

News release

TSX – HBM
2011

HudBay Minerals Announces Near Quadrupling of Metals Reserves; US\$116 Million 2011 Pre-Construction Program for Constancia

Highlights:

- 288% increase in overall copper equivalent reserves(1) to 3.1 million tonnes, including gold equivalent reserves(2) of 3.0 million ounces
- A further of 1.1 million ounces and 1.9 million ounces, of measured and indicated and inferred gold equivalent resources, respectively, as total gold equivalent reserves and resources increased by 68% over 2010
- US\$116 million pre-construction program planned at Constancia in 2011 for exploration, procurement and project resource model update; formal project construction decision expected in Q1 2012
- NI 43-101 resource for Reed copper project announced, which comprises an indicated resource of 2.6 million tonnes of 4.52% copper and an inferred resource of 0.2 million tonnes of 4.26% copper; construction decision expected by end of 2011.
- HudBay management to conduct conference call on April 1, 2011 at 12:30 p.m. ET

TORONTO, ONTARIO -- (MARKET WIRE) -- 03/31/11 -- HudBay Minerals Inc. ("HudBay") (TSX: HBM)(NYSE: HBM) today announced a 288% increase to its overall copper equivalent mineral reserves to 3.1 million tonnes. Included in these reserves is 3.0 million ounces of gold equivalent reserves. In addition, the Company has 0.7 million tonnes of measured and indicated copper equivalent mineral resources and 1.6 million tonnes of inferred copper equivalent mineral resources. Included in those categories are gold equivalent resources of 1.1 million ounces and 1.9 million ounces, respectively.

On a per share basis, HudBay's overall copper equivalent mineral reserves grew to 39.2 pounds per share compared to 11.3 pounds per share in 2010. Overall copper equivalent mineral reserves and resources grew to 68.1 pounds per share compared to 45.8 pounds per share in 2010.

Notes:

(1) Overall copper equivalent and gold equivalent are based on estimated proven and probable reserves at Constancia, 777, Lalor, Chisel North and Trout Lake and do not include nickel reserves at the Fenix project. Copper equivalent calculated using a Cu price of US\$2.50/lb, Zn price of US\$0.95/lb, Au price of US\$900/oz, Ag price of US\$15.00/oz, Pb price of US\$0.70/lb and Mo price of US\$12.00/lb. Per share metrics for 2010

are based on 153.9M basic shares outstanding as at Dec. 31, 2009. Per share metrics for 2011 are based on 149.4M basic shares outstanding as at Dec. 31, 2010 plus 23.4M shares issued to complete the Norsemont Mining acquisition. Dates used for comparison of HudBay's reserves and resources in 2010 and 2011 are as at January 1, 2010 and March 31, 2011, respectively.

(2) Gold equivalent reserves include silver converted to gold at ratio of 60:1.

"As promised, we have systematically executed on our objective of growing our mineral exposure on a per share basis through accretive acquisitions and exploration, which we believe will lead to a substantial value re-rating of HudBay over the course of this year," said David Garofalo, president and CEO. "Much of this growth was driven by the value-accretive acquisition of the Constancia copper project in Peru, where we plan to initiate procurement and engineering activities, update the resource model and conduct a pit optimization study over the course of the year to enable us to make a formal construction decision in early 2012. With one of the largest exploration budgets in our history in 2011, which has now increased to approximately \$70 million, we expect to continue growing our reserves and resources on our existing properties."

Project	Category(1)	Cu Equivalent(2) (000 tonnes)		

		Jan. 1,		
		2011	2010	Variance

Constancia	Proven & Probable	1,865	-	1,865
	Inferred	72	-	72
777	Proven & Probable	669	735	(66)
	Inferred	62	58	4
Lalor	Proven & Probable	505	-	505
	Measured & Indicated	83	617	(534)
	Inferred	423	255	168
Chisel North	Proven & Probable	12	17	(5)
	Inferred	1	2	(1)
Trout Lake	Proven & Probable	20	39	(19)
	Inferred	-	3	(3)
Reed (70%)(3)	Measured & Indicated	94	-	94
	Inferred	6	-	6
Lost (67.5%)(3)	Measured & Indicated	13	-	13
	Inferred	2	-	2
Tom & Jason	Measured & Indicated	277	277	-

	Inferred	938	938	-
Back Forty (65%)(3)	Measured & Indicated	246	227	19
	Inferred	46	30	16

Total	Proven & Probable	3,071	791	2,280
	Measured & Indicated	713	1,121	(408)
	Inferred	1,550	1,286	264

