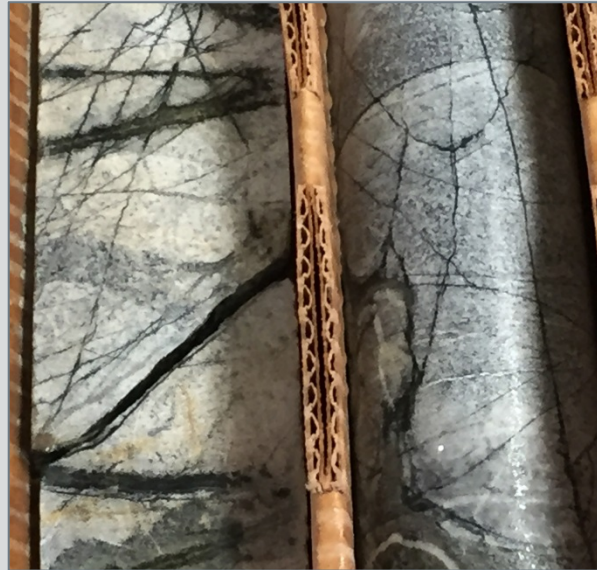




## Rosemont Project



# Cautionary Information

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, production, cost and capital and exploration expenditure guidance, including anticipated capital and operating cost savings, anticipated production at Hudbay's mines and processing facilities, events that may affect its operations and development projects, the permitting, development and financing of the Rosemont project, the potential to refurbish the New Britannia mill and utilize it to process ore from the Lalor mine, anticipated cash flows from operations and related liquidity requirements, the anticipated effect of external factors on revenue, such as commodity prices, estimation of mineral reserves and resources, mine life projections, 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 success of mining, processing, exploration and development activities; the success of Hudbay's cost reduction initiatives; the accuracy of geological, mining and metallurgical estimates; anticipated metals prices and the costs of production; the supply and demand for metals that Hudbay produces; the supply and availability of concentrate for Hudbay's processing facilities; the supply and 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 its strategic investments and initiatives; the availability of additional financing, if needed; 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 availability of personnel for Hudbay's exploration, development and operational projects and ongoing employee relations; the ability to secure required land rights to develop the Pampacancha deposit; maintaining good relations with the communities in which Hudbay operates, including the communities surrounding its Constancia mine and Rosemont project and First Nations communities surrounding its 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 (including commodity prices and foreign exchange rates).

# Cautionary Information

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 economics and permitting of the Rosemont project and related legal challenges), risks related to the maturing nature of Hudbay's 777 mine and its impact on the related Flin Flon metallurgical complex, dependence on key personnel and employee and union relations, risks related to political or social unrest or change, risks 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, planned infrastructure improvements in Peru (including the expansion of the port in Matarani) not being completed on schedule or as planned, compliance with government and environmental regulations, including permitting requirements and anti-bribery legislation, depletion of the company's reserves, volatile financial markets that may affect Hudbay's ability to obtain additional financing on acceptable terms, the permitting and development of the Rosemont project not occurring as planned, 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, 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, Hudbay's ability to abide by the covenants in its debt instruments and other material contracts, tax refunds, hedging transactions, as well as the risks discussed under the heading "Risk Factors" in 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.

This presentation contains certain financial measures which are not recognized under IFRS, such as cash costs, sustaining cash cost, and all-in sustaining cash cost, net of by-product credits, per pound of copper produced. For a detailed description of each of these non-IFRS financial performance measures used in this presentation, please refer to page 25 of Hudbay's management's discussion and analysis for the three and six months ended June 30, 2016 available on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.sec.gov](http://www.sec.gov).

