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News release

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HudBay Plans \$8.5 million Bur Deposit Expenditure

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WINNIPEG, MANITOBA--(CCNMatthews - Dec. 4, 2006) - HudBay Minerals Inc. (TSX:HBM) (HudBay) today announced plans to invest approximately \$8.5 million at its Bur mineral deposit for in-fill diamond drilling, underground excavations to extract a 10,000 tonne ore sample, obtaining production permits as well as completion of a feasibility study. The expenditure will be in addition to HudBay's recently announced exploration program for 2007.

"The Bur deposit is 22 kilometers from our Snow Lake ore concentrator in Manitoba and can be accessed quickly," said Peter Jones, President and CEO. "Assuming a positive feasibility study and subsequent production decision, this potential mine, despite high costs, is financially attractive based on forward metal prices and it is similar to several other of our small mineral deposits in the Snow Lake area."

Work at Bur will begin as soon as an advanced exploration permit can be obtained. The feasibility study is expected to be completed within six months and the underground decline and 10,000 tonne ore sample completed within 12 months.

Based on previously announced exploration updates dated March 20, 2006 and September 27, 2006, and assuming a positive feasibility study and a production decision, the mineral resources at Bur are being targeted to provide incremental feed to HudBay's Snow Lake concentrator and the Flin Flon metallurgical plants for up to three years producing an additional annual refined metal production of approximately 6,000 tonnes of copper, 20,000 tonnes of zinc, 2,000 oz. of gold and 45,000 oz. of silver.

The Snow Lake concentrator will require minor modification to produce both copper and zinc concentrates as well as re-starting of its second grinding circuit. Concentrates produced would be trucked to the Flin Flon metallurgical plants, which have capacity to process the additional tonnage.

Work at the Bur will be a high priority for HudBay and arrangements are being made for the in-fill diamond drilling suitable for the feasibility study. In the event that environmental permits for full production are obtained, and the feasibility study supports a production decision, the major project capital is expected to be in the order of \$35 million (including the \$8.5 million pre-expenditure).

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 the 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 plans for the Bur deposit. 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 be", "would be" or "is expected to be". 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, government regulation and approvals, environmental risks, success of exploration activities, future commodity prices, 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 on 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.