



HudBay Minerals Inc.
Dundee Place
1 Adelaide Street East
Suite 2501
Toronto ON M5C 2V9
Canada

Tel 416 **362-8181**
Fax 416 362-7844
hudsonminerals.com

News release

TSX – HBM
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HudBay Confirms Early Warrant Exercise Transaction to Expire Today

WINNIPEG, MANITOBA--(CCNMatthews - July 5, 2006) - HudBay Minerals Inc. (TSX:HBM) (HudBay) confirms that its incentive proposal to warrant holders for the early exercise of their publicly-traded warrants will expire today, as scheduled.

"Based on exercises to date and indications we have received, we expect the transaction to be an overwhelming success for HudBay," said Peter Jones, President and Chief Executive Officer.

Registered warrant holders should refer to the procedures regarding the early exercise of their warrants set forth in the notice to warrant holders accompanying the management information circular dated May 4, 2006 with respect to the extraordinary meeting of warrant holders held June 1, 2006. Non-registered holders of warrants, whose warrants are registered in the name of a brokerage firm, bank or trust company or other intermediary, should contact their intermediaries for instructions on how to exercise their warrants.

A copy of the final short form prospectus dated May 30, 2006 relating to the warrant transaction can be found under HudBay's profile at www.sedar.com.

GMP Securities L.P. and BMO Capital Markets are acting as financial advisors to HudBay with respect to the transaction.

About HudBay

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

If you have any questions or require assistance with the early exercise of warrants, please contact:

KINGSDALE SHAREHOLDER SERVICES INC.

North America Toll-Free Phone: 1-866-588-6864
Outside North America Call Collect: 416-867-2272
E-mail: shareholder@kingsdalecapital.com

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.

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements", within the meaning of applicable Canadian securities legislation, concerning the business of HudBay. Forward-looking statements include, but are not limited to, statements with respect to the anticipated exercise of warrants. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects" or "indications" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are 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 statements, including but not limited to, risks related to the actual exercise of its publicly-traded warrants. Although HudBay has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, 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 statements. Accordingly, readers should not place undue reliance on forward-looking statements. HudBay does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.