
360° EXPERTISE

Creating Sustainable Value Through
High Quality, Long-Life Deposits

CIBC 2013 Whistler Institutional Investor Conference

January 23-26, 2013



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 Constancia, Lalor and Reed projects, capital cost estimates, continued production at our 777 and Lalor mines, 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, anticipated exploration and development expenditures and activities and the possible success of such activities, estimation of mineral reserves and resources, mine life projections, 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 Constancia 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 Hudbay’s projects, depletion of Hudbay’s 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 Hudbay’s 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, Hudbay’s ability to comply with its pension and other post-retirement obligations, Hudbay’s ability to abide by the covenants in its debt instruments, as well as the risks discussed under the heading “Liquidity and Capital Resources” in Hudbay’s MD&A dated November 1, 2012 and the risks discussed under the heading “Risk Factors” in Hudbay’s most recent Annual Information Form, Form 40-F and MD&A dated August 14, 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 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

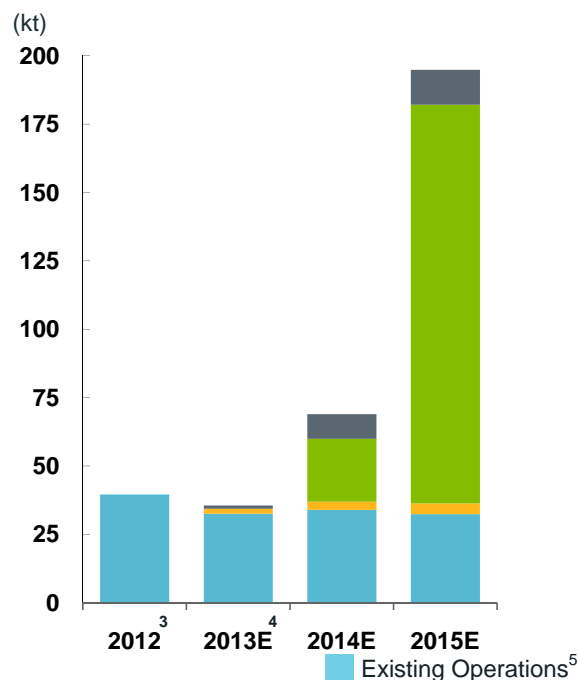
- in mine development and organic production growth to maximize per share growth in net asset value, earnings and cash flow



Key Metals Growth¹

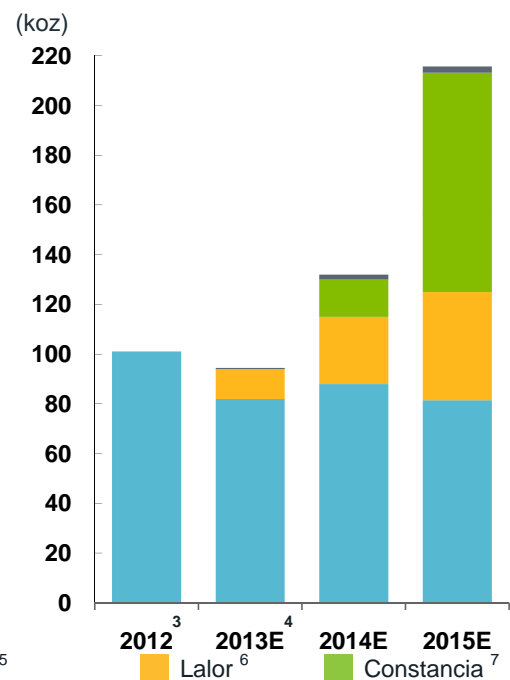
390% GROWTH

Cu Production



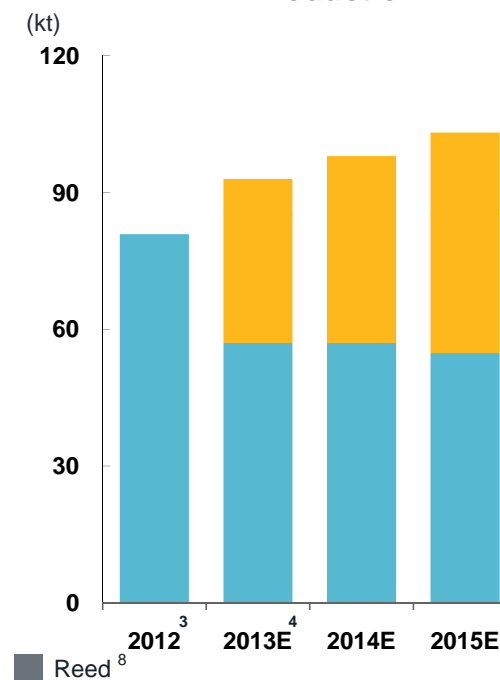
115% GROWTH

Precious Metals Production²



30% GROWTH

Zn Production



¹ Represents production growth from 2012 production to 2015 anticipated production levels.

² Includes production subject to streaming transactions. Silver converted to gold at a ratio of 50:1 for 2013 guidance. For 2012 production, silver converted to gold at 57:1, based on estimated 2012 realized sales prices.

³ 2012 production based on actual levels as disclosed in Hudbay's news release entitled, "Hudbay Announces 2013 Production Guidance and Capital and Exploration Forecasts", dated January 9, 2013 and includes production from the closed Trout Lake and Chisel North mines and initial production from Llorca

⁴ 2013 estimated production levels based on midpoint of 2013 forecasted production released on January 9, 2013.

⁵ 777's anticipated production for 2014 and 2015 is based on contained metal in concentrate as disclosed in "Technical Report 777 Mine, Flin Flon, Manitoba, Canada" dated October 15, 2012

⁶ Llorca's anticipated production for 2014 and 2015 is based on contained metal in concentrate as disclosed in "Pre-Feasibility Study Technical Report, on the Llorca Deposit" dated March 29, 2012.

⁷ Constancia's anticipated production for 2014 and 2015 is based on contained metal in concentrate as disclosed in, "The Constancia Project, National Instrument 43-101 Technical Report", filed on November 6, 2012.

⁸ Reed's anticipated production for 2014 and 2015 is based on contained metal in concentrate as disclosed in, "Pre-Feasibility Study Technical Report on the Reed Copper Deposit" dated April 2, 2012 and reflects 70% attributable production to Hudbay.

