MINING EXPERIENCE

HUDBAY

Q3 2016 PRESENTATION | NOVEMBER 3, 2016

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.

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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 the company’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, 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 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 the 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, 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 not being completed on schedule or as planned, compliance with government and environmental regulations, including permitting requirements and anti-bribery legislation, depletion of Hudbay'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.

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.

This presentation contains certain financial measures which are not recognized under IFRS, such as operating cash flow per share, net debt, cash costs, sustaining cash cost, and all-in sustaining cash cost, net of by-product credits, per pound of copper produced. For a detailed description of each of these non-IFRS financial performance measures used in this presentation, please refer to page 28 of Hudbay's management's discussion and analysis for the three and nine months ended September 30, 2016 available on SEDAR at www.sedar.com and EDGAR at www.sec.gov.

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.

All amounts are in US dollars unless otherwise noted.

Q3 2016 Summary

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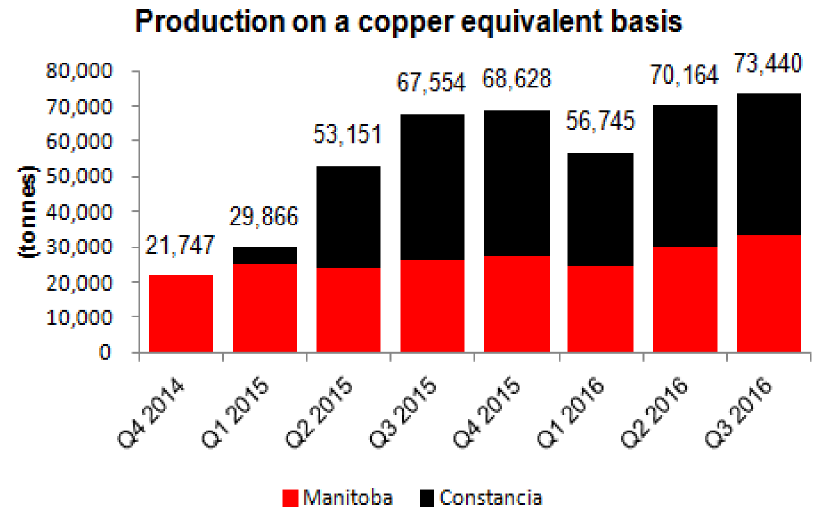
RECORD CU-EQ. PRODUCTION[1]

- Continued increase in production of all metals quarter-over-quarter, with notable 19% increase in zinc production
- Steady low cash cost of $0.91/lb Cu and all-in sustaining cash cost of $1.46/lb
- Net profit of $34 million, or $0.14 per share
- Operating cash flow of $0.53 per share
- Total liquidity of approximately $277 million after semi-annual bond interest payment at end of Q3

Key Results Summary			
		Q3 2016	Q2 2016
Production[2]			
Copper	*kt*	**45.9**	45.9
Zinc	*kt*	**31.6**	26.5
Precious metals[3]	*koz*	**44.8**	43.9
Cash cost[4]	*$/lb Cu*	**$0.91**	$0.83
All-in sustaining cash cost[4]	*$/lb Cu*	**$1.46**	$1.42
EPS reported	*$/sh*	**$0.14**	$(0.02)
CFPS reported	*$/sh*	**$0.53**	$0.32
Liquidity	*$m*	**$277**	$294



1. Production on a copper-equivalent basis is calculated by converting contained metal in concentrate produced at realized prices.
2. Contained metal in concentrate.
3. Includes gold and silver production on a gold-equivalent basis. Silver converted to gold at a ratio of 70:1.
4. Cash cost and all-in sustaining cash cost per pound of copper produced, net of by-product credits. All-in sustaining cash cost includes sustaining capital expenditures, capitalized exploration, royalties and corporate G&A.

2016 Production and Cost Guidance

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TRACKING WELL AGAINST FULL YEAR GUIDANCE

- Sustaining capital spending expected to be ~10% lower than 2016 guidance

		9 Months Ended Sep. 30, 2016	2016 Full Year Guidance[1]
Peru[2]			
Copper	*tonnes*	**99,446**	110,000 – 130,000
Precious metals[3]	*ounces*	**50,342**	50,000 – 65,000
Combined unit operating costs[4]	*$/tonne ore processed*	**$8.13**	$7.3 – 8.2
Manitoba[2]			
Copper	*tonnes*	**31,262**	40,000 – 50,000
Zinc	*tonnes*	**81,438**	100,000 – 125,000
Precious metals[3]	*ounces*	**75,947**	95,000 – 115,000
Combined mine and mill unit operating costs[4]	*C$/tonne ore processed*	**$91.55**	C$80 - 100
Sustaining capital			
Manitoba	*$ millions*	**$48**	$80
Peru	*$ millions*	**$86**	$140
Total sustaining capital	*$ millions*	**$134**	$220

