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News release

TSX – HBM
2009

HudBay Third Quarter 2007 Results

-- Strong Revenue and Cash Flow Continues -- - Revenue of $319.8 million and $1,027.2 million year-to-date - Operating cash flow(1) of $113.9 million increases cash position to $702.9 million at Sept. 30, 2007 - Cash cost per pound of zinc sold, net of by-product credits "negative" US$0.15 - Earnings before tax of $94.3 million and $333.7 million year-to-date - Net earnings of $66.5 million and $198.7 million year-to-date - Significant tax pools continue to shelter cash income taxes - Significant Lalor Lake discovery - indicative potential of 18-20 million tonnes at 7.7% to 8.8% zinc(2)

WINNIPEG, MANITOBA, Nov 8, 2007 (Marketwire via COMTEX News Network) -- HudBay Minerals Inc. (TSX:HBM) (HudBay or the Company) today announced revenue of $319.8 million for the quarter ended September 30, 2007, compared with $346.2 million in the third quarter of 2006, contributing to net earnings of $66.5 million versus $169.4 million a year earlier. Operating cash flow for the quarter was $113.9 million compared with $166.0 million in the third quarter of 2006. Financial results were strong despite the appreciation of the Canadian dollar, which negatively affected third quarter revenues by an estimated $23 million and earnings before tax by approximately $16.8 million.

FINANCIAL HIGHLIGHTS

($000's except per share amounts)	Three months ended Sept. 30		Nine months ended Sept. 30	
	2007	2006	2007	2006
Revenue	319,805	346,203	1,027,245	815,893
Earnings before tax	94,266	151,582	333,734	307,815
Net Earnings	66,465	169,381	198,680	398,203
Basic EPS(3)	0.52	1.37	1.57	4.00
EBITDA(4)	118,414	163,281	411,052	359,870
Operating cash flow(1)	113,921	165,987	394,081	342,289
Cash and cash equivalents(5)	702,883	311,011	702,883	311,011
Total Assets(5)	1,502,107	1,173,651	1,502,107	1,173,651

The bracketed values that follow denote the comparative figures for the respective periods in 2006.

"Our production performance was strong for the quarter and year to date," said Peter Jones, President & CEO. "We're firmly on track, and our exploration program has delivered the Lalor Lake discovery - which positions HudBay well for the longer term."

(1) Operating cash flow excluding changes in non-cash working capital.

(2) The estimate of potential tonnes and grade of the Lalor Lake potential mineral deposit are conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the Lalor Lake deposit being delineated as a mineral resource. Further details are available in HudBay's news release dated October 23, 2007.

(3) Earnings per share

(4) Earnings before interest, taxes, depreciation and amortization, loss/gain on derivative instruments, interest and other income, exploration and other.

(5) At September 30th.

OPERATING HIGHLIGHTS

		Three months ended Sept. 30		Nine months ended Sept. 30	
Production		2007	2006	2007	2006
Zinc(6)	tonnes	32,673	34,734	94,886	91,294
Copper	tonnes	22,325	24,279	66,801	65,031
Gold	troy oz.	24,535	24,473	76,365	69,809
Silver	troy oz.	364,994	346,542	1,061,040	1,001,964
Metal Sold(7)					
Zinc, including sales to Zochem(8)	tonnes	33,703	29,588	98,681	79,534
Copper	tonnes	21,218	23,343	68,445	59,494
Gold	troy oz.	24,755	20,901	78,167	60,809
Silver	troy oz.	329,318	313,117	1,023,714	899,597

Financial and Operating Results

Earnings

Net earnings were $66.5 million for the quarter, or $0.52 per share ($169.4 million, or $1.37 per share). The lower net earnings are primarily attributable to:

- higher tax expense of $45.6 million, largely due to future tax expense recognized as the Company draws down its future tax asset;

- the effect of the appreciating Canadian dollar, estimated at $16.8 million;

- lower copper sales volumes, offset in part by higher zinc sales volumes, resulting in lower revenues;

- higher volumes of purchased zinc and copper concentrates, which increased operating expenses by $13.2 million;

- lower profit sharing expenses, which decreased operating expenses by $7.3 million;

- higher depreciation and amortization expense, which increased by $7.3 million; and

- higher exploration expense of $6.6 million, as part of HudBay's $45.2 million exploration program for 2007.