Steady Production with Low Operating Costs

Production of all metals met guidance for sixth consecutive year

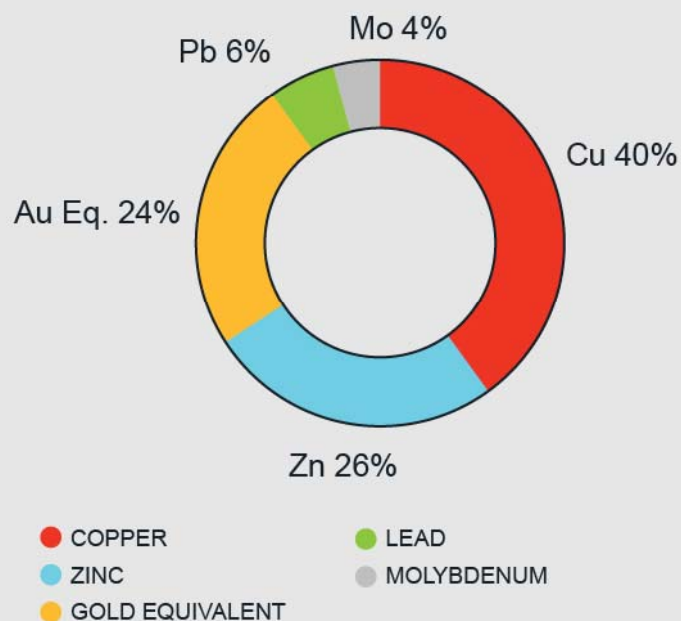
| | | Year Ended | Guidance | Guidance |
|---|----------|---|------------|------------|
| Contained metal in concentrate ¹ | | December 31, 2012 | 2012 | 2013 |
| Copper | tonnes | 39,587 | 35-40,000 | 33-38,000 |
| Zinc | tonnes | 80,866 | 70-85,000 | 85-100,000 |
| Precious Metals² | troy oz. | 101,059 | 85-105,000 | 85-105,000 |
| Unit Operating Costs | | Nine Months Ended September 30, 2012 | | |
| 777 | \$/tonne | 40.51 | 38 – 42 | 38 – 42 |
| Flin Flon Concentrator | \$/tonne | 13.13 | 12 – 15 | 12 – 16 |
| Snow Lake Concentrator | \$/tonne | 36.04 | 32 – 37 | 25 – 30 |

¹ Metal reported in concentrate prior to refining losses or deductions associated with smelter terms.

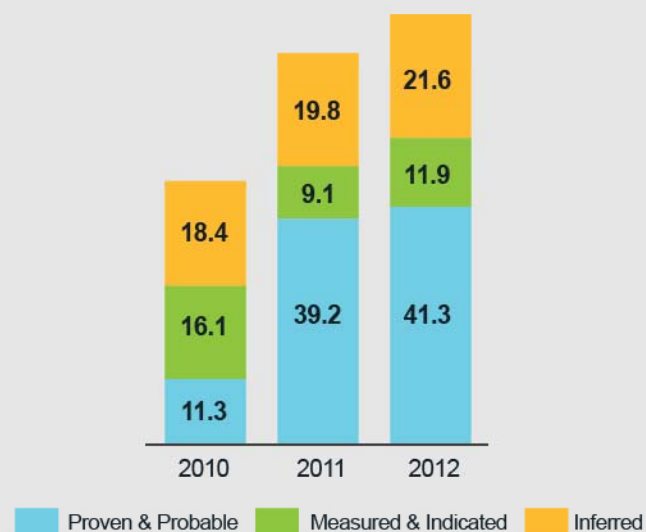
² Precious metals include gold and silver production. Silver converted to gold at a ratio of 50:1 for 2012 and 2013 guidance. For 2012 production, silver converted to gold at 57:1, based on estimated 2012 realized sales prices.

Growing Mineral Reserves and Resources Per Share

Commodity Exposure^{1,2}



Cu Eq/Share (lb Cu/sh)



¹ Hudbay reserves and resources as of March 31, 2012. Measured and Indicated Resources are exclusive of Proven and Probable Reserves.

² Commodity exposure calculated using commodity prices of US\$1,100/oz Au, US\$0.95/lb Zn, US\$2.75/lb Cu and US\$13.00/lb Mo; silver converted to gold at ratio of 50:1.

Flagship 777 Mine Steady production with low cash costs



| | |
|---------------------------|---------|
| Ownership | 100% |
| Life of Mine ¹ | 8 years |

