



**MEASURED APPROACH.  
MAJOR ACHIEVEMENTS.**

**Canada Arizona Business Council**

September 18, 2015

**HUDBAY**

TMX NYSE HBM

This presentation contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian and United States securities legislation. All information contained in this presentation, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). All of the forward-looking information in this presentation is qualified by this cautionary note.

Forward looking information includes, but is not limited to, the production, cost and capital and exploration expenditure guidance, the permitting, development and financing of the Rosemont project, production at Hudbay's Constancia, 777, Lalor and Reed mines processing at the company's Constancia concentrator, Flin Flon concentrator, Snow Lake concentrator and Flin Flon zinc plant, anticipated timing of the company's projects and events that may affect its projects, including the anticipated issue of required licenses and permits, the anticipated effect of external factors on revenue, such as commodity prices, anticipated exploration and development expenditures and activities and the possible success of such activities, estimation of mineral reserves and resources, mine life projections, timing and amount of estimated future production, reclamation costs, economic outlook, government regulation of mining operations, and business and acquisition strategies. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by Hudbay at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information.

The material factors or assumptions that Hudbay identified and were applied by the company in drawing conclusions or making forecasts or projections set out in the forward looking information include, but are not limited to: The successful ramp up of production at Constancia; the success of mining, processing, exploration and development activities; the accuracy of geological, mining and metallurgical estimates; the costs of production; the supply and demand for metals Hudbay produces; no significant and continuing adverse changes in financial markets, including commodity prices and foreign exchange rates; the supply and availability of reagents for Hudbay's concentrators; the supply and availability of concentrate for Hudbay's processing facilities; the supply and the availability of third party processing facilities for Hudbay's concentrate; the supply and availability of all forms of energy and fuels at reasonable prices; the availability of transportation services at reasonable prices; no significant unanticipated operational or technical difficulties; the execution of Hudbay's business and growth strategies, including the success of the company's strategic investments and initiatives; availability of additional financing, if needed, under Hudbay's standby credit facility for Constancia and the company's corporate credit facility; the availability of financing for Hudbay's exploration and development projects and activities; the ability to complete project targets on time and on budget and other events that may affect Hudbay's ability to develop its projects; the timing and receipt of various regulatory and governmental approvals; the company's ability to complete the closing of its revised \$250 million corporate credit facility the availability of personnel for Hudbay's exploration, development and operational projects and ongoing employee relations; Hudbay's ability to secure required land rights to complete its Constancia project; maintaining good relations with the communities in which we operate, including the communities surrounding Hudbay's Constancia and Rosemont projects and First Nations communities surrounding the company's Lalor and Reed mines; no significant unanticipated challenges with stakeholders at Hudbay's various projects; no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters; no contests over title to Hudbay's properties, including as a result of rights or claimed rights of aboriginal peoples; the timing and possible outcome of pending litigation and no significant unanticipated litigation; certain tax matters, including, but not limited to current tax laws and regulations and the refund of certain value added taxes from the Canadian and Peruvian governments; and no significant and continuing adverse changes in general economic conditions or conditions in the financial markets.

# Cautionary Information (continued)

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, risks generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation), uncertainties related to the development and operation of Hudbay's projects (including risks associated with the commissioning and ramp up of the Constancia project), depletion of the company's reserves, dependence on key personnel and employee and union relations, risks related to political or social unrest or change and those in respect of aboriginal and community relations, rights and title claims, operational risks and hazards, including unanticipated environmental, industrial and geological events and developments and the inability to insure against all risks, failure of plant, equipment, processes, transportation and other infrastructure to operate as anticipated, compliance with government and environmental regulations, including permitting requirements and anti-bribery legislation, volatile financial markets that may affect the company's ability to obtain financing on acceptable terms, the development of the Rosemont project not occurring as planned, any material inaccuracy in Augusta's historical public disclosure and representations in the support agreement upon which the company's offer to acquire Augusta was predicated, the failure to obtain required approvals or clearances from government authorities on a timely basis, uncertainties related to the geology, continuity, grade and estimates of mineral reserves and resources, including the historical estimates of mineral reserves and resources at the Rosemont project, and the potential for variations in grade and recovery rates, uncertain costs of reclamation activities, the company's ability to comply with its pension and other post-retirement obligations, the company's ability to abide by the covenants in its debt instruments or other material contracts, tax refunds, hedging transactions, as well as the risks discussed under the heading "Risk Factors" in the company's MD&A for the three and six months ended June 30, 2014 and the company's most recent Annual Information Form.

Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, you should not place undue reliance on forward-looking information. Hudbay does not assume any obligation to update or revise any forward-looking information after the date of this presentation or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

# Cautionary Information (continued)

The technical and scientific information in this presentation related to the Constancia project has been approved by Cashel Meagher, P. Geo, Hudbay's Vice-President, South America Business Unit. The technical and scientific information related to all other sites and projects contained in this presentation has been approved by Robert Carter, P. Eng, Hudbay's Director, Technical Services. Messrs. Meagher and Carter are qualified persons pursuant to NI 43-101. For a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources, as well as data verification procedures and a general discussion of the extent to which the estimates of scientific and technical information may be affected by any known environmental, permitting, legal title, taxation, sociopolitical, marketing or other relevant factors, please see the Technical Reports for Hudbay's material properties as filed by Hudbay on SEDAR at [www.sedar.com](http://www.sedar.com).

The disclosure in this presentation uses mineral resource classification terms and mineral resource estimates that comply with NI 43-101. NI 43-101 establishes standards for all public disclosure a Canadian issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all reserve and resource estimates contained herein have been prepared in accordance with NI 43-101. These standards differ significantly from the mineral reserve disclosure requirements of the SEC set forth in Industry Guide 7. Consequently, reserve and resource information contained herein is not comparable to similar information that would generally be disclosed by U.S. companies in accordance with the rules of the SEC.

In particular, the SEC's Industry Guide 7 applies different standards in order to classify mineralization as a reserve. As a result, the definitions of proven and probable reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7. Under SEC standards, 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 the reserve determination is made. Among other things, all necessary permits would be required to be in hand or their issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, mineral reserve estimates referred to herein may not qualify as "reserves" under SEC standards.

In addition, the terms "measured mineral resources," "indicated mineral resources" and "inferred mineral resources" are used to comply with the reporting standards in Canada. The SEC's Industry Guide 7 does not recognize mineral resources and U.S. companies are generally not permitted to disclose resources in documents they file with the SEC. Investors are specifically cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into SEC defined mineral reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of an inferred resource exists. It cannot be assumed that all or any part of "measured mineral resources," "indicated mineral resources," or "inferred mineral resources" will ever be upgraded to a higher category. Investors are cautioned not to assume that any part of the reported "measured mineral resources," "indicated mineral resources," or "inferred mineral resources" contained herein is economically or legally mineable. For the above reasons, information contained herein containing descriptions of mineral reserve and resource estimates is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

## Integrated base and precious metals mining company

- Operating mines, development projects and processing facilities located in the Americas

## Long track record of operating success in Flin Flon Greenstone Belt

- Nearly 90 year history of mine development and operation (28 mines)

## Disciplined and clear strategy focused on growth in net asset value, earnings and cash flow per share metrics

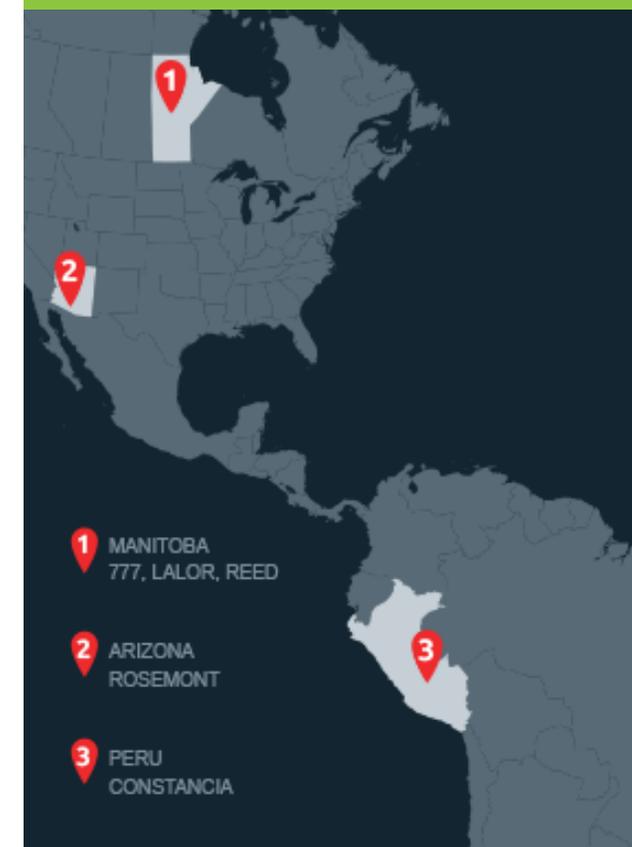
- Value creation through exploration, mine development and efficient operation
- Mining friendly jurisdictions
- VMS and porphyry deposits

