Q2 2018 PRESENTATION

HBM TMX NYSE

August 1, 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 expected benefits of implementing the metallurgical recovery initiatives at the Constancia processing plant, the anticipated timing for completing the repairs to the Lalor ventilation fan, the anticipated timing, cost and benefits of developing the Rosemont project and Pampacancha deposit, the anticipated impact of any delays to the start of mining the Pampacancha deposit, the anticipated results of litigation challenging the Rosemont permitting process, anticipated exploration plans, including the planned exploration and development strategy for the Lalor gold zones, the exploration potential at Lalor, including the possibility of converting inferred mineral resources to higher confidence categories and establishing additional mineral resources through testing the continuity of the mineralized zones, the anticipated continued success of utilizing a selective mining method to mine the high grade gold zones, 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 exploration and development program at Lalor, including the inability to convert inferred mineral resources to higher confidence categories and to identify additional mineral resources, and risks associated with the selective mining of the high grade gold zones, 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 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 29 of Hudbay's management's discussion and analysis for the three and six months ended June 30, 2018 available on SEDAR at www.sedar.com and EDGAR at www.sec.gov.

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

Q2 2018 Highlights

- Solid production results and growing free cash flow
- Total liquidity of $859 million as at June 30, 2018, up from $810 million at the end of Q1 2018
- Peru on track to meet production, capital cost and unit cost guidance for 2018
- Manitoba on track to meet 2018 production guidance; combined mine/mill unit operating costs expected to be between C$125 and C$135 per tonne
- Continue to progress through final stages of the permitting process at Rosemont

1. Operating cash flow before change in non-cash working capital.

Q2 2018 Consolidated Results

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- Consolidated production of copper-equivalent contained metal in concentrate of 61.1 kt, essentially unchanged from Q1 2018
- Consolidated cash cost of $0.96/lb Cu and sustaining cash cost of $1.48/lb Cu
- Net profit of $24.7 million, or $0.09 per share
- Operating cash flow[1] of $132 million
- Reduced net debt and increased total liquidity position

Key Results Summary			
		Q2 2018	**Q1 2018**
Production[2]			
Copper	*kt*	**37.6**	39.2
Zinc	*kt*	**33.2**	28.8
Precious metals[3]	*koz*	**46.1**	45.1
Copper-eq.[4]	*kt*	**61.1**	61.6
Cash cost[5]	*$/lb Cu*	**$0.96**	$0.98
All-in sustaining cash cost[5]	*$/lb Cu*	**$1.48**	$1.45
EPS reported	*$/sh*	**$0.09**	$0.16
Operating cash flow[1]	*$m*	**$132**	$132
Cash	*$m*	**$440**	$393
Net debt	*$m*	**$536**	$585
Liquidity	*$m*	**$859**	$810

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 using LME average 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

- Copper production of 27kt, a decrease quarter-over-quarter primarily due to lower grades in line with the mine plan
- Copper recoveries down slightly compared to Q1 2018; implementing metallurgical initiatives to increase recoveries
- Combined unit operating costs increased compared to Q1 2018 due to higher costs for diesel, steel and power and a decrease in capitalized stripping
- Combined unit operating costs of $10.33/tonne are expected to be significantly lower in H2, leading to full year unit costs expected to be within guidance
- Pampacancha negotiations ongoing

Peru Summary Operating Statistics		
	Q2 2018	**Q1 2018**
Ore mined (million tonnes)[1]	**8.7**	9.5
Ore milled (million tonnes)	**7.7**	7.9
Copper grade milled	**0.44%**	0.50%
Gold grade milled (g/t)	**0.05**	0.05
Silver grade milled (g/t)	**3.92**	4.10
Copper recovery	**79.7%**	80.7%
Gold recovery	**44.8%**	44.9%
Silver recovery	**61.2%**	62.5%
Copper contained in conc. (kt)	**26.8**	31.6
Precious metals contained in conc. (koz)[2]	**13.7**	14.6
Combined unit operating costs ($/tonne)[3]	**$10.33**	$8.92
Cash cost ($/lb)[4]	**$1.64**	$1.32
Sustaining cash cost ($/lb)[4]	**$1.82**	$1.47

1. Reported tonnes for ore mined are based on mine plan assumptions and may not reconcile fully to ore milled.
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. Unit costs reflect the deduction of expected capitalized stripping costs.
4. Cash cost and sustaining cash cost per pound of copper produced, net of by-product credits.

Manitoba Operations Review

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- Ore mined decreased versus Q1 2018; increased production at our Reed mine was offset by decreased production at our 777 mine
- Combined unit operating costs decreased compared to Q1 2018, mainly due to higher throughput
- Manitoba cash cost and sustaining cash cost, both net of by-product credits, decreased from Q1 2018 as a result of significantly higher zinc by-product credits
- Lalor exhaust fan failure delaying ramp-up to 4,500tpd; repairs expected to be completed in August
- 2018 Manitoba combined unit operating costs now expected to be between C$125-135

Manitoba Summary Operating Statistics		
	Q2 2018	**Q1 2018**
Ore mined (kt)	**694**	703
Ore milled (kt)	**758**	668
Copper grade milled	**1.56%**	1.27%
Zinc grade milled	**4.85%**	4.86%
Gold grade milled (g/t)	**1.86**	1.89
Silver grade milled (g/t)	**23.97**	25.86
Copper recovery	**91.5%**	90.5%
Zinc recovery	**90.3%**	88.7%
Gold recovery	**60.2%**	63.3%
Silver recovery	**60.8%**	59.6%
Copper contained in conc. (kt)[1]	**10.8**	7.7
Zinc contained in conc. (kt)[1]	**33.2**	28.8
Precious metals contained in conc. (koz)[1,2]	**32.4**	30.4
Combined unit operating costs ($/tonne)[3]	**$120.04**	$138.22
Cash cost ($/lb)[4]	**$(0.71)**	$(0.38)
Sustaining cash cost ($/lb)[4]	**$0.38**	$1.03

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

- Continue to focus on generating free cash flow and increasing net asset value
- Advance in-house brownfield growth opportunities
  - Ramp up base metal ore throughput from Lalor to 4,500 tonnes per day
  - Pampacancha
- Enhance Constancia production through recoveries and throughput optimization
- 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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