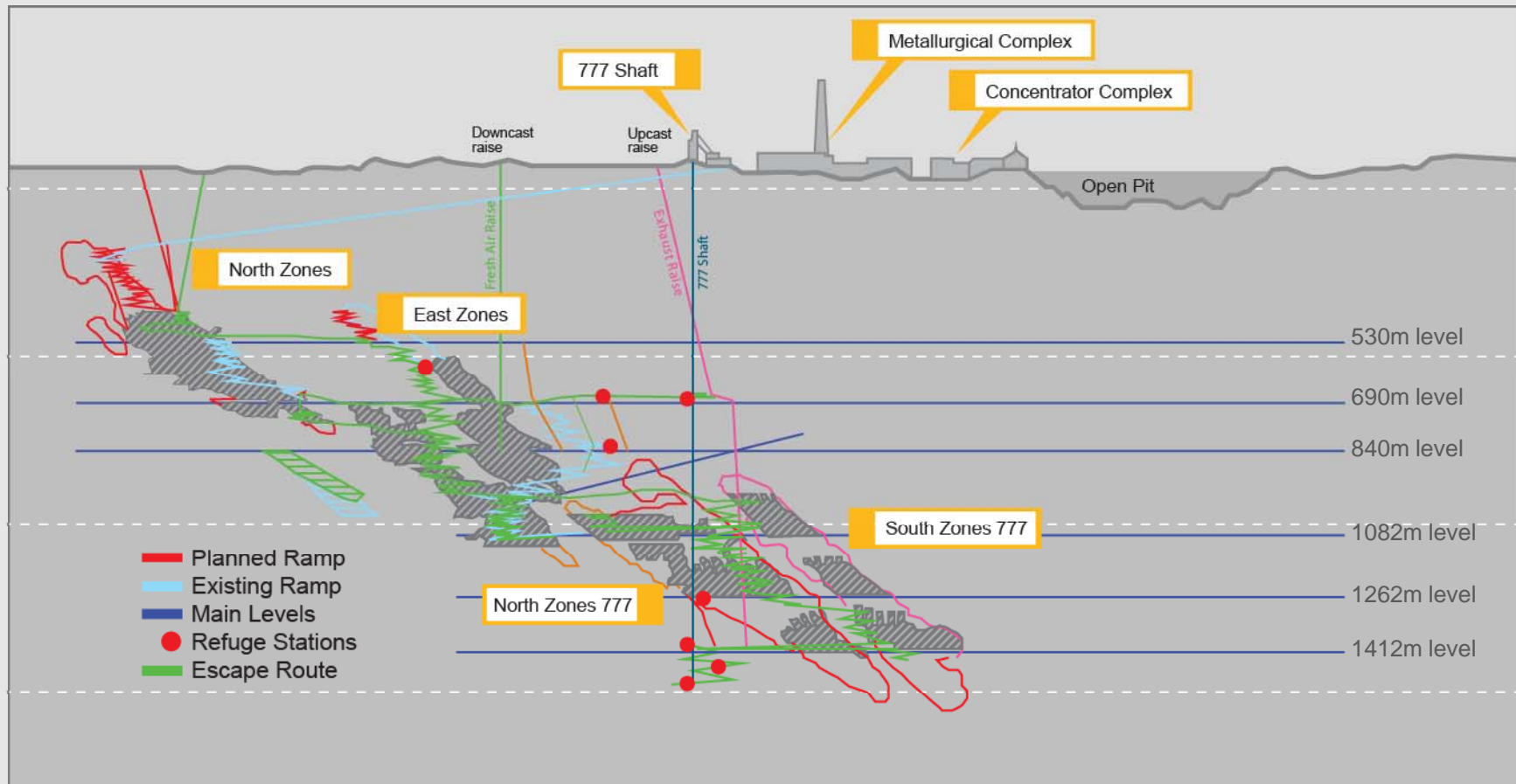
¹As at January 1, 2013



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777 Mine

Expansion and underground exploration program underway



Lalor on Track

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

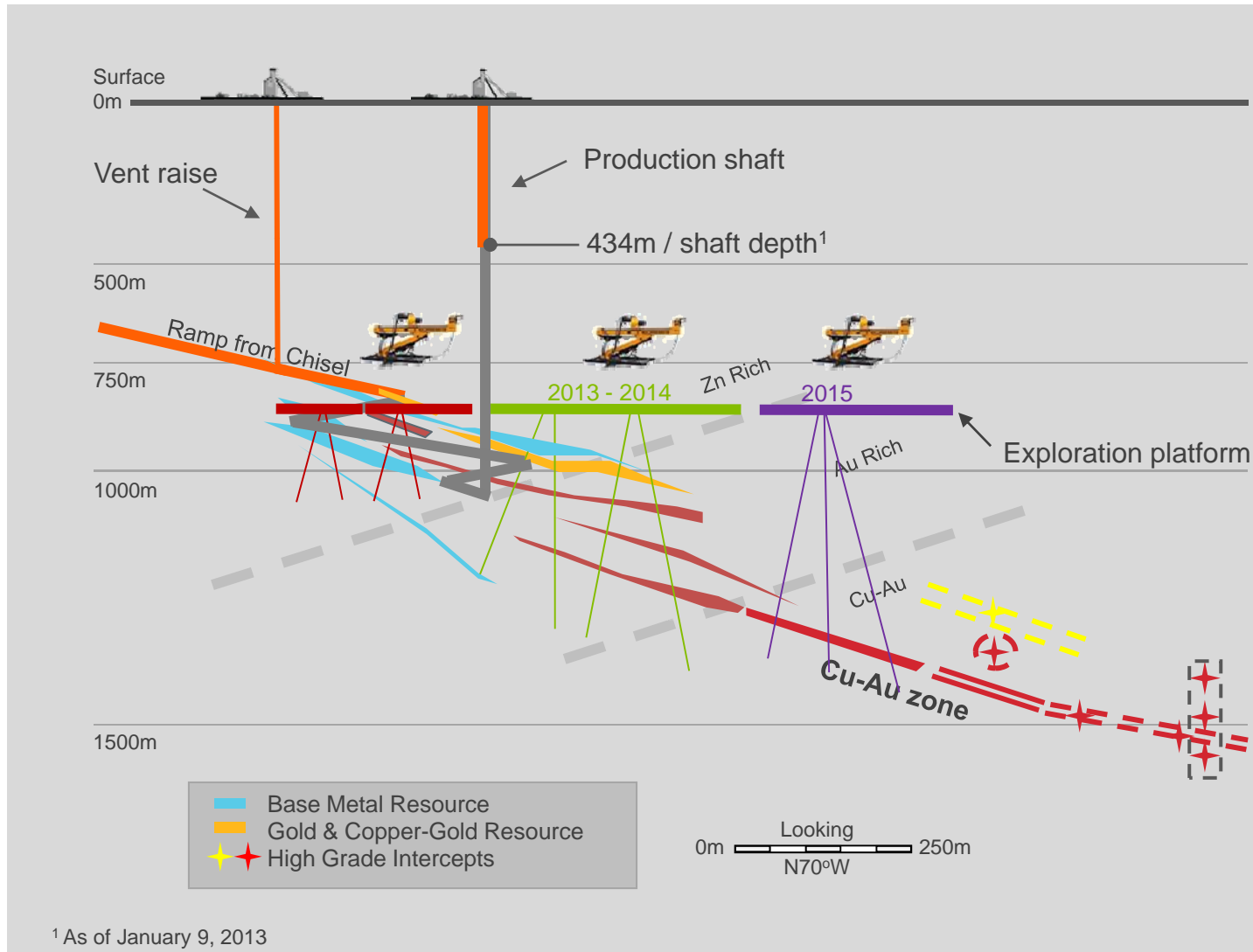
The image is a composite of three parts. At the top left is a regional map of Manitoba, Canada, showing the locations of several mining projects: 777 Mine, Flin Flon, Lalor Project, Reed Project, and Snow Lake. It also identifies the Flin Flon Ore Concentrator and Zinc Plant, Reed Lake, and Snow Lake Ore Concentrator. Major highways (Hwy #10 and Hwy #39) and Amisk Lake are also shown. A scale bar indicates 25 km. To the right of this map is a smaller map of Manitoba with a callout box highlighting the Lalor location. At the bottom left is an aerial photograph of the Lalor mine site, showing large industrial buildings with blue roofs, a tall processing tower, and a large open-pit mine area. At the bottom right is a table with project details.

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

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Lalor

Key milestones completed on time and on budget



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Reed Progressing Well

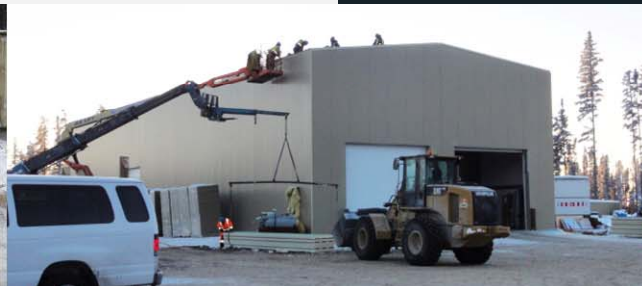
Portal trench excavation completed

- > \$19.7 million spent to Nov. 30, 2012
- > Entered into additional \$17.8 million in commitments
- > Significant project milestones achieved:
 - Portal trench constructed
 - 72 metres of main ramp developed¹
 - Major surface construction complete
- > Project remains on schedule



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

¹ As at January 9, 2013.



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Constancia Project

US\$1.5 billion construction program underway

- > **US\$257 million spent to November 30, 2012**
- > **Entered into additional US\$672 million in commitments**
- > **Significant project milestones achieved:**
 - Front End Engineering and Design completed
 - Beneficiation concession granted in June 2012
 - Completion of 2,800-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) ¹ | 0.66 | 1.11 | 0.92 |

¹ Net of by-products. Does not include impact of silver stream.



Constancia Project

Significant infrastructure advantages

- > **83km access road from Yauri**
 - To be upgraded for concentrate haulage
- > **Tintaya power substation 70km away**
 - Planned upgrade to 220 kV to be commissioned by Q3 2013
 - Contract executed for construction of power transmission line from Tintaya
- > **Rail-head at Imata 150km away**
- > **Road upgrades for concentrate haulage within project scope**
- > **~475km from Matarani Port by road**

Infrastructure & power expected to be available to meet Constancia project schedule



