

News release

TSX, NYSE – HBM

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HudBay Minerals Makes Investment In Halo Resources Ltd.

Toronto, Ontario, December 8, 2010 - HudBay Minerals Inc. ("HudBay", the "company") (TSX/NYSE:HBM) today announced it has entered into a subscription agreement with Halo Resources Ltd. ("Halo") (TSX.V: HLO; FSE:HRLN) providing for the sale to HudBay on a private placement basis of 3,655,000 units (the "Units") of Halo at a purchase price of C\$0.50 per Unit for total consideration of C\$1,827,500. Each Unit consists of one common share of Halo (a "Share") and one-half of one Share purchase warrant (a "Warrant"). Each whole Warrant will entitle HudBay to acquire one Share at an exercise price of C\$0.60 at any time during the 24-month period following the closing of the transaction.

In addition to certain customary conditions (including approval of the listing of the Shares to be issued to HudBay), the subscription is conditional on Halo completing an additional private placement financing (the "Concurrent Financing") involving the issuance of not less than 4,345,000 units, and not more than 6,345,000 units, such units having the same composition, terms and price as the Units offered for sale to HudBay.

Upon closing of the subscription, HudBay will own and have control over 3,898,167 Shares (representing 14.5% of the issued and outstanding Shares, assuming the minimum number of units are issued in the Concurrent Financing), and will own 1,827,500 Warrants. On a partially-diluted basis, following exercise of the Warrants, HudBay would hold 19.9% of the issued and outstanding Shares, assuming the minimum number of units are issued in the Concurrent Financing. Pursuant to the subscription agreement, Halo has granted to HudBay the right to participate in future equity financings that might be undertaken by Halo (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 Halo.

Under the terms of an option agreement announced on December 21, 2009, HudBay has the right to earn up to a 67.5% joint venture interest in Halo's Cold and Lost properties in the Sherridon district of Manitoba. HudBay intends to complete an updated National Instrument 43-101 resource estimate for the Lost property in the first quarter of 2011.

The acquisition of the Units is being made to assist in the financing, exploration and development of Halo's mineral properties in the Sherridon region.

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 metals with its corporate offices at Suite 2501, 1 Adelaide Street East, 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 with Halo. 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.

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