

lundin mining



**HUDBAY
MINERALS INC**

CREATING A NEW CANADIAN LEADER IN GLOBAL MINING

HudBay's friendly combination with Lundin

November 21, 2008



Presenters



**Phil J. Wright
CEO & President
Lundin Mining**



**Allen J. Palmiere
CEO
HudBay Minerals**

Forward Looking & Safe Harbour Statements

All monetary amounts in Canadian dollars unless otherwise stated.

Caution Regarding Forward Looking Statements

This presentation contains forward-looking statements. These forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events. These forward-looking statements are subject to risks and uncertainties. These risks and uncertainties could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

Caution Regarding Inferred Resources

This presentation uses the terms "Measured", "Indicated" and "Inferred" Resources. U.S. investors are advised that while such terms are recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize them. "Inferred Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and ledge feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimated of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves.



Merger Rationale

Setting a New Platform for Growth

Larger, Stronger, more Diversified

- Established core operations
- Financial strength
- Outstanding project pipeline
- Positioned to capitalize on new opportunities
- Collective management strengths

Transaction Summary

Building a New Base Metals Leader

| | |
|--------------------------------------|--|
| Transaction Terms | 0.3919 HudBay share per share of Lundin |
| Pro Forma Shares O/S | Basic: 306 million |
| Structure | Transaction recommended by both boards Plan of arrangement under Canada Business Corporations Act |
| Company Name And Headquarters | HudBay Minerals Inc. Toronto, Canada |
| Conditions | Lundin Mining shareholder vote (66.7% shareholder approval) Other customary conditions and court approval |
| Timeline | Mailing of Notice and Information Circular – Mailed in first quarter of 2009 |
| Closing | Prior to May 30, 2009 |

Board to merge corporate strengths

Management team committed to growth and value creation

- CEO of HudBay to be Allen J. Palmiere
- Chairman of HudBay to be William A. Rand
- HudBay directors will be Allen J. Palmiere, Philip J. Wright, Lukas Lundin, M. Norman Anderson, Colin K. Benner, Donald K. Charter, Ronald P. Gagel, R. Peter Gillin, and William A. Rand

Enhanced Shareholder Value

A transaction that offers shareholders the best of both companies

| Lundin | HudBay |
|---|---|
| <ul style="list-style-type: none">• Added financial strength• Geographic diversification | <ul style="list-style-type: none">• Increased metal diversity• Asset leverage• Pipeline growth |
| <p>Combined operational strengths Enhanced exploration upside</p> | |

Strong Financial Position

Powerful and Flexible

- Combined EBITDA of \$575 for first nine-month period of 2008
- Combined cash flow from operations in excess of \$367 for first nine-month period of 2008
- Total cash on hand over \$900 million
- Total long-term debt and capital leases of approximately \$296 million
- US \$575 revolving line of credit in place

Notes:

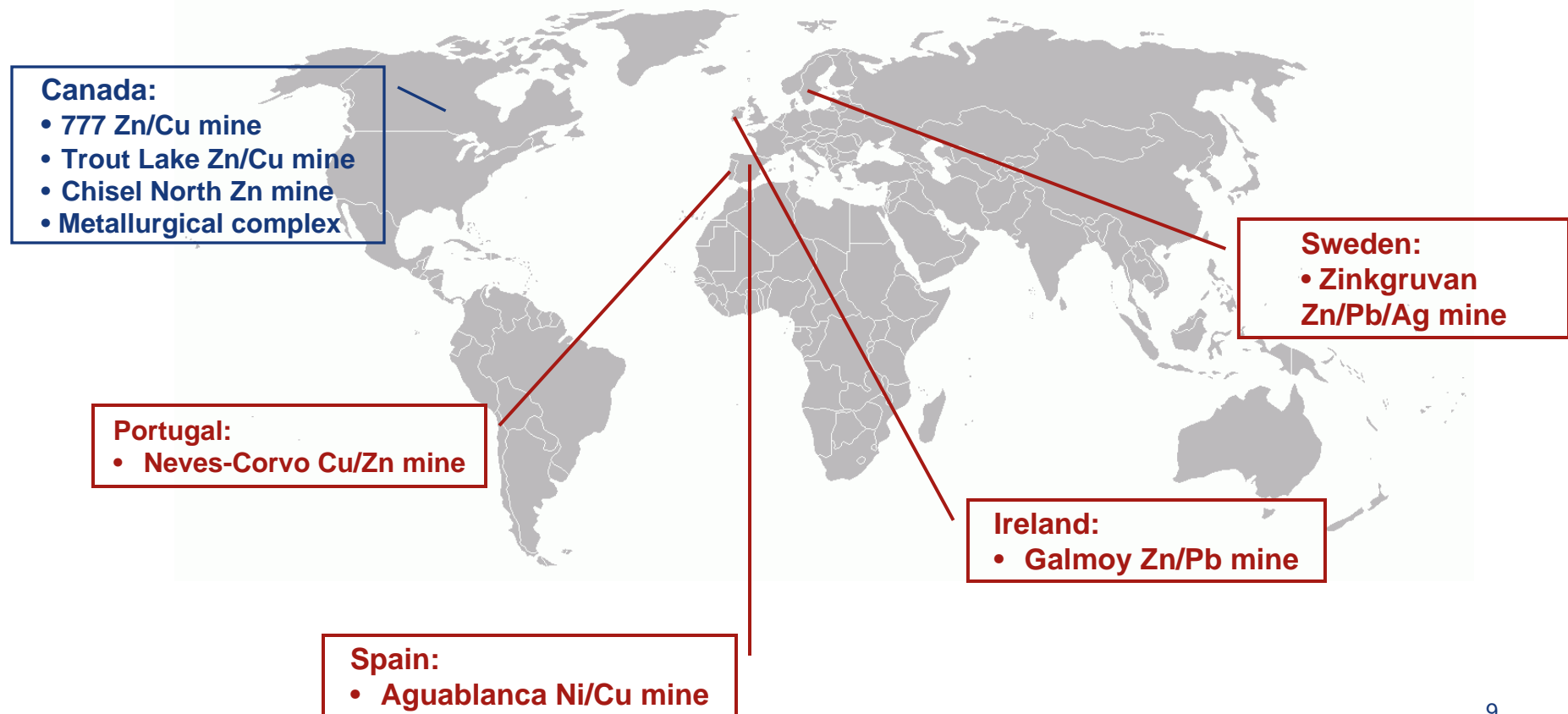
Lundin EBITDA converted to Canadian dollars using the average exchange rate for the first 9-month period of 2008 (1.019)

