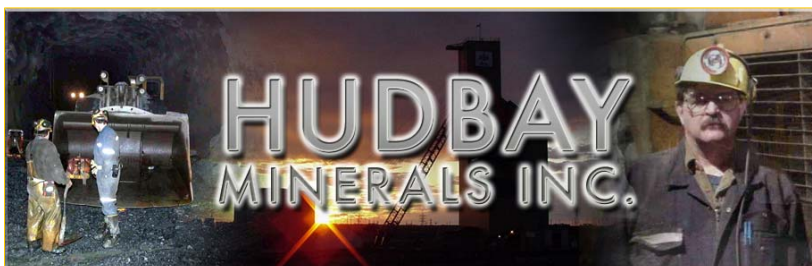


2006 Annual General Meeting of Shareholders



Allen J. Palmiere, Chairman

2006 Annual General Meeting of Shareholders



Peter R. Jones, President & CEO
Jeff A. Swinoga, Vice-President & CFO

Forward Looking Statements

Certain information regarding HudBay set forth in these slides, including management's assessment of HudBay's future plans and operations contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward looking statements are subject to numerous risks and uncertainties, some of which are beyond HudBay's and management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity price, risks related to the integration of acquisitions, fluctuation of foreign exchange rates, imperfection of reserve estimates, environmental risks, industry competition, availability of qualified personnel and management, timely and cost effective access to sufficient capital from internal and external sources. These and other risks are described in our annual report or Annual Information Form filed with the Securities and Exchange Commission. HudBay's actual results, performance or achievement could differ materially from those expressed in or implied by these forward-looking statements. We do not intend to update these forward-looking statements except as required by law.

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HBMS Acquisition



- Purchased for approx. C \$316M Dec. 21, 2004
- C \$143.8M equity and US \$175M debt

4

2005 Expectations

- Efficient, productive operations
- Complete Balmat feasibility
- Complete vertical integration
- Complete environmental assessment
- Increase exploration spending

2005 Performance

- Great performance
- Balmat first production May 2006
- White Pine acquisition complete Jan 01, 2006
- Provisions adequate
- C \$10M funding in place



Note: Includes ZOICHEM after 2001

HudBay wins 2006 Manitoba Mine Rescue Competition

- Permitted \$10 million Flin Flon Tailings project
- Completed closure plans in Manitoba and Saskatchewan

Environmental Achievements

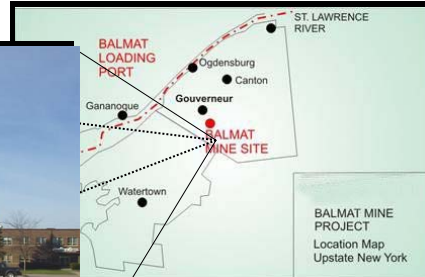
7

- \$435 million 777 projects complete - end 2004
- Superb safety and operating performance
- Increasing metals price environment
- 777 mine output up to 1.35 million tonnes
- Konuto mine – closed as planned

2005: An Exceptional Year for HudBay

8

Balmat Zinc Mine Re-opening



- US \$20M capital - 2006
- First production May 2006

Low Capital and Timely Zinc Concentrate Supply

9

White Pine Copper Refinery



- Capital US \$15.1 million
- Completes copper vertical integration
- Reduces unit cost of copper production

Purchase Complete – January 1, 2006

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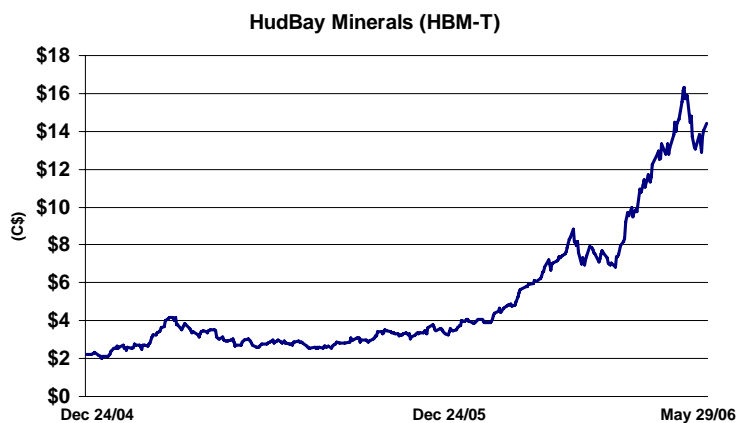
C \$10M Annual Exploration