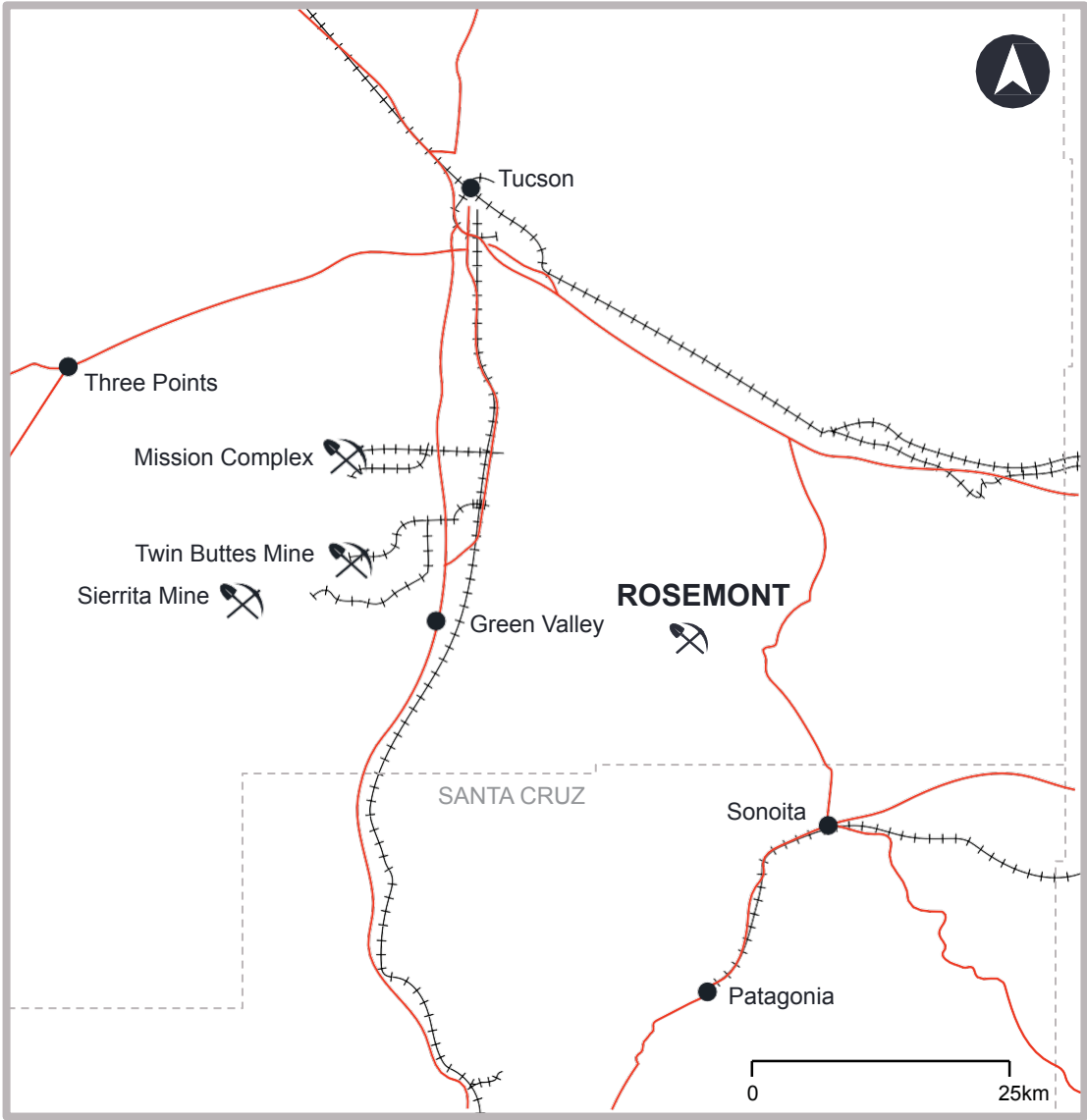
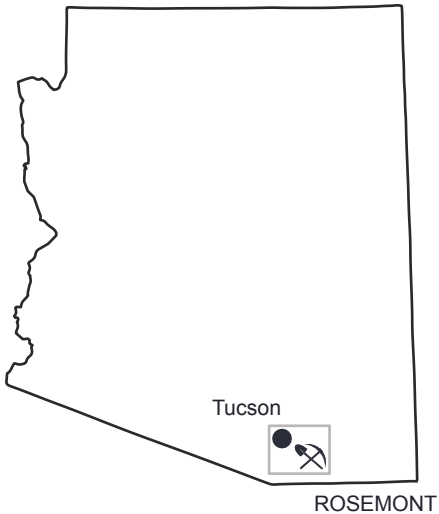
All amounts are in US dollars, unless otherwise noted.