1. Based on Hudbay's TSX closing share price on August 31, 2015

2. Liquidity including cash balances as of June 30, 2015; assumes USD/CAD conversion rate of 1.25

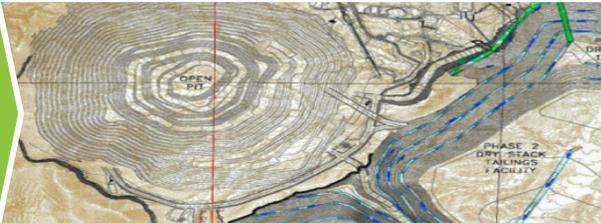
3. As at June 30, 2015

TSX, NYSE, BVL Symbol	HBM
Market Capitalization <sup>1</sup>	\$1.6 billion
Shares Outstanding	235 million
Available Liquidity <sup>2</sup>	\$0.4 billion
Debt Outstanding <sup>3</sup>	\$1.5 billion



# Recent Achievements and Challenges

## ACHIEVED OUR GROWTH OBJECTIVES

Production		777	<ul style="list-style-type: none"> <li>✓ Copper production and operating cost guidance achieved</li> <li>☒ 2014 zinc and precious metal production below guidance</li> </ul>
		Reed	<ul style="list-style-type: none"> <li>✓ Commercial production achieved ahead of guidance and under budget</li> </ul>
		Lalor	<ul style="list-style-type: none"> <li>✓ Achieved commercial production on time and under budget; commissioned upgraded Snow Lake concentrator</li> <li>✓ Underground exploration drilling began in 2014</li> </ul>
Ramp-Up		Constancia	<ul style="list-style-type: none"> <li>✓ Achieved initial concentrate production in Q4 2014</li> <li>✓ Reached commercial production in Q2 2015</li> <li>Full capacity expected in H2 2015</li> </ul>
<b>The Next Phase of Growth</b>			
Feasibility & Permitting		Rosemont	<ul style="list-style-type: none"> <li>• High-quality development project</li> <li>• Complementary to existing portfolio</li> <li>• Sequences well with Constancia</li> <li>• Well-established infrastructure</li> </ul>

