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## News release

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# HudBay Plans \$37 million Exploration Program in 2007

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WINNIPEG, MANITOBA--(CCNMatthews - Dec. 4, 2006) - HudBay Minerals Inc. (TSX:HBM) (HudBay) today announced plans to increase exploration spending to \$37 million in 2007 from its previously announced spending of approximately \$10 million.

"Exploration is key to HudBay's organic growth," said Peter Jones, President and CEO. "We have a long track record of discovery and our spending in 2007 is an effort to enhance that process." Mr. Jones went on to say, "Our focus on mergers and acquisitions will also be a major priority in 2007."

One key area for exploration in 2007 will be the Flin Flon Greenstone Belt, where drilling targets include known mineral deposits, structural re-interpretations and geophysical anomalies. HudBay also plans to increase exploration spending to further expand mineral reserves and resources within its three mines in the Belt.

"The Flin Flon Greenstone Belt is a prolific region, where HudBay has a record of discovering mines in close proximity to its processing plants," said Kelly Gilmore, Chief Exploration Geologist with HudBay's subsidiary, Hudson Bay Exploration and Development Company Limited (HBED).

Outside the Flin Flon Greenstone Belt, exploration will aim to further expand mineral reserves and resources at its Balmat mine in New York state and to discover new deposits in the Balmat district. Exploration in 2007 will also include HudBay's mineral properties in Southwestern Ontario and elsewhere in Canada.

HudBay's exploration properties include approximately 300,000 hectares in the prolific Flin Flon Greenstone Belt of Manitoba and Saskatchewan and approximately 20,000 hectares in the Balmat district of New York state. In addition, HudBay owns the Tom zinc/lead mineral deposit in the Yukon and holds an option to purchase the adjacent Jason zinc/lead mineral property. Additional assets include copper exploration properties in Chile and zinc exploration properties in Southwestern Ontario.

About HudBay Minerals Inc.

HudBay Minerals Inc. is an integrated mining company that operates mines, concentrators and a metal production facility in northern Manitoba and Saskatchewan. HudBay also owns a zinc oxide production facility in Ontario, the White Pine copper refinery in Michigan and Balmat zinc mine operations in New York state.

HudBay is a member of the S&P/TSX Composite Index.

Forward Looking Information

This news release contains "forward-looking information", within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to HudBay's exploration plans and spending as well as possible mergers and acquisitions plans for 2007. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "seeks" "budget" or variations of such words or state that certain actions, events or results "may", "could", "will", "will aim" or "will be focused". Forward-looking information 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 as they effect exploration, government regulation, environmental risks, success of exploration activities, future commodity prices, capital expenditures, conclusions of economic evaluations, risks related to acquisitions; changes in project parameters as plans continue to be refined; access to capital 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 on [www.sedar.com](http://www.sedar.com). 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 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 does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

The technical information with respect to HudBay's material properties in this news release has been reviewed by Kelly Gilmore, B.Sc. P. Geo., Chief

Exploration Geologist with HBED, who is a Qualified Person, within the meaning of National Instrument 43-101.