

News release

TSX – HBM
2010

HudBay Minerals Announces New Resource and Significant Increase in Nickel Grade at Fenix Project

TORONTO, ONTARIO, Mar 31, 2010 (Marketwire via COMTEX News Network) -- HudBay Minerals Inc. ("HudBay", the "company") (TSX:HBM) announced today a new National Instrument 43-101 compliant mineral resource estimate for the Fenix project in eastern Guatemala. Measured and Indicated resources are 36.19 million tonnes of 1.92% nickel contained in saprolite (Table 1).

This new resource estimate replaces the previously reported 41.4 million tonnes at 1.63% nickel in the Proven and Probable reserve category, as contained in the technical report on Fenix filed by HudBay in November 2008. The previous reserve was calculated from saprolite Measured and Indicated resources of 61.45 million tonnes at 1.49% nickel.

"This new resource estimate and significant increase in the nickel grade enhances the overall economics of the Fenix project," said W. Warren Holmes, executive vice chairman and interim chief executive officer. "I expect the updated feasibility study will support our belief that Fenix is one of the world's best undeveloped brownfield nickel laterite projects."

The principal factors supporting the revised saprolite mineral resources amenable to pyrometallurgical processing are largely related to:

- The use of a higher 1.6% nickel cut-off resulted in a reduction of total resource. This increase in cut-off was deemed necessary in order to support the potential for economic extraction. Previous mineral resource estimates were based on low grade stockpiling assumptions, which are not considered practical. When compared to the tonnage and grade reported for a similar cut-off in the November 2008 technical report the revised mineral resource estimates show more tonnage of higher grade mineralization;
- A notable bias in results from auger drilling versus diamond drilling was detected. The auger drilling presented problems with geologic profile penetration, geochemical sampling and sample density determination. In this resource update, in areas with less than 100 meters diamond drill spacing, auger drilling was excluded from the calculation and these areas account for approximately 52% of the total Measured and Indicated resource;
- A modification in the geological coding was employed to exclude the hard saprolite typically containing low grade mineralization found at the bedrock interface from the high grade nickel mineralization found in the more altered softer saprolite layer; and
- A reconciliation of the previously mined resource of 0.9 million tonnes of 2.14% nickel saprolite by Inco from 1977 to 1980 supports the current resource estimation methodology.

The saprolite resource for the areas outside of the immediate project area, which offer potential exploration upside and opportunity for life of mine expansion, is 8.7 million tonnes at 1.79% nickel in the Measured category; 26.1 million tonnes at 1.82% nickel in the Indicated category and 26.1 million tonnes at 1.75% nickel in the Inferred category. A revised resource estimate for these areas is currently underway and is intended to be included with the updated feasibility

study for the Fenix project scheduled for completion later in 2010.

Further details, including the methodology used in the resource estimate, are contained in the NI 43-101 technical report which was prepared by Golder Associates and filed today with securities regulators. The technical report, entitled "Technical Report on an Update to the Mineral Resource Estimates of the Fenix Project, Izabal, Guatemala," dated March 31, 2010, is available at www.SEDAR.com.

Table 1: Mineral Resource Estimate for Fenix Project Area (March 31, 2010)

Classification	Area	%Ni cut-off	000' Dry Tonnes	%Ni
Measured	212	1.6	4,793	2.09
	213z1	1.6	724	2.19
	217Z1 East	1.6	2,218	2.09
	Total		7,735	2.09
Indicated	213z2	1.6	168	1.94
	215	1.5	3,346	1.85
	216	1.5	5,895	1.75
	217z1 West	1.6	537	1.82
	217z2	1.5	9,441	1.86
	251	1.6	9,067	1.97
	Total		28,454	1.87
Measured + Indicated	Total		36,190	1.92
Inferred	215inf	1.5	5,800	1.8
	217z3	1.5	3,900	1.8
	Total		9,700	1.8

In parallel with the work that has been ongoing to update the resource estimates:

- HudBay is in the midst of a 7,000 meter diamond drill program at the Fenix project which it expects to complete in the second half of 2010. With four drills operating, the program is concentrated on proposed mining areas 212 and 213, which are located closest to the plant where previous mining by Inco had occurred and where little to no diamond drilling was previously conducted.
- HudBay has been advancing a revised power strategy for Fenix.
- HudBay has engaged Hatch Engineering to update the prior feasibility study incorporating the new resource estimate and results are expected in the third quarter of 2010.
- HudBay is continuing to evaluate financing alternatives for Fenix.

HudBay expects that the various initiatives underway will help the company reach a decision on restarting construction on the Fenix project later in 2010.

Quality Assurance/Quality Control

The diamond drill core was logged, photographed and marked for sampling by company geologists. Sample lengths range from 0.3 to 1.3 meters. All boreholes in the twin hole program (HQ size) were cut in half either by knife or diamond saw depending on sample hardness, with one half bagged and tagged for shipment to the sample preparation laboratory. The remaining half of the split core was returned to the core box for storage. Sample rejects were returned to the project after 15 days for long term storage; sample pulps are returned from the sample preparation lab for permanent storage at the project

site.

In the in-fill drilling program one in 10 holes was split and one half core saved. The other holes were sampled in their entirety and sent to the sample preparation lab.

Samples were trucked from the Fenix Project site to BSI Inspectorate in Guatemala City for sample preparation. Samples were dried at 105 degrees C for 12 hours, crushed to 90% less than 10 mesh, riffle split and pulverized to 95% less than 150 mesh. The prepared samples (150 grams to 200 grams of pulverized laterite) were air freighted to SGS Lakefield in Canada for assay by lithium borate fusion, XRF. SGS Lakefield has ISO/IEC 17025 accreditation for its mineral analytical services.

Twelve major element oxides, Loss on Ignition plus nickel and cobalt were analyzed. Detection limits are 0.05% for nickel and 0.01% for cobalt. Field duplicates (1:20) and standards or blanks (1:20) were inserted at the project site to monitor lab procedures and assay quality. All batches of analysis were subjected to statistical tests to ensure they meet established quality control criteria. SGS Lakefield also did its own quality control procedures which includes insertion of standards and duplicates.

ALS-Chemex in Brisbane Australia was been selected following a round robin assaying procedure to provide additional analytical checks on the SGS Lakefield analyses. ALS-Chemex uses an AES-ICP method for the same suite of elements measured at SGS Lakefield. Analyzed pulps are selected for re-assay at a frequency of 1:50.

The sample information was merged with the geological drill logs in the drillhole database at the project site. Once results were received they were reviewed and subjected to statistical tests to ensure quality control criteria are met for each batch. Following verification the results are entered in the drillhole database. The intercepts are classified by sample chemistry and composites are weighted by sample length and a calculated density. A detailed description of the QA/QC methodology is available in the NI 43-101 technical report filed March 31 2010 on www.sedar.com.

Qualified Persons

Cashel Meagher, P.Geo., Vice President, Exploration, of HudBay Minerals Inc. is the Qualified Person accountable for the supervision of the technical information contained within this document as defined by NI 43-101.

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 mineral resource estimates and potential plans for the Fenix project. 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 31, 2010, 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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