

March 29, 2011

HudBay Responds to Allegations in Statement of Claim

HudBay Minerals has been advised by legal counsel that a Statement of Claim has been brought against the company and its subsidiary HMI Nickel related to events alleged to have taken place prior to HudBay's acquisition of the Fenix nickel project in Guatemala.

This Canadian legal action is the first and only account of these shocking accusations received to date by HudBay or its subsidiaries. The alleged events predate HudBay Minerals' business interests and operations in Guatemala, and we are not aware that they have ever been reported to Guatemala law enforcement or other authorities.

Based on reports from government sources, we understand that a legal eviction was conducted by the Guatemalan government in the area on the date in question. Official government accounts indicate that substantial effort was made to keep the evictions non-violent, and in accordance with Guatemalan law the evictions were carried out by unarmed police officers.

Since acquiring an interest in the Fenix nickel project in late 2008, HudBay and its subsidiaries have been committed to resolving the ongoing issue of illegal land occupations through peaceful and constructive dialogue. HudBay and its subsidiaries are dedicated to promoting and respecting human rights, including through adherence to the UN Voluntary Principles on Security and Human Rights.

HudBay and its subsidiaries are disturbed by the serious nature of the allegations, which run counter to our values and the manner in which we operate. We will investigate the allegations, but they are counter to all of the available information we have regarding the events of January 2007 and as such we intend to defend ourselves vigorously against them.