



**MEASURED APPROACH.
MAJOR ACHIEVEMENTS.**

Q3 2015 Presentation

November 6, 2015



HUBBAY

TMX NYSE HBM

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, production, cost and capital and exploration expenditure guidance, anticipated production at Hudbay's mines and processing facilities, anticipated production from the company's projects and events that may affect its operations and development projects, the anticipated effect of external factors on revenue, such as commodity prices, the potential to refurbish the recently acquired New Britannia mill and utilize it to process ore from its Lalor mine, the anticipated exploration and development expenditures and activities and the possible success of such activities at Lalor and elsewhere, estimation of mineral reserves and resources, mine life projections, 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 that Hudbay produces; no significant and continuing adverse changes in financial markets, including commodity prices and foreign exchange rates; the supply and availability of concentrate for Hudbay's processing facilities; the supply and 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; the ability to successfully resolve logistical issues with respect to the transportation and shipping of concentrates; no significant unanticipated operational or technical difficulties; the execution of Hudbay's business and growth strategies, including the success of its strategic investments and initiatives; the availability of additional financing, if needed; the ability to complete project targets on time and on budget and other events that may affect Hudbay's ability to develop its 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 mine the Pampacancha deposit in Peru; maintaining good relations with the communities in which Hudbay operates, including the communities surrounding its Constancia and Rosemont projects and First Nations communities surrounding its Lalor and Reed mines; no significant unanticipated challenges with stakeholders at Hudbay's various projects; 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; 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, energy prices and general cost escalation), uncertainties related to the development and operation of Hudbay's projects (including risks associated with the permitting of the Rosemont project and related legal challenges), risks associated with dependence on key personnel and employee and union relations, risks related to political or social unrest or change, risks 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, planned infrastructure improvements in Peru (including the expansion of the port in Matarani) not being completed on schedule, compliance with government and environmental regulations, including permitting requirements and anti-bribery legislation, depletion of the company's reserves, volatile financial markets that may affect Hudbay's ability to obtain financing on acceptable terms, the failure to obtain required approvals or clearances from government authorities on a timely basis, 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, the company's ability to comply with its pension and other post-retirement obligations, Hudbay's ability to abide by the covenants in its debt instruments and other material contracts, tax refunds, hedging transactions, as well as the risks discussed under the heading "Risk Factors" in the company'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.

The technical and scientific information in this presentation related to the Constancia project has been approved by Cashel Meagher, P. Geo, Hubbay's Vice President, South America Business Unit. The technical and scientific information related to all other sites and projects contained in this presentation has been approved by Robert Carter, P. Eng, Hubbay's Director, Technical Services. Messrs. Meagher and Carter are qualified persons pursuant to NI 43-101. 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 of scientific and technical information may be affected by any known environmental, permitting, legal title, taxation, sociopolitical, marketing or other relevant factors, please see the Technical Reports for the company's material properties as filed by us on SEDAR at www.sedar.com.

This presentation has been prepared in accordance with the requirements of the securities laws in effect in Canada, which may differ materially from the requirements of United States securities laws applicable to U.S. issuers. Information concerning Hubbay's mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of the Securities and Exchange Commission (the "SEC") set forth in Industry Guide 7. Under the SEC's 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 SEC 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.

- ▶ Production of all metals increased significantly (Cu ↑389%, Au ↑45%, Ag ↑329% and Zn ↑7%)
- ▶ Cash costs \$0.90/lb, reflecting commercial production at both Constanca and the Lalor shaft
- ▶ Operating cash flow increased 559% y/y on significant increase in sales volumes and a low cash cost
- ▶ Optimization at Constanca continues and transportation constraints nearing resolution



Constancia pit



Constancia mill

- Cash costs benefitting from economies of scale and improved efficiencies
- 2015 production and cost guidance maintained

\$000s except cash cost amounts	Q3 2015	Q3 2014
Revenue	269,808	170,233
Operating cash flow ^{1,2}	79,916	12,124
Cash cost per pound ^{2,3}	0.90	0.41

	3-Mth Ended Sept. 30		9-Mth Ended Sept. 30		2015 Guidance
	2015	2014	2015	2014	
Copper production (tonnes) ⁴	47,921	9,798	99,141	27,531	140,000 – 175,000
Copper sold (tonnes) ⁵	39,023	11,647	75,886	25,552	

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

2. Refer to “Non-IFRS Financial Performance Measures” in Hudbay’s Q3 2015 MD&A

3. After by-product credits

4. Contained metal in copper concentrate. Metal reported in concentrate is prior to refining losses or deductions associated with smelter contract terms.

5. Payable metal in copper concentrate

- ▶ Corporate revolving credit facility increased from \$300 million to \$400 million in August
- ▶ Sales of excess metals inventory is expected to generate approximately \$60 million of additional cash flows
- ▶ Operations are free cash flow positive at current metal prices

Liquidity ¹	(\$ millions)
Cash and cash equivalents	114
Committed credit facilities	186
Total	300

1. Liquidity including cash balances as of September 30, 2015; assumes USD/CAD conversion rate of 1.34

- Focus on optimization of mine costs and plant performance
- Copper recoveries plateaued at 80% due to oxide content
- Combined unit operating costs \$7.77/tonne, below guidance range
- Commissioning of molybdenum flotation circuit expected in Q4
- Significant increase in trucking capacity – on track to sell most of the excess inventory in Q4



Flotation cells



Copper concentrate storage shed

- › Ore processed was stable y/y; Cu, Zn and Au grades increased due to normal mine sequencing
- › Improvement expected in Q4 metals production and unit operating costs as 777 benefits from mine fleet renewal
- › All seven unions have ratified new 3-year agreements – labour disruption ended late August



Loading ore for transportation from Reed to Flin Flon



Aerial view of Lalor

HARVESTING RETURNS

- › Continue to generate free cash flow
- › Optimize production and cost performance at all operations
- › Continue exploration program at Lalor copper-gold zone; Lalor expansion plan expected in 2016
- › Advance permitting and technical work at Rosemont



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