During the first nine months of 2007 (year to date) net earnings were $198.7 million or $1.57 per share ($398.2 million or $4.00 per share). The lower net earnings are primarily attributable to:

- higher tax expense of $225.4 million, largely due to future tax expense recognized as the Company draws down its future tax asset;

- the effect of the appreciating Canadian dollar, estimated at $35.2 million;

- higher depreciation and amortization expense, which increased by $21.4 million; and

- higher exploration expense of $17.8 million.

(6) Production includes Balmat payable metal in concentrate shipped, including pre-commercial production in 2006.

(7) Excludes inventory changes at Considar Metal Marketing Inc.

(8) Zinc sales include sales to Zochem and the Balmat payable metal in concentrate shipped (including to HBMS) in 2007.

Partially offsetting these negative impacts were higher revenues from increased year over year sales volumes and metal prices net of increased operating and other costs.

Adding back non-cash tax expense in the quarter of $22.6 million and excluding the unfavourable $16 million impact(9) from the appreciation in the Canadian dollar versus the US dollar, HudBay's Q3 2007 net earnings on this basis were $105 million. Year to date earnings on this basis were $337.3 million. The Company continues to benefit from its significant tax pools, and minimal cash income taxes were paid year to date. The benefit of these tax pools is expected to continue for the balance of 2007, resulting in minimal cash income taxes this year. The Company expects to continue to pay Manitoba mining taxes in 2007.

Revenue

Total revenue for Q3 2007 was $319.8 million ($346.2 million) reflecting the negative $23 million impact of the appreciation in the Canadian dollar versus the US dollar, lower copper sales volumes and marginally lower prices for zinc and copper in Q3 2007. This was partially offset by higher sales volumes for zinc, gold and silver, together with higher realized prices for gold and silver. Total revenue year to date was $1,027.2 million ($815.9 million) reflecting higher metal sales volumes together with higher realized metal prices year to date 2007. This was partially offset by appreciation in the Canadian dollar versus the US dollar.

Through the third quarter, the Company continued to receive attractive prices, which include finished metal premiums that were above LME averages.

Realized Metal Prices(1) and Exchange Rate

			HudBay Realized Prices (1)					
		Q3 2007	Three Months Ended			Nine Months Ended		
		Average Prices(2)	Sept 30 2007	Sept 30 2006	% Change	Sept 30 2007	Sept 30 2006	% Change
Prices in USD								
Zinc	US$/lb.	1.46	1.56	1.58	(1%)	1.66	1.34	24%
Copper	US$/lb.	3.50	3.55	3.58	(1%)	3.28	3.15	4%
Gold	US$/troy oz.	681	680	675	1%	664	603	10%
Silver	US$/troy oz.	12.70	13.04	12.35	6%	13.28	10.97	21%
Prices in Cdn								
Zinc	C$/lb.	1.53	1.63	1.67	(2%)	1.83	1.79	2%
Copper	C$/lb.	3.66	3.72	4.02	(7%)	3.62	3.55	2%
Gold	C$/troy oz.	711	706	766	(8%)	732	664	10%
Silver	C$/troy oz.	13.27	13.52	13.85	(2%)	14.64	12.45	18%
C$/US$ exchange rate		1.05	1.05	1.12	(6%)	1.10	1.13	(3%)

(1) Realized prices are before refining and treatment charges.

(2) London Metals Exchange ("LME") average for zinc, copper and gold prices, London Spot US equivalent for silver prices.

(9) Net of current taxes.

Operating Expenses

Operating expenses for Q3 2007 were $188.8 million ($173.5 million). The Q3 2007 increases are primarily attributable to increased sales volumes and higher costs of production. Sales of zinc, gold and silver were all higher in Q3 2007 while copper sales volumes were somewhat lower. Increased costs of production are from higher volumes for purchased zinc and copper concentrates, commercial production at Balmat as well as generally higher costs for mining and processing operations. The impact of the appreciating Canadian dollar and lower employee profit sharing costs also contributed to the year over year change in operating expenses.

Operating expenses during the first nine months of 2007 were $570.7 million ($434.4 million). The year to date 2007 increases are attributable to significant increases in sales volumes and higher costs of production. Sales of zinc metal were 24% higher and sales of copper metal were 15% higher. Increased costs of production are from higher volumes for purchased zinc and copper concentrates, commercial production at Balmat and generally higher costs for mining and processing operations, net of the impact from the appreciating Canadian dollar.

