

**HUDBAY**

**ANNUAL MEETING OF SHAREHOLDERS**

May 7, 2019

**HBM**  **NYSE**

# CAUTIONARY INFORMATION



This presentation contains 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 the company’s mines and processing facilities, the expected benefits of implementing the metallurgical recovery and optimization initiatives at Constancia processing plant and expectations regarding the schedule for acquiring the Pampacancha surface rights and mining the Pampacancha deposit, the anticipated timing, cost and benefits of developing the Rosemont project and any litigation challenging Rosemont’s permits, expectations regarding the financing, sanctioning and schedule for developing the Rosemont project, expectations regarding the Lalor gold strategy, including the refurbishment of the New Britannia mill, the low costs of the operation and the possibility of optimizing the value of the company’s gold resources in Manitoba, the future potential of Zone 1901, the possibility of converting inferred mineral resource estimates to higher confidence categories, the potential and the company’s anticipated plans for advancing its mining properties surrounding Constancia and the Ann Mason project, anticipated mine plans, anticipated metals prices and the anticipated sensitivity of the company’s financial performance to metals prices, events that may affect the 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 the company 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 schedule for the refurbishment of the New Britannia mill; the success of the Lalor gold strategy; successfully advancing the early works program and financing plan for Rosemont; the ability to secure required land rights to develop and commence mining the Pampacancha deposit; the success of mining, processing, exploration and development activities; the scheduled maintenance and availability of the processing facilities; the accuracy of geological, mining and metallurgical estimates; anticipated metals prices and the costs of production; the supply and demand for metals the company produces; the supply and availability of all forms of energy and fuels 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 the company’s ability to develop its projects; the timing and receipt of various regulatory and governmental approvals; the availability of personnel for the exploration, development and operational projects and ongoing employee relations; maintaining good relations with the communities in which the company operates, including the communities surrounding the Constancia mine and Rosemont project and First Nations communities surrounding the Lalor mine; no significant unanticipated challenges with stakeholders at the company’s various projects; no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters; no contests over title to the company’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).

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 the company’s projects (including risks associated with the permitting, development and economics of the Rosemont project and related legal challenges), risks related to the new Lalor mine plan, including the schedule for the refurbishment of the New Britannia mill and the ability to convert inferred mineral resource estimates to higher confidence categories, risks related to the schedule for mining the Pampacancha deposit (including the timing and cost of acquiring the required surface rights and the impact of any schedule delays), 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, 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 the company’s ability to obtain additional 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, the company’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 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.

All amounts are in U.S. dollars unless otherwise noted.

# CONSISTENT STRATEGY SINCE 2010

## VISION STATEMENT

- Our vision is to become a top-tier operator of long-life, low cost mines in the Americas

## VALUE DRIVERS



## STRATEGIC CRITERIA



# DIVERSIFIED MID-TIER COPPER PRODUCER



## Constancia & Exploration

Peru

## Lalor, 777 & Exploration

Manitoba, Canada

## Exploration

British Columbia, Canada

## Rosemont

Arizona, USA

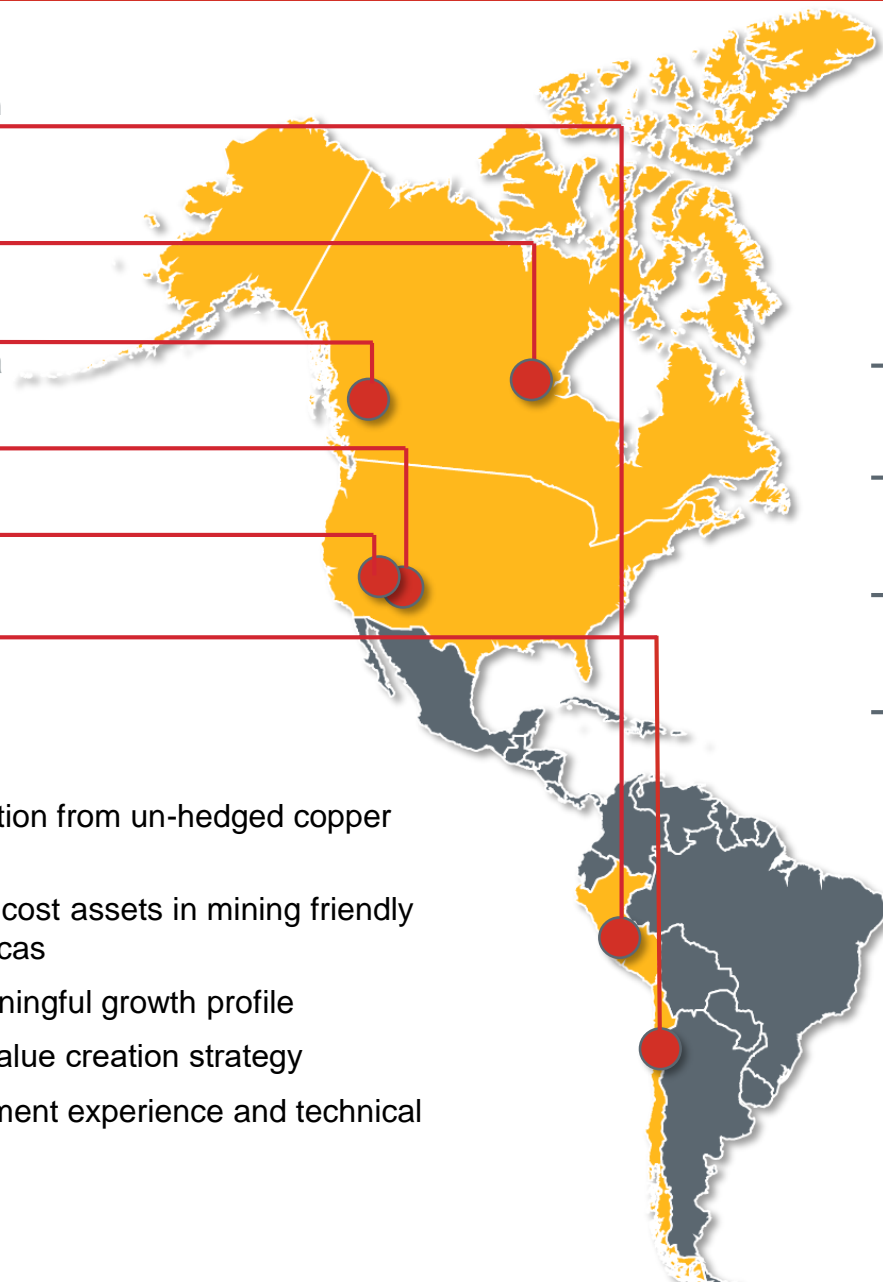
## Ann Mason

Nevada, USA

## Exploration

Chile

- Strong cash flow generation from un-hedged copper and zinc production
- Portfolio of long-life, low-cost assets in mining friendly jurisdictions in the Americas
- Relevant scale with meaningful growth profile
- Proven “drill and build” value creation strategy
- Broad range of management experience and technical skill to deliver on plan



TSX, NYSE, BVL Symbol

HBM

Market Capitalization<sup>1</sup>

C\$2.3 billion

Shares Outstanding

261 million

Available Liquidity<sup>2</sup>

\$0.94 billion

Debt Outstanding<sup>3</sup>

\$1.0 billion

1. Based on Hudbay's TSX closing share price on April 1, 2019.

2. Liquidity including cash balances and undrawn revolver as of March 31, 2019.

3. Total long-term debt outstanding as at December 31, 2018.

- Consistently recognized for strong community engagement in Peru and productive local working relationships

## Operating in Manitoba for 90+ years

Founded in Flin Flon, Hudbay has **discovered, mined and closed over 25 mines in Manitoba over the past 90 years.**

## Socially Responsible

Track record of constructive community relations in Peru and elsewhere.

Since 2012, **executed over 90 social agreements with local governments and communities in Peru.**

## Focus on Safety

Industry-leading safety record: **During Constancia construction we had approximately 20,000,000 man-hours without a lost time accident ("LTA").**

**Zero fatalities in South America** in our operating history.

## Minimizing Environmental Footprint

Rosemont designed to world-class standards for water efficiency.

