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# HUDBAY

**Q3 2022 RESULTS PRESENTATION**  
November 3, 2022

**HUDBAY**

# CAUTIONARY INFORMATION

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 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 risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information are described under the heading “Risk Factors” in our most recent annual information form for the year ended December 31, 2021 and our management’s discussion and analysis for the three and nine months ended September 30, 2022. 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 adjusted net earnings (loss), adjusted net earnings (loss) per share, adjusted EBITDA, net debt, cash cost, sustaining and all-in sustaining cash cost per pound of copper produced, cash cost and sustaining cash cost per ounce of gold produced and combined unit costs. For a detailed description of each of the non-IFRS financial performance measures used in this presentation, please refer to Hudbay’s management’s discussion and analysis for the three and nine months ended September 30, 2022 available on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.sec.gov](http://www.sec.gov).

The scientific and technical information contained in this presentation related to all the material mineral projects has been approved by Olivier Tavchandjian, P. Geo, Hudbay’s Vice-President, Exploration and Technical Services. Mr. Tavchandjian is a qualified person pursuant to NI 43-101.

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

# Q3 2022 CONSOLIDATED RESULTS

## ON TRACK TO ACHIEVE CONSOLIDATED 2022 PRODUCTION & CASH COST GUIDANCE

- Consolidated copper production of 24.5k tonnes in Q3; higher copper production in Peru offset by lower production in Manitoba with planned 777 closure
- Consolidated gold production of 53.2k ounces in Q3 benefitted from higher gold grades and recoveries in Snow Lake
- Consolidated cash costs of \$0.58/lb and sustaining cash cost of \$1.91/lb in Q3
- Q3 Adj. EPS of (\$0.05) and adj. EBITDA of \$99M
- Reaffirmed full year 2022 consolidated production, cash cost (\$0.60 - \$1.05/lb Cu) and sustaining cash cost (\$1.60 - \$2.25/lb Cu) guidance**

### KEY RESULTS SUMMARY

		Q3 2022	Q2 2022	Q3 2021
<b>Production<sup>1</sup></b>				
Copper	kt	24.5	25.7	23.2
Gold	koz	53.2	58.6	54.3
Silver	koz	717.1	864.9	763.2
Zinc	kt	9.8	17.1	20.9
Cash cost <sup>2</sup>	\$/lb/Cu	\$0.58	\$0.65	\$0.62
Sustaining cash cost <sup>2</sup>	\$/lb/Cu	\$1.91	\$1.87	\$1.97
All-in sustaining cash cost <sup>2</sup>	\$/lb/Cu	\$2.16	\$1.93	\$2.18
EPS	\$/sh	(\$0.03)	\$0.12	(\$0.65)
Adj. EPS <sup>3</sup>	\$/sh	(\$0.05)	\$0.12	\$0.00
Adj. EBITDA <sup>3</sup>	\$M	\$99	\$141	\$119
Operating cash flow <sup>4</sup>	\$M	\$82	\$124	\$104
Cash	\$M	\$286	\$259	\$297

1. Contained metal in concentrate and doré.

2. Cash cost, sustaining 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.

3. For information on adjustments made to each of these metrics, please refer to the detailed reconciliation tables in the news release or MD&A for each reporting period.

4. Operating cash flow before changes in non-cash working capital.

# PERU OPERATIONS REVIEW

## STRONG QUARTERLY OPERATING PERFORMANCE AND HIGHER GRADES EXPECTED IN Q4

- Copper production increased by 7% and copper cash costs declined by 8% in Q3
  - Production benefited from higher copper grades and higher molybdenum and precious metal recoveries
  - On track to achieve 2022 guidance ranges for all metals
- Higher milled copper grades in Q3 with higher head grades in Constancia
- Unit costs increased 9% on inflationary pressures on fuel, consumables and energy costs
  - Expected to be near top end of 2022 guidance
- Cash cost of \$1.68/lb and sustaining cash cost of \$2.46/lb, both improving over Q2 on higher by-product credits and higher copper production
  - Full year cash cost in Peru is expected to exceed the upper end of the 2022 guidance range by approximately 5%

### SUMMARY OF PERU OPERATING STATISTICS

	Q3 2022	Q2 2022	Q3 2021
Constancia ore mined (million tonnes) <sup>1</sup>	6.3	7.0	6.2
Pampacancha ore mined (million tonnes)	2.5	1.2	2.1
Strip ratio <sup>2</sup>	1.26	1.22	1.46
Ore milled (million tonnes)	7.7	7.8	7.0
Copper grade milled	0.34%	0.32%	0.30%
Gold grade milled (g/t)	0.08	0.09	0.11
Silver grade milled (g/t)	3.48	3.64	3.93
Molybdenum grade milled	0.01%	0.01%	0.01%
Copper recovery	84.5%	85.0%	84.9%
Gold recovery	61.9%	60.3%	71.9%
Silver recovery	65.2%	64.2%	59.1%
Molybdenum recovery	41.0%	38.8%	33.5%
Copper contained in conc. (kt)	22.3	20.9	18.1
Gold contained in conc. (koz)	12.7	13.9	17.5
Silver contained in conc. (koz)	564.3	584.2	521.0
Molybdenum contained in conc. (t)	437	390	282
Combined unit operating costs (\$/tonne) <sup>3,4</sup>	\$13.06	\$12.02	\$10.93
Cash cost (\$/lb) <sup>5</sup>	\$1.68	\$1.82	\$1.26
Sustaining cash cost (\$/lb) <sup>5</sup>	\$2.46	\$2.62	\$2.31

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

2. Strip ratio is calculated as waste mined divided by ore mined.

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. Excludes approximately \$0.9 million, or \$0.12 per tonne, of COVID-19 related costs during the three months ended September 30, 2022, \$1.3 million, or \$0.16 per tonne, of COVID-related costs during the three months ended June 30, 2022 and \$5.5 million, or \$0.78 per tonne, during the three months ended September 30, 2021.