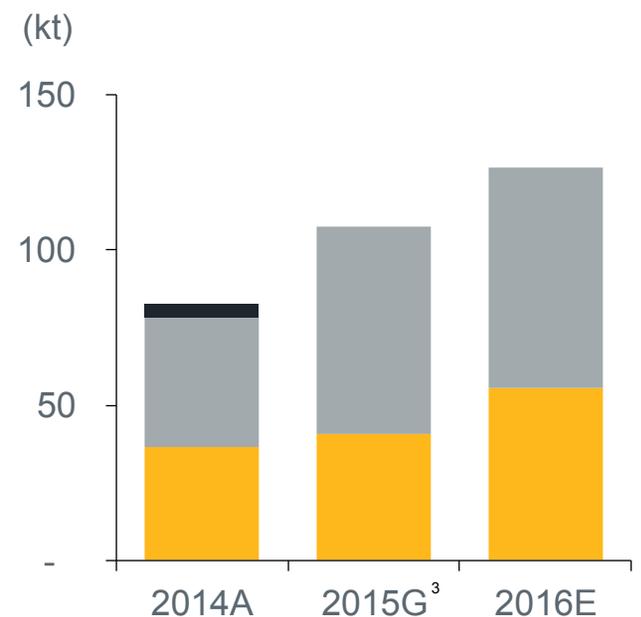
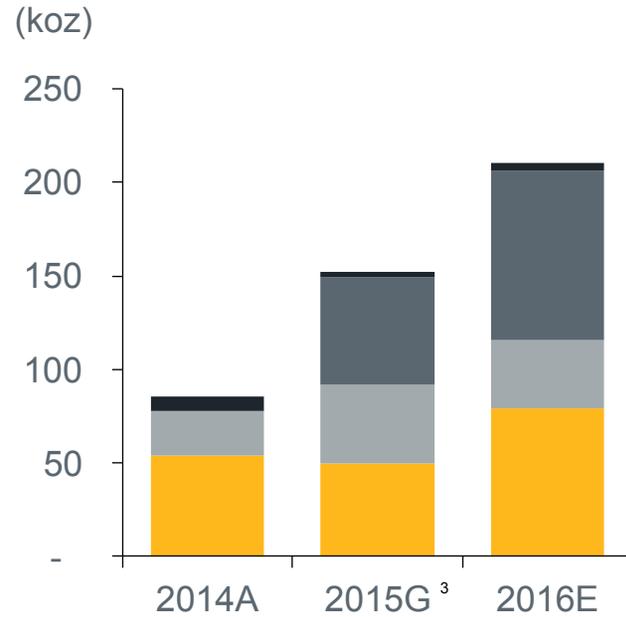
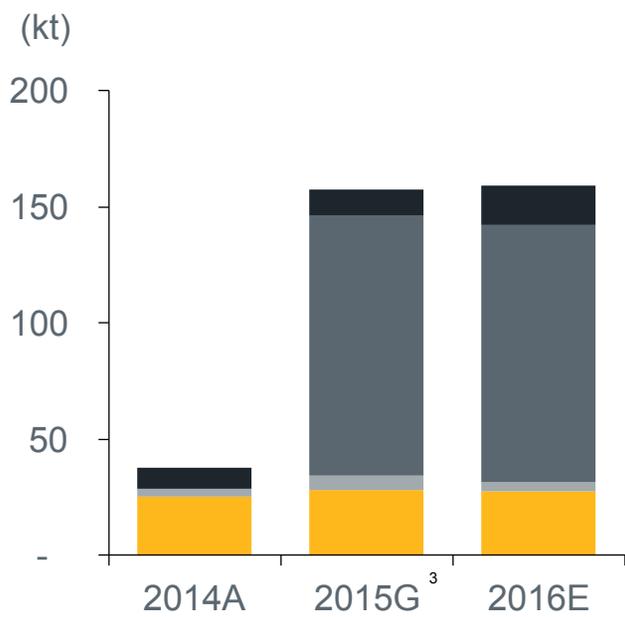
# Near-Term Production Growth<sup>1</sup>

OPPORTUNITY FOR A RE-RATE IS SIGNIFICANT AS WE DELIVER GROWTH

**320%**  
INCREASE IN CU PRODUCTION

**145%**  
INCREASE IN AU-EQ. PRODUCTION<sup>2</sup>

**50%**  
INCREASE IN ZN PRODUCTION



■ 777<sup>4</sup> ■ Lalor<sup>5</sup> ■ Constancia<sup>6</sup> ■ Reed<sup>7</sup>

1. Represents production growth from 2014 actual production to 2016 anticipated production levels.

2. Au-Eq. production includes production subject to streaming transactions. Silver converted to gold at a ratio of 60:1 for 2015 guidance. For 2014 production, silver converted to gold at 60.5:1, based on estimated 2014 realized sales prices.

3. 2015 estimated production levels based on midpoint of 2015 production guidance released on January 15, 2015.

4. 777's anticipated production for 2016 is based on contained metal in concentrate as disclosed in "Technical Report 777 Mine, Flin Flon, Manitoba, Canada" dated October 15, 2012.

5. Lalor's anticipated production for 2016 is based on contained metal in concentrate as disclosed in "Pre-Feasibility Study Technical Report, on the Lalor Deposit" dated March 29, 2012.

6. Constancia's anticipated production for 2016 is based on contained metal in concentrate as disclosed in "The Constancia Project, National Instrument 43-101 Technical Report", filed on November 6, 2012.

7. Reed's anticipated production for 2016 is based on contained metal in concentrate as disclosed in "Pre-Feasibility Study Technical Report on the Reed Copper Deposit" dated April 2, 2012 and reflects 100% attributable production to Hudbay.

