



SECOND QUARTER 2014 RESULTS

HUDBAY

Management Presentation

July 31, 2014

Cautionary Information



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 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, statements with respect to the anticipated timing, mechanics, completion of the subsequent acquisition transaction to acquire the remaining shares of Augusta Resource Corporation (“Augusta”) the permitting, development and financing of Augusta’s Rosemont copper project (the “Rosemont project”), Hudbay’s objectives, strategies, intentions, expectations and guidance and future financial and operating performance and prospects, production at Hudbay’s 777, Lalor and Reed mines and initial production from the Constancia project, continued processing at Hudbay’s Flin Flon concentrator, Snow Lake concentrator and Flin Flon zinc plant, Hudbay’s ability to complete the development of Hudbay’s Lalor and Constancia projects and the anticipated scope and cost of any development plans for these projects, anticipated timing of Hudbay’s projects and events that may affect the company’s projects, including the anticipated issue of required licenses and permits, Hudbay’s expectation that it will receive the remaining deposit amount under its amended precious metals stream transaction with Silver Wheaton Corp. (“Silver Wheaton”) and that additional funding will be available if needed under Hudbay’s standby credit facility for Constancia, the 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 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 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 Hudbay produces; no significant and continuing adverse changes in financial markets, including commodity prices and foreign exchange rates; the supply and availability of reagents for Hudbay’s concentrators; the supply and availability of concentrate for Hudbay’s processing facilities for the company’s concentrate; the supply and the availability of third party processing facilities for Hudbay’s 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 Hudbay’s business and growth strategies, including the success of Hudbay’s strategic investments and initiatives; the availability of financing for Hudbay’s exploration and development projects and activities; the ability to complete project targets on time and on budget and other events that may affect Hudbay’s ability to develop Hudbay’s projects; the timing and receipt of various regulatory and governmental approvals; the availability of personnel for Hudbay’s exploration, development and operational projects and ongoing employee relations; Hudbay’s ability to secure required land rights to complete its Constancia project; maintaining good relations with the communities in which Hudbay operates, including the communities surrounding the Constancia project and First Nations communities surrounding the Lalor project and Reed mine; no significant unanticipated challenges with stakeholders at Hudbay’s various projects, including the company’s newly acquired Rosemont project; no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters; no contests over title to Hudbay’s 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; 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; no significant and continuing adverse changes in general economic conditions or conditions in the financial markets; and the timing and completion of a subsequent acquisition transaction in connection with Hudbay’s acquisition of Augusta.

Cautionary Information (continued)



Forward Looking Information (continued)

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, the development of the Rosemont project not occurring as planned, the exercising of dissent and appraisal rights by Augusta shareholders should a subsequent acquisition transaction be undertaken in connection with Hudbay's acquisition of Augusta, Augusta continuing as a majority-owned subsidiary of Hudbay should a subsequent acquisition transaction not be completed, the inaccuracy of Augusta's public disclosure and representations in the support agreement upon which Hudbay's offer to acquire Augusta was predicated, the failure to obtain required approvals or clearances from government authorities on a timely basis, risks generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation), uncertainties related to the development and operation of Hudbay's projects (including the impact on project cost and schedule of construction delays and unforeseen risks and other factors beyond the company's control), depletion of Hudbay's reserves, risks related to political or social unrest or change and those in respect of aboriginal and community relations, rights 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, the company's ability to abide by the covenants in Hudbay's debt instruments or other material contracts, tax refunds, hedging transactions, as well as the risks discussed under the heading "Risk Factors" in this presentation and 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 presentation or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

Cautionary Information (continued)



