



5255 East Williams Circle  
Suite 1065  
Tucson, Arizona 85711  
United States  
tel 520 495-3500  
[hudbay.com](http://hudbay.com)

# News Release

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## Hudbay's Arizona Business Unit comments on receipt of Section 404 Permit for Rosemont Project

**Tucson, Arizona, March 8, 2019 – Hudbay Minerals Inc. (“Hudbay” or the “company”) (TSX, NYSE:HBM)** today announced that the U.S. Army Corps of Engineers has issued a Section 404 Permit (the “404 Permit”) for Hudbay's [Rosemont Project](#).

“Receiving the 404 Permit brings us another step closer to building Rosemont. We’re excited to achieve this milestone and are thankful for the tremendous support that we have received,” said Andre Lauzon, Vice President of the Arizona Business Unit. “This has been a long and thorough process for both Rosemont and the community. We are pleased with the outcome and are looking forward to what’s next in the coming weeks and months.”

“We understand that this area has been highlighted as important to some, and we strive to balance the interests of the company and all stakeholders. Throughout the process, community members have shared their opinions and suggestions and their influences are reflected directly in the design of Rosemont. It has resulted in the development of a precedent setting, world-class mitigation plan where its benefits will be felt in the community far into the future,” said Lauzon. “I am excited about the opportunity and privilege to build and operate this project.”

The feedback received from the community during the permitting process -- sometimes critical and often deeply felt -- has resulted in significant conservation, recreational, and cultural measures at Rosemont, amounting to more than \$150 million in commitments and requirements. These include:

### Water:

- Build a pipeline to bring CAP water to the Sahuarita area, in partnership with Community Water Company of Green Valley. Rosemont will recharge 100% of water used throughout the life of the Project.
- Provide a well-owners protection program to residents who may be affected by changes in groundwater levels to mitigate any impacts.
- Use the dry stack method for tailing storage which reduces both water consumption and the project footprint.
- Purchase rights to a large volume of surface water in Cienega Creek to be used to enhance the biological functions of the watershed. This water is currently used on a golf course.

### Community:

- Establish a permanent endowment fund to support conservation, cultural, and recreational projects in southern Arizona in perpetuity.
- Annual contributions to the community for conservation, cultural, and recreational projects.
- Pay to have tribal monitors on-site throughout the construction phase.
- Provide opportunities for tribal members to collect plants for traditional, medicinal, and ceremonial uses.
- Create an exhibit at the Rosemont Public Visitor Center describing the 7,000 years of history at the site.

**Conservation:**

- Conserve 3,297 acres of land through restrictive covenants that include conservation, recreation, cultural, and open space uses.
- Conserve the Sonoita Creek Ranch, a 1,580 acre property with year-round flowing water.
- Fund extensive mitigation and monitoring measures for endangered species, including big-cat camera studies such as jaguars and ocelots.
- Remove invasive, non-native species, and create new habitats for endangered species such as the yellow-billed cuckoo and southwest willow flycatcher.
- Create water ponds for the Chiricahua leopard frogs that will provide a source of water for frogs and other wildlife.

**Other Mitigation:**

- Fund maintenance and improvements to State Route 83, such as additional turn and through-traffic lanes, to minimize impact to traffic.
- Fund the Smithsonian Institution to monitor sky brightness and ensure compliance with the dark skies lighting plan.
- Develop off-highway vehicles trails and relocate portions of the Arizona Trail for recreational purposes.
- Reclaim perimeter berms early in construction and paint process plant buildings and other concrete structures in nonreflective earth tones to reduce visual impacts

“The receipt of the 404 permit is the result of diligent work by the Army Corps of Engineers,” said Lauzon. “We respect the work and time the Army Corps put into their review. The permit means we can all be confident that there are clear parameters to implement and operate the Rosemont Project.”

Rosemont will have significant economic benefits for southern Arizona. The capital expense to build the Project is \$1.9 billion over 2.5 years and the construction will employ up to 2,500 workers. It will be one of the largest construction projects in the history of southern Arizona.

Rosemont has undergone an extensive Environmental Impact Statement process through the U.S. Forest Service and has already received the Final Record of Decision. The approval process included 17 cooperating agencies at various levels of government, 16 public hearings, over 1,000 studies, and 245 days of public comment resulting in more than 43,000 comments. Upon receipt of the final Mine Plan of Operations from the U.S. Forest Service, Rosemont will hold all required state and federal permits required to move into project development.

“When in operations, Rosemont will create over 500 jobs that pay twice the average wage in Pima County, while generating over \$350 million in new tax revenues over the life of the Project,” said Lauzon. “These new revenues will help fund public safety, roads, education, and other community priority projects. We will make further announcements as we work toward building a modern project that we can all be proud of.”

**Forward-Looking Information**

This news release contains forward-looking information within the meaning of applicable Canadian and United States securities legislation. Forward-looking information includes, but is not limited to, expectations regarding the final Rosemont permits (including the Mine Plan of Operations) and any litigation challenging Rosemont’s permits, the timing, cost and benefits of developing the Rosemont project and Hudbay’s future plans for Rosemont. 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, obtaining the final permits for Rosemont and obtaining any required joint venture partner approvals to advance the project, the timing and possible outcome of pending litigation related to the Rosemont permits, no significant unanticipated litigation or delays to the development of Rosemont and the availability of financing to develop Rosemont.

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), as well as the risks discussed under the heading “Risk Factors” in 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 news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

For more information about the Rosemont Project, visit <http://bit.ly/RosemontProject>

### **About Hudbay**

Hudbay (TSX, NYSE: HBM) is an integrated mining company primarily producing copper concentrate (containing copper, gold and silver), molybdenum concentrate and zinc metal. With assets in North and South America, the company is focused on the discovery, production and marketing of base and precious metals. Directly and through its subsidiaries, Hudbay owns three polymetallic mines, four ore concentrators and a zinc production facility in northern Manitoba and Saskatchewan (Canada) and Cusco (Peru), and copper projects in Arizona and Nevada (United States). The company’s growth strategy is focused on the exploration and development of properties it already controls, as well as other mineral assets it may acquire that fit its strategic criteria. Hudbay’s vision is to be a responsible, top-tier operator of long-life, low-cost mines in the Americas. Hudbay’s mission is to create sustainable value through the acquisition, development and operation of high-quality, long-life deposits with exploration potential in jurisdictions that support responsible mining, and to see the regions and communities in which the company operates benefit from its presence. The company is governed by the *Canada Business Corporations Act* and its shares are listed under the symbol "HBM" on the Toronto Stock Exchange, New York Stock Exchange and Bolsa de Valores de Lima. Further information about Hudbay can be found on [www.hudbay.com](http://www.hudbay.com).

### **For further information, please contact:**

Jan Howard  
NuPOINT Marketing  
Office: 520-795-1566, Cell: 520-245-7302  
[jhoward@nupointmarketing.com](mailto:jhoward@nupointmarketing.com)