Notes:

- (1) Mineral resources are exclusive of and additional to stated mineral reserves
- (2) Copper equivalent metal calculated using a copper price of US\$2.50 per pound, zinc price of US\$0.95 per pound, gold price of US\$900 per ounce, silver price of US\$15.00 per ounce, lead price of US\$0.70 per pound and molybdenum price of US\$12.00 per pound
- (3) Values shown represent the proportion of overall metal HudBay is or may be entitled to pursuant to the applicable joint venture/option agreement

Project	Category(1)	Gold Equivalent(2)(000 oz)		
		2011	2010	Variance

		Jan. 1,		
		2011	2010	Variance

Constancia(3)	Proven & Probable	1,247	-	1,247
	Inferred	68	-	68
777	Proven & Probable	1,032	1,112	(80)
	Inferred	110	105	5
Lalor(4)	Proven & Probable	643	-	643
	Measured & Indicated	122	792	(670)

	Inferred	1,173	293	880
Chisel North	Proven & Probable	9	-	9
	Inferred	-	-	-
Trout Lake	Proven & Probable	31	41	(10)
	Inferred	-	3	(3)
Reed (70%)(5)	Measured & Indicated	44	-	44
	Inferred	2	-	2
Lost (67.5%)(5)	Measured & Indicated	12	-	12
	Inferred	2	-	2
Tom & Jason(3)	Measured & Indicated	195	195	-
	Inferred	445	445	-
Back Forty (65%)(5)	Measured & Indicated	710	470	240
	Inferred	121	88	33

Total	Proven & Probable	2,962	1,153	1,809
	Measured & Indicated	1,083	1,457	(374)
	Inferred	1,921	934	987

Notes:

- (1) Mineral resources are exclusive of and additional to stated mineral reserves
- (2) Gold equivalent reserves include silver converted to gold at ratio of 60:1
- (3) Principal credits are from silver
- (4) Excludes gold zone and copper-gold zone conceptual estimates
- (5) Values shown represent the proportion of overall metal HudBay is or may be entitled to pursuant to the applicable joint venture/option agreement

Constancia 2011 Pre-Construction Program of US\$116 Million Underway

HudBay today announced a 2011 pre-construction program for the Constancia copper project in Peru of US\$116 million. The program contemplates early equipment procurement for long lead items, a resource model update, metallurgy review and pit optimization study, geotechnical and condemnation drilling and a US\$9 million exploration program. Amounts budgeted for key items are set forth in the following table:

Constancia 2011 Program Budget	(US\$ Millions)

Environmental, Permitting, Land	12
General and Administrative	12
Engineering	10
Preliminary Construction Estimate	27
Preliminary Procurement Estimate	46
Exploration	9

Total	116

The pre-construction program is based on the timeline of Norsemont Mining Inc.'s feasibility study optimization ("FSO") released on February 21, 2011. The FSO outlined an increase in reserves using new long-term metal pricing and increasing and sustaining production throughput in the processing plant in the later years of the project.

Constancia Project Mineral Reserve February 21, 2011

Category	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Mo (%)

Proven	195,000,000	0.04	3.49	0.42	0.0117
Probable	177,000,000	0.05	3.66	0.37	0.0092

Total Reserves	372,000,000	0.05	3.57	0.39	0.0105

A technical review of the FSO is currently being carried out in conjunction with a number of initiatives from both HudBay's earlier due diligence review and the requirements of the existing FSO project schedule, which currently remains the project base case. HudBay expects construction to begin in early 2012, leading toward the first full year of production by 2016.

This work includes items such as additional resource modelling, geotechnical and hydrogeological studies along with further condemnation drilling.

Actions are also underway to move the project forward into the next phase of engineering and to prepare for project construction. To maintain the FSO schedule, procurement of long lead items such as the grinding mills and mining fleet is expected to commence by the end of 2011.

2011 Constancia Exploration Program Provides Opportunities for Mine Optimization

As part of the US\$116 million pre-construction program, HudBay will also invest US\$9 million toward exploration at the Constancia project in 2011. Exploration will continue to focus on Pampacancha and Chilloroya South, two satellite skarn deposits outside of the main resource area. Drilling at Pampacancha and Chilloroya South is intended to enable the definition of a high grade, near surface mineral deposit, which may provide mine life optimization opportunities. Results are being compiled and drill results from Pampacancha are expected to be released in late April 2011.

It is expected that a preliminary resource for both areas will be completed in the third quarter of 2011.

