UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

[Check one]
☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **December 31, 2024** Commission File Number **001-34244**

HUDBAY MINERALS INC.

(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English (if applicable))

Canada
(Province or other jurisdiction of incorporation or organization)

1000
(Primary Standard Industrial Classification Code Number (if applicable))

98-0485558
(I.R.S. Employer Identification Number (if applicable))

25 York Street
Suite 800
Toronto, Ontario
M5J 2V5, Canada
416 362-8181
(Address and telephone number of Registrant's principal executive offices)

Corporation Service Company
2711 Centerville Road, Suite 400
Wilmington, DE 19808
302 636-5401
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, no par value	HBM	The New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

N/A
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

N/A
(Title of Class)

For annual reports, indicate by check mark the information filed with this form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: As at December 31, 2024, 394,932,374 common shares were outstanding.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13(d) or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements in the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit).

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

EXPLANATORY NOTE

Hudbay Minerals Inc. (the "Registrant") is a Canadian issuer eligible to file its annual report ("Annual Report") pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), on Form 40-F pursuant to the multi-jurisdictional disclosure system under the Exchange Act. The Registrant is a "foreign private issuer" as defined in Rule 405 under the Securities Act of 1933, as amended (the "Securities Act"), and Rule 3b-4 under the Exchange Act. The equity securities of the Registrant are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 under the Exchange Act.

The Registrant is permitted, under the multi-jurisdictional disclosure system adopted by the United States and Canada, to prepare this Annual Report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States.

This Annual Report contains references to both United States dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars, and Canadian dollars are referred to as "Canadian dollars" or "C$".

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's Annual Information Form ("AIF") for the fiscal year ended December 31, 2024 is incorporated herein by reference as Exhibit 99.1.

The audited consolidated financial statements (the "Audited Annual Financial Statements") of the Registrant for the years ended December 31, 2024 and 2023, including the reports of the Independent Registered Public Accounting Firm with respect thereto, are incorporated herein by reference as Exhibit 99.2. The Audited Annual Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

The Registrant's Management's Discussion & Analysis for the year ended December 31, 2024 is incorporated herein by reference as Exhibit 99.3.

The Registrant's Disclosure Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is incorporated herein by reference as Exhibit 99.4.

DISCLOSURE CONTROLS AND PROCEDURES

As of the end of the period covered by this Annual Report for the Registrant's fiscal year ended December 31, 2024, an evaluation of the effectiveness of the Registrant's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) was carried out by the Registrant's management with the participation and supervision of the principal executive officer and principal financial officer. Based upon that evaluation, the Registrant's principal executive officer and principal financial officer have concluded that as of December 31, 2024, the Registrant's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Registrant in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Commission rules and forms and (ii) accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The disclosure provided under the heading "Disclosure Controls and Procedures and Internal Control Over Financial Reporting" on pages 74 and 75 of Exhibit 99.3, Management's Discussion & Analysis for the Year Ended December 31, 2024, is incorporated by reference herein. The Registrant did not make any changes to its "internal control over financial reporting" (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the year ended December 31, 2024 that materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Management's report dated February 18, 2025 on the Registrant's internal control over financial reporting contained in Exhibit 99.2, Audited Annual Financial Statements, is incorporated by reference herein.

The Registrant's internal control over financial reporting as of December 31, 2024 has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, who also audited the Audited Annual Financial Statements. Deloitte LLP expressed an unqualified opinion on the effectiveness of the Registrant's internal control over financial reporting.

All internal control systems, no matter how well designed, have inherent limitations. As a result, even systems determined to be effective may not prevent or detect misstatements on a timely basis, as systems can provide only reasonable assurance that the objectives of the control system are met. In addition, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may change.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

The disclosure provided in the two reports of Deloitte LLP titled "Report of Independent Registered Public Accounting Firm" contained in Exhibit 99.2, Audited Annual Financial Statements for the years ended December 31, 2024 and 2023, are incorporated herein by reference.

BLACKOUT PERIODS

There were no "blackout periods", as defined under Rule 100(b) of Regulation BTR, requiring notice pursuant to Rule 104 of Regulation BTR during the fiscal year ended December 31, 2024.

AUDIT COMMITTEE IDENTIFICATION AND FINANCIAL EXPERT

As at December 31, 2024, the Registrant's audit committee consisted of Carol T. Banducci, George Lafond, Paula C. Rogers and David S. Smith. Mr. Smith stepped down from the Audit Committee effective as of January 1, 2025, when he was appointed as Chair of the board of directors. The Registrant's board of directors has determined that each of Ms. Banducci, Mr. Lafond, Ms. Rogers and Mr. Smith (during the time he was a member of the committee) is an "audit committee financial expert" within the meaning of the Commission's rules. Each of Ms. Banducci, Mr. Lafond, Ms. Rogers and Mr. Smith (during the time he was a member of the committee) is also "independent" under the criteria of Rule 10A-3 of the Exchange Act as required by the New York Stock Exchange (the "NYSE"). The Commission has indicated that the designation of Ms. Banducci, Mr. Lafond, Ms. Rogers and Mr. Smith as audit committee financial experts does not make any of them an "expert" for any purpose or impose any duties, obligations or liability on Ms. Banducci, Mr. Lafond, Ms. Rogers and Mr. Smith that are greater than those imposed on members of the audit committee and board of directors who do not carry this designation. The audit committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee appointment and reporting to the Registrant's board of directors. A copy of the current charter is attached to the AIF as Schedule C thereto and is available on the Registrant's website at www.hudbayminerals.com/about-us/governance/default.aspx.

CODE OF ETHICS

The Registrant has adopted a Code of Business Conduct and Ethics (the "Code of Ethics") that applies to its principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions. A copy of the Code of Ethics is available on the Registrant's website at www.hudbayminerals.com/about-us/governance/default.aspx. The Registrant undertakes to provide to any person, without charge, upon request, a copy of the Code of Ethics. Requests for copies of the Code of Ethics should be made by contacting the Registrant's Senior Vice President, Legal and Organizational Effectiveness at 416-362-8181. No waivers of the Registrant's Code of Ethics were granted to any principal officer of the Registrant or any person performing similar functions during the fiscal year ended December 31, 2024.

During the fiscal year ended December 31, 2024 the Registrant did not make any amendments to its Code of Ethics. All amendments to the Code of Ethics, and all waivers of the Code of Ethics with respect to any of the officers covered by it, will be posted on the Registrant's website at www.hudbayminerals.com/about-us/governance/default.aspx.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information about aggregate fees billed to us by our principal accountant, Deloitte LLP (PCAOB ID No. 1208) provided under the heading "Audit Committee Disclosure - Remuneration of Auditor" on page 63 of the AIF is incorporated by reference herein. All audit services, audit-related services, tax services, and other services provided for the fiscal year ended December 31, 2024 were pre-approved by the audit committee in accordance with the Registrant's pre-approval policy as described under the heading "Audit Committee Disclosure - Policy Regarding Non-Audit Services Rendered by Auditors" on pages 62 and 63of the AIF.

OFF-BALANCE SHEET ARRANGEMENTS

The Registrant has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Registrant's financial condition, changes in financial condition, revenues or expenses, results of operation, liquidity, capital expenditures or capital resources that is material to investors.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The disclosure provided under the heading "Contractual Obligations" on page 53 of Exhibit 99.3, Management's Discussion & Analysis for the Year Ended December 31, 2024, is incorporated by reference herein.

COMPARISON WITH NEW YORK STOCK EXCHANGE GOVERNANCE RULES

The NYSE requires that each listed company meet certain corporate governance standards. These standards supplement the corporate governance reforms adopted by the United States Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002.

Under the NYSE's Listed Company Manual, a "foreign private issuer", such as the Registrant, is not required to comply with most of the NYSE corporate governance standards. However, foreign private issuers are required to disclose any significant ways in which their corporate governance practices differ from those followed by U.S. companies under the NYSE corporate governance standards.

The Registrant is subject to the listing standards of the Toronto Stock Exchange (the "TSX") and the corporate governance rules of Canadian Securities Administrators. These listing standards and corporate governance rules are substantially similar to the NYSE listing standards. The Registrant complies with these TSX listing standards and Canadian corporate governance rules.

The following are the significant ways in which the Registrant's governance practices differ from those followed by domestic companies under the NYSE corporate governance standards:

Director Independence

The Registrant determines independence of its directors under the policies of the Canadian Securities Administrators. For a director to be considered independent under the policies of the Canadian Securities Administrators, he or she must have no direct or indirect material relationship with us, being a relationship that could, in the view of the board of directors, reasonably be expected to interfere with the exercise of his or her independent judgment, and must not be in any relationship deemed to be not independent pursuant to such policies. To assist in determining the independence of directors for purposes that include compliance with applicable legal and regulatory requirements and policies, the board of directors has adopted certain categorical standards, which are part of our Corporate Governance Guidelines. The Registrant's board of directors also determines whether each member of the Registrant's audit committee is independent pursuant to National Instrument 52-110 Audit Committees and Rule 10A-3 of the Exchange Act. The Registrant's board of directors has not adopted the director independence standards contained in Section 303A.02 of the NYSE's Listed Company Manual.

Approval of Equity Compensation Plans

Section 303A.08 of the NYSE's Listed Company Manual requires shareholder approval of all equity compensation plans and material revisions to such plans. The definition of "equity compensation plans" covers plans that provide for the delivery of both newly issued and treasury securities, as well as plans that rely on securities re-acquired in the open market by the issuing company for the purpose of redistribution to employers and directors. The TSX rules only require that shareholders approve the adoption of equity compensation plans that provide for new issuances of securities. Any amendments to such plans are subject to shareholder approval unless the specific equity compensation plan contains detailed provisions, approved by the shareholders, which specify those amendments requiring shareholder approval and those amendments which can be made without shareholder approval. The Registrant follows the TSX rules with respect to the requirements for shareholder approval of equity compensation plans and revisions to such plans.

Shareholder Approval Requirement

In lieu of Section 312 of the NYSE's Listed Company Manual, the Registrant will follow the TSX rules for shareholder approval of new issuances of its common shares. Following the TSX rules, shareholder approval is required for certain issuances of shares that (i) materially affect control of the Registrant or (ii) provide consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer and have not been negotiated at arm's length. Shareholder approval is also required, pursuant to the TSX rules, in the case of private placements (x) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price or (y) that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the closing of the first private placement to an insider during the six month period.

INTERACTIVE DATA FILE

The required disclosure for the fiscal year ended December 31, 2024 is filed as Exhibit 101 to this Annual Report on Form 40-F.

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine are required to disclose in their periodic reports filed with the Commission information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. For information regarding the Registrant's mine safety disclosures, see "Disclosure Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act" filed as Exhibit 99.4 to this Annual Report on Form 40-F.

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 40-F are forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act. Please see "Forward Looking Information" in the AIF for a discussion of risks, uncertainties, and assumptions that could cause actual results to vary from those forward-looking statements.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Registrant has previously filed with the Commission a written consent to service of process and power of attorney on Form F-X. Any change to the name or address of the Registrant's agent for service shall be communicated promptly to the Commission by amendment to the Form F-X referencing the file number of the Registrant.

* * *

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereto duly authorized.

HUDBAY MINERALS INC.

By:	/s/ Patrick Donnelly
Name:	Patrick Donnelly
Title:	Senior Vice President, Legal and Organizational Effectiveness
Date:	March 26, 2025

EXHIBIT INDEX

Exhibit	Description and Date of Document
Policies	
97.1	Incentive Compensation Clawback Policy
Annual Information Form; Audited Financial Statements; Management's Discussion and Analysis; Mine Safety Disclosure	
99.1	Annual Information Form for the Year Ended December 31, 2024
99.2	Audited Annual Financial Statements for the Years Ended December 31, 2024 and 2023
99.3	Management's Discussion & Analysis for the Year Ended December 31, 2024
99.4	Disclosure Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act
Certifications	
99.5	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.7	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Consents	
99.9	Consent of Olivier Tavchandjian, P.Geo., dated March 26, 2025
99.10	Consent of Marc-Andre Brulotte, P.Geo., dated March 26, 2025
99.11	Consent of Deloitte LLP, dated March 26, 2025
Interactive Data Files	
101	Inline Interactive Data File
101.INS	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

Exhibit 97.1

HUDBAY MINERALS INC.

INCENTIVE-BASED COMPENSATION CLAWBACK POLICY

1. Purpose

This incentive-based compensation clawback policy (the "**Policy**") has been adopted by the Board of Directors (the "**Board**") of Hudbay Minerals Inc. (the "**Company**") in order to allow the Board to require, in specific situations, the reimbursement of short-term or long-term incentive compensation received by an Executive Officer (as defined below). The Board believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy.

2. Definitions

For purposes of this Policy, the following terms shall have the meanings set forth below:

"**Excess Incentive-Based Compensation**" means (i) the amount by which any Incentive-Based Compensation that is approved, granted, awarded or paid to an Executive Officer based on erroneous or inaccurate data contained in Materially Non-Compliant Financial Statements as originally publicly filed exceeds the amount of any Incentive-Based Compensation that otherwise would have been approved, granted, awarded or paid to such Executive Officer based on the correct data contained (or to be provided in) in any subsequent restatement or other correction of such Materially Non-Compliant Financial Statements or (ii) the amount by which any Incentive-Based Compensation that is approved, granted, awarded or paid to an Executive Officer following a Wrongful Act of an Executive Officer of which the Board was not aware exceeds the amount of any Incentive-Based Compensation that otherwise would have been approved, granted, awarded or paid to such Executive Officer had the Board been aware of the Executive Officer's involvement in a Wrongful Act. The amount of Excess Incentive-Based Compensation shall be determined on a gross basis without any regard to any tax payment obligations of an Executive Officer with respect to the Incentive Compensation in question.

"**Executive Officers**" means Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, any other person who performs similar policy-making functions for the Company or any other officer of the Company who reports directly to the Chief Executive Officer. Executive officers of the Company's subsidiaries are deemed executive officers of the Company if they perform such policy making functions for the Company. Both current and former executive officers as defined above are included as "Executive Officers" for purposes of this Policy.

"**HR Committee**" means the Compensation and Human Resources Committee of the Board or such other committee as the Board may, from time to time, appoint to oversee the application of this Company's executive compensation policies.

As in effect March 2023

"**Incentive-Based Compensation**" means any variable compensation (for greater certainty, not including base salary), including cash bonuses, stock options, share units and other incentive compensation (cash or equity-based, whether vested or unvested) awarded as compensation, the amount or payment of which is based in whole or in part on a measure or measures (whether quantitative or qualitative) that are intended to serve as an incentive for performance, notwithstanding whether such compensation is determined in whole or in part on an objective, subjective or discretionary basis by the person(s), Board or committee of the Board setting the amount or determining payment of such compensation, which is approved, granted, awarded or paid to an Executive Officer by the Company on or after the Effective Date.

"**Lookback Period**" means the three-year period preceding the date on which the Company (a) reasonably determines (or should have determined) that it is required to prepare an accounting restatement to correct the Materially Non-Compliant Financial Statements or (b) discovers the Wrongful Act.

"**Materially Non-Compliant Financial Statements**" means any financial statements of the Company where (a) a restatement of the financial statements (a "**Restatement**") is required due to (i) material non-compliance with any financial reporting requirement under applicable securities laws, other than the retrospective application of a change or amendment in accounting principles, or (ii) any materially inaccurate misstatement of the Company's earnings, revenues, gains or other similar criteria; or (b) the Company's financial results are found to be inaccurate in a manner that materially affects the calculation of compensation for Executive Officers but does not give rise to a restatement.

"**Wrongful Act**" means any material breach of the Company's Code of Conduct, as amended from time to time, that results in the termination of the Executive Officer's employment.

3. Recoupment of Excess Incentive-Based Compensation

In the event of Materially Non-Compliant Financial Statements or if the Board determines in its sole discretion that the Executive Officer has been involved in any Wrongful Act on or following the Effective Date, the Board will review all Incentive-Based Compensation paid, granted or awarded to, or received or earned by, or vested in favour of, Executive Officers on the basis of having attained any financial reporting measure during the current period and the Lookback Period.

In the event that the Board determines that a Restatement is required the Board shall recoup any Excess Incentive-Based Compensation paid, granted or awarded to, or received or earned by, or vested in favour of, any current or former Executive Officer during the current period and the Lookback Period.

If (i) the Materially Non-Compliant Financial Statements do not require a Restatement or (ii) the Board determines in its sole discretion that an Executive Officer has been involved in any Wrongful Act on or following the Effective Date, the Board may determine the amount of any Excess Incentive-Based Compensation and seek to recoup such Excess Incentive-Based Compensation paid, granted or awarded to, or received or earned by, or vested in favour of, any current or former Executive Officer during the current period and the Lookback Period.

As in effect March 2023

4. Limitation on Recoupment Period

Any recoupment under Section 3 of this Policy shall be in respect of Incentive-Based Compensation paid, granted or awarded to, or received or earned by, or vested in favour of, any current or former Executive Officer in the current period and the Lookback Period.

5. Means of Recoupment

The Board shall have the sole discretion and authority to determine the means by which any reimbursement required by this Policy shall occur. Reimbursement may, without limitation, (a) require the Executive Officer to repay all or a portion of any cash bonus (including any performance bonus) or other Incentive-Based Compensation granted, awarded or paid to the Executive Officer; (b) cancel all or a portion of any unvested or vested Incentive-Based Compensation granted, awarded or paid to the Executive Officer; (c) require the Executive Officer to repay all or a portion of any gains realized by the Executive Officer on the exercise of stock options or other equity-based compensation; (d) offset the recoupment/clawback amount against any current or future Incentive-Based Compensation; or (e) combine any of items (a) to (d) above.

If the Board cannot determine the amount of Excess Incentive-Based Compensation received by the Executive Officer directly from the information in a Restatement, then it will make its determination based on a reasonable estimate of the effect of such Restatement.

6. Effective Date

This Policy shall be effective as of March 29, 2023 (the " **Effective Date**") and shall apply to all individuals who are or become Executive Officers on or after the Effective Date in respect of all Incentive-Based Compensation paid, granted, awarded, received, earned or vested in respect of the financial year ending December 31, 2022 and all subsequent periods, whether before or after they became Executive Officers.

7. Board Authority

All determinations, decisions and interpretations to be made under this Policy shall be made by the Board, on the recommendation of the HR Committee. Any determination, decision or interpretation made by the Board under this Policy shall be final, binding and conclusive on all parties. This Policy may be amended or terminated at any time by the Board.

8. Administration of the Policy

Any applicable award agreement, form or other document setting forth the terms and conditions of any Incentive-Based Compensation covered by the Policy which is approved, granted, awarded or paid on or after the Effective Date shall be deemed to include the restrictions imposed herein and incorporate the Policy by reference and, in the event of any inconsistency, the terms of the Policy will govern.

Any determinations of the Board under this Policy shall be binding on the applicable Executive Officer.

As in effect March 2023

To the extent necessary and where permitted by law, this Policy shall constitute an agreement to extend and to exclude the applicability of any statute of limitations (including, without limitation, the *Limitations Act, 2002* (Ontario)) for recoupment by the Company of any Excess Incentive-Based Compensation or Incentive-Based Compensation.

Executive Officers shall not be entitled to any indemnification by or from the Company with respect to any amounts they are required to repay or forfeit pursuant to this Policy. Further, the Company shall not pay or reimburse any Executive Officers for any insurance policy entered into by an Executive Officer that provides for full or partial coverage of any recoupment obligation under this Policy.

9. No Impairment of Other Remedies

Any recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law, including, without limitation, (a) dismissing the Executive Officer, (b) adjusting the future compensation of the Executive Officer or (c) authorizing legal action or taking such other action to enforce the Executive Officer's obligations to the Company as it may deem appropriate in view of all of the facts and circumstances surrounding the particular case.

10. Impracticability

The Board shall recover any Excess Incentive-Based Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Securities Exchange Act of 1934, as amended, and the New York Stock Exchange's listing standards or the listing standards of any other national securities exchange on which the Company's securities may be listed.

As in effect March 2023


HUDBAY
ANNUAL INFORMATION FORM
FOR THE YEAR ENDED
DECEMBER 31, 2024
MARCH 26, 2025

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

This annual information form ("**AIF**") contains forward-looking information within the meaning of applicable Canadian securities laws and "forward-looking statements" within the meaning of the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. We refer to such forward-looking statements and forward-looking information together in this AIF as forward-looking information. All information contained in this AIF, 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 AIF is qualified by this cautionary note.

Forward-looking information includes, but is not limited to, statements with respect to our production, cost and capital and exploration expenditure guidance, expectations regarding reductions in discretionary spending and capital expenditures, our ability to stabilize and optimize the Copper Mountain mine operation, the implementation of stripping strategies and the expected benefits therefrom, the estimated timelines and pre-requisites for sanctioning the Copper World project and the pursuit of a potential minority joint venture partner, the possibility of and expectations regarding the results of any challenges to the permits for the Copper World project, the expected benefits of the sanctioning of Copper World project, the expected benefits of Manitoba growth initiatives, including the use of the exploration drift at the 1901 deposit, the potential utilization of excess capacity at the Stall mill, and the advancement of our exploration partnership with Marubeni, the anticipated use of proceeds from financing transactions, our future deleveraging strategies and our ability to deleverage and repay debt as needed, expectations with respect to the consummation and timing of the MMC Transaction, expectations regarding our cash balance and liquidity, expectations regarding the ability to conduct exploration work and execute on exploration programs on its properties and to advance related drill plans, including the advancement of the exploration program at Maria Reyna and Caballito and the status of the related drill permit application process, the ability to continue mining higher-grade ore in the Pampacancha pit and our expectations resulting therefrom, expectations regarding our ability to further reduce greenhouse gas emissions, our evaluation and assessment of opportunities to reprocess tailings using various metallurgical technologies, expectations regarding the prospective nature of the Maria Reyna and Caballito properties, the anticipated impact of brownfield and greenfield growth projects on our performance, anticipated expansion opportunities and extension of mine life in Snow Lake and our ability to find a new anchor deposit near our Snow Lake operations, anticipated future drill programs and exploration activities and any results expected therefrom, anticipated mine plans, anticipated metals prices and the anticipated sensitivity of our financial performance to metals prices, events that may affect our operations and development projects, 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 us 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 we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to:

- the ability to achieve production, cost and capital and exploration expenditure guidance;
- no significant interruptions to our operations due to social or political unrest in the regions we operate, including the navigation of the complex political and social environment in Peru;
- no interruptions to our plans for advancing the Copper World project, including with respect to any challenges to the Copper World permits and/or the pursuit of a potential minority joint venture partner;

- our ability to successfully complete the stabilization and optimization of the Copper Mountain operations, obtain required permits and develop and maintain good relations with key stakeholders;
- the ability to satisfy the conditions to close the MMC Transaction;
- the ability to execute on our exploration plans and to advance related drill plans;
- the ability to advance the exploration program at the Maria Reyna and Caballito properties;
- the success of mining, processing, exploration and development activities;
- the scheduled maintenance and availability of our processing facilities;
- the accuracy of geological, mining and metallurgical estimates;
- anticipated metals prices and the costs of production;
- the supply and demand for metals we produce;
- the supply and availability of all forms of energy and fuels at reasonable prices;
- no significant unanticipated operational or technical difficulties;
- the execution of our business and growth strategies, including the success of our strategic investments and initiatives;
- the availability of additional financing, if needed;
- the ability to deleverage and repay debt, as needed;
- the ability to complete project targets on time and on budget and other events that may affect our ability to develop our projects;
- the timing and receipt of various regulatory and governmental approvals;
- the availability of personnel for our exploration, development and operational projects and ongoing employee relations;
- maintaining good relations with the employees at our operations;
- maintaining good relations with the labour unions that represent certain of our employees in Manitoba and Peru;
- maintaining good relations with the communities in which we operate, including the neighbouring Indigenous communities and local governments;
- no significant unanticipated challenges with stakeholders at our various projects;
- no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters;
- no contests over title to our properties, including as a result of rights or claimed rights of Indigenous peoples or challenges to the validity of our unpatented mining claims;
- 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, changes in taxation policies 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).

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 related to the failure to effectively complete the stabilization, optimization and expansion of the Copper Mountain mine operations, political and social risks in the regions we operate, including the navigation of the complex political and social environment in Peru, risks generally associated with the mining industry and the current geopolitical environment, including future commodity prices, the potential implementation or expansion of tariffs, currency and interest rate fluctuations, energy and consumable prices, supply chain constraints and general cost escalation in the current inflationary environment, uncertainties related to the development and operation of our projects, the risk of an indicator of impairment or impairment reversal relating to a material mineral property, risks related to the Copper World project, including in relation to project delivery and financing risks, risks related to the Lalor mine plan, including the ability to convert inferred mineral resource estimates to higher confidence categories, dependence on key personnel and employee and union relations, risks related to political or social instability, unrest or change, risks in respect of Indigenous and community relations, rights and title claims, operational risks and hazards, including the cost of maintaining and upgrading our tailings management facilities and any 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 our reserves, volatile financial markets and interest rates that may affect our 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, our ability to comply with our pension and other post-retirement obligations, our ability to abide by the covenants in our debt instruments and other material contracts, tax refunds, hedging transactions, as well as the risks discussed under the heading "Risk Factors" in this AIF.

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. We do not assume any obligation to update or revise any forward-looking information after the date of this AIF or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

NOTE TO UNITED STATES INVESTORS

This AIF (and documents incorporated by reference herein) has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the United States Securities and Exchange Commission (the "**SEC**") and reserve and resource information included herein may not be comparable to similar information disclosed by U.S. companies.

Canadian reporting requirements for disclosure of mineral properties are governed by the Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") *CIM Definition Standards on Mineral Resources and Mineral Reserves* , adopted by CIM Council on May 10, 2014, as amended (the "**CIM Standards**"). Further to recent amendments, mineral property disclosure requirements in the United States are governed by subpart 1300 of Regulation S-K of the Securities Act of 1933, as amended (the "**U.S. Rules**") which differ from the CIM Standards. The definitions used in NI 43-101 are incorporated by reference from the CIM Standards.

As a foreign private issuer that is eligible to file reports with the SEC pursuant to the multi-jurisdictional disclosure system (the "**MJDS**"), the Company is not required to provide disclosure on its mineral properties under the U.S. Rules and will continue to provide disclosure under NI 43-101 and the CIM Standards. If the Company ceases to be a foreign private issuer or loses its eligibility to file its annual report on Form 40-F pursuant to the MJDS, then the Company will be subject to the U.S. Rules, which differ from the requirements of NI 43-101 and the CIM Standards.

Pursuant to the U.S. Rules, the SEC recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". In addition, the definitions of "proven mineral reserves" and "probable mineral reserves" under the U.S. Rules are "substantially similar" to the corresponding CIM Standards, incorporated by reference in NI 43-101.

United States investors are cautioned that while the above terms are "substantially similar" under NI 43-101 and the CIM Standards, there are differences in the definitions under the U.S. Rules and the CIM Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven mineral reserves", "probable mineral reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the U.S. Rules.

Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that the Company reports are or will be economically or legally mineable.

Further, "inferred mineral resources" have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. In accordance with Canadian rules, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

OTHER IMPORTANT INFORMATION

Certain scientific and technical terms and abbreviations used in this AIF are defined in the "Glossary of Mining Terms" attached as Schedule A.

Unless the context suggests otherwise, references to "we", "us", "our" and similar terms, as well as references to "Hudbay" and "Company", refer to Hudbay Minerals Inc. and its direct and indirect subsidiaries.

CURRENCY AND EXCHANGE RATES

This AIF contains references to both United States dollars and Canadian dollars. All references to "dollars" or "$", unless otherwise indicated, are expressed in United States dollars, and Canadian dollars are referred to as "Canadian dollars" or "C$". The average exchange rate for 2024 and the closing exchange rate as at December 31, 2024 (being the final trading day of 2024) as reported by the Bank of Canada, were one United States dollar per $1.3698 and $1.4389 Canadian dollars, respectively.

On March 25, 2025 (being the final trading day prior to the date of this AIF), the Bank of Canada daily exchange rate was one United States dollar per 1.4296 Canadian dollars.

NON-GAAP FINANCIAL PERFORMANCE MEASURES

Hudbay uses certain non-GAAP financial performance measures in this AIF and certain of its other public disclosure documents, including adjusted net earnings (loss) attributable to owners, adjusted net earnings (loss) per share attributable to owners, adjusted EBITDA, realized prices, net debt, net debt to adjusted EBITDA, cash cost, sustaining and all-in sustaining cash cost per pound of copper produced, cash cost and sustaining cash cost per ounce of gold produced, combined unit cost and ratios based on these measures are non-GAAP performance measures. These measures do not have a meaning prescribed by IFRS® Accounting Standards as issued by the International Accounting Standards Board ("**IFRS**" or "**GAAP**") and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently.

Management believes adjusted net earnings (loss) attributable to owners and adjusted net earnings (loss) per share attributable to owners provides an alternate measure of the Company's performance for the current period and gives insight into its expected performance in future periods. These measures are used internally by the Company to evaluate the performance of its underlying operations and to assist with its planning and forecasting of future operating results. As such, the Company believes these measures are useful to investors in assessing the Company's underlying performance. We provide adjusted EBITDA to help users analyze our results and to provide additional information about our ongoing cash generating potential in order to assess our capacity to service and repay debt, carry out investments and cover working capital needs. Net debt is shown because it is a performance measure used by the Company to assess our financial position. Net debt to adjusted EBITDA is shown because it is a performance measure used by the Company to assess our financial leverage and debt capacity. Realized price is shown to understand the average realized price of metals sold to third parties in each reporting period. Cash cost, sustaining and all-in sustaining cash cost per pound of copper produced are shown because we believe they help investors and management assess the performance of our operations, including the margin generated by the operations and the Company. Cash cost and sustaining cash cost per ounce of gold produced are shown because we believe they help investors and management assess the performance of our Manitoba operations. Combined unit cost is shown because we believe it helps investors and management assess our cost structure and margins that are not impacted by variability in by-product commodity prices.

For a description and reconciliation of each of these measures, please see the Non-GAAP Financial Performance Measures section on pages 59 through 73 of Hudbay's management's discussion and analysis for the year ended December 31, 2024, a copy of which has been filed on SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov.

CORPORATE STRUCTURE

INCORPORATION AND REGISTERED OFFICE

We were formed by the amalgamation of Pan American Resources Inc. and Marvas Developments Ltd. on January 16, 1996, pursuant to the *Business Corporations Act* (Ontario) and changed our name to Pan American Resources Inc. On March 12, 2002, we acquired ONTZINC Corporation, a private Ontario corporation, through a reverse takeover and changed our name to ONTZINC Corporation. On December 21, 2004, we acquired Hudson Bay Mining and Smelting Co., Limited ("**HBMS**") and changed our name to HudBay Minerals Inc. In connection with the acquisition of HBMS, on December 21, 2004, we amended our articles to consolidate our common shares on a 30 to 1 basis. On October 25, 2005, we were continued under the *Canada Business Corporations Act* ("**CBCA**").

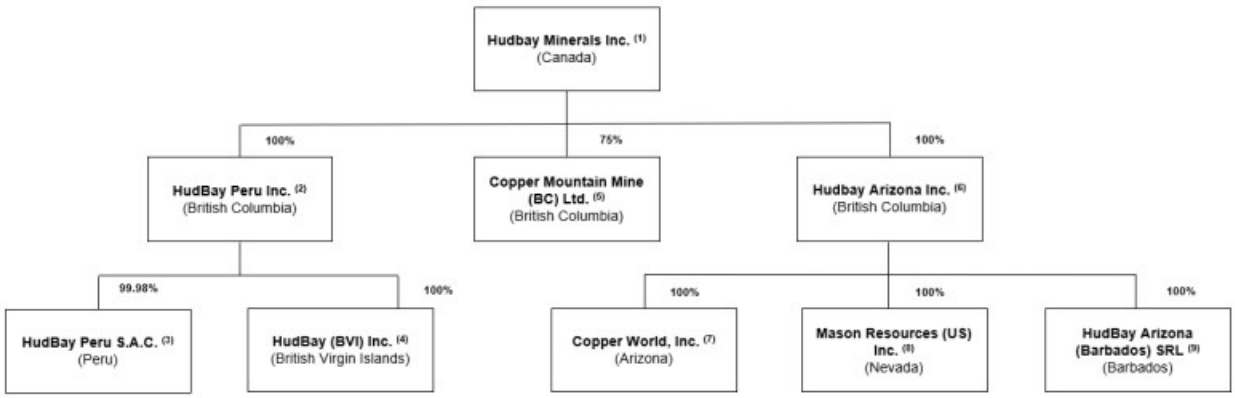
On August 15, 2011, we completed a vertical short-form amalgamation under the CBCA with our subsidiary (HMI Nickel Inc.). On January 1, 2017, we completed a vertical short-form amalgamation under the CBCA with two of our subsidiaries (HBMS and Hudson Bay Exploration and Development Company Limited) and changed our name from HudBay Minerals Inc. to Hudbay Minerals Inc. On January 1, 2024, we completed a vertical short-form amalgamation under the CBCA with three of our subsidiaries (Copper Mountain Mining Inc., Hudbay British Columbia Inc. and Rockcliff Metals Corporation) and continued carrying on business as Hudbay Minerals Inc. On January 1, 2025, we completed a vertical short-form amalgamation under the CBCA with two of our wholly-owned subsidiaries (Hudbay Metal Marketing Inc. and Hudbay Marketing & Sales Inc.), and continued carrying on business as Hudbay Minerals Inc., as the current successor amalgamated entity.

Our registered office is located at 333 Bay Street, Suite 3400, Bay Adelaide Centre, Toronto, Ontario M5H 2S7 and our principal executive office is located at 25 York Street, Suite 800, Toronto, Ontario M5J 2V5.

Our common shares are listed on the Toronto Stock Exchange (" **TSX**"), New York Stock Exchange (" **NYSE**") and Bolsa de Valores de Lima under the symbol "HBM".

INTERCORPORATE RELATIONSHIPS

The following chart shows our principal subsidiaries as at January 1, 2025, their jurisdiction of incorporation and the percentage of voting securities we beneficially own or over which we have control or direction.



Notes:

1. Hudbay owns our mining operations in Manitoba, is the borrower under our Canadian Credit Facility, the issuer of our Senior Unsecured Notes and a guarantor of our Peru Facility.
2. HudBay Peru Inc. owns 99.98% of HudBay Peru S.A.C. ("**Hudbay Peru**"). The remaining 0.02% is owned by 6502873 Canada Inc., our wholly-owned subsidiary. HudBay Peru Inc. is a guarantor of our Credit Facilities and our Senior Unsecured Notes.
3. Hudbay Peru owns the Constancia mine and certain exploration properties in Peru, is the borrower under our Peru Facility and is a guarantor of our Canadian Credit Facility and our Senior Unsecured Notes.
4. HudBay (BVI) Inc. is the party to the precious metals stream agreement in respect of the Constancia mine in Peru and its sole purpose is to fulfill its obligations thereunder.
5. Copper Mountain Mine (BC) Ltd., the entity that holds the Copper Mountain mine in British Columbia, is 25% owned by MM Corporation, a wholly-owned subsidiary of Mitsubishi Materials Corporation. After giving effect to the MMC Transaction (as further described below), Hudbay will own 100% of Copper Mountain Mine (BC) Ltd.
6. Hudbay Arizona Inc., through its subsidiaries, indirectly owns 100% of Copper World, Inc. and Mason Resources (US) Inc. ("**Mason US**").
7. Copper World, Inc. (formerly known as Rosemont Copper Company) owns a 100% interest in the Copper World project in Arizona.
8. Mason US owns a 100% interest in the Mason project in Nevada as well as certain exploration properties in the surrounding area.
9. HudBay Arizona (Barbados) SRL is the party to the precious metals stream agreement in respect of the Copper World project and its sole purpose is to fulfill its obligations thereunder.

DEVELOPMENT OF OUR BUSINESS

BUSINESS, PURPOSE & STRATEGY

Our Business

We are a copper-focused critical minerals company with three long-life operations and a pipeline of copper growth projects in tier-one mining jurisdictions (Canada, Peru and the United States). Our operating portfolio includes the Constancia mine in Cusco (Peru), the Snow Lake operations in Manitoba (Canada), and the Copper Mountain mine in British Columbia (Canada). Copper is the primary metal produced by the Company, which is complemented by meaningful gold production and by-product zinc, silver and molybdenum. The Company's growth pipeline includes the Copper World project in Arizona (United States), the Mason project in Nevada (United States), the Llaguen project in La Libertad (Peru) and several expansion and exploration opportunities near our existing operations.

Our Purpose

"*We care about our people, our communities and our planet. Hudbay provides the metals the world needs. We work sustainably, transform lives and create better futures for communities*."

We transform lives: We invest in our employees, their families and local communities through long-term employment, local procurement and economic development to improve their quality of life and ensure the communities benefit from our presence.

We operate responsibly: From exploration to closure, we operate safely and responsibly, we welcome innovation and we strive to minimize our environmental footprint while following leading operating practices in all facets of mining.

We provide critical metals: We produce copper and other metals needed for everyday products and essential for applications to support the energy transition toward a more sustainable future.

Our Strategy

Our mission is to create sustainable value and strong returns by leveraging our core strengths in community relations, focused exploration, mine development and efficient operations.

We believe that copper is the commodity with the best long-term supply/demand fundamentals and offers shareholders the greatest opportunity for sustained risk-adjusted returns. Copper is essential for achieving energy transition and AI technology needs - it is one of the most heavily utilized metals in renewable energy systems and is a key component for power networks, circuit boards and cooling systems in data processing centres. Through the discovery and successful development of economic mineral deposits, and through highly efficient low-cost operations to extract the metals, we believe sustainable value will be created for all stakeholders.

Hudbay's successful development, ramp-up and operation of the Constancia open-pit mine in Peru, our long history of underground mining and full life-cycle experience in northern Manitoba, our track record of reserve expansion through effective exploration, and our organic pipeline of copper development projects including Copper World and Mason provide us with a competitive advantage to deliver sustainable value relative to other mining companies of similar scale.

Over the past decade, we have built a world-class asset portfolio by executing a consistent long-term growth strategy focused on copper. We continuously work to generate strong free cash flow and optimize the value of our producing assets through exploration, brownfield expansion projects and efficient and safe operations. Furthermore, we intend to sustainably grow Hudbay through the exploration and development of our robust project pipeline, as well as through the acquisition of other properties that fit our stringent strategic criteria.

To ensure that any investment in our existing assets or acquisition of other mineral assets is consistent with our purpose and mission, we have established a number of criteria for evaluating these opportunities. The criteria include the following:

- **Sustainability:** We are focused on jurisdictions that support responsible mining activity. Our current geographic focus is on select investment grade countries in the Americas, with strong rule of law and respect for human rights consistent with our long-standing focus on environmental, social and governance principles;

- **Copper Focus:** We believe copper is the commodity with the best long-term supply/demand fundamentals. Global copper mine supply is challenged due to declining industry grades, limited exploration success and an insufficient pipeline of development-ready projects while demand will continue to increase through global decarbonization initiatives and the rapid growth in AI data processing centres. We believe this long-term supply/demand gap will create opportunities for increased risk-adjusted returns. While our primary focus is on copper, we recognize and value the polymetallic nature of copper deposits and, in particular, the counter-cyclical nature of gold in our portfolio;

- Quality: We are focused on investing in long-life, low-cost, expandable, high-quality assets that can capture peak pricing of multiple commodity price cycles and can generate free cash flow through the troughs of price cycles;

- Potential: We consider the full spectrum of acquisition and investment opportunities, from early-stage exploration to producing assets, that offer significant incremental potential for exploration, development, expansion and optimization beyond the stated resources and mine plan;

- Process: We develop a clear understanding of how an investment or acquisition can create value through our robust due diligence and capital allocation process that applies our technical, social, operational and project execution expertise;

- Operatorship: We believe value is created through leveraging Hudbay's competitive advantages in safe and efficient operations and effective exploration and project development and community relations. While operatorship is a key criterion, we are open to joint ventures and partnerships that de-risk our portfolio and increase risk-adjusted returns; and

- Capital Allocation: We pursue investments and acquisitions that are accretive to Hudbay on a per share basis. Given that our strategic focus includes allocating capital to assets at various stages of development, when evaluating accretion, we will consider measures such as internal rate of return, return on invested capital, net asset value per share and the contained value of reserves and resources per share.

THREE YEAR HISTORY

Peru Operations

In early January 2021, we received the final mining permit for the development and operation of the Pampacancha satellite deposit located near the Constancia mine in Peru. Pampacancha achieved first production and commercial production in April 2021, following the approval of a surface rights agreement with the community of Chilloroya, completion of all land user agreements and consultation with key stakeholders. The mine life of the Pampacancha deposit is expected to extend until early December 2025.

In March 2024, the Company increased mineral reserve estimates at Constancia to include the addition of a tenth mining phase in the Constancia pit after conducting positive geotechnical drilling and studies in 2023. This extended the expected mine life at Constancia by three years to 2041. The Company also continues to evaluate opportunities to further increase mill throughput after the Peruvian Ministry of Energy and Mines approved a regulatory change in June 2024 to allow mining companies in Peru to increase throughput by up to 10% above permitted levels.

Hudbay also controls a large, contiguous block of mineral rights with the potential to host mineral deposits in close proximity to the Constancia processing facility, including the past producing Caballito property and the highly prospective Maria Reyna property. The Company commenced early exploration activities at Maria Reyna and Caballito after completing a surface rights exploration agreement with the community of Uchucarcco in August 2022. As part of the drill permitting process, environmental impact assessment applications (each, an EIA) were submitted for the Maria Reyna property in November 2023 and for the Caballito property in April 2024. The EIA for Maria Reyna was approved by the government in June 2024 and the Caballito EIA was approved by the government in September 2024. This EIA approval process represents one of several steps in the drill permitting process, which is expected to be completed in 2025. Surface mapping and geochemical sampling confirm that both Caballito and Maria Reyna host sulfide and oxide rich copper mineralization in skarns, hydrothermal breccias and large porphyry intrusive bodies.

Manitoba Operations

The 777 mine was closed on schedule, in June 2022, after 18 years of steady production. The Company's hydrometallurgical zinc facility in Flin Flon was also closed after more than 25 years of successful operations. Hudbay is committed to strong and safe closure practices and has considered stringent and detailed environmental plans to manage water and the remaining infrastructure and processing plants in Flin Flon.

Following the closure of the 777 mine, the Flin Flon concentrator and tailings impoundment area were placed on care and maintenance, providing optionality should another mineral discovery lead to a new mine in the Flin Flon area. With this in mind, in March 2024, Hudbay entered into an option agreement (the "**Marubeni Option Agreement**") with Marubeni Corporation ("**Marubeni**"), pursuant to which Hudbay has granted Marubeni's wholly-owned Canadian subsidiary an option to acquire a 20% interest in three projects located within trucking distance of Hudbay's processing facilities in the Flin Flon area by funding exploration expenditures of at least C$12 million over a period of approximately 5 years.

In addition, we have continued to evaluate the economic feasibility of reprocessing the tailings in the Flin Flon tailings impoundment area ("**FFTIA**"), which holds more than 100 million tonnes of tailings that have been deposited over approximately 90 years. Included in our evaluation of moving forward with the tailings reprocessing opportunity is the potential to more efficiently manage the environmental impacts associated with the existing tailings in the FFTIA and simplify the long-term reclamation process. The studies are specifically evaluating the potential to use the existing Flin Flon concentrator with flow sheet modifications to reprocess tailings to recover critical minerals and precious metals while creating environmental and social benefits for the region.

On September 14, 2023, Hudbay successfully completed its acquisition of Rockcliff Metals Corp. ("**Rockcliff**"). Rockcliff was one of the largest landholders in the Snow Lake area, with approximately 1,800 square kilometres across all its properties. Through the Rockcliff acquisition, Hudbay consolidated its ownership interest in the Talbot deposit and acquired the Rail deposit. The Talbot and Rail deposits and additional Rockcliff exploration properties provide further optionality and potential future feed sources for the Stall and New Britannia mills. In 2023, Hudbay also completed the acquisition of mineral claims in the Cook Lake area, which is also located within trucking distance of the existing Snow Lake processing infrastructure and which forms part of Hudbay's current exploration strategy in Manitoba. In 2024, Hudbay continued to execute the largest exploration program in Snow Lake in the Company's history through extensive geophysical surveying and multi-phased drilling campaigns.

In 2024, Hudbay continued to prioritize strong relationships with our Indigenous communities of interest in Manitoba. Several meetings with Indigenous communities were held to discuss future exploration and geophysical programs within their traditional territories. To date, we have received letters of support for geophysical programs, and positive progress is being made in negotiating exploration agreements. In February 2025, Hudbay signed its first-ever exploration agreement with the Kiciwapa Cree Nation.

During the 2024 calendar year, from a production standpoint, we surpassed a total of one million ounces of gold produced at our Lalor mine in Snow Lake, Manitoba. In 2024, the Snow Lake operations also achieved record annual gold production exceeding the top end of the gold production guidance range with 214,225 ounces produced. Specifically, the New Britannia mill performed exceptionally in 2024, operating consistently above nameplate capacity, and achieved an average throughput of approximately 2,020 tonnes per day in the fourth quarter of 2024. The performance of the New Britannia mill has helped drive continued strong gold production and free cash flow generation in Manitoba. Full year 2024 total ore milled at New Britannia was 20% higher than 2023, reflecting the consistently strong performance throughout 2024 as a result of continuous improvement efforts. The expected mine life of Hudbay's Snow Lake operations has been adjusted to 2037, with its production schedule optimized for higher mill throughput rates at New Britannia, maximizing gold production and cash flows.

British Columbia Operations

On June 20, 2023, Hudbay completed the acquisition of all of the issued and outstanding common shares of Copper Mountain Mining Corp. ("**Copper Mountain**") (including all CMMC CHESS Depositary Interests ("**CMMC CDIs**")) (collectively, the "**CMMC Shares**") pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (collectively, the "**CMMC Transaction**") and, in consideration therefor, former holders of CMMC Shares ("**CMMC Shareholders**") received 0.381 of a Hudbay share for each CMMC Share held immediately prior to the effective time of the CMMC Transaction.

Pursuant to the CMMC Transaction, in aggregate, Hudbay issued 84,165,617 Hudbay shares to former CMMC Shareholders as consideration for their CMMC Shares. The CMMC Shares were de-listed from the TSX on June 21, 2023 and Copper Mountain has ceased to be a reporting issuer under Canadian securities laws. The CMMC CDIs were de-listed from the Australian Securities Exchange on June 21, 2023.

As a result of the completion of the CMMC Transaction, Copper Mountain became a wholly-owned subsidiary of Hudbay and Hudbay became the indirect owner of 75% of the Copper Mountain mine, with Mitsubishi Materials Corporation ("**MMC**") holding the remaining interest. After giving effect to the amalgamation that occurred on January 1, 2024, Hudbay became the direct owner of 75% of the Copper Mountain mine. In connection with the closing of the CMMC Transaction, Hudbay appointed Jeane Hull and Paula Rogers, former directors of Copper Mountain, to the board of Hudbay.

Since completing the CMMC Transaction, Hudbay has been focused on advancing operational stabilization plans, including opening up the mine by re-activating the full mining fleet, adding additional haul trucks, adding additional mining faces, optimizing the ore feed to the plant and implementing plant improvement initiatives that mirror Hudbay's successful processes at Constancia. These investments have successfully increased the total tonnes moved and resulted in stronger mill performance as demonstrated by high mill availability of 92% and copper recoveries of 82% in 2024, compared to 85% and 80%, respectively, in 2023. In 2025, the planned conversion of the third ball mill to a second SAG mill is anticipated to result in the ramp-up of mill throughput in the second half of the year.

On March 26, 2025, Hudbay entered into an agreement with MMC to acquire MMC's 25% minority interest in Copper Mountain Mine (BC) Ltd. for an upfront cash payment of $4.5 million and up to $39.75 million in deferred and contingent cash payments (the "**MMC Transaction**"). In addition, Hudbay will be solely responsible to settle any of Copper Mountain Mine (BC) Ltd.'s outstanding obligations, including an intercompany loan owing to Hudbay, of which 25% represents approximately $104 million. The MMC Transaction is expected to close in the second quarter of 2025, subject to the satisfaction of certain customary closing conditions. After giving effect to the MMC Transaction, Hudbay will hold a 100% interest in Copper Mountain Mine (BC) Ltd., which is the direct owner of the Copper Mountain mine.

On December 5, 2023, Hudbay released its first NI 43-101 technical report in respect of the Copper Mountain mine. In January 2025, we completed feasibility engineering on a capital project to debottleneck and increase the nominal plant capacity to its permitted capacity of 50,000 tonnes per day earlier than contemplated in the technical report.

Copper World Development Strategy

The Company released a preliminary economic assessment of our 100%-owned Copper World project in July 2022 (the " **Copper World PEA**"). The Copper World PEA included the recently discovered Copper World deposits along with the East deposit (which we formerly referred to as the Rosemont deposit). The Copper World PEA contemplated a two-phased mine plan with the first phase reflecting a standalone operation with processing infrastructure on Hudbay's private land and mining occurring on patented mining claims.

In September 2023, Hudbay released its de-risked and enhanced pre-feasibility study for Phase I of the Copper World project (the " **Copper World PFS**"). The Copper World PFS reflects the results of Hudbay's further technical work on Phase I of the Copper World project. Phase I is a standalone operation requiring state and local permits only. Phase I has a mine life of 20 years, which is four years longer than the Phase I mine life that was presented in the Copper World PEA, largely due to an increase in the capacity for tailings and waste deposition as a result of optimizing the site layout. Phase II is expected to involve an expansion onto federal lands with an extended mine life and enhanced project economics. Phase II would be subject to the federal permitting process and was not included in the PFS results. See "Material Mineral Projects - Copper World" for further information regarding the Copper World PFS findings.

Hudbay has now received all three key state permits required for Phase I of the Copper World project. The first key state permit required for Copper World, the Mined Land Reclamation Plan, was initially approved by the Arizona State Mine Inspector in October 2021 and was subsequently amended to reflect a larger private land project footprint. This approval was challenged in state court, but the challenge was dismissed in May 2023. The Aquifer Protection Permit was received on August 29, 2024 from the Arizona Department of Environmental Quality ("**ADEQ**") following a robust process that included detailed analysis by the ADEQ and Hudbay, along with a public comment period that was completed in the second quarter of 2024. The Air Quality Permit was received on January 2, 2025 from the ADEQ following a similarly robust process, including a public comment period that concluded in the third quarter of 2024. An administrative appeal was filed by certain opponents in late January, challenging the ADEQ's decision to issue the Air Quality Permit. Hudbay is confident the Air Quality Permit will be upheld, similar to the Copper World project's other state-level permits.

Now that the major permits for Copper World have been received, Hudbay commenced a minority joint venture partner process in the first quarter of 2025. It is anticipated that any minority joint venture partner would participate in the funding of definitive feasibility study activities in 2025 as well as in the final project design and construction for Copper World.

As part of our disciplined approach to developing Copper World, in November 2022, Hudbay introduced a three prerequisites plan, including specific leverage targets that it would need to achieve prior to making an investment decision in the project:

1. *Permits* - receipt of all state level permits required for Phase I
2. *Plan* - completion of a definitive feasibility study with an internal rate of return of greater than 15%
3. *Prudent Financing Strategy* - multi-faceted financing strategy including a committed minority joint venture partner, a renegotiated precious metals stream agreement optimized for the current project, and achievement of certain designated financial metrics.

Hudbay has made significant progress on all aspects of its three prerequisites plan, including the receipt of all three key state permits and a deleveraged balance sheet. Based on current estimated timelines and other assumptions, an investment decision on Copper World is expected in 2026 and will ultimately be evaluated against other competing investment opportunities as part of Hudbay's capital allocation process. Additionally, Hudbay recognizes the increased positive focus in the United States on critical minerals, which may position Hudbay well for the development of the Copper World project and allow the Company to create additional value through the advancement of our Mason project in Nevada.

Financing Activities and Deleveraging Efforts

In May 2020, we entered into a gold forward sale and prepay arrangement (" **Gold Prepay**") with a syndicate of our existing lenders whereby we received an upfront payment of $115 million in exchange for delivering a total of 79,954 gold ounces in future years on gold forward curve prices averaging approximately $1,682 per ounce. The Gold Prepay was executed to pre-fund substantially all of the expected capital costs to complete the New Britannia project. We repaid approximately 50% of the original Gold Prepay in 2022 and recommenced deliveries under the Gold Prepay in October 2023, further reducing the outstanding liability. Hudbay completed the final monthly payment to repay the Gold Prepay on August 30, 2024.

On April 9, 2021, Copper Mountain completed an offering of $250 million of secured bonds (the " **Copper Mountain Bonds**"). The Copper Mountain Bonds provided the bondholders with the right to put all or part of the principal amount of the outstanding Copper Mountain Bonds at a price of 101%, plus accrued interest, following a change of control event. As of the completion of the CMMC Transaction on June 20, 2023, approximately $143 million of Copper Mountain Bonds remained outstanding and, after giving effect to the completion of the CMMC Transaction, the change of control event was triggered and $83.3 million of the Copper Mountain Bonds were put to Copper Mountain on July 17, 2023. The Company utilized its Credit Facilities to finance the redemption of the Copper Mountain Bonds that were put to Copper Mountain. In the fourth quarter of 2023, Hudbay continued its deleveraging efforts by redeeming, in full, the remaining $59.7 million principal amount of outstanding Copper Mountain Bonds. The Copper Mountain Bonds were previously scheduled to mature on April 9, 2026.

On May 24, 2024, we completed a bought deal common share equity offering, pursuant to which a syndicate of underwriters purchased from treasury a total of 42,366,000 of Hudbay common shares at a price of $9.50 per common share for aggregate gross proceeds of $402,477,000. The net proceeds of the offering were intended to be used to fund near-term growth initiatives, including acceleration of mine pre-stripping activities and mill optimization initiatives at Copper Mountain, to enhance balance sheet flexibility through debt repayments as part of our "3P" plan for a sanctioning decision on Copper World, to evaluate mill throughput enhancement opportunities at Constancia and New Britannia, and for general corporate purposes.

After repaying $100 million in prior drawdowns earlier in the year, on November 13, 2024, we completed an amendment of our senior secured revolving credit facilities (the "**Credit Facilities**"), which (a) extended the maturity date by three years from October 2025 to November 2028, (b) allowed flexibility to leave our 2026 Notes outstanding to maturity, (c) created an improved pricing grid to reflect Hudbay's enhanced financial position and (d) provided an opportunity to increase the Credit Facilities by an additional $150 million (from $450 million to $600 million) at our discretion during the four-year tenor.

In addition, as part of our deleveraging efforts, in 2024 we repurchased and retired a total of $82.6 million of our Senior Unsecured Notes (as defined herein), in aggregate, and, as at December 31, 2024, $542.4 million of our 6.125% senior unsecured notes due April 2029 (the "**2029 Notes**") and $575 million of our 4.50% senior unsecured notes due April 2026 (the " **2026 Notes**") remained outstanding (See "Description of Capital Structure - Senior Unsecured Notes").

As a result of the continued cash flow generation and our deleveraging efforts, we have substantially reduced our net debt to $525.7 million as of December 31, 2024, as compared to $1,037.7 million at the end of 2023. The net debt reduction, together with higher levels of adjusted EBITDA over the last twelve months, has significantly improved our net debt to adjusted EBITDA ratio to 0.6x compared to 1.6x at the end of 2023. For more information regarding these metrics, please see "Non-GAAP Financial Performance Measures".

Executive Leadership and Chair Transition

On January 4, 2022, Andre Lauzon was appointed Hudbay's Chief Operating Officer, following the resignation of Cashel Meagher. Mr. Lauzon has over 25 years of mining industry experience and previously served as the Vice President of Hudbay's Arizona Business Unit from 2018 to 2021, where he was responsible for Hudbay's strategic initiatives in the U.S. and advancement of the Rosemont and Copper World projects. Prior to that, Mr. Lauzon held strategic and operational leadership roles in Manitoba, where he served as Vice President of the Manitoba Business Unit from 2016 to 2018.

On October 13, 2022, Eugene Lei was appointed as Hudbay's Chief Financial Officer, replacing Steve Douglas. Mr. Lei has over 20 years of global mining investment banking, finance and corporate development experience. Since joining Hudbay in 2012, he has progressed through several senior management roles and executive responsibilities, including leading the corporate development, strategy and investor relations functions. He was interim CFO at Hudbay in 2020 and led the gold prepayment transaction in May 2020 to finance the capital reinvestment program in the New Britannia mill.

On January 1, 2025, David S. Smith was appointed as the Chair of the Board of Directors, replacing Stephen A. Lang due to health reasons. Mr. Lang, who was appointed as the Chair of the Board of Directors in October 2019, remained on the Board of Directors as an independent director. Prior to being appointed as Chair, Mr. Smith had served as an independent director on the Board of Directors since May 2019.

DESCRIPTION OF OUR BUSINESS

GENERAL

We have four material mineral projects:

1. our 100% owned Constancia mine, an open pit copper mine in Peru, which achieved commercial production in the second quarter of 2015;
2. our 100% owned Snow Lake operations, including the Lalor mine, an underground gold, zinc and copper mine near Snow Lake, Manitoba, which achieved commercial production in the third quarter of 2014;
3. our 75% owned Copper Mountain mine, an open pit copper mine in southern British Columbia, which also produces gold and silver as by-product metals (with an agreement in place to acquire the remaining 25% interest pursuant to the MMC Transaction); and
4. our 100% owned Copper World project, a copper development project in Pima County, Arizona.

In addition to mining properties in northern Manitoba and the Copper Mountain mine in southern British Columbia, Hudbay owns and operates a portfolio of processing facilities in Canada. This includes (i) the Stall concentrator in Snow Lake, Manitoba, which produces zinc and copper concentrates, (ii) the New Britannia mill in Snow Lake Manitoba, which produces copper concentrate and gold/silver doré, and (iii) the processing facility at the Copper Mountain mine in Princeton, British Columbia, which produces copper concentrate. Hudbay also owns a number of other properties in the Snow Lake, Manitoba region within trucking distance of the Stall and New Britannia mills that have the potential to provide additional feed for our Snow Lake operations.

In Peru, Hudbay owns and operates a processing facility at Constancia, which produces copper and molybdenum concentrates from Hudbay's Constancia and Pampacancha deposits. Hudbay also owns a large, contiguous block of mineral rights within trucking distance of the Constancia processing facility, including the past producing Caballito property and the highly prospective Maria Reyna property. In addition, Hudbay owns a 100% interest in the Llaguen project in La Libertad, Peru, a greenfield project located close to existing infrastructure.

In Nevada, we own a 100% interest in the Mason project, an early-stage copper project with a substantial mineral resource and a robust PEA.

The following map shows where our primary assets and certain exploration properties are located:



MATERIAL MINERAL PROJECTS

Constancia

Constancia is our 100% owned copper mine in Peru. It is located in the Province of Chumbivilcas in southern Peru and consists of the Constancia and Pampacancha deposits.

On February 18, 2020, the community of Chilloroya formally approved a surface rights agreement with Hudbay for the Pampacancha satellite deposit located near the Constancia mine in Peru. Throughout the remainder of 2020, we focused on negotiating individual agreements with those members of the Chilloroya community who made use of the Pampacancha lands and advancing the consultation process between the government and the Chilloroya community as per Peru's Consulta Previa law. In early January 2021, the Peruvian regulators granted us the final mining permit for the development and operation of Pampacancha and Pampacancha achieved commercial production in April 2021. The Pampacancha deposit is currently expected to be depleted in early December 2025.

In 2024, the Constancia operations delivered 99,001 tonnes of copper at a cash cost of $1.18 per pound of copper net of by-products. Full year production of gold and molybdenum in 2024 was 98,226 ounces and 1,323 tonnes, respectively. Copper, gold, and molybdenum production declined compared to 2023 primarily due to lower grades since more material was mined from Constancia and reclaimed from the stockpile during 2024 compared with the prior year, partially offset by higher throughput. Production of silver was 2,708,262 ounces, representing an increase from 2023 due to higher silver grades from Pampacancha. We continue to evaluate opportunities to further increase mill throughput after the Peruvian Ministry of Energy and Mines approved a regulatory change in June 2024 to allow mining companies in Peru to increase throughput by up to 10% above permitted levels. In March 2024, the Company increased mineral reserve estimates at Constancia to include the addition of a tenth mining phase in the Constancia pit after conducting positive geotechnical drilling and studies in 2023. This extended the expected mine life at Constancia by three years to 2041.

Hudbay also controls a large, contiguous block of mineral rights with the potential to host mineral deposits in close proximity to the Constancia processing facility, including the past producing Caballito property and the highly prospective Maria Reyna property. The Company commenced early exploration activities at Maria Reyna and Caballito after completing a surface rights exploration agreement with the community of Uchucarcco in August 2022. As part of the drill permitting process, an EIA was submitted for the Maria Reyna property in November 2023 and for the Caballito property in April 2024. The EIA for Maria Reyna was approved by the government in June 2024 and the Caballito EIA was approved by the government in September 2024. This EIA approval process represents one of several steps in the drill permitting process, which is expected to be completed in 2025. Surface mapping and geochemical sampling confirm that both Caballito and Maria Reyna host sulfide and oxide rich copper mineralization in skarns, hydrothermal breccias and large porphyry intrusive bodies.

100% of the payable silver and 50% of the payable gold at Constancia is subject to a precious metals stream agreement with Wheaton Precious Metals ("**Wheaton**"). We receive cash payments equal to the lesser of (i) the market price and (ii) $400 per ounce (for gold) and $5.90 per ounce (for silver), subject to one percent annual escalation, which started in 2019. Gold recovery for purposes of calculating payable gold was originally fixed at 55% for gold mined from Constancia and 70% for gold mined from Pampacancha. On May 10, 2021, an amendment to the Constancia streaming agreement was signed with Wheaton. As part of this amendment, Hudbay agreed to increase the fixed gold recoveries that apply to Constancia ore production from 55% to 70% during the reserve life of Pampacancha, which matches the fixed rate of recovery that applies to Pampacancha production.

On March 29, 2021, we filed a technical report titled "NI 43-101 Technical Report, Constancia Mine, Cuzco, Peru", effective as of January 1, 2021, prepared by Olivier Tavchandjian (our Senior Vice President, Exploration and Technical Services) (the "**Constancia Technical Report**"), a copy of which is available under our profile on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. For additional details on our Constancia mine, refer to Schedule B of this AIF.

Mineral Reserves and Resources

The following table sets forth our estimates of the mineral reserves at the Constancia and Pampacancha mines.

Constancia and Pampacancha Mineral Reserve Estimates - January 1, 2025 [1][2][3]					
	Tonnes	**Cu (%)**	**Mo (g/t)**	**Au (g/t)**	**Ag (g/t)**
Constancia					
Proven	443,200,000	0.252	80	0.037	2.59
Probable	64,800,000	0.205	73	0.036	1.78
Total Proven and Probable	**508,000,000**	**0.246**	**79**	**0.037**	**2.49**
Pampacancha					
Proven	8,700,000	0.452	110	0.272	5.38
Probable	200,000	0.284	117	0.167	2.81
Total Proven and Probable	**9,000,000**	**0.448**	**110**	**0.269**	**5.32**
Total Mineral Reserve	**517,100,000**	**0.249**	**79**	**0.041**	**2.54**

Notes:

1. Totals may not add up correctly due to rounding.
2. Long term metal prices of $4.15 per pound copper, $15.00 per pound molybdenum, $1,900 per ounce gold and $23.00 per ounce silver were used to confirm the economic viability of the mineral reserve estimates.
3. Mineral reserves are estimated using a minimum NSR cut-off of $6.40 per tonne at Pampacancha, $7.30 per tonne at Constancia and assuming metallurgical recoveries (applied by ore type) of 86% for copper on average for the life of mine.

The following table sets forth our estimates of the mineral resources (exclusive of mineral reserves) at the Constancia and Pampacancha mines.

Constancia and Pampacancha Mineral Resource Estimates (Exclusive of Mineral Reserves) - January 1, 2025 [1][2][3][4][5]					
	Tonnes	**Cu (%)**	**Mo (g/t)**	**Au (g/t)**	**Ag (g/t)**
Constancia					
Measured	92,700,000	0.211	57	0.039	2.24
Indicated	86,900,000	0.222	83	0.039	2.24
Inferred - open pit	33,700,000	0.247	69	0.056	2.75
Inferred - underground	6,500,000	1.200	69	0.140	8.62
Pampacancha					
Inferred	700,000	0.144	54	0.083	2.46
Total Measured + Indicated	**179,700,000**	**0.216**	**69**	**0.039**	**2.24**
Total Inferred	**40,900,000**	**0.397**	**69**	**0.069**	**3.68**

Notes:

1. Totals may not add up correctly due to rounding.
2. Mineral resources are exclusive of mineral reserves and do not have demonstrated economic viability.
3. Mineral resource estimates are based on resource pit design and do not include factors for mining recovery or dilution.
4. The open pit mineral resources are estimated using a minimum NSR cut-off of $6.40 per tonne and assuming metallurgical recoveries (applied by ore type) of 86% for copper on average for the life of mine, while the underground inferred resources at Constancia Norte are based on a 0.65% copper cut-off grade.
5. Long term metal prices of $4.15 per pound copper, $15.00 per pound molybdenum, $1,900 per ounce gold, and $23.00 per ounce silver were used to estimate mineral resources.

Lalor and 1901

Our 100% Snow Lake operations near the town of Snow Lake, Manitoba consist of the Lalor gold-copper- zinc mine, the 1901 zinc-gold deposit and several satellite deposits (which are described further below). The Lalor mine achieved commercial production in 2014 and the production rate has steadily ramped-up since that time. The expected mine life of Hudbay's Snow Lake operations has been adjusted to 2037, with its production schedule optimized for higher mill throughput rates at New Britannia, maximizing gold production and cash flows.

On March 29, 2021, we released an updated mine plan for Snow Lake. The enhanced mine plan incorporated the results from several optimization initiatives, including: increasing the production rate at Lalor, increasing the throughput rate at the Stall mill; incorporating mineral reserves from the 1901 deposit into the mine plan, and implementing a recovery improvement project at the Stall mill to increase copper and precious metal recoveries.

Refurbishment and commissioning activities at the New Britannia gold mill were completed in July 2021 and the construction of the new copper flotation facility at New Britannia was completed in October 2021, ahead of the original schedule. The copper facility consists of an innovative and first-of-its-kind flotation circuit based entirely on Jameson cells, a modern pneumatic flotation design that offers a compact layout, low-cost process and flexible flowsheet. Following a brief commissioning period, the New Britannia mill achieved commercial production on November 30, 2021. Full year 2024 total ore milled at New Britannia was 20% higher than 2023, reflecting the consistently strong performance throughout 2024 as a result of continuous improvement efforts.

The commissioning of the Stall mill recovery improvement project was completed in the second quarter of 2023, and subsequent optimization activities proved highly effective, resulting in notably higher recoveries for copper. In 2024, there was a slight reduction in throughput at the Stall Mill, as expected, as more ore was diverted to New Britannia. Hudbay continues to focus on improvement initiatives aimed at supporting higher production levels, minimizing dilution and enhancing metal recoveries at the Snow Lake operations.

The Snow Lake operations in Manitoba continued to deliver strong operational performance during 2024, exceeding expectations in both production and efficiency. A significant milestone was achieved in December 2024 with the recovery of the one millionth ounce from the Lalor mine, reflecting the success of our strategy to maximize gold production from the Snow Lake operations. Record annual gold production of 214,225 ounces in 2024 was also achieved through a combination of higher metallurgical recoveries at the New Britannia and Stall mills, despite processing lower gold grades year-over-year, and the strategic allocation of more gold ore feed to the New Britannia mill, as noted above.

There are several opportunities to enhance the Snow Lake operations through exploration upside and mill processing projects. Progress on the 1901 deposit continued via the exploration drift and the recently started haulage drift in 2024, laying the groundwork to support full production from the 1901 deposit by 2027. With the drifts performing well, mining of first ore is scheduled for the second quarter of 2025. Exploration diamond drilling targeting down plunge mineralization intersected copper in the initial five holes, and further drilling is currently underway to follow up on the positive results. Additional drilling is planned in 2025 to evaluate the orebody and optimize the mining approach for future conversion of inferred mineral resources into mineral reserves.

In 2024, Hudbay completed the largest Snow Lake exploration program in its history with the goal of extending known mineralization near the Lalor deposit to further extend mine life as well as to find a new anchor deposit within trucking distance of the Snow Lake processing infrastructure.

On March 29, 2021, we filed an updated NI 43-101 technical report titled "NI 43-101 Technical Report, Lalor and Snow Lake Operations, Manitoba, Canada", effective as of January 1, 2021, prepared by Olivier Tavchandjian (our Senior Vice President, Exploration and Technical Services), a copy of which is available under our profile on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. For additional details on our Lalor mine, refer to Schedule B of this AIF.

Mineral Reserves and Resources

The following table sets forth our estimates of the mineral reserves at the Lalor mine and 1901 deposit.

Lalor and 1901 Mineral Reserve Estimates - January 1, 2025 [(1)(2)(3)(4)(5)]							
			Tonnes	**Au (g/t)**	**Zn (%)**	**Cu (%)**	**Ag (g/t)**
Gold	*Proven*	Lalor	3,250,000	5.3	0.72	0.62	32.6
		1901	102,000	2.8	1.33	1.00	19.2
		Subtotal	**3,352,000**	**5.2**	**0.74**	**0.63**	**32.2**
	Probable	Lalor	3,701,000	4.3	0.32	1.02	24.5
		1901	51,000	1.6	0.45	1.84	5.2
		Subtotal	**3,752,000**	**4.3**	**0.33**	**1.03**	**24.2**
	Proven and Probable	Lalor	6,951,000	4.8	0.51	0.83	28.3
		1901	153,000	2.4	1.04	1.28	14.5
		Subtotal	**7,103,000**	**4.7**	**0.52**	**0.84**	**28.0**
Base Metal	*Proven*	Lalor	3,631,000	2.7	5.17	0.38	30.7
		1901	1,157,000	2.3	8.31	0.31	25.4
		Subtotal	**4,787,000**	**2.6**	**5.93**	**0.36**	**29.4**
	Probable	Lalor	574,000	1.6	5.05	0.28	34.4
		1901	274,000	0.8	11.31	0.30	28.3
		Subtotal	**849,000**	**1.4**	**7.08**	**0.28**	**32.4**
	Proven and Probable	Lalor	4,205,000	2.5	5.15	0.37	31.2
		1901	1,431,000	2.0	8.88	0.30	25.9
		Subtotal	**5,636,000**	**2.4**	**6.10**	**0.35**	**29.9**
Gold and Base Metal	*Proven and Probable*	Lalor	11,156,000	3.9	2.26	0.66	29.4
		1901	1,584,000	2.1	8.13	0.40	24.8
		Total	**12,740,000**	**3.7**	**2.99**	**0.62**	**28.8**

Notes:

1. Totals may not add up correctly due to rounding.
2. Long-term metal prices of $2,090 per ounce gold, $1.25 per pound zinc, $4.30 per pound copper and $24.30 per ounce silver with an exchange rate of 1.33 C$/US$ were used to confirm the economic viability of the mineral reserve estimates.
3. Lalor mineral reserves are estimated using NSR cut-off ranging from C$154 to C$182 per tonne, assuming a long hole mining method and depending on the mill destination.
4. Individual stope gold grades at Lalor were capped at 10 grams per tonne. This capping method resulted in an approximate 3% reduction in the overall gold reserve grade at Lalor.
5. 1901 mineral reserves are estimated using a minimum NSR cut-off of C$166 per tonne.

The following table sets forth our estimates of the mineral resources (exclusive of mineral reserves) at the Lalor mine and 1901 deposit.

Lalor and 1901 Mineral Resource Estimates (Exclusive of Mineral Reserves) - January 1, 2025 [1][2][3][4][5][6][7]							
			Tonnes	**Au (g/t)**	**Zn (%)**	**Cu (%)**	**Ag (g/t)**
Gold	*Inferred*	Lalor	1,953,000	4.3	0.26	2.36	14.8
		1901	1,587,000	5.5	0.30	0.85	16.6
		Subtotal	**3,540,000**	**4.8**	**0.28**	**1.68**	**15.6**
Base Metal	*Inferred*	Lalor	560,000	1.7	5.45	0.39	31.7
		1901	312,000	1.6	5.87	0.19	32.2
		Subtotal	**873,000**	**1.7**	**5.60**	**0.32**	**31.9**
Gold and Base Metal	*Inferred*	Lalor	2,513,000	3.7	1.42	1.92	18.6
		1901	1,900,000	4.8	1.22	0.74	19.1
		Total	**4,413,000**	**4.2**	**1.33**	**1.41**	**18.8**

Notes:

1. Totals may not add up correctly due to rounding.
2. Mineral resources are exclusive of mineral reserves and do not have demonstrated economic viability.
3. Mineral resources do not include factors for mining recovery or dilution.
4. Base metal mineral resources are estimated based on the assumption that they would be processed at the Stall concentrator while gold mineral resources are estimated based on the assumption that they would be processed at the New Britannia concentrator.
5. Long-term metal prices of $2,090 per ounce gold, $1.25 per pound zinc, $4.30 per pound copper and $24.30 per ounce silver with an exchange rate of 1.33 C$/US$ were used to estimate mineral resources.
6. Lalor mineral resources are estimated using NSR cut-off ranging from C$154 to C$182 per tonne, assuming a long hole mining method and depending on the mill destination.
7. 1901 mineral resources are estimated using a minimum NSR cut-off of C$166 per tonne.

Copper Mountain Mine

Our 75% owned Copper Mountain mine is an open pit copper mine in southern British Columbia, which also produces gold and silver as by-product metals. Hudbay acquired Copper Mountain as part of the CMMC Transaction and holds a 75% interest in Copper Mountain Mine (BC) Ltd., which is the legal entity that owns the Copper Mountain mine. The remaining 25% interest in Copper Mountain Mine (BC) Ltd. is indirectly held by MMC. On March 26, 2025, Hudbay entered into an agreement with MMC to acquire MMC's 25% minority interest in Copper Mountain Mine (BC) Ltd., with such transaction expected to close during the second quarter of 2025. Once completed, Hudbay will be the 100% owner of the Copper Mountain mine.

Hudbay's operations at the Copper Mountain mine include a series of open pits, an ore processing plant, waste rock facilities, a tailings management facility, and other ancillary facilities that support the operations. Since acquiring Copper Mountain in June 2023, Hudbay has been focused on advancing operational stabilization plans, including opening up the mine by re-activating the full mining fleet, adding additional haul trucks, adding additional mining faces, optimizing the ore feed to the plant and implementing plant improvement initiatives that mirror Hudbay's successful processes at Constancia. These investments have successfully increased the total tonnes moved and resulted in stronger mill performance as demonstrated by high mill availability of 92% and copper recoveries of 82% in 2024, compared to 85% and 80%, respectively, in 2023. In 2025, the planned conversion of the third ball mill to a second SAG mill is anticipated to result in the ramp-up of mill throughput in the second half of the year.

At Copper Mountain in 2025, efforts will be focused on continuing the optimization of the operation and advancing the permitting process for the New Ingerbelle expansion. Mining activities will continue to execute the three-year accelerated stripping program intended to bring higher grade ore into the mine plan. In January, we also completed feasibility engineering on a capital project to debottleneck and increase the nominal processing plant capacity to its permitted capacity of 50,000 tonnes per day earlier than contemplated in the most recent technical report.

Hudbay has current participation agreements in place with each of the USIB and LSIB (each as defined herein) in respect of the Copper Mountain mine. Over the past several months, Hudbay has been deeply engaged with the Upper Similkameen Indian Band ("**USIB**") and Lower Similkameen Indian Band ("**LSIB**") to amend such agreements to address Hudbay's updated life of mine plan, certain permitting and environmental matters related to the proposed development of New Ingerbelle and to ensure the long-term financial benefits of the mine and the associated employment and business opportunities are shared with the USIB and LSIB.

On December 5, 2023, we filed a NI 43-101 technical report titled "NI 43-101 Technical Report, Updated Mineral Resources and Mineral Reserves Estimate, Copper Mountain Mine", effective as of December 1, 2023, prepared by Olivier Tavchandjian (our Senior Vice President, Exploration and Technical Services), a copy of which is available under our profile on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. For additional details on the Copper Mountain mine, refer to Schedule B of this AIF.

Mineral Reserves and Resources

The following table sets forth our estimates of the mineral reserves at the Copper Mountain mine and New Ingerbelle pit.

Copper Mountain Mineral Reserve Estimates - January 1, 2025 [(1)(2)(3)(4)]				
	Tonnes	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**
Proven	172,900,000	0.269	0.124	0.72
Probable	173,100,000	0.222	0.109	0.62
Total Proven + Probable	**346,000,000**	**0.245**	**0.116**	**0.67**

Notes:

1. Totals may not add up correctly due to rounding.
2. Long term metal prices of $4.15 per pound copper, $1,900 per ounce gold and $23.00 per ounce silver were used to confirm the economic viability of the mineral reserve estimates.
3. Mineral reserves are estimated using a 0.1% copper cut-off grade and assuming metallurgical recoveries (applied by ore type) of 86% for copper, and 68% for gold and silver on average for the life of mine.
4. Mineral reserve estimates presented on a 100% basis. Hudbay holds a 75% interest in the Copper Mountain mine and recently entered into an agreement to acquire the remaining 25% interest.

The following table sets forth our estimates of the mineral resources (exclusive of mineral reserves) at the Copper Mountain mine and New Ingerbelle pit.

Copper Mountain Mineral Resource Estimates (Exclusive of Mineral Reserves) - January 1, 2025 [(1)(2)(3)(4)(5)(6)]				
	Tonnes	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**
Measured	31,900,000	0.213	0.092	0.72
Indicated	92,800,000	0.209	0.109	0.66
Total Measured + Indicated	**124,700,000**	**0.210**	**0.105**	**0.68**
Total Inferred	**372,200,000**	**0.250**	**0.128**	**0.60**

Notes:

1. Totals may not add up correctly due to rounding.
2. Mineral resource estimate tonnes and grades constrained to a Lerch Grossman revenue factor 1 pit shell.
3. Mineral resource estimates are exclusive of mineral reserves. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.
4. Mineral resources are estimated using 0.1% copper cut-off grade.
5. Long term metal prices of $4.15 per pound copper, $1,900 per ounce gold and $23.00 per ounce silver were used to estimate mineral resources.
6. Mineral resource estimates presented on a 100% basis. Hudbay holds a 75% interest in the Copper Mountain mine and recently entered into an agreement to acquire the remaining 25% interest.

Copper World

Our 100% owned Copper World project is a copper development project located in Pima County, Arizona, approximately 50 kilometres southeast of Tucson.

In September 2023, Hudbay released the Copper World PFS. The Copper World PFS reflects the results of Hudbay's further technical work on Phase I of the Copper World project. Phase I is a standalone operation requiring state and local permits only. Phase I has a mine life of 20 years, which is four years longer than the Phase I mine life that was presented in the Copper World PEA, largely due to an increase in the capacity for tailings and waste deposition as a result of optimizing the site layout. Phase II is expected to involve an expansion onto federal lands with an extended mine life and enhanced project economics. Phase II would be subject to the federal permitting process and was not included in the PFS results. Phase I contemplates average annual copper production of 85,000 tonnes over a 20-year mine life. A variable cut-off grade strategy allows for higher mill head grades in the first ten years, which increases annual production to approximately 92,000 tonnes of copper.

Hudbay has now received all three key state permits required for Copper World development and operation. The first key state permit required for Copper World, the Mined Land Reclamation Plan, was initially approved by the Arizona State Mine Inspector in October 2021 and was subsequently amended to reflect a larger private land project footprint. This approval was challenged in state court, but the challenge was dismissed in May 2023. The Aquifer Protection Permit was received on August 29, 2024 from the ADEQ following a robust process that included detailed analysis by the ADEQ and Hudbay, along with a public comment period that was completed in the second quarter of 2024. The Air Quality Permit was received on January 2, 2025 from the ADEQ following a similarly robust process, including a public comment period that concluded in the third quarter of 2024. An administrative appeal was filed by certain opponents in late January, challenging the ADEQ's decision to issue the Air Quality Permit. Hudbay is confident the Air Quality Permit will be upheld, similar to the Copper World project's other state-level permits.

Now that the major permits for Copper World have been received, Hudbay commenced a minority joint venture partner process in the first quarter of 2025. It is anticipated that any minority joint venture partner would participate in the funding of definitive feasibility study activities in 2025 as well as in the final project design and construction for Copper World.

Hudbay's ownership in the Copper World project is subject to a precious metals stream agreement with Wheaton Precious Metals. Under such agreement, Hudbay is entitled to receive a deposit payment of $230 million against delivery of 100% of the payable gold and silver that is produced from the Copper World project and sold to third party purchasers, assuming a fixed payable rate of 92.5%. Hudbay and Wheaton Precious Metals have engaged in discussions regarding a possible restructuring of the stream agreement based upon the new mine plan and processing plant design.

As part of our disciplined approach to developing Copper World, Hudbay introduced a three prerequisites plan in November 2022, which includes specific financial leverage targets that it would need to achieve prior to making an investment decision in the project. The opportunity to sanction Copper World is not currently expected until 2026 based on current estimated timelines. See "Three Year History - Arizona Development Strategy" for more information.

On September 8, 2023, we filed a technical report for the Copper World project (the Copper World PFS) titled "Phase I Pre-Feasibility Study and Updated Mineral Resources, Copper World Project, Pima County, Arizona, USA", dated effective as of July 1, 2023, prepared by Olivier Tavchandjian (our Senior Vice President, Exploration and Technical Services), a copy of which is available under our profile on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. For additional details on our Copper World project, refer to Schedule B of this AIF. The Copper World PFS supersedes the Copper World PEA in its entirety.

Mineral Reserves and Resources

The following table sets forth our estimates of the mineral reserves for the Copper World project.

Copper World Mineral Reserve Estimates - January 1, 2025 [1][2][3][4]						
	Tonnes	**Cu (%)**	**CuSS (%)**	**Mo (g/t)**	**Au (g/t)**	**Ag (g/t)**
Copper World						
Proven	319,400,000	0.54	0.11	110	0.03	5.7
Probable	65,700,000	0.52	0.14	96	0.02	4.3
Total Proven and Probable	**385,100,000**	**0.54**	**0.12**	**108**	**0.02**	**5.4**

Notes:

1. Totals may not add up correctly due to rounding.
2. Long term metal prices of $4.00 per pound copper, $12.00 per pound molybdenum, $1,700 per ounce gold and $23.00 per ounce silver were used to confirm the economic viability of the mineral reserve estimates.
3. Mineral Reserve estimates are limited to the portion of the measured and indicated resource estimates scheduled for milling and included in the financial model of the Copper World PFS.
4. Estimate of the mineral reserve does not account for marginal amounts of historical small-scale operations in the area that occurred between 1870 and 1970 and is estimated to have extracted approximately 200,000 tonnes, which is within rounding approximations of the current reserve estimates.

Copper World Mineral Resource Estimates (Exclusive of Mineral Reserves) - January 1, 2025 [1][2][3][4][5]						
	Tonnes	**Cu (%)**	**CuSS (%)**	**Mo (g/t)**	**Au (g/t)**	**Ag (g/t)**
Copper World - Flotation						
Measured	424,000,000	0.39	0.04	150	0.02	4.1
Indicated	191,000,000	0.36	0.06	125	0.02	3.5
Inferred	192,000,000	0.35	0.07	117	0.01	3.1
Copper World - Leach						
Measured	159,000,000	0.28	0.20	n/a	n/a	n/a
Indicated	70,000,000	0.26	0.20	n/a	n/a	n/a
Inferred	83,000,000	0.26	0.19	n/a	n/a	n/a
Total Measured + Indicated	**844,000,000**	**0.35**	**0.09**	**104**	**0.01**	**2.9**
Total Inferred	**275,000,000**	**0.32**	**0.11**	**82**	**0.01**	**2.2**

Notes:

1. Totals may not add up correctly due to rounding.
2. Mineral resource estimates are exclusive of mineral reserves. CIM definitions were followed for the estimation of mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Mineral resources are constrained within a computer-generated pit using the Lerchs-Grossman algorithm.
4. Long-term metals prices of $3.75 per pound copper, $12.00 per pound molybdenum, $1,650 per ounce gold and $22.00 per ounce silver were used to estimate mineral resources.
5. Mineral resource estimates were reported using a 0.1% copper cut-off grade and an oxidation ratio lower than 50% for flotation material and a 0.1% soluble copper cut-off grade and an oxidation ratio higher than 50% for leach material.

OTHER ASSETS

Mason Project

The Mason project is a large greenfield copper deposit located in the historic Yerington District of Nevada and is one of the largest undeveloped copper porphyry deposits in North America. The Mason project's measured and indicated mineral resources are comparable in size to Constancia. We view the Mason project as a long-term future development asset as part of our pipeline of high-quality copper growth opportunities.

Since acquiring Mason, Hudbay has consolidated a prospective package of patented and unpatented mining claims contiguous to the Mason project and has advanced a number of technical studies, including a revised resource model and the completion of a preliminary economic assessment (the "**Mason PEA**").

The Mason PEA was completed in April 2021 and contemplates a 27-year mine life with average annual copper production of approximately 140,000 tonnes over the first ten years of full production. At a copper price of $4.00 per pound, the after-tax net present value using a 10% discount rate is $2.0 billion and the internal rate of return is approximately 23%. The Mason PEA is preliminary in nature, includes inferred resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty the preliminary economic assessment will be realized.

Since 2021, the Company has completed exploration activities at Mason, while continuing to focus on local stakeholder engagement. Additional metallurgical studies are underway with the objective of further enhancing the project economics.

The following table sets forth the estimates of the mineral resources at the Mason project.

Mason Project Resource Estimates - January 1, 2025 [1][2][3][4][5][6]

	Tonnes	Cu (%)	Mo (g/t)	Au (g/t)	Ag (g/t)
Measured	1,417,000,000	0.29	59	0.031	0.66
Indicated	801,000,000	0.30	80	0.025	0.57
Total Measured & Indicated	**2,219,000,000**	**0.29**	**67**	**0.029**	**0.63**
Total Inferred	**237,000,000**	**0.24**	**78**	**0.033**	**0.73**

Notes:
1. Totals may not add up correctly due to rounding.
2. Mineral resource estimates that are not mineral reserves do not have demonstrated economic viability.
3. Mineral resource estimates do not include factors for mining recovery or dilution.
4. Metal prices of $3.10 per pound copper, $11.00 per pound molybdenum, $1,500 per ounce gold, and $18.00 per ounce silver were used to estimate mineral resources.
5. Mineral resources are estimated using a minimum NSR cut-off of $6.25 per tonne.
6. Mineral resources are based on resource pit designs containing measured, indicated, and inferred mineral resources.

Llaguen Project

The Llaguen project is 100% owned by Hudbay and is located near the city of Trujillo, the third largest city in Peru. The Llaguen property is at moderate altitude and in close proximity to existing infrastructure, water and power supply, including the port of Salaverry located 62 kilometres away and the Trujillo Nueva electric substation located 40 kilometres away.

The Llaguen copper-molybdenum porphyry deposit is located on the western margin of the Miocene epithermal-porphyry copper-gold belt of northern Peru. Hudbay optioned the Llaguen property from a Vale subsidiary in 2017 and has since completed an exploration agreement with the local community, conducted additional geological mapping and geochemical sampling, and completed a 28-hole confirmatory drill program during 2021 and 2022, which confirmed and extended the footprint of the known mineralization and highlighted the existence of a high-grade zone in the center of the deposit.

Hudbay's tenement comprises 12 mining concessions totaling 8,900 hectares and the mineralization is fully contained within these 100%-controlled tenements. There are no Indigenous communities in the area, and therefore, community agreements are not subject to Peru's Consulta Previa (prior consultation) process.

After completing an initial mineral resource estimate in November 2022, Hudbay initiated preliminary technical studies at Llaguen, including metallurgical test work as well as geotechnical and hydrogeological studies. Additional exploration drilling is warranted on the Llaguen property to test the areas of the deposit that remain open and the several untested geophysical targets in the area to fully define the regional extent of the mineralization. The current mineral resource estimate is also surrounded by a large halo of low grade hypogene copper mineralization, not currently included in the mineral resource estimate, but for which metallurgical test work could assess the potential for sulfide heap leaching via commercially available technologies.

The following table sets forth the estimates of the mineral resources at the Llaguen project.

Llaguen Mineral Resource Estimates - January 1, 2025 [1][2][3][4][5][6][7]						
	Tonnes	**Cu (%)**	**Mo (g/t)**	**Au (g/t)**	**Ag (g/t)**	**CuEq (%)**
Indicated Global (>= 0.14% Cu)	**271,000,000**	**0.33**	**218**	**0.033**	**2.04**	**0.42**
Including Indicated High-grade (>= 0.30% Cu)	113,000,000	0.49	261	0.046	2.73	0.60
Inferred Global (>= 0.14% Cu)	**83,000,000**	**0.24**	**127**	**0.024**	**1.47**	**0.30**
Including Inferred High-grade (>= 0.30% Cu)	16,000,000	0.45	141	0.038	2.60	0.52

Notes:
1. Totals may not add up correctly due to rounding.
2. CIM definitions were followed for the estimation of mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Mineral resources are reported within an economic envelope defined by a pit shell optimization algorithm. This pit shell is defined by a revenue factor of 0.33 assuming operating costs adjusted from Hudbay's Constancia open pit operation.
4. Long-term metal prices of $3.60 per pound copper, $11.00 per pound molybdenum, $1,650 per ounce gold and $22.00 per ounce silver were used for the estimation of mineral resources.
5. Metal recovery estimates assume that this mineralization would be processed at a combination of facilities, including copper and molybdenum flotation.
6. Copper-equivalent ("CuEq") grade is calculated assuming 85% copper recovery, 80% molybdenum recovery, 60% gold recovery and 60% silver recovery.
7. Specific gravity measurements were estimated by industry standard laboratory measurements.

Snow Lake Regional Deposits

The mineral reserve and mineral resource estimates at Hudbay's satellite deposits in the Snow Lake region, including the copper-gold WIM, the gold-rich 3 Zone and the zinc-rich Watts, Pen II and Talbot deposits, have the potential to provide future feed for the Stall and New Britannia processing facilities and further extend the life of the Snow Lake operations. Hudbay has also been advancing exploration activities on the newly acquired land in Snow Lake, which is expected to include geophysical and drilling programs on the Cook Lake claims and the former Rockcliff claims located within trucking distance of the existing Snow Lake processing infrastructure. At the regional Rail property, which was acquired through the Rockcliff acquisition in 2023, the 2024 exploration program yielded new intersections of high-grade copper-gold mineralization. These results will be combined with historical drilling results on the property to update the geological model and assess its economic potential. We also continue to test a very strong deep geophysical anomaly located at Cook Lake North, approximately six kilometres from Lalor with drilling activities continuing throughout the winter season.

The following table sets forth our estimates of the mineral reserves and resources at the Snow Lake regional deposits (excluding Lalor and 1901).

Snow Lake Regional Gold Deposits Mineral Reserve Estimates - January 1, 2025 [1][2][3][4]							
			Tonnes	Au (g/t)	Zn (%)	Cu (%)	Ag (g/t)
Gold	*Probable*	WIM	2,450,000	1.6	0.25	1.63	6.3
		3 Zone	660,000	4.2	-	-	-
		Subtotal	**3,110,000**	**2.2**	**0.20**	**1.28**	**5.0**

Notes:
1. Totals may not add up correctly due to rounding.
2. Long-term metal prices of $1,700 per ounce gold, $1.25 per pound zinc, $4.00 per pound copper and $23.00 per ounce silver with an exchange rate of 1.33 C$/US$ were used to confirm the economic viability of the mineral reserve estimates.
3. WIM mineral reserves assume processing recoveries of 98% for copper, 88% for gold, and 70% for silver based on processing through New Britannia's flotation and tails leach circuits.
4. 3 Zone mineral reserves assume processing recoveries of 85% for gold based on processing through New Britannia's leach circuit.

Snow Lake Mineral Resource Estimates (Exclusive of Mineral Reserves) - January 1, 2025 [1][2][3][4][5]							
			Tonnes	Au (g/t)	Zn (%)	Cu (%)	Ag (g/t)
Gold	*Inferred*	New Britannia	2,750,000	4.5	-	-	-
		Birch	570,000	4.4	-	-	-
		Subtotal	**3,320,000**	**4.5**	**-**	**-**	**-**

Notes:
1. Totals may not add up correctly due to rounding.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Mineral resources do not include factors for mining recovery or dilution.
4. Gold mineral resources are estimated based on the assumption that they would be processed at the New Britannia concentrator.
5. New Britannia mineral resource estimates have been reported at a minimum true width of 1.5 metres and with a cut-off grade varying from 2 grams per tonne (at the lower part of New Britannia) to 3.5 grams per tonne (at the upper part of New Britannia).