HudBay's Q3 2007 cash cost per pound of zinc sold, net of by-product credits, was negative US$0.15 (negative US$0.82) and year to date was US$0.26 (negative US$0.52). A reconciliation of this non-GAAP measure is provided in the Company's Q3 2007 MD&A.

Depreciation and amortization increased in Q3 2007 to $23.9 million ($16.6 million) and increased to $69.1 million year to date ($47.7 million). The increases primarily reflect the inclusion of Balmat beginning Q1 2007, increased depreciation and amortization expense at the Trout Lake mine and higher production tonnage at the 777 mine.

Tax Expense

Tax expense in Q3 2007 was $27.8 million compared with a net tax benefit of $17.8 million in Q3 2006. The Q3 2007 tax expense comprises $21.5 million of income tax expense ($28.0 million tax benefit) and $6.3 million of mining tax expense ($10.2 million). Certain previously unrecognized tax losses have been recognized in the quarter, having the effect of increasing the future tax asset and reducing tax expense.

Year to date tax expense was $135.1 million compared with a net tax benefit of $90.4 million in the first nine months of 2006. The year to date tax expense is comprised of $98.9 million of income tax expense ($109.0 million benefit) and $36.2 million of mining tax expense ($18.6 million). Importantly, the income tax portion is largely a non-cash expense due to the draw down of the Company's tax asset, which was recognized in 2006 and is associated with prior losses.

CORPORATE HIGHLIGHTS

2007 Exploration Program Delivering Results

HudBay continues to make excellent progress in the execution of its 2007 exploration program.

1. Significant New Zinc Discovery at Lalor Lake - On October 23, 2007 HudBay announced additional results from its diamond drill program at the Lalor Lake mineral property in the Flin Flon Greenstone Belt. To date 25 drill holes have been completed or are in progress. Based on data from 16 holes that contain widths and mineralization which have been used in the conceptual estimate, indications are potentially 18 to 20 million tonnes at 7.7% to 8.8% zinc(10). Encouraging precious metal assays were not included in the estimate and may provide additional exploration potential. The Lalor Lake deposit is near HudBay's Snow Lake concentrator which has significant additional capacity.(11)

2. First half 2007 Exploration Update -- HudBay's $45.2 million exploration program for 2007 includes drilling of electromagnetic anomalies, known deposits, structural re-interpretations to discover new ore bodies as well as exploration in our operating mines to potentially increase our ore reserves and extend the life of our existing mines. Land holdings now total 422,079 hectares including 381,874 hectares in the Flin Flon Greenstone Belt. Year to date, approximately $31.3 million ($11.4 million) was spent on exploration activities at all locations.

3. NI 43-101 Report Completed on Tom and Jason Deposits -- In July 2007, HudBay completed a National Instrument 43-101 compliant in-situ mineral resource estimate for its Tom and Jason deposits in the Yukon Territory. The mineral resource estimate for the two deposits totalled 6.43 million tonnes of indicated mineral resources grading 6.33% zinc, 5.05% lead and 56.55 grams per tonne silver and 24.55 million tonnes of inferred mineral resources grading 6.71% zinc, 3.48% lead and 33.85 grams per tonne silver. This confirmed the combined deposits as one of the largest undeveloped zinc/lead deposits in North America. The Tom and Jason deposits are located in close proximity to each other on a property of 5,278 hectares, close to the Yukon- Northwest Territories border. The property is approximately 400 km east of Whitehorse where the deposits straddle the North Canol Road and share a common airstrip.(12)

4. VMS Venture Option Agreement -- In August 2007, HudBay announced it had entered into an option agreement with VMS Ventures Inc. (VMS) covering 573 hectares in the Snow Lake area of Manitoba. The agreement builds on HudBay's own $45.2 million exploration program for 2007 and further leverages the Company's exploration opportunities. With the VMS agreement, HudBay now has option agreements in place with six mineral exploration companies in the Flin Flon Greenstone Belt.

Health, Safety, Environment and Product Quality

HudBay's lost time accident frequency rate, based on 200,000 hours worked was 0.9 year to date, unchanged from the same period in 2006. During the third quarter of 2007, the White Pine Copper Refinery received notification after external audit that it was being recommended for certification to OHSAS 18001:1999, ISO 14001:2004 and ISO 9001:2000. There were no significant environmental non-compliances during the quarter.

