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News release

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HudBay Announces Joint Venture With VMS Ventures

TORONTO, ONTARIO, Jul 6, 2010 (Marketwire via COMTEX News Network) -- HudBay Minerals Inc. ("HudBay", the "company") (TSX:HBM) today announced it has, through a subsidiary, entered into a joint venture agreement and four option agreements with VMS Ventures Inc. ("VMS") (TSX VENTURE:VMS) respecting HudBay's copper-rich Reed Lake property and a series of adjacent mineral properties held by VMS in Manitoba's Flin Flon Greenstone Belt. These transactions were contemplated by the previously-announced letter of intent entered into by the parties on March 4, 2010.

Pursuant to the joint venture agreement, HudBay has a 70% interest and VMS has a 30% interest in a joint venture respecting the Reed Lake property and the two claims immediately to the south. HudBay will be the operator of the joint venture with authority and discretion as to the exploration and potential development of the property and will have exclusive rights to purchase and market the ore produced from the property. HudBay will also provide full financing for VMS' proportionate share of the costs to develop the property, which will be repayable solely from VMS' share of cash flow generated by the project. Upon VMS making certain filings to confirm the previously-disputed boundaries of the joint venture claims, HudBay will make a cash payment to VMS of \$2.6 million, as consideration for VMS transferring the southern claims to the joint venture and in lieu of HudBay's obligation to earn back into the property under the initial option agreement between the parties.

"We are very pleased to be entering into a joint venture with VMS Ventures and we are optimistic that the Reed Lake property can be developed into a source of copper feed for our Flin Flon concentrator," said W. Warren Holmes, HudBay's executive vice chairman and interim chief executive officer. "We intend to commence drilling on the Reed Lake property as soon as possible and we are also looking forward to conducting exploration on a number of promising targets on the option properties."

The option agreements grant HudBay the right to earn a 70% interest in four adjacent claim parcels held by VMS, including the Tower Zone and Super Zone properties. Upon making certain cash payments and meeting work commitments over two to three years, HudBay will earn a 70% interest in the applicable property and a new joint venture will be formed between HudBay and VMS which will have substantially the same terms as the Reed joint venture. Any failure to make the required cash payments and work commitments with respect to a particular property will cause that property to revert to VMS but will not affect HudBay's option over the other 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 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 contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to the satisfaction of conditions precedent, results of exploration and the ability to successfully exploit any mineral deposits that are discovered. 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 statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions 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 projected in the forward-looking information. 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 to vary materially from results anticipated by such forward-looking information include changes in market conditions, variations in ore grade or recovery rates, risks relating to international operations, fluctuating metal prices and currency exchange rates, economic factors, government regulation and approvals, environmental and reclamation risks, costs, timing and amount of future production, capital expenditures and requirements for additional capital, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, permitting timelines, labour disputes and the availability of skilled labour, results of exploration and other risks of the mining industry, failure of plant, equipment or

processes to operate as anticipated, as well as those risk factors discussed in the Annual Information Form for the year ended December 31, 2009 for HudBay Minerals Inc. available at www.sedar.com. 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. 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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