduced by delaying certain expenditures into 2010 and beyond.

These initiatives will assist HudBay to maintain its balance sheet strength, and position the company to pursue opportunities to grow its asset base even if there is a protracted period of low metal prices.

Lalor's new gold zone

We've reduced our exploration spending commitments to $26 million in 2009 from the $45 million invested in 2008, but continue to run six drills at Lalor to expand our understanding of the deposit. Located in the Chisel basin of the Flin Flon Greenstone Belt only 15 kilometres from HudBay's Snow Lake concentrator, the Lalor deposit has the potential to grow into a significant producing asset, supporting substantial long-term activity in the area.

HudBay filed an NI 43-101 technical report on the Lalor deposit entitled "Technical Report on the Lalor Lake Deposit, Snow Lake, Manitoba, Canada" dated September 19, 2008 and prepared by, or under the supervision of Ian T. Blakely, P. Geo. The report describes an estimated Indicated Resource of

HudBay's integrated operations, including the state-of-the-art zinc plant (above), positions the company to capitalize on new development opportunities in the Flin Flon Greenstone Belt.

HudBay's Fenix project in Guatemala, acquired in August 2008, is expected to have competitive operating costs, long reserve life and provide both metal and geographic diversity.

3.4 million tonnes grading 8.82% zinc, 0.71% copper, 1.9 g/t gold and 20.5 g/t silver, and an Inferred Resource of 13.2 million tonnes grading 8.19% zinc, 0.70% copper, 2.9 g/t gold and 34.1 g/t silver.

HudBay has since discovered significant gold mineralization in an adjacent and separate zone. Geological modelling and interpretation is underway to understand better the potential of the discovery, which could offer Lalor a distinct mining horizon with principal credits derived from gold mining. This could enhance the deposit's value and increase the probability that Lalor will be HudBay's next mine in the Flin Flon Greenstone Belt. Accordingly, the company has increased its 2009 planned exploration expenditures at Lalor to $13 million.

A recognized innovator

HudBay's innovative adaptation of electromagnetic geophysical surveys to discover Lalor was recognized by the Prospectors and Developers Association with the Bill Dennis Award for a Canadian discovery. The adaptation allowed HudBay to penetrate deeper than in the past to discover the Lalor deposit. This is the second time HudBay has received the Bill Dennis Award, named for a highly respected member of the industry and established in 1977 to recognize those who have made a significant mineral discovery or an important contribution to the exploration industry. It received the award in 2000 for the discovery of the 777, Konuto Lake and Photo Lake deposits, all of which were developed into mines.

> "We're proud of our mining legacy, one we will continue building as we strengthen and develop our operations in northern Manitoba."

Creating a global footprint

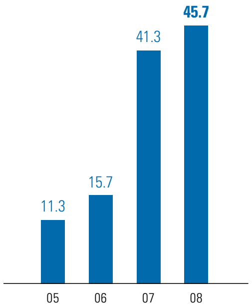
In August 2008, HudBay acquired the Fenix project, a nickel lateritic deposit in Guatemala. Once constructed, Fenix is expected to have competitive operating costs, long reserve life, and provide both metal and geographic diversification. Environmental and construction permits for the brownfield expansion project have been received, basic engineering is complete and detailed engineering is well-advanced.

Although we've suspended development until economic conditions recover, we remain committed to advancing Fenix. We continue to explore lower cost power solutions and to develop infrastructure, such as upgrading the access road. We are also actively involved with the local community and all levels of government to ensure the project provides benefits to the people of Guatemala, as well as HudBay's shareholders.

Creating value through exploration

HudBay's exploration activities will focus on identifying opportunities in the Flin Flon Greenstone Belt during this trough in the metal cycle. Our downsized exploration program will include geophysics and diamond drilling. Further, HudBay maintains strategic relationships with several junior companies operating in the Flin Flon Greenstone Belt, which allows for continued exploration without unduly straining HudBay's resources.

Exploration spending
($ millions)



The Fenix Project: Ready for development once economic conditions improve

Committed to Fenix

This world-class nickel project is expected to produce 50 million lbs. per year once in production.