The scientific and technical information in respect of Hudbay contained in this presentation related to the Constancia project has been prepared by or under the supervision of Cashel Meagher, P.Geo., Hudbay's Vice President, South America Business Unit. The scientific and technical information related to all other sites and projects of Hudbay contained in this presentation has been prepared by or under the supervision of Robert Carter, P.Eng., Hudbay's Director, Technical Services. Messrs. Meagher and Carter are Qualified Persons for the purposes of NI 43-101 – *Standards of Disclosure for Mineral Projects*. ("NI 43-101"). The mineral reserve and resource estimates included in or underlying assumptions referenced in this presentation were prepared in accordance with NI 43-101 and the Canadian Institute on Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: Definitions and Guidelines. Mineral resources that are not mineral reserves do not have demonstrated economic viability. For a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources, as well as data verification procedures and a general discussion of the extent to which the estimates may be affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant factors, please see the Technical Reports for each of Hudbay's properties as filed on SEDAR at www.sedar.com.

The disclosure in this presentation uses mineral resource classification terms and mineral resource estimates that comply with NI 43-101. NI 43-101 establishes standards for all public disclosure a Canadian issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all reserve and resource estimates contained herein have been prepared in accordance with NI 43-101. These standards differ significantly from the mineral reserve disclosure requirements of the SEC set forth in Industry Guide 7. Consequently, reserve and resource information contained herein is not comparable to similar information that would generally be disclosed by U.S. companies in accordance with the rules of the SEC.

In particular, the SEC's Industry Guide 7 applies different standards in order to classify mineralization as a reserve. As a result, the definitions of proven and probable reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7. Under SEC standards, 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 the reserve determination is made. Among other things, all necessary permits would be required to be in hand or their issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, mineral reserve estimates referred to herein may not qualify as "reserves" under SEC standards.

In addition, the terms "measured mineral resources," "indicated mineral resources" and "inferred mineral resources" are used to comply with the reporting standards in Canada. The SEC's Industry Guide 7 does not recognize mineral resources and U.S. companies are generally not permitted to disclose resources in documents they file with the SEC. Investors are specifically cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into SEC defined mineral reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of an inferred resource exists. It cannot be assumed that all or any part of "measured mineral resources," "indicated mineral resources," or "inferred mineral resources" will ever be upgraded to a higher category. Investors are cautioned not to assume that any part of the reported "measured mineral resources," "indicated mineral resources," or "inferred mineral resources" contained herein is economically or legally mineable. For the above reasons, information contained herein containing descriptions of mineral reserve and resource estimates is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

BEGINNING OF EXPECTED PRODUCTION, EARNINGS AND CASH FLOW GROWTH

Manitoba production and unit cost improvements reflect economies of scale of growing business

- > Ore production 23% higher than Q2 2013
- > 777 operating costs 3% lower than Q2 2013
- > Lalor operating costs 9% lower than Q2 2013

Financial results negatively impacted by continued accumulation of unsold inventory

- > 14% of unsold copper concentrates and 8% of unsold refined zinc
- > Expected to be drawn down over balance of 2014

2014 full year production and operating cost guidance unchanged

Executed US\$150 million standby Constancia credit facility

- > Long-term agreement for sale of 20% of LOM Constancia copper concentrates at standard market terms

Continued De-Risking of Our Growth Projects



SIGNIFICANT PROJECT MILESTONES ACHIEVED

Constancia

- > Project construction approximately 85% complete
- > Power transmission line expected to be commissioned shortly
- > First ore placed on ROM pad in July

Lalor

- > Underground mine project development completed on time and on budget
- > Mechanically commissioned 6,000 tpd production shaft (ore and waste) for hoisting
- > Snow Lake concentrator upgrade substantially complete and is being commissioned; production capacity to more than double to 2,700 tpd

Rosemont

- > Acquisition complements Hudbay's sector-leading copper production growth



View of the main plant site at Constancia



955 metre level conveyor drift



View of Rosemont project

100%-OWNED PROJECT IN PERU

Construction approximately 85% complete as at June 30, 2014

- > US\$1.6 billion of US\$1.7 billion budget spent and committed
- > Power transmission line construction complete
- > Pre-stripping advancing well
- > Concentrate transport contract to be awarded in Q3 2014
- > Construction activities progressing well
- > Plant commissioning activities commenced

