



HUBBAY

Q3 2019 RESULTS PRESENTATION

November 12, 2019

HBM TMX  NYSE

This presentation contains 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, anticipated production at the company’s mines and processing facilities, expectations regarding the company’s CEO transition, expectations regarding the schedule for acquiring the Pampacancha surface rights and mining the Pampacancha deposit, the anticipated timing, cost and benefits of developing the Rosemont project and the outcome of litigation challenging Rosemont’s permits, the company’s intention to appeal the recent U.S. district court decision overturning the U.S. Forest Service’s FROD for Rosemont and to evaluate other options available to advance the project, expectations regarding the Lalor gold strategy, including the refurbishment of the New Britannia mill, and the possibility of optimizing the value of the gold resources in Manitoba, the future potential of the 1901 deposit, including the possibility of identifying additional gold resources, the possibility of converting inferred mineral resource estimates to higher confidence categories, the potential and the company’s anticipated plans for advancing its mining properties surrounding Constancia and the Ann Mason project, anticipated mine plans, anticipated metals prices and the anticipated sensitivity of the company’s financial performance to metals prices, events that may affect the operations and development projects, 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 the company 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: Hudbay’s ability to appeal the U.S. district court’s decision setting aside the U.S. Forest Service’s FROD for Rosemont; the availability of other options to advance Rosemont notwithstanding the U.S. district court’s recent decision; the ability to continue to access the Port of Matarani and ship Constancia copper concentrate production in the ordinary course of business; the ability to secure required land rights to develop and commence mining the Pampacancha deposit; the success of mining, processing, exploration and development activities; the scheduled maintenance and availability of the company’s processing facilities; the accuracy of geological, mining and metallurgical estimates; anticipated metals prices and the costs of production; the supply and demand for metals the company produces; the supply and availability of all forms of energy and fuels at reasonable prices; no significant unanticipated operational or technical difficulties; the execution of the company’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 the company’s ability to develop its projects; the timing and receipt of various regulatory and governmental approvals; the availability of personnel for the exploration, development and operational projects and ongoing employee relations; maintaining good relations with the communities in which the company operates, including the communities surrounding the Constancia mine and Rosemont project and First Nations communities surrounding the Lalor mine; no significant unanticipated challenges with stakeholders at the company’s various projects; no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters; no contests over title to the company’s properties, including as a result of rights or claimed rights of aboriginal peoples or challenges to the validity of the company’s unpatented mining claims; 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).

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), the appointment of a permanent CEO and any changes related thereto, uncertainties related to the development and operation of the company’s projects (including risks associated with the permitting, development and financing of the Rosemont project), risks related to the U.S. district court’s recent decision to set aside the U.S. Forest Service’s FROD for Rosemont and other legal challenges related to Rosemont’s permits, risks related to the new Lalor mine plan, including the schedule and cost for the refurbishment of the New Britannia mill and the ability to convert inferred mineral resource estimates to higher confidence categories, risks related to the schedule for mining the Pampacancha deposit (including the timing and cost of acquiring the required surface rights and the impact of any schedule delays), 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 the cost of maintaining and upgrading the company’s tailings management facilities and any unanticipated environmental, industrial and geological events, 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, depletion of the company’s reserves, volatile financial markets that may affect the company’s ability to obtain additional financing on acceptable terms, 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, the company’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. The company 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.

All amounts are in U.S. dollars unless otherwise noted.

Q3 2019 CONSOLIDATED RESULTS

Overview

South America
Business Unit

Manitoba
Business Unit

Project Pipeline

- Solid operating quarter
- Record throughput at Constancia mill and strong cost performance in both Peru and Manitoba
- Consolidated copper production of 36,422 tonnes, a 20% increase over last quarter
- Consolidated cash cost of \$0.98/lb Cu, a 23% decrease from last quarter
- Cash balance of ~\$400 million after seasonally elevated capex and semi-annual interest payment

