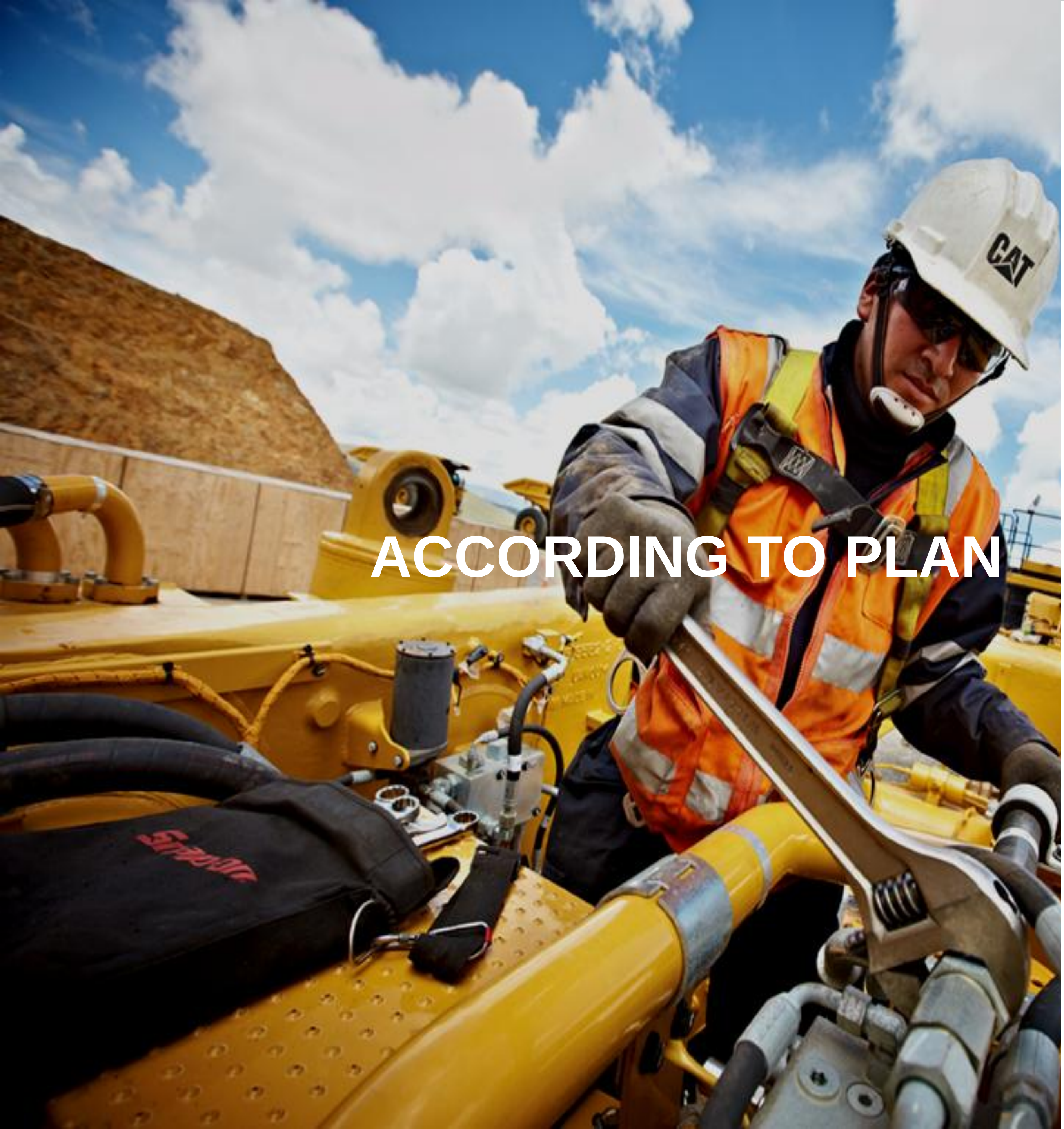


# ACCORDING TO PLAN

HUDBAY

Canaccord Global Resources Conference

October 2014

TMX NYSE HBM

# 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.

# About Hudbay

| | |
|---|---|
| TSX, NYSE, BVL Symbol | **HBM** |
| Market Capitalization[1] | **$2.2 billion** |
| Shares Outstanding | **233 million** |
| Available Liquidity | **$1.0 billion** |
| Debt Outstanding[2] | **$1.1 billion** |

## Integrated base and precious metals mining company that became publicly traded in 2004

> Operating mines, development projects and processing facilities located in the Americas

## Long track record of operating success in Flin Flon Greenstone Belt

> Nearly 90 year history where we have developed and operated 28 mines

## Disciplined and clear growth strategy focused on growth in net asset value, earnings and cash flow per share metrics

> Focused on value creation through exploration, mine development and efficient operations

> Mining friendly jurisdictions

> VMS and porphyry deposits

> Seeking development stage assets


1. Based on Hudbay's TSX closing share price on September 30, 2014
2. Includes recent debt offering announced on July 31, 2014

# Recent Achievements and Challenges

## ON TRACK TO ACHIEVE OUR GROWTH OBJECTIVES IN 2014

**Production**

**777**
- ✓ Stable and steady low-cost production
- ☒ Missed copper guidance in 2013
- ☒ Higher processing costs due to lower throughput in 2013

**Reed**
- ✓ Commercial production achieved ahead of guidance and under budget

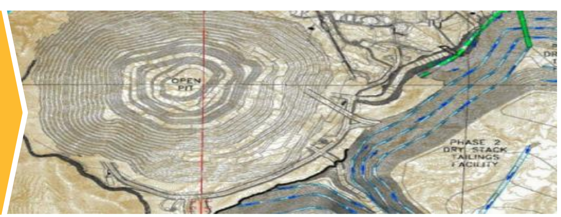
**Lalor**
- ✓ Production capacity to double in H2 2014 from main shaft and refurbished concentrator
- ✓ Underground exploration drilling in late 2014

**Construction**

**Constancia**
- ✓ Construction approximately 85% complete as at June 30, 2014
- ✓ On schedule for initial production in Q4 2014, commercial production expected Q2 2015
- ☒ Capital cost increase in 2013

**The Next Phase of Growth**

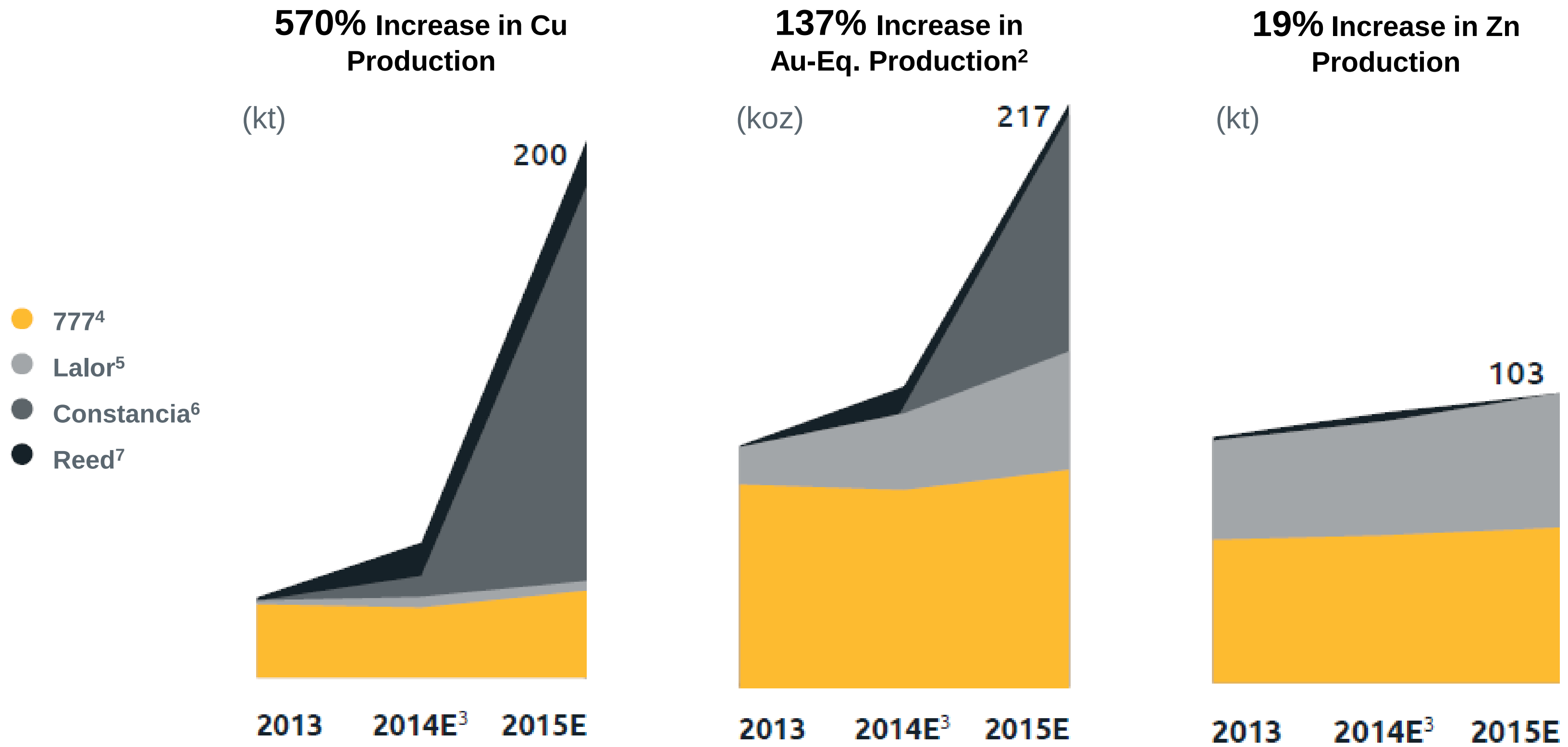
**Feasibility & Permitting**




**Rosemont**
- High-quality development project
- Complementary to existing portfolio
- Sequences well with Constancia
- Well-established infrastructure

