

Fourth Quarter and Year-end 2010 - Supplemental Disclosure
Production and Sales

Operating Highlights	Three Months Ended		Year Ended	
	Dec 31 2010	Dec 31 2009	Dec 31 2010	Dec 31 2009
Production (HBMS contained metal in concentrate) ¹				
Copper <i>tonnes</i>	13,660	11,215	52,413	48,397
Zinc <i>tonnes</i>	19,120	21,239	77,314	78,722
Gold <i>troy oz.</i>	22,375	22,350	87,176	92,201
Silver <i>troy oz.</i>	209,788	248,195	843,401	1,004,624
Metal Sold				
Copper <i>tonnes</i>				
Cathode & anodes	50	8,864	31,795	59,981
Payable metal in concentrate ³	8,543	-	15,407	-
Zinc - refined ² <i>tonnes</i>	27,200	29,299	104,941	110,070
Gold <i>troy oz.</i>				
Contained in slimes & anode	1,948	19,342	55,868	94,263
Payable metal in concentrate ³	13,458	-	25,239	-
Silver <i>troy oz.</i>				
Contained in slimes & anode	21,082	474,195	789,305	2,185,407
Payable metal in concentrate ³	121,270	-	217,534	-

¹ Metal reported in concentrate is prior to refining losses or deductions associated with smelter terms.

² Zinc sales include sales to our Zochem facility of 8,914 tonnes in the fourth quarter of 2010. In the fourth quarter, Zochem had sales of 11,006 tonnes of zinc oxide.

³ Copper concentrate was not sold in 2009 while the smelter was in operation.

Contained concentrate metal production in 2010 was consistent with HudBay's guidance for 2010. Zinc production was lower and copper production was higher in the fourth quarter compared to the same period in 2009 as a result of mining sequences which resulted in the mining of copper-rich zones instead of zinc-rich zones.

As previously disclosed, sales of copper, gold and silver contained in concentrate continued to be affected by the inability of HudBay's rail service provider to supply sufficient railcars to transport concentrate production, coupled with weather-related shipping delays at port in late 2010. Two lots of copper concentrate were substantially complete by December 31, 2010 and resulted in cash receipts of \$24.4 million, but did not meet all of the company's criteria for revenue recognition in 2010. HudBay expects to draw down and sell most of the excess inventory over the course of calendar 2011.

Revenues

Total revenue for the fourth quarter was \$183.3 million, \$16.6 million higher than the same quarter last year. Total revenue in 2010 was \$778.8 million, \$58.1 million higher than 2009. The increases were due to the following:

<i>(in \$ millions)</i>	Three Months Ended Dec 31, 2010	Year Ended Dec 31, 2010
Metal prices		
Higher copper prices	28.6	158.0
Higher zinc prices	3.7	62.3
Higher gold prices	7.6	27.0
Sales volumes		
Lower copper sales volumes	(2.8)	(103.1)
Lower zinc sales volumes	(5.1)	(10.1)
Lower gold sales volumes	(5.8)	(16.8)
Other		
Stronger C\$	(6.7)	(66.4)
Other volume and pricing differences	(2.9)	7.2
Change in revenues	16.6	58.1

Realized Metal Prices¹ and Exchange Rate

		LME LME Q4 2010² Average Prices	LME Year 2010² Average Prices	HudBay Realized Prices¹ Three Months Ended Dec 31 2010	HudBay Realized Prices¹ Year Ended Dec 31 2009	HudBay Realized Prices¹ Year Ended Dec 31 2010	HudBay Realized Prices¹ Year Ended Dec 31 2009
Prices in US\$							
Zinc	<i>US\$/lb.</i>	1.05	0.98	1.08	1.02	1.03	0.79
Copper	<i>US\$/lb.</i>	3.92	3.42	4.56	3.10	3.55	2.34
Gold	<i>US\$/troy oz.</i>	1,367	1,225	1,459	1,081	1,238	950
Silver	<i>US\$/troy oz.</i>	26.43	20.16	33.25	16.96	20.03	14.19
Prices in C\$							
Zinc	<i>C\$/lb.</i>	1.06	1.01	1.10	1.08	1.06	0.88
Copper	<i>C\$/lb.</i>	3.97	3.52	4.62	3.29	3.66	2.68
Gold	<i>C\$/troy oz.</i>	1,385	1,262	1,479	1,131	1,278	1,093
Silver	<i>C\$/troy oz.</i>	26.77	20.76	33.70	17.91	20.67	16.26
Exchange rate	<i>US\$1 to C\$</i>			1.01	1.06	1.03	1.14

¹ Realized prices are before refining and treatment charges and only on the sale of finished metal, excluding metal in concentrates. Realized prices for copper in 2010 reflect an average of prices realized for copper cathode and spent anode sales and sales of contained copper in concentrate. Realized prices for gold and silver in 2010 reflect an average of prices realized for precious metal slimes and spent anode sales and sales of contained gold and silver in concentrate.

² London Metals Exchange ("LME") average for zinc, copper and gold prices, London Spot US equivalent for silver prices. HudBay's copper sales contracts are primarily based on Comex copper prices.

Operating Expenses

Operating expenses decreased in the fourth quarter of 2010 to \$95.3 million, a decrease of \$10.6 million over the same period last year. In addition, full year 2010 operating expenses were \$451.1 million, \$55.2 million lower than 2009. The decreases were due to the following:

<i>(in \$ millions)</i>	Three Months Ended Dec 31, 2010	Year Ended Dec 31, 2010
Decreased volumes of purchased copper concentrate	(7.3)	(65.8)
Decreased volumes of purchased zinc concentrate	(1.9)	(7.0)
Smelter and refinery costs	(15.8)	(32.3)
Chisel North operating costs	7.4	17.7
Zochem zinc purchases	3.0	17.6
Other provisions, primarily related to smelter closure	(0.8)	(3.8)
Changes in domestic inventory	0.8	5.3
Higher profit sharing	3.5	7.7
Other operating expenses	0.5	5.4
Decrease in operating expenses	(10.6)	(55.2)

Purchased copper concentrate volumes and direct smelter and refinery costs decreased due to the closure of the smelter. Some of these cost reductions were offset by concentrate treatment and refining charges payable to third parties, which are deducted from revenue in accordance with HudBay's accounting policies. Lower zinc concentrate purchases were more than offset by the addition of Chisel North operating costs and production in 2010.