KEY RESULTS SUMMARY

		Q3 2019	Q2 2019
Production¹			
Copper	kt	36.4	30.4
Zinc	kt	28.6	31.8
Precious Metals ²	koz	41.5	39.7
Copper-Equivalent ³	kt	57.9	52.7
Cash Cost⁴	\$lb/ Cu	\$0.98	\$1.27
All-in Sustaining Cash cost⁴	\$lb/ Cu	\$1.90	\$2.26
EPS reported	\$/sh	(\$1.05)	(0.21)
Operating cash flow⁵	\$m	\$70	\$81
Cash	\$m	\$398	\$490
Net Debt	\$m	\$578	\$488
Liquidity	\$m	\$821	\$911

1. Contained metal in concentrate.

2. Includes gold and silver production on a gold-equivalent basis. Silver converted to gold at a ratio of 70:1.

3. Production on a copper-equivalent basis is calculated by converting contained metal in concentrate produced using LME average prices.

4. Cash cost and all-in sustaining cash cost per pound of copper produced, net of by-product credits. All-in sustaining cash cost includes sustaining capital expenditures, capitalized exploration, royalties, corporate G&A and regional costs.

5. Operating cash flow before change in non-cash working capital.

PERU OPERATIONS REVIEW

Overview

- On track to achieve 2019 production and cost guidance

South America
Business Unit

- Production of 31,091 tonnes of copper, an increase of 28% compared to last quarter

- Production of 15,369 ounces of precious metals, increase of 32% compared to last quarter

Manitoba
Business Unit

- Record quarterly mill throughput
 - Year-to-date throughput, copper grades and copper recoveries achieving mine plan expectations

Project Pipeline

- Marked improvement in copper, gold and silver recoveries
- Achieved lowest unit cost in past eight quarters

PERU SUMMARY OF OPERATING STATISTICS

	Q3 2019	Q2 2019
Ore mined (million tonnes) ¹	8.4	8.2
Ore milled (million tonnes)	8.2	7.7
Copper grade milled	0.44%	0.37%
Gold grade milled (g/t)	0.04	0.04
Silver grade milled (g/t)	3.76	3.40
Copper recovery	86.0%	84.7%
Gold recovery	48.3%	41.3%
Silver recovery	68.9%	65.7%
Copper contained in conc. (kt)	31.1	24.2
Precious metals contained in conc. (koz) ²	15.4	11.7
Combined unit operating costs (\$/tonne) ³	\$8.63	\$10.39
Cash cost (\$/lb) ⁴	\$1.26	\$1.63
Sustaining cash cost (\$/lb) ⁴	\$1.73	\$2.09

1. Reported tonnes for ore mined are based on mine plan assumptions and may not reconcile fully to ore milled.

2. Precious metals production includes gold and silver production on a gold-equivalent basis. Silver is converted to gold at a 70:1 ratio.

3. Reflects combined mine, mill and G&A costs per tonne of ore milled. Unit costs reflect the deduction of expected capitalized stripping costs.

4. Cash cost and sustaining cash cost per pound of copper produced, net of by-product credits.

CONSTANCIA OPTIMIZATION

SEEING RESULTS FROM CONTINUOUS OPTIMIZATION INITIATIVES

- Mill achieved record quarterly throughput in Q3 2019
- Installation of additional equipment relating to further optimization initiatives expected during the semi-annual maintenance shut down in Q4 2019