# Near-Term Production Growth[1]

## OPPORTUNITY FOR A RE-RATE IS SIGNIFICANT AS WE DELIVER GROWTH




1. Represents production growth from 2013 actual production to 2015 anticipated production levels.
2. Au-Eq. production includes production subject to streaming transactions. Silver converted to gold at a ratio of 50:1 for 2014 guidance. For 2013 production, silver converted to gold at 64:1, based on 2013 estimated realized sales prices.
3. 2014 estimated production levels based on midpoint of 2014 production guidance released on January 8, 2014.
4. 777's anticipated production for 2015 is based on contained metal in concentrate as disclosed in "Technical Report 777 Mine, Flin Flon, Manitoba, Canada" dated October 15, 2012
5. Lalor's anticipated production for 2015 is based on contained metal in concentrate as disclosed in "Pre-Feasibility Study Technical Report, on the Lalor Deposit" dated March 29, 2012.
6. Constancia's anticipated production for 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.
7. Reed's anticipated production for 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 100% attributable production to Hudbay.

# Constancia Project

## ADVANCED DEVELOPMENT

- 18 million man-hours without lost time accident achieved
- Project approximately 85% complete as at June 30, 2014
- On track for first production in Q4 2014, commercial production in Q2 2015

| | Life of Mine[1] |
|---|---|
| Ownership | **100%** |
| Daily ore throughput | **80k tpd** |
| Avg. annual Cu production[2] | **82k tonnes** |
| Cash cost per Cu lb[3] | **US$1.25/lb** |
| Mine and mill unit cost[4] | **US$7.48/tonne** |
| Avg. annual sustaining capital | **US$47 million** |
| Mine life | **22 years** |

**Constancia 2013**


**Constancia 2014**

Source: Hudbay company disclosure

1. LOM as per NI 43-101 Technical Report on the Constancia Project dated October 15, 2012 and subsequent updates to project estimates in public disclosure
2. Production is contained metal in concentrate
3. Net of by-products. Includes impact of silver and gold streams. Assumed metal prices per the Silver Wheaton stream agreement are as follows: Gold US$400/oz, Silver US$5.90/oz. Other metal price assumptions include: Molybdenum 2014-US$12/lb, 2015-US$13/lb, 2016-US$13/lb, LT-US$13.50/lb; Gold 2014-US$1,350/oz, 2015-US$1,325/oz, 2016-US$1,300/oz, 2017-US$1,275/oz, LT-US$1,250/oz. Excludes profit sharing
4. Combined mine and mill unit operating costs per tonne of ore processed

# Constancia Construction Progress

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A view of the Constancia mill


Constancia flotation cells

Constancia tailings thickener

Crushed ore stockpile reclaim tunnels to feed ball mills

# Constancia Construction Progress (Cont'd)

Constancia mine maintenance facilities

Constancia ore dump pocket for the primary crusher

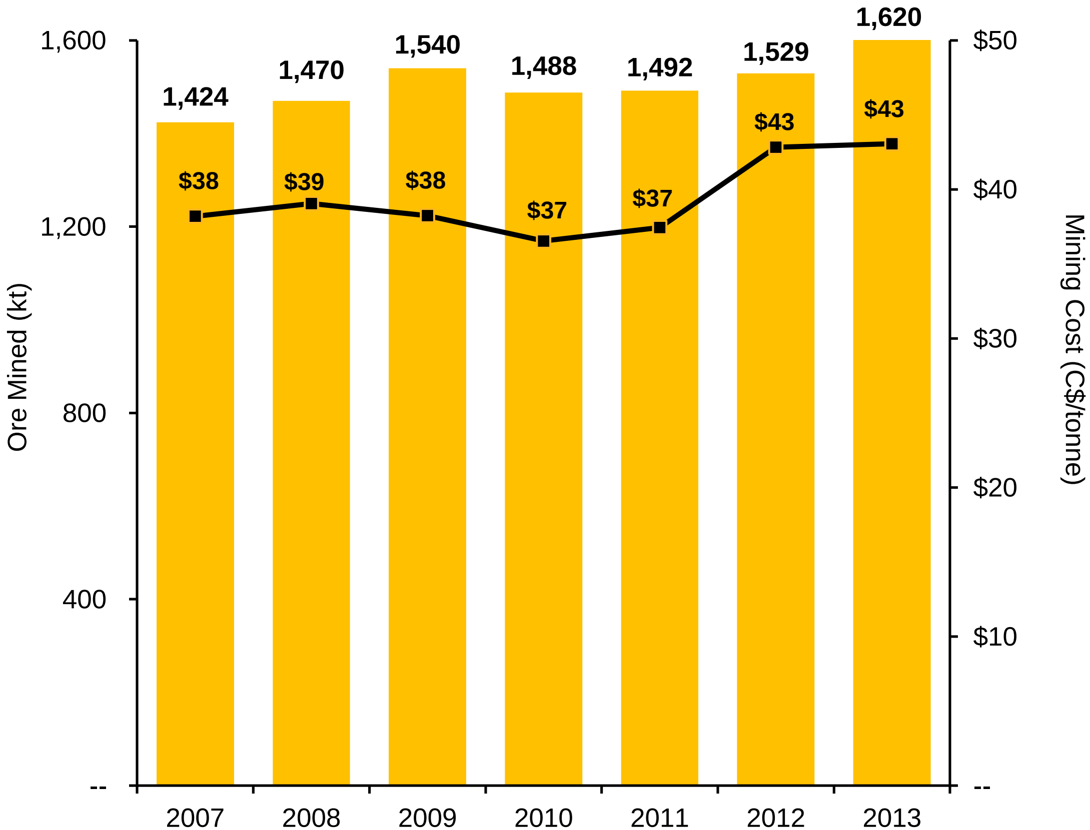
Constancia tailings management facility

Constancia main sediment pond

# 777 Mine

## STEADY, LOW-COST PRODUCTION

- 6 lost-time accidents over past 6 years
- Mature mine with steady cost performance
- $4 million underground exploration program looking for mine life extensions




| | Life of Mine[1] |
|---|---|
| Ownership | 100% |
| Daily ore throughput | 4,500 tpd |
| Avg. Annual Cu production[2] | 25k tonnes |
| Avg. Annual Zn production[2] | 51k tonnes |
| Cash cost per lb Cu[3] | $(0.63)/lb |
| Mine and mill unit cost[4] | $53/tonne |
| Avg. annual sustaining capital | $18 million |
| Mine life remaining | 7 years |


777 Headframe

Source: Hudbay company disclosure, Wood Mackenzie

1. LOM as per NI 43-101 Technical Report on 777 Mine dated October 15, 2012, with the exception of cash costs (see note 3)
2. Production represents contained metal in concentrate
3. Wood Mackenzie LOM average from 2014 to 2020; cash costs per pound of copper, net of by-product credits, adjusted for precious metals stream
4. Combined mine and mill unit operating costs per tonne of ore processed. Includes mill costs for Flin Flon concentrator

# Lalor Mine

## PRODUCTION; PHASE 2 RAMP-UP

- Approaching 1,000 days without a lost-time accident
- $436 million of overall $441 million[1] capital budget spent and committed to June 30, 2014
- Hoisting from main production shaft began in July 2014
- Concentrator upgrade with production capacity of 2,700 tonnes per day now complete and is commissioned

| | Life of Mine[2] |
|---|---|
| Ownership | 100% |
| Daily ore throughput | 3,300 tpd |
| Avg. annual Zn production[3] | 59k tonnes |
| Avg. annual Au-Eq. production[3] | 43k ounces |
| Avg. annual Cu production[3] | 5k tonnes |
| Cash cost per lb Zn[4] | $(0.09)/lb |
| Mine and mill unit cost[5] | $58/tonne |
| Avg. annual sustaining capital | $23 million |
| Mine life | +15 years |


