

Extractive Sector Transparency Measures Act Report

Reporting Year

From: 1/1/2016

To: 12/31/2016

Reporting Entity Name

Hudbay Minerals Inc.

Reporting Entity ESTMA Identification Number

E999414

Subsidiary Reporting Entities (if necessary)

Hudson Bay Mining and Smelting Co., Limited - ESTMA ID # E506741

Attestation: Please check one of the boxes below and provide the required information

Attestation (by Reporting Entity)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Attestation (through independent audit)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.

The auditor expressed an unmodified opinion, dated [ENTER DATE: YYYY-MM-DD], on the ESTMA report for the entity(ies) and period listed above. The independent auditor's report can be found at [INSERT WEBLINK TO AUDIT OPINION POSTED ONLINE – link should be on same page as report link]

Director or Officer of Reporting Entity Full Name:

David Bryson

Position Title:

Senior Vice President and Chief Financial Officer

Date: 5/24/2017

Extractive Sector Transparency Measures Act - Annual Report

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Payments by Payee ⁴										
Country	Payee Name	Taxes ¹	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments ²	Total Amount paid to Payee	Notes
Canada	Provincial Government of Manitoba			\$350,000					\$350,000	
Canada	Provincial Government of Saskatchewan			\$10,000					\$10,000	
Canada	City of Flin Flon	\$4,710,000							\$4,710,000	
Canada	City of Snow Lake	\$820,000							\$820,000	
Canada	Town of Creighton	\$80,000							\$80,000	
Peru	National Government of Peru ³	\$28,030,000	\$12,920,000	\$1,090,000					\$42,040,000	
Peru	Cusco Regional Government ³							\$200,000	\$200,000	
Peru	Province of Chumbivilcas ³							\$210,000	\$210,000	
Peru	Municipal District of Chamaca ³							\$950,000	\$950,000	
Peru	Municipal District of Livitaca ³							\$350,000	\$350,000	
Peru	Municipal District of Velille ³							\$110,000	\$110,000	
Peru	Municipal District of Santo Tomas ³							\$70,000	\$70,000	
Peru	Municipal District of Corporaque ³							\$10,000	\$10,000	
Chile	National Government of Chile			\$320,000					\$320,000	
United States of America	National Government of United States of America	\$160,000							\$160,000	
		\$33,800,000	\$12,920,000	\$1,770,000	\$-	\$-	\$-	\$1,900,000	\$50,390,000	

¹ Taxes for the purposes of ESTMA do not align with the definition of "income taxes" under IFRS, as a result the numbers from the ESTMA reporting cannot be tied directly to our cash flow statement as disclosed in our audited consolidated financial statements.

² Infrastructure improvement payments captures any payment or payment in-kind that are reportable under ESTMA and improve the operation of society that are not captured by the other payment categories.

³ In-kind values have been reported using cost. If the cost is not determinable, the in-kind payment has been reported at the fair market value using an arm's length commercial value.

⁴ Amounts are reported in U.S. dollars. For Canada and Chile the local currencies have been converted at the December 31, 2016 noon foreign exchange rate sourced from the Bank of Canada, 1.3426 CAD to USD and 667.9812 Chilean Peso to USD, respectively. For Peru, the local currency has been converted at the December 31, 2016 foreign exchange rate from Peru's Superintendent of Banks, 3.3600 Peruvian Sol to USD.

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Reporting Entity Name *Hudbay Minerals Inc.*

Reporting Entity ESTMA Identification Number *E999414*

Subsidiary Reporting Entities (if necessary) *Hudson Bay Mining and Smelting Co., Limited - ESTMA ID # E506741*

Payments by Project ⁴

Country	Project Name	Taxes ¹	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments ²	Total Amount paid by Project	Notes
Canada	Manitoba ⁵	\$5,610,000		\$360,000					\$5,970,000	
Peru ³	Constancia	\$28,030,000	\$12,920,000	\$1,090,000				\$1,900,000	\$43,940,000	
Chile	Exploration			\$320,000					\$320,000	
United States of America	Rosemont	\$160,000							\$160,000	
		\$ 33,800,000	\$ 12,920,000	\$ 1,770,000	\$ -	\$ -	\$ -	\$ 1,900,000	\$ 50,390,000	

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⁵ Payments in Canada relate to our operations in Manitoba which relate to three distinct mines that are disclosed separately in our Management Discussion & Analysis; however, these operations are generally consolidated as part of our overall Manitoba business unit and as such cannot be further broken down.