HudBay currently has a land position of approximately 22,000 hectares in Peru. In addition to drilling in the area around Constancia, work will be carried out to

complete geological mapping, geochemical sampling and geophysical surveys to identify drill-ready targets for 2012. It is expected that between two and four drills will be mobilized at Constanca during the remainder of 2011 to explore and define the known mineralization and to step out to test the extensions of the zones as well as to conduct condemnation and geotechnical drilling.

"The area around Constanca is highly prospective and we believe much of the area has been underexplored," said Cashel Meagher, vice president, exploration at HudBay. "Our goal is to identify areas of mineralization in the region over the course of 2011 to provide us with potential new mine targets for the 2012 drill campaign."

In-Mine Mineral Reserves - January 1, 2011

Category	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)

777					
Proven	4,516,000	2.27	29.38	2.87	4.44
Probable	8,307,000	1.79	27.31	1.78	4.24
777 North					
Proven	81,000	1.61	26.52	0.68	4.89
Probable	449,000	1.44	21.48	1.09	3.31
Trout Lake					
Proven	409,000	2.06	9.66	2.10	3.53
Probable	36,000	1.17	1.01	2.18	1.43
Chisel North - Zinc					
Proven	164,000	-	-	-	8.77
Probable	56,000	-	-	-	10.60
Chisel North - Copper					
Probable	92,000	2.41	31.56	1.72	3.67
Total Proven	5,170,000				
Total Probable	8,940,000				

Total Reserves	14,110,000				

In-Mine Inferred Mineral Resources - January 1, 2011

Category	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)

777					

Inferred	1,326,000	1.91	34.40	1.25	5.21
777 North					
Inferred	67,000	1.49	20.32	1.02	3.47
Chisel North - Zinc					
Inferred	28,000	-	-	-	6.44
Total Inferred	1,421,000				

The Chisel North and Trout Lake mines are mature operations reaching the end of their mine lives and little prospect exists for reserve or resource expansion. The addition of the 777 North expansion will provide an incremental growth opportunity for the 777 mining complex. This year will mark the first year that a concentrated effort on exploration will be conducted from underground at the 777 mine. Much of the drilling to date has been focused on converting resources to reserves. Approximately 20,000 meters of underground exploration drilling will be concentrated on identifying additional resources in the hanging wall and along strike of the 777 deposit.

Lalor Project

Lalor Probable Mineral Reserves - January 1, 2011

Category	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Probable	10,525,000	1.55	21.00	0.64	8.31

The mineral reserves at Lalor are estimated from the zinc-rich indicated mineral resource. The reserves are supported by an updated pre-feasibility study completed by HudBay in February 2011, which provides the basis for an economic project, without relying on gold and copper-gold mineralization in the inferred and potential conceptual estimate categories. The reserve statement supports the robust nature of the project and provides the economic justification for the development of the project. Further conversion of resource to reserve at Lalor is unlikely to occur in 2011 with efforts principally focused on construction and exploration. Construction efforts will focus on the completion of the access and exploration ramp from Chisel North, excavation of the Lalor ventilation raise and commencement of production shaft sinking.

Trade-off studies undertaken by the company indicate that the Lalor orebody will support the construction of a new concentrator adjacent to the production shaft. HudBay is continuing to evaluate options for the capacity and flowsheet of a new concentrator, and expects to be in a position to make a decision on whether to proceed with a new concentrator and announce the results of its optimization efforts early in the third quarter of 2011.

The ongoing next phase of project feasibility optimization work at Lalor has the potential to bring additional mineral resources into the mine plan, while the incremental investment associated with a new concentrator adjacent to the production shaft could lead to higher daily production levels along with other benefits including reduced operating costs, higher gold recoveries in the plant and further production rate scalability.

The primary catalyst for future conversion of reserves at Lalor will be the establishment of underground exploration drill platforms from the ramp. The ramp is anticipated to reach the ore zones by the first quarter of 2012 to allow for underground diamond drilling to define the mining lines for the base metal zones. The exploration platforms are expected to be ready late 2012 and into 2013 for underground delineation drilling.