Snow Lake Mineral Resource Estimates (Exclusive of Mineral Reserves) - January 1, 2025 [1][2][3][4][5][6][7][8]							
			Tonnes	Au (g/t)	Zn (%)	Cu (%)	Ag (g/t)
Base Metal	*Indicated*	PEN II	470,000	0.3	8.89	0.49	6.8
		Talbot	2,190,000	2.1	1.79	2.33	36.0
		Subtotal	**2,660,000**	**1.8**	**3.04**	**2.01**	**30.9**
	Inferred	Watts	3,150,000	1.0	2.58	2.34	31.0
		PEN II	130,000	0.3	9.81	0.37	6.8
		Talbot	2,450,000	1.9	1.74	1.13	25.8
		Subtotal	**5,730,000**	**1.3**	**2.39**	**1.78**	**28.3**

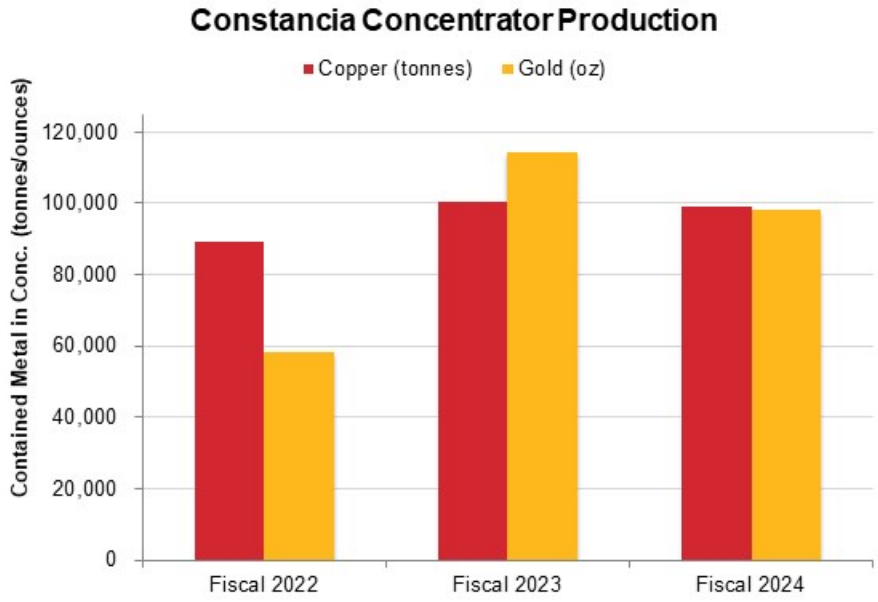
Notes:
1. Totals may not add up correctly due to rounding.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Mineral resources do not include factors for mining recovery or dilution.
4. Base metal mineral resources are estimated based on the assumption that they would be processed at the Stall concentrator.
5. Watts and Pen II mineral resources were initially estimated using metal price assumptions that vary marginally over the assumptions used to estimate mineral resources at Lalor. In the Qualified Person's opinion, the combined impact of these small variations does not have any impact on the mineral resource estimates.

6. Watts mineral resources are estimated using a minimum NSR cut-off of C$150 per tonne, assuming processing recoveries of 90% for copper, 80% for zinc, 70% for gold and 70% for silver.
7. Pen II mineral resources are estimated using a minimum NSR cut-off of C$75 per tonne.
8. The above resource estimates table includes 100% of the Talbot mineral resources reported by Rockcliff Metals Corp. in its 2020 NI 43-101 technical report published on SEDAR+.

Processing Facilities

Peru

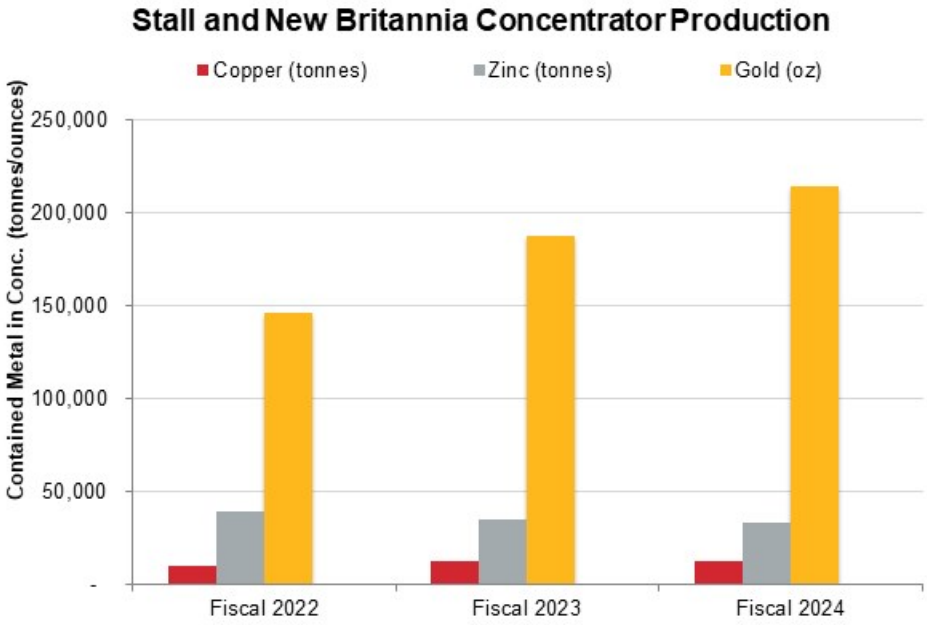
Our processing plant at Constancia has a nominal throughput capacity of 90,000 dry metric tonnes per day at 94% plant mechanical availability, and averaged approximately 87,000 tonnes processed per day in 2024. We have improved the performance of the plant over time through technology and process improvements and plan to continue to implement such initiatives. The principal product of the concentrator is copper concentrate, although it also produces molybdenum concentrate. The primary crusher, belt conveyors, thickeners, tanks, flotation cells, mills and various other types of equipment are designed and constructed to be open to the environment. The concentrate filtration and storage building is enclosed. The tailings are pumped to the tailings management facility for storage and water is returned via parallel piping to the process plant for reuse. The Constancia processing plant achieved record copper recoveries of 88% in the fourth quarter of 2024, higher than the previous record of 87% in the fourth quarter of 2023. Hudbay continues to evaluate opportunities to further increase mill throughput after the Peruvian Ministry of Energy and Mines approved a regulatory change in June 2024 to allow mining companies in Peru to increase throughput by up to 10% above permitted levels.



Manitoba

The refurbishment of the New Britannia mill, including the addition of a new copper flotation circuit, was completed in October 2021. The New Britannia mill produces gold/silver doré and copper concentrates and achieved commercial production on November 30, 2021, after reaching the required recoveries and production output in the copper and gold circuits. The final tailings from the New Britannia mill are pumped to the Stall mill via a 6.8 kilometre pipeline and are then either pumped to the Lalor paste plant or diverted to the Anderson tailings impoundment area. The New Britannia mill consistently achieved its nameplate capacity of 1,500 tonnes per day throughout 2022 and achieved record throughput levels averaging 1,650 and over 2,000 tonnes per day in 2023 and 2024, respectively. In the first quarter of 2024, Hudbay received a permit approval to increase the production rate at New Britannia to 2,500 tonnes per day, which will provide the opportunity to process more Lalor ore at the New Britannia mill and create additional processing capacity for potential new regional discoveries in Snow Lake.

Our Stall concentrator in Snow Lake was re-started in 2009 and a new copper recovery circuit was installed in the third quarter of 2012 to facilitate processing of Lalor ore. In 2014, we refurbished equipment and facilities at the Stall concentrator. The Stall mill has a throughput capacity of approximately 3,800 tonnes per day. Since the Flin Flon zinc plant closed in mid-2022, the zinc concentrate production from the Stall mill has been sold to third party customers. The majority of the tailings produced from the Stall mill are pumped to the Lalor paste plant, where it is dewatered, mixed with cement and sent underground as pastefill. If pastefill is not required, the tailings are diverted to the Anderson tailings impoundment area. In 2020, Hudbay completed a feasibility study and a test program exploring various technological upgrades to the flowsheet at the Stall mill to improve recoveries. After the commissioning of these upgrades in the second quarter of 2023, subsequent optimization activities proved highly effective, resulting in notably higher recoveries for copper and gold. In 2024, the New Britannia mill and Stall mill collectively processed 1,608,708 tonnes of ore (1,562,479 in 2023).



Note:

1. The gold ounces displayed in the table above include production of gold doré. In Fiscal 2022, we produced 28,707 oz of gold doré. In Fiscal 2023, we produced 40,239 oz of gold doré. In Fiscal 2024, we produced 56,853 in gold doré.

British Columbia

The processing facility at the Copper Mountain mine includes the primary crusher and conveyor system as well as a semi-autogenous mill. The processing facility has a current throughput capacity of 45,000 tonnes per day. Several mill initiatives were implemented in 2024, including, recovery improvements, reprogramming the mill expert system, installation of advanced semi-autogenous grinding control instrumentation, redesigned SAG liner package and updated operational procedures intended to remove magnetite from the pebble stream. In January 2025, we completed feasibility engineering to debottleneck the mill through a conversion of the third ball mill to a second SAG mill. The SAG mill conversion project is expected to increase the nominal plant capacity to its permitted capacity of 50,000 tonnes per day earlier than contemplated in the most recent Copper Mountain mine technical report. Maintenance practices to improve mill availability continue to be a key pillar of Hudbay's stabilization and optimization initiatives post-acquisition. In 2024, the mill at the Copper Mountain mine processed approximately 12.66 million tonnes of ore (6.86 million in 2023, for the period post-completion of the CMMC Transaction).

Tailings Management Facilities

We have five tailings structures and facilities, three (including two inactive) in Manitoba, one at the Copper Mountain mine in British Columbia and one at the Constancia mine in Peru. The FFTIA is the only one with partial construction using the upstream construction design method. More recent dam expansions at the FFTIA have been constructed using the downstream method. Our Anderson tailings management facility in Snow Lake uses subaqueous deposition of tailings, and we have received permit approval to transition to subaerial deposition to improve operating efficiency. Subaerial deposition trials are currently underway to assess the merits of the proposed transition. In order to accommodate ongoing production from our Lalor mine, in 2022, we raised the dam around Anderson using the downstream method. Our Constancia tailings facility was constructed utilizing a downstream method which created a solid rockfill platform foundation. This foundation supports ongoing centerline construction which will continue until the end of the operating life of the structure.

We established an Independent Technical Review Board (" **ITRB**") for our Constancia tailings facility in 2012 and extended this to our Manitoba Business Unit's facilities in 2017 and our British Columbia Business Unit in 2023. In 2018, we developed a Tailings Governance Charter to further strengthen our internal governance processes related to tailings management. The charter details existing controls, including a Tailings Management System at the site or business unit that supports day-to-day activities such as planning, monitoring, risk identification and reporting. We conduct independent external reviews, which may include Engineer of Record inspections, ITRB reports and compliance audits.

We require our business units to maintain a level A or higher rating for the protocol. In the latest Mining Association of Canada's Towards Sustainable Mining ("TSM") program, our Manitoba Business Unit received level "A" ratings across all five indicators, our British Columbia Business Unit received level "AA" ratings for all indicators, and our South America Business Unit received level "AAA" ratings across all five indicators. In addition to maintaining a minimum of an "A" rating on all five TSM tailings indicators, we also ensure tailings facilities are constructed following the Canadian Dam Safety Guidelines. We believe following these well-established standards provides effective equivalence to the recently introduced Global Industry Standard on Tailings Management.

At our Manitoba Business Unit, where some of our tailings storage facilities were built 80 years ago, we have worked with our engineer of record, with input from our ITRB, to identify opportunities to proactively upgrade facilities to increase the factor of safety of the structures, particularly in areas previously constructed using the upstream method.

Tailings Reprocessing

During 2024, we continued to evaluate the economic feasibility of reprocessing the tailings in the FFTIA, which holds more than 100 million tonnes of tailings that have been deposited over approximately 90 years. Recent drilling programs indicate high zinc, copper, and silver grades.

We have also advanced metallurgical test work and evaluated metallurgical technologies. In 2024, such metallurgical test work continued following positive results from the initial confirmatory drill program in the section of the tailings facility that was utilized by the zinc plant for 25 years. The results confirmed the grades of precious metals and critical minerals previously estimated from historical zinc plant records. An early economic study to evaluate the opportunity to reprocess the zinc plant tailings has confirmed the potential for a technically viable reprocessing alternative, and further engineering work is underway.

Additionally, the Anderson tailings impoundment area at our Snow Lake operation also contains significant amounts of gold deposited over many years. Given our enhanced gold processing capacity in Snow Lake, we intend to conduct a similar evaluation of reprocessing the Anderson tailings.

Exploration

As of the date of this AIF, Hudbay has an exploration portfolio of owned or optioned mineral properties which consists of approximately 747,293 hectares across Canada, Peru, the United States and Chile. In 2025, exploration expenditures are expected to total $50 million, in line with 2024 exploration spending as the Company continues to execute a multi-year extensive geophysics and drilling program in Snow Lake to extend mine life and explore for new discoveries, as described below. The exploration program will be partially funded by the proceeds from the Flow-Through Offering (as defined below) and the Marubeni Option Agreement.

In December 2024, Hudbay successfully completed a critical minerals premium flow-through private placement financing transaction for aggregate gross proceeds of approximately C$17.5 million (the "**Flow-Through Offering**"). Pursuant to the Flow-Through Offering, Hudbay issued 476,200 exploration flow-through common shares ("**CEE Shares**") at a subscription price of C$22.05 per CEE Share and 492,700 development flow-through common shares ("**CDE Shares**") at a subscription price of C$14.21 per CDE Share. Hudbay expects to use the proceeds from the CEE Shares to fund certain exploration activities and related initiatives in Manitoba. Hudbay expects to use the proceeds from the CDE Shares to fund the development of infrastructure to be utilized by the Company for optimization and mining activities in Manitoba.

Peru

Hudbay controls a large, contiguous block of mineral rights with the potential to host mineral deposits in close proximity to the Constancia processing facility, including the past producing Caballito property and the highly prospective Maria Reyna property. The Company commenced early exploration activities at Maria Reyna and Caballito after completing a surface rights exploration agreement with the community of Uchucarcco in August 2022. As part of the drill permitting process, an EIA was submitted for the Maria Reyna property in November 2023 and for the Caballito property in April 2024. The EIA for Maria Reyna was approved by the government in June 2024 and the Caballito EIA was approved by the government in September 2024. This EIA approval process represents one of several steps in the drill permitting process, which is expected to be completed in 2025. Surface mapping and geochemical sampling confirm that both Caballito and Maria Reyna host sulfide and oxide rich copper mineralization in skarns, hydrothermal breccias and large porphyry intrusive bodies.

Manitoba

In Manitoba, Hudbay continues to conduct drilling activities in the Snow Lake area and infill drilling at the Lalor mine. In 2025, exploration activities in Manitoba are expected to focus on completing the largest geophysics program in Hudbay's history, including 800 kilometres of ground electromagnetic surveys and an extensive airborne geophysics survey. The Company plans to complete underground and surface drilling at Lalor to increase mineral resource and reserve estimates, including follow-up drilling at the new Lalor Northwest discovery. Underground drilling is planned for 1901 from the new exploration drift to upgrade and expand the mineral reserve and resource estimates. In addition, Hudbay plans to continue drilling activities at several regional targets in 2025, including the Cook Lake properties, following up on encouraging results in 2024. We are also continuing to explore our expanded land package in hopes of finding a new anchor deposit to maximize and extend the life of the Snow Lake operations beyond 2037.

Strategic Investments

As at December 31, 2024, we held minority equity positions in nine junior exploration companies (seven as at December 31, 2023), representing investments with a fair market value of approximately C$17.4 million (approximately C$8.5 million as at December 31, 2023), as part of our strategy to populate a pipeline of projects with the potential for exploration and development. Our early-stage opportunity pipeline consists of minority interests in junior exploration companies with projects in Canada, the United States, Ecuador, Peru and Bolivia. We are continuing to evaluate new projects and potential investments to add to our portfolio and will seek to dispose of investments when the underlying projects are no longer consistent with our strategy.

On January 31, 2025, Hudbay purchased 11,955,270 common shares of Arizona Sonoran Copper Company Inc. (" **ASCU**") pursuant to a non-brokered private placement at a price of C$1.68 per share for total consideration of C$20,084,853 (the "**ASCU Transaction**"). After giving effect to the ASCU Transaction, Hudbay holds approximately a 9.99% interest in ASCU. Concurrently with the closing of the ASCU Transaction, Hudbay also entered into an investor rights agreement with ASCU, pursuant to which Hudbay will have certain customary rights and obligations, provided that Hudbay maintains certain ownership thresholds in ASCU. A copy of such investor rights agreement is available on ASCU's SEDAR+ profile.

Cash and Cash Equivalents

Our cash and cash equivalents (including short-term investments), as of December 31, 2024 were approximately $581.8 million ($249.8 million as of December 31, 2023), and are held in low risk liquid investments and deposit accounts pursuant to our investment policy.

OTHER INFORMATION

Products and Marketing

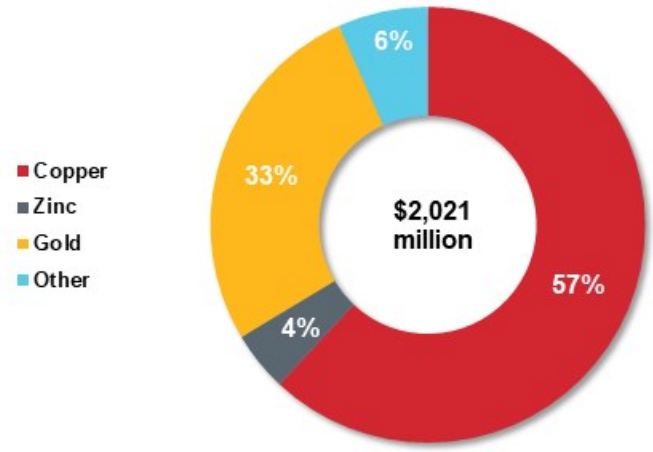
Our principal products are copper concentrate, which contains payable copper, gold and silver, zinc concentrate, gold and silver doré and molybdenum concentrate.

In 2024, we produced 137,943 tonnes of contained copper in concentrate (99,001 tonnes in Peru, 12,536 tonnes in Manitoba and 26,406 tonnes in British Columbia (on a 100% ownership basis of Copper Mountain)), 332,240 ounces of gold (98,226 ounces in Peru, 214,225 ounces in Manitoba and 19,789 ounces in British Columbia), 3,983,851 ounces of silver (2,708,262 ounces in Peru, 995,090 ounces in Manitoba and 280,499 ounces in British Columbia), 33,339 tonnes of contained zinc in concentrate (all produced in Manitoba), and 1,323 tonnes of contained molybdenum concentrate (all produced in Peru).

In 2024, copper sales represented approximately 57% (62% in 2023), gold sales represented approximately 33% (27% in 2023), and zinc sales represented approximately 4% (4% in 2023) of our total gross consolidated revenue (which excludes non-cash streaming arrangement items, mark-to-market adjustments on provisionally priced sales, realized and unrealized changes to fair value for non-hedge derivative contracts and adjustments to originally invoiced weights and assays).

Our 2024 revenue breakdown by commodity type is illustrated in the chart below:

2024 REVENUE BREAKDOWN



1. Revenue for the full year ended December 31, 2024. Gold and silver revenues include cash payments applicable to precious metals stream sales.
2. This number excludes treatment and refining charges.
3. Revenue from "Other" includes molybdenum and silver.

In 2024, our copper concentrate production was sold through a mix of benchmark related sales, and spot sales. Manitoba copper concentrate production was sold for delivery to a smelter in Canada, Peru copper concentrate production was primarily sold for delivery to smelters in Asia, and British Columbia copper concentrate production was sold to MMC pursuant to a concentrates sale and purchase agreement previously entered into by Copper Mountain and MMC prior to the CMMC Transaction.

Molybdenum concentrate production in 2024 was sold to customers in Asia and North America.

Zinc concentrate production in 2024 was sold mainly to smelters in Europe.

Gold/silver doré production from the New Britannia mill is sent to a refinery in Canada and the outturned precious metals are sold to Canadian financial institutions. In addition, we sell gold and silver equal to the deliverable portion of payable gold and silver produced from our Constancia mine to Wheaton Precious Metals pursuant to the terms of the precious metals stream agreement in respect of our Constancia mine.

Commodity Markets

In addition to our production volumes, our financial performance is directly affected by a number of factors, including metals prices, foreign exchange rates, and input costs, including energy prices. 2025 is expected to be an uncertain year for the copper price due to significant volatility on both supply and demand sides of the market as well as economic uncertainty related to the timing of interest rate reductions and geopolitical turmoil. For more information, please refer to our market analysis of copper, zinc and gold prices on pages 36 and 37 of our management's discussion and analysis for the year ended December 31, 2024, a copy of which has been filed on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

Specialized Skill and Knowledge

The success of our operations depends in part on our ability to attract and retain geologists, engineers, metallurgists and other personnel with specialized skill and knowledge about the mining and mineral processing industries in the geographic areas in which we operate. For additional information, see "Risk Factors - Recruitment, Retention and Labour Relations".

Competitive Conditions

The mining industry is intensely competitive and we compete with many companies in the search for and acquisition of attractive mineral properties. In addition, we also compete for the technical expertise to find, develop, and operate such properties, the labour to operate the properties, and the capital for the purpose of funding such properties.

Economic Dependence

We do not have any contracts upon which our business is substantially dependent, as our principal products, copper concentrate, zinc concentrate and gold/silver doré are widely traded commodities and we may enter into contracts for the sale of such products with a variety of potential purchasers.

Environmental Protection

Our activities are subject to environmental laws and regulations, and our own internal environmental objectives. We manage our conformance through certified management systems in place at our producing operations in Manitoba and Peru. At our operations in British Columbia, the assessment of the existing management system remains in progress, following which we expect the management system to become certified. Environmental laws and regulations are evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. For additional information, see "Risk Factors - Governmental and Environmental Regulation". For additional information, see "Tailings Management Facilities" above and "Sustainability" and, in particular, our commitment to follow the TSM program of the Mining Association of Canada at all of our operating locations.

Employees

As at December 31, 2024, we had 94 employees at our Toronto-based corporate head office, 895 employees in Manitoba, 681 employees in British Columbia, 1,077 employees in Peru and 56 employees in the United States. As at December 31, 2024, unionized workers represented approximately 69% of our employees in Manitoba and approximately 46% of our employees in Peru.

We have a collective bargaining agreement in place with the union at our Peru operations, which expired in the fourth quarter of 2023. In July 2024, we entered into a new three-year agreement with the union at Hudbay's Peru operations, effective November 10, 2023. In June 2024, new three-and-a-half year collective bargaining agreements were also entered into with the unions at Hudbay's Manitoba operations, effective July 1, 2024.

Hudbay maintains a profit sharing plan pursuant to which 10% of the after-tax profit of the Manitoba Business Unit (excluding provisions or recoveries for deferred income and mining tax) for any given year is distributed among eligible employees in Hudbay's Manitoba operations, with the exception of executive officers and key management personnel.

In accordance with Peruvian law, Hudbay distributes 8% of the after-tax profit of the Peru Business Unit amongst all employees in Peru, including executive officers and key management personnel.

SUSTAINABILITY

At Hudbay, we view responsible corporate behaviour as integral to the successful execution of our business strategy. In particular, we pride ourselves on maintaining a good relationship with our regulators, communities and other stakeholders and being able to bring that good reputation to new communities and jurisdictions when we embark on new projects. Our mission includes that the regions and communities in which we operate benefit from our presence, meaning that we create benefits and opportunities that contribute to their economic and social wellbeing, and that we protect our natural environment. We also commit to maintaining a safe and healthy work environment for our employees.

As described below, we have adopted a number of voluntary codes and other external instruments that we consider particularly relevant to our business, including Environmental Management System Standard ISO 14001, Occupational Health and Safety Management System Standard ISO 45001, the Voluntary Principles on Security and Human Rights and our commitment to follow the TSM program of the Mining Association of Canada at all of our operating locations.

HEALTH, SAFETY AND ENVIRONMENTAL POLICIES

Among Hudbay's core values are protecting the health and welfare of our employees and contractors and reducing the impact of our operations on the environment. Our producing operations in Manitoba and Peru currently have management systems certified to Safety and Environmental Management System Standards ISO 45001 and ISO 14001. In British Columbia, we are in the process of conducting an internal assessment of the management system and currently expect it to become certified to the appropriate Safety and Environmental Management System Standards in the near future.

We believe that ongoing improvement in the safety of our workplace assists in maintaining healthy labour relations and that our ability to minimize recordable injuries (Medical Aid, Restricted Work and Lost Time injuries) and comply with environmental requirements are significant factors in maintaining social license to operate and realizing opportunities to improve overall operational efficiency. Our safety management systems also focus on identifying and mitigating fatal risks, including implementing critical controls addressing fatal risks and also on thoroughly investigating any incidents that represent a potential fatality regardless of the actual outcome of the incident. We classify injuries across our company using the International Council on Mining and Metals ("**ICMM**") criteria. Based on the ICMM criteria, in 2024, our recordable injury frequency per 200,000 hours worked was 1.1, which represented a year-over-year improvement (1.2 in 2023).

Our environmental management program consists of a corporate environmental policy, and at each site, comprehensive environmental management plans and procedures that are integrated with operating procedures, employee training, regular internal and external audits, and emergency response systems. Appropriate water stewardship plays an important role in the development and operation of our projects, particularly the Copper World project.

We maintain a company wide information system for recording, managing and tracking environmental, health, safety and community incidents. We did not have any material environmental non-compliances in 2024.

In addition, the Board's EHSS Committee provides oversight of our climate-related risks and opportunities, and regularly receives reports from management on our progress against our strategic plans. While our operations are well-positioned in the lower half of the global GHG emissions curve for copper operations, we recognize our role in mitigating climate change and that copper and the metals Hudbay produces play an important role in the world's transition to a greener future.

HUMAN RIGHTS POLICY

Our Human Rights Policy articulates our commitments to human rights and addresses topics such as business and labour practices (including our commitment to prevent forced, compulsory and child labour in our sphere of influence), community participation and security measures. Our Corporate Standards for Supplier Due Diligence, Stakeholder Engagement, Community Giving and Investment, Local Procurement and Employment and Security Management provide our business units with additional corporate direction on minimum standards with respect to meeting the commitments we set out in our Human Rights Policy.

The Voluntary Principles on Security and Human Rights provide important guidance for our security and community relations practices in locations with higher potential for social conflict and, in Peru, we regularly audit security policies and practices and conduct gap analyses against the Voluntary Principles.

SUSTAINABILITY REPORTING

Each year we publish an Annual Report that presents and discusses, among other things, our environmental, social, health and safety performance in the context of our overall business performance. This Annual Report is prepared pursuant to the Global Reporting Initiative guidelines, the SASB Metals and Mining Standard, and the recommendations of the Task Force on Climate Related Financial Disclosure. We also publicly respond to the CDP climate, water and forests questionnaires. Our 2024 Annual Report is expected to be released in the second quarter of 2025.

RISK FACTORS

An investment in our securities is speculative and involves significant risks that should be carefully considered by investors and prospective investors. In addition to the risk factors described elsewhere in this AIF, the risk factors that impact us and our business include, but are not limited to, those set out below. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem less material may also impair our business. Any one or more of these risks could have a material adverse effect on our business, results of operations, financial condition and the value of our securities.

METALS PRICES AND FOREIGN EXCHANGE

Commodity prices are a key driver of our financial and operational results. As a result, our profit or loss and financial condition depend upon the market prices of the metals we produce, which are cyclical and which can fluctuate widely with demand. The profitability of our current operations is directly related and sensitive to changes in the market price of copper, gold and zinc and, to a lesser extent, that of silver and molybdenum (see "Sensitivity Analysis" on page 38 of our management's discussion and analysis for the year ended December 31, 2024 (the "**2024 MD&A**")). Market prices of metals can be affected by numerous factors beyond our control, including the overall state of the economy and expectations for economic growth, geopolitical events, general levels of supply and demand for a broad range of industrial products, the substitution of new or different products in critical applications for existing products, the level of industrial production, expectations with respect to the rate of inflation, foreign exchange rates and the investment demand for commodities, tariffs or expectations with respect to tariffs on commodities, interest rates and speculative activities. Such external economic factors are, in turn, influenced by changes in macroeconomic trends, international investment patterns, monetary systems and political developments.

The Chinese market is a significant source of global demand for commodities, including copper and zinc. Chinese demand has been a major driver in global commodities markets for many years. A slowing in China's economic growth could result in lower prices and demand for our products and negatively impact our results. We could also experience these adverse effects if demand in China slowed for other reasons, such as trade disputes, increased self-sufficiency, tariffs or expectations with respect to tariffs on commodities, increased reliance on other suppliers to meet demand or a prolonged market disruption event, including as a result of geopolitical events and/or global conflicts.

Prices are also affected by the overall supply of the metals we produce, which can be affected by the start-up of major new mines, production disruptions and closures of existing mines. Depending on hedging practices, future metal price declines could cause us to reduce output at our operations (including, possibly, closing one or more of our mines or plants). If such price declines were significant, there could be a material and adverse effect on our cash flow from operations and our ability to finance our projects and satisfy our debt service obligations (see "Liquidity, Access to Capital and Indebtedness" below). In addition to adversely affecting our mineral reserve estimates and the Company's financial condition, declining metals prices can impact operations by requiring an assessment or reassessment of the feasibility of a particular project. We may also curtail or suspend some or all of our exploration and development activities, with the result that our depleted reserves may not be replaced.

In addition, since our core operating assets are located in Canada and Peru, many of our costs are incurred in Canadian dollars and Peruvian soles. However, our revenue is tied to market prices for copper, gold, zinc and other metals we produce, which are typically denominated in United States dollars. If the Canadian dollar or Peruvian sol were to appreciate in value against the United States dollar, our results of operations and financial condition could be materially adversely affected. Although we may use hedging strategies to limit exposure to currency fluctuations, there can be no assurance that such hedging strategies will be successful or that they will mitigate the risk of such fluctuations. In addition, commodity hedging strategies may cap our revenues from selling certain metal products if there are significant price increases. For more information, see "Financial Risk Management - Metals Price Strategic Risk Management" and "Financial Risk Management - Interest Rate and Foreign Exchange Risk Management" on pages 54 and 55 of our 2024 MD&A.

POLITICAL AND SOCIAL RISKS

In any jurisdiction in which we operate, a change in government, government policy, the declaration of a state of emergency or the implementation of new or the modification of existing laws and regulations affecting our operations and other mineral properties could have a material adverse impact on us and our projects. Such laws or events could involve restrictions on businesses, the expropriation of property, implementation of exchange controls and price controls, increases in production royalties and income and mining taxes, the implementation (or expansion) of cross-border tariffs, restrictions on foreign investment, the refusal to grant or renew required permits, licenses, leases or other approvals or requiring unfavourable amendments to or revoking current permits and licenses, and enacting environmental or other laws that would make contemplated operations uneconomic or impractical. In addition, policy changes that alter laws regulating the mining industry could have a material adverse effect on us. We are at a heightened risk of having this occur whenever there is a change in government in the countries or regions in which we operate or there is a period of geopolitical instability. Any prolonged disruption to our mining and mineral processing infrastructure that may result from such changes in policy could cause us to temporarily shut down our operations, which could have an adverse effect on our financial results and cash flows.

Since Hudbay operates across several jurisdictions, certain political and regulatory changes in Canada, the United States, Peru, and other countries could negatively impact our operations and financial results. Recent and upcoming national elections, including those in the United States, Peru and Canada, have brought, or may bring, new political leadership with substantially different political, social, and economic policy priorities on both domestic and foreign policy matters, including with respect to critical minerals, trade and tariffs. Political and regulatory risks such as these could have an impact on our operations and financial results. Although we do not currently sell any concentrate or precious metal doré into the United States from Canada, and the implementation or expansion of tariffs on exported and/or imported products could negatively affect supply chains, the price of consumables and the cost of mine development and construction.

Political or social unrest and instability in Peru, in particular, could adversely affect our ability to operate the Constancia mine and the Pampacancha satellite deposit and conduct our planned exploration activities at Maria Reyna and Caballito. Such adverse effects could result in positions or actions that may be taken by the national government or at the regional, community or local levels by government or non-governmental actors, including demanding payments, encroaching on our land, challenging the boundaries of such land or our rights to possess and operate on such land, protesting against our operations, impeding project activities through blockades, roadblocks or other public manifestations and attacking project assets or personnel. In recent years, certain mining projects in Peru have continued to be the target of political and community protests. While there have been some initiatives in respect of the Constancia mine in recent years, including attempts to restrict access and trespassing by workers and members of the surrounding communities, those initiatives have been limited and have not significantly disrupted the project's development or operations. There is the risk that more significant opposition may be mounted that may affect our ability to operate or to carry out our planned exploration at Maria Reyna and Caballito. The risk of disruptions from such opposition tends to increase with national, regional and local elections in Peru and changes to the general political and social climate in the area where we operate. We continue to seek to constructively engage with all our stakeholders in the Constancia region, and we continue to actively monitor Peru's social risks and political landscape.

In addition, while we carry out due diligence on our customers, the majority of our copper concentrate production from Constancia is delivered to smelters in China, and there is a risk that geopolitical events could lead to market disruptions, trade disputes or government restrictions that could adversely affect our ability to sell our metal production.

DEVELOPMENT OF NEW PROJECTS

Our ability to successfully develop future growth projects is subject to many risks and uncertainties, including the ability to generate sufficient free cash flows and secure adequate financing to fund the projects, including from potential joint venture partners; obtaining and maintaining essential permits and approvals from governmental authorities; successful resolution of administrative and legal challenges against permits and other rights that have been issued or granted to us and those permits that may be issued in the future; reaching agreements with potentially affected Indigenous peoples and other community stakeholders; obtaining mineral and surface rights agreements and rights of way, if needed; construction, commissioning and ramp-up risks; scheduling and cost-overrun risks; developing and maintaining good relationships with neighbouring communities, local governments and other stakeholders; and other political and social risks.

Although we have received all the major permits required for the development and operation of the Copper World project, the Air Quality permit is currently the subject of an administrative appeal and there is a risk the permit could be further appealed or overturned, which could adversely affect our development timeline and financing plans for the project. In addition, a right of way that has been granted in respect of the Copper World project is under legal challenge and there is a risk that other authorizations related to federal or state lands that we have obtained, or may require in the future, could be subject to similar challenges or appeals and could impact our mine plan and development timelines.

In the case of the New Ingerbelle expansion in British Columbia, the project will require amendments to existing permits under the *Mines Act* and *Environmental Management Act* and other authorizations, as well as an agreement with a mineral rights holder adjacent to New Ingerbelle. In addition, deep consultation and engagement with potentially affected First Nations, including the USIB, LSIB, and adherence to the Participation Agreements with the USIB and LSIB will be required, which could delay the project. There can be no assurance that we will obtain the required permit amendments and other requirements to complete the expansion project in accordance with our current mine plan or at all.

Significant amounts of capital will be required to construct and operate a new mine, such as the Copper World project in Arizona. Our capital and operating cost assumptions for Copper World may be affected by a variety of factors, including feasibility studies, project scope changes, supply chain constraints, cross-border tariffs on construction materials and consumables and general cost escalation common to mining projects globally. Factors such as changes to technical specifications, failure to enter into agreements with contractors or suppliers in a timely manner, including contracts in respect of project infrastructure, and shortages of capital, may also delay or prevent the completion of construction or commencement of production or require the expenditure of additional funds. In addition, we have determined that a historical offtake agreement that was entered into by Augusta Resource Corp. in respect of a portion of the copper concentrate production that was anticipated from the former Rosemont project does not apply to the Copper World project. If this historical agreement was to apply, it could negatively impact the terms on which we sell minerals produced at the Copper World project.

In addition, once a construction decision is made for a major capital project, construction costs and timelines can be impacted by various factors, many of which are beyond our control. These include, but are not limited to, weather conditions, ground conditions, performance of the mining fleet and availability of appropriate materials required for construction, availability and performance of contractors and suppliers, cross-border tariffs, delivery and installation of equipment, design changes, accuracy of estimates, global capital cost inflation, local in-country inflation and availability of accommodations for the workforce.

Many major mining projects constructed in recent years have experienced cost overruns that substantially exceeded the capital cost estimated during the basic engineering phase of those projects, sometimes by as much as 50% or more. There can be no certainty that there will be sufficient financing or other transactions (including a contemplated joint venture transaction) available on acceptable terms to achieve our 3-P plan and fund the construction of Copper World and, should Copper World be brought into construction, any cost overruns and any related delays could have a significant detrimental impact on the near-term cash flows we realize from the project and the economic assumptions that supported our decision to commence construction.

COMMUNITY RELATIONS AND INDIGENOUS RIGHTS

Our relationships and reputation, particularly with the communities in which we operate in Manitoba, British Columbia, Chumbivilcas (Peru), Arizona and Nevada are critical to the success of our existing operations and the construction and development of future projects. There is an increasing level of public attention and advocacy relating to the real and perceived effect of mining activities on the environment and communities impacted by those activities. Publicity adverse to us, our operations, or extractive industries generally, including as a result of anti-mining protests or publications, could have an adverse effect on us and may impact our reputation and relationship with the communities in which we operate, including the communities surrounding our key projects and other stakeholders.

In Peru, although we have entered into life of mine agreements with the two local communities directly affected by the Constancia mine and the one local community directly affected by the development of the Pampacancha deposit, and have a number of agreements in place with other local communities and governments in the area, there can be no assurance that disputes will not arise with these local communities or governments or that other communities or governments in the region with whom we do not have an agreement in place will demand an impact benefit, community investment agreement or will otherwise assert their rights in some form. Furthermore, the terms of the life of mine agreements with the communities of Uchucarcco and Chilloroya may need to be renegotiated from time to time in respect of certain contractual matters, including, among other things, the required social investments to be made thereunder. There can be no assurance that such renegotiated terms will be reached at all or in a timely manner and any failure to do so could cause strain on our relationships with such communities that could negatively impact our ability to operate.

In addition, in situations where we have acquired mineral rights, we may be unable to secure the required surface rights. Any inability to secure the required surface rights or take possession of areas for which we hold surface rights could render us unable to carry out planned exploration, development and mining activities. Relations with local communities may be strained by real or perceived detrimental effects of our activities or those of other mining companies. Those strains may have a negative impact on our ability to enforce our existing community agreements or obtain necessary permits and approvals to operate the Constancia mine. Further, communities and other groups in Peru and elsewhere that self-identify as Indigenous people may assert rights to be consulted and a right to free, prior and informed consent over project decisions. In Peru, this requires compliance with the Consulta Previa law, which could delay the anticipated timeline for obtaining drill permits for Maria Reyna and Caballito. In addition, our existing surface rights agreement with the community for exploration at Maria Reyna and Caballito is for a limited term only and may expire before we complete our intended exploration program. Also, we will need to negotiate an exploitation agreement with the community and other stakeholders in the future to commence construction and operations if desirable to do so. There can be no assurance that an extension to the exploration agreement or an exploitation agreement will be reached at all or in a timely manner and it may be an expensive negotiation process.

In British Columbia, the Company acknowledges that its British Columbia operations may affect the communities of the USIB, the LSIB and other potential stakeholders. Hudbay has current agreements in place with each of the USIB and LSIB in respect of the Copper Mountain mine and is committed to transparent and meaningful engagement with the USIB and LSIB to discuss amending such agreements, as needed, to reflect Hudbay's updated life of mine plan and to address any concerns that may arise from time to time, including with respect to the permitting and proposed development of New Ingerbelle and sharing in the economic benefits. However, there can be no assurance that such engagement will result in all of the USIB's and/or the LSIB's concerns being fully resolved, that disputes will not arise between Hudbay and the USIB and/or the LSIB, as applicable, or that such issues will not adversely affect our development plans or schedule for New Ingerbelle.

In Manitoba, the Company similarly acknowledges that certain of its exploration plans may affect certain local communities. While the Company has proactively sought out meaningful engagement and exploration agreements with such communities, including as evidenced by the recent exploration agreement signed with the Kiciwapa Cree Nation, there can be no assurance that we will be able to reach or maintain agreements with all local communities in the future, which may have a negative impact on our exploration strategies and development plans in Manitoba.

Additionally, the reconciliation process with Indigenous peoples in Canada, including the Government of Canada's intention to implement the United Nations Declaration on the Rights of Indigenous Peoples ("**UNDRIP**"), may result in new such regulations being introduced in Canada. Although we work to engage with and provide opportunities to Indigenous communities near our operations in Manitoba and British Columbia, the asserted rights of Indigenous peoples may adversely affect our ability to operate. In addition, the Government of British Columbia has adopted the Declaration on the Rights of Indigenous Peoples Act (2019) to implement UNDRIP in British Columbia. The legislation commits to a systematic review of British Columbia provincial laws for alignment with UNDRIP principles, while also encouraging new agreements with Indigenous groups that are intended to address outstanding governance questions around the nature of Indigenous rights and title interests in British Columbia.

In addition, from time to time, our operations may be adversely affected by protests and social activism broadly related to Indigenous rights and the reconciliation process in Canada.

While we are committed to operating in accordance with applicable laws and in a socially responsible manner, there can be no assurance that our efforts in this respect will fully mitigate this potential risk.

CHALLENGES TO MINERAL RIGHTS OR TITLE TO PROPERTIES

Although we believe we have taken reasonable measures to ensure valid title to our properties, there can be no assurance that title to any of our properties will not be challenged or impaired or that any minor title defects will be rectified. Third parties may have valid claims underlying portions of our interests, including prior unregistered liens, agreements, transfers or claims, and aboriginal land claims, and title may be affected by, among other things, undetected defects or unforeseen changes to the boundaries of our properties by governmental authorities.

In addition, certain of our properties have a long history and may have historical agreements in place that have somewhat ambiguous terms that could give rise to future disputes. A claim by a third-party that is asserting mineral rights, royalty rights, offtake rights, reconveyance rights or other similar rights with respect to one or more of our properties or projects could result in the Company incurring high costs of defending (or potentially settling) any such claim. If any such claim was successful, it could negatively impact the financial condition of one of our projects or our business generally.

In addition, a portion of the Copper World project and certain other of our mining properties in the United States are located on unpatented mine and millsite claims located on U.S. federal public lands. The right to use such claims is granted under the United States General Mining Law of 1872. Unpatented mining claims are unique property interests in the United States, and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain. While we believe there are no material defects in title over the Copper World project lands, there can be no assurance that approvals to resolve minor defects in title or overlapping claim boundary limits will be received or that all of our unpatented mine and millsite claims (including those forming part of the Copper World project) will remain valid and available for development. Any issues with title or mineral rights, even if minor, could require changes to our mine plans that could have a negative impact on the economics of the Copper World project.

JOINT VENTURE RISKS

We may conduct certain of our operations through joint ventures from time to time, including but not limited to our current Copper Mountain joint venture with MMC and any potential Copper World joint venture, which in each case may lead to disagreements and other negative impacts to the applicable joint venture and our business. We may enter into additional joint ventures in the future. Any current or future joint venture partners may have interests that are different from Hudbay's interests and which may result in conflicting views as to the conduct of the business of the joint venture. In the event that we have a disagreement with a joint venture partner as to the resolution of a particular issue to come before the joint venture, or as to the management or conduct of the business of the joint venture in general, we may not be able to resolve such disagreement in our favour and such disagreement could have a material adverse effect on our interest in the joint venture or the business of the joint venture in general.

With respect to Copper World, the inability to enter into such an arrangement with a potential joint venture partner, or if such an arrangement is entered into on terms that are less favourable than expected, it could impact our ability to develop Copper World and bring it into production, or it could cause us to pursue other, less favourable financing arrangements. See "Liquidity, Access to Capital and Indebtedness."

RECRUITMENT, RETENTION AND LABOUR RELATIONS

The success of our operations and development projects depends in part on our ability to attract and retain geologists, engineers, metallurgists, tradespersons, and other required personnel in the geographic areas in which we operate. In particular, the success of our existing mining operations in Snow Lake, Manitoba, Princeton, British Columbia and southern Peru (and our planned mining operations at the Copper World project in Pima County, Arizona) depends in part on our ability to attract new personnel and retain existing personnel in these geographic areas.

We also depend on a number of key management and operating personnel, and our success will largely depend on the efforts of these individuals and our ability to retain them or recruit qualified successors. The execution of our strategy and development plans depends on the abilities, experience and efforts of our management team. In addition, we also compete with other companies for the technical expertise and required labour to find, develop, and operate our properties. The loss of services from key employees or members of management could adversely impact our prospects and financial condition.

There can be no assurance that our business will not suffer from a work stoppage at any location where we operate. In Peru and Manitoba, approximately 46% and 69%, respectively, of our workforce is unionized as of December 31, 2024, and while we do not currently believe there is a risk of a prolonged work stoppage, there can be no assurance that such events will not occur in the near term or from time to time. If a strike or work stoppage occurred in Peru or Manitoba, while we believe we could continue operating, we would have a reduced workforce, and it may adversely affect our production efficiency in Peru and Manitoba. Additionally, there can be no assurance that unionization efforts will not take place with respect to our British Columbia operations in the future. If such unionization efforts were to take place, there can be no assurance of the terms of any related collective bargaining agreements, and a strike or work stoppage could potentially occur.

In addition, from time to time, we may temporarily suspend or close certain of our operations, and we may incur significant labour and severance costs due to a suspension or closure. Further, temporary suspensions and closures may adversely affect our future access to skilled labour, as laid-off employees may seek employment elsewhere.

LIQUIDITY, ACCESS TO CAPITAL AND INDEBTEDNESS

As at December 31, 2024, we had cash and cash equivalents of approximately $541.8 million (compared to $249.8 million as at December 31, 2023) and our Credit Facilities remained undrawn. While we expect that our current liquidity and future cashflows will be sufficient to meet our obligations in the coming year, there can be no assurances that this will be the case given our exposure to a potential deterioration in metals prices and other similar risks discussed in this AIF.

To fund growth, secure our future reclamation obligations, and in difficult economic times, to ensure continued operations, we may need to secure necessary capital through equity, loans or other forms of permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company and our projects and, in the case of the Credit Facilities, the financial maintenance covenants contained therein. Financing may not be available when needed or, if available, may not be available on terms acceptable to us. Failure to obtain or maintain any financing necessary for our capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production on any or all of our properties, including our potential plans to develop future growth projects. With respect to our current development strategies, there can be no certainty that there will be sufficient financing (including from any potential minority joint venture partner) to achieve our 3-P plan and adequately fund the construction of Copper World. See "Development of New Projects" below.

If we cannot make scheduled payments on our debt, or if we breach any of the covenants under our Credit Facilities, the indentures governing the Senior Unsecured Notes or our other debt instruments, we will be in default and holders of our debt could declare all outstanding principal and interest to be due and payable, causing a potential cross-acceleration or cross-default under certain of our other debt agreements and our other creditors could foreclose against the collateral securing our obligations and we could be forced into bankruptcy or liquidation. Additionally, if we were to breach any of the covenants under our Credit Facilities, we may be subject to an accelerated maturity date, based on the terms and conditions of Credit Facilities.

Additionally, to the extent that we incur indebtedness at variable interest rates to fund our growth objectives, we may enter into interest rate hedging arrangements to manage our exposure to short-term interest rates. To the extent that we commit to capital expenditures denominated in foreign currencies, we may enter into foreign exchange forwards or acquire foreign currency outright, which may result in foreign exchange gains or losses in our consolidated income statements. At December 31, 2024, approximately $511.9 million of our cash was held in US dollars, approximately $26.2 million of our cash was held in Canadian dollars, and approximately $3.7 million of our cash was held in Peruvian soles.

We have a significant amount of indebtedness. As of December 31, 2024, we have a total long-term debt of approximately $1,107.5 million. As a result, we have a substantial annual interest expense on long-term debt, amounting to approximately $69.8 million in 2024.

Specifically, our substantial level of indebtedness could have significant consequences, including:

- limiting our ability to access capital to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing the Company to the risk of increased interest rates for those borrowings that are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing the Company at a disadvantage compared to other less leveraged competitors; and/or
- increasing our cost of additional borrowings.

Subject to the limits contained in the indentures governing the Senior Unsecured Notes and any limits under our other debt instruments existing from time to time, we may incur additional debt (including under our Credit Facilities) to finance working capital, capital expenditures, investments or acquisitions or for other purposes. If we do so, the risks related to our level of indebtedness could intensify and there can be no assurance that the interest rate on any future debt will be as favourable as the Senior Unsecured Notes or any of our other existing debt.

Our ability to finance the redemption or repayment of our 2026 Notes at or prior to maturity, as applicable, and make scheduled payments on, repay in full or refinance our debt obligations, including the Senior Unsecured Notes, depends on our financial condition, operating performance and access to equity or debt markets if and as applicable, which in each case are subject to prevailing economic, market and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control, most importantly, metals prices. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium if any, and interest on our indebtedness, including the Senior Unsecured Notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the Senior Unsecured Notes. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow us to meet our scheduled debt service obligations. The indentures governing the Senior Unsecured Notes restrict our ability to dispose of assets and use the proceeds from those dispositions. They may also limit our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, the indentures governing the Senior Unsecured Notes contain a number of restrictive non-financial covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including limitations on our ability to:

- incur additional indebtedness;
- pay dividends or make other distributions or repurchase or redeem capital stock;
- prepay, redeem or repurchase certain debt;
- make loans and investments;
- sell assets;
- incur liens;
- enter into transactions with affiliates;
- alter the businesses we conduct;
- enter into agreements restricting our subsidiaries' ability to pay dividends; and
- consolidate, amalgamate, merge or sell all or substantially all of our assets.

COPPER MOUNTAIN STABILIZATION

The ability to realize the benefits of the Copper Mountain transaction, which was completed in June 2023, will depend in part on continuing to build relationships with key stakeholders, effectively completing the stabilization efforts relating to Copper Mountain operations, and Hudbay realizing its updated mine plan, including permitting the New Ingerbelle expansion. Successfully completing the stabilization efforts at Copper Mountain will continue to require dedication of management effort, time and resources which may divert management's focus and resources from other strategic opportunities available to Hudbay and from operational matters during this process. There can be no assurance that management will be able to efficiently complete the stabilization of the operations of Copper Mountain's business and fully realize the anticipated operational and financial benefits.

INFORMATION TECHNOLOGY AND OPERATIONS TECHNOLOGY SYSTEMS

Our operations depend, in part, on information technology ("**IT**") and operations technology ("**OT**") systems. While we regularly monitor the security of our IT and OT systems, they remain vulnerable to disruption, damage or failure from a variety of sources, including but not limited to errors by employees or contractors, computer viruses, cable cuts, natural disasters, terrorism, power loss, vandalism, cyber-attacks including phishing, ransomware and similar malware, misappropriation of data by outside parties, negative consequences resulting from the use of artificial intelligence applications, and various other threats. To date, Hudbay has not experienced any material losses relating to IT or OT system disruptions, failure or damage, cyber-attacks or other information security breaches (including with respect to the use of artificial intelligence applications), there can be no assurance that we will not incur such losses or experience similar events in the future.

Any of these and other events could result in IT system or OT system failures, operational delays, production downtimes, security breaches, destruction or corruption of data, and equipment failure that could cause other risks to be realized, such as but not limited to, inaccurate recordkeeping, disclosure of confidential information, or other improper use of our IT and OT systems and networks. Any of these events could have an adverse effect on our reputation, results of operations, financial reporting and financial condition.

While we employ IT and OT governance practices over our information, data and networks, including implementing systems to monitor and detect threats, information security training for employees with access to sensitive information and data, the use of multi-factor encryption on all personal devices, the use of artificial intelligence applications, the implementation of a formal cyber security awareness, training and testing online platform, the implementation of a layered approach to protect our industrial control systems and the performance of periodic audits and penetration testing, we cannot be certain that it will be successful in securing our information and data from cyber-attacks, phishing attacks or other similar events. There may be instances where we are exposed to malware, cyber-attacks or other unauthorized access or use of our information and data. Our exposure to this risk cannot be fully mitigated because of, among other things, the evolving nature and frequency of these threats, the proliferation of the use of artificial intelligence applications, and the effects and consequences of vulnerable third parties. The techniques used to obtain unauthorized access to or sabotage our systems are under continuous and rapid evolution, and as a result, we may be unable to detect efforts to disrupt our data and systems in advance. As such threats continue to evolve and occur more frequently, we may be required to expend additional resources to continue to change or improve protective measures and to investigate and remediate any security vulnerabilities.

DEPLETION OF RESERVES AND VIABILITY OF OPERATIONS

Subject to any future expansion or other development, production from existing operations at our mines will typically decline over the life of the mine and the risk of the extraction of mineral reserves becoming uneconomic increases. As a result, our ability to maintain our current production or increase our annual production of base and precious metals and generate revenues therefrom will depend significantly upon our ability to discover or acquire new deposits, bring new mines into production successfully and to expand mineral reserves and production at existing mines. While exploration and development of mineral properties involves significant financial risk, the success of our exploration and development plans is crucial to our future operations.

Very few properties that are explored are later developed into operating mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as size, grade and proximity to infrastructure; current and future expectations for metal prices; political and social stability; the cost of any required surface rights, particularly in the regions where we operate in Peru; obtaining and maintaining a social license to operate; and government regulation, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection, and the cost of any legal or administrative challenges related thereto. Even if we identify and acquire what we believe to be an economically viable ore body, several years may elapse until first production.

During this time, we may incur significant expenses to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities. We cannot provide assurance that our exploration or development efforts, including those at our Copper World project, at New Ingerbelle, at our mineral properties in Flin Flon and Snow Lake, and Maria Reyna and Caballito, will result in any new commercial mining operations or yield new mineral reserves to replace or expand current mineral reserves.

PROCESSING, TAILINGS AND INSURANCE

Mining operations, including exploration, development and production of mineral deposits and tailings disposal, generally involve a high degree of risk and are subject to conditions and events beyond our control. Our operations are subject to all of the hazards and risks normally encountered in the mining industry, including adverse environmental conditions; industrial and environmental accidents; metallurgical and other processing problems; unusual or unexpected rock formations; ground or slope failures; structural cave-ins or slides; flooding or fires; seismic activity; rock bursts; equipment failures; and periodic interruptions due to weather conditions, as well as intentional acts by individuals or groups who intend to harm or disrupt our operations. These risks could result in the destruction of mines or processing facilities, the failure of tailings management facilities and damage to infrastructure, causing partial or complete shutdowns, personal injury or death, environmental or other damage to our properties or the properties of others, monetary losses and potential legal liability. Although we conduct extensive maintenance and monitoring and incur significant costs to maintain our mines, equipment and infrastructure, including our tailings management facilities, unanticipated failures or damage may occur that cause injuries, production loss or environmental pollution and resulting legal and economic liability, which may be significant. We may be at a heightened risk of such anticipated failures or damage in Manitoba, where some of our mines, equipment and infrastructure, including our tailings management facilities, were built over 80 years ago and, in the case of FFTIA, were based on the upstream construction design method.

As part of our risk management process for tailings, Hudbay has established an Independent Technical Review Board and developed a Tailings Governance Charter to oversee the governance and management of our tailings facilities (see the "Tailings Management Facilities" section in this AIF).

Likewise, as processing facilities go through a stabilization and optimization phase, such as our Copper Mountain mill, the risk of unexpected shutdowns and reduced availability increases. Any inability to provide adequate feed to our processing facilities or maintain the availability of our processing facilities could adversely impact our profitability and impair the viability of our operations.

Our insurance will not cover all the potential risks associated with our operations. In addition, although certain risks are insurable to an extent, no assurance can be given that such insurance will continue to be available or that we will be able to maintain insurance to cover these risks at economically feasible premiums. Insurance against risks such as non-sudden or non-accidental emissions pollution due to exploration and production is not generally available to us on acceptable terms. Business interruption due to pandemics, strikes, riots or other similar disruptive events is generally not covered by business interruption insurance. Losses from uninsured events may cause us to incur significant costs.

RECLAMATION AND MINE CLOSURE COSTS

The ultimate timing and costs for future removal and site restoration could differ from current estimates. Our estimates for this future liability are subject to change based on updated closure plans, amendments to applicable laws and legislation, the nature of ongoing operations and technological innovations. In addition, regulatory authorities in various jurisdictions require us to post financial assurances to secure, in whole or in part, future reclamation and restoration obligations in such jurisdictions based on the approved closure plans. Changes to the amounts required, as well as the nature of the collateral to be provided, including as a result of updated closure plans or changes in government policy, could significantly increase our costs, making the maintenance and development of existing and new mines less economically feasible. Any capital resources we utilize for this purpose will reduce the resources available for our other operations and commitments. Although we accrue for future closure costs based on current disturbance, we do not necessarily reserve cash for these obligations or otherwise fund these obligations in advance or immediately upon the commencement of closure. By way of example, to preserve flexibility for potential future operations, our closure plans for Flin Flon involved putting certain assets on care and maintenance for a period of time, thereby deferring certain closure costs. As a result, we will have significant cash expenditures when we close and restore our metallurgical complex in Flin Flon completely. The financial assurance we are required to provide in the meantime may increase in the future.

As of December 31, 2024, on an undiscounted basis, the total estimated environmental obligations related to our Flin Flon operations were approximately C$380.0 million.

GOVERNMENTAL APPROVALS, PERMITTING AND ENVIRONMENTAL REGULATION

Government approvals and permits are currently required in connection with all of our operations, and further approvals and permits will be required in the future. The success of our efforts to obtain and maintain permits is contingent upon many variables outside of our control, including the public consultation process undertaken by regulatory agencies and the adequacy of government consultation with Indigenous peoples. Obtaining and complying with governmental permits may increase costs and cause delays. There can be no assurance that all necessary permits will be obtained and, if obtained, that the time and costs involved will not exceed our estimates or that we will be able to maintain such permits as a result of, among other things, conditions imposed or legal challenges. To the extent such approvals are required and not obtained or maintained, our operations may be curtailed, or we may be prohibited from proceeding with planned exploration, development, or operation of mineral properties.

Environmental regulation continues to evolve, requiring stricter standards and enforcement, increased fines and penalties for non-compliance, and more stringent environmental assessments of proposed projects. There can be no assurance that existing or future environmental regulation will not materially adversely affect our business, financial condition and results of operations. There is contamination on properties that we own or owned or for which we have or have had care, management or control and, in some cases, on neighbouring properties, that may result in remediation requirements, fines and personal injury or natural resource damage claims, which could result in material costs. We could be held responsible for investigative-cleanup costs relating to presently unknown contamination on our properties. We may also acquire properties with environmental risks. Any investigative and remediation costs for known or unknown contamination or future releases of hazardous or toxic substances at our properties or related to our activities could be material.

Although we believe that our operations are currently carried out in material compliance with applicable laws and regulations, no assurance can be given that new laws and regulations will not be enacted or that existing laws and regulations will not be amended or applied in a manner that could have a material adverse effect on our business, financial condition and results of operations, including laws governing our tailings storage facilities. Any failure to comply with such laws and regulations may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. We may be required to compensate those suffering loss or damage relating to mining activities, and we may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations, which costs could be material.

ENERGY AND OTHER CONSUMABLE PRICES AND AVAILABILITY

Our mining operations and facilities are intensive users of electrical energy, diesel fuel and other consumables (such as steel and metallurgical reagents) that are essential to our business. The prices and availability of energy and other consumables can be affected by numerous factors beyond our control, including general cost inflation, global and regional supply and demand, political, social and economic conditions, supply chain constraints (including as a result of geopolitical events and/or global conflicts) and applicable regulatory regimes. In addition, the implementation or expansion of tariffs on exported and/or imported products could negatively affect supply chains, the price of consumables and the ensuing cost of mine development and construction.

The prices of various sources of energy we rely on may increase significantly from current levels due to the current geopolitical environment, and any carbon-based energy we use may become subject to new or increased carbon taxes; any such significant increase or punitive tax could have an adverse effect on our profitability. As a result of these cost pressures, particularly the current inflationary environment, the operating and capital cost assumptions in our previously published NI 43-101 technical reports may no longer be accurate, which could have an adverse effect on the projected economics of our operations.

TRANSPORTATION AND INFRASTRUCTURE

At our mines in northern Manitoba and Saskatchewan, we are dependent upon a single railway and certain short-line rail networks to transport products from the Flin Flon metallurgical complex for further processing or to our customers. In Peru, concentrate production from the Constancia mine must travel approximately 450 kilometres by road to the Port of Matarani and in British Columbia concentrate production must travel approximately 300 kilometres by road to the Port in Vancouver. The method and route of ore and concentrate transportation to our processing facilities and for sale give rise to a number of risks, including road safety and community and environmental risks. See "Energy and Other Consumable Prices and Availability" above.

We may have similar dependencies at future mining and processing operations. Inability to secure reliable and cost-effective transportation and other infrastructure, or disruption of these services due to community or political protests, weather-related problems, strikes, lock-outs or other events could have a material adverse effect on our operations. If transportation for our products is or becomes unavailable, our ability to market our products could suffer. In addition, increases in our transportation costs, relative to our competitors, could make our operations less competitive and could adversely affect our profitability.

CLIMATE CHANGE

Governments and regulatory bodies at the international, national, regional and local levels have introduced or may introduce legislative changes to respond to the potential impacts of climate change, and it appears there is an increased commitment by the Canadian federal government to do so. Additional government actions in different jurisdictions to regulate (and price) climate change related measures could increase the direct and indirect costs of our operations and may have a material adverse effect on our business. Potentially, additional rules or regulations in the United States at the state or federal level may be forthcoming with respect to greenhouse gas emissions and/or "cap and trade" legislation and could impact the economics of our future projects. If metal consuming economies implement carbon border adjustments, the relative competitiveness of our operations and the direct customer for our concentrates could be impacted.

In addition, there is increased investor attention on climate change, sustainability and ESG issues more generally. Notwithstanding our commitment to conducting our business in an environmentally and socially responsible manner, to the extent mining companies fall out of favour with some investors due to the industry's real or perceived impacts on climate change, this could negatively affect our shareholder base and access to capital. There has also been increased regulatory attention on such ESG issues, which has resulted in new, pending and proposed anti-greenwashing disclosure rules. While Hudbay has been actively monitoring the impact of such anti-greenwashing disclosure rules and seeks to mitigate any related risks, there can be no assurance that challenges regarding our disclosure will not take place in the future.

Our operations are subject to the physical risks of climate change, which may include, among other factors:

- *Increased extreme weather events:* Our current operations are located in geographical areas where typical weather can be hazardous. The Constancia mine is situated in an area susceptible to seismic activity and El Niño and La Niña weather systems and the Copper World project is vulnerable to extreme dry heat. Our Manitoba operations are predisposed to cold temperatures, heavy snowfall and the inherent risks associated with sudden and drastic changes in temperature. Our Manitoba and British Columbia operations are both situated in regions where potential forest fires may take place at times when drought-like conditions exist. An increase in extreme weather events at our operations, including increased frequency and severity of storms, winds and changes in precipitation and temperatures, could result in unanticipated challenges and may adversely affect our operations.

- *Rising sea levels*: A change in sea level can disrupt supply shipping channels, impacting both the transportation of equipment and resources to our operations and the delivery of our products to smelters and other purchasers.

- *Water availability*: Climate change may adversely affect water availability in arid locations, including the Southwestern United States (where our Copper World and Mason projects are located). Water scarcity and shortage can lead to pressure and government action to reduce industrial water consumption, which may restrict the use of existing water rights.

Despite efforts to anticipate and mitigate the hazards and risks of climate change, the above risks and other factors may impact production forecasts, results of operations, financial condition, corporate strategy and share price, and, in the case of Copper World, impact our ability to develop and bring it into operation.

MINERAL RESOURCE AND RESERVE ESTIMATES

There are numerous uncertainties inherent in estimating mineral reserves and mineral resources and the future cash flows that might be derived from their production. Estimates of mineral reserves and mineral resources, and future cash flows necessarily depend upon a number of variable factors and assumptions, including, among other things, ability to achieve anticipated tonnages and grade, geological and mining conditions that may not be fully identified by available exploration data or that may differ from experience in current operations, historical production from the area compared with production from other producing areas, the assumed effects of regulation by governmental agencies and assumptions concerning metals prices, exchange rates, interest rates, inflation, operating costs, development and maintenance costs, reclamation costs, and the availability and cost of labour, equipment, raw materials and other services required to mine and refine the ore. In addition, there can be no assurance that mineral resources will be converted into mineral reserves and that mineral recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. For these reasons, estimates of our mineral reserves and mineral resources in our public disclosure, and any estimates of future cash flows may vary substantially from our actual results.

Failure to achieve production, cost or life-of-mine estimates could have an adverse impact on our future cash flows, profitability, results of operations and financial condition. Likewise, the failure to produce marketable mineral concentrates from our operations, or the presence of deleterious elements in our mineral concentrate products, may adversely impact our ability to generate revenues from our production. We are at an increased risk of this at our Constancia operations, where the presence of lead and zinc in certain parts of the ore body requires us to blend production in order to sell marketable copper concentrate. Our actual production, costs and the productive life of a mine may vary from estimates for a variety of reasons, including actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics, short-term operating factors relating to the mineral reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades, revisions to mine plans, risks and hazards relating to mining and availability of and cost of labour and materials. As a mine matures, the risks that may cause actual production to vary from previous estimates increases and the extraction of mineral reserves may become uneconomic.

There are a number of potential indicators that could trigger non-financial asset impairment or reversal of impairment in the future. One such potential indicator is a change to the life of mine ("**LOM**") plan for an asset. LOM plans incorporate management's best estimates of key assumptions which include future commodity prices, the value of mineral resources not included in the LOM plan, production based on current estimates of recoverable reserves, discount rates, future operating and capital costs and future foreign exchange rates.

REPUTATIONAL RISK

As a result of the increased usage and reach of social media, artificial intelligence and other technology applications or platforms used to create and publish user-generated content, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Publicity adverse to us, including as a result of such user-generated content, could result from the actual or perceived occurrence of any number of events (for example, with respect to the handling of environmental matters, community relations or litigation), whether true or not. Although Hudbay seeks to mitigate this risk through a number of measures, there can be no assurance that the Company's reputation will not be harmed. Reputation loss may lead to increased challenges in developing and maintaining community relations and decreased investor confidence and could ultimately have a material adverse impact on Hudbay.

PUBLIC HEALTH THREATS

An outbreak of infectious disease, a pandemic or a similar public health threat, or a fear of any of the foregoing, could cause operating, supply chain and project development stoppages and delays and disruptions, labour shortages, reduced product demand, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). The possibility of a global recession arising from an infectious disease, a pandemic or a similar public health threat and attempts to control it may impact metals demand and prices and could reduce available liquidity options. As a result, we may experience production below estimated levels, increased costs or significantly reduced revenue. This can lead to a material adverse effect on the financial performance, liquidity and results of operations.

ANTI-BRIBERY LEGISLATION

We are subject to the U.S. Foreign Corrupt Practices Act (" **FCPA**"), which prohibits corporations and individuals from paying, offering to pay, or authorizing the payment of anything of value to any foreign government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls. We are also subject to Canada's Corruption of Foreign Public Officials Act ("**CFPOA**"), which prohibits corporations and individuals from giving or offering to give a benefit of any kind to a foreign public official, or any other person for the benefit of the foreign public official, where the ultimate purpose is to obtain or retain a business advantage. Our Peru-based operations are also subject to local anti-bribery and anti-corruption laws including without limitation Law No. 30424, which imposes criminal liability for local and foreign bribery, money laundering, terrorism financing and related crimes, and Legislative Decree No. 1385 which sanctions private corruption.

Our international activities, including our Constancia mine and exploration activities elsewhere in South America, create the risk of unauthorized payments or offers of payments by our employees, consultants or agents to foreign persons. While we have implemented safeguards that are intended to prevent these practices, our existing safeguards and any future improvements to such safeguards may not be completely effective, and our employees, consultants or agents may engage in conduct for which we might be held responsible. Any failure to comply with the FCPA, the CFPOA and applicable laws and regulations in Peru and other foreign jurisdictions could result in substantial penalties or restrictions on our ability to conduct business in certain foreign jurisdictions, which may have a material adverse impact on us and our share price.

POST-RETIREMENT OBLIGATIONS

We have assets in defined benefit pension plans which accumulate through employer contributions and returns on investments made by the plans. The returns on investments are subject to fluctuations depending upon market conditions and we are responsible for funding any shortfall of pension assets compared to our pension obligations under these plans. Our liabilities under defined benefit pension plans are estimated based on actuarial and other assumptions. These assumptions may prove to be incorrect and may change over time and the effect of these changes can be material. We also have substantial commitments for post-retirement health and other benefits for which no specific funding arrangements are in place.

CREDIT RISK

We mitigate credit risk relating to customers of our copper, zinc and precious metals by carrying out credit evaluations on our customers and making a significant portion of sales on the basis of financial letters of credit. If customers default on the credit extended to them our liquidity and cash flows could be materially adversely affected. Further, we may enter into offsetting derivative contracts for which we do not obtain collateral or other security. In the event of non-performance by counterparties in connection with such derivative contracts, we are further exposed to credit risk.

CREDIT RATINGS

The credit rating agencies which rate Hudbay could re-evaluate their current credit ratings or outlooks at any time. There can be no assurance that the credit ratings assigned to Hudbay will be affirmed or remain in effect for any given period of time and ratings may be upgraded, downgraded, or placed under review by an applicable credit ratings agency at any time. Negative changes in our credit ratings or outlooks may increase the cost of borrowing for us. In addition to higher interest rates, rating downgrades could also potentially adversely impact our access to capital, cost of capital and financial flexibility, as well as the value of our securities. See "Credit Ratings" in this AIF for additional information regarding our current credit ratings and outlooks.

DIVIDEND PAYMENTS

The Senior Unsecured Notes impose certain restrictions on our ability to make restricted payments, including common dividends. Our ability to make future dividend payments will be subject to compliance with the covenants contained in our debt agreements along with other liquidity considerations. At all times, the declaration of dividends is subject to the discretion of our Board of Directors and our Board of Directors may determine to cease our past practice of making dividend payments at any time.

MARKET PRICE OF COMMON SHARES & DILUTION

Our share price may be significantly affected by changes in commodity prices or in our financial condition or results of operations. Other factors unrelated to our performance that may have an effect on the price of our common shares include a lessening in trading volume, shareholder activism and general market interest in our securities and the size of our public float. As a result of any of these factors, the market price of our common shares may fall and otherwise may not accurately reflect our long-term value. Securities class action litigation has been brought against companies following periods of volatility in the market price of their securities (including in the context of shareholder activism campaigns) and issuers listed on U.S. stock exchanges (as we are), in particular, have been subject to increasing shareholder litigation. We may in the future be the target of similar litigation.

The Company cannot predict the size or nature of potential future sales or issuances of securities or the effect, if any, that such future sales and issuances will have on the market price of our common shares. Sales or issuances of substantial numbers of common shares or other securities that are convertible or exchangeable into common shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of our common shares. With any additional sale or issuance of common shares or other securities that are convertible or exchangeable into our common shares, investors will suffer dilution to their voting power and economic interest in the Company. Furthermore, to the extent holders of the Company's stock options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of our common shares may decrease due to the additional amount of common shares available in the market.

GROWTH STRATEGY AND ACQUISITION INTEGRATION

We evaluate growth opportunities and continue to consider potential acquisitions and dispositions of exploration, development and operating properties and other mineral assets to achieve our strategy. We, from time to time, engage in discussions in respect of both acquisitions and dispositions, and other business opportunities, but there can be no assurance that any such discussions will result in a successfully completed transaction. In addition, in the event of any such acquisition, there can be no assurance that the acquired business will be successfully integrated into our current operations.

"PASSIVE FOREIGN INVESTMENT COMPANY" UNDER THE U.S. INTERNAL REVENUE CODE

We do not believe we are a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (" **PFIC**") for the current taxable year. If we derive 75% or more of our gross income from certain types of "passive" income (such as rents, royalties, interest, dividends, and other similar types of income), or if the quarterly average value during a taxable year of our "passive assets" (generally, assets that generate passive income) is 50% or more of the average value of all assets held by us, then the PFIC rules may apply to U.S. taxpayers that hold our common shares (regardless of the extent of their ownership interest in us). Several "look-through" rules apply in determining PFIC status, including that a 25% or more owned subsidiary corporation's income and assets will be deemed those of its parent for purposes of the PFIC rules. Thus, a sufficiently active subsidiary may allow a parent corporation to avoid PFIC status, depending on the circumstances. Whether we are considered a PFIC for a specific taxable year is a factual determination that must be made annually at the end of that taxable year. As a result, our status in the current and future years will depend on the composition our gross income, our assets and activities in those years and our market capitalization as determined on the end of each calendar quarter, and there can be no assurance that we will or will not be considered a PFIC for any taxable year.

If we are classified as a PFIC during any portion of a U.S. taxpayer's holding period for our common shares, as determined for U.S. federal income tax purposes, such taxpayer would be subject to adverse U.S. federal income tax consequences under the PFIC rules. In such case (except as discussed below), any excess distribution (generally a distribution in excess of 125% of the average distribution over a three- year period or shorter holding period for our common shares) and realized gain on the sale, exchange or other disposition of our common shares will be treated as ordinary income and generally will be subject to tax as if (a) the excess distribution or gain had been realized rateably over the U.S. taxpayer's holding period, (b) the amount deemed realized in each year had been subject to tax in each such year at the highest marginal rate for such year (other than income allocated to the current period or any taxable period before we became a PFIC, which would generally be subject to tax at the U.S. taxpayer's regular ordinary income rate for the current year and would not be subject to the interest charge discussed in (c) below), and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. Where a company that is a PFIC meets certain reporting requirements, a U.S. taxpayer may be able to mitigate certain adverse PFIC consequences described above by making a "qualified electing fund" ("**QEF**") election to be taxed currently on its proportionate share of the PFIC's ordinary income and net capital gains. If we determine that we are a PFIC for any taxable year, we will determine at that time whether we will comply with the necessary accounting and record keeping requirements that would allow a U.S. taxpayer to make a QEF election with respect to us. We have no obligation to determine whether we are a PFIC and may not make any such determination.

DESCRIPTION OF CAPITAL STRUCTURE

COMMON SHARES

We are authorized to issue an unlimited number of common shares, of which there were 394,999,072 common shares issued and outstanding as of March 25, 2025 (being the final trading day prior to the date of this AIF).

Holders of common shares are entitled to receive notice of any meetings of our shareholders, to attend and to cast one vote per common share at all such meetings. Holders of common shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the common shares entitled to vote in any election of directors may elect all directors standing for election. Holders of common shares are entitled to receive, on a pro-rata basis, such dividends, if any, as and when declared by our board of directors at its discretion from funds legally available therefor. Upon our liquidation, dissolution or winding up, holders of common shares are entitled to receive, on a pro-rata basis, our net assets after payment of debts and other liabilities, in each case, subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of common shares with respect to dividends or liquidation. The common shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

PREFERENCE SHARES

We are authorized to issue an unlimited number of preference shares, none of which were issued and outstanding as of March 25, 2025 (being the final trading day prior to the date of this AIF).

Preference shares may from time to time be issued and the Board of Directors may fix the designation, rights, privileges, restrictions and conditions attaching to any series of preference shares. Preference shares shall be entitled to preference over the common shares and over any other of our shares ranking junior to the preference shares with respect to the payment of dividends and the distribution of assets or return of capital in the event of our liquidation, dissolution or winding up or any other return of capital or distribution of our assets among our shareholders for the purpose of winding up our affairs. Preference shares may be convertible into common shares at such rate and upon such basis as the Board of Directors in their discretion may determine. No holder of preference shares will be entitled to receive notice of, attend, be represented at or vote at any annual or special meeting, unless the meeting is convened to consider our winding up, amalgamation or the sale of all or substantially all of our assets, in which case each holder of preference shares will be entitled to one vote in respect of each preference share held. Holders of preference shares will not be entitled to vote or have rights of dissent in respect of any resolution to, among other things, amend our articles to increase or decrease the maximum number of authorized preference shares, increase or decrease the maximum number of any class of shares having rights or privileges equal or superior to the preference shares, exchange, reclassify or cancel preference shares, or create a new class of shares equal to or superior to the preference shares.

SENIOR UNSECURED NOTES

On September 23, 2020, we issued the 2029 Notes. The proceeds of this offering were used to redeem $400 million of our outstanding 7.250% senior unsecured due 2023 and to pay any related premium, costs, and expenses for general corporate purposes.

On March 8, 2021 we issued the 2026 Notes. The proceeds of this offering were used to redeem $600 million of our outstanding 7.625% senior unsecured due 2025.

The 2026 Notes and the 2029 Notes (together, the " **Senior Unsecured Notes**") are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by substantially all of our existing and future subsidiaries other than Copper Mountain Mine (BC) Ltd., our subsidiaries associated with our development projects in the United States and certain newly formed or acquired subsidiaries that primarily hold or may develop non-producing mineral assets that are in the pre-construction phase of development. The Senior Unsecured Notes contain certain customary covenants and restrictions for a financing instrument of this type. Although there are no maintenance covenants with respect to our financial performance, there are transaction-based restrictive covenants that limit our ability to incur additional indebtedness and make restricted payments in certain circumstances.

At any time (in the case of the 2026 Notes), or effective as of April 1, 2024 (in the case of the 2029 Notes) we may redeem the Senior Unsecured Notes, at our option in whole or in part, at the redemption prices (expressed as percentages of the principal amount of such series of the Senior Unsecured Notes to be redeemed) set forth below, plus accrued and unpaid interest to the applicable date of redemption, if redeemed during the twelve-month period beginning on April 1 of each of the years indicated below:

2026 Notes Percentage		2029 Notes	
Year	Percentage	Year	Percentage
2025 and thereafter	100.000%	2025	102.042%
		2026	101.021%
		2027 and thereafter	100.000%

CREDIT RATINGS

The following table sets out the latest credit ratings received from Standard and Poor's Ratings Services (" **S&P**"), Moody's Investors Services ("**Moody's**"), and from Fitch Ratings (" **Fitch**").

	Credit Rating Organization		
	S&P	**Moody's**	**Fitch**
Corporate Credit Rating	B	B1	BB-
Senior Unsecured Notes	B	B2	BB-

S&P

In May 2024, S&P affirmed its issuer credit and issue-level ratings of 'B' for Hudbay, affirmed its '3' recovery rating and affirmed its outlook of stable.

S&P's corporate credit rating (or issuer rating) is a forward-looking opinion about an obligor's overall creditworthiness in order to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation.

S&P's corporate credit ratings are on a rating scale that ranges from AAA (highest quality) to D (lowest quality). The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. According to S&P's rating system, an issuer rated 'B' currently has the capacity to meet its financial commitments, but adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments. A 'B' rating is the sixth highest of ten categories in S&P's rating system.

Regarding the issue-level rating, according to S&P's rating system, S&P's issue credit ratings are based, in varying degrees, on its analysis of the following considerations: (i) likelihood of payment; (ii) nature of and provisions of the financial obligation; and (iii) protection afforded by, and relative position of, the obligation in the event of bankruptcy or reorganization. S&P's issue-level ratings are similarly on a rating scale that ranges from AAA (highest quality) to D (lowest quality), with the ratings from 'AA' to 'CCC' having plus (+) or minus (-) modifiers. According to S&P's rating system, an issue rated 'B' indicates that the obligor has the capacity to meet its financial commitments on the obligation, but adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation. A 'B' rating is the sixth highest of ten categories in S&P's rating system.

S&P's recovery ratings focus solely on expected recovery in the event of a payment default of a specific issue, and utilize a numerical scale that runs from 1+ to 6. The recovery rating is not linked to, or limited by, the corporate credit rating or any other rating, and provides a specific opinion about the expected recovery. A '3' recovery rating indicates S&P's expectations of meaningful (50%-70%) recovery in the event of default.

Moody's

In July 2024, Moody's affirmed our corporate family rating of 'B1', our Senior Unsecured Notes rating of 'B2" and our probability of default rating of 'B1-PD'. Moody's also affirmed our speculative grade liquidity rating of 'SGL-2', and our Stable outlook.

Moody's issuer and issue-level credit ratings are on a rating scale that ranges from Aaa (highest quality) to C (lowest quality). Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks on the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. According to Moody's credit rating system, obligations rated 'B' are considered speculative and are subject to higher credit risk. A 'B' rating is the sixth highest of nine categories in Moody's rating system.

Moody's speculative grade liquidity ratings are on a rating scale that ranges from SGL-1 (best liquidity) to SGL-4 (weakest liquidity). According to Moody's speculative grade liquidity rating system, an issuer with an SGL-2 rating possesses good liquidity and is likely to meet its obligations over the coming 12 months through internal resources but may rely on external sources of committed financing. According to the system, the issuer's ability to access committed sources of financing is highly likely based on Moody's evaluation of near-term covenant compliance.

Moody's corporate family ratings are long-term ratings that reflect the likelihood of a default on a corporate family's contractually promised payments and the expected financial loss suffered in the event of default. A corporate family rating is assigned to a corporate family as if it had a single class of debt and a single consolidated legal entity structure.

A probability of default rating is a corporate family-level opinion of the relative likelihood that any entity within a corporate family will default on one or more of its long-term debt obligations.

Moody's long-term ratings are assigned to issuers or obligations with an original maturity of one year or more and reflect both on the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of default.

Moody's speculative grade liquidity ratings are opinions of an issuer's relative ability to generate cash from internal resources and the availability of external sources of committed financing, in relation to its cash obligations over the coming 12 months.

Fitch

In May 2024, Fitch Ratings affirmed Hudbay's Long-Term Issuer Default Rating of 'BB-' and affirmed our Rating Outlook as Stable. Fitch also affirmed our rating of 'BB-'/'RR4' for our Senior Unsecured Notes.

Fitch's credit ratings relating to issuers are an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. Credit ratings relating to securities and obligations of an issuer can include a recovery expectation. Credit ratings are used by investors as indications of the likelihood of receiving the money owed to them in accordance with the terms on which they invested.

Fitch defines "investment grade" and "speculative grade" as shorthand to describe the categories 'AAA' to 'BBB' (investment grade) and 'BB' to 'D' (speculative grade), respectively, in-line with general industry practice. Investment grade categories indicate relatively low to moderate credit risk, while ratings in the speculative categories either signal a higher level of credit risk or that a default has already occurred. Credit ratings express risk in relative rank order, which is to say they are ordinal measures of credit risk and are not predictive of a specific frequency of default or loss.

Fitch's credit ratings do not directly address any risk other than credit risk. In particular, ratings do not deal with the risk of a market value loss on a rated security due to changes in interest rates, liquidity and other market considerations. However, in terms of payment obligation on the rated liability, market risk may be considered to the extent that it influences the ability of an issuer to pay upon a commitment. Ratings nonetheless do not reflect market risk to the extent that they influence the size or other conditionality of the obligation to pay upon a commitment (for example, in the case of index-linked bonds).

Fitch Long-Term issuer default ratings, as well as issue-level ratings, are on a rating scale that ranges from AAA (highest quality) to C (lowest quality). Within rating categories, Fitch may use modifiers. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to 'AAA' ratings and ratings below the 'CCC' category.

The instrument rating for an issuer's debt (whether secured, senior unsecured, or subordinated) is notched from the issuer's or guarantor's IDR. Rated entities with IDRs of 'BB–' and above usually have senior unsecured instrument ratings at the same level as the IDR, reflecting average (around 40%) rates of recovery across all sectors. For entities rated 'B+' and below, Fitch undertakes a 'bespoke' analysis of recovery upon default for each instrument. The resulting instrument rating reflects the Recovery Rating ("**RR**") (graded from 'RR1' to 'RR6'), and is notched from the IDR accordingly. Fitch divides the spectrum of recovery percentages from 0% to 100% within the six categories of RRs.

The credit ratings and stability ratings we received from S&P, Moody's and Fitch are not a recommendation to buy, sell or hold our securities and may be subject to revision or withdrawal at any time by any such credit rating organization. S&P, Moody's and Fitch each charged us a fee in respect of the credit ratings service they provided.

DIVIDENDS

Since September 2013, we have paid a semi-annual dividend of C$0.01 per share in March and September of each calendar year. At all times, the declaration of dividends is subject to the discretion of our Board of Directors.

MARKET FOR SECURITIES

PRICE RANGE AND TRADING VOLUME

Our common shares are listed on the TSX and the NYSE under the symbol "HBM". The volume of trading and the high and low trading price of our common shares on the TSX and NYSE during the periods indicated are set forth in the following table.

	Trading of Common Shares on TSX			Trading of Common Shares on NYSE		
Period (2024)	**High (C$)**	**Low (C$)**	**Volume (common shares)**	**High ($)**	**Low ($)**	**Volume (common shares)**
January	7.76	6.83	22,057,171	5.785	5.06	37,004,900
February	8.025	6.72	23,425,268	5.93	4.94	39,514,960
March	9.63	7.96	26,491,923	7.10	5.86	48,285,848
April	12.06	9.38	36,511,679	8.845	6.905	69,864,806
May	14.33	11.11	50,643,937	10.49	8.09	101,735,848
June	13.39	11.51	33,126,576	9.86	8.38	57,539,674
July	13.35	10.73	31,142,681	9.80	7.76	68,329,357
August	11.50	9.15	38,867,521	8.43	6.60	86,068,055
September	12.90	9.08	40,601,328	9.575	6.69	81,676,839
October	13.67	12.03	29,535,072	9.86	8.79	61,615,420
November	13.49	11.565	30,254,400	9.73	8.28	63,300,892
December	13.85	11.26	26,107,273	9.78	7.82	87,882,930

On March 25, 2025 (being the final trading day prior to the date of this AIF), the closing prices of our common shares on the TSX and NYSE were C$12.06 and $8.46 per common share, respectively.

PRIOR SALES

The following table summarizes the issuance of unlisted securities by Hudbay in the most recently completed financial year.

Date Issued	Type of Security	Amount Issued[1]	Exercise Price
January 15, 2024	Hudbay DSUs[2]	51,378	N/A
February 27, 2024	Hudbay PSUs[3]	600,572	N/A
February 27, 2024	Hudbay Options[5]	902,874	C$7.50
February 27, 2024	Hudbay RSUs[4]	927,649	N/A
March 22, 2024	Hudbay DSUs[2]	1,741	N/A
March 22, 2024	Hudbay PSUs[3]	1,592	N/A
March 22, 2024	Hudbay RSUs[4]	2,455	N/A
April 15, 2024	Hudbay DSUs[2]	35,827	N/A
June 1, 2024	Hudbay RSUs[4]	16,128	N/A
July 15, 2024	Hudbay DSUs[2]	27,847	N/A
August 15, 2024	Hudbay RSUs[4]	40,981	N/A
September 20, 2024	Hudbay DSUs[2]	1,452	N/A
September 20, 2024	Hudbay PSUs[3]	1,405	N/A
September 20, 2024	Hudbay RSUs[4]	2,163	N/A
October 15, 2024	Hudbay DSUs[2]	25,283	N/A

Notes:

(1) Where partial Hudbay DSUs, Hudbay RSUs or Hudbay PSUs have been issued on the dates listed in the table above, the "Amount Issued" for each such partial issuance of units has been rounded to the nearest whole number.

(2) Hudbay DSUs are issued to members of the Hudbay board of directors from time to time as equity-based compensation. Hudbay DSUs are vested at the time of the applicable grant, but they are not paid out until after a director departs the Hudbay board of directors, at which time they are paid out in cash equal to the number of Hudbay DSUs held multiplied by the price of the Hudbay common shares ("**Hudbay Shares**") at the time the Hudbay DSUs are paid. When dividends are paid on Hudbay Shares, holders of Hudbay DSUs receive dividend equivalents, which entitle the holder to the number of additional Hudbay DSUs equal to the number of Hudbay DSUs held multiplied by the per share amount of the dividend, divided by the price of Hudbay Shares at the time the dividend is paid.

(3) All Hudbay PSUs are notional units that are each redeemable for a Hudbay Share or a cash amount equal to the value of a Hudbay Share at the vesting date. Hudbay PSUs vest after three years and have performance-based conditions based on a mix of relative total shareholder return, as to 75% of the applicable grant, and return on invested capital, as to 25% of the applicable grant.

(4) All Hudbay RSUs are notional units that are each redeemable for a Hudbay Share or a cash amount equal to the value of a Hudbay Share at the vesting date. All Hudbay RSUs listed in the chart above vest rateably over three years (one third each year).

(5) All Hudbay Options vest in equal installments over three years and remain exercisable for seven years.

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

Carol T. Banducci *Mississauga, Ontario, Canada*	Director since: May 4, 2017 Committee membership: • Audit Committee • Environmental, Health, Safety and Sustainability ("**EHSS**") Committee	Ms. Banducci retired as Executive Vice President and Chief Financial Officer of IAMGOLD Corporation on March 31, 2021. She joined IAMGOLD in July 2007, and, as EVP and CFO she was involved with developing and driving strategy and capital allocation and oversaw all aspects of the company's finance, information technology and investor relations functions. She is currently a corporate director.
Igor Gonzales *London, England*	Director since: July 31, 2013 Committee memberships: • EHSS Committee (Chair) • Technical Committee	Mr. Gonzales has more than 30 years of experience in the mining industry. He joined Appian Capital as Chief Operating Officer in June 2020 following over three years as President and CEO of Sierra Metals. Prior to that, he was with Compañia de Minas Buenaventura S.A.A. from November 2014 to May 2017, serving as Vice President of Operations and Barrick Gold Corporation from 1998 to 2013, serving as President of Barrick Gold South America for seven years, and later as Executive Vice President and Chief Operating Officer.
Jeane L. Hull *Scottsdale, Arizona, United States*	Director since: June 20, 2023 Committee memberships: • Compensation and Human Resources ("**CHR**") Committee • Technical Committee (Chair)	Ms. Hull has more than 35 years of mining operational leadership and engineering experience, most notably holding the positions of Chief Operating Officer for Rio Tinto plc at the Kennecott Utah Copper Mine and Executive Vice President and Chief Technical Officer of Peabody Energy Corporation. She also held numerous management, engineering and operations positions with Rio Tinto affiliates. Prior to joining Rio Tinto, she held positions with Mobil Mining and Minerals and has additional environmental engineering and regulatory affairs experience in the public and private sectors. She is currently a corporate director and was previously on the board of directors of Copper Mountain prior to the CMMC Transaction in June 2023.
Carin S. Knickel *Golden, Colorado, United States*	Director since: May 22, 2015 Committee memberships: • Corporate Governance and Nominating Committee ("**CGN Committee**") (Chair) • EHSS Committee	Ms. Knickel served as Corporate Vice President, Global Human Resources of ConocoPhillips from 2003 until her retirement in May 2012. She joined ConocoPhillips in 1979 and held various senior operating positions in wholesale marketing, refining, transportation and commercial trading as well as leadership roles in planning and business development throughout her career in the U.S. and Europe. She is currently a corporate director.
Peter Kukielski *Toronto, Ontario, Canada*	Director since: May 7, 2019 Committee memberships: • None	Mr. Kukielski was appointed President and Chief Executive Officer in January 2020 after serving as Interim Chief Executive Officer since July 2019. Mr. Kukielski was President and Chief Executive Officer of Nevsun Resources Ltd. from May 2017 until its acquisition in December 2018. From 2013 to 2017, Mr. Kukielski was Chief Executive Officer of Anemka Resources and from 2008 to 2013, he was the Chief Executive, Mining for ArcelorMittal. From 2006 to 2008, Mr. Kukielski was the Chief Operating Officer of Teck Resources. From 2001 to 2006, he was with Falconbridge (originally Noranda) in senior roles, including Chief Operating Officer.

