HUDBAY MINERALS INC.

Consolidated Balance Sheets
(in thousands of US dollars)

	Dec. 31, 2020	Dec. 31, 2019
Assets		
Current assets		
Cash	**$ 439,135**	$ 396,146
Trade and other receivables	**141,199**	105,994
Inventories	**143,105**	138,820
Prepaid expenses and other current assets	**16,717**	12,737
Other financial assets	**3,073**	2,049
Taxes receivable	**12,446**	7,289
	755,675	663,035
Receivables	**18,568**	19,264
Inventories	**22,006**	19,455
Other financial assets	**15,669**	11,287
Intangibles and other assets	**21,173**	10,411
Property, plant and equipment	**3,731,655**	3,662,559
Deferred tax assets	**101,899**	75,046
	$ 4,666,645	$ 4,461,057
Liabilities		
Current liabilities		
Trade and other payables	**$ 233,147**	$ 192,404
Taxes payable	**2,701**	2,146
Other liabilities	**51,971**	49,411
Other financial liabilities	**24,713**	28,076
Lease liabilities	**33,473**	32,781
Deferred revenue	**102,782**	86,933
	448,787	391,751
Other financial liabilities	**194,378**	39,784
Lease liabilities	**30,041**	49,166
Long-term debt	**1,135,675**	985,255
Deferred revenue	**443,902**	476,823
Provisions	**331,799**	280,850
Pension obligations	**23,316**	29,599
Other employee benefits	**129,508**	116,778
Deferred tax liabilities	**229,433**	242,928
	2,966,839	2,612,934
Equity		
Share capital	**1,777,340**	1,777,340
Reserves	**(24,200)**	(24,250)
Retained earnings	**(53,334)**	95,033
	1,699,806	1,848,123
	$ 4,666,645	$ 4,461,057

HUDBAY MINERALS INC.

Consolidated Income Statements
(in thousands of US dollars)

	Three months ended December 31,		Year ended December 31,	
	2020	2019	**2020**	2019
Revenue	**$ 322,290**	$ 324,485	**$ 1,092,418**	$ 1,237,439
Cost of sales				
Mine operating costs	**189,341**	204,907	**691,591**	741,342
Depreciation and amortization	**98,582**	93,945	**361,827**	344,555
	287,923	298,852	**1,053,418**	1,085,897
Gross profit	**34,367**	25,633	**39,000**	151,542
Selling and administrative expenses	**14,690**	5,670	**41,408**	36,170
Exploration and evaluation expenses	**6,481**	9,764	**17,196**	30,774
Other expenses	**6,017**	3,941	**17,583**	51,116
Impairment loss	**—**	—	**—**	322,249
Results from operating activities	**7,179**	6,258	**(37,187)**	(288,767)
Net interest expense on long term debt	**21,610**	19,590	**82,712**	68,375
Accretion on streaming arrangements	**13,854**	15,945	**56,670**	69,772
Changes in fair value of financial instruments	**(37,520)**	8,035	**(29,370)**	8,247
Other net finance costs	**8,324**	5,040	**31,890**	17,602
Net finance expense	**6,268**	48,610	**141,902**	163,996
Profit (loss) before tax	**911**	(42,352)	**(179,089)**	(452,763)
Tax recovery	**(6,495)**	(40,897)	**(34,505)**	(108,953)
Profit (loss) for the period	**$ 7,406**	$ (1,455)	**$ (144,584)**	$ (343,810)
Earnings (loss) per share				
Basic and diluted	**$ 0.03**	$ (0.01)	**$ (0.55)**	$ (1.32)
Weighted average number of common shares outstanding:				
Basic	**261,272,151**	261,272,151	**261,272,151**	261,272,151
Diluted	**261,785,392**	261,272,151	**261,272,151**	261,272,151

HUDBAY MINERALS INC.