Lalor Project - Summary of Mineral Resource - May 1, 2010

Zone	Category	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
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Base Metal Indicated	2,552,000	1.04	27.07	0.29	5.72
Base Metal Inferred	4,800,000	1.3	26.2	0.58	9.25
Gold Zone Inferred	5,400,000	4.7	30.6	0.47	0.46

Lalor Project - Summary of Potential Conceptual Estimate - May 1, 2010

		Tonnes				
Zone	Category	(M)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Gold Zone	Potential	5.1 - 6.1	4.3 - 5.1	23 - 27	0.2 - 0.4	0.2 - 0.4
Copper-						
Gold Zone	Potential	1.8 - 2.2	5.8 - 7.0	18 - 22	3.2 - 4.0	0.2 - 0.3

Exploration efforts at Lalor in 2011 will be focused on exploring the copper-gold zone down plunge, establishing geophysical platforms proximate to the deposit, and following up on existing geophysical anomalies. Three drills are currently operating in and around the project.

Reed Copper Project

Category	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Indicated	2,550,000	0.64	7.86	4.52	0.91
Inferred	170,000	0.38	4.55	4.26	0.52

A NI 43-101 compliant resource was announced today for the Reed copper project, which will allow HudBay to complete a prefeasibility study. The project, in which HudBay has a 70% joint venture interest, is a high-grade near surface copper deposit that could be accessed via a ramp with the ore trucked to the Flin Flon concentrator. Permitting and pre-feasibility efforts will be conducted throughout 2011 with the expectation of a construction decision by year-end.

Exploration at and around the Reed property will continue with efforts in the immediate future concentrated on near deposit geophysical anomalies as well as on completing required exploration on the adjacent option properties, which HudBay is earning into from its joint venture partner VMS Ventures Inc.

Back Forty Project - Summary of Mineral Resource - October 15, 2010

Category	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)

Open Pit					
Measured	14,100,000	1.59	16.97	0.15	2.54
Indicated	2,100,000	1.53	32.80	0.41	1.17
Measured + Indicated	16,200,000	1.58	19.00	0.18	2.36
Inferred	1,400,000	1.40	32.89	0.62	1.00

Underground					
Measured	800,000	1.67	25.83	0.24	3.45
Indicated	900,000	1.28	24.72	0.34	2.85
Measured + Indicated	1,700,000	1.46	25.23	0.29	3.13
Inferred	2,000,000	1.22	18.34	0.32	2.64

Open Pit + Underground					
Measured + Indicated	17,900,000	1.57	19.6	0.19	2.44
Inferred	3,400,000	1.29	24.33	0.44	1.96

Exploration work at the Back Forty project with joint venture partner Aquila Resources Inc. in the Upper Peninsula of northern Michigan continues with three drills currently mobilized. The principal exploration targets will focus on the recently reported high grade gold intercepts located at depth below the known deposit and on recently identified surface and airborne geophysical targets located within a kilometre east of the known deposit. Exploration drilling is currently budgeted for \$5 million and includes the drilling of 25,000 meters. Exploration expenditures of \$11 million are earmarked for continuing with engineering studies supporting the parallel pre-feasibility and permitting preparation requirements.

A significant increase in measured and indicated resource tonnage of greater than 100% was realized in 2010. The resource shells were expanded because of elevated metal prices, new drilling and new geological interpretation.

"Our initial plans were to complete a pre-feasibility study for the Back Forty project by the end of the third quarter of 2011," said Mr. Garofalo. "However, recent drilling success, which has led to the discovery of high grade mineralization outside of the known deposit, and the prospect of similar positive results in our current drill program have justified a delay in our consideration of project economics until we are better able to understand the magnitude of the deposit."

Tom and Jason - Summary of Mineral Resource - May 24, 2007

Category	Tonnes	Zn (%)	Pb (%)	Ag (g/t)

Tom				
Indicated	4,980,000	6.64	4.36	47.77
Inferred	13,550,000	6.68	3.10	31.77

Jason

Indicated	1,450,000	5.25	7.42	86.68
Inferred	11,000,000	6.75	3.96	36.42

HudBay is planning a 5,000 meter diamond drill program at its 100% owned Tom and Jason properties in the Yukon. The program is intended to enable the upgrading of some inferred resources to indicated and collecting of metallurgical samples. HudBay intends to complete a preliminary economic assessment on the project in early 2012.

"We are encouraged to see more exploration activity along the Canol North Road in the Selwyn Basin of the Yukon, which supports needed infrastructure improvements in the region," said Mr. Meagher. "We have long believed in the quality and potential of our Tom and Jason deposits and strong metals prices have allowed us to make long-term price assumptions that we think will result in attractive economics for this project."

