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News release

TSX – HBM
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HudBay Receives Over C\$103 Million From Successful Early Warrant Exercise

WINNIPEG, MANITOBA--(CCNMatthews - July 6, 2006) - HudBay Minerals Inc. (TSX:HBM) (HudBay) announces that more than 96% of its publicly-traded warrants were exercised for common shares from the proposal made to warrant holders for early exercise of their warrants.

HudBay received more than C\$103 million from the early exercise of warrants and intends to use the net proceeds for general corporate purposes, including potential debt payment and future growth opportunities. The actual use of the net proceeds may vary depending on HudBay's operating and capital needs from time to time.

Any eligible warrants that have not been exercised will be automatically exchanged for 0.02662 of one common share per warrant.

"This transaction has been a tremendous success for HudBay," said Peter R. Jones, President and Chief Executive Officer, "it simplifies our capital structure, increases our market capitalization to approximately C\$1.78 billion, strengthens us financially and places us in a strong growth position."

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 acted 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.

HudBay is included in the S&P/TSX Composite Index.

This news 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 news release contains "forward-looking statements", within the meaning of applicable Canadian securities legislation, concerning the business, operations and financial performance and condition of HudBay. Forward-looking statements include, but are not limited to, statements with respect to the use of proceeds as well as HudBay's financial position and growth position. 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 risks associated with the mining industry such as the integration of acquisitions, international operations, joint venture operations, exploration, government regulation, environmental and reclamation risks, title disputes or claims, success of exploration activities, future commodity prices, costs of production, possible variations in ore reserves, resources, grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, delays associated with financing or in the completion of development or construction activities, the timing and amount of estimated future production, capital expenditures, financial market fluctuations, requirements for additional capital, conclusions of economic evaluations, limitations on insurance coverage, inflation and risks associated with the re-opening of the Balmat mine 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 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, except in accordance with applicable securities laws.