MINING EXPERIENCE

HUDBAY

Q1 2016 PRESENTATION | APRIL 29, 2016

HBM TMX NYSE

Cautionary 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, production, cost and capital and exploration expenditure guidance, including anticipated capital and operating cost savings, anticipated production at Hudbay’s mines and processing facilities, events that may affect its operations and development projects, anticipated cash flows from operations and related liquidity requirements, the anticipated effect of external factors on revenue, such as commodity prices, 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 Hudbay 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 success of Hudbay’s cost reduction initiatives; the accuracy of geological, mining and metallurgical estimates; anticipated metals prices and the costs of production; the supply and demand for metals that Hudbay produces; 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; 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; the ability to secure required land rights to develop the Pampacancha deposit; maintaining good relations with the communities in which Hudbay operates, including the communities surrounding its Constancia mine and Rosemont project 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 (including commodity prices and foreign exchange rates).

Cautionary Information (continued)

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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 economics and permitting of the Rosemont project and related legal challenges), risks related to the maturing nature of Hudbay's 777 mine and its impact on the related Flin Flon metallurgical complex, dependence on key personnel and employee and union relations, risks related to political or social unrest or change (including in relation to the Peruvian national elections), 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 or as planned, 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 additional financing on acceptable terms, the permitting and development of the Rosemont project not occurring as planned, 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.

Cautionary Information (continued)

The technical and scientific information in this presentation related to the Constancia mine has been approved by Cashel Meagher, P. Geo, Hudbay's Senior Vice President and Chief Operating Officer. 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, Business Development and Technical Services at the Manitoba Business Unit. 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 Hudbay 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 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 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 May 10, 2014. 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.

All amounts are in US dollars unless otherwise noted.

Q1 2016 Summary

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- Over 150% growth in copper production volume, and nearly doubled revenues to $253.6 million from Q1 2015
- Consolidated cash cost of $1.15/lb, down from $1.44/lb last year
- Consolidated all-in sustaining cash cost of $1.80/lb, down from $2.67/lb last year
- Operating cash flow increased to $71.9 million, or $0.31 per share, from $16.9 million, or $0.07 per share, last year
- Net loss of $15.8 million, or $0.07 per share

On track to meet production, operating and capital cost guidance in 2016

Liquidity Position

- Liquidity expected to increase at current metals prices with free cash flow from operations, savings from cost reduction initiatives and Peruvian IGV sales tax refunds

Total Liquidity as at March 31, 2016	
	$ million
Cash and cash equivalents	$85.7
Availability under Canada Facility	$39.5
Availability under Peru Facility	$64.9
Total liquidity	**$190.1**

Peru Operations Review

- Ore milled was lower due to lower mill capacity during trunnion replacement
- Trunnion replacement completed ahead of schedule without incident; both lines at full capacity
- Constancia plant performance optimization remains primary focus
- Improved copper recovery to 81.8% in Q1
- $1.15/lb cash cost, $1.49/lb all-in sustaining cash cost in Q1
- Concentrate inventory levels in Peru maintained at normal levels

Peru Summary Operating Statistics

	Q1 2016	Q4 2015
Ore mined (million tonnes)	**6.8**	8.2
Ore milled (million tonnes)	**6.2**	7.4
Copper grade milled	**0.57%**	0.63%
Copper recovery	**81.8%**	79.8%
Copper contained in conc. (kt)	**29.1**	37.7
Combined unit operating costs ($/tonne)[1]	**$7.76**	$8.57
Cash cost ($/lb)[2]	**$1.15**	$1.32
Sustaining cash cost ($/lb)[2]	**$1.49**	-

Trunnions Replacement

1. Reflects combined mine, mill and G&A costs per tonne of ore milled. Unit costs reflect the deduction of expected deferred stripping costs.
2. Cash cost and sustaining cash cost per pound of copper produced, net of by-product credits.

Manitoba Operations Review

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- Ore mined grew by 12% because of increased production at Lalor and 777, compared to Q1 2015
- Cash cost, net of by-product credits was $1.14/lb, a decrease of $0.30/lb compared to Q1 2015 – further improvement expected throughout 2016
- Sustaining cash cost affected by higher sustaining capital costs in Q1, which is expect to decline throughout 2016

Manitoba Summary Operating Statistics		
	Q1 2016	**Q1 2015**
Ore mined (kt)	**731**	652
Ore milled (kt)	**686**	639
Copper grade milled	**1.57%**	1.89%
Zinc grade milled	**3.91%**	4.10%
Gold grade milled	**1.70**	1.74
Silver grade milled	**17.25**	18.08
Copper recovery	**90.5%**	90.9%
Zinc recovery	**87.1%**	87.5%
Gold recovery	**57.2%**	61.6%
Silver recovery	**56.3%**	57.3%
Copper contained in conc. (kt)[1]	**9.7**	11.0
Zinc contained in conc. (kt)[1]	**23.4**	22.9
Precious metals contained in conc. (koz)[1,2]	**24.5**	25.1
Combined unit operating costs ($/tonne)[3]	**$94.74**	$98.52
Cash cost ($/lb)[4]	**$1.14**	$1.44
Sustaining cash cost ($/lb)[4]	**$2.32**	$2.27

1. Includes 100% of Reed mine production.
2. Precious metals production includes gold and silver production on a gold-equivalent basis. Silver is converted to gold at a 70:1 ratio.
3. Reflects combined mine, mill and G&A costs per tonne of ore milled. Includes the cost of ore purchased from our joint venture partner at Reed mine.
4. Cash cost and sustaining cash cost per pound of copper produced, net of by-product credits.

2016 Objectives

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- ✓ Strengthen liquidity position by identifying cost savings and deferring debt repayments
- ✓ Arrange more flexible financial covenants on credit facilities
- Achieve capital and operating cost efficiencies to maximize free cash flow
- Deliver low-cost production growth in copper, zinc and precious metals
- Maintain pipeline of growth opportunities

Well-positioned for a volatile metal price environment

Uniquely Positioned

- Downside protection with low-cost assets in low-risk jurisdictions
- Strong leverage to eventual copper price recovery
- Best-in-class growth potential
  - Lalor gold
  - Pampacancha
  - Rosemont

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