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News release

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HudBay Announces its Intention to Sell Gays River Mineral Property to Acadian Gold Corporation

WINNIPEG, MANITOBA--(CCNMatthews - Dec. 16, 2005) - HudBay Minerals Inc. (TSX:HBM) (HudBay) announces that it has entered into a letter of intent to sell its Gays River lead and zinc mineral property to Acadian Gold Corporation for \$7.5 million.

The property is a previous producer of lead and zinc in concentrate and has a concentrator located at the site. The mineral property is located approximately 50 km north of Halifax, Nova Scotia.

The potential sales transaction with Acadian Gold Corporation of Halifax is subject to the satisfaction of certain conditions, including the provision of certain cash deposits, board approvals, the purchaser completing satisfactory financing agreements, due diligence, the entering into of a definitive sale and purchase agreement and receipt of all necessary regulatory approvals.

If completed, the sale is scheduled to close in the second quarter of 2006.

"The Gays River property is remote from other HudBay assets and the Company is focussed on re-establishing production at its Balmat Zinc Mine project as well as other growth opportunities," said Peter Jones President and CEO of HudBay in commenting on the potential sale. "Gays River could offer another mining company a production opportunity, as it has a concentrator already at the site."

About HudBay Minerals Inc.

HudBay Minerals Inc. is an integrated mining and metal producing company that operates mines and concentrators in northern Manitoba and Saskatchewan and a metal processing complex in Flin Flon, Manitoba. The company also operates a zinc oxide production facility in Brampton, Ontario and owns the former producing Balmat zinc mine in New York State which is being reopened.

Forward Looking Information

Certain information regarding HudBay set forth in this document, including management's assessment of HudBay's future plans and operations, contains forward looking statements that involve substantial known and unknown risks and uncertainties. These forward looking statements are subject to numerous risks and uncertainties, some of which are beyond HudBay's and management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, acquisition risks, risks associated with obtaining required regulatory approvals, fluctuation of foreign exchange rates, imperfection of reserve estimates, environmental and financing risks, industry competition and performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurance can be given that any of the events anticipated to occur or transpire from the forward-looking statements will provide any benefits to HudBay.

FOR FURTHER INFORMATION PLEASE CONTACT:

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