Aerial view of Lalor project site

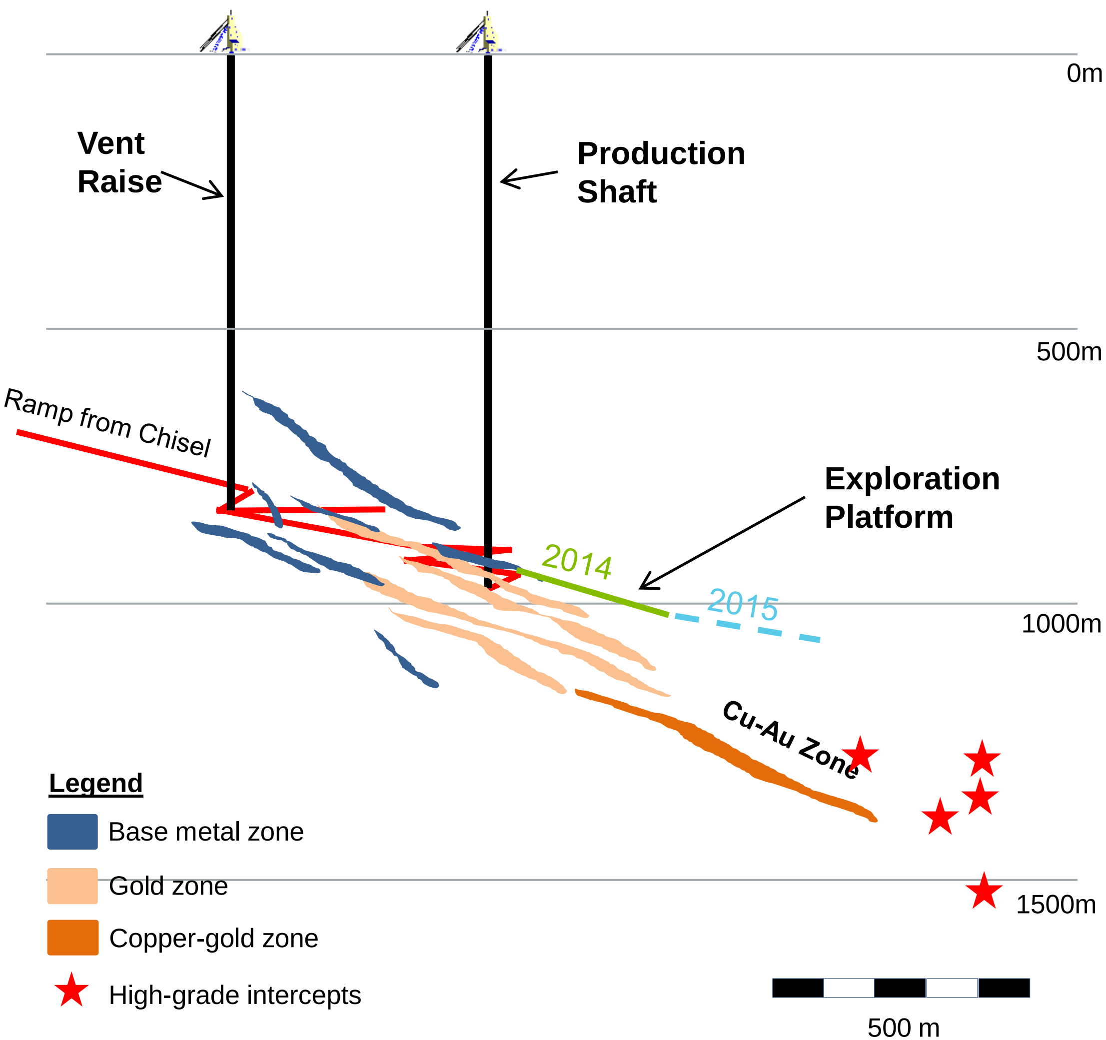
Source: Hudbay company disclosure, Wood Mackenzie

1. Reflects only the mine component of the Lalor project
2. LOM as per NI 43-101 Pre-Feasibility Study Technical Report on Lalor Deposit dated March 29, 2012, with the exception of cash costs (see note 4)
3. Production represents contained metal in concentrate; silver converted to gold at a rate of 50:1
4. Wood Mackenzie LOM average from 2015 to 2027; cash costs per pound of zinc, net of by-product credits
5. Combined mine and mill unit operating costs per tonne of ore processed

# Lalor Exploration

## DRILLING OF CU-AU ZONE EXPECTED IN Q4 2014

**Lalor Cross-Section with 2014 Exploration Platform**




**Underground exploration drift expected 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

# Reed Mine

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## COMMERCIAL PRODUCTION ACHIEVED

- 2-year construction program completed with no lost-time accidents
- Achieved commercial production ahead of guidance and under budget

| | Life of Mine[1] |
|---|---|
| Ownership | **70%** |
| Daily ore throughput | **1,300 tpd** |
| Avg. annual Cu production[2] | **15k tonnes** |
| Cash cost per lb Cu[3] | **$1.64/lb** |
| Mine and mill unit cost[4] | **$90/tonne** |
| Avg. annual sustaining capital | **$10 million** |
| Mine life | **5 years** |

**Loading ore for transportation from Reed to Flin Flon**


**Aerial view of Reed project site**

Source: Hudbay and VMS Venture Inc. company disclosure

1. LOM as per NI 43-101 Pre-Feasibility Study Technical Report on the Reed Copper Deposit dated April 2, 2012 as filed by VMS Ventures Inc., shown on 100% basis
2. Production represents contained metal in concentrate
3. Cash costs per lb calculated using the life of mine model supporting the NI 43-101 report
4. Combined mine and mill unit operating costs per tonne of ore processed

# Rosemont Project

## IDEAL FIT WITH HUDBAY'S DISCIPLINED GROWTH STRATEGY

**In July 2014, Hudbay acquired control of the Rosemont copper project located in Arizona**

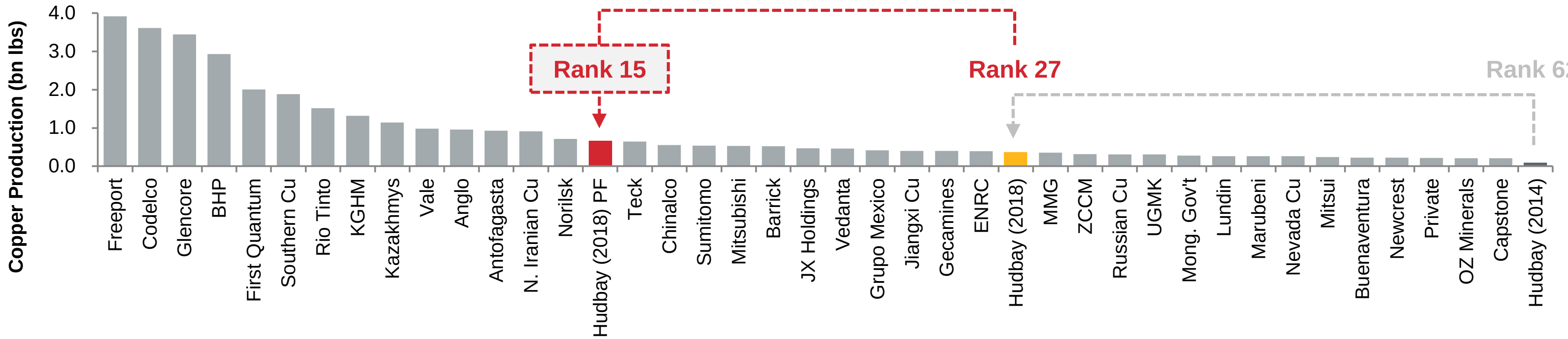
- Enhances Hudbay's market position as leading intermediate base metals company
- Rosemont sequences well with Hudbay's existing projects
- Utilize Hudbay's technical expertise and financial capacity to develop Rosemont
- Accretive to key per share metrics

View of Rosemont project site

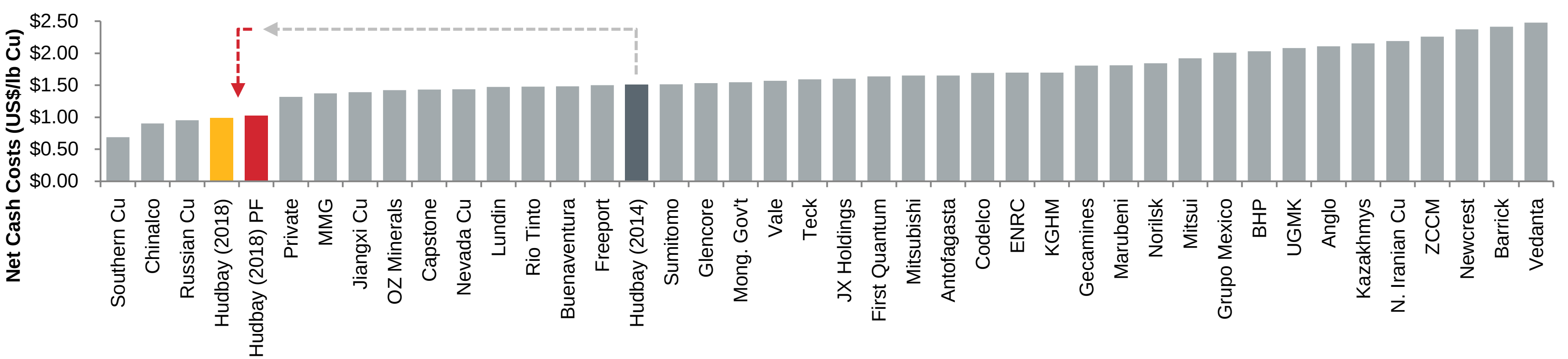
# Global Producer with Leading Cash Costs[1]