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

# MANITOBA OPERATIONS REVIEW

## SNOW LAKE GOLD PRODUCTION INCREASES; PRODUCTION AND CASH COST GUIDANCE MAINTAINED

- Manitoba produced, 40.5k ounces of gold, 9.8k tonnes of zinc, 2.2k tonnes of copper and 153k ounces of silver
- Snow Lake gold production increased by 8% versus Q2
- Q3 focused on integration at Snow Lake
  - Transfer of 777 workers and equipment to Lalor for ramp up to 5,300 tpd in early 2023
  - Ore mined and milled decreased due to workforce integration and one-off production interruptions
- New Britannia mill averaged 1,440 tpd in Q3, achieving consistent production
- Unit operating costs significantly increased reflecting the standalone cost structure of Lalor
  - Full year combined unit costs expected to exceed upper end of 2022 guidance range by ~5%
- Year-to-date gold cash cost of \$136/oz continues to track below the 2022 guidance range
  - Reiterate the full year cash cost guidance

### SUMMARY OF MANITOBA OPERATING STATISTICS

	Q3 2022	Q2 2022	Q3 2021
Ore mined (kt)	347	639	649
Ore milled (kt)	362	649	666
Copper grade milled	0.69%	0.84%	0.92%
Zinc grade milled	3.33%	3.35%	3.69%
Gold grade milled (g/t)	4.60	3.07	3.1
Silver grade milled (g/t)	20.66	22.77	23.2
Copper recovery - concentrate	88.3%	87.7%	84.7%
Zinc recovery - concentrate	80.9%	78.4%	84.7%
Gold recovery - concentrate	60.9%	58.3%	54.6%
Silver recovery - concentrate	57.6%	55.7%	48.8%
Copper contained in conc. (kt)	2.2	4.8	5.2
Zinc contained in conc. (kt)	9.8	17.1	20.8
Gold contained in conc. and doré (koz)	40.5	44.8	36.7
Silver contained in conc. and doré (koz)	152.8	280.6	242.1
Combined unit operating costs (C\$/tonne) <sup>1</sup>	\$235	\$168	\$147
Gold cash cost (\$/oz) <sup>2</sup>	\$216	(\$207)	-
Gold sustaining cash cost (\$/oz) <sup>2</sup>	\$1,045	\$519	-

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

2. Cash cost and sustaining cash cost per ounce of gold produced, net of by-product credits.

# COPPER WORLD DE-RISKING INITIATIVES

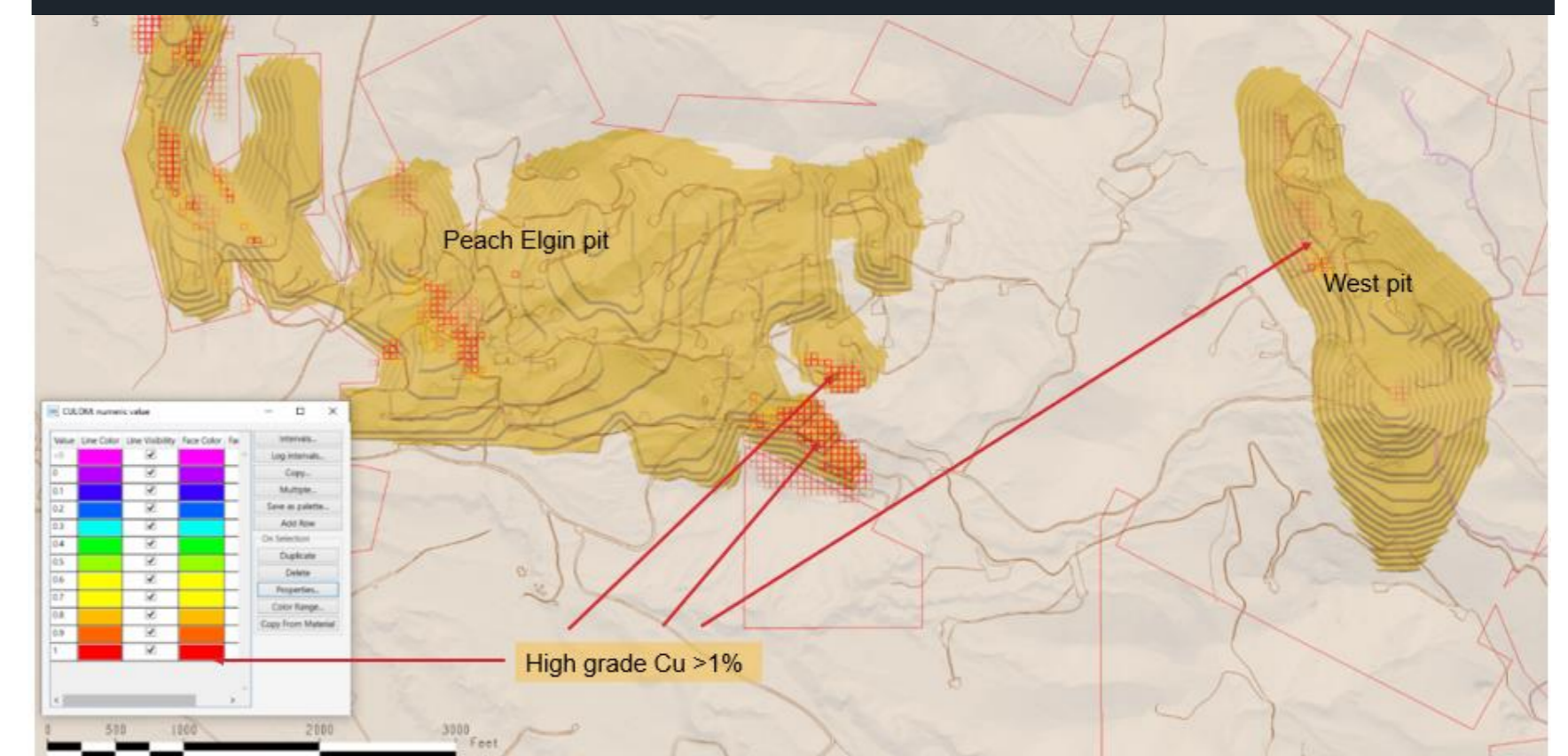
## SEVERAL ACTIONS TO DE-RISK THE PROJECT IN 2023

- Publish Phase I pre-feasibility study in H1 2023
  - Convert remaining inferred mineral resources to M&I
  - Optimize the layout and sequencing of the processing facilities (concentrate leach)
  - Evaluate other upside opportunities
- Receive Phase I state level permits by mid-2023
  - Recently submitted the Aquifer Protection Permit and Air Quality Permit
- Complete bulk sampling program in H2 2023
  - Target high-grade, near-surface areas of the Peach-Elgin and West pits
  - Test grade continuity, variable cut-off effectiveness and metallurgical strategies

