HUDBAY

Q4 2017 PRESENTATION

HBM TMX NYSE

February 22, 2018

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 Hudbay’s mines and processing facilities, the anticipated timing, cost and benefits of developing the Rosemont project, Pampacancha deposit and Lalor growth projects, the anticipated impact of any delays to the start of mining the Pampacancha deposit, the anticipated results of litigation challenging the Rosemont permitting process, Hudbay’s expectations regarding the persistence of the positive grade reconciliation at Constancia and a restatement of the mineral reserves, anticipated exploration plans, anticipated mine plans, anticipated metals prices and the anticipated sensitivity of the company’s financial performance to metals prices, events that may affect its operations and development projects, the permitting, development and financing of the Rosemont project, the potential to optimize the scale of production at Lalor and to efficiently process the excess base metals ore and initial gold zone ore production at the Flin Flon mill, 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 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, governmental and joint venture partner approvals; the availability of personnel for the 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 the company operates, including the communities surrounding the Constancia mine and Rosemont project and First Nations communities surrounding the Lalor and Reed mines; 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).

Cautionary Information

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, risks generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation), uncertainties related to the development and operation of Hudbay's projects (including risks associated with the permitting, development and economics of the Rosemont project and related legal challenges), risks related to the maturing nature of the 777 mine and the pending closure of the Reed mine and their impact on the related Flin Flon metallurgical complex, dependence on key personnel and employee and union relations, 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), risks related to the cost, schedule and economics of the capital projects intended to increase processing capacity for Lalor ore, 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 Hudbay's reserves, volatile financial markets that may affect Hudbay'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, 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 net debt, cash cost and sustaining cash cost, net of by-product credits, per pound of copper produced. For further details on how Hudbay calculates these measures in respect of its operating assets, please refer to page 39 of Hudbay's management's discussion and analysis for the year ended December 31, 2017 available on SEDAR at www.sedar.com and EDGAR at www.sec.gov.

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

2017 Year in Review

HUDBAY

- Consolidated metals production met or exceeded 2017 guidance ranges
  - Copper production exceeded 2017 guidance
  - Zinc and precious metals production were within 2017 guidance ranges
- 2017 production results achieved with strong safety performance, including zero lost time accidents at the Constancia mine in 2017

CONTAINED METAL IN CONCENTRATE[1]		2017 ACTUAL FULL YEAR RESULTS	2017 GUIDANCE
MANITOBA[2]			
Copper	tonnes	37,411	32,500 – 42,500
Zinc	tonnes	135,156	125,000 – 150,000
Precious Metals[3]	ounces	106,918	90,000 – 110,000
PERU			
Copper	tonnes	121,781	100,000 – 115,000
Precious Metals[3]	ounces	51,493	55,000 – 65,000
TOTAL CONSOLIDATED			
Copper	tonnes	159,192	132,500 – 157,500
Zinc	tonnes	135,156	125,000 – 150,000
Precious Metals[3]	ounces	158,411	145,000 – 175,000