George E. Lafond *Victoria, British Columbia, Canada*	Director since: May 10, 2022 Committee memberships: • Audit Committee • EHSS Committee	Mr. Lafond was appointed to Hudbay's Board of Directors in May 2022 and is currently an independent strategic advisor. He is a citizen of the Saskatchewan Muskeg Lake Cree Nation in Treaty Six Territory and was appointed by the Government of Canada as the Treaty Commissioner of Saskatchewan. Mr. Lafond currently advises the Saskatchewan Indian Institute of Technology. In 2016, he received the Saskatchewan Order of Merit and in 2022, he received Queen Elizabeth II's Platinum Jubilee Medal.
Stephen A. Lang *Columbia, Missouri, United States*	Director since: October 3, 2019 Committee memberships: • CHR Committee • Technical Committee	Mr. Lang was the Chair of Hudbay's Board of Directors until January 2025. He was Chief Executive Officer of Centerra Gold Inc. from 2008 to 2012 and served as Centerra's Board Chair from 2012 to 2019. Mr. Lang has also held positions at Stillwater Mining Company, Barrick Gold Corporation, Rio Algom Limited and Kinross Mining Corporation. He is currently a corporate director.
Colin Osborne *Burlington, Ontario, Canada*	Director since: May 2018 Committee memberships: • CHR Committee (Chair) • CGN Committee	Mr. Osborne is President and Chief Executive Officer of Samuel Son & Co. Limited, a $5 billion company focused on providing metal solutions to a variety of end markets. He joined Samuel Son & Co. in August 2015 and was recently elected to its board of directors. From October 2007 through June 2015, Mr. Osborne was Chief Executive Officer and President of Vicwest Inc., and prior to that he was Chief Operating Officer at Stelco Inc. where his duties included overseeing mining operations.
Paula C. Rogers *North Vancouver, British Columbia, Canada*	Director since: June 20, 2023 Committee memberships: • Audit Committee (Chair) • CGN Committee	Ms. Rogers has more than 25 years of experience working with Canadian-based international public companies in the areas of corporate governance, treasury, mergers and acquisitions, financial reporting and tax strategy. Ms. Rogers has served as an officer of several public companies including Vice-President, Treasurer of Goldcorp Inc. and Treasurer of Wheaton River Minerals Ltd. Previous to those roles, she held various senior finance positions in corporate reporting, tax and treasury at Finning International Inc. over a period of nine years. Ms. Rogers is currently a corporate director and was previously on the board of directors of Copper Mountain prior to the CMMC Transaction in June 2023.
David S. Smith *North Vancouver, British Columbia Canada*	Director since: May 7, 2019 Committee memberships: • None	Mr. Smith was appointed Chair of Hudbay's Board of Directors in January 2025. Mr. Smith served as the Chief Financial Officer and Executive Vice President of Finning International Inc. from 2009 to 2014. Prior to joining Finning, Mr. Smith served as Chief Financial Officer and Vice President of Ballard Power Systems, Inc. from 2002 to 2009. Previously, he spent 16 years with Placer Dome Inc. (now Barrick) in various senior positions and 4 years with PriceWaterhouseCoopers. He is currently a corporate director.

The term of office for each director of the Company will expire upon the completion of the next annual meeting of shareholders of the Company.

Our executive officers as at the date of this AIF are listed below:

EXECUTIVE OFFICERS

Peter Kukielski *Toronto, Ontario, Canada* President and Chief Executive Officer	For biographical information for Mr. Kukielski, refer above to the heading "Board of Directors".
Eugene Lei *Toronto, Ontario, Canada* Chief Financial Officer	Mr. Lei was appointed Chief Financial Officer in October 2022 and is responsible for providing strategic financial and capital markets leadership to the Company. Since joining Hudbay in 2012, Mr. Lei has progressed through several senior management roles and executive responsibilities, most recently serving as Senior Vice President, Corporate Development and Strategy. Prior to joining Hudbay, Mr. Lei was Managing Director, Mining at Macquarie Capital Markets Canada, working as an advisor on global and domestic mergers and acquisitions and equity capital markets offerings.
Andre Lauzon *Toronto, Ontario, Canada* Chief Operating Officer	Mr. Lauzon was appointed Chief Operating Officer on January 4, 2022. Mr. Lauzon was previously Vice President, Arizona Business Unit from 2018 to 2021, following almost two years in the role of Vice President, Manitoba Business Unit. Mr. Lauzon has experience with both open pit and underground mines. He has worked in and supported projects and mines in a wide range of challenging locations and conditions, including Voisey's Bay in Newfoundland, Turkey, Alaska, Australia, Indonesia, Brazil, northern Ontario and the United States.
Patrick Donnelly *Oakville, Ontario, Canada* Senior Vice President, Legal and Organizational Effectiveness	Prior to being appointed to his current role as Senior Vice President, Legal and Organizational Effectiveness effective May 30, 2022, Mr. Donnelly served as Vice President, General Counsel for eight years. Prior to joining Hudbay in 2008, Mr. Donnelly practiced corporate and securities law at Osler, Hoskin & Harcourt LLP.
Javier Del Rio *Tucson, Arizona, United States* Senior Vice President, US Business Unit	Mr. Del Rio was appointed Senior Vice President, South America and USA in March 2023. Mr. Del Rio previously served as Vice President, South America and USA, following over five years as Vice President, South America Business Unit from 2017 to 2022. Mr. Del Rio also previously served as Executive Director, Business Development - South America from 2010 to 2017. Mr. Del Rio has over 30 years of mining experience and has held management positions in business planning, optimization process, and business analysis with Newmont Mining Corporation in the United States and Peru.
Olivier Tavchandjian *Canmore, Alberta, Canada* Senior Vice President, Exploration and Technical Services	Mr. Tavchandjian was appointed Senior Vice President, Exploration and Technical Services in March 2023. Mr. Tavchandjian joined Hudbay in September 2017 and prior to his current role, served as Hudbay's Vice President, Exploration and Technical Services. Mr. Tavchandjian brings 30 years of experience in mineral resource and mineral reserve estimation and reporting, exploration, strategic and life of mine planning, technical support to operations and corporate development. Prior to joining Hudbay, Mr. Tavchandjian was VP, Resource Evaluation for Anemka Resources, the mining portfolio company of a large private investment firm.
Robert Carter *Burlington, Ontario, Canada* Vice President, Manitoba Business Unit	Mr. Carter was appointed Vice President, Manitoba Business Unit in April 2022. Prior to his current role, Mr. Carter served as the General Manager of our Manitoba mines since 2018 and previously held various other positions with the Company, including Manager of the Lalor mine in Manitoba and Director of Business Development and Technical Services in our corporate office. He has nearly 30 years of mining industry experience in technical, operational and senior leadership roles.

Mark Gupta *Toronto, Ontario, Canada* Vice President, Corporate Development	Mr. Gupta was appointed Vice President, Corporate Development in 2022. Since joining Hudbay in 2014, he has served in various corporate development roles. Mr. Gupta left Hudbay briefly in 2021 to serve as Lead Principal, Business Development at BHP, but returned to Hudbay in 2022 as Executive Director, Capital Planning and Operations Strategy before being appointed to his current role. Prior to first joining Hudbay in 2014, Mr. Gupta worked in various investment banking roles and holds a Chartered Financial Analyst designation.
Thomas Karanikolas *Toronto, Ontario, Canada* Vice President, Finance	Mr. Karanikolas was appointed as Vice President, Finance of Hudbay in 2024. He first joined Hudbay in 2013 as Director, Corporate Accounting and Financial Reporting, and was promoted to the role of Corporate Controller in 2018. He then acted as Executive Director, Internal Audit in 2023 until his appointment as Vice President, Finance. Prior to joining Hudbay, Mr. Karanikolas served in a variety of accounting and financial planning roles at IAMGOLD and Deloitte. Mr. Karanikolas has also acted as a lecturer at York University in Toronto, Ontario.
John Ritter *Princeton, British Columbia, Canada* Vice President, British Columbia Business Unit	Mr. Ritter joined Hudbay in January 2024. Mr. Ritter brings a strong diverse expertise with over 30 years of mining industry experience in technical, operational and senior leadership roles. He has experience working for top-tier global mining companies, including Teck and Newmont. Most recently, he held the role as the General Manager of the New Afton mine near Kamloops, British Columbia.
Luis Santivañez *Lima, Peru* Vice President, South America Business Unit	Mr. Santivañez was appointed Vice President, South America Business Unit in November 2023. He first joined Hudbay in 2018 and was promoted to General Manager of the South America operations in 2022. With more than 25 years of experience in the mining industry, he has performed senior management and engineering roles across mining operations in Australia and Latin America. Prior to joining Hudbay in 2018, Mr. Santivañez was the Technical Services Manager and the Mining Manager at the Meandu and Boggabri mines in Australia and he also previously held mining engineering roles for BHP and Anglo American in open pit operations in Queensland, Australia.

As of March 25, 2025 (the final trading day prior to the date of this AIF), our directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, approximately 704,685 common shares, representing approximately 0.18% of the total number of issued and outstanding common shares.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Stephen A. Lang was a director of Hycroft Mining Corporation (" **Hycroft**"), (formerly Allied Nevada Gold Corp.) which, on March 10, 2015, together with certain of its direct and indirect subsidiaries, filed voluntary petitions of relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "**Delaware Bankruptcy Court**"). On October 8, 2015, Hycroft's Plan of Reorganization was approved by the Delaware Bankruptcy Court, and effective October 22, 2015, Hycroft completed its financial restructuring process and emerged from Chapter 11 bankruptcy.

Jeane Hull was the Executive Vice President and Chief Technical Officer of Peabody Energy Corporation (" **Peabody**") from April 2011 until her retirement on July 31, 2015. Peabody filed for Chapter 11 bankruptcy protection on April 13, 2016 and emerged from Chapter 11 protection on April 2, 2017.

Ms. Hull was also a director of Cloud Peak Energy Inc. (" **Cloud Peak**") from July 6, 2016 to October 24, 2019. Cloud Peak filed for Chapter 11 bankruptcy protection on May 10, 2019, received court approval for its plan to exit bankruptcy on December 5, 2019 and emerged from bankruptcy on December 17, 2019.

Ms. Hull was also a director of Trevali Mining Corporation (" **Trevali**") from January 2021 to September 2022. Trevali obtained an initial order from the Supreme Court of British Columbia under the *Companies' Creditors' Arrangement Act* (Canada) in August 2022. Trevali indicated that its financial position deteriorated significantly in 2022 due to a number of events and challenges which impacted operations and production. On September 6, 2022, Trevali's shares were delisted from the Toronto Stock Exchange. On June 28, 2023, a court-appointed monitor was granted enhanced powers in the proceedings with respect to Trevali's business and affairs.

Carin S. Knickel was a director of Whiting Petroleum Corp. (" **Whiting**") which, on March 31, 2020, together with certain of its subsidiaries, commenced voluntary Chapter 11 cases under the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. On September 1, 2020, Whiting announced that it has successfully completed its financial restructuring and emerged from Chapter 11 protection. Whiting officially concluded its reorganization after completing all required actions and satisfying the remaining conditions to its Plan of Reorganization.

Igor Gonzales is a director of Gatos Silver, Inc. (" **Gatos**"). On April 1, 2022, the Ontario Securities Commission issued a management cease trade order against the CEO and CFO of Gatos ordering each such executive officer to cease trading in the securities of Gatos until Gatos completed its annual continuous disclosure filings for the year ended December 31, 2021 as required by Ontario securities laws. Additional management cease trade orders were issued by the Ontario Securities Commission on April 12, 2022 and July 7, 2022 in connection with certain other delays in Gatos' financial reporting. On July 5, 2023, Gatos announced that, effective July 4, 2023, the Ontario Securities Commission fully revoked the management cease trade orders previously granted, as described further above.

CONFLICTS OF INTEREST

To the best of our knowledge, there are no known existing or potential conflicts of interest among or between us, our subsidiaries, our directors, officers or other members of management, as a result of their outside business interests, except that certain of our directors, officers, and other members of management serve as directors, officers, promoters and members of management of other entities and it is possible that a conflict may arise between their duties as a director, officer or member of management of Hudbay and their duties as a director, officer, promoter or member of management of such other entities.

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and we will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of our directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the CBCA, and such individuals are expected to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. In addition, our Code of Business Conduct and Ethics requires our directors and officers to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and our interests.

AUDIT COMMITTEE DISCLOSURE

The Audit Committee is responsible for monitoring our systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents, monitoring the performance and independence of our external auditors, monitoring the performance of our internal audit function and the design and ongoing review of our risk management system. The Audit Committee is also responsible for reviewing our annual audited consolidated financial statements, unaudited consolidated quarterly financial statements and management's discussion and analysis of results of operations and financial condition for annual and interim periods prior to their approval by the full board of directors. There was no instance in the year ended December 31, 2024 where our board of directors declined to adopt a recommendation of the Audit Committee.

The Audit Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee appointment and reporting to our board of directors. A copy of the current Audit Committee charter is attached hereto as Schedule C.

COMPOSITION

As at December 31, 2024, the Audit Committee consisted of David S. Smith (Chair), Carol T. Banducci, Paula C. Rogers and George Lafond. Since year-end and effective as of January 1, 2025, Mr. Smith stepped down as Chair of the Audit Committee and Ms. Rogers assumed the role in his place. For greater certainty, Mr. Smith is no longer a member of the Audit Committee and the current members are Ms. Rogers (Chair), Ms. Banducci and Mr. Lafond.

Relevant Education and Experience

Each member of the Audit Committee is independent and financially literate within the meaning of NI 52-110 and has experience as a Chief Financial Officer or Treasurer of a publicly traded company. Set out below is a description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member.

Mr. Smith has more than 35 years of experience in financial and executive leadership roles, including by serving as the Chief Financial Officer and Executive Vice President of Finning International Inc. ("**Finning**") from 2009 to 2014. Prior to joining Finning, Mr. Smith served as Chief Financial Officer and Vice President of Ballard Power Systems, Inc. from 2002 to 2009. Previously, he spent 16 years with Placer Dome Inc. (now Barrick) in various senior positions and 4 years with PriceWaterhouseCoopers. Mr. Smith holds a Bachelor of Science degree in Business Administration, Accounting from California State University, Sacramento and has completed the Institute of Corporate Directors, Directors Education Program.

Ms. Rogers has more than 25 years of experience working with Canadian-based international public companies in the areas of corporate governance, treasury, mergers and acquisitions, financial reporting and tax strategy. Ms. Rogers has served as an officer of several public companies including Vice-President, Treasurer of Goldcorp Inc. and Treasurer of Wheaton River Minerals Ltd. Previous to those roles, she held various senior finance positions in corporate reporting, tax and treasury at Finning International Inc. over a period of nine years. Ms. Rogers holds a Bachelor of Commerce degree from the University of British Columbia and holds a Chartered Professional Accountant, Chartered Accountant designation.

Ms. Banducci retired as Executive Vice President and Chief Financial Officer of IAMGOLD Corporation on March 31, 2021. She joined IAMGOLD in July 2007, and, as EVP and CFO, she was involved with developing and driving strategy and capital allocation and oversaw all aspects of the company's finance, information technology and investor relations functions. From 2005 to 2007, Ms. Banducci was Vice President, Financial Operations of Royal Group Technologies. Previous executive finance roles include Chief Financial Officer of Canadian General-Tower Limited and Chief Financial Officer of Orica Explosives North America and ICI Explosives Canada & Latin America. Ms. Banducci has also completed the Institute of Corporate Directors, Directors Education Program. Ms. Banducci has extensive finance experience in capital markets, statutory and management reporting, audit, budgeting, capital programs, treasury, tax, acquisitions and divestments, pension fund management, insurance and information technology. She holds a Bachelor of Commerce degree from the University of Toronto.

Mr. Lafond is a citizen of the Saskatchewan Muskeg Lake Cree Nation in Treaty Six Territory and was appointed by the Government of Canada as the Treaty Commissioner of Saskatchewan. Mr. Lafond currently advises the Saskatchewan Indian Institute of Technology. In 2016, he received the Saskatchewan Order of Merit and in 2022, he received Queen Elizabeth II's Platinum Jubilee Medal.

POLICY REGARDING NON-AUDIT SERVICES RENDERED BY AUDITORS

We have adopted a policy requiring Audit Committee pre-approval of non-audit services. Specifically, the policy requires that proposals seeking approval by the Audit Committee for routine and recurring non-audit services describe the terms and conditions and fees for the services and include a statement by the independent auditor and Chief Financial Officer that the provision of those services could not be reasonably expected to compromise or impair the auditor's independence. The Audit Committee may pre-approve non-audit services without the requirement to submit a specific proposal, provided that any such pre-approval on a general basis shall be applicable for twelve months. The Chair of the Audit Committee has been delegated authority to pre-approve, on behalf of the Audit Committee, the provision of specific non-audit services by the independent auditor where (a) it would be impractical for the services to be provided by another firm; or (b) the estimated fees associated with such services are not expected to exceed C$50,000. Any approvals granted under this delegated authority are to be presented to the Audit Committee at its next scheduled meeting.

REMUNERATION OF AUDITOR

The following table presents, by category, the fees billed by Deloitte LLP as external auditor of, and for other services provided to, the Company for the fiscal years ended December 31, 2024 and 2023, respectively.

Category of Fees	Fiscal 2024	Fiscal 2023
Audit fees	C$3,020,615	C$3,285,283
Audit-related fees	C$218,284	C$134,286
Tax fees	-	-
All other fees	C$129,638	C$110,000
Total	**C$3,368,537**	**C$3,529,569**

"Audit fees" include fees for auditing annual financial statements and reviewing the interim financial statements, as well as services normally provided by the auditor in connection with our statutory and regulatory filings.

"Audit-related fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit fees", including audit work related to our pension, benefit and profit-sharing plans.

"All other fees" are fees for services other than those described in the foregoing categories.

Management presents regular updates to the Audit Committee of the services rendered by the auditors as part of the Audit Committee's oversight regarding external auditor independence and pre-approved service authorizations.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

LEGAL PROCEEDINGS

Hudbay was subject to three claims in the Ontario Superior Court in connection with its previous ownership of the Fenix project in Guatemala through its subsidiary at the time, Compañía Guatemalteca de Níquel S.A.

All of the claims related to the Fenix project reached a final settlement on October 7, 2024, which concludes all outstanding legal matters related to Hudbay's former activities in Guatemala. The terms agreed with the plaintiffs confirm the settlement is without admission of liability and the parties continue to have fundamentally differing views on the facts underlying the allegations, including the allegations of misconduct by Hudbay's subsidiaries.

We are not aware of any litigation outstanding, threatened or pending against us as of the date hereof that would reasonably be expected to be material to our financial condition or results of operations.

REGULATORY ACTIONS

We have not: (a) received any penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority during the financial year; (b) received any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; and (c) entered any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as may be otherwise disclosed in this AIF, since January 1, 2022, none of our directors, executive officers or any shareholders who beneficially own, or control or direct, directly or indirectly, more than 10 percent of our shares and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect us.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our common shares is TSX Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

Except for those contracts entered into in the ordinary course of our business, the following are the material contracts we entered into (i) within the last financial year or (ii) between January 1, 2002 and the beginning of the last financial year, which are still in effect:

1. the Precious Metals Purchase Agreement dated August 8, 2012, as amended, with Wheaton Precious Metals (previously Silver Wheaton), whereby we agreed to sell a portion of the precious metals production from our 777 mine to Wheaton Precious Metals;

2. the Amended and Restated Precious Metals Purchase Agreement dated November 4, 2013, as amended, with Wheaton Precious Metals (International) Ltd. ("**Wheaton International**", previously Silver Wheaton (Caymans) Ltd.), whereby we agreed to sell 100% of the silver production and 50% of the gold production from our Constancia mine to Wheaton International;

3. the Amended and Restated Precious Metals Purchase Agreement, dated as of February 8, 2019 between HudBay Arizona (Barbados) SRL, Hudbay, Wheaton International and Wheaton Precious Metals;

4. the Indenture dated as of September 23, 2020 with U.S. Bank National Association, as trustee, governing the Senior Unsecured Notes expiring in 2029;

5. the Indenture dated as of March 8, 2021 with U.S. Bank National Association, as trustee, governing the Senior Unsecured Notes expiring in 2026;

6. the Fifth Amended and Restated Credit Facility with the lenders party thereto from time to time and the Canadian Imperial Bank of Commerce, as administrative agent, dated as of October 26, 2021, as amended, providing for a four-year $300 million revolving credit facility;

7. the Third Amended and Restated Credit Facility with the lenders party thereto from time to time and the Canadian Imperial Bank of Commerce, as administrative agent, dated as of October 26, 2021, as amended, providing for a four-year $150 million revolving credit facility; and

8. the Shareholders' Agreement made as of July 31, 2009 between Copper Mountain, MMC and Copper Mountain Mine (BC) Ltd., as amended.

QUALIFIED PERSONS

The scientific and technical information contained in this AIF related to all material mineral properties other than the Copper Mountain Mine has been approved by Olivier Tavchandjian, P.Geo., our Senior Vice President, Exploration and Technical Services. Mr. Tavchandjian is a qualified person pursuant to NI 43-101.

The scientific and technical information contained in this AIF related to the Copper Mountain Mine has been approved by Marc-Andre Brulotte, P.Geo., Director, Global Exploration and Resource Evaluation. Mr. Brulotte is a qualified person pursuant to NI 43-101.

For a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources, as well as data verification procedures and a general discussion of the extent to which the estimates may be affected by any known environmental, permitting, legal title, taxation, sociopolitical, marketing or other relevant factors, please see the technical reports for our material properties as filed by us on SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov.

INTERESTS OF EXPERTS

Each of Olivier Tavchandjian, P.Geo., our Senior Vice President, Exploration and Technical Services, and Marc-Andre Brulotte, our Director, Global Exploration and Resource Evaluation, is an expert who has prepared certain technical and scientific reports or statements for Hudbay. As at March 25, 2025 (being the final trading day prior to the date of this AIF), to our knowledge, Mr. Tavchandjian and Mr. Brulotte each beneficially own, directly or indirectly, less than 1% of our outstanding securities and have no other direct or indirect interest in our Company or any of its associates or affiliates.

The auditor of the Company is Deloitte LLP. Deloitte LLP is independent with respect to the Company within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Ontario and within the meaning of the Securities Act of 1933, as amended and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States).

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans, as applicable, is contained in our management information circular dated April 8, 2024. Additional financial information is provided in our financial statements and management's discussion and analysis for the fiscal year ended December 31, 2024.

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov.

SCHEDULE A: GLOSSARY OF MINING TERMS

The following is a glossary of certain mining terms used in this annual information form.

"mineral reserves"	That part of a measured or indicated mineral resource which could be economically mined, demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral reserves are those parts of mineral resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the qualified person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factors. Mineral reserves are inclusive of diluting material that will be mined in conjunction with the mineral reserves and delivered to the treatment plant or equivalent facility. The term "mineral reserve" need not necessarily signify that extraction facilities are in place or operative or that all governmental approvals have been received. It does signify that there are reasonable expectations of such approvals. Mineral reserves are subdivided into proven mineral reserves and probable mineral reserves. Mineral reserves fall under the categories of proven mineral reserves and probable mineral reserves.
"preliminary economic assessment"	Means a study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of mineral resources;
"proven mineral reserves"	That part of a measured mineral resource that is the economically mineable part of a measured mineral resource, demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
"probable mineral reserves"	That part of an indicated and in some circumstances a measured mineral resource that is economically mineable demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
"mineral resources"	A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources fall under the categories of measured mineral resource, indicated mineral resource and inferred mineral resource.
"measured mineral resource"	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
"indicated mineral resource"	That part of a mineral resource for which quantity, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters and to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
"inferred mineral resource"	That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

SCHEDULE B: MATERIAL MINERAL PROJECTS

CONSTANCIA MINE

Project Description, Location and Access

We own a 100% interest in the Constancia mine in southern Peru. Constancia includes the Constancia and Pampacancha deposits and is located approximately 600 kilometres southeast of Lima. Geographic coordinates at the centre of the property are longitude 71° 47' west and latitude 14° 27' south.

We acquired Constancia in March 2011 through our acquisition of all of the outstanding shares of Norsemont Mining Inc. (" **Norsemont**"). We own a 100% interest in the 66 mining concessions (covering an area of 43,536 hectares) that comprise Constancia, all of which are duly registered in the name of our wholly-owned subsidiary, HudBay Peru S.A.C. Most of the known mineralization is located in the claims Katanga J, Katanga O, Katanga K, and Peta 7, though small mineralized outcrops are common throughout the area. All the mining concessions are currently in good standing. The annual concession fee payments of $3.00 per hectare are due on June 30 each year.

We have entered into life-of-mine agreements with the neighboring communities of Chilloroya and Uchucarcco. These agreements provide us with the surface rights required for operations at both the Constancia and Pampacancha mine sites and specify our commitments to these local communities over the course of the mine life. In particular, the community agreements contemplated cash payments for the land access rights, as well as funds for facilitation of development projects and investment for local enterprises. The agreements also outline ongoing annual investments in community development including medical, educational and agricultural services and contemplate a bi-annual review of certain of the social development terms. The terms of these agreements may need to be renegotiated from time to time in respect of annual rents and social investments to be made thereunder. There can be no assurance that such renegotiated terms will be reached at all or in a timely manner.

Constancia and Pampacancha are subject to the following tax regime and agreement concerning mineral production:

1. Peruvian Tax Regime

Constancia is subject to the Peruvian tax regime, which includes the mining tax, mining royalty, 8% labour participation, corporate tax and IGV/VAT. The Special Mining Tax (" **SMT**") and the Mining Royalty ("**MR**") were introduced in late-2011 for companies in the mineral extractive industries. Both the SMT and the MR are applicable to mining operating income based on a sliding scale with progressive marginal rates. The effective tax rate is calculated according to the operating profit margin of the Company. Based on Constancia's expected life-of-mine operating profit margin, the effective SMT and MR tax rates are projected to be 2.90% and 2.90% of operating income over the life of the mine. The MR is subject to a minimum of 1% of sales during a given month.

2. Precious Metals Stream Agreement

100% of the silver production and 50% of the gold production from Constancia and Pampacancha is subject to our stream agreement with Wheaton Precious Metals, as described in this AIF.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Constancia and Pampacancha are accessible from Lima by flying to either Arequipa or Cusco and then proceeding by paved and gravel highway to the mine site, which in each case takes approximately seven hours. The closest town is Yauri (population 23,000), which is approximately 80 kilometres by road from the mine site. Copper concentrate is transported via Yauri to the Matarani port, which is approximately 460 kilometres by road from the mine site.

The climate of the region is typical of the Peruvian altiplano in which the seasons are divided into the wet season between October and March with slightly higher temperatures and a dry season during April to September with colder temperatures. Temperatures can dip below -10° Celsius and rise to 20° Celsius. The sun can be very strong with high ultraviolet readings being common during the mid-day period. There is a climate monitoring station installed at the mine site.

Elevations on the property range from 4,000 to 4,500 metres above sea level with moderate relief and grass-covered altiplano terrain. Slopes are typically covered with grasses at lower elevations. At higher elevations, talus cover is common with very little vegetation. The grasslands are used as pasture for animals and at lower elevations for some limited subsistence agriculture. Water resources are readily available from a number of year-round streams near the mine site.

The infrastructure includes the waste rock facility, tailings management facility, water management system, electrical power supply and transmission and improvements to the roads and port. The primary road to the site consists of a 70 kilometre sealed road (National Route PE-3SG) from Yauri to the Livitaca turn-off and approximately 10 kilometres of unsealed road (CU-764) from the Livitaca turn-off to site. These roads (and bridges) have been upgraded, as necessary, to meet the needs for construction and life of mine use.

The combined maximum demand for electricity by Constancia and Pampacancha is estimated to be 96 MW with an average load of 85 to 90 MW in the next 5 years. Electricity is supplied via the 220 kV Tintaya substation located about 70 kilometres from the mine site and a dedicated transmission line from this substation to Constancia.

Copper concentrate is shipped from the Constancia site via road (~490 kilometers) and arrives at the Matarani port in trucks. These trucks are equipped with a hydraulically operated covered-box hinged at the rear, the front of which can be lifted to allow the concentrate to be deposited in the concentrate shed assigned to Hudbay by TISUR, the port operator. These trucks can load up to 37 tonnes of Cu Concentrate. All concentrates are dumped into an enclosed receiving system specially designed for Hudbay. This receiving system includes sampling platforms, dump and screening hoppers, dust scrubbers, car wash system and a conveyor underground system that leads into an existing stacking system. Pier C has been assigned to Hudbay and has a 75 thousand tonne capacity, with a minimum of 30kt guaranteed. A chute from the shed will feed a conveyor system in a tunnel below. This feeds a tubular conveyor with a capacity of 1200 metric tonnes per hour capacity. The same conveyor and ship loading equipment is shared with other copper concentrate exporters.

History

The original Constancia property, consisting of 13 concessions, was obtained by Norsemont pursuant to an option agreement with Rio Tinto Mining and Exploration Ltd. ("**Rio Tinto**"). Norsemont acquired an initial 51% interest in the property from Rio Tinto in November 2007 and in March, 2008, Norsemont acquired the remaining 19% interest held by Rio Tinto. Norsemont acquired the 30% interest in the project from Mitsui Mining and Smelting Company Limited Sucursal Del Peru ("**Mitsui**") and 23 additional concessions were obtained by Norsemont in 2007 and 2008.

The San Jose prospect (which forms part of the Constancia deposit) was explored by Mitsui during the 1980s. Exploration consisted of detailed mapping, soil sampling, rock chip sampling, and ground magnetic and induced polarization surveys with several drill campaigns. Drilling was mainly focused on the western and southern sides of the prospect. Mitsui completed 24 drill holes (4,200 metres) and Minera Katanga completed 24 shallow close-spaced drill holes at San Jose (1,200 metres).

In 1995, reconnaissance prospecting by Rio Tinto identified evidence for porphyry style mineralization exposed over an area 1.4 x 0.7 kilometres, open in several directions, with some copper enrichment below a widespread leach cap developed in both porphyry and skarn.

In May 2003, Rio Tinto revisited the area and the presence of a leached cap and the potential for a significant copper porphyry deposit were confirmed.

The Rio Tinto exploration activities consisted of geological mapping, soil, and rock chip sampling, and surface geophysics (magnetics and induced polarization). Rio Tinto completed 24 diamond drill holes for a total of 7,500 metres.

Geological Setting, Mineralization, and Deposit Types

The Constancia deposit is a porphyry copper-molybdenum system which includes copper-bearing skarn mineralization. This type of mineralization is common in the Yauri-Andahuaylas metallogenic belt where several porphyry Cu-Mo-Au prospects have been described but not exploited. Multiple phases of monzonite and monzonite porphyry have intruded a sequence of sandstones, mudstones and micritic limestone of Cretaceous age. Structural deformation has played a significant role in preparing and localising the hydrothermal alteration and copper-molybdenum-silver-gold mineralization, including skarn formation. The skarn component of the mineralization is more prevalent along the Yanak fault on the western margin of the Constancia deposit. Recent drilling conducted in 2019-2020 has confirmed a 300m extension of both high grade skarn and shallow porphyry mineralization to the north of deposit into the Constancia North area. In 2021, Hudbay completed an internal positive scoping study which resulted in an inferred mineral resource estimate of 6.5 million tonnes at 1.2% copper in two high grade skarn lenses located below the open pit in the Constancia Norte area. The study concluded these two lenses could be mined by underground methods once the open pit has reached its final configuration in this area.

The Pampacancha deposit is a porphyry related skarn system, with copper-bearing skarn mineralization. This type of mineralization is common in the Yauri-Andahuaylas metallogenic belt where several skarn deposits have been developed, including Corocohuayco in the Tintaya District and Las Bambas.

The Constancia porphyry copper-molybdenum system, including skarn, exhibits five distinct deposit types of mineralization:

1. Hypogene fracture-controlled and disseminated chalcopyrite mineralization in the monzonite (volumetrically small);
2. Hypogene chalcopyrite (rare bornite) mineralization in the skarns (significant);
3. Supergene digenite-covellite-chalcocite (rare native copper) in the monzonite (significant);
4. Mixed secondary sulphides/chalcopyrite in the monzonite (significant); and
5. Oxide copper mineralization (volumetrically small).

Molybdenite, gold and silver occur within all these mineralization types.

Two areas of porphyry-style mineralization are known within the project area, Constancia and San José. At Constancia, mineralization is deeper than that observed at San José which occurs at surface. The mineralized zone extends about 1,200 metres in the north-south direction and 800 metres in the east- west direction.

The Pampacancha deposit is located approximately three kilometers southeast of the Constancia porphyry. The stratigraphy unit in the area is the massive, gray micritic limestone of Upper Cretaceous Ferrobamba Formation; this unit in contact with the dioritic porphyry generates a magnetite skarn, hosts economic mineralization of Cu-Au-Mo.

The intrusive rocks are Oligocene age unmineralized basement diorite. Diorite porphyry is recognized as the source for skarn mineralization, which in turn is cut by mineralized monzonite intrusions which provide minor local increases in Cu-Au mineralization. Skarn Cu-Au mineralization is best developed at the upper and lower margins of the limestone body.

Epithermal mineralization of the low sulphidation quartz-sulphides Au + Cu style, accounts for common supergene enriched Au anomalies, and along with other features such as hydrothermal alteration and veins typical of near porphyry settings.

Exploration

A geophysical Titan-24 survey was completed in July 2011 to the south of the Constancia deposit. In late 2013, an aeromagnetic and radiometric helicopter geophysical survey was carried out over an area of 80 square kilometers near Constancia.

A mapping and geochemical sampling program was completed between 2007 to 2014, where 20,789 hectares were mapped. Of the 20,789 hectares, 8,905 were mapped on Hudbay mining concessions, which represent 80% of the mining rights in the area.

Future exploration efforts are anticipated to focus on the Maria Reyna, Caballito and Kusiorco prospective satellite properties located within trucking distance of the Constancia mill. In August 2022, Hudbay executed an exploration agreement with the community of Uchucarco which allowed the company to start exploration activities over the Caballito property and a large portion of the Maria Reyna and Kusiorco properties.

Drilling

Extensive drilling has been conducted at the Constancia and Pampacancha deposits since the early 2000s. The most recent drilling programs were completed by Hudbay, with prior drilling programs conducted by Rio Tinto and Norsemont Mining. The various drilling campaigns conducted at Constancia and Pampacancha totaled approximately 236,000 meters of drilling with 95% of the drilling being conducted by diamond drilling (coring) methods and only 5% done by reverse circulation (RC).

Sampling and Analysis and Security of Samples

The sample preparation, analysis, security procedures and data verification processes used in the exploration campaigns on the Constancia mine prior to our acquisition were reviewed through the documentation available in previously filed technical reports and we have determined that the sampling methodology, analyses, security measures and data verification processes were adequate for the compilation of data at Constancia and Pampacancha and such processes continue to be used by us.

1,555 and 633 bulk density measurements were respectively used for the resource block models of Constancia and Pampacancha. These measurements were conducted at ALS Chemex, Certimin and Bureau Veritas laboratories using the paraffin wax coat method. These measurements are representative of the different rock and mineralization domains recognized to date.

During the Hudbay drilling campaigns conducted since 2011, samples have been either prepared at site or sent to commercial laboratories. Blanks were inserted into the sample stream as per geologist instruction. Standard references were prepared with material obtained from the Constancia and Pampacancha deposits by Hudbay and were analyzed and certified by Acme labs. Duplicates were obtained by splitting half core samples, obtaining two quarter core sub-samples, one quarter representing the original sample and the other quarter representing the duplicate sample. In addition, external checks have been conducted at independent external commercial laboratories on a regular basis.

Assay data was delivered in digital form by the laboratories. Checks for inconsistent values were made by the senior geologist before data was uploaded.

All lithological, alteration, geotechnical and mineralization data was logged on paper logs that were later entered in spreadsheets from where they were imported into the database. The data entry spreadsheets have a number of built-in logical checks to improve the validity of the database. We checked collar positions visually on plans and down-hole surveys were validated by examining significant deviations.

Mineral Processing and Metallurgical Testing

The metallurgical responses of Constancia ore (ex: Hypogene, Supergene, Skarn, Mixed and High Zinc) is acceptable in terms of treatment rate, recovery and molybdenum and copper concentrate grades. For example, the copper grade in the final concentrate is higher than 26%, with acceptable levels of zinc, lead, iron, etc. The molybdenum concentrate produced is over 47% molybdenum with low contents of copper, lead, iron, etc. Metallurgical test work performed at laboratory and plant levels with Hypogene, Skarn, Supergene, High Zinc and Mixed ore from different polygons have enabled the operator to identify different reagents which show better performance according to each type of ore treated. Engineering studies continue to evaluate the addition of Pebble Crushers to the comminution circuit to address the expected increase in ore hardness of the hypogene ore.

Metallurgical testwork was finalized in 2021 for the Pampacancha ore and has confirmed the ore recovery and throughput assumptions currently used in the Life of Mine plan. Ore hardness and flotation response variability testing was completed on samples distributed throughout the mineable reserve.

For the production year 2024, the Constancia plant achieved an average copper recovery of 84.3%. Copper recoveries over the remaining life of mine are expected to range between 85% and 88% with an average of 85.5%, with variation based on ore type following the processing plant flow sheet improvements that have been successfully implemented in 2024.

Mineral Resource and Mineral Reserve Estimates

The mineral resource and mineral reserve estimates for the Constancia and Pampacancha properties are effective January 1, 2025. Other than as disclosed in this AIF, there are no known metallurgical, environmental, permitting, legal, taxation, socio-economic, marketing or political issues that could reasonably be expected to materially impact the mineral resource and mineral reserve estimates.

Resource estimations for the Constancia and Pampacancha deposits are based on the most up to date geological interpretations and geochemical results from the drilling data currently available. Multi pass ordinary kriging interpolation setup was used to interpolate the grades in the block model while honoring the geology. The resource models are also regularly monitored for any material discrepancy with mill credit and for local inconsistencies between predicted grade by the model and mine production sampling and adjusted as needed.

The component of the mineralization within the block model that meets the requirements for reasonable prospects of economic extraction was based on the application of a Lerchs-Grossman algorithm.

The updated mine production plan at Constancia and Pampacancha contains 657 million tonnes of waste, 515 million tonnes of ore as well as 16 million tonnes of measured mineral resources not converted to mineral reserves as there is no room left in the tailings storage facility to continue to operate the mill using current design, yielding an overall stripping ratio of approximately 1.3 to 1.0. The measured mineral resource estimates included in the reserves pit design but not reported as mineral reserve estimates due to insufficient engineering work to confirm enough tailings disposal capacity constitute an opportunity to further extend mine life. An average life of mine mining rate of 70 million tonnes per annum, with a maximum of 86 million tonnes per annum through the first 17 years, will be required to provide the assumed nominal process feed rate of approximately 31 million tonnes per annum. The ore production schedule for the life of mine shows average grades of 0.26% Cu, 76 g/t Mo, 0.043 g/t Au and 2.61 g/t Ag.

Reconciliation of Reserves and Resources

Reconciliation results between the January 1, 2024 mineral reserve estimates and mill credited production provided good results at Constancia but evidence of a negative bias in grade estimate at Pampacancha for the volume excavated during 2024. The negative reconciliation was due to poor continuity of one high grade area located at the South of this satellite pit. The resource model for Pampacancha was adjusted accordingly to remove this bias and was used as a basis for the 2025 mineral reserve estimates presented in this report. The reserve model at Constancia was also adjusted to reflect knowledge obtained from mapping in the pit on the geometry of barren dykes that crosscut the mineralization while also incorporating some minor mine design changes.

A year-over-year reconciliation of the estimated mineral reserves and resources at Constancia and Pampacancha is presented in the tables below.

The mineral reserve estimates remained overall well in line year on year after deducting the 2024 mining depletion. The correction on the Pampacancha reserve model has very little impact on the life of mine reserve average grade due to the small tonnage remaining to be mined at Pampacancha. There are no material year-on-year changes to the mineral resource estimates.

Constancia & Pampacancha - January 1, 2025 [1][2][3][4][5][6]						
Mineral Reserve Reconciliation (Proven & Probable)	**Tonnes**	**Cu (%)**	**Mo (g/t)**	**Ag (g/t)**	**Au (g/t)**	**Cu (t)**
A 2024 Mineral Reserve	547,700,000	0.265	78	2.69	0.048	1,449,000
B 2024 Production / Depletion (from Reserve)	(32,800,000)	0.407	114	3.97	0.149	(133,000)
C (A-B) = Depleted Reserve	514,900,000	0.255	76	2.61	0.042	1,315,000
D Reserves adjusted for new resource model	509,300,000	0.251	80	2.55	0.041	1,276,000
E Mine Planning Gain/(Loss)	7,700,000	0.165	63	1.65	0.033	13,000
F 2025 Mineral Reserve (D+E) including stocks	517,000,000	0.249	79	2.54	0.041	1,289,000

Mineral Resource Reconciliation (Exclusive of Mineral Reserves) Measured & Indicated	**Tonnes**	**Cu (%)**	**Mo (g/t)**	**Ag (g/t)**	**Au (g/t)**	**Cu (t)**
G 2024 Mineral Resource	171,500,000	0.219	83	2.08	0.039	376,000
H 2024 Depletion (conversion to Reserve)	0	0.000	0	0.00	0.000	0
I (G-H) = Depleted Resource	171,500,000	0.219	83	2.08	0.039	376,000
J Adjusted for new resource model	171,500,000	0.219	71	2.26	0.039	376,000
K Economic re-evaluation Gain/(Loss)	8,200,000	0.151	35	1.87	0.029	12,000
L 2025 Mineral Resource (J+K)	179,700,000	0.216	69	2.24	0.039	388,000

Mineral Resource Reconciliation (OP Exclusive of Mineral Reserves) Inferred	**Tonnes**	**Cu (%)**	**Mo (g/t)**	**Ag (g/t)**	**Au (g/t)**	**Cu (t)**
M 2024 Mineral Resource	30,400,000	0.231	68	2.58	0.057	70,000
N 2024 Mineral Resource (Depletion)	0	0.000	0	0.00	0.000	0
O (M-N) = Depleted Resource	30,400,000	0.231	68	2.58	0.057	70,000
P Adjusted new resource model	30,400,000	0.245	68	2.73	0.057	74,000
Q Economic re-evaluation Gain/(Loss)	4,000,000	0.247	75	2.80	0.056	10,000
R 2025 Mineral Resource (P+Q)	34,400,000	0.245	69	2.74	0.057	84,000

Mineral Resource Reconciliation (Underground) Inferred	**Tonnes**	**Cu (%)**	**Mo (g/t)**	**Ag (g/t)**	**Au (g/t)**	**Cu (t)**
S 2024 Mineral Resource	6,500,000	1.200	69	8.62	0.140	78,000
T 2025 Mineral Resource	6,500,000	1.200	69	8.62	0.140	78,000

Notes:
1. Totals may not add up correctly due to rounding.
2. Mineral resources are exclusive of mineral reserves and do not have demonstrated economic viability.
3. Mineral resource estimates are based on resource pit design and do not include factors for mining recovery or dilution.
4. The open pit mineral resources are estimated using a minimum NSR cut-off of $6.40 per tonne and assuming metallurgical recoveries (applied by ore type) of 86% for copper on average for the life of mine, while the underground inferred resources at Constancia Norte are based on a 0.65% copper cut-off grade.
5. Mineral reserves are estimated using a minimum NSR cut-off of $6.40 per tonne at Pampacancha, $7.30 per tonne at Constancia and assuming metallurgical recoveries (applied by ore type) of 86% for copper on average for the life of mine.
6. Long term metal prices of $4.15 per pound copper, $15.00 per pound molybdenum, $1,900 per ounce gold, and $23.00 per ounce silver were used to confirm the economic viability of the mineral reserve estimates and to estimate mineral resources.

Mining Operations

The Constancia mine is a traditional open pit shovel/truck operation with two deposits: Constancia and Pampacancha. The operation consists of open pit mining and flotation of sulphide minerals to produce commercial grade concentrates of copper and molybdenum. Silver and a small quantity of payable gold reports to the copper concentrate. The Pampacancha deposit exhibits higher grades of copper and gold.

To match the production requirements, operations are conducted from 15 metre high benches using large-scale mine equipment, including: 10-5/8-inch-diameter rotary blast hole drills, 27 cubic metre class hydraulic shovels, 19 cubic metre front-end loaders, and 240 ton off-highway haul trucks.

The forecasted life of mine production is set out in the Constancia Technical Report. Changes to the mine plan and other factors may cause these production forecasts to fluctuate over the life of mine and, as such, Hudbay provides three year production guidance each year based on current assumptions.

The information presented in this section is forward looking information. See "Cautionary Statement on Forward-Looking Information" and "Risks and Uncertainties" in this AIF.

Processing and Recovery Operations

In 2024, the processing plant achieved a throughput of 91,600 tonnes per operating day (31.9 million tonnes per annum at 95.4% plant availability). The primary crusher, belt conveyors, thickeners, tanks, flotation cells, mills and various other types of equipment are located outdoors and are not protected by buildings or enclosures. To facilitate the appropriate level of operation and maintenance, the molybdenum concentrate bagging plant, copper concentrate filters and concentrate storage are housed in clad structural steel buildings.

The processing plant has been laid out in accordance with established good engineering practice for traditional grinding and flotation plants. The major objective is to make the best possible use of the natural ground contours by using gravity flows to minimize pumping requirements and to reduce the height of steel structures.

An instrumentation plan has enhanced the processing plant's performance with various initiatives implemented at different sub-process levels. These initiatives include video cameras at the apron feeder and belts, froth cameras at the flotation cells and a particle-size analyzer, all of which have been installed and commissioned. These initiatives were part of an overall automation plan integrated into the processing plant system.

Capital and Operating Costs

Growth capital expenditures include several projects at the mine and process plant while sustaining capital expenditures include capital required for major mining equipment acquisition, rebuilds, and major repair. The cost also includes site infrastructure expansion (Tailings Management Facility, Waste Rock Facility, etc.) and process plant infrastructure.

The forecasted life of mine capital and operating costs are set out in the Constancia Technical Report. Cost inflation, changes to the mine plan and other factors may cause these costs to fluctuate over the life of mine and, as such, Hudbay provides a guidance range for capital and operating costs on an annual basis and the 2025 cost guidance was set out in Hudbay's news release dated February 19, 2025.

The information presented in this section is forward looking information. See "Cautionary Statement on Forward-Looking Information" and "Risks and Uncertainties" in this AIF.

Exploration, Development and Production

The Constancia mine commenced initial production in the fourth quarter of 2014 and achieved commercial production in the second quarter of 2015 while the Pampacancha mine achieved commercial production in the third quarter of 2021.

In addition, as described in the AIF, we acquired a large, contiguous block of mineral rights to explore for mineable deposits within trucking distance of the Constancia processing facility in 2018. Community agreements have been concluded with the community of Uchucarco in 2022 and with the community of Quehuincha in 2018 allowing Hudbay to start exploration activities on significant portions of the highly prospective Caballito, Maria Reyna and Kusiorco properties. The activities included necessary archeological, environmental and geological base line studies to support the drill permit application submitted for the Maria Reyna and Caballito property in 2024. The EIA for Maria Reyna was approved by the government in June 2024 and the Caballito EIA was approved by the government in September 2024. This EIA approval process represents one of several steps in the drill permitting process, which is expected to be completed in 2025. Surface mapping and geochemical sampling confirm that both Caballito and Maria Reyna host sulfide and oxide rich copper mineralization in skarns, hydrothermal breccias and large porphyry intrusive bodies.

LALOR AND OTHER SNOW LAKE ASSETS

Project Description and Location

Lalor is a gold, zinc and copper mine near the town of Snow Lake in the province of Manitoba. Lalor is located approximately 200 kilometres mostly by paved highway east of Flin Flon, Manitoba. Lalor commenced initial ore production from the ventilation shaft in August 2012 and commenced commercial production from the main shaft in the second half of 2014.

The town of Snow Lake is a full-service community with available housing, hospital, police, fire department, potable water system, restaurants and stores. To house non-local employees during their work rotations, the Company provides a camp located in town which services Hudbay employees and contractors for the mine and mill operations. Other infrastructure in the area includes provincial roads, a 115 kV Manitoba Hydro power grid within four kilometres of Lalor and Manitoba Telecom land line and cellular phone service.

As described in this AIF, Hudbay operates two processing facilities in the Snow Lake area that process ore production from the Lalor mine. The Stall concentrator produces zinc and copper concentrates and our recently refurbished New Britannia mill produces copper concentrate and gold/silver doré.

Following the closure of the Flin Flon zinc plant in mid-2022, the zinc concentrates produced from the Stall mill are sold to market.

In February 2019, Hudbay announced the discovery of the 1901 deposit located less than 1,000 metres from the existing ramp between the former Chisel North mine and Lalor and benefiting from the proximity of existing infrastructure. In 2020 and 2021, Hudbay conducted infill drilling, metallurgical testing and a pre-feasibility study that confirmed the technical and economic viability of the indicated and measured portion of the mineral resource estimates at 1901 and highlighted the exploration potential to increase both the mineral resource and mineral reserve estimates through the discovery of a copper-gold rich feeder lens.

The WIM deposit was acquired by Hudbay in 2018 for approximately C$0.5 million. WIM is a copper-gold deposit that starts from surface and is located approximately 15 kilometres by road north of the New Britannia mill. Access is currently via a winter road, and so a year-round gravel road is required for accessing WIM from New Britannia. Powerlines along the access road will also be required to feed the underground electrical distribution system.

The New Britannia mine is a former producing gold mine that produced approximately 600,000 ounces between 1949 and 1958 and an additional 800,000 ounces between 1995 and 2005. Significant mineral resources remain accessible at New Britannia as well as in the nearby Birch and 3 Zone with some investment in the existing mining infrastructure, such as rehabilitating the existing portal and ramp development at 3 Zone.

3 Zone is currently accessible via road and located approximately 3 kilometres (by road) northwest of New Britannia mill. Like WIM, 3 Zone requires powerlines along the access road, and year-round maintenance to the access road to site. Other surface infrastructure needed to support mining activities at WIM and 3 Zone include maintenance and warehouse facilities, fuel farms and storage tanks, and a mine safety and crew lineup space and changehouse. It is envisaged that the main administration offices will be centralized at either the New Britannia mill or Lalor mine site.

Pen II is a low tonnage and high-grade zinc deposit that starts from surface and is located approximately 6 kilometres by road from the Lalor mine. Access is currently via winter road, with potential for an all-weather road to be established north of Lalor mine.

The Watts deposit is located approximately 100 kilometres by road from the Stall mill and is near existing Manitoba Hydro powerlines. It is between 50 and 900 metres below surface, and in 2019 Hudbay conducted a limited drill program which successfully extended the known high grade copper mineralization along the strike of the ore body.

For all the properties mentioned above, Hudbay owns a 100% interest. Aside from a 1.5% royalty on 3 Zone, there are no other royalties payable other than those potentially payable to the province. Surface rights are held under general permits and are sufficient for purposes of our development plans.

On September 14, 2023, Hudbay successfully completed its acquisition of Rockcliff Metals Corp. (" **Rockcliff**"). Rockcliff was one of the largest landholders in the Snow Lake area, with approximately 1,800 square kilometres across all its properties. Prior to the transaction, Rockcliff was Hudbay's 49% joint venture partner of the Talbot deposit. The Talbot deposit and the additional Rockcliff exploration properties provide further optionality and potential future feed sources for the Stall and New Britannia mills. In 2023, Hudbay also completed the acquisition of mineral claims in the Cook Lake area, which is also located within trucking distance of the existing Snow Lake processing infrastructure and which forms part of Hudbay's regional exploration strategy.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

At Lalor, the current project infrastructure includes a 3.5 kilometre main access road that was constructed in 2010 from provincial road 395 and provides access from the Chisel North mine site to the Lalor site. This access road includes a corridor with freshwater/discharge pipelines, tailings/discharge pipelines for the Paste Plant and a main hydro line. Access to the site is off paved provincial highway 392, which joins the town of Snow Lake and provincial highway 39 and provides access to Flin Flon.

The Snow Lake area has a typical mid-continental climate, with short summers and long, cold winters. Climate generally has only a minor effect on local exploration and mining activities. The project area is approximately 300 metres above sea level, consisting of ridged to hummocky sloping rocks with depressional lowlands, and has gentle relief that rarely exceeds 10 metres. The area of Lalor and surrounding water bodies (Snow, File, Woosey, Anderson and Wekusko lakes) are located in the Churchill River Upland Ecoregion in the Wekusko Ecodistrict.

We commissioned a 2,000 US gallon per minute water treatment plant in 2008 at Chisel Lake, approximately eight kilometres from Lalor, where water from the Lalor mine is treated in the Water Treatment Plant along with water from the previously operated Chisel Open Pit.

Tailings production associated with the Lalor mine is impounded in the Anderson Tailings Impoundment Area (" **TIA**") and a capacity expansion has been approved to accommodate our planned future operations.

Power for the site is being transmitted at 25 kV from the Lalor substation located at the Chisel North minesite via a 3.5 kilometre transmission line.

History

The Snow Lake area has a long exploration and mining history. Exploration in the Lalor-Chisel area has been occurring since the 1950s and the Chisel Basin area has hosted four past producing mines. This basin is also the host of the Lalor deposit. Lalor commenced initial ore production from the ventilation shaft in August 2012, only five years after its initial discovery hole and achieved commercial production from the main shaft in the third quarter of 2014.

Gold was first discovered in 1914 approximately 20 kilometres to the southeast of Snow Lake and in 1917, the Moose Horn-Ballast claims produced the first gold in Manitoba. First mine construction at the New Britannia site started in 1945 and in March 1949, the mine was opened as the Nor-Acme mine. Production continued until 1958. 4.9 million tonnes were mined at an average grade of 4.4 g/t and Nor-Acme mill recovered approximately 610,000 ounces of gold during this production period. TVX and High River formed a joint venture to reopen the mine and TVX became the operator. Full production from the main shaft was achieved in August 1996. Through various transactions, Kinross became the operator of the New Britannia mine-mill complex. Production ceased at the end of September 2004 and the mill was put on care and maintenance in 2005 due to a low gold price environment after producing 1.6 million ounces of gold.

Geological Setting

The Snow Lake deposits including Lalor are all located within the Trans-Hudson Orogen of the Flin Flon Greenstone Belt. The volcanic assemblages consist of mafic to felsic volcanic rocks with intercalated volcanogenic sedimentary rocks.

The volcanogenic massive sulphide ("**VMS**") deposits located near the town of Snow Lake have been subdivided into two different groups: Cu-Zn-rich (Cu-Zn, Cu-Zn-Au) and Zn-Cu-rich (Zn-Pb-Cu-Ag) types. The Cu-Zn-rich deposits mainly occur in the Anderson sequence and the Zn-Cu-rich deposits occur in the Chisel sequence. The Watts and Talbot deposits, located east-southeast of the town of Snow Lake lies in the eastern portion of the Flin Flon-Snow Lake Greenstone belt and is a stratabound accumulation of sulphides that precipitated in a depositional environment similar to the base metal deposits of the Snow Lake mining camp.

Mineralization of the lode-gold vein-type deposits are hosted in the Amisk group mafic and felsics volcanic rocks which are structurally controlled and associated with shear zones, faults, fold hinges and axial planes that host simple to complex vein systems. The mineralization is associated with lithological contacts of contrasting properties in the sequence of interlayered volcanic and volcaniclastic rocks.

Drilling

At Lalor, over 6,109 drill holes totaling more than 873,802 metres have been included in the Lalor database to support the 2025 mineral resource and mineral reserve estimates.

Drilling supporting the 1901, Watts, Pen II and Wim mineral resource and mineral reserve estimates totals 85,448 metres, 25,000 metres, 2,000 metres and 43,000 metres, respectively.

For the New Britannia resource estimates including the 3 Zone and Birch zones, over 730,000 metres of drilling completed after 1995 was used. Drilling at all properties is a combination of NQ and BQ diamond drill holes, surveyed with either Reflex downhole tools or Gyro for deeper/longer holes.

Mineralization

The Lalor deposit and its associated 1901 satellite zone are interpreted as a gold enriched VMS deposit that precipitated at or near the seafloor in association with contemporaneous volcanism, forming a stratabound accumulation of sulphide minerals. The depositional environment for the mineralization is similar to that of present and past producing base metal deposits in felsic to mafic volcanic and volcaniclastic rocks in the Snow Lake mining camp. The deposit appears to have an extensive associated hydrothermal alteration pipe.

The Lalor VMS deposit is isoclinaly folded and flat lying, with zinc mineralization beginning at approximately 600 metres from surface and extending to a depth of approximately 1,400 metres. The mineralization trends about 320° to 340° azimuth and dips between 30° and 45° to the northeast. It has a lateral extent of about 1,400 metres in the north-south direction and 780 metres in the east-west direction. Sulphide mineralization is pyrite, sphalerite and chalcopyrite. The current interpretation suggests the deeper copper-gold lens tends to have a much more linear trend to the north than the rest of the zones. Gold and silver enriched zones occur near the margins of the sulphide lenses and in local silicified footwall alterations. These silicified areas often correlate with disseminated stringer chalcopyrite, pyrrhotite and pyrite, whether together or independent of each other. This footwall gold mineralization is typical of VMS footwall feeder zones with copper-rich disseminated and vein style mineralization overlain by massive zinc-rich zones. The gold bearing lithologies remain open down plunge to the north and northeast.

The WIM deposit comprises a stratabound, semi-massive to massive sulphide lens with an adjacent stringer/disseminated sulphide zone. Mineralization is characterized by disseminated to massive, recrystallized and medium to coarse grained pyrite, pyrrhotite, chalcopyrite and minor sphalerite. The VMS mineralization extends from surface to 720 m below surface with a strike length of 725 m with an average thickness of 10 m. The WIM deposit is conformable to stratigraphy, trends to the northwest at a N310º azimuth, a 40-45º dip towards the northeast and a plunge of 40º to the north.

The Snow Lake gold properties including No. 3 and Birch zones belong to the quartz-carbonate vein gold subtype of orogenic lode gold deposits. This subtype of gold deposits consists of simple to complex quartz carbonate vein systems associated with brittle-ductile rock behaviour, corresponding to intermediate depths within the crust, and compressive tectonic settings.

At Watts, sulphide intersections can be up to 23m in core length, with a lateral extent of approximately 1,200m. Diamond drilling has intersected mineralization at depths of 850m below surface. Mineralization was intersected and interpreted as three lenses; Main Lens, Main Footwall Lens, and East Lens comprised of coarse-grained pyrite, pyrrhotite, chalcopyrite, sphalerite, and minor galena. The sulphides have generally been recrystallized to a coarse grain size, but sections of finer grained sulphides do occur.

The Pen II deposit comprises a stratabound, semi-massive to massive sulphide lens with an adjacent stringer/disseminated sulphide zone. Mineralization is characterized by disseminated to massive, recrystallized and medium to coarse-grained sphalerite, pyrite, pyrrhotite and minor chalcopyrite. The mineralization extends from surface to 500 m below surface. The current strike length of the deposit is 400 m with an average thickness of 4 m. The deposit is conformable to stratigraphy, trends to the northeast at a N40º azimuth, a 45-65º dip towards the northwest.

Sampling Methods

As per Hudbay's standard procedures in Snow Lake, drill core is logged, sample intervals selected and marked clearly on the core. The majority of exploration core is cut in half with a diamond saw and a representative portion of the hole is kept. Definition and delineation core is whole core sampled. All samples are placed in a plastic bag with its unique sample identification tag. The average length for the sample intervals is 0.9 metres. The core was photographed before samples were split and bagged for shipment before dispatch to the laboratories.

Sampling and Analysis

Sample preparation has been conducted at three different laboratories over time. Prior to 2016, a total of 160,804 drill core samples were analyzed at the Hudbay laboratory in Flin Flon. Copper, zinc, and silver were digested in aqua regia and analyzed by ICP-OES. Gold was determined by lead-collection fire assay fusion, for total sample decomposition, followed by atomic absorption spectroscopy (AAS) analysis. Fire assays were performed on 15 to 30g subsample pulps to avoid problems due to potential nuggetty gold. All samples with gold values (AAS) > 10 g/t were re-assayed using a gravimetric finish.

Since September 2016, nearly all samples are prepared and assayed at Bureau Veritas in Vancouver. All drill core samples have been sent for analysis at Bureau Veritas while the SGS laboratory in Vancouver was used as the umpire laboratory for quality control purposes. Copper, zinc and silver were digested in aqua regia and analyzed by inductively coupled plasma optical emission spectrometry (ICP-OES) and more recently in 2016 by inductively coupled plasma mass spectrometry (ICP-MS). Samples with copper and zinc over the upper limit of detection (ULD) were analyzed by titration, whereas those samples with silver values over the ULD were analyzed by fire assay and gravimetric finish. Gold was determined by fire assay followed by atomic absorption spectroscopy (AAS).

The sampling methodology, analyses and security measures used by the previous owners at New Britannia have been documented in the Technical Report produced by Genivar for Alexis Resources in 2011 and available on SEDAR. Most of the drill cores and chips assays from 1995 to 2003 from the New Britannia mine were completed at the on-site mill laboratory using a fire assay/atomic absorption finish (FA/AA) method. Standard, blank and duplicate assay samples were added to each batch of 21 samples for drill core and to each batch of 24 samples for chip samples. The sampling and analytical procedures conformed to the industry standards at the time, and these were adequate to ensure a representative determination for the type of gold mineralization identified on the property. In 2019, 6 holes drilled by Hudbay at 3 Zone confirmed previous drilling results.

As of January 1, 2025, a total of 119,502 density measurements were collected by Hudbay. These measurements were performed at the Flin Flon laboratory, Bureau Veritas laboratory or at Hudbay logging facility, using a non-wax-sealed immersion technique to measure the weight of each sample in air and in water and pycnometry methods.

Quality Assurance and Quality Control

Quality Assurance and Quality Control samples were inserted into the sample stream. Hudbay's practice in Lalor involves insertion of the following every 100 samples; 2 blanks, 5 duplicates, 5 standards. The exploration team in 1901 inserts 5 blanks, 5 duplicates and 5 standards per 100 samples.

Results from the QA/QC program for standards, blanks, duplicates and external checks show that the program has been working effectively for the Lalor, 1901, Watts, Pen II and Wim properties, meeting industry standards and the data used provides a representative and unbiased basis for resource modeling purposes.

Security of Samples

Security measures taken to ensure the validity and integrity of the samples collected consist of a chain of custody of drill core from the drill site to the core logging area. All facilities used for core logging and sampling are located on the mine site and all sample splitting and shipping activities are conducted by technicians under the supervision of Hudbay geologists. The sample results are stored on a secure mainframe based Laboratory Information Management System (LIMS). The diamond drill hole database is stored on the secure Hudbay network, using the acQuire database management system with strict access rights.

Mineral Processing and Metallurgical Testing

The Stall concentrator is an operating plant running at steady state and, as a result, several of the initial metallurgical test results and assumptions have been revised to reflect the recent operating experience and performance of the plant in processing the ore produced from the Lalor mine. The Stall concentrator is producing a copper concentrate grade of 18 to 20% copper at 83 to 85% recovery with gold and silver as co-products with historical recoveries of approximately 55 and 60% and a zinc concentrate grade of 51% zinc at 90 to 93% recovery also containing less than 5% of the gold in the mill feed.

In 2023, Hudbay proceeded to a significant investment at Stall including several improvements to the flowsheet resulting in uplift in the recovery of copper and gold in the copper concentrate to respectively 92% and 62%. The main changes to the flowsheet included the addition of Jameson cells to increase copper rougher and cleaner capacity, the addition of a talc pre-flotation circuit, an increase in the zinc circuit cleaning capacity and froth washing and an increase in recovery of free gold through the addition of a gravity recovery unit on the copper regrind cyclone underflow.

Over the life of the Lalor mine, copper, gold and silver grade will increase and the average zinc grade will decrease. This trend will partially be offset in 2027, when the 1901 deposit is expected to enter production in a meaningful proportion to feed Stall with zinc rich mineralization.

In 2020, a metallurgical testwork program was conducted by Blue Coast Research to cover composites representing low grade, medium grade and high grade of the two zinc rich lenses of the 1901 deposit. A subsample of each of the composite samples was ground to a p80 of 100µm and submitted for mineralogical analysis. Mineralogical analysis and flotation tests were completed on each of the six composites and confirmed that the metallurgical performance of the Stall concentrator for the Lalor base metal lenses was applicable to the 1901 deposit, including the potential benefit of a lead recovery stage in the flotation circuit.

Commissioning of the New Britannia mill commenced in July 2021 and achieved commercial production in November 2021. Initial problems with the rod mill liner package and cyanide destruction circuit reduced plant availability until field rectifications were completed. After rectification work was completed, the New Britannia mill achieved and exceeded the steady state design throughput of 1,500 tonnes per day with copper, gold and silver recoveries meeting designed targets. Going forward, a throughput of 2,150 tonnes per day is assumed without negative impact on metal recovery.

Metallurgical testwork conducted in 2019 on WIM and 3 zone has confirmed that this mineralization is also amenable to successful beneficiation at the New Britannia mill. Four composites were created for each deposit and submitted for mineralogical, comminution and flotation as well as leach test work and gravity concentration in the case of 3 Zone. These tests have been used to confirm the copper, gold and silver recoveries applied in the life of mine plan for these two satellite deposits.

Mineral Resource Estimates

The mineral resource and mineral reserve estimates for the Lalor mine and all the other Snow Lake deposits are effective January 1, 2025. Other than as disclosed in this AIF, there are no known metallurgical, environmental, permitting, legal, taxation, socio-economic, marketing or political issues that could reasonably be expected to materially impact the mineral resource and mineral reserve estimates.

The mineral resources for Lalor, 1901, Watts, WIM, 3 Zone and Pen II are estimated either as base metal lenses or gold zones and classified as Measured, Indicated or Inferred resources, as described in the most recent technical report.

The construction of the mineralized envelopes was based on the type of mineralization intersected.

The resource is based on integrated geological and assay interpretation of information recorded from diamond drill core logging and assaying and underground mapping and is comprised of the following steps: exploratory data analysis, high-grade capping (when required), and estimation and interpolation parameters consistent with industry standards.

The block models were updated using both infill and exploration drilling conducted up until August 29 th, 2024 using the methodology documented in the March 2021 Lalor and Snow Lake Operations Technical Report and validated to ensure appropriate honoring of the input data by the following methods:

- Visual inspection of the ordinary kriging ("**OK**") block model grades in plan and section views in comparison to composites grade;
- Comparison between the nearest neighbour and the OK methods to confirm the absence of global bias in the model; and
- Smoothing correction to remove the smoothing effect of the grade interpolation where necessary.

Hudbay uses a stringent approach to establish the potential for economic extraction of its resource reporting for underground deposits. With this approach, the potential for economic extraction of the mineral resource estimates are reported within the constraint of a 'stope optimization envelope'. This excludes small isolated individual blocks above the economic cut-off criteria from the resource estimate and includes some 'geological dilution' that would need to be included in the economic envelope to maintain minimum spatial continuity requirements to define mineable shapes.

The parameters used as input to define the stope optimization envelope cover all the relevant technical and economic constraints including minimum stope and waste pillar dimensions and a NSR value calculation for each block based on anticipated metal recoveries, long-term metal price forecast and operating and capital costs based on the 2024 Lalor mine and Stall and New Britannia concentrator budgets. Two NSR values are calculated for each block to assess and compare the value of the blocks going to the Stall mill (no material difference between the two) or going to the new Britannia mill. The mineral resource estimates are reported to ensure that each potential stope would cover all its associated operating mining and milling costs.

For the former New Britannia, mine and its satellite gold deposits, the historical resource estimates performed by Kinross and by Alexis Minerals followed a conventional and industry standard approach and have been independently validated in 2018 by WSP Engineering ("WSP"). The cut-off grades for the resource have been estimated over a 6-ft. minimum true width with a variable cut-off by zone. The variation in the cut-off grade is related to new mining versus remnant mining. Given that WSP had to rely on historical documentation for some of the technical information supporting the estimation of the mineral resource estimates, the tonnes and grades previously estimated by Kinross and Alexis Minerals as measured and indicated resources were downgraded to an inferred category. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral Reserve Estimates

The current mineral reserves were estimated based on a life of mine (" **LOM**") plan prepared using Deswik mine design software that generated mining inventory based on stope geometry parameters and mine development sequences. Appropriate dilution and recovery factors were applied based on cut and fill and longhole open stoping mining methods with a combination of paste and unconsolidated waste backfill material.

The following steps were followed in developing the reserve estimates at Lalor, 1901, WIM and 3 Zone:

- Calculate two payable (NSR) values for each individual block in the resource model depending on whether processing would occur at the Stall concentrator or at the New Britannia concentrator, using long-term metal prices, concentrator recoveries, metal payability and downstream smelter treatment and refining costs assumptions.
- Design stopes in the Deswik Stope Optimizer, considering depleted mineral resources, existing workings, resource categories and mine and mill operations costs. Dilution and recovery are estimated and applied at this step. Stopes are designed for both the Stall concentrator option and the New Britannia concentrator option.
- Considering grades, value and location in the mine, assign stopes to either Stall or New Britannia concentrator.
- Establish stope economics using a secondary NSR calculation where, along with mine and mill operations costs, mine capital, waste development and offsite administration costs are applied to each stope.
- Assign whether stopes can be upgraded to mineral reserves based on resource classification.
- Design ore development required for mining the reserves. Deplete development from the stopes. Interrogate grades of designed development for inclusion in mineral reserves. Sequence and schedule development and stope production for input to a financial Life of Mine (LOM) study to support mineral reserve economics.

The above methodology takes into consideration the different ore types and the milling options for the mine's future production and considers the various ore types found at these deposits.

The mineral reserve estimates exclude the mined out mineral resources, non-recoverable pillars (rib, post and sill) within mined out areas, mineral resources that are sterilized or not recoverable due to previous mining and stopes based on inferred mineral resource estimates.

Reconciliation of Reserves and Resources

Other than as disclosed in this AIF, there are no known metallurgical, environmental, permitting, legal, taxation, socio-economic, marketing or political issues that could reasonably be expected to materially impact the mineral resource and mineral reserve estimates.

The 2025 reserve estimates of 12.7 million tonnes remains almost unchanged from 2024 after accounting for mining depletion of mineralization mined in 2024 grading above average reserve grade. High grade resource to reserve conversions and exploration gains have offset reductions related to the optimization of the mine plan through removal of lower grade dilution and low value reserves requiring significant development. The 2025 inferred mineral resource estimates reflect a reduction of approximately 1.0 million tonnes essentially due entirely to resource to reserve conversion.

Lalor Mine and 1901 - January 1, 2025 (1)(2)(3)(4)(5)(6)(7)(8)(9)					
Mineral Reserve Reconciliation (Proven & Probable)	**Tonnes**	**Au (oz)**	**Zn (t)**	**Cu (t)**	**Ag (oz)**
A 2024 Mineral Reserve	13,570,000	1,649,000	423,000	91,000	11,969,000
B 2024 Production (from Reserve)	1,630,000	244,000	46,000	14,000	1,420,000
C (A-B) = Depleted Reserve	11,940,000	1,405,000	377,000	77,000	10,549,000
D 2025 Reserve update	12,740,000	1,517,000	381,000	80,000	11,807,000
E (D-C) Gain/(Loss)	800,000	112,000	4,000	3,000	1,258,000

Mineral Resource Reconciliation Base Metal (Inferred)	**Tonnes**	**Au (oz)**	**Zn (t)**	**Cu (t)**	**Ag (oz)**
F 2024 Mineral Resource	1,040,000	57,000	57,000	3,000	1,053,000
G 2025 Resources update	870,000	47,000	49,000	3,000	895,000
H (G-F) Gain/(Loss)	(170,000)	(10,000)	(8,000)	0	(158,000)

Mineral Resource Reconciliation Gold Zones (Inferred)	**Tonnes**	**Au (oz)**	**Zn (t)**	**Cu (t)**	**Ag (oz)**
I 2024 Mineral Resource	4,580,000	695,000	12,000	64,000	3,315,000
J 2025 Resources update	3,540,000	548,000	10,000	59,000	1,775,000
K (J-I) Gain/(Loss)	(1,040,000)	(147,000)	(2,000)	(5,000)	(1,540,000)

Notes:

1. Totals may not add up correctly due to rounding.
2. Mineral resources are exclusive of mineral reserves and do not have demonstrated economic viability.
3. Mineral resources do not include factors for mining recovery or dilution.
4. Base metal mineral resources are estimated based on the assumption that they would be processed at the Stall concentrator while gold mineral resources are estimated based on the assumption that they would be processed at the New Britannia concentrator.
5. Long-term metal prices of $2,090 per ounce gold, $1.25 per pound zinc, $4.30 per pound copper and $24.30 per ounce silver with an exchange rate of 1.33 C$/US$ were used to confirm the economic viability of the mineral reserve estimates.
6. Long-term metal prices of $2,090 per ounce gold, $1.25 per pound zinc, $4.30 per pound copper and $24.30 per ounce silver with an exchange rate of 1.33 C$/US$ were used to estimate mineral resources.
7. Lalor mineral reserves and resources are estimated using a NSR cut-off ranging from of C$154 to C$182 per tonne assuming a long hole mining method and depending on mill destination.
8. Individual stope gold grades at Lalor were capped at 10 grams per tonne. This capping method resulted in an approximate 2% reduction in the overall gold reserve grade at Lalor.
9. 1901 mineral reserves and resources are estimated using a minimum NSR cut-off of C$166 per tonne

The mineral reserve and resource estimates presented in this AIF for WIM, 3 Zone, Pen II, Watts, New Britannia Mine and Talbot remain unchanged from the prior year and are effective January 1, 2025. As a result, a detailed reconciliation has been omitted.

Mining Operations: Mine Planning

Lalor mine is a multi-lens, flat lying orebody with ramp access from surface and shaft access to the 955 metre level. Internal ramps located in the footwall of the orebody provide access between mining levels, with the mine currently developed to the 1,260 meters level in the Copper Gold lens 27. Stopes are accessed by cross-cuts from the major mining levels.

Power is provided to the mine via power cables located in the production shaft. The Chisel North mine ventilation system in sequence with the Lalor mine Downcast Raise, the Access Ramp and the Lalor mine Production Shaft provide a total of 955,000 cfm for ventilation purposes. Mine ventilation air is heated by direct fired propane heaters located at each of the intakes. Lalor mine's fresh water source is Chisel Lake. Mine water reports to the water treatment plant at Chisel Lake where it is treated and released. All water within the mine is collected in intermediary collection sumps and proceeds to the main collection areas via drain lines, drain holes or drainage ditches.

In 2024, Lalor achieved a total of approximately 1.6 million tonnes of production. The life of mine plan continues to be based on steady state mine production of 4,500 tpd.

Mining is done using mobile rubber tired diesel equipment. Load haul dump (" **LHD**") units vary from 8 to 10 cubic yards. Trucks are currently 42 to 65 tonne units that haul both ore and waste. Autonomous operation of a LHD loader underground is also completed from surface by tele-remote monitoring. Ore is directed to rock breakers located near the production shaft at the 910 metre level, where it is sized to 0.55 metre and conveyed to the shaft for hoisting to surface by two 16 tonne capacity bottom dump skips in balance.

Lateral advance is made in 4 m long segments (rounds), with typical dimensions of 6 metre wide by 5 metre high. Lateral drilling is completed with two boom electric hydraulic jumbo drills, each round requires approximately 80 holes. Following mucking, standard ground support is installed. Mine services, including compressed air, process water and discharge water pipes, paste backfill pipeline, power cables, leaky feeder communications antenna and ventilation duct are installed in main levels and stope entrances.

Two main mining methods are used at Lalor mine, cut and fill and longhole open stoping. Cut and fill methods include: mechanized cut and fill, post pillar cut and fill and drift and fill. Longhole open stoping methods include: transverse, longitudinal retreat and uppers retreat. Each mining area is evaluated to determine the most economic stoping method. In general where the dip exceeds 35° and the orebody is of sufficient thickness, longhole open stoping is used and lateral cut and fill mining methods are used in flatter areas. Approximately 80% of the mineral reserves are to be mined using the longhole open stoping methods, 15% through the cut and fill methods and 5% via development in ore. All stope mining is done using emulsion explosives.

The production is supported by a hoisting plant capable of 6,000 tonnes per day, transitioning to more bulk mining methods with additional mining fronts and implementing technology and automation processes to improve mining efficiencies, developing ore passes and transfer raises to reduce truck haulage cycle times from the upper portions of the mine. In addition, a paste backfill plant was commissioned in 2018.

Ore is received at the Stall concentrator, approximately 16 kilometres east of Lalor mine, and offloaded onto a dedicated stockpile at the mill depending on ore type. Ore is crushed in campaigns through a two-stage external crushing plan where the final product size is less than 19 millimeters. Ore crushed for processing through the Stall concentrator is directly conveyed to the fine ore bins or stockpiled. Ore crushed for processing through New Britannia is stockpiled ahead of haulage to the New Britannia concentrator.

Crushed ore is conveyed to Stall's two sequential rod and ball mill combinations operating parallel with each other. The mills feed a sequential flotation process where a bulk rougher copper concentrate is floated first. The copper rougher concentrate is reground, followed by three stages of cleaning producing a concentrate grading approximately 21% copper. The copper concentrate is either thickened and filtered to remove water, and is conveyed to concentrate storage onsite, or is pumped to the New Britannia filtration circuit. The stored copper concentrate is then loaded on to semi-tractor trailer trucks for transport to Flin Flon for transport by rail to third party smelters.

The tails from the copper circuit feed the zinc flotation circuit which produces a zinc rougher concentrate. This is followed by three stages of zinc cleaning which produces a concentrate grading approximately 51% zinc. Zinc concentrate is thickened and filtered and is conveyed to concentrate storage. Like the copper concentrate, the zinc concentrate is loaded on to semi-tractor trailer trucks for transport to Flin Flon for transport by rail to customers. Final tails from the Stall concentrator are currently pumped to the Anderson Tailings Impoundment Area (" **TIA**") for permanent disposal.

Crushed ore that is hauled to the New Britannia concentrator is side dumped into a loading pocket and conveyed to the fine ore bin. No stockpiling capacity is present at the New Britannia site. The crushed ore is conveyed to the single rod and ball mill line. The mill feeds a single flotation circuit where a copper concentrate is produced. The copper concentrate is thickened and filtered to remove water and is dropped into the concentrate storage on site. The tails from the flotation circuit feeds the tails leach circuit which produces a gold silver doré. The tails leach circuit utilizes a carbon-in-pulp flowsheet from which the tailings are treated to remove residual cyanide before pumping to the Anderson TIA for permanent disposal.

The paste plant is located northeast of the existing headframe complex at the Lalor mine and delivery capacity of the paste can achieve 165 tonnes per hour solids (tails) or 93 cubic metres per hour paste. The paste plant is designed to fill voids left by mining of approximately 4,500 tonnes per day. Taking into account waste generated from development in the LOM and the plan not to hoist waste from underground the combined paste/waste backfilling capacity is approximately 6,000 tonnes per day. The paste plant is capable of varying the binder content in the paste to provide flexibility in the strength gain of the paste where higher and early strength may be required depending on mining method.

Tails required for paste are diverted to the Anderson booster pump station. Capacity of the pumping station range from 110 to 130 tonnes per hour to allow for some variation in the output of tailings from the concentrator. The tailings are directed into the Anderson TIA when not required for the paste plant.

Two pipelines are installed between the Anderson booster pump station and the paste plant located at Lalor mine site, approximately a 13 kilometre distance. Paste is delivered underground via one of two - nominal 8 inch diameter, cased boreholes from surface to the 780 metre level the mine. Only one borehole is required during normal operation, with the second borehole available as a spare in the event of a plug or excessive wear on the primary hole.

A network of underground lateral piping and level to level boreholes transfer the paste from the base of the discharge hopper to the required underground locations.

Permitting and Environmental

The permits required for the current Lalor operation, including the Lalor mine, Stall concentrator, New Britannia concentrator and Anderson tailings facility have all been issued and remain valid.

At this time, there are no known environmental concerns which could adversely affect Hudbay's ability to operate the Lalor mine. Since the mine site is nearby existing facilities in the Snow Lake area, the Lalor mine was able to utilize infrastructure, services, and previously disturbed land associated with permitted, pre-existing and current mining operations in the Snow Lake area. The Lalor mine and associated projects are designed to minimize the potential impact on the surrounding environment by keeping the footprint of the operations as small as possible and by using existing licensed facilities for the withdrawal of water and disposal of wastes.

Initial proposals for baseline work at WIM have been prepared by AECOM. Once complete these environmental studies will form the basis of the required approvals needed to advance this project should it be deemed viable.

3 Zone is part of the New Britannia site. Significant environmental studies of the area are available, and additional environmental assessments would be utilized to augment our understanding of the property and any potential offsite impacts. Approvals to advance this project would be through Provincial regulators as part of an alteration of the existing Environment Act Licence for the property.

The 1901 deposit would leverage all existing surface and underground development near Lalor operations. Significant environmental baseline work has recently been conducted by AECOM and in conjunction with the significant amount past studies will be used to gain approvals for this development should it prove viable.

Based on Hudbay's long-term (more than 50 years) mining experience in the Snow Lake region, and baseline studies to date, there is no known First Nation or Aboriginal hunting, fishing, trapping or other traditional use of the land in the zone of potential influence for the Lalor mine and associated facilities. Post closure, all water quality and earthen structures will be monitored and inspected in order to ensure the sites' conditions meet the applicable regulatory requirements.

Capital and Operating Costs

The capital expenditures required to execute the LOM plan at Lalor and 1901 includes pre-production mine development for 1901, and the sustaining capital required to continue capitalized mine development activity and to replace/acquire mining equipment. The 1901 development plan started as planned in 2024 with an exploration drift to access early ore and conduct infill drilling to convert the high grade gold inferred resources to reserves. It is also envisaged that additional synergies with Lalor will exist and so reductions in mine equipment costs and personnel requirements are factored into the cost profile.

Other remaining capitalized expenditures included in the LOM plan relate to milling and environmental activities and growth projects such as the Stall mill recovery improvement program (discussed under "Mineral Processing and Metallurgy" above).

The forecasted life of mine capital and operating costs are set out in the Snow Lake Technical Report. Cost inflation, changes to the mine plan and other factors may cause these costs to fluctuate over the life of mine and, as such, Hudbay provides an annual guidance range each year based on current assumptions. The 2025 cost guidance is set out in Hudbay's news release dated February 19, 2025.

The information presented in this section is forward looking information. See "Cautionary Statement on Forward-Looking Information" and "Risks and Uncertainties" in this AIF.

Exploration, Development and Production

Since 2017, exploration drilling at Lalor has focused on both adding and converting inferred mineral resource estimates with a strong emphasis on confirming the continuity of the gold rich mineralization.

Hudbay commenced a winter surface drill program in January 2025 with six drill rigs in the Snow Lake region testing the down-dip gold and copper extensions of the Lalor deposit, confirming the geometry and size of the Lalor Northwest discovery located within 400 metres of existing Lalor underground infrastructure and also testing a number of regional targets identified from previous geophysical surveys. Hudbay has also undertaken its largest geophysical campaign in history in Manitoba consisting of both ground and airborne aeromagnetic sruveys.

With the inclusion of the New Britannia mill, net revenue at Lalor has shifted from primarily zinc to primarily gold, positioning Lalor as a primary gold mine with significant zinc, copper and silver by-products. Revenue from precious metals through the remaining life-of-mine is expected to be approximately 65% of total revenue. Significant zinc and copper revenue provides diversified commodity exposure.

The forecasted life of mine production is set out in the Snow Lake Technical Report. Changes to the mine plan and other factors may cause these production forecasts to fluctuate over the life of mine and, as such, Hudbay provides three year production guidance each year based on current assumptions.

The information presented in this section is forward looking information. See "Cautionary Statement on Forward-Looking Information" and "Risks and Uncertainties" in this AIF.

WIM and 3 Zone Capital and Operating Cost Profiles

The WIM mine development plan contemplates construction activities occurring in 2032, followed by commissioning in 2033 and ramp-up to the maximum production rate by end of 2034. The capital expenditures required for refurbishing the existing mining infrastructures at 3 Zone have been grouped with the WIM sustaining capital expenditure and are estimated to be C$164 million, in aggregate from 2032 to 2037.

WIM and 3 Zone will be traditional long hole underground mining operation with waste backfill and ramp access. Ore from both deposits will be trucked using the same haul road to the New Britannia mill which is located 15 kilometres from WIM and 3 kilometres from 3 Zone. It is envisaged to use some of the spare equipment from Lalor as well as an already existing workforce. Given the short distance to the town of Snow Lake, there will be no need for an additional camp.

The information presented in this section is forward looking information. See "Cautionary Statement on Forward-Looking Information" and "Risks and Uncertainties" in this AIF.

COPPER MOUNTAIN & NEW INGERBELLE MINE

Project Description, Location and Access

After 15 years of care and maintenance, the Copper Mountain Mine (CMM) restarted operations at the CMM in mid-2011. Operations have continued since 2011 without major interruptions.

Hudbay's operations at the CMM include a series of open pits, an ore processing plant, waste rock facilities (WRF), a tailings management facility (TMF), and other ancillary facilities that support the operations.

The CMM is located 21 km from the town of Princeton and 180 km east of Vancouver, British Columbia (B.C.). The CMM property consists of 135 Crown-granted mineral claims, 145 located mineral claims, 14 mining leases, 12 fee simple properties, and 7 cell claims, which together cover 6,354 ha (63.5 km^2). All claims are controlled by Copper Mountain Mine (BC) Ltd. (CMBC), a joint venture owned 75% by Hudbay and 25% by Mitsubishi Materials Corp. (MMC), except for a small subset of claims that were optioned to a third party and in respect of which CMBC has a right of reconveyance. The claims straddle the Similkameen River, with New Ingerbelle on the river's west side and the Copper Mountain Main (CM Main) and Copper Mountain North (CM North) Pits on the east. The Hope-Princeton Highway (Highway 3) passes immediately west of the property.

The CMM is within the Traditional Territory of the Smilq'mixw People as represented by the Upper Similkameen Indian Band (USIB), in Hedley, and the Lower Similkameen Indian Band (LSIB). Hudbay respects USIB and LSIB's commitment to the principles of economic sustainability, environmental stewardship, and self-determination regarding Smilq'mixw Territory. Hudbay maintains a cooperative and respectful relationship with USIB and LSIB that is in keeping with these principles. To do so, Hudbay, USIB, and LSIB work together within the framework of a Participation Agreement (PA) signed with each Band. Hudbay is currently renegotiating the terms of the PAs with each Band, as described in this AIF.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Almost all the CMM property area is accessible by highway, with the site served by a paved access road, local gravel roads, and those used for current mining. Electrical power from the provincial grid is connected to the property. Supplemental water for operations, in addition to water recycled from the TMF, is pumped from the Similkameen River. Property elevations range from approximately 770 m above sea level (masl) to 1,300 masl. The CMM area has a relatively dry climate, typical of B.C.'s southern interior. Summers are warm and dry, and winters are cool, with minor precipitation.

The Town of Princeton connects to the mine by way of an 18.4 km-long paved road, and a gravel road approximately 2.6 km long. The town has a population of approximately 3,000 and a diversified economy driven by mining, ranching, forestry, and tourism. The CMM operation is the predominant employer in the area. Princeton has services typical of its size; however, the mine's proximity to Vancouver, Kamloops, and other larger centres ensures that almost all the services required by mine operations are easily obtainable.

History

Initial exploration in the Copper Mountain area dates to around 1884. Underground mining began in 1923, when Granby Consolidated Mining, Smelting and Power Company (Granby) acquired the property and built a milling facility in Allenby (adjacent to Princeton). Between 1927 and 1957, Granby extracted around 31.5 Mt of economic mineralization with an estimated head grade of 1.08% Cu, as well as significant amounts of gold and silver, mostly from its underground operations. In 1972, Newmont began open pit mining operations at the Ingerbelle Pit. In 1988, Newmont sold the entire property to Cassiar Mining Corporation, which later became Princeton Mining Corporation. Mining operations ceased in 1996.

In 2006 Copper Mountain Mining Corp. (CMMC) acquired an option on the CMM property from Compliance Energy. Following large exploration and drilling programs in 2007 (138 diamond drill holes) and 2008 (275 diamond drill holes), CMMC exercised the option, and decided to work towards putting the property back into production.

In 2009, MMC and CMMC entered into a joint venture agreement in respect of CMM, pursuant to which MMC acquired a 25% interest in CMBC and the Copper Mountain Mine. In connection therewith, CMBC entered into an offtake agreement with MMC, pursuant to which CMBC agreed to sell 100% of the concentrate production from CMM to MMC.

Following extensive exploration and engineering studies, construction was initiated in early 2010, and the current phase of open pit mining began in 2011.

In June 2023, Hudbay acquired CMMC and became the 75% owner of CMBC and the Copper Mountain Mine. On March 26, 2025, Hudbay entered into an agreement with MMC to acquire MMC’s 25% minority interest in Copper Mountain Mine (BC) Ltd., with such transaction expected to close during the second quarter of 2025. Once completed, Hudbay will be the 100% owner of the Copper Mountain mine.

Geological Setting, Mineralization, and Deposit Types

The CMM porphyry copper deposit lies near the southern end of the Quesnel Terrane, consisting of volcanic, sedimentary, and plutonic rocks. At CMM, the Nicola Group is cut by a suite of intrusive rocks including the composite Copper Mountain Stock (CMS), the Voigt Stock, and the slightly younger, polyphase, Lost Horse Intrusive Complex (LHIC).

The bulk of the known copper-gold mineralization at CMM occurs in a northwesterly trending belt of approximately 5 km long and 2 km wide. Copper-gold mineralization postdates the CMS and is temporally and spatially associated with the LHIC. Host rocks and mineralization in the mine area are cut by numerous late, north-south-trending felsite dykes. Sedimentary and volcanic rocks of the Eocene Princeton Group have been unconformably deposited on Nicola Group rocks and LHIC along the northern margin of the CMM and dip at about 30° to the north.

Alteration types in the CMM deposit are typical of porphyry copper deposits: potassic, sodic, and propylitic. Mineralization had been subdivided into four types, as follows:

- Disseminated and stockwork chalcopyrite, bornite, chalcocite, and pyrite in altered Nicola Group volcanic rocks and LHIC rocks
- Bornite-chalcopyrite associated with pegmatite-like veins (coarse masses of orthoclase, calcite, and biotite)
- Magnetite-(±hematite)-chalcopyrite replacements and/or veins

- Chalcopyrite-bearing magnetite breccias.

Due to Pleistocene glacial erosion most of the CMM deposits are characterized by a relatively fresh erosion surface, with limited surficial oxidation and no significant secondary enrichment of copper.

Copper Mountain is an alkalic porphyry copper-gold deposit, spatially and genetically associated with multiple pulses of volumetrically restricted, and compositionally varied, alkaline porphyry intrusions. Well known examples of alkalic porphyry deposits in B.C. include Copper Mountain, Afton/Ajax, Mt. Milligan, Mount Polley, Lorraine, Red Chris, and Galore Creek.

Exploration

The CMM has a long history of exploration and mining. Historical soil sampling and rock chip sampling were carried out, but there is limited information available on these historical geochemical surveys, and the surficial data are not relevant to the current Mineral Resource estimate.

Airborne geophysical surveys were flown within the CMM area in 1993 and 2014 while ground geophysical surveys were carried out 2007 and 2017. Data from these geophysical surveys have been used to support geological mapping, exploration, and interpretation of the CMM deposits.

The CMM deposits remain open at depth with also a number of undrilled exploration targets generated using a combination of geophysical, geochemical, and structural geology data.

Drilling

The majority of the Copper Mountain area historical drilling (1912-2007) was diamond drilling, with some percussion holes drilled in the 1950s and reverse-circulation (RC) holes drilled in 1994. Since 2007, the majority of the drilling has been diamond drilling, with some RC drilling carried out in 2021-2022. Drilling on the CMM completed to September 1, 2024, includes 4,688 core drill holes (573,336m),1,403 percussion drill holes (85,724 m) and 303 RC drill holes (49,940 m), for a total of 6,394 drill holes (706,000 m).

A number of different drill-core diameters have been employed over the history of the CMM, including BX (36.6 mm core diameter for historical underground), NQ (47.6 mm core diameter), and HQ (63.5 mm core diameter). From 2007 onwards, the standard method of drilling was to start all holes with HQ core, then reduce to NQ core at depth. Core recoveries are typically between 90% and 100%, with local zones of lower recovery associated with fault zones.

Historical collar surveys used industry-standard theodolite instrumentation to establish local grid control. From 2007, drill-hole collars were surveyed using either a total station instrument or differential Global Positioning System.

Downhole survey data were absent in pre-1960 drill holes. Downhole dip data, presumably by acid tests, were included in drill data from 1960 to 1987. From 1988 to 1998, downhole surveys were obtained using a Pajari instrument, which provided both azimuth and dip data. From 2007, downhole surveys were obtained using digital REFLEX instruments (or similar systems) which were compass based.

Sample Preparation, Analyses, and Security

Hudbay has no information on quality assurance and quality control (QA/QC) procedures for historical (pre-2007) drill-hole data. However, since 2007 large drilling programs that included QA/QC measures have globally validated the historical data. Historical drill-hole data are also supported by more than 12 years of reconciled copper production and operational data.

From 2012 to 2022, sample preparation and primary analysis for copper and silver was carried out at the CMM laboratory. During this time, pulps from samples that returned >0.1% Cu in the CMM laboratory were routinely sent to a number of different independent laboratories for gold analysis, and on average 10% of these sample pulps were also analyzed for copper and silver. These check-assay results indicate that analytical data from the CCM laboratory are acceptable.

In all, 7,495 specific gravity measurements have been made on drill core and pulp samples, representing a range of lithology, alteration, and mineralization types, using the weigh-in-air/weigh-in-water technique (4,749 measurements) and the pycnometer method (2,749 measurements). These measurements have confirmed the validity of the historical tonnage conversion factor used at the CMM operations of 2.78 t/m^3 for all rock types, which has also resulted in reasonable reconciliation with historical mine production.

Hudbay has no information on sample security measures prior to 2007. From 2007, samples have been stored in secure areas at the mine site. No significant security issues have been identified. CMM exploration staff continually verified data starting with the drilling programs in 2007-2008, which supported the mine restart in 2011, and continuing through the most recent 2022 drill program. Drill-hole data are also supported by more than 12 years of reconciled copper production and operational data.