Lost Property

Category	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Indicated	411,000	1.0	20.0	1.8	6.1
Inferred	69,000	0.8	16.5	1.5	6.2

An updated NI 43-101 compliant resource was announced today for the Lost property in the Sherridon District in northern Manitoba, approximately 100 kilometres from the company's existing Flin Flon operations. HudBay has the right to earn up to a 67.5% joint venture interest in these properties from Halo Resources Inc.

Efforts for the balance of the year will be concentrated on conducting a pre-feasibility study to determine how the project fits with HudBay's long-term production plans.

"The high grade and near surface deposit confirms our belief that the Lost property has the potential to be a future source of feed for our concentrator in Flin Flon," said Mr. Garofalo.

Fenix Project - Mineral Reserve Statement, January 1, 2011

Category	Tonnes	Ni (%)
Proven	7,800,000	2.03
Probable	28,400,000	1.81
Total Reserves	36,200,000	1.86

The January 1, 2011 mineral reserve is based upon a recently completed feasibility study, which contemplates a 27 year mine plan. The reserve represents a higher grade than was contained in the previous feasibility study in 2006 that contemplated 41.4 million tonnes reserve at 1.63% nickel over a 31 year mine life. HudBay has begun the process to explore financing options and identify a strategic partner for the project.

Early Stage Opportunities

HudBay holds minority equity positions in 14 junior exploration companies, representing investments currently valued at approximately \$148 million with an aim to populate a pipeline of projects ready for development following the construction of Lalor and Constancia. HudBay's early stage opportunity pipeline consists of projects in Canada, United States, Chile, Peru and Colombia. We are continuing to evaluate new projects and potential investments to incorporate in our portfolio.

Conference Call and Webcast

Date: Friday, April 1, 2011
Time: 12:30 p.m. ET
Webcast: www.hudbayminerals.com
Dial in: 416-644-3418 or 877-974-0448
Replay: 416-640-1917 or 877-289-8525
Replay Passcode: 4430167#

HudBay Minerals Inc.

HudBay Minerals Inc. (TSX: HBM)(NYSE: HBM) is a Canadian integrated mining company with assets in North, Central and South 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.

Additional Information Concerning Mineral Reserve and Resource Estimates

The reserve and resource estimates included in this news release were prepared in accordance with NI 43-101 and the Canadian Institute on Mining, Metallurgy and Petroleum CIM Standards on Mineral Resources and Reserves: Definitions and Guidelines. Mineral reserves are not mineral reserves and do not have demonstrated economic viability. Unless stated elsewhere to the contrary, metals prices used for reserve and resource estimates were: Au - US\$900/oz; Ag - US\$15.00/oz; Cu - US\$2.50/lb; Zn - US\$1.00/lb with an exchange rate of 1.10 C\$/US\$.

Dates used for the comparison of HudBay's reserves and resources in 2010 and 2011 are as at January 1, 2010 and March 15, 2011, respectively.

In-Mine Mineral Reserves and Resources

-- To estimate mineral reserves, measured and indicated mineral resources were first estimated in a 12-step process, which includes determination of the integrity and validation of the data collected, including confirmation of specific gravity, assay results and methods of data recording. The process also includes determining the appropriate geological model, selection of data and the application of statistical models including probability plots and restrictive kriging to establish continuity and model validation. The resultant estimates of measured and

indicated mineral resources are then converted to proven and probable mineral reserves by the application of mining dilution and recovery, as well as the determination of economic viability using full cost analysis. Other factors such as depletion from production are applied as appropriate.

-- Estimated inferred mineral resources within our mines were estimated by a similar 12-step process, used to estimate measured and indicated resources. The inferred mineral resources contained in our mines have had dilution and recovery applied and were economically tested using the same full cost analysis and long term metal prices as those used for the estimation of the mineral reserves.

Lalor

-- The updated prefeasibility study for Lalor includes a re-calculated mineral resource model incorporating the 2009/2010 winter diamond drilling program, detailed calculation of dilutions and recoveries per mining area, completion of trade off studies for mine backfill, mine ore haulage and milling options and paste backfill requirement, detailed capital and operating cost estimates for refurbishing the Snow Lake concentrator.

-- The estimates of the tonnes and grade of the gold-zone and copper-gold zone are conceptual in nature and to date there has been insufficient exploration to define a mineral resource compliant with NI 43-101 and it is uncertain if further exploration will result in the target being delineated as a mineral resource. For additional detail relating to the Lalor mineral resource and conceptual estimates, refer to HudBay's press release dated August 4, 2010 entitled "HudBay Minerals Releases Second Quarter 2010 Results; Announces Production Decision at Lalor Project and Semi-Annual Dividend", available at www.sedar.com.