## 1st Place Award for Community Relations

*Third Community Relations International Conference at the Mines Engineers Institute of Peru*

August 2016

## Award for Social Responsibility

*Expomina Peru*

September 2018

## Recognition for our program of agricultural development in Chumbivilcas, Peru

*Proactivo*

November 2018

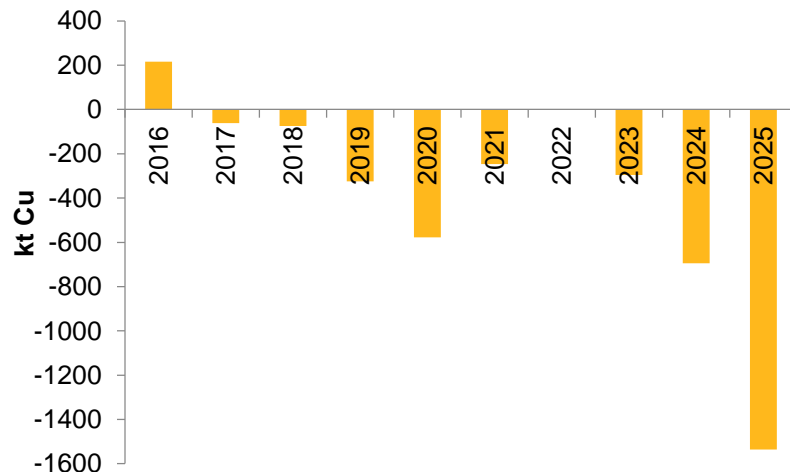


Hudbay accepts award for Social Responsibility, Expomina Peru, September 2018

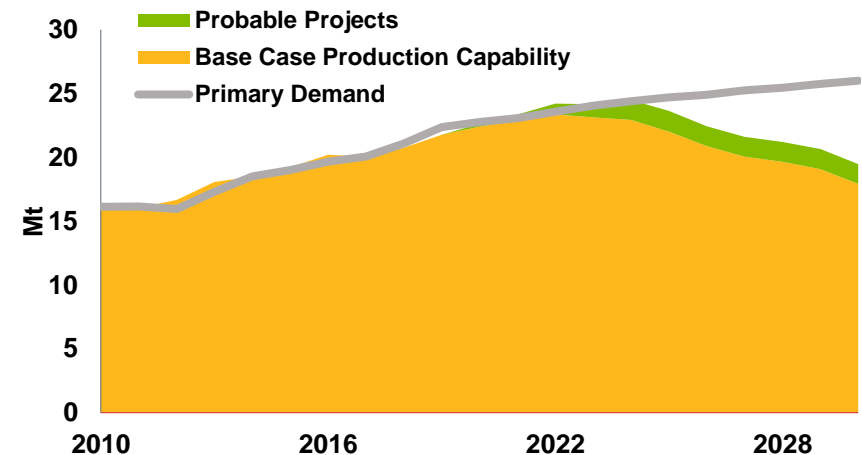
## SIGNIFICANT STRUCTURAL COPPER MARKET DEFICITS

- Emerging copper market deficits are expected to occur imminently and continue for the next 5-7 years
- Base case mine production peaks in 2022 according to Wood Mackenzie; however, supply forecast dependent on future projects with associated risks such as block caving, project execution and political risk
  - In the long-term, new supply will be needed in order to keep pace with demand projections as there are a limited number of meaningful “probable” projects in the pipeline, even with associated risks
- An increasing proportion of demand for power is being met from renewable energy sources; copper is a critical component of the “green economy”
- Increase in the demand for electric vehicles will have a significant impact on copper fundamentals; copper demand in EVs expected to increase from 185,000 tonnes in 2017 to 1.74 million tonnes in 2027<sup>1</sup>

## COPPER METAL MARKET BALANCE<sup>2</sup>



## COPPER SUPPLY/DEMAND OUTLOOK<sup>3</sup>



1. Source: International Copper Association, “The Electric Vehicle Market and Copper Demand” dated June 2017; research conducted by IDTechEx.

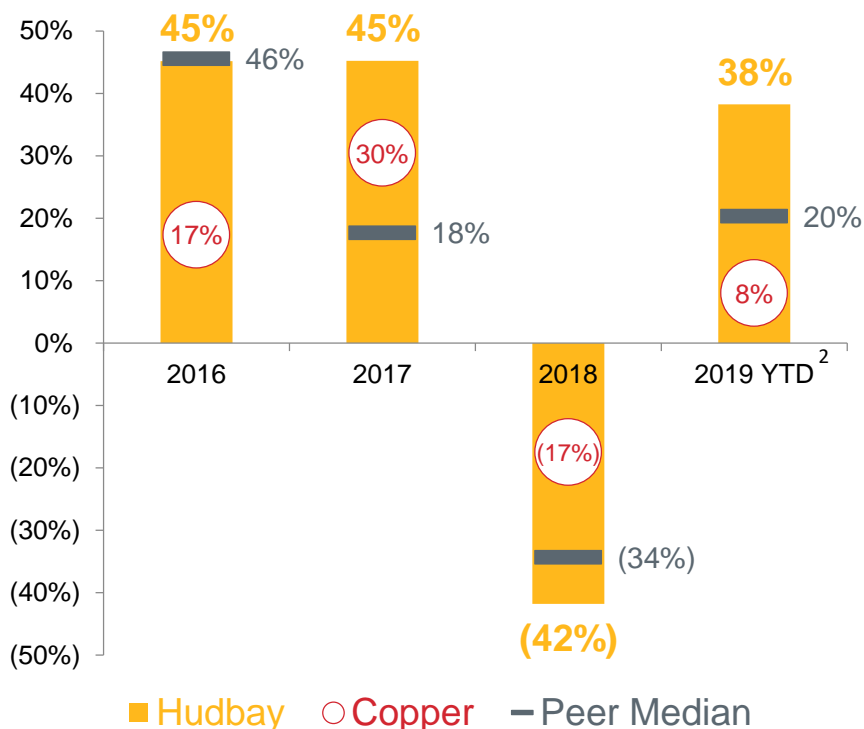
2. Source: Bank of Montreal, Metals and Bulk Commodity Outlook Presentation, March 2019.

3. Source: Wood Mackenzie’s Q4 2018 Dataset dated December 2018.

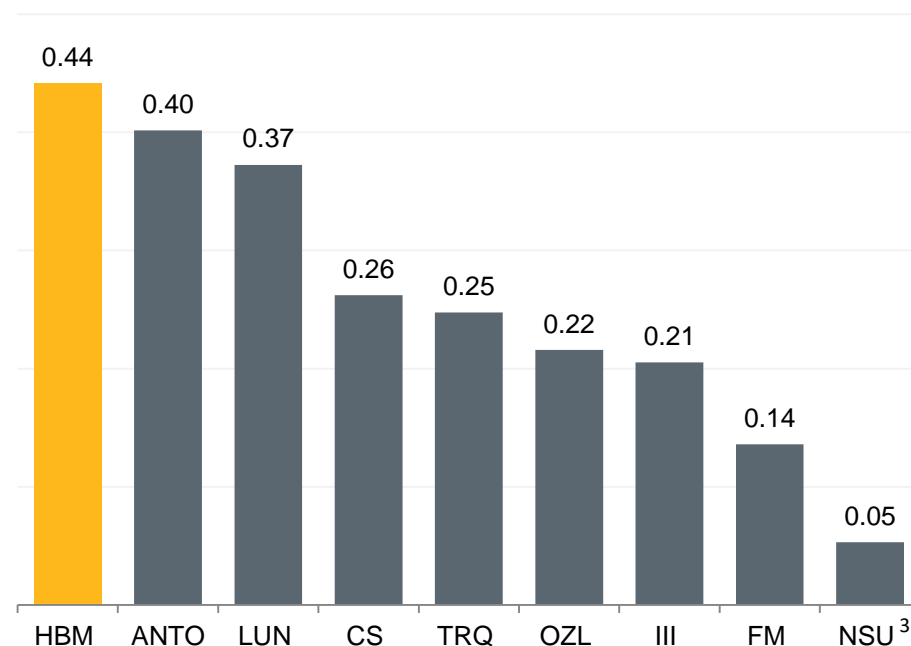
# RETURNS & LEVERAGE TO COPPER

- Hudbay has consistently provided investors with leverage to the copper price and has met or outperformed the peer median in 3 of the last 4 years

**ANNUAL TSR – HUBBAY, COPPER PRICE AND PEER GROUP<sup>1</sup>**



**PEER LEVERAGE TO COPPER PRICE (2016-2018, R<sup>2</sup> of Monthly Returns)**



Annual Total Shareholder Return ("TSR") calculated from January 1 – December 31 of a given year. See appendix for detailed breakdown of TSR per company.

Peer set as per the 2018 Hudbay Management Circular and includes: First Quantum, Imperial, Antofagasta, Lundin, Capstone, Oz Minerals, Turquoise Hill, Nevsun.

TSR calculated in CAD (excluding copper, which is in USD) and includes reinvested dividends as calculated by Bloomberg.

