



CREATING A NEW CANADIAN LEADER IN GLOBAL MINING

CORPORATE PROFILE

The combination of HudBay Minerals and Lundin Mining will create one of the largest base metals companies in Canada as measured by market capitalization. When the transaction closes, the company will have a broad portfolio of producing assets diversified across metals in Canada, Portugal, Sweden, and Spain. Its key assets will be HudBay's flagship 777 mine in Manitoba, Lundin's Neves Corvo mine in Portugal, and Lundin's Zinkgruvan mine in Sweden. A strong growth pipeline of projects will include the world-class Tenke Fungurume currently being developed by Freeport McMoran and the Fenix nickel project. The strength of the company's balance sheet will be complemented by an increase in long-life reserves, adding enhanced support to its world-class asset base.

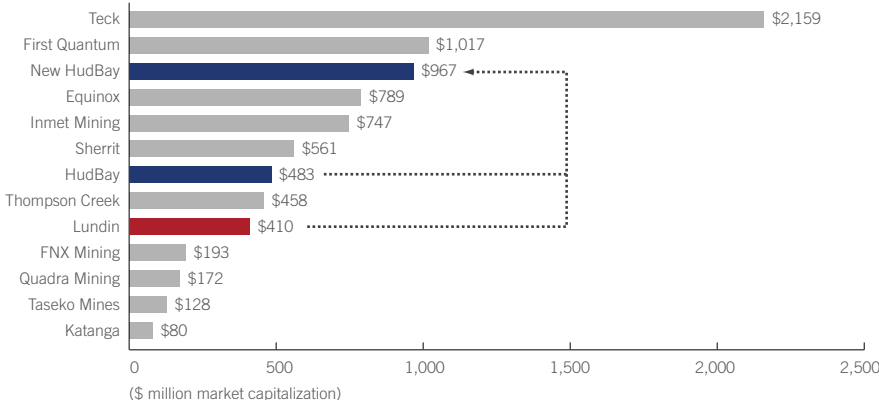
INVESTMENT HIGHLIGHTS

- Acquiring outstanding producing assets in stable jurisdictions
- Excellent near-term and long-term development opportunities
- Superior balance sheet strength and strong cash flow
- Transaction structure preserves cash position
- Leveraging international experience of combined management team

STRONG BALANCE SHEET AND ENHANCED CASH FLOWS WILL DRIVE GROWTH

- Combined EBITDA of \$575 million for first nine-month period of 2008
- Combined cash flow from operations in excess of \$367 million for first nine-month period of 2008
- Total cash on hand over \$900 million
- Total long-term debt and capital leases of approximately \$300 million
- US\$575 million revolving line of credit in place; US\$387 million available

New HudBay will be the third largest diversified mining company on the TSX



Note: Market capitalization as at November 21, 2008.

TRANSACTION SUMMARY

Merger Terms

- 0.3919 HudBay share for every Lundin share

P.F. Shares O/S

- Basic: 306.0 million

Pro Forma Ownership

- HBM 50% : LUN 50%

Loan and Private Placement

- HudBay will lend Lundin approximately \$135.8 mm on a subordinated basis for general corporate purposes
- HudBay will acquire approximately 97.0 mm common shares (19.9%) of Lundin at a price of \$1.40 per share in a private placement for total gross proceeds to Lundin of approximately \$135.8 mm.

Structure

- Transaction recommended by both Boards
- Plan of arrangement under the Canada Business Corporations Act
- Break fee payable by Lundin Mining: \$24.3 million

Conditions

- Lundin Mining shareholder vote (66.7% of shareholders voting)
- Other customary conditions including regulatory and Court approval

CONTACT INFORMATION

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**COMBINED OPERATIONS CREATES
GLOBAL PORTFOLIO OF BASE METAL ASSETS**

HBM

Three Operating Mines:
 • 777 – Zn, Cu, Au, Ag
 • Trout – Zn, Cu, Au, Ag
 • Chisel – Zn
 Metallurgical Complex

HBM

Fenix Nickel – Ni

LUN

Aguablanca – Ni, Cu

LUN

Zinkgruvan – Zn, Pb, Cu, Ag

LUN

Neves Corvo – Cu, Zn, Pb, Ag

LUN

Tenke Fungurume – Cu, Co



TENKE FUNGURUME

- Near term production drives valuation
- World-class project operated by Freeport McMoran
- 24.75% interest in project
- 40 year open pit mine plan with expansion potential
- M & I Reserves: 15.5 billion lbs Cu, 1.5 billion lbs Co
- Inferred Resources: 15.1 billion lbs Cu, 1.1 billion lbs Co