COPPER WORLD VIEW LOOKING WEST

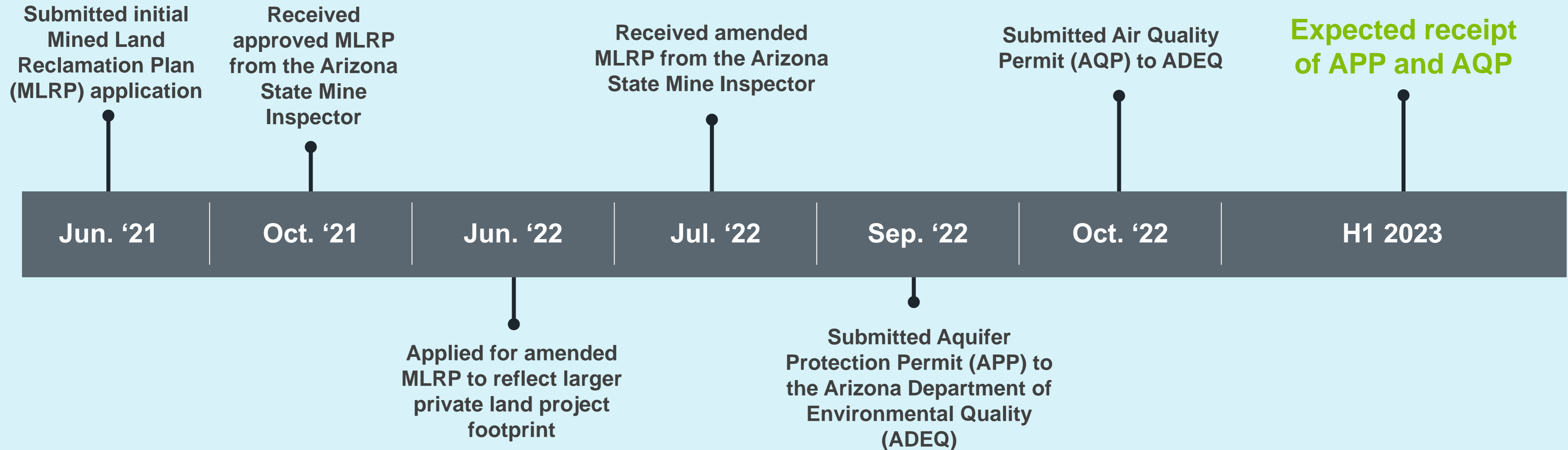


BULK SAMPLING PROGRAM



# COPPER WORLD DE-RISKING INITIATIVES

EXPECT TO RECEIVE ALL KEY STATE-LEVEL PERMITS BY MID-2023



*Hudbay has had significant engagement with the ADEQ over the past few months*

# EXPLORATION UPDATE – CONSTANCIA REGIONAL

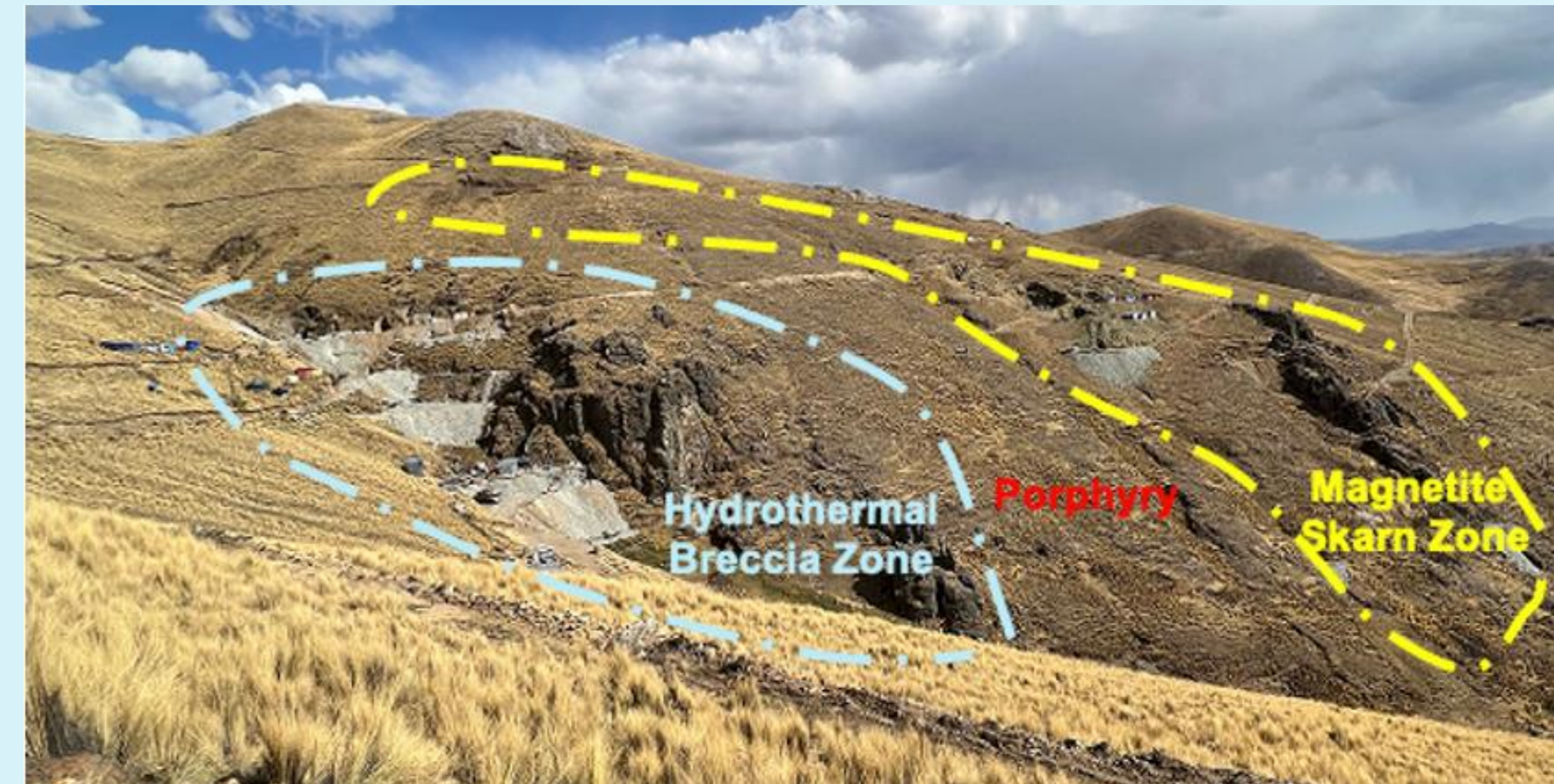
ADVANCING EXPLORATION ON HIGH GRADE SATELLITES NORTH OF CONSTANCIA

## CABALLITO – SKARN AND PORPHYRY MINERALIZATION



- Located ~5km from Constancia