1. Nevsun TSR in 2018 ends at February 6, 2018 the day prior to Lundin's first offer to acquire the company.

2. 2019 YTD is based on share prices to April 30, 2019.

3. Nevsun R<sup>2</sup> ends at February 6, 2018 the date of Lundin's initial offer to acquire the company.

## OPERATIONAL AND GROWTH INITIATIVES

### OPERATIONAL

- ✓ Utilized technology and process improvements to drive additional efficiencies in our operations
- ✓ Consolidated copper production exceeded 2018 guidance by 14%<sup>1</sup>, zinc and precious metals were within 2018 guidance ranges
- ✓ In 2018, generated \$274 million in free cash flow<sup>2</sup> and reduced net debt

### GROWTH

- ✓ Completed test mining of Lalor gold zone in 2018 to enhance Lalor's economics and better understand the gold processing options
- ✓ Acquired and advanced satellite deposits near Constanca in early 2018
- ✓ Acquired the Ann Mason property in Nevada in December 2018
- ✓ In February 2019, released the new Lalor mine plan, doubling the annual gold production and increasing reserve and resource estimates
- ✓ Received the final Section 404 Water Permit for Rosemont, the Mine Plan of Operations ("MPO") and consolidated project ownership in March 2019

1. Increase over the mid-point of the 2018 guidance range.

2. Free cash flow calculated as operating cash flow before change in non-cash working capital less sustaining capital expenditures and less interest paid.

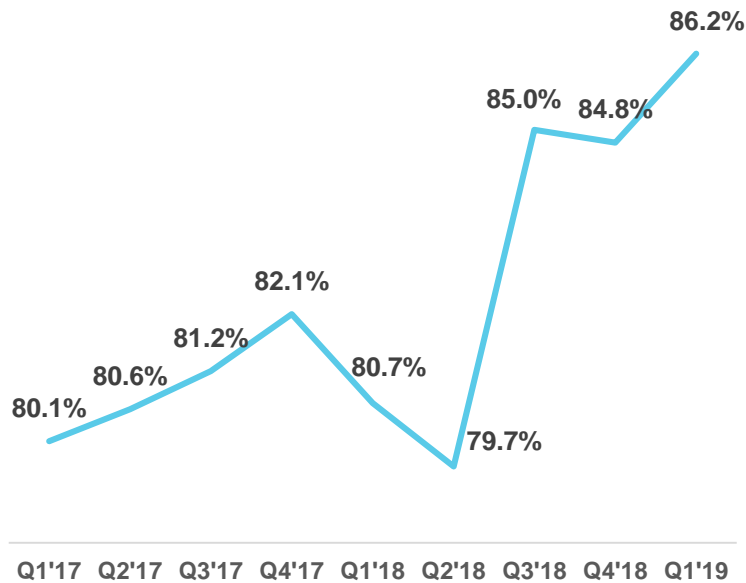


# CONSTANCIA OPTIMIZATION

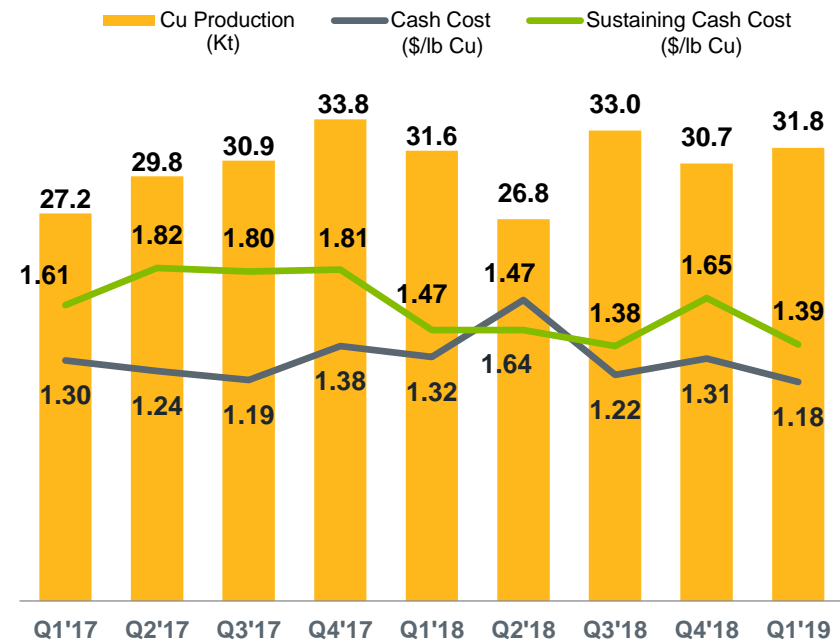
## BENEFITS OF CONTINUOUS IMPROVEMENT INITIATIVES

- Increasing quarterly trend in copper recoveries
- Stable copper production with low cash cost and sustaining cash costs
- Lowest cost sulphide open pit copper mine in South America

### COPPER RECOVERIES



### COPPER PRODUCTION AND CASH COSTS<sup>1,2</sup>



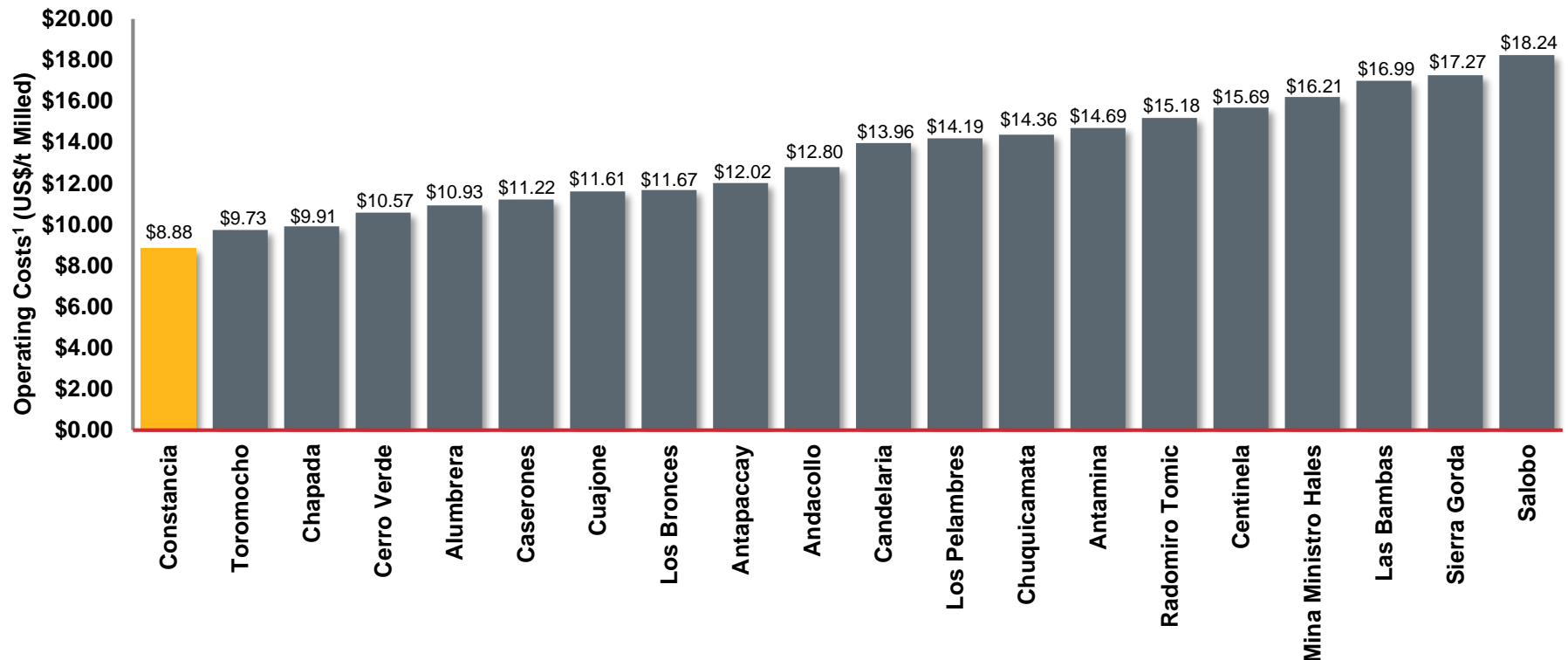
1. Contained metal in concentrate.  
 2. Cash cost and sustaining cash cost per pound of copper produced, net of by-product credits.

