



NEWS RELEASE

## Hudbay Advances Appeal of Unprecedented Rosemont Court Decision

6/22/2020

TORONTO, June 22, 2020 (GLOBE NEWSWIRE) -- Hudbay Minerals Inc. ("Hudbay" or the "company") (TSX, NYSE: HBM) today announced the filing of the company's initial brief ("Hudbay Brief") with the U.S. Court of Appeals for the Ninth Circuit in relation to the U.S. District Court for the District of Arizona's ("District Court") decision in July 2019, which revoked the U.S. Forest Service's ("Forest Service") issuance of the Final Record of Decision ("FROD") for the Rosemont project in Arizona. The FROD was issued in June 2017 after a thorough process involving 17 co-operating agencies at various levels of government. The filing of the Hudbay Brief follows the U.S. federal government's initial brief ("Government Brief") which was filed last week. The briefs explain how both Hudbay and the government believe that the District Court misinterpreted federal mining laws and Forest Service regulations as they apply to Rosemont.

"Today's filing represents the next milestone in our efforts to correct what we believe is a misinterpretation by the District Court of the current laws and regulations that govern mining operations on public lands," said Peter Kukielski, President and Chief Executive Officer. "We believe, based on the arguments filed by Hudbay and the government, that the appellate court will reverse the District Court's decision, allowing us to move forward with constructing and operating the Rosemont project."

Both briefs assert that current law broadly authorizes mining-related activities, such as ore processing and tailings storage, to be conducted on open Forest Service lands. The District Court's determination that the Forest Service's mining regulations do not apply to mining activities unless those activities are conducted entirely on valid mining claims is contrary to plain language readings of the general mining law, as well as Forest Service regulations, which explicitly allow for mining-related activity to occur on lands not covered by any mining claim:

"All functions, work, and activities in connection with prospecting, exploration, development, mining or processing of mineral resources... (are authorized) regardless of whether said operations take place on or off mining claims." - 36 Code of Federal Regulations §§ 228.1, 228.3 (emphasis added).

The Hudbay Brief states, "Prior to the District Court's decision, no court had ever held that a mining plan of operations may only be approved if all mining and mining-related operations will occur exclusively on valid mining claims. The District Court imposed this novel requirement on the Forest Service after misreading both the relevant statutes, which provide a broad grant of free and open access to federal lands for mining and mining-related operations, and the relevant regulations, which authorize the Forest Service to approve those operations on or off of mining claims." Similarly, the Government Brief states, "The district court's decision ... rested on a fundamental misinterpretation of the Mining Law and the regulatory scheme applicable to the (U.S. Forest) Service's review of mining plans. That decision should be reversed."

"We believe that the brief filed today thoroughly demonstrates that the District Court misinterpreted federal mining laws and ignored more than 150 years of precedent," said Andre Lauzon, Vice President of Hudbay's Arizona Business Unit. "The brief also points out that this decision, if not reversed, will disrupt the longstanding policy of the U.S. federal government to promote mining on public lands, including within national forests."

Hudbay anticipates a final decision in the appeal process in late 2021.

Once in production, the Rosemont mine is expected to be one of the largest copper mines in the United States, stimulating billions in new economic activity and creating thousands of new direct and indirect, high-paying jobs. The copper mined at Rosemont will support a cleaner, interconnected economy by supplying critical materials according to some of the world's most stringent labor and environmental standards. From solar panels to electric vehicles—copper is the key element to the green energy future.

#### Related Links

The full Hudbay Brief:

[https://hudsonminerals.com/files/doc\\_downloads/2020/06/22/Rosemont-Hudbays-Brief.pdf](https://hudsonminerals.com/files/doc_downloads/2020/06/22/Rosemont-Hudbays-Brief.pdf)

The full Government Brief:

[https://hudsonminerals.com/files/doc\\_downloads/2020/06/22/200615-Rosemont-Government's-AOB.pdf](https://hudsonminerals.com/files/doc_downloads/2020/06/22/200615-Rosemont-Government's-AOB.pdf)

Rosemont appeal fact sheet:

[https://s23.q4cdn.com/405985100/files/doc\\_downloads/2020/06/22/Hudbay\\_Appeal\\_Factsheet\\_Final.pdf](https://s23.q4cdn.com/405985100/files/doc_downloads/2020/06/22/Hudbay_Appeal_Factsheet_Final.pdf)

## Forward-Looking Information

This news release contains forward-looking information within the meaning of applicable Canadian and United States securities legislation. Forward-looking information includes, but is not limited to, potential outcomes of the legal challenges against Rosemont. 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, the timing and possible outcome of pending litigation related to the Rosemont permits.

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), as well as the risks discussed under the heading "Risk Factors" in Hudbay'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 news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

## About Hudbay

Hudbay (TSX, NYSE: HBM) is a diversified mining company primarily producing copper concentrate (containing copper, gold and silver) and zinc metal. Directly and through its subsidiaries, Hudbay owns three polymetallic mines, four ore concentrators and a zinc production facility in northern Manitoba and Saskatchewan (Canada) and Cusco (Peru), and copper projects in Arizona and Nevada (United States). The company's growth strategy is focused on the exploration, development, operation and optimization of properties it already controls, as well as other mineral assets it may acquire that fit its strategic criteria. Hudbay's vision is to be a responsible, top-tier operator of long-life, low-cost mines in the Americas. Hudbay's mission is to create sustainable value through the acquisition,

development and operation of high-quality, long-life deposits with exploration potential in jurisdictions that support responsible mining, and to see the regions and communities in which the company operates benefit from its presence. The company is governed by the Canada Business Corporations Act and its shares are listed under the symbol "HBM" on the Toronto Stock Exchange, New York Stock Exchange and Bolsa de Valores de Lima. Further information about Hudbay can be found on [www.hudbay.com](http://www.hudbay.com).

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Source: Hudbay Minerals Inc.