- Mitsui mined high grade copper sulfides rich with chalcopyrite and bornite at Caballito until the early 1990s
- USGS survey estimates historical resource of 91Mt at 2.3% Cu

## MARIA REYNA – SKARN AND BRECCIA MINERALIZATION



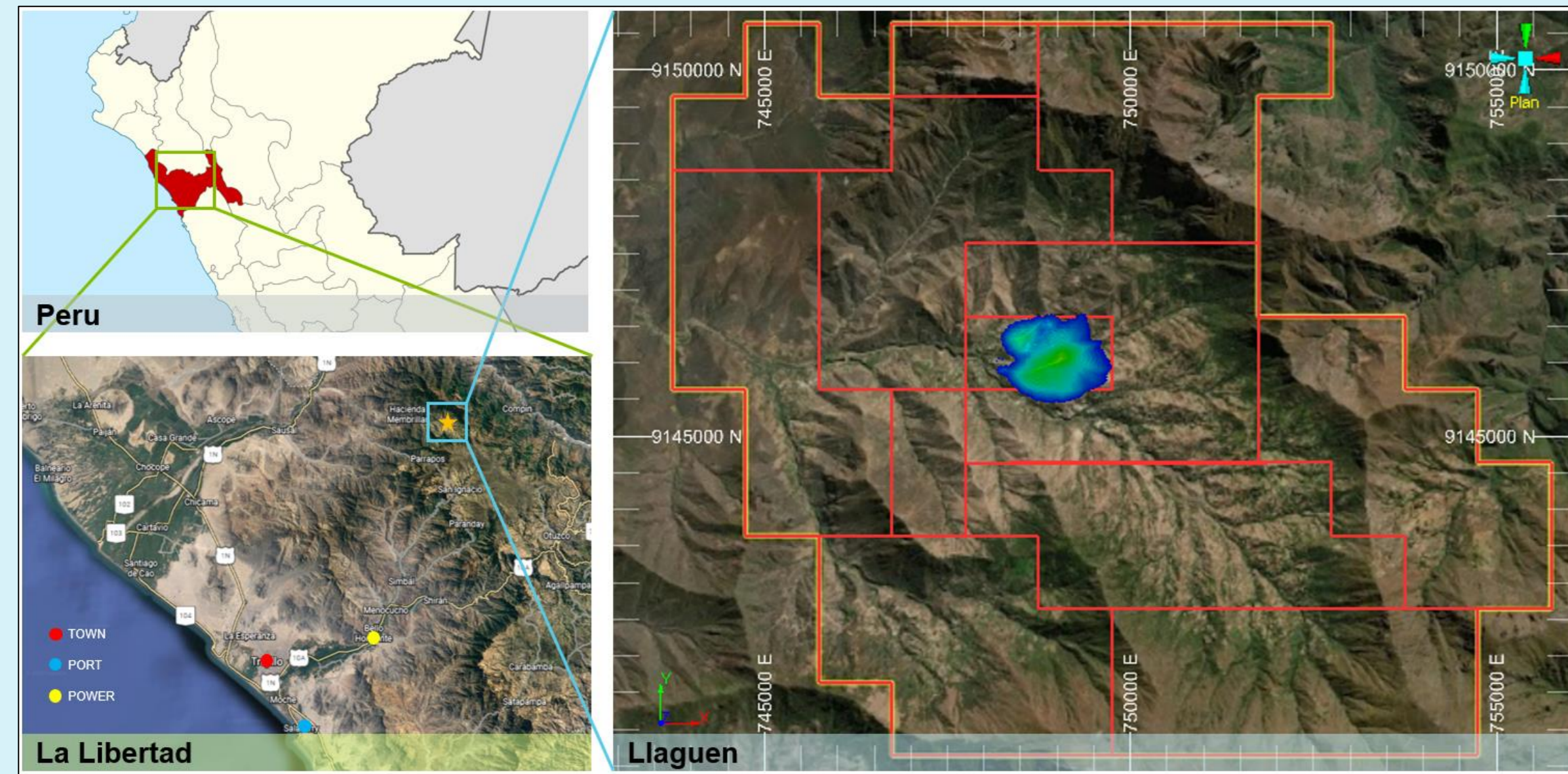
- Located ~10km from Constancia
- Three types of mineralization – skarn, hydrothermal breccia and porphyry
- Small-scale artisanal mining reported producing 2-6% Cu ore from high grade magnetite skarns and hydrothermal breccia



