

# 360° EXPERTISE

Creating Sustainable Value Through  
High Quality, Long-Life Deposits

Goldman Sachs Annual Global Metals &  
Mining, Steel Conference

November 27 – 28, 2012



# Forward-looking 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 press release, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes information that relates to, among other things, our objectives, strategies, and intentions and future financial and operating performance and prospects. 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 statement.

Forward-looking information includes, but is not limited to, production forecasts, development plans for our Constanica, Lalor and Reed projects, capital cost estimates, continued production at our 777 mine, continued processing at our Flin Flon concentrator, Snow Lake concentrator and Flin Flon zinc plant, anticipated timing of our projects and events that may affect our projects, our expectation that we will receive the remaining US\$250 million in deposit payments under the precious metals stream transaction with Silver Wheaton Corp., anticipated effect of external factors on revenue, such as commodity prices, 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 us 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 we identified and were applied by us 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 accuracy of geological, mining and metallurgical estimates; the costs of production; the supply and demand for metals we produce; the volatility of commodity prices; the volatility in foreign exchange rates; the supply and availability of concentrate for our processing facilities; the supply and availability of reagents for our concentrators; the availability of third party processing facilities for our 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 our business strategy, including the success of our strategic investments; the availability of financing for our exploration and development projects and activities; the ability to complete project targets on time and on budget and other events that may affect our ability to develop our projects; the timing and receipt of various regulatory and governmental approvals; the availability of personnel for our exploration, development and production projects and ongoing employee relations; maintaining good relations with the communities in which we operate, including the communities surrounding our Constanica project; no significant unanticipated challenges with stakeholders at our various projects; no significant unanticipated events relating to regulatory, environmental, health and safety matters; no contests over title to our 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; any assumptions related to taxes, including, but not limited to current tax laws and regulations; and no significant and continuing adverse changes in general economic conditions or conditions in the financial markets.

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 and energy prices), uncertainties related to the development and operation of our projects, depletion of our reserves, risks related to political or social unrest or change and those in respect of aboriginal and community relations 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, dependence on key personnel and employee relations, volatile financial markets that may affect our ability to obtain financing on acceptable terms, 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, our ability to comply with our pension and other post-retirement obligations as well as the risks discussed under the heading “Risk Factors” in our most recent Annual Information Form, Form 40-F and Management’s Discussion and Analysis for the three and nine months ended September 30, 2012.

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. We do not assume any obligation to update or revise any forward-looking information after the date of this press release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

## Note to U.S. Investors

Information concerning Hudbay's mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of SEC Industry Guide 7.

Under Securities and Exchange Commission (the "SEC") Industry Guide 7, 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 of the reserve determination, and the SEC does not recognize the reporting of mineral deposits which do not meet the United States Industry Guide 7 definition of "Reserve".

In accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on December 11, 2005.

While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, the SEC does not recognize them. You are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined.

It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, you are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded into mineral reserves. You are urged to consider closely the disclosure on the technical terms in Schedule A "Glossary of Mining Terms" of Hudbay's annual information form for the fiscal year ended December 31, 2011, available on SEDAR at [www.sedar.com](http://www.sedar.com) and incorporated by reference as Exhibit 99.1 in Hudbay's Form 40-F filed on April 2, 2012 (File No. 001-34244).



