



HudBay Minerals Inc.
Dundee Place
1 Adelaide Street East
Suite 2501
Toronto ON M5C 2V9
Canada

Tel 416 **362-8181**
Fax 416 362-7844
hudbayminerals.com

News release

TSX – HBM
2011

HudBay Minerals Makes Investment in Copper Reef Mining Corporation

Toronto, Ontario - January 26, 2011 - HudBay Minerals Inc. ("HudBay", the "company") (TSX/NYSE: HBM) today announced that it has entered into a subscription agreement with Copper Reef Mining Corporation ("Copper Reef") (CNSX: CZC) providing for the sale to HudBay on a private placement basis of 7,000,000 units (the "Units") of Copper Reef at a purchase price of C\$0.15 per Unit for total consideration of C\$1,050,000. Each Unit consists of one common share of Copper Reef (a "Share") issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) and one Share purchase warrant of Copper Reef (a "Warrant"). Each Warrant will entitle HudBay to acquire one Share at an exercise price of C\$0.15 at any time during the six months following closing of the transaction.

Upon closing of the subscription, which is subject to certain customary conditions, HudBay will own and have control over 7,000,000 Shares (approximately 7.9% of the issued and outstanding Shares), and will own 7,000,000 Warrants which, together with the Shares, represents approximately 14.7% of the issued and outstanding Shares on a partially-diluted basis.

The investment in the Shares and Warrants is being made to assist in the financing of exploration on a mineral property held by Copper Reef near HudBay's 777 mine in Flin Flon, Manitoba.

HudBay Minerals Inc.

HudBay Minerals Inc. (TSX/NYSE: 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 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.

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.

NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES

For further information, please contact:

HudBay Minerals Inc.
John Vincic
Vice President, Investor Relations and Corporate Communications
(416) 362 0615
Email: john.vincic@hudbayminerals.com