Brownfield expansion to 50 million pounds

Environmental and construction permits have been received, basic engineering is complete and detailed engineering is well advanced at Fenix, which benefits from substantial infrastructure.

We continue to explore lower cost power solutions and to develop infrastructure such as upgrading the access road.

Committed. Sustainable. Responsible.

HudBay is committed to all of its stakeholders. The company recognizes that responsible operations bring prosperity to the communities in which it operates. Its revenues provide both direct and indirect wages, benefits and taxes, as well as many other indirect benefits to its communities. HudBay also meets high standards when it comes to environmental performance, community relations, and sustainable operations.

Accountability

HudBay meets high management standards like ISO 14001 and OHSAS 18001 and Towards Sustainable Mining.

Working towards a greener operation

HudBay reduced its sulphur dioxide emissions and water consumption in 2008. The company supports the protection of the boreal forest, home to its Manitoban and Saskatchewan operations, and contributes to a global positioning system caribou collaring project run by Manitoba Conservation.

A $10 million project that began in 2006 has resulted in an expansion to the Flin Flon tailings impoundment facility in Saskatchewan, and a reduction in the potential to generate dust by creating a barrier between the local community and the active part of the impoundment. The final phase of the project was completed late in 2008.

In Guatemala, HudBay's Guatemalan subsidiary, CGN, spent US $687,000 during 2008 on environmental protection and compliance, including land reclamation, environmental baseline studies, and sampling. CGN also operates a tree nursery that can deliver up to 40,000 trees annually for reforestation.

The company's most significant environmental challenge is emissions from its copper smelter in Flin Flon. We soon plan to commit to a specific closure date that is consistent with good business practice and sensitive to our employees.

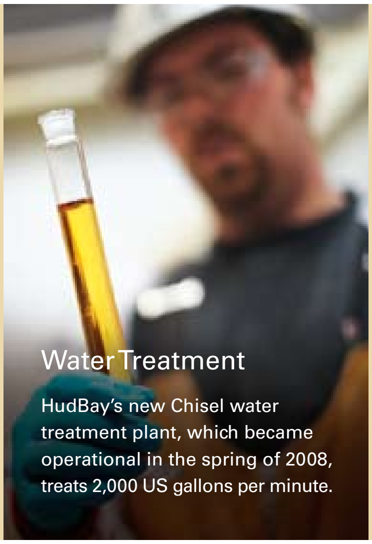
Human Health Risk Assessment in Flin Flon and Creighton

The Human Health Risk Assessment (HHRA) is a scientific investigation undertaken by HudBay, in cooperation with the Manitoba and Saskatchewan provincial governments, to better understand the nature of soil conditions in the Flin Flon and Creighton area, and to determine if exposure to these soils may present unacceptable, long-term health risks to residents and visitors to this area.

Responsible oversight of tailings and water treatment facilities

Tailings

A $10 million project that began in 2006 has resulted in an expansion to the Flin Flon tailings impoundment facility in Saskatchewan, and a reduction in the potential to generate dust by creating a barrier between the local community and the active part of the impoundment.



Water Treatment

HudBay's new Chisel water treatment plant, which became operational in the spring of 2008, treats 2,000 US gallons per minute.

Soil, indoor dust, snow, drinking water and food, as well as lake sediments, have been sampled and analyzed for metals contamination, with the results available at www.flinflonsoilsstudy.com. A report summarizing the findings is anticipated to be available toward the end of 2009.

Government health agencies conducted a community health assessment in 2008 to complement the results of the HHRA, and gathered recent health data about residents in the Flin Flon and Creighton area. Their report, published in November 2008, concluded that there are no significant differences in health or premature death rates in the Flin Flon and Creighton area compared with the rest of the provinces of Manitoba and Saskatchewan.

A safe and prosperous workforce

HudBay aims to be a leader in health and safety, with the goal of being the employer of choice where we operate. We have set ambitious safety targets and while we have world class systems in place, we believe we can improve, and are driving toward zero lost-time accidents.

All of HudBay's operating facilities are certified to OHSAS 18001, an important international occupational health and safety standard. Our intention is to certify all of our facilities in every country to this standard by the time they go into production.