## TOP GLOBAL PRODUCER WITH SIGNIFICANT LEVERAGE TO COPPER AND BOTTOM QUARTILE COSTS

### Global Positioning on 2018E Copper Production




### Global Positioning on 2018E Cash Costs




Source: Wood Mackenzie

1. "Hudbay (2018) PF" indicates the expected impact on Hudbay with the addition of the Rosemont project

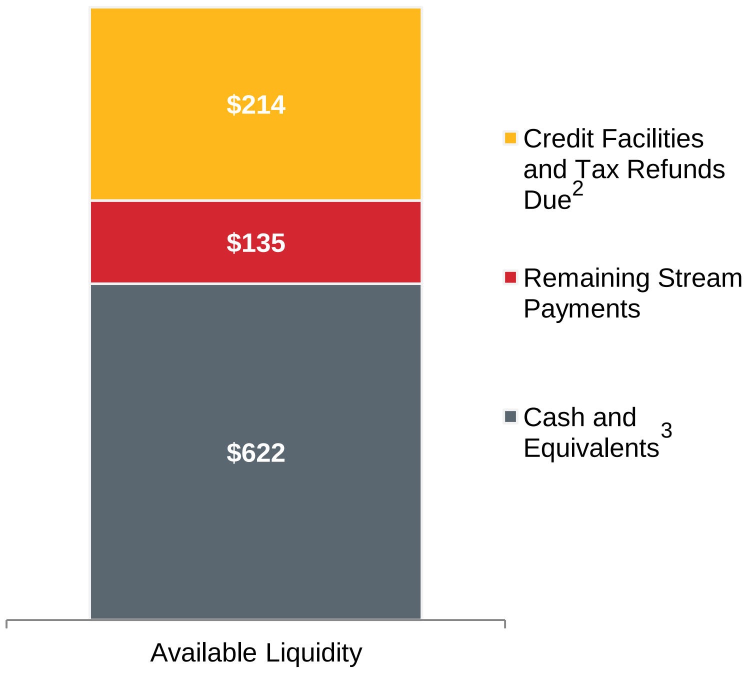
# Strong Financial Capacity

## 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

**Hudbay Liquidity [1]**

**Total Current Liquidity of $1.0 billion**




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 and corporate senior secured revolving credit facility
3. Includes net proceeds from recent debt offering after repayment of Augusta indebtedness

# Near Term Milestones

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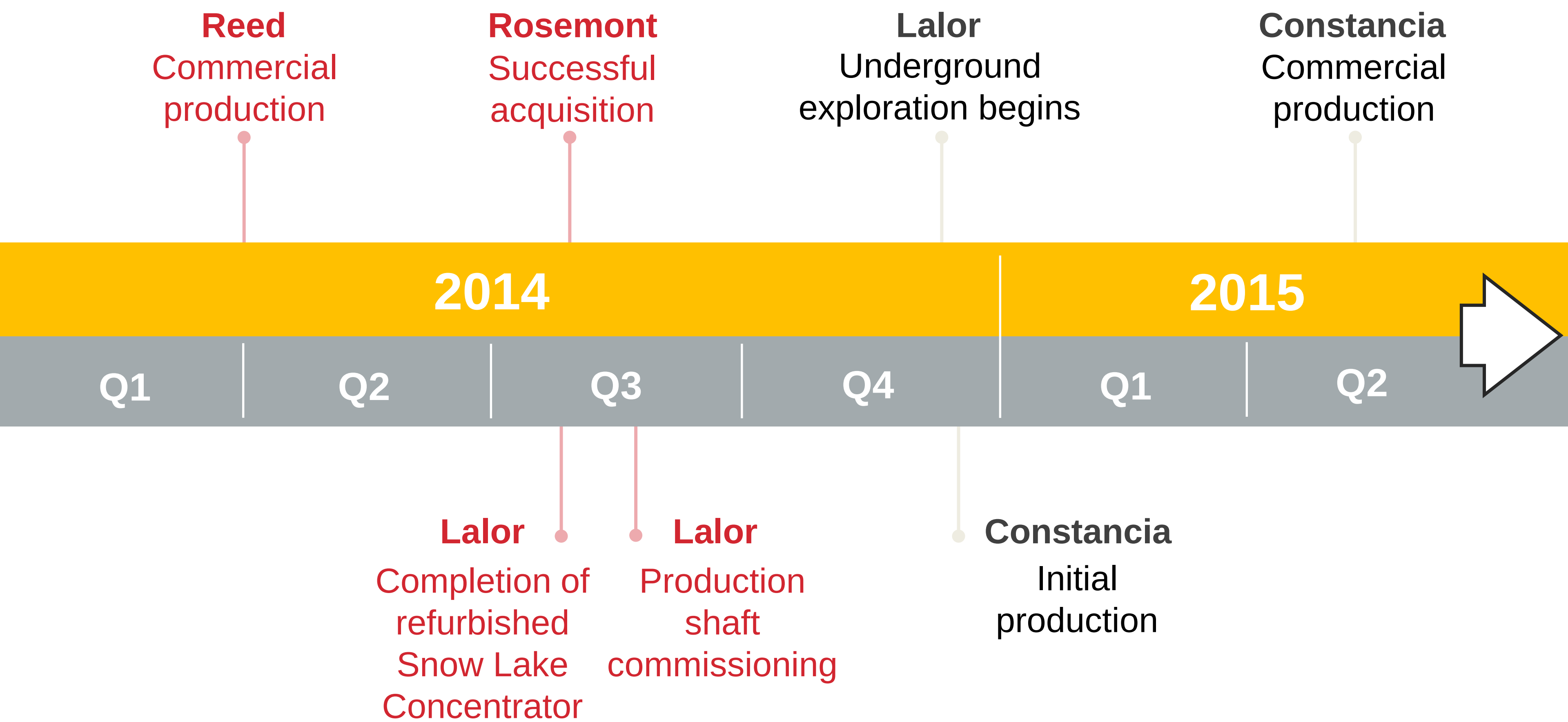



Note: All timelines are estimates

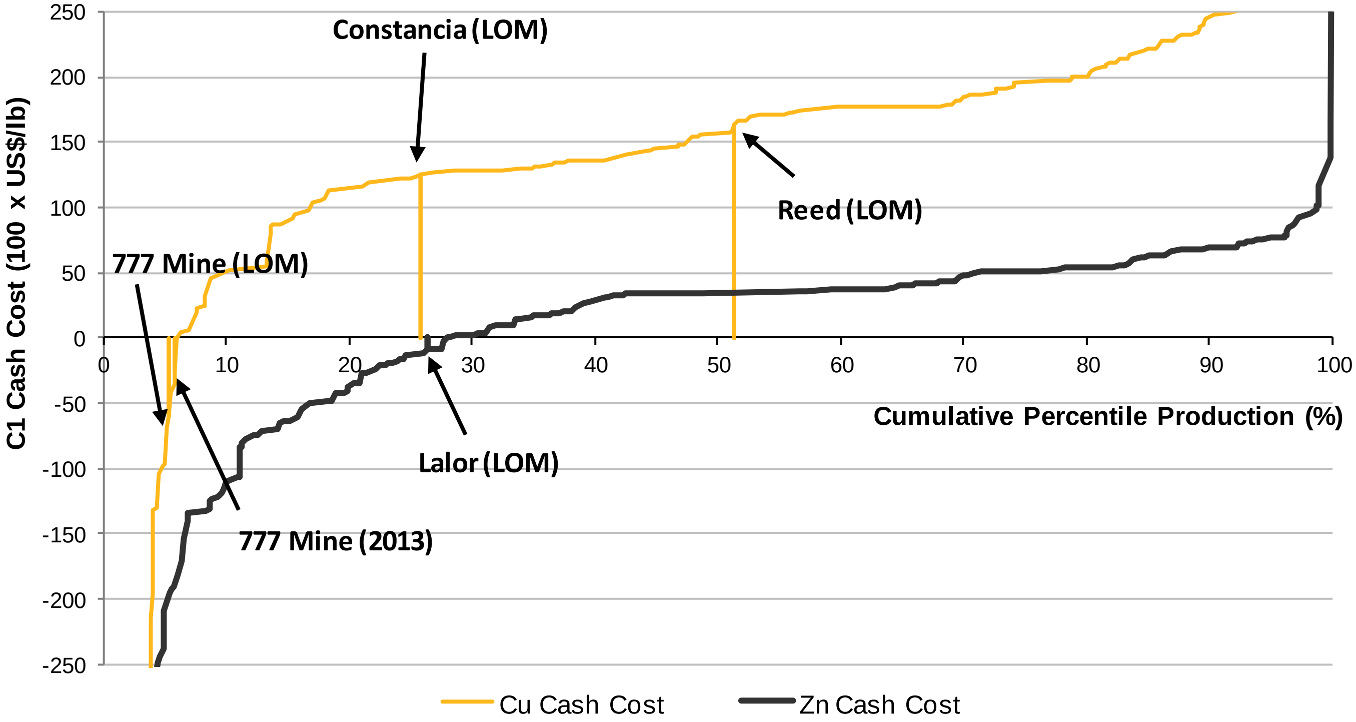
denotes completed milestone

# Appendix


# Appendix Contents

- By-product copper and zinc cost curves
- Additional capital required by 2020 as a % of market value
- 2014 guidance
- Constancia additional details
- Lalor additional details
- Precious metals stream
- Reserves and resources