# Stringent Criteria for Growth

## Disciplined focus on per share metrics

### 1. Focus geographically

- on mining friendly, investment grade countries in the Americas

### 2. Focus geologically

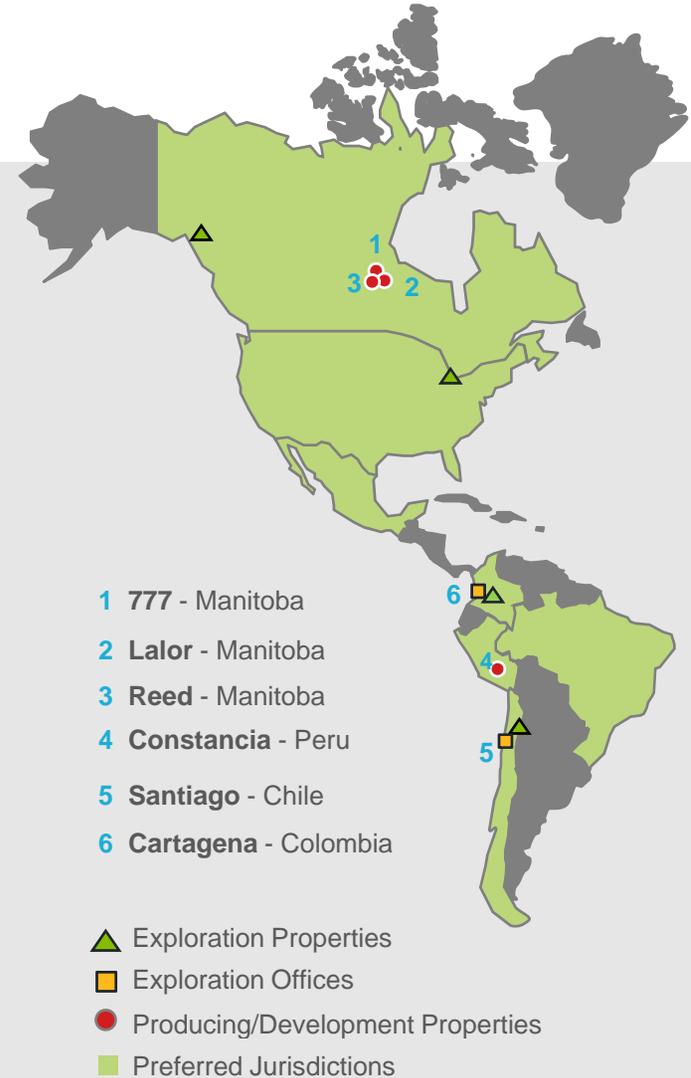
- on VMS and porphyry deposits

### 3. Acquire small, think big

- leverage our core competencies as explorers and mine developers and make Hudbay the partner of choice for promising juniors

### 4. Invest patiently

- in mine development and organic production growth to maximize per share growth in net asset value, earnings, cash flow and dividends

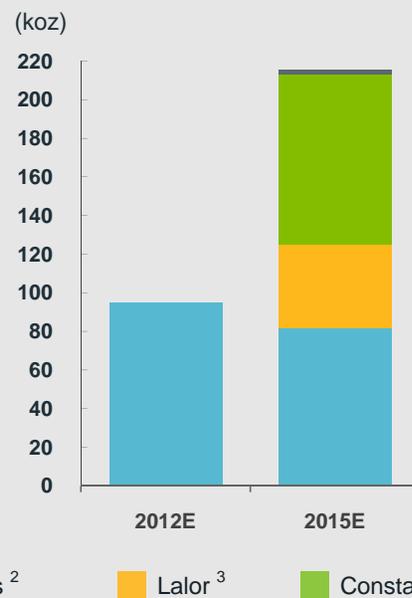


# Key Metals Growth

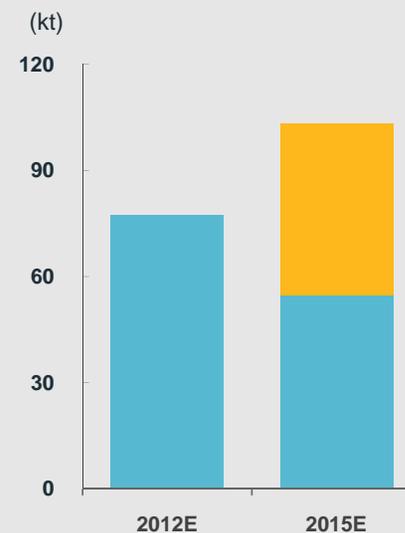
## 420% GROWTH Cu Production



## 125% GROWTH Precious Metals Production<sup>1</sup>



## 35% GROWTH Zn Production



<sup>1</sup> Includes production subject to streaming transactions. Silver converted to gold at a ratio of 50:1.

