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## News release

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# HudBay Options Exploration Property to VMS Ventures

WINNIPEG, MANITOBA, Aug 7, 2007 (CCNMatthews via COMTEX News Network) --

HudBay Minerals Inc. (TSX:HBM) (HudBay) today announced it has entered into an option agreement with VMS Ventures Inc. (VMS) that provides VMS with the potential to earn a 100% interest in a HudBay property in the Reed Lake area of the Flin Flon Greenstone Belt, near Snow Lake, Manitoba.

The property comprises Claim Block CB 5503 (377 hectares) and Claim Block FRE 5030 (196 hectares).

"This agreement provides HudBay further leverage to our exploration spending beyond the \$45 million we have earmarked for 2007," said Peter Jones, President and Chief Executive Officer. "If VMS makes a significant discovery, HudBay can earn a majority interest in the property through back-in rights."

Under the agreement, VMS, a Vancouver-based mineral exploration company, is required to make cash payments of \$55,000 to HudBay and incur exploration expenditures of \$300,000 over a three-year term. Upon exercise of the option by VMS to fully acquire the property, HudBay retains a 2% net smelter return royalty. As an alternative to the royalty, HudBay may elect to exercise successive back-in rights. If all these rights are exercised over time, it enables the company to retain up to a 70% interest in the property by making certain exploration expenditures, a one-time cash payment of \$1.5 million and bringing the property to commercial production.

With the VMS agreement, HudBay now has option agreements in place with four mineral exploration companies in the Flin Flon Greenstone Belt where the company holds approximately 400,000 hectares of exploration lands and has three underground mines, two ore concentrators as well as metallurgical plants. Historically, the company has discovered 25 mines and produced in excess of 150 million ore tonnes from this area.

About HudBay Minerals Inc.

HudBay 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 a member of the S&P/TSX Global Mining Index.

(HBM-G)

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 the option agreement entered into with VMS Ventures Inc. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" 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 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 future commodity prices, economic factors as they effect exploration and development, government regulation, environmental risks, success of exploration activities, permitting time lines, capital expenditures, risks associated with option agreements, changes in project parameters as plans continue to be refined 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](http://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 forward-looking information 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.

SOURCE: HudBay Minerals Inc.

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