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

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

News release

TSX – HBM
2009

HudBay Reports Strong First Quarter 2007 Results

Record-setting Quarterly Revenue Performance Contributes to Strong Cash flow Generation

- Revenue increases 68% to $349.1 million
- Operating cash flow(1) nearly doubles to $142.5 million
- Cash of $517.8 million at March 31, 2007
- Earnings before tax increases 91% to $117.5 million
- Significant tax pools continue to shelter cash income taxes
- Net earnings of $63.1 million versus $76.0 million in Q1 2006
- 2007 $45.2 million exploration program well underway
- Overall production on plan for quarter; Balmat achieves commercial production Jan. 1, 2007
- Balmat operations certified to ISO 14001:2004 and OHSAS 18001:1999
- Cash cost per pound of zinc sold, net of by-product credits "negative" US$0.33

WINNIPEG, MANITOBA, May 9, 2007 (CCNMatthews via COMTEX News Network) -- HudBay Minerals Inc. (TSX:HBM) (HudBay or the Company) today announced a 68% increase in revenue to $349.1 million, compared to the first quarter of 2006 (Q1 2006), contributing to earnings of $63.1 million or $0.50 per share while operating cash flow increased by 83% to $142.5 million, for the quarter ended March 31, 2007 (Q1 2007).

FINANCIAL HIGHLIGHTS

($000's except per share amounts)	Three months ended March 31	
	2007	2006
Revenue	349,142	207,963
Earnings before tax	117,515	61,643
Net Earnings	63,076	75,986
Basic EPS(2)	0.50	0.89
EBITDA(3)	144,770	77,727
Operating cash flow before changes in working capital	142,500	77,973
Cash and cash equivalents	517,772	127,364
Total assets(4)	1,391,841	1,318,515

(1) Operating cash flow excluding changes in non-cash working capital.
(2) Earnings per share
(3) Earnings before interest, taxes, depreciation and amortization, loss/gain on derivative instruments, interest and other income and other.
(4) 2007 at March 31st ; 2006 at December 31st.

The bracketed values that follow denote the comparative figures for Q1 2006.

Results for Q1 were firmly in line with our expectations, said Peter Jones, President & CEO. Production was on plan and higher metal prices and solid sales grew revenue by 68% and operating cash flow by 83% to $142.5 million, compared to Q1 last year.

OPERATING HIGHLIGHTS

($000's except per share amounts)		Three months ended March 31	
Production		2007	2006
Zinc(5)	tonnes	31,408	29,906
Copper	tonnes	21,724	23,686
Gold	troy oz.	24,213	26,511
Silver	troy oz.	352,447	390,230
Metal Sold(6)			
Zinc, including sales to Zochem(7)	tonnes	31,857	30,172
Copper	tonnes	24,662	18,932
Gold	troy oz.	29,716	14,846
Sliver	troy oz.	383,919	232,456

Q1 2007 Financial and Operating Results

Earnings

Earnings before tax in Q1 2007 increased strongly by 91% to $117.5 million compared with $61.6 million in Q1 2006. The Company continues to benefit from its significant tax pools and effectively no cash income taxes were paid in Q1 2007. The benefit of these losses is expected to continue for the balance of 2007, resulting in minimal cash income taxes for 2007. The Company does expect to pay Manitoba mining taxes in 2007.

Net earnings were $63.1 million for the quarter, or $0.50 per share, compared to $76.0 million for the same quarter in 2006, or $0.89 per share. Lower year-over-year net earnings is primarily attributable to the draw-down of the tax asset resulting in a non-cash tax expense of $41.9 million this quarter compared to a non-cash tax benefit of $15 million in the first quarter of 2006.

Adding back non-cash tax expense to net earnings recognizes the significant value of HudBay's tax pools. On this basis, net earnings were $105 million ($0.83 per share) compared with $61 million ($0.71 per share) in Q1 2006, which represents strong year over year growth of 72%.

Revenue

Total revenue for Q1 2007 was $349.1 million ($208.0 million) from sales of 31,857 tonnes of zinc (30,172 tonnes), including sales of 6,505 tonnes (8,771 tonnes) to the Company's Zochem division for zinc oxide and 3,949 tonnes of zinc metal sales contained in concentrate from the Company's Balmat mine, 24,662 tonnes of copper (18,932 tonnes), 29,716 ounces of gold (14,846 ounces), and 383,919 ounces of silver (232,456 ounces).

(5) Production includes Balmat metal in concentrate and sales include Balmat payable metal in concentrate shipped (including to HBMS).