In 2024, Hudbay conducted a systematic drilling campaign of the low-grade stockpile to confirm the volume, grade and density of this material. The drilling was conducted on an approximate 50m x 50m grid using a sonic drill. Standard QA/QC protocols were applied with blanks, certified reference material and duplicates and assaying was conducted at a commercial laboratory.

Data Validation

There is no direct method for verifying historical (pre-2007) drill data. Although some drill cores remain on site, their condition does not allow for any systematic resampling or reanalysis. However, these historical data were obtained and compiled by major producing mining companies for mine design and production, and it is assumed that the data were acquired in the industry standard manner for their time. Despite this, Hudbay conducted global comparisons of assay results obtained from RC drilling and closely located diamond drilling in order to confirm the absence of sampling biases between the two drilling techniques.

In 2023, a major database migration to move all exploration project data into a cloud-based Seequent MX Deposit Database Management System has been completed. The 2023 project database has been extensively independently validated by Hudbay staff; the process included manual checks for transcription errors, data gaps, hole collar and assay interval locations, and downhole survey measurements.

From 2007 to 2022, QA/QC data were collected and regularly monitored, and do not indicate any problems with the analytical programs. However, QA/QC submission rates varied throughout this time, and from 2021 to early 2022 QA/QC insertion rates dropped below industry-accepted standards. To address this shortcoming, a half-core re-assay program was carried out by CMMC, representing a 5% check of primary analyses of >0.1% Cu from the 2021-2022 drilling program; the results of this re-assay program showed that the original assay results are acceptable. From March 2022, QA/QC insertion rates have met industry-accepted standards.

Hudbay personnel working under the supervision of the Qualified Person have visited the CMM area to conduct site inspections to become familiar with conditions on the property, observe the geology and mineralization, perform core review, and verify the work completed on the property as part of the Mineral Resource estimation and technical report process.

Mineral Processing and Metallurgical Testing

The metallurgical characteristics of the CMM deposits have been developed through extensive mill experience and ongoing on-site and off-site-based testing over the past decade which include comminution, flotation and concentrate characterization.

Feed sourced is competent and hard. To predict processing throughput, a conservative set of hardness values has been used based on recent plant performance from these active mining areas.

The copper-cleaner recovery has been consistent since the beginning of operations (2012) and is expected to remain within the 96% to 98% operating range, for a total copper recovery of 79% to 83%. Gold and silver are recovered as by-products by means of flotation. Historical production data from production records indicates that both gold and silver are correlated with overall copper recovery. There are currently no penalties associated with concentrates produced by the CMM concentrator. Moreover, there is no indication of any potential future concerns.

Mineral Resource and Mineral Reserve Estimates

A total of 700,000 m representing 5,954 holes has been used to construct the resource model for the CMM deposits. When gold and silver grade were not measured, they were calculated from the copper grade using robust regression formulae, by geological domain. Density was assigned a fixed value of 2.78 g/cm^3.

The CMM geological model was developed in 2023 after Hudbay took ownership of the mine from an initial interpretation of five lithological domains. This geological framework was then used to model six continuous estimation-domains hosting the mineralization grading above 0.1% Cu. Post-mineralization barren dykes cross-cutting the mineralization were assigned a grade of zero, as they host minimal metal. In addition, former underground stopes filled with caved mineralization mixed with barren rocks were assigned a density of 2.0 g/cm^3 and an average grade of 0.12% Cu, and the gold and silver grade were estimated through regression formula from the copper grade. Areas that have been backfilled were assigned an average density of 1.9 g/cm^3 and a zero grade for all metals.

For each mineralized envelope, resource classification is based on the kriging slope of regression, which is a function of drill spacing, mineralization continuity, and mining block geometry. Distance to closest samples was also considered, as well as the search criteria during interpolation. Some local adjustments were made to produce resource category domains that are smoother and more continuous, while also considering the number and distance of the samples used for interpolation.

In 2024, the resource model supporting the mineral reserve estimates was adjusted locally to account for limited new drilling, revised volume of backfill and topography based on a more recent survey as well as a new model for the low-grade stockpile based on a systematic drilling campaign conducted in 2024 which yielded average grade estimates very close to the estimates based on production records used for the January 1, 2024 estimates. The average grade of the former underground mine was adjusted to 0.265% Cu in order to better reflect reconciliations to actual credited production by the mill in 2024.

The mineral resource and mineral reserve estimates for Copper Mountain are effective January 1, 2025. Other than as disclosed in this AIF, there are no known metallurgical, environmental, permitting, legal, taxation, socio-economic, marketing or political issues that could reasonably be expected to materially impact the mineral resource and mineral reserve estimates.

The Proven and Probable Mineral Reserve estimates at the CMM total 346 Mt at a copper grade of 0.245% Cu that supports a 19-year mine life. The mine plan is based on the capacity of the process plant, which in turn relies on the grinding circuit throughput. The plant is permitted to process 50 kt/d.

Copper Mountain - January 1, 2025 [1][2][3][4][5][6]					
Mineral Reserve Reconciliation (Proven & Probable)	**Tonnes**	**Cu (%)**	**Ag (g/t)**	**Au (g/t)**	**Cu (t)**
A 2024 Mineral Reserve	367,000,000	0.249	0.69	0.115	915,000
B 2024 Production / Depletion (from Reserve)	(15,100,000)	0.246	0.67	0.113	(37,000)
C (A-B) = Depleted Reserve	351,900,000	0.249	0.69	0.115	877,000
D Model Adjustment	351,900,000	0.246	0.67	0.116	866,000
E Reserve Pit Redesign	(3,000,000)	0.300	0.69	0.117	(9,000)
F Backfill, Stockpile and Topo Adjustments	(2,900,000)	0.260	0.69	0.117	(7,000)
G 2025 Mineral Reserve (D-E-F) including stocks	346,000,000	0.245	0.67	0.116	849,000

Mineral Resource Reconciliation (Exclusive of Mineral Reserves) Measured & Indicated	Tonnes	Cu (%)	Ag (g/t)	Au (g/t)	Cu (t)
H 2024 Mineral Resource	138,000,000	0.210	0.69	0.104	290,000
I Reserve Pit Redesign	(14,600,000)	0.210	0.84	0.095	(31,000)
J Gains due to remodelling	1,300,000	0.210	0.84	0.095	3,000
K 2025 Mineral Resource (H-I+J)	124,700,000	0.210	0.68	0.105	262,000

Mineral Resource Reconciliation (Exclusive of Mineral Reserves) Inferred	Tonnes	Cu (%)	Ag (g/t)	Au (g/t)	Cu (t)
L 2024 Mineral Resource	371,300,000	0.249	0.61	0.126	923,000
M Reserve Pit Redesign	800,000	0.650	0.00	0.600	5,000
N 2025 Mineral Resource (L+M)	372,200,000	0.250	0.61	0.128	929,000

Notes:

1. Totals may not add up correctly due to rounding.
2. Mineral resources are exclusive of mineral reserves and do not have demonstrated economic viability.
3. Mineral resource estimates are based on resource pit design and do not include factors for mining recovery or dilution.
4. Mineral resources are estimated using a 0.1% copper cut-off grade.
5. Mineral reserves are estimated using a 0.1% copper cut-off grade and assuming metallurgical recoveries (applied by ore type) of 86% for copper, 68% for gold and silver on average for the life of mine.
6. Long term metal prices of $4.15 per pound copper, $1,900 per ounce gold, and $23.00 per ounce silver were used to confirm the economic viability of the mineral reserve estimates and to estimate mineral resources.

Reconciliation of Reserves and Resources

Hudbay conducted an in-depth reconciliation between the January 1, 2024 reserve model and the mill credited production for the volume mined in 2024. Results indicate that the reserve model performed well over-estimating tonnes by 5% and underestimating copper grade by 7% for a total net positive reconciliation of 2% on contained metal.

Mining Operations

CMM employs conventional open pit mining methods composed of blasthole drilling, blasting, shovel loading, and rigid-frame rear-dump-truck haulage.

Production schedules are based on achieving a tonnage of mill feed, which is constrained by the specified mining fleet, mineralization and waste-haul profiles, and calculated productivities.

The mine uses a cut-off value of 0.10% Cu. Material above the cut-off can be sent directly to the crusher or to a temporary high-grade stockpile, or alternatively to a low-grade stockpile when the copper grade is between 0.10% and 0.13% Cu, depending upon production rates of the various materials over a given time.

The projected mining fleet owned by Hudbay is ramping up to move approximately 100 Mt/a ex-pit in 2025-2027. Following 2027, the material movement rate will decrease over time as waste stripping demands decrease. The estimated fleet will sustain the projected mill ramp-up production to 50 kt/d by the second half of 2026.

Processing and Recovery Operations

The processing plant consists of a standard crush-grind-flotation circuit that operates two shifts 12 h/d, 365 d/a, with targeted plant availability of 92%. The process plant has an installed capacity of 45 kt/d process via a comminution circuit consisting of a primary and secondary crushing circuit followed by a standard SAG-Ball mill (SABC) grinding circuit.

The comminution circuit is followed by a sulphide flotation circuit that produces a copper-silver-gold concentrate. The flotation tailings are transported to the TMF unthickened via a gravity pipeline, with the sands and slime separation occurring on the TMF's dam walls via mobile cyclone units. The concentrate is dewatered via two pressure filters and stored on site before transport via truck to the Port of Vancouver for shipment to the final customers.

The process plant throughput is planned to be stabilized at 45 kt/d in the second half of 2025, followed by an expansion to 50 kt/d by over the next 12 months via removing process bottlenecks in the primary and secondary crushing circuits and repurposing one of the ball mills into a SAG mill duty, to be completed by end of 2025

Permitting and Environmental

The current B.C. *Mines Act* M-29 permit, issued and enforced by the B.C. Ministry of Energy, Mines, and Low Carbon Innovation (EMLI) authorizes the mine and reclamation plans, tailings, and WRFs, site roads, and water management. It also contains requirements for reclamation liabilities, closure-cost estimates, and associated reclamation bonding.

The *Mines Act* M-29 permit (and effluent and air emissions permits) will require amendments based on the CMM LOM plan and Hudbay's plans to develop New Ingerbelle. The permit application is advancing through a joint coordination authorization process through EMLI's Major Mines Office permit amendment process and will require consultation with potentially affected First Nations (including the USIB and LSIB).

Capital and Operating Costs

Growth capital expenditures include several projects at the mine and process plant while sustaining capital expenditures include capital required for major mining equipment acquisition, rebuilds, and major repair. The cost also includes site infrastructure expansion (Tailings Management Facility, Waste Rock Facility, etc.) and process plant infrastructure.

The forecasted life of mine capital and operating costs are set out in the Copper Mountain Technical Report. Cost inflation, changes to the mine plan and other factors may cause these costs to fluctuate over the life of mine and, as such, Hudbay provides a guidance range for capital and operating costs on an annual basis and the 2025 cost guidance was set out in Hudbay's news release dated February 19, 2025.

The information presented in this section is forward-looking information. See "Cautionary Statement on Forward-Looking Information" and "Risks and Uncertainties" in this AIF.

Exploration, Development and Production

Since completing the acquisition of Copper Mountain in June 2023, Hudbay has been focused on advancing its plans to stabilize the Copper Mountain mine to improve reliability and drive sustainable long-term value.

The proposed New Ingerbelle development plan involves renewing mining activities in the historical Ingerbelle open pit on the west side of the Similkameen River. The reserves from New Ingerbelle will be processed in the existing milling facility at Copper Mountain and the tailings generated from processing will also be stored at the existing TMF on the Copper Mountain side of the Similkameen River.

The forecasted life of mine production is set out in the Copper Mountain Technical Report. Changes to the mine plan and other factors may cause these production forecasts to fluctuate over the life of mine and, as such, Hudbay provides three year production guidance each year based on current assumptions.

The information presented in this section is forward looking information. See "Cautionary Statement on Forward-Looking Information" and "Risks and Uncertainties" in this AIF.

COPPER WORLD

Project Description, Location and Access

The Project is located within the historical Helvetia-Rosemont Mining District that dates to the 1800's. The deposits lie on the northern end and western foothills of the Santa Rita Mountain range approximately 28 miles (45 km) southeast of Tucson, in Pima County, Arizona, USA. The land is located within Townships 17, 18 and 19 South, Ranges 15 and 16 East, Gila & Salt River Meridian, Pima County, Arizona. The Project geographical coordinates are approximately 31º 86'N and 110º 77'W. Access to the Project is from Santa Rita and Helvetia Roads from the west and Highway 83, over and across Forest Service roads from the east.

The core of the Project Mineral resource is contained within the 132 patented mining claims and mill sites that in total encompass an area of 2,004 acres (811 hectares) (the "Patented Claims"). Surrounding the Patented Claims is a contiguous package of 1,866 unpatented mining claims and mill sites with an aggregate area of more than 22,416 acres (9,072 hectares) (the "Unpatented Claims"). Associated with the Patented Claims and Unpatented Claims are 81 parcels of fee (private) land consisting of approximately 3,461 acres (1,401 hectares) (the "Associated Fee Lands"). The area covered by the Patented Claims, Unpatented Claims and Associated Fee Lands totals approximately 27,721 acres (11,218 hectares).

The patented mining claims are considered to be private lands that provide the owner with both surface and mineral rights. The patented mining claim block, including the core of the mineral resource, is monumented in the field by surveyed brass caps on short pipes cemented into the ground. The fee lands are located by legal description recorded at the Pima County Recorder's Office.

Mineral Rights on US Forest Service and Bureau of Land Management (" **BLM**") lands have been reserved to Copper World, Inc., via the unpatented claims that surround the patented claims. Wooden posts and stone cairns mark the unpatented claim corners, end lines and discovery monuments, all of which have been surveyed. The unpatented claims are maintained through the payment of annual maintenance fees of $200.00 per claim, for a total of approximately $373,200 per year, payable to the BLM.

There is a 3% NSR royalty on all 132 patented claims, 603 of the unpatented claims, and one parcel of the Associated Fee Lands with an area of approximately 180 acres.

As discussed in the body of this AIF, the Copper World Project consists of the seven recently discovered Copper World deposits, along with the East deposit, and Hudbay's ownership in the Project is subject to a precious metals stream agreement with Wheaton Precious Metals.

History

The first recorded mining activity in the Helvetia-Rosemont mining district occurred in 1875. The Helvetia-Rosemont mining district was officially established in 1878. Production from mines on both sides of the Santa Rita ridgeline supported the construction and operation of the Columbia Smelter in Helvetia and the Rosemont Smelter in Old Rosemont. Copper production from the district ceased in 1961 after production of about 438,000 tons of ore containing 36,766,000 pounds of copper, 1,130,000 pounds of zinc and 361,600 ounces of silver.

By the late 1950s, the Banner Mining Company (Banner) had acquired most of the claims in the area and had drilled the discovery hole into the East deposit. In 1963, the Anaconda Mining Co. acquired options to lease the Banner holdings. Their exploration program demonstrated that a large-scale porphyry/skarn existed at the East deposit. Regional exploration also identifies targets at the Broadtop Butte and Peach-Elgin prospects.

In 1973, Anaconda Mining Co. and Amax Inc. formed a 50/50 partnership to form the Anamax Mining Co. In 1977, following years of drilling and evaluation, the Anamax joint venture generated a resource estimate of about 445 million tons of sulfide mineralization averaged 0.54% copper using a cut-off grade of 0.20% copper. In addition to the sulfide material, 69 million tons of oxide mineralization averaging 0.45% copper was estimated.

In 1979, Anamax carried out a resource estimate for the Broadtop Butte deposit located about a mile north of the East deposit. Their mineral estimate identified 9 million tons averaging 0.77% copper and 0.037% molybdenum. In 1985, Anamax ceased operations and liquidated their assets.

Asarco purchased the patented and unpatented mining claims in the Helvetia-Rosemont mining district from real estate interests in August 1988 and renewed exploration of the Peach-Elgin and initiated engineering studies on the East deposit. In 1999, Grupo Mexico acquired the Helvetia-Rosemont property through a merger with Asarco. 2004, Grupo Mexico sold the property to a Tucson developer.

In April 2005, Augusta purchased the property from Triangle Ventures LLC. Over the next several years, Augusta continued to evaluate the mineral potential and refine the economics of developing this resource.

Following the acquisition of the Project, Hudbay conducted infill drilling campaign between September 2014 and November 2015 in further efforts to gain a better understanding of the geological setting and mineralization of the East deposit and to collect additional metallurgical and geotechnical information. Drilling conducted by Hudbay was used in combination with previous drilling campaigns to build resource models that supported a Feasibility Study completed and documented in the 2017 Technical Report. The 2017 Technical Report included an estimate of the mineral reserves and mineral resources at the East deposit that is now considered to be a historical estimate.

After significant exploration success on its patented mining claims in 2020 and ongoing litigation uncertainty regarding the project design set forth in the 2017 Feasibility Study, Hudbay began to evaluate alternative design options to unlock value within this prospective district. This included remodeling the 2017 mineral resources, incorporating the new mineral resources from successful exploration results and completing new metallurgical testing work, which led to a comprehensive review of the mine plan, process plant design, tailings deposition strategies and permitting requirements for the new project.

In September 2023, Hudbay released a pre-feasibility study for Phase I of the Copper World project (the " **Copper World PFS**"). Phase I is a standalone operation requiring state and local permits only. Phase I has a mine life of 20 years, which is four years longer than the Phase I mine life that was presented in the previously published Copper World 2022 PEA, largely due to an increase in the capacity for tailings and waste deposition as a result of optimizing the site layout. A second phase, described in the 2022 PEA is expected to involve an expansion onto federal lands with an extended mine life and enhanced project economics. Phase II would be subject to the federal permitting process and was not included in the PFS results. See "Material Mineral Projects - Copper World" for further information regarding the PFS findings. The Copper World PFS also included an update of the mineral resource estimates exclusive of the mineral reserve estimates.

Geological Setting, Mineralization, and Deposit Types

The deposits are located in the Laramide belt, a major porphyry province that includes a number of other world class deposits. The deposits are located in the northern block of the Santa Rita Mountains dominated by Precambrian granite with slices of Paleozoic and Mesozoic sediments and small stocks and dikes of quartz monzonite or quartz latite porphyry that are related to porphyry copper and skarn mineralization. Tertiary faulting has significantly segmented the original stratigraphy juxtaposing mineralized and unmineralized rocks. Mineralization occurs as both copper oxides and sulfides in skarns and in the intrusive porphyry.

Genetically, skarns form part of the suite of deposit styles associated with porphyry copper centers. The skarns were formed as the result of thermal and metasomatic alteration of Paleozoic carbonate and to a lesser extent Mesozoic clastic rocks. Near surface weathering has resulted in the oxidation of the sulfides in the overlying Mesozoic units at the East deposit and near surface Paleozoic units at Copper World.

Mineralization is mostly in the form of primary (hypogene) copper, molybdenum and silver bearing sulfides, found in stockwork veinlets, and disseminated in the altered host rock at depth. Near surface, along structural zones, and in quartzite units oxidized copper mineralization is present. The oxidized mineralization occurs as mixed copper oxide and copper carbonate minerals. Locally, enrichment of supergene chalcocite and associated secondary mineralization are found in and beneath the oxidized mineralization.

Exploration

In October 2020, Hudbay resumed exploration drilling on targets at its Copper World private land claims located north and west of the East deposit. The drill program included drilling of targets proximal to the historic mines in the Broadtop Butte and Peach areas as well as greenfield drilling over the Elgin, Copper World (now referred to as the "West" deposit) and Bolsa areas.

In 2021, Hudbay expanded its exploration drilling efforts on its private land claims located northwest of the East deposit, now defined as the Copper World areas where small scale copper mining had been conducted between the late 19th century until the 1960's. Drilling confirmed the occurrence of both oxide and sulfide copper mineralization over 7 deposits including: Bolsa, Broad Top Butte, Copper World, Peach South Limb, North Limb, and Elgin deposits. The copper mineralization starts in most cases near surface and contains higher grades at shallower depth than at the East deposit. Hudbay continued to drill in 2022 with a focus on infill drilling to support the future conversion of mineral resource to mineral reserve estimates.

Drilling

Extensive drilling has been conducted at the Copper World deposits by several successive property owners. The most recent drilling was by Hudbay, with prior drilling campaigns completed by Banner Mining Company, Anaconda Mining Co., Anamax, ASARCO and Augusta. In total, 244,260 metres of drilling have been completed on the property. These drill holes were drilled using a combination of churn, percussion, reverse circulation and diamond drilling (coring) methods.

In all of the Hudbay's drilling campaigns, efforts were consistently made to obtain representative samples by drilling either H-size (2.5 inch or 63.5 mm diameter) or N-size (1.9 inch or 47.6 mm diameter) core. Reverse circulation drilling performed under Hudbay's ownership were excluded from mineral resource estimates in skarn mineralization due to a sampling representativity issue. Some limited reverse circulation drilling conducted in the porphyry mineralization was retained as valid and used for resource modeling purposes..

Sampling, Analysis, and Data Verification

The Sampling, Analysis and Data Verification results has been discussed in length in the last technical report published on SEDAR in 2023, therefore, only a high-level description will be presented here.

Sample preparation, security, and analytical procedures used by Augusta and Hudbay since 2005 meet current industry accepted standards. QA/QC procedures including the use of certified reference material, blanks and interlaboratory checks on pulp duplicates have resulted in acceptable precision, accuracy, and contamination level. Statistical comparisons and database entry checks of older historical drilling data did not identify any significant biases or database quality issues. Specific gravity was measured in laboratories using water displacement on core and validated with box weight measurements to derive in-situ density estimates for each mineralization domain.

Mineral Processing and Metallurgical Testing

Numerous metallurgical tests were performed, notably confirmation: testing of the tests conducted by Augusta, comminution, JK drop-weight, SAG Power Index and Bond ball mill work index tests to assess the hardness of the material, mineralogical and metallurgical testing of the oxide material on the Peach, Elgin and Broadtop Butte deposits and also on the East deposit transitional zone mineralization where copper occurs as secondary copper sulfides and copper oxides.

The test work demonstrated that copper-molybdenum separation was achievable but due to the limited amount of test work done to date, Molybdenum recovery estimates are based on industry benchmarking and assume 50% recovery to a 50% molybdenum concentrate.

Through the course of all the mineral processing and metallurgical testing, no deleterious elements were found to have a negative impact on plant performance or on the marketable value of the copper and molybdenum concentrates to be produced at the Project.

On the basis of the body of testwork that exists, including both the historical testwork, and the testing programs completed by Hudbay since the acquisition of the property, forecasts of recovery, concentrate grade and quality, as well as characteristics of the resultant tailing product have been developed. Metal recovery regressions were established for each deposit as a function of the ratio between copper in oxides and total copper.

Mineral Resources Estimate

Hudbay used three-dimensional models of lithological units and mineralization envelopes constructed in Leapfrog Geo™ software using an 'implicit modeling' approach. A wireframe model of the 0.10% Cu grade shell was also constructed in Leapfrog Geo™. The selection of this copper grade thresholds for modelling was based on visual inspection of the spatial and statistical grade distribution. The grade shell includes mineralization grading less than 0.10% Cu where it was deemed necessary in order to maintain a smooth and continuous three-dimensional envelope. The different lithological units were grouped into four structural domains which were further divided into mineralized envelopes based on the dominance of oxide or sulfide copper mineralization within the 0.10% Cu grade shell.

Drill core assay intervals for copper (Cu), soluble copper (CuSS), molybdenum (Mo), and silver (Ag) were composited down hole into a fixed length of 25ft. The composite intervals were back-tagged with a copper grade-shell code based on the wireframe models to be used during grade estimation. Visual checks were conducted to ensure back-tagging worked as expected.

The block model consists of non-rotated regular blocks of 50ftx50ftx50ft as a reasonable proxy for the anticipated Selective Mining Unit (SMU) during open pit mining. All the individual blocks in the model were assigned a mineralized envelope code using the wireframes prepared in Leapfrog™. Within each mineralized envelope, blocks were assigned a dry bulk density based on the mean value of in-situ density measured from core box weights and validated with laboratory measurements.

The Cu, CuSS, Mo and Ag block grade values were interpolated using an Ordinary Kriging (OK) estimator with a three-pass estimation approach with each successive pass having greater search distances and less restrictive sample selection requirements. A firm boundary approach within each mineralized envelope was employed for all metals.

The block model grade estimates were validated by Hudbay through visual inspection comparing composite grades to block grades, statistical checks, and selectivity checks. During its review, Hudbay identified an opportunity to reduce the inherent smoothing of the kriged model. This correction was implemented separately by mineralized envelope based on grade distribution and also by areas with consistent drilling density.

A Lerchs Grossman analysis was performed using the block models constructed by Hudbay. Several economic analyses were developed for nested pit shells. The purpose of this assessment was to evaluate free discounted cash flow, revenue, stripping ratio, development, sustaining capital, and as guidance for internal phases, recoveries by processing route and by deposit. The base-case pit shell retained for resource reporting corresponds to a revenue factor of 1.0 with an assumed copper price of $3.45/lb to ensure potential for economic extraction of the mineral resource estimates.

Mining Operations

The PFS is based on a traditional open pit shovel and truck operation with bench heights of 50 and 100 feet, and 255- ton capacity haul trucks for material and waste movement.

The mining sequence considers the exploitation of the pits and their associated infrastructure over a footprint requiring only state and local permits for 19 years (plus one year of pre-stripping and one year of rehandling stockpiled ore to the process plant). During this period, all waste, tailings, and leach pads are disposed within the limits of Hudbay's private land properties. Through the life of mine of the 2023 PFS, 385 million tonnes of mineral reserves will be mined and milled while approximately 817 million tonnes of waste will be extracted, yielding a life of mine stripping ratio of 2.1:1.0 (including pre-stripping material). The tonnage of waste includes approximately 40 million tonnes of mineral resources that cannot be processed at the end of the mine life due to a lack of tailings disposal capacity. This material represents an opportunity to expand the mine life of Phase I and to reduce the strip ratio to 1.8:1.0.

Pit design and production were conducted using a NSR optimization model in order to select the optimum processing method that maximizes NPV for each mining block extracted from the open pits taking into consideration land restriction both for mining and for the connected actions of waste, leach pads and tailings depositions as well as the maximum capacity of the various components of the processing facilities.

An important constraint on the mine production schedule is the limited space for disposing of waste rock, tailings, and economic material on leach pads. In addition, some of the waste rock can only be disposed of after mining has been completed at the Peach-Elgin, West, and Broadtop Butte pits. These important constraints result in a sub-optimum mining sequence from a strict economic standpoint but allow the mine to operate in a sustainable manner for 20 years until federal permits are in place. Securing these permits earlier would unlock significant benefits to the Project by removing these important constraints on the mining schedule allowing more tons and/or better grade to enter the mine plan earlier than currently planned.

Processing and Recovery Operations

The processing plant consists of a sulfide concentrator and a concentrate leach facility. The sulfide concentrator will have an installed capacity of 60,000 tons per day process via a primary crushing circuit, and a grinding circuit configured in semi-autogenous mill and ball mill (SAB) configuration. This is followed by a bulk flotation of a copper and molybdenum concentrate, and the subsequent separation of the copper and molybdenum concentrate via a reverse flotation stage. Bulk flotation tailings are thickened before sands/slime separation and discharged to the tailing's storage facility.

The concentrate leach facility will be built in stages from year four of operations. The initial installed capacity will be 800 tons per day of concentrate via an ultrafine grinding circuit and atmospheric oxidative leach circuit with 48hrs residence time. Copper Cathode will be produced via a standard solvent extraction and electrowinning circuit (SXEW) on the pregnant leach solutions, with the leach residue being processed to recover valuable secondary products including Au, Ag and sulfur. Sulfuric acid will be produced onsite from the recovered sulfur and provide process utilities (steam, sulfur dioxide and electrical power) to the processing operations.

Capital and Operating Costs

The total life of mine capital costs of $2,594M estimated in the 2023 PFS consist of $1,690M growth, $542M sustaining, and $362M deferred stripping costs. Growth capital includes two stages of construction; the first stage is the mine, Concentrator Process Plant and related infrastructure totaling $1,323M to be incurred during the 10 quarters prior to commercial production. The second stage is the expanded industrial complex, comprising the Concentrate Leach facility and acid plant facilities totaling $367M that will be incurred during the fourth year of production. Sustaining capital of $542M is primarily mining related costs of the waste rock facility, tailings facility, major repairs and overhauls, and haul roads, as well as plant and general administrative facilities sustaining costs. Deferred stripping of $362M is composed of capitalized mine operating costs for stripping applicable to the portion of the annual strip ratio in excess of the life of mine strip ratio. In the 2023 PFS, the operating costs for mining, processing and general and administration were estimated from first principles and benchmarked on Constancia and on other similar operations in Arizona.

Exploration, Development and Production

Following the release of the Copper World 2023 PFS, we have continued to execute our strategy to de-risk the project. Hudbay has now received all three key state permits required for Phase I of the project and has commenced a minority joint venture partner process in the first quarter of 2025. It is anticipated that any minority joint venture partner would participate in the funding of definitive feasibility study activities in 2025 as well as in the final project design and construction for Copper World. Based on current estimated timelines and other assumptions, an investment decision on Copper World is expected in 2026.

SCHEDULE C: AUDIT COMMITTEE CHARTER

HUDBAY MINERALS INC.
(THE "COMPANY")
AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee is appointed by the Board of Directors to assist the Board of Directors in its oversight and evaluation of:

- the quality and integrity of the financial statements of the Company,
- the compliance by the Company with legal and regulatory requirements in respect of financial disclosure,
- the qualification, independence and performance of the Company's independent auditor,
- the appointment, independence and performance of the Company's head of the internal audit function,
- the design and ongoing review of the Company's risk management system, and
- the performance of the Company's Chief Financial Officer.

In addition, the Audit Committee provides an avenue for communication among the independent auditor, the internal audit function, the Company's Chief Financial Officer and other financial senior management, other employees and the Board of Directors concerning accounting, auditing and risk management matters.

The Audit Committee is directly responsible for the recommendation of the appointment and retention (and termination) and for the compensation and the oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between senior management and the independent auditor or the internal audit function regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Company. Also, the Audit Committee is directly responsible for the approval of the appointment and retention (and termination) and the oversight of the work of the internal audit function.

The Audit Committee is not responsible for:

- planning or conducting audits,
- certifying or determining the completeness or accuracy of the Company's financial statements or that those financial statements are in accordance with generally accepted accounting principles.

Each member of the Audit Committee shall be entitled to rely in good faith upon:

- financial statements of the Company represented to him or her by senior management of the Company or in a written report of the independent auditor to present fairly the financial position of the Company in accordance with generally accepted accounting principles; and
- any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

The fundamental responsibility for the Company's financial statements and disclosure rests with senior management.

REPORTS

The Audit Committee shall report to the Board of Directors on a regular basis and, in any event, before the public disclosure by the Company of its quarterly and annual financial results. The reports of the Audit Committee shall include any issues of which the Audit Committee is aware with respect to the quality or integrity of the Company's financial statements, its compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, the performance and independence of the Company's internal audit function and changes in risks over which the Audit Committee has oversight.

The Audit Committee also shall prepare, as required by applicable law, any audit committee report required for inclusion in the Company's publicly filed documents.

COMPOSITION

The members of the Audit Committee shall be three or more individuals who are appointed (and may be replaced) by the Board of Directors on the recommendation of the Company's Corporate Governance and Nominating Committee. The appointment of members of the Audit Committee shall take place annually at the first meeting of the Board of Directors after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the Audit Committee is not so made, the directors who are then serving as members of the Audit Committee shall continue as members of the Audit Committee until their successors are appointed. The Board of Directors may appoint a member to fill a vacancy that occurs in the Audit Committee between annual elections of directors. Any member of the Audit Committee may be removed from the Audit Committee by a resolution of the Board of Directors. Unless the Chair is elected by the Board of Directors, the members of the Audit Committee may designate a Chair by majority vote of the members of the Audit Committee.

Each of the members of the Audit Committee shall meet the Company's Categorical Standards for Determining Independence of Directors and shall be financially literate (or acquire that familiarity within a reasonable period after appointment) in accordance with applicable legislation and stock exchange requirements. No member of the Audit Committee shall:

- accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries [1] (other than remuneration for acting in his or her capacity as a director or committee member) or be an "affiliated person"[2] of the Company or any of its subsidiaries, or
- concurrently serve on the audit committee of more than three other public companies without the prior approval of the Audit Committee, the Corporate Governance and Nominating Committee and the Board of Directors and their determination that such simultaneous service would not impair the ability of the member to effectively serve on the Audit Committee (which determination shall be disclosed in the Company's annual management information circular).

Notes:

[1] A company is a subsidiary of another company if it is controlled, directly or indirectly, by that other company (through one or more intermediaries or otherwise).

[2] An "affiliate" of a person is a person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the first person.

RESPONSIBILITIES

Independent Auditor

The Audit Committee shall:

- Recommend the appointment and the compensation of, and, if appropriate, the termination of the independent auditor, subject to such Board of Directors and shareholder approval as is required under applicable legislation and stock exchange requirements.
- Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Audit Committee and the Board of Directors.
- Oversee the work of the independent auditor, including the resolution of any disagreements between senior management and the independent auditor regarding financial reporting.
- Pre-approve all audit and non-audit services (including any internal control-related services) provided by the independent auditor (subject to any restrictions on such non-audit services imposed by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators).
- Adopt such policies and procedures as it determines appropriate for the pre-approval of the retention of the independent auditor by the Company and any of its subsidiaries for any audit or non-audit services, including procedures for the delegation of authority to provide such approval to one or more members of the Audit Committee.
- Provide notice to the independent auditor of every meeting of the Audit Committee.
- Approve all engagements for accounting advice prepared to be provided by an accounting firm other than independent auditor.
- Review quarterly reports from senior management on tax advisory services provided by accounting firms other than the independent auditor.
- Review expense reports of the Chairman and the Chief Executive Officer.

Internal Audit Function

The Audit Committee shall:

- Approve the appointment and, if appropriate, the termination of the head of the internal audit function.
- Obtain confirmation from the head of the internal audit function that he or she is ultimately accountable, and will report directly, to the Audit Committee.
- Oversee the work of the internal audit function, including the resolution of any disagreements between senior management and the internal audit function.
- Approve the internal audit function annual plan.
- Review quarterly reports from the head of the internal audit function.

The Audit Process, Financial Statements and Related Disclosure

The Audit Committee shall:

- Meet with senior management and/or the independent auditor to review and discuss,
    - the planning and staffing of the audit by the independent auditor,
    - before public disclosure, the Company's annual audited financial statements and quarterly financial statements, the Company's accompanying disclosure of Management's Discussion and Analysis and earnings press releases and make recommendations to the Board of Directors as to their approval and dissemination of those statements and disclosure,
    - financial information and earnings guidance provided to analysts and rating agencies: this review need not be done on a case by case basis but may be done generally (consisting of a discussion of the types of information disclosed and the types of presentations made) and need not take place in advance of the disclosure,
    - any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Company's financial statements,
    - all critical accounting policies and practices used,
    - all alternative treatments of financial information within IFRS that have been discussed with senior management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor,
    - the use of "pro forma" or "adjusted" non-IFRS information,
    - the effect of new regulatory and accounting pronouncements,
    - the effect of any material off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise) on the Company's financial statements,
    - any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Audit Committee in connection with certification of forms by the Chief Executive Officer and/or the Chief Financial Officer for filing with applicable securities regulators, and
    - the adequacy of the Company's internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel (including any fraud involving an individual with a significant role in internal controls or management information systems) and any special steps adopted in light of any material control deficiencies.
- Review disclosure of financial information extracted or derived from the Company's financial statements.
- Review with the independent auditor,
    - the quality, as well as the acceptability of the accounting principles that have been applied,
    - any problems or difficulties the independent auditor may have encountered during the provision of its audit services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with senior management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to senior management and the Company's response to that letter or communication, and

- any changes to the Company's significant auditing and accounting principles and practices suggested by the independent auditor or other members of senior management.

Risks

The Audit Committee shall:

- Recommend to the Board of Directors for approval a policy (the " **ERM Policy**") that sets out the risk management philosophy of the Company and the expectations and accountabilities for identifying, assessing, monitoring and managing the most significant risks facing the Company (the "**Principal Risks**") that is developed and is to be implemented by senior management.
- Meet with senior management to review and discuss the Principal Risks that have been assigned to the Audit Committee for monitoring, including business, financial and information technology risks of the Company, including potential emerging risks, and the actions taken by the Company to mitigate those risks.
- Approve a formalized, disciplined and integrated enterprise risk management process (the " **ERM Process**") that is developed by senior management and, as appropriate, the Board and its Committees, to monitor, manage and report Principal Risks.
- Recommend to the Board of Directors for approval policies (and changes thereto) setting out the framework within which each identified Principal Risks of the Company shall be managed.
- At least semi-annually, obtain from senior management and, as appropriate, with the input of one or more of the Board's Committees, a report specifying the management of the Principal Risks of the Company including compliance with the ERM Policy and other policies of the Company for the management of Principal Risks.
- Review with senior management the Company's tolerance for financial risk and senior management's assessment of the significant financial risks facing the Company.
- Discuss with senior management, at least annually, the guidelines and policies utilized by senior management with respect to financial risk assessment and management, and the major financial risk exposures and the procedures to monitor and control such exposures in order to assist the Audit Committee to assess the completeness, adequacy and appropriateness of financial risk disclosure in Management's Discussion and Analysis and in the financial statements.
- Review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board of Directors in a timely fashion.
- Review the adequacy of insurance coverages maintained by the Company.
- At least semi-annually, obtain from senior management a report on information technology matters, including any significant developments related to the Company's information security policies and practices and information technology infrastructure, and the management of related risks.
- Discharge the Board's oversight function in respect of the administration of the pension and other retirement plans of the Company and its affiliates.

Compliance

The Audit Committee shall:

- Obtain reports from senior management that the Company's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics including disclosures of insider and affiliated party transactions and environmental protection laws and regulations.
- Review with senior management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Company's financial statements or accounting policies.
- Review senior management's written representations to the independent auditor.
- Advise the Board of Directors with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
- Review with the Company's General Counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
- Establish procedures for,
    - the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and
    - the confidential, anonymous submission by employees of the Company with concerns regarding any accounting or auditing matters.

Delegation

To avoid any confusion, the Audit Committee responsibilities identified above are the sole responsibility of the Audit Committee, unless otherwise directed by the Board of Directors.

INDEPENDENT ADVICE

In discharging its mandate, the Audit Committee shall have the authority to retain (and authorize the payment by the Company of) and receive advice from special legal, accounting or other advisors as the Audit Committee determines to be necessary to permit it to carry out its duties.

Consolidated Financial Statements
(In US dollars)

HUDBAY MINERALS INC.

Years ended December 31, 2024 and 2023

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Hudbay Minerals Inc. ("Hudbay" or the "Company") is responsible for establishing and maintaining internal control over financial reporting ("ICFR").

Under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, Hudbay's management assessed the effectiveness of the Company's ICFR as of December 31, 2024 based upon the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that Hudbay's ICFR was effective as of December 31, 2024.

The effectiveness of the Company's ICFR as of December 31, 2024 has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, as stated in their report immediately preceding the Company's audited consolidated financial statements for the year ended December 31, 2024.

Peter Kukielski
President and Chief Executive Officer

Eugene Lei
Chief Financial Officer

Toronto, Canada

February 18, 2025

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Hudbay Minerals Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Hudbay Minerals Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2024, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 18, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Critical Audit Matter Description

Impairment - Assessment of Whether Indicators of Impairment or Impairment Reversal Exist in Non- financial Assets - Refer to Notes 2d and 3i to the financial statements

The Company's determination of whether an indicator of impairment or impairment reversal exists in non-financial assets at the cash generating unit ("CGU") level requires significant management judgment.

While there are several inputs that are required to determine whether or not an indicator of impairment or impairment reversal exists, the judgments with the highest degree of subjectivity are the future long- term copper price and the discount rate. Auditing these estimates and inputs required a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the future long-term copper price, and the discount rate in the assessment of indicators of impairment or impairment reversal included the following, among others:

- Evaluated the effectiveness of controls over management's assessment of the indicators of impairment or impairment reversal.
- With the assistance of fair value specialists:
  - Evaluated the future long-term copper price by comparing management's forecasts to third party forecasts,
  - Evaluated the reasonableness of the discount rate by comparing the key inputs to independent market data.

Copper Mountain Mining Corporation ("Copper Mountain") Annual Goodwill Impairment Test - Refer to Notes 2d, and 14 of the financial statements

Critical Audit Matter Description

On June 20, 2023, the Company acquired 100% of the issued and outstanding shares of Copper Mountain. The purchase price was allocated to the fair value of assets acquired and liabilities assumed, which included mineral properties that were valued using a discounted cash flow model. The excess of the purchase price was allocated to goodwill. As required by accounting standards, the Company tested the goodwill of the Copper Mountain CGU at December 31, 2024 for impairment by determining the recoverable amount using a discounted cash flow model. The discounted cash flow models required management to make significant estimates and assumptions related to future short-term and long-term copper price, production based on current estimates of recoverable resources, value beyond proven and probable "VBPP", discount rate, future foreign exchange rate, and future operating and capital costs. The Company determined that there was no impairment of the Copper Mountain CGU's goodwill based on its annual goodwill impairment test.

While there are several estimates and assumptions that are required to determine the recoverable amount of the Copper Mountain CGU at December 31, 2024, the estimates and assumptions with the highest degree of subjectivity are future short-term and long-term copper price, VBPP, discount rate, and future short-term and long-term foreign exchange rate. Auditing these estimates and assumptions required a high degree of auditor judgment in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the future short-term and long-term copper price, VBPP, and discount rate used to determine the recoverable amount of the Peru CGU included the following procedures, among others:

- Evaluated the effectiveness of relevant controls over management's determination of the future short-term and long-term copper price, VBPP, and discount rate.
- With the assistance of fair value specialists:
  - Evaluated the future short-term and long-term copper price by comparing management forecasts to third party forecasts, and
  - Evaluate the reasonableness of the VBPP by developing a range of independent VBPP valuation estimates from market transactions and comparing to the VBPP valuation selected by management, and
  - Evaluate the reasonableness of the discount rate by testing the source information underlying the determination of the discount rate and developed a range of independent estimates for the discount rate and compared to the discount rate selected by management.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
February 18, 2025

We have served as the Company's auditor since 2005.

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Hudbay Minerals Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Hudbay Minerals Inc. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024 of the Company and our report dated February 18, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are

recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
February 18, 2025

HUDBAY MINERALS INC.

Consolidated Balance Sheets
(In millions of US dollars)

	Note	Dec. 31, 2024	Dec. 31, 2023
Assets			
Current assets			
Cash and cash equivalents	8	**$ 541.8**	$ 249.8
Short-term investments	9	**40.0**	-
Trade and other receivables	10	**235.5**	203.4
Inventories	11	**197.4**	207.3
Prepaid expenses and other current assets		**17.4**	6.3
Other financial assets	12	**15.3**	4.1
Taxes receivable		**1.1**	2.3
		1,048.5	673.2
Receivable	10	**12.9**	12.2
Inventories	11	**16.6**	24.4
Other financial assets	12	**12.1**	7.1
Intangibles and other assets	13	**44.3**	52.5
Property, plant and equipment	15	**4,181.4**	4,316.0
Deferred tax assets	26b	**102.6**	151.9
Goodwill	14	**69.2**	75.3
		$ 5,487.6	$ 5,312.6
Liabilities			
Current liabilities			
Trade and other payables	16	**$ 270.2**	$ 239.3
Taxes payable		**100.7**	53.4
Other liabilities	17	**34.4**	30.0
Other financial liabilities	18	**38.3**	42.2
Gold prepayment liability	19	**-**	55.9
Lease liabilities	20	**30.5**	28.9
Deferred revenue	22	**63.1**	87.7
		537.2	537.4
Other financial liabilities	18	**114.4**	51.7
Lease liabilities	20	**44.3**	61.4
Long-term debt	21a	**1,107.5**	1,287.5
Deferred revenue	22	**309.1**	330.8
Pension obligations	24	**6.2**	6.0
Other employee benefits	25	**80.3**	101.9
Environmental and other provisions	23	**300.8**	321.9
Deferred tax liabilities	26b	**340.4**	407.2
		2,840.2	3,105.8
Equity			
Share capital	27b	**2,641.3**	2,240.2
Reserves		**14.3**	30.2
Retained earnings		**(102.4)**	(173.6)
Equity attributable to owners of the Company		**2,553.2**	2,096.8
Non-controlling interest	35	**94.2**	110.0
		$ 5,487.6	$ 5,312.6
Commitments (note 32)			

HUDBAY MINERALS INC.

Consolidated Statements of Income
(In millions of US dollars, except per share amounts)

		Year ended December 31,	
	Note	**2024**	2023
Revenue	7a	**$ 2,021.2**	$ 1,690.0
Cost of sales			
Mine operating costs		**1,040.8**	905.8
Depreciation and amortization	7b	**426.6**	391.7
		1,467.4	1,297.5
Gross profit		**553.8**	392.5
Selling and administrative expenses		**57.0**	39.2
Exploration expenses		**42.6**	29.3
Other expenses	7e	**57.4**	38.3
Re-evaluation adjustment - environmental provision	23	**(3.5)**	(11.4)
Results from operating activities		**400.3**	297.1
Net interest expense on long term debt	7f	**69.8**	76.2
Accretion on streaming arrangements	7f	**24.2**	26.3
Change in fair value of financial instruments	7f	**16.6**	14.0
Other net finance costs	7f	**38.1**	28.8
Net finance expense		**148.7**	145.3
Income before tax		**251.6**	151.8
Tax expense	26a	**183.8**	82.3
Net income for the year		**$ 67.8**	$ 69.5
Attributable to:			
Owners of the Company		**$ 76.7**	$ 66.4
Non-controlling interest		**(8.9)**	3.1
Net income for the year		**$ 67.8**	$ 69.5
Earnings per share			
Basic and diluted		**$ 0.20**	**$ 0.22**
Weighted average number of common shares outstanding:			
Basic	29	**376,785,518**	310,845,281
Diluted	29	**377,291,211**	310,953,110

HUDBAY MINERALS INC.

Consolidated Statements of Comprehensive Income
(In millions of US dollars)

		Year ended December 31,	
		2024	2023
Net income for the year		**$ 67.8**	$ 69.5
Other comprehensive income:			
Item that will be reclassified subsequently to profit or loss:			
Recognized directly in equity:			
Net (loss) gain on translation of foreign currency balances		**(49.9)**	9.2
Items that will not be reclassified subsequently to profit or loss:			
Recognized directly in equity:			
Gold prepayment revaluation	19	**4.3**	(0.2)
Tax effect		**(1.1)**	0.1
Remeasurement - actuarial gain (loss)		**25.7**	(8.0)
Tax effect		**(2.0)**	(0.3)
		26.9	(8.4)
Other comprehensive (loss) income net of tax, for the year		**(23.0)**	0.8
Total comprehensive income for the year		**$ 44.8**	$ 70.3
Attributable to:			
Owners of the Company		**60.6**	67.3
Non-controlling interest		**(15.8)**	3.0
Total comprehensive income for the year		**$ 44.8**	$ 70.3

HUDBAY MINERALS INC.

Consolidated Statements of Cash Flows
(In millions of US dollars)

	Note	Year ended December 31, 2024	2023
Cash generated from operating activities:			
Net income for the year		**$ 67.8**	$ 69.5
Items not affecting cash:			
Tax expense	26a	**183.8**	82.3
Depreciation and amortization	7b	**428.0**	393.1
Share-based compensation	7c	**19.3**	7.4
Net finance expense	7f	**148.7**	145.3
Inventory adjustments	11	**2.9**	2.3
Amortization of deferred revenue and variable consideration	22	**(70.5)**	(77.3)
Pension and other employee benefit payments, net of accruals	24, 25	**11.9**	7.0
Amortization of community agreements		**13.7**	12.2
Re-evaluation adjustment - environmental obligation	23	**(3.5)**	(11.4)
Write-down/loss on disposal of PP&E		**27.4**	-
Decommissioning and restoration payments	23	**(2.1)**	(2.1)
Other	34a	**(3.8)**	(3.5)
Taxes paid		**(132.5)**	(54.8)
Operating cash flow before change in non-cash working capital		**691.1**	570.0
Change in non-cash working capital	34a	**(24.9)**	(93.1)
		666.2	476.9
Cash used in investing activities:			
Acquisition of property, plant and equipment		**(347.1)**	(281.1)
Acquisition of intangibles		**(1.8)**	-
Community agreements		**(9.1)**	(10.7)
Grants received	15	**3.1**	-
Cash and cash equivalents acquired in acquisitions, net of cash paid	5, 6	**-**	11.0
Net (purchase) sale of investments		**(3.2)**	0.1
Proceeds from disposition of property, plant and equipment		**-**	0.8
Change in restricted cash		**0.8**	0.1
Short-term investments	9	**(40.0)**	-
Interest received		**14.4**	8.0
		(382.9)	(271.8)
Cash generated from (used in) financing activities:			
(Repayment) of/proceeds from revolving credit facility	21b	**(100.0)**	100.0
Repurchase of senior unsecured notes, net of discount	21a	**(81.9)**	-
Principal repayments on Copper Mountain bonds	21c	**-**	(143.0)
Premium paid on redemption of Copper Mountain bonds	21c	**-**	(3.0)
Equity issuance, net of share issuance costs	27b	**398.0**	14.2
Change in restricted cash debt service account		**-**	3.7
Interest paid on long-term debt		**(67.9)**	(74.0)
Financing costs		**(15.1)**	(12.2)
Lease payments	20	**(31.4)**	(25.2)
Equipment financing payments		**(10.2)**	(1.9)
Gold prepayment repayments	19	**(62.3)**	(26.7)
Deferred Rosemont acquisition payment		**(10.0)**	(10.0)
Net payments on settlement of non-QP hedges (note 3(l)ii)		**(7.9)**	-
Net proceeds from exercise of stock options and warrants		**4.4**	0.2
Dividends paid	27b	**(5.5)**	(4.5)
		10.2	(182.4)
Effect of movement in exchange rates on cash		**(1.5)**	1.4
Net increase in cash and cash equivalents		**292.0**	24.1
Cash and cash equivalents, beginning of the year		**249.8**	225.7
Cash and cash equivalents, end of the year		**$ 541.8**	$ 249.8

HUDBAY MINERALS INC.

Consolidated Statements of Changes in Equity
(In millions of US dollars)

	Share capital (note 27)	Other capital reserves	Foreign currency translation reserve	Remeasurement reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance, January 1, 2023	$ 1,780.8	$ 58.5	$ (14.8)	$ (17.2)	$ (235.5)	$ 1,571.8	$ -	$ 1,571.8
Net income	-	-	-	-	66.4	66.4	3.1	69.5
Other comprehensive income (loss)	-	-	9.4	(8.5)	-	0.9	(0.1)	0.8
Other comprehensive income (loss)	-	-	9.4	(8.5)	66.4	67.3	3.0	70.3
Contributions by and distributions to owners:								
Dividends (note 27b)	-	-	-	-	(4.5)	(4.5)	-	(4.5)
Shares issued on acquisition of Copper Mountain, net of share issuance costs (note 5)	436.5	-	-	-	-	436.5	107.0	543.5
Shares and warrants issued on acquisition of Rockcliff (note 6)	12.5	0.7	-	-	-	13.2	-	13.2
Flow-through shares issued, net of share issuance costs (note 27b)	10.1	-	-	-	-	10.1	-	10.1
Stock options	-	2.2	-	-	-	2.2	-	2.2
Issuance of shares related to stock options exercised	0.3	(0.1)	-	-	-	0.2	-	0.2
Total contributions by and distributions to owners	459.4	2.8	-	-	(4.5)	457.7	107.0	564.7
Balance, December 31, 2023	$ 2,240.2	$ 61.3	$ (5.4)	$ (25.7)	$ (173.6)	$ 2,096.8	$ 110.0	$ 2,206.8

HUDBAY MINERALS INC.

Consolidated Statements of Changes in Equity
(In millions of US dollars)

	Share capital (note 27)	Other capital reserves	Foreign currency translation reserve	Remeasurement reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance, January 1, 2024	$ 2,240.2	$ 61.3	$ (5.4)	$ (25.7)	$ (173.6)	**$ 2,096.8**	$ 110.0	**$ 2,206.8**
Net income	-	-	-	-	76.7	**76.7**	(8.9)	**67.8**
Other comprehensive (loss) income	-	-	(43.0)	26.9	-	**(16.1)**	(6.9)	**(23.0)**
Total comprehensive (loss) income	-	-	(43.0)	26.9	76.7	**60.6**	(15.8)	**44.8**
Contributions by and distributions to owners:								
Dividends (note 27b)	-	-	-	-	(5.5)	**(5.5)**	-	**(5.5)**
Flow-through shares issued, net of share issuance costs (note 27b)	8.6	-	-	-	-	**8.6**	-	**8.6**
Shares issued on equity raise, net of share issuance costs	386.2	-	-	-	-	**386.2**	-	**386.2**
Stock options	-	2.1	-	-	-	**2.1**	-	**2.1**
Issuance of shares related to stock options and warrants exercised	6.3	(1.9)	-	-	-	**4.4**	-	**4.4**
Total contributions by and distributions to owners	401.1	0.2	-	-	(5.5)	**395.8**	-	**395.8**
Balance, December 31, 2024	**$ 2,641.3**	**$ 61.5**	**$ (48.4)**	**$ 1.2**	**$ (102.4)**	**$ 2,553.2**	**$ 94.2**	**$ 2,647.4**

1. Reporting entity

Hudbay Minerals Inc. ("HMI" or the "Company") is a company existing under the *Canada Business Corporations Act*. The address of the Company's principal executive office is 25 York Street, Suite 800, Toronto, Ontario. The consolidated financial statements ("financial statements") of the Company for the year ended December 31, 2024 and 2023 represent the financial position and the financial performance of the Company and its subsidiaries (together referred to as "Hudbay").

Wholly owned subsidiaries as at December 31, 2024 included HudBay Peru Inc., HudBay Peru S.A.C. ("Hudbay Peru"), HudBay (BVI) Inc., Hudbay Arizona Inc., Copper World, Inc. ("Copper World") and Mason Resources (US) Inc. ("Mason"). The Company also holds a 75% interest in Copper Mountain Mine (BC) Ltd. ("CMBC"). Mitsubishi Materials Corporation ("MMC"), an arms-length party, owns the remaining 25% interest in CMBC.

Hudbay is a diversified mining company with long-life assets in North and South America. Hudbay's operations in Cusco (Peru) produce copper with gold, silver and molybdenum by-products. Hudbay's operations in Manitoba (Canada) produce gold with copper, zinc and silver by-products. Hudbay's operations in British Columbia (Canada) produce copper with gold and silver by-products. Hudbay has a development pipeline that includes copper development projects in Arizona and Nevada (United States), and a focused growth strategy on exploration, development, operation, and optimization of properties that Hudbay already controls, as well as other mineral assets that Hudbay may acquire that fit the Company's strategic criteria. 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.

2. Basis of preparation

(a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with IFRS ® Accounting Standards as issued by the International Accounting Standards Board ("IASB") effective for the year ended December 31, 2024.

The Board of Directors approved these consolidated financial statements on February 18, 2025.

(b) Functional and presentation currency:

Hudbay's consolidated financial statements are presented in US dollars, which is the Company's and all material subsidiaries' functional currency, except the Company's Manitoba and British Columbia business units, which have a functional currency of Canadian dollars. All values are expressed in millions except where otherwise indicated.

(c) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for the following items in the consolidated balance sheets:

- Derivatives, embedded derivatives, other financial instruments, and financial assets measured at fair value through profit or loss ("FVTPL");
- Liabilities for cash-settled share-based compensation arrangements are measured at fair value; and,
- A defined benefit liability is recognized as the net total of the plan assets, unrecognized past service costs and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

(d) Use of judgements and estimates:

The preparation of the consolidated financial statements requires Hudbay to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Hudbay reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that the Company believes to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected.

The following are critical and significant judgements and estimates impacting the consolidated financial statements:

- *Indicators and testing of impairment (reversal of impairment) of non-financial assets (notes 3h, 3i,* 14 *and 15)* - There are a number of potential indicators that could trigger non-financial asset impairment or reversal of impairment. These indicators may require critical judgements to determine the extent that external and/or internal environmental business changes may impact Hudbay's overall assessment of the recoverability of non-financial assets. Such business changes include changes to the life of mine ("LOM") plan, changes to budget, changes to closure plans, changes to discount rates and changes to long-term commodity prices. If an impairment or impairment reversal indicator is identified then there are also critical estimates involved in the determination of the recoverable amount of cash generating units ("CGU"). A CGU to which goodwill has been allocated is tested for impairment at least annually or when events or circumstances indicate that an assessment for impairment is required. Recoverable amounts are calculated using discounted after-tax cash flows based on cash flow projections and assumptions in Hudbay's most recent LOM plans. LOM plans are based on optimized mine and processing plans and the assessment of capital expenditure requirements of a mine site. LOM plans incorporate management's best estimates of key assumptions which include future commodity prices, the value of mineral resources not included in the applicable LOM plans, production based on current estimates of recoverable reserves, discount rates, future operating and capital costs and future foreign exchange rates. Most critical to the value of the recoverable amount are the assumptions of future commodity prices and the value of mineral resources not included in the applicable LOM plans. Expected future cash flows used to determine the recoverable amount during impairment testing are inherently uncertain and could materially change over time. Should management's estimate of the future not reflect actual events, impairments may be identified, which could have a material effect on the financial statements. Although it is reasonably possible for a change in key assumptions to occur, the possible effects of a change in any single assumption may not fairly reflect the impact of CGU's fair value as the assumptions are inextricably linked.

- *Mineral reserves and resources (notes 3g, 3k and 3i)* - Hudbay estimates mineral reserves and resources to determine future recoverable mine production based on assessment of geological, engineering and metallurgical analyses, estimates of future production costs, capital costs and reclamation costs, as well as long term commodity prices and foreign exchange rates. There are numerous uncertainties inherent in estimating mineral reserves and resources, including many factors beyond Hudbay's control. The estimates are based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body and interpreting this data requires complex geological judgements. Changes in assumptions, including economic assumptions such as metals prices and market conditions, could have a material effect on the financial position and results of operations.

  Changes in the mineral reserve or resource estimates may affect:

  - the carrying value of exploration and evaluation assets, capital works in progress, mining properties and plant and equipment, goodwill;
  - depreciation expense for assets depreciated either on a unit-of-production basis or on a straight line basis where useful lives are restricted by the life of the related mine plan;
  - the provision for decommissioning, restoration and similar liabilities;
  - the carrying value of deferred tax assets, and
  - amortization of deferred revenue.

- *Property plant and equipment (notes 3h and 15)* - The carrying amounts of property, plant and equipment and exploration and evaluation assets on Hudbay's consolidated balance sheets are significant and reflect multiple estimates and applications of judgement. Management exercises judgement in determining whether the costs related to exploration and evaluation are eligible for capitalization and whether they are likely to be recoverable by future exploration, which may be based on assumptions about future events and circumstances. Judgement and estimates are used when determining whether exploration and evaluation assets should be transferred to capital works in progress within property, plant and equipment. For mines in the production stage, management applies judgement to determine development costs to be capitalized based on the extent they are incurred in order to access reserves mineable over more than one year. For depreciable property, plant and equipment assets, management makes estimates to determine depreciation. For assets depreciated using the straight line method, residual value and useful lives of the assets or components are estimated. A significant estimate is required to determine the total production basis for units-of-production depreciation. The most currently available reserve and resource report is utilized in determining the basis which has material impacts on the amount of depreciation recorded through inventories and the consolidated statements of income. There are numerous uncertainties inherent in estimating mineral reserves, and assumptions that were valid at the reporting date may change when new information becomes available. The actual volume of ore extracted and any changes in these assumptions could affect prospective depreciation rates and carrying values. In determining whether stripping costs incurred during the production phase of a mining property relate to mineral reserves and mineral resources that will be mined in a future period and therefore should be capitalized, Hudbay makes estimates of the proportion of stripping activity which relates to extracting current ore and the proportion which relates to obtaining access to ore reserves which will be mined in the future.

- *Tax provisions (notes 3m and* 26) - Management makes estimates in determining the measurement and recognition of deferred tax assets and liabilities recorded on the consolidated balance sheets. The measurement of deferred tax assets and deferred tax liabilities is based on tax rates that are expected to apply in the period that the asset is realized or liability is settled based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood of taxable income in the future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability to realize the net deferred tax assets recorded at the balance sheet date could be affected. At the end of each reporting period, management reassesses the period that the assets are expected to be realized or liabilities are settled and the likelihood of taxable income in future periods in order to support and adjust the deferred tax assets and deferred tax liabilities recognized on the consolidated balance sheets.

- *Assaying utilized to determine revenue and recoverability of inventories (notes 3c and 3f)* - Assaying of contained metal is a key estimate in determining the amount of revenues recorded in the consolidated statements of income. The estimate is finalized after final surveying is completed, which may extend to six months in certain transactions. Since assays are utilized to determine the value of recorded revenues, significant differences in given assays may result in a material misstatement of revenues on the consolidated statements of income. Assay survey results are also a factor utilized to determine if inventories on hand have a net realizable value that exceeds cost. Material differences in assay results may lead to misstatements of inventory balances in the consolidated balance sheets.

- *Decommissioning and restoration obligations (notes 3k and* 23*)* - Significant judgement and estimates are utilized in the determination of the decommissioning and restoration provisions in the consolidated balance sheets. Judgement is involved in determining the timing and extent of cash outflows required to satisfy constructive obligations based on the timing of site closures in the LOM plans, expected unit costs to determine cash obligations to remediate disturbances and regulatory and constructive requirements, as well as technological changes to determine the extent and timing of the remediation required. The timing of cash outflows and discount rates associated with discounting the provision are also key estimates. Changes in these estimates may result in a change in classification of the provision between non-current and current as well as material differences in the total provision recorded in the consolidated balance sheets.

- *Pension and other employee benefit (notes 3j,* 24 *and* 25*)* - Hudbay's post retirement obligations relate mainly to ongoing health care benefits plans. Hudbay estimates obligations related to the pension and other employee benefits plans using actuarial determinations that incorporate assumptions using management's best estimates of factors including plan performance, salary escalation, retirement dates of employees and drug cost escalation rates. Due to the complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. Management reviews all assumptions at each reporting date. In determining the appropriate discount rate, Hudbay considers the interest rates on corporate bonds in the respective currency with at least an AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country, and Hudbay bases future salary increases and pension increases on expected future inflation rates for the respective country.

- *Valuation of an acquired business (note* 5*)* - As the Company concluded that the acquisition of Copper Mountain was a business combination, a valuation was required to determine the allocation of the purchase price. The fair values of the net assets acquired were calculated using significant estimates and judgements. In particular, the fair values of the net assets, including mineral properties, other property, plant and equipment have been determined using an independent valuation involving discounted cash flow calculations and other finance models. Such calculations and models were required to estimate, amongst other items, future production, future commodity prices, operating and capital input costs, discount rates and currency rates. If estimates or judgements differed, this could result in a material different allocation of net assets to the consolidated balance sheets and could result in a change in the amount of goodwill recognized. Changes to the preliminary values of assets acquired and liabilities assumed, deferred income taxes and resulting goodwill, if any, are retrospectively adjusted when the final measurements are determined if related to conditions existing at the date of acquisition (within one year of acquisition).

- Valuation of assets in an asset acquisition (note 6 *)* - As the Company acquired Rockcliff through the issuance of the Company's common shares and the Company concluded Rockcliff is not a business but an asset acquisition, a valuation was required to the fair value of the net assets acquired. The fair values of the net assets acquired were calculated using significant estimates and judgements. In particular, the fair value of the exploration property has been determined using an independent valuation involving discounted cash flow calculations. Such calculations and models were required to estimate, amongst other items, future production, future commodity prices, operating and capital input costs, discount rates and currency rates.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and by all Hudbay's entities.

(a) Basis of consolidation:

Intercompany balances and transactions are eliminated upon consolidation. When a Hudbay entity transacts with an associate or jointly controlled entity of the Company, unrealized profits and losses are eliminated to the extent of Hudbay's interest in the relevant associate or joint venture. The accounting policies of Hudbay's entities are changed when necessary to align them with the policies adopted by the Company.

Subsidiaries

A subsidiary is an entity controlled by Hudbay. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interest

Non-controlling interest in subsidiaries are identified separately from the Company's equity in the subsidiaries. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of that interest at initial recognition plus the non-controlling interest share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Business combinations and goodwill

Should Hudbay make an acquisition, it first determines whether the assets acquired and liabilities assumed constitute a business, in which case the acquisition requires accounting as a business combination. Management applies judgement in determining whether the acquiree is capable of being conducted and managed for the purpose of providing a return, considering the inputs of the acquiree and processes applied to those inputs that have the ability to create outputs.

Hudbay applies the acquisition method of accounting to business combinations, whereby the goodwill is measured at the acquisition date as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree. When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated statements of income. The assessment of fair values on acquisition includes those mineral reserves and resources that are able to be reliably measured. In determining these fair values, management must also apply judgement in areas including future cash flows, metal prices, exchange rates and appropriate discount rates. Changes in such estimates and assumptions could result in significant differences in the amount of goodwill recognized.

The consideration transferred is the aggregate of the fair values, at the date of the acquisition, of the sum of the assets transferred, the liabilities incurred or assumed, and the equity instruments issued by the acquirer in exchange for control of the acquiree. Acquisition-related costs are recognized in the consolidated statements of income as incurred, unless they relate to issuance of debt or equity securities.

Where applicable, the consideration transferred includes any asset or liability resulting from a contingent consideration arrangement and measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRS Accounting Standards. Changes in the fair value of contingent consideration classified as equity are not recognized.

Where a business combination is achieved in stages, the Company's previously held interest in the acquired entity are remeasured to fair value at the acquisition date, which is the date Hudbay attains control, and any resulting gain or loss is recognized in the consolidated statements of income. Amounts previously recognized in other comprehensive income ("OCI") related to interest in the acquiree prior to the acquisition date are reclassified to the consolidated statements of income, where such treatment would be appropriate if that interest were disposed of.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Hudbay's CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill is allocated to the lowest level at which it is monitored for internal management purposes and is not larger than an operating segment before aggregation. Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the determination of any gain or loss on disposal.

Goodwill is not amortized and is tested for impairment annually and whenever there is an indication of impairment. If any such indication exists, the recoverable amount of the CGU is estimated in order to determine the extent of the impairment, if any. The recoverable amount is determined as the higher of fair value less direct costs to sell and the CGU's value in use. When the recoverable amount of the CGU is less than the carrying amount of that CGU, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to that CGU first, and then to the other assets of that CGU on a pro-rata basis of the carrying amount of each asset in the CGU. An impairment loss in respect of goodwill is not reversed.

Fair value for mineral interest and related goodwill is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to Hudbay's continued use and cannot take into account future development.

The weighted average cost of capital of Hudbay or comparable market participants is used as a starting point for determining the discount rates, with appropriate adjustments for the risk profile of the countries in which the individual CGUs operate and the specific risks related to the development of the project.

Where the asset does not generate cash flows that are independent of other assets, Hudbay estimates the recoverable amount of the CGU to which the asset belongs. If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the consolidated statements of income.

(b) Translation of foreign currencies:

Management determines the functional currency of each Hudbay entity as the currency of the primary economic environment in which the entity operates.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Hudbay's entities at exchange rates in effect at the transaction dates.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the closing exchange rate. Non-monetary assets and liabilities measured at fair value are translated using the exchange rates at the date when fair value was determined. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using exchange rates that were in effect at the transaction dates. The same translations are applied when an entity prepares its financial statements from books and records maintained in a currency other than its functional currency, except revenue and expenses may be translated at monthly average exchange rates that approximate those in effect at the transaction dates.

Foreign currency gains and losses arising on period-end revaluations are recognized in the consolidated statements of income, except for a financial liability designated as a hedge of a net investment in a foreign operation, or qualifying cash flow hedges, which are recognized in OCI.

Foreign operations

For the purpose of the consolidated financial statements, assets and liabilities of Hudbay's entities that have functional currencies other than the US dollar are translated to US dollars at the reporting date using the closing exchange rate. Revenue and expenses are translated at monthly average exchange rates that approximate those in effect at the transaction dates. Differences arising from these foreign currency translations are recognized in OCI and presented within equity in the foreign currency translation reserve. When a foreign operation is disposed, the relevant exchange differences accumulated in the foreign currency translation reserve are transferred to the consolidated statements of income as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such amount is reattributed to non-controlling interest. On disposal of a partial investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion is reclassified to profit or loss.

Net investment in a foreign operation

Foreign currency gains and losses arising on translation of a monetary item receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are considered to form part of a net investment in the foreign operation. Such gains and losses are recognized in OCI and presented within equity in the foreign currency translation reserve.

(c) Revenue recognition:

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of treatment and refining charges. Revenue from the sale of by-products is included within revenue.

Revenue is recognized when control of the goods sold has been transferred to the customer. Control is deemed to have passed to the customer when significant risk and reward of the product has passed to the customer, Hudbay has a present right to payment, and physical possession of the product has been transferred to the customer. Sales of doré are recorded when a trade confirmation is duly signed and executed between Hudbay and the end purchaser. Sale of concentrate and finished zinc frequently occur under the following terms, and management has assessed these terms in order to determine timing of transfer of control and revenue recognition as generally outlined in the following table.

Incoterms used by Hudbay	Revenue recognized when goods:
Cost, Insurance and Freight (CIF)	Are loaded on board the vessel
Free on Board (FOB)	Are loaded on board the vessel
Delivered at place (DAP)	Arrive at the named place of destination
Delivered at terminal (DAT)	Arrive at the named place of destination
Free Carrier (FCA)	Arrive at the named place of delivery

Sales of copper and zinc concentrate and certain other products are provisionally priced. For these contracts, sales prices are subject to final adjustment at the end of a future period after shipment, based on quoted market prices during the quotational period specified in the contract. Revenue is recognized when the above criteria are achieved, using weight and assay results and forward market prices to estimate the fair value of the total consideration receivable. Therefore, revenue is initially recorded based on an initial provisional invoice. Subsequently, at each reporting date, until the provisionally priced sale is finalized, sales receivables are marked to market, with adjustments (both gains and losses) recorded within revenue separately as "Pricing and volume adjustments" in the notes to the consolidated financial statements and in trade and other receivables on the consolidated balance sheets. As per IFRS 15 *Revenue from contracts with customers*, variability in price is deemed to be fair value movements on provisionally priced receivables under the scope of IFRS 9 *Financial Instruments*; variability in quantities is deemed to be variable consideration. The variable consideration from weights and assay changes to quantities has been assessed to be insignificant to warrant precluding revenue being recorded as a result of possible future sales reversals. An annual analysis of the accuracy of our weights and assays is completed, and if the accuracy rate falls below a certain threshold, management then evaluates whether revenue from future sales should be constrained as a result of it being highly probable that there would be a significant revenue reversal in the future.

Hudbay only includes in the transaction price an amount which is not highly likely to be subject to significant subsequent revenue reversal. Within sales contracts with customers, separate performance obligations may arise pertaining to the shipping of goods sold. If applicable, costs and the transaction price are allocated on a relative standalone selling basis to any separate performance obligations and are recognized over the period of time the goods sold are shipped, on a gross basis.

Hudbay recognizes deferred revenue in the event it receives payments from customers before a sale meets criteria for revenue recognition.

Precious metals stream contracts, which at inception of the contract are determined that they can be satisfied through the delivery of Hudbay's own production of non-financial items (i.e. gold and silver credits) rather than cash or other financial assets, are accounted for as deferred revenue. If settlement with Hudbay's own production of gold and silver is not possible, the stream transaction is recognized as a financial liability since settlement may require a cash payment. This would cause a change to the accounting treatment, resulting in the revaluation of the agreement to the fair value through the consolidated statements of income on a recurring basis.

Deferred revenue associated with precious metals stream contracts are subject to variable consideration and contain a significant financing component since funds were received in advance of the delivery of concentrate. When a significant financing component is recognized, finance expense will be higher and revenues will be higher as the larger deferred revenue balance is amortized to revenues. A market-based discount rate is utilized at the inception of each of the respective stream agreements to determine a discount rate for computing the interest charges for the significant financing component of the deferred revenue balance. As product is delivered, the deferred revenue amount including accreted interest will be drawn down. The draw down rate requires the use of proven and probable reserves and certain resources in the calculation that are beyond proven and probable reserves which management is reasonably confident will be transferable to reserves. Key estimates used in determining the significant financing component include the discount rate and the reserve and resources assumed for conversion.

(d) Cost of sales:

Cost of sales consists of those costs previously included in the measurement of inventory sold during the period, as well as certain costs not included in the measurement of inventory, such as the cost of warehousing and distribution to customers, provisional pricing adjustments related to purchased concentrates, profit sharing, royalty payments, share-based compensation expense and other indirect expenses related to producing operations.

Cost of sales also include non-cash net realizable value adjustments to inventory, one-time adjustments related to overheads incurred when not operating at normal capacity and one-time labour charges related to facilitating the production of inventories for past service pension costs, curtailment gains and severance.

(e) Cash and cash equivalents:

Cash and cash equivalents include cash, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash equivalents have maturities of three months or less at the date of acquisition. Interest earned is included in finance income on the consolidated statements of income and in investing activities on the consolidated statements of cash flows.

Amounts that are restricted from being used for at least twelve months after the reporting date or are not available for general disbursement, like a debt service account are classified as non-current assets and presented in other financial assets on the consolidated balance sheets. Changes in restricted cash balances are classified as investing or financing activities on the consolidated statements of cash flows.

(f) Inventories:

Inventories consist of stockpiles, finished goods inventory (concentrates and metals), materials and supplies. Concentrates, doré, metals and all other saleable products are valued at the lower of cost and estimated net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated direct and indirect costs of completion and costs necessary to make the sale. Where the net realizable value is less than cost, the difference is charged to the consolidated statements of income as an impairment charge in cost of sales. Costs associated with stripping activities in an open pit mine are capitalized to inventory and recorded through cost of sales unless the stripping activity can be shown to improve access to further quantities of ore that will be mined in future periods, in which case, the stripping costs are capitalized to property, plant and equipment.

Cost of production of concentrate inventory is determined on a weighted average cost basis and the cost of production of finished metal inventory is determined using the first in first out basis. The cost of production includes direct costs associated with conversion of production inventory based on normal production capacity: material, labour, contractor expenses, purchased concentrates, and an attributable portion of production overheads and depreciation of all property, plant and equipment involved with the mining and production process. Hudbay measures in-process inventories based on assays of material received at metallurgical plants and estimates of recoveries in the production processes. Due to significant uncertainty associated with volume and metal content, immaterial costs are not allocated to routine operating levels of stockpiled ore. Estimates and judgements are required to assess the nature of any significant changes to levels of ore stockpiles and determining whether allocation of costs is required.

Supplies are valued at the lower of average cost and net realizable value.

(g) Exploration and evaluation expenditures:

Exploration and evaluation activity begins when Hudbay obtains legal rights to explore a specific area and involves the search for mineral reserves, the determination of technical feasibility, and the assessment of commercial viability of an identified resource. Expenditures incurred in the exploration and evaluation phase include the cost of acquiring interest in mineral rights, licenses and properties and the costs of Hudbay's exploration activities, such as researching and analyzing existing exploration data, gathering data through geological studies, exploratory drilling, trenching, sampling, and certain feasibility studies.

Hudbay expenses the cost of its exploration and evaluation activities and capitalizes the cost of acquiring interest in mineral rights, licenses and properties in business combinations, asset acquisitions or option agreements. Amounts capitalized are recognized as exploration and evaluation assets and presented in property, plant and equipment. Exploration and evaluation assets acquired as a result of an asset acquisition or option agreement are initially recognized at cost, and those acquired in a business combination are recognized at fair value on the acquisition date. They are subsequently carried at cost less accumulated impairment. No depreciation is charged during the exploration and evaluation phase. Hudbay expenses the cost of subsequent exploration and evaluation activity related to acquired exploration and evaluation assets. Cash flows associated with acquiring exploration and evaluation assets are classified as investing activities in the consolidated statements of cash flows; those associated with exploration and evaluation expenses are classified as operating activities.

Judgement is required in determining whether the respective costs are eligible for capitalization where applicable, and whether they are likely to be recoverable, which may be based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available.

Hudbay monitors exploration and evaluation assets for factors that may indicate their carrying amounts are not recoverable. If such indicators are identified, the Company tests the exploration and evaluation assets or their CGUs, as applicable, for impairment. Hudbay also tests for impairment when assets reach the end of the exploration and evaluation phase.

Exploration and evaluation assets are transferred to capital works in progress within property, plant and equipment once the Company determines that probable future economic benefits will be generated as a result of the expenditures. Hudbay's determination of probable future economic benefit is based on management's evaluation of the technical feasibility and commercial viability of the geological properties of a given ore body based on information obtained through evaluation activities, including metallurgical testing, resource and reserve estimates and the economic assessment of whether the ore body can be mined economically. Tools that may be used to determine this include a preliminary feasibility study, confidence in converting resources into reserves and the probability that the property could be developed into a mine site. At that time, the property is considered to enter the development phase, and subsequent evaluation costs are capitalized.

(h) Property, plant and equipment:

Hudbay measures items of property, plant and equipment at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of an item of property, plant and equipment includes its purchase price or construction costs, including import duties and non-refundable purchase taxes, any costs directly attributable to bringing the asset into operation, and for qualifying assets, borrowing costs. The initial cost of property, plant and equipment also includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation which Hudbay incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Capitalization of costs ceases once an asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. At this time, depreciation commences. For a new mine, this occurs upon commencement of commercial production. Any revenues less cost to produce, earned prior to commencement of commercial production, are included in the consolidated statements of income.

Carrying amounts of property, plant and equipment, including right-of-use ("ROU") assets, are depreciated to their estimated residual value over the estimated useful lives of the assets or the estimated life of the related mine or plant, if shorter. Where components of an asset have different useful lives, depreciation is calculated on each separate component. Components may be physical or non-physical, including the cost of regular major inspections and overhauls required in order to continue operating an item of property, plant and equipment.

Certain items of property, plant and equipment are depreciated on a unit-of-production basis. The unit-of-production method is based on proven and probable tonnes of ore reserves. There are numerous uncertainties inherent in estimating ore reserves, and assumptions that were valid at the reporting date may change when new information becomes available. The actual volume of ore extracted and any changes in these assumptions could affect prospective depreciation rates and carrying values.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Upon derecognition of an item of property, plant and equipment, the difference between its carrying value and net sales proceeds, if any, is presented as a gain or loss in other operating income or expense in the consolidated statements of income.

i. Capital works in progress:

Capital works in progress consist of items of property, plant and equipment in the course of construction or mineral properties in the course of development, including those transferred upon completion of the exploration and evaluation phase. On completion of construction or development, costs are transferred to plant and equipment and/or mining properties as appropriate. Capital works in progress are not depreciated.

ii. Mining properties:

Mining properties consist of costs transferred from capital works in progress when a mining property reaches commercial production, costs of subsequent mine and exploration development, and acquired mining properties in the production stage.

Mining properties include costs directly attributable to bringing a mineral asset into the state where it is capable of operating in the manner intended by management and includes such costs as the cost of shafts, ramps, track haulage drifts, ancillary drifts, pumps, electrical substations, refuge stations, ventilation raises, permanent manways, and ore and waste pass raises. The determination of development costs to be capitalized during the production stage of a mine operation requires the use of judgements and estimates such as estimates of tonnes of waste to be removed over the life of the mining area and economically recoverable reserves extracted as a result.

A mining property is considered to be capable of operating in a manner intended by management when it commences commercial production based on pre-established criteria. Upon commencement of commercial production, a mining property is depreciated on a unit-of-production method. Unit-of-production depreciation rates are determined based on the related proven and probable mineral reserves and associated future development costs.

Subsequent mine development costs are capitalized to the extent they are incurred in order to access reserves mineable over more than one year. Ongoing maintenance and development expenditures are expensed as incurred and included in cost of sales in profit or loss. These include ore stope access drifts, footwall and hangingwall drifts in stopes, drawpoints, drill drifts, sublevels, slots, drill raises, stope manway access raises and definition diamond drilling.

iii. Plant and equipment:

Plant and equipment consists of buildings and fixtures, surface and underground fixed and mobile equipment and assets under lease.

Plant and equipment are depreciated on either unit-of-production or straight-line basis based on factors including the production life of assets and mineable reserves. In general, mining assets are depreciated using a unit-of-production method; equipment is depreciated using the straight-line method, based on the shorter of its useful life and that of the related mine or facility; and plants are depreciated using the straight-line method, with useful lives limited by those of related mining assets.

iv. Right-of-use lease assets:

At inception of a contract, Hudbay assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses the following criteria in the determination of whether a contract conveys the right to control the use of an identified asset:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has substantive substitution rights, then the asset is not identified;
- Hudbay has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Hudbay has the right to direct the use of the asset by means of decision making rights that are most relevant to changing how and for what purpose the asset is used. In the case where decisions about the asset's purpose is predetermined, Hudbay is deemed to have the right to direct the use of the asset if either:
  - Hudbay has the right to operate the asset; or,
  - Hudbay designed the asset in a way that predetermines how and for what purpose it will be used.

The Company recognizes a ROU asset and lease liability at the lease commencement date. The initial measurement of the ROU asset is on a present value basis. This is based on the calculated lease liability plus any initial direct costs incurred, an estimate of removal or restoration costs, and any payments made prior to commencement of the lease less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of the lease payments that are yet to be paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be easily determined, Hudbay's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate for applicable leases.

Lease payments included in the measurement of the lease liability comprise fixed payments including in substance fixed payments and variable payments that depend on an index or rate, amounts expected to be payable under a residual value guarantee and the additional costs Hudbay reasonably expects to incur due to purchase options, extension options and termination options reasonably expected to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the expected future cash flows of a leasing contract either due to a change in index or rate, or due to a change in terms of the contract. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset is zero.

Hudbay has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component for lease contracts of all asset classes.

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. Hudbay recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Hudbay does not enter into transactions where the Company acts as a lessor.

The incremental borrowing rate used to discount leases and to compute interest for new ROU leases is considered a key management judgement.

v. Depreciation rates of major categories of assets:

- Capital works in progress - not depreciated
- Mining properties - unit-of-production
- Mining asset - unit-of-production
- Plant and Equipment
  - Equipment - straight-line over 1 to 20 years
  - Other plant assets - straight-line over 1 to 20 years/unit-of-production
- ROU Assets - straight-line over 1 to 20 years

Hudbay reviews its depreciation methods, remaining useful lives and residual values at least annually and accounts for changes in estimates prospectively.

vi. Commercial production:

Commercial production is the level of activities intended by management for a mine, or a mine and mill complex, to be capable of operating in the manner intended by management. Hudbay considers a range of factors when determining the level of activity that represents commercial production for a particular project, including a predetermined percentage of design capacity for the mine and mill; achievement of continuous production, ramp-ups, or other output; or specific factors such as recoveries, grades, or inventory build-ups. In a phased mining approach, management may consider achievement of specific milestones at each phase of completion. In a non-phased mining approach, management considers average actual metrics that are at least 60% of average design capacity or plan over a continuous period. Management assesses the operation's ability to sustain production over a period of approximately one to three months, depending on the complexity related to the stability of continuous operation. Commercial production is considered to have commenced, and depreciation expense is recognized, at the beginning of the month after criteria have been met.

vii. Capitalized borrowing costs:

The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time, generally one year or more, to get ready for their intended use or sale. Capitalization of borrowing costs ceases once the qualifying assets commence commercial production or are otherwise ready for their intended use or sale.

Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of interest rates applicable to relevant general borrowings of Hudbay during the period, to a maximum of actual borrowing costs incurred. Investment income earned by temporarily investing specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Capitalization of interest is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognized in the consolidated statements of income in the period in which they are incurred.

viii. Capitalized stripping costs:

Costs associated with stripping activities in an open pit mine are capitalized to inventory and recorded through cost of sales unless the stripping activity can be shown to improve access to further quantities of ore that will be mined in future periods, in which case, the stripping costs are capitalized to property, plant and equipment. Capitalized stripping costs are included in "mining properties" within property, plant and equipment.

Capitalized stripping costs are depreciated using a units-of-production method over the expected reserves within a given phase of mine development.

(i) Impairment of non-financial assets:

At the end of each reporting period, Hudbay reviews the carrying amounts of property, plant and equipment, exploration and evaluation assets and intangible assets - computer software to determine whether there is any indication of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset in order to determine the extent of the impairment loss, if any. Hudbay generally assesses impairment at the level of CGUs, which are the smallest identifiable groups of assets that generate cash inflows that are largely independent of cash inflows from other assets.

Hudbay's CGUs consist of Manitoba, British Columbia, Peru, Arizona and greenfield exploration assets.

The Company allocates near mine exploration and evaluation assets to CGUs based on their operating segment, geographic location and management's intended use for the property. Near mine exploration and evaluation assets are allocated to CGUs separate from those containing producing or development-phase assets, except where such exploration and evaluation assets have the potential to significantly affect the future production of producing or development-phase assets.

Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. The Company performs goodwill impairment tests on an annual basis as at December 31 each year. If the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount, an impairment loss is recognized. Goodwill impairment losses are recorded in the consolidated statements of income and they are not subsequently reversed.

Where an indicator of impairment exists, a formal estimate of the recoverable amount of the asset or CGU is made. The recoverable amount is the higher of the fair value less costs of disposal and value in use:

- Fair value less costs of disposal is the amount obtainable from the sale of the asset or CGU in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Fair value for mineral assets is often determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset to arrive at a net present value of the asset.
- Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset or CGU in its present form and its eventual disposal, discounted using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use calculations apply assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value, and consequently the value in use calculation is likely to give a different result to a fair value calculation.

Hudbay estimates future cash flows based on estimated future recoverable mine production, expected sales prices (considering current and historical commodity prices, price trends and related factors), production levels and cash costs of production, all based on detailed engineering LOM plans. Future recoverable mine production is determined from reserves and resources after taking into account estimated dilution and recoveries during mining, and estimated losses during ore processing and treatment. Estimates of recoverable production from measured, indicated and inferred mineral resources not included in the LOM plan are assessed for economic recoverability and may also be included in the valuation of fair value less costs of disposal. Gains from the expected disposal of assets are not included in estimated future cash flows. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. Changes in estimates may affect the expected recoverability of the Company's investments in mining properties.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized in the consolidated statements of income in the expense category consistent with the function of the impaired asset or CGU. Hudbay presents impairment losses on the consolidated statements of income as part of results from operating activities. Impairment losses recognized in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of other assets in the CGU on a pro-rata basis for depreciable assets.

The Company assesses previously recognized impairment losses each reporting date for any indications that the losses have decreased or no longer exist. Such an impairment loss is reversed, in full or in part, if there have been significant changes with a positive effect on the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized for the asset in prior years. Such reversals of impairment losses are recognized in the consolidated statements of income. An impairment loss recognized in relation to goodwill is not reversed for subsequent increases in the recoverable amount.

(j) Pension and other employee benefits:

Hudbay has non-contributory and contributory defined benefit programs for the majority of its Canadian employees. The defined benefit pension benefits are based on years of service and final average salary for the salaried plans and are based on a flat dollar amount combined with years of service for the hourly plans. The Company provides non pension health and other post-employment benefits to certain active employees and pensioners (post-employment benefits) and also provides disability income, health benefits and other post-employment benefits to hourly and salaried disabled employees (other long-term employee benefits).

Hudbay accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the pension and post-employment benefits. The actuarial determination of the accrued benefit obligations for pensions and post-employment benefits uses the projected benefit method pro-rated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors). For other long-term employee benefits, the Company recognizes the full cost of the benefit obligation at the time the employee becomes disabled. Actuarial advice is provided by external consultants.

For the funded defined benefit plans, Hudbay recognizes the deficit or excess of the fair value of plan assets over the present value of the defined benefit obligation as a liability or an asset in the consolidated balance sheets. However, the Company recognizes an excess of assets only to the extent that it represents a future economic benefit which is available in the form of refunds from the plan or reductions in future contributions to the plan. When these criteria are not met, it is not recognized but is disclosed in the notes to the consolidated financial statements. Impacts of minimum funding requirements in relation to past service are considered when determining the balance sheet position.

Defined benefit costs are categorized as follows:

- Service costs (including current service cost, past service cost, as well as gains and losses on curtailments and settlements and administration costs);
- Net interest expense or income; and,
- Remeasurement.

The first two components of defined benefit costs shown above are recognized in the consolidated statements of income. Past service cost as well as curtailment gains are recognized in the consolidated statements of income in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Purchases and sales of plan assets are recorded on settlement date.

Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated balance sheets with a gain or loss recognized in OCI in the period in which they occur. Remeasurement recognized in OCI is reflected in the remeasurement reserve and will not be reclassified to the consolidated statements of income. For the other long-term employee benefits plan, remeasurements are recognized immediately in the consolidated statements of income.

Actuarial determinations used in estimating obligations relating to these plans incorporate assumptions using management's best estimates of factors including plan performance, salary escalation, retirement dates of employees and healthcare cost escalation rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates on corporate bonds in the respective currency with at least an AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

Hudbay also has defined contribution plans providing pension benefits for certain of its salaried employees and certain of its US employees utilizing 401K plans. The Company recognizes the cost of the defined contribution plans based on the contributions required to be made during each period.

Termination benefits are recognized as an expense when Hudbay is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits that are payable more than one year after the reporting period are discounted to their present value.

(k) Environmental and other provisions:

Provisions are recognized when Hudbay has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made. The provisions are recorded as management's best estimate of the amount required to settle an obligation.

Provisions are stated at their present value, which is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Decommissioning, restoration and similar liabilities

Provisions are recorded for legal and constructive obligations associated with the future costs of rehabilitating the Company's current and previous operating and development sites. Such costs are associated with decommissioning and restoration activities such as dismantling and removing structures, rehabilitating mines and tailings, and reclamation and re-vegetation of affected areas.

The present value of estimated costs is recorded in the period in which the asset is installed or the environment is disturbed and a reasonable estimate of future costs and discount rates can be made. The provision is discounted using a risk-free rate, and estimates of future cash flows are adjusted to reflect risk.

Subsequent to the initial measurement, the obligation is adjusted to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance expense, whereas increases and decreases due to changes in the estimated future cash flows, which are not the result of current inventory production, are capitalized and depreciated over the life of the related operating asset. Actual costs incurred upon settlement of the site restoration obligation are charged against the provision to the extent the provision was established for those costs. Upon settlement of the liability, a gain or loss may be recorded. For closed sites, changes to estimated costs are recognized immediately in the consolidated statements of income within other expenses.

Hudbay assesses the reasonableness of its estimates and assumptions each year and when conditions change, the estimates are revised accordingly. Judgement is required to determine the scope and timing of future decommissioning and restoration activities, as well as best available estimates and assumptions including discount rates, expected timing of decommissioning and restoration costs, inflationary factors and market risks. Changes in cost estimates, which may arise from changes in technology and pricing of the individual components of the cost may result in offsetting changes to the asset and liability and corresponding changes to the associated depreciation and finance costs. In view of the uncertainties concerning these future obligations, the ultimate timing and cost of reclamation and mine closure may differ materially from these estimates.

If the change in estimate results in a significant increase in the decommissioning liability and therefore an addition to the carrying value of the asset, the Company considers whether this is an indication of impairment of the asset as a whole and, if so, tests for impairment in accordance with IAS 36, *Impairment of non-financial assets*. If, for mature mines, the revised mine assets net of decommissioning and restoration liabilities exceeds the recoverable value, that portion of the increase is charged directly to expense as an impairment loss, within the gross profit / (loss) line.

In view of the uncertainties concerning environmental remediation, the ultimate cost of decommissioning and restoration liabilities could differ materially from the estimated amounts provided. The estimate of the total liability is subject to change based on amendments to laws and regulations and as new information concerning Hudbay's operations becomes available. Future changes, if any, to the estimated total liability as a result of amended requirements, laws, regulations and operating assumptions, as well as discount rates, may be significant and would be recognized prospectively as a change in accounting estimate, when applicable. Environmental laws, regulations and technology are continually evolving in all regions in which the Company operates. Hudbay is not able to determine the impact, if any, of environmental laws, regulations and technology that may be enacted in the future on its results of operations or financial position due to the uncertainty surrounding the ultimate form that such future laws and regulations may take.

Onerous contracts

A contract is considered to be onerous when the unavoidable costs of meeting obligations under the contract exceed the economic benefits expected to be received under it. Hudbay records a provision for any onerous contracts at the lesser of costs to comply with a contract and costs to terminate it.