- Electromagnetic anomalies
- Known mineral deposits
- Structural re-interpretations

11

Share Price Performance



December 24, 2004 - \$2.20 per share
May 29, 2006 - \$14.44 per share

12

2005/2004 - Production

- Ore mined up 55,000 tonnes
- Copper up 12%
- Zinc up 4%
- Gold up 30%
- Silver up 27%

Strong Operational Gains

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Q1 2006/Q1 2005 Production

- Mines produced over 600,000 tonnes
- New production record at 777 Mine
- Copper up 14%
- Zinc up 2%
- Gold up 3%
- Silver up 15%

Continued Strong Performance in Q1 2006

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2005/2004 - Costs

→ Mining	\$37.36/tonne	up 5%
→ Concentration	\$9.13/tonne	down 2.9%
→ Copper smelter	24.7¢/lb.	unchanged
→ Zinc plant	25.7¢/lb.	up 0.4%

Holding the Line on Costs

Q1 2006/Q1 2005 - Costs

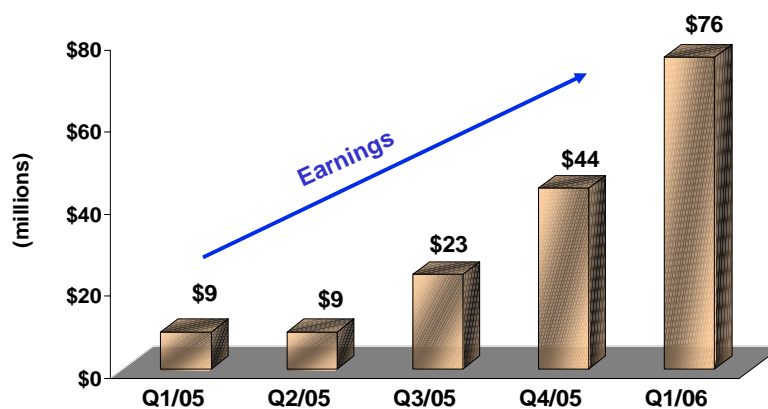
→ Mining	\$40.45/tonne	up 3%
→ Concentration	\$9.45/tonne	up 1.4%
→ Copper smelter	25¢/lb.	up 5%
→ Zinc plant	26¢/lb.	up 4%
→ White Pine Refinery tonnage		up 11%
→ White Pine unit costs US	6.3¢/lb.	up 2%

Holding the Line on Costs

- Record earnings
- Record operating cash flow
- Low unit costs
- A strengthening balance sheet
- Un-hedged metals
- Over 1 billion of available tax pools in Canada