# EXPLORATION UPDATE – LLAGUEN

ADDING A NEW PROJECT TO OUR COPPER GROWTH PIPELINE

## OVERVIEW OF LLAGUEN PROJECT

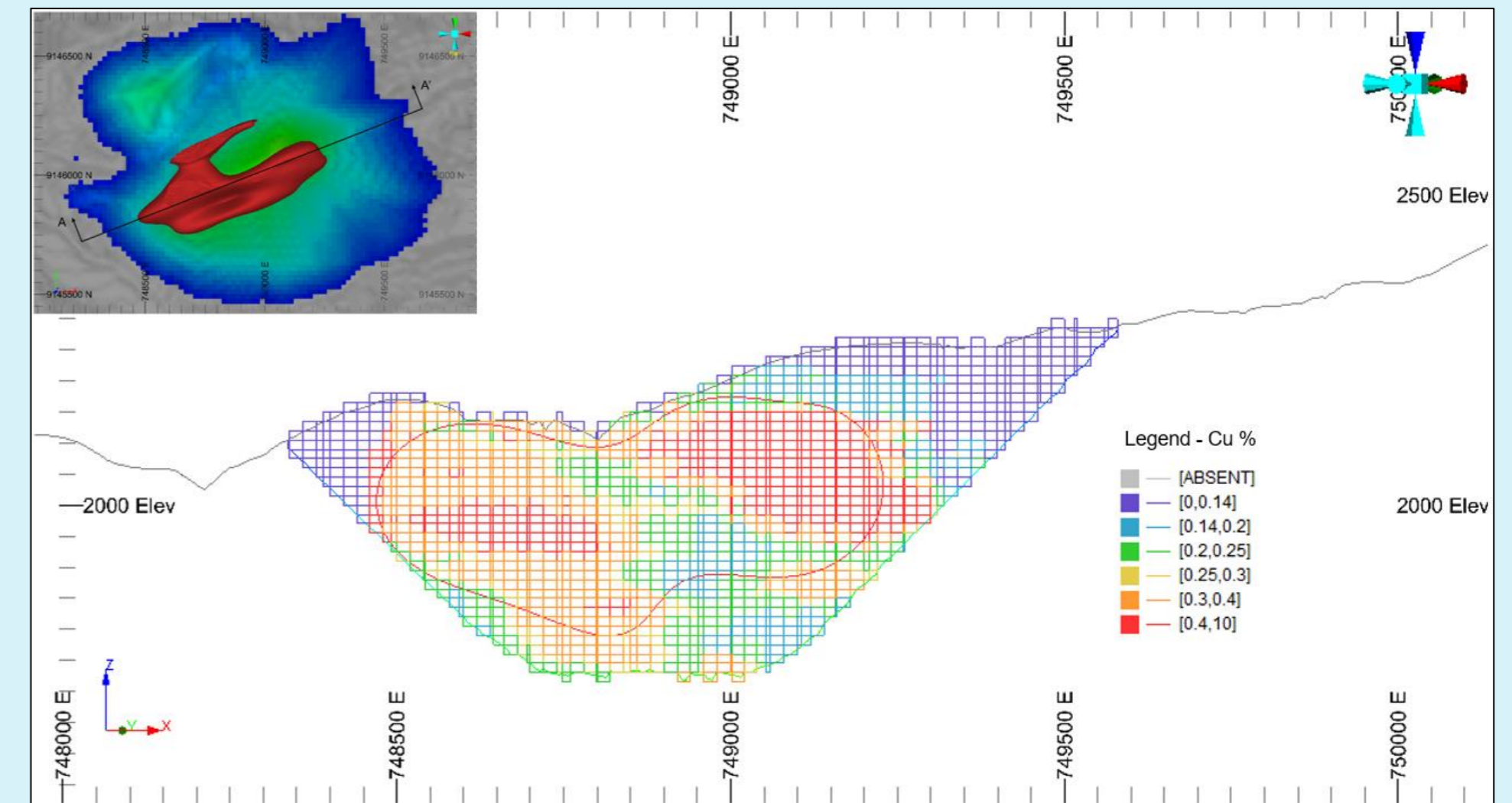


- 100% owned by Hudbay
- The Llaguen project is in La Libertad region in northwestern Peru
- Accessible by road, 62km from the Salaverry port and 40km from the Trujillo Nueva electric substation
- Hosts shallow mineralization over a 1.3km strike length, with higher grade mineralization located close to surface that has the potential to be mined earlier in the mine life

## MINERAL RESOURCE ESTIMATE AS AT NOVEMBER 1, 2022

Category	Metric Tonnes	Cu (%)	Mo (g/t)	Au (g/t)	Ag (g/t)	CuEq (%)
<b>Indicated Global (<math>\geq 0.14\%</math> Cu)</b>	<b>271,000,000</b>	<b>0.33</b>	<b>218</b>	<b>0.033</b>	<b>2.04</b>	<b>0.42</b>
<i>Including Indicated High-grade (<math>\geq 0.30\%</math> Cu)</i>	<i>113,000,000</i>	<i>0.49</i>	<i>261</i>	<i>0.046</i>	<i>2.73</i>	<i>0.60</i>
<b>Inferred Global (<math>\geq 0.14\%</math> Cu)</b>	<b>83,000,000</b>	<b>0.24</b>	<b>127</b>	<b>0.024</b>	<b>1.47</b>	<b>0.30</b>
<i>Including Inferred High-grade (<math>\geq 0.30\%</math> Cu)</i>	<i>16,000,000</i>	<i>0.45</i>	<i>141</i>	<i>0.038</i>	<i>2.60</i>	<i>0.52</i>

