HUDBAY MINERALS INC.

Consolidated Balance Sheets
(in thousands of US dollars)

	Dec. 31, 2015	Dec. 31, 2014 Restated	Jan. 1, 2014 Restated
Assets			
Current assets			
Cash and cash equivalents	**$ 53,852**	$ 178,668	$ 593,669
Trade and other receivables	**228,678**	182,090	158,234
Inventories	**120,186**	75,605	49,079
Prepaid expenses and other current assets	**8,979**	13,193	27,188
Other financial assets	**16,512**	1,159	758
Taxes receivable	**6,971**	10,293	35,393
Assets held for sale	**-**	-	5,514
	435,178	461,008	869,835
Receivables	**26,223**	21,398	53,945
Inventories	**5,649**	6,773	7,417
Prepaid expenses	**-**	212	540
Other financial assets	**72,730**	62,838	66,925
Intangible assets - computer software	**8,859**	10,398	12,761
Property, plant and equipment	**3,890,276**	4,065,003	2,505,713
Goodwill	**-**	181,583	67,105
Deferred tax assets	**40,670**	41,668	29,887
	$ 4,479,585	$ 4,850,881	$ 3,614,128
Liabilities			
Current liabilities			
Trade and other payables	**$ 187,185**	$ 241,948	$ 205,808
Taxes payable	**4,393**	295	31
Other liabilities	**37,667**	40,728	38,679
Other financial liabilities	**10,195**	6,035	15,371
Long term debt	**69,875**	14,774	-
Deferred revenue	**68,250**	70,062	61,722
	377,565	373,842	321,611
Other financial liabilities	**27,635**	44,429	21,661
Long term debt	**1,205,005**	972,293	732,729
Deferred revenue	**529,010**	618,063	436,351
Provisions	**143,596**	158,348	137,328
Pension obligations	**34,260**	42,569	24,380
Other employee benefits	**80,695**	151,321	133,616
Deferred tax liabilities	**294,529**	380,958	276,075
	2,692,295	2,741,823	2,083,751
Equity			
Share capital	**1,576,600**	1,562,249	1,007,585
Reserves	**(45,003)**	(43,916)	1,795
Retained earnings	**255,693**	590,725	529,189
Equity attributable to owners of the Company	**1,787,290**	2,109,058	1,538,569
Non-controlling interests	**-**	-	(8,192)
	1,787,290	2,109,058	1,530,377
	$ 4,479,585	$ 4,850,881	$ 3,614,128

HUDBAY MINERALS INC.

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

	Three months ended December 31, 2015	Three months ended December 31, 2014 Restated	Year Ended December 31, 2015	Year Ended December 31, 2014 Restated
Cash generated from (used in) operating activities:				
(Loss) profit for the period	**$ (255,468)**	$ 43,594	**$ (331,428)**	$ 65,269
Tax recovery	**(70,142)**	(67,987)	**(67,613)**	(51,327)
Items not affecting cash:				
Depreciation and amortization	**92,442**	21,058	**217,617**	84,402
Share-based payment expense	**1,095**	2,501	**(319)**	7,264
Net finance income	**27,543**	2,178	**73,468**	5,888
Change in fair value of derivatives	**(13,090)**	4,434	**(10,858)**	(2,094)
Change in deferred revenue related to stream	**(13,169)**	(8,537)	**(51,860)**	(44,960)
Change in taxes receivable/payable, net	**(3,767)**	(8,086)	**(14,077)**	(31,511)
Mark-to-market gains on warrants	**(472)**	(3,537)	**(11,400)**	(23,520)
Pension past service costs	**-**	-	**17,064**	-
Gain on deemed disposition of Augusta shares	**-**	-	**-**	(45,571)
(Gain) loss on disposition of subsidiaries	**(37,026)**	-	**(37,026)**	5,865
Asset and goodwill impairment losses	**378,920**	-	**433,382**	-
Impairment and mark-to-market losses	**831**	225	**4,866**	1,404
Foreign exchange and other	**(642)**	4,116	**2,147**	15,071
Taxes (received) paid	**(750)**	8,051	**(1,823)**	30,591
Operating cash flows before stream deposit and change in non-cash working capital	**106,305**	(1,990)	**222,140**	16,771
Precious metals stream deposit	**-**	-	**-**	259,978
Change in non-cash working capital	**(35,537)**	16,107	**(36,475)**	(11,486)
	70,768	14,117	**185,665**	265,263
Cash generated from (used in) investing activities:				
Acquisition of property, plant and equipment	**(97,916)**	(199,584)	**(490,664)**	(890,915)
Acquisition of investments	**-**	-	**-**	(2,917)
Addition to subsidiary, net cash (paid) acquired	**-**	-	**(11,756)**	3,033
Net cash received on disposition of subsidiary	**2,027**	-	**2,027**	-
Addition to restricted cash	**-**	196	**(22,811)**	(20,793)
Net Peruvian sales tax refunded (paid) on capital expenditures	**6,445**	(644)	**42,041**	38,387
Net interest paid	**(99)**	(1,120)	**(4,381)**	(619)
	(89,543)	(201,152)	**(485,544)**	(873,824)
Cash generated from (used in) financing activities:				
Long-term debt borrowing, net of transaction costs	**1,980**	4,327	**319,569**	269,017
Principal repayments	**(19,047)**	(3,112)	**(30,827)**	(130,055)
Interest paid	**(12,375)**	(2,812)	**(108,647)**	(82,137)
Proceeds from exercise of stock options	**-**	-	**809**	1,178
Financing costs	**(1,019)**	(3,922)	**(2,540)**	(5,554)
Proceeds from issuance of equity	**-**	-	**13,199**	147,543
Dividends paid	**-**	-	**(3,604)**	(3,814)
	(30,461)	(5,519)	**187,959**	196,178
Effect of movement in exchange rates on cash and cash equivalents	**(10,880)**	(1,720)	**(12,896)**	(2,618)
Net decrease in cash and cash equivalents	**(60,116)**	(194,274)	**(124,816)**	(415,001)
Cash and cash equivalents, beginning of period	**113,968**	372,942	**178,668**	593,669
Cash and cash equivalents, end of period	**$ 53,852**	$ 178,668	**$ 53,852**	$ 178,668