Restructuring provisions

A provision for restructuring is recognized when management, with appropriate authority within Hudbay, has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

(l) Financial instruments:

Non-derivative financial instruments are initially recognized at fair value plus, in the case of a financial asset or financial liability not measured at fair value through profit or loss, directly attributable transaction costs. Measurement in subsequent periods depends on the financial instrument's classification. Hudbay uses trade date accounting for regular way purchases or sales of financial assets. The Company determines the classification of its financial instruments and non-financial derivatives at initial recognition.

Financial assets and liabilities are offset and the net amount presented in the consolidated balance sheets when, and only when, Hudbay has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The classification of financial assets is based on the results of the contractual characteristics test and the business model assessment which will result in the financial asset being classified as either: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI").

i. Non-derivative financial instruments - classification:

Financial assets at fair value through profit or loss

Provisionally priced copper and zinc concentrate sales receivables, warrants and investments in securities of junior mining companies are classified as financial assets at fair value through profit or loss and are measured at fair value. The gains or losses related to changes in fair value are reported in the consolidated statements of income.

Amortized cost

Cash, certain receivables, other assets related to agreements with communities near the Peru operations, trade and other payables, long-term debt and restricted cash are classified as and measured at amortized cost and are carried at amortized cost using the effective interest rate method, less impairment losses, if any.

Non-derivative financial liabilities

Accounts payable and senior unsecured notes are initially recognized at fair value and subsequently accounted for at amortized cost, using the effective interest method. The amortization of senior unsecured notes issue costs is calculated using the effective interest rate method.

ii. Derivatives:

Derivatives are initially recognized at fair value when Hudbay becomes a party to the derivative contract and are subsequently re-measured to fair value at the end of each reporting period. The resulting gain or loss is recognized in the consolidated statements of income immediately unless the derivative is designated and effective as a hedging instrument. Derivatives with positive fair value are recognized as assets; derivatives with negative fair value are recognized as liabilities.

Derivatives contracts that are entered to economically hedge a risk exposure but are not designated as a hedging instrument for hedge accounting purposes, and are physically settled, are initially and subsequently measured at fair value. Subsequent movements in fair value are recognized within the revenue line item in the consolidated statements of income.

Hudbay enters into derivatives contracts to hedge commodity price risk exposure associated with quotational pricing terms in our sales contract as well as for non-quotational pricing ("non-QP"), which are not designated as hedging instrument for hedge accounting purposes. These non-quotational pricing derivative contracts are not physically settled and are referred to as non-QP hedges. These are initially and subsequently measured at fair value. Subsequent movements in fair value of these non-QP hedges are recognized in change in fair value of financial instruments on the consolidated statement of income.

iii. Embedded derivatives:

Hudbay considers whether a contract contains an embedded derivative when it becomes a party to the contract. Derivatives embedded in other financial liabilities or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

iv. Fair value of financial instruments:

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values of financial instruments traded in active markets are determined based on quoted market prices, where available. Bid prices are generally used for assets held or liabilities to be issued; asking prices are generally used for assets to be acquired or liabilities held.

For financial instruments not traded in an active market, fair values are determined based on appropriate valuation techniques. Such techniques may include discounted cash flow analysis, using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, and other valuation models.

The Company applies a hierarchy to classify valuation methods used to measure financial instruments carried at fair value. Levels 1 to 3 are defined based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques use significant observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices), or valuations are based on quoted prices for similar instruments; and,
- Level 3: Valuation techniques use significant inputs that are not based on observable market data (unobservable inputs).

An analysis of fair values of financial instruments is provided in note 31.

v. Impairment of financial instruments:

Hudbay recognizes loss allowances for Expected Credit Losses ("ECL") for trade receivables not measured at FVTPL.

Loss allowances for trade receivables are measured at an amount equal to lifetime ECL. ECL is a probability-weighted estimate measured at the present value of all cash shortfalls including the impact of forward-looking information.

Hudbay has established a provision based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

vi. Derecognition of financial instruments:

Hudbay derecognizes financial assets when the contractual rights to the cash flows from the assets expire, or when the Company transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial assets that is created or retained by Hudbay is recognized as a separate asset or liability.

Hudbay derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expire or when its terms are modified and the cash flows of the modified liability are substantially different.

(m) Taxation:

Current Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Hudbay is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

Additionally, future changes in tax laws in the jurisdictions in which Hudbay operates could limit the ability of the Company to obtain tax deductions in future periods.

Deferred Tax

Deferred tax is recognized using the balance sheet method in respect of temporary differences at the balance sheet date between the tax basis of assets and liabilities, and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

To the extent that it is probable that taxable profit will be available to offset the deductible temporary differences, Hudbay recognizes the deferred tax asset regarding the temporary difference on decommissioning, restoration and similar liabilities and recognizes the corresponding deferred tax liability regarding the temporary difference on the related assets.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Judgement is required in determining whether deferred tax assets are recognized on the consolidated balance sheets. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood of taxable profit in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability to realize the net deferred tax assets recorded at the balance sheet date could be affected.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes relating to items recognized outside profit or loss (whether in other comprehensive income or directly in equity) are recognized outside profit or loss and not in the consolidated statements of income. Mining taxes and royalties are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax.

(n) Share capital and reserves:

Transaction costs

Transaction costs directly attributable to equity transactions are recognized as a deduction from equity.

Other capital reserve

The other capital reserve is used for equity-settled share-based compensation and includes amounts for stocks options granted and not exercised.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations. Exchange differences arising from the translation of the financial statements of foreign operations form part of the net investment in the foreign operation. Translation gains and losses remain in the reserve until disposal of all or a portion of the foreign operation.

(o) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Corporation separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Corporation's common shares and the issue price of the flow-through share and ii) share capital. Upon qualifying exploration and/or development expenditures being incurred, the sale of tax deductions is recognized as other income in the statement of income and the related liability is reduced. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced, in accordance with the Canadian Income Tax Act flow-through regulations. When applicable, the estimated tax payable is accrued until paid.

(p) Share-based compensation:

Hudbay compensates its employees in part through the use of a Deferred Share Unit ("DSU") plan for non-employee members of the Board of Directors, a Restricted Share Unit ("RSU") plan for employees, a Performance Share Unit ("PSU") plan for employees and a stock option plan for employees. These plans are included in provisions on the consolidated balance sheets and further described in note 28. Changes in the fair value of the liabilities are recorded in the consolidated statements of income.

Cash-settled transactions, consisting of DSUs, RSUs and PSUs, are initially measured at fair value and recognized as an obligation at the grant date. The liabilities are remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized in the consolidated statements of income. Hudbay values the liabilities based on the change in the Company's share price. Additional DSUs, RSUs and PSUs are credited to reflect dividends paid on Hudbay common shares over the vesting period. The current portion of the liability reflects those grants that have vested or that are expected to vest within twelve months.

DSUs vest on the grant date and are redeemable when a participant is no longer a member of the Board of Directors. Issue and redemption prices of DSUs are based on the average closing price of the Company's common shares for the five trading days prior to issuance or redemption.

RSUs and PSUs are issued under Hudbay's Long Term Equity Plan ("LTEP Plan") and vest on or before the third anniversary of the grant. RSUs and PSUs granted under the LTEP Plan may be settled in the form of the Company's common shares or, at the option of Hudbay, the cash equivalent based on the market price of the common shares as of the vesting date. Hudbay has historically settled RSUs in cash. Except in specified circumstances, RSUs and PSUs terminate when an employee ceases to be employed by the Company. Valuations of RSUs and PSUs reflect estimated forfeitures.

Equity-settled transactions with employees relate to stock options and are measured by reference to the fair value at the earlier of the grant date and the date that the employee unconditionally became entitled to the award. Fair value is determined using a Black-Scholes option pricing model, which relies on estimates of the future risk-free interest rate, future dividend payments, future share price volatility and the expected average life of the options. Hudbay believes this model adequately captures the substantive features of the option awards and is appropriate to calculate their fair values. The fair value determined at the grant date is recognized over the vesting period in accordance with vesting terms and conditions, with a corresponding increase to other capital reserves. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met.

(q) Earnings per share:

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which previously consisted of stock options granted to employees and warrants.

When calculating earnings per share for periods where the Company has a loss, Hudbay's calculation of diluted earnings per share excludes any incremental shares from the assumed conversion of stock options as they would be anti-dilutive.

(r) Leases:

Leases, under which substantially all the risks and rewards incidental to ownership of the leased item are transferred to Hudbay, are capitalized as assets at the inception of the lease at the lower of fair value or the present value of the minimum lease payments. Lease payments are apportioned between finance charges and the reduction of the liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability. Finance charges are reflected in the consolidated statements of income as finance costs.

Non-ROU lease payments are recognized as an expense in the consolidated statements of income on a straight-line basis over the lease term.

(s) Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses and for which discrete financial information is available. Hudbay's chief executive officer regularly reviews the operating results of each operating segment to make decisions about resources to be allocated to the segment and assess its performance. In determining operating segments, Hudbay considers location and decision-making authorities. Refer to note 36.

4. New standards

New standards and interpretations adopted

(a) Amendment to IAS 1 - Presentation of Financial Statements

The amendments to IAS 1 clarify that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. Classification is unaffected by the expectations that the entity will exercise its right to defer settlement of a liability. Lastly, the amendments clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets. The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments have been adopted by the Company and the amendments did not result in any changes to the consolidated financial statements.

New standards issued but not yet effective

(b) IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements. The standard amends the presentation of the statement of income by introducing a newly defined 'operating profit' subtotal and a requirement for income and expenses to be allocated between three new distinct categories based on a company's main business activities, which are Operating, Financing and Investing. In addition, organizations will need to disclose certain 'non-GAAP' measures known as management-defined performance measures. The standard will be effective from January 1, 2027 with early adoption is permitted and requires retrospective application. The Company is still assessing the impact of adoption of this amendment on its consolidated financial statements.

(c) Amendment to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to IFRS 9 and 7 to clarify the recognition or derecognition of a financial asset or liability, with a new exception for some financial liabilities settled through an electronic cash transfer system. The amendments also add guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, by introducing an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs. In addition, the amendments will add new disclosures for certain instruments with contractual terms that can change cash flows. Lastly, the amendments will require additional disclosures for equity instruments designated at fair value through other comprehensive income. The amendments will apply for reporting periods beginning on or after January 1, 2026, with early application permitted. The Company is assessing the impact of adoption of this amendment on its consolidated financial statements.

5. Acquisition of Copper Mountain Mining Corporation

On June 20, 2023, Hudbay acquired all of the issued and outstanding common shares of Copper Mountain Mining Inc. (formerly, Copper Mountain Mining Corp., and referred to herein as "Copper Mountain"), as part of a court-approved plan of arrangement. At the time, Copper Mountain held 75% of CMBC, the entity that owns 100% of the Copper Mountain mine. MMC owns the remaining 25% interest in CMBC as a non-controlling interest.

As a result of the acquisition, Hudbay obtained control of Copper Mountain on June 20, 2023.

Management determined that the assets and processes comprised a business and therefore accounted for the transaction as a business combination, using the acquisition method of accounting.

Consideration transferred:

The purchase consideration paid by Hudbay was for 100% of the net assets of Copper Mountain and their 100% owned subsidiaries ("100% owned entities") and a 75% ownership in CMBC. The aggregate purchase consideration for the acquired assets, net of the liabilities assumed is as follows:

Equity instruments (84,165,617 common shares of Hudbay)	$	436.7
Cash		3.8
Consideration transferred - June 20, 2023	$	440.5

The fair value of the common shares issued was based on Hudbay's listed share price of C$ 6.87 at the June 20, 2023 acquisition date. Immediately prior to the acquisition, Copper Mountain settled its outstanding restricted share units and performance share units through the issuance of shares and settled its stock options for replacement Hudbay options that were immediately settled in cash.

Hudbay incurred acquisition related costs of $ 6.9 million during the year ended December 31, 2023, mainly relating to external legal and advisory fees and due diligence costs, which were recorded in other expense in the consolidated statements of income. In addition, Hudbay incurred share issuance costs of $0.2 million and presented these as a deduction from share capital.

Identifiable assets acquired and liabilities assumed:

The fair value of the net assets was determined using a combination of market, income and cost methods. The fair value of the non-controlling interest was then computed at a 25% of the equity interest in CMBC.

The following presents the allocation of the final purchase price, resulting in recognized fair value amounts of identifiable assets acquired and liabilities assumed as follows:

Fair value of net assets acquired / (liabilities) assumed		Final
Cash and cash equivalent	$	14.5
Trade and other receivables		19.1
Inventories		47.9
Prepaid expenses		3.1
Other financial assets		8.5
Property, plant and equipment		434.8
Mineral properties		369.0
Inventories - low grade stockpile		6.0
Trade and other payables		(77.1)
Advances from Hudbay		(3.4)
Lease liabilities		(34.6)
Other financial liabilities		(9.6)
Long-term debt		(145.0)
Environmental and other provisions		(12.7)
Deferred tax liabilities		(148.2)
Total fair value of net identifiable assets acquired	$	472.3

The fair values of mineral properties, low grade stockpile and other property, plant and equipment have been determined based on an independent valuation, using a combination of market, income and cost methods. In particular, the fair values of the mineral properties and low grade stockpile have been calculated using significant judgements and estimates.

Trade receivables acquired as part of the acquisition have a fair value of $ 8.8 million which is equal to their gross contractual value. Other receivables acquired have a fair value of $10.3 million which is equal to their gross contractual value. Trade and other receivables are expected to be collected during the next 12 months.

Hudbay provided advances to Copper Mountain prior to the acquisition date, which have been recorded as a purchaser loan.

Hudbay recognized goodwill as a result of the acquisition as follows:

		Final
Total consideration transferred	$	440.5
Non-controlling interest		107.0
Less: value of net identifiable assets acquired		(472.3)
Goodwill upon acquisition at June 20, 2023	$	75.2

The goodwill balance arose from the requirement to record deferred income tax liabilities measured at the tax effect of the difference between the fair values of the assets acquired and liabilities assumed and their tax bases. None of the goodwill recognized is expected to be deductible for income tax purposes.

The results of operations have been consolidated with those of the Company from the date of acquisition and included in the British Columbia operating segment. Had the business combination been affected at January 1, 2023, revenue and profit of the combined entity would have been $1,824,713 and $27,406, respectively. The revenue and net profit contributed from the acquisition of Copper Mountain has been $165,438 and $13,376, respectively.

6. Acquisition of Rockcliff Metals Corporation

On September 14, 2023, Hudbay acquired all of the issued and outstanding common shares of Rockcliff, as part of a court-approved plan of arrangement. In doing so, Hudbay obtained control of Rockcliff on September 14, 2023.

Management determined that substantially all of the fair value of the gross assets acquired is concentrated in the Talbot exploration property and therefore accounted for the transaction as an asset acquisition.

The purchase consideration paid was 2,675,324 Hudbay common shares and 517,460 Hudbay warrants. For asset acquisitions settled with equity, entities are required to record the net assets acquired based on the fair value of the assets received in exchange for the equity issued, unless that fair value cannot be estimated reliably. Hudbay incurred acquisition related costs of $0.5 million during the third quarter of 2023, mainly relating to external legal and advisory fees and due diligence costs, which were capitalized and included as a cost of acquiring the net assets.

The fair value of the net assets acquired was determined using a combination of income and cost methods. In particular, the fair values of the exploration property have been calculated using significant judgements and estimates. The following presents the fair value amounts of identifiable assets acquired and liabilities assumed:

Fair value of net assets acquired / (liabilities) assumed		Final
Cash and cash equivalents	$	0.3
Accounts receivable and prepaid expenses		0.1
Exploration property		14.2
Accounts payable and accrued liabilities		(0.3)
Advance from Hudbay		(0.5)
Total fair value of net identifiable assets acquired	$	13.8

7. Revenue and expenses

(a) Revenue

Hudbay's revenue by significant product types:

	Year ended December 31,	
	2024	2023
Copper	**$ 1,154.8**	$ 1,065.8
Gold	**673.6**	463.0
Zinc	**71.1**	76.6
Silver	**51.5**	35.6
Molybdenum	**60.1**	79.4
Other	**1.7**	0.2
Revenue from contracts	**2,012.8**	1,720.6
Non-cash streaming arrangement items [1]		
Amortization of deferred revenue - gold	**40.7**	39.8
Amortization of deferred revenue - silver	**33.6**	32.6
Amortization of deferred revenue - variable consideration adjustments - prior periods	**(3.8)**	4.9
	70.5	77.3
Pricing and volume adjustments [2]	**35.2**	5.8
	2,118.5	1,803.7
Treatment and refining charges	**(97.3)**	(113.7)
	$ 2,021.2	$ 1,690.0

[1] See note 22.

[2] Pricing and volume adjustments represent mark-to-market adjustments on initial estimate of provisionally priced sales, realized and unrealized changes to fair value of quotational pricing hedge derivative contracts and adjustments to originally invoiced weights and assays.

Consideration from the Company's stream agreements is considered variable (note 22). Gold and silver stream revenue can be subject to cumulative adjustments when the amount of precious metals to be delivered under the contract changes. As a result of changes in the Company's mineral reserve and resource estimate in the first quarter of 2024, the amortization rate by which deferred revenue is drawn down into income was adjusted and, as required, a variable consideration adjustment was made for all prior year stream revenues since the stream agreement inception date. This variable consideration adjustment for the year ended December 31, 2024 resulted in a decrease in revenue of $3.8 million (December 31, 2023 - increase in revenue of $ 4.9 million).

(b) Depreciation and amortization

Depreciation of property, plant and equipment and amortization of intangible assets are reflected in the consolidated statements of income as follows:

	Year ended December 31,	
	2024	2023
Cost of sales	**$ 426.6**	$ 391.7
Selling and administrative expenses	**1.4**	1.4
	$ 428.0	$ 393.1

(c) Share-based compensation expenses

Share-based compensation expenses are reflected in the consolidated statements of income as follows:

	Cash-settled				
	RSUs	DSUs	PSUs	Stock options	Total share-based compensation expense
Year ended December 31, 2024					
Cost of sales	**$ 2.0**	**$ -**	**$ -**	**$ -**	**$ 2.0**
Selling and administrative	**4.0**	**6.3**	**4.2**	**2.1**	**16.6**
Other expenses	**0.7**	**-**	**-**	**-**	**0.7**
	$ 6.7	**$ 6.3**	**$ 4.2**	**$ 2.1**	**$ 19.3**
Year ended December 31, 2023					
Cost of sales	$ 0.6	$ -	$ -	$ -	$ 0.6
Selling and administrative	2.1	1.7	0.6	$ 2.2	6.6
Other expenses	0.2	-	-	-	0.2
	$ 2.9	$ 1.7	$ 0.6	$ 2.2	$ 7.4

During the year ended December 31, 2024, the Company granted 902,874 stock options (year ended December 31, 2023 - 801,661). For further details on stock options, see note 28b.

(d) Employee benefits expense

This table presents employee benefit expense recognized in the consolidated statements of income, including amounts transferred from inventory upon sale of goods:

	Year ended December 31,	
	2024	2023
Current employee benefits[1]	**$ 239.2**	$ 193.5
Profit-sharing plan expense	**51.1**	28.7
Share-based compensation (notes 7c, 23, 28)		
Equity settled stock options	**2.1**	2.2
Cash-settled restricted share units	**6.7**	2.9
Cash-settled deferred share units	**6.3**	1.7
Cash-settled performance share units	**4.2**	0.6
Employee share purchase plan	**1.8**	1.8
Post-employee pension benefits		
Defined benefit plans	**4.4**	0.8
Defined contribution plans	**2.1**	0.7
Past service cost (note 24, 25)	**4.3**	0.1
Other post-retirement employee benefits	**7.5**	-
Termination benefits	**1.7**	4.5
	$ 331.4	$ 237.5

[1]As Copper Mountain was acquired on June 20, 2023, the results for the year ended December 31, 2023 represents the period from the acquisition date, June 20, 2023, through to the end of the fourth quarter of 2023.

Manitoba has a profit sharing plan required by the collective bargaining agreement whereby 10% of Manitoba's after tax profit (excluding provisions or recoveries for deferred income tax and deferred mining tax) for any given fiscal year will be distributed to all eligible employees in the Flin Flon/Snow Lake operations, with the exception of executive officers and key management personnel.

Peru has a profit sharing plan required by Peruvian law whereby 8% of Peru's taxable income will be distributed to all employees within Peru's operations.

The Company has an employee share purchase plan for executives and other eligible employees where participants may contribute between 1% and 10% of their pre-tax base salary to acquire Hudbay shares. The Company makes a matching contribution of 75% of the participant's contribution.

In addition, the Company recognized a past service cost provision adjustment related to pensions and post-employment plans for certain Manitoba employees of $ 4.3 million.

See note 24 for a description of Hudbay's pension plans and note 25 for Hudbay's other employee benefit plans.

(e) Other expenses

	Year ended December 31,	
	2024	2023
Regional costs	**$ 5.4**	$ 4.3
Write-down/loss on disposal of PP&E	**27.4**	7.4
Amortization of community costs (other assets)	**8.5**	7.0
Copper Mountain related acquisition costs (note 5)	**-**	6.9
Restructuring	**1.2**	2.9
Care & maintenance - Manitoba	**14.6**	17.1
Evaluation costs	**1.2**	0.8
Insurance recovery	**-**	(4.2)
Value-added-tax recovery	**-**	(3.9)
Reduction of obligation to renounce flow-through share expenditures, net of provisions	**(2.0)**	-
Option agreement proceeds (Marubeni)	**(0.4)**	-
Other	**1.5**	-
	$ 57.4	$ 38.3

The Arizona business unit held an option to acquire water rights and land, which expired during the first quarter of 2024 without being extended or exercised. The previously capitalized cost to maintain the option, net of accrued interest, of $8.1 million is presented as part of write-down of PP&E.

The British Columbia business unit has recognized an impairment loss on a ball mill that is no longer being used in its operation. As a result, the carrying value of the asset has been written down to its recoverable amount, and $7.2 million is presented as part of write-down of PP&E. Furthermore, the British Columbia business unit recognized a loss of $7.8 million resulting from the replacement of components of mobile equipment and disposal of other mill equipment.

On March 7, 2024, Hudbay and Marubeni Corporation executed an option agreement whereby Marubeni will fund certain minimum annual exploration expenditures for agreed upon properties. During the year ended December 31, 2024, proceeds of $0.4 million were received and recorded as other income.

The Flin Flon concentrator and tailings impoundment is on care and maintenance to provide optionality should another mineral discovery occur in the Flin Flon area. During the year ended December 31, 2024, care & maintenance costs were $14.6 million (year ended December 31, 2023 - $ 17.1 million).

(f) Net finance expense

	Year ended December 31,	
	2024	2023
Net interest expense on long-term debt		
Net interest expense on long-term debt	**$ 69.8**	$ 76.2
Accretion on streaming arrangements (note 22)		
Additions	**24.0**	26.4
Variable consideration adjustments - prior periods	**0.2**	(0.1)
	24.2	26.3
Change in fair value of financial instruments		
Gold prepayment liability (note 19)	**10.7**	11.2
Unrealized loss on non-quotational pricing hedges	**0.2**	-
Realized loss on non-quotational pricing hedges	**8.9**	-
Investments	**(3.2)**	2.8
	16.6	14.0
Other net finance costs		
Net foreign exchange loss	**21.0**	5.3
Accretion on community agreements measured at amortized cost	**4.7**	4.2
Accretion on environmental provisions	**10.5**	9.9
Accretion on Wheaton refund liability	**0.6**	0.5
Withholding taxes	**2.2**	6.0
Loss on disposal of investments	**0.1**	0.7
Interest on equipment financing and leases	**6.7**	3.4
Interest income	**(15.7)**	(8.1)
Other finance expense	**8.0**	6.9
	38.1	28.8
Net finance expense	**$ 148.7**	$ 145.3

Other finance expense relates primarily to standby fees on Hudbay's revolving credit facilities.

Commencing in the first quarter of 2024, Hudbay has entered into copper forward sales, copper costless collars and gold costless collars which are non-quotational pricing ("non-QP") contracts (note 31b). Subsequent movements in the fair value of non-QP contracts are recognized in change in fair value of financial instruments in the consolidated statements of income.

8. Cash and cash equivalents

Cash and cash equivalents balances represent demand deposits and deposits with an original maturity date of less than 3 months.

9. Short-term investments

Short-term investments include guaranteed investment certificates held with Canadian financial institutions. The Company currently holds two $ 20.0 million guaranteed investment certificates that mature in March 2025 and June 2025, respectively.

10. Trade and other receivables

	Dec. 31, 2024	Dec. 31, 2023
Current		
Trade receivables	**$ 179.1**	$ 169.8
Statutory receivables	**50.0**	27.2
Other receivables	**6.4**	6.4
	235.5	203.4
Non-current		
Taxes receivable	**12.9**	12.2
	$ 248.4	$ 215.6

11. Inventories

	Dec. 31, 2024	Dec. 31, 2023
Current		
Stockpile	**$ 26.9**	$ 52.4
Finished goods	**81.6**	61.3
Materials and supplies	**88.9**	93.6
	197.4	207.3
Non-current		
Stockpile	**2.2**	9.6
Low grade stockpile[1]	**5.5**	5.8
Materials and supplies	**8.9**	9.0
	16.6	24.4
	$ 214.0	$ 231.7

[1]Primarily all of the low grade stockpile inventory is expected to be processed at the end of the Copper Mountain mine life.

The cost of inventories recognized as an expense, including depreciation, and included in cost of sales amounted to $ 1,288.4 million for the year ended December 31, 2024 (year ended December 31, 2023 - $1,159.9 million).

During the year ended December 31, 2024, Hudbay recognized an expense of $ 2.9 million in cost of sales primarily related to write-down of the carrying value of certain long term inventory supplies (year ended December 31, 2023 - $2.3 million).

12. Other financial assets

	Dec. 31, 2024	Dec. 31, 2023
Current		
Derivative assets	**$ 14.3**	$ 1.4
Collateral deposit (note 21)	**0.6**	0.7
Restricted cash	**0.4**	2.0
	15.3	4.1
Non-current		
Investments at fair value through profit or loss	**12.1**	6.5
Collateral deposit	**-**	0.6
	12.1	7.1
	$ 27.4	$ 11.2

13. Intangibles and other assets

Intangibles and other assets of $ 44.3 million (December 31, 2023 - $ 52.5 million) includes $38.8 million of other assets (December 31, 2023 - $ 48.5 million) and $5.5 million of intangibles (December 31, 2023 - $4.0 million).

Other assets represent the carrying value of certain future community costs that relate to agreements with communities near the Peru operations which allow Hudbay to extract or explore minerals over the useful life of Peru operations. The liability remaining for these costs is recorded in agreements with communities recorded at amortized cost (note 18). Amortization of the carrying amount is recorded in the consolidated statements of income within other expenses (note 7e) or exploration expenses, depending on the nature of the agreement.

Intangibles mainly represent computer software costs. The following table summarizes changes in intangibles:

	Dec. 31, 2024	Dec. 31, 2023
Cost		
Balance, beginning of year	**$ 21.2**	$ 23.8
Additions	**2.5**	0.5
Disposals	**-**	(3.4)
Effects of movement in exchange rates	**(1.2)**	0.3
Balance, end of year	**22.5**	21.2
Accumulated amortization		
Balance, beginning of year	**17.2**	19.0
Depreciation for the year	**0.8**	0.6
Disposals	**-**	(2.7)
Effects of movement in exchange rates	**(1.0)**	0.3
Balance, end of year	**17.0**	17.2
Intangibles, net book value	**$ 5.5**	$ 4.0

14. Goodwill

The following table summarizes changes in goodwill:

Balance, January 1, 2023	$	-
Goodwill recognized on business combination (note 5)		75.2
Effects of changes in foreign exchange		0.1
Balance, January 1, 2024	$	75.3
Effects of changes in foreign exchange		(6.1)
Balance, December 31, 2024	$	69.2

Goodwill resulted from purchase price allocation associated with the Copper Mountain acquisition (note 5).

As of December 31, 2024, all goodwill relates to the British Columbia CGU. Goodwill is tested for impairment annually on December 31 or when circumstances indicate that the carrying value may not be recoverable. Goodwill impairment is determined by assessing the recoverable amount of the CGU.

For the impairment test completed at December 31, 2024, Fair Value Less Cost of Disposal, ("FVLCD") was used to determine the recoverable amount since it is higher than value in use. FVLCD was calculated using discounted after-tax cash flows based on cash flow projections and assumptions in Hudbay's most current LOM. The fair value measurement in its entirety is categorized as Level 3 based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value. LOM plans are based on optimized mine and processing plans and the assessment of capital expenditure requirements of a mine site.

Management used judgement in determining estimates and assumptions with respect to discount rates, future production levels including amounts of recoverable reserves, resources and exploration potential, operating and capital costs, long-term metal prices, value of mineral resources not included in the LOM plan and future foreign exchange rates. Metal pricing assumptions were based on consensus forecast pricing, and the discount rates were based on a weighted average cost of capital, adjusted for country risk and other risks specific to the CGU. Cash flows were projected through to 2044. Changes in any of the assumptions or estimates used in determining the fair values could impact the impairment analysis.

The discount rate was based on the CGU's weighted average cost of capital, of which the two main components are the cost of equity and the after-tax cost of debt. Cost of equity was calculated based on the capital asset pricing model, incorporating the risk-free rate of return based on the Canadian Government's marketable bond yields as at the valuation date, the Company's beta coefficient adjustment to the market equity risk premium based on the volatility of the Company's return in relation to that of a comparable market portfolio, plus a country risk premium, size premium and company-specific risk factor. Cost of debt was determined by applying an appropriate market indication of the Company's borrowing capabilities and the corporate income tax rate applicable to the segment's jurisdiction. A real discount rate of 7.25% for the British Columbia CGU was used to calculate the estimated after- tax discounted future net cash flows, commensurate with its individual estimated level of risk.

Commodity prices used in the impairment assessment were determined by reference to external market participant sources. The key commodity price for this assessment is the price of copper. The cash flow calculations were based on estimates of future production levels applying forecasts for metal prices, which included forecasts for each year from 2025 to 2029 and long-term forecasts for years beginning in 2030. The cash flow calculations utilized a copper price of $4.10/lb starting in 2025. The cash flow calculations utilized a long-term copper price of $4.15/lb, and capital, operating and reclamation costs based on the most current LOM plans. A value of $ 276.1 million was utilized to estimate the value of mineral resources not included in the LOM plan.

Expected future cash flows used to determine the FVLCD in the impairment test are inherently uncertain and could materially change over time. The Company has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGUs to which goodwill is allocated. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGU.

The estimated recoverable amount of the British Columbia CGU including goodwill exceeded its carrying amount as at December 31, 2024, accordingly no impairment was recorded.

15. Property, plant and equipment

Dec. 31, 2024	Exploration and evaluation assets	Capital works in progress	Mining properties	Plant and equipment	Plant and equipment - ROU assets[1]	Total
Balance, Jan. 1, 2024	$ 96.9	$ 803.3	$ 2,482.7	$ 3,275.5	$ 243.5	$ 6,901.9
Additions	8.6	238.6	14.5	38.5	25.5	325.7
Capitalized stripping and development	-	-	160.5	-	-	160.5
Decommissioning and restoration	-	-	13.5	(18.2)	-	(4.7)
Capitalized accretion and depreciation	-	2.4	-	(0.2)	(1.6)	0.6
Transfers and other movements	-	(168.4)	(3.7)	174.6	(2.5)	-
Disposals	-	(0.6)	-	(35.0)	(7.4)	(43.0)
Effects of movements in exchange rates	(2.1)	(2.0)	(89.2)	(99.3)	(3.4)	(196.0)
Balance, Dec. 31, 2024	103.4	873.3	2,578.3	3,335.9	254.1	7,145.0
Accumulated depreciation						
Balance, Jan. 1, 2024	-	-	1,093.9	1,348.9	143.1	2,585.9
Depreciation for the year	-	-	216.0	216.8	24.0	456.7
Disposals	-	-	-	(9.4)	(2.0)	(11.5)
Effects of movement in exchange rates	-	-	(35.5)	(31.7)	(0.3)	(67.5)
Balance, Dec. 31, 2024	-	-	1,274.4	1,524.6	164.8	2,963.6
Net book value	$ 103.4	$ 873.3	$ 1,303.9	$ 1,811.3	$ 89.3	$ 4,181.4

[1] Includes $3.8 million of capital works in progress - ROU assets (costs) that relate to the Arizona business unit

Dec. 31, 2023	Exploration and evaluation assets	Capital works in progress	Mining properties	Plant and equipment	Plant and equipment-ROU assets[1]	Total
Balance, Jan. 1, 2023	$ 76.0	$ 778.9	$ 1,952.8	$ 2,742.6	$ 202.4	$ 5,752.7
Additions	20.6	125.2	10.6	34.8	21.4	212.6
Acquisition of PP&E from Copper Mountain	-	27.5	369.0	383.3	24.0	803.8
Capitalized stripping and development	-	-	111.2	-	-	111.2
Decommissioning and restoration	-	-	19.8	0.8	-	20.6
Capitalized accretion and depreciation	-	2.8	-	(0.2)	(1.2)	1.4
Transfers and other movements	-	(131.1)	4.4	126.7	-	-
Disposals	(0.1)	(0.6)	(0.1)	(28.9)	(3.9)	(33.6)
Effects of movements in exchange rates	0.4	0.6	15.0	16.4	0.8	33.2
Balance, Dec. 31, 2023	96.9	803.3	2,482.7	3,275.5	243.5	6,901.9
Accumulated depreciation						
Balance, Jan. 1, 2023	-	-	891.8	1,181.2	127.3	2,200.3
Depreciation for the year	-	-	193.2	181.1	18.6	392.9
Disposals	-	-	-	(21.6)	(3.0)	(24.6)
Effects of movement in exchange rates	-	-	8.9	8.2	0.2	17.3
Balance, Dec. 31, 2023	-	-	1,093.9	1,348.9	143.1	2,585.9
Net book value	$ 96.9	$ 803.3	$ 1,388.8	$ 1,926.6	$ 100.4	$ 4,316.0

[1] Includes $4.5 million of capital works in progress - ROU assets (costs) that relate to the Arizona business unit.

During the first quarter of 2024, Hudbay received a grant of $ 3.1 million from the Environment and Climate Change Canada related to the purchase of an electric mining shovel in the third quarter of 2023. The carrying amount of the shovel has been deducted by the amount of the grant received. The grant will be recognized in profit or loss over the life of the shovel as a reduced depreciation expense. There were no significant unfulfilled conditions attached to the grant.

During the first quarter of 2023, an indicator of impairment was identified as a result of an updated life of mine ("LOM") plan for Peru which included updated costs reflecting recently experienced inflationary pressures. As a result of the higher operating costs experienced at the Peru mine site, a full impairment test was completed. The recoverable amount was determined using FVLCD since it is higher than value in use. The fair value measurement in its entirety is categorized as Level 3 based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value. Management determined that the fair value less cost to dispose exceeded the carrying value of the Peru CGU, and accordingly no impairment was recorded.

16. Trade and other payables

	Dec. 31, 2024	Dec. 31, 2023
Trade payables	$ **66.7**	$ 69.3
Accruals and payables	**173.4**	133.2
Accrued interest	**15.1**	16.9
Statutory payables	**15.0**	19.9
	$ **270.2**	$ 239.3

Accruals and payables include operational and capital costs and employee benefit amounts owing.

17. Other liabilities

	Dec. 31, 2024	Dec. 31, 2023
Unearned revenue	$ **-**	$ 0.6
Environmental and other provisions (note 23)	**29.9**	22.3
Pension obligations (note 24)	**1.0**	3.3
Other employee benefits (note 25)	**3.5**	3.8
	$ **34.4**	$ 30.0

18. Other financial liabilities

	Dec. 31, 2024	Dec. 31, 2023
Current		
Derivative liabilities	**$ 0.3**	$ 11.8
Equipment financing	**16.3**	3.3
Agreements with communities recorded at amortized cost	**21.7**	17.4
Deferred Rosemont acquisition consideration	**-**	9.7
	38.3	42.2
Non-current		
Equipment financing	**60.4**	7.5
Agreements with communities recorded at amortized cost	**46.7**	37.5
Wheaton refund liability	**7.3**	6.7
	114.4	51.7
	$ 152.7	$ 93.9

Agreements with communities recorded at amortized cost relate to agreements with communities near the Constancia operation which allow Hudbay to extract minerals over the useful life of the Constancia operation, carry out exploration and evaluation activities in the area and provide Hudbay with community support to operate in the region.

The movement in the deferred Rosemont acquisition consideration was driven by the repayment of the full outstanding consideration amount.

Equipment financing represents agreements that Hudbay has entered into to purchase mining equipment. Hudbay owns the assets and finances the payment of these assets over the specified term. These agreements expire between 2025 and 2032 with interest rates between 2.25% and 7.55% per annum. During the year ended December 31, 2024, $ 71.0 million (December 31, 2023 - nil) of capital additions related to the recognition of property, plant and equipment that has been financed (note 34).

As part of the streaming agreement for the 777 mine, Hudbay must repay, with precious metals credits, the stream deposit by August 1, 2052, the expiry date of the agreement. If the stream deposit is not fully repaid with precious metals credits from 777 production by the expiry date, a payment for the remaining amount will be due at the expiry date of the agreement. As the 777 mine has concluded all mining activities following the depletion of reserves and finalized the sales of produced concentrate, Hudbay concluded that the remaining stream deposit will not be repaid by means of precious metals credits from 777 production. The repayment amount is recorded as a Wheaton refund liability, which is and will be discounted at the 9.0% rate inherent in the original 777 stream agreement and accreted over the remaining term of the agreement. The following table summarizes changes in agreements with communities recorded at amortized cost

Balance, January 1, 2023	$	42.5
Net additions		17.3
Disbursements		(10.7)
Accretion (note 7f)		4.2
Effects of changes in foreign exchange		1.6
Balance, December 31, 2023	$	54.9
Net additions		**18.6**
Disbursements		**(9.1)**
Accretion (note 7f)		**4.7**
Effects of changes in foreign exchange		**(0.7)**
Balance, December 31, 2024	**$**	**68.4**

19. Gold prepayment liability

Gold prepayment liabilities are reflected in the consolidated balance sheets as follows:

	Dec. 31, 2024	Dec. 31, 2023
Current	**$ -**	$ 55.9

The following table summarizes changes in the gold prepayment liability:

Beginning balance, January 1	**$ 55.9**	$ 71.2
Change in fair value recorded in statement of income (note 7f)	**10.7**	11.2
Change in fair value recorded in other comprehensive income	**(4.3)**	0.2
Repayments	**(62.3)**	(26.7)
Ending balance, December 31	**$** -	$ 55.9

During the third quarter of 2024, the Company completed the final delivery and the obligation for the gold prepayment liability.

20. Lease liabilities

Balance, January 1, 2023	$	61.0
Acquired through the acquisition of Copper Mountain		34.6
Additional capitalized leases		21.4
Lease payments		(25.2)
Derecognized leases		(0.7)
Accretion and other movements		(0.8)
Balance, December 31, 2023	$	90.3
Additional capitalized leases		**25.5**
Lease payments		**(31.4)**
Derecognized leases		**(11.5)**
Accretion and other movements		**1.9**
Balance, December 31, 2024	**$**	**74.8**

Lease liabilities are reflected in the consolidated balance sheets as follows:

	Dec. 31, 2024	Dec. 31, 2023
Current	**$ 30.5**	$ 28.9
Non-current	**44.3**	61.4
	$ 74.8	$ 90.3

Hudbay has entered into leases which expire between 2025 and 2037. The interest rates on leases which were capitalized have interest rates between 2.50% and 8.49%, per annum. The range of interest rates utilized for discounting the lease depends mostly on Hudbay acting as a lessee and duration of the lease. For certain leases, Hudbay has the option to purchase the equipment and vehicles leased at the end of the terms of the leases. Hudbay's obligations under these leases are secured by the lessor's title to the leased assets. The present value of applicable lease payments has been recognized as an ROU asset, which was included as a non-cash addition to property, plant and equipment, and a corresponding amount as a lease liability.

There are no restrictions placed on Hudbay by entering into these leases.

The following outlines expenses recognized within the Company's consolidated statements of income, relating to leases for which a recognition exemption was applied.

	Year ended December 31,	
	2024	2023
Short-term leases	**$ 9.7**	$ 9.2
Low value leases	**0.4**	0.6
Variable leases	**23.0**	27.5
Total	**$ 33.1**	$ 37.3

Payments made for short-term, low value and variable leases would mostly be captured as expenses in the consolidated statements of income, however, certain amounts may be capitalized to PP&E for the Arizona segment during its development phase and certain amounts may be reported in inventories given the timing of sales. Variable payment leases include equipment used for heavy civil works at Constancia.

21. Long-term debt

Long-term debt is comprised of the following:

	Dec. 31, 2024	Dec. 31, 2023
Senior unsecured notes (a)	**$ 1,111.1**	$ 1,190.6
Senior secured revolving credit facilities (b)	**(3.6)**	96.9
	$ 1,107.5	$ 1,287.5

(a) Senior unsecured notes

Balance, January 1, 2023	$ 1,188.1
Accretion of transaction costs and premiums	2.5
Balance, December 31, 2023	$ 1,190.6
Repurchases	**(82.6)**
Write-down of unamortized transaction costs	**0.6**
Accretion of transaction costs and premiums	**2.5**
Balance, December 31, 2024	**$ 1,111.1**

As at December 31, 2024, $1,117.4 million aggregate principal amount of senior notes were outstanding in two series: (i) a series of 4.50% senior notes due 2026 ("2026 Notes") in an aggregate principal amount of $575.0 million and (ii) a series of 6.125% senior notes due 2029 ("2029 Notes") in an aggregate principal amount of $ 542.4 million. During the year ended December 31, 2024, the Company repurchased and retired $25.0 million of the 2026 Notes and $ 57.6 million of the 2029 Notes at a discount. For the year ended December 31, 2024, the discount of $0.7 million was recorded as Other expenses in the consolidated statements of income.

Upon the repurchase and retirement of $ 82.6 million of senior unsecured notes during the year, the unamortized transaction costs related to this principal amount were recorded as a finance expense in the consolidated statements of income.

The senior notes are guaranteed on a senior unsecured basis by substantially all of the Company's subsidiaries, other than HudBay (BVI) Inc. and certain excluded or unrestricted subsidiaries, which includes CMBC (the Company's 75% owned subsidiary that owns the Copper Mountain mine), and subsidiaries that hold the Copper World and Mason projects as well as any newly formed or acquired subsidiaries that primarily hold or may develop non-producing mineral assets that are in the pre-construction phase of development.

(b) Senior secured revolving credit facilities

Balance, January 1, 2023 [1]	$	(4.0)
Proceeds from drawdown, net of repayments		100.0
Accretion of transaction costs		1.6
Transaction costs		(0.7)
Balance, December 31, 2023	$	96.9
Repayments		**(100.0)**
Accretion of transaction costs		**2.0**
Transaction costs		**(2.5)**
Balance, December 31, 2024 [1]	**$**	**(3.6)**

[1] Balance, representing deferred transaction costs, is in an asset position.

Hudbay has two senior secured revolving credit facilities with total commitments of $ 450.0 million and substantially similar terms and conditions for its Canadian and Peruvian businesses. Hudbay's revolving credit facilities are secured against substantially all of the Company's assets, other than those associated with the Copper Mountain mine and the Copper World and Mason projects. During the year ended December 31, 2024, Hudbay repaid $10.0 million under its Canadian revolving credit facility and $ 90.0 million under the Peruvian revolving credit facility. During the fourth quarter of 2024, the two senior secured revolving credit facilities were extended by three years from October 2025 to November 2028. The newly extended $450.0 million revolving credit facility includes an accordion feature to increase the facility by an additional $ 150 million at Hudbay's discretion during the four-year tenor. Hudbay incurred $2.4 million of transactions costs associated with the extension which were deferred and amortized over the new term of the credit facilities.

As at December 31, 2024, there were nil draws under the Canadian and Peruvian revolving credit facilities, other than letters of credit to support reclamation and pension obligations as described below.

As at December 31, 2024, the Peru segment had nil in letters of credit issued under the Peru revolving credit facility to support its reclamation obligations and the Manitoba segment had $24.0 million in letters of credit issued under the Canadian revolving credit facility to support its reclamation and pension obligations. As at December 31, 2024, we were in compliance with our covenants under the revolving credit facilities.

Surety bonds

The Arizona segment had $18.4 million in surety bonds issued to support future reclamation and closure obligations. No cash collateral is required to be posted under these surety bonds.

The British Columbia segment had $45.6 million in surety bonds issued to support future reclamation and closure obligations and $ 1.0 million in surety bonds with BC Hydro in relation to the BC Hydro transmission system at the Copper Mountain Mine. No cash collateral is required to be posted under these surety bonds.

The Peru segment had $37.0 million in surety bonds issued to support future reclamation and closure obligations. No cash collateral is required to be posted under these surety bonds.

Other letters of credit

The Peru segment had $89.1 million in letters of credit issued with various Peruvian financial institutions to support future reclamation and other operating matters. No cash collateral is required to be posted under these letters of credit.

The British Columbia segment had $0.6 million in letters of credit issued with various Canadian financial institutions related to other operating matters. Cash collateral deposit has been posted under these letters of credit (note 12).

Hudbay has a C$130.0 million bilateral letter of credit facility ("LC Facility") with a major Canadian financial institution. As at December 31, 2024, the Manitoba segment had $52.7 million in letters of credit issued under the LC Facility to support its reclamation and pension obligations.

(c) Copper Mountain Bonds

On April 9, 2021, Copper Mountain completed an offering of $250.0 million of secured bonds ("the Bonds"). The Bonds provided the bondholders with the right to put all or part of the principal amount of the outstanding Bonds to Copper Mountain at a price of 101%, plus accrued interest, following a change of control events. With the acquisition of Copper Mountain on June 20, 2023, the change of control event was triggered and all outstanding Bonds were available to be put to Copper Mountain within a predefined period of time immediately following the acquisition date.

The change in control put option expired on July 17, 2023, at which time, $ 83.3 million of the Bonds were put to Copper Mountain. The principal and premium amounted to $ 84.1 million, which was repaid on July 24, 2023.

During the fourth quarter of 2023, Hudbay made a scheduled principal repayment of $5.0 million and exercised the early redemption option and redeemed the remaining $ 54.7 million principal amount outstanding of Copper Mountain bonds on November 30, 2023 at a call price of 104%, plus accrued and unpaid interest to the date of redemption.

22. Deferred revenue

Peru Stream Agreement

For the year ended December 31, 2024, the drawdown rates for the Peru stream agreement for gold and silver were $ 817 and $14.56 per ounce, respectively (year ended December 31, 2023 - $820 and $15.26 per ounce, respectively).

The following table summarizes changes in deferred revenue:

Balance, January 1, 2023	$	469.5
Amortization of deferred revenue		
Liability drawdown		(72.4)
Variable consideration adjustments - prior periods		(4.9)
Accretion on streaming arrangements		
Current year additions		26.4
Variable consideration adjustments - prior periods		(0.1)
Balance, December 31, 2023	$	418.5
Amortization of deferred revenue (note 7a)		
Liability drawdown		**(74.3)**
Variable consideration adjustments - prior periods		**3.8**
Accretion on streaming arrangements (note 7f)		
Current year-to-date additions		**24.0**
Variable consideration adjustments - prior periods		**0.2**
Balance, December 31, 2024	**$**	**372.2**

Consideration from the Company's stream agreement is considered variable. Gold and silver stream revenue can be subject to cumulative adjustments when the number of ounces to be delivered under the contract changes. As a result of changes in the Company's mineral reserve and resource estimate in the first quarter of 2024, the amortization rate by which deferred revenue is drawn down into income was adjusted and, as required, a current period variable adjustment was made for all prior period stream revenues since the stream agreement inception date. This variable consideration adjustment resulted in a decrease in revenue of $3.8 million and an increase of finance expense of $ 0.2 million for the year ended December 31, 2024 (year ended December 31, 2023 - increase in revenue of $4.9 million and a decrease of finance expense of $ 0.1 million).

Deferred revenue is reflected in the consolidated balance sheets as follows:

	Dec. 31, 2024	Dec. 31, 2023
Current	**$ 63.1**	$ 87.7
Non-current	**309.1**	330.8
	$ 372.2	$ 418.5

23. Environmental and other provisions

	Decommis-sioning, restoration and similar liabilities	Deferred share units[3]	Restricted share units[1, 3]	Performance share units[3]	Other[2]	Total
Balance, January 1, 2024	**$ 315.4**	**$ 8.7**	**$ 5.0**	**$ 2.6**	**$ 12.5**	**$ 344.2**
Net change in provision	**14.5**	**1.1**	**5.6**	**3.1**	**0.8**	**25.1**
Disbursements	**(2.1)**	**(1.6)**	**(2.2)**	**(0.9)**	**(4.8)**	**(11.6)**
Reduction of obligation to renounce flow-through share expenditures, net of provisions	**-**	**-**	**-**	**-**	**(2.0)**	**(2.0)**
Unwinding of discount (note 7f)	**10.5**	**-**	**-**	**-**	**-**	**10.5**
Effect of change in discount rate	**(22.7)**	**-**	**-**	**-**	**-**	**(22.7)**
Effect of foreign exchange	**(18.7)**	**(1.1)**	**(0.5)**	**(0.4)**	**(0.1)**	**(20.8)**
Effect of change in share price	**-**	**5.2**	**1.7**	**1.1**	**-**	**8.0**
Balance, December 31, 2024	**$ 296.9**	**$ 12.3**	**$ 9.6**	**$ 5.5**	**$ 6.4**	**$ 330.7**

[1] Certain amounts relating to the Arizona segment are capitalized.
[2] Relates primarily to flow-through share premiums, restructuring costs and other non-capital provisions.
[3] Please refer to note 28a for further information.

Provisions are reflected in the consolidated balance sheets as follows:

December 31, 2024	Decommis-sioning, restoration and similar liabilities	Deferred share units	Restricted share units	Performance share units	Other	Total
Current (note 17)	**$ 4.0**	**$ 12.3**	**$ 6.4**	**$ 1.9**	**$ 5.3**	**$ 29.9**
Non-current	**292.9**	**-**	**3.2**	**3.6**	**1.1**	**300.8**
	$ 296.9	**$ 12.3**	**$ 9.6**	**$ 5.5**	**$ 6.4**	**$ 330.7**

	Decommis-sioning, restoration and similar liabilities	Deferred share units[3]	Restricted share units[1,3]	Performance share units[3]	Other[2]	Total
Balance, January 1, 2023	$ 276.4	$ 6.9	$ 6.8	$ 3.0	$ 10.2	$ 303.3
Net additional provisions made	(4.0)	1.1	3.0	0.4	4.6	5.1
Copper Mountain, acquired provision	12.7	-	-	-	-	12.7
Disbursements	(2.0)	-	(5.2)	(1.1)	(2.4)	(10.7)
Unwinding of discount (note 7f)	9.9	-	-	-	-	9.9
Effect of change in discount rate	18.5	-	-	-	-	18.5
Effect of foreign exchange	3.9	0.1	-	0.1	0.1	4.2
Effect of change in share price	-	0.6	0.4	0.2	-	1.2
Balance, December 31, 2023	$ 315.4	$ 8.7	$ 5.0	$ 2.6	$ 12.5	$ 344.2

[1] Certain amounts relating to the Arizona segment are capitalized.
[2] Relates primarily to restructuring costs and other non-capital provisions.
[3] Please refer to note 28a for further information.

December 31, 2023	Decommis-sioning, restoration and similar liabilities	Deferred share units	Restricted share units	Performance share units	Other	Total
Current (note 17)	$ 1.4	$ 8.7	$ 2.1	$ 0.7	$ 9.4	$ 22.3
Non-current	314.0	-	2.9	1.9	3.1	321.9
	$ 315.4	$ 8.7	$ 5.0	$ 2.6	$ 12.5	$ 344.2

Decommissioning, restoration and similar liabilities are remeasured at each reporting date to reflect changes in discount rates, which can significantly affect the liabilities.

Decommissioning, restoration and similar liabilities ("DRO")
Hudbay's decommissioning, restoration and similar liabilities relate to the rehabilitation and closure of currently operating mines and metallurgical plants, development-phase properties and closed properties. The amount of the provision has been recorded based on estimates and assumptions that management believes are reasonable; however, actual decommissioning and restoration costs may differ from expectations.

DRO are remeasured at each reporting date to reflect changes in discount rates, inflation, exchange rates, and timing and extent of cash outflows which can significantly affect the liabilities. The amount of this provision has been recorded based on estimates and assumptions that management believes are reasonable; however, actual decommissioning and restoration costs may differ from expectations.

During the year ended December 31, 2024, the Company recorded a non-cash gain of $3.5 million in the consolidated statements of income mainly related to a revaluation adjustment of Flin Flon's environmental reclamation provision (December 31, 2023 - $11.4 million). This was primarily caused by a general increase in long term, risk-free discount rates during 2024 based on movements in Canadian bond yields, as well as the impact of lower inflation rates on future cash outflows. Typically, an operating site will reflect any revaluation adjustments of its environmental reclamation provision against its reclamation assets. However, since the Flin Flon operations closed in June 2022, the corresponding Flin Flon assets have been fully depreciated and cannot be reduced below their residual value, resulting in the remaining impact being recorded as a non-cash gain in re-evaluation adjustment - environmental provision in the consolidated statements of income.

Hudbay's decommissioning and restoration liabilities relate mainly to its Manitoba, Peru and British Columbia operations. Management has placed the remaining Flin Flon assets on care and maintenance. The majority of closure activities will occur once all mining activities in Manitoba are completed. These provisions also reflect estimated post-closure cash flows that extend to the year 2123 for ongoing monitoring and water treatment requirements. Management anticipates most decommissioning and restoration activities for the Peru operation will occur from 2039 to 2103, which include ongoing monitoring and water treatment requirements. Management anticipates most decommissioning and restoration activities for the British Columbia operation will occur from 2041 to 2142, which include ongoing monitoring and water treatment requirements.

As at December 31, 2024, decommissioning, restoration and similar liabilities have been discounted to their present value at rates ranging from 2.87% to 4.88% per annum (December 31, 2023 - 3.01% to 4.86%), using pre-tax, risk-free interest rates that reflect the estimated maturity of each specific liability.

24. Pension obligations

Hudbay maintains non-contributory and contributory defined benefit pension plans for certain of its employees.

The Company uses a December 31 measurement date for all of its plans. For Hudbay's significant plans, the most recent actuarial valuations filed for funding purposes were performed during 2024 using the latest data available as at December 31, 2023. For these plans, the next actuarial valuation required for funding purposes will be performed during 2025 using the data as of December 31, 2024.

During 2023, an annuity purchase transaction was entered into in which the defined benefit obligations associated with certain defined benefit plan members were assumed by a third-party insurer in exchange for a lump sum payment of $34.9 million from plan assets.

Movements in the present value of the defined benefit obligation in the current and previous years were as follows:

	Year ended	
	Dec. 31, 2024	Dec. 31, 2023
Opening defined benefit obligation:	**$ 115.3**	$ 145.1
Current service costs	**4.7**	5.2
Past service cost (note 7d)	**2.7**	0.1
Loss on settlements	**-**	0.2
Interest cost	**4.8**	6.3
Benefits paid from plan	**(10.1)**	(13.7)
Benefits paid from employer	**(1.3)**	(1.1)
Settlement payments from plan assets	**-**	(34.9)
Remeasurement actuarial losses/(gains):		
Arising from changes in demographic assumptions	**(6.2)**	-
Arising from changes in financial assumptions	**1.3**	7.0
Arising from experience adjustments	**(0.5)**	(1.9)
Effects of movements in exchange rates	**(9.3)**	3.0
Closing defined benefit obligation	**$ 101.4**	$ 115.3

The defined benefit obligation closing balance, by member group, is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Active members	**$ 88.4**	$ 103.5
Deferred members	**2.8**	2.3
Retired members	**10.2**	9.5
Closing defined benefit obligation	**$ 101.4**	$ 115.3

Movements in the fair value of the pension plan assets in the current and previous years were as follows:

	Year ended	
	Dec. 31, 2024	Dec. 31, 2023
Opening fair value of plan assets:	**$ 106.0**	$ 137.7
Interest income	**4.6**	6.0
Contributions from the employer	**1.1**	2.3
Employer direct benefit payments	**1.3**	1.1
Contributions from plan participants	**0.1**	-
Benefit payment from employer	**(1.3)**	(1.1)
Administrative expenses paid from plan assets	**(0.1)**	(0.1)
Benefits paid	**(10.1)**	(13.7)
Settlement payments from plan assets	**-**	(34.9)
Remeasurement adjustment:		
Return on plan assets (excluding amounts included in net interest expense)	**1.0**	6.2
Effects of changes in foreign exchange rates	**(8.4)**	2.5
Closing fair value of plan assets	**$ 94.2**	$ 106.0

The amount included in the consolidated balance sheets arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Present value of funded defined benefit obligation	**$ 87.1**	$ 100.0
Fair value of plan assets	**(94.2)**	(106.0)
Present value of unfunded defined benefit obligation	**14.3**	15.3
Net liability arising from defined benefit obligation	**$ 7.2**	$ 9.3

Reflected in the consolidated balance sheets as follows:

	Dec. 31, 2024	Dec. 31, 2023
Pension obligation - current (note 17)	**$ 1.0**	$ 3.3
Pension obligation - non-current	**6.2**	6.0
Total pension obligations	**$ 7.2**	$ 9.3

Pension expense is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Service costs:		
Current service cost	**$ 4.7**	$ 5.2
Past service cost	**2.7**	-
Curtailment	**-**	-
Loss on settlement	**-**	0.2
Total service cost	**7.5**	5.4
Net interest expense	**0.2**	0.3
Administration cost	**0.1**	0.1
Defined benefit pension expense	**$ 7.8**	$ 5.8
Defined contribution pension expense (note 7d)	**$ 2.1**	$ 0.7

Remeasurement on the net defined benefit liability:

	Dec. 31, 2024	Dec. 31, 2023
Return on plan assets (excluding amounts included in net interest expense)	**$ (1.0)**	$ (6.2)
Actuarial gain arising from changes in demographic assumptions	**(6.2)**	-
Actuarial loss arising from changes in financial assumptions	**1.3**	7.0
Actuarial gain arising from experience adjustments	**(0.5)**	(1.9)
Defined benefit gain related to remeasurement	**$ (6.4)**	$ (1.1)
Total pension cost	**$ 3.5**	$ 5.4

Pension amounts recognized include those directly related to production of inventory; such amounts are recognized initially as costs of inventory and are expensed in the consolidated statements of income within cost of sales upon sale of the inventory.

The current service cost, the interest cost and administration cost for the year are included in the employee benefits expense. The remeasurement of the net defined benefit liability is included in OCI.

The defined benefit pension plans typically expose Hudbay to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the liabilities for the defined benefit plans is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit. Hudbay's primary quantitative investment objectives are maximization of the long term real rate of return, subject to an acceptable degree of investment risk and preservation of principal. Risk tolerance is established through consideration of several factors including past performance, current market condition and the funded status of the plan.
Interest risk	A decrease in the bond interest rate will increase the pension plan liabilities; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plans liabilities is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the pension plans liabilities.
Salary risk	The present value of the defined benefit plans liabilities for some of the pension plans is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plans' liabilities.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2024	2023
Defined benefit cost:		
Discount rate - benefit obligations	**4.64%**	5.22%
Discount rate - service cost	**4.64%**	5.27%
Expected rate of salary increase [1,3]	**2.75%**	3.50%
Average longevity at retirement age for current pensioners (years) [2] :		
Males	**20.5**	20.4
Females	**23.9**	23.8
Defined benefit obligation:		
Discount rate	**4.66%**	4.64%
Expected rate of salary increase [1,3]	**2.75%**	3.00%
Average longevity at retirement age for current pensioners (years) [2] :		
Males	**20.6**	20.5
Females	**24.0**	23.9
Average longevity at retirement age for current employees (future pensioners) (years) [2] :		
Males	**22.5**	22.4
Females	**25.6**	25.6

[1] Plus merit and promotional scale based on member's age

[2] Revised retirement pension plan only - CPM2014 Priv with MI-2017 projection scale with loading of 1.25 and 1.15 for males and females

[3] The defined benefit obligation rate of salary increase is 3.0% for 2024 and 2.75% thereafter. The defined benefit cost rate of salary increase is 3.5% for 2024 and 2.75% thereafter.

Hudbay reviews the assumptions used to measure pension costs (including the discount rate) on an annual basis. Economic and market conditions at the measurement date affect these assumptions from year to year. In determining the discount rate, Hudbay uses the cash flow approach.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting periods, while holding other assumptions constant:

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by $ 8.6 million (increase by $9.8 million).
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by $ 1.3 million (decrease $1.1 million).
- If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase by $ 0.9 million (decrease by $0.9 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the consolidated balance sheets.

The Company's main pension plans are registered federally with the Office of the Superintendent of Financial Institution and with the Canada Revenue Agency. The registered pension plans are governed in accordance with the Pension Benefits Standards Act and the Income Tax Act. The sponsor contributes the amount needed to maintain adequate funding as dictated by the prevailing regulations.

Expected employer contribution to the pension plans for the fiscal year ending December 31, 2024 is $ 2.4 million.

The average duration of the pension obligation at December 31, 2024 is 18.7 years (2023 - 18.0 years). This number can be broken down as follows:

- Active members: 19.8 years (2023: 18.8 years)
- Deferred members: 17.8 years (2023: 19.2 years)
- Retired members: 9.4 years (2023: 9.0 years)

Asset-Liability-Matching studies are performed periodically to analyze the investment policies in terms of risk and-return profiles.

The pension plans do not invest directly in either securities or property/real estate of the Company.

With the exception of fixed income investments and certain equity instruments, the plan assets are actively managed by investment managers, with the goal of attaining returns that potentially outperform passively managed investments. Within appropriate limits, the actual composition of the invested funds may vary from the prescribed investment mix.

The following is a summary of the fair value classification levels for investment:

December 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments:				
Money market instruments	**$ 1.1**	**$ -**	**$ -**	**$ 1.1**
Pooled equity funds	**33.0**	**-**	**-**	**33.0**
Pooled fixed income funds	**-**	**59.6**	**-**	**59.6**
Alternative investment funds	**-**	**-**	**-**	**-**
Balanced funds	**-**	**0.5**	**-**	**0.5**
	$ -	**$ 60.1**	**$ -**	**$ 94.2**

December 31, 2023	Level 1	Level 2	Level 3	Total
Investments:				
Money market instruments	$ 1.2	$ -	$ -	$ 1.2
Pooled equity funds	33.9	-	-	33.9
Pooled fixed income funds	-	69.9	-	69.9
Alternative investment funds	-	-	-	-
Balanced funds	-	0.1	-	0.1
	$ 35.1	$ 70.0	$ -	$ 105.1

25. Other employee benefits

Hudbay sponsors both other long-term employee benefit plans and non-pension post-employment benefits plans and uses a December 31 measurement date. These obligations relate mainly to commitments for post-retirement health benefits. Information about Hudbay's post-employment and other long-term employee benefits is as follows:

Movements in the present value of the defined benefit obligation in the current and previous years were:

	Year ended	
	Dec. 31, 2024	Dec. 31, 2023
Opening defined benefit obligation	**$ 103.2**	$ 87.2
Current service cost[1]	**2.8**	2.8
Past service cost	**1.6**	-
Interest cost	**4.5**	4.5
Benefits paid	**(2.9)**	(2.7)
Remeasurement actuarial (gain)/loss:		
Arising from changes in demographic assumptions	**(12.8)**	0.5
Arising from changes in financial assumptions	**(1.2)**	9.3
Arising from experience adjustments	**(5.3)**	(0.7)
Effects of movements in exchange rates	**(8.4)**	2.3
Closing defined benefit obligation	**$ 81.5**	$ 103.2

[1] Includes remeasurement of other long term employee benefits

The defined benefit obligation closing balance, by group member, is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Active members	**$ 26.7**	$ 36.9
Inactive members	**54.8**	66.3
Closing defined benefit obligation	**$ 81.5**	$ 103.2

Movements in the fair value of defined benefit amounts in the current and previous years were as follows:

	Dec. 31, 2024	Dec. 31, 2023
Employer contributions	**$ 2.9**	$ 2.7
Benefits paid	**(2.9)**	(2.7)
Closing fair value of assets	$ -	$ -

The non-pension employee benefit plan obligations are unfunded.

Reconciliation of assets and liabilities recognized in the consolidated balance sheets:

	Dec. 31, 2024	Dec. 31, 2023
Unfunded benefit obligation	**$ 81.5**	$ 103.2
Vacation accrual and other - non-current	**2.3**	2.5
Net liability	**$ 83.8**	$ 105.7

Reflected in the consolidated balance sheets as follows:

	Dec. 31, 2024	Dec. 31, 2023
Other employee benefits liability - current (note 17)	**$ 3.5**	$ 3.8
Other employee benefits liability - non-current	**80.3**	101.9
Net liability	**$ 83.8**	$ 105.7

Other employee future benefit expense includes the following:

	Dec. 31, 2024	Dec. 31, 2023
Current service cost [1]	**$ 2.8**	$ 2.8
Past service cost	**1.6**	-
Net interest cost	**4.5**	4.5
Components recognized in consolidated statements of income	**$ 8.9**	$ 7.3

[1] Includes remeasurement of other long term employee benefit and curtailment

	Dec. 31, 2024	Dec. 31, 2023
Remeasurement on the net defined benefit liability:		
Actuarial (gain) loss arising from changes in demographic assumptions	**$ (12.8)**	$ 0.5
Actuarial (gain) loss arising from changes in financial assumptions	**(1.2)**	9.3
Actuarial gain arising from changes experience adjustments	**(5.3)**	(0.7)
Components recognized in statements of comprehensive income	**$ (19.3)**	$ 9.1
Total other employee future benefit (income) / expense	**$ (10.4)**	$ 16.4

Other employee benefit amounts recognized include those directly related to production of inventory; such amounts are recognized initially as costs of inventory and are expensed in the consolidated statements of income within cost of sales upon sale of the inventory.

	Dec. 31, 2024	Dec. 31, 2023
Defined benefit cost:		
Discount rate	**4.64%**	5.27%
Initial weighted average health care trend rate	**5.82%**	5.92%
Ultimate weighted average health care trend rate	**4.00%**	4.00%
Average longevity at retirement age for current pensioners (years) [1] :		
Males	**20.5**	20.4
Females	**23.9**	23.8

	Dec. 31, 2024	Dec. 31, 2023
Defined benefit obligation:		
Discount rate	**4.74%**	4.64%
Initial weighted average health care trend rate	**5.67%**	5.82%
Ultimate weighted average health care trend rate	**4.00%**	4.00%
Average longevity at retirement age for current pensioners (years) [1] :		
Males	**20.6**	20.5
Females	**24.0**	23.9
Average longevity at retirement age for current employees (future pensioners) (years) [1] :		
Males	**22.5**	22.4
Females	**25.6**	25.6

[1] CPM2014 Priv with MI-2017 projection scale with loading of 1.25 and 1.15 for males and females.

Hudbay reviews the assumptions used to measure other employee benefit costs (including the discount rate) on an annual basis.

The other employee benefit costs typically expose Hudbay to actuarial risks such as: interest rate risk, health care cost inflation risk and longevity risk.

Interest risk	A decrease in the bond interest rate will increase the plan liabilities.
Health care cost inflation risk	The majority of the plan's benefit obligations are linked to health care cost inflation and higher inflation will lead to higher liabilities.
Longevity risk	The majority of the plans' benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans' liabilities. This is particularly significant for benefits subject to health care cost inflation where increases in inflation result in higher sensitivity to changes in life expectancy.

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding other assumptions constant:

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by $ 5.7 million (increase by $6.4 million).
- If the health care cost assumption increases (decreases) by 1%, the defined benefit obligation would increase by $ 12.9 million (decrease by $10.3 million).
- If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligations would increase by $ 3.2 million (decrease by $3.2 million).

The average duration of the non-pension post-employment obligation at December 31, 2024 is 15.0 years (2023: 15.8 years).

This number can be broken down as follows:

- Active members: 23.0 years (2023: 22.9 years)
- Inactive members: 11.3 years (2023: 12.0 years)

26. Income and mining taxes

(a) Tax expense:

The tax expense is applicable as follows:

	Year ended December 31,	
	2024	2023
Current:		
Income taxes	**$ 119.7**	$ 87.5
Mining taxes	**57.0**	22.0
Adjustments in respect of prior years	**0.2**	(4.4)
	176.9	105.1
Deferred:		
Income tax expense (recovery) - origination, revaluation and/or reversal of temporary differences	**15.3**	(25.9)
Mining tax recovery - origination, revaluation and/or reversal of temporary difference	**(5.6)**	(2.4)
Adjustments in respect of prior years	**(2.8)**	5.5
	6.9	(22.8)
	$ 183.8	$ 82.3

Adjustments in respect of prior years refers to amounts changing due to the filing of tax returns and assessments from government authorities as well as any change identified that would result in a difference to our current or deferred tax balances as reported in the prior fiscal year end.

(b) Deferred tax assets and liabilities as represented on the consolidated balance sheets:

	Dec. 31, 2024	Dec. 31, 2023
Deferred income tax asset	**$ 102.6**	$ 151.9
Deferred income tax liability	**(305.5)**	(362.8)
Deferred mining tax liability	**(34.9)**	(44.4)
	(340.4)	(407.2)
Net deferred tax liability balance, end of year	**$ (237.8)**	$ (255.3)

(c) Changes in deferred tax assets and liabilities:

	Year ended December 31,	
	2024	2023
Net deferred tax liability balance, beginning of year	**$ (255.3)**	$ (125.7)
Deferred tax (expense) recovery (note 26a)	**(6.9)**	22.8
OCI transactions	**(3.2)**	(0.2)
Foreign currency translation on the deferred tax liability	**27.6**	(4.0)
Acquisition of Copper Mountain mining (note 5)	**-**	(148.2)
Net deferred tax liability balance, end of year	**$ (237.8)**	$ (255.3)

(d) Reconciliation to statutory tax rate:

As a result of its mining operations, the Company is subject to both income and mining taxes. Generally, most expenditures incurred are deductible in computing income tax, whereas mining tax legislation, although based on a measure of profitability from carrying on mining operations, is more restrictive in respect of the deductions permitted in computing income subject to mining tax. These restrictions include costs unrelated to mining operations as well as deductions for financing expenses, such as interest and royalties. In addition, income unrelated to carrying on mining operations is not subject to mining tax.

A reconciliation between tax expense and the product of accounting profit multiplied by the Company's statutory income tax rate for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31,	
	2024	2023
Income before tax	**$ 251.6**	$ 151.8
Statutory tax rate	**26.7%**	26.2%
Tax expense at statutory rate	**67.2**	39.8
Effect of:		
Deductions related to mining taxes	**(16.3)**	(6.9)
Adjusted income taxes	**50.9**	32.9
Mining tax expense	**50.0**	18.8
	100.9	51.7
Permanent differences related to:		
Capital items	**0.5**	0.4
Other income tax permanent differences	**4.1**	0.9
Withholding tax on dividends	**1.8**	11.8
Impact of remeasurement on decommissioning liability	**6.5**	(6.4)
Temporary income tax differences not recognized	**8.3**	5.4
Recognition of previously unrecognized deferred tax assets	**-**	(5.3)
Impact related to differences in tax rates in foreign operations	**36.7**	27.9
Impact of changes to statutory tax rates	**(4.4)**	0.9
Effect of flow through shares	**3.9**	-
Foreign exchange on non-monetary items	**26.2**	(7.4)
Impact related to tax assessments and tax return amendments	**(1.2)**	1.9
Other	**0.5**	0.5
Tax expense	**$ 183.8**	$ 82.3

(e) Income tax effect of temporary differences - recognized:

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2024 and 2023 are as follows:

	Balance sheet	
	Dec. 31, 2024	Dec. 31, 2023
Deferred income tax (liability) asset		
Property, plant and equipment	**$ (54.5)**	$ (50.4)
Pension obligation	**2.0**	2.5
Other employee benefits	**25.1**	26.9
Decommissioning and restoration provision	**19.3**	20.0
Non-capital losses	**107.3**	135.3
Share issuance and debt cost	**3.8**	6.7
Deferred revenue	**1.7**	1.5
Other	**(2.1)**	9.4
Deferred income tax asset	**102.6**	151.9
Deferred income tax liability (asset)		
Property, plant and equipment	**451.6**	478.7
Other employee benefits	**(1.2)**	(1.2)
Decommissioning and restoration provision	**(11.8)**	(19.2)
Non-capital losses	**(116.7)**	(92.0)
Other	**(16.4)**	(3.5)
Deferred income tax liability	**305.5**	362.8
Deferred income tax liability	**$ (202.9)**	$ (210.9)

The above reconciling items are disclosed at the tax rates that apply in the jurisdiction where they have arisen.

(f) Income tax temporary differences - not recognized:

The Company has not recognized a deferred tax asset on $ 57.2 million of non-capital losses (December 31, 2023 - $ 43.1 million), $158.7 million of capital losses (December 31, 2023 - $183.2 million) and $651.3 million (December 31, 2023 - $482.9 million) of other deductible temporary differences since the realization of any related tax benefit through future taxable profits is not probable. The capital losses have no expiry dates and the other deductible temporary differences do not expire under current tax legislation.

The Canadian non-capital losses were incurred between 2013 and 2024 and have a twenty -year carry forward period. The United States net operating losses incurred between 2004 and 2017 have a twenty -year carry forward period. United States net operating losses incurred between 2018 and 2024 may be carried forward indefinitely but are restricted to being applied against a maximum of 80% of taxable income.

(g) Mining tax effect of temporary differences:

The tax effects of temporary differences that give rise to significant portions of the deferred mining tax assets and liabilities at December 31, 2024 and 2023 are as follows:

Canada	Dec. 31, 2024	Dec. 31, 2023
Property, plant and equipment	**$ (40.2)**	$ (52.6)
Other	**12.8**	17.6
	$ (27.4)	**$ (35.0)**

Peru	Dec. 31, 2024	Dec. 31, 2023
Property, plant and equipment	**$ (7.5)**	$ (9.4)

For the year ended December 31, 2024, Hudbay had unrecognized deferred mining tax assets of approximately $ 9.1 million (December 31, 2023 - $9.7 million).

(h) Unrecognized taxable temporary differences associated with investments:

There are no taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, for which a deferred tax liability has not been recognized.

(i) Taxes receivable/payable:

The timing of payments results in significant variances in period-to-period comparisons of the tax receivable and tax payable balances.

(j) Other disclosure:

The tax rules and regulations applicable to mining companies are highly complex and subject to interpretation. The Company may be subject in the future to a review of its historic income and other tax filings and, in connection with such reviews, disputes can arise with tax authorities over the interpretation or application of certain tax rules and regulations in respect of the Company's business. These reviews may alter the timing or amount of taxable income or deductions. The amount ultimately reassessed upon resolution of issues raised may differ from the amount accrued.

27. Share capital

(a) Preference shares:

Authorized: Unlimited preference shares without par value.

Issued and fully paid: Nil.

(b) Common shares:

Authorized: Unlimited common shares without par value.

Issued and fully paid:

	Year ended Dec. 31, 2024		Year ended Dec. 31, 2023	
	Common shares	Amount	Common shares	Amount
Balance, beginning of year	**350,728,536**	**$ 2,240.2**	262,019,857	$ 1,780.8
Shares issued on equity raise, net of share issuance costs	**42,366,000**	**386.2**	-	-
Flow through shares, net of share issuance costs and implied premium	**968,900**	**8.6**	1,960,000	10.1
Exercise of options	**482,028**	**3.6**	67,145	0.3
Exercise of warrants	**386,910**	**2.7**	-	-
Shares issued on acquisition of Copper Mountain, net of share issuance costs	**-**	**-**	84,165,617	436.5
Shares issued on acquisition of Rockcliff	**-**	**-**	2,675,324	12.5
Cancelled shares	**-**	**-**	(159,407)	-
Balance, end of period	**394,932,374**	**$ 2,641.3**	350,728,536	$ 2,240.2

During the year ended December 31, 2024, the Company declared two semi-annual dividends of C$ 0.01 per share. The Company paid $ 2.6 million and $ 2.9 million in dividends on March 22, 2024 and September 20, 2024 to shareholders of record as of March 5, 2024 and September 3, 2024.

On May 24, 2024, the Company closed an equity financing with a syndicate of underwriters ("the Offering"). Pursuant to the Offering, the Underwriters purchased on a bought deal basis from the Company a total of 42,366,000 common shares at a price of $ 9.50 per Common Shares for aggregate gross proceeds of $ 402.5 million. Transaction costs related to the Offering were $16.1 million resulting in net proceeds to the Company of $ 386.4 million. Associated with the Offering were $ 0.2 million of share issuance costs resulting in net equity raised of $386.2 million.

During the year ended December 31, 2024, the Company completed a Canadian Development Expense and Canadian Exploration Expense flow-through financing. The flow-through share liability will be recognized in earnings as eligible expenditures are made. The Company issued 968,900 common shares for proceeds, net of transaction costs, of $11.8 million. The implied premium on the flow-through shares of $ 3.2 million was recorded as a flow-through share liability.

During the year ended December 31, 2023, the Company declared two semi-annual dividends of C$ 0.01 per share. The Company paid $ 1.9 million and $ 2.6 million in dividends on March 24, 2023 and September 22, 2023 to shareholders of record as of March 7, 2023 and September 1, 2023.

During the year ended December 31, 2023, the Company completed a Canadian Development Expense and Canadian Exploration Expense flow-through financing. The Company issued 1,960,000 common shares for proceeds, net of transaction costs, of $ 14.4 million. The implied premium on the flow-through shares of $ 4.3 million was recorded as a flow-through share liability. At December 31, 2024, $ 4.1 million of flow-through share liability was renounced and recognized in other expenses (note 7e) on the consolidated statements of income.

28. Share-based compensation

(a) Cash-settled share-based compensation:

Hudbay has three cash-settled share-based compensation plans, as described below.

Deferred Share Units (DSU)

At December 31, 2024, the carrying amount and the intrinsic value of the outstanding liability related to the DSU plan was $ 12.3 million (December 31, 2023 - $8.7 million) (note 23). The following table outlines information related to DSUs granted, expenses recognized and payments made during the year.

	Year ended	
	Dec. 31, 2024	Dec. 31, 2023
Number of units, beginning of year	**1,571,160**	1,360,688
Number of units granted during the year	**143,527**	210,472
Number of units released/paid	**(195,187)**	$ -
Number of units, end of year	**1,519,500**	1,571,160
Weighted average price (C$/unit)	**$ 10.05**	$ 7.02
Expenses recognized during the year [1] (notes 7c, 7d)	**$ 6.3**	$ 1.7
Payments made during the year (note 23)	**$ 1.6**	$ -

[1] This expense relates to the grant of DSUs, as well as mark-to-market adjustments, and is presented within selling and administrative expenses on the consolidated statements of income.

Restricted Share Units (RSU)

RSUs granted under the LTEP Plan may be settled in the form of Hudbay common shares or, at the option of the Company, the cash equivalent based on the market price of the common shares as of the vesting date. RSUs may also be granted under Hudbay's Share Unit Plan; however, the RSUs granted under the Share Unit Plan may only be settled in cash. Hudbay has historically settled all RSUs in cash. The Company has determined that the appropriate accounting treatment is to classify the RSUs as cash settled transactions.

At December 31, 2024, the carrying amount of the outstanding liability related to the RSU plan was $ 9.6 million (December 31, 2023 - $5.0 million) (note 23). The following table outlines information related to RSUs granted, expenses recognized and payments made in the year.

	Year ended	
	Dec. 31, 2024	Dec. 31, 2023
Number of units, beginning of year	**1,787,728**	2,082,990
Number of units granted during the year	**984,758**	873,371
Credits for dividends	**4,618**	5,594
Number of units forfeited during the year	**(158,125)**	(122,992)
Number of units released/paid	**(395,742)**	(1,051,235)
Number of units, end of year	**2,223,237**	1,787,728
Weighted average price - granted (C$/unit)	**$ 7.56**	$ 6.59
Expenses recognized during the year [1] (note 7c, 7d)	**$ 6.7**	$ 2.9
Payments made during the year (note 23)	**$ 2.2**	$ 5.1

[1] This net expense reflects recognition of RSU expense over the service period, as well as mark-to-market adjustments, and is presented mainly within cost of sales and selling and administrative expenses. Certain amounts related to the Arizona segment are capitalized.

Performance Share Units (PSU)

PSUs granted under the LTEP Plan may be settled in the form of Hudbay common shares or, at the option of the Company, the cash equivalent based on the market price of the common shares as of the vesting date. Hudbay has historically settled similar share-based compensation units in cash. The Company has determined that the appropriate accounting treatment is to classify the PSUs as cash settled transactions. The PSUs contain a performance based multiplier element which will be computed upon vesting.

At December 31, 2024, the carrying amount of the outstanding liability related to PSU plan was $ 5.5 million (December 31, 2023 - $2.6 million) (note 23). The following table outlines information related to PSUs granted, expenses recognized and payments made in the year.

	Year ended	
	Dec. 31, 2024	Dec. 31, 2023
Number of units, beginning of year	**1,172,803**	1,373,063
Number of units granted during the year	**600,572**	580,275
Credits for dividends	**2,997**	3,559
Number of units forfeited during the year	**(169,436)**	(577,900)
Number of units released/paid	**(160,739)**	(206,194)
Number of units, end of year	**1,446,197**	1,172,803
Weighted average price - granted (C$/unit)	**$ 7.35**	$ 6.59
Expense recognized during the year (note 7c)	**$ 4.2**	$ 0.6
Payments made during the year (note 23)	**$ 0.9**	$ 1.1

(b) Equity-settled share-based compensation

Stock Options

The Company's stock option plan was approved in June 2005 and amended in May 2008 (the "Plan"). Under the amended Plan, the Company may grant to employees, officers, directors or consultants of the Company or its affiliates options to purchase up to a maximum of 13 million common shares of Hudbay. The Company has determined that the appropriate accounting treatment is to classify the stock options as equity settled transactions.

During the year ended December 31, 2024, the Company granted 902,874 stock options (year ended December 31, 2023 - 801,661).

The following table outlines the changes in the number of stock options outstanding:

	Year ended		Year ended	
	Dec. 31, 2024		Dec. 31, 2023	
	Number of shares subject to option	**Weighted-average exercise price C$**	Number of shares subject to option	Weighted average exercise price C$
Balance, beginning of year	**2,182,970**	**$ 7.23**	1,528,760	$ 7.38
Number of units granted during the year	**902,874**	**$ 7.50**	801,661	$ 6.75
Exercised	**(482,029)**	**$ 6.56**	(67,145)	$ 3.79
Forfeited	**(106,850)**	**$ 7.62**	(80,306)	$ 8.33
Expired	**(12,858)**	**$ 10.03**	-	$ -
Balance, end of year	**2,484,107**	**$ 7.42**	2,182,970	$ 7.23

The following table presents the weighted average fair value assumptions used in the Black-Scholes valuation of these options:

For options granted during the year ended	Dec. 31, 2024	Dec. 31, 2023
Weighted average share price at grant date (CAD)	**$ 7.50**	$ 6.75
Risk-free rate	**3.49%**	3.40%
Expected dividend yield	**0.3%**	0.3%
Expected stock price volatility (based on historical volatility)	**51.4%**	56.0%
Expected life of option (months)	**84**	84
Weighted average per share fair value of stock options granted (CAD)	**$ 4.11**	$ 3.90

The following table outlines stock options outstanding and exercisable:

Dec. 31, 2024

Range of exercise prices C$	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price C$	Number of options exercisable	Weighted average share price at exercise date C$
$3.76 - $5.26	**361,658**	**2.15**	**$ 3.76**	**361,658**	**$ 3.76**
$5.27 - $6.90	**631,984**	**5.16**	**$ 6.75**	**152,408**	**$ 6.75**
$6.91 - $8.71	**866,543**	**6.15**	**$ 7.50**	**-**	**$ -**
$8.72 - $10.17	**365,988**	**4.16**	**$ 9.92**	**223,287**	**$ 9.92**
$10.18 - $10.42	**257,934**	**3.15**	**$ 10.42**	**257,934**	**$ 10.42**

Dec. 31, 2023

Range of exercise prices C$	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price C$	Number of options exercisable	Weighted average share price at exercise date C$
$3.76 - $4.82	568,801	3.15	$ 3.76	568,801	$ 3.76
$5.91 - $6.75	779,959	6.17	$ 6.75	-	$ -
$6.76 - $10.17	488,340	5.17	$ 9.76	174,989	$ 9.57
$10.18 - $10.42	345,870	4.15	$ 10.42	230,514	$ 10.42

Hudbay estimates expected life of options and expected volatility based on historical data, which may differ from actual outcomes.

Warrants

The following table outlines the changes in the number of Hudbay warrants outstanding:

	Year ended Dec. 31, 2024		Year ended Dec. 31, 2023	
	Number of shares subject to warrants	Weighted-average exercise price C$	Number of shares subject to warrants	Weighted average exercise price C$
Balance, beginning of year	**457,617**	**$ 7.38**	59,843	$ 2.27
Warrants granted	**-**	**$ -**	457,617	$ 7.38
Exercised	**(386,909)**	**$ 7.38**	-	$ -
Expired	**-**	**$ -**	(59,843)	$ 2.27
Balance, end of year	**70,708**	**$ 7.38**	457,617	$ 7.38

During the year ended December 31, 2023, the Company granted 457,617 warrants with a weighted average per share fair value of C$ 7.38.

29. Earnings per share

	Year ended December 31,	
	2024	2023
Weighted average common shares outstanding		
Basic	**376,785,518**	310,845,281
Plus net incremental shares from:		
Assumed conversion: stock options	**483,149**	107,829
Assumed conversion: warrants	**22,544**	-
Diluted weighted average common shares outstanding	**377,291,211**	310,953,110

The calculation of dilutive weighted-average number of common shares excludes the impact of 4,127 shares for the year ended December 31, 2024 (year ended December 31, 2023 - 14,530). The shares related to stock options and warrants were excluded as the exercise price related to the particular security exceeded the average market price of the Company's common shares for the period, or the inclusion of the share units had an anti-dilutive effect on net income.

30. Capital management

The Company's definition of capital includes total equity and long-term debt. Hudbay's long-term debt balance as at December 31, 2024 was $ 1,107.5 million (December 31, 2023 - $1,287.5 million).

The Company's objectives when managing capital are to maintain a strong capital base in order to:

- Advance Hudbay's corporate strategies to create long-term value for its stakeholders; and,
- Sustain Hudbay's operations and growth throughout metals and materials cycles.

Hudbay monitors its capital and capital structure on an ongoing basis to ensure they are sufficient to achieve the Company's short-term and long-term strategic objectives in a capital intensive industry. Hudbay faces several risks, including volatile metals prices, inflationary pressures on costs, access to capital, and risk of delays and cost escalation associated with major capital projects. The Company continually assesses the adequacy of its capital structure to ensure its objectives are met. Hudbay monitors its cash, which was $541.8 million as at December 31, 2024 (2023 - $249.8 million), together with availability under its committed credit facilities. Hudbay invests its cash primarily in Canadian bankers' acceptances, deposits at major Canadian and Peruvian banks, or treasury bills issued by the federal or provincial governments. In addition to the requirement to maintain sufficient cash balances to fund continuing operations, Hudbay must maintain sufficient cash to fund the interest expense on the long-term debt outstanding (note 21). As part of the Company's capital management activities, Hudbay monitors interest coverage ratios and leverage ratios.

31. Financial instruments

(a) Fair value and carrying value of financial instruments:

The following presents the fair value ("FV") and carrying value ("CV") of Hudbay's financial instruments and non-financial derivatives:

	Dec. 31, 2024		Dec. 31, 2023	
	FV	CV	FV	CV
Financial assets at amortized cost				
Cash and cash equivalents[1]	**$ 541.8**	**$ 541.8**	$ 249.8	$ 249.8
Short-term investments[1]	**40.0**	**40.0**	-	-
Collateral deposits[1]	**0.6**	**0.6**	1.4	1.4
Restricted cash[1]	**0.4**	**0.4**	2.0	2.0
Fair value through profit or loss				
Trade and other receivables[2,3]	**185.5**	**185.5**	176.2	176.2
Non-hedge derivative assets[4]	**14.3**	**14.3**	1.4	1.3
Investments[5]	**12.1**	**12.1**	6.5	6.5
Total financial assets	**$ 794.7**	**$ 794.7**	$ 437.2	$ 437.2
Financial liabilities at amortized cost				
Trade and other payables[1, 2]	**$ 255.2**	**$ 255.2**	$ 219.3	$ 219.3
Deferred Rosemont acquisition consideration[8]	**-**	**-**	9.7	9.7
Agreements with communities[6]	**70.4**	**68.4**	53.5	54.9
Wheaton refund liability[10]	**9.9**	**7.3**	10.3	6.7
Senior unsecured notes[7]	**1,111.6**	**1,111.1**	1,176.3	1,190.6
Senior secured revolving credit facilities[11]	**(3.6)**	**(3.6)**	96.9	96.9
Fair value through profit or loss				
Gold prepayment liability[9]	**-**	**-**	55.9	55.9
Non-hedge derivative liabilities[4]	**0.3**	**0.3**	11.8	11.8
Total financial liabilities	**$ 1,443.8**	**$ 1,438.7**	$ 1,633.7	$ 1,645.8

[1] Cash and cash equivalents, short-term investments, collateral deposits, restricted cash, trade and other payables are recorded at carrying value, which approximates fair value due to their short-term nature and generally negligible credit losses.

[2] Excludes tax and other statutory amounts.

[3] Trade and other receivables contain receivables including provisionally priced receivables classified as FVTPL and various other items at amortized cost. The fair value of provisionally priced receivables is determined using forward metals prices (level 2).

[4] Derivatives are carried at their fair value, which is determined based on observable forward market commodity prices corresponding to the maturity of the contract (level 2),

[5] All investments are carried at their fair value, which is determined using quoted market bid prices in active markets for listed shares.

[6] These financial liabilities relate to agreements with communities near the Constancia project in Peru (note 18). Fair values have been determined using an applicable credit-risk adjusted discounted rate and foreign exchange rates (level 3).

[7] Fair value of the senior unsecured notes (note 21) has been determined using an applicable credit-risk adjusted discount rate (level 3).

[8] Discounted value based on a risk adjusted discount rate.

[9] The gold prepayment liability (note 19) is designated as fair value through profit or loss under the fair value option. Fair value is determined using observable gold forward prices corresponding to the delivery of gold ounces in the contract along with an estimate of credit-risk for similar instruments (level 3). Gains and losses related to the Company's own credit-risk have been recorded at fair value through other comprehensive income. The fair value adjustment recorded in other comprehensive income for the year ended December 31, 2024 was a gain of $4.3 million (year ended December 31, 2023 was a loss of $ 0.2 million).

[10] Discounted value based on a market rate at inception of the applicable Wheaton contract for carrying value (note 18) and fair value using an applicable credit-risk adjusted discount rate (level 3).

[11] Fair value of the senior secured revolving credit facility is valued using an applicable credit adjusted discount rate (level 3).

Fair value hierarchy

The table below provides an analysis by valuation method of financial instruments that are measured at fair value subsequent to recognition as well as financial instruments not measured at fair value but for which a fair value is disclosed. Levels 1 to 3 are defined based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques use significant observable inputs, either directly or indirectly, or valuations are based on quoted prices for similar instruments; and,
- Level 3: Valuation techniques use significant inputs that are not based on observable market data.

December 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL:				
Provisionally priced receivables	**$ -**	**$ 171.3**	**$ -**	**$ 171.3**
Non-hedge derivatives	**-**	**14.3**	**-**	**$ 14.3**
Investments	**12.1**	**-**	**-**	**12.1**
	$ 12.1	**$ 14.3**	**$ -**	**$ 26.4**
Financial liabilities at FVTPL:				
Non-hedge derivatives	**$ -**	**$ 0.3**	**$ -**	**$ 0.3**
Financial liabilities at amortized cost:				
Agreements with communities	**-**	**-**	**70.4**	**70.4**
Wheaton refund liability	**-**	**-**	**9.9**	**9.9**
Senior unsecured notes	**1,111.6**	**-**	**-**	**1,111.6**
	$ 1,111.6	**$ 0.3**	**$ 80.3**	**$ 1,192.2**

December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL:				
Provisionally priced receivables	$ -	$ 166.9	$ -	$ -
Non-hedge derivatives	-	1.4	-	1.4
Investments	6.5	-	-	6.5
	$ 6.5	$ 1.4	$ -	$ 7.9
Financial liabilities at FVTPL:				
Non-hedge derivatives	$ -	$ 11.8	$ -	$ 11.8
Gold prepayment liability	-	55.9	-	55.9
Financial liabilities at amortized cost:				
Agreements with communities	-	-	53.5	53.5
Wheaton refund liability	-	-	10.3	10.3
Senior secured revolving credit facilities	-	-	96.9	96.9
Senior unsecured notes	1,176.3	-	-	1,176.3
	$ 1,176.3	$ 67.7	$ 160.7	$ 1,404.7

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the year ended December 31, 2024 and year ended December 31, 2023, Hudbay did not make any such transfers.