(6) Excludes inventory changes prior to the contractual change with HudBay's joint venture company Considar Metal Marketing.

Through the first quarter, the Company continued to receive attractive price premiums for its finished metals that were above LME averages.

	HudBay Realized Prices		
	Average Three	Three Months Ended	Year Ended

Realized Metal Prices & Exchange Rate		Month Prices(7)	Mar 31, 2007	Mar 31, 2006	Dec 31, 2006
Zinc	US$/lb.	1.57	1.65	1.08	1.53
Copper	US$/lb.	2.69	2.81	2.33	3.15
Gold	US$/troy oz.	650	651	532	603
Silver	US$/troy oz.	13.31	13.44	9.29	11.13
C$/US$ exchange rate		1.17	1.17	1.15	1.13

Operating Expenses

Operating costs for Q1 2007 were $184.5 million compared with $121.8 million during the same period in 2006. The increase reflects a number of factors including higher metal sales volumes and the costs of Balmat being included effective January 1, 2007 coincident with the achievement of commercial production. In addition, generally higher costs associated with production, higher employee profit sharing expenses and increased concentrate purchase costs all contributed to the increase. HudBay's cash cost per pound of zinc sold, net of by-product credits was negative US$0.33 (positive US$0.05). A reconciliation of this non-GAAP measure is provided in the Company's Q1 2007 MD&A. Depreciation and amortization also increased in Q1 2007 to $21.9 million compared with $15.5 million in Q1 2006. This increase reflects the inclusion of Balmat beginning Q1 2007 and increased depreciation and amortization expense at the Trout Lake mine.

Tax Expense

Tax expense in the first quarter of 2007 was $54.4 million compared with a net tax benefit of $14.3 million in Q1 2006. The Q1 2007 tax expense is comprised of $38.6 million of income tax expense and $15.8 of mining tax expense. Importantly, the income tax portion is a non-cash expense due to the draw down of the Company's tax asset, which was established in 2006 and is associated with past losses.

(7) LME average for zinc, copper and gold prices, London Spot US equivalent for silver prices.

OUTLOOK

Exploration & Increased Land Position

In 2007, we've targeted $45.2 million for exploration, including $8.5 million on the Bur deposit, which is a significant increase from 2006. During the first quarter, approximately $7.7 million excluding capitalized expenses, was spent on exploration activities, compared to the $3.1 million spent in the first quarter of 2006.

Exploration work increased in the Snow Lake and Flin Flon area during the quarter. Land holdings at all locations continued to increase and now total 419,605 hectares, including 379,401 hectares in the Flin Flon Greenstone Belt.

The results of a new exploration discovery at Lalor Lake, close to our Chisel North mine property and our Snow Lake concentrator, were announced in early March 2007. Drill hole DUB 168 intersected massive sulfide mineralization that assayed 0.19% Cu and 17.26% Zn over a core length of 16.45 metres. The intersection is encouraging, and the mineralization is similar to that at the nearby Chisel North mine.

HudBay's $8.5 million Bur deposit project continues to advance. The Company is in the process of completing an underground decline, 10,000 tonne ore sample and feasibility study. The Bur deposit is only 22 kilometers from HudBay's Snow Lake concentrator and can be easily accessed. A production decision continues to be anticipated for late 2007.

A portion of our $45.2 million 2007 exploration program, is allocated to exploration drilling in our operating mines to potentially increase our ore reserves and extend the life of our existing mines.

Production

Production for the year is expected to be on target with earlier guidelines.

Costs

Operating costs in 2007 are generally expected to be similar to 2006, with the exception of the Balmat and Trout Lake mines. As Balmat commenced commercial production on January 1, 2007, the Company will incur additional operating costs, which will be at a higher unit cost during the production ramp up. We also expect higher unit costs for the Trout Lake mine because a greater proportion of its 2007 production will be from the pillar extraction project. Other cost increases are expected from inflation on consumables and labour.

Capital Spending

The estimated capital spending for 2007 increased by $9.0 million due largely to the requirement for increased ventilation at the Balmat mine of $3.5 million, $4.5 million for an additional plant to increase the water treatment capacity of Chisel North mine and an increase of approximately $2.7 million associated with the expansion of the cellhouse, and installation of a solution control facility at White Pine Copper Refinery.

CORPORATE HIGHLIGHTS

2007 Aggressive Exploration Program Underway

HudBay's $45.2 million 2007 exploration program is well underway. The program is targeting approximately $34 million for exploration in the prolific Flin Flon Greenstone Belt including $8.5 million for advanced exploration at the Bur deposit. During the quarter, exploration work increased with $7.7 million expended versus $3.1 million in 2006. Land holdings also continued to increase and now total 419,605 hectares including 379,401 in the Flin Flon Greenstone Belt.