# Constancia Project

## IN PRODUCTION

- ▶ Approximately 21 million hours worked with only one lost time accident in 2014
- ▶ Reached commercial production on April 30, 2015
- ▶ Ocean shipments of copper concentrate began in April
- ▶ On track for full capacity in H2

Source: Hudbay company disclosure

1. LOM as per NI 43-101 Technical Report on the Constancia Project dated October 15, 2012 and subsequent updates to project estimates in public disclosure
2. Production is contained metal in concentrate
3. Net of by-products. Includes impact of silver and gold streams. Assumed metal prices per the Silver Wheaton stream agreement are as follows: Gold US\$400/oz, Silver US\$5.90/oz. Other metal price assumptions include: Molybdenum 2014-US\$12/lb, 2015-US\$13/lb, 2016-US\$13/lb, LT-US\$13.50/lb; Gold 2014-US\$1,350/oz, 2015-US\$1,325/oz, 2016-US\$1,300/oz, 2017-US\$1,275/oz, LT-US\$1,250/oz. Excludes profit sharing
4. Combined mine and mill unit operating costs per tonne of ore processed. 2015 combined mine, mill and G&A operating cost guidance is US\$9.0-\$10.9/tonne of ore

	Life of Mine <sup>1</sup>
Ownership	100%
Daily ore throughput	80k tpd
Avg. annual Cu production <sup>2</sup>	82k tonnes
Cash cost per Cu lb <sup>3</sup>	US\$1.25/lb
Mine and mill unit cost <sup>4</sup>	US\$7.48/tonne
Avg. annual sustaining capital	US\$47 million
Mine life	22 years



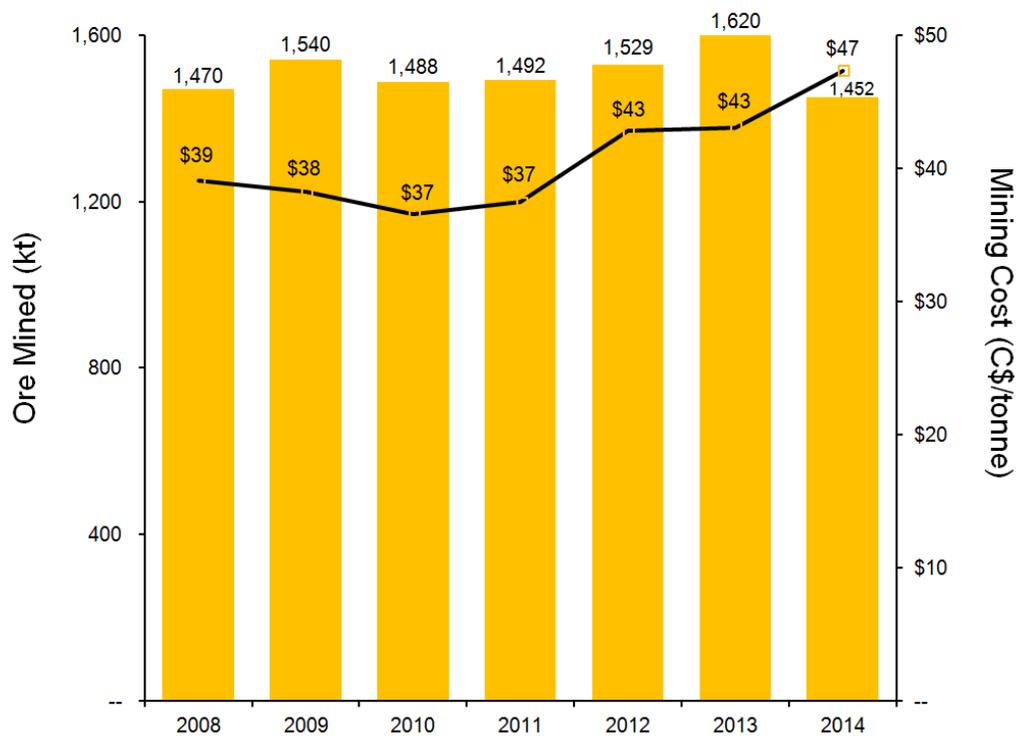
Constancia 2013



Constancia 2015

## STEADY, LOW-COST PRODUCTION

- 6 lost-time accidents over past 6 years
- Mature mine with steady cost performance
- Strike action concluded in August 2015