HUDBAY MINERALS INC.

Consolidated Income Statements
(in thousands of US dollars, except share and per share amounts)

	Three months ended December 31, **2015**	Three months ended December 31, 2014 Restated	Year ended December 31, **2015**	Year ended December 31, 2014 Restated
Revenue	**$ 336,641**	$ 112,694	**$ 886,051**	$ 507,515
Cost of sales				
Mine operating costs	**185,548**	85,074	**550,695**	366,463
Depreciation and amortization	**92,290**	20,883	**216,992**	83,706
	277,838	105,957	**767,687**	450,169
Gross profit	**58,803**	6,737	**118,364**	57,346
Selling and administrative expenses	**7,572**	11,725	**30,937**	41,752
Exploration and evaluation	**2,543**	3,709	**9,426**	10,069
Other operating expenses	**2,724**	98	**10,075**	10,129
Asset and goodwill impairment loss	**378,920**	-	**433,382**	-
(Gain) loss on disposal of subsidiary	**(37,026)**	-	**(37,026)**	5,865
Augusta related costs	**-**	4,435	**-**	19,215
Results from operating activities	**(295,930)**	(13,230)	**(328,430)**	(29,684)
Finance income	**(1,027)**	(226)	**(3,995)**	(3,536)
Finance expenses	**28,570**	2,404	**77,463**	9,424
Other finance loss (gain)	**2,137**	8,985	**(2,857)**	(49,514)
Net finance income (loss)	**29,680**	11,163	**70,611**	(43,626)
(Loss) profit before tax	**(325,610)**	(24,393)	**(399,041)**	13,942
Tax recovery	**(70,142)**	(67,987)	**(67,613)**	(51,327)
(Loss) profit for the period	**(255,468)**	43,594	**(331,428)**	65,269
Attributable to:				
Owners of the Company	**(255,468)**	43,594	**(331,428)**	65,350
Non-controlling interests	**-**	-	**-**	(81)
(Loss) profit for the period	**$ (255,468)**	$ 43,594	**$ (331,428)**	$ 65,269
(Loss) earnings per share				
Basic and diluted	**$ (1.09)**	$ 0.19	**$ (1.41)**	$ 0.31
Weighted average number of common shares outstanding:				
Basic	**235,231,688**	233,631,382	**234,675,080**	209,023,666
Diluted	**235,231,688**	234,820,271	**234,675,080**	209,683,580

HUDBAY MINERALS INC.

Consolidated Statements of Comprehensive (Loss) Income
(in thousands of US dollars)

	Three months ended December 31, **2015**	Three months ended December 31, 2014 Restated	Year ended December 31, **2015**	Year ended December 31, 2014 Restated
(Loss) profit for the period	**$ (255,468)**	$ 43,594	**$ (331,428)**	$ 65,269
Other comprehensive (loss) income:				
Items that may be reclassified subsequently to profit or loss:				
Recognized directly in equity:				
Net exchange loss on translation of foreign operations	**(26,653)**	(5,301)	**(60,648)**	(4,854)
Change in fair value of available-for-sale financial investments	**(42)**	(2,245)	**(5,287)**	44,177
Effect of foreign exchange on available-for-sale financial investments	**(278)**	-	**(1,172)**	-
	(26,973)	(7,546)	**(67,107)**	39,323
Items that will not be reclassified subsequently to profit or loss:				
Recognized directly in equity:				
Remeasurement - actuarial gain (loss)	**44,505**	(5,151)	**59,266**	(48,529)
Tax effect	**1,257**	(26)	**(1,053)**	6,881
	45,762	(5,177)	**58,213**	(41,648)
Transferred to income statement:				
Impairment of available-for-sale financial assets	**873**	255	**4,863**	(44,144)
Sale of investment	**-**	-	**-**	(30)
Tax effect	**2**	-	**7**	-
	875	255	**4,870**	(44,174)
Other comprehensive income (loss), net of tax, for the period	**19,664**	(12,468)	**(4,024)**	(46,499)
Total comprehensive (loss) income for the period	**$ (235,804)**	$ 31,126	**$ (335,452)**	$ 18,770
Attributable to:				
Owners of the Company	**(235,804)**	31,126	**(335,452)**	18,851
Non-controlling interests	**-**	-	**-**	(81)
Total comprehensive (loss) income for the period	**$ (235,804)**	$ 31,126	**$ (335,452)**	$ 18,770