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News release

TSX – HBM
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HudBay Minerals Makes Investment In MacDonald Mines Exploration Ltd.

Toronto, Ontario, October 6, 2010 – HudBay Minerals Inc. (“HudBay”, the “company”) (TSX: HBM) today announced that it has entered into a subscription agreement with MacDonald Mines Exploration Ltd. (“MacDonald”) (TSX.V:BMK) providing for the sale to HudBay on a private placement basis of 19,060,000 units (the “Units”) of MacDonald at a purchase price of C\$0.18 per Unit for total consideration of C\$3,430,800. Each Unit consists of one Class A share of MacDonald (a “Share”) and one-half of one Share purchase warrant of MacDonald (a “Warrant”). Each whole Warrant will entitle HudBay to acquire one Share at an exercise price of C\$0.25 at any time during the 36 months following closing of the transaction.

Upon closing of the subscription, which is subject to certain customary conditions, including approval of the listing of the Shares to be issued to HudBay, HudBay will own and have control over 19,060,000 Shares (approximately 9.9% of the issued and outstanding Shares), and will own 9,530,000 Warrants which, together with the Shares, represents approximately 14.15% of the issued and outstanding Shares on a partially-diluted basis). Pursuant to the subscription agreement, MacDonald has granted to HudBay the right to participate in future equity financings that might be undertaken by MacDonald (for so long as HudBay holds at least five percent of the issued and outstanding Shares) on a basis that would permit HudBay to maintain its then current percentage equity ownership of MacDonald.

In connection with the equity investment, the companies have also executed a Memorandum of Understanding which outlines the intentions of the parties on such matters as strategic joint ventures and the disposition/acquisition of mineral properties. In the Memorandum of Understanding, HudBay has also expressed its intention to provide MacDonald with technical support and expertise relating to its exploration activity.

The acquisition of the Shares and Warrants is being made to assist in the financing, exploration and development of MacDonald's mineral properties.

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 metals with its corporate offices at 1 Adelaide Street East, suite 2501, Toronto, Ontario,. 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

Certain of the statements made and information contained herein may contain forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information includes, but is not limited to, information concerning the anticipated closing of the transaction contemplated by the subscription agreement referred to in the news release and HudBay's intentions with respect to future arrangements or joint ventures with MacDonald. 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. 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.

For further information, please contact:

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