HudBay's safety performance in 2008 was marred by a fatality at our Balmat mine. We conducted a full investigation and remain committed to meeting

HudBay's emergency teams include a fire department, six mine rescue teams, hazardous materials team, confined space and rescue team and high angle rescue.

Courtesy of Ralph Appelbaum Associates.

HudBay committed $1 million in 2008 to the Canadian Museum for Human Rights in Winnipeg, Manitoba (artist's rendering above), Canada's first national museum outside the national capital area, which is anticipated to open in the spring of 2012.

all of our safety standards. The lost-time accident frequency across the company in 2008 was 1.0 accidents per 200,000 hours worked, which compares favourably with industry averages. However in real terms this means that 20 HudBay employees in Manitoba and one in Guatemala had to miss work in 2008 because of injury. This number is too high, and we are implementing additional programs aimed at further improving our safety performance.

Suspending two operations and delaying construction at a third during 2008 has not been without impact on our workforce, and HudBay has worked to mitigate that impact as much as possible. Employees from the Balmat mine in New York were given transition support, while at our Snow Lake operations in Manitoba, a committee consisting of representatives from the company, unions and government worked to minimize employee layoffs and reduce the impact on the community. In Guatemala at our suspended Fenix project, HudBay continues to meet its community commitments, and remains a significant employer in the local community.

Supporting our communities

HudBay endeavours to contribute to the communities in which it operates. In 2008, it committed $1 million to the Canadian Museum for Human Rights in Winnipeg, Manitoba, Canada's first national museum outside the national capital area. It also created a $1 million fund commemorating the company's 80th anniversary to support community-based programs in the Flin Flon and Creighton area. Both of these commitments are spread evenly over five years. Other initiatives during the year included supporting local sports teams, providing full university scholarships to top scholars from Snow Lake, “This year will be the first time that we have chosen to report to G3, the most recent guidelines of the Global Reporting Initiative (GRI), the world’s most widely used sustainability reporting framework.”

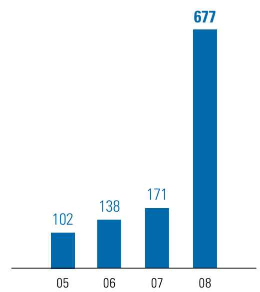
Flin Flon and Creighton working toward a degree at an accredited university, and supporting a wide variety of community initiatives as well as major industry conferences, including the Prospectors and Developers Association of Canada conference in March and the Canadian Institute of Mining, Metallurgy and Petroleum conference in May.

Despite the suspension of construction at the Fenix project during 2008, HudBay continues to reach out to the community in Guatemala including developing information, liaison and awareness programs in the Fenix vicinity. We are also upgrading a 35-kilometre highway from El Estor to Río Dulce including a bypass for heavy truck traffic, which should be complete in the third quarter of 2009. This project creates a pathway for communication and benefits local agriculture, commerce, and tourist ventures. The company completed the first phase of a medical centre to provide health care to the community, and through the Raxche’ Foundation, the company initiated 66 projects in 20 communities around the Fenix project in health, education, productive development, culture and environment.

GRI reporting increases accountability

HudBay’s sixth report on sustainability will be published shortly. It will be the first time that we have chosen to report to G3, the most recent guidelines of the Global Reporting Initiative (GRI), the world’s most widely used sustainability reporting framework. It will cover our activities from January 1 to December 31, 2008, and will be the first to be called a Corporate Social Responsibility Report. For further information, please visit the company’s website at www.hudbayminerals.com.

Donations
($000s)

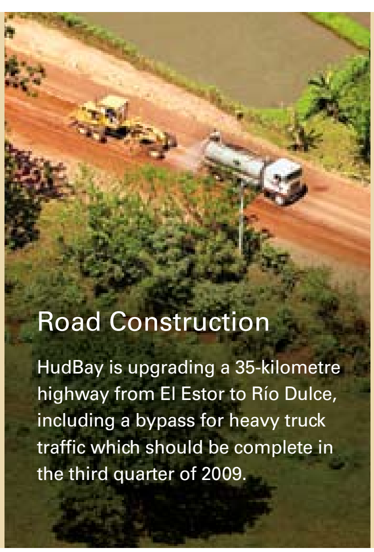


Amount for 2008 includes HudBay’s first fifth of commitments to the Human Rights Museum and community fund.