Consolidated Statements of Cash Flows
(in thousands of US dollars)

	Three months ended December 31, 2020	Three months ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2019
Cash generated from operating activities:				
Profit (loss) for the period	**$ 7,406**	$ (1,455)	**$ (144,584)**	$ (343,810)
Tax recovery	**(6,495)**	(40,897)	**(34,505)**	(108,953)
Items not affecting cash:				
Depreciation and amortization	**99,051**	94,374	**363,603**	346,634
Share-based payment expenses	**9,487**	2,152	**15,008**	2,714
Net interest expense on long term debt	**21,610**	19,590	**82,712**	68,375
Accretion on streaming arrangements	**13,854**	15,945	**56,670**	69,772
Change in fair value of financial instruments	**(37,520)**	8,035	**(29,370)**	8,247
Other net finance costs	**8,324**	5,040	**31,890**	17,602
Inventory (reversal) write-down	**(2,188)**	(100)	**32**	504
Amortization of deferred revenue and variable consideration	**(20,111)**	(23,879)	**(73,931)**	(76,103)
Pension and other employee benefit payments, net of accruals	**(1,451)**	(386)	**3,043**	2,148
Write-down of UCM receivable		—	**—**	25,978
Decommissioning and restoration payments	**(4,971)**		**(18,737)**	(4,136)
Asset impairment	**—**	—	**—**	322,249
Other [1]	**4,215**	(769)	**2,673**	2,916
Taxes paid	**(5,140)**	(8,509)	**(12,641)**	(26,853)
Operating cash flow before change in non-cash working capital	**86,071**	69,141	**241,863**	307,284
Change in non-cash working capital	**35,019**	29,524	**(2,383)**	3,572
	121,090	98,665	**239,480**	310,856
Cash generated used in investing activities:				
Acquisition of property, plant and equipment	**(117,888)**	(88,743)	**(361,185)**	(259,202)
Acquisition of subsidiary, net of cash acquired	**—**	—	**—**	(44,688)
Change in restricted cash	**—**	336	**—**	3,401
Interest received	**390**	1,718	**2,167**	8,119
	(117,498)	(86,689)	**(359,018)**	(292,370)
Cash generated from/(used in) financing activities:				
Issuance of senior unsecured notes, net of transaction costs	**—**	—	**591,824**	—
Principal repayments	**—**	—	**(400,000)**	—
Premium paid on redemption of notes	**—**	—	**(7,252)**	
Interest paid on long-term debt	**—**	—	**(81,517)**	(74,750)
Financing costs	**(3,810)**	(5,273)	**(16,204)**	(26,149)
Lease payments	**(9,382)**	(9,113)	**(35,980)**	(32,952)
Gold prepayment proceeds	**—**	—	**115,005**	—
Dividends paid	**—**	—	**(3,783)**	(3,927)
	(13,192)	(14,386)	**162,093**	(137,778)
Effect of movement in exchange rates on cash	**(279)**	118	**434**	(59)
Net (decrease) increase in cash	**(9,879)**	(2,292)	**42,989**	(119,351)
Cash, beginning of the period	**449,014**	398,438	**396,146**	515,497
Cash, end of the period	**$ 439,135**	$ 396,146	**$ 439,135**	$ 396,146

[1] Includes disbursements for share based compensation, restructuring, realized foreign exchange gains and losses and Pampacancha delivery obligation payments.

HUDBAY MINERALS INC.

Consolidated Statements of Comprehensive Loss
(Unaudited and in thousands of US dollars)

	Three months ended December 31,		Year ended December 31,	
	2020	2019	**2020**	2019
Profit (loss) for the period	**$ 7,406**	$ (1,455)	**$ (144,584)**	$ (343,810)
Other comprehensive income:				
Item that will be reclassified subsequently to profit or loss:				
Recognized directly in equity:				
Net exchange gain on translation of foreign currency balances	**10,110**	3,653	**4,170**	9,220
	10,110	3,653	**4,170**	9,220
Items that will not be reclassified subsequently to profit or loss:				
Recognized directly in equity:				
Gold prepayment revaluation	**(1,608)**	—	**(1,885)**	—
Tax effect	**432**	—	**506**	—
Remeasurement - actuarial loss	**(1,342)**	(14,250)	**(2,598)**	(20,072)
Tax effect	**(31)**	2,694	**(1,265)**	1,878
	(2,549)	(11,556)	**(5,242)**	(18,194)
Other comprehensive gain (loss) net of tax, for the period	**7,561**	(7,903)	**(1,072)**	(8,974)
Total comprehensive gain (loss) for the period	**$ 14,967**	$ (9,358)	**$ (145,656)**	$ (352,784)