# Hudbay: A Century of Experience

- First deposit discovered more than 100 years ago
  - Opened and operated 28 mines:
    - 4 active mines
    - 19 closed and reclaimed successfully
- North & South America operations
- Combine best mining practices
  - Technology
  - Water quality and conservation
  - Reclamation
  - Corporate and social responsibility
- Strong safety record

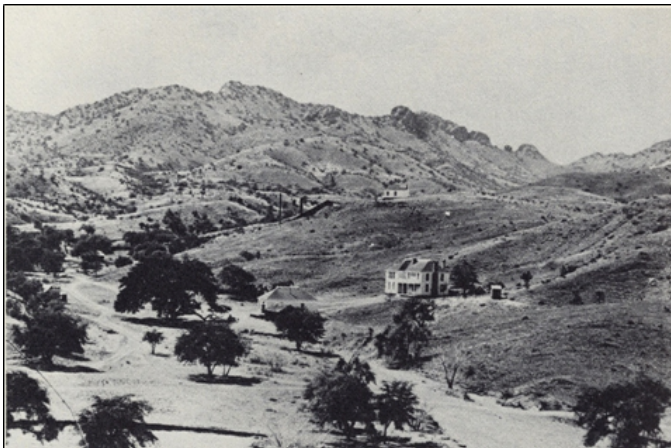


# Rosemont Project Site



# Rosemont Project Site

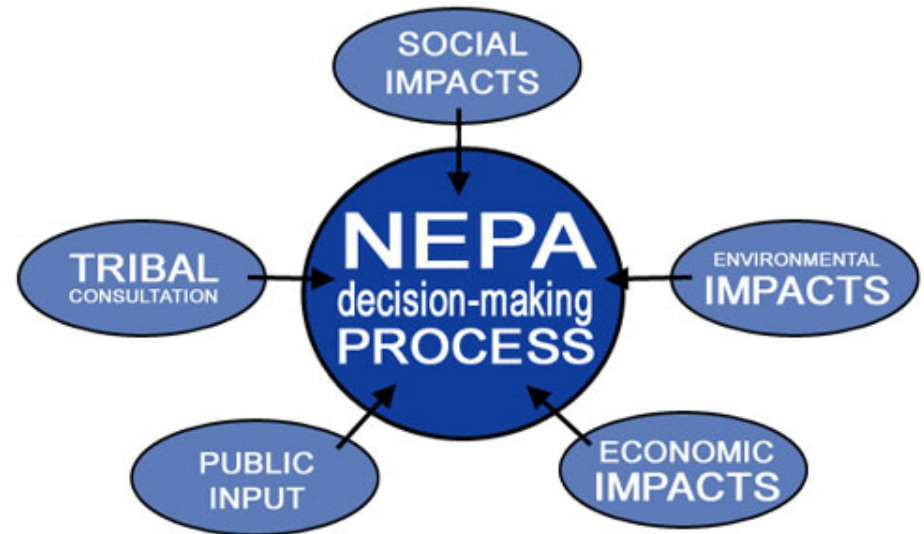
- Rosemont-Helvetia Mining District
  - First mining claims in 1870s
  - Rosemont Smelting & Mining Co. established 1885
  - More than 30 mining projects operated
  - Work stopped at the site in 1926
- Modern technology opens opportunity for deeper ore deposits



# Comprehensive Review Process

- 1,000+ studies by 17 cooperating government agencies
- More than 43,000 public comments considered
- To date, more than \$100M spent in permitting process
- Has met strict state and federal requirements
- Research and review included

- |              |            |
|--------------|------------|
| • Social     | • Lighting |
| • Economic   | • Animals  |
| • Historical | • Insects  |
| • Water      | • Birds    |
| • Air        | • Plants   |
| • Traffic    | • Land     |