On track for first production in late 2014 and commercial production in Q2 2015



Constancia tailings thickener



Pre-stripping activities at Constancia

Constancia Construction Progress



Constancia mine maintenance facilities



Constancia flotation cells



Employee working in crusher control room



Crushed ore stockpile reclaim tunnels to feed ball mills

Constancia Construction Progress (Cont'd)



Constancia bog dam



Constancia tailings management facility



Overhead view of Constancia crusher

100%-OWNED MINE IN MANITOBA

Main production shaft mechanically commissioned for hoisting

- > Of the total \$441 million budget, invested \$404 million and entered into additional \$32 million in commitments to June 30, 2014
- > New 6,000 tpd production shaft (ore and waste)
- > Snow Lake concentrator upgrade substantially complete and is being commissioned; production capacity to more than double to 2,700 tpd



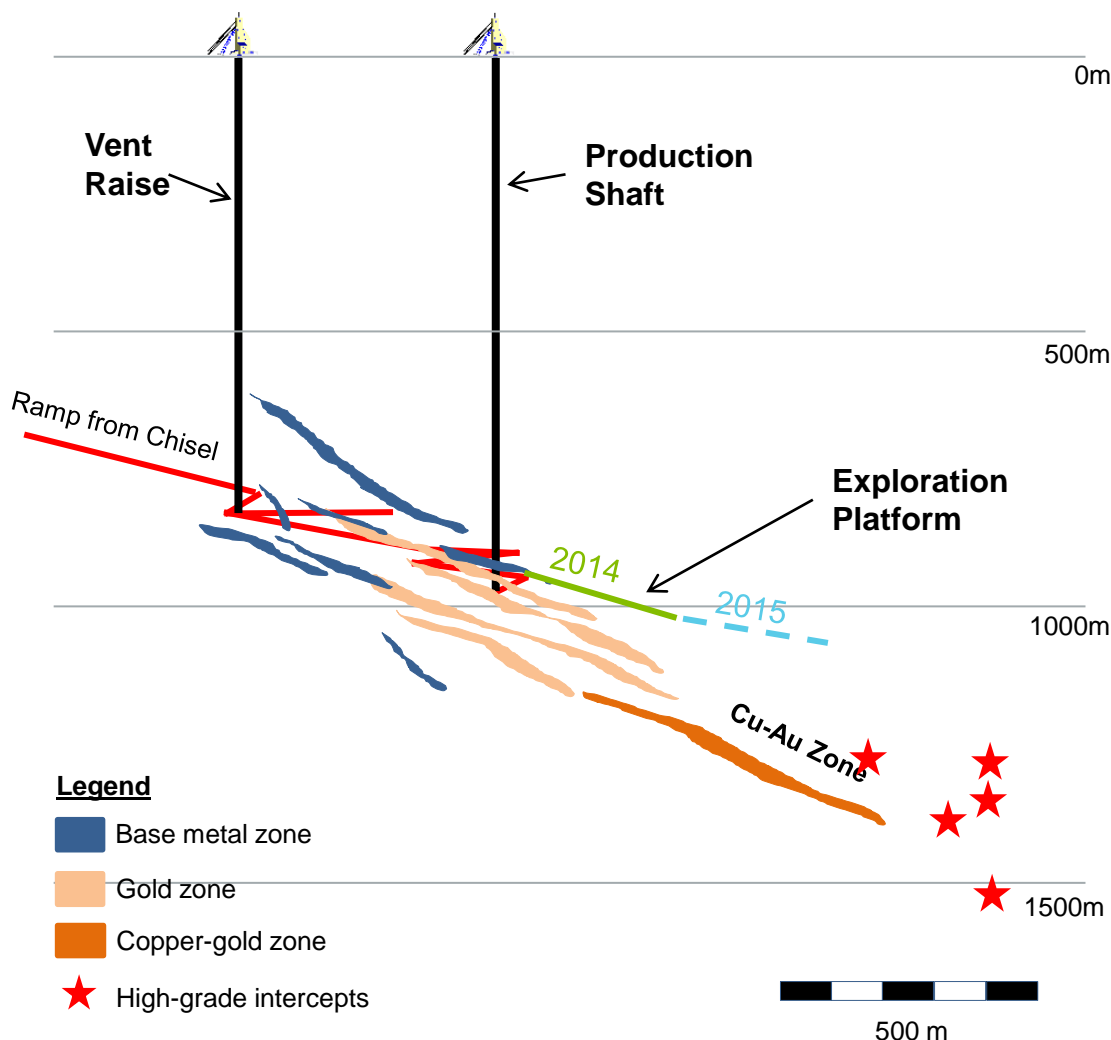
955 metre level waste pass steel



955 metre level pump station

DRILLING OF CU-AU ZONE EXPECTED IN Q4 2014

Lalor Cross-Section with 2014 Exploration Platform



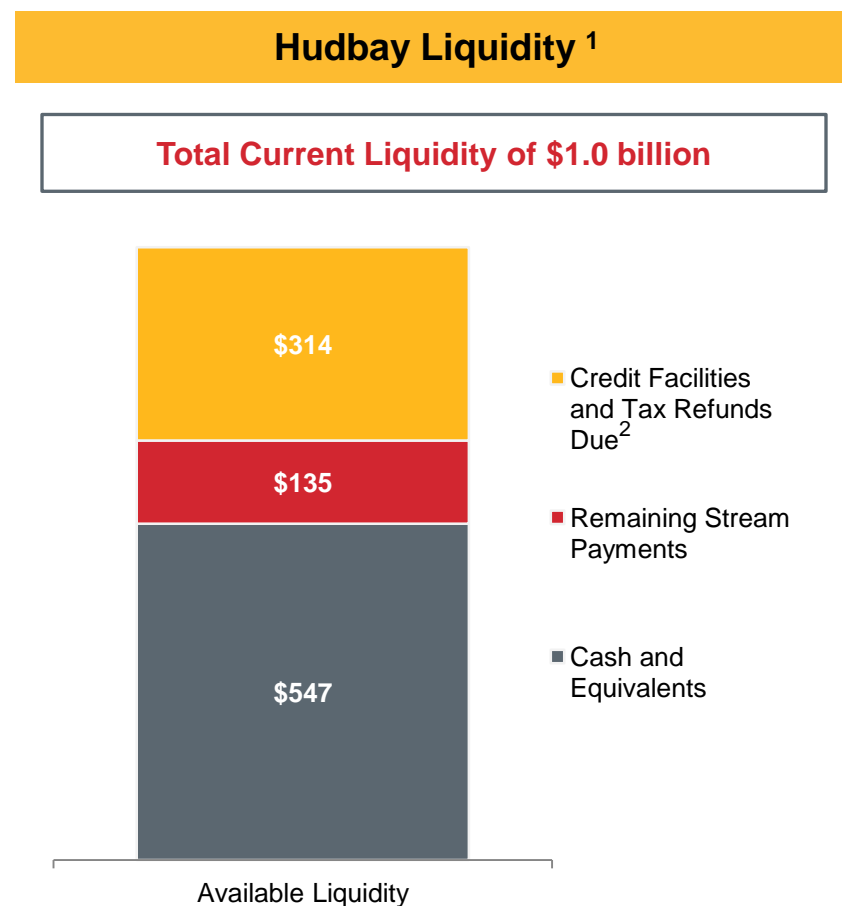
Underground exploration ramp expected to be started in Q3 2014

Planned 1,300m of drilling on Lens 27 in Cu-Au zone in Q4 2014

- > Upgrade inferred to a higher resource category
- > Allow for expanded drill program in 2015