Valuation techniques used for instruments categorized in Levels 2 and 3 are consistent with the year ended December 31, 2023.

(b) Derivatives and hedging:

Copper fixed for floating swaps

Hudbay enters into copper fixed for floating swaps in order to manage the risk associated with provisional pricing terms in copper concentrate sales agreements. As at December 31, 2024, Hudbay had 61.7 million pounds of net copper swaps outstanding at an effective average price of $ 4.19/lb and settling from January 2025 to May 2025. As at December 31, 2023, Hudbay had 90.6 million pounds of net copper swaps outstanding at an effective average price of $ 3.74/lb and settling from January to May 2024. The aggregate fair value of the transactions at December 31, 2024 was an asset of $13.7 million (December 31, 2023 - a liability position of $ 9.5 million).

Zinc fixed for floating swaps

Hudbay enters into zinc fixed for floating swaps in order to manage the risk associated wi th provisional pricing terms in zinc concentrate sales agreements. As at December 31, 2024, Hudbay had 9.7 million pounds of net zinc swaps outstanding at an effective average price of $ 1.38/lb and settling from January 2025 to April 2025. As at December 31, 2023, Hudbay had 13.9 million pounds of net zinc swaps outstanding at an effective average price of $ 1.14/lb and settling from January to March 2024. The aggregate fair value of the transactions at December 31, 2024 was an asset of $0.3 million (December 31, 2023 - a liability position of $ 0.9 million).

Copper forward sales

As at December 31, 2024, Hudbay had 5.3 million pounds of copper forwards outstanding at an effective average price of $ 3.95/lb and settling from January 2025 to April 2025. As at December 31, 2023, Hudbay had 7.9 million pounds of copper forwards outstanding at an effective average price of $ 3.93/lb and settling from May 2024 to April 2025. The aggregate fair value of the transactions at December 31, 2024 was a liability of $0.1 million (December 31, 2023 - nil).

Copper costless collars

As at December 31, 2024, Hudbay had 6.6 million pounds of copper collars outstanding settling from January 2025 to April 2025 at an average floor price of $ 3.88/lb and an average cap price of $4.14/lb. As at December 31, 2023, Hudbay had 13.2 million pounds of copper collars outstanding settling from May 2024 to April 2025 at an average floor price of $3.83/lb and an average cap price of $ 4.03/lb. The aggregate fair value of the position at December 31, 2024 was an asset of $ 0.1 million (December 31, 2023 - nil).

Gold costless collars

During the year ended December 31, 2024, Hudbay entered into zero-cost collar program. As at December 31, 2024, nil ounces of gold collars were unsettled (December 31, 2023 - nil). The aggregate fair value of the position at December 31, 2024 was nil (December 31, 2023 - nil).

(c) Provisionally priced receivables

Changes in fair value of provisionally priced receivables

Hudbay records changes in fair value of provisionally priced receivables related to provisional pricing in concentrate purchase, concentrate sale and certain other sale contracts. Under the terms of these contracts, prices are subject to final adjustment at the end of a future period after title transfers based on quoted market prices during the quotation period specified in the contract. The period between provisional pricing and final pricing is typically up to three months.

Changes in fair value of provisionally priced receivables are presented in trade and other receivables when they relate to sales contracts and in trade and other payables when they relate to purchase contracts. At each reporting date, provisionally priced metals are marked-to-market based on the forward market price for the quotation period stipulated in the contract, with changes in fair value recognized in revenue for sales contracts and in inventory or cost of sales for purchase concentrate contracts. Cash flows related to changes in fair value of provisionally priced receivables are classified in operating activities.

As at December 31, 2024 and December 31, 2023, Hudbay's net position consisted of contracts awaiting final pricing are as indicated below:

Metal in concentrate	Unit	Sales awaiting final pricing		Average YTD price ($/unit)	
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Copper	*pounds (in 000s)*	**85,731**	111,069	**3.96**	3.87
Gold	*troy ounces*	**47,075**	50,563	**2,638**	2,072
Silver	*troy ounces*	**238,149**	205,579	**29.02**	23.94
Zinc	*pounds (in 000s)*	**12,102**	16,416	**1.34**	1.20

The aggregate fair value of provisionally priced receivables within the copper and zinc concentrate at December 31, 2024, was a liability position of $13.9 million (December 31, 2023 - an asset position of $22.6 million).

(d) Other financial liabilities

Gold prepayment liability

The gold prepayment liability (note 19) requires settlement by physical delivery of gold ounces or equivalent gold credits. As at December 31, 2024, the liability was settled. The fair value of the financial liability at December 31, 2024 was nil (December 31, 2023 - a liability of $55.9 million).

(e) Financial risk management

Hudbay's financial risk management activities are governed by Board-approved policies addressing risk identification, hedging authorization procedures and limits and reporting. The Company's policy objective, when hedging activities are undertaken, is to reduce the volatility of future profit and cash flow within the strategic and economic goals of Hudbay. From time to time, the Company employs derivative financial instruments, including forward and option contracts, to manage risk originating from exposures to commodity price risk, foreign exchange risk and interest rate risk. Significant derivative transactions are approved by the Board of Directors, and hedge accounting is applied when certain criteria have been met. Hudbay does not use derivative financial instruments for trading or speculation purposes. The following is a discussion of the Company's risk exposures.

(i) Market risk

Market risk is the risk that changes in market prices, including foreign exchange rates, commodity prices, share prices, and interest rates will cause fluctuations in the fair value or future cash flows of a financial instrument.

Foreign currency risk

Hudbay's primary exposure to foreign currency risk arises from:

- Translation of Canadian dollar denominated costs and, to a lesser extent, Peruvian soles cost into US dollars. Substantially all of the Company's revenue are denominated in US dollars, while the majority of its operating costs are denominated in either the Canadian dollar or Peruvian sol. Generally, with gross profit, appreciation of the US dollar relative to the Canadian dollar will increase Hudbay's profit.
- Translation of foreign currency denominated cash, trade and other receivables, trade and other payables, as well as other financial liabilities. Appreciation of the US dollar relative to a foreign currency will decrease the net asset value of these balances once they have been translated to US dollars, resulting in foreign currency translation losses on foreign currency denominated assets and gains on foreign currency denominated liabilities.

The Manitoba and British Columbia segment's primary financial instrument foreign currency exposure is on US denominated cash, trade and other receivables and other financial liabilities. The Peru segment's primary financial instrument foreign currency exposure is on Peruvian soles cash, trade and other payables and other financial liabilities.

The Company's economic exposure to foreign currency risk was as follows based on notional financial instrument amounts stated in US equivalent dollars:

	Dec. 31, 2024			Dec. 31, 2023		
	CAD[1]	USD[2]	PEN[3]	CAD[1]	USD[2]	PEN[3]
Cash	**$ 6.4**	**$ 13.9**	**$ 3.8**	$ 19.0	$ 16.7	$ 2.0
Trade and other receivables	**0.1**	**116.4**	**0.4**	-	76.3	0.3
Restricted cash	**0.2**	**-**	**-**	-	-	-
Other financial assets	**12.1**	**-**	**-**	6.5	-	-
Trade and other payables	**(5.7)**	**(1.9)**	**(15.9)**	(6.1)	-	(21.0)
Other financial liabilities	**-**	**(7.3)**	**(68.4)**	-	(6.7)	(55.0)
	$ 13.1	**$ 121.1**	**$ (80.1)**	$ 19.4	$ 86.3	$ (73.7)

[1] HMI is exposed to foreign currency risk on CAD.

[2] The Manitoba and British Columbia segments are exposed to foreign currency risk on USD.

[3] The Peru segment is exposed to foreign currency risk on PEN.

The following sensitivity analysis for foreign currency risk relates solely to financial instruments and non-financial derivatives that were outstanding as at the year-end date; each sensitivity calculation assumes all other variables are held constant. This analysis is based on values as at December 31, 2024 and does not reflect the overall effect that changes in market variables would have on the Company's operating results.

December 31, 2024	**Change of:**	**Would have changed 2024 after-tax earnings by:**
USD/CAD exchange rate[1]	**+ 10%**	**$ 6.0**
USD/CAD exchange rate[1]	**- 10%**	**(7.4)**
USD/PEN exchange rate[2]	**+ 10%**	**4.4**
USD/PEN exchange rate[2]	**- 10%**	**(6.2)**
December 31, 2023	**Change of:**	**Would have changed 2023 after-tax earnings by:**
USD/CAD exchange rate[1]	+ 10%	$ 3.3
USD/CAD exchange rate[1]	- 10%	(4.1)
USD/PEN exchange rate[2]	+ 10%	4.4
USD/PEN exchange rate[2]	- 10%	(5.3)

[1] Effect on profit due to foreign currency remeasurements of balances denominated in a currency different from a Hudbay subsidiary's functional currency.

[2] Effect on profit due to foreign currency remeasurement of balances denominated in Peruvian Sol.

Commodity price risk

Hudbay is exposed to market risk from prices for the commodities the Company produces and sells, such as copper, zinc, gold and silver. From time to time, Hudbay maintains price protection programs and conducts commodity price risk management through the use of derivative contracts. The following sensitivity analysis for commodity price risk relates solely to financial instruments and non-financial derivatives that were outstanding as at the year-end date; each sensitivity calculation assumes all other variables are held constant. This analysis is based on values as at December 31, 2024 and does not reflect the overall effect that changes in market variables would have on the Company's operating results.

December 31, 2024	Change of:		Would have changed 2024 after-tax earnings by:	
Copper prices ($/lb) [1]	**+**	**$0.30**	**$**	**3.4**
Copper prices ($/lb) [1]	**-**	**$0.30**		**(3.5)**
Zinc prices ($/lb) [2]	**+**	**$0.10**		**0.1**
Zinc prices ($/lb) [2]	**-**	**$0.10**		**(0.1)**
December 31, 2023	**Change of:**		**Would have changed 2023 after-tax earnings by:**	
Copper prices ($/lb) [1]	+	$0.30		2.6
Copper prices ($/lb) [1]	-	$0.30		(2.0)
Zinc prices ($/lb) [2]	+	$0.10		0.1
Zinc prices ($/lb) [2]	-	$0.10		(0.1)

[1] Effect on profit due to provisional pricing derivatives (note 31c) and copper fixed for floating swaps (note 31b).

[2] Effect on profit due to provisional pricing derivatives (note 31c), non-hedge zinc derivatives and zinc fixed for floating swaps (note 31b).

Share price risk

Hudbay is exposed to market risk from share prices of the Company's investments in listed Canadian metals and mining entities. These investments are made to foster strategic relationships, in connection with joint venture agreements and for investment purposes. Management monitors the value of these investments for the purposes of determining whether to add or reduce Hudbay's positions. The following sensitivity analysis of share price risk relates solely to financial instruments that were outstanding as at the year-end date. This analysis is based on values as at December 31, 2024 and does not reflect the overall effect that changes in market variables would have on the Company's finance expenses.

December 31, 2024	Change of:		Would have changed 2024 after-tax earnings by:	
Share prices	+	**25%**	**$**	**3.0**
Share prices	-	**25%**		**(3.0)**
December 31, 2023	**Change of:**		**Would have changed 2023 after-tax earnings by:**	
Share prices	+	25%	$	1.6
Share prices	-	25%		(1.6)

Interest rate risk

Hudbay is exposed to the following interest rate risks:

- cash flow interest rate risk on its cash and cash equivalents; and,
- interest rate risk on its senior secured revolving credit facilities.

The only relevant risks at December 31, 2024 is interest rate risk on cash and short-term investments. The revolving credit facilities remain undrawn as at December 31, 2024. Neither the 2026 Notes nor the 2029 Notes contain embedded derivatives that require bifurcation from the host contract.

As at December 31, 2023, the interest rate risk relates to cash on hand and the drawn balance of our revolving credit facilities

December 31, 2024	**Change of:**		**Would have changed 2024 after-tax earnings by:**	
Interest rates	**+**	**2.00%**	**$**	**8.5**
Interest rates	**-**	**2.00%**		**(8.5)**
December 31, 2023	**Change of:**		**Would have changed 2023 after-tax earnings by:**	
Interest rates	+	2.00%	$	3.0
Interest rates	**-**	2.00%		(3.0)

(ii) Credit risk

Credit risk is the risk of financial loss to Hudbay if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at the reporting date is represented by the carrying amount, net of any impairment losses recognized, of financial assets and non-financial derivative assets recorded on the consolidated balance sheets.

A large portion of Hudbay's cash are on deposit with major Schedule 1 Canadian banks. Deposits with Schedule 1 Canadian banks represented 87% of total cash as at December 31, 2024 (2023 - 62%). Hudbay's investment policy requires it to comply with a list of approved investments, concentration and maturity limits, as well as credit quality. Credit concentrations in the Company's short-term investments are monitored on an ongoing basis.

Transactions involving derivatives are with counterparties Hudbay believes to be creditworthy.

At December 31, 2024, 36% of Hudbay's trade receivables were secured by letters of credit (2023 - 76% were insured or payable by letters of credit). Any additional exposure to credit risk is monitored and approved on an ongoing basis. Expected credit losses on trade and other receivables at December 31, 2024 and December 31, 2023, are insignificant.

Two customers accounted for approximatel y 39% and 28% of total trade receivables as at December 31, 2024 (2023 - two customers accounted for approximately 24% and 17% of total trade receivables). Credit risk for these customers is assessed as low. As at December 31, 2024, none of the Company's trade receivables were aged more than 30 days (2023 - nil).

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. Hudbay's objective is to maintain sufficient liquid resources to meet operational and investing requirements.

The following summarizes the contractual undiscounted cash flows of the Company's non-derivative and derivative financial liabilities, including any interest payments, by remaining contractual maturity and financial assets used to manage liquidity risk. The table includes all instruments held at the reporting date for which payments had been contractually agreed at the reporting date. The undiscounted amounts shown are gross amounts, unless the liabilities will be settled net. Amounts in foreign currency are translated at the closing rate at the reporting date. When a counterparty has a choice of when an amount is paid, the liability is allocated to the earliest possible time period.

Dec. 31, 2024	Carrying amount	Contractual cash flows	Less than 1 Year	1 - 3 Years	3 -5 Years	More than 5 Years
Assets used to manage liquidity risk						
Cash	$ 541.8	$ 541.8	$ 541.8	$ -	$ -	$ -
Short-term investments	40.0	40.0	40.0			
Collateral deposits	0.6	0.6	0.6			
Restricted cash	0.4	0.4	0.4	-	-	-
Trade and other receivables	185.5	185.5	185.5	-	-	-
Non-hedge derivative assets	14.3	14.3	14.3	-	-	-
	$ 782.6	$ 782.6	$ 782.6	$ -	$ -	$ -
Non-derivative financial liabilities						
Trade and other payables, including embedded derivatives	$ (255.2)	$ (255.2)	$ (255.2)	$ -	$ -	$ -
Agreements with communities [1]	(68.4)	(99.0)	(26.1)	(17.0)	(8.3)	(47.6)
Senior unsecured notes	(1,111.1)	(1,305.7)	(59.1)	(654.4)	(592.2)	-
Wheaton refund liability	(7.3)	(79.2)	-	-	-	(79.2)
	$ (1,442.0)	$ (1,739.1)	$ (340.4)	$ (671.4)	$ (600.5)	$ (126.8)
Derivative financial liabilities						
Non hedge derivative contracts	$ (0.3)	$ (0.3)	$ (0.3)	$ -	$ -	$ -
	$ (0.3)	$ (0.3)	$ (0.3)	$ -	$ -	$ -

[1] Represents the Peru community agreement obligation, excluding interest.

Dec. 31, 2023	Carrying amount	Contractual cash flows	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Assets used to manage liquidity risk						
Cash	$ 249.8	$ 249.8	$ 249.8	**$ -**	**$ -**	**$ -**
Restricted cash	2.0	2.0	2.0	**-**	**-**	**-**
Trade and other receivables	176.2	176.2	176.2	**-**	**-**	**-**
Non-hedge derivative assets	1.4	1.4	1.4	**-**	**-**	**-**
	$ 429.4	$ 429.4	$ 429.4	$ -	$ -	$ -
Non-derivative financial liabilities						
Trade and other payables, including embedded derivatives	$ (219.3)	$ (219.3)	$ (219.3)	$ -	$ -	$ -
Agreements with communities [1]	(55.0)	(79.5)	(20.4)	(10.6)	(8.1)	(40.4)
Deferred Rosemont acquisition consideration	(9.7)	(10.0)	(10.0)	-	-	-
Senior unsecured notes	(1,190.6)	(1,469.6)	(63.7)	(714.0)	(73.5)	(618.4)
Senior secured revolving credit facilities	(96.9)	(120.7)	(11.4)	(109.3)	-	-
Gold prepayment obligation [2]	(55.9)	(55.9)	(55.9)	-	-	-
Wheaton refund liability	(6.7)	(79.2)	-	-	-	(79.2)
	$ (1,634.1)	$ (2,034.2)	$ (380.7)	$ (833.9)	$ (81.6)	$ (738.0)
Derivative financial liabilities						
Non-hedge derivative contracts	$ (11.8)	$ (11.8)	$ (11.8)	$ -	$ -	$ -
	$ (11.8)	$ (11.8)	$ (11.8)	$ -	$ -	$ -

[1] Represents the Peru community agreement obligation, excluding interest.

[2] Discounted.

32. Commitments

(a) Capital commitments

As at December 31, 2024, Hudbay had outstanding capital commitments in Manitoba of approximately $ 1.8 million of which $0.2 million can be terminated, approximately $15.0 million in British Columbia of which $1.4 million can be terminated, approximately $37.1 million in Peru, all of which can be terminated, and approximately $35.2 million in Arizona, primarily related to the Copper World Complex, of which none can be terminated.

(b) Non capitalized lease commitments

Hudbay has entered into various non-capitalized lease commitments for facilities and equipment. The leases expire in periods ranging from one to two years. There are no restrictions placed on the Company by entering into these leases. Future minimum lease payments under such cancellable leases recognized within results from operating activities at December 31 are:

	2024	2023
Within one year	**$ 16.7**	$ 20.7
After one year but not more than five years	**7.7**	9.5
More than five years	**2.9**	4.1
	$ 27.3	$ 34.3

(c) Contingent liabilities

Hudbay is involved in various claims, litigation and other matters arising in the ordinary course and conduct of business. While it is not possible to determine the ultimate outcome of such actions at this time, and inherent uncertainties exist in predicting such outcomes, it is Hudbay's belief that the ultimate resolution of such actions is not reasonably likely to have a material adverse effect on its consolidated financial position or results of operations. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. As a result of the assessment, management believes that no significant contingent liabilities exist.

33. Related parties

(a) Group companies

The financial statements include the financial statements of the Company and the following significant subsidiaries:

				Beneficial ownership of ultimate controlling party (Hudbay Minerals Inc.)	
Name	Jurisdiction	Business	Entity's Parent	2024	2023
HudBay Peru Inc.	British Columbia	Holding company	HMI	100%	100%
HudBay Peru S.A.C.	Peru	Exploration/development	HudBay Peru Inc.	100%	100%
HudBay (BVI) Inc.	British Virgin Islands	Precious metals sales	HudBay Peru Inc.	100%	100%
Hudbay Arizona Inc.	British Columbia	Holding company	HMI	100%	100%
Copper World, Inc.	Arizona	Exploration/development	HudBay Arizona (US) Holding Corporation	100%	100%
Mason Resources (US) Inc.	Nevada	Exploration/development	Hudbay Arizona (US)	100%	100%
HudBay Arizona (Barbados) SRL	Barbados	Precious metals sales	Hudbay Arizona Inc.	100%	100%
Copper Mountain Mine (BC) Ltd.	British Columbia	Exploration/development	HMI	75%	75%

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

(b) Compensation of key management personnel

The Company's key management includes members of the Board of Directors, Hudbay's Chief Executive Officer, Hudbay's senior vice presidents and vice presidents. Total compensation to key management personnel was as follows:

	Year ended December 31,	
	2024	2023
Short-term employee benefits[1]	**$ 11.1**	$ 10.7
Post-employment benefits	**0.9**	0.8
Termination benefits	**0.7**	-
Long-term share-based awards	**5.8**	2.9
	$ 18.5	$ 14.4

[1] Such as salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing, termination benefits, bonuses and non-monetary benefits (such as medical care, housing, cars and free or subsidized goods or services) for current employees.

(c) Transaction with related parties

All transactions with related parties have occurred in the normal course of the Company's operations.

i. During the year ended December 31, 2024, the Company sold copper concentrate under the provision of a long-term contract with MMC for revenues totaling $ 274.1 million (December 31, 2023 - $165.4 million) including pricing adjustments. As at December 31, 2024, the Company had $ 45.3 million (December 31, 2023 - $23.1 million) of trade receivables due from MMC outstanding.
ii. During the year ended December 31, 2024 and December 31, 2023, the Company obtained cash advances on certain concentrate shipments from MMC. For the year ended December 31, 2024, interest expense on these advances amounted to $0.9 million (December 31, 2023 - $0.9 million).
iii. During the year ended December 31, 2024, the Company recorded unrealized foreign exchange losses and foreign currency translation gains on intra-group loan balances totaling $20.7 million (December 31, 2023 - nil) .

34. Supplementary cash flow information

(a) Other operating activities:

	Year ended December 31,	
	2024	2023
Share-based compensation paid	**$ (4.5)**	$ (5.8)
Share-based compensation and change of control payments made upon acquisition of Copper Mountain	**-**	(6.7)
Other	**0.7**	1.5
	$ (3.8)	$ (11.0)

(b) Change in non-cash working capital:

	Year ended December 31,	
	2024	2023
Change in:		
Trade and other receivables	**$ (36.5)**	$ (70.3)
Other financial assets/liabilities	**(29.4)**	(7.0)
Inventories	**10.0**	18.2
Prepaid expenses	**(11.8)**	16.4
Trade and other payables	**43.2**	(31.5)
Provisions and other liabilities	**(0.4)**	(18.9)
	$ (24.9)	$ (93.1)

(c) Non-cash transactions:

During the year ended December 31, 2024 and 2023, Hudbay entered into the following non-cash investing and financing activities which are not reflected in the consolidated statements of cash flows:

- Remeasurement of Hudbay's decommissioning and restoration liabilities led to a net decrease in related property, plant and equipment assets of $ 4.7 million (December 31, 2023 - a net increase of $20.6 million), mainly related to changes to real discount rates associated with remeasurement of the liabilities.

- Property, plant and equipment included $ 25.5 million (December 31, 2023 - $ 21.4 million) of capital additions related to the recognition of ROU assets and $ 71.0 million (December 31, 2023 - nil) of capital additions related to the recognition of property, plant and equipment that has been financed. Property, plant and equipment and other assets include $18.6 million of capital additions related to agreements with communities (December 31, 2023 - $ 17.3 million). Property, plant and equipment as of December 31, 2023 included $14.2 million of capital additions related to exploration and evaluation assets acquired through the acquisition of Rockcliff.

35. Non-Controlling Interest

As part of the British Columbia operating segment, the Company owns 75% of CMBC. The remaining 25% ownership stake is held by MMC. The continuity of non-controlling interest balance is disclosed in the consolidated statements of changes in equity.

Summarized financial information for the Copper Mountain mine on an 100% basis is as follows:

Summarized Balance Sheets

	December 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	**$ 12.9**	$ 10.0
Trade and other receivables	**44.1**	31.2
Inventories - current	**37.5**	42.1
Property, plant and equipment	**902.9**	857.8
Other assets	**11.1**	9.2
	1,008.5	950.3
Liabilities		
Trade and other payables	**37.5**	38.0
Amounts due to related parties	**422.6**	301.6
Environmental and other provisions	**35.5**	37.8
Lease liabilities	**20.1**	48.9
Deferred tax liabilities	**119.9**	147.3
Other liabilities	**68.9**	0.8
	704.5	574.4

Summarized statement of income and Comprehensive (Loss)/Income

	Year ended December 31, 2024	Year ended December 31, 2023
Total revenue	**$ 274.1**	$ 165.4
Mine operating costs	**210.8**	124.9
Depreciation and amortization	**50.1**	11.7
Gross profit	**13.2**	28.8
Other expenses	**20.2**	2.3
Finance expense - related parties	**31.3**	9.1
Other net finance costs	**16.6**	2.8
Tax (recovery) expense	**(19.4)**	1.9
Net (loss) income for the year	**$ (35.5)**	$ 12.7
Total comprehensive (loss) income	**(63.1)**	$ 12.2

[1]As Copper Mountain was acquired on June 20, 2023, the results for the year ended December 31, 2023 represents the period from the acquisition date, June 20, 2023, through to the end of the fourth quarter of 2023.

The above information is presented before inter-company eliminations.

36. Segmented information

Hudbay is an integrated metals producer. When making decisions on expansions, opening or closing mines, as well as day to day operations, management evaluates the results from operating activities of the Company. Hudbay has the following reportable segments identified by the individual mining operations of Manitoba, British Columbia, Peru, as well as Arizona which holds our Copper World project. The Manitoba, British Columbia and Peru segments generate Hudbay's revenue. The Manitoba segment sells copper concentrate (containing copper, gold and silver), silver/gold doré, zinc concentrate (containing zinc and gold) and other products. The Peru segment consists of Hudbay's Constancia operation and sells copper concentrate and molybdenum concentrate. The British Columbia segment consists of the Copper Mountain operation and sells copper concentrate. Hudbay's Arizona segment consists of the Copper World project located in Arizona. Corporate and other activities include the Company's exploration activities in Chile, Canada and the State of Nevada. The exploration entities are not individually significant, as they do not meet the minimum quantitative thresholds. Corporate activities are not considered a segment and are included as a reconciliation to total consolidated results. Accounting policies for each reported segment are the same as those of the Company. Results from operating activities represents the profit earned by each segment without allocation of corporate costs. This is the measure reported to the chief operating decision-maker, Hudbay's President and Chief Executive Officer, for the purposes of resource allocation and the assessment of segment performance. Total assets and liabilities do not reflect intercompany balances, which have been eliminated on consolidation.

Year ended December 31, 2024						
	Peru	Manitoba	British Columbia	Arizona	Corporate and other activities	Total
Revenue from external customers	$ 1,049.7	$ 697.4	$ 274.1	$ -	$ -	$ 2,021.2
Cost of sales						
Mine operating costs	517.4	312.6	210.8	-	-	1,040.8
Depreciation and amortization	270.3	106.2	50.1	-	-	426.6
Gross profit	262.0	278.6	13.2	-	-	553.8
Selling and administrative expenses	-	-	-	-	57.0	57.0
Exploration expenses	16.5	24.4	-	-	1.7	42.6
Other expenses	15.7	15.8	17.1	8.3	0.5	57.4
Re-evaluation adjustment - environmental provision	-	(3.5)	-	-	-	(3.5)
Results from operating activities	$ 229.8	$ 241.9	$ (3.9)	$ (8.3)	$ (59.2)	$ 400.3
Net interest expense on long term debt						69.8
Accretion on streaming arrangements						24.2
Change in fair value of financial instruments						16.6
Other net finance costs						38.1
Income before tax						251.6
Tax expense						183.8
Net income for the year						$ 67.8

Year ended December 31, 2023						
	Peru	Manitoba	British Columbia	Arizona	Corporate and other activities	Total
Revenue from external customers	$ 1,040.3	$ 484.3	$ 165.4	$ -	$ -	$ 1,690.0
Cost of sales						
Mine operating costs	494.5	286.4	124.9	-	-	905.8
Depreciation and amortization	275.7	104.3	11.7	-	-	391.7
Gross profit	270.1	93.6	28.8	-	-	392.5
Selling and administrative expenses	-	-	-	-	39.2	39.2
Exploration expenses	15.2	8.2	3.4	-	2.5	29.3
Other expenses (income)	17.4	18.0	(0.1)	0.4	2.6	38.3
Re-evaluation adjustment - environmental provision	-	(13.8)	2.4	-	-	(11.4)
Results from operating activities	$ 237.5	$ 81.2	$ 23.1	$ (0.4)	$ (44.3)	$ 297.1
Net interest expense on long term debt						76.2
Accretion on streaming arrangements						26.3
Change in fair value of financial instruments						14.0
Other net finance costs						28.8
Income before tax						151.8
Tax expense						82.3
Net income for the year						$ 69.5

December 31, 2024						
	Peru	**Manitoba**	**British Columbia**	**Arizona**	**Corporate and other activities**	**Total**
Total assets	**$ 2,410.0**	**$ 547.4**	**$ 1,076.0**	**$ 757.3**	**$ 696.9**	**$ 5,487.6**
Total liabilities	**960.0**	**421.3**	**281.9**	**14.7**	**1,162.3**	**2,840.2**
Property, plant and equipment [1]	**1,897.1**	**595.1**	**900.7**	**747.1**	**41.4**	**4,181.4**
Other Non-Current Assets[2]	**47.8**	**17.2**	**8.0**	**0.2**	**0.6**	**73.8**

[1] Included in Corporate and Other activities is $ 27.7 million of property, plant and equipment that is located in Nevada.

[2] Other non-current assets includes receivables, inventory, intangibles and other assets.

December 31, 2024						
	Peru	**Manitoba**	**British Columbia**	**Arizona**	**Corporate and other activities**	**Total**
Additions to property, plant and equipment	**$ 177.8**	**$ 63.3**	**$ 214.9**	**$ 30.2**	**$ -**	**$ 486.2**

December 31, 2023						
	Peru	Manitoba	British Columbia	Arizona	Corporate and other activities	Total
Total assets	$ 2,406.2	$ 672.9	$ 1,028.0	$ 736.7	$ 468.8	$ 5,312.6
Total liabilities	1,086.2	413.3	276.7	23.5	1,306.1	3,105.8
Property, plant and equipment [1]	2,001.7	693.9	853.1	727.9	39.4	4,316.0
Other Non-Current Assets[2]	64.8	17.0	6.1	0.3	0.8	89.0

[1]Included in Corporate and Other activities is $ 27.6 million of property, plant and equipment that is located in Nevada.

[2]Other non-current assets includes receivables, inventory, intangibles and other assets.

December 31, 2023						
	Peru	Manitoba	British Columbia	Arizona	Corporate and other activities	Total
Additions to property, plant and equipment	$ 160.9	$ 90.6	$ 50.1	$ 22.3	$ -	$ 323.9

Geographical Segments

The following tables represent revenue information regarding Hudbay's geographical segments for the years ended December 31, 2024 and 2023:

	2024	2023
Revenue by customer location [1]		
China	**755.0**	282.2
Canada	**$ 741.1**	$ 501.2
Japan	**274.1**	203.3
India	**82.0**	-
United States	**67.4**	30.1
Philippines	**63.9**	20.7
South Korea	**23.0**	27.6
Switzerland	**13.6**	268.2
Belgium	**1.1**	79.1
Hong Kong	**-**	176.7
Singapore	**-**	53.6
Peru	**-**	44.4
Chile	**-**	2.9
	$ 2,021.2	$ 1,690.0

[1] Presented based on the ultimate destination of the product if known. If the eventual destination of the product sold through traders is not known then revenue is allocated to the location of the customer's business office and not the ultimate destination of the product.

During the year ended December 31, 2024, six customers accounted for approximately 24%, 14%, 9%, 8%, 7% and 6%, respectively, of total revenue during the year. Revenue from these customers has been presented in the Manitoba, British Columbia and Peru operating segments.

During the year ended December 31, 2023, five customers accounted for approximately 20%, 11%, 10%, 9%, and 7% respectively, of total revenue during the year. Revenue from these customers has been presented in the Manitoba, British Columbia and Peru operating segments.



Management's Discussion and Analysis of Results of Operations and Financial Condition

For the year ended
December 31, 2024

February 18, 2025

HUDBAY

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") dated February 18, 2025 is intended to supplement Hudbay Minerals Inc.'s audited consolidated financial statements and related notes for the year ended December 31, 2024 and 2023 (the "consolidated financial statements"). The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board ("IASB").

References to "Hudbay", the "Company", "we", "us", "our" or similar terms refer to Hudbay Minerals Inc. and its direct and indirect subsidiaries as at December 31, 2024.

Readers should be aware that:

- This MD&A contains certain "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") that are subject to risk factors set out in a cautionary note contained in our MD&A.
- This MD&A includes information with respect to Hudbay's acquisition of Copper Mountain, which was completed on June 20, 2023, including the results of the Copper Mountain mine's operations from the date of acquisition, June 20, 2023.
- This MD&A 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 US issuers.
- We use a number of non-GAAP financial performance measures in our MD&A, which do not have standardized meaning under IFRS. For further information and detailed reconciliations of such measures, please see the discussion under the "Non-GAAP Financial Performance Measures" section herein.
- The technical and scientific information in this MD&A has been approved by qualified persons based on a variety of assumptions and estimates. Please see the discussion under the "Qualified Person and NI 43-101" section herein.

Readers are also urged to review the "Notes to Reader" section beginning on page 75 of this MD&A.

Additional information regarding Hudbay, including the risks related to our business and those that are reasonably likely to affect our consolidated financial statements in the future, is contained in our continuous disclosure materials, including our most recent AIF, consolidated financial statements and Management Information Circular available on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

All amounts are in US dollars unless otherwise noted.

OUR BUSINESS

We are a copper-focused critical minerals company with three long-life operations and a world-class pipeline of copper growth projects in tier-one mining jurisdictions of Canada, Peru and the United States. Hudbay's operating portfolio includes the Constancia mine in Cusco (Peru), the Snow Lake operations in Manitoba (Canada) and the Copper Mountain mine in British Columbia (Canada). Copper is the primary metal produced by the company, which is complemented by meaningful gold production and by-product zinc, silver and molybdenum. Hudbay's growth pipeline includes the Copper World project in Arizona (United States), the Mason project in Nevada (United States), the Llaguen project in La Libertad (Peru) and several expansion and exploration opportunities near its existing operations. We are governed by the *Canada Business Corporations Act* and our shares are listed under the symbol "HBM" on the Toronto Stock Exchange, New York Stock Exchange and Bolsa de Valores de Lima.

OUR PURPOSE

We care about our people, our communities and our planet. Hudbay provides the metals the world needs. We work sustainably, transform lives and create better futures for communities.

We transform lives: We invest in our employees, their families and local communities through long-term employment, local procurement and economic development to improve their quality of life and ensure the communities benefit from our presence.

We operate responsibly: From exploration to closure, we operate safely and responsibly, we welcome innovation and we strive to minimize our environmental footprint while following leading operating practices in all facets of mining.

We provide critical metals: We produce copper and other metals needed for everyday products and essential for applications to support the energy transition toward a more sustainable future.

OUR STRATEGY

Our mission is to create sustainable value and strong returns by leveraging our core strengths in community relations, focused exploration, mine development and efficient operations.

We believe that copper is the commodity with the best long-term supply/demand fundamentals and offers shareholders the greatest opportunity for sustained risk-adjusted returns. Copper is essential for achieving energy transition and AI technology needs - it is one of the most heavily utilized metals in renewable energy systems and is a key component for power networks, circuit boards and cooling systems in data processing centres. Through the discovery and successful development of economic mineral deposits, and through highly efficient low-cost operations to extract the metals, we believe sustainable value will be created for all stakeholders.

Hudbay's successful development, ramp-up and operation of the Constancia open-pit mine in Peru, our long history of underground mining and full life-cycle experience in northern Manitoba, our track record of reserve expansion through effective exploration, and our organic pipeline of copper development projects including Copper World and Mason provide us with a competitive advantage to deliver sustainable value relative to other mining companies of similar scale.

Over the past decade, we have built a world-class asset portfolio by executing a consistent long-term growth strategy focused on copper. We continuously work to generate strong free cash flow and optimize the value of our producing assets through exploration, brownfield expansion projects and efficient and safe operations. Furthermore, we intend to sustainably grow Hudbay through the exploration and development of our robust project pipeline, as well as through the acquisition of other properties that fit our stringent strategic criteria.

To ensure that any investment in our existing assets or acquisition of other mineral assets is consistent with our purpose and mission, we have established a number of criteria for evaluating these opportunities. The criteria include the following:

- *Sustainability*: We are focused on jurisdictions that support responsible mining activity. Our current geographic focus is on select investment grade countries in the Americas, with strong rule of law and respect for human rights consistent with our long-standing focus on environmental, social and governance ("ESG") principles;
- *Copper Focus*: We believe copper is the commodity with the best long-term supply/demand fundamentals. Global copper mine supply is challenged due to declining industry grades, limited exploration success and an insufficient pipeline of development-ready projects while demand will continue to increase through global decarbonization initiatives and the rapid growth in AI data processing centres. We believe this long-term supply/demand gap will create opportunities for increased risk-adjusted returns. While our primary focus is on copper, we recognize and value the polymetallic nature of copper deposits and, in particular, the counter-cyclical nature of gold in our portfolio;
- *Quality*: We are focused on investing in long-life, low-cost, expandable, high-quality assets that can capture peak pricing of multiple commodity price cycles and can generate free cash flow through the troughs of price cycles;
- *Potential*: We consider the full spectrum of acquisition and investment opportunities, from early-stage exploration to producing assets, that offer significant incremental potential for exploration, development, expansion and optimization beyond the stated resources and mine plan;
- *Process*: We develop a clear understanding of how an investment or acquisition can create value through our robust due diligence and capital allocation process that applies our technical, social, operational and project execution expertise;
- *Operatorship*: We believe value is created through leveraging Hudbay's competitive advantages in safe and efficient operations and effective exploration and project development and community relations. While operatorship is a key criterion, we are open to joint ventures and partnerships that de-risk our portfolio and increase risk-adjusted returns; and
- *Capital Allocation*: We pursue investments and acquisitions that are accretive to Hudbay on a per share basis. Given that our strategic focus includes allocating capital to assets at various stages of development, when evaluating accretion, we will consider measures such as internal rate of return ("IRR"), return on invested capital ("ROIC"), net asset value per share and the contained value of reserves and resources per share.

Our key objectives for 2025 are to:

- Deliver strong copper and gold production levels from diversified operating platform;
- Maintain strong operating cost performance, achieving industry-leading margins;
- Generate strong cash flow to further enhance Hudbay's financial position to reinvest in high-return brownfield projects and unlock industry-leading copper growth pipeline;
- Maintain focus on financial discipline with stringent capital allocation criteria to guide discretionary spending and generate strong returns on invested capital;
- Maintain record performance at our New Britannia mill and continuous improvement initiatives throughout our Snow Lake operations;
- Implement mill optimization projects at Copper Mountain to drive improved operating performance;
- Evaluate the potential to increase mill throughput at Constancia with the installation of a pebble crusher;
- Advance the Copper World project through definitive feasibility studies and the remaining elements of the three pre-requisites plan required for sanctioning, including a potential joint venture partnership;
- Drill the 1901 deposit from the new underground access drift to test for gold and copper extensions and upgrade resources;
- Advance plans to drill the prospective Maria Reyna and Caballito properties near Constancia;
- Execute extensive exploration program on the large land package in Snow Lake to target new discoveries to utilize excess capacity at the Stall mill and further enhance production;
- Advance economic studies for the reprocessing of Flin Flon tailings;
- Explore for new discoveries within trucking distance of the Flin Flon processing facilities as part of the exploration partnership with Marubeni;
- Continue to identify and evaluate opportunities to further reduce greenhouse gas emissions and update corporate targets based on further studies and the Copper Mountain acquisition;
- Assess growth opportunities that meet our stringent strategic criteria and allocate capital to pursue those opportunities that create sustainable value for the company and our stakeholders; and
- As always, continue to operate safely and sustainably, aligned with our company purpose to ensure that our activities have a positive impact on our people, our communities and our planet.

SUMMARY

Delivered Record Annual Results, Led by Record Gold Production from Manitoba Operations and Record Revenues; 2024 Consolidated Production and Cost Guidance Achieved

- Achieved record annual revenue of $2,021.2 million and record annual adjusted EBITDA [1] of $822.5 million.
- Enhanced operating platform achieved 2024 consolidated production guidance for all metals with record gold production exceeding the top end of the 2024 guidance range. Full-year consolidated copper production of 137,943 tonnes, gold production of 332,240 ounces and silver production of 3,983,851 ounces increased by 5%, 7% and 11% respectively, compared to full year 2023.
- Significantly outperformed our twice-improved 2024 consolidated cash cost guidance. Strong cost control and meaningful exposure to gold by-product credits resulted in better-than-expected consolidated 2024 cash cost[1] and sustaining cash cost[1] per pound of copper produced, net of by-product credits, of $0.46 and $1.62, respectively, an improvement of 43% and 6%, respectively, compared to 2023.
- Peru full year copper production was within the 2024 guidance range while gold production exceeded the top end of guidance as additional gold benches were prioritized in the fourth quarter. Peru full year cash costs of $1.18 per pound outperformed the 2024 annual guidance range.
- Manitoba full year gold production of 214,225 ounces exceeded the top end of the 2024 guidance range of 170,000 to 200,000 ounces. Manitoba full year cash costs of $606 per ounce outperformed the lower end of 2024 annual guidance range of $700 to $900 per ounce.
- British Columbia full year copper production was below the low end of the 2024 guidance range, as expected, while full year gold production was in line with the 2024 annual guidance range. Copper production was lower than the guidance range as a result of lower grades in stockpiled ore and lower mill throughput during the ramp-up of stabilization and optimization efforts throughout the year. British Columbia continues to advance mill optimization initiatives with the goal to achieve higher mill throughput in 2025.
- Cash and cash equivalents and short-term investments increased by $332.0 million to $581.8 million during 2024 due to a successful equity offering and strong operating cash flows bolstered by higher copper and gold prices, which enabled a $512.0 million reduction in net debt[1] during 2024.

Delivered Strong Fourth Quarter Operating and Financial Results

- Fourth quarter consolidated copper production of 43,262 tonnes was in line with quarterly production cadence expectations and increased 38% from the third quarter of 2024. Consolidated gold production of 94,161 ounces significantly exceeded expectations and represented an increase of 6% from the strong levels achieved in the third quarter of 2024.
- Strong operating cost performance with consolidated cash cost [1] and sustaining cash cost[1] per pound of copper produced, net of by-product credits[1], in the fourth quarter of 2024 of $0.45 and $1.37, respectively, representing another quarter of industry-leading cost performance.
- Peru operations continued to benefit from strong and consistent mill throughput, achieving averages of approximately 87,000 tonnes per day in the fourth quarter, despite a planned semi-annual mill maintenance shutdown. The on-time completion of the Pampacancha stripping program contributed to higher grade ore during the fourth quarter. Peru operations produced 33,988 tonnes of copper and 38,079 ounces of gold in the fourth quarter of 2024, in line with quarterly cadence expectations. Peru cash cost per pound of copper produced, net of by-product credits[1], was $1.00 in the fourth quarter, demonstrating continued strong cost performance.
- Manitoba operations produced 51,438 ounces of gold in the fourth quarter of 2024, significantly exceeding management's expectations in both production and efficiency. Manitoba cash cost per ounce of gold produced, net of by-product credits[1], was $607 during the fourth quarter, reflecting better-than-expected operating performance and continued strong operating cost margins.
- British Columbia operations produced 5,927 tonnes of copper at a cash cost per pound of copper produced, net of by-product credits [1], of $3.00 in the fourth quarter of 2024, reflecting reduced mill throughput versus the third quarter of 2024 as a result of ramp-up periods following mill maintenance shutdowns during the quarter.
- Achieved revenue of $584.9 million and operating cash flow before change in non-cash working capital of $231.5 million in the fourth quarter of 2024, a 20% and 24% increase, respectively, from the third quarter of 2024. Strong financial results were driven by higher realized gold prices as well as strong copper production in Peru, while delivering on higher grades, throughput and cost control initiatives across all business units.
- Fourth quarter net earnings attributable to owners and earnings per share attributable to owners were $21.2 million and $0.05, respectively. After adjusting for items on a pre-tax basis such as a non-cash $17.4 million foreign exchange loss, a $14.1 million write-down of PP&E, a $10.3 million mark-to-market revaluation gain on various instruments such as unrealized strategic copper hedges, investments and share-based compensation, and a non-cash loss of $2.5 million related to a quarterly revaluation of our closed site environmental reclamation provision, among other items, fourth quarter adjusted earnings[1] per share attributable to owners was $0.18.
- Adjusted EBITDA[1] was $257.3 million during the fourth quarter of 2024, a 25% increase compared to the third quarter of 2024.
- Financial results in the fourth quarter would have been even higher if excess copper inventory in Peru at the end of December 2024 was sold. A total of approximately 30,000 wet metric tonnes of copper concentrate was unsold at the end of December, compared to normal levels of 15,000 wet metric tonnes. The excess copper concentrate inventory in Peru is expected to be sold in the first quarter of 2025.

Achieved Significant Debt Reduction and Transformed Balance Sheet

- Hudbay's unique copper and gold diversification in Peru and Canada provides exposure to higher copper and gold prices and attractive free cash flow generation.
- While the majority of revenues continue to be derived from copper production, gold represented an increasing portion of total revenues at 35% in 2024 compared to 29% in 2023, which was driven by high gold prices and record gold production in Manitoba.
- Impressive operating cash flow and free cash flow generation in 2024 reflects continued strong copper and gold production in Peru and higher gold production from Manitoba following the full repayment of our gold prepayment liability in August 2024, as well as operating cash flow contributions from British Columbia.
- Strong operating cash flow generation and the net proceeds from the equity offering in May 2024 allowed the Company to significantly deleverage and transform the balance sheet with $245 million of combined debt repayments and gold prepayment liability reductions in 2024.
- Further reduced net debt[1] to $525.7 million in the fourth quarter of 2024, representing the fourth consecutive quarter of lower net debt as a result of deleveraging efforts and capitalizing on strong operating cash flow generation.
- Record annual adjusted EBITDA[1] of $822.5 million in 2024 was a substantial increase from $647.8 million in 2023.
- The increase in cash and reduction in long-term debt significantly reduced our net debt to adjusted EBITDA ratio [1] to 0.6x at the end of 2024 compared to 1.6x at the end of 2023, well within the targeted 1.2x net debt to adjusted EBITDA ratio outlined in our three prerequisites plan (the "3-P plan") for advancing Copper World, and transforming Hudbay from one of the highest leverage positions to the lowest leverage position among industry peers .
- In November 2024, further improved long-term balance sheet resilience with a proactive three-year extension of the Company's senior secured revolving credit facilities from October 2025 to November 2028. The extended credit facilities provide increased financial flexibility to accretively maintain the 4.50% coupon 2026 senior unsecured notes outstanding to maturity and advance Copper World towards a sanctioning decision in accordance with the 3-P plan. The $450 million revolving credit facilities include an improved pricing grid reflecting the enhanced financial position of Hudbay and feature an opportunity to increase the facility by an additional $150 million at Hudbay's discretion during the four-year tenor, providing additional financial flexibility.
- Total liquidity substantially increased by 76% to $1,007.8 million at the end of 2024 from $573.7 million at the end of 2023.

Advancing Growth Initiatives to Further Enhance Copper and Gold Exposure

- Received all major permits required for the development and operation of Copper World with the receipt of the Air Quality Permit in January 2025 and the Aquifer Protection Permit in August 2024. Copper World is now the highest grade and lowest capital intensity fully permitted copper project in the Americas.
- Continuing to progress the 3-P plan for Copper World in 2025 with definitive feasibility study activities and minority joint venture partner process underway.
- The successful completion of the planned stripping program at Pampacancha in September unlocked significantly higher copper and gold grades in the fourth quarter of 2024, which together with maintaining strong operating performance at Constancia has generated meaningful free cash flow in Peru.
- The New Britannia mill continued to exceed throughput expectations, driving continued strong gold production and free cash flow generation in Manitoba. The New Britannia mill achieved throughput levels of approximately 2,020 tonnes per day in the fourth quarter, exceeding its original design capacity of 1,500 tonnes per day and its 2024 budgeted capacity of 1,800 tonnes per day due to the successful implementation of process improvement initiatives and effective preventative maintenance measures. After three years of operations, a post-project review of the New Britannia refurbishment investment has increased the unlevered IRR to 36% from 19% at project sanction in 2020.
- We have successfully implemented post-acquisition plans to stabilize the Copper Mountain operations through mining fleet ramp-up activities and increased mill reliability and performance. Efforts are now focused on optimizing the operations in 2025 through execution of the planned accelerated stripping program and mill throughput improvement projects.
- Drill permitting for highly prospective Maria Reyna and Caballito properties near Constancia continues to advance through the multi-step regulatory process with the conclusion of the process expected in 2025.
- The development of an access drift to the 1901 deposit in Snow Lake is progressing well and first ore mining is expected in the second quarter of 2025 to enable confirmation of the optimal mining method for the deposit. Underground step-out drilling to-date has intersected copper-gold mineralization and additional drilling is planned for 2025. The development of an adjacent haulage drift has been initiated to de-risk planned full production in 2027.
- Large 2024 exploration program in Snow Lake continued testing targets near Lalor and regional satellite properties throughout the winter months with encouraging results. 2025 exploration plans include a large geophysics program and follow-up drilling at Lalor Northwest located 400 metres from Lalor's underground infrastructure, along with the testing of a deep geophysical target at the Cook Lake North property.

- Continuing to advance Flin Flon tailings reprocessing opportunities through metallurgical test work and early economic evaluation to assess the possibility of producing critical minerals and precious metals while reducing the environmental footprint.

2025 Guidance Reflects Stable Copper and Gold Production at Industry-leading Margins

- Consolidated copper production of 133,000 tonnes, based on the midpoint of the 2025 guidance range, is expected to remain stable with 2024 levels, reflecting higher expected production in British Columbia as mill throughput optimization plans are implemented, offset by a lower portion of ore feed from the high-grade Pampacancha satellite deposit in Peru.
- Consolidated gold production of 277,750 ounces, based on the midpoint of the 2025 guidance range, is expected to be lower than 2024 production, reflecting a lower portion of ore feed from Pampacancha in 2025 and the accelerated mining of high-grade gold benches in late 2024, partially offset by continued strong gold production in Manitoba.
- Consolidated cash cost, net of by-product credits, in 2025 is expected to be within $0.80 to $1.00 per pound as we continue to focus on maintaining strong cost control across the business, driving industry-leading margins.
- Total sustaining capital expenditures are expected to be $365 million in 2025, reflecting some deferrals from 2024 and higher sustaining spending at the operations.
- Total growth capital expenditures are expected to be $205 million in 2025 as we reinvest in several high-return growth projects in 2025 to deliver increased copper exposure. This includes $55 million for mill throughput improvement projects in British Columbia, $25 million for mill throughput improvement projects in Peru, and $65 million for Copper World de-risking activities and feasibility studies.
- Exploration expenditures are expected to total $40 million in 2025 as we continue to execute our large multi-year exploration program in the Snow Lake region, which continues to be partially funded by critical minerals premium flow-through financing that was completed in the fourth quarter.

Summary of Fourth Quarter Results

Cash generated from operating activities of $238.1 million increased by $92.1 million in the fourth quarter of 2024 compared to the third quarter of 2024, and was higher by $9.1 million compared to the fourth quarter of 2023. Operating cash flow before change in non-cash working capital was $231.5 million during the fourth quarter of 2024, reflecting an increase of $45.4 million from the third quarter of 2024 and a decrease of $15.0 million compared to the fourth quarter of 2023. The increase compared to the third quarter of 2024 reflects higher copper and gold sales volumes driven by higher grades in Peru and continued strong gold production in Manitoba. The decrease compared to the fourth quarter of 2023 was primarily the result of lower copper sales volumes in Peru due to higher unsold copper concentrate inventory levels at year end 2024 as a result of a strong ramp-up of production of higher grade ore during the quarter. In addition, operating cash flow was impacted by lower copper production from Copper Mountain due to planned and unplanned maintenance activities at the mill. This was partially offset by strong operational cost performance across the business and higher realized metal prices.

Consolidated copper production of 43,262 tonnes in the fourth quarter of 2024 was in line with quarterly production cadence and represented a significant increase of 38% from the third quarter of 2024. Consolidated gold production of 94,161 ounces significantly exceeded expectations and represented an increase of 6% from the third quarter of 2024. Consolidated copper and gold production in the fourth quarter of 2024 decreased by 5% and 17%, respectively, compared to the same period in 2023 primarily due to lower gold production and lower planned ore grades in Peru and Manitoba as well as lower copper production at Copper Mountain due to mill maintenance. Consolidated silver and zinc production in the fourth quarter of 2024 increased by 10% and 46%, respectively compared to the same period in 2023 primarily due to higher grades and higher throughput in Peru, as we completed planned stripping activities.

Net earnings attributable to owners in the fourth quarter of 2024 was $21.2 million, or $0.05 per share, compared to $30.7 million, or $0.10 per share, in the fourth quarter of 2023. The fourth quarter of 2024 was impacted by various non-cash charges for foreign exchange losses, write-offs of previously capitalized PP&E and revaluation of share-based compensation due to a higher share price.

Adjusted net earnings attributable to owners [1] and adjusted net earnings per share attributable to owners [1] in the fourth quarter of 2024 were $70.3 million and $0.18 per share, respectively, after adjusting for items on a pre-tax basis such as a non-cash $17.4 million foreign exchange loss, a $14.1 million write-down of PP&E, a $10.3 million mark-to-market revaluation gain on various instruments such as unrealized strategic copper hedges, investments and stock based compensation, and a non-cash loss of $2.5 million related to a quarterly revaluation of our closed site environmental reclamation provision, among other items. This compares to adjusted net earnings attributable to owners[1] and net earnings per share attributable to owners[1] of $68.9 million and $0.20 per share in the same period of 2023.

Fourth quarter adjusted EBITDA[1] was $257.3 million, a 25% increase compared to $206.2 million in the third quarter of 2024 as higher copper and gold grades led to increased sales volumes. Fourth quarter adjusted EBITDA declined by 6% compared to $274.4 million in the fourth quarter of 2023 as a result of the aforementioned lower copper and gold sales volumes. In addition, in Peru copper concentrate inventory levels totaled approximately 30,000 wet metric tonnes at the end of the quarter, higher than normal levels of 15,000 wet metric tonnes were unsold at the end of the quarter because of the strong production ramp-up late in the year. The excess copper concentrate in Peru is expected to be sold in the first quarter of 2025.

In the fourth quarter of 2024, consolidated cash cost per pound of copper produced, net of by-product credits [1], was $0.45 compared to $0.18 in the third quarter of 2024, as higher production more than offset higher mining, milling and G&A costs in the fourth quarter, but by-product credits were lower on a per pound basis. Fourth quarter consolidated cash cost per pound of copper, net of by-product credits[1] increased compared to $0.16 in the same period in 2023. This increase was mainly the result of higher mining, milling and G&A costs as well as lower copper production.

Consolidated sustaining cash cost per pound of copper produced, net of by-product credits [1], was $1.37 in the fourth quarter of 2024 compared to $1.71 in the third quarter of 2024, with the decrease is driven by strong cost control and lower sustaining capital expenditures in the fourth quarter. Fourth quarter consolidated sustaining cash cost per pound of copper produced, net of by-product credit[1], was higher compared to $1.09 in the same period in 2023. This increase was primarily due to the same reasons outlined above, partially offset by lower sustaining capital expenditures.

Consolidated all-in sustaining cash cost per pound of copper produced, net of by-product credits [1], was $1.53 in the fourth quarter of 2024, lower than $1.95 in the third quarter of 2024 mainly due to the same reason outlined above as well as lower corporate G&A and regional costs in the fourth quarter. Fourth quarter consolidated all-in sustaining cash cost per pound of copper produced, net of by-product credits[1], was higher than $1.31 in the same period in 2023 due to the same reasons outlined above.

As at December 31, 2024, total liquidity was $1,007.8 million, including $541.8 million in cash and cash equivalents, $40.0 million in short-term investments as well as undrawn availability of $426.0 million under our revolving credit facilities. Net debt[1] declined to $525.7 million at the end of 2024 compared to $1,037.7 million at the end of 2023. We expect that our current liquidity together with cash flows from operations will be sufficient to meet our liquidity needs for the next year.

Summary of Full Year Results

We achieved our 2024 consolidated production guidance for all metals and significantly exceeded our 2024 production guidance for gold. On a business unit stand-alone basis, Peru exceeded the top end of the gold production guidance and achieved the guidance ranges for all other metals. Manitoba exceeded the top end of the gold and copper guidance ranges and achieved the guidance ranges for all other metals. In British Columbia production of gold was within the guidance range, whereas copper production was below the low end of guidance range as a result of lower grades in stockpiled ore and reduced throughput during the mill stabilization period.

Consolidated copper, gold and silver production for the full year 2024 increased by 5%, 7% and 11%, respectively, compared to the same period in 2023 primarily due to the incremental production from Copper Mountain and higher throughput and operating performance in Manitoba.

Cash generated from operating activities increased to $666.2 million in 2024 from $476.9 million in 2023. Operating cash flow before change in non-cash working capital increased to a record $691.1 million in 2024 from $570.0 million in 2023. The increase in operating cash flow before changes in working capital was primarily the result of higher metal prices and gold sales volumes, as well as the incremental contribution margin from the Copper Mountain mine. This was partially offset by a significant increase in cash taxes paid of $132.5 million, compared to $54.8 million in 2023 mainly at our Peru operations.

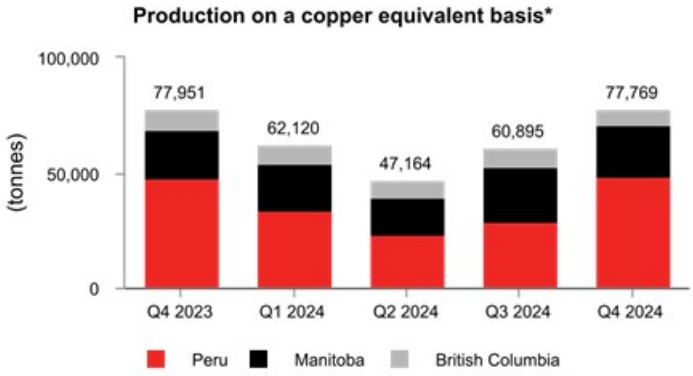
Net earnings attributable to owners for 2024 was $76.7 million, or $0.20 per share, compared to $66.4 million, or $0.22 per share, in 2023. Full year 2024 net earnings were positively impacted by increases in sales volumes and higher realized prices for all metals, partially offset by various non-cash charges related to foreign exchange losses, write-offs of previously capitalized PP&E, mark-to-market revaluation losses on various instruments such as unrealized strategic copper hedges, investments and share-based compensation and higher mining and income tax expenses.

Adjusted net earnings attributable to owners [1] and adjusted net earnings per share attributable to owners [1] for 2024 were $181.4 million and $0.48 per share, respectively, after adjusting for items on a pre-tax basis such as a $27.4 million write-down of PP&E, a $27.1 million mark-to-market revaluation loss on various instruments such as the gold prepayment liability, unrealized strategic copper and gold hedges, investments and stock based compensation, a non-cash $21.0 million foreign exchange loss and a non-cash gain of $3.5 million related to the revaluation of our closed site environmental reclamation provision, among other items. This compares to adjusted net earnings attributable to owners[1] and net earnings per share attributable to owners[1] of $69.0 million and $0.23 per share in the same period of 2023.

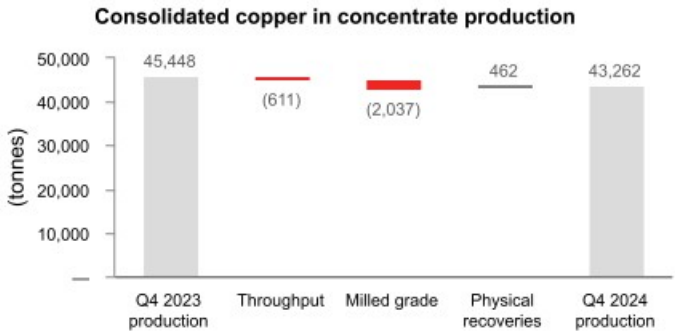
Adjusted EBITDA[1] was $822.5 million in 2024, a 27% increase compared to $647.8 million in 2023. The increase is the result of higher realized metal prices and higher sales volumes during the year.

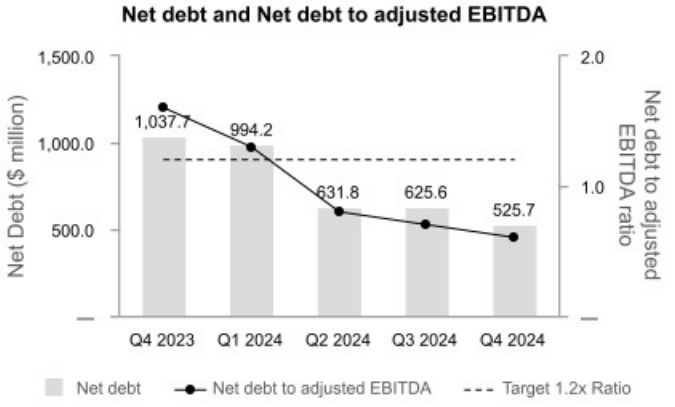
Consolidated cash cost per pound of copper produced, net of by-product credits [1], was $0.46, compared to $0.80 in 2023 which outperformed our twice-improved 2024 annual cost guidance. The improvement was mainly the result of higher copper production and higher gold by-product credits, partially offset by higher mining, milling and G&A costs. Consolidated sustaining cash cost per pound of copper produced, net of by-product credits[1], of $1.62 in 2024 decreased from $1.72 in 2023 due to the same reasons outlined above partially offset by higher cash sustaining capital expenditures.

Consolidated all-in sustaining cash cost per pound of copper produced, net of by-product credits [1], was $1.88 in 2024, slightly lower than $1.92 in 2023 as a result of the same reasons outlined above partially offset by higher corporate selling and administrative costs primarily due to a revaluation of share-based compensation associated with a higher share price.



*Copper equivalent production is calculated using the quarter average LME prices for each metal.





[1] Adjusted net earnings (loss) - attributable to owners and adjusted net earnings (loss) per share - attributable to owners, adjusted EBITDA, cash cost, sustaining cash cost, all-in sustaining cash cost per pound of copper produced, net of by-product credits, cash cost, sustaining cash cost per ounce of gold produced, net of by-product credits, combined unit cost, net debt and net debt to adjusted EBITDA ratio are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

KEY FINANCIAL RESULTS

Financial Condition		
(in $ millions, except net debt to adjusted EBITDA ratio)	**Dec. 31, 2024**	Dec. 31, 2023
Cash and cash equivalents and short-term investments	**$ 581.8**	$ 249.8
Total long-term debt	**1,107.5**	1,287.5
Net debt[1]	**525.7**	1,037.7
Working capital[2]	**511.3**	135.8
Total assets	**5,487.6**	5,312.6
Equity attributable to owners of the Company	**2,553.2**	2,096.8
Net debt to adjusted EBITDA [1]	**0.6**	1.6

[1] Net debt and net debt to adjusted EBITDA are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[2] Working capital is determined as total current assets less total current liabilities as defined under IFRS and disclosed on the consolidated financial statements.

Financial Performance	Three months ended		Year ended	
(in $ millions, except per share amounts or as noted below)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Revenue	**$ 584.9**	$ 602.2	**$ 2,021.2**	$ 1,690.0
Cost of sales	**400.5**	405.4	**1,467.4**	1,297.5
Earnings before tax	**103.7**	81.0	**251.6**	151.8
Net earnings	**19.3**	33.5	**67.8**	69.5
Net earnings attributable to owners	**21.2**	30.7	**76.7**	66.4
Basic and diluted earnings per share - attributable	**0.05**	0.10	**0.20**	0.22
Adjusted earnings per share - attributable [1]	**0.18**	0.20	**0.48**	0.23
Operating cash flow before change in non-cash working capital	**231.5**	246.5	**691.1**	570.0
Adjusted EBITDA[1]	**257.3**	274.4	**822.5**	647.8

[1] Adjusted earnings per share - attributable to owners and adjusted EBITDA are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

KEY PRODUCTION RESULTS

		Three months ended Dec. 31, 2024				Three months ended Dec. 31, 2023			
		Peru	Manitoba	British Columbia[3]	Total	Peru	Manitoba	British Columbia[3]	Total
Contained metal in concentrate and doré produced[1]									
Copper	*tonnes*	**33,988**	**3,347**	**5,927**	**43,262**	33,207	3,735	8,508	45,450
Gold	*oz*	**38,079**	**51,438**	**4,644**	**94,161**	49,418	59,863	3,495	112,776
Silver	*oz*	**969,502**	**283,223**	**58,933**	**1,311,658**	836,208	255,579	105,295	1,197,082
Zinc	*tonnes*	**-**	**8,385**	**-**	**8,385**	-	5,747	-	5,747
Molybdenum	*tonnes*	**195**	**-**	**-**	**195**	397	-	-	397
Payable metal sold									
Copper	*tonnes*	**28,775**	**3,321**	**5,831**	**37,927**	31,200	3,687	9,119	44,006
Gold[2]	*oz*	**37,459**	**50,239**	**5,036**	**92,734**	38,114	63,635	3,091	104,840
Silver[2]	*oz*	**824,613**	**282,158**	**43,747**	**1,150,518**	703,679	246,757	98,441	1,048,877
Zinc	*tonnes*	**-**	**5,261**	**-**	**5,261**	-	7,385	-	7,385
Molybdenum	*tonnes*	**182**	**-**	**-**	**182**	468	-	-	468

		Year ended Dec. 31, 2024				Year ended Dec. 31, 2023			
		Peru	Manitoba	British Columbia[3]	Total	Peru	Manitoba	British Columbia[3]	Total
Contained metal in concentrate and doré produced[1]									
Copper	*tonnes*	**99,001**	**12,536**	**26,406**	**137,943**	100,487	12,154	19,050	131,691
Gold	*oz*	**98,226**	**214,225**	**19,789**	**332,240**	114,218	187,363	8,848	310,429
Silver	*oz*	**2,708,262**	**995,090**	**280,499**	**3,983,851**	2,505,229	851,723	218,282	3,575,234
Zinc	*tonnes*	**-**	**33,339**	**-**	**33,339**	-	34,642	-	34,642
Molybdenum	*tonnes*	**1,323**	**-**	**-**	**1,323**	1,566	-	-	1,566
Payable metal sold									
Copper	*tonnes*	**88,138**	**11,602**	**25,354**	**125,094**	96,213	10,708	18,075	124,996
Gold[2]	*oz*	**103,364**	**212,243**	**19,735**	**335,342**	97,176	171,297	8,420	276,893
Silver[2]	*oz*	**2,343,820**	**956,460**	**249,536**	**3,549,816**	2,227,419	728,304	189,443	3,145,166
Zinc	*tonnes*	**-**	**25,120**	**-**	**25,120**	-	28,779	-	28,779
Molybdenum	*tonnes*	**1,287**	**-**	**-**	**1,287**	1,462	-	-	1,462

[1] Metal reported in concentrate is prior to deductions associated with smelter contract terms.

[2] Includes total payable gold and silver in concentrate and in doré sold.

[3] Includes 100% of Copper Mountain mine production. Hudbay owns 75% of Copper Mountain mine. As Copper Mountain was acquired on June 20, 2023, the production for the year ended December 31, 2023 represents the period from acquisition date, June 20, 2023, through to year end December 31, 2023.

KEY COST RESULTS

		Three months ended		Year ended		Guidance
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023	Annual 2024[2]
Peru cash cost per pound of copper produced						
Cash cost[1]	*$/lb*	**1.00**	0.54	**1.18**	1.07	1.25 - 1.60
Sustaining cash cost[1]	*$/lb*	**1.48**	1.21	**1.86**	1.81	
Manitoba cash cost per ounce of gold produced						
Cash cost[1]	*$/oz*	**607**	434	**606**	727	700 - 900
Sustaining cash cost[1]	*$/oz*	**908**	788	**868**	1,077	
British Columbia cash cost per pound of copper produced [3]						
Cash cost[1]	*$/lb*	**3.00**	2.67	**2.74**	2.49	2.00 - 2.50
Sustaining cash cost[1]	*$/lb*	**5.76**	3.93	**5.29**	3.41	
Consolidated cash cost per pound of copper produced						
Cash cost[1]	*$/lb*	**0.45**	0.16	**0.46**	0.80	0.65 - 0.85
Sustaining cash cost[1]	*$/lb*	**1.37**	1.09	**1.62**	1.72	1.75 - 2.20
All-in sustaining cash cost[1]	*$/lb*	**1.53**	1.31	**1.88**	1.92	

[1] Cash cost, sustaining cash cost, all-in sustaining cash cost per pound of copper produced, net of by-product credits, gold cash cost, sustaining cash cost per ounce of gold produced, net of by-product credits, and unit operating cost are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[2] We previously improved our 2024 annual consolidated cash cost guidance range to $0.65 to $0.85 per pound from the original guidance range of $1.05 to $1.25 per pound. We also previously improved our 2024 annual consolidated sustaining cash cost guidance range to $1.75 to $2.20 per pound from the original guidance range of $2.00 to $2.45 per pound.

[3]As Copper Mountain was acquired on June 20, 2023, the results for the year ended December 31, 2023 represents the period from the acquisition date, June 20, 2023, through to the year ended 2023.

RECENT DEVELOPMENTS

Significant Debt Reduction and Transformed Balance Sheet

We took several prudent measures in 2024 to significantly improve the strength of our balance sheet and improve financial flexibility, including a total of $245 million of combined debt repayments and gold prepayment liability reductions:

- In May 2024, we completed a successful equity offering issuing common shares for gross proceeds of $402.5 million, resulting in net proceeds of $386.2 million after transaction costs.
- Repurchased and retired a total of $82.6 million of senior unsecured notes during the year.
- Repaid $100 million of prior drawdowns under our revolving credit facilities during the year.
- Fully repaid the gold prepay facility, with $62.3 million in gold deliveries in 2024 and the final payment completed in August.
- In November, we proactively extended our senior secured revolving credit facilities by three years from October 2025 to November 2028 and negotiated the flexibility to leave our 4.50% 2026 senior unsecured notes outstanding to maturity as Copper World advances towards a sanctioning decision in accordance with the 3-P plan. The newly extended $450 million revolving credit facilities include an improved pricing grid reflecting the enhanced financial position of Hudbay and feature an opportunity to increase the facility by an additional $150 million at our discretion during the four-year tenor, providing additional financial flexibility.

We have delivered six consecutive quarters of meaningful free cash flow generation as a result of recent brownfield investments, continuous operational improvement efforts and steady cost control across the business. As a result of the continued cash flow generation and our deleveraging efforts, we have substantially reduced our net debt[1] to $525.7 million as of December 31, 2024, as compared to $1,037.7 million at the end of 2023. The net debt reduction, together with higher levels of adjusted EBITDA[1] over the last twelve months, has significantly improved our net debt to adjusted EBITDA ratio[1] to 0.6x compared to 1.6x at the end of 2023.

Copper World Permitting Completed

On January 2, 2025, Hudbay received the Air Quality Permit for the Copper World project from the Arizona Department of Environmental Quality ("ADEQ"). The issuance of this permit is a significant milestone in the advancement of the project as it is the final major permit required for the development and operation of Copper World. Copper World is expected to produce 85,000 tonnes of copper per year over an initial 20-year mine life.

Hudbay has now received all three key state permits required for Copper World development and operation:

- ***Mined Land Reclamation Plan - Completed*** - the Mined Land Reclamation Plan was initially approved by the Arizona State Mine Inspector in October 2021 and was subsequently amended and approved to reflect a larger private land project footprint. This approval was challenged in state court, but the challenge was dismissed in May 2023.
- ***Aquifer Protection Permit - Completed*** - the Aquifer Protection Permit was received on August 29, 2024 from the ADEQ following a robust process that included detailed analysis by the agency and Hudbay, along with a public comment period that was completed in the second quarter of 2024.
- ***Air Quality Permit - Completed*** - the Air Quality Permit was received on January 2, 2025 from the ADEQ following a similarly robust process, including a public comment period that concluded in the third quarter of 2024. An administrative appeal was filed by certain opponents in late January, as expected and the Company is confident the permit will be upheld, similar to the project's other state-level permits .

Hudbay received the Aquifer Protection Permit and Air Quality Permit on schedule after a thorough public consultation process, and the Company is pleased with the level of local support it has received. Hudbay looks forward to providing significant benefits for the community and local economy in Arizona. Once in production, Copper World is expected to be a meaningful copper producer in the U.S. domestic copper supply chain, which will be required to help secure growing U.S. metal demand related to increased manufacturing capacity, infrastructure development, increased energy independence, domestic battery supply chain and strengthening the nation's security.

Now that the major permits for Copper World have been received, Hudbay commenced a minority joint venture partner process early in 2025. It is anticipated that any minority joint venture partner would participate in the funding of definitive feasibility study activities in 2025 as well as in the final project design and construction for Copper World.

The sanctioning of Copper World is not expected until 2026 based on current estimated timelines.

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[1] Adjusted EBITDA and net debt to adjusted EBITDA ratio are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A

Bolstering Technical Capabilities

As we advance the many brownfield and greenfield growth opportunities within our portfolio, we have enhanced the senior management team with additional technical expertise and expanded the U.S. team to build bench strength and establish key leadership positions.

Hudbay's Senior Vice President of the U.S. Business Unit, Javier Del Rio, has been focusing his time solely on leading the Copper World project, leveraging his project development and operational expertise as the former head of Hudbay's South America Business Unit where he oversaw the development and operation of the Company's flagship Constancia mine in Peru. In addition, Warren Flannery, Hudbay's Vice President of Business Planning and Reclamation, relocated to Arizona in September 2024 to take on the role of Vice President of Copper World. In his new role, Mr. Flannery is leading the operational readiness of Copper World as the company advances through definitive feasibility study activities in 2025.

Adding to the U.S. expertise, in August 2024, Hudbay hired Robert Comer as Executive Director, External Affairs & Legal in Arizona. As an experienced attorney, Mr. Comer brings more than 30 years of U.S. permitting and mining law expertise. During his career, Mr. Comer has held senior leadership positions with businesses and the federal government and has successfully advanced numerous resource projects, including through environmental and land use compliance, defending permits through litigation, NEPA permitting and government relations. He is a significant asset to Copper World as Hudbay continues to advance towards a sanctioning decision in 2026.

After receiving all key permits and with feasibility study activities underway, in February 2025, we added to our U.S. team's project development expertise with the appointment of Kim Hackney as Project Director of Copper World. Mr. Hackney is a project professional with over 40 years of extensive experience in the mining industry having held several roles in project and construction management, including managing owners teams, EPCM projects and self-perform projects. He is recognized in the industry for bringing projects online within budget and on schedule, and his in-depth expertise includes global base and precious metals projects located in North, Central and South America, Canada, Africa, Australia, Indonesia, and Uzbekistan.

Hudbay also appointed John O'Shaughnessy as Vice President, Business Development in February 2025 to provide expert oversight and strategic leadership of the global mine planning process. Mr. O'Shaughnessy has 25 years of mining expertise, including numerous progressive engineering, operational and leadership roles at Vale's mining operations in Ontario and Newfoundland and Labrador. He was most recently the North Atlantic Lead for Vale's Base Metals division where he led and deployed strategic initiatives for the North Atlantic region. His broad technical expertise further augments Hudbay's technical bench strength.

New Britannia Demonstrates Successful Capital Allocation to Maximize Risk-adjusted Returns

Hudbay has a proven track record of prudently allocating capital to generate the highest risk-adjusted returns as we execute our growth strategy and advance our world-class asset portfolio. As an example of this success, we have completed a post-project review of the brownfield investment in the New Britannia mill refurbishment project in 2020 and 2021.

Hudbay acquired the New Britannia mill in 2015 for $12 million as a potential gold processing solution for the high-grade Lalor gold and copper-gold ores by providing additional processing capacity at the Snow Lake operations and allowing us to achieve higher gold recoveries of approximately 90%, compared to 55% at the existing mill. After completing several economic studies, the refurbishment project construction commenced in early 2020 with an initial capital cost of $115 million and an estimated unlevered IRR of 19%. The initial capital investment was funded by a $115 million low-cost gold prepay facility entered into in May 2020. Project construction was completed on time with mill ramp-up and commissioning achieved in the fourth quarter of 2021. The mill was refurbished with a nameplate design capacity of 1,500 tonnes per day, and has been consistently exceeding performance expectations, achieving throughput levels of 1,650 tonnes per day in 2023 and reaching record throughput levels of over 2,000 tonnes per day in 2024. The project payback was achieved after 2.5 years, and in August 2024, the gold prepay facility was fully repaid, which has increased exposure to the current high gold price environment and further improved cash flows. After three years of operations, the unlevered IRR for the New Britannia gold mill refurbishment project has now increased to 36% after adjusting for the higher production rates, stronger gold prices and current capital and operating costs.

Hudbay Celebrates Major Milestone with Millionth Ounce of Gold Recovered from Lalor Mine

At the end of 2024, we surpassed a total of one million ounces of gold produced at our Lalor mine in Snow Lake, Manitoba. This milestone reinforces the significant value Hudbay has unlocked by combining its exploration expertise, processing infrastructure and operating efficiency to maximize gold production at our Snow Lake operations. In 2024, the Snow Lake operations achieved record annual gold production exceeding the top end of the gold production guidance range with 214,225 ounces produced.

With approximately two million ounces of contained gold in current mineral reserve estimates and another 1.4 million ounces of contained gold in inferred mineral resources, Hudbay expects to continue to unlock significant value in Snow Lake and looks forward to further growing the mineral resource base through regional exploration as we continue to execute one of the largest exploration programs in Snow Lake operating history.

Exploration Update

Large Exploration Drill Program Continues in Snow Lake

In 2024, Hudbay completed the largest exploration program in the Company's history with the goal of extending known mineralization near the Lalor deposit to further extend mine life as well as to find a new anchor deposit within trucking distance of the Snow Lake processing infrastructure. The 2024 program included the largest geophysical program in Hudbay's history in Snow Lake, with surface electromagnetic surveys detecting targets at more than 1,000 metres below surface and covering a 25 square-kilometre area including the Cook Lake claims that had been previously untested by modern deep geophysics.

At Lalor Northwest, follow-up drilling in the second half of 2024 confirmed the potential for a new gold-copper discovery located approximately 400 metres from the existing Lalor underground infrastructure. Several new intersections have helped establish the geometry of this new discovery, and we plan to continue to drill Lalor Northwest in 2025.

At the regional Rail property, which was acquired through the Rockcliff acquisition in 2023, the 2024 drill program yielded new intersections of high-grade copper-gold mineralization. These results will be combined with historical drilling results on the property to update the geological model and assess its economic potential.

2024 drilling at the 1901 deposit from the exploration drift targeted down plunge extensions of the ore body. Five step-out holes were drilled beyond the known extent of the mineralization and all five holes have intersected visible copper-gold mineralization. Additional planned drilling at 1901 in 2025 is expected to confirm and potentially extend the orebody geometry and to convert inferred mineral resources in the gold lenses to mineral reserves.

We continue to test a very strong deep geophysical anomaly located at Cook Lake North, approximately six kilometres from Lalor with drilling activities continuing throughout the winter season.

Signed Exploration Agreement with First Nations in Manitoba

In February 2025, Hudbay signed its first-ever exploration agreement with the Kiciwapa Cree Nation, reflecting the Company's commitment to meaningful collaboration as we explore for new mineral resources in the Snow Lake and Flin Flon regions.

Advancing Engineering Work for Flin Flon Tailings Reprocessing

Zinc Plant Tailings - Metallurgical test work continues following positive results from the initial confirmatory drill program completed in 2024 in the section of the tailings facility that was utilized by the zinc plant for 25 years. The results confirmed the grades of precious metals and critical minerals previously estimated from historical zinc plant records. An early economic study to evaluate the opportunity to reprocess the zinc plant tailings has confirmed the potential for a technically viable reprocessing alternative, and further engineering work is underway.

Mill Tailings - We continue to advance metallurgical test work on the opportunity to reprocess Flin Flon mill tailings where 100 million tonnes of tailings were deposited over 90 years. An early economic study on the mill tailings is planned.

Maria Reyna and Caballito Drill Permits Expected in 2025

Hudbay controls a large, contiguous block of mineral rights with the potential to host mineral deposits in close proximity to the Constancia processing facility, including the past producing Caballito property and the highly prospective Maria Reyna property. The Company commenced early exploration activities at Maria Reyna and Caballito after completing a surface rights exploration agreement with the community of Uchucarcco in August 2022. As part of the drill permitting process, environmental impact assessment applications were submitted for the Maria Reyna property in November 2023 and for the Caballito property in April 2024. The environmental impact assessment (EIA) for Maria Reyna was approved by the government in June 2024 and the Caballito EIA was approved in September 2024. This represents one of several steps in the drill permitting process, which is expected to be completed in 2025.

Board Chair Transition

Effective January 1, 2025, Stephen A. Lang stepped down as Chair of Hudbay's Board of Directors due to health reasons. David S. Smith, current independent director, has been appointed Chair of the Board. Mr. Lang, who was appointed Chair in October 2019, will remain on the Board as an independent director. Mr. Smith joined the Board as an independent director in May 2019, bringing nearly 40 years of financial and executive leadership experience in the mining sector. Mr. Smith is a corporate director who has had a career on both the finance and the supply sides of the mining business, with extensive international experience in the acquisition, sale, development, financing and operations of base and precious metal operations.

Dividend Declared

A semi-annual dividend of C$0.01 per share was declared on February 18, 2025. The dividend will be paid out on March 21, 2025 to shareholders of record as of close of business on March 4, 2025.

PERU OPERATIONS REVIEW

		Three months ended		Year ended	
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Constancia ore mined[1]	*tonnes*	**4,186,058**	973,176	**15,046,190**	9,265,954
Copper	*%*	**0.40**	0.30	**0.34**	0.32
Gold	*g/tonne*	**0.04**	0.04	**0.04**	0.04
Silver	*g/tonne*	**3.88**	2.26	**3.08**	2.53
Molybdenum	*%*	**0.02**	0.01	**0.01**	0.01
Pampacancha ore mined[1]	*tonnes*	**4,037,264**	5,556,613	**9,317,499**	14,756,416
Copper	*%*	**0.63**	0.56	**0.55**	0.51
Gold	*g/tonne*	**0.38**	0.32	**0.32**	0.33
Silver	*g/tonne*	**6.43**	4.84	**5.61**	4.28
Molybdenum	*%*	**0.00**	0.01	**0.01**	0.01
Total ore mined	*tonnes*	**8,223,322**	6,529,789	**24,363,689**	24,022,370
Strip ratio[2]		**1.22**	1.26	**1.78**	1.51
Ore milled	*tonnes*	**7,999,453**	7,939,044	**31,933,624**	30,720,929
Copper	*%*	**0.48**	0.48	**0.36**	0.39
Gold	*g/tonne*	**0.20**	0.25	**0.14**	0.16
Silver	*g/tonne*	**5.28**	4.20	**3.84**	3.62
Molybdenum	*%*	**0.01**	0.01	**0.01**	0.01
Copper concentrate	*tonnes*	**148,283**	146,065	**452,473**	457,137
Concentrate grade	*% Cu*	**22.92**	22.73	**21.88**	21.98
Copper recovery	*%*	**87.8**	87.4	**85.0**	84.2
Gold recovery	*%*	**73.3**	77.6	**70.7**	71.8
Silver recovery	*%*	**71.4**	78.0	**68.8**	70.0
Molybdenum recovery	*%*	**37.1**	33.6	**41.7**	35.8
Combined unit operating costs[3,4]	*$/tonne*	**15.25**	12.24	**12.91**	12.47

[1] Reported tonnes and grade for ore mined are estimates based on mine plan assumptions and may not reconcile fully to ore milled.

[2] Strip ratio is calculated as waste mined divided by ore mined.

[3] Reflects combined mine, mill and general and administrative ("G&A") costs per tonne of ore milled. Reflects the deduction of expected capitalized stripping costs.

[4] Combined unit costs is a non-GAAP financial performance measure with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

		Three months ended		Year ended	
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Contained metal in concentrate produced					
Copper	*tonnes*	**33,988**	33,207	**99,001**	100,487
Gold	*oz*	**38,079**	49,418	**98,226**	114,218
Silver	*oz*	**969,502**	836,208	**2,708,262**	2,505,229
Molybdenum	*tonnes*	**195**	397	**1,323**	1,566
Payable metal sold					
Copper	*tonnes*	**28,775**	31,200	**88,138**	96,213
Gold	*oz*	**37,459**	38,114	**103,364**	97,176
Silver	*oz*	**824,613**	703,679	**2,343,820**	2,227,419
Molybdenum	*tonnes*	**182**	468	**1,287**	1,462
Cost per pound of copper produced					
Cash cost[1]	*$/lb*	**1.00**	0.54	**1.18**	1.07
Sustaining cash cost[1]	*$/lb*	**1.48**	1.21	**1.86**	1.81

[1] Cash cost and sustaining cash costs per pound of copper produced, net of by-product credits, are not recognized under IFRS. For more detail on these non-GAAP financial performance measures, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

Overview

Peru operations delivered higher grades in fourth quarter, as planned, and continued to benefit from strong and consistent mill throughput in 2024, averaging approximately 87,000 tonnes processed per day in the fourth quarter and full year of 2024. Cost performance in 2024 was better than expected as the operations achieved steady operating unit cost performance while benefiting from higher gold by-product sales revenues. The fourth quarter also benefited from a larger portion of ore mill feed coming from Pampacancha.

Approximately 30,000 wet metric tonnes of copper concentrate in Peru were unsold as of December 31, 2024, which is approximately 15,000 wet metric tonnes above normal levels and resulted from the strong production ramp-up that occurred late in the quarter. The excess copper concentrate is expected to be sold in the first quarter of 2025.

The Company continues to evaluate opportunities to further increase mill throughput after the Peruvian Ministry of Energy and Mines approved a regulatory change in June 2024 to allow mining companies in Peru to increase throughput by up to 10% above permitted levels.

Mining Activities

Total ore mined in the fourth quarter of 2024 increased by 26% compared to the same period in 2023, in line with our mine plan as we completed the planned stripping program at Pampacancha in late September. The planned stripping phase at Pampacancha allowed us to mine higher copper and gold grade ore in the fourth quarter, as expected. Ore mined from Pampacancha during the fourth quarter decreased to 4.0 million tonnes compared with 5.6 million tonnes in the fourth quarter of 2023 when we were in an unusually high period of ore mined from Pampacancha as per the 2023 mine plan cadence. However, total ore mined in the fourth quarter of 2024 was higher than the same period in 2023 with the inclusion of ore mined in the Constancia pit.

Full year ore mined in 2024 was slightly higher than 2023 despite periods of intensive stripping in 2024, primarily as a result of the effective use of mobile equipment and higher fleet availability.

Milling Activities

Ore milled during the fourth quarter of 2024 was 1% higher than the comparative 2023 period mainly due to the treatment of softer ore from Constancia. Milled copper grades were consistent with the same period last year. Milled gold grades decreased by 20% in the fourth quarter of 2024 compared to the same period in 2023 but were better than expected as we mined additional gold benches in the Pampacancha pit during the fourth quarter of 2024. The Constancia mill achieved record copper recoveries of 88% in the fourth quarter of 2024, higher than the previous record of 87% achieved in the comparative period. Recoveries of gold and silver during the fourth quarter of 2024 were 73% and 71%, respectively, representing a decrease of 6% and 8% respectively, compared to the same period in 2023, but remained in line with our metallurgical models for the ore types that were being processed.

Ore milled during the year ended 2024 was 4% higher than the comparative 2023 period due to the same factors as the quarterly variance. For the full year, milled copper and gold grades decreased by 8% and 13%, respectively, compared to the same period in 2023, as a result of less ore being fed from Pampacancha, as per plan. Recoveries of copper during the year ended 2024 were 85%, representing an increase of 1%, compared with the 2023 period, despite being impacted by supplemental ore feed from stockpiles during pit stripping activities early in the year. Gold and silver recoveries during the year ended 2024 were 71% and 69%, representing a decrease of 2% and 2%, respectively. This is in line with our metallurgical models.

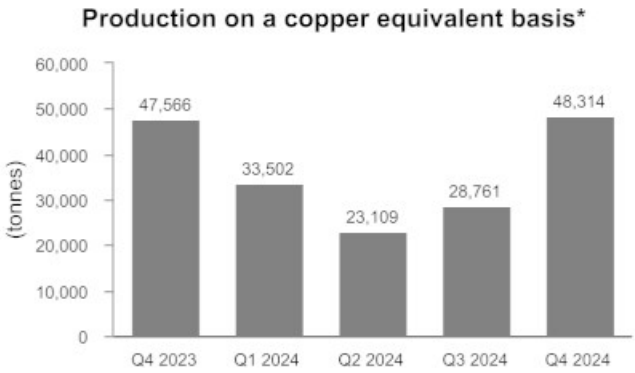
Production and Sales Performance

Production of copper and silver in the fourth quarter of 2024 was 33,988 tonnes and 969,502 ounces, respectively, representing an increase of 2% and 16%, respectively, compared to the same period in 2023 primarily due to higher throughput. Production of gold and molybdenum in the fourth quarter of 2024 was 38,079 ounces and 195 tonnes, respectively, representing a decrease of 23% and 51%, respectively, compared to the same period in 2023 as a larger portion of lower grade Constancia ore was processed in the current quarter compared to the same period last year.

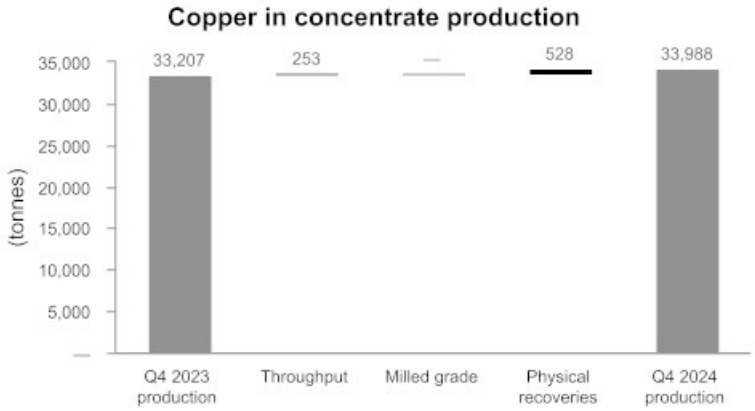
Full year production of copper, gold and molybdenum in 2024 was 99,001 tonnes, 98,226 ounces, and 1,323 tonnes, respectively, representing a decrease of 1%, 14% and 16%, respectively, from the comparative 2023 period primarily due to lower grades since more material was mined from Constancia and reclaimed from the stockpile during 2024 compared with the prior year, partially offset by higher throughput. Production of silver was 2,708,262 ounces, representing an increase of 8% from the comparative 2023 period due to higher silver grades from Pampacancha.

Quantities of sold copper and gold during the fourth quarter of 2024 were lower by 8%, and 2%, respectively, than the corresponding period in 2023 primarily due to unsold copper concentrate inventory levels at quarter end. Approximately 30,000 wet metric tonnes of copper concentrate in Peru were unsold as of December 31, 2024, which is approximately 15,000 wet metric tonnes above normal levels and resulted from the strong production ramp-up that occurred late in the quarter. Copper concentrate inventory levels are expected to normalize in the first quarter of 2025. Quantity of molybdenum sold during the fourth quarter of 2024 was lower by 61% due to lower production during the quarter. Quantity of silver sold during the fourth quarter of 2024 was higher by 17% than the corresponding period in 2023 due to the aforementioned higher grades.

Full year copper metal sold was 8% lower than the comparable period due to higher ending inventory levels. Gold metal sold was 6% higher than the comparable period primarily due to timing of precious metal sales at the beginning of the year.



*Copper equivalent production is calculated using the quarter average LME prices for each metal excluding molybdenum.



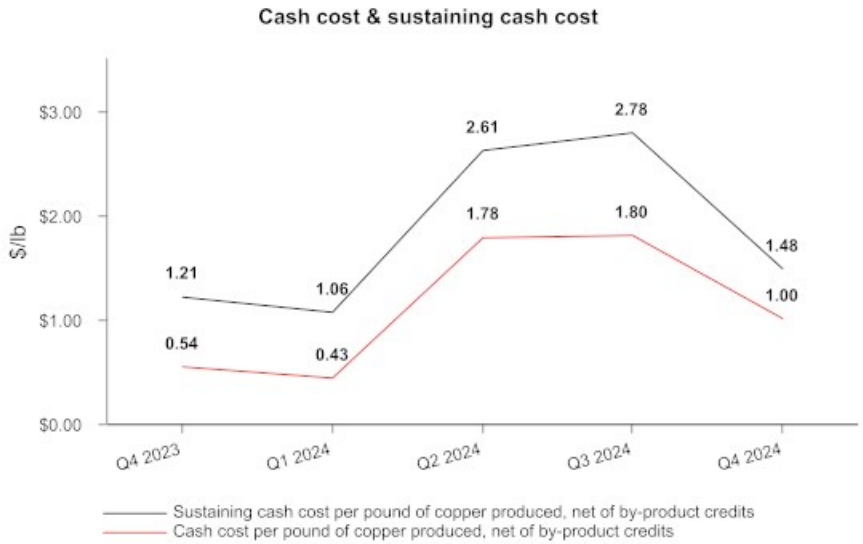
Cost Performance

Combined mine, mill and G&A unit operating cost in the fourth quarter of 2024 was $15.25 per tonne, 25% higher than the same period in 2023 primarily due to lower capitalized stripping, higher milling costs with a planned semi-annual mill maintenance shutdown in the quarter, and higher G&A costs including profit sharing. This increase was partially offset by higher ore milled. Combined mine, mill and G&A unit operating costs for the full year 2024 were $12.91 per tonne, a 4% increase compared to the same period in 2023 as higher mining and G&A costs were partially offset by higher throughput and slightly lower milling costs.