# INDUSTRY LEADING COST PERFORMANCE



- Constanica is the lowest cost sulphide copper mine in South America
- Continuous operational improvements at Constanica have driven costs down, while increasing efficiencies and productivity

## LOWEST COST OPEN PIT COPPER MINES IN SOUTH AMERICA (2018)



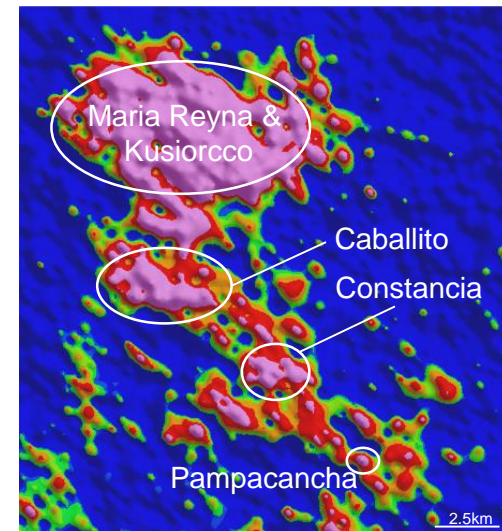
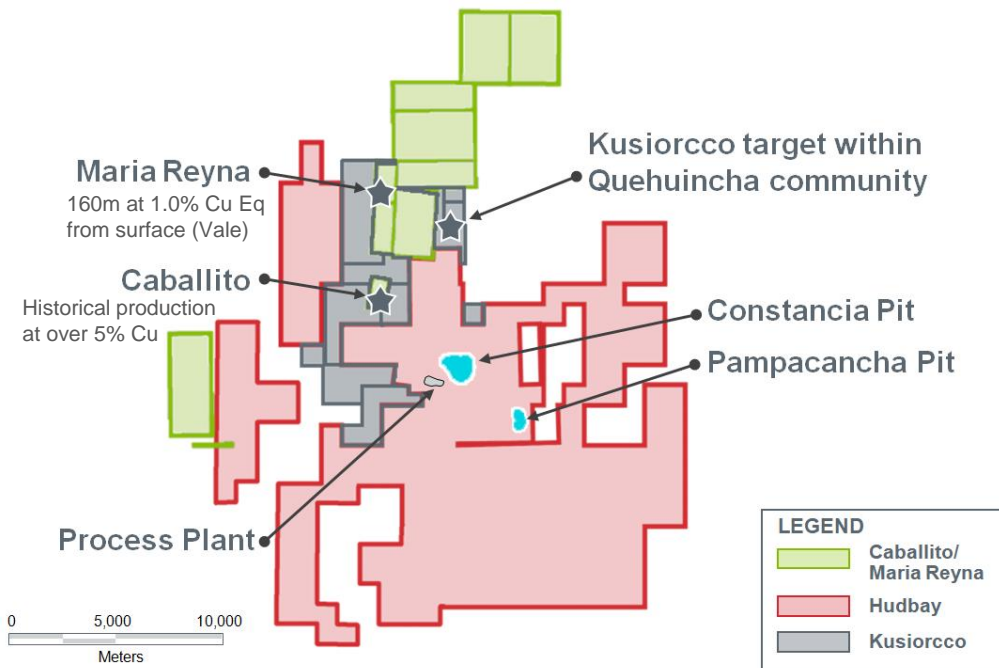
1. 2018 forecasted operating costs include mining, processing and general and administrative expenditures on a per tonne basis.

Source: Wood Mackenzie (Q4 2018 dataset; primary copper, open pit sulphide mines in South America). Wood Mackenzie's costing methodology may be different than the methodology reported by Husbay or its peers in their public disclosure. For details regarding Husbay's costs, refer to Husbay's management discussion and analysis for the three and twelve months ended December 31, 2018.

# CONSTANCIA REGIONAL POTENTIAL

- Since 2012, executed over 90 social agreements with local governments and communities
- Pleased with progress on Pampacancha negotiations to date with first ore expected in 2020
- Exploration work to be conducted on newly acquired properties near Constanica with potential to provide higher-grade feed to the Constanica mill post-Pampacancha
  - Recently entered into community agreement in respect of two properties

## MINERAL PROPERTIES WITHIN TRUCKING DISTANCE OF CONSTANCIA PROCESSING FACILITY



K/Th radiometric data indicative of potassic alteration associated with a mineralizing porphyry system

## NEW BRITANNIA MILL THE OPTIMAL PROCESSING SOLUTION FOR LALOR GOLD

- Gold recoveries increased to 93% at New Britannia from 53% at Stall

## INCREASED LALOR RESERVES ACROSS ALL METALS

- Gold reserve grade increased by over 1.0 g/t (+44%) with higher tonnage<sup>1</sup>
- In-situ contained gold, copper, zinc and silver increased by 65%, 23%, 11% and 15%, respectively<sup>1</sup>

## INCREASED LIFE-OF-MINE PRODUCTION

- Life-of-mine gold, copper, zinc and silver production increased by 91%, 16%, 13% and 21%, respectively, compared to the 2017 Technical Report<sup>2</sup>

## MEANINGFUL GOLD PRODUCTION AT INDUSTRY-LEADING CASH COSTS

- Lalor set to produce 140,000 ounces of gold annually<sup>3</sup> with sustaining cash costs of \$450/oz gold, positioning Lalor as one of the lowest cost gold mines in Canada
- Significant zinc and copper revenue provides diversified commodity exposure

## SNOW LAKE CAMP EXPLORATION POTENTIAL

- Over 4 million tonnes of M&I and 11 million tonnes of inferred material within trucking distance of Stall and New Britannia that could provide additional mill feed

1. Compared to the 2018 annual information form dated March 28, 2018, adjusted for 2018 production depletion.

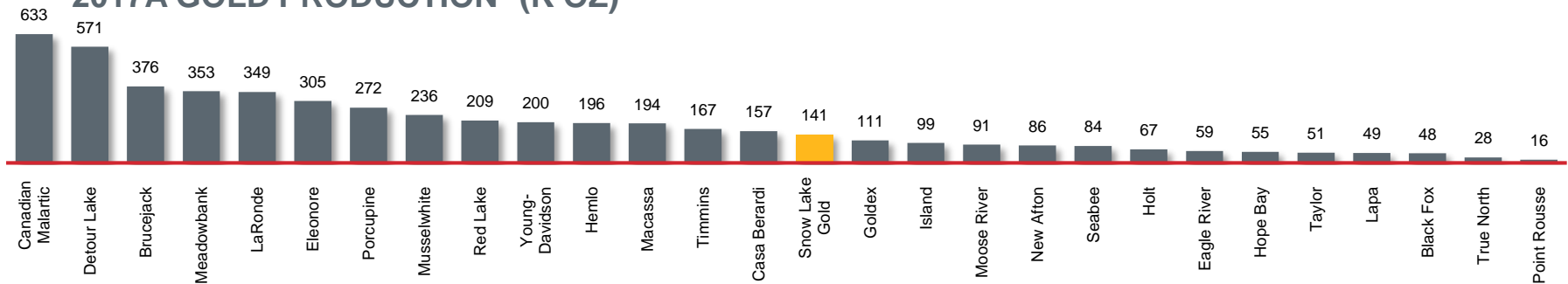
2. LOM contained metal in concentrate compared to the NI 43-101 technical report dated March 30, 2017 for the period starting January 1, 2019.

3. First 5 years average once New Britannia is refurbished, sustaining cash costs net of by-products.

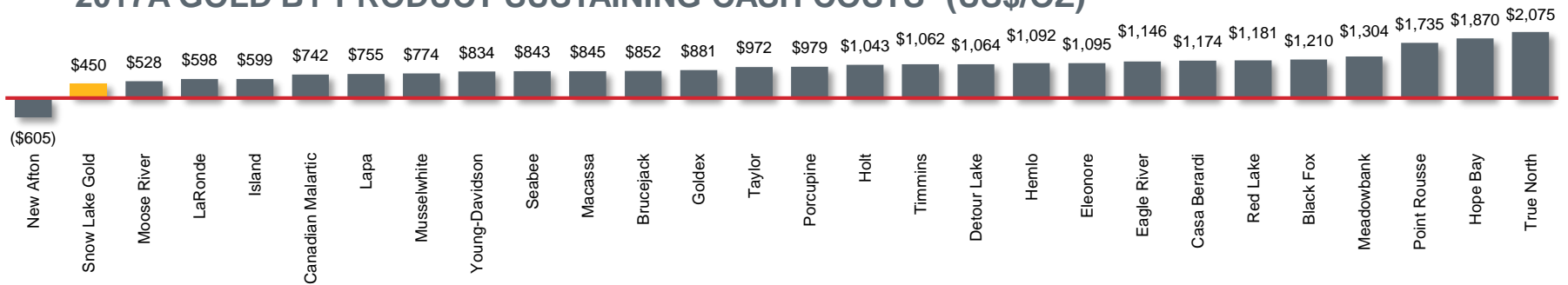
# LALOR GOLD POSITIONING

■ Lalor becomes a meaningful gold producer as one of the lowest cost gold mines in Canada