In March 2007, HudBay announced results from its first Lalor Lake surface drill hole located 2.4 km from its Chisel North mine site and 15 km from its Snow Lake concentrator. Drill hole DIB 168 intersected massive sulphide mineralization that assayed 0.19% Cu and 17.26% Zn over a core length of 16.45 meters. The intersection is encouraging and the mineralization is similar to that at the nearby Chisel North mine.

Bur Deposit Progressing on Plan

HudBay's $8.5 million Bur Deposit project continues to advance. The Company is in the process of completing an underground decline, 10,000 tonne ore sample and feasibility study. During the quarter, a price protection program on the deposit was implemented and is approximately 80% complete. As previously disclosed, the program ensures the economic viability of the deposit above long-term prices. The program consists of 45,900 tonnes of zinc swaps with an average price of US$1.32/lb. and 14,400 tonnes of copper swaps at an average price of US$2.44/lb., protecting approximately 80% of the Bur expected production between 2008 and 2010. The Bur deposit is only 22 kilometers from HudBay's Snow Lake concentrator and can be easily accessed. A production decision continues to be anticipated for late 2007.

Rockcliff Option Agreements

In March 2007, HudBay's wholly-owned subsidiary, Hudson Bay Exploration and Development Company Limited (HBED), entered into agreements with Rockcliff Resources Inc. (Rockcliff) respecting seven properties covering approximately 15,800 hectares in the Snow Lake area of Manitoba. The agreements build on HudBay's own $45.2 million exploration program for 2007 and further leverage the Company's exploration opportunities in the prolific Flin Flon Greenstone Belt. HudBay has previously entered into several other option agreements to increase exploration spending in the Flin Flon Greenstone Belt.

A Focus on Safety and the Environment

Lost time accident frequency for the first quarter of 2007 of 1.3 is unchanged from the same quarter in 2006. There were no significant environmental non-compliances during the quarter.

Covenant Defeasance of Outstanding 9 5/8% Senior Secured Notes

On February 21, 2007, HBMS completed the covenant defeasance of HBMS outstanding 9 5/8% Senior Secured Notes due 2012 (the "Notes"). The covenant defeasance involved the irrevocable deposit in trust by HBMS with The Bank of New York, as trustee, of approximately US$3.3 million of U.S. government securities, such amount being sufficient to pay the principal of US$2.9 million, and interest and premium on the outstanding Notes to the redemption date of January 15, 2009. Pursuant to the terms of the indenture governing the Notes, the collateral securing the Notes was released.

Balmat Operation Receives Certification

In March 2007, HudBay's wholly owned subsidiary, St. Lawrence Zinc Company, LLC (the "Balmat operations") was certified to ISO 14001:2004 and OHSAS 18001:1999 - internationally recognized standards and specifications relating to environmental and health & safety management systems. HudBay requires all of its operations to be certified to these important environmental and safety standards. The White Pine Copper Refinery, acquired by HudBay on January 1, 2006 is expected to be certified later in 2007, which will make HudBay certified at all of its operational facilities.

For further information, please see attached hereto selected financial information for the quarters ended March 31, 2007 and 2006. Please also see HudBay's financial statements together with Management's Discussion and Analysis of Operations and Financial Condition for the quarter ended March 31, 2007. A copy of HudBay's financial statements for the quarters ended March 31, 2007 and March 31, 2006 as well as its MD&A for the quarter ended March 31, 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.

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 program and plans with respect to the Bur deposit. 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, success of exploration activities, future commodity prices, capital expenditures, requirements for additional capital, 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/hbmmdaQ107.pdf

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

http://www.ccnmatthews.com/docs/hbmifsQ107.pdf

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

	Three months ended March 31	
	2007	2006
Revenue (note 14)	$ 349,142	$ 207,963
Expenses:		
Operating	184,508	121,782
Depreciation and amortization	21,874	15,542
General and administrative	4,573	3,677
Stock-based compensation (note 10e)	4,709	2,251
Accretion of asset retirement obligation	789	660
Foreign exchange loss (gain)	2,044	(1,268)
	218,497	142,644
Operating earnings	130,645	65,319
(Loss) gain on derivative instruments	(10,979)	4,331
Interest and other income	5,962	1,172
Interest expense	(399)	(4,754)
Exploration	(7,749)	(3,134)
Other	35	(1,291)
Earnings before income tax	117,515	61,643
Tax expense (benefit) (note 9)	54,439	(14,343)
Net earnings for the period	$ 63,076	$ 75,986
Earnings per share:		
Basic	$ 0.50	$ 0.89
Diluted	$ 0.49	$ 0.70
Weighted average number of common shares outstanding (note 10f)		
Basic	126,138,341	85,392,988
Diluted	128,232,455	108,179,593