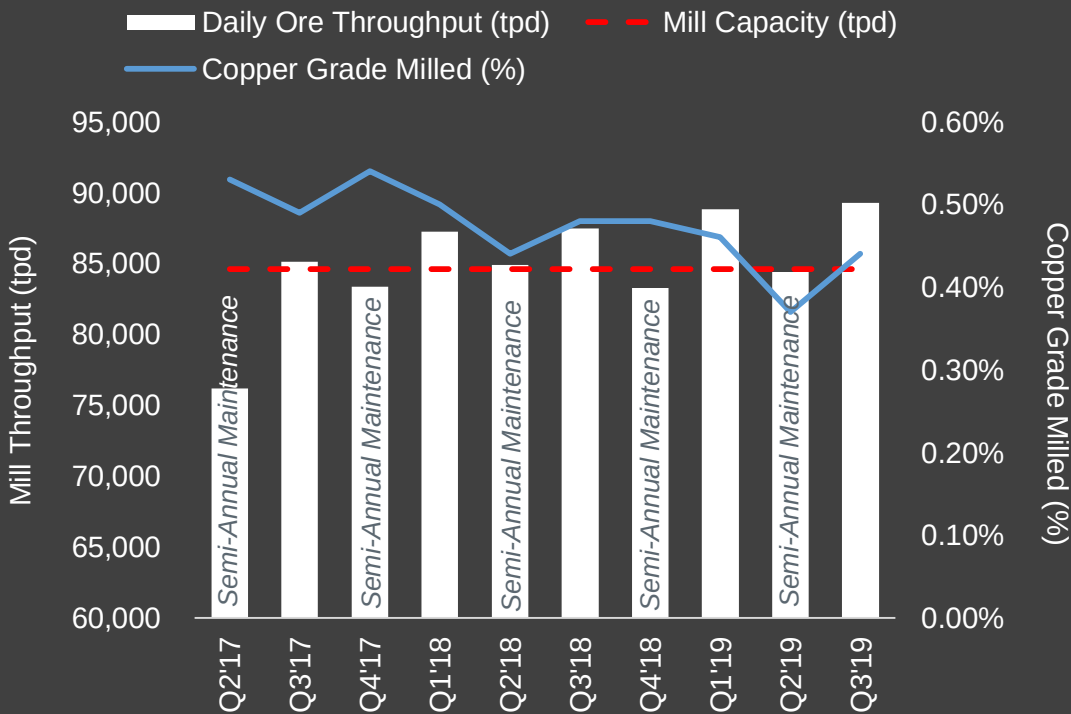
Overview

South America
Business Unit

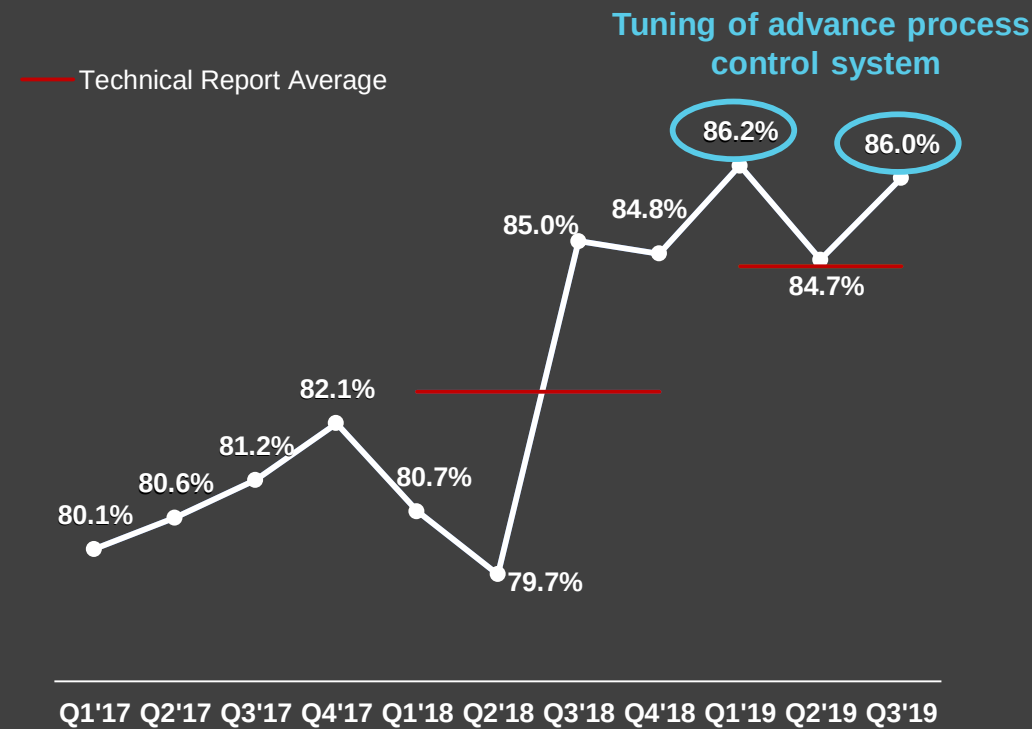
Manitoba
Business Unit

Project Pipeline

PROCESSING PLANT THROUGHPUT¹



COPPER RECOVERIES



1. Projected throughput of 55,000tpd in NI43-101 Definitive Feasibility Study Technical Report on the Constancia mine filed on SEDAR by Norsemont Mining, dated September 28, 2009. Projected throughput of 76,000tpd in NI-43101 Technical Report on the Constancia mine filed on SEDAR by Norsemont Mining, dated February 21, 2011.