Strong Financial Performance 2005 and Q1 2006

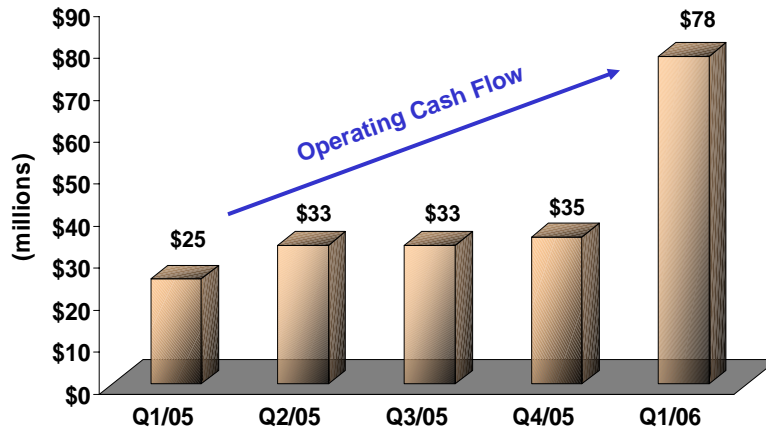
17



Consistently Stronger Results 2005 & Q1 2006

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Operating Cash Flow

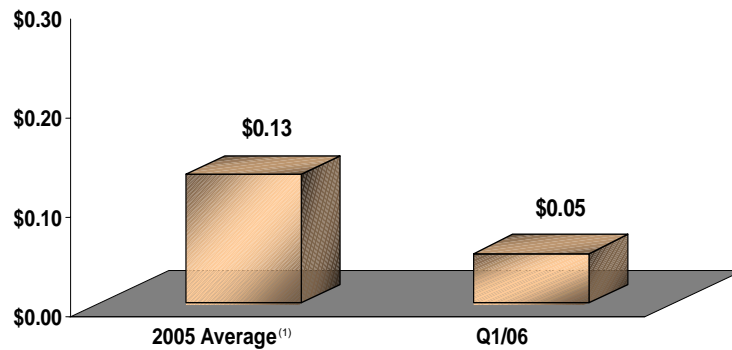


Note: Before changes in non-cash working capital

Strong Operating Cash Flow Generation

Low Unit Costs

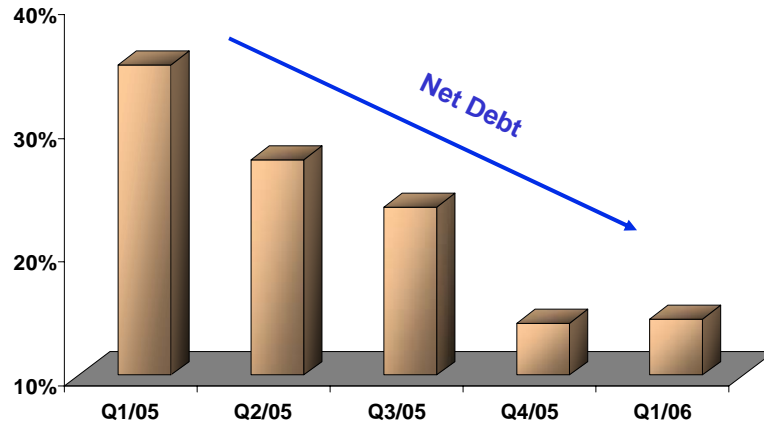
Cash Costs US\$ per Pound



(1) Excluding contractual change with CMM

By-product credits of Copper, Gold, Silver & Zinc Oxide

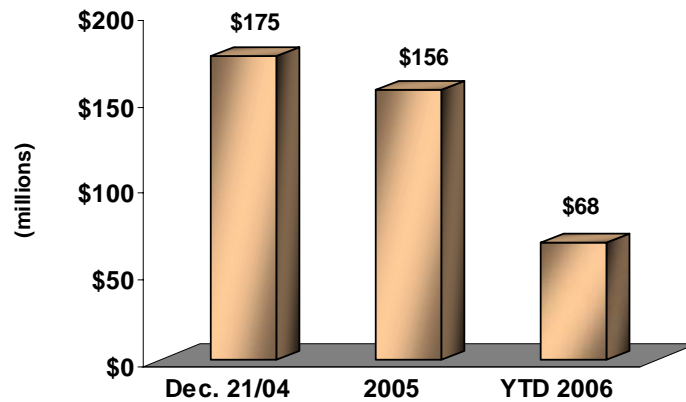
A Strengthening Balance Sheet



Net Debt to Book Capitalization

21

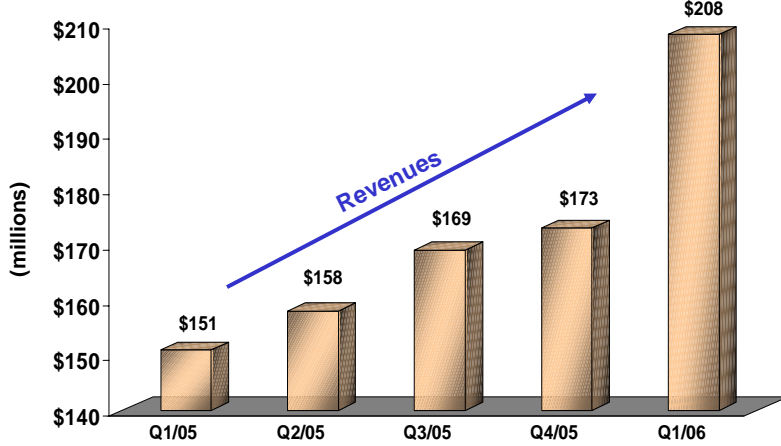
9 5/8% US Long Term Notes



107.2M US\$Note Reduction

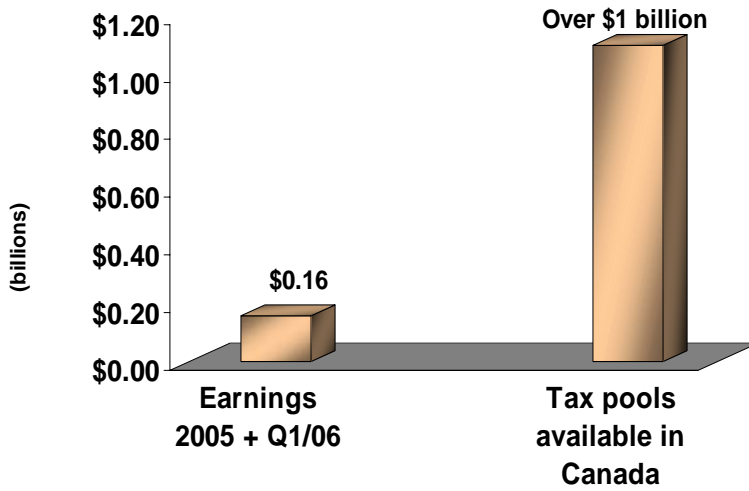
22

Un-hedged Metals



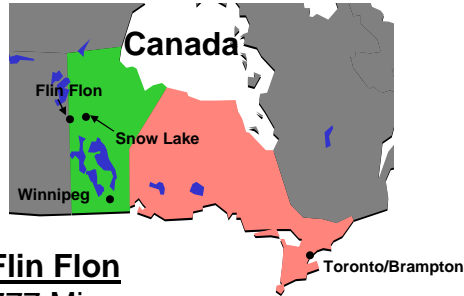
Full Benefit of Metal Prices

Tax Pools Available in Canada



Tax Sheltered Earnings in Canada

Key Assets



Flin Flon

777 Mine
Trout Mine
Concentrator
Zn Plant
Cu Smelter

Snow Lake

Chisel North Mine
Concentrator

Winnipeg

Head Office

Toronto/Brampton

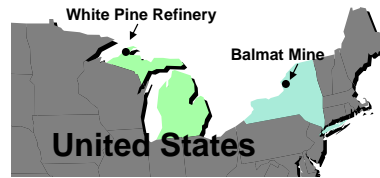
CMM Marketing
Zochem ZnO

Balmat Mine

Balmat Zinc Mine
Concentrator

White Pine Refinery

Copper Refinery



Mineral Reserves & Resources

	Million Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Reserves	21.4	1.8	21.1	2.0	5.3
Resources	4.9	1.2	19.1	1.0	7.45

As of January 1, 2006

All in Operating Mines

Exploration

- Primary target Flin Flon Greenstone Belt
- C \$10M annually

Balmat/White Pine

- Balmat re-opened - May 2006
- White Pine Refinery purchase complete

M & A

- Evaluations started
- Building financial strength
- Focus on zinc and (copper, gold and silver)

To Add Shareholder Value

27

- Continue to improve financial strength
- Further debt reduction
- Deploy cash to reduce debt

Approaching Good Position for Growth

28

- Financially well positioned
- Become a major Canadian mining company
- Strong technical/management teams
- Personnel in place to identify opportunities

Key Focus Going Forward

29

- Superb operational and safety performance
- Excellent financial performance
- Well positioned for growth
- Many thanks to shareholders

Looking Forward to a Great 2006

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2006 Annual General Meeting of Shareholders