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 March 31	
	2007	2006
Retained earnings, beginning of period	$ 642,723	$ 78,732
Net earnings for the period	63,076	75,986
Transition adjustment financial instruments	(1,005)	-
Retained earnings, end of period	$ 704,794	$ 154,718

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

	Three months ended March 31	
	2007	2006
Net earnings for the period	$ 63,076	$ 75,986
Other comprehensive income (loss), net of tax (note 11)	(4,942)	-
Comprehensive income for the end period	$ 58,134	$ 75,986

See accompanying notes to interim consolidated financial statements.

HudBay Minerals Inc.
Consolidated Balance Sheets
Unaudited
(in thousands of Canadian dollars)

	March 31, 2007	December 31, 2006
Assets:		
Current assets:		
Cash and cash equivalents	$ 517,772	$ 385,864
Accounts receivable	101,436	132,275
Inventories	174,460	163,842
Prepaid expenses	6,463	7,288
Current portion of fair value of derivatives (note 12)	6,127	2,579
Future income and mining tax assets	118,393	154,063
	924,651	845,911
Property, plant and equipment (note 4)	445,293	444,044
Other assets (note 5)	21,897	28,560
	$1,391,841	$1,318,515
Liabilities and Shareholders Equity:		
Current liabilities:		
Accounts payable and accrued liabilities	$ 151,170	$ 139,922
Taxes payable	10,896	30,217
Current portion of other liabilities (note 6)	34,100	28,087

	196,166	198,226
Long-term debt (note 7)	10,638	10,214
Pension obligations	41,741	41,675
Other employee future benefits	66,391	65,083
Asset retirement obligations	34,337	33,548
Fair value of derivatives (note 12)	16,966	-
Obligations under capital leases	4,254	4,979
Future income tax liabilities	577	582
	$ 371,070	$ 354,307
Shareholders equity:		
Share capital:		
Common shares (note 10b)	303,226	308,441
Warrants (note 10c)	1	3
Contributed surplus (note 10e)	17,281	13,098
Cumulative translation adjustment	-	(57)
Retained earnings	704,794	642,723
Accumulated other comprehensive income (loss) (note 11)	(4,531)	-
	1,020,771	964,208
	$1,391,841	$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 March 31	
	2007	2006
Cash provided by (used in):		
Operating activities:		
Net earnings for the period	$ 63,076	$ 75,986
Items not affecting cash:		
Depreciation and amortization	21,874	15,542
Future tax expense (benefit)	41,859	(14,939)
Unrealized foreign exchange gain	472	518
Amortization of deferred financing costs	-	362
Accretion expense on asset retirement obligation	789	660
Stock-based compensation	4,709	2,251
Unrealized portion of change in fair value of derivatives	12,483	(3,159)
Other	(2,762)	752
	142,500	77,973
Change in non-cash working capital (note 13)	13,391	(51,847)
	155,891	26,126
Financing activities:		
Repayment of senior secured notes	-	(1,168)
Repayment of obligations under capital leases	(989)	(936)
Proceeds on exercise of stock options	1,498	1,180
Proceeds on exercise of warrants	10	4,269
	519	3,345
Investing activities:		
Additions to property, plant and equipment	(23,961)	(27,003)

Acquisition of White Pine Copper Refinery, Inc., net of cash acquired	-	(17,041)
Additions to environmental deposits	-	15
	(23,961)	(44,029)
Effect of exchange rate changes on cash and cash equivalents	(541)	262
Change in cash and cash equivalents	131,908	(14,296)
Cash and cash equivalents, beginning of period	385,864	141,660
Cash and cash equivalents, end of period	$ 517,772	$ 127,364
Cash and cash equivalents is comprised of:		
Cash on hand and demand deposits	$ 73,356	$ 102,739
Money market instruments	444,416	24,625
	$ 517,772	$ 127,364

See accompanying notes to interim consolidated financial statements

SOURCE: HudBay Minerals Inc.

HudBay Minerals Inc.
Brad Woods
Director Investor Relations
(204) 949-4272
Email: brad.woods@hbms.ca
Website: www.hudbayminerals.com