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News release

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HudBay Announces Cash Tender Offer and Consent Solicitation by Its Subsidiary Hudson Bay Mining and Smelting Co., Limited for Any and All of Its Outstanding 9 5/8% Senior Secured Notes Due 2012

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WINNIPEG, MANITOBA--(CCNMatthews - Nov. 22, 2006) - HudBay Minerals Inc. ("HudBay") (TSX:HBM) today announced that its wholly-owned subsidiary, Hudson Bay Mining and Smelting Co., Limited ("HBMS"), has commenced a cash tender offer for any and all of the approximately US\$45.1 million aggregate principal amount of HBMS' outstanding 9 5/8% Senior Secured Notes due 2012 (the "Notes") on the terms and subject to the conditions set forth in its Offer to Purchase and Consent Solicitation Statement, dated November 22, 2006, and the related Letter of Transmittal and Consent. HBMS is also soliciting consents to amend the indenture governing the Notes in order to eliminate most of the restrictive and affirmative covenants and certain events of default. The tender offer and consent solicitation documents more fully set forth the terms of the tender offer and consent solicitation. The tender offer will expire at 12:00 midnight New York City time, on December 20, 2006, unless extended or earlier terminated by HBMS. HBMS reserves the right to terminate, withdraw or amend the tender offer and consent solicitation at any time subject to applicable law.

"The tender offer represents a continuation of our previously announced intention to re-purchase the notes," said Peter Jones, President and CEO. "We believe it is beneficial to shareholders to utilize our available cash to re-purchase the balance of the outstanding notes and reduce our overall leverage."

The total consideration for the Notes tendered and accepted for purchase pursuant to the tender offer will be determined as specified in the tender offer documents, on the basis of a yield to the first redemption date for the Notes (January 15, 2009) equal to the sum of (i) the yield (based on the bid side price) of the 3 1/4% U.S. Treasury Security due January 15, 2009, as calculated by Credit Suisse Securities (USA) LLC in accordance with standard market practice on the price determination date, as described in the tender offer documents, plus (ii) a fixed spread of 50 basis points. Each holder who validly tenders its Notes and delivers consents on or prior to 5:00 p.m., New York City time, on December 6, 2006 will be entitled to a consent payment, which is included in the total consideration set forth above, of US\$30 for each US\$1,000 principal amount of Notes tendered by such holder if such Notes are accepted for purchase pursuant to the tender offer. Holders who tender Notes after this consent date but prior to the expiration of the tender offer will receive only the tender consideration, which is equal to the total consideration less the consent payment. All holders whose Notes are tendered and accepted for purchase will also receive accrued and unpaid interest up to, but not including, the payment date.

Holders who tender Notes are required to, and will be deemed to, consent to the proposed amendments to the indenture. Any tender of Notes prior to the consent date may be validly withdrawn and consents may be validly revoked at any time prior to the consent date, but not thereafter unless the tender offer and the consent solicitation are terminated without any Notes being purchased.

HBMS expects to pay for any Notes purchased pursuant to the tender offer and consent solicitation with available cash on hand promptly following the expiration of the tender offer. In addition, HBMS may accept and pay for any Notes at any time after the consent date, in its sole discretion.

HBMS' obligation to accept for purchase, and to pay for, Notes validly tendered and not withdrawn pursuant to the tender offer and the consent solicitation is subject to the satisfaction or waiver of certain conditions, including the receipt of sufficient consents with respect to the proposed amendments to the indenture and the availability of sufficient cash to fund the purchase of the Notes and the related fees and expenses. The complete terms and conditions of the tender offer and the consent solicitation are set forth in the tender offer documents which are being sent to holders of Notes. Holders are urged to read the tender offer documents carefully.

HBMS has engaged Credit Suisse Securities (USA) LLC to act as dealer manager for the tender offer and solicitation agent for the consent solicitation.

Questions regarding the tender offer and consent solicitation should be directed to:

Credit Suisse Securities (USA) LLC at (800) 820-1653 or (212) 538-0652.

Requests for documentation should be directed to:

Global Bondholder Services Corporation at (866) 470-4300 or (212) 430-3774, the information agent and depository for the tender offer and consent solicitation.

The tender offer and consent solicitation is being made solely by means of the tender offer documents. Under no circumstances shall this press release constitute an offer to purchase or the solicitation of an offer to sell the Notes or any other securities of HBMS or HudBay. It also is not a solicitation of consents to the proposed amendments to the indenture. No recommendation is made as to whether holders of the Notes should tender their Notes or give their consent.

About HudBay Minerals Inc.

HudBay is an integrated mining company that operates mines, concentrators and a metal production complex in northern Manitoba and Saskatchewan. HudBay also owns a zinc oxide production facility in Ontario, the White Pine copper refinery in Michigan, and the Balmat zinc mine in New York state. HudBay is a member of the S&P/TSX Composite Index.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information", within the meaning of applicable securities legislation. Forward-looking information includes, but is not limited to, statements with respect to HBMS' tender offer for any and all of HBMS' outstanding Notes and matters related thereto. 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", "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 and HBMS to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks associated with the mining industry such as economics, requirements for additional capital, capital expenditures, conclusions of economic evaluations as well as those factors discussed in the section entitled "Risk Factors" in HudBay's Annual Information Form for the year ended December 31, 2005, available at www.sedar.com, which is also contained in HudBay's Annual Report on Form 40-F, available at www.sec.gov. Although HudBay and HBMS have 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 such statements 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 and HBMS do not undertake to update any forward-looking information, except in accordance with applicable securities laws.