Source: Hudbay company disclosure, Wood Mackenzie

- LOM as per NI 43-101 Technical Report on 777 Mine dated October 15, 2012, with the exception of cash costs (see note 3)
- Production represents contained metal in concentrate
- Wood Mackenzie LOM average from 2015 to 2020; cash costs per pound of copper, net of by-product credits, adjusted for precious metals stream
- Combined mine and mill unit operating costs per tonne of ore processed. Includes mill costs for Flin Flon concentrator. 2015 combined mine and mill unit operating cost guidance for the entire Manitoba Business Unit is C\$73-88/tonne of ore

	Life of Mine <sup>1</sup>
Ownership	100%
Daily ore throughput	4,500 tpd
Avg. Annual Cu production <sup>2</sup>	25k tonnes
Avg. Annual Zn production <sup>2</sup>	51k tonnes
Cash cost per lb Cu <sup>3</sup>	\$(0.52)/lb
Mine and mill unit cost <sup>4</sup>	\$53/tonne
Avg. annual sustaining capital	\$18 million
Mine life remaining	5 years



777 Headframe

## OPERATING AT STEADY STATE

- Over 1,000 days without a lost-time accident
- Main production shaft complete and operating at a steady state; capacity of 6,000 tonnes per day (ore + waste)
- Commissioned upgraded Snow Lake concentrator with production capacity of 2,700 tonnes per day
- Acquired New Britannia mine and mill – combined potential processing capacity in Snow Lake of 4,700 tonnes per day

Source: Hudbay company disclosure, Wood Mackenzie

1. LOM as per NI 43-101 Pre-Feasibility Study Technical Report on Lalor Deposit dated March 29, 2012, with the exception of cash costs (see note 4)
2. Production represents contained metal in concentrate; silver converted to gold at a rate of 50:1
3. Wood Mackenzie LOM average from 2015 to 2027; cash costs per pound of zinc, net of by-product credits
4. Combined mine and mill unit operating costs per tonne of ore processed. 2014 combined mine and mill unit operating cost at Lalor was C\$121/tonne of ore. 2015 combined mine and mill unit operating cost guidance for the entire Manitoba Business Unit is C\$73-88/tonne of ore

	Life of Mine <sup>1</sup>
Ownership	100%
Daily ore throughput	3,300 tpd
Avg. annual Zn production <sup>2</sup>	59k tonnes
Avg. annual Au-Eq. production <sup>2</sup>	43k ounces
Avg. annual Cu production <sup>2</sup>	5k tonnes
Cash cost per lb Zn <sup>3</sup>	\$(0.07)/lb
Mine and mill unit cost <sup>4</sup>	\$58/tonne
Avg. annual sustaining capital	\$23 million
Mine life	15 years



Aerial view of Lalor project site

# Reed Mine

## IN PRODUCTION

- 2-year construction program completed with no lost-time accidents
- Achieved commercial production ahead of guidance and under budget

	Life of Mine <sup>1</sup>
Ownership	70%
Daily ore throughput	1,300 tpd
Avg. annual Cu production <sup>2</sup>	15k tonnes
Cash cost per lb Cu <sup>3</sup>	\$1.64/lb
Mine and mill unit cost <sup>4</sup>	\$90/tonne
Avg. annual sustaining capital	\$10 million
Mine life	4 years



Loading ore for transportation from Reed to Flin Flon



Aerial view of Reed project site

Source: Hudbay and VMS Venture Inc. company disclosure

- LOM as per NI 43-101 Pre-Feasibility Study Technical Report on the Reed Copper Deposit dated April 2, 2012 as filed by VMS Ventures Inc., shown on 100% basis
- Production represents contained metal in concentrate
- Cash costs per lb calculated using the life of mine model supporting the NI 43-101 report
- Combined mine and mill unit operating costs per tonne of ore processed

# Rosemont Project

## 80%-OWNED<sup>1</sup> COPPER PROJECT IN ARIZONA, USA

Hudbay acquired control of Rosemont project in July 2014

- Completed 43 hole confirmatory drill program with approximately 30,000 metres drilled
- Metallurgical test program and basic engineering review underway
- Permitting and community engagement progressing



1. Hudbay's ownership in the Rosemont project is subject to an earn-in agreement with United Copper & Moly LLC ("UCM"), pursuant to which UCM has earned a 7.95% interest in the project and may earn up to a 20% interest



Crusher area of the Rosemont project (looking east)