MANITOBA OPERATIONS REVIEW

Overview

South America
Business Unit

**Manitoba
Business Unit**

Project Pipeline

- Continue to maximize production from 777
- Tonnage in Q3 2019 affected by Lalor's 5-year scheduled maintenance on the shaft conveyances
- Unit costs trending lower compared to last quarter
- On track to achieve 2019 production guidance with unit costs expected to be at or slightly above the upper range of guidance for the year

KEY RESULTS SUMMARY

	Q3 2019	Q2 2019
Ore mined (kt)	620	700
Ore milled (kt)	650	707
Copper grade milled	0.94%	1.00%
Zinc grade milled	4.90%	5.05%
Gold grade milled (g/t)	1.93	1.89
Silver grade milled (g/t)	21.19	20.88
Copper recovery	87.5%	87.2%
Zinc recovery	89.9%	89.2%
Gold recovery	56.5%	56.6%
Silver recovery	53.8%	54.8%
Copper contained in conc. (kt) ¹	5.3	6.1
Zinc contained in conc. (kt) ¹	28.6	31.8
Precious metals contained in conc. (koz) ^{1,2}	26.1	28.0
Combined unit operating costs (\$/tonne) ³	\$130	\$135
Cash cost (\$/lb) ⁴	(\$0.68)	(\$0.15)
Sustaining cash cost (\$/lb) ⁴	\$2.40	\$2.11

1. Reported tonnes for ore mined are based on mine plan assumptions and may not reconcile fully to ore milled.

2. Precious metals production includes gold and silver production on a gold-equivalent basis. Silver is converted to gold at a 70:1 ratio.

3. Reflects combined mine, mill and G&A costs per tonne of ore milled. Unit costs reflect the deduction of expected capitalized stripping costs.

4. Cash cost and sustaining cash cost per pound of copper produced, net of by-product credits.

MANITOBA OPTIMIZATION

BENEFITS OF IMPROVEMENT INITIATIVES

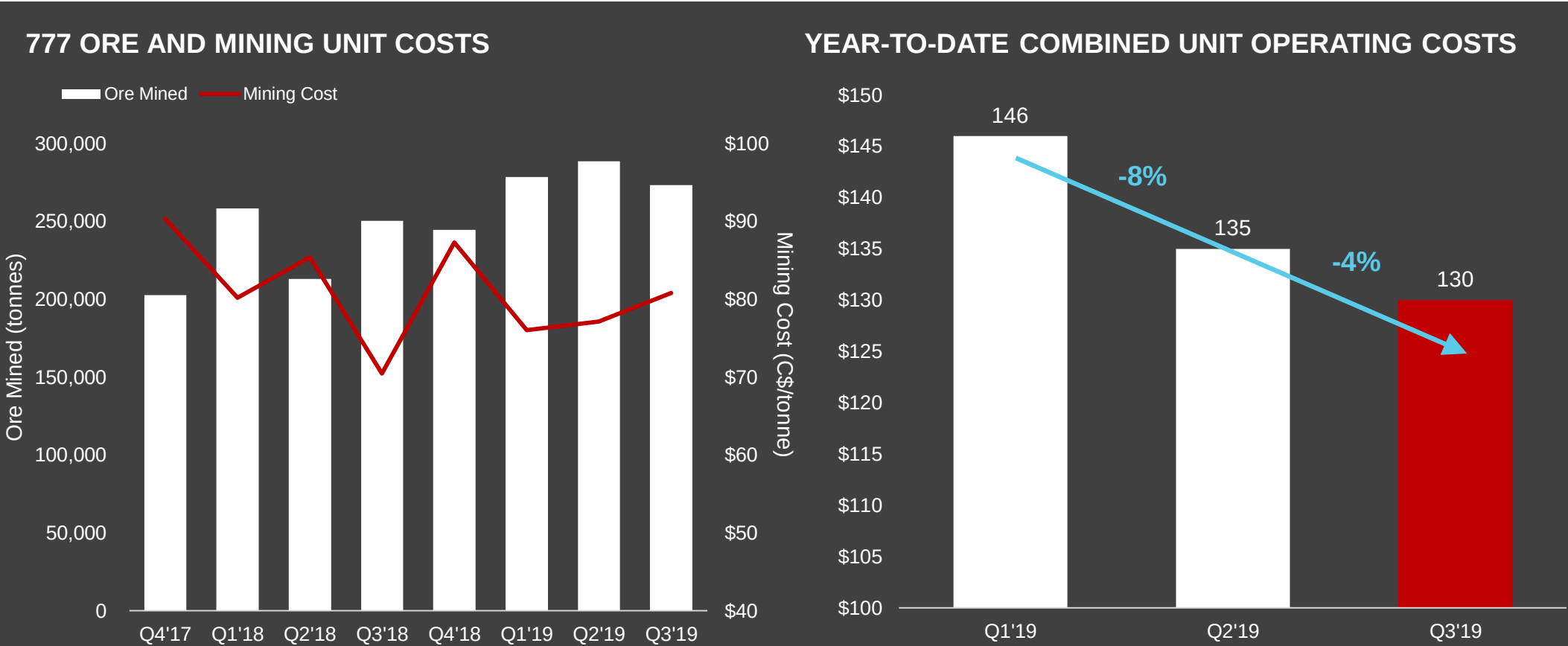
- Continued high tonnage out of 777 due to implementation of management systems
- Combined unit costs stabilizing at a lower level following the ramp-up of Lalor in H1 2019