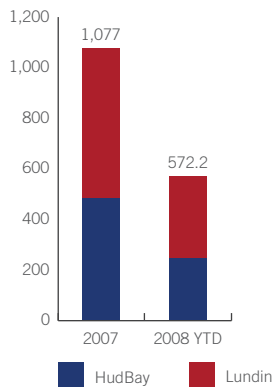
**A PROMISING
GROWTH PIPELINE**

- Zinkgruvan copper project
- Lombador zinc/copper project
- Lalor Lake zinc/copper/gold project
- Fenix nickel project

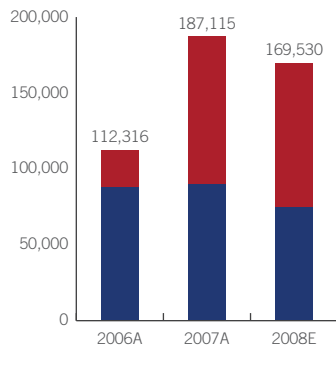
**ENHANCED SCALE BUILDS
OPERATING INCOME**

- Approximately 170,000 tonnes of copper production in 2008 and growing with the development of Tenke Fungurume
- Adding to zinc capacity by expanding Neves Corvo zinc mill and Lalor development
- Precious metals by-product credits: over 100,000 ounces of unhedged gold plus silver production
- All of HBMS, Neves Corvo and Zinkgruvan cash flow positive through cycle

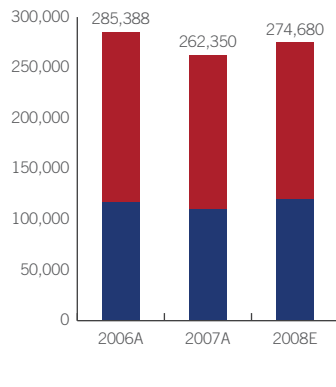
EBITDA Contribution
(C\$ '000's)



Copper Contribution
(Cu tonnes)



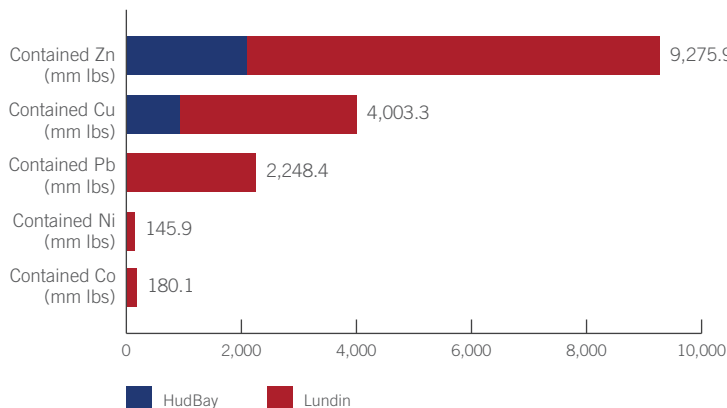
Zinc Contribution
(Zn tonnes)



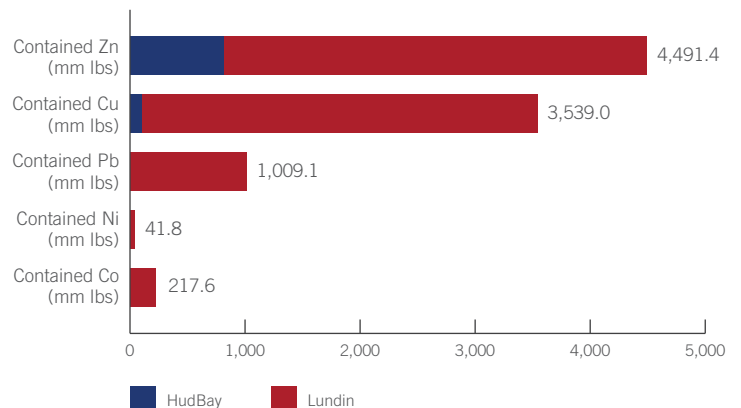
Notes: Lundin's 2007 EBITDA converted in CDN at a rate of 1.0739. Does not include Aljustrel and Balmat.

SIGNIFICANTLY IMPROVED RESERVES

Reserves as at December 31, 2007



Measured and Indicated Resources as at December 31, 2007



Notes: Reserves and resources from producing and near producing regions. Lalor Measured and Indicated Resources above are as at August 26, 2008. Measured & Indicated Resources reported exclusive of Reserves.