Cash cost per pound of copper produced, net of by-product credits, in the fourth quarter of 2024 was $1.00, an increase compared to $0.54 in the same period in 2023 due to lower capitalized stripping, higher mining, milling and G&A costs including profit sharing. In addition, lower by-product credits were realized from gold and molybdenum mostly as a result of lower grades compared to the same period last year.

Full year 2024 cash cost per pound of copper produced, net of by-product credits [2] was $1.18, an increase compared to $1.07 in 2023 due to lower capitalized stripping, higher mining and G&A costs, including higher profit sharing and slightly lower copper production.

Sustaining cash cost per pound of copper produced, net of by-product credits [2], was $1.48 in the fourth quarter, an increase compared with $1.21 in the same period of 2023. The increase was due to the same factors as described for the cash cost variance above, partially offset by lower sustaining capital due to lower capitalized stripping. On a full year basis, sustaining cash cost per pound of copper produced, net of by-products credits[2], was $1.86, only marginally higher than the $1.81 for the comparable period in 2023, due to the same reasons described for the cash cost variance over the full year period.



Peru Guidance Outlook

		Three months ended		Year ended		Guidance	
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023	Annual 2024	Annual 2025
Contained metal in concentrate produced							
Copper	*tonnes*	**33,988**	33,207	**99,001**	100,487	98,000 - 120,000	80,000 - 97,000
Gold	*oz*	**38,079**	49,418	**98,226**	114,218	76,000 - 93,000	49,000 - 60,000
Silver	*oz*	**969,502**	836,208	**2,708,262**	2,505,229	2,500,000 - 3,000,000	2,475,000 - 3,025,000
Molybdenum	*tonnes*	**195**	397	**1,323**	1,566	1,250 - 1,500	1,300 - 1,500
Cost per pound of copper produced							
Cash cost[1]	*$/lb*	**1.00**	0.54	**1.18**	1.07	1.25 - 1.60	1.35 - 1.65

[1] Cash cost per pound of copper produced, net of by-product credits, are not recognized under IFRS. For more detail on these non-GAAP financial performance measures, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

Full year 2024 copper, silver and molybdenum production achieved our annual guidance ranges, and gold production exceeded the upper end of our guidance range by 6%.

Cash cost per pound of copper produced [2] of $1.18 was better than expected and outperformed the low end of the cost guidance range by 6%.

		Three months ended		Year ended	
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Lalor ore mined	*tonnes*	**422,454**	372,384	**1,626,935**	1,526,729
Gold	*g/tonne*	**4.61**	5.92	**4.68**	4.74
Copper	*%*	**0.95**	1.04	**0.85**	0.86
Zinc	*%*	**2.95**	2.20	**2.84**	3.00
Silver	*g/tonne*	**31.91**	28.92	**27.14**	24.51
New Britannia ore milled	*tonnes*	**185,592**	165,038	**715,198**	596,912
Gold	*g/tonne*	**5.99**	8.03	**6.29**	6.76
Copper	*%*	**1.17**	1.46	**1.04**	1.03
Zinc	*%*	**1.08**	0.85	**0.99**	0.84
Silver	*g/tonne*	**33.97**	27.97	**27.78**	25.11
Copper concentrate	*tonnes*	**12,345**	15,179	**44,198**	37,176
Concentrate grade	*% Cu*	**16.00**	14.55	**15.78**	15.44
Gold recovery[1]	*%*	**90.2**	89.0	**89.7**	88.6
Copper recovery	*%*	**91.3**	91.6	**93.6**	93.3
Silver recovery[1]	*%*	**79.6**	83.2	**80.9**	81.5
Contained metal in concentrate produced					
Gold	*oz*	**22,011**	24,760	**90,011**	77,798
Copper	*tonnes*	**1,975**	2,208	**6,976**	5,739
Silver	*oz*	**119,201**	90,501	**396,333**	292,694
Metal in doré produced[2]					
Gold	*oz*	**12,747**	14,144	**56,853**	40,239
Silver	*oz*	**46,431**	34,895	**165,408**	97,630
Stall ore milled	*tonnes*	**222,004**	228,799	**893,510**	965,567
Gold	*g/tonne*	**3.36**	4.22	**3.42**	3.45
Copper	*%*	**0.73**	0.73	**0.71**	0.74
Zinc	*%*	**4.62**	3.20	**4.33**	4.36
Silver	*g/tonne*	**29.90**	28.63	**26.54**	24.19
Copper concentrate	*tonnes*	**7,222**	7,938	**29,029**	31,900
Concentrate grade	*% Cu*	**19.01**	19.23	**19.16**	20.11
Zinc concentrate	*tonnes*	**16,187**	11,778	**64,643**	66,824
Concentrate grade	*% Zn*	**51.80**	48.79	**51.58**	51.84
Gold recovery	*%*	**69.6**	67.5	**68.6**	64.8
Copper recovery	*%*	**84.4**	92.0	**87.4**	90.4
Zinc recovery	*%*	**81.7**	78.5	**86.2**	82.2
Silver recovery	*%*	**55.1**	61.8	**56.8**	61.4
Contained metal in concentrate produced					
Gold	*oz*	**16,680**	20,959	**67,361**	69,326
Copper	*tonnes*	**1,372**	1,527	**5,560**	6,415
Zinc	*tonnes*	**8,385**	5,747	**33,339**	34,642
Silver	*oz*	**117,591**	130,183	**433,349**	461,399

[1] Gold and silver recovery includes total recovery from concentrate and doré.

[2] Doré includes sludge, slag and carbon fines.

		Three months ended		Year ended	
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Total contained metal in concentrate and doré produced [1]					
Gold	*oz*	**51,438**	59,863	**214,225**	187,363
Copper	*tonnes*	**3,347**	3,735	**12,536**	12,154
Zinc	*tonnes*	**8,385**	5,747	**33,339**	34,642
Silver	*oz*	**283,223**	255,579	**995,090**	851,723
Payable metal sold in concentrate and doré					
Gold	*oz*	**50,239**	63,635	**212,243**	171,297
Copper	*tonnes*	**3,321**	3,687	**11,602**	10,708
Zinc	*tonnes*	**5,261**	7,385	**25,120**	28,779
Silver	*oz*	**282,158**	246,757	**956,460**	728,304
Unit Operating Costs[2]					
Lalor	*C$/tonne*	**141.13**	147.10	**142.59**	142.35
New Britannia	*C$/tonne*	**69.09**	75.36	**70.99**	82.91
Stall	*C$/tonne*	**46.34**	36.97	**43.02**	35.82
Combined unit operating costs [3,4]	*C$/tonne*	**233**	216	**226**	217
Cost per ounce of gold produced					
Cash cost[4]	*$/oz*	**607**	434	**606**	727
Sustaining cash cost[4]	*$/oz*	**908**	788	**868**	1,077

[1] Metal reported in concentrate is prior to deductions associated with smelter terms.

[2] Reflects costs per tonne of ore mined/milled.

[3] Reflects combined mine, mill and G&A costs per tonne of milled ore.

[4] Combined unit costs, cash cost and sustaining cash cost per ounce of gold produced, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

Overview

The Snow Lake operations in Manitoba continued to deliver strong operational performance during the fourth quarter of 2024, exceeding expectations in both production and efficiency. A significant milestone was achieved in December 2024 with the recovery of one million ounces from the Lalor mine, reflecting the success of our strategy to maximize gold production from the Snow Lake operations. Record annual gold production of 214,225 ounces in 2024 was achieved through a combination of higher metallurgical recoveries at the New Britannia and Stall mills, despite processing lower gold grades year-over-year, and the strategic allocation of more gold ore feed to the New Britannia mill. This success reflects the positive impact of ongoing continuous improvement initiatives.

The Lalor mine achieved strong production results in the fourth quarter, achieving an average of 4,600 tonnes per day, marking the highest quarterly ore production in 2024. This strong performance was driven by positive muck fragmentation, stope availability and improved mobile equipment availability compared to the same period in 2023. Ongoing modifications to stope design, directing ore to the brow of the stope, continues to further enhanced mucking efficiency throughout the lifecycle of stopes.

The New Britannia mill had another quarter of exceptional performance with the mill operating consistently above nameplate capacity, achieving an average throughput of approximately 2,020 tonnes per day in the fourth quarter of 2024. Plant availability remained strong, supported by ongoing low-capital projects aimed at further increasing throughput while maintaining targeted gold recoveries of 90%. Construction of an enclosure for the copper slurry thickener tank was completed, enhancing year-round reliability and reducing costs associated with winter protection.

At the Stall mill, there was a slight reduction in throughput as more or e was diverted to New Britannia. Benefits from recent recovery improvement programs continue to be realized with gold recoveries exceeding prior year figures. Efforts to continue to optimize recovery were advanced with the installation of new elongated cyclones. These cyclones have demonstrated improved grind size distribution and enhanced gold recoveries, with an immediate payback on capital.

Progress on the 1901 deposit continued via the exploration drift and the recently started haulage drift, which achieved high advance rates in the fourth quarter of 2024, laying the groundwork to support full production from the 1901 deposit by 2027. With the drifts performing well, mining of first ore is scheduled for the second quarter of 2025. Exploration diamond drilling targeting down plunge mineralization intersected copper in the initial five holes, and further drilling is currently underway to follow up on the positive results. Additional drilling is planned in 2025 to evaluate the orebody and optimize the mining approach for future conversion of inferred mineral resources into mineral reserves.

At the Anderson Tailings Impoundment Area, tailings deposition efficiency continues to exceed expectations with new equipment and operational routines.

Environmental initiatives continued to advance in the fourth quarter, and the business achieved a year-over-year reduction in greenhouse gas emissions of approximately 8%, achieving our 2024 environmental targets, primarily driven by significant reductions in diesel and propane consumption across the operations. These reductions were achieved through the introduction and operation of battery electric vehicles underground at Lalor, and converting propane to electric heating in areas of the plant.

The Manitoba business unit continues to prioritize strong relationships with Indigenous communities. Several meetings with Indigenous Nations were held to discuss future exploration and geophysical programs within their Traditional Territories. To date, we have received letters of support for geophysical programs, and positive progress is being made in negotiating exploration agreements. In February 2025, Hudbay signed its first-ever exploration agreement with the Kiciwapa Cree Nation.

Mining Activities

Total ore mined in Manitoba in the fourth quarter of 2024 was 13% higher than the comparable quarter in 2023. Silver and zinc grades mined at Lalor during the fourth quarter were 10% and 34% higher, respectively, compared to the same period in 2023. Gold and copper grades mined at Lalor during the fourth quarter were 22% and 9% lower, respectively, compared to the same period in 2023. The year ended December 31, 2024 saw significant improvements in ore production and precious metal grade quality. These changes align with improvements in mining techniques, most notably in longhole muck fragmentation, and anticipated higher grade precious metal sequences.

Total ore mined at our Manitoba operations during the year ended December 31, 2024 was 7% higher than the same period in 2023. Silver grades mined at Lalor during the year ended December 31, 2024 were 11% higher compared with the same period in 2023, consistent with the mine plan. Gold, copper and zinc grades mined at Lalor during the year ended December 31, 2024 were 1%, 1% and 5%, respectively, lower than the same period in 2023, but gold grades were better than expected in 2024.

Milling Activities

Consistent with our strategy of allocating more Lalor ore feed to New Britannia, the New Britannia mill throughput averaged approximately 2,020 tonnes per day in the fourth quarter of 2024, approximately 12% above average daily throughput levels in the same period in 2023. Recoveries of gold and silver in the fourth quarter of 2024 were 90% and 80%, respectively, representing an increase of 1%, and a decrease of 4%, respectively, compared to the same period in 2023. Copper recovery in the fourth quarter of 2024 was 91%, remaining consistent when compared to the same period in 2023. Full year 2024 total ore milled at New Britannia was 20% higher than 2023, reflecting the consistently strong performance throughout 2024 as a result of continuous improvement efforts. Despite processing lower gold grade ore, gold recoveries also increased by 1% in 2024 compared to 2023 .

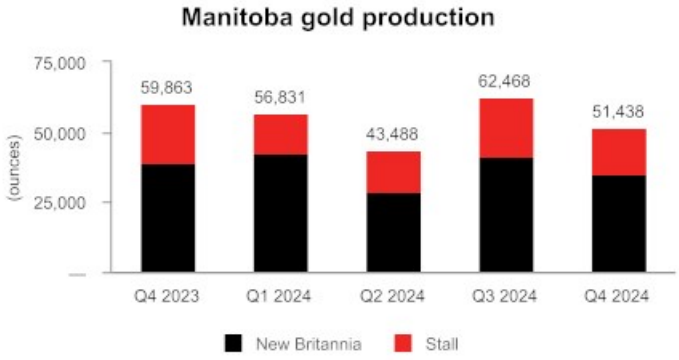
During the three months and year ended December 31, 2024, the Stall mill processed 3% and 7% less ore, respectively, compared with the same period in 2023, which is aligned with our strategy of allocating more Lalor ore feed to New Britannia, as noted above. The Stall mill achieved gold recoveries of 70% in the fourth quarter, reflecting benefits from recent recovery improvement programs.

Production and Sales Performance

Manitoba operations produced 51,438 ounces of gold, 3,347 tonnes of copper, 8,385 tonnes of zinc and 283,223 ounces of silver during the fourth quarter of 2024. Compared to the fourth quarter of 2023, production of zinc and silver in the fourth quarter of 2024 increased by 46% and 11%, respectively, while production of gold and copper declined by 14% and 10%, respectively, as planned.

Full year production of gold, copper and silver in 2024 was higher by 14%, 3% and 17%, respectively, than the comparative 2023 period mainly due to the same reasons as noted above, as well as higher production from gold and copper-gold zones and better than expected gold grades. Zinc production in 2024 decreased by 4%, aligned with forecasted production and the strategy to mine more gold ore at Lalor.

Quantities of metal sold during the fourth quarter of 2024 were lower for all metals except silver, as compared to the comparable period in 2023, primarily due to the same factors impacting contained metal production, as noted above. During the year ended December 31, 2024, metal sold for gold, copper and silver were higher than the comparable period, while zinc metal sold was lower than the comparable period.



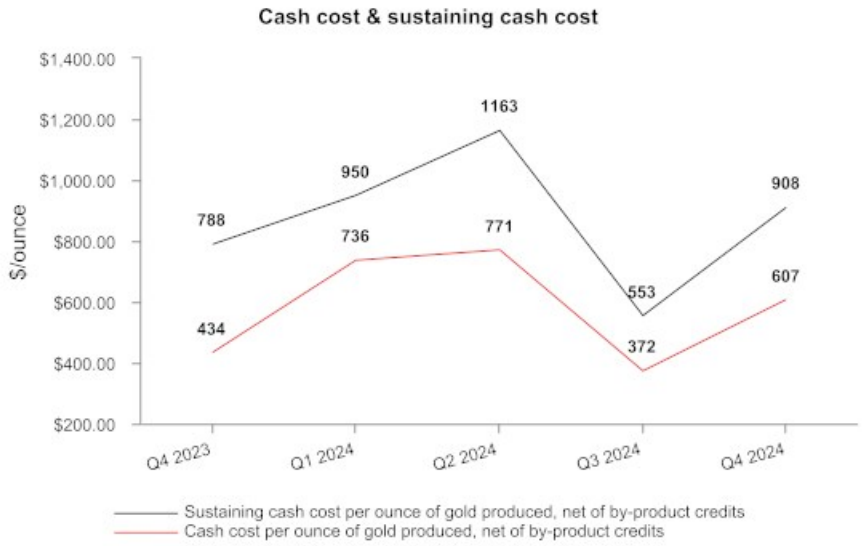
Cost Performance

Lalor mining costs during the fourth quarter of 2024 decreased by 4% compared to the same period in 2023, as a result of efficiency improvements and higher tonnage mined more than offsetting inflationary factors. Compared to the same period in 2023, milling costs at the Stall mill were 25% higher during the fourth quarter of 2024, primarily due to lower throughput as described earlier. New Britannia milling cos ts decreased by 8% during the fourth quarter of 2024 versus the same period in 2023, primarily as a result of higher throughput as described earlier. Combined mine, mill and G&A unit operating costs in the fourth quarter of 2024 we re C$233 per tonne, representing an 8% increase compared to the same period in 2023. Combined mine, mill and G&A unit operating costs during for the year ended December 31, 2024 increased by 4% to C$226 per tonne. The marginal increase in operating costs year-over-year was largely the result of more tonnes being processed at New Britannia compared to Stall which operates at a lower cost per unit.

Cash cost per ounce of gold produced, net of by-product credits, in the fourth quarter of 2024 was $607, an increase compared to the same period in 2023, primarily due to lower gold production and higher profit sharing costs but remained better than expected as a result of continued operating efficiencies and focus on strong cost control.

Sustaining cash cost per ounce of gold produced, net of by-product credits, in the fourth quarter of 2024 was $908, an increase of 15% compared to the same period in 2023, primarily due to the same factors affecting cash cost, partially offset by lower sustaining capital costs during the quarter.

Cash cost per ounce of gold produced, net of by-product credits, during the year ended December 31, 2024 was $606 per ounce. These costs were 17% lower compared to the same period in 2023 primarily due to higher gold production and by-product credits, partially offset by higher mining, milling and G&A costs resulting from higher employee profit sharing costs. Sustaining cash cost per ounce of gold produced, net of by-product credits, for the year ended December 31, 2024 was $868 per ounce, a decrease of 19% from 2023 primarily due to the same factors affecting cash cost noted above, together with lower sustaining capital expenditures compared to the prior year.



Manitoba Guidance Outlook

		Three months ended		Year ended		Guidance	
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023	Annual 2024	Annual 2025
Total contained metal in concentrate and doré produced [1]							
Gold[2]	*oz*	**51,438**	59,863	**214,225**	187,363	170,000 - 200,000	180,000 - 220,000
Copper	*tonnes*	**3,347**	3,735	**12,536**	12,154	9,000 - 12,000	9,000 - 11,000
Zinc	*tonnes*	**8,385**	5,747	**33,339**	34,642	27,000 - 35,000	21,000 - 27,000
Silver[3]	*oz*	**283,223**	255,579	**995,090**	851,723	750,000 - 1,000,000	800,000 - 1,000,000
Cost per ounce of gold produced							
Cash cost[4]	*$/oz*	**607**	434	**606**	727	700 - 900	650 - 850

[1] Metal reported in concentrate is prior to deductions associated with smelter terms.

[2] Gold production guidance includes gold contained in concentrate produced and gold in doré.

[3] Silver production guidance includes silver contained in concentrate produced and silver in doré.

[4] Combined unit costs, cash cost per ounce of gold produced, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

Full year 2024 gold and copper production both exceeded the upper end of our guidance range by 7% and 4%, respectively. Zinc production was in line with our annual guidance range, whereas silver production was at the top end of guidance range.

Full year 2024 cash cost per ounce of gold produced of $606 was better than expected and significantly outperformed the low end of the cost guidance range by 13%.

		Three months ended		Year ended[5]	Since acquisition to[5]
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Ore mined[1]	*tonnes*	**2,374,044**	2,627,398	**11,360,125**	6,975,389
Strip ratio[2]		**7.36**	5.34	**5.98**	3.82
Ore milled	*tonnes*	**2,880,927**	3,261,891	**12,656,679**	6,862,152
Copper	*%*	**0.26**	0.33	**0.25**	0.35
Gold	*g/tonne*	**0.09**	0.06	**0.08**	0.07
Silver	*g/tonne*	**0.92**	1.36	**0.96**	1.36
Copper concentrate	*tonnes*	**25,554**	38,056	**113,528**	82,685
Concentrate grade	*% Cu*	**23.2**	22.4	**23.3**	23.1
Copper recovery	*%*	**79.5**	78.8	**82.4**	79.7
Gold recovery	*%*	**55.8**	54.1	**60.5**	55.9
Silver recovery	*%*	**69.0**	73.8	**71.8**	73.0
Combined unit operating costs[3,4]	*C$/tonne*	**23.22**	20.90	**20.39**	21.38

[1] Reported tonnes and grade for ore mined are estimates based on mine plan assumptions and may not reconcile fully to ore milled.

[2] Strip ratio is calculated as waste mined divided by ore mined.

[3] Reflects combined mine, mill and general and administrative ("G&A") costs per tonne of ore milled. Reflects the deduction of expected capitalized stripping costs.

[4] Combined unit costs is a non-GAAP financial performance measure with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[5] Copper Mountain mine results are stated at 100%. Hudbay owns 75% of Copper Mountain mine. As Copper Mountain was acquired on June 20, 2023, the results for the year ended December 31, 2023 represents the period from the acquisition date, June 20, 2023, through to the end of the fourth quarter of 2023.

		Three months ended		Year ended[2]	Since acquisition to[2]
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Contained metal in concentrate produced					
Copper	*tonnes*	**5,927**	8,508	**26,406**	19,050
Gold	*oz*	**4,644**	3,495	**19,789**	8,848
Silver	*oz*	**58,933**	105,295	**280,499**	218,282
Payable metal sold					
Copper	*tonnes*	**5,831**	9,119	**25,354**	18,075
Gold	*oz*	**5,036**	3,091	**19,735**	8,420
Silver	*oz*	**43,747**	98,441	**249,536**	189,443
Cost per pound of copper produced					
Cash cost[1]	*$/lb*	**3.00**	2.67	**2.74**	2.49
Sustaining cash cost[1]	*$/lb*	**5.76**	3.93	**5.29**	3.41

[1] Cash cost and sustaining cash cost, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[2] Copper Mountain mine results are stated at 100%. Hudbay owns 75% of Copper Mountain mine. As Copper Mountain was acquired on June 20, 2023, the results for the year ended December 31, 2023 represents the period from the acquisition date, June 20, 2023, through to the end of the fourth quarter of 2023.

Overview

Since acquiring Copper Mountain in June 2023, Hudbay has been focused on advancing operational stabilization plans, including opening up the mine by re-activating the full mining fleet, adding additional haul trucks, adding additional mining faces, optimizing the ore feed to the plant and implementing plant improvement initiatives that mirror Hudbay's successful processes at Constancia. These stabilization plans have successfully increased the total tonnes moved and resulted in stronger mill performance as demonstrated by high mill availability of 92% and copper recoveries of 82% in 2024, compared to 85% and 80% respectively, in 2023.

Efforts are now focused on optimizing the operations in 2025. Mining activities will continue to execute the three-year accelerated stripping program intended to bring higher grade ore into the mine plan. In January, we completed feasibility engineering to debottleneck and increase the nominal plant capacity to its permitted capacity of 50,000 tonnes per day earlier than contemplated in the most recent technical report.

Mining Activities

Total ore mined at Copper Mountain in the fourth quarter of 2024 was 2.4 million tonnes, a decrease of 10% compared to the fourth quarter of 2023. As planned, ore stockpiles were utilized as ore feed to the mill while the mine operation team increased waste stripping activities. Total material moved continued to ramp up in the quarter to 21.4 million tonnes, compared to 18.3 million tonnes in the same period last year, as a result of effective usage of the mining fleet to execute the accelerated stripping program to access higher head grades. The focus in the fourth quarter of 2024 was on mining efficiencies and operator recruitment to effectively utilize the available haul truck fleet. As a result, total material moved is expected to increase quarter-over-quarter in 2025 as per the mine plan.

Milling Activities

The mill processed 2.9 million and 12.7 million tonnes of ore during the fourth quarter and the year ended December 31, 2024, respectively. Ore processed in the fourth quarter of 2024 was 12% lower than the fourth quarter of 2023, limited by both planned and unplanned maintenance and elevated clay material which impacted the secondary crushing circuit. In the fourth quarter of 2024, a number of initiatives were advanced to address these issues and other identified constraints to improve throughput to targeted levels. Several mill initiatives have been implemented in 2024, including, recovery improvements, reprogramming the mill expert system, installation of advanced semi-autogenous grinding control instrumentation, redesigned SAG liner package and updated operational procedures intended to remove magnetite from the pebble stream. Progressive improvements are expected to continue through 2025.

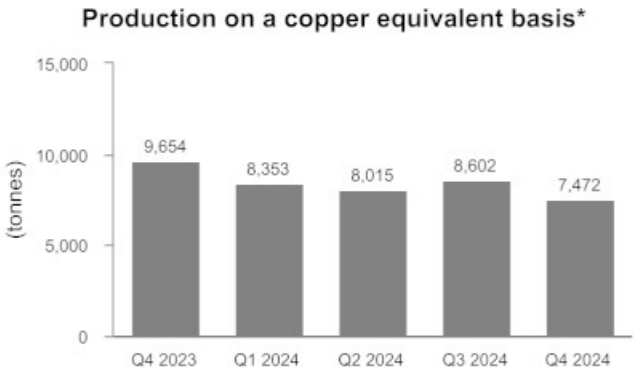
Milled copper grades during the fourth quarter of 2024 were 21% lower than the fourth quarter of 2023 as we continued to draw on lower grade stockpiled ore. Copper recoveries of 79.5% were higher than the fourth quarter of 2023 but were impacted by the ramp-up periods following the planned and unplanned maintenance shutdowns during the quarter. Milled gold grades were higher in the fourth quarter of 2024 than the same period in 2023, resulting in higher gold recoveries of 55.8% in the fourth quarter of 2024.

Full year 2024 copper recoveries of 82.4% were higher than 2023 and exceeded the mine plan expectations, despite processing lower grades, as the operations improved the regrind circuit constraint and implemented the flotation operational strategy improvements, including reagent selection and dose modification. Full year gold recoveries of 60.5% were higher than 2023 due to higher milled gold grades.

Production and Sales Performance

During the fourth quarter of 2024, production of copper, gold and silver was 5,927 tonnes, 4,644 ounces and 58,933 ounces, respectively. Production of copper and silver decreased by 30% and 44%, respectively, compared to the fourth quarter of 2023 primarily as a result of lower head grades from the use of stockpiled ore to feed the mill and lower mill throughput as a result of planned and unplanned maintenance shutdowns. Gold production increased by 33% compared to the fourth quarter of 2023 due to higher gold grades and recoveries.

During the year ended December 31, 2024, production of copper, gold and silver was 26,406 tonnes, 19,789 ounces and 280,499 ounces, respectively.



*Copper equivalent production is calculated using the quarter average LME prices for each metal excluding molybdenum. Copper Mountain mine production are stated at 100%. Hudbay owns 75% of Copper Mountain mine.

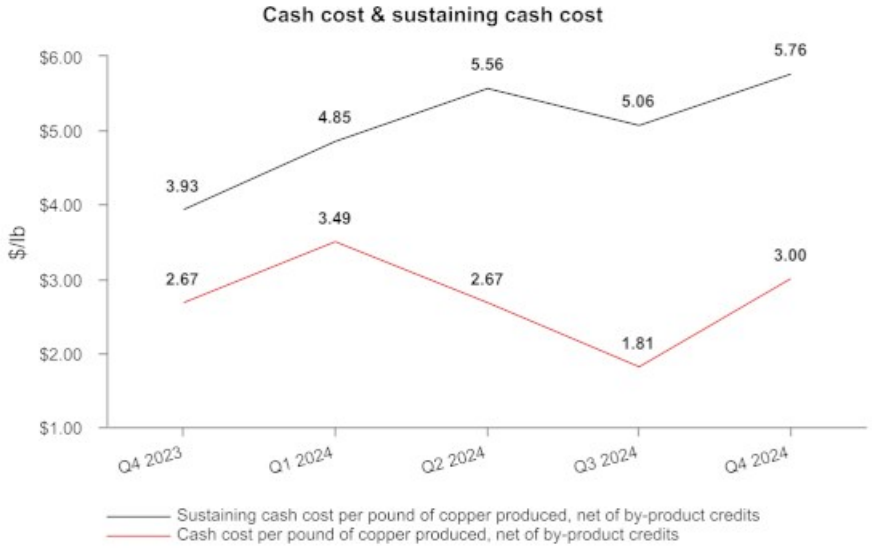
Cost Performance

Combined mine, mill and G&A unit operating costs in the fourth quarter of 2024 were C$23.22 per tonne milled, 11% higher than the fourth quarter of 2023. This was primarily due to lower ore milled during the fourth quarter, as a result of the previously mentioned planned and unplanned maintenance activities.

Combined mine, mill and G&A unit operating costs during the year ended December 31, 2024 were C$20.39 per tonne milled versus C$21.38 per tonne milled in second half of 2023 (or first six months since acquisition).

Cash cost and sustaining cash cost per pound of copper produced, net of by-product credits, in the fourth quarter of 2024 were $3.00 and $5.76, respectively. Cash cost was 12% higher than in the fourth quarter of 2023 largely due to lower copper production as described above, partially offset by higher by-product credits. Sustaining cash costs were 47% higher than the fourth quarter of 2023 mainly as a result of planned higher capitalized stripping costs in accordance with our accelerated stripping program to access higher grade ore.

Cash cost and sustaining cash cost per pound of copper produced, net of by-product credits, during the year ended December 31, 2024 were $2.74 and $5.29, respectively.



British Columbia Guidance Outlook

		Three months ended		Year ended[2]	Since acquisition to[2]	Guidance	
		Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023	Annual 2024	Annual 2025
Contained metal in concentrate produced							
Copper	*tonnes*	**5,927**	8,508	**26,406**	19,050	30,000 - 44,000	28,000 - 41,000
Gold	*oz*	**4,644**	3,495	**19,789**	8,848	17,000 - 26,000	18,500 - 28,000
Silver	*oz*	**58,933**	105,295	**280,499**	218,282	300,000 - 455,000	245,000 - 365,000
Cost per pound of copper produced							
Cash cost[1]	*$/lb*	**3.00**	2.67	**2.74**	2.49	2.00 - 2.50	2.45 - 3.45

[1] Cash cost, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[2] Copper Mountain mine results are stated at 100%. Hudbay owns 75% of Copper Mountain mine. As Copper Mountain was acquired on June 20, 2023, the results for the year ended December 31, 2023 represents the period from the acquisition date, June 20, 2023, through to the end of the fourth quarter of 2023.

Full year 2024 gold production was in line with our annual guidance range, whereas copper and silver production were below the guidance ranges for each metal primarily as a result of lower grades in stockpiled ore and lower throughput during the ramp-up of stabilization and optimization efforts throughout the year.

Cash cost per pound of copper produced was $2.74 which was above the higher end of the cost guidance range driven by lower copper production as mentioned above.

OUTLOOK

This outlook includes forward-looking information about our operations and financial expectations based on our expectations and outlook as of February 18, 2025.

This outlook, including expected results and targets, is subject to various risks, uncertainties and assumptions, which may impact future performance and our achievement of the results and targets discussed in this section. For additional information on forward-looking information, refer to the "Forward-Looking Information" section of this MD&A. We may update our outlook depending on changes in metals prices and other factors, as per our "Commodity Markets" and "Sensitivity Analysis" discussions below. In addition to this section, refer to the "Operations Review", "Financial Review" and "Liquidity and Capital Resources" sections for additional details on our outlook for 2025.

Material Assumptions

Our annual production and operating cost guidance, along with our annual capital and exploration expenditure forecasts are discussed in detail below.

Production Guidance

Contained Metal in Concentrate and Doré [1]		2025 Guidance	Year ended Dec. 31, 2024	2024 Guidance
Peru				
Copper	*tonnes*	**80,000 - 97,000**	**99,001**	98,000 - 120,000
Gold	*oz*	**49,000 - 60,000**	**98,226**	76,000 - 93,000
Silver	*oz*	**2,475,000 - 3,025,000**	**2,708,262**	2,500,000 - 3,000,000
Molybdenum	*tonnes*	**1,300 - 1,500**	**1,323**	1,250 - 1,500
Manitoba				
Gold	*oz*	**180,000 - 220,000**	**214,225**	170,000 - 200,000
Zinc	*tonnes*	**21,000 - 27,000**	**33,339**	27,000 - 35,000
Copper	*tonnes*	**9,000 - 11,000**	**12,536**	9,000 - 12,000
Silver	*oz*	**800,000 - 1,000,000**	**995,090**	750,000 - 1,000,000
British Columbia				
Copper	*tonnes*	**28,000 - 41,000**	**26,406**	30,000 - 44,000
Gold	*oz*	**18,500 - 28,000**	**19,789**	17,000 - 26,000
Silver	*oz*	**245,000 - 365,000**	**280,499**	300,000 - 455,000
Total				
Copper	*tonnes*	**117,000 - 149,000**	**137,943**	137,000 - 176,000
Gold	*oz*	**247,500 - 308,000**	**332,240**	263,000 - 319,000
Zinc	*tonnes*	**21,000 - 27,000**	**33,339**	27,000 - 35,000
Silver	*oz*	**3,520,000 - 4,390,000**	**3,983,851**	3,550,000 - 4,455,000
Molybdenum	*tonnes*	**1,300 - 1,500**	**1,323**	1,250 - 1,500

[1] Metal reported in concentrate and doré is prior to refining losses or deductions associated with smelter terms.

[2] Represents 100% of the production from the Copper Mountain mine. Hudbay holds a 75% interest in the Copper Mountain mine.

On a consolidated basis, we successfully achieved 2024 production guidance for all metals. On a business unit stand-alone basis, Peru exceeded the top end of the gold production guidance range and achieved the guidance ranges for all other metals. Manitoba exceeded the top end of the gold and copper production guidance ranges and achieved the guidance ranges for all other metals. In British Columbia, copper production was below the low end of the guidance range as a result of lower grades in stockpiled ore and reduced throughput during the mill stabilization period, while gold production was within the guidance range.

In 2025, consolidated copper production is forecasted to remain stable with 2024 levels at 133,000 tonnes [1]. This is a result of slightly lower grades in Peru with a lower portion of ore feed from Pampacancha as it depletes at the end of 2025, offset by higher expected production in British Columbia as a result of mill throughput ramp-up throughout the year and higher expected grades from the accelerated stripping schedule. Consolidated gold production in 2025 is expected to decrease by 16% to 277,750 ounces[1] due to the accelerated mining of high grade gold benches at Pampacancha in 2024 and a focus on high grade gold zones at Lalor in 2024 which resulted in both Peru and Manitoba exceeding the top end of the 2024 gold production guidance ranges.

In Peru, 2025 copper production is expected to be 88,500 tonnes [1], a decrease of 11% from 2024 with less mill ore feed coming from Pampacancha in 2025. Gold production is expected to be 54,500 ounces[1], lower than 2024 levels as additional high grade gold benches were mined in late 2024, ahead of schedule, resulting in gold production exceeding 2024 guidance levels. The Pampacancha deposit is now expected to be depleted in early December 2025 as opposed to October 2025, as the mine plan has smoothed Pampacancha production throughout the year. Total mill ore feed from Pampacancha is expected to be approximately 25% in 2025, lower than the typical one-third in prior years as Pampacancha approaches depletion. Peru's 2025 production guidance reflects a period of higher stripping activities at Pampacancha from January until April, as well as regularly scheduled semi-annual mill maintenance shutdowns at Constancia during the second and fourth quarters of 2025.

In Manitoba, 2025 gold production is anticipated to be 200,000 ounces [1], a decrease of 7% from the record levels achieved in 2024. The impressive operating performance is expected to continue into 2025, resulting in new 2025 gold production guidance to be 8% higher than the previous 2025 guidance of 185,000 ounces[1]. The production guidance anticipates Lalor operating at 4,500 tonnes per day supplemented by 45,000 tonnes of ore feed from the 1901 deposit in 2025 as we confirm the optimal mining method. New Britannia mill throughput is expected to continue to exceed expectations and operate at 2,000 tonnes per day in 2025, far exceeding its original design capacity of 1,500 tonnes per day. Zinc production for 2025 is expected to be 24,000 tonnes[1], a 28% decline from 2024 due to a lower grade base metal mining sequence at Lalor.

In British Columbia, 2025 copper production is expected to be 34,500 tonnes [1], a 31% increase from 2024 as a result of mill throughput ramp-up in the second half of the year from several mill initiatives, including the planned conversion of the third ball mill to a second SAG mill, and higher grades from the accelerated stripping schedule. The mill throughput ramp-up reflects the first half of 2025 at similar throughput levels seen in 2024 with a significant increase in throughput in the second half of 2025 concurrent with the completion of second SAG mill project, ramping up towards 50,000 tonnes per day in 2026.

We will release updated three-year production outlook together with our annual mineral reserve and resource update in March 2025.

Cash Cost Guidance

Copper remains the primary revenue contributor on a consolidated basis, and therefore, consolidated cost guidance has been presented as cash cost per pound of copper produced, net of by-product credits. We have also provided cash cost guidance for each of our operations based on their respective primary metal contributors.

Cash cost [1]		**2025 Guidance**	**Year ended Dec. 31, 2024**	2024 Guidance[5]
Peru cash cost per pound of copper [2]	*$/lb*	**1.35 - 1.65**	**1.18**	1.25 - 1.60
Manitoba cash cost per ounce of gold [3]	*$/oz*	**650 - 850**	**606**	700 - 900
British Columbia cash cost per pound of copper [4]	*$/lb*	**2.45 - 3.45**	**2.74**	2.00 - 2.50
Consolidated cash cost per pound of copper [2]	*$/lb*	**0.80 - 1.00**	**0.46**	0.65 - 0.85
Consolidated sustaining cash cost per pound of copper [2]	*$/lb*	**2.25 - 2.65**	**1.62**	1.75 - 2.20

[1] Cash cost and sustaining cash cost, net of by-product credits, per pound of copper produced and cash costs, net of by-product credits, per ounce of gold produced are non-GAAP financial performance measure with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[2] Peru cash cost, net of by-product credits, per pound of produced assumes by-product credits are calculated using the gold and silver deferred revenue drawdown rates for the streamed ounces in Peru in effect on December 31, 2024 and the following commodity price for 2025: $2,500 per ounce gold, $26.00 per ounce silver and $18.00 per pound molybdenum.

[3] Manitoba cash cost, net of by-product credits, per ounce of gold assumes by-product credits are calculated using the following commodity prices for 2025: $4.10 per pound copper, $26.00 per ounce silver, $1.20 per pound zinc and an exchange rate of 1.35 C$/US$.

[4] British Columbia cash cost, net of by-product credits, per pound of copper assumes by-product credits are calculated using the following commodity price assumptions for 2025: $2,500 per ounce gold, $26.00 per ounce silver and an exchange rate of 1.35 C$/US$.

[5] We had improved our 2024 annual consolidated cash cost guidance range to $0.65 to $0.85 per pound from the original guidance range of $1.05 to $1.25 per pound. We have also improved our 2024 annual sustaining cash cost guidance range to $1.75 to $2.20 per pound from the original guidance range of $2.00 to $2.45 per pound.

Consolidated cash cost in 2025 is expected to be within $0.80 to $1.00 per pound of copper, net of by-product credits, as we continue to focus on maintaining strong cost control across the business, driving industry-leading margins. Sustaining cash cost in 2025 is expected to be within $2.25 to $2.65 per pound of copper, net of by-product credits, reflecting slightly lower copper production, lower by-product credits and higher sustaining capital expenditures compared to 2024.

Copper cash cost in Peru is expected to be between $1.35 to $1.65 per pound in 2025, reflecting steady unit operating cost performance, offset by lower copper production and by-product credits compared to 2024.

Gold cash cost in Manitoba is expected to be between $650 to $850 per ounce in 2025, an increase compared to 2024 as a result of lower by-product credits and slightly lower gold production but remains at industry-low levels driving strong margins compared to current gold prices.

Copper cash cost in British Columbia is expected to be between $2.45 to $3.45 per pound in 2025, an increase from 2024 due to higher mining costs related to more material moved as we execute the planned accelerated stripping program and higher milling costs as we implement the mill improvement projects this year, partially offset by higher copper production.

Capital Expenditure Guidance

Capital Expenditures[1] *(in $ millions)*	**2025 Guidance**[5]	**Year ended Dec. 31, 2024**	2024 Guidance[6]
Sustaining capital [2]			
Peru [3]	**170.0**	**124.4**	130.0
Manitoba	**60.0**	**45.6**	55.0
British Columbia - sustaining capital	**50.0**	**51.5**	35.0
British Columbia - capitalized stripping [3]	**85.0**	**71.6**	70.0
Total sustaining capital	**365.0**	**293.1**	290.0
Growth capital			
Peru	**25.0**	**0.8**	2.0
Manitoba [4]	**15.0**	**7.0**	10.0
British Columbia	**75.0**	**8.1**	5.0
Arizona [6]	**90.0**	**28.9**	45.0
Total growth capital	**205.0**	**44.8**	62.0
Capitalized exploration[5]	**10.0**	**12.2**	8.0
Total	**580.0**	**350.1**	360.0

[1] Excludes capitalized costs not considered to be sustaining or growth capital expenditures.

[2] Sustaining capital guidance excludes right-of-use lease additions, additions as a result of equipment financing arrangements, and non-cash deferred stripping.

[3] Includes capitalized stripping and development costs.

[4] 2025 Manitoba growth capital partially funded by approximately $5 million in Canadian Development Expense flow-through financing proceeds (2024 - $3 million).

[5] 2025 Canadian capital expenditures guidance is converted into U.S. dollars using an exchange rate of 1.35 C$/US$.

[6] 2024 Arizona growth capital guidance was increased by an additional $25 million, compared to the original 2024 guidance of $20 million, related to early feasibility study work after receipt of the Aquifer Protection Permit in August 2024.

2024 total capital expenditures were $10 million lower than our full year guidance of $360 million as lower growth capital and certain sustaining capital deferrals were partially offset by higher sustaining capital in British Columbia.

2025 total capital expenditures are expected to be $580 million, reflecting an increase in growth capital spend as we reinvest in several high-return growth projects as well as higher sustaining capital at the operations, including some deferrals from 2024, as discussed below.

Peru 2025 sustaining capital expenditures are expected to increase to $170 million as a result of higher capitalized stripping, mine equipment purchases and capital deferrals from 2024. Peru 2025 growth capital expenditures of $25 million in 2025 relates primarily to the installation of a pebble crusher to increase mill throughput starting in 2026 and other mill optimization initiatives.

Manitoba 2025 sustaining capital expenditures are expected to increase to $60 million primarily as a result of additional underground capitalized development costs. Manitoba 2025 growth capital spending of $15 million relates to the development of the exploration and haulage drifts at the 1901 deposit. The 1901 growth expenditures will be partially funded by $5 million in proceeds from a Canadian Development Expense premium flow-through financing in December 2024. Manitoba spending guidance excludes approximately $15 million of annual care and maintenance costs related to the Flin Flon facilities in 2025, which are expected to be recorded as other operating expenses.

British Columbia 2025 sustaining capital expenditures are expected to remain consistent with 2024 at $50 million for mine and mill equipment capital. In addition, we expect to spend approximately $85 million for capitalized stripping costs in 2025 related to continued accelerated stripping as part of the three-year stabilization and optimization plan at Copper Mountain. British Columbia 2025 growth capital spending of $75 million includes approximately $55 million for the conversion of the third ball mill to a second SAG mill to increase throughput rates starting in the second half of 2025 and ramping up to 50,000 tonnes per day in 2026.

Arizona 2025 growth capital spending of $90 million includes approximately $65 million in costs related to de-risking activities and definitive feasibility studies for Copper World and $25 million of typical annual holding costs.

Exploration Guidance

(in $ millions)	2025 Guidance	Year ended Dec. 31, 2024	2024 Guidance
Peru[1]	**19.0**	**19.8**	17.0
Manitoba[2]	**30.0**	**26.4**	23.0
British Columbia	**1.0**	**1.6**	2.0
Arizona and other	**-**	**1.8**	1.0
Total exploration expenditures	**50.0**	**49.6**	43.0
Capitalized spending	**(10.0)**	**(12.2)**	(8.0)
Total exploration expense	**40.0**	**37.4**	35.0

[1] Peru exploration expenditures exclude $5 million of non-cash amortization of community agreements for exploration properties.

[2] Manitoba exploration partially funded by approximately $7 million in Canadian Exploration Expense flow-through financing proceeds for 2025 (2024 - $11 million).

2025 exploration expenditures are expected to total $40 million, in line with 2024 exploration spending as we continue to execute a multi-year extensive geophysics and drilling program in Snow Lake to extend mine life and explore for new discoveries, as described below.

In Manitoba, 2025 exploration activities will focus on completing the largest geophysics program in our history, including 800 kilometres of ground electromagnetic surveys and an extensive airborne geophysics survey. We plan to complete underground and surface drilling at Lalor to increase mineral resource and reserve estimates, including follow-up drilling at the new Lalor Northwest discovery. Underground drilling is planned for 1901 from the new exploration drift to upgrade and expand the mineral reserve and resource estimates. In addition, we plan to continue drilling activities at several regional targets in 2025, including the Cook Lake properties, following up on encouraging results in 2024. A portion of the 2025 Manitoba exploration program will be funded by $7 million in proceeds from a critical minerals premium flow-through financing completed in December 2024. We issued 476,200 Canadian Exploration Expense flow-through common shares of the Company, at a price of C$22.05 per share, representing a premium of approximately 65%.

In Peru, 2025 exploration activities will continue to focus on final permitting and drill preparation for the Maria Reyna and Caballito properties near Constancia.

[1] Calculated using the midpoint of the guidance range

Commodity Markets

Our 2025 operational and financial performance will be influenced by a variety of factors including our production volumes, metal prices and input costs. The general performance of the Chinese, North American and global economies will influence the demand for copper and zinc and the prices we receive, while interest rates, inflation, the performance of financial markets, the amount of central bank gold purchases and the level of geopolitical uncertainty will drive the price we receive for our gold.

Whilst the pace of potential central banks interest rate reductions was a high profile driver of economic uncertainty in 2024, 2025 will be dominated by tariffs and trade wars stemming from the Trump White House. The magnitude of these tariffs, which countries are ultimately targeted, the duration of the tariffs, the breadth of products and services targeted, which countries these tariffs are directed against and the retaliatory tariffs imposed by other nations will determine how profound the effect is on world economic growth, trade flows, inflation, foreign exchange rates and the prices that Hudbay receives for its products. Hudbay does not currently sell any concentrate or precious metal doré into the USA from Canada so the tariffs currently contemplated by the US administration will not have any significant direct effect on our sales revenues.

The realized prices we achieve in the commodity markets significantly affect our financial performance. Our general expectations regarding metals prices and foreign exchange rates are included below and in the "Sensitivity Analysis" section of this MD&A.

We have developed the following market analysis from various information sources including analyst and industry experts and our own market intelligence.

Copper

In 2024, the London Metal Exchange ("LME") Cash copper price began the year by declining by $0.20 per pound until mid-February before surging to a an annual high of $5.03 per pound on May 21 on the strength of unprecedented investment interest, the anticipation of strong manufacturing demand in China, the LME's ban on Russian copper and a technical squeeze that developed on the Commodities Exchange ("Comex") in New York. After this initial run to over $5 per pound, LME Cash copper prices spent the balance of the year trading between $4.00 and $4.60 per pound with 2024 prices averaging $4.15 for the full year.

The LME contango between cash and 3-month was at its highest level in 10 years during 2024, owing to a well-supplied market, high prices and high interest rates, all of which figure into the contango equation. This large contango combined with the quotational period options that are a common component of sales contracts in the copper industry, has allowed traders to subsidize the purchase of concentrates, allowing spot TC/RCs to remain close to zero and sometimes negative for most of the past year. Low and negative TC/RCs have occurred briefly historically but for very short periods of time, making the current situation unprecedented.

2025 is likely to be a bumpy year for copper prices owing to the tremendous economic uncertainly introduced by potential tariffs which could have a negative effect on copper demand if they tip the world economy into recession or lead to temporary spikes in prices due to dislocations in the world's supply chain for copper concentrates and copper metal. Copper prices may also be impacted by western world smelter curtailments or closures due to low TC/RCs which could reduce supply although governments would most likely intervene to prevent these outcomes.

Growing future demand for copper, driven by the energy transition and AI data centres, will necessitate the development of intrinsically higher capital cost greenfield mines from the world's remaining inventory of lower-grade undeveloped copper deposits, which, in combination with higher operating costs and taxes, is expected to result in significantly higher copper prices in 2027 and beyond.

Zinc

The LME zinc price spent the first quarter of 2024 rangebound between $1.05 and $1.15 per pound, where it had traded for most of 2023. However, during the balance of the year, the price was more robust, trading between $1.20 and $1.40 per pound which brought the average price for 2024 to $1.26 per pound. In January 2025, the zinc price softened, declining to $1.23 per pound.

In 2025, two large new zinc mines are scheduled to ramp up in China and Russia which is expected to increase global mine production by 1.9% according to CRU. With demand forecast to be almost flat there does not appear to be a great incentive for prices to increase from current levels as they did in 2024 although it is possible that low treatment charges for zinc concentrate may cause smelters in China to curtail production and produce less metal which would be positive for the zinc price.

Gold

The physical supply and demand for gold is not an arbitrator of future prices as it is with base metals because most of the gold ever mined is stored in bank vaults. Gold is an investment that has traditionally provided a safe haven for investors during uncertain economic times, as well as a hedge against inflation, future currency devaluation and declining values of other riskier asset classes. The decline in interest rates in 2024, coupled with the election of a new president in the USA who has promised to enact policies which are considered to be inflationary, drove gold prices on the London Bullion Market to their best year since 2020 with prices up almost 26% to $2,609 per ounce on December 31. In the first month of 2025, the gold price maintained its momentum, hitting an all-time high of over $2,800 per ounce at the end of January as Donald Trump prepared to introduce tariffs on Canada, Mexico and China.

While continued interest rate reductions by the US Federal Reserve are temporarily on hold there is more than enough concern about the inflationary nature of the Trump policy agenda to be supportive of higher gold prices in the near term and most industry observers and participants have raised their long-term price projections for gold to over $1,900 per ounce.

Treatment Charges, Refining Charges, and Freight Costs

Hudbay's operating margins are affected by a variety of third-party processing charges and logistics costs that must be incurred to convert our concentrates into refined metal. For the copper, zinc and molybdenum concentrates that we produce, we pay freight costs to deliver these products from our facilities to our customers which include, depending on the destination, various combinations of truck, rail or ocean freight costs along with warehousing and loading fees. We also pay treatment and refining charges ("TC/RCs") to our customers who process our copper concentrates. For precious metal doré we produce, we incur transportation costs to ship to a third-party refinery.

A portion of our copper concentrate sales are made under multi-year contracts, with a link to annual benchmark treatment and refining charges. The large decline in annual treatment/refining charges from 2024 to 2025 reflects how exceptionally undersupplied the copper concentrate market is this year. The 2025 benchmark treatment and refining charges have been agreed with Chinese smelters at $21.25/2.125 cents, representing a dramatic fall from last year's benchmark of $80/8 cents. This represents a decline of approximately $0.17 per pound of copper compared to 2024 levels. Spot TC/RCs for copper concentrates have been in low single digits to negative $15/1.5 cents since early in 2024 and remain in this range due to the undersupplied smelter market that has driven the 2025 benchmark to record lows. With terms at current levels many non-integrated smelters in the western world and many smaller custom smelters in China will be under economic pressure to reduce output or temporarily shutter their facilities.

Hudbay is also exposed to zinc concentrate treatment charges, as a seller of zinc concentrate. The 2025 zinc concentrate benchmark has not been established yet, however industry expectations are that the 2025 benchmark will decrease substantially from the $160 per tonne benchmark in 2024 given that spot processing terms for zinc concentrates in 2024 have been around zero dollars per tonne for most of the year for many of the same reasons that the copper concentrate terms have been depressed.

Bulk ocean freight rates for our concentrates remained depressed in early 2025, continuing the market weakness experienced during Q4 of 2024. There is considerable uncertainty regarding rates for the balance of 2025, in part due to potential changing trade flows resulting from the imposition of tariffs by the Trump administration which will disrupt traditional trade flows and geopolitical related oil price uncertainty both of which could lead to increased global freight rates. Alternatively, if the world economy tips into recession global freight rates could further decline. Hudbay locked in ocean freight rates for approximately 45% of our Peruvian requirements for 2025 and 2026 and may seek to lock in additional fixed rates for the balance of our production over the same period.

Sensitivity Analysis

The following table displays the estimated impact of changes in metals prices and foreign exchange rates on our 2025 net profit, earnings per share and operating cash flow, assuming that our operational performance is consistent with the mid-point of our guidance for 2025. The effects of a given change in an assumption are calculated in isolation.

	2025 Base	Change of +/-10% represented by +/-:	Impact on Profit +/-	Impact on EPS +/- [1]	Impact on Operating CF before changes in NCWC +/-
Metals Prices					
Copper price[2]	$4.10/lb	$0.41/lb	**$75M**	**$0.19**	**$100M**
Gold price[3]	$2,500/oz	$250/oz	**$31M**	**$0.08**	**$56M**
Zinc price	$1.20/lb	$0.12/lb	**$3M**	**$0.01**	**$6M**
Exchange Rates [4]					
C$/US$	1.35	0.14	**$63M**	**$0.16**	**$62M**

[1] Based on 394.9 million common shares outstanding as at December 31, 2024.

[2] Quotational period hedging program neutralizes provisional pricing adjustments.

[3] Gold price sensitivity also includes an impact of a +/- 10% change in the silver price (2025 assumption: $26.00/oz of silver).

[4] Change in profit from operational performance only, does not include change in profit arising from translation of balance sheet accounts.

Financial Results

In the fourth quarter of 2024, we recorded net earnings attributable to owners of $21.2 million compared to net earnings on the same basis of $30.7 million in the fourth quarter of 2023, representing a decrease in net earnings attributable to owners of $9.5 million. For the full year of 2024, we recorded net earnings attributable to owners of $76.7 million compared to net earnings on the same basis of $66.4 million for the same period in 2023, representing an increase in earnings attributable to owners of $10.3 million.

The following table provides further details on the makeup of this variance:

(in $ millions)	Three months ended December 31, 2024	Year ended December 31, 2024[1]
(Decrease) increase in components of earnings:		
Revenues	**(17.3)**	**331.2**
Cost of sales		
Mine operating costs	**5.3**	**(135.0)**
Depreciation and amortization	**(0.4)**	**(34.9)**
Selling and administrative expenses	**1.4**	**(17.8)**
Exploration expenses	**(0.8)**	**(13.3)**
Re-evaluation adjustment - environmental obligation	**31.5**	**(7.9)**
Other expenses	**(11.5)**	**(19.1)**
Net finance expense	**14.5**	**(3.4)**
Tax expense	**(36.9)**	**(101.5)**
Increase in net earnings for the period	**(14.2)**	**(1.7)**
Change in non-controlling interest	**4.7**	**12.0**
(Decrease) increase in net earnings attributable to owners for the period	**(9.5)**	**10.3**

[1]Copper Mountain mine results are stated at 100%. Hudbay owns 75% of Copper Mountain mine. As Copper Mountain was acquired on June 20, 2023, the results for the year ended December 31, 2023 represents the period from the acquisition date, June 20, 2023, through to the end of the fourth quarter of 2023.

Revenue

Revenue for the fourth quarter of 2024 was $584.9 million, $17.3 million lower than the same period in 2023, primarily due to lower sales volume of copper and gold in Peru from lower production levels and lower gold grade ore processed in Manitoba in line with the mine plan for the fourth quarter of 2024 partially offset by higher metal prices and lower treatment and refining charges.

Revenue during the year ended December 31, 2024 was $2,021.2 million, $331.2 million higher than in 2023, primarily as a result of higher metal prices, higher gold and silver sales volumes and incremental revenue as a result of the Copper Mountain mine acquisition.

While a majority of revenues continue to be from copper, gold is representing an increasing portion of total revenues at 35% in 2024 compared to 29% in 2023. This is as a result of higher gold production and strong leverage to higher gold prices in 2024, increasing commodity diversification and improving overall revenues.

The following table provides further details on these variances:

(in $ millions)	Three months ended December 31, 2024	Year ended December 31, 2024
Metals prices[1]		
Higher copper prices	**26.9**	**76.1**
Higher gold prices	**24.6**	**119.6**
Higher zinc prices	**2.9**	**4.4**
Higher silver prices	**1.7**	**7.6**
Sales volumes		
Lower copper sales volumes	**(50.6)**	**(112.1)**
(Lower) higher gold sales volumes	**(25.0)**	**86.5**
Lower zinc sales volumes	**(5.4)**	**(9.3)**
Higher silver sales volumes	**2.2**	**5.4**
British Columbia Business Unit[2]		
Copper	**-**	**129.6**
Gold	**-**	**19.8**
Silver	**-**	**4.3**
Treatment & Refining	**-**	**(7.7)**
Other		
Molybdenum and other volume and pricing differences	**(4.4)**	**(8.4)**
Variable consideration adjustments	**-**	**(8.7)**
Effect of lower treatment and refining charges	**9.8**	**24.1**
(Decrease) increase in revenue in 2024 compared to 2023	**(17.3)**	**331.2**

[1] See discussion below for further information regarding metals prices.

[2] Represents revenue for the period of January 1, 2024 through to June 30, 2024, where there was no comparable revenue in the comparative period due to the fact Copper Mountain mine was acquired on June 20, 2023.

Our revenue by significant product type is summarized below:

	Three months ended		Year ended	
(in $ millions)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Copper	**349.0**	361.7	**1,154.8**	1,065.8
Gold	**199.6**	183.8	**673.6**	463.0
Zinc	**16.4**	18.7	**71.1**	76.6
Silver	**15.7**	11.8	**51.5**	35.6
Molybdenum	**9.1**	21.2	**60.1**	79.4
Other metals	**1.2**	-	**1.7**	0.2
Revenue from contracts	**591.0**	597.2	**2,012.8**	1,720.6
Amortization of deferred revenue - gold	**14.6**	16.3	**40.7**	39.7
Amortization of deferred revenue - silver	**11.6**	10.2	**33.6**	32.7
Amortization of deferred revenue - variable consideration adjustments - prior periods	**-**	-	**(3.8)**	4.9
Pricing and volume adjustments [1]	**(6.4)**	14.2	**35.2**	5.8
Treatment and refining charges	**(25.9)**	(35.7)	**(97.3)**	(113.7)
Revenue	**584.9**	602.2	**2,021.2**	1,690.0

[1] Pricing and volume adjustments represents mark-to-market adjustments on provisionally prices sales, realized and unrealized changes to fair value for non-hedge derivative contracts (QP hedges) and adjustments to originally invoiced weights and assays.

For further detail on variable consideration adjustments, refer to note 22 of our consolidated financial statements.

Realized sales prices

This measure is intended to enable management and investors to understand the average realized price of metals sold to third parties in each reporting period. The average realized price per unit sold does not have any standardized meaning prescribed by IFRS, is unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or a substitute for measures of performance prepared in accordance with IFRS.

For sales of copper, zinc, gold and silver we may enter into non-hedge derivatives ("QP hedges") which are intended to manage the provisional pricing risk arising from quotational period terms in concentrate sales agreements. The gains and losses on QP hedges are included in the calculation of realized prices. We expect that gains and losses on QP hedges will offset provisional pricing adjustments on concentrate sales contracts.

Our realized prices for the three months and year ended December 31, 2024 and 2023, respectively, are summarized below:

			Realized prices [1] for the Three months ended			Realized prices [1] for the Year ended	
Prices		**LME QTD 2024[2]**	**Dec. 31, 2024**	Dec. 31, 2023	**LME YTD 2024[2]**	**Dec. 31, 2024**	Dec. 31, 2023
Copper	*$/lb*	**4.17**	**4.09**	3.77	**4.15**	**4.18**	3.84
Zinc	*$/lb*	**1.38**	**1.39**	1.14	**1.26**	**1.26**	1.18
Gold[3]	*$/oz*		**2,327**	2,062		**2,241**	1,898
Silver[3]	*$/oz*		**23.12**	21.67		**24.23**	21.85

[1] Realized prices exclude refining and treatment charges and are on the sale of finished metal or metal in concentrate. Realized prices include the effect of provisional pricing adjustments on prior period sales.

[2] London Metal Exchange average for Cash copper and zinc prices.

[3] Sales of gold and silver from Constancia mine are subject to our precious metals stream agreement with Wheaton, pursuant to which we recognize deferred revenue for precious metals deliveries and also receive cash payments. Stream sales are included within realized prices and their respective deferred revenue and cash payment rates can be found on page 45 of this MD&A.



In addition to QP hedges, we may periodically undertake metal price hedging in accordance with Board approved policies to achieve strategic objectives, including locking in favourable metal prices to ensure minimum cash flows during or after the construction of a mine or during a period of reduced liquidity, to manage cash flows at shorter life or higher cost operations or as part of a financing arrangement. The realized prices, denoted in the table above, excludes the impact of derivative mark-to-market gains and losses on these non-QP hedges, which are included in change in fair value of financial instruments in our consolidated statement of earnings. The forward copper sales and zero cost collar hedges that were entered into in the first quarter of 2024, which represented a total of approximately 61% of Copper Mountain's 2024 production.

As of December 31, 2024, Hudbay had the following non-QP hedges outstanding:

- Forward sales contracts at the Copper Mountain mine for a total of 5.3 million pounds of copper over the period of January 2025 to April 2025 at an average price of $3.95 per pound; and
- Zero-cost collar program at the Copper Mountain mine for 6.6 million pounds of copper over a twelve month period of January 2025 to April 2025 at an average floor price of $3.88 per pound and an average cap price of $4.14 per pound.

The following tables provide a reconciliation of average realized price per unit sold, by metal, to revenues as shown in the consolidated financial statements.

Three months ended December 31, 2024							
(in $ millions except for realized price and payable metal sold) [1]	Copper	Gold	Zinc	Silver	Molybdenum	Other	Total
Revenue from contracts	**349.0**	**199.6**	**16.4**	**15.7**	**9.1**	**1.2**	**591.0**
Amortization of deferred revenue	**-**	**14.6**	**-**	**11.6**	**-**	**-**	**26.2**
Pricing and volume adjustments [3]	**(6.6)**	**1.6**	**(0.3)**	**(0.7)**	**(0.4)**	**-**	**(6.4)**
Revenue, including mark-to-market on QP hedges [4]	**342.4**	**215.8**	**16.1**	**26.6**	**8.7**	**1.2**	**610.8**
Realized non-QP derivative mark-to-market	**(1.3)**	**(2.9)**	**-**	**-**	**-**	**-**	**(4.2)**
By-product credits [5]	**341.1**	**212.9**	**16.1**	**26.6**	**8.7**	**1.2**	**606.6**
Payable metal in concentrate and doré sold [6]	**37,927**	**92,734**	**5,261**	**1,150,518**	**182**	**-**	**-**
Realized price [7]	**9,028**	**2,327**	**3,060**	**23.12**	**-**	**-**	**-**
Realized price [8]	**4.09**	**-**	**1.39**	**-**	**-**	**-**	**-**
Year ended December 31, 2024							
(in $ millions except for realized price and payable metal sold) [1]	Copper	Gold	Zinc	Silver	Molybdenum	Other	Total
Revenue from contracts [2]	**1,154.8**	**673.6**	**71.1**	**51.5**	**60.1**	**1.7**	**2,012.8**
Amortization of deferred revenue	**-**	**40.7**	**-**	**33.6**	**-**	**-**	**74.3**
Pricing and volume adjustments [3]	**(3.6)**	**37.2**	**(1.2)**	**0.9**	**1.9**	**-**	**35.2**
Revenue, including mark-to-market on QP hedges [4]	**1,151.2**	**751.5**	**69.9**	**86.0**	**62.0**	**1.7**	**2,122.3**
Realized non-QP derivative mark-to-market	**(5.2)**	**(3.7)**	**-**	**-**	**-**	**-**	**(8.9)**
By-product credits [5]	**1,146.0**	**747.8**	**69.9**	**86.0**	**62.0**	**1.7**	**2,113.4**
Payable metal in concentrate and doré sold [6]	**125,094**	**335,342**	**25,120**	**3,549,816**	**1,287**	**-**	**-**
Realized price [7]	**9,203**	**2,241**	**2,783**	**24.23**	**-**	**-**	**-**
Realized price [8]	**4.18**	**-**	**1.26**	**-**	**-**	**-**	**-**

[1] Average realized price per unit sold may not calculate based on amounts presented in this table due to rounding.

[2] As per financial statements.

[3] Pricing and volume adjustments represents mark-to-market adjustments on provisionally priced sales, realized and unrealized changes to fair value for QP hedge derivative contracts and adjustments to originally invoiced weights and assays.

[4] Revenue, including mark-to-market on QP hedges is used in the calculation of realized price.

[5] By-product credits subtotal is used in the calculated of cash cost per pound of copper and ounce of gold produced, net of by-product credits. Cash cost per pound of copper and per ounce of gold produced, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[6] Copper, zinc and molybdenum shown in metric tonnes and gold and silver shown in ounces.

[7] Realized price for copper and zinc in $/metric tonne and realized price for gold and silver in $/oz.

[8] Realized price for copper and zinc in $/lb.

The price, quantity and mix of metals sold affect our revenue, operating cash flow and gross profit. Revenue from metals sales can vary from quarter to quarter due to production levels, shipping volumes and transfer of risk and title to customers.

Three months ended December 31, 2023							
(in $ millions except for realized price and payable metal sold) [1]	Copper	Gold	Zinc	Silver	Molybdenum	Other	Total
Revenue from contracts [2]	361.7	183.8	18.7	11.8	21.2	-	597.2
Amortization of deferred revenue	-	16.3	-	10.2	-	-	26.5
Pricing and volume adjustments [3]	4.4	16.1	(0.1)	0.7	(6.9)	-	14.2
Revenue, including mark-to-market on QP hedges [4]	366.1	216.2	18.6	22.7	14.3	-	637.9
Realized non-QP derivative mark-to-market [5]	-	-	-	-	-	-	-
By-product credits [4]	366.1	216.2	18.6	22.7	14.3	-	637.9
Payable metal in concentrate and doré sold [6]	44,006	104,841	7,385	1,048,879	468	-	-
Realized price [7]	8,319	2,062	2,519	21.67	-	-	-
Realized price [8]	3.77	-	1.14	-	-	-	-
Year ended December 31, 2023							
(in $ millions except for realized price and payable metal sold) [1]	Copper	Gold	Zinc	Silver	Molybdenum	Other	Total
Revenue from contracts [2]	1,065.8	463.0	76.6	35.6	79.4	0.2	1,720.6
Amortization of deferred revenue	-	39.7	-	32.7	-	-	72.4
Pricing and volume adjustments [3]	(8.3)	22.9	(1.7)	0.4	(7.5)	-	5.8
Revenue, including mark-to-market on QP hedges [4]	1,057.5	525.6	74.9	68.7	71.9	0.2	1,798.8
Realized non-QP derivative mark-to-market [5]	-	-	-	-	-	-	-
By-product credits [4]	1,057.5	525.6	74.9	68.7	71.9	0.2	1,798.8
Payable metal in concentrate and dore sold [6]	124,996	276,893	28,779	3,145,166	1,462	-	-
Realized price [7]	8,460	1,898	2,603	21.85	-	-	-
Realized price [8]	3.84	-	1.18	-	-	-	-

[1] Average realized price per unit sold may not calculate based on amounts presented in this table due to rounding.

[2] As per financial statements.

[3] Pricing and volume adjustments represents mark-to-market adjustments on provisionally priced sales, realized and unrealized changes to fair value for non-hedge derivative contracts and adjustments to originally invoiced weights and assays.

[4] By-product credits subtotal is used in the calculated of cash cost per pound of copper and ounce of gold produced, net of by-product credits. Cash cost per pound of copper and per ounce of gold produced, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[5] Derivative mark-to-market excludes mark-to-market on QP hedges.

[6] Copper, zinc and molybdenum shown in metric tonnes and gold and silver shown in ounces.

[7] Realized price for copper and zinc in $/metric tonne and realized price for gold and silver in $/oz.

[8] Realized price for copper and zinc in $/lb.

Precious metals - stream sales and realized price breakdown

The following table shows a breakdown of realized prices for precious metals inclusive of stream and offtaker revenue. It further identifies the components of the realized price for stream revenues between the amortized drawdown rate and cash payment rate.

(in $ millions except for realized price and payable metal sold)		Gold				Silver			
		Three months ended		Year ended		Three months ended		Year ended	
Revenue		**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Stream		**22.2**	24.7	**61.8**	60.1	**16.6**	14.3	**48.0**	45.9
Offtaker		**193.6**	191.5	**689.7**	465.4	**10.0**	8.4	**38.0**	22.8
Revenue, including mark-to-market on QP hedges [3]		**215.8**	216.2	**751.5**	525.5	**26.6**	22.7	**86.0**	68.7
Payable metal sold									
Stream	*oz*	**17,873**	19,925	**49,822**	48,522	**796,849**	665,191	**2,310,394**	2,140,243
Offtaker	*oz*	**74,861**	84,917	**285,520**	228,371	**353,669**	383,688	**1,239,422**	1,004,923
Total payable metal sold	*oz*	**92,734**	104,842	**335,342**	276,893	**1,150,518**	1,048,879	**3,549,816**	3,145,166
Deferred revenue drawdown rate[1]	*$/oz*	**817**	820	**817**	820	**14.56**	15.26	**14.56**	15.26
Cash rate[2]	*$/oz*	**425**	420	**423**	418	**6.26**	6.20	**6.23**	6.17
Stream realized price	*$/oz*	**1,242**	1,240	**1,240**	1,238	**20.82**	21.46	**20.79**	21.43
Offtaker realized price	*$/oz*	**2,586**	2,255	**2,416**	2,038	**28.28**	21.89	**30.66**	22.69
Realized price	*$/oz*	**2,327**	2,062	**2,241**	1,898	**23.12**	21.67	**24.23**	21.85

[1] Deferred revenue drawdown rates for gold and silver do not include variable consideration adjustments.

[2] The gold and silver cash rate for Peru increased by 1% from $400/oz and $5.90/oz effective August 4, 2019. Subsequently every year, on August 4, the cash rate will increase by 1% compounded. The gold and silver cash rate for Manitoba increased by 1% from $400/oz and $5.90/oz effective August 1, 2015. Subsequently every year, on August 1, the cash rate will increase by 1% compounded. The weighted average cash rate is disclosed.

[3] Revenue, including mark-to-market on QP hedges is used in the calculation of realized price.

Subsequent to the variable consideration adjustment recorded on January 1, 2024, the deferred revenue amortization is recorded in Peru at $817 per ounce gold and $14.56 per ounce silver (December 31, 2023 - $820 per ounce gold and $15.26 per ounce silver).

Cost of Sales

Our detailed cost of sales is summarized as follows:

(in $ millions)	Three months ended		Year ended	
	Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Peru				
Mining	**47.3**	30.4	**145.5**	122.6
Milling	**53.6**	50.2	**197.1**	198.1
Changes in product inventory	**(6.7)**	8.0	**9.6**	28.1
Depreciation and amortization	**83.2**	85.7	**270.3**	275.7
G&A	**33.3**	24.9	**96.0**	77.3
Inventory adjustments	**(0.2)**	-	**-**	-
Freight, royalties and other charges	**20.7**	22.3	**69.2**	68.3
Total Peru cost of sales	**231.2**	221.5	**787.7**	770.1
Manitoba				
Mining	**42.6**	40.3	**169.4**	161.1
Milling	**16.6**	15.3	**65.2**	62.3
Changes in product inventory	**(0.3)**	12.8	**(2.0)**	1.8
Depreciation and amortization	**27.2**	30.6	**106.2**	104.3
Inventory adjustments	**0.3**	1.4	**1.7**	2.3
G&A	**13.0**	8.6	**48.7**	35.2
Past service costs	**1.5**	-	**4.3**	-
Freight, royalties and other charges	**7.0**	6.8	**25.4**	23.7
Total Manitoba cost of sales	**107.9**	115.8	**418.9**	390.7
British Columbia[1]				
Mining	**18.2**	19.0	**79.1**	48.3
Milling	**25.2**	25.2	**89.8**	49.3
Changes in product inventory	**(3.0)**	8.5	**3.8**	8.5
Depreciation and amortization	**11.8**	5.5	**50.1**	11.7
G&A	**5.0**	5.6	**20.0**	10.7
Inventory adjustments	**1.2**	-	**1.2**	-
Freight, royalties and other charges	**3.0**	4.3	**16.8**	8.2
Total British Columbia cost of sales	**61.4**	68.1	**260.8**	136.7
Cost of sales	**400.5**	405.4	**1,467.4**	1,297.5

[1] Copper Mountain mine results are stated at 100%. Hudbay owns 75% of Copper Mountain mine. As Copper Mountain was acquired on June 20, 2023, the results for the year ended December 31, 2023 represents the period from the acquisition date, June 20, 2023, through to the end of the fourth quarter of 2023.

Total cost of sales for the fourth quarter of 2024 was $400.5 million, reflecting a decrease of $4.9 million compared to the fourth quarter of 2023. British Columbia cost of sales decreased by $6.7 million primarily driven by the effect of an increase in finished concentrate inventory, lower mining and G&A costs partially offset by higher depreciation during the quarter. Peru cost of sales increased by $9.7 million in the fourth quarter of 2024, compared to the same period of 2023 mainly due higher mining and milling costs in line with higher production during the quarter partially offset by the effect of the increase in inventory versus the comparative 2023 period. Manitoba cost of sales decreased by $7.9 million in the fourth quarter of 2024, primarily as a result decrease in the relative change in finished goods inventory and lower depreciation and amortization during the quarter, compared to the same period of 2023.

Total cost of sales for the year ended December 31, 2024 was $1,467.4 million, reflecting an increase of $169.9 million from the same period in 2023 in part due to $124.1 million of incremental operating costs from British Columbia. In addition, Peru cost of sales increased by $17.6 million as a result of an increase of $11.0 million in profit sharing and higher mining, G&A and freight costs. Manitoba cost of sales increased by $28.2 million as a result of a $10.3 million increase in profit sharing and $13.1 million of higher mining, milling and depreciation as a result of higher production.

For details on unit operating costs, refer to the respective tables in the "Operations Review" section of this MD&A.

For the fourth quarter of 2024, other significant variances in expenses, compared to the same period in 2023, include the following:

- **Net finance expenses** decreased by $14.5 million primarily due to a $9.0 million decrease in the relative revaluation loss of the gold prepayment liability, a decrease of $7.6 million on mark-to-market losses from non-QP hedges, a decrease of $4.4 million from interest expense on long-term debt benefiting from the retirement of some senior notes, an increase of $3.3 million from interest income, a decrease of $1.4 million from withholding taxes, partially offset by an increase in foreign exchange loss of $13.1 million.

- **Other expenses** increased by $11.5 million primarily due to an increase of $7.6 million in the write-off of previously capitalized PP&E costs and the prior year benefited from an $8.1 million recovery from insurance and value added tax partially offset by a $4.5 million decrease in the amortization of certain community costs.

- **Re-evaluation adjustment - environmental provision** contributed a decrease of $31.5 million in expenses compared to the same period of 2023 due to the relative revaluation of the environmental reclamation provision on our Manitoba non-producing sites from changes in long term risk-free discount rates and inflation rates.

  Given the long term nature of the reclamation cash flows, the related environmental reclamation provision is highly sensitive to changes in inflation rates and long-term risk-free discount rates and, as such, we may continue to experience significant quarterly environmental reclamation provision revaluations.

For the year 2024, other significant variances in expenses, compared to the same period in 2023, included the following:

- **Net finance expenses** increased by $3.4 million due to an increase in market-to-market losses of $9.1 million from non-QP hedges, a $3.3 million increase in interest expense on equipment financing and leases, a $15.7 million increase in net foreign exchange loss, partially offset by a decrease in mark-to-market loss of $6.0 million from investments, an increase of $7.6 million in interest income, a $6.4 million decrease in interest expense on long-term debt, a decrease of $3.8 million in withholding taxes and a decrease in the accretion of revenue streaming arrangement of $2.4 million.

- **Selling and administrative expenses** increased by $17.8 million reflecting a higher share-based compensation expense as a result of a comparative increase in share price during the current period along with incremental selling and administrative expenses incurred by the Copper Mountain mine.

- **Other expenses** increased by $19.1 million primarily due to an increase of $20.0 million in write-off of previously capitalized PP&E costs, net of capitalized accrued interest, primarily related to an expired option agreement in Arizona of $8.1 million and Copper Mountain PP&E writedowns of $16.0 million, and the prior year benefited from an $8.1 million of recovery from insurance and value added tax, a decrease of $6.9 million in acquisition costs related to the acquisition of Copper Mountain incurred in 2023 and a $2.0 million gain related to the renouncement of the flow-through share liability, net of provisions.

- **Exploration expenses** increased by $13.3 million primarily due to our planned Snow Lake exploration program consisting of modern geophysical programs and multi-phased drilling campaigns, much of which is funded by flow-through financing.

- **Re-evaluation adjustment - environmental provision** gain decreased by $7.9 million due to the same reasons as outlined above in the quarterly variance analysis.

Tax Expense

For the three months ended December 31, 2024, tax expense increased by $36.9 million compared to the same period in 2023. For the year ended December 31, 2024 tax expense increased by $101.5 million compared to the same period in 2023. The following table provides further details:

	Three months ended		Year ended	
(in $ millions)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Current tax expense - income tax	**52.2**	45.2	**119.9**	83.1
Deferred tax expense (recovery) - income tax [1]	**15.1**	(3.2)	**13.9**	(19.6)
Total income tax expense	**67.3**	42.0	**133.8**	63.5
Current tax expense - mining tax	**19.2**	7.5	**57.0**	22.0
Deferred tax (recovery) expense - mining tax [1]	**(2.1)**	(2.0)	**(7.0)**	(3.2)
Total mining tax expense	**17.1**	5.5	**50.0**	18.8
Tax expense	**84.4**	47.5	**183.8**	82.3

[1] Deferred tax expense (recovery) represents our draw down/increase of non-cash deferred income and mining tax assets/liabilities.

Income Tax Expense/Recovery

Applying the estimated Canadian statutory income tax rate of 26.7% to our net earnings before taxes of $251.6 million for the full year of 2024 would have resulted in a tax expense of approximately $67.2 million; however, we recorded an income tax expense of $133.8 million. The primary items causing our effective income tax rate to be different than the 26.7% estimated Canadian statutory income tax rate include:

- Foreign exchange on the translation of deferred tax balances to group currency resulted in a deferred tax expense of $26.2 million.
- The tax expense with respect to our foreign operations is recorded using an income tax rate other than the Canadian statutory income tax rate of 26.7%, resulting in a tax expense of $36.7 million.

Mining Tax Expense

For full year of 2024, we recorded a mining tax expense of $50.0 million. Effective mining tax rates can vary significantly based on the composition of our earnings and the expected amount of mining taxable profits. Corporate costs and other costs not related to mining operations are not deductible in computing mining profits. A brief description of how mining taxes are calculated in our various business units is discussed below.

Manitoba

The Province of Manitoba imposes mining tax on earnings related to the sale of mineral products mined in the Province of Manitoba (mining taxable profit) at the following rates:

- 10% of total mining taxable earnings if mining profit is C$50 million or less;
- Between mining earnings of C$50 and $C55 million, mining tax is equal to a minimum of C$5 million plus mining earnings less C$50 million multiplied by 65%;
- 15% of total mining taxable earnings if mining profits are between C$55 million and C$100 million;
- Between mining earnings of C$100 million and C$105 million, mining tax is equal to a minimum of C$15 million plus mining earnings less C$100 million multiplied by 57%; and
- 17% of total mining taxable earnings if mining profits exceed C$105 million.

We estimate that the deferred tax rate that will be applicable when temporary differences reverse will be approximately 10.0%.

Peru

The Peruvian government imposes two parallel mining tax regimes, the Special Mining Tax and the Modified Royalty, on companies' operating mining income on a sliding scale, with progressive rates ranging from 2.0% to 8.4% and 1.0% to 12.0%, respectively. Based on financial forecasts, we have recorded a deferred tax liability as at December 31, 2024, at the tax rate we expect to apply when temporary differences reverse.

British Columbia

The Province of British Columbia imposes a 13% net revenue tax on the sale of mineral products mined in the province of British Columbia after the mine owner has recovered the capital invested in the mine and its "Cumulative Expenditure Account" ("CEA") no longer has a balance. The tax is paid on the profit in excess of the capital that has been invested in the mine. British Columbia mineral tax is deductible for federal and provincial income tax purposes.

While there is a balance in the CEA account, the mine owner must pay a "Net Current Proceeds" ("NCP") tax of 2%. Any amounts paid as NCP can then be claimed in the future against net revenue taxes payable.

We estimate that the effective tax rate that will be applicable when temporary differences reverse will be approximately 9.49%.

LIQUIDITY AND CAPITAL RESOURCES

Total liquidity substantially increased by 76% to $1,007.8 million at December 31, 2024 from $573.7 million at the end of 2023.

As at December 31, 2024, our liquidity includes $541.8 million in cash, $40.0 million in short-term investments as well as undrawn total availability of $426.0 million under our revolving credit facilities.

Senior Unsecured Notes

During 2024, we purchased a total of $25.0 million of our 2026 Notes and $57.6 million of our 2029 Notes in the open market at a discount to par value. As at December 31, 2024, we had $575.0 million aggregate principal amount of 2026 Notes and $542.4 million aggregate principal amount of 2029 Notes.

Senior Secured Revolving Credit Facilities

We have two senior secured revolving credit facilities with total commitments of $450 million ("the Credit Facilities") for our Canadian and Peruvian businesses on substantially similar terms and conditions.

During 2024, we fully repaid $100 million of debt outstanding under our revolving credit facilities. As at December 31, 2024, there were nil cash drawings under the Credit Facilities and $24.0 million in letters of credit secured under the Canadian Facility.

As at December 31, 2024, we were in compliance with our covenants under the Credit Facilities.

During the fourth quarter, we proactively extended the Credit Facilities by three years from October 2025 to November 2028 and negotiated the flexibility to leave our 4.50% 2026 senior unsecured notes outstanding to maturity as we advance Copper World towards a sanctioning decision in accordance with the 3-P plan. The newly extended $450 million revolving credit facility, with the existing banking syndicate, includes an improved pricing grid reflecting the enhanced financial position of Hudbay, and features an accordion provision that provides Hudbay with the option to increase the facility by an additional $150 million at our discretion during the four-year tenor, providing additional financial flexibility.

C$130 Million Bilateral Letter of Credit Facility

We have a C$130.0 million bilateral letter of credit facility ("LC Facility") with a major Canadian financial institution. The LC Facility has no financial covenants and enables us to issue up to C$130.0 million of letters of credit to beneficiaries on an unsecured basis at attractive rates, including C$30.0 million sub-limit for financial letters of credit. As at December 31, 2024, the Manitoba business unit had drawn $52.7 million in letters of credit under the LC Facility.

Surety Bonds and Letters of Credit

As at December 31, 2024, the Arizona business unit had $18.4 million in surety bonds issued to support future reclamation and closure obligations and the Peru business unit had $126.1 million in letters of credit issued with various Peruvian financial institutions to support future reclamation and other operating matters. In addition, the British Columbia business unit had $45.6 million in surety bonds issued to support future reclamation and $1.0 million in surety bonds issued to support the hydro used at Copper Mountain mine. The British Columbia business unit also had $0.6 million in cash collateralized letters of credit issued with various Canadian financial institutions related to other operating matters.

Gold Prepayment Liability

During the fourth quarter of 2020, we entered into a gold forward sale and prepay transaction which generated $115.0 million in cash proceeds to pre-fund the expected capital requirements for the New Britannia gold mill refurbishment project. The transaction valued the future gold ounce delivery obligation at 79,954 gold ounces to be delivered in fixed monthly deliveries of 3,331 gold ounces over a 24-month period from January 2022 to December 2023, which period was extended to August 2024.

During the third quarter of 2024, we completed our final fixed monthly delivery in August and have now fully completed all delivery obligations under the gold prepayment liability.

Working Capital

Working capital increased by $375.5 million to $511.3 million from December 31, 2023 to December 31, 2024, primarily due to an increase in cash and cash equivalents of $292.0 million, a decrease in gold prepayment liability of $55.9 million, an increase in short-term investment of $40.0 million, an increase in trade and other receivables of $32.1 million mainly related to the timing of receiving statutory receivables, a decrease in deferred revenue of $24.6 million, an increase in prepaid and other expenses of $11.1 million and an increase in other financial assets and taxes receivable of $10.0 million. Partially offsetting these items was an increase in taxes payable of $47.3 million mainly as a result of higher mining taxes from higher taxable income, an increase in trades and other payable of $30.9 million and a decrease in inventories of $9.9 million.

Cash Flows

The following table summarizes our cash flows for the three months and year ended December 31, 2024 and December 31, 2023:

	Three months ended		Year ended	
(in $ millions)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Operating cash flow before change in non-cash working capital	**231.5**	246.5	**691.1**	570.0
Change in non-cash working capital	**6.6**	(17.5)	**(24.9)**	(93.1)
Cash generated from operating activities	**238.1**	229.0	**666.2**	476.9
Cash used in investing activities	**(99.6)**	(82.5)	**(382.9)**	(271.8)
Cash (used in) generated from financing activities	**(36.9)**	(141.8)	**10.2**	(182.4)
Effect of movement in exchange rates on cash	**(3.1)**	(0.1)	**(1.5)**	1.4
Net increase in cash	**98.5**	4.6	**292.0**	24.1

Cash Flow from Operating Activities

Cash generated from operating activities was $238.1 million during the fourth quarter of 2024, an increase of $9.1 million compared to the same period in 2023. Operating cash flow before change in non-cash working capital was $231.5 million during the fourth quarter of 2024, reflecting a decrease of $15.0 million compared to the fourth quarter of 2023. The decrease in operating cash flows before change in working capital was primarily the result of lower sales volume of copper and gold which overcame the strong realized prices for those respective metals.

Year-to-date cash generated from operating activities was $666.2 million in 2024, an increase of $189.3 million compared to 2023. Operating cash flow before changes in non-cash working capital for the year ended December 31, 2024 was $691.1 million, an increase of $121.1 million compared to 2023. The increase in operating cash flow before changes in working capital was primarily the result of higher metal prices and gold sales volumes, as well as the incremental contribution margin from the Copper Mountain mine. This was partially offset by a significant increase in cash taxes paid of $132.5 million mainly at our Peru operations, compared to the same period in 2023.

Cash Flow from Investing and Financing Activities

During the fourth quarter of 2024, we spent $136.5 million in investing and financing activities, primarily driven by $96.9 million in capital expenditures, $30.5 million in interest paid on long-term debt, $11.0 million in capitalized lease and equipment financing payments, $4.8 million in other financing costs mainly related to our Credit Facilities and foreign withholding taxes and $2.7 million in community agreement payments. These cash outflows were partially offset by $4.0 million of interest income received.

In the full year 2024, we spent $372.7 million in investing and financing activities, primarily driven by $347.1 million in capital expenditures, $100.0 million in repayments on our revolving credit facilities, $81.9 million of our senior unsecured notes repurchased, net of discount, $67.9 million in interest paid on our long-term debt, $62.3 million full repayment of our gold prepayment liability, $41.6 million in capitalized lease and equipment financing payments, $40.0 million in short-term investments, $15.1 million in other financing costs mainly related to our Credit Facilities and foreign withholding taxes, the final $10.0 million deferred payment for the acquisition of a prior minority interest in Copper World, $9.1 million in community agreement payments and $5.5 million of dividends paid. These cash outflows were partially offset by $398.0 million of proceeds from equity issuance, net of transaction and issuance costs, $17.5 million of interest income and grants received and $4.4 million net proceeds from exercise of stock options and warrants.

Capital Expenditures

The following summarizes accrued and cash additions to capital assets for the periods indicated:

	Three months ended		Year ended		Guidance
(in $ millions)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023	Annual 2024[2]
Peru sustaining capital expenditures[1]	**29.9**	36.8	**124.4**	132.1	130.0
Manitoba sustaining capital expenditures	**12.5**	19.1	**45.6**	55.8	55.0
British Columbia sustaining capital expenditures[3]	**29.2**	19.1	**123.1**	30.2	105.0
Total sustaining capital expenditures	**71.6**	75.0	**293.1**	218.1	290.0
Arizona capitalized costs[4]	**13.4**	5.5	**28.9**	21.3	45.0
Peru growth capitalized expenditures	**0.5**	0.1	**0.8**	12.1	2.0
Manitoba growth capitalized expenditures	**2.3**	-	**7.0**	13.5	10.0
British Columbia growth capitalized expenditures	**4.7**	1.2	**8.1**	1.2	5.0
Capitalized exploration	**6.7**	6.2	**12.2**	7.8	8.0
Right-of-use asset and equipment financing additions	**42.3**	0.2	**96.5**	21.4	
Grants received	**(0.7)**	-	**(3.1)**	-	
Community agreement additions	**12.7**	(0.2)	**14.5**	1.8	
Non-cash capitalized stripping	**6.2**	3.5	**24.5**	8.8	
Rockcliff acquisition	**-**	-	**-**	14.2	
Other capitalized costs	**3.7**	3.4	**3.7**	3.6	
Total other capitalized expenditures	**91.8**	19.9	**193.1**	105.7	
Total accrued capital additions	**163.4**	94.9	**486.2**	323.8	
Reconciliation to cash capital additions:					
Other capitalized costs[2]	**(60.5)**	(6.9)	**(132.4)**	(45.7)	
Change in capital accruals	**(5.9)**	(6.9)	**(6.7)**	3.0	
Acquisition of property, plant & equipment - cash	**97.0**	81.1	**347.1**	281.1	

[1] Peru sustaining capital expenditures include capitalized stripping costs.

[2] Other capitalized costs primarily include right-of-use lease and equipment financing additions, which are excluded from guidance in 2024, in addition to non-cash deferred stripping

[3] Includes 100% of Copper Mountain mine production. Hudbay owns 75% of Copper mountain mine. As Copper Mountain was acquired on June 20, 2023, the production for the year ended December 31, 2023 represents the period from the acquisition date, June 20, 2023, through to the end of the fourth quarter of 2023.

[4] With the receipt of the Aquifer Protection Permit on August 29, 2024, we expect to commence activities related to the preparation of feasibility studies for Copper World. As a result, 2024 growth capital spending in Arizona has increased by an additional $25 million, compared to the original 2024 guidance of $20 million.

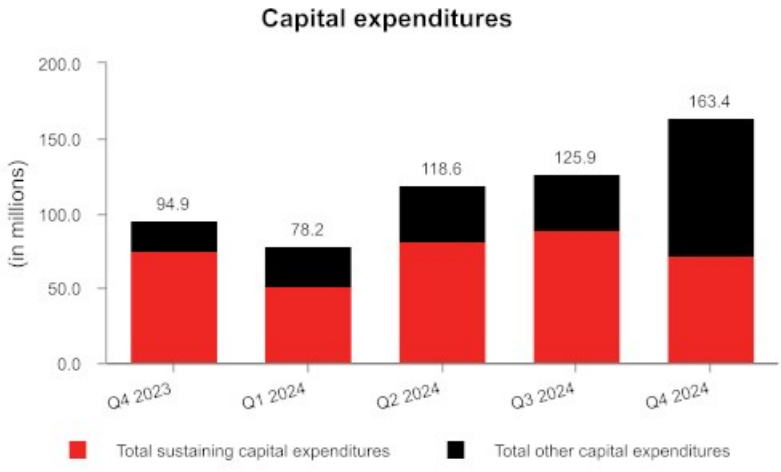
For the quarter and year ended December 31, 2024, total capital additions increased by $68.5 million and $162.4 million, respectively, compared to the same period in 2023, primarily due to sustaining capital expenditures at the Copper Mountain mine representing a full year of ownership in 2024 and in moving forward our plan for production improvements. In addition, a number of new leases and equipment financing transactions were signed mostly for the Copper Mountain mine. This was partially offset by reduced sustaining and growth capital expenditures in Manitoba and Peru.

Sustaining capital expenditures in Manitoba for the three months and year ended December 31, 2024 were $12.5 million and $45.6 million, respectively, representing a decrease of $6.6 million and $10.2 million, respectively, compared to the same periods in 2023 mostly due to lower capital development at Lalor. Sustaining capital expenditures in Peru for the three months and year ended December 31, 2024 were $29.9 million and $124.4 million, respectively, representing a decrease of $6.9 million and $7.7 million, respectively, compared to the same periods in 2023 as a result of the timing of various stripping campaigns and civil work projects. Sustaining capital expenditures in British Columbia for the three months and year ended December 31, 2024 were $29.2 million and $123.1 million, respectively, which included $20.9 million and $69.7 million, respectively, of capitalized stripping related to our planned three-year accelerated stripping campaign to access higher grade ore.