(10) The estimate of potential tonnes and grade of the Lalor Lake potential mineral deposit are conceptual in nature. The basis upon which the disclosed potential tonnes and grade has been determined is provided in HudBay's news release dated October 23, 2007. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the Lalor Lake deposit being delineated as a mineral resource.

(11) See news release dated October 23, 2007 - "HudBay Announces Significant New Zinc Discovery at Lalor Lake".

(12) See news release dated July 6, 2007 - "HudBay Substantially Increases Mineral Resources".

For further information, please see attached hereto selected financial information for the periods ended September 30, 2007 and 2006. Please also see HudBay's financial statements together with Management's Discussion and Analysis of Operations and Financial Condition for the three and nine months ended September 30, 2007. A copy of HudBay's financial statements for the three and nine months ended September 30, 2007 and September 30, 2006 as well as its MD&A for the three and nine months ended September 30, 2007 are available under the profile of HudBay on SEDAR at www.sedar.com and on the HudBay website at www.hudbayminerals.com.

About HudBay Minerals Inc.

HudBay Minerals Inc. is an integrated mining company operating 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 and the S&P/TSX Global Mining 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, information with respect to taxation policies and pools, possible results with respect to the Lalor Lake property, HudBay's exploration program and planned expenditures as well as HudBay's future prospects. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "seeks", "expects", "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, actual results of exploration activities, future commodity prices, capital expenditures, possible variations in ore reserves, resources, grade or recovery rates, requirements for additional capital, taxation policies, changes in project parameters as plans continue to be refined, 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, 2006, 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.

(HBM-F)

To view the Management's Discussion and Analysis, please click the following link:

http://www.ccnmatthews.com/docs/hbmmdaQ307.pdf

To view the Financial Statements, please click the following link:

http://www.ccnmatthews.com/docs/hbmifsQ307.pdf

HudBay Minerals Inc.

Consolidated Statements of Earnings
Unaudited
(In thousands of Canadian dollars, except share and per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Revenue (note 14)	$ 319,805	$ 346,203	$ 1,027,245	$ 815,893
Expenses:				
Operating	188,817	173,533	570,669	434,362
Depreciation and amortization	23,919	16,552	69,087	47,743
General and administrative	3,676	4,431	13,147	12,603
Stock-based compensation (note 10e)	3,227	1,221	10,010	5,295
Accretion of asset retirement obligation	789	636	2,367	1,955
Foreign exchange loss	4,882	3,101	20,000	1,808

	225,310	199,474	685,280	503,766
Operating earnings	94,495	146,729	341,965	312,127
Exploration	(8,583)	(1,961)	(26,844)	(8,966)
Interest and other income	7,563	5,893	26,371	9,037
Gain (loss) on derivative instruments	1,425	4,737	(6,635)	18,289
Interest expense	(289)	(1,679)	(1,104)	(9,712)
Other	(345)	(2,137)	(19)	(12,960)
Earnings before tax	94,266	151,582	333,734	307,815
Tax expense (benefit) (note 9a)	27,801	(17,799)	135,054	(90,388)
Net earnings for the period	$ 66,465	$ 169,381	$ 198,680	$ 398,203
Earnings per share:				
Basic	$ 0.52	$ 1.37	$ 1.57	$ 4.00
Diluted	$ 0.52	$ 1.33	$ 1.55	$ 3.38
Weighted average number of common shares outstanding (note 10f)				
Basic	127,265,301	123,318,115	126,690,856	99,487,949
Diluted	128,711,726	127,270,583	128,465,734	117,690,202

See accompanying notes to interim consolidated financial statements.

HudBay Minerals Inc.

Consolidated Statements of Retained Earnings
Unaudited
(In thousands of Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Retained earnings, beginning of period	$ 773,933	$ 307,554	$ 642,723	$ 78,732
Net earnings for the period	66,465	169,381	198,680	398,203
Transition adjustment - financial instruments (note 3a)	-	-	(1,005)	-
Retained earnings, end of period	$ 840,398	$ 476,935	$ 840,398	$ 476,935

Consolidated Statements of Comprehensive Income
Unaudited
(In thousands of Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Net earnings for the period	$ 66,465	$ 169,381	$ 198,680	$ 398,203
Other comprehensive income (loss), net of tax (note 11)	(6,751)	-	(23,125)	-
Comprehensive income, end of period	$ 59,714	$ 169,381	$ 175,555	$ 398,203

See accompanying notes to interim consolidated financial statements.