Applying 360° Expertise > 14

Constancia Exploration Success

Exploration program yields mineralization outside known reserve

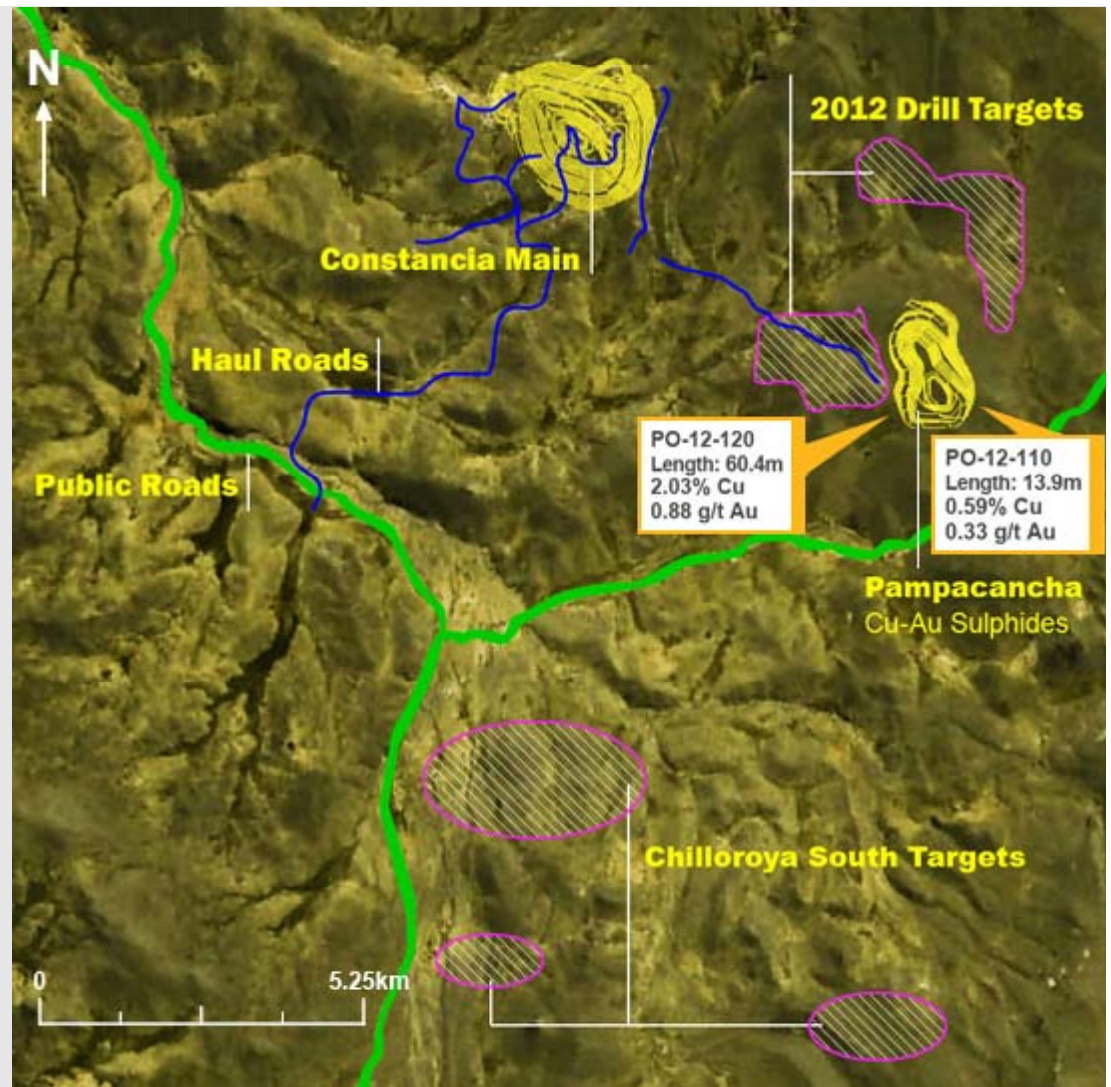
> Expand Pampacancha resource

- Two drills focused on infill and step-out drilling
- Mineralization demonstrated to the west of known resource

> Chilloroya South

- One drill tested skarn target and geophysical anomaly
- Favourable geology intersected in several holes

> Three drills to continue turning during 2013



Reliable Cash Flow Generation

Driven by steady production and cost control

| | Three Months Ended Sept. 30 | | Nine Months Ended Sept. 30 | |
|---|--------------------------------|---------|-------------------------------|---------|
| | 2012 | 2011 | 2012 | 2011 |
| (\$000s except per share amounts) | | | | |
| Revenue | 144,659 | 212,335 | 521,555 | 636,503 |
| Profit before tax | 4,960 | 37,473 | 28,814 | 139,212 |
| Operating cash flow¹ | 21,487 | 64,430 | 133,187 | 168,119 |
| Operating cash flow per share² | 0.12 | 0.37 | 0.77 | 1.01 |
| Cash cost per pound of copper sold² | 0.75 | 0.74 | 0.75 | 0.41 |

¹ Before stream deposit and change in non-cash working capital.

² Refer to "Non-IFRS Financial Performance Measures" in our Management's Discussion and Analysis for the quarter ending September 30, 2012.

Strong Balance Sheet

As at November 30, 2012

Sources

- > Cash and cash equivalents - **\$1,414 million**
- > Remaining stream agreement payments - **US\$250 million**
- > Existing Credit facility - **US\$235 million**

Total Sources: \$1.90 billion¹

Uses

- > Lalor - \$387.5 million
- > Reed - \$52.3 million
- > Constancia - US\$1.24 billion
- > Accrued Costs - \$85.9 million