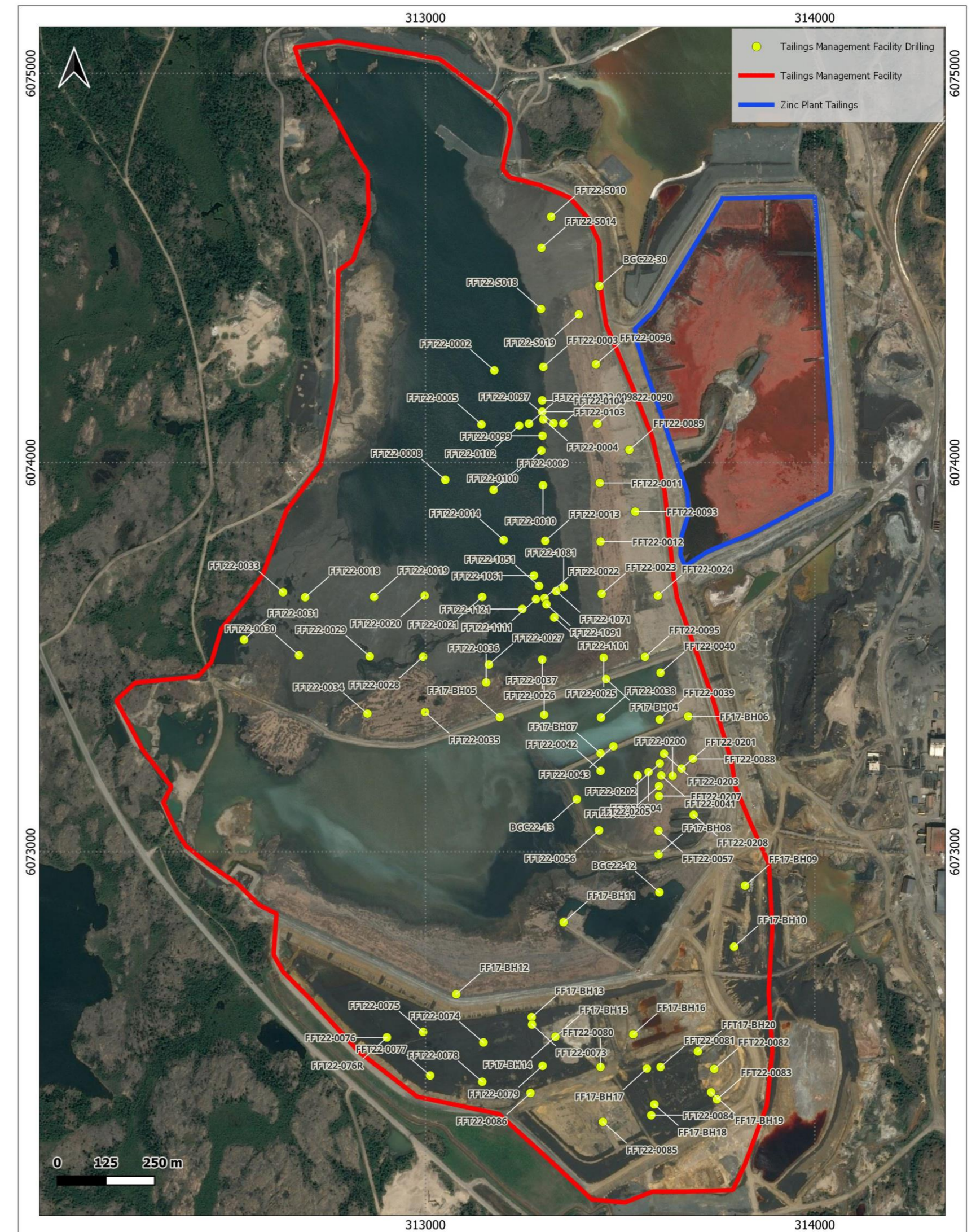
## SECTIONAL VIEW OF PROJECT



# FLIN FLON TAILINGS DRILL PROGRAM

## DRILLING INDICATES HIGHER GRADE THAN EXPECTED

- Identified the opportunity to reprocess Flin Flon tailings
- More than 100 million tonnes of tailings have been deposited for over 90 years
- Recently completed confirmatory drilling:
  - Indicates higher zinc, copper and silver grades than historical records
  - Confirms historical gold grades
- Metallurgical testing program is planned to assess processing viability
- Will also examine the potential to reprocess tailings at the Anderson facility in Snow Lake
  - Significant amounts of gold deposited over multiple decades in Snow Lake



# FOCUSED ON POSITIVE CASH FLOW GENERATION

## DISCIPLINED CAPITAL ALLOCATION WITH NEAR-TERM DISCRETIONARY SPEND REDUCTIONS

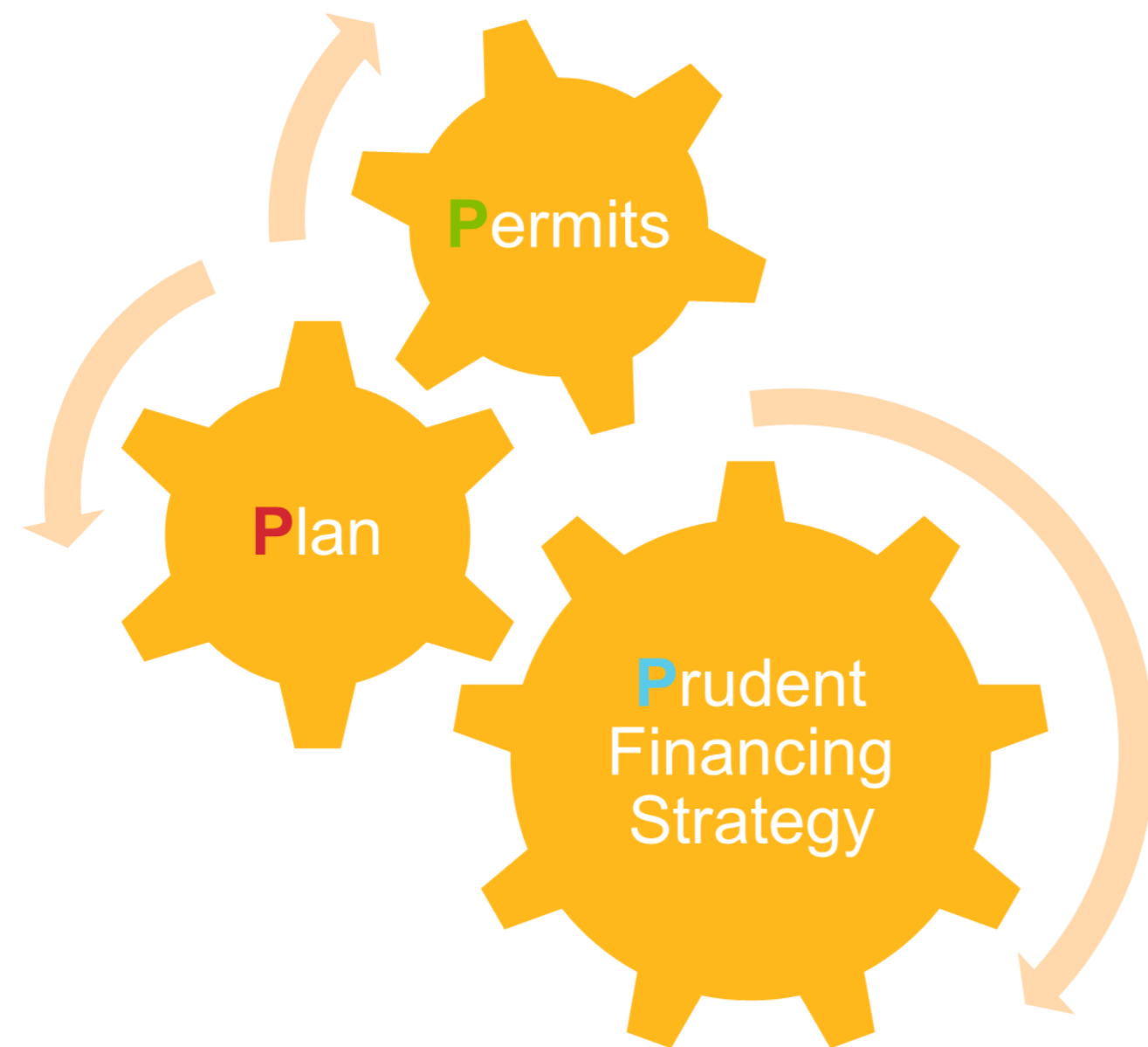
- Short-term pullback in copper prices provides more conviction on strong long-term copper supply and demand fundamentals
- Recent inflationary pressures on input prices in a period of declining copper prices has put pressure on margins
- Hudbay has taken several near-term steps to **reduce discretionary spend by \$30M for the remainder of 2022 and more than \$50M in 2023:**