Overview

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Project Pipeline



LALOR BECOMES A MEANINGFUL LOW-COST GOLD MINE

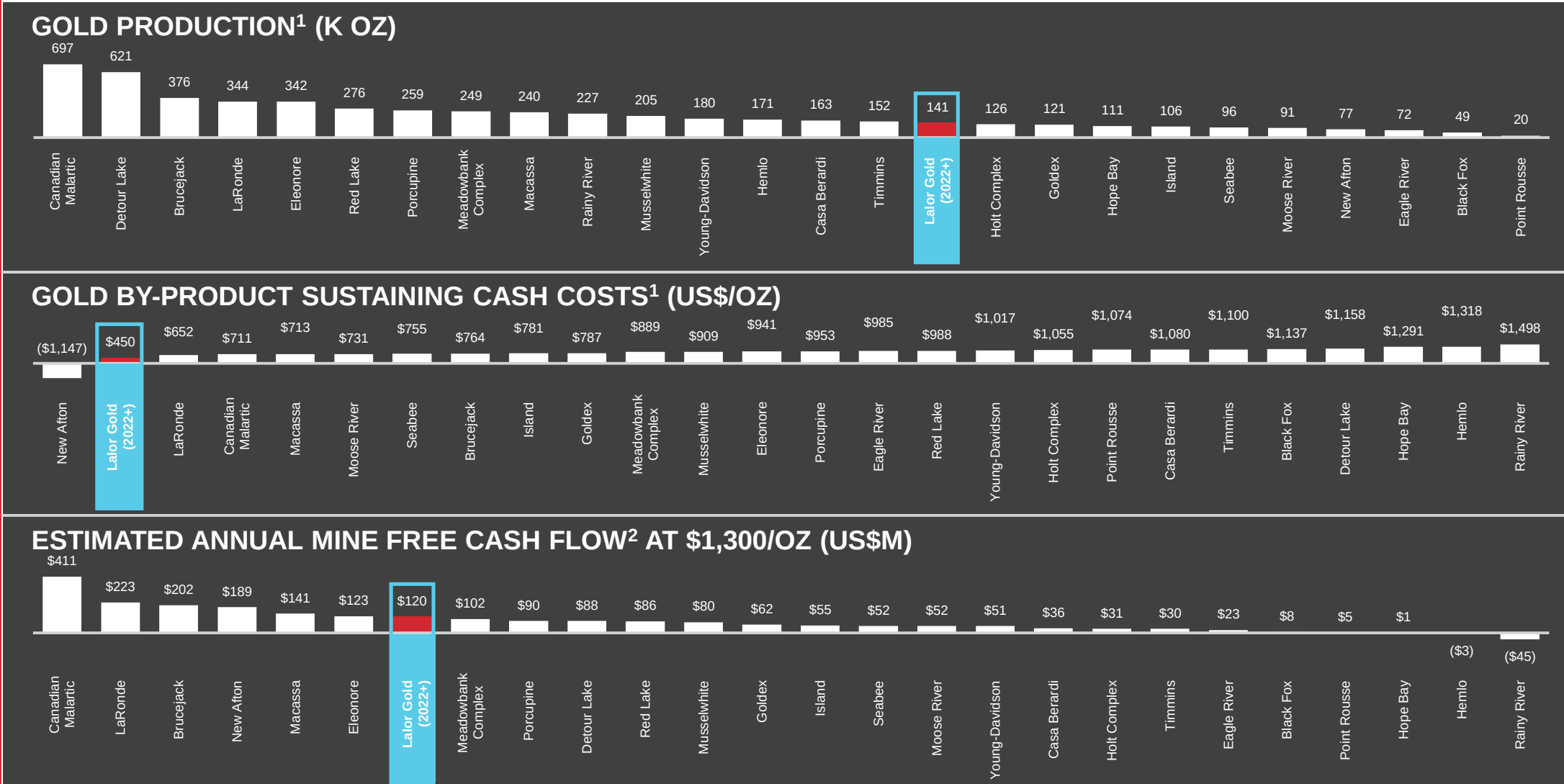
- Lalor is well positioned with expected future production of 140,000 oz Au p.a. at sustaining cash costs of \$450/oz starting in 2022