# Copper & Zinc By-Product Cost Curves[1]

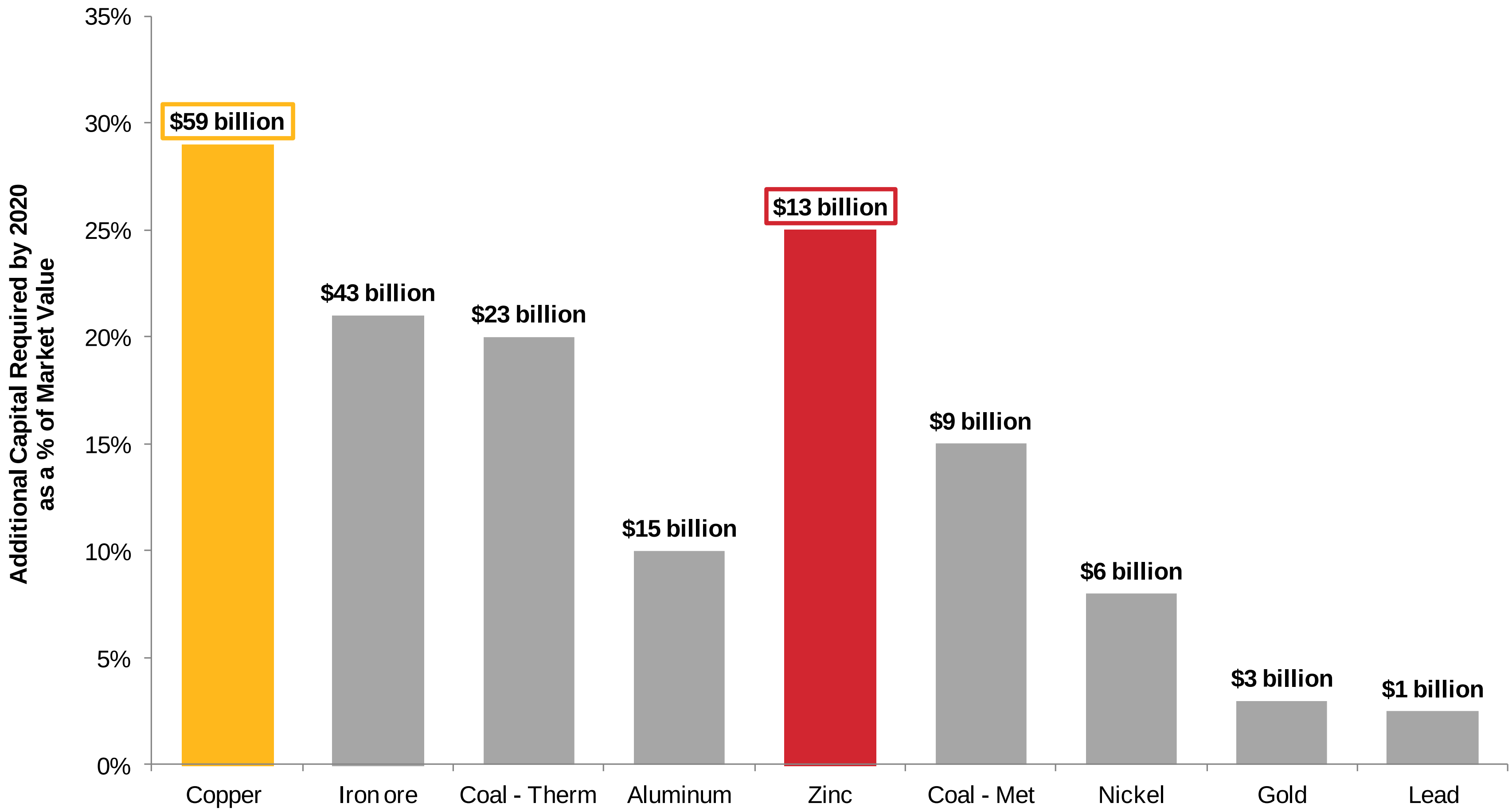



Source: Wood Mackenzie (2013 cost curve)

[1] By-product costs calculated using Wood Mackenzie'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

# Additional Capital Required to Meet Demand




Source: Wood Mackenzie, Metals Market Service Insight, August 2013

**By 2020, an additional US$172 billion will be required in the mining industry to meet forecast demand**

# 2014 Guidance

| Manitoba contained metal in concentrate | | Guidance | Year Ended | Guidance |
|---|---|---|---|---|
| | | 2014 | Dec. 31, 2013 | 2013 |
| **Copper**[1] | tonnes | 41,000 – 55,000 | 29,930 | 33–38,000 |
| **Zinc**[1] | tonnes | 87,000 – 105,000 | 86,527 | 85–100,000 |
| **Precious Metals**[1] | troy oz. | 101,000 – 123,000 | 91,258 | 85–105,000 |

[1] Includes 100% of Reed mine production

[2] Precious metals production includes gold and silver production. Silver converted to gold at a ratio of 50:1 for 2013 and 2014 guidance. For 2013 production, silver converted to gold at 64:1, based on estimated 2013 realized sales prices.

| 2014 Production and Unit Operating Guidance By Region | | Flin Flon Operations (777 and Reed) | Snow Lake Operations (Lalor) | Peru Operations (Constancia) | Total |
|---|---|---|---|---|---|
| **Copper** | tonnes | 33,000 – 41,000[2] | 3,000 – 4,000 | 5,000 – 10,000 | 41 – 55,000 |
| **Zinc** | tonnes | 50,000 – 60,000[2] | 37,000 – 45,000 | | 87 – 105,000 |
| **Precious Metals**[3] | ounces | 73,000 – 88,000[2] | 26,000 – 32,000 | 2,000 – 3,000 | 101 – 123,000 |
| **Combined mine and mill unit operating costs** | $/tonne ore processed | 54 - 66 | 102 - 124 | See Note 4 | |

[1] Metal reported in concentrate is prior to refining losses or deductions associated with smelter terms. Production volumes include anticipated pre-commercial production amounts from Lalor, Reed and Constancia.

[2] Includes 100% of Reed mine production

[3] Precious metals production includes gold and silver production. Silver converted to gold at a ratio of 50:1 for 2014 guidance.

[4] Reflects combined mine and mill costs per tonne of milled ore. Excludes mine and mill costs and tonnes associated with pre-commercial production mine output from Reed and Lalor in 2014. Constancia unit costs not included as the mine is not expected to be in commercial production during 2014.

# 2014 Growth Project Spending

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## Constancia

| | (in US$ millions) |
|---|---|
| **Total estimated future capital spending - 2014** | **254** |
| Total spent in Q1-Q2 2014 | 424 |
| Total spent in 2012 - 2013 | 1,038 |
| **Total[1]** | **1,708** |

[1] The total project budget does not reflect pre-production costs and revenue and life of mine community agreement obligations, all of which will be applied to capitalized costs

## Lalor

| | (in $ millions) |
|---|---|
| **Total estimated future capital spending - 2014** | **37** |
| Total spent in Q1-Q2 2014 | 23 |
| Total spent in 2010 - 2013 | 381 |
| **Total[1]** | **441** |

[1] The total project budget does not reflect pre-production costs and revenue and investment tax credits associated with new mine status for income tax purposes, all of which will be applied to capitalized costs.

# 2014 Exploration Expenditures Budget

| | C$ Millions |
|---|---|
| Manitoba | 15.8 |
| Peru | 2.1 |
| Other | 2.5 |
| **Total Exploration Expenditures** | **20.4** |
| Manitoba Capitalized Spending | (10.6) |
| **Total Exploration Expense** | **9.8** |

# 2014 Zinc Plant Guidance

| Flin Flon Zinc Plant | |
|---|---|
| Zinc concentrate treated | 195,000 – 225,000 tonnes |
| Recovery | 97% |
| **Unit Operating Costs[1]** | **C$0.30 - $0.37/lb** |

[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

# Constancia - Access to Existing Infrastructure

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**83km access road from Yauri**

> To be upgraded for concentrate haulage post commissioning

**Tintaya power substation 70km away**

> Construction of power transmission line from Tintaya complete and was energized in August 2014