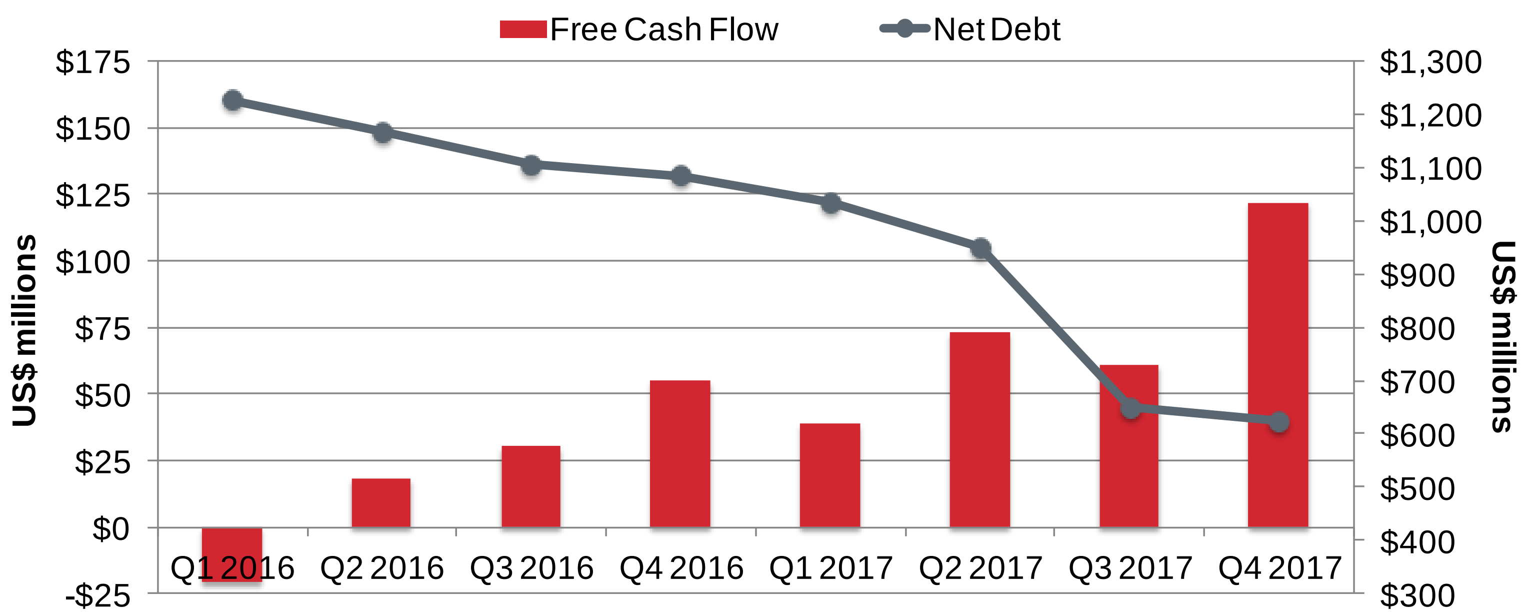
1. Metal reported in concentrate is prior to refining losses or deductions associated with smelter terms.
2. Includes 100% of Reed mine production; Hudbay owns a 70% interest in the Reed mine.
3. Precious metals production includes gold and silver production on a gold-equivalent basis. Silver converted to gold at a ratio of 70:1.

2017 Year in Review

CONTINUED DEBT REDUCTION AND STRONG CASH FLOW GENERATION

- Operating cash flow[1] increased 41% from Q4 2016
- Reduced debt balances and improved total liquidity
  - Reduced net debt position by $462 million during full year 2017
  - Total available liquidity of $778 million, including $356 million in cash

FREE CASH FLOW[2] AND NET DEBT[3]



1. Operating cash flow before change in non-cash working capital.
2. Free cash flow calculated as operating cash flow before change in non-cash working capital less sustaining capital expenditures and less interest paid.
3. Net debt calculated as total long-term debt less cash and cash equivalents.

2017 Year in Review

- Advanced permitting activities at Rosemont, receiving the Final Record of Decision from the U.S. Forest Service in June 2017
  - Remaining key federal permit outstanding is the Section 404 Water Permit from the U.S. Army Corps of Engineers
- Maintained pipeline of growth opportunities, more than doubling owned or optioned mineral properties over the past few years

Q4 2017 Consolidated Results

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- Increased Cu-eq. production quarter-over-quarter
- Consolidated cash cost of $0.77/lb Cu
- Consolidated all-in sustaining cash cost of $1.49/lb Cu
- Net profit increased to $100 million, or $0.38 per share
- Operating cash flow[1] increased to $172 million due to higher realized copper and zinc prices, while higher zinc sales and precious metals sales offset lower copper sales
- Continued to reduce net debt

