HudBay Minerals Inc

May 19, 2006

NOTICE TO SECURITYHOLDERS
Re: Adjustment to Financial Statements & MD&A for the year ended December 31, 2005

As announced by press release dated May 10, 2006, please be advised that HudBay Minerals Inc. ("HudBay") has adjusted the number of diluted shares reported in its consolidated financial statements (the "Statements") for the year ended December 31, 2005, resulting in an increase to its diluted earnings per share ("EPS"). Updated consolidated financial statements (the "New Financial Statements") and management discussion and analysis (the "New MD&A") for the quarter and year ended December 31, 2005 are available at www.sedar.com and on HudBay's website at www.hudbayminerals.com.

The Statements and original management discussion and analysis (which were also included in HudBay's annual report for 2005) overstated the number of diluted shares. The overstated diluted shares, when divided into earnings, resulted in an understatement of the diluted EPS. The number of diluted shares has been determined using the Treasury Stock Method of calculation. No changes have been made to HudBay's basic EPS.

The following table outlines the changes:

	Diluted Shares	Diluted EPS
Re-filed		
Quarter ended December 31, 2005	93,828,530	**$0.47**
Year ended December 31, 2005	84,767,082	**$1.01**
Previously filed (Incorrect)		
Quarter ended December 31, 2005	129,621,244	$0.34
Year ended December 31, 2005	121,116,832	$0.70

Accordingly, the following sections of the New Financial Statements and New MD&A have been adjusted to include the following changes:

Financial Statements:

(i) Consolidated Statements of Earnings (Loss) – (Page 1)

Earnings (loss) per share Diluted	to $1.01 from $0.70
Weighted Average number of Common shares outstanding Diluted	to 84,767,082 from 121,116,832

(ii) Note 23 – Reconciliation of Canadian and United States generally accepted accounting principles - has been amended as follows (Page 46):

	2005
to Basic income (loss) per share under U.S. GAAP	$0.99
from Basic and diluted income (loss) per share under U.S. GAAP	$0.99
to Diluted income (loss) per share under U.S. GAAP	$0.96
from Basic and diluted income (loss) per share under U.S. GAAP	$0.67
Weighted Average number of common shares outstanding	
Diluted	to 84,767,082 from 121,116,832

(iii) In accordance with financial reporting requirements, the following Subsequent Event Notes have been added (Pages 56-57):

- 24(c) Repurchase of debt
- 24(d) ScoZinc sale amendment
- 24(e) Early warrant exercise
- 24(f) Flow-through common shares

In addition, the following note has been added (Page 58):

Note - 27 Amended Number of Diluted Shares

Management Discussion and Analysis:

(i) Summarized Financial Results (Page 2)

	Quarter Ended December 31, 2005	Year Ended December 31, 2005
Earnings (loss) per common share		
Diluted	to $0.47 from $0.34	to $1.01 from $0.70
Operating cash flow per common share		
Diluted	to $0.61 from $0.44	to $1.71 from $1.20

(ii) Financial Review (Page 16)

	2005 Q4
Earnings (loss)	
Per Common Share	
Diluted	to $0.47 from $0.34

(iii) Proforma Impact of Agency Agreement on Selected Items (Page 18)

	As Reported Q4	Financial Impact (2)	Proforma Q4	Proforma 2005
	(000's except per share information and metal sold)			
EPS – Diluted	to $0.47 from $0.34	to $0.09 from $0.07	to $0.56 from $0.41	to $1.11 from $0.78

(2) Except for EPS, dollar figures have been rounded to nearest thousands

For further information:

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