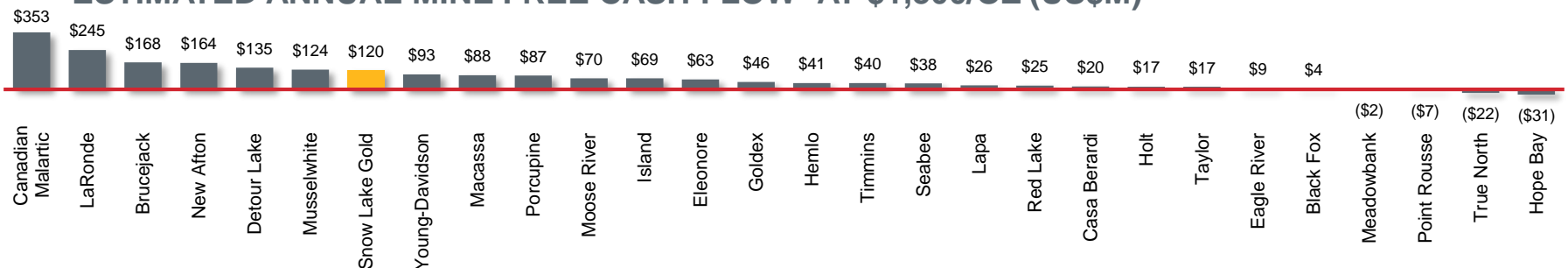
## 2017A GOLD PRODUCTION<sup>1</sup> (K OZ)



## 2017A GOLD BY-PRODUCT SUSTAINING CASH COSTS<sup>1</sup> (US\$/OZ)



## ESTIMATED ANNUAL MINE FREE CASH FLOW<sup>2</sup> AT \$1,300/OZ (US\$M)

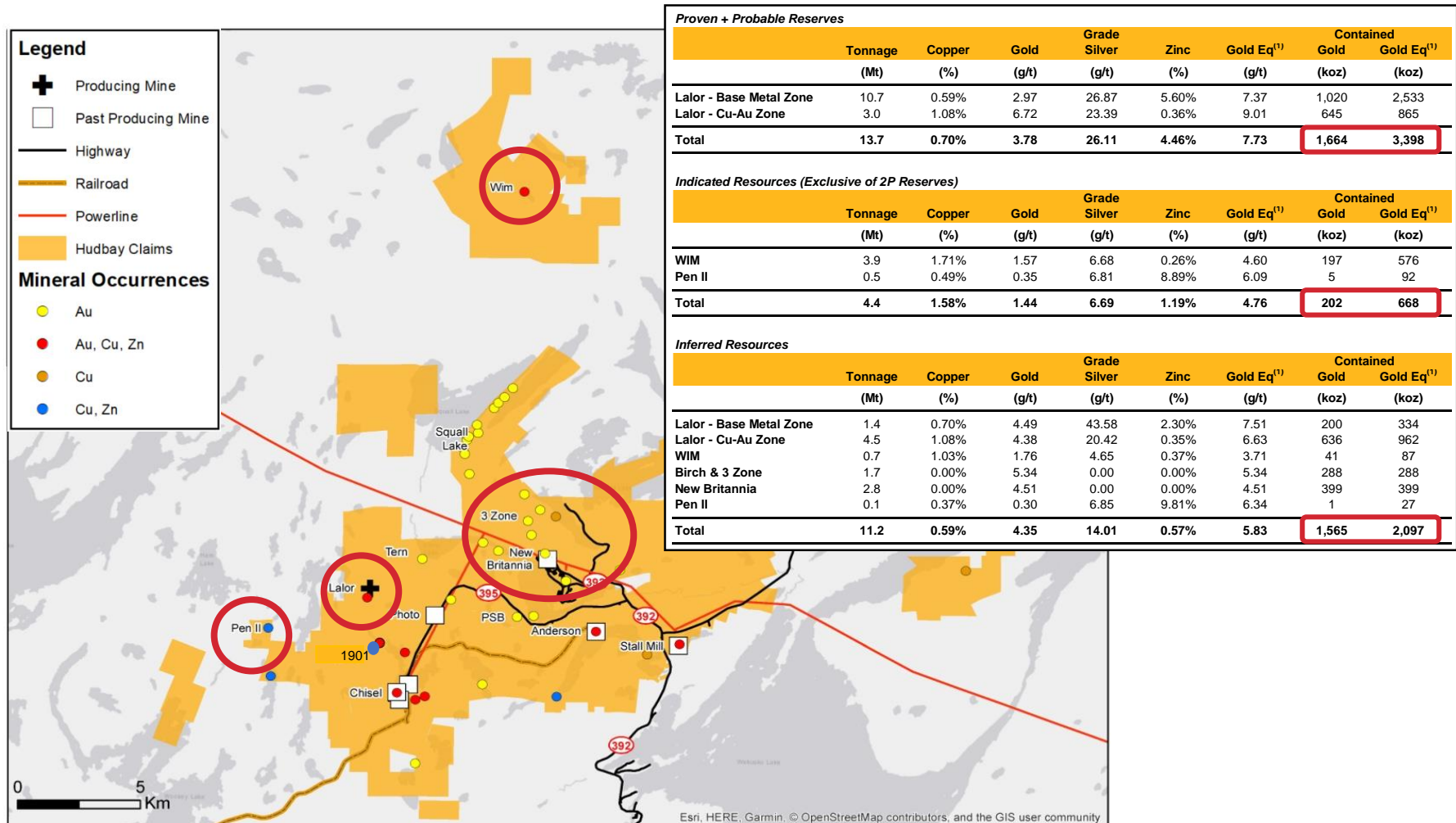


1. Source: SNL for other mines. Snow Lake Gold first 5 years of New Britannia production and Sustaining Cash Cost at By-product credits calculated using the following assumptions: zinc price of \$1.28 per pound in 2019, \$1.27 per pound in 2020, \$1.17 per pound 2021 and long-term (includes premium); gold price of \$1,250 per ounce in 2019, \$1,300 per ounce in 2020 and 2021, \$1,250 per ounce in 2022 and long-term; copper price of \$3.00 per pound in 2019, \$3.10 per pound in 2020, \$3.20 per pound in 2021 and 2022, and \$3.10 per pound long-term; silver price of \$16.50 per ounce in 2019, \$18.00 per ounce in 2020 and long-term; C\$/US\$ exchange rate of 1.30 in 2019 and 1.25 in 2020 and long-term.

2. Annual mine free cash flow calculated as US\$1,300/oz minus Sustaining Cash Cost multiplied by annual production.

# SNOW LAKE REGIONAL POTENTIAL

HUBBAY HAS A LARGE PROSPECTIVE LAND PACKAGE IN THE SNOW LAKE BELT WITH SIGNIFICANT GOLD EXPLORATION POTENTIAL

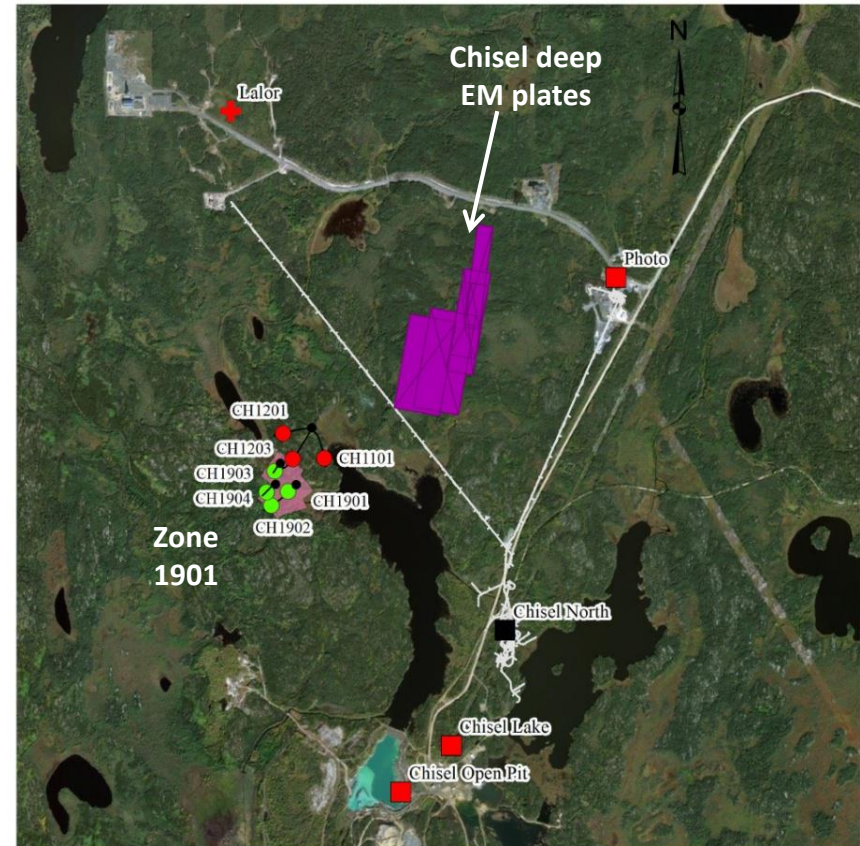


1. The following metals price assumptions were applied to production for purposes of calculating gold equivalent: \$3.00/lb Cu, \$1.00/lb Zn, \$1,260/oz Au and \$18.00/oz Ag.