Key Results Summary			
		Q4 2017	Q3 2017
Production[2]			
Copper	*kt*	**43.2**	40.4
Zinc	*kt*	**33.1**	36.6
Precious metals[3]	*koz*	**46.9**	42.0
Copper-eq.[4]	*kt*	**66.4**	65.6
Cash cost[5]	*$/lb Cu*	**$0.77**	$0.86
All-in sustaining cash cost[5]	*$/lb Cu*	**$1.49**	$1.64
EPS reported	*$/sh*	**$0.38**	$0.17
Operating cash flow[1]	*$m*	**$172**	$154
Cash	*$m*	**$356**	$329
Net debt	*$m*	**$623**	$650
Liquidity	*$m*	**$778**	$750

1. Operating cash flow before change in non-cash working capital.
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. Production on a copper-equivalent basis is calculated by converting contained metal in concentrate produced at realized prices.
5. 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.

Peru Operations Review

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- Copper production increased quarter-over-quarter because of improved copper head grade and copper recoveries
- Updated mine plan and reserves by April 2018
- Combined unit operating costs increased compared to Q3 2017 mainly because of decreased capitalized stripping, higher utility prices and higher operating costs due to increased moly production
- Cash costs of $1.38/lb and sustaining cash cost of $1.81/lb
- Negotiations to secure Pampacancha surface rights are progressing; community has provided land access for early works activities

Peru Summary Operating Statistics		
	Q4 2017	**Q3 2017**
Ore mined (million tonnes)	**7.2**	8.2
Ore milled (million tonnes)	**7.7**	7.8
Copper grade milled	**0.54%**	0.49%
Gold grade milled (g/t)	**0.04**	0.04
Silver grade milled (g/t)	**3.86**	3.70
Copper recovery	**82.1%**	81.2%
Gold recovery	**48.0%**	51.8%
Silver recovery	**70.5%**	66.3%
Copper contained in conc. (kt)	**33.8**	30.9
Precious metals contained in conc. (koz)[1]	**14.7**	13.5
Combined unit operating costs ($/tonne)[2]	**$9.75**	$7.49
Cash cost ($/lb)[3]	**$1.38**	$1.19
Sustaining cash cost ($/lb)[3]	**$1.81**	$1.80

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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- Production of precious metals was higher than Q3 2017 as a result of increased production at Lalor
- Production of all metals in Manitoba for full year 2017 within the guidance ranges
- Ore processed during Q4 2017 in line with previous quarter
- Combined unit operating costs increased compared to Q3 2017, mainly due to lower production at 777, the cessation of the capitalization of Reed's development costs and higher Lalor unit costs to increase production to 4,500 tonnes per day
- Initial mining of Lalor gold zone in 2018

Manitoba Summary Operating Statistics		
	Q4 2017	**Q3 2017**
Ore mined (kt)	**639**	695
Ore milled (kt)	**670**	671
Copper grade milled	**1.52%**	1.55%
Zinc grade milled	**5.61%**	6.01%
Gold grade milled (g/t)	**2.04**	1.86
Silver grade milled (g/t)	**25.52**	25.23
Copper recovery	**91.7%**	91.5%
Zinc recovery	**88.0%**	90.8%
Gold recovery	**62.4%**	59.6%
Silver recovery	**60.6%**	58.3%
Copper contained in conc. (kt)[1]	**9.3**	9.5
Zinc contained in conc. (kt)[1]	**33.1**	36.6
Precious metals contained in conc. (koz)[1,2]	**32.2**	28.5
Combined unit operating costs ($/tonne)[3]	**$124.67**	$119.87
Cash cost ($/lb)[4]	**$(1.42)**	$(0.20)
Sustaining cash cost ($/lb)[4]	**$(0.35)**	$0.68

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.

2018 Objectives

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- Continue to focus on generating free cash flow and increasing net asset value
- Advance in-house brownfield growth opportunities
  - Complete Lalor paste plant and ramp up base metal ore throughput from Lalor to 4,500 tonnes per day
  - Pampacancha
  - Lalor gold
- Advance permitting and technical work at Rosemont
- Test promising exploration targets near Constancia and Lalor, and at greenfield sites in Peru, Chile and Canada
- Continue to evaluate exploration and acquisition opportunities that meet our strategic criteria

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