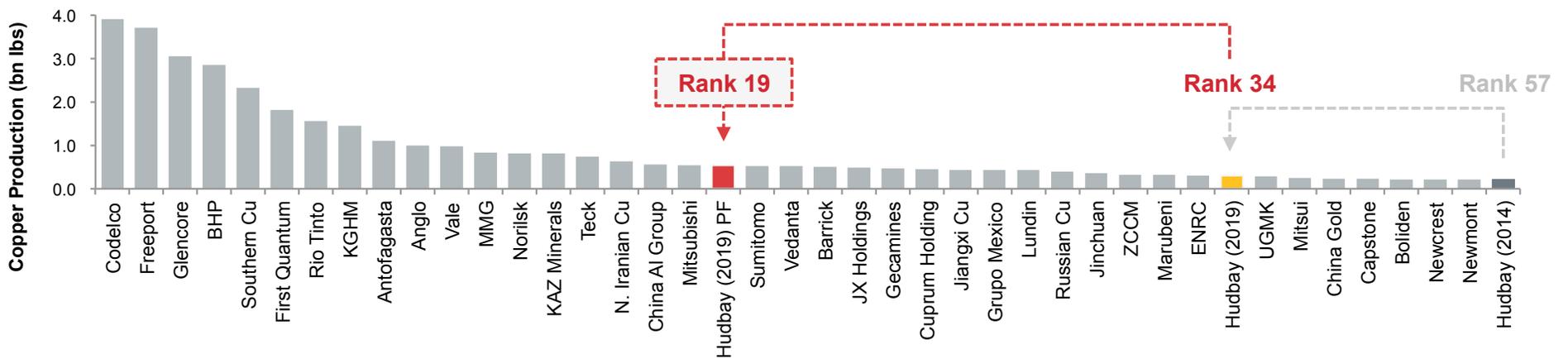


Pit area of the Rosemont project (looking southwest)

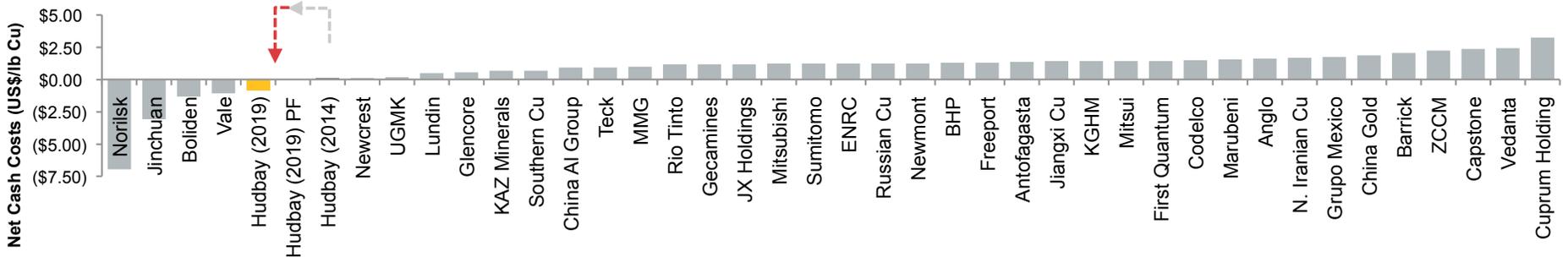
# Global Producer with Leading Cash Costs<sup>1</sup>

## TOP GLOBAL PRODUCER WITH SIGNIFICANT LEVERAGE TO COPPER AND FIRST QUARTILE COSTS

### Global Positioning on 2019E Copper Production



### Global Positioning on 2019E Cash Costs



Source: Wood Mackenzie, including 2014 production and cash cost data

1. "Hubday (2019) PF" indicates the expected impact on Hubday of the addition of the Rosemont project

- › Sector leading growth in copper, zinc and gold
- › Attractive operating cost structure and improving unit margins with ramp up of new low-cost production
- › Low geopolitical risk given focus on mining-friendly jurisdictions in the Americas
- › Track record as mine developers and operators makes Hudbay partner of choice for junior miners



**MEASURED APPROACH.  
MAJOR ACHIEVEMENTS.**

For more information contact:

**Britann O'Brien**

Director, Corporate Affairs

Tel: 520-495-3552

Email: [britann.obrien@hubbay.com](mailto:britann.obrien@hubbay.com)

**HUBBAY**

TMX NYSE HBM