HudBay Minerals Inc.

Consolidated Balance Sheets
Unaudited
(In thousands of Canadian dollars)

	September 30, 2007	December 31, 2006
Assets:		
Current assets:		
Cash and cash equivalents	$ 702,883	$ 385,864
Accounts receivable	88,785	132,275
Inventories	166,261	163,842
Prepaid expenses	3,702	7,288
Current portion of fair value of derivatives (note 12b)	5,239	2,579
Future income and mining tax assets (note 9b)	66,507	154,063
	1,033,377	845,911
Property, plant and equipment (note 4)	453,201	444,044
Other assets (note 5)	15,529	28,560
	$ 1,502,107	$ 1,318,515
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable and accrued liabilities	$ 123,406	$ 139,922
Taxes payable	12,762	30,217
Current portion of other liabilities (note 6)	36,717	28,087
	172,885	198,226
Long-term debt (note 7)	3,140	10,214
Pension obligations	39,431	41,675
Other employee future benefits	68,673	65,083
Asset retirement obligations	34,355	33,548
Fair value of derivatives (note 12b)	30,880	-
Obligations under capital leases	2,806	4,979
Future income tax liabilities (note 9b)	582	582
	$ 352,752	$ 354,307

Shareholders' equity:		
Share capital:		
Common shares (note 10b)	311,477	308,441
Warrants (note 10c)	1	3
Contributed surplus (note 10e)	20,193	13,098
Cumulative translation adjustment	-	(57)
Retained earnings	840,398	642,723
Accumulated other comprehensive income (loss) (note 11)	(22,714)	-
	1,149,355	964,208
	$ 1,502,107	$ 1,318,515

See accompanying notes to interim consolidated financial statements.

HudBay Minerals Inc.

Consolidated Statements of Cash Flows
Unaudited
(In thousands of Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Cash provided by (used in):				
Operating activities:				
Net earnings for the period	$ 66,465	$ 169,381	$ 198,680	$ 398,203
Items not affecting cash:				
Depreciation and amortization	23,919	16,552	69,087	47,743
Future tax expense (benefit)	22,616	(28,381)	106,415	(110,024)
Foreign exchange (gain) loss	(312)	6,410	8,434	1,067
Accretion expense on asset retirement obligation	789	636	2,367	1,955
Stock-based compensation	3,227	1,221	10,010	5,295
Change in fair value of derivatives	(2,777)	5,321	3,488	(1,675)
Gain on divestiture of Scozinc	-	(1,655)	-	(1,655)
Other	(6)	(3,498)	(4,400)	1,380
	113,921	165,987	394,081	342,289
Change in non-cash working capital (note 13a)	52,386	3,034	11,127	(62,788)
	166,307	169,021	405,208	279,501
Financing activities:				
Repayment of loans payable	-	-	(4,000)	(4,000)
Repayment of senior secured notes	-	(13,128)	-	(124,646)
Repayment of obligations under capital leases	(996)	(963)	(2,988)	(2,849)
Issuance of common shares, net of cost	-	(320)	-	16,638
Proceeds on exercise of stock options	1,437	1,077	7,359	4,825
Proceeds on exercise of warrants	-	65,440	10	109,728
	441	52,106	381	(304)
Investing activities:				
Additions to property, plant and equipment	(28,592)	(24,725)	(79,082)	(92,883)
Acquisition of White Pine Copper Refinery, Inc.,				

net of cash acquired	-	-	-	(17,041)
Divestiture of Scozinc	-	7,412	-	7,412
Purchase of investments	-	-	(400)	-
Additions to environmental deposits	-	(1)	-	62
	(28,592)	(17,314)	(79,482)	(102,450)
Effect of exchange rate changes on cash and cash equivalents	42	(6,242)	(9,088)	(7,396)
Change in cash and cash equivalents	138,198	197,571	317,019	169,351
Cash and cash equivalents, beginning of period	564,685	113,440	385,864	141,660
Cash and cash equivalents, end of period	$ 702,883	$ 311,011	$ 702,883	$ 311,011
Cash and cash equivalents are comprised of:				
Cash on hand and demand deposits	$ 47,819	$ 136,821	$ 47,819	$ 136,821
Money market instruments	655,064	174,190	655,064	174,190
	$ 702,883	$ 311,011	$ 702,883	$ 311,011

See accompanying notes to interim consolidated financial statements.

SOURCE: HudBay Minerals Inc.

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