-- The cut-off grades are based on metal price assumptions of US\$0.85 per pound zinc, US\$2.05 per pound copper, US\$0.59 per pound lead, US\$866 per troy ounce gold and US\$13.95 per troy ounce silver. Metallurgical recoveries were determined and used for each of the metallurgical domains determined for the deposit. For additional detail relating to the Back Forty mineral resource estimate see "Technical Report, Back Forty Deposit, Menominee County, Michigan" as filed on SEDAR by Aquila Resources Inc. on November 29, 2010.

Tom and Jason

-- Metal prices used (US\$0.57/lb Zn, US\$0.35/lb Pb and US\$7.00/oz Ag) and a gross dollar value cut-off of US\$50/tonne. Ag values were capped at 550 g/t. For additional detail relating to the Tom/Jason mineral resource estimates see "Technical Report on the Tom and Jason Deposits, Yukon territory, Canada" dated May 24 2007, available at www.sedar.com.

Reed

-- Mineral resources are estimated at a CUEQ cut-off of 1.5% (CUEQ% equals $Cu\% + Zn\% \times 0.211 + Au \text{ g/t} \times 0.359 + Ag \text{ g/t} \times 0.006$) and a minimum two metre core length. Metal recovery assumptions of 65% gold, 60% silver, 95% copper and 50% zinc were used for the estimation of CUEQ.

-- Specific gravity measurements were taken on a portion of the samples, where actual measurements were not available either stoichiometric values were calculated or average SG values were used.

-- Drill holes incorporated in this resource as at March 15, 2011.

Lost

-- Mineral resources are estimated at a ZNEQ cut-off of 4% (ZNEQ% equals $Zn\% + Cu\% \times 2.771 + Au \text{ g/t} \times 1.028 + Ag \text{ g/t} \times 0.015$) and a minimum two

metre core length. Metal recovery assumptions of 65% gold, 57% silver, 92% copper and 83% zinc were used for the estimation of ZNEQ.

-- Specific gravity measurements were taken on a portion of the samples, where actual measurements were not available average SG values were used.

-- Drill holes incorporated in this resource as at December 31, 2010.

Fenix

-- The reserve has been appropriately modified to account for dilution, contamination, ore losses, metallurgical process recovery, and economic evaluation by means of resource optimisation and the scheduling of phased pits in order to meet processing requirements and blending constraints. The reserve also accounts for relevant economic, marketing, legal, environment, socio-economic and government factors.

-- Mining dilution, grade cut-offs and minimum thicknesses were pre calculated into the resource estimate. A mining recovery of 95% was incorporated with the average of 4% external dilution principally included from ballast. The reserve methodology utilised the resultant pit shells from Whittle optimisation and considered only nickel being the sole generator of revenue. A price of US\$7.25 per pound of nickel was used and process and mining cost criteria was provided for by Hatch and Golder respectively.

Qualified Persons

The mineral reserve and mineral resource estimates contained in this news release respecting Lalor (along with the estimate of tonnes and grade of the gold and copper-gold zones) and HBMS' operating mines were prepared by or under the supervision of Robert Carter, Superintendent, Mines Technical Services with HBMS. The mineral resource estimates and mineral reserve estimates for the other mineral properties contained in this news release were prepared under the supervision of Cashel Meagher, Vice President, Exploration of HudBay. Both Mr. Carter and Mr. Meagher are "qualified persons" for the purposes of National Instrument 43-101.

Forward-Looking Information

Certain of the statements made and information contained herein may contain forward-looking information within the meaning of applicable Canadian and United States securities laws. Forward-looking information includes, but is not limited to, information concerning HudBay's intentions with respect to the exploration and development of its mineral properties. 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.

Note to United States Investors

Information concerning our mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of SEC Industry Guide 7. Under Securities and Exchange Commission (the "SEC") Industry Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time of the reserve determination, and the SEC does not recognize the reporting of mineral deposits which do not meet the United States Industry Guide 7 definition of "Reserve". In accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on December 11, 2005. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, the SEC does not recognize them. You are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of an economic analysis. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, you are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded into mineral reserves. You are urged to consider closely the disclosure on the technical terms in Schedule A "Glossary of Mining Terms" of HudBay's annual information form for the fiscal year ended December 31, 2010, available on SEDAR at www.sedar.com and incorporated by reference as Exhibit 99.1 in the Offeror's Form 40-F filed on March 31, 2011 (File No. 001-34244).

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