Overview

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Project Pipeline



1. Source: SNL data for other gold mines in Canada. 2018 actual production and costs are shown for illustrative positioning of Lalor Gold. Snow Lake Gold first 5 years of New Britannia production and Sustaining Cash Cost at By-product credits calculated using the following assumptions: zinc price of \$1.28 per pound in 2019, \$1.27 per pound in 2020, \$1.17 per pound 2021 and long-term (includes premium); gold price of \$1,250 per ounce in 2019, \$1,300 per ounce in 2020 and 2021, \$1,250 per ounce in 2022 and long-term; copper price of \$3.00 per pound in 2019, \$3.10 per pound in 2020, \$3.20 per pound in 2021 and 2022, and \$3.10 per pound long-term; silver price of \$16.50 per ounce in 2019, \$18.00 per ounce in 2020 and long-term; C\$/US\$ exchange rate of 1.30 in 2019 and 1.25 in 2020 and long-term.

2. Annual mine free cash flow calculated as US\$1,300/oz minus Sustaining Cash Cost multiplied by annual production.

SNOW LAKE RESERVES AND RESOURCES

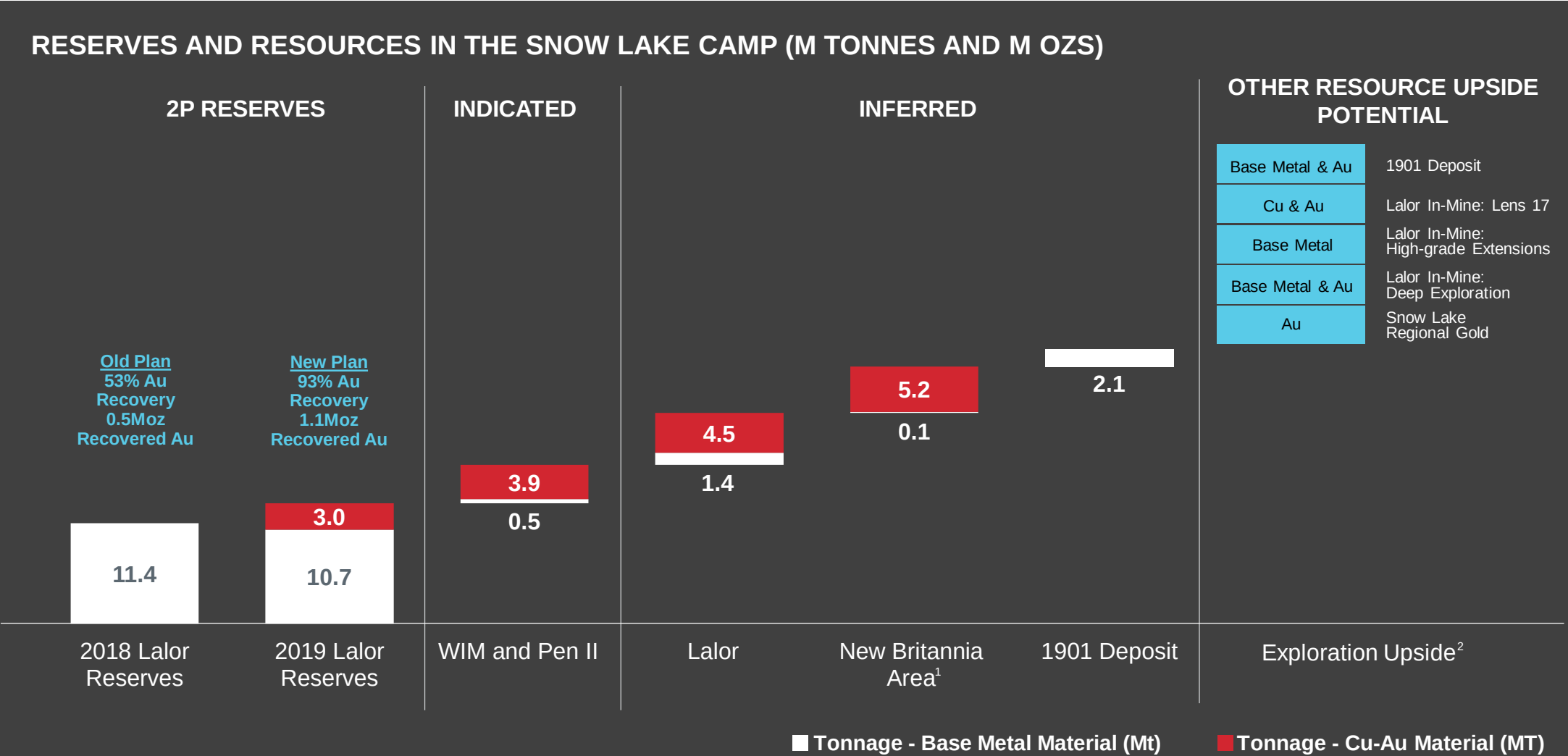
- Over 4 million tonnes of indicated and 13 million tonnes of inferred material within trucking distance of Stall and New Britannia could provide additional mill feed

Overview

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Project Pipeline



1. Includes inferred resources at New Britannia, Birch and 3 Zone, Pen II and WIM.
2. Size of bars do not represent expected tonnage size of deposit and are shown for illustrative purposes only.