1. Revised operating cost guidance as disclosed on February 24, 2016.
2. Contained metal in concentrate produced is prior to deductions associated with smelter terms. Manitoba includes 100% of Reed mine production.
3. Precious metals production includes gold and silver production on a gold-equivalent basis. Silver converted to gold at a ratio of 70:1.
4. Reflects combined mine, mill and G&A costs per tonne of ore milled. Peru operations are presented in USD, and reflect the deduction of expected capitalized stripping costs. Manitoba costs are presented in CAD, and include cost of ore purchased from joint venture partner at Reed mine.

Liquidity Position

- Total liquidity includes cash and cash equivalents of $118 million, after semi-annual bond interest payment at end of Q3
- Continued reduction in net debt to $1.1 billion

	As at Sep. 30, 2016	As at Jun. 30, 2016
	$ million	$ million
Cash and cash equivalents	$118	$142
Availability under credit facilities[1]	$159	$152
Total liquidity	**$277**	**$294**
Net debt	**$1,105**	**$1,168**

1. Availability after borrowings and letters of credit.

Peru Operations Review

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- Mined and milled tonnage higher than Q2
- Constancia plant performance optimization remains primary focus
- Improved copper recovery to 83.6% in Q3
- 6% increase in copper production quarter-over-quarter
- Molybdenum plant commissioned and began producing saleable concentrate with grades over 50%
- Cash costs of $1.13/lb and $1.60/lb all-in sustaining cash cost in Q3

Peru Summary Operating Statistics	Q3 2016	Q2 2016
Ore mined (million tonnes)	**6.9**	6.5
Ore milled (million tonnes)	**6.9**	6.7
Copper grade milled	**0.62%**	0.62%
Gold grade milled	**0.06**	0.08
Silver grade milled	**4.76**	5.42
Copper recovery	**83.6%**	82.7%
Gold recovery	**50.5%**	51.3%
Silver recovery	**71.5%**	66.4%
Copper contained in conc. (kt)	**35.6**	34.7
Precious metals contained in conc. (koz)[1]	**17.6**	19.7
Combined unit operating costs ($/tonne)[2]	**$8.71**	$7.88
Cash cost ($/lb)[3]	**$1.13**	$0.97
Sustaining cash cost ($/lb)[3]	**$1.60**	$1.39

1. Precious metals production includes gold and silver production on a gold-equivalent basis. Silver is converted to gold at a 70:1 ratio.
2. Reflects combined mine, mill and G&A costs per tonne of ore milled. Unit costs reflect the deduction of expected capitalized stripping costs.
3. Cash cost and sustaining cash cost per pound of copper produced, net of by-product credits.

Manitoba Operations Review

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- Total ore milled was consistent with Q2 but zinc and precious metals grades were significantly higher
- Higher zinc and precious metals production quarter-over-quarter
  - 19% increase in zinc
  - 12% increase in precious metals
- Lower copper production due to lower grades
- Cash cost continues to decline
  - $0.18/lb cash cost, decreased by 51%
  - $0.69/lb sustaining cash cost, decreased by 37%

Manitoba Summary Operating Statistics

	Q3 2016	Q2 2016
Ore mined (kt)	**692**	730
Ore milled (kt)	**723**	723
Copper grade milled	**1.58%**	1.68%
Zinc grade milled	**4.90%**	4.14%
Gold grade milled	**1.69**	1.57
Silver grade milled	**22.23**	16.98
Copper recovery	**90.5**	92.4%
Zinc recovery	**89.2**	88.4%
Gold recovery	**58.5**	57.8%
Silver recovery	**57.0**	55.2%
Copper contained in conc. (kt)[1]	**10.3**	11.2
Zinc contained in conc. (kt)[1]	**31.6**	26.5
Precious metals contained in conc. (koz)[1,2]	**27.2**	24.2
Combined unit operating costs ($/tonne)[3]	**$92.45**	$87.63
Cash cost ($/lb)[4]	**$0.18**	$0.37
Sustaining cash cost ($/lb)[4]	**$0.69**	$1.10

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

- ✓ 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

On track to achieve our 2016 objectives

Uniquely Positioned

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

Well-positioned for a volatile metal price environment

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HBM TMX NYSE