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## News release

TSX – HBM  
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# HudBay Minerals Announces Option Agreement with Halo Resources Ltd.

TORONTO, ONTARIO, Dec 22, 2009 (Marketwire via COMTEX News Network) -- HudBay Minerals Inc. ("HudBay", "the company") (TSX:HBM) today announced that, through a wholly-owned subsidiary, it has entered into an option agreement with Halo Resources Ltd. ("Halo") (TSX VENTURE:HLO). The agreement allows HudBay to earn up to a 67.5% joint venture interest in Halo's Cold and Lost properties in the Sherridon VMS District in Manitoba, located approximately 110 kilometers by road from HudBay's facilities in Flin Flon.

"We are pleased to be entering into this arrangement with Halo," said W. Warren Holmes, HudBay's executive vice-chairman. "If exploration results continue to be successful, this is an opportunity that could be quickly developed into an additional source of zinc feed for our Flin Flon plant."

HudBay can acquire a 51% interest by making aggregate cash payments to Halo of \$800,000 and completing work expenditures on the property of \$1.35 million, in each case within the next two years. The Company can increase its interest to 60% by funding and completing a feasibility study within the next four years and paying \$2 million in cash to Halo. It may further increase its interest to 67.5% by paying Halo an additional \$2.5 million prior to commencement of commercial production.

HudBay will act as operator of the joint venture and will purchase all ore produced by the joint venture.

Descriptions of the Cold and Lost deposits are contained in Halo's NI 43-101 Technical Report entitled "Technical Report on the Sherridon VMS Project, North Central Manitoba, Canada" dated September 15, 2008 and available at [www.sedar.com](http://www.sedar.com).

HudBay Minerals Inc.: Strength to Build the Future

HudBay Minerals Inc. (TSX:HBM) is a Canadian integrated mining company with assets in North and Central America principally focused on the discovery, production and marketing of base metals. The company's objective is to maximize shareholder value through efficient operations, organic growth and accretive acquisitions, while maintaining its financial strength. A member of the S&P/TSX Composite Index and the S&P/TSX Global Mining Index, HudBay is committed to high standards of corporate governance and sustainability.

### Forward Looking Information

This news release and its attachments contain "forward-looking information" within the meaning of applicable securities laws. Forward looking information includes but is not limited to information concerning the option agreement with Halo Resources Ltd. 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", "understands" or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "will", "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the views, opinions, intentions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated or projected in the forward-looking information (including the actions of other parties who have agreed to do certain things and the approval of certain regulatory bodies).

Many of these assumptions are based on factors and events that are not within the control of HudBay and there is no assurance they will prove to be correct. Factors that could cause actual results or events to vary materially from results or events anticipated by such forward-looking information include risks associated with the mining industry such as economic factors (including future commodity prices, currency fluctuations and energy prices), failure of plant, equipment, processes and transportation services to operate as anticipated, dependence on key personnel and employee relations, environmental risks, government regulation, actual results of current exploration activities, possible variations in ore grade or recovery rates, permitting timelines, capital expenditures, reclamation activities, land titles, and social and political developments and other risks of the mining industry, as well as those risk factors discussed in the company's Annual Information Form dated March 30, 2009, which risks may cause actual results to differ materially from any forward-looking statement.

Although HudBay has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no

assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. HudBay undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws, or to comment on analyses, expectations or statements made by third parties in respect of HudBay, its financial or operating results or its securities. The reader is cautioned not to place undue reliance on forward-looking information.

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SOURCE: HudBay Minerals Inc.

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