# DISCOVERY OF 1901 DEPOSIT

## CONTINUING TO ADD VALUE THROUGH EXPLORATION

- Discovery of a new deposit with high-grade zinc in continuity with high-grade copper and gold intersections
- Located between the old Chisel North mine and Lalor at a depth of less than 600m below surface and within 1,000m of the existing ramp
- Drilling continues from surface
- Based on drilling success, an underground exploration platform may be developed this year to access and further define the deposit including a 1,000m drift and a 600m ventilation raise
- The existing infrastructure will allow a quick ramp-up to production from this zone if confirmed to be economic to mine



### Legend

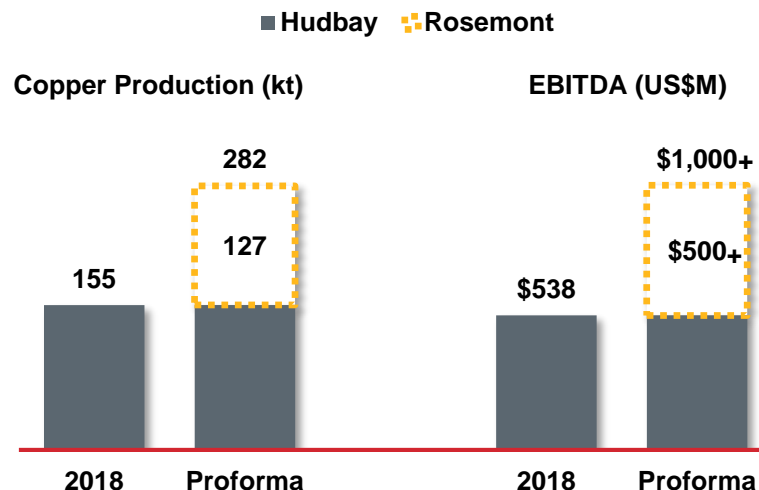
- |                                     |                  |   |
|-------------------------------------|------------------|---|
| Base Metal Intercepts               | Drill Collar     | <b>Mine Type (Discovery Method)</b>                 |
| Au-Cu Intercepts                    | Drill Trace      | Producing Mine (Discovery based in Geophysics)      |
| South Bull's Eye Geophysical Plates | Underground Ramp | Past Producing Mine (Discovery based in Geology)    |
| Chisel Deep Geophysical Plates      |                  | Past Producing Mine (Discovery based in Geophysics) |



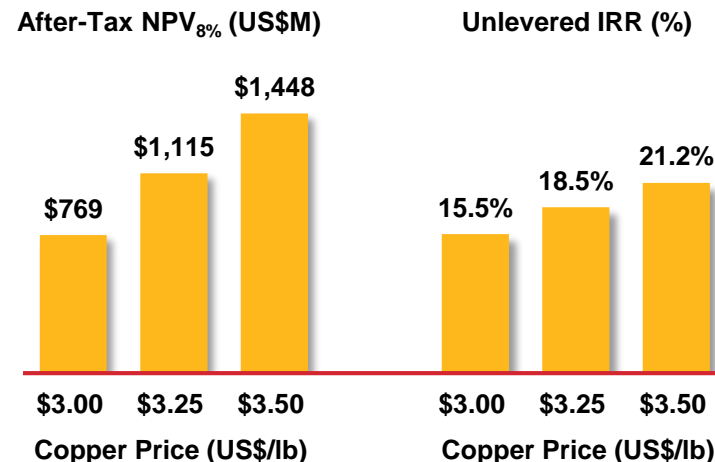
# ROSEMONT RELATIVE TO PEERS



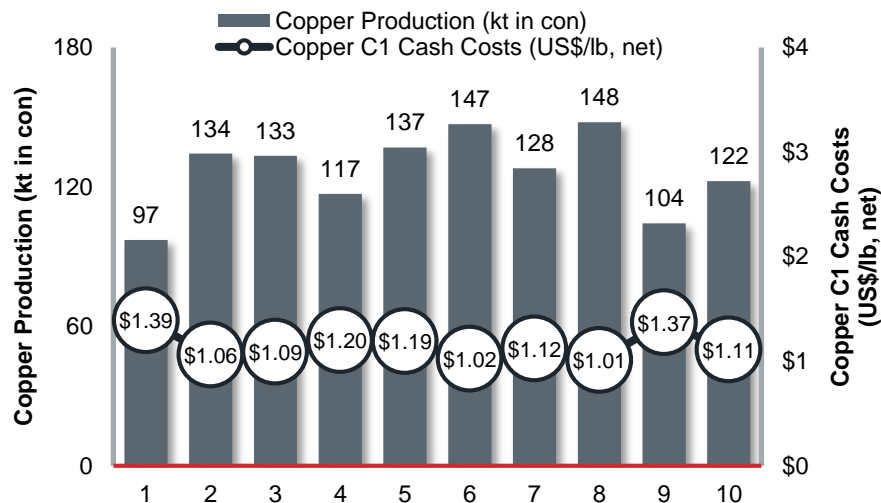
## COPPER PRODUCTION AND EBITDA<sup>1</sup>



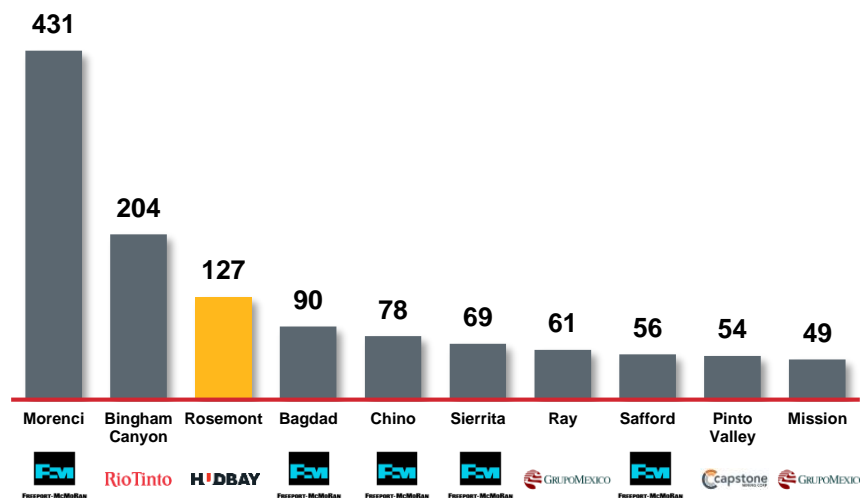
## ROSEMONT ECONOMICS<sup>1</sup>



## COPPER PRODUCTION PROFILE<sup>1</sup>



## 2018 US COPPER MINE PRODUCTION (KT)<sup>1,2,3</sup>



- Rosemont on a 100% basis and based on Rosemont March 2017 feasibility study, average first 10 years of production. Hudbay's 2018 EBITDA calculated as results from operating activities, add depreciation and amortization, less non-cash change in deferred revenue on the cash flow statement, add asset impairment loss. The average LME Cu price over the same period was \$2.96/lb. Rosemont annual EBITDA calculated based on year 1-10 average annual production of 127,000 tonnes and C1 cash costs of \$1.14/lb and assumes a \$3.00/lb Cu price. Rosemont IRR is unlevered after-tax IRR on project basis (100%).
- Morenci copper production is on a 100% basis.
- Copper production from Ray and Mission mines was sourced from Wood Mackenzie (Q1 2019 dataset).