Total Uses: \$1.77 billion¹

- > Shares Outstanding: 172.0 million

¹ Assumed USD/CAD conversion rate of 1.0:1.0



Applying 360° Expertise in Each Stage of Mining Cycle

Exploration

> Discovered
26 mines in
85 years

Development

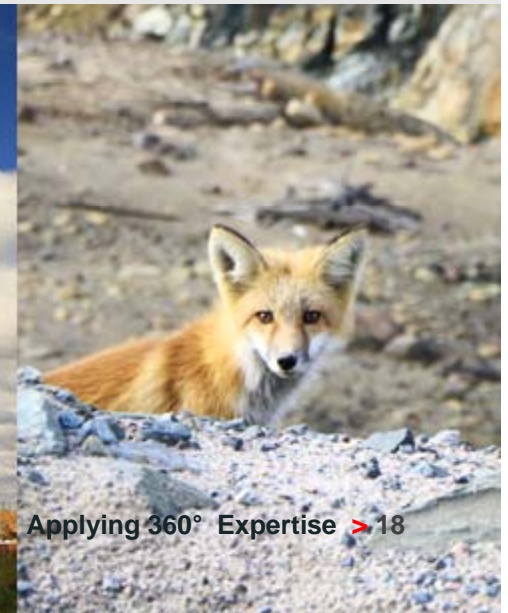
> Currently
3 mines in
development

Production

> 777 Mine is a
consistently
low-cost
producer

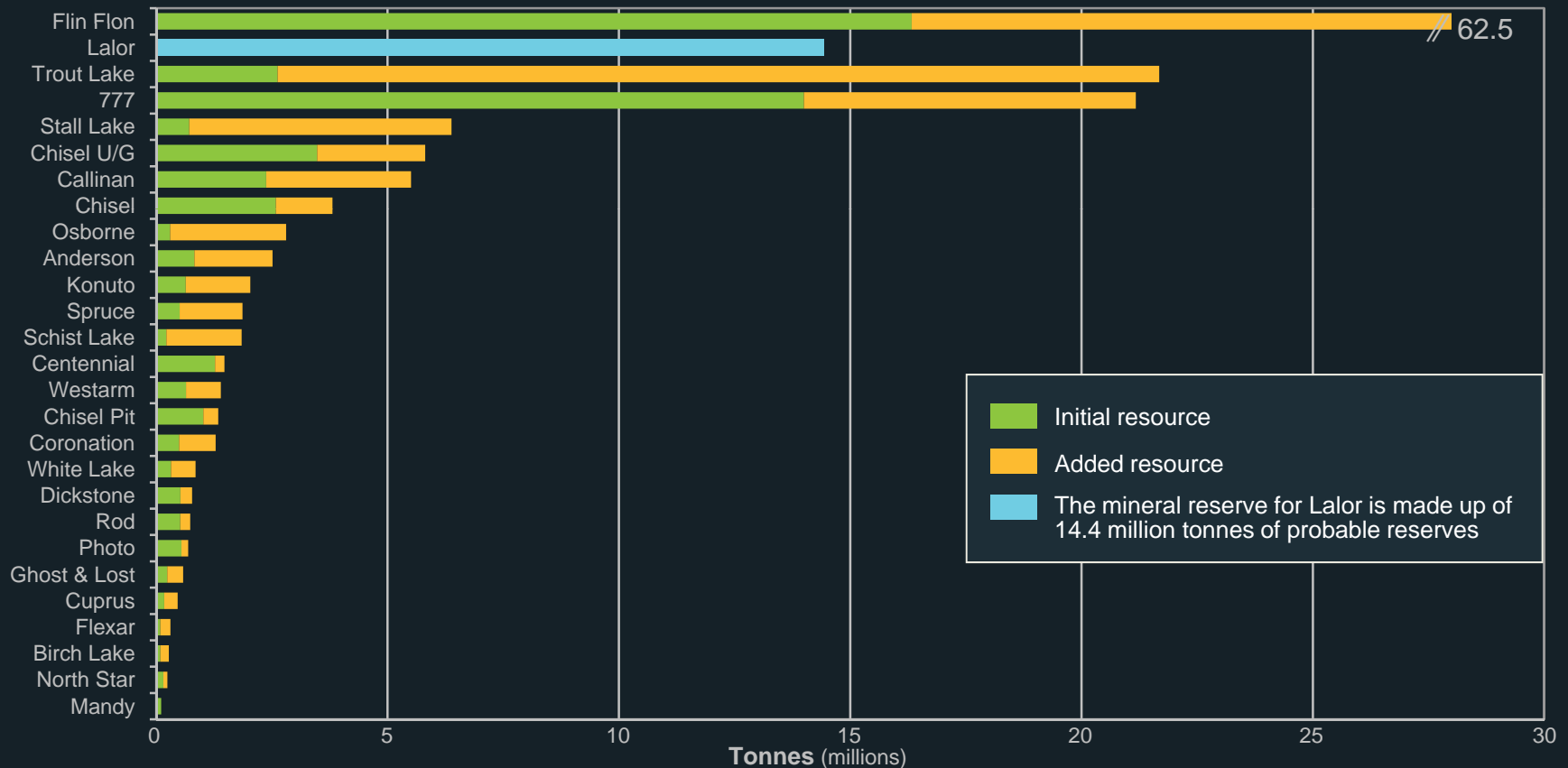
Reclamation

> Successfully
reclaimed
19 mines



Growth of Mineral Deposits

Discoveries in the Greenstone Belt



Average 1990 – 2012 discovery cost of 6.9 cents/lb Cu equivalent¹

¹ Expressed in 2012 dollars.

APPENDIX

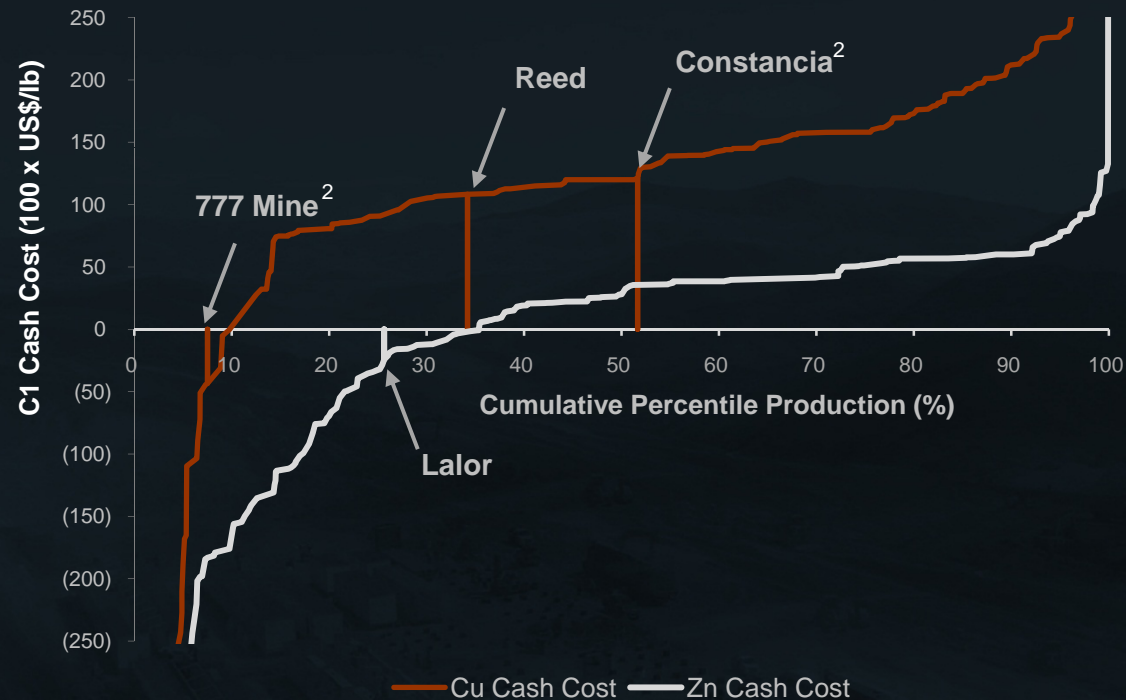


Appendix Contents

- > By-product copper cost curve
- > 2013 operating guidance, capital expenditures and exploration spending breakdown
- > Lalor guidance, mineralization and plan views
- > Constancia project
- > South America property
- > Reserves & resources



2012 Copper & Zinc By-Product Cost Curves¹



Source: Brook Hunt (2012 cost curve)

¹ By-product costs calculated using Brook Hunt's by-product costing methodology, which is materially different from the by-product costs reported by Hudbay in its public disclosure.

² 777 and Constancia by-product costs include the effect of the stream transactions.

2013 Operating Guidance

| | | 777 ¹ | Lalor ² | Reed ² |
|-----------------------------|-----------|------------------|--------------------|-------------------|
| Ore Mined | tonnes | 1,620,000 | 418,000 | 51,000 |
| Copper | % | 2.18 | 0.54 | 3.43 |
| Zinc | % | 4.41 | 9.89 | 1.18 |
| Gold | g/tonne | 1.94 | 1.23 | 0.72 |
| Silver | g/tonne | 30.89 | 17.70 | 8.80 |
| Unit Operating Costs | C\$/tonne | 38 - 42 | 75- 95 | |

Contained Metal in Concentrate³

| | | |
|------------------------------|--------|------------------|
| Copper | tonnes | 33,000 – 38,000 |
| Zinc | tonnes | 85,000 – 100,000 |
| Precious Metals ⁴ | ounces | 85,000 – 105,000 |

¹ 777 production guidance includes 777 and 777 North.

² Revenues and costs from Lalor and Reed operations prior to commencement of commercial production will be capitalized. Lalor unit operating cost guidance is for periods following commercial production.

³ Metal reported in concentrate is prior to refining losses or deductions associated with smelter terms

⁴ Precious metals production includes gold and silver production. Silver converted to gold at a ratio of 50:1 for 2012 and 2013 guidance. For 2012 production, silver converted to gold at 57:1, based on estimated 2012 realized sales prices.