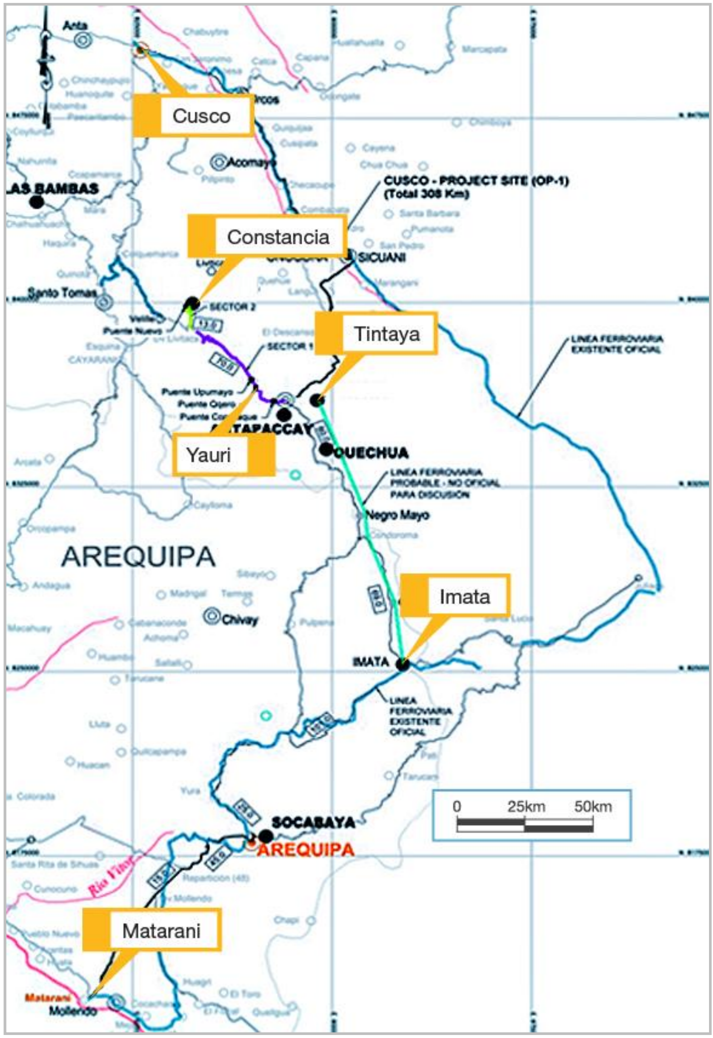
> Socabaya to Tintaya 220kV transmission line upgrade is complete and was energized in April 2014