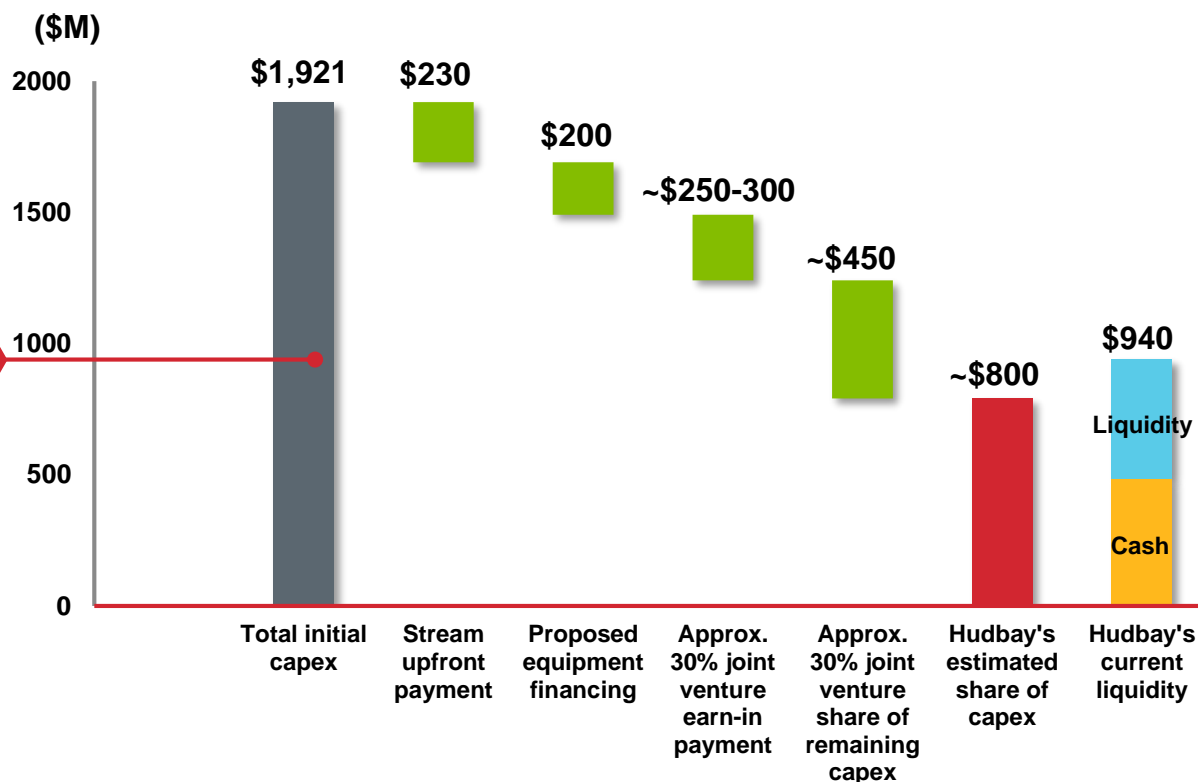


# ROSEMONT INITIAL CAPEX & FUNDING

## HUBBAY IS WELL POSITIONED TO FUND ROSEMONT

- 3-year construction period; \$144 million in year 1, \$861 million in year 2, \$768 million in year 3, remaining capital in ramp-up period
- ~5% growth and 15% contingency added per item

ROSEMONT INITIAL CAPITAL COST BREAKDOWN	
	\$ million
Site wide	\$42
Mining	\$474
Process plant	\$671
Site services & utilities	\$22
Internal infrastructure	\$127
External infrastructure	\$114
Common construction facilities	\$51
EPCM services	\$107
Owner's cost	\$313
<b>Total initial capital</b>	<b>\$1,921</b>

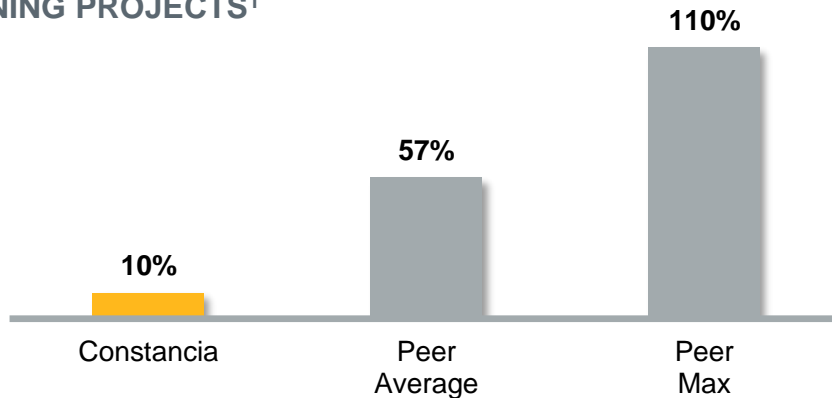


**HUBBAY'S SHARE OF CAPITAL IS APPROXIMATELY \$800 MILLION**

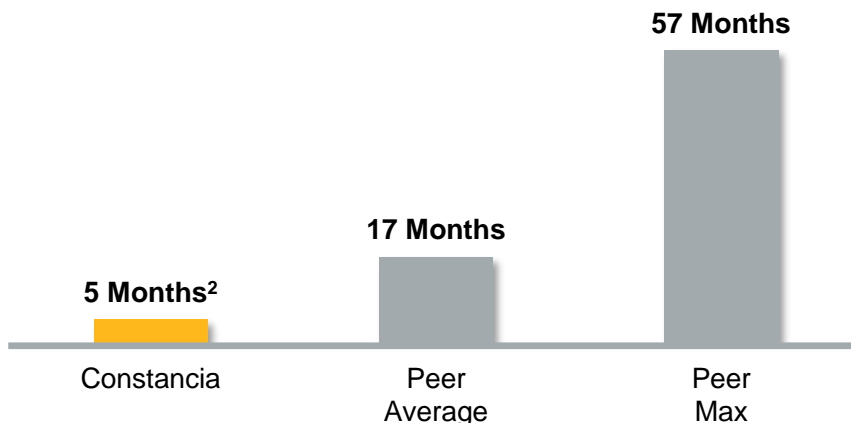
# BEST IN CLASS MINE DEVELOPMENT

- Constancia's capital cost performance was best in-class compared to other greenfield open pit copper mines in the Americas and the same leadership team will develop Rosemont into an operating mine

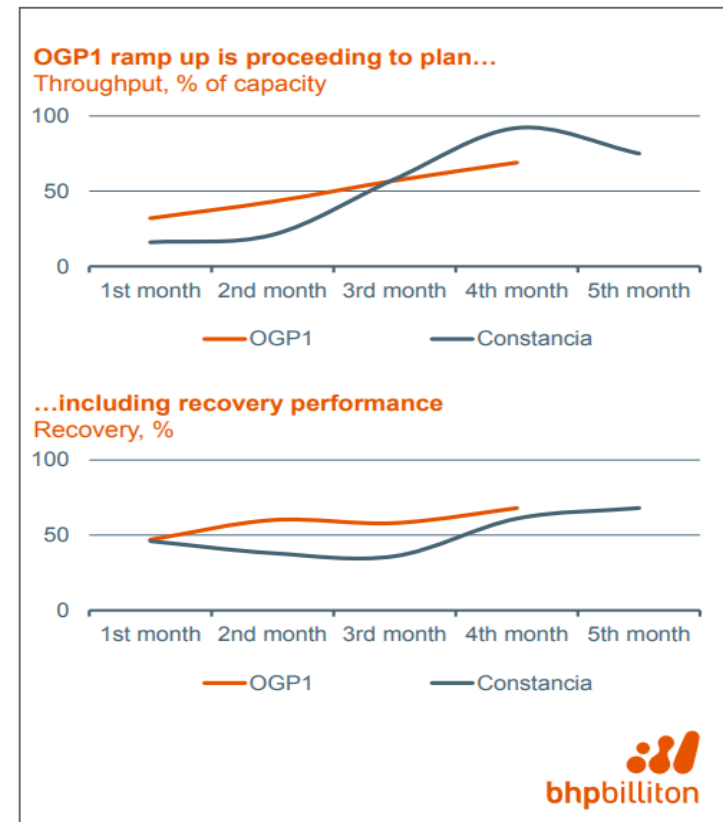
LEADING CAPITAL COST CONTROL VS. COMPARABLE MINING PROJECTS<sup>1</sup>



