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News release

TSX – HBM
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ONTZINC Completes Acquisition of Hudson Bay Mining and Smelting Co., Limited

TORONTO, ONTARIO--(CCNMatthews - Dec. 21, 2004) - NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

ONTZINC Corporation (TSX VENTURE:OTZ) (the "Company") is pleased to announce that it has acquired Hudson Bay Mining and Smelting Co., Limited ("HBMS") from Anglo American International, S.A. ("Anglo"). To fund the acquisition, the Company completed an offering of 1,917,510,000 subscription receipts for gross proceeds of approximately \$143.8 million and an offering of 9 5/8% senior secured notes due January 15, 2012 for gross proceeds of US\$175 million.

Upon the closing of the acquisition of HBMS, each subscription receipt of the Company was exchanged for one common share of the Company ("Common Share") and one-half of one common share purchase warrant. Each whole purchase warrant (a "Warrant") entitles the holder to acquire one common share at a price of \$0.105 at any time prior to 5:00 p.m. (Toronto time) on December 21, 2009. In connection with the offering of subscription receipts, GMP Securities Ltd. led a syndicate that included Canaccord Capital Corporation, Haywood Securities Inc., Orion Securities Inc., Harris Partners Limited, McFarlane Gordon Inc. and Northern Securities Inc. Credit Suisse First Boston acted as the lead bookrunner in connection with the sale of the notes.

The Company proposes to change its name to HudBay Minerals Inc. The Toronto Stock Exchange has conditionally approved the listing of the Common Shares and Warrants on the TSX. Listing is subject to the Company fulfilling all of the listing requirements of the TSX, including the Company completing the previously announced consolidation of its Common Shares on a one new Common Share for every 30 old Common Shares basis. The Company expects that its Common Shares and Warrants will begin trading on the TSX during the next week, under the symbol "HBM".

Peter Jones, the new President and Chief Executive Officer of the Company, commented that, "This is an exciting day for the Company, its shareholders and employees. The Company is now a significant producer of copper, zinc and precious metals. As a result of the completion of a recent substantial capital investment and the support of its management and employees, Hudson Bay Mining and Smelting Co., Limited is a safe, productive and positive cash flow company able to pursue growth through exploration, mine development and potentially, selective acquisitions." Peter Jones also thanked the many people involved in the acquisition process and especially the employees for their patience.

As a reflection of its increased size and scope, the Company is pleased to also announce that Allen Palmiere, James Ashcroft, Norman Anderson, Ian Conn and Peter Jones have joined the board of directors of the Company. Allen Palmiere, the new Chairman of Company, stated that "I am pleased to be joining the board of a Company that is well positioned at a time of generally improving base metals markets. I join the Company, along with four other new directors, with a view of continuing to improve the corporate governance to create a company that is an attractive investment opportunity for shareholders." The board of directors of the Company is now comprised of Allen J. Palmiere, James Ashcroft, Norman Anderson, Richard W. Brissenden, Ian Conn, Peter T. George and Peter Jones.

This press release is not an offer of securities for sale in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities that may be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.

Statements contained in this release that are not historical facts are forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the Company's ability to implement its business strategies, the future price and consumption of zinc and copper, the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration fluctuations, the availability of third party concentrate, mine life projections and cash flow estimates.

Shares Outstanding: 2,323,446,012

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The TSX Venture Exchange has neither
approved nor disapproved the
contents of this press release.