2013 Operating Guidance

| | | Flin Flon | Snow Lake |
|---|------------------|--------------------|----------------|
| Ore Milled | tonnes | 1,719,000 | 369,000 |
| Recoveries | | | |
| Copper | % | 92 | 82 |
| Zinc | % | 85 | 95 |
| Gold | % | 69 | 65 |
| Unit operating costs¹ | C\$/tonne | 12 - 16 | 25 - 30 |
| Zinc concentrate treated | | | |
| Domestic | tonnes | 199,000 | |
| Purchased | tonnes | 2,600 | |
| Total | tonnes | 201,600 | |
| Recovery | % | 97 | |
| Zinc metal produced | tonnes | 101,000 | |
| Unit operating costs¹ | C\$/lb | 0.33 - 0.39 | |

¹ Forecast unit operating costs are calculated on the same basis as reported unit operating costs in Hudbay's quarterly and annual management's discussion and analysis.

2013 Capital Expenditures¹

Committed to \$1.2 billion in capital expenditures to grow production profile

(figures in C\$ millions)

Guidance 2013¹

Growth

| | |
|--------------------------------|-----|
| Lalor | 163 |
| Constancia | 901 |
| Back Forty | - |
| Reed | 44 |
| 777 North | - |
| Capitalized Interest and Other | 49 |

Total growth capital

1,157

Sustaining

78

Total capital expenditures

1,235

¹ 2013 guidance based on figures disclosed in Hudbay's news release entitled, "HudBay Minerals Announces 2013 Production Guidance and Capital and Exploration Expenditure Forecasts"

2013 Exploration Expenditures

| (C\$ millions) | Nine Months Ended Sept. 30, 2012 Actual | Annual 2013 Guidance |
|---------------------------------------|---|-----------------------------|
| Manitoba | 21.3 | 20.2 |
| South America | 12.2 | 18.2 |
| Other North America | 7.5 | 1.6 |
| Total exploration expenditures | 41.0 | 40.0 |
| Manitoba capitalized spending | (2.8) | (4.4) |
| Manitoba investment tax credits | (5.7) | (0.5) |
| Total exploration expenses | \$32.5 | \$35.1 |

Lalor Project Guidance

- > CAPEX for new concentrator (including paste backfill plant) estimated at \$263 million
 - \$120 million estimate in August 2010 for Snow Lake concentrator refurbishment
- > Incremental investment of \$144 million brings total Lalor CAPEX to \$704 million approved in 2011
- > Capital costs remain on budget
- > \$316.5 million incurred to November 30, 2012; additional \$89.7 million in commitments have been placed

| | |
|---|----------------------|
| December 2012 ¹ | \$11.5 million |
| 2013 | \$163 million |
| 2014 | \$213 million |
| Total estimated future capital spending | \$387.5 million |
| Total spent in 2010/2011 | \$206 million |
| Total spent YTD 2012 ² | \$110.5 million |
| TOTAL | \$704 million |

¹Reflects expected spending in December 2012

² Reflects spending from January to November 2012

Benefits of Lalor Project Optimization¹

| | Optimized Lalor | Lalor – Aug. 4, 2010 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Construction CAPEX | C\$ 704M | C\$ 560M |
| Annual Sustaining CAPEX | C\$ 22M | C \$15M |
| Production Rate | 4,500 tpd | 3,500 tpd |
| Mining Costs | \$36 per tonne | \$56 per tonne |
| Milling Costs | \$16 per tonne | \$24 per tonne |
| Metallurgy | 95% Zn 86% Cu 66% Au 60% Ag | 95% Zn 90% Cu 80% Au 75% Ag |

¹ All cost projections reflect current estimates

Decision to construct a gold plant will be made before higher grade gold mineralization is mined



Reed Copper Project¹

Mineral Reserves as at March 30, 2012
 Mineral Resources as at March 15, 2011

| Category | Tonnes | Cu (%) | Zn (%) | Au (g/t) | Ag (g/t) |
|----------|-----------|--------|--------|----------|----------|
| Probable | 2,157,000 | 3.83 | 0.59 | 0.48 | 6.02 |
| Inferred | 170,000 | 4.26 | 0.52 | 0.38 | 4.55 |



¹ Hudbay holds a 70% joint venture interest in the Reed property

Constancia Project

- > Unlevered IRR of 14.5% based on capital cost estimate
- > Net present value of \$571 million, assuming a discount rate of 8.0% and \$2.75/lb copper

| | Base Case ¹ | Copper Prices +10% ² | Copper Prices -10% ² |
|---------------------------------|------------------------|---------------------------------|---------------------------------|
| Long-Term Copper Price | US\$2.75/lb | US\$3.03/lb | US\$2.48/lb |
| IRR – Unlevered | 14.5% | 17.3% | 11.5% |
| IRR – With Silver Stream | 15.9% | 19.3% | 12.1% |
| NPV – Unlevered | C\$571 M | C\$851 M | C\$289 M |

¹ Base case assumed metal prices are as follows: Copper (2014-US\$3.40/lb, 2015-US\$3.30/lb, 2016-US\$3.10/lb, Long-Term-US\$2.75/lb); Gold (2014-US\$1,550/oz, 2015-US\$1,450/oz, 2016-US\$1,350/oz, Long-Term-US\$1,150/oz); Silver (2014-US\$30/oz, 2015-US\$28/oz, 2016- US\$24/oz, Long-Term-US\$23/oz); Molybdenum (2014-US\$15/oz, 2015-US\$15/oz, 2016-US\$14.50/oz, Long-Term-US\$14/oz); CAD/USD (2014-C\$1.01/US\$, 2015-C\$1.02/US\$, 2016-C\$1.05/US\$, Long-Term-C\$1.05/US\$)

² Copper prices are increased/decreased by respective percent in every year of forecast.

Constancia Capital Spending

(US\$ millions)

| | |
|---------------------------------------|--------------|
| December 2012 ¹ | 127 |
| 2013 | 901 |
| 2014 | 261 |
| Total future capital spending | 1,289 |
| Total spent in Q1 – November 30, 2012 | 257 |
| Total | 1,546 |