2022 Initiatives	2023 Initiatives
\$10M lower exploration, evaluation and growth spending in Arizona	Delaying definitive feasibility study for Copper World to 2024
\$5M lower growth spending in Manitoba related to deferral of 1901 early development study	Deferring 1901 early development costs that were previously planned to be accelerated in 2023
\$15M lower growth spending in Peru and Manitoba related to mill recovery improvement programs and other capital projects	\$22M lower growth capital in Peru for pebble crusher

# DELEVERAGING & DISCIPLINED CAPITAL ALLOCATION

COMMITTED TO FINANCIAL DISCIPLINE TO GENERATE STRONG RETURNS ON INVESTED CAPITAL

- Improved net debt position by \$71M since investment program was completed in Q1 2022
- Repaid 38% of gold prepayment liability during 2022; remaining \$80M to be repaid by end of 2023
- Hudbay is committed to financial discipline when it comes to greenlighting Copper World
  - Introduced a three prerequisites plan (“3-P”), including specific leverage targets that would need to be achieved prior to making an investment decision in the project:



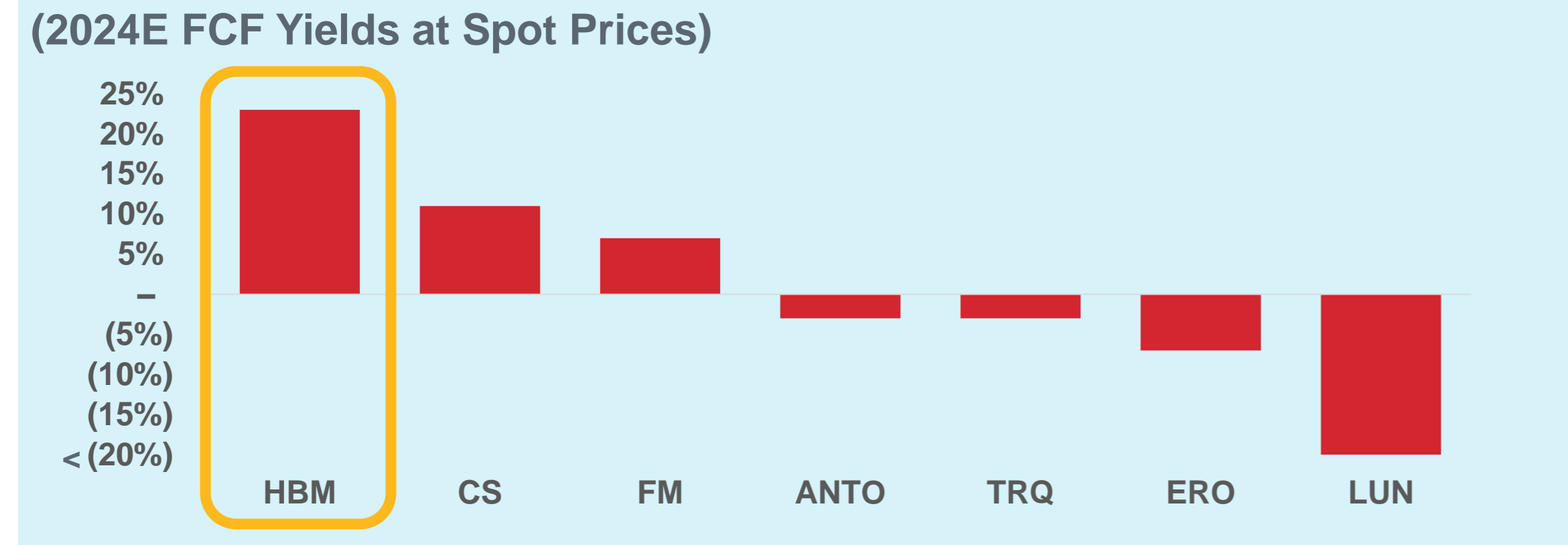
<b>Permits</b>	Receipt of all state level permits required for Phase I	
<b>Plan</b>	Definitive feasibility study complete with an IRR of greater than 15%	
<b>Prudent Financing Strategy</b>	Joint Venture Partner	Committed minority JV partner
	Stream Partner	Renegotiated precious metals stream agreement with Wheaton
	Leverage	Net debt / EBITDA ratio of less than 1.2x
	Cash	Minimum cash balance of \$600M
	Project-level Debt	Limited (up to \$500M) non-recourse project level debt