An active community partner in Guatemala

Flora Recovery

CGN, HudBay’s Guatemalan subsidiary, operates a tree nursery that can deliver up to 40,000 trees annually for reforestation.



Road Construction

HudBay is upgrading a 35-kilometre highway from El Estor to Río Dulce, including a bypass for heavy truck traffic which should be complete in the third quarter of 2009.

Health

Through the Raxche’ Foundation, the company initiated 66 projects in 20 communities around the Fenix project in health, education, productive development, culture and environment.

HudBay continues to reach out to the community in Guatemala including developing information, liaison and awareness programs in the Fenix vicinity.

From left to right:
Peter R. Jones,
W. Warren Holmes,
John L. Knowles,
G. Wesley Voorheis,
J. Bruce Barraclough,
Brian D. Gordon,
Alan J. Lenczner,
Alan R. Hibben.

High Standards of Corporate Governance

HudBay is committed to excellence in corporate governance. Since its appointment on March 23, 2009, the board has refined the company's governance framework to promote the interests of shareholders and the effective functioning of the board and its committees. The framework also establishes a common set of performance expectations for the board and the senior management team. We believe that good governance is critical to our success as a publicly traded company and to securing investor confidence and trust. The principles of transparency and integrity that we've established will apply to every aspect of our operations and management of this company. Our governance policies are available on our website at www.hudbayminerals.com.

Board of Directors

The board consists of eight directors, six of whom are independent, with a range of financial, legal and operational experience, precisely the skills that HudBay needs at this time in its history. For further details on the individual directors, please consult the management information circular dated May 15, 2009.

G. Wesley Voorheis, Chairman

Mr. Voorheis is the managing director of VC & Co. Incorporated and a partner of Voorheis & Co. LLP, which advises shareholders on their investments in Canadian public and private companies. He has also acted as an advisor to private equity and hedge funds in Canada. Mr. Voorheis was previously the chief executive officer and a director of Hollinger Inc.; an advisor to the institutional shareholders of YBM Magnex International, Inc.; and, subsequently, chairman of the YBM Magnex Board. Mr. Voorheis was a member of the board of directors of Sun-Times Media Group, Inc. and Atlas Cold Storage Holdings Inc.

J. Bruce Barraclough

Mr. Barraclough worked for Ernst & Young LLP for 37 years, 27 as a partner. His clients included large and small public companies, with domestic and international operations, trading on the TSX or Venture Exchange as well as Foreign Private Issuers registered in the United States. He has been involved with IPOs, due diligence and spin-offs. He is a director of Coalcorp Mining Inc. where he is the chair of the audit committee.

Alan R. Hibben

Mr. Hibben is a partner with Blair Franklin Capital Partners. Formerly, he was a principal with Shakerhill Partners Ltd.; chief executive officer, RBC Capital Partners; and head, strategy & development at RBC Financial Group. In this role, he was responsible for corporate strategy as well as merger, acquisition and development activities for the bank. He has been a director of six public companies and six substantial private companies. Currently, he is a director of Pinetree Capital Inc., a TSX listed merchant bank focused on the mining industry, and of Discovery Air Inc., a TSX listed provider of air services, principally to the exploration industry.

John L. Knowles

Mr. Knowles has 25 years of experience in senior roles in Canada and overseas with Canadian and international resource companies. He is president and CEO of Wildcat Exploration Ltd. For nine years prior to April 2005, he was vice president, chief financial officer and a director of Hudson Bay Mining and Smelting Co., Limited and, following its acquisition by HudBay, he was vice president and chief financial officer of HudBay. He is a director of private companies involved in international gold exploration, bio-pharmaceuticals and real estate development.

Peter R. Jones, Chief Executive Officer

Mr. Jones has 39 years of experience, primarily with Cominco Ltd., Anglo American and HudBay and its predecessor companies. Many of his years of experience have been in operations and projects. As chief executive officer and director of HudBay, he was instrumental in the purchase of Hudson Bay Mining and Smelting in 2004 and led the company to the second highest percentage gain on the TSX in 2006. Recently he was chairman and CEO of Adanac Molybdenum Corporation. He has been chairman of the Mining Association of Canada and in 2006 was named Prairie Region Entrepreneur of the Year by Ernst & Young LLP.