RAMP-UP FROM FIRST PRODUCTION TO COMMERCIAL PRODUCTION WAS 3X FASTER THAN THE PEER AVERAGE



RAMP-UP RECOGNIZED AS BEST IN CLASS BY BHP

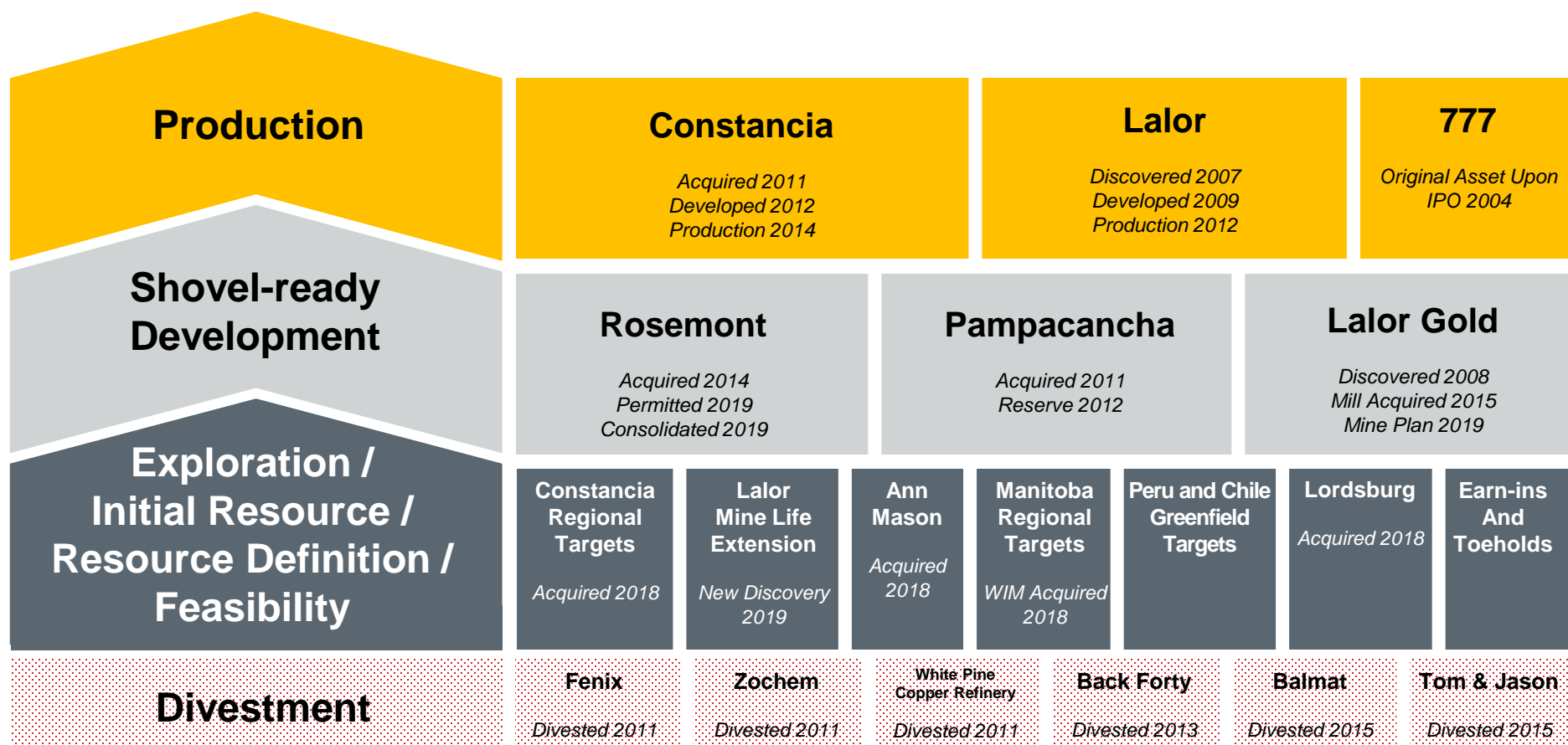


1. SNL, Wood Mackenzie, public filings. Constancia (US\$1.7B); peers include Mt. Milligan (C\$1.6B), Antucoya (US\$1.9B), Red Chris (C\$0.6B), Las Bambas (US\$6.0B), Sierra Gorda (US\$4.2B), Toromocho (US\$3.5B), Ministro Hales (US\$3.5B), Boleo (US\$1.8B), Caserones (US\$4.2B), which are 10ktpd -140ktpd open-pit operations located in the Americas that were constructed over the last decade.

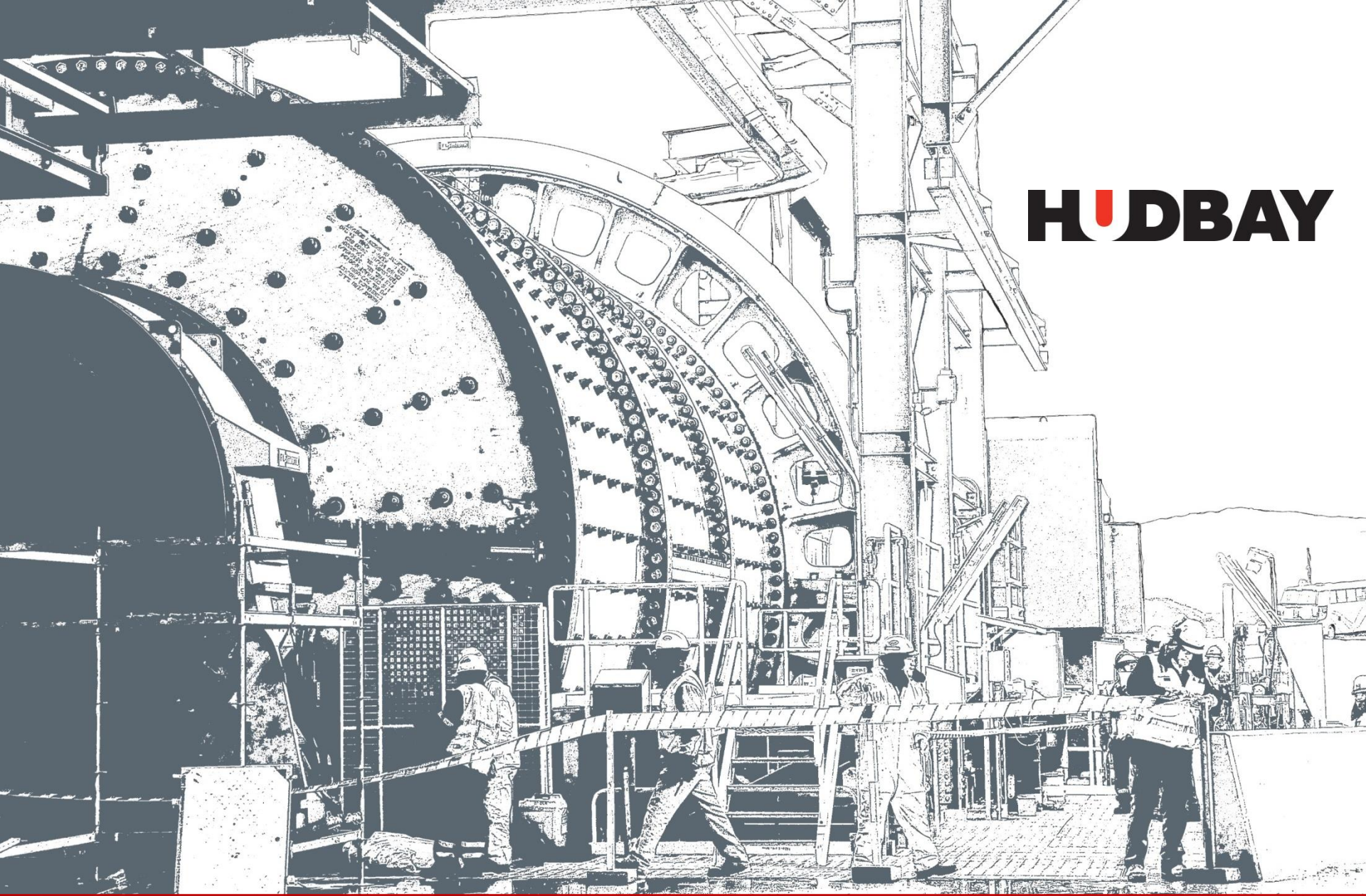
2. 1<sup>st</sup> production commenced December 23, 2014, commercial production achieved April 30, 2015

# PROJECT PIPELINE

- Hudbay has built a diversified portfolio of operating mines and an extensive development pipeline through robust exploration and disciplined M&A to perpetuate production growth



- Consistent long-term growth strategy and world-class asset base
- Proven track record of successful project development
- Operational excellence and value creation through successful exploration
- Focused on free cash flow generation and prudent capital allocation
- Robust project pipeline with an abundance of near-term and medium-term catalysts
- Strong Environmental, Social and Governance (“ESG”) track record



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