**Rail-head at Imata 150km away**

> Pursuing bi-modal transportation solution

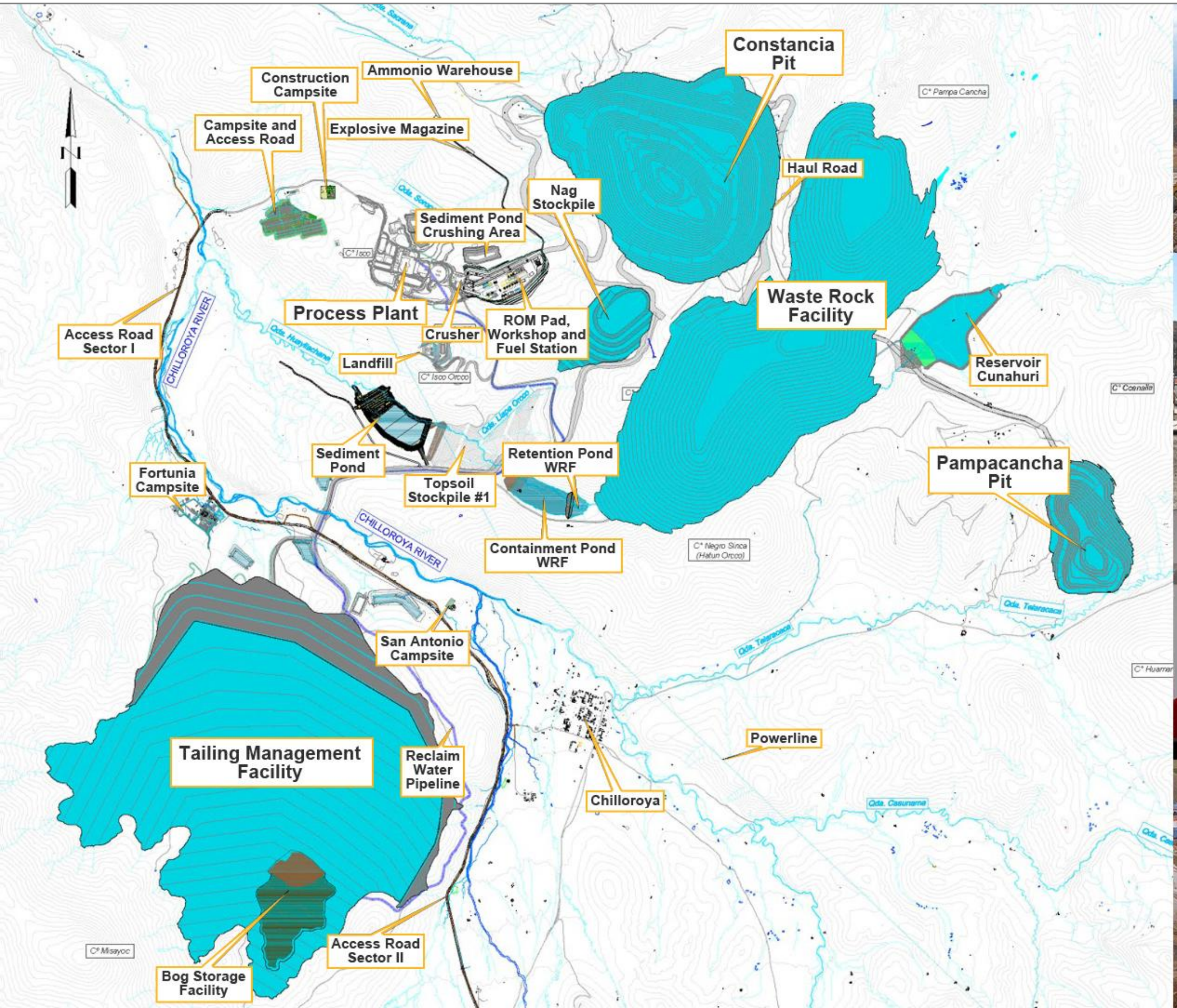
**~475km from Matarani Port by road**

**Port access and power supply secured under 10-year contracts**

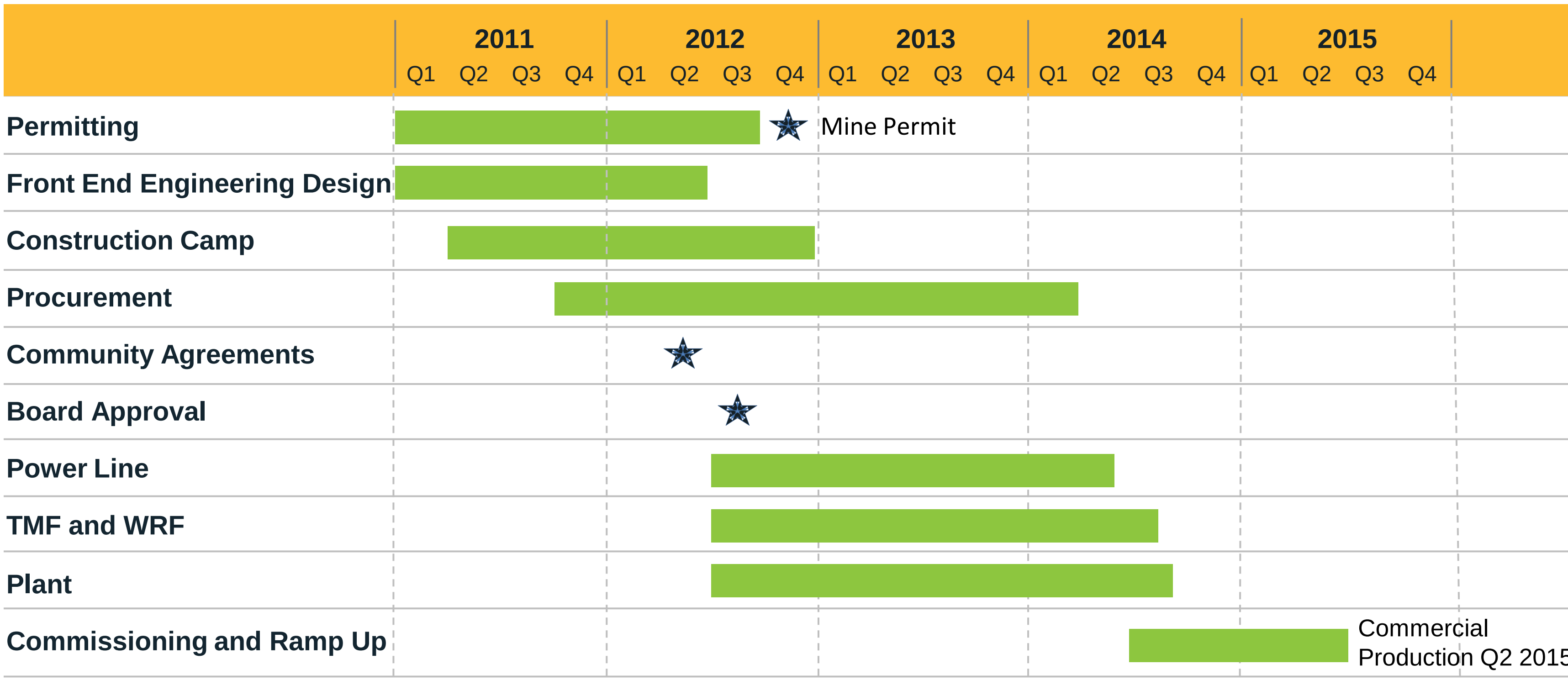



**Infrastructure & power expected to be available to meet Constancia project schedule**

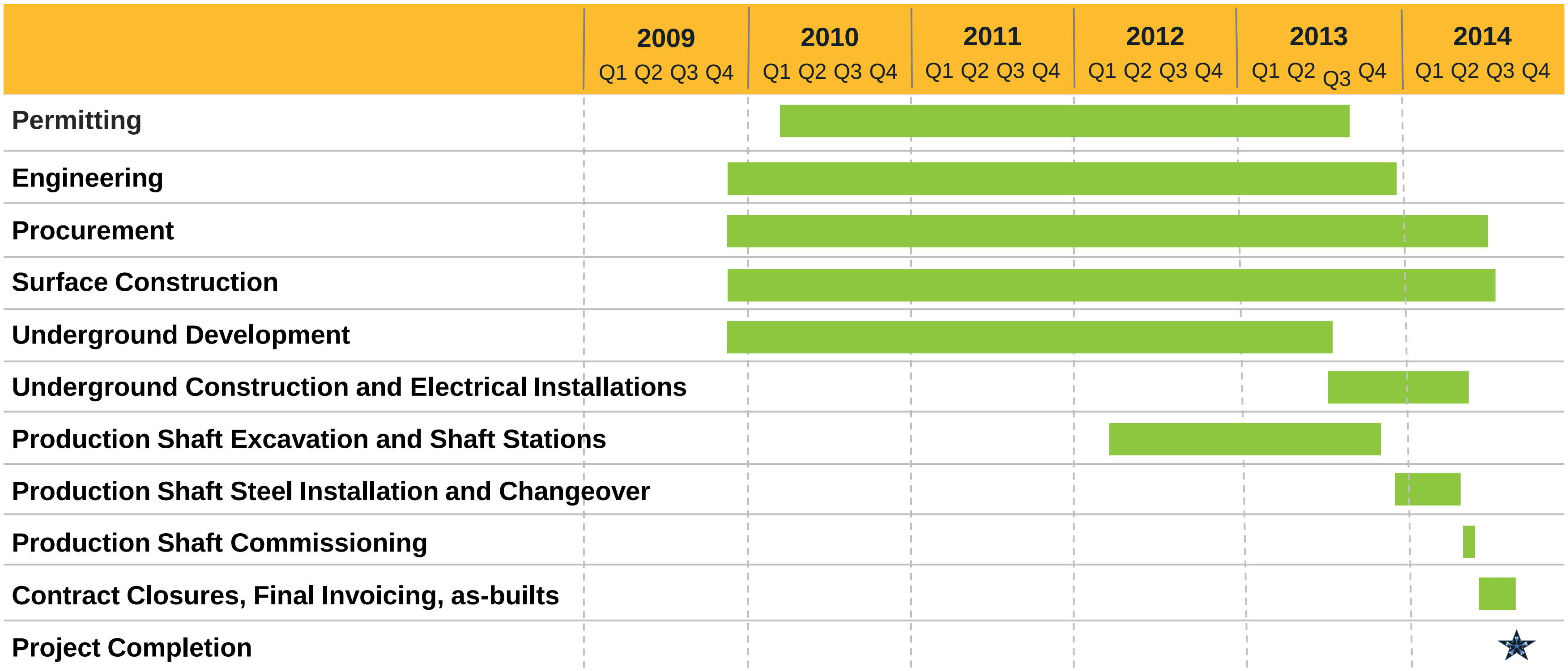
# Constancia – Site Plan and Layout




# Constancia - Current Schedule



# Lalor Mine - Schedule



# Precious Metals Stream Overview

HUDBAY

**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
- Along with upfront payments, Hudbay will receive US$400 per ounce for gold and US$5.90 per ounce of silver[1]

**Additional US$135 million deposit payment from Silver Wheaton against delivery of:**

- 50% of payable gold from the Constancia project
- In addition to the deposit payment, Hudbay will receive the lesser of the market price and US$400 per ounce for gold delivered to Silver Wheaton[2]

**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 Chilloroya

[1]Subject to 1% annual escalation starting 2015
[2] Subject to 1% annual escalation starting 2016

# Peru Reserves Overview

As at January 1, 2014

## Constancia Mineral Reserves

| Category | **Ore** (M tonnes) | **Cu** (%) | **Mo** (g/t) | **Au** (g/t) | **Ag** (g/t) |
|---|---|---|---|---|---|
| **Proven** | 483 | 0.32 | 93 | 0.040 | 3.04 |
| **Probable** | 94 | 0.22 | 61 | 0.036 | 2.77 |

## Pampacancha Mineral Reserves

| Category | **Ore** (M tonnes) | **Cu** (%) | **Mo** (g/t) | **Au** (g/t) | **Ag** (g/t) |
|---|---|---|---|---|---|
| **Proven** | 23 | 0.52 | 142 | 0.298 | 4.28 |
| **Probable** | 20 | 0.44 | 159 | 0.252 | 3.74 |

## Total Mineral Reserves

| Category | **Ore** (M tonnes) | **Cu** (%) | **Mo** (g/t) | **Au** (g/t) | **Ag** (g/t) |
|---|---|---|---|---|---|
| **Total Proven** | 506 | 0.33 | 95 | 0.052 | 3.09 |
| **Total Probable** | 114 | 0.26 | 78 | 0.074 | 2.94 |
| **Total Reserves** | 620 | 0.32 | 92 | 0.056 | 3.07 |

Note: totals may not add up correctly due to rounding

# Peru Resources Overview

As at September 30, 2013

## Constancia Mineral Resources

| Category | **M** (tonnes) | **Cu** (%) | **Mo** (g/t) | **Au** (g/t) | **Ag** (g/t) |
|---|---|---|---|---|---|
| **Measured** | 68 | 0.22 | 59 | 0.036 | 2.17 |
| **Indicated** | 293 | 0.20 | 58 | 0.033 | 1.96 |
| **Inferred** | 200 | 0.19 | 51 | 0.031 | 1.86 |

## Pampacancha Mineral Resources

| Category | **M** (tonnes) | **Cu** (%) | **Mo** (g/t) | **Au** (g/t) | **Ag** (g/t) |
|---|---|---|---|---|---|
| **Measured** | 5 | 0.41 | 69 | 0.243 | 5.46 |
| **Indicated** | 6 | 0.34 | 98 | 0.211 | 4.68 |

## Total Mineral Resources

| Category | **M** (tonnes) | **Cu** (%) | **Mo** (g/t) | **Au** (g/t) | **Ag** (g/t) |
|---|---|---|---|---|---|
| **Measured + Indicated** | **372** | **0.20** | **59** | **0.039** | **2.09** |
| **Inferred** | **200** | **0.19** | **51** | **0.031** | **1.86** |

Note: totals may not add up correctly due to rounding

# Manitoba Mineral Reserves

As at January 1, 2014

| Category | Tonnes | Cu (%) | Zn (%) | Au (g/t) | Ag (g/t) |
|---|---|---|---|---|---|
| **777[1]** | | | | | |
| Proven | 4,893,000 | 2.27 | 4.01 | 1.84 | 24.71 |
| Probable | 5,707,000 | 1. 34 | 4.24 | 1.79 | 24.69 |
| **Lalor – Base Metal[2]** | | | | | |
| Proven | 1,332,000 | 0.73 | 8.99 | 1.53 | 17.49 |
| Probable | 11,334,000 | 0.68 | 7.81 | 1.56 | 23.77 |
| **Lalor – Gold Zone** | | | | | |
| Probable | 2,530,000 | 0.37 | 0.42 | 4.28 | 24.45 |
| **Reed[3]** | | | | | |
| Probable | 2,121,000 | 3.80 | 0.50 | 0.42 | 5.28 |
| **Total Proven** | **6,225,000** | **1.94** | **5.08** | **1.77** | **23.17** |
| **Total Probable** | **21,692,000** | **1.12** | **5.30** | **1.82** | **22.29** |
| **Total Reserves** | **27,917,000** | **1.31** | **5.25** | **1.81** | **22.48** |

[1]Includes 777 North.

[2]Includes the copper-gold zone.

[3]Stated at 100%, Hudbay holds a 70% joint venture interest in the Reed Copper Project.