Growth capital spending in Manitoba for the three months and year ended December 31, 2024 was $2.3 million and $7.0 million, respectively, representing an increase of $2.3 million and a decrease of $6.5 million, respectively, compared to the same periods in 2023. The decrease for the full year mainly relates to the completion of the Stall mill recovery improvement project in 2023, partially offset by the development of an exploration access drift at 1901 in 2024. Growth capital expenditures in Peru for the three months and year ended December 31, 2024 were $0.5 million and $0.8 million, respectively, representing an increase of $0.4 million and a decrease of $11.3 million, respectively. The annual decrease mainly relates to the completion of the copper recovery improvement project in 2023. Arizona's capital expenditures for the three months and year ended December 31, 2024 were $13.4 million and $28.9 million, respectively, mainly related to ongoing carrying costs and feasibility preparation.

Capitalized exploration for the three months and year ended December 31, 2024 was $6.7 million and $12.2 million, respectively.

Total consolidated sustaining and growth capital expenditures in 2024 were approximately $10 million lower than our full year guidance of $360 million. This reflects continued financial discipline and certain capital deferrals to 2025.



Capital Commitments

As at December 31, 2024, we had outstanding capital commitments in Canada of approximately $16.8 million, of which $1.6 million can be terminated, approximately $37.1 million in Peru primarily related to sustaining capital commitments and exploration option agreements, all of which can be terminated, and approximately $35.2 million in Arizona, primarily related to our Copper World project, none of which can be terminated.

Contractual Obligations

The following table summarizes our significant contractual obligations as at December 31, 2024:

Payment Schedule (in $ millions)	Total	Less than 12 months	13 - 36 months	37 - 60 months	More than 60 months
Long-term debt obligations[1]	1,318.6	62.5	661.1	595.0	-
Equipment financing and lease obligations	203.4	71.8	82.7	30.9	18.0
Purchase obligation - capital commitments	89.2	41.6	28.1	19.5	-
Purchase obligation - other commitments[3]	1,466.5	514.9	418.2	128.8	404.6
Pension and other employee future benefits obligations[2]	103.4	4.5	15.2	8.3	75.4
Community agreement obligations[4, 5]	99.0	26.1	17.0	8.3	47.6
Decommissioning and restoration obligations[5]	469.1	4.0	16.3	7.1	441.7
Total	3,749.2	725.4	1,238.6	797.9	987.3

[1] Long-term debt obligations include scheduled interest payments, as well as principal repayments

[2] Discounted.

[3] Primarily made up of trades payables, accrued liabilities, long-term agreements with operational suppliers, obligations for power purchases, concentrate handling and fleet and port services.

[4] Represents community agreement obligations and various finalized land user agreements, including Pampacancha.

[5] Undiscounted before inflation.

In addition to the contractual obligations included in the above payment schedule, we also have the following commitments which impact our financial position:

- A profit-sharing plan with most Manitoba employees;
- A profit-sharing plan with all Peru employees;
- Wheaton precious metals stream agreement for the Constancia mine;
- Government royalty payments related to the Constancia mines;
- Participation agreements related to the Copper Mountain mine, and
- Contracts related to future production and sales, such as royalties.

Outstanding Share Data

As of February 14, 2025, the final trading day prior to the date of this MD&A, there were 394,944,496 common shares of Hudbay issued and outstanding. In addition, there were 2,478,600 stock options and 60,544 common share purchase warrants outstanding.

FINANCIAL RISK MANAGEMENT

The Financial Risk Management risks in this MD&A are not exhaustive. Please also refer to the heading "Risk Factors" in our most recent Annual Information Form for a discussion of the additional risk factors that may affect Hudbay's business, operations and financial condition. In addition to those risks, we have identified the following other risks which may affect our consolidated financial statements in the future.

Metals Price Strategic Risk Management

Commodity prices are a key driver of our financial and operational results. Our strategic objective is to provide our investors with exposure to base metals prices, unless a reason exists to implement a hedging arrangement. From time to time, we maintain price protection programs and conduct commodity price risk management in line with Board-approved policies to reduce risk through the use of financial instruments.

In the normal course, we typically consider metal price hedging to manage the risk associated with provisional pricing terms in concentrate sales agreements and in connection with stream delivery obligations. We may also occasionally consider metal price hedging in accordance with Board approved policies to achieve strategic objectives, including: locking in favourable metal prices to ensure a minimum cash flow during or after the construction of a mine or during a period of reduced liquidity, to maintain profitable production of shorter life/higher cost operations or as part of a financing arrangement.

During the year, we entered into copper and zinc hedging transactions intended to manage the risk associated with provisional pricing terms in concentrate sales agreements.

As at December 31, 2024, we had 61.7 million pounds of net copper fixed for floating swaps outstanding at an average fixed receivable price of $4.19/lb associated with provisional pricing risk in concentrate sales agreements. These swaps settled beginning in January 2025 and will continue through May 2025.

As at December 31, 2024, we had 9.7 million pounds of net zinc fixed for floating swaps outstanding at an average fixed receivable price of $1.38/lb associated with provisional pricing risk in concentrate sales agreements. These swaps settled beginning in January 2025 and will continue through April 2025.

As at December 31, 2024, we had copper forward sales contracts at Copper Mountain for a total of 5.3 million pounds of copper production over the period from January 2025 to April 2025 at an average price of $3.95 per pound. Additionally, we had a zero-cost collar program for 6.6 million pounds copper production over the period from January 2025 to April 2025 at an average floor price of $3.88 per pound and an average cap price of $4.14 per pound.

From time to time, we enter into gold and silver forward sales contracts to hedge the commodity price risk associated with the future settlement of provisionally priced deliveries. We are generally obligated to deliver gold and silver to Wheaton Precious Metals Corp. ("Wheaton") prior to the determination of final settlement prices. These forward sales contracts are entered into at the time we deliver gold and silver to Wheaton, and are intended to mitigate the risk of subsequent adverse gold and silver price changes. Gains and losses resulting from the settlement of these derivatives are recorded directly to revenue, as the forward sales contracts do not achieve hedge accounting, and the associated cash flows are classified in operating activities. Our swap agreements are with counterparties we believe to be creditworthy and do not require us to provide collateral.

Carrying Values and Mine Plan Updates

At the end of each reporting period, Hudbay reviews its groups of non-financial assets to determine whether there are any indicators of impairment or impairment reversal. If any such indicator exists, the Company estimates the recoverable amount of the non-financial asset group in order to determine the extent of the impairment loss or reversal, if any. At December 31, 2024, the Company assessed whether there were impairment or impairment reversal indicators associated with the general business environment and known changes to business planning and found that there were no impairment or impairment reversal indicators.

There are a number of potential indicators that could trigger non-financial asset impairment or reversal of impairment in the future. One such potential indicator is a change to the life of mine ("LOM") plan for an asset, which we generally publish in the first quarter of every year. LOM plans incorporate management's best estimates of key assumptions which include future commodity prices, the value of mineral resources not included in the LOM plan, production based on current estimates of recoverable reserves, discount rates, future operating and capital costs and future foreign exchange rates.

There is a risk that certain assumptions in the updated LOM plans could give rise to an indicator of impairment or impairment reversal and cause an adjustment to the carrying value of the relevant assets and/or impact our financial statements.

Interest Rate and Foreign Exchange Risk Management

To the extent that we incur indebtedness at variable interest rates to fund our growth objectives, we may enter into interest rate hedging arrangements to manage our exposure to short-term interest rates. To the extent that we make commitments to capital expenditures denominated in foreign currencies, we may enter into foreign exchange forwards or acquire foreign currency outright, which may result in foreign exchange gains or losses in our consolidated statement of earnings.

At December 31, 2024, approximately $511.9 million of our cash was held in US dollars, approximately $26.2 million of our cash was held in Canadian dollars, and approximately $3.7 million of our cash was held in Peruvian soles.

Business Integration Risk with Copper Mountain

The ability to realize the benefits of the Copper Mountain transaction will depend in part on, building relationships with key stakeholders, stabilizing and optimizing the operation and successfully integrating functions, operations, procedures and personnel in a timely and efficient manner. It will also depend on Hudbay's ability to realize its updated mine plan (including the New Ingerbelle expansion) and the anticipated benefits from optimizing the operation.

There can be no assurance that management will be able to successfully complete the optimization of Copper Mountain's operations, achieve the updated mine plan and fully realize the anticipated operational and financial benefits the acquisition.

Political and Regulatory Changes - Trade

Since the Company operates across several jurisdictions, certain political and regulatory changes in Canada, the US, Peru, and other countries could negatively impact our operations and financial results. Recent and upcoming national elections, including those in Canada and the US, have brought, or may bring, new political leadership with substantially different political, social, and economic policy priorities on both domestic and foreign policy matters, including with respect to critical minerals, trade and tariffs. Political and regulatory risks such as these could have an impact on our operations and financial results. Although we do not currently sell any concentrate or precious metal doré into the United States from Canada, and the implementation or expansion of tariffs on exported and/or imported products could negatively affect supply chains, the price of consumables and the cost of mine development and construction.

TREND ANALYSIS AND QUARTERLY REVIEW

A detailed quarterly and annual summary of financial and operating performance can be found in the "Summary of Results" section at the end of this MD&A. The following table sets forth selected consolidated financial information for each of our eight most recently completed quarters:

(in $ millions, except per share amounts, production on a copper equivalent basis and average realized copper price)	2024				2023			
	Q4[2]	Q3	Q2	Q1	Q4[2]	Q3[3]	Q2	Q1
Production on a copper equivalent basis *(tonnes)*	**77,769**	60,895	47,164	62,120	77,951	71,335	37,530	38,614
Average realized copper price ($/lb)	**4.09**	4.24	4.56	3.91	3.77	3.77	3.89	3.98
Average realized gold price ($/oz)	**2,327**	2,582	2,222	1,941	2,062	1,738	1,810	1,881
Revenue	**584.9**	485.8	425.5	525.0	602.2	480.5	312.2	295.2
Gross profit	**184.4**	139.8	77.6	152.0	196.8	106.4	22.9	66.5
Income (loss) before tax	**103.7**	79.7	0.4	67.8	81.0	84.1	(30.7)	17.4
Net income (loss)	**19.3**	50.4	(20.4)	18.5	33.5	45.5	(14.9)	5.5
Net income (loss) - attributable	**21.2**	49.8	(16.6)	22.4	30.7	45.1	(14.9)	5.5
Adjusted net earnings (loss)[1] - attributable	**70.3**	50.3	0.1	59.4	68.6	24.3	(18.3)	0.1
Earnings (loss) per share attributable: Basic and diluted	**0.05**	0.13	(0.05)	0.06	0.09	0.13	(0.05)	0.02
Adjusted net earnings (loss)[1] per share - attributable	**0.18**	0.13	0.00	0.17	0.20	0.07	(0.07)	0.00
Operating cash flow before change in non-cash working capital	**231.5**	186.3	122.0	147.5	246.5	182.0	55.9	85.6
Adjusted EBITDA[1]	**257.3**	206.2	145.0	214.2	274.4	190.7	81.2	101.9
Adjusted EBITDA LTM[1]	**822.5**	839.8	824.3	760.5	647.8	498.5	407.1	467.3

[1] Adjusted net earnings (loss) - attributable to owners, adjusted net earnings (loss) per share - attributable to owners, adjusted EBITDA, and adjusted EBITDA last twelve months ("LTM") are non-GAAP financial performance measure with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[2] Annual consolidated results may not calculate based on amounts presented in this table due to rounding.

[3] The Company acquired Copper Mountain on June 20, 2023, and Q3 2023 represented the first full quarter of Copper Mountain production included in the Company's financial results.

On a quarterly basis, the Company's revenue is primarily impacted by metal prices, production mix and sales volumes of the key metals we produce. In addition to these factors, gross profit, net earnings (loss) attributable, earnings (loss) per share attributable, operating cash flow before change in non-cash working capital and adjusted EBITDA are also impacted by input costs. Net earnings (loss) and earnings (loss) per share are further impacted by net finance expense and re-evaluation adjustments of our closed site environmental provision.

During the fourth quarter of 2024, copper equivalent production increased to 77,769 tonnes. Our Manitoba and Peru operations delivered strong quarterly production as expected and unlocked higher grade helping the Company exceed 2024 annual gold guidance. Strong cost control and meaningful exposure to gold by-product credits resulted in consolidated cash cost[1] and sustaining cash cost[1] per pound of copper produced, net of by-product credits[1], in the fourth quarter of 2024 of $0.45 and $1.37, respectively, contributing to our outperformance of our improved full year 2024 cost guidance. Furthermore, the settlement of the gold prepayment liability in the third quarter of 2024, allowed Hudbay to capitalize on surging gold prices. Since acquiring Copper Mountain in June 2023, we have moved to optimization efforts which have been focused on ramping up the mining fleet to execute a planned accelerated stripping campaign to gain access to higher grades, as well as plant improvement initiatives to improve mill reliability and recoveries. See "Financial Risk Management - Business Integration Risk with Copper Mountain" above for further details.

During the third quarter of 2024, profitability and cash flows grew compared to the second quarter of 2024. This strength was attributable in part to higher gold, copper and zinc production compared to the second quarter of 2024, along with returning strength in commodity prices including record gold prices. These impacts offset lower planned mined grades observed in Peru in the third quarter of 2024 and the higher cash mining taxes paid in Peru resulting from higher profitability over the past several quarters. Strong operating cost control continued into the third quarter of 2024 resulting from a number of operational initiatives and high levels of mill throughput being experienced throughout the business.

During the second quarter of 2024, realized copper and gold prices continued to climb which overcame the decline in sales volumes of concentrate compared to the first quarter of 2024. Expected lower mined grades observed for the same metals in Peru and Manitoba were the primary factor for the decline in production since the first quarter of the year. Cost control remained favourable as we continued to track within cost guidance given the expected cadence in the year's production profile. Higher mining taxes continued as we experienced higher profitability over the past several quarters. Lastly, volatile inter-period copper and gold prices led to relatively high mark-to-market adjustments for our strategic non-QP hedging program and high share prices for our common shares led to higher share-based compensation expenses. This led to a total of $19.5 million in mark-to-market adjustments to be added back in our adjusted net earnings - attributable to owners measure.

The first quarter of 2024 and the fourth quarter of 2023 reflected the continuation of strong copper, gold and silver production that commenced in the third quarter of 2023. The increase in copper, gold and silver prices in the first quarter of 2024 also contributed to strong revenue and profitability in the quarter.

Third quarter of 2023 results reflected significantly higher copper and gold production and sales volumes from the high grade zones of the Pampacancha deposit and higher gold and copper grade zones at Lalor resulting in a significant increase in our revenues, gross profits and earnings.

The second quarter of 2023 benefited from the drawdown of higher-than-normal unsold copper concentrate inventory levels in Peru that had built up due to supply chain disruptions during a short period of social and political unrest in the first quarter of 2023.

Gold prices during the first quarter of 2023 averaged levels not seen since 2020, which positively impacted gross profit during the quarter. Social and political unrest in Peru resulted in road blockades causing logistics and supply chain disruptions until mid-February 2023 and led to a buildup of copper concentrate inventory above normal operating levels, affecting overall revenues and net earnings attributable in the first quarter.

The following table sets forth selected consolidated financial information for each of the three most recently completed years:

(in $ millions, except for earnings (loss) per share, dividends declared per share, production on a copper equivalent basis and average realized copper price)	**2024**	2023	2022
Production on a copper equivalent basis *(tonnes)*	**247,948**	225,430	178,970
Average realized copper price ($/lb)	**4.18**	3.84	3.94
Revenue	**2,021.2**	1,690.0	1,461.4
Gross profit	**553.8**	392.5	276.9
Income before tax	**251.6**	151.8	95.8
Net income	**67.8**	69.5	70.4
Adjusted net earnings - attributable [1]	**181.4**	69.0	26.4
Earnings per share attributable:			
Basic and diluted	**0.20**	0.22	0.27
Adjusted net earnings [1] per share - attributable	**0.48**	0.23	0.10
Total assets	**5,487.6**	5,312.6	4,325.9
Operating cash flow before precious metals stream deposit and changes in non-cash working capital	**691.1**	570.0	391.7
Adjusted EBITDA [1]	**822.5**	647.8	475.9
Total non-current financial liabilities [2]	**1,266.2**	1,400.7	1,281.5
Dividends declared per share - C$ [3]	**0.02**	0.02	0.02

[1] Adjusted net earnings - attributable, adjusted net earnings per share - attributable, and adjusted EBITDA are non-GAAP financial performance measure with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A.

[2] Total non-current financial liabilities consists of non-current other financial liabilities, lease liabilities and long-term debt.

[3] Dividend paid during March and September of each year.

We achieved copper equivalent production of 247,948 tonnes. Record copper equivalent production along with strong metal prices resulted in record annual revenue of $2,021.2 million and record annual adjusted EBITDA of $822.5 million. Our enhanced operating platform delivered a strong consolidated annual performance with record annual gold production exceeding 2024 consolidated guidance. The completion of planned stripping activities at Pampacancha in Peru unlocked higher copper and gold grades. In addition, record gold production was achieved in Manitoba in 2024 through a combination of higher metallurgical recoveries at New Britannia and Stall Mills, despite processing lower gold grades year-over-year. Since acquiring Copper Mountain in June 2023, we have shifted to optimization efforts which have been focused on ramping up the mining fleet to execute a planned accelerated stripping campaign to gain access to higher grades, as well as plant improvement initiatives to improve mill reliability and recoveries.

Despite the planned closure of the 777 mine in June 2022, we achieved record production on a copper equivalent basis during 2024 due to additional production from our recently acquired Copper Mountain mine as well a significantly higher copper and gold production from mining the high grade zones of the Pampacancha deposit and higher gold and copper grade zones at Lalor. Operating cash flow before change in non-cash working capital increased by $178.3 million to $570.0 million in 2023 mainly driven by record metal production during the year.

NON-GAAP FINANCIAL PERFORMANCE MEASURES

Adjusted net earnings (loss) attributable to owners, adjusted net earnings (loss) per share attributable to owners, adjusted EBITDA, realized prices, net debt, net debt to adjusted EBITDA, cash cost, sustaining and all-in sustaining cash cost per pound of copper produced, cash cost and sustaining cash cost per ounce of gold produced, combined unit cost and ratios based on these measures are non-GAAP performance measures. These measures do not have a meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and are not necessarily indicative of gross profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently.

Management believes adjusted net earnings (loss) attributable to owners and adjusted net earnings (loss) per share attributable to owners provides an alternate measure of the Company's performance for the current period and gives insight into its expected performance in future periods. These measures are used internally by the Company to evaluate the performance of its underlying operations and to assist with its planning and forecasting of future operating results. As such, the Company believes these measures are useful to investors in assessing the Company's underlying performance. We provide adjusted EBITDA to help users analyze our results and to provide additional information about our ongoing cash generating potential in order to assess our capacity to service and repay debt, carry out investments and cover working capital needs. Net debt is shown because it is a performance measure used by the Company to assess our financial position. Net debt to adjusted EBITDA is shown because it is a performance measure used by the Company to assess our financial leverage and debt capacity. Realized price is shown to understand the average realized price of metals sold to third parties in each reporting period . Cash cost, sustaining and all-in sustaining cash cost per pound of copper produced are shown because we believe they help investors and management assess the performance of our operations, including the margin generated by the operations and the Company. Cash cost and sustaining cash cost per ounce of gold produced are shown because we believe they help investors and management assess the performance of our Manitoba operations. Combined unit cost is shown because we believe it helps investors and management assess our cost structure and margins that are not impacted by variability in by-product commodity prices.

Adjusted Net Earnings - Attributable to owners

Adjusted net earnings attributable to owners represents net earnings (loss) excluding certain impacts such as mark-to-market adjustments, foreign exchange (gains) loss, revaluation adjustment - environmental provisions for closed sites, variable consideration adjustment related to stream agreements, impairment charges and reversal of impairment charges on assets, (gain) loss on disposal of assets, other items that are not indicative of the underlying operating performance of our core business; and tax effect and non-controlling interest of the previously discussed items. These measures are not necessarily indicative of net earnings (loss) as determined under IFRS. The following table provides a reconciliation of net earnings and non-controlling interest per the consolidated statements of income, to adjusted net earnings attributable to owners of the Company for the year ended December 31, 2024 and 2023.

	Three months ended		Year ended	
(in $ millions)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Net earnings for the period	**19.3**	33.5	**67.8**	69.5
Tax expense	**84.4**	47.5	**183.8**	82.3
Earnings before tax	**103.7**	81.0	**251.6**	151.8
Adjusting items:				
Mark-to-market adjustments[1]	**(10.3)**	12.7	**27.1**	22.1
Foreign exchange loss	**17.4**	4.2	**21.0**	5.3
Re-evaluation adjustment - environmental provision	**2.5**	34.0	**(3.5)**	(11.4)
Variable consideration adjustment - stream revenue and accretion	**-**	-	**4.0**	(5.0)
Inventory adjustments	**1.3**	1.4	**2.9**	2.3
Premium paid on redemption of notes	**-**	2.2	**-**	2.2
Acquisition related costs	**-**	-	**-**	6.9
Insurance recovery	**-**	(4.2)	**-**	(4.2)
Value-added-tax recovery	**-**	(3.9)	**-**	(3.9)
Write off fair value of the Copper Mountain Bonds	**-**	(1.0)	**-**	(1.0)
Restructuring charges	**-**	0.6	**1.2**	2.9
Reduction of obligation to renounce flow-through share expenditures, net of provisions	**1.0**	-	**(2.0)**	-
Write-down/loss on disposal of PP&E	**14.1**	6.6	**27.4**	7.4
Adjusted earnings before income taxes	**129.7**	133.6	**329.7**	175.4
Tax expense	**(84.4)**	(47.5)	**(183.8)**	(82.3)
Tax impact of adjusting items	**23.4**	(14.8)	**30.8**	(20.6)
Adjusted net earnings	**68.7**	71.3	**176.7**	72.5
Adjusted net earnings attributable to non-controlling interest:				
Net loss (earnings) for the period	**1.9**	(2.8)	**8.9**	(3.2)
Adjusting items, including tax impact	**(0.3)**	0.4	**(4.2)**	(0.3)
Adjusted net earnings - attributable to owners	**70.3**	68.9	**181.4**	69.0
Adjusted net earnings ($/share) - attributable to owners	**0.18**	0.20	**0.48**	0.23
Basic weighted average number of common shares outstanding (millions)	**394.0**	349.1	**376.8**	310.8

[1] Includes changes in fair value of the gold prepayment liability, Canadian junior mining investments, other financial assets and liabilities at fair value through net earnings and share-based compensation expenses (recoveries). Also includes gains and losses on disposition of investments.

After adjusting reported net earnings for those items not considered representative of the Company's core business or indicative of future operations, the Company had adjusted net earnings - attributable in the fourth quarter of 2024 of $70.3 million or 0.18 earnings per share.

Adjusted EBITDA

Adjusted EBITDA is net earnings before net finance expense/income, tax expense/recoveries, depreciation and amortization of property, plant and equipment and deferred revenue, as well as certain other adjustments. We calculate adjusted EBITDA by excluding certain adjustments included within our adjusted net earnings attributable measure which we believe reflects the underlying performance of our core operating activities. The measure also removes the impact of non-cash items and financing costs that are not associated with measuring the underlying performance of our operations. However, our adjusted EBITDA is not the measure defined as EBITDA under our senior notes or revolving credit facilities and may not be comparable with performance measures with the same name reported by other companies. Adjusted EBITDA should not be considered as a substitute for earnings, which is calculated in accordance with IFRS. We provide adjusted EBITDA to help users analyze our results and to provide additional information about our ongoing cash generating potential in order to assess our capacity to service and repay debt, carry out investments and cover working capital needs.

The following table presents the reconciliation of earnings per the consolidated statements of income, to adjusted EBITDA for the three months ended and year ended December 31, 2024 and 2023:

	Three months ended		Year ended	
(in $ millions)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Net earnings for the period	**19.3**	33.5	**67.8**	69.5
Add back:				
Tax expense	**84.4**	47.5	**183.8**	82.3
Net finance expense	**34.4**	48.9	**148.7**	145.3
Other expense	**22.1**	10.6	**57.4**	38.3
Depreciation and amortization	**122.2**	121.9	**426.6**	391.7
Amortization of deferred revenue and variable consideration adjustment	**(26.2)**	(26.5)	**(70.5)**	(77.3)
Adjusting items (pre-tax):				
Re-evaluation adjustment - environmental provision	**2.5**	34.0	**(3.5)**	(11.4)
Inventory adjustments	**1.3**	1.4	**2.9**	2.3
Option agreement proceeds (Marubeni)	**-**	-	**(0.4)**	-
Realized loss on non-QP hedges	**(4.2)**	-	**(8.9)**	-
Share-based compensation expense [1]	**1.5**	3.1	**18.6**	7.1
Adjusted EBITDA	**257.3**	274.4	**822.5**	647.8

[1] Share-based compensation expense reflected in cost of sales and selling and administrative expenses.

Net Debt

The following table presents our calculation of net debt as at December 31, 2024 and December 31, 2023:

(in $ millions)	**Dec. 31, 2024**	Dec. 31, 2023
Total long-term debt	**1,107.5**	1,287.5
Cash and cash equivalents	**(541.8)**	(249.8)
Short-term investments	**(40.0)**	-
Net debt	**525.7**	1,037.7

Net Debt to Adjusted EBITDA Ratio

The following table presents our calculation of net debt to adjusted EBITDA, both metrics have been reconciled above to the most comparable IFRS measure, as at December 31, 2024 and December 31, 2023:

(in $ millions, except net debt to adjusted EBITDA ratio)	**Dec. 31, 2024**	Dec. 31, 2023
Net debt	**525.7**	1,037.7
Adjusted EBITDA for the last twelve months	**822.5**	647.8
Net debt to adjusted EBITDA	**0.6**	1.6

Cash Cost, Sustaining and All-in Sustaining Cash Cost (Copper Basis)

Cash cost per pound of copper produced ("cash cost") is a non-GAAP measure that management uses as a key performance indicator to assess the performance of our operations. Our calculation designates copper as our primary metal of production as it has been the largest component of revenues. The calculation is presented in four manners:

- **Cash cost, before by-product credits -** This measure is gross of by-product revenues and is a function of the efforts and costs incurred to mine and process all ore mined. However, the measure divides this aggregate cost over only pounds of copper produced, our primary metal of production. This measure is generally less volatile from period to period, as it is not affected by changes in the price received for by-product metals. It is, however, affected by the relative mix of copper concentrate and zinc concentrate production, where an increase in production of zinc concentrate will tend to result in an increase in cash cost under this measure.

- **Cash cost, net of by-product credits -** In order to calculate the net cost to produce and sell copper, the net of by-product credits measure subtracts the revenues realized from the sale of the metals other than copper. The by-product revenues from zinc, gold, and silver are significant and are integral to the economics of our operations. The economics that support our decision to produce and sell copper would be different if we did not receive revenues from the other significant metals being extracted and processed. This measure provides management and investors with an indication of the minimum copper price consistent with positive operating margins, assuming realized by-product metal prices are consistent with those prevailing during the reporting period. It also serves as an important operating statistic that management and investors utilize to measure our operating performance versus that of our competitors. However, it is important to understand that if by-product metal prices decline alongside copper prices, the cash cost net of by-product credits would increase, requiring a higher copper price than that reported to maintain positive cash flows and operating margins.

- **Sustaining cash cost, net of by-product credits -** This measure is an extension of cash cost that includes cash sustaining capital expenditures, including payments on capitalized leases, capitalized sustaining exploration, net smelter returns royalties, payments on certain long-term community agreements, as well as accretion and amortization for expected decommissioning activities for producing assets. It does not include corporate selling and administrative expenses. It provides a more fulsome measurement of the cost of sustaining production than cash cost, which is focused on operating costs only.

- **All-in sustaining cash cost, net of by-product credits -** This measure is an extension of sustaining cash cost that includes corporate G&A, regional costs, accretion and amortization for community agreements relating to current operations, and accretion for expected decommissioning activities for non-producing sites. Due to the inclusion of corporate selling and administrative expenses, all-in sustaining cash cost is presented on a consolidated basis only.

The tables below present a detailed build-up of cash cost and sustaining cash cost, net of by-product credits, by business unit in addition to consolidated all-in sustaining cash cost, net of by-product credits, and reconciliations between cash cost, net of by-product credits, to the most comparable IFRS measures of cost of sales for the three months and year ended December 31, 2024 and 2023. Cash cost, net of by-product credits may not calculate exactly based on amounts presented in the tables below due to rounding.

Consolidated	Three months ended		Year ended	
(in thousands)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Peru	**74,931**	73,209	**218,260**	221,536
Manitoba	**7,379**	8,234	**27,637**	26,795
British Columbia	**13,067**	18,755	**58,215**	41,995
Net pounds of copper produced[1]	**95,377**	100,198	**304,112**	290,326

[1] Contained copper in concentrate.

Consolidated	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		**Dec. 31, 2024**		Dec. 31, 2023	
Cash cost per pound of copper produced	**$ millions**	**$/lb**	$ millions	$/lb	**$ millions**	**$/lb**	$ millions	$/lb
Cash cost, before by-product credits	**308.6**	**3.23**	287.2	2.87	**1,107.3**	**3.64**	972.7	3.35
By-product credits	**(265.5)**	**(2.78)**	(271.8)	(2.71)	**(967.4)**	**(3.18)**	(741.3)	(2.55)
Cash cost, net of by-product credits	**43.1**	**0.45**	15.4	0.16	**139.9**	**0.46**	231.4	0.80

Consolidated	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2024		Dec. 31, 2023	
Cash cost per pound of copper produced	**$ millions**	**$/lb**	$ millions	$/lb	**$ millions**	**$/lb**	$ millions	$/lb
Mining	**108.1**	**1.13**	89.7	0.89	**394.0**	**1.30**	332.0	1.14
Milling	**95.4**	**1.00**	90.7	0.91	**352.1**	**1.16**	309.7	1.07
G&A	**50.6**	**0.53**	38.8	0.39	**162.8**	**0.54**	122.6	0.42
Onsite costs	**254.1**	**2.66**	219.2	2.19	**908.9**	**3.00**	764.3	2.63
Treatment & refining	**25.9**	**0.27**	35.7	0.36	**97.3**	**0.31**	113.7	0.39
Freight & other	**28.6**	**0.30**	32.3	0.32	**101.1**	**0.33**	94.7	0.33
Cash cost, before by-product credits	**308.6**	**3.23**	287.2	2.87	**1,107.3**	**3.64**	972.7	3.35

Consolidated	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2024		Dec. 31, 2023	
Supplementary cash cost information	**$ millions**	**$/lb [1]**	$ millions	$/lb [1]	**$ millions**	**$/lb[1]**	$ millions	$/lb[1]
By-product credits[2]:								
Zinc	**16.1**	**0.17**	18.6	0.18	**69.9**	**0.23**	74.9	0.26
Gold[3]	**212.9**	**2.23**	216.2	2.16	**747.8**	**2.46**	525.6	1.80
Silver[3]	**26.6**	**0.28**	22.7	0.23	**86.0**	**0.28**	68.7	0.24
Molybdenum & other	**9.9**	**0.10**	14.3	0.14	**63.7**	**0.21**	72.1	0.25
Total by-product credits	**265.5**	**2.78**	271.8	2.71	**967.4**	**3.18**	741.3	2.55
Reconciliation to IFRS:								
Cash cost, net of by-product credits	**43.1**		15.4		**139.9**		231.4	
By-product credits	**265.5**		271.8		**967.4**		741.3	
Treatment and refining charges	**(25.9)**		(35.7)		**(97.3)**		(113.7)	
Inventory adjustments	**1.3**		1.4		**2.9**		2.3	
Share-based compensation expense	**0.7**		0.3		**1.9**		0.6	
Past service costs	**1.5**		-		**4.3**		-	
Change in product inventory	**(10.0)**		29.3		**11.4**		38.4	
Royalties	**2.1**		1.1		**10.3**		5.5	
Depreciation and amortization[4]	**122.2**		121.8		**426.6**		391.7	
Cost of sales[5]	**400.5**		405.4		**1,467.4**		1,297.5	

[1] Per pound of copper produced.

[2] By-product credits are computed as revenue per financial statements, including amortization of deferred revenue and pricing and volume adjustments. For more information, please see the realized price reconciliation table on page 43 of this MD&A for these figures.

[3] Gold and silver by-product credits do not include variable consideration adjustments with respect to stream arrangements. Variable consideration adjustments are cumulative adjustments to gold and silver stream deferred revenue primarily associated with the net change in mineral reserves and resources or amendments to the mine plan that would change the total expected deliverable ounces under the precious metal streaming arrangement. For the year ended December 31, 2024 the variable consideration adjustments amounted loss of $3.8 million (year ended December 31, 2023 - income of $4.9 million).

[4] Depreciation is based on concentrate sold.

[5] As per consolidated financial statements.

Peru	Three months ended		Year ended	
(in thousands)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Net pounds of copper produced[1]	**74,931**	73,209	**218,260**	221,536

[1] Contained copper in concentrate.

Peru	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		**Dec. 31, 2024**		Dec. 31, 2023	
Cash cost per pound of copper produced	**$ millions**	**$/lb**	$ millions	$/lb	**$ millions**	**$/lb**	$ millions	$/lb
Mining	**47.3**	**0.63**	30.4	0.41	**145.5**	**0.67**	122.6	0.55
Milling	**53.6**	**0.72**	50.2	0.69	**197.1**	**0.90**	198.1	0.90
G&A	**33.2**	**0.44**	24.8	0.34	**95.5**	**0.44**	77.2	0.35
Onsite costs	**134.1**	**1.79**	105.4	1.44	**438.1**	**2.01**	397.9	1.80
Treatment & refining	**16.0**	**0.21**	19.6	0.27	**53.4**	**0.24**	66.4	0.30
Freight & other	**19.2**	**0.25**	20.8	0.28	**62.5**	**0.29**	62.7	0.28
Cash cost, before by-product credits	**169.3**	**2.25**	145.8	1.99	**554.0**	**2.54**	527.0	2.38
By-product credits	**(94.0)**	**(1.25)**	(106.1)	(1.45)	**(295.8)**	**(1.36)**	(289.1)	(1.31)
Cash cost, net of by-product credits	**75.3**	**1.00**	39.7	0.54	**258.2**	**1.18**	237.9	1.07

Peru	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		**Dec. 31, 2024**		Dec. 31, 2023	
Supplementary cash cost information	**$ millions**	**$/lb** [1]	$ millions	$/lb [1]	**$ millions**	**$/lb** [1]	$ millions	$/lb [1]
By-product credits[2]:								
Gold[3]	**68.5**	**0.91**	77.5	1.05	**182.5**	**0.84**	169.9	0.77
Silver[3]	**16.8**	**0.22**	14.3	0.20	**51.3**	**0.24**	47.3	0.21
Molybdenum	**8.7**	**0.12**	14.3	0.20	**62.0**	**0.28**	71.9	0.33
Total by-product credits	**94.0**	**1.25**	106.1	1.45	**295.8**	**1.36**	289.1	1.31
Reconciliation to IFRS:								
Cash cost, net of by-product credits	**75.3**		39.7		**258.2**		237.9	
By-product credits	**94.0**		106.1		**295.8**		289.1	
Treatment and refining charges	**(16.0)**		(19.6)		**(53.4)**		(66.4)	
Inventory adjustments	**(0.2)**		-		**-**		-	
Share-based compensation expenses	**0.1**		0.1		**0.5**		0.1	
Change in product inventory	**(6.7)**		8.0		**9.6**		28.1	
Royalties	**1.5**		1.5		**6.7**		5.6	
Depreciation and amortization[4]	**83.2**		85.7		**270.3**		275.7	
Cost of sales[5]	**231.2**		221.5		**787.7**		770.1	

[1] Per pound of copper produced.

[2] By-product credits are computed as revenue per financial statements, including amortization of deferred revenue and pricing and volume adjustments. For more information, please see the realized price reconciliation table on page 43 of this MD&A.

[3] Gold and silver by-product credits do not include variable consideration adjustments with respect to stream arrangements.

[4] Depreciation is based on concentrate sold.

[5] As per the consolidated financial statements.

British Columbia	Three months ended		Year ended	
(in thousands)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Net pounds of copper produced[1]	**13,067**	18,755	**58,215**	41,995

[1] Contained copper in concentrate.

British Columbia	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		**Dec. 31, 2024**		Dec. 31, 2023	
Cash cost per pound of copper produced	**$ millions**	**$/lb**	$ millions	$/lb	**$ millions**	**$/lb**	$ millions	$/lb
Mining	**18.2**	**1.39**	19.0	1.01	**79.1**	**1.36**	48.3	1.15
Milling	**25.2**	**1.93**	25.2	1.35	**89.8**	**1.54**	49.3	1.17
G&A	**4.6**	**0.35**	5.6	0.30	**19.6**	**0.34**	10.7	0.25
Onsite costs	**48.0**	**3.67**	49.8	2.66	**188.5**	**3.24**	108.3	2.57
Treatment & refining	**3.4**	**0.26**	4.9	0.26	**14.4**	**0.25**	9.8	0.23
Freight & other	**2.4**	**0.19**	4.7	0.25	**13.2**	**0.22**	8.4	0.20
Cash cost, before by-product credits	**53.8**	**4.12**	59.4	3.17	**216.1**	**3.71**	126.5	3.00
By-product credits	**(14.6)**	**(1.12)**	(9.3)	(0.50)	**(56.5)**	**(0.97)**	(21.5)	(0.51)
Cash cost, net of by-product credits	**39.2**	**3.00**	50.1	2.67	**159.6**	**2.74**	105.0	2.49

British Columbia	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		**Dec. 31, 2024**		Dec. 31, 2023	
Supplementary cash cost information	**$ millions**	**$/lb** [1]	$ millions	$/lb [1]	**$ millions**	**$/lb** [1]	$ millions	$/lb [1]
By-product credits[2]:								
Gold	**13.3**	**1.02**	6.9	0.37	**49.3**	**0.85**	17.0	0.40
Silver	**1.3**	**0.10**	2.4	0.13	**7.2**	**0.12**	4.5	0.11
Total by-product credits	**14.6**	**1.12**	9.3	0.50	**56.5**	**0.97**	21.5	0.51
Reconciliation to IFRS:								
Cash cost, net of by-product credits	**39.2**		50.1		**159.6**		105.0	
By-product credits	**14.6**		9.3		**56.5**		21.5	
Treatment and refining charges	**(3.4)**		(4.9)		**(14.4)**		(9.8)	
Inventory adjustments	**1.2**		-		**1.2**		-	
Change in product inventory	**(3.0)**		8.5		**3.8**		8.5	
Share based payment	**0.4**		-		**0.4**		-	
Royalties	**0.6**		(0.4)		**3.6**		(0.2)	
Depreciation and amortization[3]	**11.8**		5.5		**50.1**		11.7	
Cost of sales[4]	**61.4**		68.1		**260.8**		136.7	

[1] Per pound of copper produced.

[2] By-product credits are computed as revenue per financial statements, including amortization of deferred revenue and pricing and volume adjustments. For more information, please see the realized price reconciliation table on page 43 of this MD&A.

[3] Depreciation is based on concentrate sold.

[4] As per consolidated financial statements.

Consolidated	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2024		Dec. 31, 2023	
All-in sustaining cash cost per pound of copper produced	$ millions	$/lb	$ millions	$/lb	$ millions	$/lb	$ millions	$/lb
Cash cost, net of by-product credits	**43.1**	**0.45**	15.4	0.16	**139.9**	**0.46**	231.4	0.80
Cash sustaining capital expenditures	**85.3**	**0.89**	87.6	0.87	**342.2**	**1.13**	255.9	0.88
Capitalized exploration	**-**	**-**	5.2	0.05	**-**	**-**	5.2	0.02
Royalties	**2.1**	**0.03**	1.1	0.01	**10.3**	**0.03**	5.5	0.02
Sustaining cash cost, net of by-product credits	**130.5**	**1.37**	109.3	1.09	**492.4**	**1.62**	498.0	1.72
Corporate selling and administrative expenses & regional costs	**11.6**	**0.12**	12.7	0.13	**62.4**	**0.20**	43.5	0.14
Accretion and amortization of decommissioning and community agreements[1]	**3.7**	**0.04**	9.0	0.09	**17.3**	**0.06**	16.0	0.06
All-in sustaining cash cost, net of by-product credits	**145.8**	**1.53**	131.0	1.31	**572.1**	**1.88**	557.5	1.92
Reconciliation to property, plant and equipment additions:								
Property, plant and equipment additions	**127.6**		54.0		**325.7**		212.6	
Capitalized stripping net additions	**35.8**		40.9		**160.5**		111.2	
Total accrued capital additions	**163.4**		94.9		**486.2**		323.8	
Less other non-sustaining capital costs[2]	**91.8**		19.9		**193.1**		105.7	
Total sustaining capital costs	**71.6**		75.0		**293.1**		218.1	
Capitalized lease & equipment financing cash payments - operating sites	**10.3**		8.7		**38.4**		25.0	
Community agreement cash payments [3]	**0.7**		2.3		**2.5**		6.7	
Accretion and amortization of decommissioning and restoration obligations [4]	**2.7**		1.6		**8.2**		6.1	
Cash sustaining capital expenditures	**85.3**		87.6		**342.2**		255.9	

[1] Includes accretion of decommissioning liability relating to non-producing sites, and accretion and amortization of community agreements capitalized to Other assets.

[2] Other non-sustaining capital costs include Arizona capitalized costs, capitalized interest, capitalized exploration, right-of-use lease asset additions, equipment financing asset additions, growth capital expenditures and reclassification related to capital spares.

[3] Amortization for community agreements relating to current operations.

[4] Includes amortization of decommissioning and restoration PP&E assets and accretion of decommissioning and restoration liabilities related to producing sites.

Peru	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2024		Dec. 31, 2023	
Sustaining cash cost per pound of copper produced	$ millions	$/lb	$ millions	$/lb	$ millions	$/lb	$ millions	$/lb
Cash cost, net of by-product credits	**75.3**	**1.00**	39.7	0.54	**258.2**	**1.18**	237.9	1.07
Cash sustaining capital expenditures	**34.3**	**0.46**	42.3	0.58	**141.6**	**0.65**	152.0	0.69
Capitalized exploration	**-**	**-**	5.2	0.07	**-**	**-**	5.2	0.02
Royalties	**1.5**	**0.02**	1.5	0.02	**6.7**	**0.03**	5.6	0.03
Sustaining cash cost per pound of copper produced	**111.1**	**1.48**	88.7	1.21	**406.5**	**1.86**	400.7	1.81

British Columbia	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2024		Dec. 31, 2023	
Sustaining cash cost per pound of copper produced	**$ millions**	**$/lb**	$ millions	$/lb	**$ millions**	**$/lb**	$ millions	$/lb
Cash cost, net of by-product credits	**39.2**	**3.00**	50.1	2.67	**159.6**	**2.74**	105.0	2.49
Cash sustaining capital expenditures	**35.4**	**2.71**	24.1	1.28	**144.5**	**2.48**	38.5	0.92
Royalties	**0.6**	**0.05**	(0.4)	(0.02)	**3.6**	**0.07**	(0.2)	-
Sustaining cash cost per pound of copper produced	**75.2**	**5.76**	73.8	3.93	**307.7**	**5.29**	143.3	3.41

Gold Cash Cost and Gold Sustaining Cash Cost

Cash cost per ounce of gold produced ("gold cash cost") is a non-GAAP measure that management uses as a key performance indicator to assess the performance of our Manitoba operations. This alternative cash cost calculation designates gold as the primary metal of production as it represents a substantial component of revenues for our Manitoba business unit and should therefore be less volatile over time than Manitoba cash cost per pound of copper. The calculation is presented in three manners:

- **Gold cash cost, before by-product credits -** This measure is gross of by-product revenues and is a function of the efforts and costs incurred to mine and process all ore mined. However, the measure divides this aggregate cost over only ounces of gold produced, the assumed primary metal of production. This measure is generally less volatile from period to period, as it is not affected by changes in the price received for by-product metals.

- **Gold cash cost, net of by-product credits -** In order to calculate the net cost to produce and sell gold, the net of by-product credits measure subtracts the revenues realized from the sale of the metals other than gold. The by-product revenues from copper, zinc, and silver are significant and are integral to the economics of our Manitoba operation. The economics that support our decision to produce and sell gold would be different if we did not receive revenues from the other significant metals being extracted and processed. This measure provides management and investors with an indication of the minimum gold price consistent with positive operating margins, assuming realized by-product metal prices are consistent with those prevailing during the reporting period. It also serves as an important operating statistic that management and investors utilize to measure our operating performance at our Manitoba operation versus that of our competitors. However, it is important to understand that if by-product metal prices decline alongside gold prices, the gold cash cost net of by-product credits would increase, requiring a higher gold price than that reported to maintain positive cash flows and operating margins.

- **Gold sustaining cash cost, net of by-product credits -** This measure is an extension of gold cash cost that includes cash sustaining capital expenditures, capitalized exploration, net smelter returns royalties, as well as accretion and amortization for expected decommissioning activities for producing assets. It does not include corporate selling and administrative expenses. It provides a more fulsome measurement of the cost of sustaining production than gold cash cost, which is focused on operating costs only.

The tables below present a detailed build-up of gold cash cost and gold sustaining cash cost, net of by-product credits, for the Manitoba business unit, and reconciliations between gold cash cost, net of by-product credits, to the most comparable IFRS measures of cost of sales for the year ended December 31, 2024 and 2023. Gold cash cost, net of by-product credits, may not calculate exactly based on amounts presented in the tables below due to rounding.

Manitoba	Three months ended		Year ended	
(in thousands)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Net ounces of gold produced[1]	**51,438**	59,863	**214,225**	187,363

[1] Contained gold in concentrate and doré.

Manitoba	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2024		Dec. 31, 2023	
Cash cost per ounce of gold produced	**$ millions**	**$/oz[1]**	$ millions	$/oz[1]	**$ millions**	**$/oz[1]**	$ millions	$/oz[1]
Mining	**42.6**	**828**	40.3	673	**169.4**	**791**	161.1	860
Milling	**16.6**	**323**	15.3	256	**65.2**	**304**	62.3	333
G&A	**12.8**	**249**	8.4	140	**47.7**	**223**	34.7	185
Onsite costs	**72.0**	**1,400**	64.0	1,069	**282.3**	**1,318**	258.1	1,378
Treatment & refining	**6.5**	**126**	11.1	186	**29.5**	**137**	37.5	200
Freight & other	**7.0**	**136**	6.8	113	**25.4**	**119**	23.6	126
Cash cost, before by-product credits	**85.5**	**1,662**	81.9	1,368	**337.2**	**1,574**	319.2	1,704
By-product credits	**(54.3)**	**(1,055)**	(56.0)	(934)	**(207.3)**	**(968)**	(183.1)	(977)
Gold cash cost, net of by-product credits	**31.2**	**607**	25.9	434	**129.9**	**606**	136.1	727

Manitoba	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2024		Dec. 31, 2023	
Supplementary cash cost information	**$ millions**	**$/oz [1]**	$ millions	$/oz [1]	**$ millions**	**$/oz [1]**	$ millions	$/oz [1]
By-product credits[2]:								
Copper	**28.5**	**554**	31.4	526	**108.2**	**505**	91.1	487
Zinc	**16.1**	**313**	18.6	308	**69.9**	**326**	74.9	399
Silver	**8.5**	**165**	6.0	100	**27.5**	**128**	16.9	90
Other	**1.2**	**23**	-	-	**1.7**	**9**	0.2	1
Total by-product credits	**54.3**	**1,055**	56.0	934	**207.3**	**968**	183.1	977
Reconciliation to IFRS:								
Cash cost, net of by-product credits	**31.2**		25.9		**129.9**		136.1	
By-product credits	**54.3**		56.0		**207.3**		183.1	
Treatment and refining charges	**(6.5)**		(11.1)		**(29.5)**		(37.5)	
Past service costs	**1.5**		-		**4.3**		-	
Share-based compensation expenses	**0.2**		0.2		**1.0**		0.5	
Inventory adjustments	**0.3**		1.4		**1.7**		2.3	
Change in product inventory	**(0.3)**		12.8		**(2.0)**		1.8	
Royalties	**-**		-		**-**		0.1	
Depreciation and amortization[3]	**27.2**		30.6		**106.2**		104.3	
Cost of sales[4]	**107.9**		115.8		**418.9**		390.7	

[1] Per ounce of gold produced.

[2] By-product credits are computed as revenue per financial statements, amortization of deferred revenue and pricing and volume adjustments. For more information, please see the realized price reconciliation table on page 43 of this MD&A.

[3] Depreciation is based on concentrate sold.

[4] As per consolidated financial statements.

Manitoba	Three months ended				Year ended			
	Dec. 31, 2024		Dec. 31, 2023		**Dec. 31, 2024**		Dec. 31, 2023	
Sustaining cash cost per ounce of gold produced	**$ millions**	**$/oz**	$ millions	$/oz	**$ millions**	**$/oz**	$ millions	$/oz
Gold cash cost, net of by-product credits	**31.2**	**607**	25.9	434	**129.9**	**606**	136.1	727
Cash sustaining capital expenditures	**15.5**	**301**	21.2	354	**56.1**	**262**	65.4	349
Royalties	**-**	**-**	-	-	**-**	**-**	0.1	1
Sustaining cash cost per ounce of gold produced	**46.7**	**908**	47.1	788	**186.0**	**868**	201.6	1,077

Combined Unit Cost

Combined unit cost ("unit cost") and zinc plant unit cost is a non-GAAP measure that management uses as a key performance indicator to assess the performance of our mining and milling operations. Combined unit cost is calculated by dividing the cost of sales by mill throughput. This measure is utilized by management and investors to assess our cost structure and margins and compare it to similar information provided by other companies in our industry. Unlike cash cost, this measure is not impacted by variability in by-product commodity prices since there are no by-product deductions; costs associated with profit-sharing and similar costs are excluded because of their correlation to external metal prices. In addition, the unit costs are reported in the functional currency of the operation which minimizes the impact of foreign currency fluctuations. In all, the unit cost measures provide an alternative perspective on operating cost performance with minimal impact from external market prices.

The tables below present a detailed combined unit cost for the Peru and Manitoba business units, and reconciliations between these measures to the most comparable IFRS measures of cost of sales for the year ended December 31, 2024 and 2023.

Peru	Three months ended		Year ended	
(in millions except ore tonnes milled and unit cost per tonne)				
Combined unit cost per tonne processed	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Mining	**47.3**	30.4	**145.5**	122.6
Milling	**53.6**	50.2	**197.1**	198.1
G&A[1]	**33.2**	24.8	**95.5**	77.2
Less: Other G&A[2]	**(12.1)**	(8.2)	**(25.9)**	(14.9)
Unit cost	**122.0**	97.2	**412.2**	383.0
Tonnes ore milled	**7,999**	7,939	**31,934**	30,721
Combined unit cost per tonne	**15.25**	12.24	**12.91**	12.47
Reconciliation to IFRS:				
Unit cost	**122.0**	97.2	**412.2**	383.0
Freight & other	**19.2**	20.8	**62.5**	62.7
Other G&A	**12.1**	8.2	**25.9**	14.9
Share-based compensation expenses	**0.1**	0.1	**0.5**	0.1
Inventory adjustments	**(0.2)**	-	**-**	-
Change in product inventory	**(6.7)**	8.0	**9.6**	28.1
Royalties	**1.5**	1.5	**6.7**	5.6
Depreciation and amortization	**83.2**	85.7	**270.3**	275.7
Cost of sales[3]	**231.2**	221.5	**787.7**	770.1

[1] G&A as per cash cost reconciliation above.

[2] Other G&A primarily includes profit sharing costs.

[3] As per consolidated financial statements.

Manitoba	Three months ended		Year ended	
(in millions except tonnes ore milled and unit cost per tonne)				
Combined unit cost per tonne processed	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Mining	**42.6**	40.3	**169.4**	161.1
Milling	**16.6**	15.3	**65.2**	62.3
G&A[1]	**12.8**	8.4	**47.7**	34.7
Less: Other G&A related to profit sharing costs	**(4.0)**	(1.5)	**(17.0)**	(6.7)
Unit cost	**68.0**	62.5	**265.3**	251.4
USD/CAD implicit exchange rate	**1.39**	1.36	**1.37**	1.35
Unit cost - C$	**95.0**	85.0	**363.5**	339.2
Tonnes ore milled	**407,596**	393,837	**1,608,708**	1,562,479
Combined unit cost per tonne - C$	**233**	216	**226**	217
Reconciliation to IFRS:				
Unit cost	**68.0**	62.5	**265.3**	251.4
Freight & other	**7.0**	6.8	**25.4**	23.6
Other G&A related to profit sharing	**4.0**	1.5	**17.0**	6.7
Share-based compensation expenses	**0.2**	0.2	**1.0**	0.5
Inventory adjustments	**0.3**	1.4	**1.7**	2.3
Past service costs	**1.5**	-	**4.3**	-
Change in product inventory	**(0.3)**	12.8	**(2.0)**	1.8
Royalties	**-**	-	**-**	0.1
Depreciation and amortization	**27.2**	30.6	**106.2**	104.3
Cost of sales[2]	**107.9**	115.8	**418.9**	390.7

[1] G&A as per cash cost reconciliation above.

[2] As per consolidated financial statements.

British Columbia	Three months ended		Year ended	
(in millions except tonnes ore milled and unit cost per tonne)				
Combined unit cost per tonne processed	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Mining	**18.2**	19.0	**79.1**	48.3
Milling	**25.2**	25.2	**89.8**	49.3
G&A[1]	**4.6**	5.6	**19.6**	10.7
Unit cost	**48.0**	49.8	**188.5**	108.3
USD/CAD implicit exchange rate	**1.38**	1.37	**1.37**	1.36
Unit cost - C$	**66.9**	68.2	**258.1**	146.7
Tonnes ore milled	**2,881**	3,262	**12,657**	6,862
Combined unit cost per tonne - C$	**23.22**	20.90	**20.39**	21.38
Reconciliation to IFRS:				
Unit cost	**48.0**	49.8	**188.5**	108.3
Freight & other	**2.4**	4.7	**13.2**	8.4
Change in product inventory	**(3.0)**	8.5	**3.8**	8.5
Shared based compensation	**0.4**	-	**0.4**	-
Inventory adjustments	**1.2**	-	**1.2**	-
Royalties	**0.6**	(0.4)	**3.6**	(0.2)
Depreciation and amortization	**11.8**	5.5	**50.1**	11.7
Cost of sales[2]	**61.4**	68.1	**260.8**	136.7

[1] G&A as per cash cost reconciliation above.

[2] As per consolidated financial statements.

ACCOUNTING CHANGES

New standards and interpretations adopted and not yet adopted

For information on new standards and interpretations adopted and not yet adopted, refer to note 4 of our December 31, 2024 consolidated financial statements.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires us to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

We review these estimates and underlying assumptions on an ongoing basis based on our experience and other factors, including expectations of future events that we believe to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Certain accounting estimates and judgements have been identified as being "critical" to the presentation of our financial condition and results of operations because they require us to make subjective and/or complex judgements about matters that are inherently uncertain; or there is a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates.

The following are significant judgements and estimates impacting the consolidated financial statements:

- Judgements and estimates that affect multiple areas of the consolidated financial statements:
  - Mineral reserves and resources which form the basis of life of mine plans which are utilized in impairment testing, timing of payments related to decommissioning obligations and depreciation of capital assets. We estimate our mineral reserves and resources based on information compiled by qualified persons as defined in accordance with NI 43-101;
  - Income and mining taxes, including estimates of future taxable profit which impacts the ability to realize deferred tax assets on our balance sheet; and

    - In respect of the outcome of uncertain future events as it concerns recognizing contingent liabilities.
- Judgements and estimates that relate mainly to assets (these judgements may also affect other areas of the consolidated financial statements):
    - Property, plant and equipment:
        - Cost allocations for mine development;
        - Mining properties expenditures capitalized;
        - Classification of supply costs as related to capital development or inventory acquisition;
        - Determining when exploration and evaluation assets should be transferred to capital works in progress within property, plant and equipment;
        - Determination of when an asset or group of assets is in the condition and location to be ready for use as intended by management for the purposes of commencing depreciation;
        - Componentization;
        - Assessment of impairment, including determination of cash generating units and assessing for indicators of impairment;
        - Recoverability of exploration and evaluation assets, including determination of cash generating units and assessing for indications of impairment;
        - Units of production depreciation;
        - Plant and equipment estimated useful lives and residual values;
        - Capitalized stripping costs; and
        - Finite life intangible assets.
    - Impairment (and reversal of impairment) of non-financial assets:
        - Future production levels and timing;
        - Operating and capital costs;
        - Future commodity prices;
        - Foreign exchange rates; and
        - Risk adjusted discount rates; and
    - In process inventory quantities, inventory cost allocations and inventory valuation.
- Judgements and estimates that relate mainly to liabilities (these judgements may also affect other areas of the consolidated financial statements):
    - Determination of deferred revenue per unit related to the precious metals stream transactions and determination of current portion of deferred revenue, which is based on timing of future sales, and adjustments of the expected conversion of resource to reserves;
    - Pensions and other employee benefits; and
    - Decommissioning, restoration and similar liabilities including estimated future costs and timing of spending.
- Estimates that relate mainly to the consolidated statements of income:
    - Assaying used to determine revenues and recoverability of inventories.

For more information on judgements and estimates, refer to note 2 of our consolidated financial statements for the year ended December 31, 2024.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures ("DC&P")

Management is responsible for establishing and maintaining adequate DC&P. As of December 31, 2024, we have evaluated the effectiveness of the design and operation of our DC&P in accordance with requirements of National Instrument 52-109 of the Canadian Securities Commission ("NI 52-109") and the Sarbanes Oxley Act of 2002 (as adopted by the US Securities and Exchange Commission). Our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") supervised and participated in this evaluation.

As of December 31, 2024, based on management's evaluation, our CEO and CFO concluded that our DC&P were effective to ensure that information required to be disclosed by us in reports we file or submit is recorded, processed, summarized and reported within the time periods specified in securities legislation and is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure.

Internal control over financial reporting ("ICFR")

Management of Hudbay is responsible for establishing and maintaining adequate ICFR. Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our ICFR as of December 31, 2024 based upon the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on management's evaluation, our CEO and CFO concluded that our ICFR was effective as of December 31, 2024.

The effectiveness of the Company's ICFR as of December 31, 2024 has been audited by Deloitte LLP, Independent Registered Public Accounting Firm as stated in their report immediately preceding the Company's consolidated financial statements for the year ended December 31, 2024.

Changes in ICFR

We did not make any changes to ICFR during the year ended December 31, 2024 that materially affected, or are reasonably likely to materially affect, our ICFR.

Inherent limitations of controls and procedures

All internal control systems, no matter how well designed, have inherent limitations. As a result, even systems determined to be effective may not prevent or detect misstatements on a timely basis, as systems can provide only reasonable assurance that the objectives of the control system are met. In addition, projections of any evaluation of the effectiveness of ICFR to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may change.

NOTES TO READER

Forward-Looking Information

This MD&A contains forward-looking information within the meaning of applicable Canadian and United States securities legislation. All information contained in this MD&A, 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 MD&A is qualified by this cautionary note.

Forward-looking information includes, but is not limited to, statements with respect to our production, cost and capital and exploration expenditure guidance, expectations regarding reductions in discretionary spending and capital expenditures, our ability to stabilize and optimize the Copper Mountain mine operation, the implementation of stripping strategies and the expected benefits therefrom, the estimated timelines and pre-requisites for sanctioning the Copper World project and the pursuit of a potential minority joint venture partner, the possibility of and expectations regarding the results of any challenges to the permits for the Copper World project, the expected benefits of the sanctioning of Copper World project, the expected benefits of Manitoba growth initiatives, including the use of the exploration drift at the 1901 deposit, the potential utilization of excess capacity at the Stall mill, and the advancement of our exploration partnership with Marubeni, the anticipated use of proceeds from the flow-through financing completed during the fourth quarter of 2024, our future deleveraging strategies and our ability to deleverage and repay debt as needed, expectations regarding our cash balance and liquidity, expectations regarding the ability to conduct exploration work and execute on exploration programs on its properties and to advance related drill plans, including the advancement of the exploration program at Maria Reyna and Caballito and the status of the related drill permit application process, the ability to continue mining higher-grade ore in the Pampacancha pit and our expectations resulting therefrom, expectations regarding our ability to further reduce greenhouse gas emissions, our evaluation and assessment of opportunities to reprocess tailings using various metallurgical technologies, expectations regarding the prospective nature of the Maria Reyna and Caballito properties, the anticipated impact of brownfield and greenfield growth projects on our performance, anticipated expansion opportunities and extension of mine life in Snow Lake and our ability to find a new anchor deposit near our Snow Lake operations, anticipated future drill programs and exploration activities and any results expected therefrom, anticipated mine plans, anticipated metals prices and the anticipated sensitivity of our financial performance to metals prices, events that may affect our operations and development projects, 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 us 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 we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to:

- the ability to achieve production, cost and capital and exploration expenditure guidance;
- no significant interruptions to our operations due to social or political unrest in the regions we operate, including the navigation of the complex political and social environment in Peru;

- no interruptions to our plans for advancing the Copper World project, including with respect to any successful challenges to the Copper World permits and/or the pursuit of a potential minority joint venture partner;
- our ability to successfully complete the stabilization and optimization of the Copper Mountain operations, obtain required permits and develop and maintain good relations with key stakeholders;
- the ability to execute on its exploration plans and to advance related drill plans;
- the ability to advance the exploration program at the Maria Reyna and Caballito properties;
- the success of mining, processing, exploration and development activities;
- the scheduled maintenance and availability of our processing facilities;
- the accuracy of geological, mining and metallurgical estimates;
- anticipated metals prices and the costs of production;
- the supply and demand for metals we produce;
- the supply and availability of all forms of energy and fuels at reasonable prices;
- no significant unanticipated operational or technical difficulties;
- the execution of our business and growth strategies, including the success of our strategic investments and initiatives;
- the availability of additional financing, if needed;
- the ability to deleverage and repay debt, as needed;
- the ability to complete project targets on time and on budget and other events that may affect our ability to develop our projects;
- the timing and receipt of various regulatory and governmental approvals;
- the availability of personnel for our exploration, development and operational projects and ongoing employee relations;
- maintaining good relations with the employees at our operations;
- maintaining good relations with the labour unions that represent certain of our employees in Manitoba and Peru;
- maintaining good relations with the communities in which we operate, including the neighbouring Indigenous communities and local governments;
- no significant unanticipated challenges with stakeholders at our various projects;
- no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters;
- no contests over title to our properties, including as a result of rights or claimed rights of Indigenous peoples or challenges to the validity of our unpatented mining claims;
- 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, changes in taxation policies 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).

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 related to the failure to effectively complete the stabilization, optimization and expansion of the Copper Mountain mine operations, political and social risks in the regions we operate, including the navigation of the complex political and social environment in Peru, risks generally associated with the mining industry and the current geopolitical environment, including future commodity prices, the potential implementation or expansion of tariffs, currency and interest rate fluctuations, energy and consumable prices, supply chain constraints and general cost escalation in the current inflationary environment, uncertainties related to the development and operation of our projects, the risk of an indicator of impairment or impairment reversal relating to a material mineral property, risks related to the Copper World project, including in relation to project delivery and financing risks, risks related to the Lalor mine plan, including the ability to convert inferred mineral resource estimates to higher confidence categories, dependence on key personnel and employee and union relations, risks related to political or social instability, unrest or change, risks in respect of Indigenous and community relations, rights and title claims, operational risks and hazards, including the cost of maintaining and upgrading our tailings management facilities and any 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 our reserves, volatile financial markets and interest rates that may affect our 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, our ability to comply with our pension and other post-retirement obligations, our ability to abide by the covenants in our debt instruments and other material contracts, tax refunds, hedging transactions, as well as the risks discussed under the heading "Risk Factors" in our most recent Annual Information Form which is available on the Company's SEDAR+ profile at www.sedarplus.ca and the Company's EDGAR profile at www.sec.gov.

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. We do not assume any obligation to update or revise any forward-looking information after the date of this MD&A or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

Note to United States Investors

This MD&A 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.

Qualified Person and NI 43-101

The technical and scientific information in this MD&A related to our material mineral projects has been approved by Olivier Tavchandjian, P. Geo, Senior Vice President, Exploration and Technical Services. Mr. Tavchandjian is a qualified person pursuant to National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").

For a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources at Hudbay's material mineral properties, as well as data verification procedures and a general discussion of the extent to which the estimates of scientific and technical information may be affected by any known environmental, permitting, legal title, taxation, sociopolitical, marketing or other relevant factors, please see the technical reports for our material properties as filed by us on SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov.

SUMMARY OF HISTORICAL RESULTS

The following unaudited tables set out a summary of quarterly and annual results for the Company.

	2024 [4]	Q4 2024	Q3 2024	Q2 2024	Q1 2024	2023 [4]	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2022 [4]	Q4 2022
Consolidated Financial Condition ($ millions)												
Cash and cash equivalents and short-term investments	**$ 581.8**	**$ 581.8**	$ 483.3	$ 523.8	$ 284.4	$ 249.8	$ 249.8	$ 245.2	$ 179.7	$ 255.6	$ 225.7	$ 225.7
Total long-term debt	**1,107.5**	**1,107.5**	1,108.9	1,155.6	1,278.6	1,287.5	1,287.5	1,377.4	1,370.7	1,225.0	1,184.2	1,184.2
Net debt[1]	**525.7**	**525.7**	625.6	631.8	994.2	1,037.7	1,037.7	1,132.2	1,190.9	969.5	958.5	958.5
Consolidated Financial Performance ($ millions except per share amounts)												
Revenue	**$ 2,021.2**	**$ 584.9**	$ 485.8	$ 425.5	$ 525.0	$ 1,690.0	$ 602.2	$ 480.5	$ 312.2	$ 295.2	$ 1,461.4	$ 321.2
Cost of sales	**1,467.4**	**400.5**	346.0	347.9	373.0	1,297.5	405.4	374.1	289.3	228.7	1,184.6	251.5
Earnings (loss) before tax	**251.6**	**103.7**	79.7	0.4	67.8	151.8	81.0	84.1	(30.7)	17.4	95.8	(14.3)
Net (loss) earnings	**67.8**	**19.3**	50.4	(20.4)	18.5	69.5	33.5	45.5	(14.9)	5.5	70.4	(17.4)
Net (loss) earnings attributable to owners [1]	**76.7**	**21.2**	49.8	(16.6)	22.4	66.4	30.7	45.1	(14.9)	5.5	6.6	(17.4)
Basic and diluted earnings (loss) per share	**$ 0.20**	**$ 0.05**	$ 0.13	$ (0.05)	$ 0.06	$ 0.22	$ 0.09	$ 0.13	$ (0.05)	$ 0.02	$ 0.27	$ (0.07)
Adjusted earnings (loss) per share attributable to owners [1]	**$ 0.48**	**$ 0.18**	$ 0.13	$ 0.00	$ 0.17	$ 0.23	$ 0.20	$ 0.07	$ (0.07)	$ 0.00	$ 0.10	$ 0.01
Operating cash flow before change in non-cash working capital	**691.1**	**231.5**	188.3	123.6	147.5	570.0	246.5	182.0	55.9	85.6	391.7	109.1
Adjusted EBITDA [1]	**822.5**	**257.3**	206.2	145.0	214.2	647.8	274.4	190.7	81.2	101.9	475.9	124.7
Consolidated Operational Performance												
Contained metal in concentrate and doré produced [2]												
Copper	**137,943**	**43,262**	31,354	28,578	34,749	131,691	45,450	41,964	21,715	22,562	104,173	29,305
Gold	**332,240**	**94,161**	89,073	58,614	90,392	310,429	112,776	101,417	48,996	47,240	219,700	53,920
Silver	**3,983,851**	**1,311,658**	985,569	738,707	947,917	3,575,234	1,197,082	1,063,032	612,310	702,809	3,161,294	795,015
Zinc	**33,339**	**8,385**	8,069	8,087	8,798	34,642	5,747	10,291	8,758	9,846	55,381	6,326
Molybdenum	**1,323**	**195**	362	369	397	1,566	397	466	414	289	1,377	344
Payable metal in concentrate and doré sold												
Copper	**125,094**	**37,927**	27,760	25,799	33,608	124,996	44,006	39,371	23,078	18,541	94,473	25,415
Gold	**335,342**	**92,734**	73,232	61,295	108,081	276,893	104,840	74,799	47,533	49,720	213,415	47,256
Silver	**3,549,816**	**1,150,518**	663,413	667,036	1,068,848	3,145,166	1,048,877	748,955	805,448	541,884	2,978,485	559,306
Zinc [3]	**25,120**	**5,261**	8,607	5,133	6,119	28,779	7,385	7,125	8,641	5,628	59,043	8,230
Molybdenum	**1,287**	**182**	343	347	415	1,462	468	426	314	254	1,352	421
Cash cost [1]	**$ 0.46**	**$ 0.45**	$ 0.18	$ 1.14	$ 0.16	$ 0.80	$ 0.16	$ 1.10	$ 1.60	$ 0.85	$ 0.86	$ 1.08
Sustaining cash cost [1]	**$ 1.62**	**$ 1.37**	$ 1.71	$ 2.65	$ 1.03	$ 1.72	$ 1.09	$ 1.89	$ 2.73	$ 1.83	$ 2.07	$ 2.21
All-in sustaining cash cost [1]	**$ 1.88**	**$ 1.53**	$ 1.95	$ 3.07	$ 1.32	$ 1.92	$ 1.31	$ 2.04	$ 2.98	$ 2.07	$ 2.26	$ 2.41

[1] Net debt, adjusted earnings (loss) per share attributable to owners, adjusted EBITDA, cash cost, sustaining cash cost and all-in sustaining cash cost per pound of copper produced, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A. The above table sets forth selected non-GAAP financial performance measures for each of our nine most recently completed quarters and three most recently completed years; detailed reconciliations for non-comparable prior periods can be found in our MD&A for these prior periods in the "Non-GAAP Financial Performance Measures" section of these documents.

[2] Metal reported in concentrate is prior to deductions associated with smelter contract terms.

[3] Includes refined zinc metal sold.

[4] Annual consolidated results may not calculate based on amounts presented in this table due to rounding.

		2024 [5]	Q4 2024	Q3 2024	Q2 2024	Q1 2024	2023 [5]	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2022 [5]	Q4 2022
Peru Operations													
Constancia ore													
mined [1]	*tonnes*	**15,046,190**	**4,186,058**	3,022,931	5,277,654	2,559,547	9,265,954	973,176	1,242,198	3,647,399	3,403,181	25,840,435	5,614,918
Copper	*%*	**0.34**	**0.40**	0.36	0.29	0.31	0.32	0.30	0.30	0.31	0.34	0.35	0.40
Gold	*g/tonne*	**0.04**	**0.04**	0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Silver	*g/tonne*	**3.08**	**3.88**	3.20	2.50	2.79	2.53	2.26	2.91	2.49	2.52	3.40	3.48
Molybdenum	*%*	**0.01**	**0.02**	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Pampacancha ore													
mined [1]	*tonnes*	**9,317,499**	**4,037,264**	1,777,092	1,288,789	2,214,354	14,756,416	5,556,613	5,894,013	2,408,495	897,295	8,319,250	3,771,629
Copper	*%*	**0.55**	**0.63**	0.48	0.41	0.56	0.51	0.56	0.53	0.36	0.49	0.33	0.37
Gold	*g/tonne*	**0.32**	**0.38**	0.27	0.20	0.32	0.33	0.32	0.30	0.34	0.52	0.29	0.29
Silver	*g/tonne*	**5.61**	**6.43**	6.23	3.83	4.64	4.28	4.84	4.22	2.81	5.12	4.06	3.84
Molybdenum	*%*	**0.01**	**0.00**	0.01	0.02	0.02	0.01	0.01	0.02	0.02	0.01	0.01	0.01
Strip Ratio		**1.78**	**1.22**	2.62	1.74	1.95	1.51	1.26	1.36	1.74	1.84	1.13	0.97
Ore milled	*tonnes*	**31,933,624**	**7,999,453**	8,137,248	7,718,962	8,077,962	30,720,929	7,939,044	7,895,109	7,223,048	7,663,728	30,522,294	7,795,735
Copper	*%*	**0.36**	**0.48**	0.32	0.30	0.36	0.39	0.48	0.43	0.31	0.33	0.34	0.41
Gold	*g/tonne*	**0.14**	**0.20**	0.11	0.07	0.15	0.16	0.25	0.21	0.09	0.08	0.09	0.12
Silver	*g/tonne*	**3.84**	**5.28**	3.70	2.85	3.48	3.62	4.20	3.75	2.78	3.69	3.58	3.93
Molybdenum	*%*	**0.01**	**0.01**	0.01	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01
Copper recovery	*%*	**85.0**	**87.8**	82.6	83.1	84.9	84.2	87.4	85.2	80.0	81.7	85.0	85.1
Gold recovery	*%*	**70.7**	**73.3**	68.1	61.4	73.4	71.8	77.6	74.8	61.1	56.8	63.6	69.6
Silver recovery	*%*	**68.8**	**71.4**	67.0	63.9	70.7	70.0	78.0	73.2	65.1	60.7	65.7	66.5
Molybdenum recovery	*%*	**41.7**	**37.1**	39.0	46.3	43.2	35.8	33.6	37.2	40.5	34.8	34.8	37.7
Contained metal in concentrate													
Copper	*tonnes*	**99,001**	**33,988**	21,220	19,217	24,576	100,487	33,207	29,081	17,682	20,517	89,395	27,047
Gold	*ounces*	**98,226**	**38,079**	20,331	10,672	29,144	114,218	49,418	40,596	12,998	11,206	58,229	20,860
Silver	*ounces*	**2,708,262**	**969,502**	648,209	450,833	639,718	2,505,229	836,208	697,211	419,642	552,167	2,309,352	655,257
Molybdenum	*tonnes*	**1,323**	**195**	362	369	397	1,566	397	466	414	289	1,377	344
Payable metal sold													
Copper	*tonnes*	**88,138**	**28,775**	18,803	16,806	23,754	96,213	31,200	27,490	21,207	16,316	79,805	23,789
Gold	*ounces*	**103,364**	**37,459**	9,795	13,433	42,677	97,176	38,114	32,757	14,524	11,781	49,968	15,116
Silver	*ounces*	**2,343,820**	**824,613**	365,198	400,302	753,707	2,227,419	703,679	460,001	671,532	392,207	2,045,678	411,129
Molybdenum	*tonnes*	**1,287**	**182**	343	347	415	1,462	468	426	314	254	1,352	421
Unit cost [2,3,4]	*$/tonne*	**$ 12.91**	**$ 15.25**	$ 12.78	$ 12.68	$ 10.92	$ 12.47	$ 12.24	$ 12.20	$ 14.07	$ 11.47	$ 12.78	$ 13.64
Peru cash cost [3]	*$/lb*	**$ 1.18**	**$ 1.00**	$ 1.80	$ 1.78	$ 0.43	$ 1.07	$ 0.54	$ 0.83	$ 2.14	$ 1.36	$ 1.58	$ 1.34
Peru sustaining cash cost [3]	*$/lb*	**$ 1.86**	**$ 1.48**	$ 2.78	$ 2.61	$ 1.06	$ 1.81	$ 1.21	$ 1.51	$ 3.06	$ 2.12	$ 2.35	$ 2.09

[1] Reported tonnes and grade for ore mined are estimates based on mine plan assumptions and may not fully reconcile to ore milled.

[2] Reflects combined mine, mill and general and administrative ("G&A") costs per tonne of ore milled. Reflects the deduction of expected capitalized stripping costs.

[3] Combined unit costs, cash cost, and sustaining cash cost per pound of copper produced, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A. The above table sets forth selected non-GAAP financial performance measures for each of our nine most recently completed quarters and three most recently completed years; detailed reconciliations for non-comparable prior periods can be found in our MD&A for these prior periods in the "Non-GAAP Financial Performance Measures" section of these documents.

[4] 2022 combined unit costs exclude COVID-19 related costs.

[5] Annual consolidated results may not calculate based on amounts presented in this table due to rounding.

		2024 [1]	Q4 2024	Q3 2024	Q2 2024	Q1 2024	2023 [1]	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2022 [1]	Q4 2022
Manitoba Operations													
Lalor ore mined	*tonnes*	**1,626,935**	**422,454**	411,295	385,478	407,708	1,526,729	372,384	367,491	413,255	373,599	1,516,203	369,453
Gold	*g/tonne*	**4.68**	**4.61**	5.45	3.75	4.84	4.74	5.92	5.08	4.07	3.96	4.00	4.00
Copper	*%*	**0.85**	**0.95**	0.91	0.69	0.84	0.86	1.04	1.02	0.81	0.57	0.73	0.73
Zinc	*%*	**2.84**	**2.95**	2.73	2.76	2.92	3.00	2.20	3.31	3.14	3.32	3.14	2.17
Silver	*g/tonne*	**27.14**	**31.91**	30.45	22.29	23.44	24.51	28.92	27.80	23.27	18.24	21.96	19.37
777 ore mined	*tonnes*	**-**	**-**	-	-	-	-	-	-	-	-	484,355	-
Gold	*g/tonne*	**-**	**-**	-	-	-	-	-	-	-	-	1.66	-
Copper	*%*	**-**	**-**	-	-	-	-	-	-	-	-	1.12	-
Zinc	*%*	**-**	**-**	-	-	-	-	-	-	-	-	3.83	-
Silver	*g/tonne*	**-**	**-**	-	-	-	-	-	-	-	-	20.85	-
Stall Concentrator:													
Ore milled	*tonnes*	**893,510**	**222,004**	222,621	229,527	219,358	965,567	228,799	255,516	238,633	242,619	968,638	204,350
Gold	*g/tonne*	**3.42**	**3.36**	4.23	3.02	3.07	3.45	4.22	3.70	3.12	2.78	2.86	2.50
Copper	*%*	**0.71**	**0.73**	0.89	0.59	0.64	0.74	0.73	0.77	0.85	0.59	0.71	0.61
Zinc	*%*	**4.33**	**4.62**	4.12	4.05	4.54	4.36	3.20	4.88	4.47	4.81	4.70	3.43
Silver	*g/tonne*	**26.54**	**29.90**	30.20	21.74	24.46	24.19	28.63	28.82	22.15	17.14	22.81	19.24
Gold recovery	*%*	**68.6**	**69.6**	70.5	65.5	68.0	64.8	67.5	67.8	59.9	61.9	58.0	62.4
Copper recovery	*%*	**87.4**	**84.4**	88.3	85.4	91.7	90.4	92.0	93.9	88.5	87.0	87.2	89.0
Zinc recovery	*%*	**86.2**	**81.7**	88.1	87.1	88.4	82.2	78.5	82.6	82.2	84.4	86.6	90.1
Silver recovery	*%*	**56.8**	**55.1**	57.8	54.2	59.8	61.4	61.8	64.9	60.3	56.3	56.8	56.6
New Britannia Concentrator:													
Ore milled	*tonnes*	**715,198**	**185,592**	191,298	167,899	170,409	596,912	165,038	146,927	141,905	143,042	542,269	141,142
Gold	*g/tonne*	**6.29**	**5.99**	6.77	5.31	7.03	6.76	8.03	6.93	5.82	6.05	6.28	6.11
Copper	*%*	**1.04**	**1.17**	0.93	0.94	1.13	1.03	1.46	1.22	0.77	0.61	0.81	0.91
Zinc	*%*	**0.99**	**1.08**	1.12	0.92	0.82	0.84	0.85	0.90	0.85	0.76	0.80	0.67
Silver	*g/tonne*	**27.78**	**33.97**	30.24	24.42	21.60	25.11	27.97	23.88	25.79	22.39	20.97	22.09
Gold recovery - concentrate and doré	*%*	**89.7**	**90.2**	90.0	90.0	88.6	88.6	89.0	88.8	88.6	87.9	-	-
Copper recovery	*%*	**93.6**	**91.3**	92.8	94.4	96.2	93.3	91.6	97.4	91.2	91.7	90.7	89.3
Silver recovery - concentrate and doré	*%*	**80.9**	**79.6**	79.9	83.1	82.0	81.5	83.2	82.0	79.6	80.9	-	-
Flin Flon Concentrator:													
Ore milled	*tonnes*	**-**	**-**	-	-	-	-	-	-	-	-	497,344	-
Gold	*g/tonne*	**-**	**-**	-	-	-	-	-	-	-	-	1.67	-
Copper	*%*	**-**	**-**	-	-	-	-	-	-	-	-	1.11	-
Zinc	*%*	**-**	**-**	-	-	-	-	-	-	-	-	3.87	-
Silver	*g/tonne*	**-**	**-**	-	-	-	-	-	-	-	-	21.00	-
Gold recovery	*%*	**-**	**-**	-	-	-	-	-	-	-	-	57.1	-
Copper recovery	*%*	**-**	**-**	-	-	-	-	-	-	-	-	86.7	-
Zinc recovery	*%*	**-**	**-**	-	-	-	-	-	-	-	-	83.0	-
Silver recovery	*%*	**-**	**-**	-	-	-	-	-	-	-	-	51.8	-

[1] Annual consolidated results may not calculate based on amounts presented in this table due to rounding.

		2024 [4]	Q4 2024	Q3 2024	Q2 2024	Q1 2024	2023 [4]	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2022 [4]	Q4 2022
Manitoba Operations (continued)													
Total Manitoba contained metal in concentrate and doré produced [5]													
Gold	*ounces*	**214,225**	**51,438**	62,468	43,488	56,831	187,363	59,863	56,213	35,253	36,034	161,471	33,060
Copper	*tonnes*	**12,536**	**3,347**	3,398	2,642	3,149	12,154	3,735	3,580	2,794	2,045	14,778	2,258
Zinc	*tonnes*	**33,339**	**8,385**	8,069	8,087	8,798	34,642	5,747	10,291	8,758	9,846	55,381	6,326
Silver	*ounces*	**995,090**	**283,223**	281,397	210,647	219,823	851,723	255,579	264,752	180,750	150,642	851,942	139,758
Total Manitoba payable metal sold in concentrate and doré													
Gold	*ounces*	**212,243**	**50,239**	57,238	42,763	62,003	171,297	63,635	36,713	33,009	37,939	163,447	32,140
Copper	*tonnes*	**11,602**	**3,321**	2,931	2,429	2,921	10,708	3,687	2,925	1,871	2,225	14,668	1,626
Zinc[1]	*tonnes*	**25,120**	**5,261**	8,607	5,133	6,119	28,779	7,385	7,125	8,641	5,628	59,043	8,230
Silver	*ounces*	**956,460**	**282,158**	244,974	197,486	231,841	728,304	246,757	197,952	133,916	149,677	932,807	148,177
Combined unit cost [2,3]	*C$/tonne*	**$ 226**	**$ 233**	$ 211	$ 225	$ 235	$ 217	$ 216	$ 217	$ 220	$ 216	$ 195	$ 241
Gold cash cost [3]	*$/oz*	**$ 606**	**$ 607**	$ 372	$ 771	$ 736	$ 727	$ 434	$ 670	$ 1,097	$ 938	$ 297	$ 922
Sustaining gold cash cost [3]	*$/oz*	**$ 868**	**$ 908**	$ 553	$ 1,163	$ 950	$ 1,077	$ 788	$ 939	$ 1,521	$ 1,336	$ 1,091	$ 1,795

[1] Includes refined zinc metal sold.

[2] Reflects combined mine, mill and G&A costs per tonne of milled ore.

[3] Combined unit costs, cash cost, and sustaining cash cost per pound of copper produced, cash cost, and sustaining cash cost per ounce of gold produced, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A. The above table sets forth selected non-GAAP financial performance measures for each of our nine most recently completed quarters and three most recently completed years; detailed reconciliations for non-comparable prior periods can be found in our MD&A for these prior periods in the "Non-GAAP Financial Performance Measures" section of these documents.

[4] Annual consolidated results may not calculate based on amounts presented in this table due to rounding.

[5] Metal reported in concentrate is prior to deductions associated with smelter terms

		2024 [6]	Q4 2024	Q3 2024	Q2 2024	Q1 2024	2023 [6]	Q4 2023	Q3 2023	Q2 2023 [5]	Q1 2023	2022	Q4 2022
British Columbia Operations [4]													
Ore mined [1]	*tonnes*	**11,360,125**	**2,374,044**	3,098,863	2,164,722	3,722,496	6,975,389	2,627,398	3,792,568	555,423	-	-	-
Strip Ratio		**5.98**	**7.36**	6.05	7.61	4.10	3.82	5.34	2.96	-	-	-	-
Ore milled	*tonnes*	**12,656,679**	**2,880,927**	3,363,176	3,232,427	3,180,149	6,862,152	3,261,891	3,158,006	442,255	-	-	-
Copper	*%*	**0.25**	**0.26**	0.24	0.25	0.27	0.35	0.33	0.36	0.36	-	-	-
Gold	*g/tonne*	**0.08**	**0.09**	0.09	0.07	0.07	0.07	0.06	0.08	0.08	-	-	-
Silver	*g/tonne*	**0.96**	**0.92**	0.73	1.01	1.19	1.36	1.36	1.40	1.07	-	-	-
Copper recovery	*%*	**82.4**	**79.5**	84.1	82.3	83.4	79.7	78.8	80.90	77.69	-	-	-
Gold recovery	*%*	**60.5**	**55.8**	67.3	57.2	61.8	55.9	54.1	56.10	67.90	-	-	-
Silver recovery	*%*	**71.8**	**69.0**	71.2	73.9	72.4	73.0	73.8	71.30	78.60	-	-	-
Contained metal in concentrate produced													
Copper	*tonnes*	**26,406**	**5,927**	6,736	6,719	7,024	19,050	8,508	9,303	1,239	-	-	-
Gold	*ounces*	**19,789**	**4,644**	6,274	4,454	4,417	8,848	3,495	4,608	745	-	-	-
Silver	*ounces*	**280,499**	**58,933**	55,963	77,227	88,376	218,282	105,295	101,069	11,918	-	-	-
Payable metal													
Copper	*tonnes*	**25,354**	**5,831**	6,026	6,564	6,933	18,075	9,119	8,956	-	-	-	-
Gold	*ounces*	**19,735**	**5,036**	6,199	5,099	3,401	8,420	3,091	5,329	-	-	-	-
Silver	*ounces*	**249,536**	**43,747**	53,241	69,248	83,300	189,443	98,441	91,002	-	-	-	-
Combined unit cost [2,3]	*C$/tonne*	**$ 20.39**	**$ 23.22**	$ 15.58	$ 19.65	$ 23.67	$ 21.38	$ 20.90	$ 24.88	-	-	-	-
Cash cost [3]	*$/lb*	**$ 2.74**	**$ 3.00**	$ 1.81	$ 2.67	$ 3.49	$ 2.49	$ 2.67	$ 2.67	-	-	-	-
Sustaining cash cost [3]	*$/lb*	**$ 5.29**	**$ 5.76**	$ 5.06	$ 5.56	$ 4.85	$ 3.41	$ 3.93	$ 3.39	-	-	-	-

[1] Reported tonnes and grade for ore mined are estimates based on mine plan assumptions and may not fully reconcile to ore milled.

[2] Reflects combined mine, mill and general and administrative ("G&A") costs per tonne of ore milled. Reflects the deduction of expected capitalized stripping costs.

[3] Combined unit costs, cash cost, and sustaining cash cost per pound of copper produced, net of by-product credits, are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the discussion under the "Non-GAAP Financial Performance Measures" section of this MD&A. The above table sets forth selected non-GAAP financial performance measures for each of our nine most recently completed quarters and three most recently completed years; detailed reconciliations for non-comparable prior periods can be found in our MD&A for these prior periods in the "Non-GAAP Financial Performance Measures" section of these documents.

[4] Includes 100% of Copper Mountain mine production. Hudbay owns 75% of Copper Mountain mine.

[5] Production results from Copper Mountain operations represents the period from the June 20, 2023 acquisition date through to the end of the second quarter of 2023.

[6] Annual consolidated results may not calculate based on amounts presented in this table due to rounding.

Exhibit 99.4

Disclosure Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act

Hudbay Minerals Inc. ("Hudbay") is committed to the health and safety of its employees and to providing an incident free workplace.

Certain of Hudbay's U.S. mining operations are subject to Federal Mine Safety and Health Administration (the "MSHA") regulation under the U.S. Federal Mine Safety and Health Act of 1977 (the "FMSH Act"). MSHA inspects Hudbay's mines on a regular basis and issues citations and orders when it believes a violation has occurred under the FMSH Act. When MSHA issues a citation or order, it also generally proposes a civil penalty, or fine, related to the alleged violation.

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine are required to disclose in their periodic reports filed with the Commission information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. The disclosures reflect Hudbay's U.S. mining operations only as the requirements of the Dodd-Frank Act do not apply to Hudbay's mines operated outside the U.S.

During the fiscal year ended December 31, 2024, the Registrant's Copper World project was issued two citations by MSHA. The first citation was issued for failing to properly label certain containers of hazardous chemicals. The second citation was issued for failing to provide safe means of access to one working area. Both citations were addressed and closed on the same day they were issued. There were no mining-related fatalities at either the Registrant's Copper World project or the Registrant's Mason project during the fiscal year ended December 31, 2024. Additionally, the Registrant's Mason project was not subject to MSHA jurisdiction during the fiscal year ended December 31, 2024.

In addition, as required by the reporting requirements regarding mine safety included in section 1503(a)(2) of the Dodd-Frank Act, for the year ended December 31, 2024, none of the mines operated by Hudbay received written notice from the MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the FMSH Act or (b) the potential to have such a pattern.

Exhibit 99.5

Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peter Kukielski, certify that:

1) I have reviewed this annual report on Form 40-F of Hudbay Minerals Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4) The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5) The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 26, 2025

/s/ Peter Kukielski
Peter Kukielski
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 99.6

Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Eugene Lei, certify that:

1) I have reviewed this annual report on Form 40-F of Hudbay Minerals Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4) The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5) The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 26, 2025

/s/ Eugene Lei
Eugene Lei
Chief Financial Officer
(Principal Financial Officer)

Exhibit 99.7

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Hudbay Minerals Inc. (the "Registrant") on Form 40-F for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Kukielski, President and Chief Executive Officer of the Registrant, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

March 26, 2025

/s/ Peter Kukielski
Peter Kukielski
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 99.8

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Hudbay Minerals Inc. (the "Registrant") on Form 40-F for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eugene Lei, Chief Financial Officer of the Registrant, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

March 26, 2025

/s/ Eugene Lei
Eugene Lei
Chief Financial Officer
(Principal Financial Officer)

Exhibit 99.9

CONSENT OF EXPERT

In connection with the Annual Report on Form 40-F of Hudbay Minerals Inc. ("Hudbay") for the year ended December 31, 2024, and any amendments thereto (the "Form 40-F"), I, Olivier Tavchandjian, P.Geo., hereby consent to the use of my name in connection with the references to and summaries of scientific and technical information relating to Hudbay's mineral properties (collectively, the "Incorporated Information") and to the inclusion of the Incorporated Information in the Annual Information Form and Management's Discussion and Analysis of Results of Operations and Financial Condition for the year ended December 31, 2024, each filed as an exhibit to the Form 40-F and incorporated by reference therein.

I do also hereby consent to the use of my name and the incorporation by reference of the Incorporated Information in Registration Statement Nos. 333-170295, 333-197080 and 333-212750 on Form S-8 (including, in each case, any amendments thereto) and Registration Statement No. 333-278311 on F-10 (including any amendments thereto).

Yours very truly,

/s/ Olivier Tavchandjian
Olivier Tavchandjian, P.Geo.

Dated: March 26, 2025

Exhibit 99.10

CONSENT OF EXPERT

In connection with the Annual Report on Form 40-F of Hudbay Minerals Inc. ("Hudbay") for the year ended December 31, 2024, and any amendments thereto (the "Form 40-F"), I, Marc-Andre Brulotte, P.Geo., hereby consent to the use of my name in connection with the references to and summaries of scientific and technical information relating to Hudbay's Copper Mountain mine in Princeton, British Columbia (collectively, the "Incorporated Information") and to the inclusion of the Incorporated Information in the Annual Information Form for the year ended December 31, 2024, which is filed as an exhibit to the Form 40-F and incorporated by reference therein.

I do also hereby consent to the use of my name and the incorporation by reference of the Incorporated Information in Registration Statement Nos. 333-170295, 333-197080 and 333-212750 on Form S-8 (including, in each case, any amendments thereto) and Registration Statement No. 333-278311 on F-10 (including any amendments thereto).

Yours very truly,

/s/ Marc-Andre Brulotte
Marc-Andre Brulotte, P.Geo.

Dated: March 26, 2025

Exhibit 99.11

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-170295, 333-197080 and 333-212750 on Form S-8 and Registration Statement No. 333-278311 on Form F-10 and to the use of our reports dated February 18, 2025 relating to the financial statements of Hudbay Minerals Inc. (the "Company") and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 40-F for the year ended December 31, 2024.

/s/ Deloitte LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 26, 2025