Brian D. Gordon

Mr. Gordon was called to the Manitoba Bar in 1984. He became a partner with Thompson Dorfman Sweatman LLP in 1992, practicing predominantly corporate and commercial law. He joined Hudson Bay Mining and Smelting Co., Limited in 1994 as a director, general counsel and corporate secretary and was also a director and/or officer of many related companies. In 2004, he became vice president and general counsel of HudBay, along with retaining his positions in related companies to HudBay, until April 2008.

W. Warren Holmes

Mr. Holmes is vice chairman and director of Atlanta Gold Inc. and chairman of Nuinsco Resources Limited and Victory Nickel Inc. Mr. Holmes has 40 years of mining industry experience, including 24 years with Noranda Inc. where he was vice president and general manager of Pamour Porcupine Mines Limited and 16 years with Falconbridge Limited where he became senior vice president of Canadian Mining Operations. He has been president of the Canadian Institute of Mining & Metallurgy, and is a director of several public resource companies.

Alan J. Lenczner

Mr. Lenczner is one of Canada's leading litigators. His skills as an advocate have produced precedent setting decisions in almost every field of civil litigation. He has played a leading role in high profile mining litigations. With his extraordinary experience in large and complex litigation matters, he appears regularly before courts and tribunals across the country. He is a director of Leon's Furniture Ltd. and was previously a director of Eskay Creek Ltd. Mr. Lenczner is a frequent lecturer on subjects ranging from fiduciary duties to constitutional law.

Strong Management

Peter R. Jones, P. Eng
Chief Executive Officer

Mr. Jones has 39 years of experience, primarily with Cominco Ltd., Anglo American and HudBay and its predecessor companies. Many of his years of experience have been in operations and projects. As chief executive officer and director of HudBay, he was instrumental in the purchase of Hudson Bay Mining and Smelting in 2004 and led the company to the second highest percentage gain on the TSX in 2006. Recently he was chairman and CEO of Adanac Molybdenum Corporation. He has been chairman of the Mining Association of Canada and in 2006 was named Prairie Region Entrepreneur of the Year by Ernst & Young LLP.

Michael D. Winship, P. Eng
President and Chief Operating Officer

Mr. Winship joined HudBay in September 2008 from PT Inco in Indonesia, where he held the position of chief operating officer. He has been developing and operating mining complexes around the world for 30 years, and has experience in all phases of mining and processing activities. Intimately familiar with the production of base and precious metals, Mr. Winship has a Bachelor of Engineering (Mining) from McGill University.

David S. Bryson, CFA
Senior Vice President and Chief Financial Officer

Mr. Bryson joined HudBay in 2008 from Skye Resources Inc. where he held the position of chief financial officer. He has an extensive background in corporate treasury and development having had a lengthy career at Terasen Inc. where he served as its treasurer. Mr. Bryson holds a Bachelor of Commerce (Finance) from the University of British Columbia and is a Chartered Financial Analyst.

Alan T. C. Hair
Senior Vice President, Development

Mr. Hair graduated from the University of Leeds, England in 1983 with a Bachelor of Science Honours degree in Mineral Engineering. Since joining HudBay in 1996, Mr. Hair has held several management roles in HudBay. Prior to joining HudBay, he worked in European base metals and African platinum group operations.

H. Maura Lendon
Senior Vice President, General Counsel and Corporate Secretary

Ms. Lendon has extensive experience in the areas of international business transactions, regulatory compliance, corporate governance and advocacy. Prior to joining HudBay, Ms. Lendon was chief counsel Canada, chief privacy officer - Canada for AT&T, a global telecommunications company. She holds a Master of Laws from Osgoode Hall Law School, a Master of Business Administration from the Richard Ivey School of Business and a Bachelor of Laws from University of Western Ontario. She has been a member of the Ontario Bar since 1990.

Thomas A. Goodman
Senior Vice President, Operations

Mr. Goodman is a graduate in Chemical and Metallurgical Technology from the British Columbia Institute of Technology. He has worked for HudBay for over 30 years in a wide variety of operational, technical, and management positions. Mr. Goodman is a member of the Canadian Institute of Mining, Metallurgy and Petroleum and the Minerals, Metals & Materials Society.