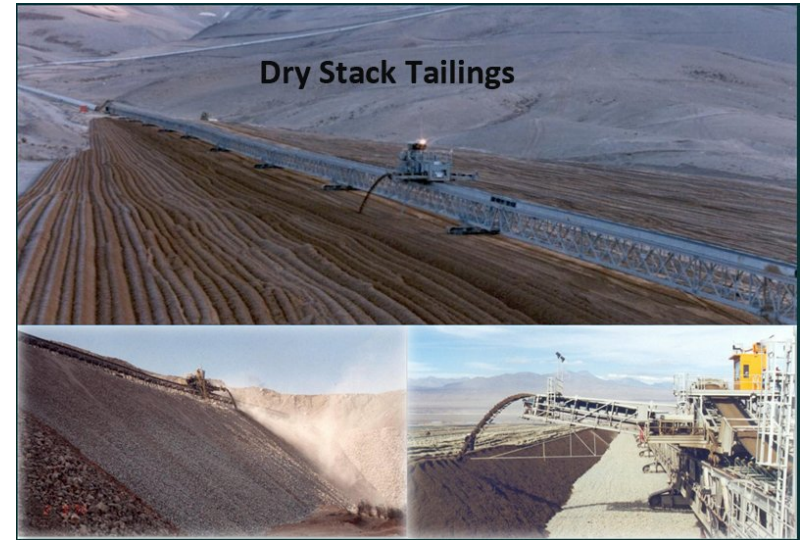
# Water: Protecting & Conserving

- Net-neutral water use
  - Rosemont is expected to use half the water of conventional mines
  - Enough CAP water stored to support the first 9 years of operations
  - Will recharge 105% of water used
- Free well-owners' protection insurance offered
  - Coverage of equipment
  - Well deepening if needed
- Stormwater runoff diverted around project



## Dry Stack Tailings

- What are tailings?
  - Ground rock left over after extraction of copper concentrate
  - Wet vs. dry tailings
- Why here?
  - Uses half the water and land
- How does it work?
  - Advanced filtering method removes more than 80% of water
  - Provides more compact storage
  - Allows immediate reclamation and contouring to match landscape
  - No tailings ponds



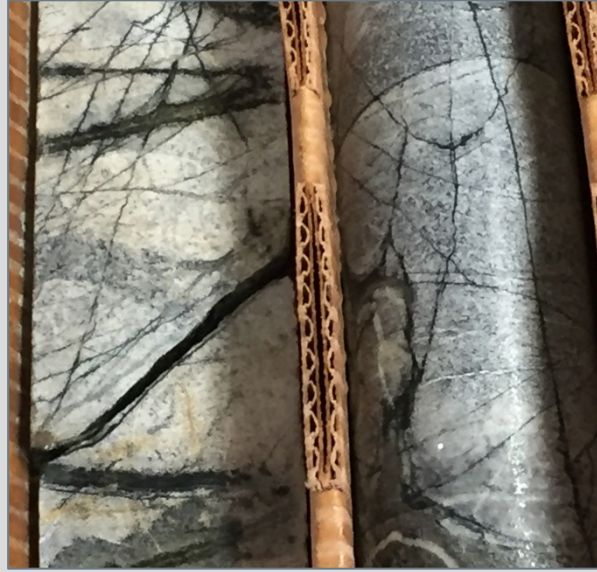
- During Construction:
  - Create 2,552 direct jobs and 4,060 total jobs
  - Generate \$165 million in direct labor income and \$238 million in total labor income
- During Operations:
  - Directly employ over 650 FTEs
  - Annual wages more than twice the current median income in Pima County
  - \$136.7 million estimated in total revenues for State and local governments over the life of the mine
  - \$107.6 million estimated in total revenues for State & local governments from direct and indirect employees over life of the mine

*Sources: Forest Service Final Environmental Impact Statement for the Rosemont Copper Project – 2013*

*Rosemont's 43-101 Report – 2017*

- Record of Decision from the U.S. Forest Service – June 2017
- Awaiting:
  - Clean Water Act Section 404 permit from Army Corps of Engineers
  - Approval of Rosemont Mine Plan of Operation from U.S. Forest Service
- Lawsuits filed against permitting agencies

# HUDBAY



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