Lundin cash balance, debt and capital leases converted to Canadian dollars using the CAD/USD exchange rate of 1.235



A Global Base Metals Portfolio

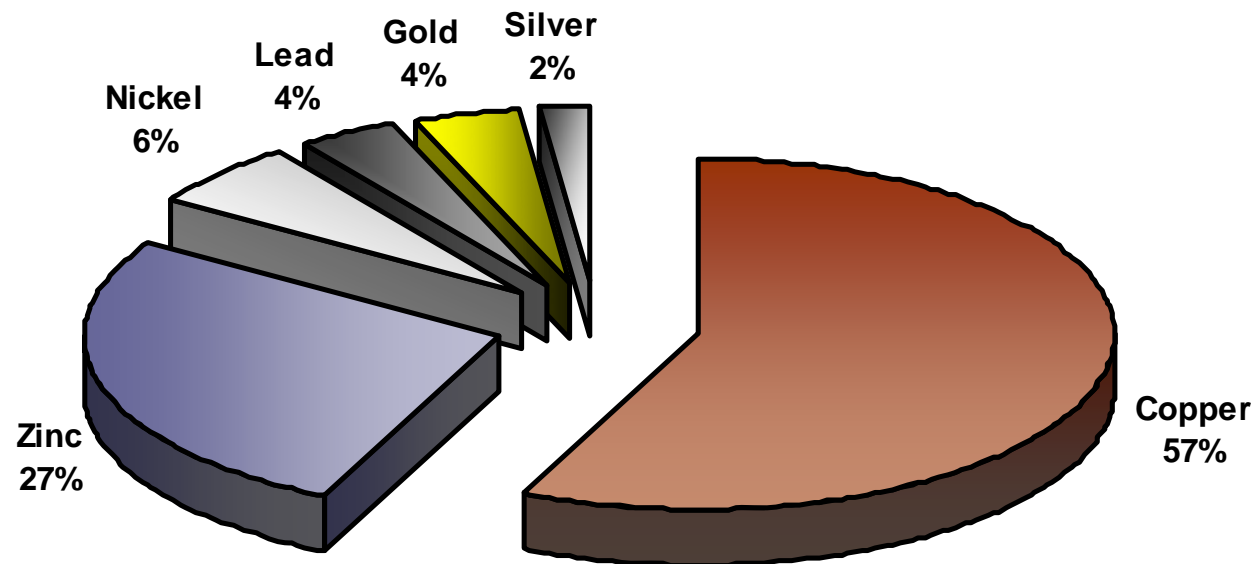
Operations diversified by metal and location





Commodity Diversification

Year-to-date gross revenue by metal





A promising growth pipeline

PRE-FEASIBILITY



PRODUCTION

TENKE FUNGURUME

- World class copper & cobalt project
- Operated by Freeport McMoran
- 24.75% owned by Lundin

ZINKGRUVAN COPPER PROJECT

- Install copper circuit
- Targeting first production in 2010

FENIX NICKEL PROJECT

- World class nickel laterite project
- Infrastructure, permits in place
- On hold until nickel prices improve

LOMBADOR

- Adjacent to Neves Corvo
- Advancing feasibility study
- Zinc & Copper

LALOR

- Zinc, copper, gold & silver
- 15 km from Snow Lake concentrator
- Advancing feasibility study



HudBay's key objectives for 2009

Building the next diversified major

- Optimize current operations
- Focus on disciplined growth
- Use financial strength to capitalize on opportunities
- Concentrate on exploration programs in the Flin Flon Greenstone belt and at Neves-Corvo



A NEW CANADIAN LEADER IN GLOBAL MINING

- The new HudBay is larger, stronger and more diversified
- A global growth company at its beginning
- World class suite of assets – develop and expand
- Prepared to pursue accretive transactions
- Excellent exposure to commodity price recovery