WELL CAPITALIZED FOR GROWTH SPENDING

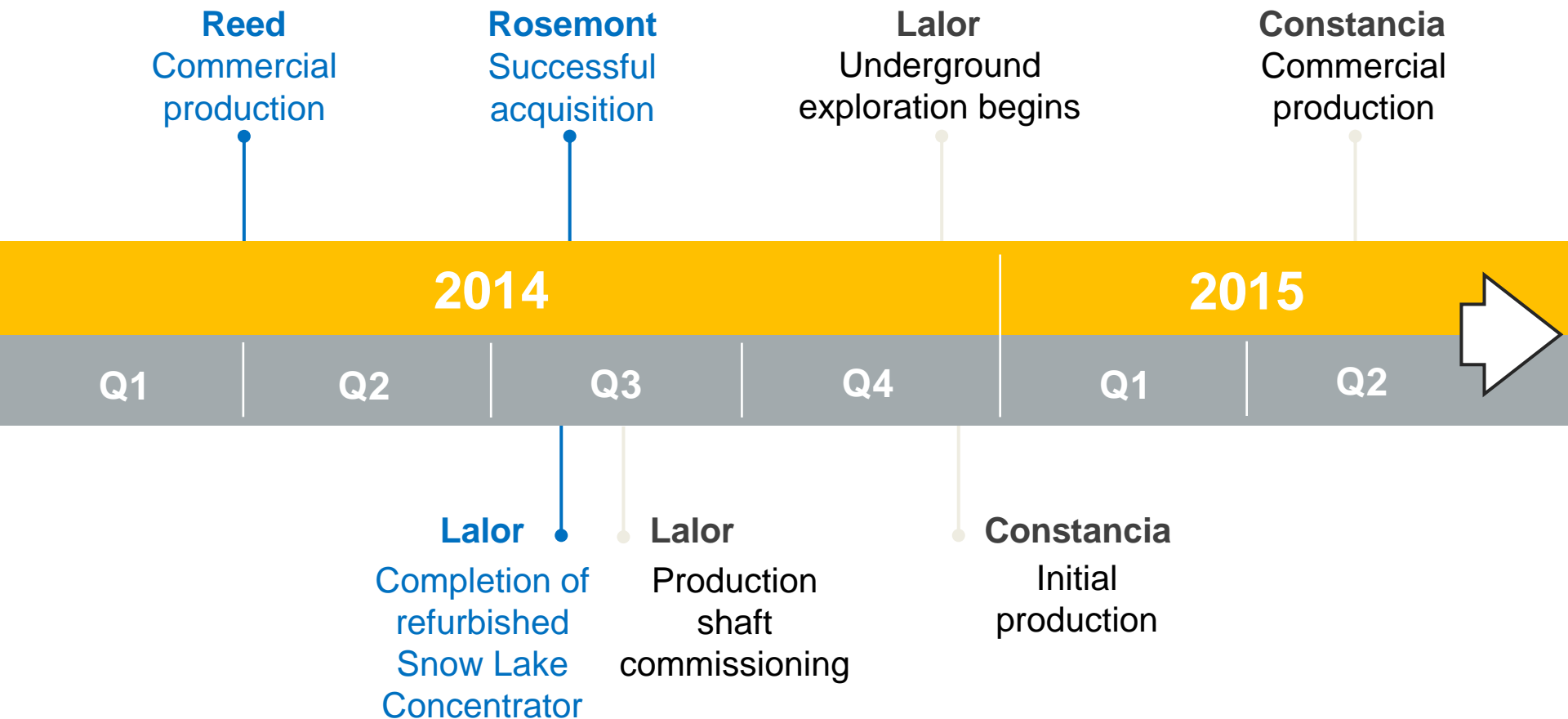
- > Sufficient financial capacity to fund remaining capital spending at Constancia and Lalor
- > US\$150 million Constancia standby credit facility in place
- > Intend to refinance the US\$117 million in Augusta loans



1. Pro-forma liquidity including cash balances as of June 30, 2014; assumes USD/CAD conversion rate of 1.0

2. Includes Constancia credit facility, corporate senior secured revolving credit facility, and \$100 million credit facility dedicated for refinancing Augusta indebtedness

Near Term Milestones



Note: All timelines are estimates

— denotes completed milestone



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