¹Reflects expected spending in December 2012

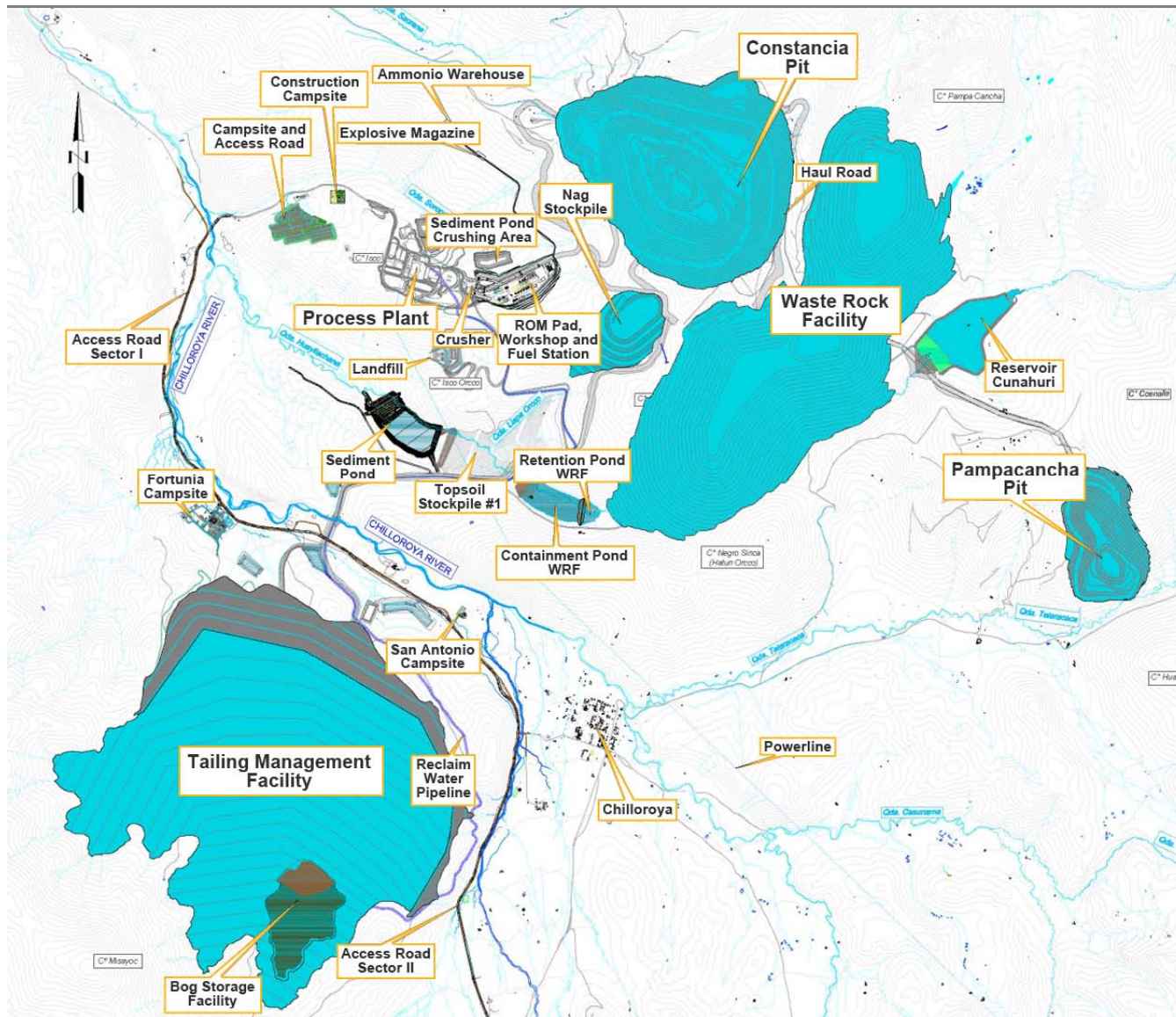


Constancia Key Metrics

| Project Costs | Unit | Life of Mine |
|--|--------|--------------|
| Mining Costs / tonne ore ¹ | US\$/t | 2.97 |
| Milling Cost / tonne ore | US\$/t | 4.47 |
| G&A Costs / tonne ore | US\$/t | 1.11 |
| Average Annual Sustaining CAPEX | M US\$ | 40 |
| Project Economics | | |
| NPV of C\$ FCF (@ 8% discount and LT Cu of \$2.75/lbs) | M C\$ | 571 |
| IRR | % | 14.5 |
| IRR – with Silver Stream | % | 15.9 |

¹ Includes cost of waste removal

Constancia Project - Site Plan and Layout



Constancia Regional Infrastructure – Port

- > Constancia is ~475km from Matarani Port by road, already more than half paved
- > Matarani Port located 120km from Arequipa by paved highway
- > The port is a deep sea port managed by a private group
- > Used by other mining companies
- > Currently formalizing expansion plans



Constancia Production Profile

High tonnage with low cash costs

- > 2015 – 2019: annual copper metal in concentrate expected to average 118,000 t
- > 2020 – 2030: annual copper metal in concentrate expected to average 77,000 t
- > Cash costs of production expected to average: \$0.66/lb of copper for first 5 years; \$1.11/lb thereafter



Precious Metals Stream Overview

- > US\$750 million in upfront deposit payments from Silver Wheaton for delivery of:
 - 100% of payable gold and silver from 777 mine until the end of 2016;
 - and 50% of payable gold and 100% of payable silver thereafter for the remainder of life of mine
 - 100% of payable silver from Constancia project

- > Precious metals stream transaction preserves precious metals upside potential for Hudbay shareholders
 - Precious metals production from Lalor excluded
 - Excludes land package outside of Constancia and Pampacancha, including highly prospective Chilloroya, which is currently being explored

Constancia Reserves Overview

Growth in Reserves

Constancia Mineral Reserves – August 8, 2012

| Category | Ore (M tonnes) | Cu (%) | Mo (g/t) | Ag (g/t) | Au (g/t) | CuEq ¹ (%) |
|-----------------|----------------|-------------|-----------|-------------|--------------|-----------------------|
| Proven | 349 | 0.37 | 100 | 3.29 | 0.043 | 0.49 |
| Probable | 54 | 0.24 | 60 | 2.98 | 0.035 | 0.33 |
| Total | 403 | 0.35 | 96 | 3.25 | 0.042 | 0.47 |

Pampacancha Mineral Reserves – August 8, 2012

| Category | Ore (M tonnes) | Cu (%) | Mo (g/t) | Ag (g/t) | Au (g/t) | CuEq ¹ (%) |
|-----------------|----------------|-------------|------------|-------------|--------------|-----------------------|
| Proven | 10 | 0.54 | 170 | 4.20 | 0.318 | 0.87 |
| Probable | 37 | 0.46 | 140 | 4.56 | 0.276 | 0.76 |
| Total | 47 | 0.48 | 149 | 4.49 | 0.285 | 0.78 |

¹ Not accounting for recovery

Constancia Resources Overview

Exclusive of Reserves

Constancia Mineral Resources¹ - November 2, 2011

| Category | M (tonnes) | Cu (%) | Mo (g/t) | Ag (g/t) | Au (g/t) | CuEq ² (%) |
|--------------|------------|-------------|-----------|------------|--------------|-----------------------|
| Measured | 119 | 0.23 | 62 | 2.3 | 0.038 | 0.31 |
| Indicated | 344 | 0.20 | 58 | 2.0 | 0.034 | 0.27 |
| Total | 463 | 0.21 | 59 | 2.0 | 0.035 | 0.28 |
| Inferred | 219 | 0.19 | 49 | 1.8 | 0.032 | 0.25 |

Pampacancha Mineral Resources³ – April 2, 2012

| Category | M (tonnes) | Cu (%) | Mo (g/t) | Ag (g/t) | Au (g/t) | CuEq ² (%) |
|-----------------|------------|-------------|------------|------------|--------------|-----------------------|
| Inferred | 4 | 0.41 | 103 | 6.2 | 0.207 | 0.67 |

¹ The Constancia mineral resources are reported at 0.12% copper cut-off

² Not accounting for recovery

³ The Pampacancha mineral resources are reported at a 0.20% copper cut-off

Constancia Project Contingency

Capital costs

| Area | Base Cost | Contingency & Growth Dollars | Contingency & Growth % of Base \$ |
|--|----------------|------------------------------|-----------------------------------|
| | US\$ millions | US\$ millions | |
| Mining | 145 | 12 | 8% |
| Mine Equipment | 151 | 2 | 1% |
| Plant | 340 | 57 | 17% |
| Heavy Civil Works (TMF & reservoirs) | 178 | 42 | 24% |
| Other Infrastructure | 117 | 21 | 18% |
| Site Accommodations | 96 | 5 | 5% |
| External Infrastructure - Roads & Bridges | 49 | 6 | 13% |
| Indirects (non-owner) | 146 | 12 | 8% |
| Commissioning and Spares | 29 | 1 | 3% |
| Owners | 138 | - | 0% |
| | 1,389 | \$157 | |
| Total CAPEX | \$1,546 | | |
| Project Commitments to November 30, 2012 | \$672 | | |
| Project Expenditures to November 30, 2012 | \$257 | | |
| Project Costs Not Yet Committed | \$617 | | |

Formalized LOM Agreements with Local Communities

Uchuccarco

- > Life of mine agreement in place
- > Land rights acquired

Chilloroya

- > Life of mine agreement in place
- > Land rights acquired
- > Relocation process is underway

Committed to community investments

36°
RESPONSIBILITY

Hudbay | 2011 Corporate Social Responsibility Report



Applying 36° Expertise > 40

Updated Peru Tax and Royalty Scheme

What has changed?