John D. Bracale
Country Manager, Guatemala and President, Compañía Guatemalteca de Níquel, S.A.

Mr. Bracale is an experienced mining executive with over 30 years experience in the mining industry in Latin America and the Pacific Rim. He was most recently a director and vice president of Latin America for Gold Hawk Resources Inc., as well as executive president of their Peruvian subsidiary Compania Minera San Juan. He has also served as vice president of Latin America for Breakwater Resources, Ltd.; senior vice president of Latin American Operations for Arimetco International, Inc.; and president of American Pacific Honduras Inc.

Brad W. Lantz, B. Sc. (Hons) Earth Sciences
Vice President, Mining

Mr. Lantz joined HudBay in 1987 and was appointed vice president, mining in September 2007. During his career, Mr. Lantz has held positions of progressively greater responsibility at the Ruttan, Trout Lake, Callinan and 777 mines. Prior to joining the company, Mr. Lantz worked with Sherritt Gordon Mines Limited. Mr. Lantz graduated from the University of Waterloo in 1982, with a B. Sc. Honours in Earth Sciences.

Corporate and Shareholders' Information

HudBay Minerals

Dundee Place
1 Adelaide Street East
Suite 2501
Toronto, Ontario
M5C 2V9

Telephone: 416 362-8181
Facsimile: 416 362-7844

Listing

Toronto Stock Exchange
Trading Symbol: HBM

Investor and General Public Inquiries

Annemarie Brissenden
Manager, Investor Relations

Telephone: 416 362-0615
Facsimile: 416 362-7844

Email: info@hudbayminerals.com

Transfer Agent

Equity Transfer & Trust Company
200 University Avenue
Suite 400
Toronto, Ontario
M5H 4H1

Telephone: 416 361-0930
Toll Free: 1 866 393-4891
Facsimile: 416 361-0470

Auditors

Deloitte & Touche LLP
181 Bay Street
Suite 1400
Toronto, Ontario
M5J 2V1

Annual General Meeting

June 19, 2009
11:00 a.m. ET
Vanity Fair Ballroom
Le Royal Meridien King Edward Hotel
37 King Street East
Toronto, Ontario

Cautionary Note Regarding Forward-Looking Information

This annual review contains "forward-looking information", within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to HudBay's ability to execute its strategic plan, exploration expenditures and activities and the possible success of such exploration activities, including at its Lalor deposit, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits and the ability to recommence suspended operations, mineral pricing, reclamation costs, the economic outlook, currency fluctuations, government regulation of mining operations, environmental risks, mine life projections, plans to close HudBay's copper smelter, the availability of third party concentrate, business and acquisition strategies, and the ability to meet safety and environmental targets. Often, but not always, forward-looking information can be identified by the use of forward-looking words like "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "understands", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such information is provided and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of HudBay to be materially different from those expressed or implied by such forward-looking information, including risks associated with the mining industry such as economic factors (including future commodity prices, currency fluctuations and energy prices), failure of plant, equipment, processes and transportation services to operate as anticipated, dependence on key personnel and employee relations, environmental risks, government regulation, actual results of current exploration activities, possible variations in ore grade or recovery rates, permitting timelines, capital expenditures, reclamation activities, land titles, and social and political developments and other risks of the mining industry as well as those risk factors discussed or referred to in HudBay's Annual Information Form for the year ended December 31, 2008 under the heading "Risk Factors". Although HudBay has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. HudBay does not undertake to update any forward-looking information, except as required by applicable securities laws, or to comment on analyses, expectations or statements made by third parties in respect of HudBay, its financial or operating results or its securities.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

This annual review uses the terms "measured", "indicated" and "inferred" resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

Design: Craib Design & Communications www.craib.com Printed in Canada

“ HudBay has a strong treasury in an environment where peer company valuations are modest. As such the strategic focus for the company will be twofold: first, we intend to strengthen our principal operating platform in Manitoba; and, second, we will seek acquisition and development opportunities further afield.”

Peter R. Jones
Chief Executive Officer

www.hudbayminerals.com