# HUDBAY COPPER GROWTH PIPELINE

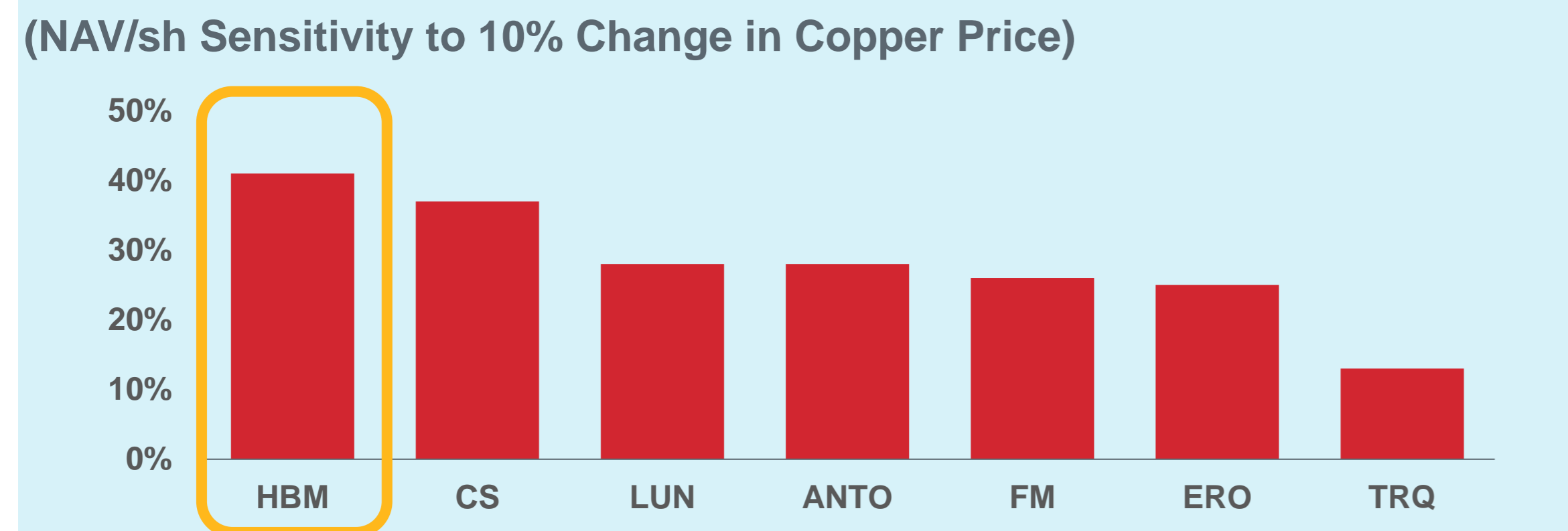
## LEADING FREE CASH FLOW GROWTH AND SIGNIFICANT COPPER RESOURCE OPTIONALITY

- Meaningful near-term free cash flow growth with high quality organic pipeline offering significant long-term growth

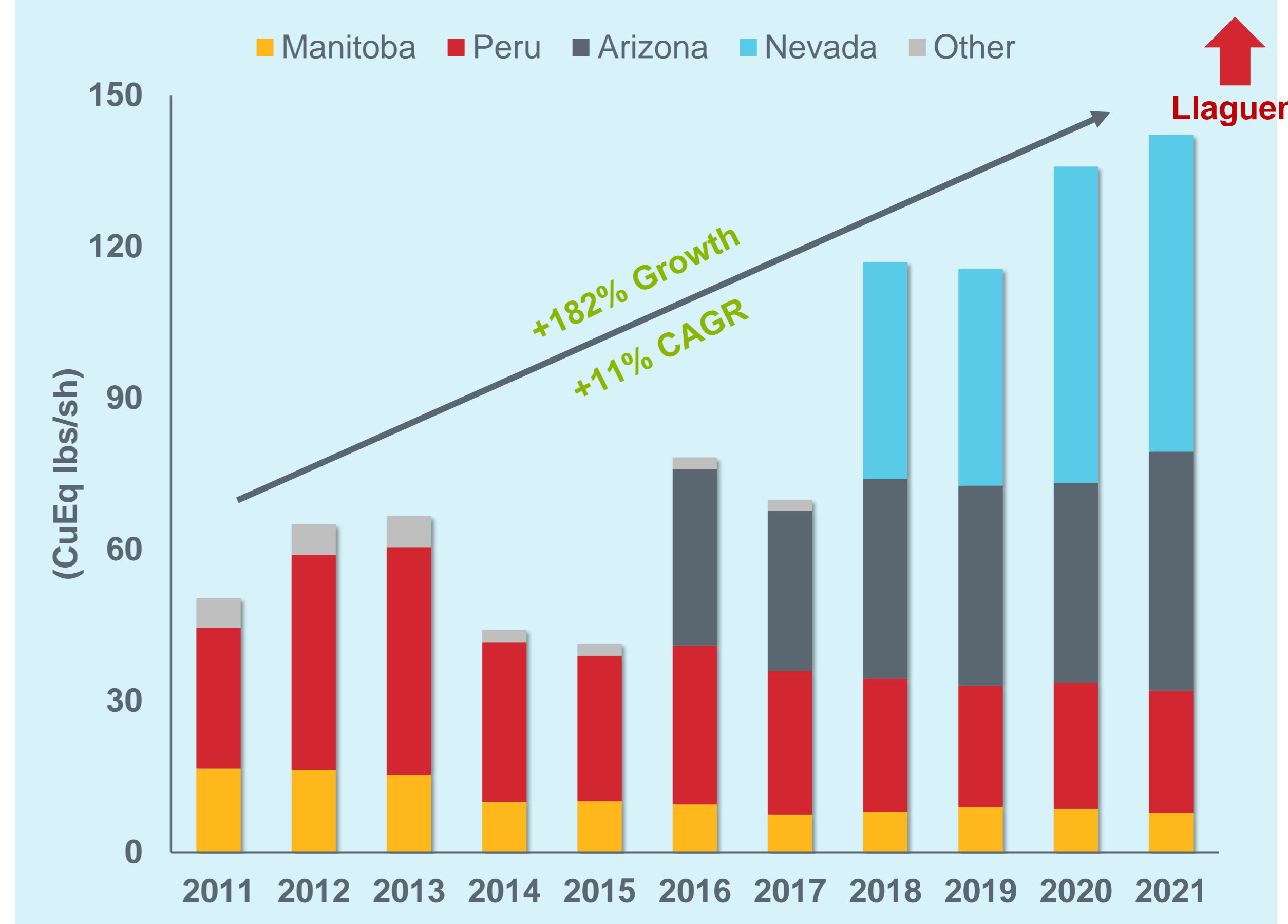
### LEADING NEAR-TERM FREE CASH FLOW YIELDS



### LEADING COPPER PIPELINE WITH ADDITIONAL OPTIONALITY



### SIGNIFICANT GROWTH IN COPPER RESOURCES PER SHARE<sup>1</sup>



Source: Scotiabank Global Equity Research, October 13, 2022. Free cash flow yield metrics are calculated and defined by Scotiabank.

1. Excludes depletion from production. The following metals price assumptions were applied to reserves for purposes of calculating copper equivalent: \$3.10/lb Cu, \$1.10/lb Zn, \$1,500/oz Au, \$18.00/oz Ag and \$10.00/lb Mo. Does not include impact of precious metal streams, as applicable.



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