- Old royalty: 1% – 3% sliding scale royalty on sales (NSR) is being eliminated
- New royalty: 1% – 12% marginal rate sliding scale applied on operating profit (EBIT)
 - Equivalent to: 0% – 7.1% effective rate, depending on operating profit margin; minimum royalty = 1% of sales
- New mining tax: 2% – 8.4% marginal rate sliding scale applied to operating profit (EBIT)
 - Equivalent to: 0% – 5.4% effective rate, depending on operating profit margin (i.e. EBIT margin)

What stays the same?

- 0.5% NSR Minera Livitaca and Katanga (capped at US\$10 million)
- Labour participation = 8% of pre-tax profits
- 30% corporate income tax rate without a tax stability agreement

Deductible expenses for corporate income tax:

- New royalty AND new mining tax
- Labour participation = 8% of pre-tax profits
- Tax depreciation

Withholding/Dividend Tax:

- 4.1% applies to profits distributed to nonresidents

Legal Stability Agreements

- Guaranteed stability of income tax regime for 15 years

Project De-Risking with Experienced Partners

| Stracon GyM | Relevant Experience |
|---|---|
| <ul style="list-style-type: none"> > Currently operating in Peru > Experienced in mining and major earth works > Established labour force and operating team > Experienced procurement and maintenance > Carry over from design, construction to mining | <ul style="list-style-type: none"> • Toromocho • El Brocal • Marcona • La Arena |
| Ausenco | Relevant Experience |
| <ul style="list-style-type: none"> > Constructed and delivered similar plants in remote locations > Assembled sizable team in Latin America > Continuation of personnel from FEED to construction | <ul style="list-style-type: none"> • Lumwana • Phu Kham • Cadia East |

South America – Property Acquisition

- > Focus on Chile, Peru and Colombia
- > Compilation of geological data at San Antonio
- > Regional exploration office opened in Santiago
- > Evaluation of early stage exploration opportunities underway



In-mine Manitoba Mineral Reserves

January 1, 2012

| Category | Tonnes | Cu (%) | Zn (%) | Au (g/t) | Ag (g/t) |
|----------------------------|-----------|--------|--------|----------|----------|
| 777¹ | | | | | |
| Proven | 4,921,000 | 2.36 | 4.16 | 1.97 | 26.78 |
| Probable | 7,464,000 | 1.64 | 4.44 | 1.82 | 27.86 |
| TROUT LAKE | | | | | |
| Proven | 229,000 | 2.07 | 1.90 | 2.06 | 1.33 |
| CHISEL NORTH-ZINC | | | | | |
| Proven | 48,000 | - | 7.97 | - | - |
| Probable | 60,000 | - | 6.57 | - | - |
| CHISEL NORTH-COPPER | | | | | |
| Probable | 57,000 | 1.49 | 2.65 | 2.06 | 20.58 |
| TOTAL | | | | | |
| Proven | 5,198,000 | | | | |
| Probable | 7,581,000 | | | | |

¹ Includes 777 North

Manitoba Mineral Resources

January 1, 2012 – Exclusive of mineral reserves

| Category | Tonnes | Cu (%) | Zn (%) | Au (g/t) | Ag (g/t) |
|-------------------------|-----------|--------|--------|----------|----------|
| 777¹ | | | | | |
| Inferred | 1,183,000 | 1.43 | 5.47 | 1.96 | 39.17 |
| Lost² | | | | | |
| Indicated | 411,000 | 1.80 | 6.10 | 1.00 | 20.00 |
| Inferred | 69,000 | 1.50 | 6.20 | 0.80 | 16.50 |
| Total | | | | | |
| Indicated | 411,000 | 1.80 | 6.10 | 1.00 | 20.00 |
| Inferred | 1,252,000 | 1.43 | 5.51 | 1.90 | 37.92 |

¹ Includes 777 North

² Lost property mineral resource as at March 4, 2011; Hudbay holds a 51% joint venture interest in the property

Lalor Project

Reserves & resources

Lalor project mineral reserves¹ - March 29, 2012

| Category | Tonnes | Cu (%) | Zn (%) | Au (g/t) | Ag (g/t) |
|-------------------|------------|--------|--------|----------|----------|
| Base metal | | | | | |
| Probable reserves | 12,591,000 | 0.63 | 7.92 | 1.55 | 23.81 |
| Gold zone | | | | | |
| Probable reserves | 1,841,000 | 0.38 | 0.38 | 3.99 | 21.77 |
| Total | | | | | |
| Reserves | 14,432,000 | 0.60 | 6.96 | 1.86 | 23.55 |

Lalor project mineral resources - September 30, 2011

| Category | Tonnes | Cu (%) | Zn (%) | Au (g/t) | Ag (g/t) |
|-------------------------|------------|--------|--------|----------|----------|
| Base metal | | | | | |
| Inferred | 3,817,000 | 0.60 | 9.09 | 1.20 | 22.15 |
| Gold zone | | | | | |
| Inferred | 7,338,000 | 0.41 | 0.32 | 4.64 | 31.35 |
| Copper-gold zone | | | | | |
| Inferred | 1,461,000 | 4.15 | 0.31 | 6.80 | 20.33 |
| Total | | | | | |
| Inferred | 12,616,000 | 0.90 | 2.97 | 3.85 | 27.29 |

¹ The weighted average (based on planned production tonnage) price from 2012 to 2016 used in the Lalor pre-feasibility study for mineral reserve estimation for zinc was US\$1.11 per pound (includes premium), the copper price was US\$3.12 per pound, the gold price was US\$1,399 per ounce and the silver price was US\$27.28 per ounce using an exchange of 1.03 C\$/US\$. Post 2016 the mineral reserve estimation used a zinc price of US\$1.00 per pound (includes premium), a copper price of US\$2.75 per pound, a gold price of US\$1,100 per ounce and a silver price of US\$22 per ounce using an exchange of 1.05 C\$/US\$.

Reserves and Resources

- > The technical and scientific information in this presentation related to the Constanca project (including Pampacancha) has been approved by **Cashel Meagher**, P. Geo, Hudbay's Vice-President, South America. The technical and scientific information related to all other sites and projects contained in this presentation has been approved by **Robert Carter**, P. Eng, Hudbay's Director, Technical Services. Mr. Meagher and Mr. Carter are qualified persons pursuant to NI 43-101.

- > Please refer to Hudbay's Annual Information Form and Form 40-F for the year ended December 31, 2011 and applicable technical reports in respect of the properties filed on SEDAR for further information, and in particular:
 - > For additional details on 777, refer to the "Technical Report 777 Mine, Flin Flon, Manitoba, Canada" dated October 15, 2012 filed on SEDAR.
 - > For additional details on Lalor, refer to the "Pre-Feasibility Study Technical Report, on the Lalor Deposit" dated March 29, 2012 filed on SEDAR.
 - > For additional details on Constanca, refer to the "The Constanca Project, National Instrument 43-101 Technical Report", filed on November 6, 2012 on SEDAR.



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