Note: totals may not add up correctly due to rounding

# Manitoba Mineral Resources

As at September 30, 2013

| **Category** | **Tonnes** | **Cu** (%) | **Zn** (%) | **Au** (g/t) | **Ag** (g/t) |
|---|---|---|---|---|---|
| **777**[1] | | | | | |
| Inferred | 784,000 | 1.05 | 4.49 | 1.77 | 30.61 |
| **Lalor – Base Metal**[2] | | | | | |
| Inferred | 3,832,000 | 2.04 | 5.77 | 3.47 | 21.24 |
| **Lalor – Gold Zone** | | | | | |
| Inferred | 6,281,000 | 0.42 | 0.49 | 4.70 | 31.48 |
| **Reed** | | | | | |
| Inferred | 233,000 | 4.31 | 0.52 | 0.38 | 4.57 |
| **Total Inferred** | 11,130,000 | 1.11 | 2.59 | 3.98 | 27.33 |

[1]Includes 777 North

[2]Includes the copper-gold zone

[3]Stated at 100%, Hudbay holds a 70% joint venture interest in the Reed Copper Project

Note: totals may not add up correctly due to rounding

# Copper Equivalent Reserves and Resources[1]

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## All Metals

| Project | Category | Cu Equivalent (000 tonnes) | | |
|---|---|---|---|---|
| | | **2014** | **2013** | **Change** |
| **Constancia[2]** | Proven & Probable | 2,655 | 2,263 | 392 |
| | Measured & Indicated | 1,045 | 1,329 | (284) |
| | Inferred | 503 | 593 | (90) |
| **Lalor** | Proven & Probable | 663 | 705 | (42) |
| | Inferred | 483 | 579 | (96) |
| **777[3]** | Proven & Probable | 482 | 563 | (81) |
| | Inferred | 31 | 32 | (1) |
| **Reed (70%)[4]** | Proven & Probable | 64 | 67 | (3) |
| | Inferred | 8 | 6 | 2 |
| **Other[4,5]** | Measured & Indicated | 288 | 547 | (259) |
| | Inferred | 908 | 996 | (88) |
| **Total** | **Proven & Probable** | **3,864** | **3,598** | **266** |
| | **Measured & Indicated** | **1,333** | **1,876** | **(543)** |
| | **Inferred** | **1,933** | **2,206** | **(273)** |

[1]For additional detail respecting the mineral reserve and resource estimate in this presentation, see "Additional Information".

[2]Includes Pampacancha

[3]Includes 777 North

[4]Values shown represent Hudbay's proportionate ownership interest pursuant to the applicable joint venture/option agreement

[5]Includes Tom & Jason and Lost property. The Back Forty project was sold in 2014 and is included in 2013 numbers only

# Precious Metal Equivalent Reserves and Resources[1]

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| Project | Category | Au Equivalent (000 ounces) | | |
|---|---|---|---|---|
| | | 2014 | 2013 | Change |
| **Constancia[2]** | Proven & Probable | 2,341 | 1,951 | 390 |
| | Measured & Indicated | 972 | 1,132 | (160) |
| | Inferred | 441 | 520 | (79) |
| **Lalor** | Proven & Probable | 1,209 | 1,137 | 72 |
| | Inferred | 1,557 | 1,753 | (196) |
| **777[3]** | Proven & Probable | 785 | 886 | (101) |
| | Inferred | 60 | 60 | - |
| **Reed (70%)[4]** | Proven & Probable | 25 | 29 | (4) |
| | Inferred | 2 | 2 | - |
| **Other[4,5]** | Measured & Indicated | 244 | 869 | (625) |
| | Inferred | 536 | 636 | (100) |
| **Total** | **Proven & Probable** | **4,360** | **4,003** | **357** |
| | **Measured & Indicated** | **1,216** | **2,001** | **(785)** |
| | **Inferred** | **2,596** | **2,971** | **(375)** |

[1]For 2014 and 2013, precious metal equivalent reserves and resources include gold and silver only, expressed in ounces of gold with silver converted to gold at a ratio of 50:1.
[2]Includes Pampacancha. Pursuant to a stream agreement with Silver Wheaton, the company is required to deliver 100% of payable silver and 50% of payable gold from the Constancia project for cash payments equal to the lesser of (i) the market price and (ii) US$5.90 per ounce, subject to 1% annual escalation after three years.
[3]Includes 777 North. Pursuant to a stream agreement with Silver Wheaton, the company is required to deliver 100% of payable gold and silver from its 777 mine until the later of December 31, 2016 and satisfaction of a completion test at Constancia, and thereafter 50% of payable gold and 100% of payable silver for the remainder of the 777 mine life, for cash payments equal to the lesser of (i) the market price and (ii) US$400 per ounce (for gold) and US$5.90 per ounce (for silver), subject to 1% annual escalation after three years.
[4]Values shown represents Hudbay's proportionate ownership interest pursuant to the applicable joint venture/option agreement.
[5]Includes Tom & Jason and Lost property. The Back Forty project was sold in 2014 and is included in 2013 numbers only.

# Additional Information

- The reserve and resource estimates included in this presentation were prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Canadian Institute on Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: Definitions and Guidelines.
- All mineral resources referred to in this presentation are exclusive of and additional to stated mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

## Manitoba

- To estimate mineral reserves, measured and indicated mineral resources were first estimated in a 12-step process, which includes determination of the integrity and validation of the data collected, including confirmation of specific gravity, assay results and methods of data recording. The process also includes determining the appropriate geological model, selection of data and the application of statistical models including probability plots and restrictive kriging to establish continuity and model validation. The resultant estimates of measured and indicated mineral resources are then converted to proven and probable mineral reserves by the application of mining dilution and recovery, as well as the determination of economic viability using full cost analysis. Other factors such as depletion from production are applied as appropriate.
- Estimated inferred mineral resources within our mines were estimated by a similar 12-step process, used to estimate measured and indicated resources.
- The zinc price used for mineral reserve and resource estimations for the Manitoba mines was US$1.06 per pound (includes premium), the copper price was US$3.00 per pound, the gold price was US$1,250.00 per ounce and the silver price was US$25.00 per ounce using an exchange of 1.05 C$/US$.
- For additional details relating to the estimates of mineral reserves and resources at the 777 mine, including data verification and quality assurance/quality control processes refer to the “Technical Report 777 Mine, Flin Flon, Manitoba, Canada” dated October 15, 2012 on SEDAR.
- For additional details relating to the estimates of mineral reserves and resources at the Lalor project, including data verification and quality assurance/quality control processes refer to the “Pre-Feasibility Study Technical Report, on the Lalor Deposit” dated March 29, 2012 on SEDAR.
- For additional details relating to the estimates of mineral reserves and resources at the Reed project, including data verification and quality assurance/quality control processes refer to the “Pre-Feasibility Study Technical Report on the Reed Copper Deposit, Central Manitoba, Canada” as filed on SEDAR by VMS Ventures Inc. on May 14, 2012.

# Peru

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- For additional details relating to the estimates of mineral reserves and resources at the Constancia project, including data verification and quality assurance/quality control processes refer to “The Constancia Project, National Instrument 43-101 Technical Report” as filed on SEDAR by Hudbay on November 6, 2012.
- The Constancia and Pampacancha mineral reserves are based on a Peruvian Sole: US Dollar exchange rate of 2.85:1 and the following long term metals prices: copper price of US$3.00 per pound; silver price of US$25.00 per ounce; gold price of US$1,250.00 per ounce; and molybdenum price of US$13.50 per pound.
- The Constancia and Pampacancha mineral resources correspond to a resources pit shell. A pit optimization to delimit the portion of the block model having reasonable prospects for economic extraction was performed.
- The Constancia resource pit consists of a non-operational pit of Measured, Indicated and Inferred resources diluted to a 10x10x15m full block size using a 0.12% copper cut-off based on a copper price of US$2.88 per pound and a molybdenum price of US$16.00 per pound, copper recovery of 89%, molybdenum recovery of 60%, processing costs of US$5.50 per tonne and mining costs of US$1.30 per tonne.
- The Pampacancha resource pit consists of a non-operational pit of Measured, Indicated and Inferred resources diluted to a 10x10x15m full block size using a 0.1% copper cut-off based on a copper price of US$3.00 per pound, a molybdenum price of US$13.50 per pound, silver price of US$25.00 per ounce, gold price of US$1,250 per ounce, copper recovery of 85%, molybdenum recovery of 40%, gold and silver recovery of 65%; processing costs of US$4.72 per tonne and mining costs of US$1.90 per tonne.
- The primary consideration to accommodate the increased Constancia mineral reserve in the Constancia life of mine plan (“LOM”) was the confirmation through pre-feasibility investigation to increase the tailings dam height to accommodate this extra tonnage and the waste rock facility configuration. The resulting LOM has increased to 22 years from 16 years. In this process some of the major cost components have been updated to reflect some known actual costs such as energy, fuel, concentrate transport and port charges. The resulting change is an average cost of US$0.72 per pound of copper produced net of by product credits from a previously disclosed US$0.66 per pound of copper in the first full five years of production. Contained copper metal in concentrate is expected to average 116,000 tonnes per year over the first five full years versus 118,000 tonnes as previously disclosed. Over the remaining years, the cost per pound of copper net of by product credits has increased to US$1.14 per pound from US$1.11 per pound; and the contained copper metal in concentrate is expected to average 67,000 tonnes per year versus 77,000 tonnes per year as previously disclosed. The cost per pound of copper net of by product credits does not include the impact of the precious metals streaming transactions.
- Measured and indicated mineral resources were estimated in house. The process includes determination of the integrity and validation of the data collected, including confirmation of specific gravity, assay results and methods of data recording. The process also includes determining the appropriate geological model, selection of data and the application of statistical models including probability plots to establish continuity and model validation.


Constancia crusher

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