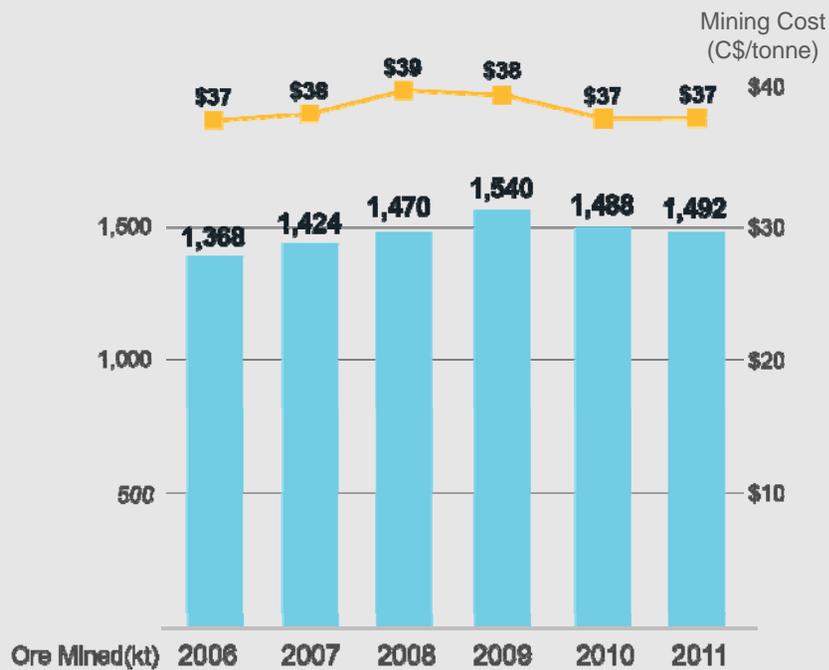
<sup>2</sup> Based on midpoint of 2012 forecasted production released on December 19, 2011. Anticipated production for 2015 is based on 777 and the 777 North expansion life of mines.

<sup>3</sup> Lalor's anticipated 2015 production based on "Pre-Feasibility Study Technical Report, on the Lalor Deposit" dated March 29, 2012.

<sup>4</sup> Based on contained metal in concentrate as disclosed in, "The Constancia Project, National Instrument 43-101 Technical Report", filed on November 6, 2012.

<sup>5</sup> Reed anticipated 2015 production based on "Pre-Feasibility Study Technical Report on the Reed Copper Deposit" dated April 2, 2012 and reflects 70% attributable production to Hudbay.

## Flagship 777 Mine Steady production with low cash costs



### PROFILE

Ownership	100%
Life of Mine	9 years



Applying 360° Expertise > 7

# Lalor on Track

1st full year of production via production shaft expected in 2015

The map shows the Lalor Project (green box) located between the Flin Flon and Reed projects. Key features include the Flin Flon Ore Concentrator and Zinc Plant, the Snow Lake Ore Concentrator, and the 777 Mine. Major roads shown are Hwy #10 and Hwy #39. An aerial view of the Lalor Project site shows several large industrial buildings with blue roofs and a tall structure, situated in a wooded area with a large tailings pond nearby.

PROFILE	
Ownership	100%
Projected Life of Mine	20 years
Construction Capex (2010-2014)	\$704 million

# Reed Progressing Well

## Portal trench excavation completed

- > \$16 million spent to Sept. 30, 2012
- > Entered into additional \$13 million in commitments
- > Significant project milestones achieved:
  - Installation of new office and dry complex
  - Foundations poured for shop and warehouse
  - Installed ventilation fan, silencers and heater
  - Materials and mobile equipment on site
- > Project remains on schedule



### PROFILE

Ownership	70%
Projected Life of Mine	5 years
Construction Capex (2012-2013)	\$72 million



# Constancia Project

US\$1.5 billion construction program underway

- > **US\$154 million spent to September 30, 2012**
- > **Entered into additional US\$322 million in commitments**
- > **Significant project milestones achieved prior to board approval:**
  - Front End Engineering and Design completed
  - Beneficiation concession granted in June 2012
  - Completion of 2,100-bed construction camp
  - Mobilization of EPCM and civil works contractors
  - Contract awarded for concentrate installation for plant construction
  - Major long lead items secured



	1-5 Yrs	6-16 Yrs	LOM
Annual throughput (M tonnes)	28.8	27.7	28.1
Avg annual contained Cu in concentrate (000 tonnes)	118	77	90
Avg annual sustaining Capex (US\$ M)	57	32	40
Cash cost per lb of Cu (US\$/lb) <sup>1</sup>	0.66	1.11	0.92

<sup>1</sup> Net of by-products.



# Strong Balance Sheet

As at September 30, 2012

## Sources

- > Cash and cash equivalents - **\$1,499 million**
- > Remaining stream agreement payments - **\$250 million**
- > Existing Credit facility - **\$235 million**

**Total Sources: \$1.98 billion**

## Uses

- > Llor - \$399 million
- > Reed - \$56 million
- > Constanca - \$1.39 billion

**Total Uses: \$1.85 billion**

- > Shares Outstanding: 172.0 million
- > Annualized Dividend Yield: 2.1%<sup>1</sup>

<sup>1</sup> As at market close on November 1, 2012.





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