

► See separate instructions.

Part I	Reporting Issuer
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1 Issuer's name

2 Issuer's employer identification number (EIN)

Hudbay Minerals Inc.

N/A

3 Name of contact for additional information

4 Telephone No. of contact

5 Email address of contact

Elizabeth Mendonca

416-362-8181

info@hudbayminerals.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact

7 City, town, or post office, state, and ZIP code of contact

Suite 800 - 25 York Street

Toronto, Ontario M5J 2V5

8 Date of action

9 Classification and description

June 20, 2023

Common Shares

10 CUSIP number

11 Serial number(s)

12 Ticker symbol

13	Account number(s)
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443628102

N/A

(TSX: HBM) (NYSE: HBM)

N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► [See attachment](#)

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► [See attachment](#)

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► [See attachment](#)

Part II Organizational Action *(continued)*17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attachment](#)18 Can any resulting loss be recognized? ▶ [See attachment](#)19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attachment](#)**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

July 24, 2023

Print your name ▶ Eugene Lei

Title ▶ Chief Financial Officer

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Disclaimer

This Form 8937 including all attachments or related documents do not constitute tax advice. None of the documents analyze any specific shareholder's facts and circumstances. Shareholders should seek independent counsel from qualified tax advisors regarding the U.S. tax consequences of the transaction described within this statement and its impact on their U.S. taxes

This Form 8937 and the analysis contained herein also does not address the U.S. federal, state, local or foreign tax consequences of the Arrangement applicable to holders of options, warrants, or other convertible securities of CMMC (defined below). Holders of such options, warrants, or other convertible securities should consult their own tax advisors regarding the tax consequences of the Arrangement to them in light of their own personal circumstances.

Form 8937, Part II, Box 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On June 20, 2023, pursuant to a court-approved plan of arrangement under the laws of the Province of British Columbia, Hudbay Minerals Inc. ("**Hudbay**") acquired all of the issued and outstanding common shares (including all CMMC CHESS Depositary Interests) (collectively, the "**CMMC Shares**") of Copper Mountain Mining Corporation ("**CMMC**") in consideration of 0.381 of a common share of Hudbay (each a "**Hudbay Share**") for each CMMC Share (the "**Share Exchange**"). In connection with the Arrangement (defined below), CMMC became a wholly-owned subsidiary of Hudbay. No CMMC shareholder exercised its dissent rights.

CMMC and Hudbay planned for certain steps to occur after the Share Exchange, including: (1) a contribution by Hudbay of the CMMC Shares to its wholly-owned subsidiary ("**Hudbay Sub 2**") (the "**Contribution**"), followed by (2) the conversion of CMMC to an unlimited liability company under the laws of the Province of British Columbia named Copper Mountain Mining ULC (the "**Conversion**"), followed by (3) the amalgamation of a wholly owned-subsiary of Hudbay ("**Hudbay Sub 1**") with Hudbay Sub 2 (the "**Amalgamation**", and together with the Share Exchange, Contribution, and Conversion, the "**Arrangement**").

No fractional Hudbay Shares were issued in connection with the Arrangement, and no cash was paid in lieu thereof. Any resulting fractional shares were rounded to the nearest whole number, with fractions of one-half or greater being rounded to the next higher whole number and fractions of less than one-half being rounded to the next lower whole number.

Additional information regarding the Arrangement can be found in the Joint Management Information Circular of Hudbay and CMMC dated May 15, 2023 (the "**Circular**"), a copy of which is available on Hudbay's EDGAR profile at <https://www.sec.gov>.

Form 8937, Part II, Box 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

Hudbay and CMMC intend to treat the exchange of CMMC Shares for Hudbay Shares pursuant to the Arrangement as part of a tax-deferred "reorganization" within the meaning of Section 368 of the Code. However, neither Hudbay nor CMMC has sought or obtained (or will seek or obtain) either a ruling from the IRS or an opinion of legal counsel regarding the tax consequences of the transactions included in the Arrangement. In addition, the qualification of such exchange as part of a reorganization depends on compliance with numerous technical requirements under Section 368 of the Code, including, among other

Hudbay Minerals Inc.
Attachment to Form 8937

requirements, whether Hudbay is treated as acquiring “substantially all” of the assets of CMMC and whether CMMC is treated as merging into a subsidiary of Hudbay for purposes of such requirements.

U.S. shareholders of CMMC are urged to consult their own tax advisors. Assuming that the Arrangement qualifies as a reorganization, the quantitative effect of the Arrangement on the basis of a U.S. taxpayer not in a special class of holders subject to special rules (as described further in the Circular; such taxpayer, a “U.S. Holder” as defined in the Circular), is as follows:

- No gain or loss will be recognized by the U.S. Holder.
- The aggregate tax basis of the Hudbay common shares that a U.S. Holder of CMMC Shares receives in exchange for its CMMC Shares will be the same as the aggregate tax basis of its CMMC Shares exchanged.

Further discussion of certain U.S. federal income tax consequences of the Arrangement can be found in the Circular under the heading, “Certain United States Federal Income Tax Consequences”.

Form 8937, Part II, Box 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

In the event the Arrangement is taxable for U.S. federal income tax purposes, for purposes of calculating fair market value, the fair market value of a Hudbay Share on June 20, 2023 is estimated at US \$5.19, which was the opening price for a Hudbay Share on the Toronto Stock Exchange on June 20, 2023 (as converted to U.S. dollars using the daily exchange rate published by the Bank of Canada on June 20, 2023).

Shareholders should consult their own tax advisors to determine whether they are required to recognize any gain and what measure of fair market value is appropriate.

Form 8937, Part II, Box 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

The tax treatment described herein is based on Sections 354 and 368 of the Code.

Form 8937, Part II, Box 18: Can any resulting loss be recognized?

Assuming that the Arrangement qualifies as a reorganization within the meaning of Code Section 368, a U.S. Holder generally will not recognize any loss as a result of the receipt of Hudbay Shares in the Arrangement.

Form 8937, Part II, Box 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Arrangement was effective on June 20, 2023. Consequently, the reportable taxable year of the holders of CMMC Shares for reporting the tax effect of the Arrangement will generally be the holder’s taxable year that includes June 20, 2023.