PROJECT PIPELINE

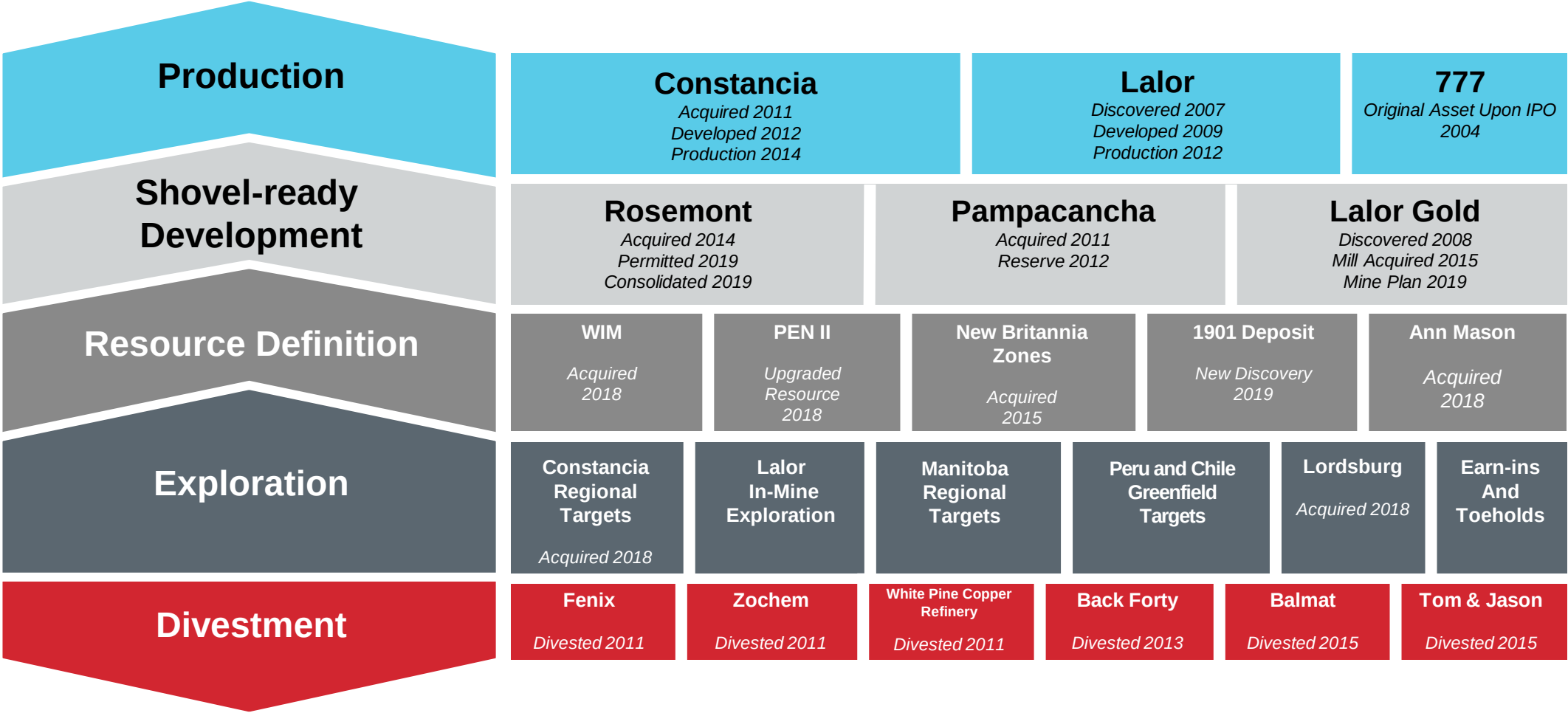
- Hudbay has built a diversified portfolio of operating mines and an extensive development pipeline through robust exploration and disciplined M&A to perpetuate production growth

Overview

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Project Pipeline



NEAR-TERM CATALYSTS

NUMEROUS ORGANIC GROWTH OPPORTUNITIES EXIST

MANITOBA	Upgrading Lalor inferred resources to reserves	Q1 2020
	Inferred resource estimate for Lens 17 at Lalor	Q1 2020
	Upgrading WIM, Pen II and New Britannia resources to reserves	Q1 2020
	Initial inferred resource estimate on gold mineralization at 1901 Deposit	2020
	Completion of 1901 Deposit feasibility studies, mine plan and development decision	2020
	Refurbishment of New Britannia gold mill and initial production	Late 2021
	Additional drilling at Lalor, 1901 Deposit and other known deposits for further growth potential	Ongoing
	Advance exploration on large land package in Snow Lake region	Ongoing
PERU	Signing of land access agreement on Pampacancha deposit	2019/2020
	Mining of high-grade Pampacancha satellite deposit to enhance Constancia grades	2020
	Exploration programs on Maria Reyna, Caballito and Kusiorcco with potential to provide higher-grade feed to the Constancia mill post-Pampacancha	2020+
	Advance exploration on large land package in Peru	Ongoing
OTHER	Rosemont progress on appeals against U.S. District Court’s decision to vacate and remand the Final Record of Decision	Ongoing
	Ann Mason drilling of high-grade regional targets	Ongoing
	Advance grassroots exploration activities on 890,000 hectares of prospective properties in Peru, Chile, United States and Canada	Ongoing



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